

39th

Annual Report 2021 - 22

2022

**Indo Gulf
Industries Limited**

INDO GULF INDUSTRIES LIMITED

ANNUAL REPORT 2021-22

BOARD OF DIRECTORS	Mr. Rajesh Jain Mr. Sanjay Choudhary Mr. Guarav Saxena Mr. Ashok Sarkar (Independent Director) Ms. Shivani Naithani (Independent Director)	
STATUTORY AUDITORS	M/s. Hemant Arora & Co.LLP, Chartered Accountants 1117-1119, 11 th Floor, DLF Galleria Tower, DLF Phase-IV, Gurgaon-122002	
BANKERS	Indian Bank	
FACTORIES EXPLOSIVE DIVISION	Babina Plant Village Koti Sukhwa & Prithi Pura, Babina Distt. Jhansi (U.P.)	
SMS DIVISION	Singrauli Plant (SMS) Near Central Workshop Jayant, Village – Garda Singrauli, Distt. Sidhi,(M.P.)	Korba Plant(SMS) Vill. Goberaghora (Dipka) Korba Distt. Bilaspur (C.G.)
	Talcher Plant (SMS) Plot No. 2, IDCO Industrial Estate Village Ghanipura, Distt. Dhenkanal, Talchar,(Orissa)	I.B.Valley Vill. Sarandamal Tehsil – Lakhanpur, Distt. Sambalpur, (Orissa)
ACCESSORIES UNIT (Detonating Fuse etc.)	Village Koti, Sukhwa & Prithi Pura, Babina, Distt. Jhansi (U.P.)	
REGISTERED OFFICE	4237/11, IInd Floor, Narendra Bhawan 1, Ansari Road, Daryaganj New Delhi- 110002 Email: rjheadoffice@gmail.com	
WEBSITE	WWW.INDOGULFIND.COM	
CIN	L74900DL1981PLC011425	

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INDO GULF INDUSTRIES LIMITED

CIN: L74900DL1981PLC011425

Registered Office: 4237/11, IInd Floor, Narendra Bhawan 1, Ansari Road, Daryaganj New Delhi - 110002

Phone: 0135-6531441, Email: rjheadoffice@gmail.com

Website: www.indogulfind.com

NOTICE

is hereby given that the 39th Annual General Meeting of the Members of **INDO GULF INDUSTRIES LIMITED** will be held on Thursday, the 29th day of September, 2022 at 11.00 A.M. through Video Conferencing/ Other Audio Visual Means (“VC/OAVM”) Facility to transact following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2022, including the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss and the Cash Flow Statement for the financial year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Rajesh Jain, Director, who retires by rotation and being eligible offers himself for re-appointment in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

“RESOLVED THAT Mr. Rajesh Jain, who retire by rotation in terms of Section 152 of Companies Act, 2013 and being eligible be and is hereby re-appointed as Director of the Company whose office shall be liable to retirement by rotation”.

3. To Reappoint M/s Hemant Arora & Co. LLP, Chartered Accountants as the statutory auditor of the Company.

Explanation: M/s. Hemant Arora & Co. LLP, Chartered Accountants (Firm Registration No. 002141C/C400006) were appointed as Statutory Auditors of the Company at the (36th) Thirty Sixth Annual General Meeting held on 29th August, 2017, for a term of five consecutive years. Their present term is expiring at the ensuing Annual General Meeting of the Company.

In terms of provision of Section 139(2) of the Companies Act, 2013, M/s. Hemant Arora & Co. LLP, Chartered Accountants (Firm Registration No. 002141C/C400006) may be re-appointed for further period of 5 (five) years i.e. from the conclusion of 39th Annual General Meeting of the Company till 44th Annual General Meeting of the Company. The Company has received written consent from M/s. Hemant Arora & Co. LLP, Chartered Accountants, (Firm Registration No. 002141C/C400006) together with a certificate that their re-appointment, if made, will be in accordance with the conditions specified in Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

It is further informed that the Audit Committee of the Board and Board of Directors have recommended their reappointment. Therefore, shareholders are requested to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 read with The Companies[Audit and Auditors] Rules, 2014 and other applicable provisions [including any modification or re-enactment thereof] if any, of the Companies Act, 2013 and pursuant to the recommendations of Audit committee and Board of Directors, M/s Hemant Arora & Co. LLP, Chartered Accountants, Firm Registration No.: 002141C/C400006 be and is hereby re-appointed as the Statutory Auditors of the Company to hold the office for the term of five consecutive years beginning from the conclusion of the ensuing Annual General Meeting till the conclusion of the 44th Annual General Meeting of the Company on such terms and remuneration as may be mutually agreed upon between the said Auditors and Board of Directors of the Company”.

FURTHER RESOLVED THAT any director of the Company be and is hereby authorized to do all such acts, things and deeds as may be deemed necessary to give effect to the above stated resolutions.”

SPECIAL BUSINESS

4. Material Related Party Transaction(s) between the Company and M/s Ganesh Explosives Private Limited, Holding Company.

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, Section 2(76) and other applicable provisions of the Companies Act, 2013 (‘Act’) read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws / statutory provisions, if any, the Company’s Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to the Material Related Party Transaction(s) / Contract(s)/ Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, between the Company and Ganesh Explosives Private Limited (‘GEPL’), a holding of the Company and accordingly a ‘Related Party’ of the Company, on such terms and conditions as may be mutually agreed between the Company and GEPL, for an aggregate value not exceeding `Rs. 4 crore during the financial year 2022-23, provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is being carried out at an arm’s length pricing basis and in the ordinary course of business.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Chief Financial Officer, Company Secretary or any other Officer / Authorised Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect.”

Registered office:
4237/11, IInd Floor, Narendra Bhawan
1, Ansari Road, Daryaganj
Delhi - 110001

Date: 01.09.2022

By the order of Board
For Indo Gulf Industries Limited

Sd/-

Tanushree Purohit
Company Secretary

Notes and Instructions:

1. In view of the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”), vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, Circular No. 02/2021 dated January 13, 2021 and General Circular No. 02/2022 dated May 5, 2022 (collectively ”MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/ HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 on May 13, 2022 (collectively “SEBI Circulars”), have permitted companies to conduct AGM through VC or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA and SEBI Circulars, applicable provisions of the Companies Act, 2013 and rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”) the 40th AGM of the Company is being convened and conducted through VC. The registered office of the Company shall be deemed to be the venue for the AGM.
2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the members will not be available.
3. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 (“the Act”).
4. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company or upload on the VC portal / e-voting portal.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 29th September, 2022.
6. Members may also note that the Notice of 38th Annual General Meeting and the Annual Report for the Financial Year 2021-22 are also available on the Company’s website: www.indogulfindustries.com for download.
7. CS Sameer Kishor Bhatnagar, Practising Company Secretary (holding C. P. No. 13115), who consented to act as the Scrutiniser, was appointed by the Board of Directors as the Scrutiniser to conduct the voting process in a fair and transparent manner and submit a consolidated Scrutiniser’s Report of the total votes cast, to the Chairman or a Director duly authorised in this regard.
8. In compliance with provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the provisions of Regulation 44 of the Listing Regulations, the Company is pleased to provide its members facility to cast their votes on all resolutions set forth in the Notice of the AGM using electronic voting system from a place other than the venue of the AGM (‘remote e-voting’), provided by Central Depository Services (India) Limited) and the business may be transacted through such voting. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice.
9. The remote e-voting period commences on Sunday, 26th September, 2022 at 9:00 A.M. and ends on Tuesday, 28th September, 2022 at 5:00 P.M. During this period, members of the Company as on the cut-off date i.e. Thursday, 23rd September, 2022, may cast their vote electronically. The e-voting module will be disabled by CDSL for voting thereafter. **A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.** Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast vote again.

10. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
11. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of this Notice and holding shares as on the cut-off date, may obtain the User ID and password by sending request at www.evotingindia.com and cast their vote.
12. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
13. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.
14. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
15. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a Director duly authorized and who shall declare the result of the voting forthwith.
16. In compliance with the Circulars, the Annual Report 2021-22, the Notice of the 39th AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).

Registered office:
4237/11, IInd Floor, Narendra Bhawan
1, Ansari Road, Daryaganj
Delhi - 110001

Date: 01.09.2022

By the order of Board
For Indo Gulf Industries Limited

Sd/-

Tanushree Purohit
Company Secretary

EXPLANATORY STATEMENT

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act'), given hereunder sets out all material facts relating to the special business mentioned at Item Nos. 4 of the accompanying Notice dated September 1, 2022. As an additional information, the Explanatory Statement also contains material facts pertaining to ordinary business mentioned at Item No. 4 of the said Notice.

Details of the proposed RPTs between the Company and Ganesh Explosives Private Limited ('GEPL'), including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

S.No	Description	Details of proposed RPTs between the Company and GEPL
1.	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs	
a.	Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise).	Ganesh Explosives Private Limited ('GEPL') is the holding and promoter company of IGIL. GEPL is engaged in production of explosives and Safety fuses. It is a related party as on the date of this notice.
b.	Type, material terms, monetary value and particulars of the proposed RPTs	The Company and GEPL have entered into/propose to enter into the following RPTs during FY 2022-23, for an aggregate value not exceeding `5 crores (with funding transactions not exceeding `4 crore and operational transactions not exceeding `1 crore) <ul style="list-style-type: none"> • Unsecured loan • Leasing of Trucks • Sale/purchase of ammonium nitrate
c.	Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs	.02%
2.	Justification for the proposed RPTs	
		GEPL is the holding company and is engaged in the similar line of business. Further GEPL owns transportation trucks and hence the same is leased to IGIL for Transportation purposes. Also being in the same line of business the company sometimes may sale or purchase ammonium nitrate
3.	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its Holding.	
a.	Details of the source of funds in connection with the proposed transaction.	Own share capital / Internal accruals and liquidity of the Company.
b.	Where any financial indebtedness is incurred <ul style="list-style-type: none"> ➤ to make or give loans, inter-corporate deposits, ➤ advances or investments: ➤ Nature of indebtedness, ➤ Cost of funds and ➤ Tenure 	Not Applicable

c. Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Leasing of Trucks @Rs. 8,00,000/- per month Unsecured Loan of around Rs. 3,00,00,000/-
d. The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	To meet working capital requirements of GEPL
4. Arm's length pricing and a statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder.	The pricing mechanism followed for recurring transactions is based on the past practices adopting Arm's Length Principle substantiated with report of reputed external agencies obtained by the Company and the electronic copy of the same is available for inspection. Please refer to Note 5 given in the Notice on inspection of documents. In the case of other RPTs, the pricing mechanism would be as per Arm's Length criteria based on the market price or alternative pricing method of relevant materials and/or services. Valuation report or other external report, as may be applicable, shall be obtained by the parties concerned. In the case of reimbursements / recoveries, same would-be basis actual cost incurred.
5. Name of the Director or Key Managerial Personnel ('KMP') who is related, if any, and the nature of their relationship.	Rajesh Jain, director in IGIL is also director and shareholder of GEPL, hence a related party.
6. Any other information that may be relevant.	All relevant information are mentioned in the Explanatory Statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice.

Mr. Rajesh Jain, Director is concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 4 of the Notice.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 4 of the Notice for approval by the Members.

The Members may note that in terms of the provisions of the SEBI Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No. 4 of the Notice, whether the entity is a Related Party to the particular transaction or not.

Registered office:
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1, Ansari Road, Daryaganj
Delhi - 110001

Date: 01.09.2021

By the order of Board
For Indo Gulf Industries Limited

Sd/-

Tanushree Purohit
Company Secretary

BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present this Thirty Ninth Annual Report of the Company together with the Audited Financial Statements and Auditors' Report thereon for the Financial Year ended March 31, 2022.

Financial Highlights

	(Amount in Rs.)
Financial Results	2021-22
Net Sales	1,45,51,39,858
Other Income	42,750,173
Profit before finance costs, depreciation and tax	1,46,77,74,679
Finance costs	38,27,375
Depreciation and amortization expense	81,23,139
Tax expense	19,54,211
Profit/(Loss) before exceptional and extra-ordinary items	1,62,10,628
Exceptional item	-
Net Profit/(Loss)	1,62,10,628
Balance to be carried forward to next year's account	1,62,10,628

Performance, Future Outlook & Prospects

The Explosive Unit of the company located at Village Koti, Sukhwa & Prithi Pura, Babina, Distt. Jhansi The Company has achieved a total turnover of Rs. 1,45,51,39,858/- during the year under scrutiny.

Dividend

In view of marginal Profit by the Company, the Directors regret for their inability to recommend dividend for the year under review.

Deposits

The Company has not accepted any deposit from the public and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

Directors

Pursuant to Section 152 and other applicable provisions of Companies Act, 2013, Mr. Rajesh Jain is liable to retire by rotation. Further being eligible he has offered himself to be re-appointed. The Board has re-appointed him as the Director of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Resume and other information regarding the director seeking appointment/ reappointment as required by Listing Regulations and Secretarial Standard-2 has been given in the Notice convening the ensuing Annual General Meeting and Statement pursuant to Section 102 of the Act.

The Board of Directors recommends the above appointment(s)/ reappointment(s) at the ensuing Annual General Meeting.

Familiarization Programme for Independent Directors

The Company at regular intervals familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The Familiarisation programme for Independent Directors is disclosed on the Company's website at www.indogulfindustries.com

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors state that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures,;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the annual accounts on a *going concern* basis;
- v. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Corporate Governance

As per Regulation 15(2) of Listing Regulations, as the paid up equity share capital of the Company is Rs. 95,67,270 and net worth is not exceeding Rupees Twenty Five Crores as on the last day of the previous financial year, the compliance with the corporate governance provisions as specified in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 46(2)(b) – 46(2)(i) and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not mandatory. Therefore, the Company has not enclosed the Compliance Report on Corporate Governance and the Certificate on the compliance of the Corporate Governance.

Management Discussion and Analysis

Pursuant to Para B of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Management Discussion and Analysis Report is attached and forms part of this Report.

Share Capital

The Company has not issued and/or allotted any shares during the year under review.

Particulars of Employees

A statement in terms of the provisions of Section 197(12) of the Act read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), is annexed herewith as **Annexure – 'I'**.

Further, Two Directors were paid remuneration during the year 2021-22.

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

The manufacturing units of the Company at Babina, Jhansi commenced operation from November 2018. The total units of electricity consumed during the financial year 1st April, 2021 to 31st March, 2022 was 686570 KVAH amounting to Rs. 6,961,165/-. As the plant started in November 2018 therefore, no steps were taken for conservation of energy, capital investment in energy conservation equipment and technology absorption. Expenditure on research and development was nil. There were no foreign exchange earnings and outgo during the year.

Key Managerial Personnel

There were no changes in the Key managerial Personnel's during the financial year under review.

Number of meetings of the Board

The Board met 6 times on 06.07.2021, 13.08.2021, 01.09.2021, 30.10.2021, 12.02.2021, 14.03.2022 during the Financial Year 2021-2022. The gap between any two consecutive meetings was not exceeding 120 days.

Number of Board meetings attended by the directors are as under:

Name of the Directors	Category	No. of meetings attended
Mr. Rajesh Jain	Non-Independent, Non-Executive Director	6
Mr. Ashok Sarkar	Independent, Non-Executive Director	2
Ms. Shivani Naithani	Independent, Non-Executive Director	6
Mr. Sanjay Chaudhary	Non-Independent, Executive Director	6
Mr. Guarav Kumar	Non-Independent, Executive Director	1

Audit Committee

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and perform the following functions: overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible, reviewing and examining with management the quarterly and annual financial results and the auditors' report thereon before submission to the Board for approval, reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company, recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services. The Audit Committee constituted by the Company has the terms of reference as provided in the Companies Act, 2013 and Listing Regulations. The committee composition is:

- | | |
|-------------------------|-------------|
| 1) Mr. Rajesh Jain | Chairman |
| 2) Mr. Ashok Sarkar | Independent |
| 3) Ms. Shivani Naithani | Independent |

During the financial year ended 31st March 2022, there were no instances of the Board not accepting the recommendations of the Audit Committee. The Audit Committee met 4 times on 06.07.2021,

13.08.2021, 30.10.2021, 12.02.2022 during the financial year 2021-22. The Statutory Auditors of the Company are invited to the Audit Committee meetings for discussing the financial results and financial statements.

Number of Audit Committee meetings attended by the directors:

Name of the Directors	Position	No. of meetings attended
Mr. Rajesh Jain	Chairman	4
Ms. Shivani Naithani	Member	4
Mr. Ashok Sarkar	Member	4

The Company has in place a whistleblower policy to deal with unethical behavior, victimization, fraud and other grievances or concerns, if any.

Nomination & Remuneration Committee

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments. The Board of Directors of the Company have constituted "Nomination and Remuneration Committee" in terms of Section 178 of the Companies Act, 2013 and as per Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Nomination and Remuneration Committee comprising of the following Committee Members:

Mr. Rajesh Jain	Chairman/ Executive Director
Mr Ashok Sarkar	Non Executive, Independent
Ms. Shivani Naithani	Non Executive, Independent

The Nomination & Remuneration Committee met on 14.03.2022 during the Financial Year 2021-22.

Name of the Directors	Position	No. of meetings attended
Mr. Rajesh Jain	Chairman	1
Ms. Shivani Naithani	Member	1
Mr. Ashok Sarkar	Member	1

Share Transfer Committee

The Share Transfer Committee constituted by the Board looks into matters such as transfer of shares, transmission of shares, etc,

The Share Transfer Committee did not meet during 2020-21 as there were no share transfer during the year.

Policy on Directors' Appointment and Remuneration

The Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub section (3) of Section 178 of the Companies Act, 2013 is annexed in Nomination and Remuneration Policy.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual evaluation of its own performance, of the individual directors as well as the working of its Audit Committee,

Nomination & Remuneration Committee and Stakeholders' Relationship Committee. The Nomination & Remuneration Committee also reviewed the performance of all directors. Evaluation was done on the basis of questionnaire prepared, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees etc.

Independent Directors in its separate meeting also reviewed the performance of the Chairperson and the Board of directors as a whole and also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. There are no non-independent directors, so review of the performance of Non-Independent Directors in its separate meeting was not required.

Extract of Annual Return

The extract of annual return as per Form MGT- 9 is annexed herewith as **Annexure – 'II'**.

Significant and Material Order

There are no significant/material orders passed by any regulator/court/tribunal which could impact on the going concern status of the Company and its future operations.

Complaints received by the Sexual Harassment Committee

The Company has in place a policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress any complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. No complaint was received during the year and no complaint was pending to be resolved as on 31.03.2021.

Secretarial Auditors and Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, Ms. Nidhi Varun Kumar, Practicing Company Secretary, was appointed to undertake the secretarial audit for the financial year 2021-22. The Secretarial Audit Report for the financial year 2021-22 is attached as **Annexure "III"** and forms a part of the report of the Board. In relation to observations made in the Secretarial Audit Report, we inform that the Company during the year, had no operations and all the units of the Company are closed. Consequently, the Company has incurred cash losses during the year under review. Therefore, in view of the non-availability of funds, the Company could not comply with the provisions of the Companies Act, 2013 and the Listing Regulations.

No internal auditor has been appointed by the Company in terms of provisions of Section 138, of the Companies Act, 2013.

Auditors & Auditors' Report

The observations of Auditors in their Report dated 06th July, 2022 read with the relevant notes to accounts are self-explanatory and do not require any further explanation.

M/s Hemant Arora & Co. LLP Chartered Accounts were appointed as the new Statutory Auditors of the Company till the conclusion of 39th AGM. Further there are being re-appointed for a further period of 5 years i.e till the conclusion of Annual General Meeting Scheduled to be held in the year 2026-27. The said Auditors have furnished the Certificate of their eligibility in this regard.

General

- a) The Company is not required to constitute CSR Committee under the provisions of the Companies Act, 2013.

- b) The Company has not lent out any money or made any investments or provided any guarantees during the year under review.
- c) The Company does not have any related party transactions which may have potential conflict with the interests of the Company at large. Thus, disclosure in Form AOC-2 is not required.
- d) The Company having no commercial activity during the year under review, has not laid down policy on risk assessment and minimization procedures.
- e) There were no material changes and commitments between the end of financial year and date of report.
- f) The Company has in place adequate internal financial control with reference to the financial statements.

Green Initiatives

Electronic Copies of the Annual Report 2021-22 and Notice of the 39th Annual General Meeting are sent to all the members whose email addresses are registered with the Company/ Depository Participant(s). For members who have not registered their email addresses, physical copies are sent in permitted mode.

Acknowledgements

Your directors wish to place on record their appreciation for co-operation and support extended by all concerned stakeholders.

By order of the Board
For **INDO GULF INDUSTRIES LIMITED**

Place: New Delhi

Date: 30.05.2022

Sd/-

Sanjay Choudhary
Director
DIN: 08719847

Sd/-

Rajesh Jain
Director
DIN: 01200520

Annexure- I

DETAILS OF THE REMUNERATION OF DIRECTORS, KMP'S AND EMPLOYEES

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

I. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2021-22:

Mr. Sanjay Chaudhary, Director was paid remuneration during the year. Due to covid-19 lockdown the employees were not paid salary and hence the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2021-22 is not applicable.

II. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2021-22:

Mr. Sanjay Chaudhary, Director was paid remuneration during the year. Further, there was no increase in the remuneration of Company Secretary during the Financial Year 2021-22. Hence, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2021-22 is not provided.

III. The percentage increase in the median remuneration of the employees in the financial year 2021-22:

There are 4 employees on the payroll of the Company. Further, there was no increase in the remuneration of the employee during the Financial Year 2021-22 Hence, percentage increase in the median remuneration is not provided.

IV. The number of permanent employees on the rolls of the Company:

There were permanent employees on the rolls of the Company for the Financial Year 2021-22.

V. Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in Managerial Remuneration:

Since, none of the employee had completed full year of service, no increment was done in the last financial year. Further, there was no change in the managerial remuneration.

Hence, the same is not applicable.

VI. Affirmation that the Remuneration is as per the Remuneration Policy of the Company: It is hereby affirmed that the Remuneration paid is as per the Remuneration Policy of the Company.

Statement as per Rule 5(2) of The Companies (Appointment and Remuneration of Managerial personnel) Rules 2014

Sl No.	Name	Age (years)	Designation/ Nature of Duties	Gross Remuneration (Rs in lakhs) / salary per month	Qualification	Total Experience (years)	Date of commencement of employment	Previous Employment
A.	Details of top ten Employees in terms of remuneration drawn for the financial year ended 31st March 2022							
1	Mr. B.D. Agarwal	56 years	President and CFO	18,00,000/-	Graduate	Approx 30 years	01/08/2016	N/A
2	Ms. Tanushree Purohit	33 years	Company Secretary	120,000/-	C.S	5 Years	31.01.2020	N/A
3	Sukant Pandey	62 years	General Manager	9,00,000/-	Graduate	Approx. 30 years	NA	NA
B	Details of Employee employed throughout the year and in receipt of remuneration not less than Rs.10,200,000/- p.a.							
Sl No.	Name	Age (years)	Designation/ Nature of Duties	Gross Remuneration (Rs in lakhs)	Qualification	Total Experience (years)	Date of commencement of employment	Previous Employment
1.	NA	NA	NA	NA	NA	NA	NA	NA
C	Details of Employee employed part of the year and in receipt of remuneration not less than Rs. 850,000/- p.m.							
1	NA	NA	NA	NA	NA	NA	NA	NA

Note:

- None of the Employee are holding any Equity Share in the Company.
- None of the Employee are relative of any Director or manager of the Company.

Annexure II to the Directors' Report

FORM MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L74900DL1981PLC011425
ii)	Registration Date	05/03/1981
iii)	Name of the Company	Indo Gulf Industries Limited
iv)	Category / Sub-Category of the Company	Public Company / Limited by shares
v)	Address of the Registered office and contact details	4237/11, IInd Floor, Narendra Bhawan 1, Ansari Road, Daryaganj, New Delhi- 110002 Email Id: igilmaizapur@rediffmail.com
vi)	Whether listed company: Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	BEETAL Financial & Computer Services Pvt. Ltd. BEETAL House, 3 rd Floor, 99, Madangir, Behind LSC, New Delhi – 110062 Ph.: 011-29961281-283, Fax: 011-29961284 Email Id: beetal@beetalfinancial.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Explosives	20292-Manufacture of explosive, ammunition and fire works	Nil (Gross Turnover – Nil)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Ganesh Explosives Private Limited 152/4/1, Rajpur Road, Dehradun – 248001	U24292UR1993PTC001667	Holding	53.96 %	Section 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.04.2021]				No. of Shares held at the end of the year [As on 31.03.2022]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	5162540		5162540	53.96	–	–	5162540	53.96	0.00
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
Sub-total (A)(1)	5162540	–	5162540	53.96	–	–	5162540	53.96	0.00
(2) Foreign									
a) NRI-Individuals	–	–	–	–	–	–	–	–	–
b) Other-Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corporate	–	–	–	–	–	–	–	–	–
d) Banks / FIs	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
Sub-total (A)(2)	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A)= (A)(1)+ (A)(2)	5162540	–	5162540	53.96	–	5162540	5162540	53.96	0.00
B. Public Shareholding									
1. Institutions									

a) Mutual Funds	-	350	350	0.00	-	-	350	0.00	0.00
b) Banks / FI	-	94378	94378	0.99	-	-	94378	0.99	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	20000	-	20000	0.21	-	20000	-	0.21	0.00
g) FIIs	-	1298	1298	0.01	-	-	1298	0.01	0.00
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	20000	96026	116026	1.21	-	20000	96026	1.21	0.00
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	64550	353981	837286	9.42	64550	353981	837286	9.42	0.00
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	224666	3062276	3286942	34.35	224666	3062276	3286942	34.35	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	132964	-	132964	1.39	132964	-	132964	1.39	0.00
c) Others (specify)	280	-	280	.002	280	-	280	.002	0.00

Non Resident Indians	188	95158	95346	.99	188	95158	95346	95346	0.00
Trusts	4150	150	4300	0.05	4150	150	4300	0.05	0.00
Sub-total (B)(2):-	–	4288704	4288704	44.83	–	4288704	4288704	44.83	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	–	4404730	4404730	46.04	–	4404730	4404730	46.04	0.00
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	9567270	9567270	100.00	8651	9558619	9567270	100.00	0.00

ii) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01.04.2020]			Shareholding at the end of the year [As on 31.03.2021]			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Ganesh Explosives Private Limited	5162540	53.96	Nil	5162540	53.96	Nil	Nil

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year [As on 01.04.2020]		Cumulative Shareholding during the Year [01.04.2020 to 31.03.2021]	
		No. of shares	% of total shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	5162540	53.96		

	Change in % of holding	Nil	Nil		
	At the end of the year			5162540	53.96

iv) Shareholding Pattern of top ten Shareholders:

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	HB Stock Holdings Limited				
	At the beginning of the year	170850	1.79		
	No change during the year	–	–		
	At the end of the year			170850	1.79
2	Picup Limited				
	At the beginning of the year	167536	1.75		
	No change during the year	–	–		
	At the end of the year			167536	1.75
3	Mahendra Girdharilal				
	At the beginning of the year	132964	1.39		
	No change during the year	–	–		
	At the end of the year			132964	1.39
4	HB Leasing and Finance Co. Ltd				
	At the beginning of the year	109469	1.14		
	No change during the year	–	–		
	At the end of the year			109469	1.14
5	Logic Infotech Ltd				
	At the beginning of the year	100000	1.05		

	No change during the year	–	–		
	At the end of the year			100000	1.05
6	Sajjan Lal Kanodia				
	At the beginning of the year	94250	0.98		
	No change during the year	–	–		
	At the end of the year			94250	0.98
7	Laxmi Devi Kanodia				
	At the beginning of the year	94250	0.98		
	No change during the year	–	–		
	At the end of the year			94250	0.98
8	Oriental Bank of Commerce				
	At the beginning of the year	84800	0.88		
	No change during the year	–	–		
	At the end of the year			84800	0.88
9	RRB Securities Limited				
	At the beginning of the year	66500	0.69		
	No change during the year	–	–		
	At the end of the year			66500	0.69
10	Amrex Marketing Pvt Ltd				
	At the beginning of the year	60800	0.64		
	No change during the year	–	–		
	At the end of the year			60800	0.64

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company

1	Mr. Rajesh Jain, Non Independent Non-executive Director			
	At the beginning of the year	–	–	
	Nil holding/ changes during the year	–	–	
	At the end of the year			– –
2	Ms. Shivani Naithani, Independent Non-executive Director			
	At the beginning of the year	–	–	
	Nil holding/ changes during the year	–	–	
	At the end of the year			– –
3	Mr. Ashok Sarkar, Independent Non-executive Director			
	At the beginning of the year	–	–	
	Nil holding/ changes during the year	–	–	
	At the end of the year			– –
4	Mr. Guarav Kumar, Non Independent Non-executive Director			
	At the beginning of the year	–	–	
	Nil holding/ changes during the year	–	–	
	At the end of the year			– –
5	Ms. Tanushree Purohit, Company Secretary			
	At the beginning of the year	–	–	
	Nil holding/ changes during the year	–	–	
	At the end of the year			– –
6	Mr. B.D Aggarwal			
	At the beginning of the year	–	–	
	Nil holding/ changes during the year	–	–	
	At the end of the year			– –
7	Mr. Sanjay Chaudhary			
	At the beginning of the year	–	–	– –
	Nil holding/ changes during the year	–	–	– –
	At the end of the year	–	–	– –

V. INDEBTEDNESS

**Indebtedness of the Company including interest outstanding/accrued but not due for payment
(Rs. in lacs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	14,52,44,941	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	14,52,44,941	–	–
Change in Indebtedness during the financial year				
• Addition	–	3,87,32,216	–	–
• Reduction	–	2,04,55,596	–	–
Net Change	–	1,82,76,620	–	–
Indebtedness at the end of the financial year				
i) Principal Amount	–	16,35,21,561	–	–
ii) Interest due but not paid	–	13,87,117	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	16,49,08,678	–	–

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:****(Rs. in lacs)**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961						
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961						
2	Stock Option						
3	Sweat Equity						
4	Commission - as % of profit - others, specify...						
5	Others, please specify						
	Total (A)						
	Ceiling as per the Act						

Remuneration to other directors:

(Rs. in lacs)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Rajesh Jain	Mr. Ashok Sarkar	Ms. Shivani Naithani	Mr. Guarav Kumar			
1	Independent Directors	-	-	-				
	Fee for attending board/ committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-	-
2	Other Non-Executive Directors	+	-	-	-	-	-	-
	Fee for attending board/ committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-

Total (2)	-	-	-	-	-	-	-
Total (B)=(1+2)	-	-	-	-	-	-	-
Total Managerial Remuneration							-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Rs. in thousand)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Ms. Sanjay Chaudhary	Ms. Tanushree Purohit	Mr. BD Aggarwal	Total
1	Gross salary	6,00,000	1,20,000	18,00,000	25,20,000/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-		-
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission	-	-		-
	- as % of profit	-	-		-
	others, specify...	-	-		-
5	Others, please specify [Employer's contribution to Provident Fund, etc.]	-	-		-
	Total				

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

(Rs. in lacs)

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	NIL	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By order of the Board
For **INDO GULF INDUSTRIES LIMITED**

Place : New Delhi

Date : 30.05.2022

Sd/-

Sanjay Choudhary
Director
DIN: 08719847

Sd/-

Rajesh Jain
Director
DIN: 01200520

Annexure III to the Directors' Report

SECRETARIAL AUDIT REPORT



NIDHI V KUMAR & ASSOCIATES

COMPANY SECRETARIES

Rtc Hempur, Lalitpur, Ramnagar, Nainital-244715

Email: nidhiunialcs@gmail.com Mob: +91-9927588222

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To

The Members

M/s Indo Gulf Industries Limited

4237/11, IInd Floor, Narendra Bhawan 1,

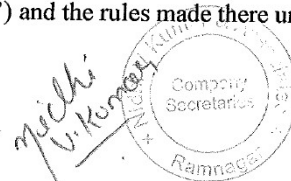
Ansari Road, Daryaganj - 110001

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by M/s **Indo Gulf Industries Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the M/s **Indo Gulf Industries Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s **Indo Gulf Industries Limited** for the financial year ended on March 31, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;





NIDHI V KUMAR & ASSOCIATES

COMPANY SECRETARIES

Rtc Hempur, Lalitpur, Ramnagar, Nainital-244715

Email: nidhiunialcs@gmail.com Mob: +91-9927588222

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *Not applicable to the Company during the period of audit*
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; *Not applicable to the Company during the period of audit.*
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; *Not applicable to the Company during the period of audit.*
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *Not applicable to the Company during the period of audit.*
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and *Not applicable to the Company during the period of audit.*
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *Not applicable to the Company during the period of audit*





NIDHI V KUMAR & ASSOCIATES

COMPANY SECRETARIES

Rtc Hempur, Lalitpur, Ramnagar, Nainital-244715

Email: nidhiuniyalcs@gmail.com Mob: +91-9927588222

(vi) Other laws applicable to the Company as per the representations made by the Management.

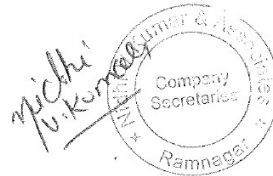
We have also examined compliance with the (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Company with Bombay Stock Exchange Limited and also the Secretarial Standard I and Secretarial Standard II issued by the Institute of Company Secretaries of India (ICSI) were applicable to the Company for the period under review.

General Information and qualifications observed during the year under review pursuant to the Companies Act, 2013 and SEBI [Listing obligations and Disclosure Requirements], Regulation, 2015

- 1) No internal Auditor has been appointed by the Company in terms of provisions of section 138, of the Companies Act, 2013.**
- 2) The company is not maintaining proper website which is mandatory for a listed company.**
- 3) Independent directors have not taken the exam and not registered uptil now.**
- 4) The Shareholding of the Holding Company Ganesh Explosives Private Limited is fraudly pledged on account of Karvy Scam, as the shares were demat with karvy Stock broking.**

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

We further report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions at the Board Meetings, as represented by the management, were taken unanimously.





NIDHI V KUMAR & ASSOCIATES

COMPANY SECRETARIES



Rtc Hempur, Lalitpur, Ramnagar, Nainital-244715

Email: nidhiunialcs@gmail.com Mob: +91-9927588222

We further report that as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review, as explained and represented by the management, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., having a major bearing on the Company's affairs. A detailed list of ongoing cases of the company is attached as Annexure –I with this report.

This report is to be read with my letter of even date annexed to this report as Annexure-II and forms an integral part of the Report.

Nidhi V Kumar



CS Nidhi Varun Kumar
Practicing Company Secretary
M. No. A28283; C.P. No. 13237

Place: Dehradun

Dated: 20.04.2022



NIDHI V KUMAR & ASSOCIATES

COMPANY SECRETARIES



Rtc Hempur, Lalitpur, Ramnagar, Nainital-244715

Email: nidhiuniyalcs@gmail.com Mob: +91-9927588222

To
The Members
M/s Indo Gulf Industries Limited
4237/11, IInd Floor, Narendra Bhawan 1,
Ansari Road, Daryaganj - 110001

My report of even date is to be read with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we follow provide a responsible basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company



CS Nidhi Varun Kumar
Practicing Company Secretary
M. No. A28283; C.P. No. 13237

Place: Dehradun
Dated: 20.04.2022

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance

This year also Company could not start its business activities due to financial and other factors beyond the control of management of the Company. The financial year 2021-22 closed at a net profit of Rs. 1,82,00,000/- as compared to net profit of Rs. 42,56,854/- in the preceding financial year.

Industry Structure and development:-

India, a potential market for industrial explosives and its accessories, has witnessed a radical shift from complete import dependence in the past decades to self sufficiency with an exportable surplus presently. The explosives industry in India is robust with an exportable surplus. Rising construction activities and significant growth of the mining industry is expected to further boost the demand for various materials such as coal, electricity and cement. This in turn will lead to an increase in the consumption of explosives.

Prospect and Outlook

The management is of the view that upon the Completion of the Open Offer and change in management, the future prospect of the Company is bright and in the coming years the Company is going to perform well.

Segment wise or Product wise performance

The Company has not carried out any business activity during the year under review. However, the company's primary business is manufacture of 'explosives' as a single business segment.

Opportunities and Threats

Opportunities:

- The Government's thrust on indigenous defence manufacturing under the "Make in India" initiative and the proposed amendments in the Defence Procurement Policy 2016 demonstrate rising opportunity for the Company's growth.
- Shrinking global economies provide opportunity for new competitive player to enter into the market.

Threats:

- Any change in the Government's focus on India's overall infrastructural development can hamper growth in the ancillary sectors, such as the explosives industry.

Risk and Concerns

Risk is an integral part of the business process. To enhance the risk management process, the company has mapped the risks. Risk arises for achieving business objectives are identified and prioritized. Risk mitigation activity plans are established and executed as and when need arises. Periodical reviews are carried out to assess the risk levels.

Internal Control System and their Adequacy

The Company has in place an adequate internal control system to safeguard all assets and ensure operational excellence. The system also meticulously records all transaction details and ensures

regulatory compliance. The Company has an Audit Committee in place which guides and provides proper measure for controlling the affairs of the Company.

Human Resource

Your company has 5 employees as on 31st March, 2022. Relations between the management and employees have been cordial. Your company maintains a work environment that is free from any harassment.

INDEPENDENT AUDITOR'S REPORT

To the Members of Indo Gulf Industries Limited,

Report on the Audit of financial statements

1. Qualified Opinion

We have audited the accompanying standalone financial statements (the “financial statements”) of Indo Gulf Industries Limited (the “Company”), which comprise the Balance Sheet as at 31st March, 2022, and the Statement of Profit and Loss, Statement of changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanation given to us, except for the effects of the matter(s) described in the *Basis for Qualified Opinion* section, the aforesaid financial statements give the information required by the Companies Act, 2013 (the “Act”), in the manner so required and give a true and fair view in conformity with the accounting standards specified under Section 133 of the Act read with Rule 7 of the Companies(Accounts) Rules, 2014 and other accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2022;
- (b) in the case of the Statement of Profit & Loss, of the profit for the year ended on that date;
- (c) in the case of the Statement of changes in equity, of the changes in equity during the year ended on that date; and
- (d) in the case of the Statement of Cash Flows for the year ended on that date.

2. Basis for Qualified Opinion

We draw attention to the matters described in “*Annexure A*” to this report, the effects of misstatements and possible effects of undetected misstatements on the financial statements due to inability to obtain sufficient and appropriate audit evidence which are material but, not pervasive either individually or in aggregate.

We conducted our audit of the financial statements in accordance with the Standards on Auditing (the “SAs”) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

3. Emphasis of Matter

We draw attention to *Note 10* of the financial statements wherein the balance of reserves is negative signifying accumulated losses, which exceed the net worth of the Company. However, the Management has prepared these financial statements on going concern basis as it anticipates profit(s) from operations in future years which result in positive net worth.

Our opinion is not modified in respect of the above matter.

4. Information other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

5. Responsibilities of Management and Those charged with Governance for the Financial Statements

The Company's Board of Director's is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting standards specified under Section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the audit of the financial statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:

- (a) we have sought and obtained except for the matters described in the *Basis for Qualified Opinion* section, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) except for the effects/possible effects of the matters stated in the *Basis for Qualified Opinion* section 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 and proper returns adequate for the purposes of our audit;
- (c) the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity the Statement of Cash Flows and notes to the standalone financial statements dealt with by this Report are in agreement with the books of account;
- (d) subject to the effects of the matters mentioned in the *Basis for Qualified Opinion* section, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) on the basis of written representations received from the directors as on 31st March, 2022, none of the directors is disqualified as on 31st March, 2022, from being appointed as a director in terms of Section 164(2) of the Act;
- (f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**";
- (g) with respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial positions in the financial statements- Refer *Note no. 25(4)(iii)* to the financial statements.
 - ii. The Company does not have any long-term contracts including derivatives contracts, for which there were any material foreseeable losses as required under the applicable law or accounting standards;
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "*Annexure C*" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

For HEMANT ARORA & Co. LLP
Chartered Accountants
Firm Reg. No. 002141C/C400006

Place: Dehradun
Date: 30.05.2022
UDIN: 22408066AKCSQQ5752

Kamal Nagpal
Partner
M. No.408066

Annexure A- to the INDEPENDENT AUDITOR's REPORT

(Referred to in our report, under 'Basis for *Qualified Opinion*' section of our report to the Members of Indo Gulf Industries Limited of even date)

1. We draw attention to *Note no. 15* of the financial statements, which explains other current liabilities owed by the Company including statutory liabilities. In our opinion and to the best of our information and according to the explanations given to us, the company has not complied with the provisions of the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, Employee's State Insurance Act, 1948 and by short creating liability in respect of Employer's contribution towards Employee Provident Fund and Employee State Insurance and discharging thereof thus leading to overstatement of profit and understatement of liability. In view of the above, we are unable to comment on the adjustments, if any, required to the accompanying financial statements in this regard.

For HEMANT ARORA & Co. LLP
Chartered Accountants
Firm Reg. No. 002141C/C400006

Place: Dehradun
Date: 30.05.2022
UDIN: 22408066AKCSQQ5752

Kamal Nagpal
Partner
M. No.408066

Annexure B – to the INDEPENDENT AUDITOR’S REPORT

(Referred to in *paragraph 1(h)*, under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Indo Gulf Industries Limited of even date of even date)

We have audited the internal financial controls over financial reporting of the Company as of 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“Guidance Note”) and the SAs, issued by Institute of Chartered Accountants of India and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For HEMANT ARORA & Co. LLP
Chartered Accountants
Firm Reg. No. 002141C/C400006

Place: Dehradun
Date: 30.05.2022
UDIN: 22408066AKCSQQ5752

Kamal Nagpal
Partner
M. No.408066

Annexure C – to the INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3, under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Indo Gulf Industries Limited of even date of even date)

Report on the Companies (Auditor's Report) Order, 2020, issued in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Indo Gulf Industries Limited ("the Company"):

We report that:

- i. (a) A. the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
B. The company has maintained proper records showing full particulars of Intangible Assets.
(b) all major property, plant and Equipment of the Company has been physically verified by the management at reasonable intervals. According to the information and explanations given to us no material discrepancies were identified on such verification;
(c) According to the information and explanation given to us, the title deeds of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company;
(d) the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year;
(e) according to the information and explanation given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.
- ii. according to the information and explanations given to us management has physically verified the inventory at reasonable intervals and no material discrepancies were identified on such verification.
- iii. according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted any loan, secured or unsecured to the companies, firms, Limited Liability partnerships or other parties covered under Section 189 of the Companies Act, 2013 during the year. Therefore, paragraph 3(iii) of the Order is not applicable to the Company:
- iv. in our opinion and according to the information and explanations given to us, the company has not advanced loan to directors to a company in which the Director is interested to which provision of section 185 and 186 of the Companies Act 2013 apply and hence not commented upon. Therefore, paragraph 3(iv) of the order is not applicable to the Company:
- v. according to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has complied with the provisions of Section 73 to 76 or other relevant provisions of the Companies Act, 2013;
- vi. in our opinion and according to the information and explanations given to us, the company is required to maintain cost records and conduct Cost Audit as prescribed by Central Government under section 148(1) of the Companies Act, 2013. During the year the Company has maintained Cost Records, however, we have not made a detailed examination of the said accounts and records with a view to determine whether they are accurate or complete
- vii. in respect of statutory dues:
 - (a) according to the information and explanations given to us and on the basis of examination of records the company has been regular in depositing the undisputed statutory dues including provident fund, employee's state insurance, income-tax, service-tax, sales-tax, customs duty, excise duty, value added tax, goods and service tax, cess and other material statutory dues with the appropriate authorities during the period;
 - (b) according to the records of the Company, the dues outstanding of income tax, sales tax, service tax, custom duty, excise duty and cess on account of any dispute, are as follows:

The Company has received various notices and recovery certificates w.r.t various tax matters amounting to Rs. 26,29,39,000 pertaining to the demand of sales tax of Rs. 2,01,00,000, central excise of Rs. 5,12,000 and other litigations/appeals of Rs. 26,29,79,000 (*Refer Note No. 24(4)(iii) of the financial statement*). The above notices were mainly received before the sanction of Rehabilitation Scheme.

However, the status of the balance demand of sales tax of Rs. 2,61,60,947 and central excise of Rs. 20,69,672 is uncertain because of the following:

- The notices and recovery certificates are issued prior to the date of rehabilitation Scheme sanctioned by the Hon'ble BIFR.
 - The reliefs and concessions (re-assessment of demand, waiver of interest, waiver of penalty etc.) as directed by the Rehabilitation Scheme sanctioned by the Hon'ble BIFR have not been considered.
- viii. according to the information and explanation given to us, company has no transactions, not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. according to the information & explanation given to us, the Company has availed a Vehicle Loan from Bank. During the year the Company has not defaulted in the payments of loan instalments, loan have been used for the object for which they were obtained.
- x. In respect of the money raised:
- (a) the Company has not raised moneys by way of Initial Public Offer or Further Public Offer (including debt instruments) during the year;
 - (b) according to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- xi. In respect to the frauds reporting:
- (a) according to the information and explanation given to us, any fraud by the Company or any fraud on the Company has not been noticed or reported during the year;
 - (b) according to the information and explanation given to us, no report under section 143(12) of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
 - (c) according to the information and explanation given to us, no whistle-blower complaints received during the year by the Company.
- xii. the Company is not a Nidhi Company. Therefore, paragraph 3(xiii) of the Order is not applicable to the Company;
- xiii. according to the information and explanations given by the management, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards;
- xiv. according to the information and explanation given to us, the Company has no Internal Audit System. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. in our opinion and according to the information and explanation given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Thus the provisions of Section 192 of the Companies Act, 2013 are not applicable. Therefore, paragraph 3(xv) of the Order is not applicable to the company;
- xvi. the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company;
- xvii. in our opinion and according to the information and explanations given to us and on the basis of examination of books of accounts, the Company has not incurred cash losses during the current and immediately preceding financial year;
- xviii. there has been no resignation of the statutory auditors during the year. Therefore, paragraph 3(xviii) is not applicable to the Company;

- xix. on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that no material uncertainty exists as on the date of the audit report indicating that Company is capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date;
- xx. the provisions of Section 135 towards Corporate Social Responsibility are not applicable on the Company. Therefore, paragraph 3(xx) of the Order is not applicable to the Company;
- xxi. according to the information and explanations given to us, there have not been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports. Therefore, paragraph 3(xxi) of the Order is not applicable to the Company.

For HEMANT ARORA & Co. LLP
Chartered Accountants
Firm Reg. No. 002141C/C400006

Place: Dehradun
Date: 30.05.2022
UDIN: 22408066AKCSQQ5752

Kamal Nagpal
Partner
M. No.408066

PART 1- BALANCE SHEET

INDO GULF INDUSTRIES LIMITED

REGD OFFICE AT : 4237/11, 2ND FLOOR, NARENDRA BHAWAN 1, ANSARI ROAD, DARYAGANJ, EAST DELHI-110001

BALANCE SHEET AS AT 31ST MARCH, 2022

(Amount in INR)

Particulars	Note No.	As at 31st March 2022		As at 31st March 2021	
I. ASSETS					
Non - current assets					
(a) Property, plant and equipment	2(a)	147,255,716		101,169,725	
(b) Capital Work in Progress	2(b)	2,616,016		5,826,810	
(c) Other non-current assets					
(i) Capital Advances		-	149,871,732	305,302	107,301,837
Current assets					
(a) Inventories	3	35,073,441		36,431,699	
(b) Financial assets					
(i) Trade Receivables	4	30,278,877		14,819,116	
(i) Cash and cash equivalents	5	5,826,737		2,635,274	
(ii) Bank balances other than (i) above	6	22,872,000		7,872,000	
(iv) Other Financial Assets	7	1,348,938		1,348,938	
(c) Other current assets	8	15,855,318	111,255,310	43,050,031	106,157,058
Total (A)			261,127,042		213,458,895
II. EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	9	9,567,270		9,567,270	
(b) Other Equity	10	(41,551,107)	(31,983,837)	(57,761,735)	(48,194,465)
Liabilities					
Non - current liabilities					
(a) Financial liabilities					
(i) Borrowings	11	120,341,220		110,707,728	
(b) Deferred Tax Liabilities	12	5,875,585	126,216,805	4,165,503	114,873,231
Current liabilities					
(a) Financial liabilities					
(i) Borrowings	11	31,828,503		52,813,833	
(ii) Trade Payables	13	67,966,486		38,656,708	
(b) Other current liabilities	14	40,311,846		21,092,522	
(c) Provisions	15	26,787,240	166,894,074	34,217,066	146,780,129
Total (B)			261,127,042		213,458,895

Significant Accounting Policies 1
The accompanying notes form an integral part of the financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED.
FOR HEMANT ARORA & CO. LLP
Chartered Accountants
FIRM'S REGISTRATION NO. - 002141C/C400006

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
INDO GULF INDUSTRIES LIMITED

Kamal Nagpal
(M. No. 408066)
Partner

Rajesh Jain
(Director)
(DIN-01200520)

Sanjay Choudhary
(Director)
(DIN-08719847)

Place of Signature: Dehradun
Date: 30/05/2022

B.D. Aggarwal
(Chief Finance Officer)

Tanushree Purohit
(Company Secretary)

PART II- STATEMENT OF PROFIT AND LOSS

INDO GULF INDUSTRIES LIMITED
REGD OFFICE AT : 4237/11, 2ND FLOOR, NARENDRA BHAWAN I, ANSARI ROAD, DARYAGANJ, EAST DELHI-110001

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(Amount in INR)

Particulars	Note No.	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
I Revenue from Operation	16	1,455,139,858	706,977,998
II Other Income	17	42,750,173	12,683,042
III Total Income (I+II)		1,497,890,032	719,661,040
IV Expenses			
(i) Cost of Material Consumed	18	1,358,749,357	653,373,385
(ii) Employee benefits expense	19	39,141,945	22,815,368
(iii) Finance Cost	20	3,827,375	3,781,158
(iv) Depreciation and amortisation expense	21	8,123,139	6,786,908
(v) Other expenses	22	69,883,376	27,115,265
V Total expenses (III)		1,479,725,193	713,872,084
VI Profit/(Loss) before exceptional items and tax (II-III)		18,164,839	5,788,957
VII Exceptional items		-	-
VIII Profit/(Loss) before tax		18,164,839	5,788,957
IX Tax expense			
(1) Current Tax		2,850,000	251,661
(2) Deferred Tax		1,710,082	1,280,442
(3) MAT Credit (inclusive of earlier year)		(2,605,871)	-
X Profit/(Loss) for the year from continuing operations (VIII-IX)		16,210,628	4,256,853
XI Profit/(Loss) from discontinued operations		-	-
XII Tax expense of discontinued operations		-	-
XIII Profit/(Loss) from Discontinued operations (after tax) (X-XI)		-	-
XIV Profit/(Loss) for the period (IX+XII)		16,210,628	4,256,853
XV Other Comprehensive Income (OCI)			
A) (i) Items that will not be reclassified to Profit or Loss		-	-
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
B) (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
		-	-
Total Other Comprehensive Income for the year (XIII+XIV) (Comprising Loss and Other Comprehensive Income for the year)		16,210,628	4,256,853
Earnings per equity share (Nominal value per share` 1/-)			
- Basic (₹)		1.69	0.44
- Diluted (₹)		1.69	0.44
Number of shares used in computing			
Earnings per share			
- Basic		9,567,270	9,567,270
- Diluted		9,567,270	9,567,270

Significant Accounting Policies

1

The accompanying notes form an integral part of the financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED.

FOR HEMANT ARORA & CO. LLP

Chartered Accountants

FIRM'S REGISTRATION NO. - 002141C/C400006

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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(Director)
(DIN-08719847)

Place of Signature: Dehradun
Date: 30/05/2022

B.D. Aggarwal
(Chief Finance Officer)

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(Company Secretary)

INDO GULF INDUSTRIES LIMITED
REGD OFFICE AT : 4237/11, 2ND FLOOR, NARENDRA BHAWAN I, ANSARI ROAD, DARYAGANJ, EAST DELHI-110001

STATEMENT OF CASHFLOW FOR THE YEAR ENDED AS AT 31ST MARCH, 2022

(Amount in INR)

	Particulars	Note No.	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
A	CASH FLOW FROM OPERATING ACTIVITIES			
	Profit/(Loss) after tax		16,210,628	4,256,854
	<i>Adjustments to reconcile profit/(loss) before exceptional items and tax to net cash flow provided by operating activities :</i>			
	Deferred Tax Provision		1,710,082	1,280,442
	Income Tax Provision		2,850,000	251,661
	MAT Credit (inclusive of earlier year)		(2,605,871)	-
	Depreciation expense		8,123,139	6,786,908
	Interest on loan from related party		3,171,379	158,677
	Interest on Secured Loan		67,627	-
	Interest income		(1,179,891)	(15,672)
	Operating Profit/(loss) before working capital changes		28,347,093	12,718,871
	<i>Adjustments to reconcile operating loss to cash flow provided by changes in working capital :</i>			
	Inventories		1,358,258	(14,542,932)
	Financial Assets			
	-Trade Receivables		(15,459,761)	3,608,684
	-Short term Fixed Deposits		(15,000,000)	(7,212,000)
	-Other Financial Assets		-	939,514
	-Other Current Assets		27,194,713	8,530,656
	Financial Liabilities			
	-Borrowings		(20,985,331)	(14,287,948)
	-Trade Payables		29,309,777	6,489,287
	-Other Current liabilities		19,219,324	3,173,928
	-Provisions		(7,429,827)	(9,461,273)
	Cash from/(used) in operations		46,554,247	(10,043,213)
	Tax expense			
	Direct taxes (paid)/ refund received		(2,850,000)	-
	Deferred Tax Liability		(1,710,082)	-
	MAT Credit (inclusive of earlier year)		2,605,871	-
	Cash flow before exceptional items		44,600,036	(10,043,213)
	Exceptional Items			-
	Net cash used in operating activities (A)		44,600,036	(10,043,213)
B	CASH FLOW FROM INVESTING ACTIVITIES			
	Interest received on fixed deposits		1,179,891	15,672
	Purchase of PPE (including CWIP)		(50,998,336)	(22,464,351)
	Capital advances		305,302	(45,302)
	Net cash generated/(used in) investing activities		(49,513,144)	(22,493,982)
C	CASH FLOW FROM FINANCING ACTIVITIES			
	Repayment of loan to holding company			
	Interest on Loan from related Parties		(3,171,379)	(158,677)
	Interest on Secured Loan		(67,627)	-
	Proceeds from Borrowings - Related Parties		9,633,492	32,564,569
	Deferred Tax Liability		1,710,082	-
	Net cash generated/(used) from financing activities		8,104,569	32,405,892
	Net increase/(decrease) in cash and cash equivalents (A+B+C)		3,191,461	(131,303)
	Opening cash and cash equivalents		2,635,275	2,766,578
	Closing cash and cash equivalents [Refer Note No. 3]		5,826,737	2,635,275

Significant Accounting Policies

1

The accompanying notes form an integral part of the financial statements

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FOR HEMANT ARORA & CO. LLP
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FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
INDO GULF INDUSTRIES LIMITED

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(M. No. 408066)
Partner

Rajesh Jain
(Director)
(DIN-01200520)

Sanjay Choudhary
(Director)
(DIN-08719847)

Place of Signature: Dehradun
Date: 30/05/2022

B.D. Aggarwal
(Chief Finance Officer)

Tanushree Purohit
(Company Secretary)

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31ST MARCH, 2022

(Amount in INR)

(a) Equity Share capital

Particulars	Amount
Balance as at 1st April, 2020	9,567,270
Changes during the year ended 31st March, 2021	-
Balance as at 31st March, 2021	9,567,270
Changes during the year ended 31st March, 2022	-
Balance as at 31st March, 2022	9,567,270

(b) Other Equity

Particulars	Reserves and surplus	Other Comprehensive Income	Total
	Retained Earnings		
Balance as at 1st April, 2020	(62,018,589)	-	(62,018,589)
Changes during the year ended 31st March, 2021	4,256,853	-	4,256,853
Balance as at 31st March, 2021	(57,761,736)	-	(57,761,736)
Changes during the year ended 31st March, 2022	16,210,628	-	16,210,628
Balance as at 31st March, 2022	(41,551,108)	-	(41,551,108)

Significant Accounting Policies 1
 The accompanying notes form an integral part of the financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED.
FOR HEMANT ARORA & CO. LLP
 Chartered Accountants
 FIRM'S REGISTRATION NO. - 002141C/C400006

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
INDO GULF INDUSTRIES LIMITED

Kamal Nagpal
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 Partner

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 (Director)
 (DIN-01200520)

Sanjay Choudhary
 (Director)
 (DIN-08719847)

Place of Signature: Dehradun
 Date: 30/05/2022

B.D. Aggarwal
 (Chief Finance Officer)

Tanushree Purohit
 (Company Secretary)

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1. Corporate information

Indo Gulf Industries Limited (“IGIL” or “The Company”) is a Public Limited Company incorporated and domiciled in India. The registered office of the company is situated at 4237/11, IInd floor, Narendra Bhawan 1, Ansari Road, Daryaganj, New Delhi-110017, India. It was incorporated on March 05th, 1981.

The company’s shares are listed on the BSE Ltd and Ahmedabad Stock Exchange.

The principal activities of the company is manufacturing of explosives, ammunitions and fireworks.

The Company’s controlling interest aggregating to 53.96% is held by Ganesh Explosives Private Limited (*‘the holding company’*) with effect from November 08th, 2017 post the approval letter sanctioned by BSE Prior to this, the controlling interest was with Balrampur Chini Mills Limited (*‘the outgoing promoter’*)

These Ind AS Financial Statements were approved for issue by the Board of Directors of the Company on 30th May, 2022 and are subject to the approval by the shareholders in the ensuing Annual General Meeting.

2. Application of new India Accounting Standards

All the Indian Accounting Standards issued under section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs (MCA) under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are approved have been considered in preparation of these Financial Statements.

2.1 The MCA has notified the Companies (Indian Accounting Standards / Ind AS) Amendment Rules, 2022 on March 23, 2022, whereby the amendments to various Indian Accounting Standards has been made applicable with effect from April 1, 2022 onwards. The amendments made vide aforesaid notification dated March 23, 2022 has brought few additions and substitutions in Indian Accounting Standards (Ind AS) particularly in Ind AS 101- First-time Adoption of Indian Accounting Standards, Ind AS 103- Business Combinations, Ind AS 109- Financial Instruments, Ind AS 16- Property, plant and Equipment, Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets and Ind AS 41- Agriculture, the Company is evaluating the requirements of the same and its effect on the Financial Statements is not likely to be material.

3. Significant Accounting Policies

3.1. Statement of Compliance

These Financial Statements have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) as per the Companies (Indian Accounting Standards) Rules, (Amended) 2015 and notified by Ministry of Corporate Affairs (“MCA”) pursuant to Section 133 of the Companies Act, 2013 read with Rule 3.

The Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), the Companies Act, 2013.

3.2. Basis of preparation

INDO GULF INDUSTRIES LIMITED

4237/11, IInd FLOOR, NARENDRA BHAWAN 1, ANSARI ROAD DARYAGANJ, NEW DELHI-110001

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

All assets and liabilities have been classified as Current and Non-Current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products/ services rendered and the time between the rendering of the products/services and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as twelve months for the purpose of Current and Non Current classification of assets and liabilities.

All the Indian Accounting Standards issued and notified by the MCA are effective and considered for the significant accounting policies to the extent relevant and applicable for the Company. The Financial Statements are presented in Indian Rupee ("INR"), which is the Company's functional currency and all values are rounded to the nearest crores upto two decimals, except when otherwise indicated.

3.3. Revenue Recognition

The Company derives revenues primarily from sale of products and services, such as industrial explosives, safety fuses, ammonium nitrate.

Revenue from contracts with customers is recognized at the point in time when the Company satisfies a performance obligation by transferring control of a promised product or service to a customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the sale of products and service, net of discount, taxes or duties.

The Company's customers pay for products received in accordance with payment terms that are customary in the industry and do not have significant financing components.

3.4. Property, plant and equipment

- a) All Property, plant and equipment are measured at cost less depreciation and impairment losses.*

The cost of an asset includes the purchase cost of materials, including import duties and non-refundable taxes, and any direct cost of bringing an asset to the location and condition of its intended use.

Interest on borrowings used to finance the construction of qualifying assets are capitalized as part of the cost of the asset until such time that the asset is ready for its intended use.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

The present value of the expected cost for decommissioning of an asset after its use if any, is included in the cost of the respective asset if the recognition criteria for a provision are met.

The costs and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Depreciation on tangible fixed assets is provided on straight line basis so as to charge the cost of the assets less its residual value over the useful life of the respective asset as prescribed under Part C of Schedule II to the Act, other than for mobile phones.

Residual value has been considered as 5% of the cost of the respective asset.

Leasehold land in the nature of perpetual lease is not amortised.

Depreciation /amortization on assets added, sold or discarded during the year is provided on pro-rata basis.

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

b) Capital Work in Progress

Capital Work in Progress includes cost of property including construction stores, Materials in Transit/Equipment/Services, etc received at site for use in the projects as at the balance sheet date.

All revenue expenses incurred during construction period, which are exclusively attributable to acquisition/construction of fixed assets, are capitalized at the time of commissioning of such assets.

3.5. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the noncancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an

economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases under which substantially all of the risks and rewards of ownership are transferred to the Company are classified as financial leases.

The Company has entered a lease arrangement with U.P. State Industrial Development Corporation Limited ('lessor') dated 17th, December, 1984 vide which the lessor has transferred the possession to the company. The same has been considered as perpetual lease in nature and hasn't been amortised.

3.6. Provisions Contingent Liabilities and contingent assets

- a) Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
- b) The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).
- c) Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable. Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote. Contingent liabilities are disclosed on the basis of judgment of the management/ independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

3.7. Employee benefits

Employee benefits include salaries, wages, Contributory provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, post-retirement medical benefits and other terminal benefits. All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

Liabilities for salaries and wages, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employee render the services are recognized in respect of employees' services up to the end of the Balance Sheet date and are measured at the amounts expected to be repaid when the liabilities are settled.

3.8. Financial instruments

Financial assets and liabilities are recognized in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and liabilities at initial recognition based on its nature and characteristics.

a) Financial assets

(i) Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

The financial assets include cash and bank balances and loans and advances.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets in the nature of debt are classified at amortized cost.

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- 1) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 2) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

(iii) De-recognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost.

All financial liabilities are recognized initially at fair value and, in the case of financial liabilities classified at amortized at cost, net of directly attributable transaction costs.

The financial liabilities include borrowings and other payables.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial liabilities are disclosed at amortized cost.

Financial liabilities at amortized cost

After initial recognition, financial liabilities are subsequently measured at amortized cost using EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

(iii) De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

c) Offsetting of financial instruments

Financial assets and liabilities including derivative instruments are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis (i.e., to realize the assets and settle the liabilities simultaneously).

d) Fair value measurement

In determining the fair value of financial instruments, the Company uses a variety of methods and assumption that are based on market conditions and risks existing at each Balance Sheet date.

All assets and liabilities for which the fair value is measured or disclosed in the financial statement are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

All methods of assessing fair value result in general approximation of value and such value may never actually be realized.

For all other financial instruments, the carrying amounts approximate the fair value due to the short maturity of those instruments.

e) Share capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity, net of any tax effects.

3.9. Impairment of Assets

a) Non-financial assets

An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an approximate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

b) Financial assets

The Company applies expected credit loss (ECL) model in accordance with Ind AS 109 for measurement and recognition of impairment loss on the financial assets and credit risk exposure that are debt instruments, and are measured at amortized cost.

The company follows 'simplified approach' for recognition of impairment loss allowance.

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

3.10. Taxes

The Income tax expense comprises current tax and deferred tax and is recognized in the Statement of profit or loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

INDO GULF INDUSTRIES LIMITED

4237/11, IInd FLOOR, NARENDRA BHAWAN 1, ANSARI ROAD DARYAGANJ, NEW DELHI-110001

a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates and tax laws that are enacted by the Balance Sheet date and applicable for the period.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis(i.e., to realize the assets and liabilities simultaneously).

b) *Deferred income tax*

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the Balance Sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each Balance Sheet date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet Date.

Deferred tax assets and Deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.11. Earnings Per Share

- a) Basic Earnings Per Share are computed by dividing the net profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.

INDO GULF INDUSTRIES LIMITED

4237/11, IInd FLOOR, NARENDRA BHAWAN 1, ANSARI ROAD DARYAGANJ, NEW DELHI-110001

- b) Diluted Earnings Per Share are computed by dividing the net profit/(loss) after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are determined as at the end of each period presented. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any shares splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

3.12. Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash on hand, cheques on hand, balance with banks on current accounts and short-term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.13. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgments, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its

INDO GULF INDUSTRIES LIMITED

4237/11, IInd FLOOR, NARENDRA BHAWAN 1, ANSARI ROAD DARYAGANJ, NEW DELHI-110001

assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3.14. Inventories

Inventories are valued at the lower of cost or net realizable value.

Cost includes purchase price, duties, transport, handling costs and other costs directly attributable to the acquisition and bringing the inventories to their present location and condition.

The basis of determination of cost is as follows:

- Raw material, packing material and stock-in-trade valued on moving weighted average basis;
- Stores and spares valued on weighted average basis;
- Work-in-progress valued at cost of input valued at moving weighted average basis plus overheads up till the stage of completion; and
- Finished goods valued at cost of input valued at moving weighted average basis plus appropriate overheads.

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Note No. : 2(a) Property, plant and equipment

(Amount in INR)

Particulars	Property, Plant and Equipment													Total
	Land (Free Hold)	Land (Lease Hold)	Buildings	Plant & equipment	Furniture & Fixtures	Office Equipments	Lab Instruments	Generator	AC & Water Cooler	Computers	Electrical Installations and Equipments	Motor Vehicles	Other Plants & Machinery	
Gross block														
Gross carrying amount as at 01.04.2021	1,657,999	3,145,430	23,929,575	83,940,925	358,637	649,248	321,028	1,983,051	163,465	212,617	3,857,695	-	-	120,219,670
Additions during the year	-	-	13,887,270	27,023,018	392,592	4,859	48,701	-	-	255,576	2,661,689	5,633,093	4,302,331	54,209,130
Disposals/deductions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross carrying amount as at 31.03.2022	1,657,999	3,145,430	37,816,846	110,963,942	751,230	654,107	369,729	1,983,051	163,465	468,193	6,519,384	5,633,093	4,302,331	174,428,800
Depreciation														
Accumulated dep as at 01.04.2021	-	-	5,988,012	11,474,330	72,280	315,813	16,103	193,723	17,756	151,327	820,600	-	-	19,049,944
Depreciation for the year	-	-	1,285,018	5,859,206	43,639	123,539	21,737	125,593	10,353	91,040	456,833	41,268	64,914	8,123,139
Disposals/deductions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated dep as at 31.03.2022	-	-	7,273,030	17,333,536	115,919	439,352	37,839	319,316	28,109	242,367	1,277,434	41,268	64,914	27,173,084
Net carrying amount as at 31.03.2022	1,657,999	3,145,430	30,543,816	93,630,407	635,311	214,755	331,889	1,663,735	135,356	225,826	5,241,951	5,591,825	4,237,417	147,255,716
Gross block														
Gross carrying amount as at 01.04.2020	1,657,999	3,145,430	22,179,575	66,712,953	358,637	649,248	114,861	1,983,051	138,261	186,045	3,736,305	-	-	100,862,366
Additions during the year	-	-	1,750,000	17,227,971	-	-	206,167	-	25,203	26,572	121,390	-	-	19,357,304
Disposals/deductions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross carrying amount as at 31.03.2021	1,657,999	3,145,430	23,929,575	83,940,925	358,637	649,248	321,028	1,983,051	163,465	212,617	3,857,695	-	-	120,219,670
Depreciation														
Accumulated dep as at 01.04.2020	-	-	4,860,417	6,548,431	38,209	192,456	2,082	68,130	7,672	87,242	458,398	-	-	12,263,036
Depreciation for the year	-	-	1,127,595	4,925,899	34,071	123,357	14,020	125,593	10,084	64,085	362,203	-	-	6,786,908
Disposals/deductions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated dep as at 31.03.2021	-	-	5,988,012	11,474,330	72,280	315,813	16,103	193,723	17,756	151,327	820,600	-	-	19,049,944
Net carrying amount as at 31.03.2021	1,657,999	3,145,430	17,941,563	72,466,595	286,358	333,435	304,925	1,789,328	145,708	61,289	3,037,095	-	-	101,169,725
Net carrying amount as at 31.03.2020	1,657,999	3,145,430	17,319,158	60,164,523	320,428	456,792	112,779	1,914,921	130,589	98,802	3,277,908	-	-	88,599,329

1. Details of immovable properties not having title deed in the name of Indo Gulf Industries Limited:

Relevant line item in the Balance Sheet	Description of item of property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Property, Plant and Equipment	Land	3,145,430	Uttar Pradesh State Industrial Development Corporation Limited	No	26.05.1984	Land taken on Lease from UPSIDC for 100 years

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Note No 2.: (b) Capital Work in Progress

(Amount in INR)

Particulars	Balance as on 1st April, 2021	Additions during the FY 2021-22	Disposals/ Capitalization	Balance as on 31st March, 2022
Building under Construction				
Brick Labour	432,042	784,334	1,116,376	100,000
Capacitor	14,259	-	14,259	-
Cement	1,237,660	1,011,699	2,000,492	248,866
Electric Work	-	580,764	380,764	200,000
Fabrication	1,442,250	-	1,442,250	-
Jcb Works	589,246	-	589,246	-
Sand	1,542,300	844,263	2,086,563	300,000
Stones	504,654	526,988	531,642	500,000
Wood	64,400	358,651	423,051	-
Brass	-	2,035,369	1,168,220	867,149
Sanitaryware	-	1,415,494	1,015,494	400,000
TOTAL	5,826,810	7,557,562	10,768,357	2,616,016

Note No. 2: (b) (a) Capital Work-in-progress Ageing Schedule

(Amount in INR)

Particulars	Amount in Capital Work-in-progress for a period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in Progress	2,616,016 (5,826,810)	-	-	-	2,616,016 (5,826,810)

*(Previous year figures in brackets)

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Note No. : 3 Inventories

(Amount in INR)

Particulars	As at 31st March 2022	As at 31st March 2021
Raw Material	21,531,125	33,815,597
Work-in-progress	5,362,644	1,023,513
Finished Goods	8,179,672	1,592,589
Total	35,073,441	36,431,699

Note No. : 4 Trade Receivables

(Amount in INR)

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured - Considered Good		
- Outstanding for a period exceeding 6 months from the date they are due for payment	9,840,285	10,879,728
- Others	20,438,592	3,939,388
Total	30,278,877	14,819,116

Note No. : 4.1 Trade Receivables Ageing Schedule

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - Considered Good	-	20,438,592	4,574,288	5,265,997	-	-	30,278,877
	-	<i>(3,939,388)</i>	<i>(9,177,050)</i>	<i>(1,702,678)</i>	-	-	<i>(14,819,116)</i>
(ii) Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-

(Previous year figures in brackets)

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Note No. : 3 Inventories

(Amount in INR)

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Raw Material	21,531,125	33,815,597
Work-in-progress	5,362,644	1,023,513
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(Amount in INR)

Particulars	As at 31st March 2022	As at 31st March 2021
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- Others	20,438,592	3,939,388
Total	30,278,877	14,819,116

Note No. : 4.1 Trade Receivables Ageing Schedule

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 -2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - Considered Good	-	20,438,592	4,574,288	5,265,997	-	-	30,278,877
	-	<i>(3,939,388)</i>	<i>(9,177,050)</i>	<i>(1,702,678)</i>	-	-	<i>(14,819,116)</i>
(ii) Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-

(Previous year figures in brackets)

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Note No. : 5 Cash and cash equivalents **(Amount in INR)**

Particulars	As at 31st March 2022	As at 31st March 2021
Balances with banks On current accounts	3,972,566	1,217,005
Cash in hand	1,854,171	1,418,270
Total	5,826,737	2,635,274

Note No. : 6 Bank Balances other than Note No. 5 above **(Amount in INR)**

Particulars	As at 31st March 2022	As at 31st March 2021
Fixed deposits with Indian bank under lien for Bank Guarantee (maturity period from 3 months to 12 months)	22,872,000	7,872,000
Total	22,872,000	7,872,000

Note No. : 7 Other Financial assets **(Amount in INR)**

Particulars	As at 31st March 2022	As at 31st March 2021
Security Deposits	1,348,938	1,348,938
Total	1,348,938	1,348,938

Note No. : 8 Other Current assets **(Amount in INR)**

Particulars	As at 31st March 2022	As at 31st March 2021
Advances other than Capital Advances		
(a) Recoverable from Staff	900,008	132,758
(b) Other advance	-	12,161,068
Deposits		
(a) MAT Credit Entitlement (inclusive of earlier year)	2,605,871	-
(b) Balance in Electronic Cash Ledger	36,000	36,000
Advances Recoverable		
(a) Advance to Suppliers	9,250,497	9,537,259
(b) Rajasthan Explosives Corporation Limited	-	19,278,177
Other Recoverables		
(a) Accrued Interest on FDR	1,316,679	254,597
(b) Prepaid License fee	459,250	918,500
(c) Prepaid Taxes	1,229,003	731,672
(d) Prepaid Insurance	58,010	-
Total	15,855,318	43,050,031

1. During the year, the Company has written-off a sum of Rs. 1,92,78,177 given as advance to "Rajasthan Explosives Private Limited" on account of Business Transaction. The said Company has closed its business operations and unable to repay the amount, hence the Company has decided to write-off the said amount as the same was unrecoverable.

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Note No. : 9 Equity Share capital

(Amount in INR)

Particulars	As at 31st March 2022		As at 31st March 2021																
	No. of Shares	Amount	No. of Shares	Amount															
(a) Authorised																			
Equity shares of par value INR 1/- each	150,000,000	150,000,000	150,000,000	150,000,000															
		<u>150,000,000</u>		<u>150,000,000</u>															
(b) Issued, subscribed and fully paid up																			
Equity shares of par value INR 1/- each	9,567,270	9,567,270	9,567,270	9,567,270															
		<u>9,567,270</u>		<u>9,567,270</u>															
(c) Reconciliation of number and amount of equity shares outstanding:																			
	There was no movement in number and amount of equity shares during the year ended 31st March 2022 nor in previous year ended 31st March 2021, hence reconciliation statement is not required to be disclosed.																		
(d)	The Company has only one class of equity shares. The Company declares and pays dividend in Indian Rupees. The holders of equity shares are entitled to receive dividend as declared from time to time and are 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 amount. The distribution will be in proportion to the number of equity shares held by the shareholders.																		
(e)	51,62,540 equity shares of par value INR 1/- each are held by Ganesh Explosives Private Limited, the Holding Company.																		
(f)	Shareholders holding more than 5 % of the equity shares in the Company :																		
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name of the Shareholder</th> <th colspan="2" style="text-align: center;">As at 31st March 2022</th> <th colspan="2" style="text-align: center;">As at 31st March 2021</th> </tr> <tr> <th></th> <th style="text-align: center;">No. of shares held</th> <th style="text-align: center;">% of holding to the total equity capital</th> <th style="text-align: center;">No. of shares held</th> <th style="text-align: center;">% of holding to the total equity capital</th> </tr> </thead> <tbody> <tr> <td>Ganesh Explosives Private Limited</td> <td style="text-align: right;">5,162,610</td> <td style="text-align: right;">53.96</td> <td style="text-align: right;">5,162,610</td> <td style="text-align: right;">53.96</td> </tr> </tbody> </table>				Name of the Shareholder	As at 31st March 2022		As at 31st March 2021			No. of shares held	% of holding to the total equity capital	No. of shares held	% of holding to the total equity capital	Ganesh Explosives Private Limited	5,162,610	53.96	5,162,610	53.96
Name of the Shareholder	As at 31st March 2022		As at 31st March 2021																
	No. of shares held	% of holding to the total equity capital	No. of shares held	% of holding to the total equity capital															
Ganesh Explosives Private Limited	5,162,610	53.96	5,162,610	53.96															
(g)	The Company has not issued any equity shares without payment being received in cash in 5 years immediately preceding the balance sheet																		
(h)	The Company has neither issued any bonus shares nor has bought back equity shares in 5 years immediately preceding the balance sheet																		

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Note No. : 10 Other Equity

(Amount in INR)

Particulars	As at 31st March 2022	As at 31st March 2021
Surplus in the Statement of Profit and Loss		
Balance at beginning of the year	(57,761,735)	(62,018,589)
Add: Profit for the year	16,210,628	4,256,854
Balance as at the balance sheet date	(41,551,107)	(57,761,735)

Note No. : 11 Borrowings (Non-current)

(Amount in INR)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Non-Current	Current	Non-Current	Current
Deferred payment liabilities				
Deferred sales tax loan (Unsecured) #	6,167,649	-	12,335,297	-
Preference Share Capital				
Preference shares of par value INR 100/- each (Unsecured)	25,000,000	-	25,000,000	-
Loans				
Secured Loan	4,364,447	-	-	-
Unsecured loan - Related Parties	84,809,125	31,828,503	73,372,431	52,813,833
Total	120,341,220	31,828,503	110,707,728	52,813,833

Dy. Commissioner of Sales Tax Baidhan Dist. Sidhi M.P. has issued recovery notice dated 2nd March, 2006 for INR 454.29 lakhs Recovery Act, 1980. The Company has recognized the reduced liability of INR 308.38 lakhs pursuant to sanction of the Rehabilitation Scheme by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR), and the aforesaid loan is to be treated as interest free and to be repaid in 5 yearly installments after the restart of the Company's explosive unit. However, the differential amount of INR 145.91 lakhs is yet to be waived off by the department as per Rehabilitation Scheme. The provision for the 4th installment of Rs. 6,167,648 is made on 31st March, 2022.

(a) Unsecured Loan from Ganesh Explosives Private Limited will be repayable after five years from commencement of business in ten equal yearly instalments which will be applicable from FY 2023-24 and simple interest @8% p.a will be charged and repaid at the end of each financial year.

(b) Unsecured loans from Rajesh jain are interest free and will be repayable after five years from commencement of business i.e. from FY 2023-24 in ten equal yearly instalments.

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Note No. : 12 Deferred Tax Liability

(Amount in INR)

Particulars	As at 31st March 2022	As at 31st March 2021
At opening	4,165,503	2,885,061
Add/less Profit & Loss Appropriation Account	1,710,082	1,280,442
Total	5,875,585	4,165,503

Note No. : 13 Trade Payables

(Amount in INR)

Particulars	As at 31st March 2022	As at 31st March 2021
Financial liabilities at amortized cost		
Trade Payables	67,966,486	38,656,708
Total	67,966,486	38,656,708

Note No. : 13.1 Trade Payables Ageing Schedule

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1 - 2 Years	2 - 3 years	More than 3 Years	
(i) MSME		-	-	-	-	-
(ii) Others		61,647,366	6,212,870	106,250	-	67,966,486
		<i>(32,694,509)</i>	<i>(4,165,589)</i>	<i>(1,796,610)</i>		<i>(38,656,708)</i>
(iii) Disputed Dues - MSME		-	-	-	-	-
(iv) Disputed Dues - Others		-	-	-	-	-

(Previous year figures in brackets)

Note No. : 14 Other Current liabilities

(Amount in INR)

Particulars	As at 31st March 2022	As at 31st March 2021
Statutory liabilities	10,969,113	2,961,550
Advance from customers	29,324,830	18,115,713
Payables to Staff	17,903	15,258
Total	40,311,846	21,092,522

Note No. : 15 Provisions

(Amount in INR)

Particulars	As at 31st March 2022	As at 31st March 2021
Other provisions	26,787,240	34,217,066
Total	26,787,240	34,217,066

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Note No. : 16 Revenue from Operation **(Amount in INR)**

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Domestic sale	1,443,040,858	706,977,998
Export sale	12,099,000	-
Total	1,455,139,858	706,977,998

Note No. : 17 Other income **(Amount in INR)**

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Discount Received	40,359,965	12,125,981
Interest income on financial assets (amortized cost)		
Fixed deposits with banks	1,179,891	290,552
Sale of Scrap	915,547	124,993
Balance written back	-	141,517
Miscellaneous Income	294,771	-
Total	42,750,173	12,683,042

Note No. : 18 Cost of Material Consumed **(Amount in INR)**

Cost of Material Consumed	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Opening Stock	36,431,699	21,888,767
Add: Purchases		
Raw Material	1,169,832,576	535,145,829
Less: Discount Received	-	-
	1,169,832,576	535,145,829
Packing Material	61,256,754	40,155,455
Consumable Goods	231,347	249,776
Manufacturing Expenses		
Diesel & Petrol	13,602,354	8,815,130
Electricity Expenses	7,294,975	4,860,485
Maintenance of explosive van	-	-
Freight & Cartage	76,635,353	50,966,315
Labour Charges	22,080,758	12,396,153
License Fee	1,048,756	104,700
Loading Unloading Charges	4,925,832	1,997,550
Clearing Charges	66,726	8,222,048
Custom Duty On Imports	12,156	4,220,746
Testing Charges	86,000	218,746
Inspection Charges	316,600	-
Social Welfare Surcharges on Imports	913	422,074
Stamp Duty on Imports	-	141,310
Gas expenses	-	-
	1,357,391,099	667,916,317
Less: Closing Stock	35,073,441	36,431,699
Total	1,358,749,357	653,373,385

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Note No. : 19 Employee benefits expense

(Amount in INR)

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Salaries and wages	35,508,262	20,867,164
Contribution to provident and other funds	1,866,257	1,076,760
House Rent Allowences	504,254	444,269
Staff welfare expense	1,263,171	427,175
Total	39,141,945	22,815,368

Note No. : 20 Finance Costs

(Amount in INR)

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Others		
Letter of Credit Charges	-	56,731
Bank charges	588,370	366,870
Pre-mature charges on FD	-	-
Interest on Short-term Deposits	-	1,917,850
Interest on Secured Loans	67,627	-
Interest on Unsecured Loans	3,171,379	1,439,706
Total	3,827,375	3,781,158

Note No. : 21 Depreciation and amortisation expense

(Amount in INR)

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Depreciation and amortisation of tangible assets [Refer Note No. 2]	8,123,139	6,786,908
Total	8,123,139	6,786,908

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Note No. : 22 Other expenses

(Amount in INR)

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Office Rent (Delhi)	347,200	462,000
Rent For Generator Hire	-	4,000
Repairs and Maintenance		
- Building	7,903,437	5,565,325
- Others	643,473	258,160
Payments to auditor		
-As auditor for statutory audit	300,000	180,000
-For other services	-	-
Listing and allied fees	300,000	324,862
Legal and Professional expenses	1,113,139	1,481,414
Business Promotion	2,254,448	629,450
Printing & Stationery	525,709	307,878
Postage Charges	66,904	54,024
Telephone Expenses	20,293	25,246
Travelling & Conveyance Expenses	4,040,255	1,523,477
Forex Rate Fluctuations	166,754	8,101
Container Charges	1,310,470	580,000
Detention Charges	81,500	188,700
Consultancy Charges	2,032,000	238,400
Bad debts Written off	2,748,025	1,942,256
Driver's Salary	-	65,000
Advertisement	16,270	20,385
Late fee on GST	353,166	20,350
Donation	-	240,632
Discount Allowed	-	5,258
Entertainment Expenses	635,921	288,382
Toll & Parking Charges	-	2,960
Puja Expenses	18,025	9,380
House Keeping Charges	180,273	54,391
Packing Expenses	117,257	86,335
Contractual Expenses	1,435,000	-
Insurance Expenses	187,200	39,167
Miscellaneous expenses	300,089	147,218
Valuation Charges	46,000	39,000
Vehicle Insurance	94,557	42,199
Vehicle Rent	6,360,000	360,500
Map Editing Expenses	119,318	112,087
Service Charges	22,280	4,407
Compensation to old workers(As per Labour Court's Order)	11,700,000	11,700,000
Interest on TDS	-	104,320
Interest on Labour Settlement Due	180,577	-
Sales Tax Demand Paid	3,860,998	-
Advances Written-Off	18,679,135	-
Commission on Sales	1,723,703	-
Total	69,883,376	27,115,265

Note No. : 23 Financial Ratios

Sl. No.	Particulars	For the Year		Change in %	Reasons for Variance
		For the Year Ended 31st March 2022	Ended 31st March 2021		
1	Current Ratio	0.67	0.72	-8%	
2	Debt - Equity Ratio	(3.76)	(2.30)	64%	This is mainly due to increase in debt.
3	Debt Service Coverage Ratio	8.49	22.79	-63%	
4	Return on Equity (%)	(0.51)	(0.09)	474%	This is mainly due to rise in profit during the year.
5	Inventory Turnover Ratio	10.18	6.06	68%	This is mainly due to rise in Finished Goods
6	Trade Receivable Turnover Ratio	16.13	10.63	52%	This is mainly due to increase in Turnover.
7	Trade Payable Turnover Ratio	5.77	3.72	55%	This is mainly due to increase in Purchase.
8	Net Capital Turnover Ratio	15.44	10.60	46%	This is mainly due to increase in Working Capital.
9	Net Profit Ratio	0.01	0.01	85%	This is mainly due to increase in Turnover and decrease in Cost.
10	Return on Capital Employed (%)	0.17	0.06	208%	This is mainly due to increase in Profit during the year.
11	Return on Investment (%)	N/A	N/A	N/A	N/A

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Note No. : 24 Other disclosures

1. Contingent liabilities and commitments (to the extent not provided for)

(Amount in INR)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
a) Contingent liabilities :		
Claims against the Company not acknowledged as debts :		
a) Excise duty demand - under appeal	2,069,672	2,069,672
b) Sales tax demand- under appeal	26,160,947	26,160,947
c) Others - under appeal/litigation	18,304,058	18,304,058
	46,534,677	46,534,677
b) Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

The amounts shown in 1 above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful

2. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006")

There are no Micro and small enterprises, to whom the Company owes dues. The information required to be disclosed under section 22 of the Micro, Small and

S. No.	Particulars	2021-22	2020-21
1	Principal amount due to suppliers and remaining unpaid under MSMED Act, 2006	Nil	Nil
2	Interest accrued and due and unpaid to suppliers under MSMED Act on the above amount	Nil	Nil
3	Interest paid	Nil	Nil
4	Payment made to suppliers (other than interest) beyond the appointed day during the year	Nil	Nil
5	Interest due and payable to suppliers under MSMED Act for payments made for the period delay	Nil	Nil
6	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	Nil	Nil
7	Amount of further interest remaining due and payable in succeeding year	Nil	Nil

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3 Related Party Disclosures

A. The 53.96% of Equity Share Capital of the Company is held by Ganesh Explosives Private Limited, being the holding companies.

B. Related parties

a) Relation and name of the related parties are:-

1 Promotor Venturer:
M/s Balrampur Chini Mills Ltd. (ceased to be promotor w.e.f. 08.11.2017)

2 Holding Company:
M/s Ganesh Explosives Private Limited (w.e.f. 09.11.2017)

3 Company in which director has substantial interest
M/s Rajesh Explosives Private Limited

4 Key Managerial Personnel:
a) Chief Finance Officer - Mr. Bhagwan Dass Agarwal
b) Company Secretary - Ms. Tanu Shree
c) Director - Mr. Rajesh Jain
d) Director - Mr. Sanjay Choudhary
e) Director - Mr. Ashok Sarkar
f) Director - Mrs. Shivani Naithani
g) Director - Mr. Gaurav Kumar

5 Related Party Transactions

S. No.	Particulars	Holding Company	Related Party	Key Managerial Personnel
A	M/s Ganesh Explosives (P) Ltd.			
(i)	Unsecured Loans Received/(Paid)	(23,839,572)	-	-
(ii)	Vehicle Rent Received/(Paid)	(6,360,000)		
B	Related Party			
(i)	<i>Rishabh Jain</i>			
(a)	Consultancy	-	1,600,000	-
(b)	Salary	-	3,600,000	-
C	Key Managerial Personnel			
(i)	<i>Mr. B.D. Agarwal</i>			
(a)	Reimbursement of Expenses	-	-	1,317,711
(b)	Salary	-	-	1,800,000
(ii)	<i>Mr. Rajesh Jain</i>			
(a)	Unsecured Loans Received/ (Paid)	-	-	11,436,694
(iii)	<i>Ms. Tanu Shree</i>			
(a)	Salary	-	-	120,000
(iv)	<i>Mr. Sanjay Choudhary</i>			
(a)	Salary	-	-	600,000
	Total	(30,199,572)	5,200,000	15,274,405

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4 Disclosures as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent Liabilities and Contingent Assets :

(i) Nature of provisions

Provision for contingencies

Provisions for contingencies represent provision towards various claims made/anticipated in respect of duties and taxes and other litigation claims against the

(ii) Movements in Provisions:

Particulars	(Amount in INR)
Balance as at 1st April, 2021	-
Provided during the year	-
Used during the year	-
Reversed during the year	-
Balance as at 31st March, 2022	-
Non-current	-
Current	-
Balance as at 1st April, 2020	43,426,678
Provided during the year	-
Used during the year	-
Reversed during the year	43,426,678
Balance as at 31st March, 2021	-
Non-current	-
Current	-

It is not possible to estimate the timing/uncertainties relating to utilisation /reversal from the provision for contingencies. Future cash outflow in respect of

The Company does not expect any reimbursement in respect of above provisions.

(iii) Details of pending litigations:

- (a) P.F. Employees' Provident Fund Organisation (EPFO) Dwarka, New Delhi vide its order dated 10.07.14 directed IGIL to deposit a sum of Rs. 36.87 Lacs u/s 7Q of EPF and MP Act, 1952 towards interest. So far two instalments of Rs. 24.60 Lacs have been paid. Third and Last instalment has also been paid amounting to Rs. 12.29 Lacs on 18.07.2016. (A copy of EPFC order dated 10.07.2014 and EPFAT order dated 24.07.2014)
- (b) P.F. Employees' Provident Fund Organisation (EPFO) Dwarka, New Delhi vide its order dated 10.07.2014 directed IGIL to deposit a sum of Rs. 54.48 Lacs u/s 14B towards damages. The matter was under consideration of the Board of Trustees and finally it has waived the complete amount of Rs. 54.48 Lacs in its hearing held on 21.02.2018
- (c) (i) EPFO Dwarka, New Delhi vide its notice dated 09.12.2015 initiated enquiry u/s 7Q of EPF and MP Act, 1952 levying Rs. 7.97 Lacs against interest. Company vide its letter dated 11.01.2016 has requested EPFO Dwarka, New Delhi to make three annual equal instalments of interest of Rs. 7.97 Lacs. Final order from EPFO Dwarka, New Delhi is awaited as on date.
(ii) EPFO Dwarka, New Delhi vide its notice dated 09.12.2015 initiated enquiry u/s 14B of EPF and MP Act, 1952 levying INR 5.59 Lakhs against damages. IGIL vide its letter dated 11.01.2016 has requested EPFO Dwarka, New Delhi to waive damages of INR 5.59 Lakhs. Final order from EPFO Dwarka, New Delhi is awaited as on date.
- (d) Sales Tax Department, Jhansi has issued various recovery certificates in year 2004 amounting to Rs. 201 Lacs towards Sales Tax dues excluding interest for not submitting the C, 3B & F forms related to A.Y. 1988-89 to 2000-01. As a result of same, IGIL Jhansi Explosive unit is under attachment of Sales Tax Department. In the meantime, IGIL has collected several forms C, 3B & F mainly from Coal India Limited and its subsidiaries. IGIL is to take up the matter with Jhansi Sales Tax Department for adjusting the outstanding liability of IGIL against the collected "C" & "F" forms and simultaneously to re-assess the actual liability based on the actual assessment.
- (e) Dy. Commissioner of Sales Tax Baidhan (M.P.) has issued several recovery certificates dated 03.01.2006 for Rs. 454 Lacs u/s 3 of Revenue Recovery Act, 1980. In view of the matter being old, IGIL is to get the complete details of the matter from the concerned department for taking necessary action.
- (f) IGIL is in receipt of notice dated 10.10.11 for recovery of Rs. 272.63 Lacs u/s 146 of M.P. Land Revenue Recovery Act, 1959 from Add. SDM & Commercial Tax Officer, Singrauli (M.P.) IGIL is yet to retrieve further details of same from concerned department for taking necessary action.
- (g) Central Excise dept. District Sidhi, Waidhan, (M.P.) vide its notice dated 17.02.2003 raised demand of Rs. 5.12 Lakhs towards Excise duty, interest and penalty. IGIL is yet to retrieve further details of same from concerned department for taking necessary action.
- (h) State Sales Tax Authorities of Orissa, Madhya Pradesh & Chhattisgarh have also issued various Recovery Certificates for non- submission of C, F & 3B forms in relation to various site mixing slurries (SMS) Explosive units located in these states. IGIL is yet to retrieve further details of same from concerned department for taking necessary action. Sales Tax Authority of Orissa & M.P. issued R C for non submission of C,F & 3B forms.
- (i) Deputy Commissioner of Income Tax, New Delhi passed an order u/s 271(1) (C) of the I.T. Act 1961 on 29.04.2015 imposing penalty of INR 4.05 Lakhs for A.Y. 2012-13 IGIL filed an Appeal on 27.05.2015 with Commissioner of Income Tax (Appeals), New Delhi challenging the DCIT order dated 29.04.2015 Commissioner of Income Tax (Appeals), New Delhi as on date.

- (j) Sachin Chemical filed suit No. 194 of 2003 in Tis Hazari Court, New Delhi for recovery of Rs. 1.69 lakhs towards non-payment of Chemical Supplies. Matter is pending as it was declared "SINE DIE" by virtue of SICA.
- (k) Simalin Chemicals filed Civil Suit No 194/2003 before Civil Judge, Vadodra for recovery of 7.02. Lakhs.
- (l) The Company has entered into an agreement with National Fertilizer Limited (NFL) on 27th Nov, 2019 whereby the Company have reached to an understanding to settle the dues at Rs. 40.44 Lacs out of which the Company has already paid Rs. 10 Lacs as token on 14th Nov, 2019 and first instalment of Rss. 13.44 Lacs has also been paid on 21st Jan, 2020 and remaining amount of Rs. 17 Lacs has also been paid on 31.12.2020
- (m) As far as Labour issue is concerned, the company has entered into an agreement with worker's union on 08 August 2018 which has been registered in the office of Dy. Labour Commissioner vide ref. no. 3506-10/JR/IR dt. 24.08.2019 whereby all the earlier disputes has been resolved with the workers in respect of their employment and payment of earlier dues for 115 employees, it was also agreed by both the parties that in future they shall not file any case before any court of law and also shall withdraw all the previous cases pending with respective courts including DLC, High Court and Apex Court as per point no. 9 of the aforesaid worker agreement. The management has been following all the terms and conditions of the agreement. The Company have already settled and paid the dues in terms of Worker's Agreement during the period from April 2020 to June 2022.
- (n) Scale Away has filed suit No. 35 of 2002 pending in Delhi Tis Hazari Court, New Delhi for recovery of Rs.1.34 Lakh. Same is pending as on date.
- (o) As per notice received by IGIL from Dy. Commissioner of Income Tax on 22.11.2013, I.T. Dept. Has filed an appeal in Delhi High Court in the matter of CIT v/s IGIL A.Y. 2006-07 ITA No. 3616/DEL/2010. However further details of the matter are still awaited. Amount involved in the said case if Rs. 475 Lacs
- (p) Sales Tax Dept. Jhansi had declare the auction of IGIL Jhansi unit moveable assets to Mahendra Satav as "NUL & VOID". Mr. Mahendra Satav filed writ petition against Dy. Commissioner Sales Tax, Jhansi and Company challenging the same in Allahabad High Court. Allahabad High Court vide its order dated 01.05.2013 dismissed the Petition filed by Mr. Mahendra Satav.
- (q) UPSIDC had allotted a land of 7069.05 acres on lease to IGIL in December 1984 for setting up the facilities for manufacturing of Slurry Explosives out of which 50 acres of land wasw allotted for setting up the plant and remaining 656.05 acres for maintaining safety zones being an explosive plant as per Explosive Act. UPSIDC has raised a demand of Rs. 650.98 Lacs on 31.03.2020 vide Letter No. SIDA/RMJ/INDOFULF DT 29.07.2020 towards economic rent outstanding premium and interest their own for the closure period and also after our takeover periof from 2017-2020.

Out of the total liability as stated in (a) to (d) above, provision to the tune of INR 289.68 lacs has already been provided by the Company. However, the said liability after taking into account the relief and concessions of Rehabilitation Scheme by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) stands reduced to INR 43.45 lacs and is included under the line item "Provision for contingencies" which after writing off is now left to INR 3.45 lakh.

5. Earnings per Share - The numerators and denominators used to calculate Basic / Diluted Earnings per Share

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
a) Amount used as the numerator Profit/(Loss) after tax - (A)	16,210,628	4,256,854
b) Weighted average number of Equity shares outstanding used as the denominator for computing Basic Earnings per share - (B)	9,567,270	9,567,270
c) Weighted average number of Equity shares outstanding used as the denominator for computing Diluted Earnings per share - (C)	9,567,270	9,567,270
d) Nominal value of equity shares (₹)	1.00	1.00
e) Basic earnings per share (₹) (A/B)	1.69	0.44
f) Diluted earnings per share (₹) (A/C)	1.69	0.44

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6 The Hon'ble Appellate Authority for Industrial and Financial Reconstruction (AAIFR) at its hearing held on 14th June, 2016 has, inter-alia, discharged the

7 Segment information

The Board of Directors has been identified as the Company's chief operating decision-maker (CODM) as defined by Ind AS 108 – Operating Segments. The information about secondary segment has not been furnished as there is no export revenue of the Company.

8 Disclosure pursuant to Indian Accounting Standard-12 "Income Taxes"

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

9 Disclosure pursuant to Indian Accounting Standard - 36 on "Impairment of Assets"

Due to seizure of Company's explosive plant at Jhansi, the condition of the plant & machineries and other fixed assets thereat and the impairment loss, if any, in respect thereof could not be determined, pending which no provision for such impairments, if any, could be made in these accounts. In respect of new property, plant and equipment purchased and recognized during the year, no impairment loss is required to be recognized.

10 Disclosure pursuant to Indian Accounting Standard - 19 on "Employee Benefits"

During the year under review, no liability has accrued on account of long-term employee benefits payable by the Company. Hence, information as per the requirements of Indian Accounting Standard - 19 on "Employee Benefits" is not required to be disclosed.

11 Expenditure on Corporate Social Responsibilities (CSR) Activities

The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company in view of the fact that the Company does not meet any of the financial criteria for applicability of CSR.

12 Disclosure under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has neither given any loan nor has advanced any amount either during the current year ended 31st March, 2018 or during the previous year ended 31st March, 2017. Hence, the requirements under the said Schedule is not applicable to the Company and no information is required to be disclosed.

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Note No. : 24 Other disclosures

13 Fair Value Measurements

A. Financial instruments by category

As at 31st March, 2022 (Amount in INR)

Sl. No.	Particulars	Amortized cost	FVTOCI	FVTPL	Total
(1)	Non-Current Assets				
	Financial assets	-	-	-	-
	Current Assets				
(2)	Financial assets				
(a)	Trade Receivables	30,278,877	-	-	30,278,877
(b)	Cash and cash equivalents	5,826,737	-	-	5,826,737
(c)	Bank balances other than (i) above	22,872,000	-	-	22,872,000
(e)	Other current Assets	15,855,318	-	-	15,855,318
	Total	74,832,931	-	-	74,832,931
	Non Current Liabilities				
(3)	Financial liabilities				
(a)	Borrowings	120,341,220	-	-	120,341,220
	Current Liabilities				
	Financial liabilities				
(a)	Borrowings	31,828,503	-	-	31,828,503
(b)	Trade Payables	67,966,486	-	-	67,966,486
(c)	Other current liabilities	40,311,846	-	-	40,311,846
	Total	260,448,054	-	-	260,448,054

As at 31st March, 2021 (Amount in INR)

Sl. No.	Particulars	Amortized cost	FVTOCI	FVTPL	Total
(1)	Non-Current Assets				
	Financial assets	-	-	-	-
	Current Assets				
(2)	Financial assets				
(a)	Trade Receivables	14,819,116	-	-	14,819,116
(b)	Cash and cash equivalents	2,635,274	-	-	2,635,274
(c)	Bank balances other than (i) above	7,872,000	-	-	7,872,000
(d)	Other current Assets	43,050,031	-	-	43,050,031
	Total	68,376,421	-	-	68,376,421
	Non Current Liabilities				
(3)	Financial liabilities				
(a)	Borrowings	110,707,728	-	-	110,707,728
	Current Liabilities				
	Financial liabilities				
(a)	Borrowings	52,813,833	-	-	52,813,833
(b)	Trade Payables	38,656,708	-	-	38,656,708
(c)	Other current liabilities	21,092,522	-	-	21,092,522
	Total	223,270,791	-	-	223,270,791

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Note No. : 24 Other disclosures

B. Valuation technique, methods and assumptions used to determine the fair values:

Fair value is a market-based measurement, not an entity-specific measurement. Under Ind AS, fair valuation of financial instruments is guided by Ind AS 113 "Fair Value Measurement" (Ind AS – 113).

In terms of Ind AS 113, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

C. Fair Value Hierarchy

This section explains the judgements and estimates based in determining the fair values of the financial instruments that are

- a) recognized and measured at fair value and
- b) measured at amortized cost and for which fair value are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial three levels prescribed under Ind AS.

The following tables provides the fair value measurement hierarchy of the Company's assets and liabilities.

(i) Financial assets and financial liabilities measured at fair value as at 31st March 2022:

(Amount in INR)					
Sl. No.	Particulars	Level 1	Level 2	Level 3	Total
A.	Financial assets [At amortized cost (current)]				
	Trade Receivables	-	-	30,278,877	30,278,877
	Cash and cash equivalents	-	-	5,826,737	5,826,737
	Bank balances other than cash and cash equivalents	-	-	22,872,000	22,872,000
	Loans	-	-	-	-
	Other financial assets	-	-	1,348,938	1,348,938
	Total financial assets	-	-	60,326,552	60,326,552
B.	Financial Liabilities [At amortized cost]				
(a)	Non-current				
	Borrowings	-	-	120,341,220	120,341,220
(b)	Current				
	Borrowings	-	-	31,828,503	31,828,503
	Trade Payables	-	-	67,966,486	67,966,486
	Other financial liabilities	-	-	-	-
	Total financial liabilities	-	-	220,136,209	220,136,209

(ii) Financial assets and financial liabilities measured at fair value as at 31st March 2021:

(Amount in INR)					
Sl. No.	Particulars	Level 1	Level 2	Level 3	Total
A.	Financial assets [At amortized cost (current)]				
	Trade Receivables	-	-	14,819,116	14,819,116
	Cash and cash equivalents	-	-	2,635,274	2,635,274
	Bank balances other than cash and cash equivalents	-	-	7,872,000	7,872,000
	Loans	-	-	-	-
	Other financial assets	-	-	1,348,938	1,348,938
	Total financial assets	-	-	26,675,328	26,675,328
B.	Financial assets [At amortized cost]				
(a)	Non-current				
	Borrowings	-	-	110,707,728	110,707,728
(b)	Current				
	Borrowings	-	-	52,813,833	52,813,833
	Trade Payables	-	-	38,656,708	38,656,708
	Other financial liabilities	-	-	-	-
	Total financial liabilities	-	-	202,178,269	202,178,269

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Note No. : 24 Other disclosures

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value financial instruments that are not traded in an active market is determined using valuation techniques by maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no transfers between Level 1 and Level 2 either during the year ended 31st March 2022 or during the year ended 31st March 2021.

(iii) The carrying amount of cash and cash equivalents, bank balances other than cash and cash equivalents, and other current financial assets and financial liabilities are considered to be same as their fair value due to the short-term maturities of these instruments.

14 Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and bank balances.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Amount in INR)

Sl. No.	Particulars	Less than 1 year	1 to 5 years	>5 years	Total
A.	As at 31st March 2022				
(i)	Borrowings	-	10,532,096	84,809,125	95,341,220
(ii)	Other financial liabilities	-	-	-	-
	Total	-	10,532,095.52	84,809,124.87	95,341,220.39
B.	As at 31st March 2021				
(i)	Borrowings	-	52,813,833	73,372,431	126,186,264
(ii)	Other financial liabilities	-	-	-	-
	Total	-	52,813,833.00	73,372,431.00	126,186,264.00

15 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and other equity attributable to the equity share-holders of the Company. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2022 and 31st March 2021.

AS PER OUR REPORT OF EVEN DATE ATTACHED.
FOR HEMANT ARORA & CO. LLP
Chartered Accountants
FIRM'S REGISTRATION NO. - 002141C/C400006

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
INDO GULF INDUSTRIES LIMITED

Kamal Nagpal
(M. No. 408066)
Partner

Rajesh Jain
(Director)
(DIN-01200520)

Sanjay Choudhary
(Director)
(DIN-08719847)

Place of Signature: Dehradun
Date: 30/05/2022

B.D. Aggarwal
(Chief Finance Officer)

Tanushree Purohit
(Company Secretary)