

36th

Annual Report 2018 - 19

2019

**Indo Gulf
Industries Limited**

DEMATERIALIZATION OF SHARES

SEBI vide its Gazette Notification No. EBI/LAD-NRO/GN/2018/24 Dated June 8, 2018 has issued the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 providing for transfer of Securities in dematerialised form only with effect from December 5, 2018 by amending the Regulation 40 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- Ø KINDLY NOTE THAT SECURITIES HELD IN PHYSICAL FORM SHALL NOT BE TRANSFERRED BY THE COMPANY AFTER DECEMBER 5, 2018 UNLESS THE SECURITIES ARE HELD IN DEMATERIALIZED FORM.
- Ø HOW TO CONVERT PHYSICAL SHARE CERTIFICATES INTO DEMAT FORM:
 - a) You need to open a beneficiary account (BO), with a depository participant, popularly called DP. A depository participant is an agent, who interacts with the depository. Your bank can be a depository participant. The depositories in India are the NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited).
 - b) Submit proof of identity such as PAN card and an identity proof/address proof, such as Passport copy along with copy of AADHAAR. (Your demat account, should be in the same name as the ownership in physical form).
 - c) Once your demat account is opened, your shares can be demated, by filling a Dematerialisation Request Form (DRF). You then submit/surrender the certificates of the shares which you want dematerialized, along with the dematerialisation Request Form (DRF), to the depository participant.
- d) Your demat account with the depository participant (DP), will be credited with the dematerialized shares.

YOU ARE REQUESTED TO CONVERT YOUR PHYSICAL HOLDINGS INTO DEMAT FORM AT THE EARLIEST

Further, all the shareholders are requested to update their KYC with our Registrar and Transfer Agent. Please kindly provide hard copy of your id, address proof and contact details by courier/speed post at the below mentioned address.

**BEETAL Financial & Computer Services Pvt Ltd.
BEETAL HOUSE, 3rd Floor,
99, Madangir, behind LSC, New Delhi - 110062
Ph. 011-29961281-283 Fax 011-29961284**

BOARD OF DIRECTORS	Mr. Rajesh Jain Mr. Vijay Jagtap (appointed w.e.f 15th May 2018) Mr. Ashok Sarkar (Independent Director) Ms. Shivani Naithani (Independent Director)	
STATUTORY AUDITORS	M/s. Hemant Arora & Co.LLP, Chartered Accountants 1118-1119, 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.) Talcher Plant (SMS) Plot No. 2, IDCO Industrial Estate Village Ghanipura, Distt. Dhenkanal, Talchar,(Orissa)	
		Korba Plant(SMS) Vill. Goberaghora (Dipka) Korba Distt. Bilaspur (C.G.) 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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NOTICE

is hereby given that the 36th Annual General Meeting of the Members of **INDO GULF INDUSTRIES LIMITED** will be held on Monday, the 30th day of September, 2019 at 11.00 A.M. at the registered office of the Company situated at 4237/11, IInd Floor, Narendra Bhawan, 1, Ansari Road, Daryaganj, New Delhi-110002 to transact the 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, 2019, including the Balance Sheet as at 31st March, 2019, 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”.

Registered Office:

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

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

Sd/-
Heena Khara
Company Secretary

Place: New Delhi

Date: 29.05.2019

Notes and Instructions:

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 AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

A blank proxy form is attached to the Notice.

2. **The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 24th September, 2019 to Monday, 30th September, 2019 (both days inclusive).**
3. The Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (as amended) (“the Act”), in respect of the Special Business as set out in the Notice is annexed hereto. Information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (“the Listing Regulations”), and Para 1.2.5 of the Secretarial Standard on General Meetings, in relation to Director(s) seeking appointment / re-appointment at the Annual General Meeting (AGM) are provided in the said Statement.
4. Members seeking any information with regard to the accounts of the Company are requested to write to the Company atleast seven (7) days before the date of the Meeting so as to enable the management to keep the information ready.
5. All documents referred to in the accompanying Notice and the Statement under Section 102 of the Act are open for inspection at the Registered Office of the Company during the business hours on all working days except Saturdays, Sundays & Public Holidays between 11:00 A.M. and 1:00 P.M. upto the date of AGM and will also be available at the meeting.

6. Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Act are requested to send a duly certified copy of the Board Resolution together with their specimen signatures authorising their representative(s) to attend and vote in their behalf at the AGM.
7. Members may also note that the Notice of 36th Annual General Meeting and the Annual Report for the Financial Year 2018-19 are also available on the Company's website: www.indogulfindustries.com for download.
8. 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.
9. 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 Karvy Computershare Private Limited (Karvy) and the business may be transacted through such voting. Remote e-voting is optional. The Company also provides the option of voting by means of Ballot Form at the venue of the AGM in addition to the electronic voting system mentioned above. The detailed instructions for e-voting have been provided separately along with this Notice.
10. The remote e-voting period commences on Thursday, 27th September, 2019 at 10:00 A.M. and ends on Sunday, 29th September, 2019 at 5:00 P.M. During this period, members of the Company as on the cut-off date i.e. Tuesday, 24th September, 2019, may cast their vote electronically. The e-voting module will be disabled by Karvy 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.
11. Voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the Register of Members as on the cut-off date, only shall be entitled to avail the facility of remote e-voting or voting at the AGM.
12. 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 evoting@karvy.com and cast their vote.

However, if he is already registered with Karvy for remote e-voting then he can use his existing user ID and password for casting his vote. If he forgets his password, he can reset his password by using "Forgot Password" option available on <https://evoting.karvy.com> or contact Karvy at 040-67161606 or Toll Free No.1800 3454 001.
13. In case of any query, you may refer Help & Frequently Asked Questions (FAQs) sections of <https://evoting.karvy.com> (Karvy Website) or call Karvy on 040-67161606 & Toll Free No.1800 3454 001 or contact Mr. MRV Subrahmanyam at Karvy having its office at Karvy Selenium Tower B, Plot No.31-32, Financial District, Gachibowli, Nankramguda, Hyderabad – 500 032 or mail at the designated email id: evoting@karvy.com who will address the grievances connected with the voting by electronic means.
14. The facility for voting will be available at the AGM venue for those Members who do not cast their votes by remote e-voting prior to the AGM. Members, who cast their votes by remote e-voting prior to the AGM, may attend the meeting but will not be entitled to cast their votes once again.
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 three days 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. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.indogulfindustries.com and on the website of Karvy immediately after the declaration of results. Such results shall also be immediately forwarded to the Stock Exchanges where the Company's equity shares are listed.
17. **Kindly bring your copy of the Annual Report at the Meeting.**
18. The Company has appointed M/s. Beetal Financial & Computer Services Pvt. Ltd. as the Registrar and Share transfer agent for the Equity Shares of the Company.
19. A Route map to the venue of AGM and prominent landmarks for easy location is as under:

BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present this Thirty Sixth Annual Report of the Company together with the Audited Financial Statements and Auditors' Report thereon for the Financial Year ended March 31, 2019.

Financial Highlights

(Amount in Rs.)

Financial Results	2018-2019	2017-18
Net Sales	13,46,09,870	-
Other Income	38,11,147	84,18,480
Profit before finance costs, depreciation and tax	-	(81,52,390)
Finance costs	8,83,818	160,442
Depreciation and amortization expense	41,66,808	9,65,329
Tax expense	14,76,926	-
Profit/(Loss) before exceptional and extra-ordinary items	(65,27,552)	(92,78,161)
Exceptional item	-	-
Net Profit/(Loss)	(65,27,552)	(92,78,161)
Add: Balance brought forward from the previous year	(4,77,02,769)	(3,84,24,608)
Less: Deduction on account of depreciation adjustment due to transitional provisions	-	-
Balance to be carried forward to next year's account	(5,42,30,321)	(4,77,02,769)

Performance, Future Outlook & Prospects

The Explosive Unit of the company located at Village Koti, Sukhwa & Prithi Pura, Babina, Distt. Jhansi commenced operations during the year under review.

Dividend

In view of loss suffered by the Company, the Directors regret for their inability to recommend dividend for the year under review. No amount is being transferred to the reserves.

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:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures,;
- 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, Only one Director was paid remuneration during the year 2018-19.

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 till 31st March, 2019 was 47025 KVAH amounting to Rs. 11,85,002/-. 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

Ms. Tanushree Purohit, Company Secretary, resigned from the office on 5th December, 2018. In compliance of the provisions of Section 203 of the Companies Act, 2013, Ms. Heena Khera, a member of ICSI, appointed to act as the Company Secretary (Key Managerial Personnel) and the Compliance Officer in the terms of Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from 5th December, 2018.

Number of meetings of the Board

The Board met 9 times on 28/05/2018, 06/06/2018, 15/06/2018, 10/07/2018, 14/08/2018, 14/11/2018, 05/12/2018, 01/01/2019, 13/02/2019 during the Financial Year 2018-19. 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	9
Mr. Ashok Sarkar	Independent, Non-Executive Director	2
Ms. Shivani Naithani	Independent, Non-Executive Director	9
Mr. Vijay Ramesh Jagtap	Non-Independent, Executive Director	9

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 statement 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 2019, there were no instances of the Board not accepting the recommendations of the Audit Committee. The Audit Committee met 4 times on 28.05.2018, 14.08.2018, 14.11.2018, 13.02.2018 during the financial year 2018-19. 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 two times on 01/10/2018, 05/12/2018 during the Financial Year 2018-19.

Name of the Directors	Position	No. of meetings attended
Mr. Rajesh Jain	Chairman	2
Ms. Shivani Naithani	Member	2
Mr. Ashok Sarkar	Member	2

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 met 8 times during the year on the following dates: 12.09.2018, 21.09.2018, 05.01.2019, 22.01.2019, 08.02.2019, 13.02.2019, 25.02.2019, 18.03.2019.

Number of Share Transfer Committee meeting(s) attended by the directors:

Name of the Directors	No. of meetings attended
Mr. Rajesh Jain	8
Mr. Ashok Sarkar	3
Ms. Shivani Naithani	8
Ms. Anjali Goel	2
Ms. Heena Khera	6

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 31.03.2019.

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 2018-19. The Secretarial Audit Report for the financial year 2018-19 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 29th May, 2019 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 it is proposed to ratify the appointment of M/s Hemant Arora & Co.LLP, as the Statutory Auditors of the Company for the financial year 2018-19. 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 2018-19 and Notice of the 36th 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: May 29, 2019

Sd/-
Vijay Jagtap
Director
DIN: 0008086871

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 2018-19:
None of the Directors were paid any remuneration during the Financial Year 2018-19. Hence, the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2018-19 is not applicable.
- II. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2018-19:
None of the Directors were paid any remuneration during the year. Further, there was no increase in the remuneration of Company Secretary during the Financial Year 2018-19. Hence, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2018-19 is not provided.
- III. The percentage increase in the median remuneration of the employees in the financial year 2018-19:
There are 4 employees on the payroll of the Company, out of which 3 has joined in the Financial Year 2018-19. Further, there was no increase in the remuneration of the employee during the Financial Year 2018-19. 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 2018-19.
- 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 2019								
1	Mr. B.D. Agarwal	53 years	President and CFO	5,25,700/-	Graduate	Approx 30 years	01/08/2016	N/A
2.	Ms. Anjali Goel	25 years	Company Secretary	76,568/-	C.S.	2.5 years	01.01.2018	N/A
3.	Ms. Heena Khera	30 years	Company Secretary	1,30,177/-	C.S	1 years	05.12.2018	N/A
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 31.03.2019

[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, IIInd 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, Dehradun	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 01.04.2018]				No. of Shares held at the end of the year [As on 31.03.2019]				% 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)	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.04.2018]				No. of Shares held at the end of the year [As on 31.03.2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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) FIs	--	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		898436	898436	9.39		898436	898436	9.39	0.00
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	--	3156166	3156166	32.99	206961	2949205	3156166	32.99	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)	--	--	--	--	--	--	--	--	--
Non Resident Indians	--	96758	96758	1.01	--	96758	96758	1.01	0.00
Trusts	--	4300	4300	0.05	--	4300	4300	0.05	0.00

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.04.2018]				No. of Shares held at the end of the year [As on 31.03.2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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 01.04.2018]			Shareholding at the end of the year [As on 31.03.2019]			% 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 01.04.2018]		Cumulative Shareholding during the Year [01.04.2018 to 31.03.2019]	
		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

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
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				

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
	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. Vijay Jagtap, 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. Anjali Goel, 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			–	–

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	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	–	–	–
Change in Indebtedness during the financial year				
• Addition	–	–	–	–
• Reduction	–	–	–	–
Net Change	–	–	–	–
Indebtedness at the end of the financial year	–	–	–	–
i) Principal Amount	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	–	–	–

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	Mr. Shivani Naithani	Mr. Vijay Jagtap	
1	Independent Directors	-	-	-	-	-
	Fee for attending board/ committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	6,05,559	6,05,559
	Fee for attending board/ committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	6,05,559	6,05,559
	Total (B)=(1+2)	-	-	-	6,05,559	6,05,559
	Total Managerial Remuneration					-
	Overall Ceiling as per the Act			Remuneration paid with in the limit		

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

(Rs. in thousand)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Ms. Anjali Goel	Ms. Heena Khera	Ms. Tanushree Purohit	Total
1	Gross salary	76,568	1,30,177	8,000	2,14,745
	(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	76,568	1,30,177	8,000	2,14,745

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**

 Sd/-
 Vijay Jagtap
 Director

 Sd/-
 Rajesh Jain
 Director

DIN: 0008086871

DIN: 01200520

 Place: New Delhi
 Date: May 29, 2019

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 2018-19 closed at a net loss of Rs. 65,27,552 as compared to net loss of Rs. 92,78,161 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 4 employees as on 31st March, 2019. Relations between the management and employees have been cordial. Your company maintains a work environment that is free from any harassment.

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
For the financial year ended March 31, 2019

[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, 2019, 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, 2019, 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;
- (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**
- (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.

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.

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.

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

Place: Dehradun
Dated: 20.04.2019

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: 20.04.2019

INDEPENDENT AUDITOR’S REPORT

To
The Members of,
Indo Gulf Industries Limited

Opinion

We have audited the Financial Statements of Indo Gulf Industries Limited, (the “Company”) which comprise the Balance Sheet at March 31st2019, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date and Notes to the Financial Statements, including a summary of Significant Accounting Policies.

In our opinion and to the best of our information and according to the explanation given to us, the accompanying Financial Statements give a true and fair view of the financial position of the entity as at March 31st, 2019 , and of its financial performance and its cash flows for the year then ended in accordance with the accounting standards specified under Section 133 of the Companies Act,2013 (the “Act”), read with Rule 7 of the Companies(Accounts) Rules, 2014 and accounting principles generally accepted in India.

Basis for qualified opinion

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 and Employee’s State Insurance Act, 1948 by not creating liability in respect of employers contribution towards Employee Provident Fund and Employee State Insurance and discharging thereof thus leading to overstatement of profit and understatement of liability. Therefore, the financial statements of the year ended 31st March, 2019 do not give a true and fair view of the financial position of the company.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *basis for Qualified Opinion paragraph*, the financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019.
- (b) in case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Other matter

The income tax portal of the company displays a tax deducted at source defaults which is aggregating to INR 346 lakhs. However, company’s management is of the opinion that these defaults can be removed by rectifying TDS returns. Therefore the company is still in the process of revising subject TDS returns. Our opinion is not qualified in respect of these matters.

Emphasis of matters

Without qualifying our report, we draw attention to fact that the accumulated losses of the company are more than its net worth. However financial statements are prepared on going concern basis as the management anticipates profit from operation in future years and will result in positive net worth.

Our opinion is not modified in respect of these matters.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters	How the matter was addressed in our audit
Significant estimates and judgements involved	

<p>Recognition of provisions in respect of ongoing litigations involved management’s assessment of existence of probable loss.</p> <p>We had identified recognition of provisions as a key audit matter as there was an inherent lack of precision in its measurement mainly on account of key change in management. The perceptibility of the possible outcomes of the litigations by the new management is complex.</p>	<p>Our audit procedure included the following substantive procedures:</p> <p>We evaluated and obtained the understanding of the matters in respect of which accounting estimates were made.</p> <p>We evaluated based on our audit evidence, whether the methods applied for making accounting estimates are reasonable and appropriate in the circumstances to recognise provisions.</p> <p>Reviewed the prior period accounting estimates.</p> <p>Obtained an understanding of the assumptions underlying the accounting estimates.</p> <p>Evaluation of appropriateness of management’s assessment of classification of future obligations between contingent liabilities and provisions.</p>
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Responsibilities of Management and Those charged with Governance for the Financial Statements

The Company’s Board of Director’s is responsible for the matters in Section 134(5) of the Act with respect to the preparation of the 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 specified under Section 133 of the Act and 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, 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.

The Board of Directors are responsible for overseeing the Company’s financial reporting process.

Auditor’s responsibility for the audit of financial statements

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 skepticism 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 the Companies (Auditor's Report) Order, 2016, ("the Order") issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of written representations received from the directors as on 31 March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to 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**". Our report expresses an unmodified opinion on the effectiveness of the Company's internal financial controls with reference to financial statements.
 - 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 position in its Ind AS financial Statements in accordance with generally accepted accounting practices (Refer Note No-19 (4) (iii)).
 - ii. The Company doesn't have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company.

For HEMANT ARORA & Co.LLP
 CHARTERED ACCOUNTANT
 FIRM REG. NO. 002141C

PLACE : DEHRADUN
 DATE : 29.05.2019

KAMAL NAGPAL
 PARTNER
 M.No.408066

(Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Indo Gulf Industries Limited of even date).

- i. In respect of its fixed assets:
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) The lease deeds of leasehold land at village Prithivipura, Jhansi, Kanpur is being executed in the name of the company. However, the title deeds of freehold land have not been produced before us for verification.
- ii. According to the information and explanations given to us and based on the audit procedures conducted by us, the Company's inventory was physically verified during the year and as on 31.03.2019.
- 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 partnership firms or other parties covered under Section 189 of the Companies Act 2013 during the year. Therefore, the provisions of clause (iii) of the Order is not applicable to the Company.
- iv. 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, made any investments, given any guarantees and security where provisions of Section 185 and Section 186 are to be complied with. Therefore, the provisions of clause (iv) of the Order are 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 not accepted any deposit from the public covered under Section 73 to 76 or other relevant provisions of the Companies Act 2013. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi. According to the information and explanations given to us, the company is not required to maintain cost record as prescribed by Central Government under section 148(1) of the Companies Act, 2013. Therefore, the provisions of Clause (vi) of paragraph 3 of the Order are not applicable to the Company.
- vii. According to information and explanation given to us and on the basis of our examination of the books of accounts, in respect of statutory dues:
 - a) Undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues have not been regularly deposited with the appropriate authorities. The details of undisputed statutory dues outstanding as at 31st March, 2019 for the period of more than six months is as follows:

(Amount in INR)

S. No.	Nature of Dues	Date of becoming payable	Amount outstanding as at 31.03.2019
1.	Tax Deduction at Source	31/03/2018	703,791/-
	Total		703,791/-

- b) The Company has received various notices and recovery certificates amounting to Rs.5,71,98,248/- pertaining to the demand of sales tax of Rs.5,37,10,942/- and central excise of Rs.34,87,306/- (Refer Note No. 19 (4) (iii) of the financial statement). The above notices mainly received before the sanction of Rehabilitation Scheme.

The company has made provision for contingencies in the books of accounts for Rs.43,45,144/- against the demand of sales tax of Rs.2,75,49,995/- and central excise of Rs.14,17,634/- considering the relief and concession of Rehabilitation Scheme sanctioned by Hon'ble BIFR on 24th June, 2010.

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. In our opinion and according to the information & explanations given to us, the Company was not required to repay any loan or borrowings from financial institutions, banks and Government or dues to debenture holders.
- ix. 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 did not raise any money by way of initial public offer or further public offer (including debt instruments) but for unsecured term loans from related parties during the year. The company has duly applied funds for which the term loan was raised.
- x. In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In our opinion and according to the information and explanations give to us, the Company has paid/provided for managerial remuneration in accordance with the provisions of Section 197.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of related party transactions have been disclosed in the Ind AS standalone financial statements as required by the Indian accounting standards.
- xiv. In our opinion and according to the information and explanations give to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him and hence Section 192 of the Companies Act 2013 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.

For HEMANT ARORA & Co.LLP
CHARTERED ACCOUNTANT
FIRM REG. NO. 002141C

PLACE : DEHRADUN
DATE : 29.05.2019

KAMAL NAGPAL
PARTNER
M.No.408066

Annexure B

To the Independent Auditor's Report of even date on the Financial Statements of Indo Gulf Industries Limited being report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Indo Gulf Industries Limited ("the Company") as of March 31st, 2019 in conjunction with our audit of the Ind AS 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 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 (the “Guidance Note”) and the Standards on Auditing, issued by ICAI 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 internal financial controls system with reference to financial statements 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 internal financial controls with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 ACCOUNTANT
FIRM REG. NO. 002141C

PLACE : DEHRADUN
DATE : 29.05.2019

KAMAL NAGPAL
PARTNER
M.No.408066

BALANCE SHEET AS AT 31ST MARCH, 2019

(Amount in INR)

Particulars	Note No.	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
I. ASSETS					
Non - current assets					
(a) Property, plant and equipment	2(a)	74,339,949		27,753,069	
(b) Capital Work in Progress	2(b)	-		4,491,495	
(c) Other non-current assets					
(i) Capital Advances		262,000		5,408,657	
			74,601,949		37,653,221
Current assets					
(a) Inventories	3	11,706,116		-	
(b) Financial assets					
(i) Trade Receivables	4	3,948,457		-	
(i) Cash and cash equivalents	5	3,986,403		3,491,264	
(ii) Bank balances other than (i) above	6	-		18,800,000	
(iv) Other Financial Assets	7	2,288,452		138,696	
(c) Other current assets	8	17,114,824		2,975,447	
			39,044,251		25,405,407
Total (A)			113,646,200		63,058,628
II. EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	9	9,567,270		9,567,270	
(b) Other Equity	10	(63,998,850)	(54,431,580)	(47,702,769)	(38,135,499)
Liabilities					
Non - current liabilities					
(a) Financial liabilities					
(i) Borrowings	11	110,921,774		87,778,456	
(b) Deferred Tax Liabilities	12	1,476,926	112,398,700	-	87,778,456
Current liabilities					
(a) Financial liabilities					
(i) Borrowings	13	24,154,624		-	
(ii) Trade Payables	14	8,133,768		-	
(iii) Other financial liabilities	15	6,427,176		4,955,336	
(b) Other current liabilities	16	6,190,720		703,791	
(c) Provisions	17	10,772,792	55,679,080	7,756,544	13,415,671
Total (B)			113,646,200		63,058,628

SIGNIFICANT ACCOUNTING POLICIES 1
 NOTES TO ACCOUNTS 2 TO 24

AS PER OUR REPORT OF EVEN DATE ATTACHED.

For HEMANT ARORA & CO. LLP
 CHARTERED ACCOUNTANTS
 Firm's Registration No - 002141C

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

Sd/-
CA. Kamal Nagpal
 M. No. 408066)
 Partner

Sd/-
B.D. Agarwal
 (Chief Finance Officer)

Sd/-
Rajesh Jain
 (Director)
 (DIN - 01200520)

Sd/-
Shivani Nathani
 (Director)
 (DIN - 07881480)

Place of Signature: New Delhi
 Date:

Sd/-
Heena Khara
 (Company Secretary)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in INR)

Particulars		Note No.	Figures for the current reporting period	Figures for the previous reporting period
I	Revenue from Operation	18	134,609,870	-
II	Other Income	19	3,811,147	8,418,480
III	Total income		138,421,017	8,418,480
IV	Expenses:			
	Cost of Material Consumed	20	132,746,563	-
	Employee benefits expense	21	9,043,749	3,592,021
	Finance Cost	22	883,818	160,442
	Depreciation and amortisation expense	23	4,166,808	965,329
	Other expenses	24	6,399,234	12,978,849
	Total expenses (III)		153,240,173	17,696,641
V	Profit/(Loss) before exceptional items and tax (II-III)		(14,819,156)	(9,278,161)
VI	Exceptional items		-	-
VII	Profit/(Loss) before tax		(14,819,156)	(9,278,161)
VIII	Tax expense		1,476,926	-
	(1) Current Tax		-	-
	(2) Deferred Tax		1,476,926	-
IX	Profit/(Loss) for the year from continuing operations (VII-VIII)		(16,296,081)	(9,278,161)
X	Profit/(Loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(Loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII	Profit/(Loss) for the period (IX+XI)		(16,296,081)	(9,278,161)
XIV	Other Comprehensive Income			
	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 (XII+XIII)		(16,296,081)	(9,278,161)
	(Comprising Loss and Other Comprehensive Income for the year)			
	Earnings per equity share (Nominal value per share` 1/-)			
	[Refer Note No. 20(4)]			
	- Basic (‘)		(1.70)	(0.96)
	- Diluted (‘)		(1.70)	(0.96)
	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

NOTES TO ACCOUNTS 2 TO 24

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

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

 Sd/-
CA. Kamal Nagpal
 M. No. 408066
 Partner

 Sd/-
B.D. Agarwal
 (Chief Finance Officer)

 Sd/-
Rajesh Jain
 (Director)
 (DIN - 01200520)

 Sd/-
Shivani Nathani
 (Director)
 (DIN - 07881480)

Place of Signature: New Delhi

Date:

 Sd/-
Heena Khara
 (Company Secretary)

CASH FLOW STATEMENT FOR THE YEAR ENDED AS AT 31 MARCH, 2019

(Amount in INR)

Particulars		Note No.	Figures for the current reporting period	Figures for the previous reporting period
A	CASH FLOW FROM OPERATING ACTIVITIES			
	Profit/(Loss) after tax		(16,296,081)	(9,278,161)
	<i>Adjustments to reconcile profit/(loss) before exceptional items and tax to net cash flow provided by operating activities :</i>			
	Employee benefits expense		-	-
	Depreciation expense		4,166,808	965,329
	Loss on sale/discard of property, plant and equipment		-	-
	Interest income		(133,530)	(944,148)
	Operating Profit/(loss) before working capital changes		(12,262,803)	(9,256,980)
	<i>Adjustments to reconcile operating loss to cash flow provided by changes in working capital :</i>			
	Financial Assets			
	-Inventories		(11,706,116)	-
	-Trade Receivables		(3,948,457)	-
	-Loans		-	135,963
	-Other Financial Assets		(2,149,756)	(42,092)
	-Other Current Assets		(14,139,377)	(1,454,740)
	Financial Liabilities			
	-Borrowings		24,154,625	-
	-Trade Payables		8,133,768	-
	-Other Financial liabilities		1,471,840	1,457,112
	-Other Current liabilities		5,486,929	676,556
	-Provisions		3,016,248	3,411,400
	Cash from/(used) in operations		(1,943,100)	(5,072,781)
	Tax expense			
	Direct taxes (paid)/ refund received		-	(97,697)
	Deferred Tax Liability		1,476,926	-
	Cash flow before exceptional items		(466,174)	(5,170,478)
	Exceptional Items		-	-
	Net cash used in operating activities (A)		(466,174)	(5,170,478)
B	CASH FLOW FROM INVESTING ACTIVITIES			
	Fixed deposits placed with banks		18,800,000	(4,828,909)
	Fixed deposits redeemed from banks		-	-
	Interest received on fixed deposits		133,530	944,148

Particulars		Note No.	Figures for the current reporting period	Figures for the previous reporting period
	Purchase of PPE (including CWIP)		(46,262,193)	(19,337,287)
	Capital advances issued		5,146,658	(5,408,657)
	Net cash generated/(used in) investing activities		(22,182,005)	(28,630,705)
C	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds from Borrowings-Related Parties		23,143,318	31,940,216
	Net cash generated/(used) from financing activities		23,143,318	31,940,216
	Net increase/(decrease) in cash and cash equivalents (A+B+C)		495,139	(1,860,967)
	Opening cash and cash equivalents		3,491,264	5,352,230
	Closing cash and cash equivalents [Refer Note No. 3]		3,986,403	3,491,264

SIGNIFICANT ACCOUNTING POLICIES
1
NOTES TO ACCOUNTS
2 TO 24
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

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

Sd/-

CA. Kamal Nagpal
 M. No. 408066)
 Partner

Sd/-

B.D. Agarwal
 (Chief Finance Officer)

Sd/-

Rajesh Jain
 (Director)
 (DIN - 01200520)

Sd/-

Shivani Nathani
 (Director)
 (DIN - 07881480)

Sd/-

Heena Khara
 (Company Secretary)

Place of Signature: New Delhi

Date:

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31ST MARCH, 2019
(a) Equity Share capital
(Amount in INR)

Particulars	Amount
Balance as at 1st April, 2016	9,567,270
Changes during the year ended 31st March, 2017	-
Balance as at 31st March, 2017	9,567,270
Changes during the year ended 31st March, 2018	-
Balance as at 31st March, 2018	9,567,270

(b) Other Equity
(Amount in INR)

Particulars	Reserves and surplus	Other Comprehensive Income	Total
	Retained Earnings		
Balance as at 1st April, 2017	(38,424,608)	-	(38,424,608)
Loss for the year ended 31st March, 2018	(9,278,161)	-	(9,278,161)
Balance as at 31st March, 2018	(47,702,769)	-	(47,702,769)
Loss for the year ended 31st March, 2019	(16,296,081)	-	(16,296,081)
Balance as at 31st March, 2019	(63,998,850)	-	(63,998,850)

SIGNIFICANT ACCOUNTING POLICIES 1

NOTES TO ACCOUNTS 2 TO 24

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

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

Sd/-

CA. Kamal Nagpal

M. No. 408066)

Partner

Sd/-

B.D. Agarwal

(Chief Finance Officer)

Sd/-

Rajesh Jain

(Director)

(DIN - 01200520)

Sd/-

Shivani Nathani

(Director)

(DIN - 07881480)

Sd/-

Heena Khara

(Company Secretary)

Place of Signature: New Delhi

Date:

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 54.96% 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 and are subject to the approval by the shareholders in the ensuing Annual General Meeting.

2. Significant Accounting Policies**2.1 Compliance with Ind AS**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (referred to as Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements for the year ended 31st March, 2017 are the first financial statements of the Company prepared in accordance with Ind AS.

2.2 Basis of preparation

These financial statements have been prepared under the historical cost basis

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

All assets and liabilities have been classified as current and non-current as per the Company' normal operating cycle and other criteria set out in General Instructions for the Preparation of Balance Sheet in Division II of Schedule III to the Act. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

An asset as current when it is:

Expected to be realized or intended to be sold or consumed in normal operating cycle

Held primarily for the purpose of trading

Expected to be realized within twelve months after the reporting period, or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle

It is held primarily for the purpose of trading

It is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

These financial Statements including notes thereon are presented in Indian Rupees ("Rupees" or "Rs." or "INR" or "₹"), which is the Company's functional and presentation currency. All amount disclosed in these financial

Statements including notes thereon have been rounded off to the nearest rupee as per the requirements of Schedule III to the Act, unless stated otherwise.

2.3 Revenue Recognition

- a) Interest income earned on Fixed Deposits with Banks is included in "Other income" in the Statement of Profit and Loss on accrual basis in accordance with Ind AS-18. The said Income has been recognized at Transactional value.

Interest Income is recognised using the Effective Interest Rate. While calculating the EIR, the Company estimates the expected cash flows by considering all contractual terms of the financial instruments but does not consider the expected credit losses.

2.4 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.

The asset's useful lives, residual values and methods of depreciation/amortization are reviewed at each reporting period and adjusted prospectively, if appropriate.

- 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.

2.5 Leases

The determination of whether an arrangement is (or contains), a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to the transition date i.e. 1st April, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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.

2.6 Provisions Contingent Liabilities and contingent assets

- a) A provision is recognized if, as a result of a past event, the company has a present legal or constructive 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 not recognized for future operating losses.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the passage of time is recognized as finance costs.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the Balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle the provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to any provision is presented in the Statement of profit or loss, net of any reimbursement.

- b) A contingent liability is not recognized in the financial statements, however, is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs (except in very rare circumstances where no reliable estimate can be made).

Contingent liabilities exceeding INR 5,00,000/- in each case are disclosed by way of notes to accounts.

- c) Contingent assets are not recognized in the financial statements, however it is disclosed, when an inflow of economic benefits is probable. When the realization of income is virtually certain, then the related asset is no longer a contingent asset, and is recognized as an asset.
- d) Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet Date.

2.7 Employee benefits

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.

2.8 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 classified 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 realise 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.

2.9 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.

2.10 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.

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 realise 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.

2.11 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.
- 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.

2.12 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.

2.13 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 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.

Amendments to Ind AS 7 "Statement of Cash Flows"

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from Cash Flows and Non Cash Changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

This amendment is effective for accounting period commencing on or after 1st April 2017. The company is evaluating the requirements of the amendments and the effect on the financial statements is being evaluated.

(Amount in INR)

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

Particulars	Property, Plant and Equipment										Total	
	Land (Free Hold)	Land (Lease Hold)	Buildings	Plant & equipment	Furniture & Fixtures	Office Equipments	Computers	Electrical Installations and Equipments				
<u>Gross block</u>												
Gross carrying amount as at 01.04.2018	1,657,999	3,145,430	9,249,624	15,550,238	25,050	25,869	42,042	854,379	30,550,631			
Additions during the year	-	-	10,740,835	37,783,101	215,904	464,471	141,653	1,407,724	50,753,688			
Disposals/deductions during the year	-	-	-	-	-	-	-	-	-			
Gross carrying amount as at 31.03.2019	1,657,999	3,145,430	19,990,459	53,333,339	240,954	490,340	183,695	2,262,103	81,304,319			
<u>Depreciation</u>												
Accumulated depreciation as at 01.04.2018	-	-	2,742,107	42,442	362	795	2,313	9,543	2,797,562			
Depreciation for the year	-	-	1,020,803	2,856,467	10,627	83,512	26,759	168,641	4,166,808			
Disposals/deductions during the year	-	-	-	-	-	-	-	-	-			
Accumulated depreciation as at 31.03.2019	-	-	3,762,910	2,898,909	10,989	84,307	29,072	178,184	6,964,370			
Net carrying amount as at 31.03.2019	1,657,999	3,145,430	16,227,549	50,434,430	229,966	406,034	154,623	2,083,919	74,339,949			
<u>Gross block</u>												
Gross carrying amount as at 01.04.2017	1,657,999	3,145,430	9,249,624	1,650,761	25,050	25,869	1,025	854,379	15,704,839			
Additions during the year	-	-	-	13,899,477	25,050	41,017	-	-	14,845,792			
Disposals/deductions during the year	-	-	-	-	-	-	-	-	-			
Gross carrying amount as at 31.03.2018	1,657,999	3,145,430	9,249,624	15,550,238	25,050	25,869	42,042	854,379	30,550,631			
<u>Depreciation</u>												
Accumulated depreciation as at 01.04.2017	-	-	1,832,233	-	-	-	-	-	1,832,233			
Depreciation for the year	-	-	909,874	42,442	362	795	2,313	9,543	965,329			
Disposals/deductions during the year	-	-	-	-	-	-	-	-	-			
Accumulated depreciation as at 31.03.2018	-	-	2,742,107	42,442	362	795	2,313	9,543	2,797,562			
Net carrying amount as at 31.03.2018	1,657,999	3,145,430	6,507,517	15,507,796	24,688	25,074	39,729	844,836	27,753,069			
Net carrying amount as at 01.04.2017	1,657,999	3,145,430	7,417,391	1,650,761	-	-	1,025	-	13,872,606			

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

Particulars	Balance as on 1st April, 2017	Additions during the FY 2018-19	Disposals/ Capitalization	Balance as on 31st March, 2019
Building under Construction				
Bricks	13,000	-	13,000.00	-
Cement Bags	678,546	348,264	1,026,810.00	-
Labour Charges	1,125,218	1,682,689	2,807,907.00	-
Drawing & Map Expenses	95,420	218,287	313,707.00	-
Genset Rent	21,000	-	21,000.00	-
Other Building Material	401,034	2,903,307	3,304,340.51	-
Material Shifting Charges	23,961	-	23,961.00	-
JCB Works	71,062	348,412	419,474.00	-
Sainatry Items	888,236	304,324	1,192,560.12	-
Sand & Stone	746,000	411,000	1,157,000.00	-
Iron	101,531	-	101,531.00	-
Steam Coal	127,000	-	127,000.00	-
White Wash	147,041	61,318	208,358.50	-
Water Tanker	52,446	10,400	62,846.00	-
	4,491,495.00	6,288,000	10,779,495	-

Note No. : 3 Inventories
(Amount in INR)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Raw Material/ Finished Goods	11,706,116	-
Total	11,706,116	-

Note No. : 4 Trade Receivables
(Amount in INR)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Secured Considered Good	3,948,457	-
Total	3,948,457	-

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

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Balances with banks		
On current accounts	3,925,479	3,352,041
Cash on hand	60,924	139,223
Total	3,986,403	3,491,264

Note No. : 6 Bank Balances other than Note No. 3 above
(Amount in INR)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
(i) Fixed deposits with bank (maturity period from 3 months to 12 months)	-	18,800,000
Total	-	18,800,000

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

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
	No. of Shares	Amount	No. of Shares	Amount
(a) Securiy Deposits		2,288,452		31,700
(b) Interest accrued but not due on Fixed deposits with bank		-		106,996
Total		2,288,452		138,696

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

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
	No. of Shares	Amount	No. of Shares	Amount
Advances other than Capital Advances				
(a) Other Recoverable		1,321,573		104,494
Prepaid Taxes		237,542		224,187
Input GST Credit		6,215,133		2,646,766
Staff Advances		41,919		
Prepaid Insurance		98,657		-
Deputy Labour Commission-Deposit under protest		9,200,000		-
Total		17,114,824		2,975,447

Note No. : 9 Equity Share capital
(Amount in INR)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
	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
		150,000,000		150,000,000
(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
		9,567,270		9,567,270

(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 2019 nor in previous year ended 31st March 2018, 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. (PY 31.03.2017: 51,62,540 equity shares were held by Balrampur Chini Mills Ltd.)
(f) Shareholders holding more than 5 % of the equity shares in the Company :

Name of the Shareholder	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
	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 date.
(h) The Company has neither issued any bonus shares nor has bought back equity shares in 5 years immediately preceding the balance sheet date.

Note No. : 10 Other Equity
(Amount in INR)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Surplus in the Statement of Profit and Loss		
Balance at beginning of the year	(47,702,769)	(38,424,608)
Add: (Loss) for the year	(16,296,081)	(9,278,161)
Balance as at the balance sheet date	(63,998,850)	(47,702,769)

Note No. : 11 Borrowings (Non-current)
(Amount in INR)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Deferred payment liabilities		
Deferred sales tax loan (Unsecured) #	24,670,593	30,838,241
Preference Share Capital		
Preference shares of par value INR 100/- each (Unsecured)	25,000,000	25,000,000
Unsecured Loan from related parties		
Unsecured loan	61,251,182	31,940,215
Total	110,921,774	87,778,456

Dy. Commissioner of Sales Tax Baidhan Distt. 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 1st installment of Rs. 6,167,648 is made on 31st March, 2019.

- # (a) Unsecured Loan from Ganesh Explosives Private Limited will be repayable after five years from commencement of business in ten equal yearly instalments and simple interest @8% p.a will be charged and repaid at the end of each financial year.
- (b) Unsecured loans from Rajesh jain and Padmavati Jain are interest free and will be repayable after five years from commencement of business in ten equal yearly instalments.
- (c) Unsecured Loan from Rajesh Explosives Private Limited will be repayable after five years from commencement of business in ten equal yearly instalments and simple interest @8% p.a will be charged and repaid at the end of each financial year.

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
	No. of Shares	Amount (INR)	No. of Shares	Amount (INR)
(i) Authorised				
Preference shares of par value INR 100/- each	500,000	50,000,000	500,000	50,000,000
	500,000	50,000,000	500,000	50,000,000
(ii) Issued, subscribed and fully paid up				
0.001% Non Convertible, Non-Cumulative, Redeemable Preference shares of par value INR 100/- each	250,000	25,000,000	250,000	25,000,000
	250,000	25,000,000	250,000	25,000,000

Note No. : 12 Deferred Tax Liability
(Amount in INR)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
At opening	-	-
Add/less		
Profit & Loss Appropriation Account	1,476,926	-
Total	1,476,926	-

Note No. : 13 Borrowings (Current)
(Amount in INR)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Unsecured Loan from related parties		
Unsecured loan	24,154,624	-
Total	24,154,624	-

Note No. : 14 Trade Payables
(Amount in INR)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Financial liabilities at amortized cost		
Trade Payables	8,133,768	-
Total	8,133,768	-

Note No. : 15 Other financial liabilities
(Amount in INR)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Financial liabilities at amortized cost		
Other payables	6,427,176	4,955,336
Total	6,427,176	4,955,336

Note No. : 16 Other Current liabilities
(Amount in INR)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Statutory liabilities	1,126,329	703,791
Advance from customers	5,015,842	-
Recoverables from Staff	48,550	-
Total	6,190,720	703,791

Note No. : 17 Provisions
(Amount in INR)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Other provisions	10,772,792	7,756,544
Total	10,772,792	7,756,544

Note No. : 18 Revenue from Operation
(Amount in INR)

Particulars	Figures for the current reporting period	Figures for the previous reporting period
Domestic sale of explosive items	134,609,870	-
Total	134,609,870	-

Note No. : 19 Other income
(Amount in INR)

Particulars	Figures for the current reporting period	Figures for the previous reporting period
Liability not required to be paid back	-	7,474,332
Interest income on financial assets (amortized cost)		
Fixed deposits with banks	133,530	944,148
Sale of Scrap	439,505	-
Discount Received	3,187,710	-
Miscellaneous Income	50,402	-
Total	3,811,147	8,418,480

Note No. : 20 Cost of Material Consumed
(Amount in INR)

Cost of Material Consumed	Figures for the Current Reporting Period	Figures for the previous Reporting period
Opening Balances	-	-
Purchases		
Raw Material	112,735,626	-
Packing Material	12,615,171	-
Consumable Goods	385,386	-
Manufacturing Expenses		
Diesel & Petrol	1,856,894	-
Electricity Expenses	1,509,844	-
Maintenance of explosive Van	323,548	-
Freight & Cartage	11,498,591	-
Labour Salary	2,721,121	-
License Fee	733,266	-
Testing Charges	31,450	-
Inspection Charges	11,940	-
Gas expenses	29,843	-
	144,452,679	-
less Closing Stock	11,706,116	-
Total	132,746,563	-

Note No. : 21 Employee benefits expense
(Amount in INR)

Particulars	Figures for the current reporting period	Figures for the previous reporting period
Salaries and wages	8,509,234	3,409,842
Contribution to provident and other funds	156,000	151,680
House Rent Allowences	167,000	-
Staff welfare expense	211,515	30,499
Total	9,043,749	3,592,021

Note No. : 22 Finance Costs
(Amount in INR)

Particulars	Figures for the current reporting period	Figures for the previous reporting period
Others		
Letter of Credit Charges	11,832	137,752
Bank charges	98,681	22,690
Pre-mature charges on FD	106,374	-
Loss on reinstatement of unsecured loan	666,932	-
Total	883,818	160,442

Note No. : 23 Depreciation and amortisation expense
(Amount in INR)

Particulars	Figures for the current reporting period	Figures for the previous reporting period
Depreciation and amortisation of tangible assets [Refer Note No. 2]	4,166,808	965,329
Total	4,166,808	965,329

Note No. : 24 Other expenses
(Amount in INR)

Particulars	Figures for the current reporting period	Figures for the previous reporting period
Office Rent (Delhi)	378,000	15,284
Repairs		
- Building	241,949	
- Others	671,907	81,996
Rates and taxes (excluding taxes on income)	-	44
Payments to auditor		
-As auditor for statutory audit	200,000	77,349
-For other services	60,000	34,051
Listing and allied fees	289,500	700,252
Legal and Professional expenses	633,275	2,160,700
Business Promotion	880	-
Miscellaneous expenses	189,306	54,389
Electricity Expenses	-	642,680
Provident Fund Recoveries	-	2,025,959
Printing & Stationery	110,164	431,594
Leave Encashment	310,912	
Postage Charges	279,326	939,058
Telephone Expenses	14,239	5,096
Travelling & Conveyance Expenses	2,177,601	1,763,889
Loading & Unloading Charges	-	53,280
Medical Expenses	1,597	-
Freight & cartage	-	104,559
Electricity Charges-Demand	-	3,300,000
Consultancy Charges	152,680	320,980
Interest on TDS	-	42,377

Particulars	Figures for the current reporting period	Figures for the previous reporting period
Advertisement	16,520	187,275
Balance Written off	74,273	-
Water Expenses	3,098	-
Penalty on GST	30,180	36,000
Deferred expense written off	-	2,037
Discount Allowed	465,000	-
Entertainment Expenses	37,670	-
Penalty Paid to electricity department	2,183	-
Toll & Parking Charges	8,420	-
House Keeping Charges	20,891	-
Employee Insurance	1,093	-
Insurance Expenses	28,570	-
Total	6,399,234	12,978,849

NOTE NO. : 25 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 (i) above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the Company or the claimants, as the case may be and, therefore, cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

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 outcome of the appeals.

2. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2008 (“MSMED Act, 2006”)

S.No	Particulars	2018-19	2017-18
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
2	The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

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. Heena Khera
 - c) Director - Mr. Rajesh Jain
 - d) Director - Mrs. Shivani Naithani
 - e) Director - Mr. Ashok Sarkar
 - f) Director - Mr. Vijay Ramesh Jagtap

5 Related Party Transactions

S. No.	Particulars	Promotor Company	Holding Company	Key Managerial Personnel
A	M/s Ganesh Explosives Pvt. Ltd.			
(i)	Unsecured Loans Received	24,054,624	-	-
B	M/s Rajesh Explosives Private Limited			
(i)	Unsecured Loan Received	-	4,620,000	-
C	Key Managerial Personnel			
(i)	Mr. B.D. Agarwal	-	-	-
(a)	Reimbursement of Expenses			1,160,324
(b)	Salary			600,000
(ii)	Mrs. Heena Khera	-	-	-
(a)	Professional Fees	-	-	270,000
	Total	24,054,624	4,620,000	2,030,324

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 Company based on the Management's assessment.

(ii) Movements in Provisions:

Particulars	(Amount in INR)
Balance as at 1st April, 2018	7,756,544
Provided during the year	6,427,648
Used during the year	3,411,400.00
Reversed during the year	-
Balance as at 31st March, 2019	10,772,792
Non-current	-
Current	10,772,792
Balance as at 1st April, 2017	4,345,144
Provided during the year	3,411,400
Used during the year	-
Reversed during the year	-
Balance as at 31st March, 2018	7,756,544
Non-current	-
Current	7,756,544

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 above is determinable only upon Court decision/out of Court settlement/disposal of appeals.

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

(iii) Details of pending litigations:

- Dy. Commissioner of Sales Tax, Jhansi has issued demand notice dated 1st October, 2004 for INR 201.00 lakhs for the year 1988-89, 1997-98, 1998-99, 1999-00 and 2000-01. However the company has made submission to reopen and review the case which is under consideration.
- Dy. Commissioner of Sales Tax Baidhan Distt. Sidhi M.P. has issued recovery notice for entry tax dated 10th October, 2011 for INR 272.64 lakhs u/s. 146 of M.P. land Revenue Recovery Act, 1959.
- Asstt. Collector IIInd Grade, Delhi has issued writ of demand for a sum of INR 15.43 lakhs on accounts of recovery certificate dated 21st February, 2007 issued by Dy. Commissioner of Commercial Tax Satna (M.P.).
- Assistant Commissioner of Custom & Central Excise, Satna, M.P. has issued reminder dated 26th October, 2007 for demand of Excise duty and penalty thereon aggregating to INR 5.00 lakhs.
- Dy. Commissioner of Commercial Taxes, Angul, Orissa has issued notice dated 15th July, 2014 for INR 48.05 lakhs on account of demand of sales tax for the period 1998-99 to 2000-01.
- Additional Commissioner Central Excise, Kanpur, has issued order dated 30th June, 2010 for demand of Excise duty of INR 13.76 lakhs and penalty of INR 16.10 lakhs.
- Deputy Labour Commissioner, Jhansi has passed ex-parte order for recovery of INR 183.04 lakhs on account of salary of 114 employees of Jhansi Exclusive Unit for the period from January 2001 to February 2005. The Company had filed writ petition in Allahabad High Court challenging the said DLC Jhansi orders. The Allahabad High Court had directed the Company to deposit INR 92.00 lakhs before the Deputy Labour Commissioner, Jhansi and also directed to furnish security of balance amount INR 91.05 lakhs The Company

has challenged the said order by filing appeal in Hon'ble Supreme Court. Hon'ble Supreme Court has granted interim stay. The matter is pending before the Hon'ble Supreme Court of India. However, the High Court did not consider our prayer and passed an order for deposit of Rs. 92 lacs on or before 30th Jan. 2019 vide its order dt. 21st Jan. 2019. In order to compliance the directive of Hon'ble High Court the company has deposited Rs. 92 lacs on 29th Jan. 2019 and also furnished security to the equivalent amount with Deputy Labour Commissioner Jhansi. We have also filled an application before Deputy Labour Commissioner on 13.02.2019 to hear the matter on merits which is under consideration of DLC.

- (h) The Company entered into an agreement with National Fertilizers Limited for supply of Ammonium Nitrate in the year 1989 which was subsequently renewed and revised from time to time till 1995. National Fertilizers Limited has filed suit against the Company. Matter is pending before High Court of Delhi. The amount involved is INR 144.56 lakhs However, the Company has also filed a counter claim of INR 250.00 lakhs in the above mentioned suit for charging higher rates for supply of Ammonium Nitrate.
- (i) 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.
- (j) 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.
- (k) 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 Lakhs u/s 7Q of EPF and MP Act, 1952 towards interest. IGIL challenged EPFO order in Employees' Provident Fund Appellate Tribunal [EPFAT] and EPFAT vide its order dated 24.07.2014 was pleased to allow IGIL to pay interest amount of Rs. 36.87 Lakhs in three equal annual installments. In compliance to above order, so far IGIL has deposited Rs. 24.59 Lakhs with EPFO and balance Rs. 12.29 Lakhs is due and payable in August 2016.
- (l) 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.
- (m) 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.
- (n) 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 in the was declared "SINE DIE" by virtue of SICA.
- (o) Simalin Chemicals filed Civil Suit No 194/2003 before Civil Judge, Vadodra for recovery of 7.02. Lakhs.
- (p) 20 applications for their Bonus & incentive payment for the period Jan 2000 to 2010. IGIL filed its reply with DLC Jhansi in the aforesaid matters in year 2010.
- (q) 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.

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".

Further, 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 the said factory including records thereat 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 INR 8.03 lakhs (31st March, 2017: INR 8.03 lakhs) is lying with them. No adjustment in this respect has been carried out in these accounts.

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

Particulars	Figures as at the end of current reporting period	Figures as at the end of current reporting period
a) Amount used as the numerator Profit/(Loss) after tax - (A)	(16,296,081)	(9,278,161)
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)	(1.70)	(0.96)
f) Diluted earnings per share (₹) (A/C)	(1.70)	(0.96)

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 Company from the purview of The Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), since the networth of the company turned positive. Accordingly, the Company ceases to be a Sick Company.

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 Company is in the business of manufacturing 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.

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.

13 Fair Value Measurements
A. Financial instruments by category
As at 31st March, 2019
(Amount in INR)

Sl. No.	Particulars	Amortized cost	FVTOCI	FVTPL	Total
	Non-Current Assets				
(1)	Financial assets	-	-	-	-
	Current Assets				
(2)	Financial assets				
(a)	Trade Receivables	3,948,457	-	-	3,948,457
(b)	Cash and cash equivalents	3,986,403	-	-	3,986,403
(c)	Bank balances other than (i) above	-	-	-	-
(d)	Other current Assets	17,114,824	-	-	17,114,824
	Total	25,049,683	-	-	25,049,683
	Non Current Liabilities				
(3)	Financial liabilities				
(a)	Borrowings	110,254,843	-	666,932	110,921,774
	Current Liabilities				
	Financial liabilities				
(a)	Borrowings	24,154,624	-	-	24,154,624
(b)	Trade Payables	24,154,624	-	-	48,309,248
(c)	Other current liabilities	6,190,720	-	-	6,190,720
	Total	164,754,811	-	666,931.69	117,112,494

As at 31st March, 2018
(Amount in INR)

Sl. No.	Particulars	Amortized cost	FVTOCI	FVTPL	Total
	Non-Current Assets				
(1)	Financial assets	-	-	-	-
	Current Assets				
(2)	Financial assets				
(a)	Trade Receivables	-	-	-	-
(b)	Cash and cash equivalents	3,491,264	-	-	3,491,264
(c)	Bank balances other than (i) above	18,800,000	-	-	18,800,000
(d)	Other current Assets	2,975,447	-	-	2,975,447
	Total	25,266,711	-	-	25,266,711
	Non Current Liabilities				
(3)	Financial liabilities				
(a)	Borrowings	87,778,456	-	-	87,778,456
	Current Liabilities				
	Financial liabilities				
(a)	Borrowings	-	-	-	-
(b)	Trade Payables	-	-	-	-
(c)	Other current liabilities	703,791	-	-	703,791
	Total	88,482,247	-	-	88,482,247

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 2019:

(Amount in INR)

Sl. No.	Particulars	Level 1	Level 2	Level 3	Total
A.	Financial assets [At amortized cost (current)]				
	Trade Receivables	-	-	3,948,457	3,948,457
	Cash and cash equivalents	-	-	3,986,403	3,986,403
	Bank balances other than cash and cash equivalents	-	-	-	-
	Loans	-	-	-	-
	Other financial assets	-	-	2,288,452	2,288,452
	Total financial assets	-	-	10,223,311	10,223,311
B.	Financial Liabilities [At amortized cost]				
(a)	Non-current				
	Borrowings	-	-	110,921,774	110,921,774
(b)	Current				
	Borrowings	-	-	24,154,624	
	Trade Payables	-	-	8,133,768	
	Other financial liabilities	-	-	6,427,176	6,427,176
	Total financial liabilities	-	-	149,637,342	117,348,950

- (ii) Financial assets and financial liabilities measured at fair value as at 31st March 2018:

(Amount in INR)

Sl. No.	Particulars	Level 1	Level 2	Level 3	Total
A.	Financial assets [At amortized cost (current)]				
	Trade Receivables	-	-	-	-
	Cash and cash equivalents	-	-	3,491,264	3,491,264
	Bank balances other than cash and cash equivalents	-	-	18,800,000	18,800,000
	Loans	-	-	-	-
	Other financial assets	-	-	138,696.00	138,696.00
	Total financial assets	-	-	22,429,960	22,429,960
B.	Financial assets [At amortized cost]				
(a)	Non-current				
	Borrowings	-	-	-	-
(b)	Current				
	Borrowings	-	-	-	-
	Trade Payables	-	-	-	-
	Other financial liabilities	-	-	4,955,336	4,955,336
	Total financial liabilities	-	-	4,955,336	4,955,336

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 2019 or during the year ended 31st March 2018.

- (iv) 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.

Sl. No.	Particulars	Less than 1 year	1 to 5 years	>5 years	Total
A.	As at 31st March 2019				
(i)	Borrowings	-	24,670,593	86,251,182	110,921,774
(ii)	Other financial liabilities	6,427,176.00	0	-	6,427,176.00
	Total	6,427,176.00	24,670,592.50	86,251,181.69	117,348,950.19
B.	As at 31st March 2018				
(i)	Borrowings *	-	24,770,593	63,007,863	87,778,456
(ii)	Other financial liabilities	4,955,336.00	-	-	4,955,336.00
	Total	4,955,336.00	24,770,593.00	63,007,863.00	92,733,792.00

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 2019 and 31st March 2018.

**FORM NO. MGT-11
PROXY FORM**

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

CIN: **L74900DL1981PLC011425**

Name of the company: **INDO GULF INDUSTRIES LIMITED**

Registered office: **4237, IInd Floor, Narendra Bhawan 1, Ansari Road, Daryaganj, New Delhi – 110002**

Name of the Member (s):

Registered Address:

E-mail Id:

Folio No/ Client Id: DP ID:

No. of Shares

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual general meeting of the company, to be held on Monday the 30th day of September, 2019 At 11.00 a.m. at 4237/11, IInd Floor, Narendra Bhawan 1, Ansari Road, Daryaganj, New Delhi – 110002 and at any adjournment thereof in respect of such resolutions as are indicated below:

SI. No	RESOLUTIONS	Optional**	
		For	Against
Ordinary Business:			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2019, including the Balance Sheet as at 31st March, 2019, 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"		

** This is only optional. Please put a '√' in the appropriate Column against the resolution indicated above.

Signed this..... day of..... 2019

Signature of shareholder

Signature of Proxy holder(s)

Notes:

1. 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.
2. For the resolutions, statements setting out material facts, notes and instructions please refer to the Notice of the Annual general Meeting.
3. Please complete all details including details of member(s) and proxy(ies) in the above box before submissions.

ATTENDANCE SLIP

Name of the Member/Proxy	
Address	
Email ID	
Folio No.	
Shares	

I hereby record my presence at the 36th Annual General Meeting of the Company held on Monday, the 30th day of the September, 2019 at 11.00 A.M at **4237/11, IInd Floor, Narendra Bhawan 1, Ansari Road, Daryaganj, New Delhi – 110002.**

Signature of Member/Proxy

Notes: Members/Proxy holders are requested to bring their attendance Slip with them when they come to the meeting and hand it over at the entrance after signing it. Members/Proxy holders who come to attend the meeting are requested to bring their copies of the Notice for reference at the meeting. **PLEASE NOTE THAT NO GIFT WOULD BE DISTRIBUTED AT THE AGM**