

31st

ANNUAL REPORT 2013 - 14



INDO GULF INDUSTRIES LIMITED



INDO GULF INDUSTRIES LIMITED

31st ANNUAL REPORT 2013-2014

BOARD OF DIRECTORS

Dr. Arvind Krishna Saxena
Mr. Vimal Kumar Jain
Mr Rajesh Jain

Mr. Shyam Lal Gouniyal
Mr. Gorachand Dutta

AUDIT COMMITTEE

Mr. Vimal Kumar Jain, *Chairman*
Dr Arvind Krishna Saxena
Mr Shyam Lal Gouniyal

SHAREHOLDERS' GRIEVANCE COMMITTEE

Mr Shyam Lal Gouniyal, *Chairman*
Dr Arvind Krishna Saxena
Mr Vimal Kumar Jain

REMUNERATION COMMITTEE

Mr Shyam Lal Gouniyal, *Chairman*
Dr Arvind Krishna Saxena
Mr Vimal Kumar Jain
Mr Gorachand Dutta

SHARE TRANSFER COMMITTEE

Mr Shyam Lal Gouniyal
Dr Arvind Krishna Saxena
Mr Vimal Kumar Jain

STATUTORY AUDITORS

M/S. Vipin Aggarwal & Associates

Chartered Accountants
E-4, IInd Floor, Defence Colony,
New Delhi - 110 024

BANKERS

HDFC 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

213, Rectangle 1, D-4, District Centre,
Saket, New Delhi - 110 017

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NOTICE

Notice is hereby given that the 31st Annual General Meeting of the Company will be held as follows:

Day : Friday
Date : 1st August, 2014
Time : 10.00 A.M
Place : Shri Ram Barat Ghar, 505/3 Devli, Bandh Road, New Delhi - 110062

to transact the following businesses :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Statement of Profit & Loss for the year ended on that date together with the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Arvind Krishna Saxena who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"Resolved that M/s Vipin Aggarwal & Associates, Chartered Accountants (Regn. No.014454N) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

4. 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 Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Rajesh Jain (DIN- 01200520), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019."
5. 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 Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Vimal Kumar Jain (DIN-01141926), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019."
6. 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 Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Shyam Lal Gouniyal (DIN-01856426), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"Resolved that pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Gorachand Dutta (DIN-03628437), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019."

BY ORDER OF THE BOARD

Sd/-

Dr. ARVIND KRISHNA SAXENA
Director

Place : New Delhi
Date : 20.06.2014

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DULY COMPLETED, STAMPED AND LODGED WITH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 26th July, 2014 to 1st August, 2014 (both days inclusive).

3. There will be no distribution of gifts/coupons at the meeting.
4. Shareholders seeking any information with regard to Accounts are requested to write to the Company at least 7 days before the date of the Meeting so as to enable the management to keep the information ready.
5. Members are requested to notify and change in their address including pin code and e-mail addresses to the Company.
6. Corporate members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM.
7. The Company has allotted 1 equity share of Re.1 each of the Company for every 1 equity share of Rs.10 each held in the company pursuant to Rehabilitation Scheme approved by Hon'ble BIFR vide Order dated 24th June, 2010. If any shareholder has not yet received the share certificate of the Company so allotted are requested to write to the Company for non-receipt of such share certificate.
8. The statement pursuant to Section 102 of the Companies Act, 2013 is annexed thereto.
9. All documents referred to in the accompanying notice and the explanatory statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days except Saturdays.

EXPLANATORY STATEMENT:**Pursuant to Section 102 of the Companies Act, 2013****Item No.4**

Mr. Rajesh Jain was appointed as an additional director of the Company with effect from 14th December, 2013. Pursuant to Section 161 of the Companies Act, 2013, Mr. Rajesh Jain will hold office as director only upto the date of forthcoming Annual General Meeting. A notice has been received from a member proposing Mr. Rajesh Jain as a candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

Profile of Mr. Rajesh Jain

Date of Birth : 30.06.1962
Qualification : Masters in Business Administration
Expertise & experience in specific functional area : He has a wide experience in the field of explosive, administration and management etc.

Mr Rajesh Jain is Director of Ganesh Explosives Pvt. Ltd and Rajesh Explosives Pvt Ltd. He is not member of any other Board Committees. He is not holding any shares of the company as on 31.03.2014.

The Board considers that the Company would be benefited by his rich experience in the explosive sector. Pursuant to Section 149 of the Companies Act, 2013, Mr. Rajesh Jain shall hold office of a Director for a period of five consecutive years for a term upto 31st March, 2019.

Mr. Rajesh Jain is interested in the resolution set out at item no.4 of the Notice with regard to his appointment. The relatives of Mr. Rajesh Jain may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement. The Board of Directors recommends the resolution for approval of the members.

Item No. 5

Mr. Vimal Kumar Jain is a Non-Executive Independent Director of the Company. He joined the Board in December, 2006. Mr. Vimal Kumar Jain is the Chairman of the Audit Committee and member of the Remuneration Committee, Shareholders Grievance Committee and Share Transfer Committee of the Board of Directors of the Company.

Mr. Vimal Kumar Jain is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Vimal Kumar Jain being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Vimal Kumar Jain as a candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

Profile of Mr. Vimal Kumar Jain

Date of Birth : 12.10.1933
Qualification : Commerce Graduate
Expertise and experience in specific functional area : He held previously prestigious position in Indian Sugar Mills Association and has wide experience in business operation.

Mr. Vimal Kumar Jain is not holding directorship in any other Company nor membership in any other board committee. He is not holding any shares of the company as on 31.03.2014.

The Board considers that the Company would be benefited by his rich experience and guidance. Pursuant to Section 149 of the Companies Act, 2013, Mr. Vimal Kumar Jain shall hold office of a director for a period of five consecutive years for a term upto 31st March, 2019.

Mr. Vimal Kumar Jain is interested in the resolutions set out at item no. 5 of the Notice with regard to his appointment. The relatives of Mr. Vimal Kumar Jain may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement. The Board of Directors recommends the resolution for approval of the members.

Item No.6

Mr. Shyam Lal Gouniyal is a Non-Executive Independent Director of the Company. He joined the Board in September, 2011. Mr. Shyam Lal Gouniyal is the Chairman of the Remuneration Committee, Shareholders Grievance Committee & Share Transfer Committee and member of the Audit Committee of the Board of Directors of the Company.

Mr. Shyam Lal Gouniyal is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Shyam Lal Gouniyal being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Shyam Lal Gouniyal as a candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

Profile of Mr. Shyam Lal Gouniyal

Date of Birth : 21.06.1959
Qualification : Bachelor of Arts
Expertise & Experience in specific functional area : He has a wide experience in the field of administration, management etc.

Mr. Shyam Lal Gouniyal is not holding directorship in any other Company nor membership in any other board committee. He is not holding any shares of the company as on 31.03.2014.

The Board considers that the Company would be benefited by his rich experience and guidance. Pursuant to Section 149 of the Companies Act, 2013, Mr. Shyam Lal Gouniyal shall hold office of a director for a period of five consecutive years for a term upto 31st March, 2019.

Mr. Shyam Lal Gouniyal is interested in the resolutions set out at item no.6 of the Notice with regard to his appointment. The relatives of Mr. Shyam Lal Gouniyal may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement. The Board of Directors recommends the resolution for approval of the members.

Item No. 7

Mr. Gorachand Dutta is a Non-Executive Independent Director of the Company. He joined the Board in September, 2011. Mr. Gorachand Dutta is the Member of the Remuneration Committee of the Board of Directors of the Company.

Mr. Gorachand Dutta is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Gorachand Dutta being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Gorachand Dutta as a candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

Profile of Mr. Gorachand Dutta

Date of Birth : 20.06.1955
Qualification : B.Sc. (Engg.- Mechanical)
Expertise & Experience in specific functional area : He has a vast knowledge and experience in engineering & business operation.

Mr. Gorachand Dutta is not holding Directorship in any other Company nor membership in any other board committee. He is not holding any shares of the company as on 31.03.2014.

The Board considers that the Company would be benefited by his rich experience and guidance. Pursuant to Section 149 of the Companies Act, 2013, Mr. Gorachand Dutta shall hold office of a director for five consecutive years for a term upto 31st March, 2019.

Mr. Gorachand Dutta is interested in the resolutions set out at item no. 7 of the Notice with regard to his appointment. The relatives of Mr. Gorachand Dutta may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement. The Board of Directors recommends the resolution for approval of the members.

In the opinion of the Board, proposed appointment of Mr. Rajesh Jain, Mr. Vimal Kumar Jain, Mr. Shyam Lal Gouniyal and Mr. Gorachand Dutta as the independent director of the company fulfills the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management. Copy of the draft letters for appointment of Mr. Rajesh Jain, Mr. Vimal Kumar Jain, Mr. Shyam Lal Gouniyal and Mr. Gorachand Dutta as Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

PROFILE OF DIRECTOR SEEKING RE-APPOINTMENT PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT**Dr. Arvind Krishna Saxena (Item No. 2)**

Date of Birth : 26.08.1951
Qualification : M. Sc. Ph. D. (Botany)
Expertise and experience in specific functional area : He has specialization in Industrial Mycology, Bio-composting, specific functional area Mushroom Production and Processing from Horst, Holland. He has wide experience of 39 years. He held previously prestigious position in various organizations and was also associated with Scientific and research activities.

Dr. Arvind Krishna Saxena is whole time Director in Balrampur Chini Mills Ltd. He is not member of any other Board Committees. He is not holding any shares of the company as on 31.03.2014.

DIRECTORS' REPORT

Dear Members,

Your Directors are presenting the Thirty First Annual Report and Audited Accounts of the Company for the year ended 31st March, 2014.

(₹ in thousands)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Net Sales	–	–
Other Income	570.09	779.56
Profit before Depreciation, Interest and Taxation	50.48	241.40
Less: Interest	–	4590.96
Less: Depreciation	1324.63	1324.63
Loss before Tax	1274.15	5674.19
Less: Tax Expense	–	–
Loss for the year	1274.15	5674.19

PERFORMANCE

- As reported in last year's report, Hon'ble Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 24.06.2010 had sanctioned the rehabilitation scheme of the company including the Scheme of Arrangement w.e.f. 1st October, 2008.
- BIFR has granted certain relief and concession from various parties such as central and state Government and other agencies for the revival of the explosive division of the Company.
- None of the Unit of the Company is in operation during the year.

FUTURE OUTLOOK & PROSPECTS

The Company is continuing to make all efforts to restart the explosive units.

The Company has submitted a Modified Draft Rehabilitation Scheme (MDRS) to SBI (Monitoring Agency) and Hon'ble Board for Industrial & Financial Reconstructions (BIFR) based on induction of co-promoter / strategic investor in IGIL and the same is yet to be approved by Hon'ble BIFR. Further, Hon'ble BIFR has permitted, transfer of 20% equity shares of the Company held by Balrampur Chini Mills Limited to co-promoter/strategic investor.

DIVIDEND

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

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits within the purview of Section 58A of the Companies Act, 1956.

DIRECTORS

Mr. Rajesh Jain was appointed as additional director with effect from 14th December, 2013. He is independent director and will hold office up to the date of the ensuing Annual General Meeting of the Company and will be eligible for appointment as Independent Director.

Dr. Arvind Krishna Saxena, director of the company, retire from the board by rotation and is eligible for re-election.

Mr. Vimal Kumar Jain, Mr. Shyam Lal Gouniyal and Mr. Gorachand Dutta are independent directors, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of section 149 and other applicable provisions of the Companies Act, 2013, Mr. Vimal Kumar Jain, Mr. Shyam Lal Gouniyal and Mr. Gorachand Dutta are being eligible and offer themselves for appointment as Independent Directors for five consecutive years for a term upto 31st March 2019. The company 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.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, your directors hereby confirm:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2014 the applicable accounting standards have been followed;
- (ii) that 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 the year under review;
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors have prepared the accounts for the financial year ended 31st March, 2014 on a 'going concern' basis.

AUDITORS' REPORT

The observations of Auditors in their report read with the relevant notes to accounts are self explanatory and do not require further explanation.

AUDITORS

M/s Vipin Aggarwal & Associates, Chartered Accountants, Statutory Auditors of the Company retire and being eligible, offer themselves for reappointment.

CORPORATE GOVERNANCE

As per clause 49 of the Listing Agreement with the Stock Exchanges, Managements Discussion and Analysis, a report on Corporate Governance together with the Certificate from Practicing Company Secretary's on the compliance of conditions of the Corporate Governance forms part of the Annual Report.

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

In accordance with the requirement of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the statement showing particulars with respect to conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is annexed hereto and form a part of this report.

PARTICULARS OF EMPLOYEES

During the year under review there were no employees who were drawing remuneration as prescribed in section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 either for full year or for a part of the year under review.

ACKNOWLEDGEMENTS

Your directors wish to place on record their appreciation for co-operation and support extended by the Bankers.

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

Place : New Delhi
Date : 28.04.2014

Sd/-
Dr. Arvind Krishna Saxena
Director

Sd/-
Vimal Kumar Jain
Director

ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION PURSUANT TO THE COMPANIES [DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS] RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014

A. CONSERVATION OF ENERGY

Not Applicable to Explosive Industry.

B. RESEARCH AND DEVELOPMENT TECHNOLOGY ABSORPTION

1. Specific areas in which R&D carried out by the Company:
Company is making efforts to restart its Explosive Units which are closed since December, 2000 as a result no R&D could be carried out by the Company during the year.
2. Benefits derived as a result of the above R&D: Not applicable
3. Future Plan of action:
The Company is making efforts to restart its explosive units and is further studying the development of new formulations to meet the demand pattern of industry.
4. Company is making efforts to get the machine with latest technology installed in the factory.

C. FOREIGN EXCHANGE EARNING AND OUTGO

Particulars	2013-14	2012-13
i) Activities relating to exports initiative taken to increase exports	NIL	NIL
ii) Development of new export market for product and services and export plan	NIL	NIL
iii) Total foreign exchange earnings (Rs. lacs)	NIL	NIL
iv) Used (Rs. Lacs)	NIL	NIL

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

Place : New Delhi
Date : 28.04.2014

Sd/-
Dr. Arvind Krishna Saxena
Director

Sd/-
Vimal Kumar Jain
Director

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The company firmly believes that Corporate Governance is a continuous process to attain high standards of efficiency, transparency, integrity and ethical behavior with a view to maximize benefits from the business for all constituents with due regards to and compliance with laws.

BOARD OF DIRECTORS

The composition of Board of Directors as on 31st March, 2014 is as follows:

1. Non-executive Directors.
Dr. Arvind Krishna Saxena
2. Independent Non-executive Directors.
 - (i) Mr. Vimal Kumar Jain
 - (ii) Mr. Shyam Lal Gouniyal
 - (iii) Mr. Gorachand Dutta
 - (iv) Mr. Rajesh Jain

The composition of the Board of Directors, number of other Board of Directors or Board Committees of which he is a Member and the attendance of each Director at the Board Meeting and the last Annual General Meeting (AGM) are as under:-

Sl. No.	Name of Director	Number of other Directorship* (Public Ltd. Company)	Number of membership/ Chairmanship of other Board Committee**	Number of Board Meetings attended	Attendance at Last AGM
1	Dr. Arvind Krishna Saxena	1	Nil	5	Yes
2	Mr. Vimal Kumar Jain	NIL	Nil	5	Yes
3	Mr. Shyam Lal Gouniyal	NIL	Nil	5	Yes
4	Mr. Gorachand Dutta	NIL	Nil	Nil	No
5	Mr. Rajesh Jain	NIL	Nil	1	No

(*) – Excludes membership of the Managing Committee of various chambers/bodies and directorship in Private Limited Companies/ Companies under section 25 of the Companies Act, 1956/ foreign companies.

(**)– For reckoning the limit, the membership/ chairmanship of the Audit Committee and Shareholders' Grievance Committee of the Indian Public Limited Companies have been considered.

During the financial year ended 31st March, 2014, five Board Meetings were held on 23/04/2013, 25/07/2013, 30/10/2013, 14/12/2013 and 30/01/2014.

BOARD COMMITTEES:

Audit Committee

The Audit Committee constituted by the Board of Directors consists of the following Directors as members:

1. Mr. Vimal Kumar Jain : Chairman, Independent, Non-executive
2. Dr Arvind Krishna Saxena : Member, Non-executive
3. Mr. Shyam Lal Gouniyal : Member, Independent, Non-executive

All these Directors possess knowledge of corporate finance, accounts and Company Law. The Chairman of the Committee is an Independent Non-executive Director nominated by the Board.

The present terms of reference of the Audit Committee includes the powers as laid out in Clause 49(II)(C) and role as stipulated in Clause 49(II)(D) of the Listing Agreement with the Stock Exchanges. The Audit Committee also reviews information as per the requirement of Clause 49(II)(E) of the Listing Agreement.

The Audit Committee also complies with the relevant provisions of the Companies Act, 2013. The brief description of the terms of reference of the Audit Committee in line with the Clause 49 of the Listing Agreement is:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient is correct, sufficient and credible.
- Recommend to the Board the appointment/removal of statutory auditors, nature and scope of audit, fixation of audit fee and payment for any other services rendered by the statutory/external auditors.

- Review with the management, quarterly and annual financial statements before submission to the Board.
- Review with the management, performance of statutory and internal auditors.
- Review of the adequacy and effectiveness of Internal Audit function, the internal control system of the Company, structure of the internal audit department, coverage and frequency of internal audit.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- And, generally all items listed in Clause 49(II)(D) of the Listing Agreement.

The Audit Committee may also review such matters as considered appropriate by it or referred to it by the Board.

Meetings and Attendance

During the financial year ended 31st March, 2014, four Audit Committee meetings were held and attended by the members as under:

Name of Directors	No. of Meetings attended
Mr. Vimal Kumar Jain	4
Dr. Arvind Krishna Saxena	4
Mr. Shyam Lal Gouniyal	4

Mr. Vimal Kumar Jain, Chairman attended the AGM held on 25th July, 2013 and replied to the queries related to accounts to the satisfaction of the shareholders.

Remuneration Committee

The remuneration Committee comprises of 4 Directors, out of them 3 are non-executive, independent Directors. The members of the Committee are:-

1. Mr. Shyam Lal Gouniyal : Chairman
2. Dr. Arvind Krishna Saxena : Member
3. Mr. Gorachand Dutta : Member
4. Mr. Vimal Kumar Jain : Member

During the financial year ended 31st March, 2014, no Remuneration Committee meeting was held.

The Remuneration Committee recommends to the Board of Directors regarding the remuneration payable to the Executive Directors and Managers of the Company. No any payment including sitting fees are being made to the directors during the year ended 31st March, 2014.

Shareholders' Committee

i) Share Transfer Committee

A Share Transfer Committee was constituted to deal with various matters relating to share transfer / transmission, issue of duplicate share certificates, approving the split and consolidation requests and other matters relating to transfer and registration of shares.

The members of Share Transfer Committee are as below:

1. Mr. Shyam Lal Gouniyal
2. Dr Arvind Krishna Saxena
3. Mr. Vimal Kumar Jain

During the financial year ended 31st March, 2014, ten Share Transfer Committee meetings were held.

ii) Shareholder / Investors' Grievance Committee

The Company constituted the Shareholder / Investor Grievance Committee to oversee the redressal of shareholders and investor grievances in relation to transfer of shares, non-receipt of Annual Report, non- receipt of dividend etc. The constitution of the Committee is as follows :-

1. Mr. Shyam Lal Gouniyal : Chairman
2. Dr. Arvind Krishna Saxena : Member
3. Mr. Vimal Kumar Jain : Member

During the financial year ended 31st March, 2014 one Shareholder/ Investors' Grievance Committee meeting was held.

The Company attends the shareholders'/ investors' grievances/ correspondence expeditiously. During the year under review, 14 investor complaints were received and all of them have been resolved. No shares were pending for transfer as on 31st March, 2014.

Compliance Officer

Mr. Sanjay Kumar Agarwal is the Compliance Officer of the Company.

General Body Meeting

The last three Annual General Meetings were held as given below:-

Financial Year	Date	Location of the Meeting	Time	Special resolution passed.
2009-11	19.07.2011	Shri Ram Barat Ghar, 505/3 Devli, Bandh Road, New Delhi-110062	10.00 A.M	Nil
2011-12	31.07.2012	Shri Ram Barat Ghar 505/3 Devli, Bandh Road, New Delhi-110062	10.00 A.M	Nil
2012-13	25.07.2013	Shri Ram Barat Ghar, 505/3 Devli, Bandh Road, New Delhi-110062	10.00 A.M	Nil

No special resolution was put through ballot at the last AGM and no special resolution is proposed to be conducted through postal ballot at the forthcoming AGM.

Disclosures

- (i) The company does not have any related party transactions which may have potential conflict with the interests of the company at large. However, disclosure of transaction with related Parties is set out in the notes to Accounts forming part of the Annual report.
- (ii) The Company has followed the guidelines of Accounting Standards prescribed under the Companies (Accounting Standard) Rules, 2006 in preparation of its financial statements.
- (iii) The Company has laid down Risk Assessment and Minimization procedures and the same is periodically reviewed by the Board. Further, the company has adequate internal control systems.
- (iv) The Company has fulfilled all statutory compliances and no penalties/strictures were imposed against it during last three years.

Means of Communication

The Company published its quarterly, half-yearly un-audited financial results and audited financial results in the prescribed form in English and Hindi newspapers. The results were also sent to Stock Exchanges where the securities of the Company are listed. During the last year the results were published in The Pioneer, Millennium Post and Haribhoomi newspapers.

The Management's discussion and analysis forms a part of the Annual Report, which is posted to the shareholders of the Company. Disclosure with regard to shareholding pattern, Corporate Governance Compliance Report etc. are also sent to the Stock Exchanges as required under various regulations.

General Shareholders' Information**Annual General Meeting.**

Date and Time : 1st August 2014 at 10.00 A.M
 Venue : Shri Ram Barat Ghar, 505/3, Devli, Bandh Road, New Delhi – 110062

Financial year

The financial year of the Company is from 1st April to 31st March every year.

Financial year calendar for 2014-2015 (Tentative)

Results for the quarter ending 30th June, 2014 : 4th week of July, 2014
 Results for the quarter ending 30th September, 2014 : 1st week of November 2014
 Results for the quarter ending 31st December, 2014 : 4th week of January, 2015
 Results for the quarter ending 31st March, 2015 : 3rd week of May, 2015

Book Closure Date

26th July, 2014 to 1st August, 2014 (both days inclusive).

Dividend

Considering the losses, the board has not recommended any dividend for the year.

Listing of Equity shares on Stock Exchanges at:

- (i) Bombay Stock Exchange Ltd. (BSE) - Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai - 400 001.
- (ii) Ahmedabad Stock Exchange Limited (ASE) - Kamdhenu Complex, opposite, Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad-380015. Pursuant to the BIFR order dated 24.06.2010, Company had requested ASE to delist the shares. The Matter is pending with ASE.

Listing Fee

Listing fee from year 2012-13 has not been paid to the BSE as no bill was received.

Stock Code

BSE Code for Indo Gulf Industries Ltd. - 506945

ASE Code for Indo Gulf Industries Ltd. - 26110

Trading of Shares

Presently, the trading of the shares of the Company is suspended in both the Stock Exchanges.

Share Transfer System:

Shares lodged for transfer are normally put into effect within a maximum period of 15 days from the date of receipt. Shares for transfer should be lodged at the Registered Office of the Company i.e. 213, Rectangle-1, D-4, District Centre, Saket, New Delhi-110017. The Company provides investor services in-house.

Distribution of shareholding as on 31st March, 2014 (face value of Re. 1 each).

Shareholding range	No. of Shares	% of Shareholding	No. of Shareholders	% of shareholders
Upto 5,000	2781049	29.07	17994	99.75
5,001-10,000	138234	1.45	19	0.11
10,001-20,000	149398	1.56	9	0.05
20,001-30,000	0	0.00	0	0.00
30,001-40,000	38700	0.40	1	0.01
40,001-50,000	98050	1.02	2	0.01
50,001-100,000	618550	6.47	8	0.04
100,001 and above	5743289	60.03	6	0.03
Total	9567270	100.00	18039	100.00

Pattern of shareholding as on 31st March, 2014 (face value of Re 1 each).

	No. of Shares	% of Holding
Promoters Group	5162470	53.96
Financial Institution, Insurance Companies, Banks and Mutual Funds etc	114748	1.20
Foreign Institutional Investors	1298	0.01
Private Corporate Bodies	947336	9.90
NRIs	96758	1.01
Indian Public	3244660	33.92
Total	9567270	100.00

Dematerialisation of Shares

The company has not received the ISIN number and the shares of the company are not in dematerialized form.

Plant Location**Explosive Division**

Unit 1: Babina, Jhansi (U.P)

Unit 2: Singrauli, (M.P)

Unit 3: Korba,(Chattisgarh)

Unit 4: I.B Valley, (Orissa)

Unit 5: Talchar, (Orissa)

Investor Correspondence

Indo Gulf Industries Ltd.,

213, Rectangle-1, D-4

District Centre, Saket,

New Delhi-110017

Non Mandatory Requirement

The Company has set up a Remuneration Committee. The Remuneration Committee makes/ recommends to the board regarding remuneration payable to the Managerial Personnel.

Code of Conduct

The company has adopted a Code of Conduct for its Board of Directors and Senior Management Personnel.

Declaration on the Code of Conduct

Pursuant to clause 49 of the listing Agreement with stock exchanges, I, Sanjay Kumar Agarwal, Chief Executive Officer, declare that all the Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct during the Year ended 31st March, 2014.

Date : 28th April, 2014

Place : New Delhi

Sd/-

Sanjay Kumar Agarwal

Chief Executive Officer

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Members
INDO GULF INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Indo Gulf Industries Limited for the year ended March 31, 2014 as per clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **ANJALI YADAV & ASSOCIATES**
Company Secretaries

Sd/-
(ANJALI YADAV)
PROP.
C.P. No. : 7257
FCS No. : 6628

Place : New Delhi
Dated : 28th April, 2014

CEO/CFO CERTIFICATION

The Board of Directors,
Indo Gulf Industries Limited,
New Delhi.

Re : FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2013-14
CERTIFICATION BY DIRECTOR AND CHIEF EXECUTIVE OFFICER

We, Vimal Kumar Jain, Director and Sanjay Kumar Agarwal, Chief Executive Officer of Indo Gulf Industries Limited, on the basis of the review of the financial statements and the cash flow statement for the year ended 31st March, 2014 and to the best of our knowledge and belief, hereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2014 which, are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which, we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated to the Auditors & the Audit Committee:-
 - (a) there have been no significant changes in internal control over financial reporting during this year.
 - (b) there have been no significant changes in accounting policies during this year.
 - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Place : New Delhi
Dated : 28.04.2014

Sd/-
VIMAL KUMAR JAIN
Director

Sd/-
SANJAY KUMAR AGARWAL
Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS**Industry Structure and Development**

Explosive Industry operates under strict Indian Explosive Act. Mining and Explosive are interlinked. The Explosive industry basically covers Coal mining, Power generation, Foundation, Excavation, irrigations for Canals, Limestone Mining, Iron-ore Mining, Seismic Blasting, Road (Tunnels), Railways (Tunnels), Hydel Project, General Excavation. Hydel Projects need regular and large quantities of Explosives.

Opportunities & Threats

The company is making all efforts to restart the explosive units and to develop the formulation to meet the demand of the industry. For revival of the Company, it is necessary that relief and concession as per the Rehabilitation Scheme approved by Hon'ble BIFR should be given to the Company by the Central, State Government and other Agencies.

Risks and concerns

- Increasing competition in the commercial explosive.
- Jhansi Unit has been attached by the Sales Tax Authorities. The Hon'ble Board for Industrial and Financial Reconstruction has also directed the Sales Tax Department to consider the release of attachment of units. Company is making efforts to get the attachment released.

Outlook

The Company is continuing to make all efforts to restart the explosive Units. Jhansi Unit has been attached by the sales Tax Authorities. The Hon'ble Board for Industrial and Financial Reconstruction has also directed the Sales Tax Department to consider the release of attachment of units. Company is making efforts to get the attachment released.

Internal Control system

Effective internal control system is being placed commensurate with its nature of business and the size of operations. The Audit Committee interacts with the Statutory Auditors about the adequacy of internal control systems and seeks suggestions.

Financial Performance

During the year 2013-14, there is no change in the share capital of the Company.

The Company incurred a net loss of ₹ 1274.15 thousands during the year ended 31st March, 2014 as compared to ₹ 5674.19 thousands during the year ended 31st March, 2013. The other income amounted to ₹ 570.09 thousands during the year ended 31st March, 2014 as compared to ₹ 779.56 thousands during the year ended 31st March, 2013.

IGIL has submitted a Modified Draft Rehabilitation Scheme (MDRS) to SBI (Monitoring Agency) and Hon'ble Board for Industrial & Financial Reconstructions (BIFR) based on induction of co-promoter / strategic investor in IGIL and the same is yet to be approved by Hon'ble BIFR. Further, Hon'ble BIFR has permitted, transfer of 20% equity shares of the Company held by Balrampur Chini Mills Limited to co-promoter/strategic investor. The Company is continuing to make all efforts to restart the explosive units.

Human Resource

The company shall take steps for recruiting the employees after start of the Explosive unit.

Cautionary statement

Details given herein above relating to various activities and future plans may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual performance may differ materially from those either expressed or implied.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
INDO GULF INDUSTRIES LIMITED

We have audited the accompanying financial statements of INDO GULF INDUSTRIES LIMITED, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read with significant accounting policies and notes thereon, subject to matter stated in paragraphs herein below:

- i. Your attention is drawn on Note No.2.16(3b) of the Financial Statement regarding erosion of net-worth of the Company. As of date accumulated losses of Rs.7,03,68,945.40 of the Company has exceeded the shareholders' fund of Rs. 95,67,270.00. In view of the factors as mentioned in Note No.2.16(3b), the accounts have been made on the presumption of going concern.

Give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company asat March 31, 2014;
 - b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection(3C) of section 211 of the Companies Act, 1956;

- e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **VIPIN AGGARWAL & ASSOCIATES**

Chartered Accountants

FRN NO. 014454N

Sd/-

(VIPIN AGGARWAL)

Partner

Membership No. : 016544

Place : New Delhi

Date : 28th April, 2014

THE ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE OUR REPORT OF EVEN DATE TO THE MEMBERS OF INDO GULF INDUSTRIES LIMITED ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) We have been informed that, the Company is under process of preparing the records of fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification. However, in respect of the fixed assets of the explosive units, could not be physically verified due to seizure of the plants.
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company does not have inventory during the year and as on 31.03.2014. Consequently, the provisions of clauses ii (b) and ii (c) of the order are not applicable to the Company.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f)&(g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.

9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable. However, due to non availability of records on account of seizure of explosive units, we are unable to comment whether in respect of earlier years any undisputed statutory dues were outstanding at the year end.
- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The accumulated losses are Rs. 7,03,68,945.40 against the shareholders' fund of Rs. 95,67,270.00, which exceeds its net worth. Further, it has earned cash profit of Rs. 50,483.59 during the year under consideration and had incurred cash loss of Rs.51,09,476.52 in the immediately preceding financial year without considering the effect as mentioned above.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. The Company does not deal or trade in shares, securities, and debentures other than the investments made by it.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For **VIPIN AGGARWAL & ASSOCIATES**

Chartered Accountants

FRN NO. 014454N

(VIPIN AGGARWAL)

Partner

Membership No. : 016544

Place : New Delhi

Date : 28th April, 2014

BALANCE SHEET AS AT 31ST MARCH 2014

				(₹)
	Particulars	Note No.	As At 31 st March, 2014	As At 31 st March, 2013
I.	EQUITY AND LIABILITIES			
(1)	Shareholders' funds			
(a)	Share capital	2.1	9,567,270.00	9,567,270.00
(b)	Reserves and surplus	2.2	(70,368,945.40)	(69,094,799.99)
			(60,801,675.40)	(59,527,529.99)
(2)	Non - current liabilities			
	Long-term borrowings	2.3	30,838,240.63	30,838,240.63
(3)	Current Liabilities			
(a)	Short - term borrowings	2.4	36,225,000.00	35,525,000.00
(b)	Trade payables	2.5	1,102,591.40	1,102,591.40
(c)	Other current liabilities	2.6	7,933,113.06	8,192,515.06
(d)	Short - term provisions	2.7	4,345,144.35	4,345,144.35
			49,605,848.81	49,165,250.81
	TOTAL		19,642,414.04	20,475,961.45
II.	ASSETS			
(1)	Non - current assets			
(a)	Fixed assets			
	Tangible assets	2.8	18,906,403.07	20,231,032.07
(b)	Long - term loans and advances	2.9	-	3,500.00
			18,906,403.07	20,234,532.07
(2)	Current Assets			
(a)	Cash and cash equivalents	2.10	731,850.97	238,490.38
(b)	Short - term loans and advances	2.11	3,500.00	-
(c)	Other current assets	2.12	660.00	2,939.00
			736,010.97	241,429.38
	TOTAL		19,642,414.04	20,475,961.45
	Significant accounting policies	1		
	Notes to accounts	2		
	The notes are an integral part of the financial statements.			

As per our report of even date attached.

FOR VIPIN AGGARWAL & ASSOCIATES
Chartered Accountants
Firm's Registration Number - 014454N

For and on behalf of the Board of Directors
Indo Gulf Industries Limited

(CA. Vipin Aggarwal
Membership No. 016544)
Partner

Vimal Kumar Jain
Director

Dr. A. K. Saxena
Director

Place: New Delhi,

Date : 28th April, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

(₹)				
	Particulars	Note No.	Year ended 31 st March, 2014	Year ended 31 st March, 2013
I.	Other income	2.13	570,086.00	779,560.88
II.	Total revenue		570,086.00	779,560.88
III.	Expenses:			
	Finance costs	2.14	-	4,590,969.00
	Depreciation expense	2.8	1,324,629.00	1,324,629.00
	Other expenses	2.15	519,602.41	538,156.52
	Total expenses		1,844,231.41	6,453,754.52
IV.	Loss before exceptional and extraordinary items and tax (III - II)		1,274,145.41	5,674,193.64
V.	Exceptional item		-	-
VI.	Loss before extraordinary items and tax (IV - V)		1,274,145.41	5,674,193.64
VII.	Extraordinary items		-	-
VIII.	Loss before tax (VI - VII)		1,274,145.41	5,674,193.64
IX.	Tax expense		-	-
X.	Loss for the year (VIII - IX)		1,274,145.41	5,674,193.64
XI.	Earnings per share (Nominal value per share ₹ 1/-) [Refer Note No. 2.16(7)]			
	- Basic & Diluted (₹)		(0.13)	(0.59)
	Number of shares used in computing Earnings per share			
	- Basic & Diluted		9,567,270	9,567,270
	Significant accounting policies	1		
	Notes to accounts	2		
	The notes are an integral part of the financial statements.			

As per our report of even date attached.

FOR VIPIN AGGARWAL & ASSOCIATES
Chartered Accountants

Firm's Registration Number - 014454N

(CA. Vipin Aggarwal
Membership No. 016544)
Partner

Place : New Delhi,

Date : 28th April, 2014

For and on behalf of the Board of Directors
Indo Gulf Industries Limited

Vimal Kumar Jain
Director

Dr. A. K. Saxena
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

(₹)		
Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
A CASH FLOW FROM OPERATING ACTIVITIES		
Loss before exceptional and extraordinary items and tax	(1,274,145.41)	(5,674,193.64)
<i>Adjustments to reconcile loss before exceptional items and extra ordinary items and tax to net cash flow provided by operating activities:</i>		
Finance costs	-	4,590,969.00
Depreciation expense	1,324,629.00	1,324,629.00
Interest income	(121.00)	(19,649.00)
Unspent liabilities /balances written back	-	(759,911.88)
	1,324,508.00	5,136,037.12
Operating loss before working capital changes	50,362.59	(538,156.52)
<i>Adjustments to reconcile operating loss to cash flow provided by changes in working capital :</i>		
Other current liabilities	(259,402.00)	(72,942.00)
	(259,402.00)	(72,942.00)
Cash generated from / (used in) operations	(209,039.41)	(611,098.52)
Tax Expense		
Direct taxes (paid)/refund received	2,400.00	(660.00)
Cash flow before exceptional and extraordinary items	(206,639.41)	(611,758.52)
Exceptional / extraordinary items	-	-
Net cash (used in) / generated from operating activities	(206,639.41)	(611,758.52)
B CASH FLOW FROM INVESTING ACTIVITIES		
Fixed deposits redeemed from bank	-	100,000.00
Interest received on fixed deposits	-	51,653.00
Net cash generated from investing activities	-	151,653.00
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of loan from holding company	700,000.00	1,025,000.00
Repayment of loan to holding company	-	(1,500,000.00)
Interest paid to holding company	-	(459,097.00)
Net cash (used in) / generated from financing activities	700,000.00	(934,097.00)
Net (decrease)/increase in cash and cash equivalents (A + B+ C)	493,360.59	(1,394,202.52)
Opening Cash and Cash Equivalents	238,490.38	1,632,692.90
Closing cash and cash equivalents	731,850.97	238,490.38
[Refer Note No. 2.10]		

Notes :

- 1) The above Cash Flow Statement has been prepared under the " Indirect Method " as set out in the Accounting Standard - 3 on Cash Flow Statement notified under the Companies (Accounting Standards) Rules, 2006.
- 2) Cash and cash equivalents do not include any amount which is not available to the Company for its use.
- 3) Figure in bracket represent cash outflow from respective activities.
- 4) As breakup of Cash and cash equivalents is also available in Note No. 2.10, reconciliation of items of Cash and cash equivalents as per Cash Flow Statement with the equivalents items reported in the Balance Sheet is not required and hence not provided.
- 5) Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary to make them comparable with those of the current year.

This is the Cash Flow Statement referred to in our report of even date.

FOR VIPIN AGGARWAL & ASSOCIATES

Chartered Accountants

Firm's Registration Number - 014454N

**(CA. Vipin Aggarwal
Membership No. 016544)**

Partner

Place: New Delhi,

Date : 28th April, 2014

For and on behalf of the Board of Directors

Indo Gulf Industries Limited

Vimal Kumar Jain
Director

Dr. A. K. Saxena
Director

NOTE NO. 1**SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of preparation of financial statements**

The Financial Statements are prepared under the historical cost convention and in accordance with the Generally Accepted Accounting Principles (GAAP) in India and the relevant provisions of Companies Act, 1956. The significant accounting policies followed by the Company are stated below:

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule VI to the Companies' Act, 1956. The company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

1.2 Fixed Assets

- a) Tangible fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes, financial costs and other related expenses up to the date of commissioning of the assets.
- b) The company is following the straight line method of depreciation in respect of all assets at the rates specified in Schedule XIV to the Companies Act, 1956 (as amended).
- c) Expenditure during construction period :
Expenditure (including financing cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as Pre-operative expenses pending allocation to the assets and are shown under "Capital-work-in-progress".
- d) Lease hold land is not amortized in view of the long term nature of the lease.

1.3 Revenue Recognition

- a) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- b) All other income are accounted for on accrual basis.

1.4 Expenses

All the expenses are accounted for on accrual basis

1.5 Taxes on Income

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets.

1.6 Impairment of Assets

Impairment loss, if any, is recognised to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amount of assets to the extent that it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in previous years.

After impairment, depreciation on assets is provided on the revised carrying amount of the respective asset over its remaining useful life.

1.7 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.

A provision is recognized if, as a result of a past event, and the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Re-imbursment expected in respect of expenditure to settle a provision is recognized only when it is virtually certain that the re-imbursment will be received.

A Contingent Asset is neither recognized nor disclosed in the financial statements.

1.9 Earnings Per share

Basic earnings per share are computed by dividing the net profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed by dividing the net profit/(loss) after tax (including the post tax effect of any extra ordinary items, if any) 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.

1.9 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2 - Notes to Accounts
NOTE : 2.1 Share Capital

(₹)

Particulars	As At 31st March, 2014		As At 31st March, 2013	
	No. of Shares	Amount	No. of Shares	Amount
(a) Authorised				
Equity shares of par value ₹ 1/- each	197,500,000	197,500,000.00	197,500,000	197,500,000.00
10% Convertible Cumulative Preference Shares of par value ₹ 100/- each	25,000	2,500,000.00	25,000	2,500,000.00
		200,000,000.00		200,000,000.00
(b) Issued, subscribed and fully paid up				
Equity shares of par value ₹ 1/- each*	9,567,270	9,567,270.00	9,567,270	9,567,270.00
		9,567,270.00		9,567,270.00

* There was no movement in number and amount of equity shares during the year, hence reconciliation statement is not required to be disclosed.

(c) 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.

(d) 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) 51,62,470 equity shares of par value ₹ 1/- each are held by Balrampur Chini Mills Ltd., the Holding Company.

(f) Shareholders holding more than 5 % of the equity shares in the Company :

Name of Shareholder	As At 31st March, 2014		As At 31st March, 2013	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Balrampur Chini Mills Limited	5,162,470	53.96%	5,162,470	53.96%

(g) The company has not issued equity shares without payment being received in cash in 5 years immediately preceding the balance sheet date.

(h) The company has neither issued bonus shares nor has bought back equity shares in 5 years immediately preceding the balance sheet date.

NOTE : 2.2 Reserves & Surplus

(₹)

Particulars	As At 31st March, 2014		As At 31st March, 2013	
Surplus in the Statement of Profit and Loss				
Balance as per last account		(69,094,799.99)		(63,420,606.35)
Less: Loss for the year		1,274,145.41		5,674,193.64
Balance as at the balance sheet date		(70,368,945.40)		(69,094,799.99)

Notes to accounts (contd.)

NOTE : 2.3 Long-term borrowings

(₹)

Particulars	As At 31 st March, 2014	As At 31 st March, 2013
Deferred sales tax loan		
Unsecured	<u>30,838,240.63</u>	<u>30,838,240.63</u>
	<u><u>30,838,240.63</u></u>	<u><u>30,838,240.63</u></u>

Pursuant to sanction of the Rehabilitation Scheme by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR), 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.

NOTE : 2.4 Short-term borrowings

(₹)

Particulars	As At 31 st March, 2014	As At 31 st March, 2013
Loan from related party repayable on demand		
Unsecured		
Holding Company	<u>36,225,000.00</u>	<u>35,525,000.00</u>
	<u><u>36,225,000.00</u></u>	<u><u>35,525,000.00</u></u>

NOTE : 2.5 Trade Payables

(₹)

Particulars	As At 31 st March, 2014	As At 31 st March, 2013
Total outstanding dues of other than Micro, Small & Medium Enterprises [Refer Note No. 2.16(2)]	<u>1,102,591.40</u>	<u>1,102,591.40</u>
	<u><u>1,102,591.40</u></u>	<u><u>1,102,591.40</u></u>

NOTE : 2.6 Other Current Liabilities

(₹)

Particulars	As At 31 st March, 2014	As At 31 st March, 2013
Interest accrued but not due on borrowings		
Holding Company	4,131,872.00	4,131,872.00
Other payables		
Statutory liabilities	–	459,097.00
Accrued expenses	28,230.00	28,535.00
Others	<u>3,773,011.06</u>	<u>3,573,011.06</u>
	<u><u>3,801,241.06</u></u>	<u><u>4,060,643.06</u></u>
	<u><u>7,933,113.06</u></u>	<u><u>8,192,515.06</u></u>

NOTE : 2.7 Short-term Provisions

(₹)

Particulars	As At 31 st March, 2014	As At 31 st March, 2013
Provision for contingencies [Refer Note No. 2.16(10)]	<u>4,345,144.35</u>	<u>4,345,144.35</u>
	<u><u>4,345,144.35</u></u>	<u><u>4,345,144.35</u></u>

Notes to accounts (contd.)
NOTE : 2.8 Fixed Assets

(₹)

Particulars	Tangible assets					Grand total
	Land (Free hold)	Land (Lease hold)	Buildings	Plant and equipment	Office equipments	
Gross block						
Gross carrying amount as at 01.04.2013	1,657,999.99	3,145,430.01	40,055,273.00	116,602,893.88	34,649.73	161,496,246.61
Additions during the year	-	-	-	-	-	-
Disposals/deductions during the year	-	-	-	-	-	-
Gross carrying amount as at 31.03.2014	1,657,999.99	3,145,430.01	40,055,273.00	116,602,893.88	34,649.73	161,496,246.61
Depreciation						
Opening accumulated depreciation	-	-	26,298,188.02	114,952,133.31	14,893.21	141,265,214.54
Depreciation for the year	-	-	1,320,634.00	-	3,995.00	1,324,629.00
Disposals/deductions during the year	-	-	-	-	-	-
Closing accumulated depreciation	-	-	27,618,822.02	114,952,133.31	18,888.21	142,589,843.54
Net carrying amount						
Net block as at 31.03.2014	1,657,999.99	3,145,430.01	12,436,450.98	1,650,760.57	15,761.52	18,906,403.07

Fixed assets (contd.) - Previous year

(₹)

Particulars	Tangible assets					Grand total
	Land (Free hold)	Land (Lease hold)	Buildings	Plant and equipment	Office equipments	
Gross block						
Gross carrying amount as at 01.04.2012	1,657,999.99	3,145,430.01	40,055,273.00	116,602,893.88	34,649.73	161,496,246.61
Additions during the year	-	-	-	-	-	-
Disposals/deductions during the year	-	-	-	-	-	-
Gross carrying amount as at 31.03.2013	1,657,999.99	3,145,430.01	40,055,273.00	116,602,893.88	34,649.73	161,496,246.61
Depreciation						
Opening accumulated depreciation	-	-	24,977,554.02	114,952,133.31	10,898.21	139,940,585.54
Depreciation for the year	-	-	1,320,634.00	-	3,995.00	1,324,629.00
Disposals/deductions during the year	-	-	-	-	-	-
Closing accumulated depreciation	-	-	26,298,188.02	114,952,133.31	14,893.21	141,265,214.54
Net carrying amount						
Net block as at 31.03.2013	1,657,999.99	3,145,430.01	13,757,084.98	1,650,760.57	19,756.52	20,231,032.07

Notes:

- 1) Lease deed for 50 acres of land (Out of total land of 705 acres) for Jhansi plant has not been executed. In respect of some other land, the registration formalities are under process.
- 2) No depreciation has been provided on plant and equipment as the same has been depreciated upto 95% of its value.

Notes to accounts (contd.)
NOTE : 2.9 Long - term loans and advances *(Unsecured, considered good)*

(₹)

Particulars	As At	As At
	31 st March, 2014	31 st March, 2013
Security deposits	–	3,500.00
	–	3,500.00
	<u>–</u>	<u>3,500.00</u>

NOTE : 2.10 Cash and bank balances

(₹)

Particulars	As At	As At
	31 st March, 2014	31 st March, 2013
Cash and cash equivalents		
Balances with banks		
On current accounts	729,140.13	236,500.54
Cash in hand	2,710.84	1,989.84
	<u>731,850.97</u>	<u>238,490.38</u>

Note No : 2.11 Short - term loans and advances *(Unsecured, considered good)*

(₹)

Particulars	As At	As At
	31 st March, 2014	31 st March, 2013
Security deposit	3,500.00	–
	3,500.00	–
	<u>3,500.00</u>	<u>–</u>

Note : 2.12 Other current assets *(Unsecured, considered good)*

(₹)

Particulars	As At	As At
	31 st March, 2014	31 st March, 2013
TDS refundable	660.00	2,939.00
	660.00	2,939.00
	<u>660.00</u>	<u>2,939.00</u>

Note : 2.13 Other income

(₹)

Particulars	Year ended		Year ended	
	31 st March, 2014		31 st March, 2013	
Profit from dealing in commodities	569,965.00		–	
Interest income (Gross)				
On fixed deposits with bank	–		19,649.00	
On income tax refund	121.00	121.00	–	19,649.00
	<u>121.00</u>	<u>121.00</u>	<u>–</u>	<u>19,649.00</u>
Other non-operating income				
Unspent liabilities/balances written back	–		759,911.88	
	<u>–</u>		<u>759,911.88</u>	
	<u>570,086.00</u>		<u>779,560.88</u>	
Tax deducted at source :				
On interest income (₹)	–		660.00	

Notes to accounts (contd.)

NOTE : 2.14 Finance costs

(₹)

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Interest expense		
On short-term borrowings	—	4,590,969.00
	—	4,590,969.00
	<u> </u>	<u> </u>

NOTE : 2.15 Other expenses

(₹)

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Rent	46,200.00	42,000.00
Repairs - Others	4,600.00	11,342.00
Rates and taxes (excluding taxes on income)	6,726.00	2,777.00
Audit fees		
As auditor for statutory audit	21,348.40	21,348.40
For other services (Limited reviews and certifications)	6,741.60	6,741.60
	<u>28,090.00</u>	<u>28,090.00</u>
Legal and professional expense	103,770.00	120,710.00
Printing and stationery	117,389.00	113,575.00
Directors sitting fees	—	5,000.00
Miscellaneous expenses	212,827.41	214,662.52
	<u>519,602.41</u>	<u>538,156.52</u>

Notes to accounts (contd.)
NOTE : 2.16 - Other disclosures
1. Contingent liabilities and commitments (to the extent not provided for) (₹)

Particulars	As At 31 st March, 2014	As At 31 st March, 2013
a) Contingent liabilities:		
Claims against the Company not acknowledged as debts:	—	—
b) Commitments:		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	—	—

2. Based on the information / documents available with the Company, no amount (Previous year: Nil) is/was due to Micro, Small and Medium Enterprises as defined in the " Micro, Small and Medium Enterprises Development Act, 2006".

Hence, information as per the requirements of Section 22 of the aforesaid act is not required to be disclosed.

3. a) The Government of Uttar Pradesh has initiated recovery proceedings for recovery of Sales Tax dues related to Explosive unit at Jhansi, pursuant to which, the factory at Jhansi has been seized by the Government authorities. All the assets located at factory including records there at remain seized till the year end. Out of the above assets, certain assets pertaining to the said unit have been auctioned by the office of the labour commissioner, Jhansi, against which a sum of ₹ 8,03,000.00 (previous year: ₹ 8,03,000.00) is lying with them. Pending availability of relevant information, no adjustment in this respect has been carried out in these accounts.
- b) The Company's net worth has been fully eroded as the accumulated losses of ₹ 7,03,68,945.40 exceeded its shareholders' fund of ₹ 95,67,270.00. During the year, the holding company has provided necessary funds for the operations.

The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) has permitted, transfer of 20% equity shares of the Company held by Balrampur Chini Mills Ltd. as well as induction of co-promoter/strategic investor in IGIL, under a Modified Draft Rehabilitation Scheme (MDRS) to be approved by the Hon'ble BIFR. After the said transfer of shares, the Company will cease to be a subsidiary of Balrampur Chini Mills Ltd. The Co-Promoter, to invest in terms of the provisions contained in the MDRS and to meet the requirement of funds for the revival. Accordingly, the Company has considered that it will be able to continue as a going concern entity.

4. Segment information as per Accounting Standard - 17 on 'Segment Reporting' :

The company is in the business of industrial explosive. Considering the core activities of the company, the management is of the view that it is a single reportable business segment and hence, information relating to primary segment is not required to be disclosed.

The information about secondary segment has not been furnished as there is no export revenue of the Company.

5. Related party disclosures as per Accounting Standard - 18 are given below:
a) Transaction with Related Parties: (₹)

Nature of Transaction	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Transactions with - Balrampur Chini Mills Limited (Holding Company)		
i) Inter-corporate loan received	700,000.00	1,025,000.00
ii) Inter-corporate loan paid	—	1,500,000.00
iii) Interest expenses	—	4,590,969.00
iv) Interest expenses (paid)	—	459,097.00
v) Balance outstanding		
- Interest (payable)	4,131,872.00	4,131,872.00
- Inter-corporate deposit (payable)	36,225,000.00	35,525,000.00

Notes to accounts (contd.)

- b) No provision has been made for the year in the books on account for interest on inter – corporate loan received from the holding company i.e. Balrampur Chini Mills Limited in terms of the provisions contained in the Modified Draft Rehabilitation Scheme (MDRS) which has been vetted by the Operating Agency (State Bank of India) as technically feasible and economically viable and is awaiting the final approval of the Hon'ble BIFR.
- c) No amount has been written back / written off during the year in respect of due to / from related parties.

6. Disclosure under clause 32 of the Listing Agreement:

Loans received from Holding Company:

(₹)

Name of the Company	Amount outstanding as at 31 st March 2014	Amount outstanding as at 31 st March 2013	Maximum amount outstanding at any time during the	
			Year ended 31 st March 2014	Year ended 31 st March 2013
Balrampur Chini Mills Limited	36,225,000.00	35,525,000.00	36,225,000.00	36,000,000.00

Refer Note No. 2.16 (5b) above for other disclosures.

7. Earnings per Share

Earnings per share - The numerators and denominators used to calculate Basic/ Diluted Earning per share:

(₹)

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
a) Amount used as the numerator (₹) Loss after tax - (A)	1,274,145.41	5,674,193.64
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)	(0.13)	(0.59)
f) Diluted earnings per share (₹) (A/C)	(0.13)	(0.59)

8. In accordance with Accounting Standard 22 "Accounting for taxes on Income Tax", as notified under the Companies (Accounting Standards) Rules, 2006, the company has not accounted for deferred tax during the year.

Though, the Company has significant amount of carried forward losses and unabsorbed depreciation under the Income Tax Act, 1961. However, as a matter of prudence deferred tax assets have not been recognized.

9. Disclosure pursuant to AS - 28 on "Impairment of Assets".

Due to seizure of Company's explosive plant at Jhansi, the condition of the plant & machineries and other fixed assets there at 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 the accounts.

Notes to accounts (contd.)

10. Disclosure in terms of Accounting Standard – 29 on Provisions, Contingent Liabilities and Contingent Assets:

Movement for Provision for contingencies :

(₹)

Particulars	Duties & taxes	Others	Total
Balance as at 1 st April, 2013	4,345,144.35	–	4,345,144.35
Provided during the year	–	–	–
Amount used during the year	–	–	–
Reversed during the year	–	–	–
Balance as at 31 st March, 2014	4,345,144.35	–	4,345,144.35
Balance as at 1 st April, 2012	4,345,144.35	–	4,345,144.35
Provided during the year	–	–	–
Amount used during the year	–	–	–
Reversed during the year	–	–	–
Balance as at 31 st March, 2013	4,345,144.35	–	4,345,144.35

It is not possible to estimate the timing / uncertainties relating to the utilisation /reversals from the provision for contingencies. Future cash outflow in respect of the above is determinable only upon disposal of appeals etc.

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

11. There are no transactions which are required to be disclosed as prescribed under paragraph 5 (viii) to general instructions for preparation of Statement of Profit and Loss under Schedule VI to the Companies Act, 1956.
12. Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary to make them comparable with those of the current year.

As per our report of even date attached.
FOR VIPIN AGGARWAL & ASSOCIATES
Chartered Accountants

Firm's Registration Number - 014454N

**(CA. Vipin Aggarwal
Membership No. 016544)**
Partner
Place : New Delhi,

Date : 28th April, 2014

For and on behalf of the Board of Directors
Indo Gulf Industries Limited
Vimal Kumar Jain
Director

Dr. A. K. Saxena
Director

INDO GULF INDUSTRIES LIMITED CIN: L74900DL1981PLC011425 Registered Office: 213, Rectangle 1, D - 4, District Centre, Saket, New Delhi - 110 017, Phone: (91)-9711991047 Fax: (011)41029017, Email: igilmaizapur@rediffmail.com	Form No. MGT-11 Proxy form <i>[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]</i>
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Name of the member (s): Registered address: E-mail Id: Folio No/ Client Id: DP ID:
--

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

1. Name:.....Address:.....
E-mail Id:..... Signature:, or failing him;
2. Name:.....Address:.....
E-mail Id:..... Signature:, or failing him;
3. Name:.....Address:.....
E-mail Id:..... Signature:, or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual general meeting of the company, to be held on the 1st day of August 2014 At 10:00 a.m. at Shri Ram Barat Ghar, 505/3 Devli, Bandh Road, New Delhi - 110062 and at any adjournment thereof in respect of such resolutions as are indicated below:

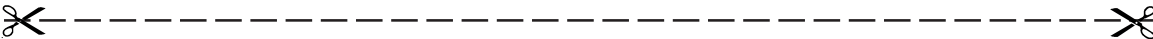
Resolution No.	RESOLUTIONS	Optional	
		For	Against
Ordinary Business			
1.	Adoption of Financial Statements for the year ended 31 st March, 2014		
2.	Re-appointment of Dr. Arvind Krishna Saxena who retires by rotation		
3.	Re-appointment of M/s Vipin Aggarwal & Associates, Chartered Accountants, as Statutory Auditors and fixing their remuneration		
Special Business			
4.	Appointment of Mr. Rajesh Jain as an Independent Director		
5.	Appointment of Mr. Vimal Kumar Jain as an Independent Director		
6.	Appointment of Mr. Shyam Lal Gouniyal as an Independent Director		
7.	Appointment of Mr. Gorachand Dutta as an Independent Director		

Signed this..... day of..... 2014.

Signature of shareholder :
Signature of Proxy holder(s) :

Please
Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



INDO GULF INDUSTRIES LIMITED CIN: L74900DL1981PLC011425 Registered Office: 213, Rectangle 1, D - 4, District Centre, Saket, New Delhi - 110 017, Phone: (91)-9711991047 Fax: (011)41029017, Email: igilmaizapur@rediffmail.com Name of the Shareholder / Proxy: Registered Address:..... E-mail Id: :..... Folio No/ Client Id: DP ID:	ATTENDANCE SLIP
---	------------------------

I hereby record my presence at the 31st Annual General Meeting held at Shri Ram Barat Ghar 505/3, Devli, Bandh Road, New Delhi - 110 062 on Friday the 1st day of August 2014 at 10.00 A.M.

Signature of the Shareholder / Proxy

NOTES : PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. SHAREHOLDERS MAY KINDLY NOTE THAT NO GIFT WILL BE DISTRIBUTED AT THE AGM.

BOOK-POST

If undelivered please return to:-

INDO GULF INDUSTRIES LIMITED

Registered Office : 213, Rectangle-1,
D-4, District Centre, Saket, New Delhi - 110 017