

IGIL**INDO GULF INDUSTRIES LIMITED**

Registered Office: 213, Rectangle 1, D-4, District Centre, Saket, New Delhi-110017
e-mail: igilmaizapur@rediffmail.com , Corporate Identity Number [CIN]: L74900DL1981PLC011425

24th June, 2016

BSE Limited

The Corporate Relationship Department
1st Floor, New Trading Wing,
Rotunda Building,
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai- 400001
Scrip Code: 506945

Ahmedabad Stock Exchange Limited

Kamdhenu Complex,
Opposite Sahajanand College,
Panjara Ploe Ambawadi
Ahmedabad - 380015

Scrip Code: 26110

Dear Sir(s)/ Madam,

Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sub: Submission of Annual Report for the Year 2015-16

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Annual Report of the Company for the Year 2015-16 as approved and adopted in the 33rd Annual General Meeting of the Company held on 6th June, 2016.

You are requested to kindly take the same on record.

Thanking you,

**Yours Faithfully,
For Indo Gulf Industries Limited**



Authorised Signatory

PHONE: 09711991046, 09711991047, 09910661565 FAX: 011-41029017

33rd

Annual Report 2015 - 16

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**Indo Gulf
Industries Limited**

INDO GULF INDUSTRIES LIMITED

ANNUAL REPORT 2015-16

BOARD OF DIRECTORS	Mr. Vimal Kumar Jain Mr. Shyam Lal Gouniyal Mr. Gorachand Dutta Mr. Rajesh Jain Ms. Preety Gupta	
STATUTORY AUDITORS	M/s. MANV & Associates , Chartered Accountants 1649, 1 st Floor, Main Bazar, Pahar Ganj, New Delhi - 110055	
BANKERS	HDFC Bank	
FACTORIES EXPLOSIVE DIVISION	Babina Plant Village Koti Sukhwa & Prithi Pura, Babina Distt. Jhansi (U.P.)	
SMS DIVISION	Singrauli Plant (SMS) Near Central Workshop Jayant, Village – Garda Singrauli, Distt. Sidhi, (M.P.)	Korba Plant (SMS) Vill. Goberaghora (Dipka) Korba Distt. Bilaspur (C.G.)
	Talcher Plant (SMS) Plot No. 2, IDCO Industrial Estate Village Ghanipura, Distt. Dhenkanal, Talchar,(Orissa)	I.B.Valley Vill. Sarandamal Tehsil – Lakhanpur, Distt. Sambalpur, (Orissa)
ACCESSORIES UNIT (Detonating Fuse etc.)	Village Koti, Sukhwa & Prithi Pura, Babina, Distt. Jhansi (U.P.)	
REGISTERED OFFICE	213, Rectangle 1, D-4, District Centre, Saket, New Delhi – 110 017 Phone – (91) 9711991047 Email – igilmaizapur@rediffmail.com	
WEBSITE	WWW.INDOGULFIND.COM	
CIN	L74900DL1981PLC011425	

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INDO GULF INDUSTRIES LIMITED

CIN: L74900DL1981PLC011425

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

Phone: (91) 9711991047, **Fax:** (011) 41029017, **Email:** igilmaizapur@rediffmail.com

Website: www.indogulfind.com

NOTICE is hereby given that the 33rd Annual General Meeting of the Members of **INDO GULF INDUSTRIES LIMITED** will be held Monday, the 6th day of June, 2016 at 1:00 P.M. at Shri Ram Barat Ghar, 505/3 Devli, Bandh Road, New Delhi – 110062 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, 2016, including the Balance Sheet as at 31st March, 2016, 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 consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (as amended) (including any statutory modification(s) or re-enactment thereof for the time being in force) read with the Rules framed thereunder (as amended from time to time) and resolution passed by the members of the Company at the 32nd Annual General Meeting held on 10th August 2015, the Company hereby ratifies the appointment of M/s MANV & Associates, Chartered Accountants (Registration No. 007351N), as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 34th AGM of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, plus service tax, as applicable and reimbursement of out-of-pocket expenses.”

SPECIAL BUSINESS:

3. **To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules framed thereunder (as amended from time to time), read with Schedule IV to the Companies Act, 2013, Articles of Association of the Company and Nomination and Remuneration Policy of the Company and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Preety Gupta (holding DIN: 07399181), who was appointed as an Additional Director (Category- Non-Executive Independent Director) of the Company by the Board of Directors of the Company with effect from 5th February, 2016 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of one (1) year commencing from 5th February, 2016, not liable to retire by rotation.”

Registered Office:

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

Place: New Delhi
Date: 9th April, 2016

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

Sd/-
Vimal Kumar Jain
Director
(DIN-01141926)

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.

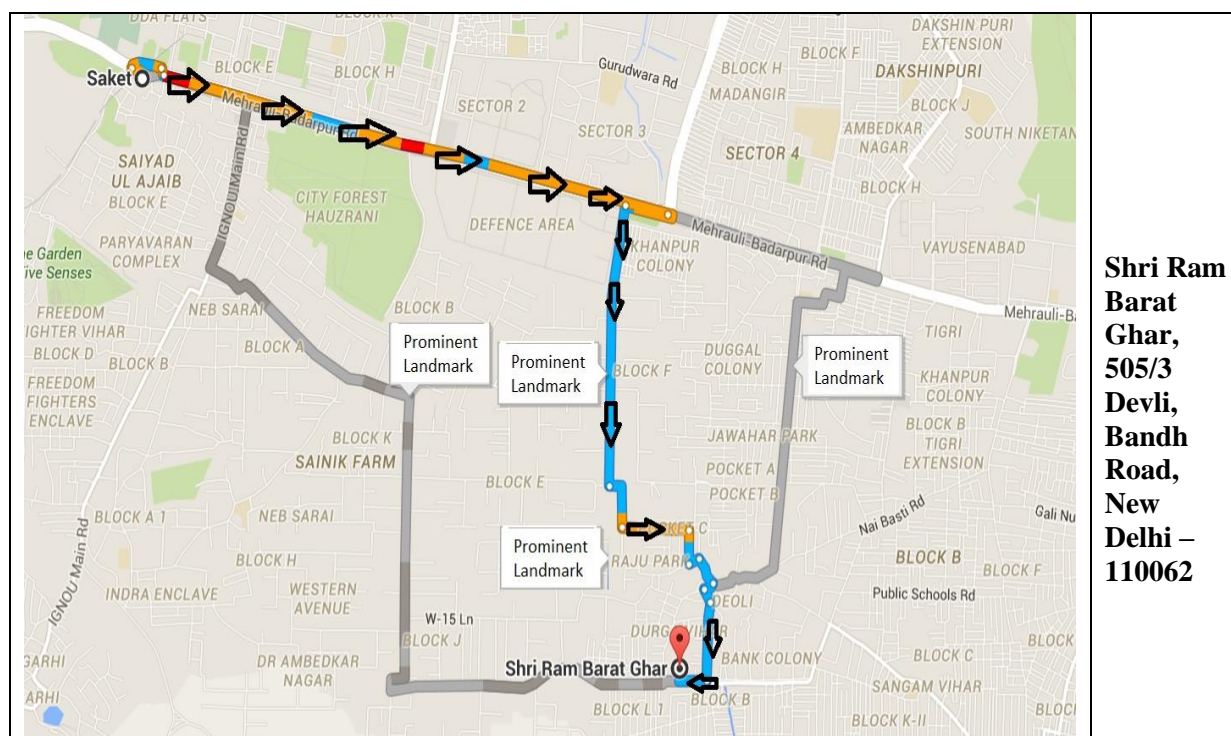
- 2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 31st May, 2016 to Monday, 6th June, 2016 (both days inclusive).**
3. The Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (as amended) (“the Act”), in respect of the Special Business as set out in the Notice is annexed hereto. Information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 33rd Annual General Meeting and the Annual Report for the financial year 2015-16 are also available on the Company’s website: www.indogulfind.com for download.
8. CS Nitika Jain, proprietor of M/s Nitika & Associates, Company Secretaries (holding C. P. No. 11734), who had 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Friday, 3rd June, 2016 at 10:00 A.M. and ends on Sunday, 5th June, 2016 at 5:00 P.M. During this period, members of the Company as on the cut-off date i.e. Monday, 30th May, 2016, 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 the 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 User Details / 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) section of <https://evoting.karvy.com> (Karvy Website) or call Karvy on 040-67161606 & Toll Free No.1800 3454 001 or contact Mr. I L Murthy 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.indogulfind.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. The Company has allotted 1 equity share of Re.1 each of the Company for every 1 equity share of Rs.10 each held in the company pursuant to Rehabilitation Scheme approved by Hon'ble BIFR vide Order dated 24th June, 2010. If any shareholder has not yet received the share certificate of the Company so allotted are requested to write to the Company for non-receipt of such share certificate.
18. **Kindly bring your copy of the Annual Report at the Meeting.**
19. 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.
20. A Route map to the venue of AGM and prominent landmarks for easy location is as under:



Statement pursuant to Section 102 of the Companies Act, 2013 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Item No. 3:

Pursuant to Section 161 of the Companies Act, 2013 (as amended) (“the Act”), Ms. Preety Gupta was appointed as an Additional (Category- Non-Executive Independent) Director of the Company w.e.f. 5th February, 2016. In terms of Section 149 of the Act and other applicable provisions of the Act, Ms. Gupta being eligible, offers herself for appointment and is proposed to be appointed as an Independent Director for a period of 1 (One) year commencing from her date of original appointment.

A notice under Section 160 of the Act along with the requisite deposit has been received by the Company from a member proposing the candidature of Ms. Gupta as a Director of the Company. Ms. Gupta, if appointed, will hold office for a term of 1 (One) year commencing from 5th February, 2016. In terms of Sections 149 and 152 of the Act, Ms. Gupta is not liable to retire by rotation.

In the opinion of the Board, Ms. Gupta fulfills the conditions specified in the Act and Rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Ms. Gupta as an Independent Director setting out

the terms and conditions of her appointment along with her consent letter and other related documents would be available for inspection without any fee by the members 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 the Annual General Meeting and will also be available at the meeting.

Ms. Gupta, aged about 31 years, is a Company Secretary and a Commerce Graduate by qualification. She is well-presented and highly personable, having sound knowledge and experience of around six years in the regulatory and corporate law matters in realty and energy sectors. She has excellent organizational skills with an eye for detail.

Based on the recommendation received from the Nomination and Remuneration Committee of Directors of the Company and in view of her skills, knowledge and experience, it is proposed to appoint Ms. Gupta as an Independent Director of the Company in terms of Section 149 read with Section 152 of the Act and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations").

Ms. Gupta has given her consent to act as an Independent Director of the Company and has furnished necessary declarations to the Board of Directors that she meets the criteria of independence as provided under Section 149(6) of the Act read with Regulation 16 of the Listing Regulations. Further, as per the declarations received by the Company, Ms. Gupta is not disqualified under Section 164 of the Act.

Ms. Gupta does not hold by herself or for any other person on a beneficial basis, any shares in the Company. As a Non- Executive Director, Ms. Gupta is entitled to receive commission and sitting fees if paid by the Company in terms of the provisions of the Act. She is not related to any of the Directors, Manager and other Key Managerial Personnel of the Company. Ms. Gupta is not holding any other Directorship as on 1st April, 2016. She is a member of the Audit Committee of the Board of Directors of the Company.

Ms. Gupta has not attended any board meeting since the date of her original appointment.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Gupta as an Independent Director. Accordingly, the Board recommends the resolution in relation to the appointment of Ms. Gupta as an Independent Director, for the approval by the Members of the Company. Except Ms. Gupta being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

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

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

Place: New Delhi

Date: 9th April, 2016

Sd/-
Vimal Kumar Jain
Director
(DIN-01141926)

BOARD'S REPORT

Dear Members,

Your Directors are presenting the Thirty-third (33rd) Annual Report and Audited Financial Statements of the Company for the year ended 31st March, 2016.

Financial Highlights

	(Amount in ₹)	
Financial Results	2015-16	2014-15
Net Sales	-	-
Other Income	3,30,000	56,51,168
Profit before finance costs, depreciation and tax	(2,69,336)	51,81,161
Finance costs	-	-
Depreciation and amortisation expense	9,19,448	31,67,245
Tax expense	-	-
Profit/(Loss) before exceptional and extra-ordinary items	(11,88,784)	20,13,916
Exceptional item	-	3,62,25,000
Net Profit/(Loss)	(11,88,784)	3,82,38,916
Add: Balance brought forward from the previous year	(3,21,63,639)	(7,03,68,945)
Less: Deduction on account of depreciation adjustment due to transitional provisions	-	33,610
Balance to be carried forward to next year's account	(3,33,52,423)	(3,21,63,639)

Performance, Future Outlook & Prospects

None of the Units of the Company was in operation during the year under review. The Company is continuing to make all feasible efforts to restart the explosive units.

The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) had permitted transfer of 20% equity shares of the Company held by the Balrampur Chini Mills Ltd. as well as induction of co-promoter/strategic investor in the Company, under a Modified Draft Rehabilitation Scheme (MDRS) to be approved by the Hon'ble BIFR. However, the Hon'ble BIFR for the first time after permitting the induction of co-promoter, vide its order dated 23rd January, 2015, concluded that the said induction is not transparent and is inconsistent with law. Aggrieved by the said order, the Company preferred an appeal before the Hon'ble AAIFR.

The Hon'ble AAIFR, inter alia, passed following observation/direction vide its order dated 14th September, 2015:

“We are of the considered view that after having allowed induction of Mr. Rajesh Jain, as a strategic investor for revival of the appellant sick Company, the BIFR ordinarily could not have reviewed its own order and rejected the said induction on the grounds of non-transparency and inconsistency with law.”

“The impugned order BIFR stands modified accordingly. The matter is remanded back to BIFR for direction to consider the MDRS filed by the appellant company in accordance with law after hearing all the parties concerned and take a final decision on circulation of the MDRS within a period of 6 weeks.”

During the year under review, the Company has offered, issued and allotted 2,50,000 fully paid up 0.001% Non-Convertible, Non-Cumulative, Redeemable Preference Shares of face value Rs. 100 each aggregating to Rs. 2,50,00,000 on private placement basis for cash, at par, as a result of which the networth of the Company has become positive.

Your directors are confident that the Company would be able to revive its operations in future.

Website

Pursuant to Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has launched its own functional website i.e. **www.indogulfind.com** containing the requisite information about the Company.

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 149 and other applicable provisions of Companies Act, 2013, your directors are seeking regularisation of appointment of Ms. Preety Gupta as an Independent Director who was appointed as an Additional Director of the Company in the category of Independent Director (Women Director) w.e.f. February 05, 2016. She shall hold office for a term of 1 year starting from the date of her initial appointment, subject to shareholders' approval at ensuing Annual General Meeting of the Company. Notice in writing under Section 160 of the Companies Act, 2013, has been received by the Company proposing her appointment as a director of the Company.

Dr. Arvind Krishna Saxena resigned due to his other pre-occupations and ceased to be a Director of the Company w.e.f. February 04, 2016.

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).

Directors' Responsibility Statement

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

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

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

Corporate Governance

As per Regulation 15(2) of Listing Regulations, as the paid up equity share capital of the Company is Rs. 95.67 lacs and networth 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, Certificate on the compliance of the Corporate Governance and Management Discussion and Analysis.

Share Capital

The Company has issued and allotted 2,50,000 Non-Convertible, Non-Cumulative, Redeemable Preference Shares of Rs. 100 each during the year. The Company did not issue any equity shares during the year and the paid up equity share capital is Rs. 95,67,270. Consequently, the total paid up share capital of the Company increased to Rs. 3,45,67,270.

The Company has also reclassified the Authorised Share Capital from the existing Authorised Share Capital of the Company of Rs. 20,00,00,000 divided into 19,75,00,000 Equity Shares of Re. 1 each and 25,000 Preference Shares of Rs. 100 each to 15,00,00,000 Equity Shares of Re. 1 each and 5,00,000 Preference Shares of Rs. 100 each aggregating to Rs. 20,00,00,000 and consequently altered the Memorandum & Articles of Association of the Company.

Particulars of Employees

There are no employees in the Company whose particulars are to be given as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Directors were not paid any remuneration during the year 2015-16.

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

All the manufacturing units of the Company are closed since December, 2000. The Company is making efforts to restart its explosive units. 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

In compliance of the provision of Section 203 of the Companies Act, 2013, the Company has appointed Mr. Manish Rakesh, a member of ICSI, as the Company Secretary (Key Managerial Personnel) who is also the Compliance Officer in the terms of Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company is taking necessary steps to appoint others KMP in terms of Section 203 of the Companies Act, 2013.

Number of meetings of the Board

The Board met seven times on 21.05.2015, 10.08.2015, 27.10.2015, 04.02.2016, 19.02.2016, 21.03.2016 and 28.03.2016 during the financial year 2015-16. 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. Vimal Kumar Jain	Independent Non-Executive Director	7 out of 7
Mr. Shyam Lal Gouniyal	Independent Non-Executive Director	7 out of 7
Mr. Rajesh Jain	Independent Non-Executive Director	2 out of 7
Mr. Gorachand Dutta	Independent Non-Executive Director	1 out of 7
Ms. Preety Gupta (appointed w.e.f. 05.02.2016)	Independent Non-Executive (Additional) Director	Nil out of 3
Dr. Arvind Krishna Saxena (ceased w.e.f 04.02.2016)	Non-Executive Director	1 out of 7

Audit Committee

The Audit Committee constituted by the Company has the terms of reference as provided in the Companies Act, 2013 and Listing Regulations. Mr. Gorachand Dutta and Ms. Preety Gupta have been inducted as members of the Audit Committee w.e.f. 21.03.2016 and Dr. Arvind Krishna Saxena has ceased to be a member of the Audit Committee on 04.02.2016. During the financial year ended 31.03.2016, there were no instances of the Board not accepting the recommendations of the Audit Committee. The Audit Committee met four times on 21.05.2015, 10.08.2015, 27.10.2015 and 04.02.2016 during the financial year 2015-16. 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. Vimal Kumar Jain	Chairman	4 out of 4
Mr. Shyam Lal Gouniyal	Member	4 out of 4
Mr. Gorachand Dutta	Member (inducted w.e.f. 21.03.2016)	NIL
Ms. Preety Gupta	Member (inducted w.e.f. 21.03.2016)	NIL
Dr. Arvind Krishna Saxena	Member (ceased w.e.f. 04.02.2016)	1 out of 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

Nomination & Remuneration Committee constituted by the Company meets the requirements of Companies Act, 2013 and Listing Regulations. A policy for selection of directors and the remuneration policy already exists. The policy on selection of directors is to have an appropriate mix of directors to maintain independence of the Board. The composition of the Board shall meet the conditions prescribed under the Companies Act, 2013 and other provisions as may be prescribed from time to time. The proposed appointee shall possess the director identification number and meet the criteria as laid down in the Companies Act, 2013. The Nomination and Remuneration Committee will review, annually, the appropriate skills and characteristics of Board members in the context of the current structure of the Board. A variety and balance of skills, background and experience is desirable to commensurate with the business and size of the Company.

Number of Nomination and Remuneration Committee meeting(s) attended by the directors:

Name of the Directors	Position	No. of meeting(s) attended
Mr. Shyam Lal Gouniyal	Chairman	One
Mr. Vimal Kumar Jain	Member	One
Mr. Gorachand Dutta	Member	None
Dr. Arvind Krishna Saxena	Member (ceased w.e.f. 04.02.2016)	None

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 – 'I'**.

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 31.03.2016.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, M/s. Anjali Yadav & Associates, Company Secretaries, were appointed to undertake the secretarial audit for the financial year 2015-16. The Secretarial Audit Report for the financial year 2015-16 is attached as Annexure "IP" 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 is a sick industrial company registered with the Hon'ble BIFR. During the year, the Company has 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. However, during the year under review, the Company has made all possible efforts to comply with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. During the year under review, the Company has appointed a Company Secretary and a Woman Director. The Company has also provided e-voting facility in relation to the business carried-out at the EGM held on 21st March, 2016. E-voting facility is also being extended for the ensuing AGM.

Auditors & Auditors' Report

M/s MANV & Associates, Chartered Accountants, were appointed as the Statutory Auditors of the Company from the conclusion of the 32nd AGM till the conclusion of the 37th AGM to be held in the year 2020, subject to ratification of their appointment at the subsequent AGMs.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to ratify the appointment of M/s MANV & Associates, as the Statutory Auditors of the Company for the financial year 2016-17. The said Auditors have furnished the Certificate of their eligibility in this regard.

The observations of Auditors in their Report dated 9th April, 2016 read with the relevant notes to accounts are self-explanatory and do not require any further explanation.

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 being a sick 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.

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 : 09.04.2016

Sd/-

Shyam Lal Gouniyal
Director

Sd/-

Vimal Kumar Jain
Director

Annexure I to the Directors' Report

FORM MGT.9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

[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	213, Rectangle One Building, D-4 District Centre, Saket, New Delhi-110 017, Phone: (+91) – 97119 91047 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	Balrampur Chini Mills Ltd FMC Fortuna, 2nd Floor, 234/3A, A.J.C. Bose Road, Kolkata – 700020.	L15421WB1975PLC030118	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 01.04.2015]				No. of Shares held at the end of the year [As on 31.03.2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	5162470	5162470	53.96	-	5162470	5162470	53.96	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	-	5162470	5162470	53.96	-	5162470	5162470	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)	-	5162470	5162470	53.96	-	5162470	5162470	53.96	0.00

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	370	370	0.00	-	370	370	0.00	0.00
b) Banks / FI	-	94378	94378	0.99	-	94378	94378	0.99	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	20000	20000	0.21	-	20000	20000	0.21	0.00
g) FIIs	-	1298	1298	0.01	-	1298	1298	0.01	0.00
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	116046	116046	1.21	-	116046	116046	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	-	3156296	3156296	32.99	-	3156296	3156296	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
Sub-total (B)(2):-	-	4288754	4288754	44.83	-	4288754	4288754	44.83	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	4404800	4404800	46.04	-	4404800	4404800	46.04	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		9567270	9567270	100.00		9567270	9567270	100.00	0.00

ii) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01.04.2015]			Shareholding at the end of the year [As on 31.03.2016]			% 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	Balrampur Chini Mills Limited	5162470	53.96	Nil	5162470	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 01.04.2015]		Cumulative Shareholding during the Year [01.04.2015 to 31.03.2016]	
		No. of shares	% of total shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	5162470	53.96		
	Change in % of holding	Nil	Nil		
	At the end of the year			5162470	53.96

iv) Shareholding Pattern of top ten Shareholders:

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

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	HB Stock Holdings Limited				
	At the beginning of the year	170850	1.79		
	No change during the year	-	-		
	At the end of the year			170850	1.79
2	Picup Limited				
	At the beginning of the year	167536	1.75		
	No change during the year	-	-		
	At the end of the year			167536	1.75
3	Mahendra Girdharilal				
	At the beginning of the year	132964	1.39		

	No change during the year	-			
	At the end of the year			132964	1.39
4	HB Leasing and Finance Co. Ltd				
	At the beginning of the year	109469	1.14		
	No change during the year	-			
	At the end of the year			109469	1.14
5	Logic Infotech Ltd				
	At the beginning of the year	100000	1.05		
	No change during the year	-			
	At the end of the year			100000	1.05
6	Sajjan Lal Kanodia				
	At the beginning of the year	94250	0.98		
	No change during the year	-			
	At the end of the year			94250	0.98
7	Laxmi Devi Kanodia				
	At the beginning of the year	94250	0.98		
	No change during the year	-			
	At the end of the year			94250	0.98
8	Oriental Bank of Commerce				
	At the beginning of the year	84800	0.88		
	No change during the year	-			
	At the end of the year			84800	0.88
9	RRB Securities Limited				
	At the beginning of the year	66500	0.69		
	No change during the year	-			
	At the end of the year			66500	0.69
10	Amrex Marketing Pvt Ltd				

	At the beginning of the year	60800	0.64		
	No change during the year	-			
	At the end of the year			60800	0.64

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

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Dr. Arvind Krishna Saxena, Non-executive Director (ceased on 04.02.2016)				
	At the beginning of the year	-	-		
	Nil holding/ changes during the year	-			
	At the end of the year			-	-
2	Mr. Vimal Kumar Jain, Independent Non-executive Director				
	At the beginning of the year	-	-		
	Nil holding/ changes during the year	-			
	At the end of the year			-	-
3	Mr. Shyam Lal Gouniyal, Independent Non-executive Director				
	At the beginning of the year	-	-		
	Nil holding/ changes during the year	-			
	At the end of the year			-	-
4	Mr. Gorachand Dutta, Independent Non-executive Director				
	At the beginning of the year	-	-		
	Nil holding/ changes during the year	-			
	At the end of the year			-	-
5	Mr. Rajesh Jain, Independent Non-executive Director				
	At the beginning of the year	-	-		

	Nil holding/ changes during the year	-			
	At the end of the year			-	-
6	Ms. Preety Gupta, Independent Non-executive Director (appointed w.e.f. 05.02.2016)				
	At the beginning of the year	-	-		
	Nil holding/ changes during the year	-			
	At the end of the year			-	-
7	Mr. Manish Rakesh, Company Secretary (appointed w.e.f. 29.03.2016)				
	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					

Note: The Company has no Managing Director, Whole-time Directors and/or Manager during the year as the Company is a sick industrial company registered with Hon'ble BIFR.

B. Remuneration to other directors:

(Rs. in lacs)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Dr. Arvind Krishna Saxena (ceased on 04.02.2016)	Mr. Vimal Kumar Jain	Mr. Shyam Lal Gouniyal	Mr. Gorachand Dutta	Mr. Rajesh Jain	Ms. Preety Gupta (appointed w.e.f. 05.02.2016)	
1	Independent Directors							
	Fee for attending board/ committee meetings	–	–	–	–	–	–	–
	Commission	–	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–	–
	Total (1)	–	–	–	–	–	–	–
2	Other Non-Executive Directors	–	–	–	–	–	–	–
	Fee for attending board/ committee meetings	–	–	–	–	–	–	–
	Commission	–	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–	–
	Total (2)	–	–	–	–	–	–	–
	Total (B)=(1+2)	–	–	–	–	–	–	–
	Total Managerial Remuneration							–
	Overall Ceiling as per the Act	No remuneration including sitting fees has been paid during the year						

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

(Rs. in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		<i>Mr. Manish Rakesh (Company Secretary)</i>			Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.0124	-	-	0.0124
	(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	0.0124	-	-	0.0124

Note: The Company has appointed a Company Secretary (Key Managerial Personnel) w.e.f. 29.03.2016.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

(Rs. in lacs)

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

Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	NIL	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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

Place : New Delhi

Date : 09.04.2016

Sd/-

Shyam Lal Gouniyal
Director

Sd/-

Vimal Kumar Jain
Director

Annexure II to the Directors' Report

Anjali Yadav & Associates

Company Secretaries

304A/10178, Ravindra Plaza
Abdul Aziz Road, Karol Bagh
New Delhi-110 005
Phone : 91-11-28750495, 47067659
Email : anjaliyadav.associates@gmail.com
anjaliyadavpcs@gmail.com
Website: csanjali.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
INDO GULF INDUSTRIES LIMITED
213, Rectangle One
D-4 District Centre, Saket
New Delhi- 110017

I, Anjali Yadav, Proprietor of Anjali Yadav & Associates, Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by INDO GULF INDUSTRIES LIMITED (CIN: L74900DL1981PLC011425) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (as amended) ('the Act') and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956(as amended) and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; - **Not applicable to the Company as all the shares are in physical form.**



Res. : B-6/32, Sector-15, Rohini, Delhi-110 085, India Phone : 91-11-27883223

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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(as amended);
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009(as amended)- **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(as amended)- **Not applicable to the Company during the period of audit**and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable to the Company during the period of audit.**

(vi) I further report that after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, it has complied with the following laws that are applicable specifically to the Company:

- 1) **The Employees Provident Fund and Miscellaneous Provisions Act, 1952**
- 2) **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

General Information:

I report that during the audit period, the Company has offered, issued and allotted 2,50,000 fully paid up 0.001% Non-Convertible, Non-Cumulative, Redeemable Preference Shares of face value Rs. 100/- each aggregating to Rs. 2,50,00,000 on private placement basis for cash, at par, as a result of which the net worth of the Company has become positive.

The Hon'ble Board for Industrial & Financial Reconstruction (BIFR) vide its order dated 7th January 2014 had permitted transfer of 20% equity shares of the Company held by Balrampur Chini Mills Ltd. as well as induction of Co-promoter/strategic investor in Indo Gulf Industries Limited under a modified draft rehabilitation scheme (MDRS) to be approved by the Hon'ble BIFR. However the Hon'ble BIFR vide its order dated 4th August 2014 reviewed its directions



and directed the Operating Agency to submit its report after conducting Due-diligence of Co-promoter/strategic investor and reserved its order for pronouncement.

The order in the subject matter was pronounced on 23rd January,2015, whereby the concerned Bench observed that induction of Co-promoter/strategic investor was not in transparent manner and was not in accordance with the law.

Aggrieved by the BIFR's order dated 23rd January,2015, the Company preferred an Appeal before the Hon'ble Appellate Authority for Industrial and Financial Reconstruction(AAIFR)which was disposed of by Hon'ble AAIFR.

The Hon'ble AAIFR passed following observation/direction vide its order dated 14th September,2015:

"We are of the considered view that after having allowed induction of Mr. Rajesh Jain, as a strategic investor for revival of the appellant sick Company ,the BIFR ordinarily could not have reviewed its own order and rejected the said induction on the grounds of non-transparency and inconsistency with law.

However,if there were adequate justifications both on facts as well as in law to revise its earlier order, the BIFR has not given any such justification in its order. It has also not indicatedas to how the inductionwas non transparentand how it was inconsistent with law. Moreover filing of a criminal case against a person and such a person making an application for anticipatory bail cannot be ground for disqualifying a person from participating in any business activity,till such time,the person is so prohibited or convicted by a competent court of law on conclusion of the criminal proceedings against him.

For aforesaid reasons, we are not in agreement with the impugned order passed by the BIFR in as much as it has rejected the induction of Mr. Rajesh Jain as a strategic investor on ground of lack of transparency and consistency with law.We accordingly set aside the observation and rejection of the MDRS on this ground by the BIFR.The impugned order BIFR stands modified accordingly.The matter is remanded back to BIFR for direction to consider the MDRS filed by the appellant company in accordance with law after hearing all the parties concerned and take a final decision on circulation of the MDRS within a period of 6 weeks"

The Hon'ble BIFR pursuant to the aforesaid order of the Hon'ble AAIFR is yet to consider the MDRS of the Company.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued bythe Council of The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with **BSE LIMITED**and **AHMEDABAD STOCK EXCHANGE LIMITED:-New Listing Agreements as per SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015) have not yet been signed between the Company and the respective stock exchanges.**



During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations/qualifications:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder:

- *No Company Secretary was appointed by the Company till 28th March, 2016 in terms of the provisions of Section 203 of the Act. However, Mr. Manish Rakesh has been appointed as Company Secretary and Key Managerial Personnel of the Company w.e.f. 29th March, 2016.*
- *No Managing Director/Whole Time Director/Chief Executive Officer and Chief Financial Officer have been appointed to comply with the provisions of Section 203 of the Act.*
- *No Internal Auditor has been appointed in terms of the provisions of Section 138 of the Act during the year under review.*
- *No Woman Director was appointed by the Company till 4th February, 2016 in terms of the provisions of Section 149 of the Act. However, during the year under review, Ms. Preety Gupta has been appointed as a Woman Director w.e.f. 5th February, 2016.*
- *The Company has not provided e-voting facility to its shareholders for the Annual General Meeting held on 10th August, 2015 during the period under review.*

(ii) The Listing Agreements and SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015:

- *Trading of the shares of the Company is suspended from BSE LIMITED and AHMEDABAD STOCK EXCHANGE LIMITED.*
- *All the shares of the Company are in physical form.*
- *The Company has applied with Central Depository Services (India) Limited and National Securities Depository Limited for ISIN number for providing the facility of dematerialization of shares. Further, ISIN has been activated by Central Depository Services (India) Limited as on the date of this report.*

During the period covered by the audit, the Company has received a notice from BSE Limited imposing a fine of Rs.1,42,000/- (Rupees One Lacs Forty Two Thousand Only) for non-appointment of woman director on the Board of the Company. The Company in its reply has stated that since the net worth of the Company is negative, it is exempted from the provisions of appointment of Woman Director. However, on 5th February 2016, the Company has appointed Ms. Preety Gupta as Woman Director and the same has been informed to the Stock Exchange(s).

I further report that:



The Board of Directors of the Company is duly constituted with Non-Executive Directors and Independent Directors only. 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.

Adequate notices were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days 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.

Majority decisions were carried through while the dissenting members' views, if any, were captured and recorded as part of the minutes.

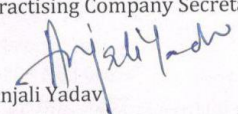
I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period under review, the Company has:

- a) Obtained shareholders' approval, in their Extra Ordinary General Meeting held on 21.03.2016 to re-classify its Authorised Share Capital with consequential amendment in the Memorandum of Association of the Company. The re-classified Authorised Share Capital of the Company is Rs. 20,00,00,000 (Rupees Twenty Crore) divided into 15,00,00,000 (Fifteen Crore) Equity Shares of Re.1/- (Rupee One) each and 5,00,000 (Five Lacs) Preference Shares of Rs. 100/- (Rupees One Hundred).
- b) Obtained shareholders' approval to issue 2,50,000 Non-Convertible, Non-Cumulative Redeemable Preference Shares ('Preference Shares') of Rs. 100 each fully paid-up, which is to be redeemed at par within a period not exceeding 20 years from the date of allotment of the said preference shares.
- c) Informed that it has allotted on 28th March, 2016, 2,50,000 Non-Convertible, Non-Cumulative Redeemable Preference Shares of Rs. 100 Each fully paid up at par and such preference shares shall not be listed.

This Report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this Report.

For **Anjali Yadav & Associates**
Practising Company Secretary


Anjali Yadav
Proprietor
FCS No.: 6628
C P No.: 7257



Place: New Delhi
Date: 09th April, 2016

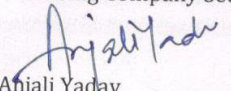
Annexure A

To,
The Members,
INDO GULF INDUSTRIES LIMITED
213, Rectangle One
D-4 District Centre, Saket
New Delhi- 110017

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Anjali Yadav & Associates
Practising Company Secretary


Anjali Yadav
Proprietor
FCS No.: 6628
C P No.: 7257



Place: New Delhi
Date: 09th April, 2016

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To
**The Members of
Indo Gulf Industries Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **Indo Gulf Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit & Loss, Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of 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 adequate internal financial controls, that are 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk



assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.


- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;
- b. In the case of the Statement of Profit & Loss, of the loss for the year ended on that date; and
- c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure - A" a statement on the matters specified in paragraph 3 and 4 of the Order to the extent applicable.
- ii. As required by the Section 143 (3) of the Act, we report 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 purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) the Act;



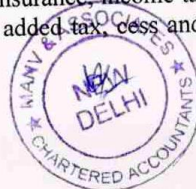
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - B";
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations to us:
- i. the Company has disclosed the impact of pending litigations on its financial positions in its financial statements.
 - ii. the Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. there has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund . The question of delay in transferring such sums does not arise.

For M A N V & Associates
Chartered Accountants
Firm Registration No. 007351N

Vijay Kumar Jain
Partner
M. No.087502

Place: New Delhi
Date : 9th April, 2016

Anexure- A referred to in our Independent Auditors' Report to the Members of Indo Gulf Industries Limited on the financial statement for the year ended on 31st March 2016, we report that :

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
b) As explained to us, Fixed Assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification. However, in respect of fixed assets of the plants, could not be verified due to seizure of plants.
c) The title deeds of immovable properties have not been produced before us for verification. Therefore we are unable to report under paragraph 3(i)(c) of the Order, regarding the title deeds of the immovable properties.
- ii. According to information and explanation given to us and on the basis of our examination of books of account, the Company does not have inventory during the year and as on 31.03.2016. Therefore, the provisions of the paragraph 3 (ii) of the Order is not applicable to the Company.
- iii. According to information and explanation given to us and on the basis of our examination of books of account, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. . Therefore, the provisions of the paragraph 3 (iii) of the Order is not applicable to the Company.
- iv. According to information and explanation given to us and on the basis of our examination of books of account, the Company has not granted any loans, made any investments, given any guarantees and security where provisions of section 185 and 186 of the Act are required to be complied with. Therefore, the provisions of the paragraph 3 (iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us and on the basis of our examination of books of accounts, the Company has not accepted any deposits from the public covered under section 73 to 76 or other relevant provisions of the Companies Act, 2013 and rules framed thereunder. Therefore, the provisions of the paragraph 3 (v) of the Order is not applicable to the Company.
- vi. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii. According to information and explanations given to us, in respect of statutory dues:
 - a) According to the records of the company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, to

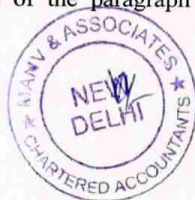


the extent applicable, have generally been regularly deposited with appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st March, 2016 for a period of more than six months from the date they became payable. However, due to non availability of records on accounts of seizure of explosive units at Babina, we are unable to comment whether in respect of earlier years any undisputed statutory were outstanding at the year end.

- b) According to information and explanation given to us and on the basis of our examination of books of account, there are no disputed dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax except the following :

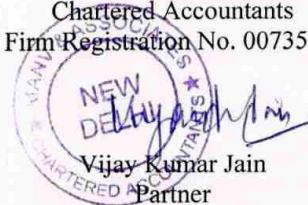
<u>Name of the Statute</u>	<u>Nature of the Dues</u>	<u>Amount(Rs.)</u>	<u>Period to which the amount relates</u>	<u>Forum where dispute is pending</u>
Income tax Act, 1961	Income Tax	4,05,075	2011-2012	Commissioner of Income Tax (Appeals), New Delhi

- viii. According to information and explanation given to us and on the basis of our examination of books of account, the Company has not defaulted in the repayment of loans or borrowing to financial institution, bank, government or dues to debenture holders.
- ix. According to information and explanation given to us and on the basis of our examination of books of account, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Therefore, the provisions of the paragraph 3 (ix) of the Order is not applicable to the Company.
- x. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
- xi. According to information and explanation given to us and on the basis of our examination of books of account, the Company has not paid/provided any managerial remuneration during the year. Therefore, the provisions of the paragraph 3 (xi) of the Order is not applicable to the Company.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of the paragraph 3 (xii) of the Order is not applicable to the Company.



- xiii. According the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- xiv. According the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has allotted the preference shares during the year and has also complied the requirement of section 42 of the Companies, 2013. However preference shares have been allotted on 28th March 2016 and amount raised is lying in the current bank account at the end of the year.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M A N V & Associates
Chartered Accountants
Firm Registration No. 007351N



Vijay Kumar Jain
Partner
M. No.087502

Place: New Delhi
Date : 9th April, 2016

Annexure -B referred to the Independent Auditor's Report to the Members 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 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls 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 adequate internal financial controls 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 bases 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 adequacy of the internal financial controls systems over financial reporting 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 evaluating the design, 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M A N V & Associates
Chartered Accountants
Firm Registration No. 007351N


NEW DELHI
Vijay Kumar Jain
Partner
M. No.087502

Place: New Delhi
Date : 9th April, 2016

INDO GULF INDUSTRIES LIMITED					
BALANCE SHEET AS AT 31ST MARCH 2016					
					(₹)
Particulars	Note No.		As at 31st March, 2016		As at 31st March, 2015
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	2	3,45,67,270.00		95,67,270.00	
(b) Reserves and surplus	3	(3,33,52,423.70)	12,14,846.30	(3,21,63,639.91)	(2,25,96,369.91)
(2) Non - current liabilities					
Long-term borrowings	4		3,08,38,240.63		3,08,38,240.63
(3) Current Liabilities					
(a) Other current liabilities	5	35,60,899.38		34,01,317.38	
(b) Short - term provisions	6	43,45,144.35		43,45,144.35	
			79,06,043.73		77,46,461.73
TOTAL			3,99,59,130.66		1,59,88,332.45
II. ASSETS					
(1) Non - current assets					
Fixed assets					
Tangible assets	7		1,47,86,099.68		1,57,05,547.47
(2) Current Assets					
(a) Cash and cash equivalents	8	2,50,84,915.98		2,79,284.98	
(b) Short - term loans and advances	9	55,115.00		3,500.00	
(c) Other current assets	10	33,000.00	2,51,73,030.98	-	2,82,784.98
TOTAL			3,99,59,130.66		1,59,88,332.45
Significant accounting policies	1				
Other disclosures	15				
The accompanying notes 1 to 15 are an integral part of the financial statements.					
As per our report of even date attached.					
For MANV & Associates Chartered Accountants Firm's Registration Number - 007351N			For and on behalf of the Board of Directors Indo Gulf Industries Limited		
Sd/- (CA. Vijay Kumar Jain Membership No. 087502) Partner	Sd/- Manish Rakesh Company Secretary	Sd/- Shyam Lal Gouniyal Director DIN - 01856426	Sd/- Vimal Kumar Jain Director DIN - 01141926		
Place of Signature: New Delhi					
Date: 9th April, 2016					

INDO GULF INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

				(₹)	
	Particulars	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015	
I.	Other income	11	3,30,000.00		56,51,168.08
II.	Total revenue		3,30,000.00		56,51,168.08
III.	Expenses:				
	Employee benefits expense	12	3,148.00		363.00
	Depreciation expense	7	9,19,447.79		31,67,245.23
	Other expenses	13	5,96,188.00		4,69,643.99
	Total expenses		15,18,783.79		36,37,252.22
IV.	(Loss)/Profit before exceptional and extraordinary items and tax		(11,88,783.79)		20,13,915.86
V.	Exceptional item	14	-		3,62,25,000.00
VI.	(Loss)/Profit before extraordinary items and tax		(11,88,783.79)		3,82,38,915.86
VII.	Extraordinary items		-		-
VIII.	(Loss) /Profit before tax		(11,88,783.79)		3,82,38,915.86
IX.	Tax expense		-		-
X.	(Loss) /Profit for the year		(11,88,783.79)		3,82,38,915.86
XI.	Earnings per share (Nominal value per equity share ₹ 1/-) [Refer Note No. 15 (7)]				
	- Basic and Diluted (₹)		(0.12)		4.00
	Number of shares used in computing Earnings per share				
	- Basic and Diluted		95,67,270		95,67,270
	Significant accounting policies	1			
	Other disclosures	15			
	The accompanying notes 1 to 15 are an integral part of the financial statements.				
As per our report of even date attached.					
For MANV & Associates			For and on behalf of the Board of Directors		
Chartered Accountants			Indo Gulf Industries Limited		
Firm's Registration Number - 007351N					
	Sd/-		Sd/-	Sd/-	Sd/-
	(CA. Vijay Kumar Jain		Manish Rakesh	Shyam Lal Gouniyal	Vimal Kumar Jain
	Membership No. 087502)		Company Secretary	Director	Director
	Partner			DIN - 01856426	DIN - 01141926
Place of Signature: New Delhi					
Date: 9th April, 2016					

INDO GULF INDUSTRIES LIMITED
CASH FLOW STATEMENT
FOR YEAR ENDED 31ST MARCH, 2016

		Year ended 31st March, 2016	Year ended 31st March, 2015
(₹)			
A CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) /Profit before exceptional and extraordinary items and tax		(11,88,783.79)	20,13,915.86
<i>Adjustments to reconcile loss before exceptional items and extra ordinary items and tax to net cash flow provided by operating activities :</i>			
Depreciation expense	9,19,447.79		31,67,245.23
Interest income	-		(40.00)
Unspent liabilities /balances written back	-		(56,51,128.08)
		9,19,447.79	(24,83,922.85)
Operating loss before working capital changes		(2,69,336.00)	(4,70,006.99)
<i>Adjustments to reconcile operating loss to cash flow provided by changes in working capital :</i>			
Other current liabilities	1,59,582.00		16,741.00
Receivables and other current assets	(51,615.00)		-
		1,07,967.00	16,741.00
Cash (used in) operations		(1,61,369.00)	(4,53,265.99)
Tax expense			
Direct taxes (paid)/refund received		(33,000.00)	700.00
Cash flow before exceptional and extraordinary items		(1,94,369.00)	(4,52,565.99)
Exceptional / extraordinary items		-	-
Net cash (used in) operating activities		(1,94,369.00)	(4,52,565.99)
B CASH FLOW FROM INVESTING ACTIVITIES			
Net cash (used in) investing activities		-	-
C CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of preference shares		2,50,00,000.00	
Net cash generated from financing activities		2,50,00,000.00	-
Net (decrease) in cash and cash equivalents (A+B+C)		2,48,05,631.00	(4,52,565.99)
Opening cash and cash equivalents		2,79,284.98	7,31,850.97
Closing cash and cash equivalents [Refer Note No. 8]		2,50,84,915.98	2,79,284.98

Notes :

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement.
- 2) Cash and cash equivalents do not include any amount which is not available to the Company for its use.
- 3) Figure in bracket represent cash outflow from respective activities.
- 4) As amount of Cash and cash equivalents is also available under Note No. 8, reconciliation of amount of Cash and cash equivalents as per Cash Flow Statement with the equivalent amount reported in the Balance Sheet is not required and hence not provided.
- 5) Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary to make them comparable with those of the current year.

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

For MANV & Associates

Chartered Accountants

Firm's Registration Number - 007351N

Sd/-

(CA. Vijay Kumar Jain

Membership No. 087502)

Partner

Place of Signature: New Delhi

Date: 9th April, 2016

Sd/-

Manish Rakesh

Company Secretary

For and on behalf of the Board of Directors

Indo Gulf Industries Limited

Sd/-

Shyam Lal Gouniyal

Director

DIN - 01856426

Sd/-

Vimal Kumar Jain

Director

DIN - 01141926

INDO GULF INDUSTRIES LIMITED

Note No. : 1

Significant accounting policies

1. Basis of preparation of Financial Statements

The Financial Statements of the Company are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India.

The Financial Statements have been prepared on an accrual basis and under the historical cost convention.

GAAP comprises applicable Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India, relevant applicable provisions of the Companies Act, 1956, and Companies Act, 2013 to the extent applicable and the applicable guidelines issued by Securities and Exchange Board of India (SEBI).

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per the provisions of Schedule III to the Companies Act, 2013. Since, the normal operating cycle cannot be identified, it is assumed as 12 months for the purpose of current and non-current classification of assets and liabilities.

2. Use of estimates

The preparation of the Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets, liabilities and disclosures relating to contingent liabilities as at the date of the Financial Statements and reported amounts of revenue and expenses during the period. Actual results might differ from the estimates. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialise.

3. Fixed assets and capital work-in-progress

- a) Tangible fixed assets are stated at their original cost less accumulated depreciation. Cost includes acquisition price, import duties, other non-refundable taxes and levies, directly attributable expenses and pre-operational expenses including finance costs, wherever applicable for bringing the assets to its working condition for their intended use.
- b) Expenditure during construction period: Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as Pre-operative expenses pending allocation to the assets and are shown under "Capital work-in-progress". Capital work-in-progress is stated at the amount expended upto the date of Balance Sheet for the cost of fixed assets that are not yet ready for their intended use.

4. Depreciation and amortisation

- a) 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 Companies Act, 2013, other than for Mobile Phones.

INDO GULF INDUSTRIES LIMITED

Note No. : 1

Significant accounting policies (contd.)

The management is of the view that the useful life of Mobile Phones is three years. Hence, Mobile Phones are depreciated over a period of three years on straight line basis.

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

- b) Leasehold land in the nature of perpetual lease are not amortised.
- c) Depreciation/amortisation on assets added, sold or discarded during the year is provided on pro-rata basis.
- d) Useful life and residual value of the assets are reviewed at each Balance Sheet date.

5. Revenue recognition

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

6. Expenses

All the expenses are accounted for on accrual basis.

7. Provisions, contingent liabilities and contingent assets

A provision is recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable as a result of a past event, and the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured by best estimate of the outflow of economic benefits required to settle the obligation at the Balance Sheet date.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

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

A Contingent Asset is neither recognised nor disclosed in the Financial Statements.

8. Impairment of assets

An asset is treated as impaired when the carrying amount of asset exceeds its recoverable value.

The Company assesses at each Balance Sheet date whether there is an indication that an asset may be impaired.

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

The Company also assesses at each Balance Sheet date whether there is an indication that the impairment losses recognised in earlier years no longer exist or have decreased. If such indication is there, then impairment losses recognised in prior years are reversed.

Such reversals are recognised as an increase in carrying amount of assets to the extent that it does not exceed the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognised in previous years.

9. Employee benefits

- a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- b) Long-term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.

10. Taxes on income

Tax expense for the period comprises of current income tax and deferred tax.

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

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future. However, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

The deferred tax for timing differences between the book and tax profit for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date.

11. Earnings per share

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

Diluted earnings per share are computed by dividing the net profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are determined as at the end of each period presented.

12. Cash flow statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the

effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

13. Cash and cash equivalents

Cash and cash equivalents include cash in hand, cheques in 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.

INDO GULF INDUSTRIES LIMITED

Notes to accounts

Note No. : 2 Share capital

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
(a) Authorised				
Equity shares of par value ₹ 1/- each	15,00,00,000	15,00,00,000.00	19,75,00,000	19,75,00,000.00
10% Convertible Cumulative Preference Shares of par value ₹ 100/- each	-	-	25,000	25,00,000.00
Preference shares of par value ₹ 100/- each	5,00,000	5,00,00,000.00	-	-
		20,00,00,000.00		20,00,00,000.00
(b) Issued, subscribed and fully paid up				
Equity shares of par value ₹ 1/- each	95,67,270	95,67,270.00	95,67,270	95,67,270.00
0.001% Non Convertible, Non-Cumulative, Redeemable Preference shares of par value ₹ 100/- each	2,50,000	2,50,00,000.00	-	-
		3,45,67,270.00		95,67,270.00
(c) Reconciliation of number and amount of shares outstanding:				
Equity Shares				
There was no movement in number and amount of equity shares during the year, hence reconciliation statement is not required to be disclosed.				
Preference shares				
Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	(₹)	No. of shares	(₹)
At the beginning of the year	-	-	-	-
Add:				
Preference shares issued on private placement basis *	2,50,000	2,50,00,000.00	-	-
At the end of the year	2,50,000	2,50,00,000.00	-	-
* During the year, the Company has offered, issued, and allotted 2,50,000 fully paid up 0.001% Non Convertible, Non-Cumulative, Redeemable Preference Shares of face value ₹ 100/- each aggregating to ₹ 2,50,00,000.00 on private placement basis for cash, at par.				
(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)	The Company has only one class of preference shares.			
	The preference shares are not convertible in nature.			
	These preference shares carry dividend @ 0.001% per annum as declared from time to time. In the event of no declaration of dividend, coupon rate of 0.001% is not cumulated and gets lapsed.			
	The preference shareholder(s) have priority with respect to payment of dividend or repayment of capital vis-à-vis equity shares, however, shall not participate in surplus fund.			
	The preference shareholder(s) shall have no voting rights, except as provided under the Companies Act, 2013 and rules made thereunder.			
	Each holder of preference shares is entitled to one vote per share only on resolution placed before the Company which directly affect the rights attached to preference shares.			
(f)	51,62,470 equity shares of par value ₹ 1/- each are held by Balrampur Chini Mills Ltd., the Holding Company.			

INDO GULF INDUSTRIES LIMITED

Notes to accounts (contd.)

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

Equity shares

Name of the Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares held	% of holding to the total equity capital	No. of shares held	% of holding to the total equity capital
Balrampur Chini Mills Limited	51,62,470	53.96%	51,62,470	53.96%

Preference shares

Name of the Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares held	% of holding to the total preference capital	No. of shares held	% of holding to the total preference capital
Ganesh Explosives Private Limited	2,50,000	100.00%	-	-

(h) The Company has neither issued any equity nor preference shares without payment being received in cash in 5 years immediately preceding the balance sheet date.

(i) The Company has neither issued any bonus shares nor has bought back equity and/or preference shares in 5 years immediately preceding the balance sheet date.

(j) The preference shares shall be redeemed at par, at the option of the Company at any time within a period not exceeding 20 years from the date of allotment i.e. 28th March, 2016 in accordance with the provisions of the Companies Act, 2013 or any such other applicable law, rules, regulations as may be applicable.

Note No. : 3 Reserves and Surplus

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Surplus in the Statement of Profit and Loss				
Balance as per last account	(3,21,63,639.91)		(7,03,68,945.40)	
Less: Deduction on account of depreciation *	-		33,610.37	
	(3,21,63,639.91)		(7,04,02,555.77)	
Add: (Loss)/Profit for the year	(11,88,783.79)		3,82,38,915.86	
Balance as at the balance sheet date	(3,33,52,423.70)		(3,21,63,639.91)	

* Represents adjustment as per transitional provisions of Schedule II to the Companies Act 2013 in relation to assets where useful life has already expired.

Note No. : 4 Long-term borrowings

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Deferred payment liabilities				
Deferred sales tax loan (Unsecured)	3,08,38,240.63		3,08,38,240.63	
	3,08,38,240.63		3,08,38,240.63	
Pursuant to sanction of the Rehabilitation Scheme by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR), the aforesaid loan is to be treated as interest free and to be repaid in 5 yearly installments after the restart of the Company's explosive unit.				

INDO GULF INDUSTRIES LIMITED

Notes to accounts (contd.)

Note No. : 5 Other current liabilities

(₹)

Particulars	As at 31st		As at 31st	
	March, 2016		March, 2015	
Other payables				
Statutory liabilities	10,882.00		1,500.00	
Unpaid salaries & other payroll dues	782.00		-	
Accrued expenses	1,92,889.00		43,471.00	
Others	33,56,346.38	35,60,899.38	33,56,346.38	34,01,317.38
		35,60,899.38		34,01,317.38

Note No. : 6 Short-term provisions

(₹)

Particulars	As at 31st		As at 31st	
	March, 2016		March, 2015	
Provision for contingencies [Refer Note No. 15(10)]		43,45,144.35		43,45,144.35
		43,45,144.35		43,45,144.35

Note : 7 Fixed assets

(₹)

Particulars	Tangible assets						Total
	Land (Freehold)	Land (Leasehold)	Buildings	Plant and equipment	Office equipments	Computers	
Gross block							
Gross carrying amount as at 01.04.2015	16,57,999.99	31,45,430.01	4,00,55,273.00	11,66,02,893.88	14,149.73	20,500.00	16,14,96,246.61
Additions during the year	-	-	-	-	-	-	-
Disposals/ deductions during the year	-	-	-	-	-	-	-
Gross carrying amount as at 31.03.2016	16,57,999.99	31,45,430.01	4,00,55,273.00	11,66,02,893.88	14,149.73	20,500.00	16,14,96,246.61
Depreciation							
Opening accumulated depreciation	-	-	3,08,05,648.59	11,49,52,133.31	13,442.24	19,475.00	14,57,90,699.14
Depreciation for the year	-	-	9,19,447.79	-	-	-	9,19,447.79
Disposals/ deductions during the year	-	-	-	-	-	-	-
Closing accumulated depreciation	-	-	3,17,25,096.38	11,49,52,133.31	13,442.24	19,475.00	14,67,10,146.93
Net carrying amount							
Net block as at 31.03.2016	16,57,999.99	31,45,430.01	83,30,176.62	16,50,760.57	707.49	1,025.00	1,47,86,099.68

Fixed assets (contd.) - Previous year

(₹)

Particulars	Tangible assets						Total
	Land (Freehold)	Land (Leasehold)	Buildings	Plant and equipment	Office equipments	Computers	
Gross block							
Gross carrying amount as at 01.04.2014	16,57,999.99	31,45,430.01	4,00,55,273.00	11,66,02,893.88	34,649.73	-	16,14,96,246.61
Additions during the year	-	-	-	-	-	-	-
Interhead adjustments during the year	-	-	-	-	(20,500.00)	20,500.00	-
Disposals/ deductions during the year	-	-	-	-	-	-	-
Gross carrying amount as at 31.03.2015	16,57,999.99	31,45,430.01	4,00,55,273.00	11,66,02,893.88	14,149.73	20,500.00	16,14,96,246.61
Depreciation							
Opening accumulated depreciation	-	-	2,76,18,822.02	11,49,52,133.31	18,888.21	-	14,25,89,843.54
Depreciation for the year	-	-	31,86,826.57	-	10,918.53	3,110.50	32,00,855.60
Interhead adjustments during the year	-	-	-	-	(16,364.50)	16,364.50	-
Disposals/ deductions during the year	-	-	-	-	-	-	-
Closing accumulated depreciation	-	-	3,08,05,648.59	11,49,52,133.31	13,442.24	19,475.00	14,57,90,699.14
Net carrying amount							
Net block as at 31.03.2015	16,57,999.99	31,45,430.01	92,49,624.41	16,50,760.57	707.49	1,025.00	1,57,05,547.47

Notes:

- Lease deed for 50 acres of land (Out of total land of 705 acres) for Jhansi plant has not been executed. In respect of some other land, the registration formalities are under process.
- No depreciation has been provided on assets other than buildings as depreciation on such assets has already been provided upto the residual value.
- Other disclosure

Particulars	Year ended 31st	
	March, 2016	March, 2015
Depreciation for the year includes depreciation adjusted with the retained earnings [Refer below]	-	33,610.37

d) Depreciation for the previous year has been aligned to meet the requirements of Schedule -II to the Companies Act, 2013 and accordingly an amount of ₹ 33,610.37 (net of deferred tax benefit - Nil) in relation to the assets whose useful life has already exhausted has been adjusted with Retained Earnings. Had the Company continued to charge depreciation based on rates and manner as specified under the erstwhile Schedule XIV to the Companies Act, 1956, depreciation expense for the year ended 31st March, 2015 would have been lower by ₹ 18,42,616.23 and Profit before Tax for the year ended 31st March, 2015 would have been higher by like amount.

Further, retained earnings and net value of fixed assets would have been higher by ₹ 33,610.37 and ₹ 18,76,226.60 respectively.

The Company has not revalued its fixed assets during the year.

INDO GULF INDUSTRIES LIMITED

Notes to accounts (contd.)

Note No. : 8 Cash and cash equivalents

(₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Cash and cash equivalents		
Balances with banks		
On current accounts	2,50,78,486.14	2,79,107.14
Cash in hand	6,429.84	177.84
	2,50,84,915.98	2,79,284.98

Note No : 9 Short - term loans and advances (Unsecured, considered good)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Security deposit	3,500.00	3,500.00
Other loans and advances		
Advance to Suppliers and others	46,015.00	-
Prepaid Expenses	5,600.00	-
	51,615.00	-
	55,115.00	3,500.00

Note No. : 10 Other current assets (Unsecured, considered good)

(₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
TDS refundable	33,000.00	-
	33,000.00	-

INDO GULF INDUSTRIES LIMITED

Notes to accounts (contd.)

Note No. : 11 Other income

(₹)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Brokerage and commission	3,30,000.00	-
Interest income (Gross)		
On income tax refund	-	40.00
Other non-operating income		
Unspent liabilities/balances written back	-	56,51,128.08
	3,30,000.00	56,51,168.08

Note No. : 12 Employee benefits expense

(₹)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Salaries and wages	1,240.00	-
Contribution to provident and other funds	1,908.00	363.00
Staff welfare expense	-	-
	3,148.00	363.00

Note No. : 13 Other expenses

(₹)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Rent	53,760.00	50,400.00
Repairs - Others	8,000.00	3,300.00
Rates and taxes (excluding taxes on income)	9,674.00	11,135.00
Audit fees		
For statutory audit	65,265.00	21,348.40
For other services (Limited review and certifications)	22,328.00	87,593.00
	6,741.60	28,090.00
Postage and telegram	1,43,578.00	97,735.99
Printing and stationery	43,379.00	1,32,735.00
Miscellaneous expenses	2,50,204.00	1,46,248.00
	5,96,188.00	4,69,643.99

Note No. : 14 Exceptional items

(₹)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Loan from Holding Company written back	-	3,62,25,000.00
	-	3,62,25,000.00

INDO GULF INDUSTRIES LIMITED

Notes to accounts (contd.)

Note No. : 15 - Other disclosures

(₹)		
Particulars	As at 31st March, 2016	As at 31st March, 2015
1. Contingent liabilities and commitments (to the extent not provided for)		
a) Contingent liabilities : Claims against the Company not acknowledged as debts	-	-
b) Commitments : Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	-	-
<p>2. Based on the information / documents available with the Company, no amount (Previous year: Nil) is/was due to Micro, Small and Medium Enterprises as defined in the "Micro, Small and Medium Enterprises Development Act, 2006".</p> <p>Hence, information as per the requirements of Section 22 of the aforesaid Act is not required to be disclosed.</p>		
<p>3. a) The Government of Uttar Pradesh has initiated recovery proceedings for recovery of Sales Tax dues related to Explosive Unit at Jhansi, pursuant to which, the factory at Jhansi has been seized by the Government authorities. All the assets located at the said factory including records thereof remain seized till the year end. Out of the above assets, certain assets pertaining to the said unit have been auctioned by the Office of the Labour Commissioner, Jhansi, against which a sum of ₹ 8,03,000.00 (previous year: ₹ 8,03,000.00) is lying with them. No adjustment in this respect has been carried out in these accounts.</p> <p>b) During the year under review, the Company has offered, issued and allotted 2,50,000 fully paid up 0.001% Non Convertible, Non-Cumulative, Redeemable Preference shares of face value ₹ 100/- each aggregating to ₹ 2,50,00,000.00 on private placement basis for cash, at par, as a result of which the networth of the Company has become positive.</p> <p>As on 31st March, 2016, the said funds remain unutilised and are lying in current accounts of the Company.</p> <p>c) The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 7th January, 2014 had permitted, transfer of 20% equity shares of the Company held by Balrampur Chini Mills Ltd. as well as induction of co-promoter /strategic investor in IGIL, under a Modified Draft Rehabilitation Scheme (MDRS) to be approved by the Hon'ble BIFR. However the Hon'ble BIFR vide its order dated 4th August, 2014 reviewed its directions and directed the Operating Agency to submit its report after conducting due-diligence of co-promoter/ Strategic Investor and reserved its order for pronouncement.</p> <p>The order in the subject matter was pronounced on 23rd January, 2015 whereby the Bench observed that induction of co-promoter/strategic investor was not in transparent manner and was not in accordance with the Law.</p> <p>The Hon'ble BIFR fixed the next date of hearing for further hearing in the matter. Aggrieved by the BIFR's order dated 23rd January, 2015, the Company preferred an Appeal before the Hon'ble AAIFR which was disposed of by AAIFR on 14th September, 2015.</p> <p>The Hon'ble AAIFR passed following observation/direction vide its order dated 14th September, 2015:</p> <p>" We are of the considered view that after having allowed induction of Mr. Rajesh Jain, as a strategic investor for revival of the appellant sick company, the BIFR, ordinarily could not have reviewed its own order and rejected the said induction on the ground of non-transparency and inconsistency with law. However, if there were adequate justifications both on facts as well as in law to revise its earlier order, the BIFR has not given any such justification in its order. It has also not indicated as to how the induction was non-transparent and how it was inconsistent with law. Moreover, filing of a criminal case against a person and such a person making an application for anticipatory bail cannot be a ground for disqualifying a person from participating in any business activity, till such time, the person is so prohibited or convicted by a competent court of law on conclusion of the criminal proceedings against him.</p> <p>For aforesaid reasons, we are not in agreement with the impugned order passed by the BIFR in as much as it has rejected the induction of Mr. Rajesh Jain as a strategic investor on ground of lack of transparency and consistency with law. We, accordingly, set aside the observation and rejection of the MDRS on this ground by the BIFR. The Impugned order of BIFR stands modified accordingly. The matter is remanded back to BIFR for direction to consider the MDRS filed by the appellant company in accordance with law after hearing all the parties concerned and take a final decision on circulation of the MDRS within a period of 6 weeks".</p> <p>The Hon'ble BIFR pursuant to the aforesaid order of the AAIFR is yet to consider the MDRS of the Company.</p>		
<p>d) Based on the information and explanation given by the Company, during the year there has been no change in the status of pending demands raised for the earlier years which were uncertain and therefore required no provisions/disclosure. The said demand pertains to certain notices and orders received in earlier years from statutory authorities' viz. Sales tax, Labour Commissioner etc.</p>		
4. Segment information as per Accounting Standard - 17 on 'Segment Reporting' :		
<p>The Company is in the business of industrial explosive. Considering the core activities of the Company, the management is of the view that it is a single reportable business segment and hence, information relating to primary segment is not required to be disclosed.</p> <p>The information about secondary segment has not been furnished as there is no export revenue of the Company.</p>		

5. Related party disclosures as per Accounting Standard - 18 are given below:

- a) Holding Company: Balrampur Chini Mills Limited
(Control exists)
- b) Transactions with Related Parties:
The Company has not entered into any transaction with any related party either in the year under review or in the previous year.
- c) During the previous year, the Company had written back Inter-corporate deposit amounting to ₹ 3,62,25,000.00 and Interest amounting to ₹ 41,31,872.00 in respect of balances due to Balrampur Chini Mills Limited, a related party.

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

Loan received from Holding Company (₹)				
Name of Company	Amount outstanding As at 31st March, 2016	Amount outstanding As at 31st March, 2015	Maximum amount outstanding at any time during the year	
			Year ended 31st March, 2016	Year ended 31st March, 2015
Balrampur Chini Mills Limited	-	-	-	3,62,25,000.00

Refer Note No. 15 (5c) above for other disclosure.

7. Earnings per Share

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

Particulars	(₹)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
a) Amount used as the numerator (₹) (Loss)/Profit after tax and before extraordinary items- (A)	(11,88,783.79)	3,82,38,915.86
b) Weighted average number of Equity shares outstanding used as the denominator for computing Basic Earnings per share - (B)	95,67,270	95,67,270
c) Weighted average number of Equity shares outstanding used as the denominator for computing Diluted Earnings per share - (C)	95,67,270	95,67,270
d) Nominal value of equity shares (₹)	1.00	1.00
e) Basic earnings per share (₹) (A/B)	(0.12)	4.00
f) Diluted earnings per share (₹) (A/C)	(0.12)	4.00

8. In accordance with Accounting Standard - 22 "Accounting for taxes on Income Tax", as a matter of prudence, the Company has not accounted for deferred tax assets during the year.

The Company has significant amount of carried forward losses and unabsorbed depreciation under the Income Tax Act, 1961. Had the Company accounted for deferred tax assets, reserve and surplus of the Company would have been higher by ₹ 2,83,07,313.00 as at 31st March, 2016 and profit after tax would have been higher by ₹ 2,83,07,313.00

9. Disclosure pursuant to Accounting Standard - 28 on "Impairment of Assets"
Due to seizure of Company's explosive plant at Jhansi, the condition of the plant & machineries and other fixed assets 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.

10. Disclosure in terms of Accounting Standard - 29 on Provisions, Contingent Liabilities and Contingent Assets:
Movement for Provision for contingencies:

Particulars	(₹)		
	Duties and taxes	Others	Total
Balance as at 1st April, 2015	43,45,144.35	-	43,45,144.35
Provided during the year	-	-	-
Amount used during the year	-	-	-
Reversed during the year	-	-	-
Balance as at 31st March, 2016	43,45,144.35	-	43,45,144.35
Balance as at 1st April, 2014	43,45,144.35	-	43,45,144.35
Provided during the year	-	-	-
Amount used during the year	-	-	-
Reversed during the year	-	-	-
Balance as at 31st March, 2015	43,45,144.35	-	43,45,144.35

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

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

11. Disclosure pursuant to Accounting Standard - 15 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 Accounting Standard - 15 on "Employee Benefits" is not required to be disclosed.

12. 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.

13. There are no transactions which are required to be disclosed as prescribed under paragraph 5 (viii) to general instructions for preparation of Statement of Profit and Loss under Schedule III to the Companies Act, 2013.

14. Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary to make them comparable with those of the current year.

As per our report of even date attached.

For MANV & Associates
Chartered Accountants
Firm's Registration Number - 007351N

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

Sd/-
(CA. Vijay Kumar Jain
Membership No. 087502)
Partner

Sd/-
Manish Rakesh
Company Secretary

Sd/-
Shyam Lal Gouniyal
Director
DIN - 01856426

Sd/-
Vimal Kumar Jain
Director
DIN - 01141926

Place of Signature: New Delhi
Date: 9th April, 2016