

**34th**  
**Annual Report 2016 - 17**

**2017**

**INDO GULF**  
**INDUSTRIES LIMITED**

<b>BOARD OF DIRECTORS</b>	Mr. Rajesh Jain Mr. Rishabh Jain (appointed w.e.f 20 <sup>th</sup> May 2017) Mr. Ashok Sarkar (Independent Director, appointed w.e.f 27.07.2017) Ms. Shivani Naithani (Independent Director, appointed w.e.f 12.07.2017)	
<b>STATUTORY AUDITORS</b>	M/s. Hemant Arora & Co.LLP, Chartered Accountants 1118-1119, 11 <sup>th</sup> Floor, DLF Galleria Tower, DLF Phase-IV, Gurgaon-122002	
<b>BANKERS</b>	Indian Bank	
<b>FACTORIES EXPLOSIVE DIVISION</b>	<b>Babina Plant</b> Village Koti Sukhwa & Prithi Pura, Babina Distt. Jhansi (U.P.)	
<b>SMS DIVISION</b>	<b>Singrauli Plant (SMS)</b> Near Central Workshop Jayant, Village – Garda Singrauli, Distt. Sidhi,( M.P.)  <b>Talcher Plant (SMS)</b> Plot No. 2, IDCO Industrial Estate Village Ghanipura, Distt. Dhenkanal, Talchar,(Orissa)	
		<b>Korba Plant(SMS)</b> Vill. Goberaghora (Dipka) Korba Distt. Bilaspur (C.G.)  <b>I.B.Valley</b> Vill. Sarandamal Tehsil – Lakhanpur, Distt. Sambalpur, (Orissa)
<b>ACCESSORIES UNIT (Detonating Fuse etc.)</b>	Village Koti, Sukhwa & Prithi Pura, Babina, Distt. Jhansi (U.P.)	
<b>REGISTERED OFFICE</b>	4237, IInd Floor, Narendra Bhawan 1, Ansari Road, Daryaganj New Delhi- 110002 Email: rjheadoffice@gmail.com, 9719699999	
<b>WEBSITE</b>	WWW.INDOGULFIND.COM	
<b>CIN</b>	L74900DL1981PLC011425	

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**NOTICE**

is hereby given that the 34<sup>th</sup> Annual General Meeting of the Members of **INDO GULF INDUSTRIES LIMITED** will be held Tuesday, the 29<sup>th</sup> day of August, 2017 at 10.00A.M. at the registered office of the Company situated at 4237, II<sup>nd</sup> Floor, Narendra Bhawan, 1, Ansari Road, Daryaganj, New Delhi-110002 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2017, including the Balance Sheet as at March 31, 2017, 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 M/s Hemant Arora & Co.LLP, Chartered Accountant, Firm Registration no 002141C be and is hereby appointed as the statutory auditor of the company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 39<sup>th</sup> AGM of the Company subject to ratification at every AGM, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, plus other applicable taxes and also reimbursement of actual travel and out of pocket expenses incurred incidental to their functions and subject to ratification of the appointment and fixation of remuneration for the relevant year at the Annual General Meeting in each of the subsequent years during the aforesaid term of their appointment.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**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** in supersession of the resolution passed by the members of the Company at their 31<sup>st</sup> Annual General Meeting held on August 1, 2014 and pursuant to the provisions of Section 152 and other applicable provisions, if any, of 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), Mr. Rajesh Jain (holding DIN 01200520) in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 (as amended), be and is hereby appointed as a Director (Non-Independent) of the Company, whose period of office is liable to determination by retirement of Directors by rotation.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors (which term shall be deemed to include any committee of the Board) be and is hereby authorised to do all such acts, deeds and things and take all such steps as it may in its sole and absolute discretion deem necessary and to settle all questions, difficulties and doubts that may arise in relation thereto.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 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), 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 (as amended), Mr. Rishabh Jain (holding DIN: 02329777), who was appointed as an Additional Director (Non-Independent) by the Board of Directors of the Company with effect from May 20, 2017 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 (as amended), be and is hereby appointed as a Director (Non-Independent) of the Company, whose period of office is liable to determination by retirement of Directors by rotation.”

5. **To consider and if thought fit, to pass the following resolution as a Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, including any amendment, modification, variation or

re-enactment thereof read with Schedule IV to the Companies Act, 2013, for the time being in force, Mr. Ashok Sarkar, (DIN: 07892315) Director of the Company, who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on July 27, 2017 and whose term of office expires at this Annual General Meeting ('AGM') in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, to hold office as such for a period of 3 (three) consecutive years, with effect from July 27, 2017 to July 26, 2020 and that he shall not be liable to retire by rotation."

6. **To consider and if thought fit, to pass the following resolution as a Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, including any amendment, modification, variation or re-enactment thereof read with Schedule IV to the Companies Act, 2013, for the time being in force, Ms. Shivani Naithani, Director of the Company, who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on July 12, 2017 and whose term of office expires at this Annual General Meeting ('AGM') in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, to hold office as such for a period of 3 (three) consecutive years, with effect from July 12, 2017 to July 11, 2020 and that she shall not be liable to retire by rotation."

7. **To consider and thought fit, to pass the following resolution as a Ordinary Resolution:**

"**RESOLVED THAT** in order to comply with the provisions of appointment of Key Managerial Personnel under Section 203 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 & pursuant to the provisions of Section 196 & 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory amendment(s), modification(s), or re-enactment (s) thereof for the time being in force), the approval of the Company be and is hereby accorded to the re-designation of Mr. Rajesh Jain (DIN:01200520) from Director to Managing Director for a term of 5 years with effect from July 22, 2017 to July 21, 2022.

**RESOLVED FURTHER THAT** Mr. Rajesh Jain would not take any remuneration from the company till the company becomes operational and starts generating revenue. The other terms and conditions of appointment of Mr. Rajesh Jain who is liable to retire by rotation, will remain unaltered.

"**RESOLVED FURTHER THAT** Mr. Amit Kumar Modi, Company Secretary be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution."

8. **To consider and, if thought fit, to pass the following resolution as a Special Resolution:**

"**RESOLVED THAT** consequent to the substantial acquisition of shares and takeover of the sole control and management of the Company by Ganesh Explosives Private Limited in terms of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and other applicable provisions of law, approval of the Shareholders of the Company be and is hereby granted in terms of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for classification of Ganesh Explosives Private Limited and/or its holding/subsidiary companies/other affiliates/associates / other persons acting in concert as the sole Promoters/ Promoter Group of the Company, in place and stead of the erstwhile promoters/promoter group namely Balrampur Chini Mills Limited.

**RESOLVED FURTHER THAT** for giving effect to this Resolution, the Board of the Directors of the Company ("the Board"), be and is hereby authorized to take such steps and to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, proper or incidental and to settle any question, remove any difficulty or doubt that may arise from time to time in relation thereto and to take such actions or to give such directions as may be necessary or desirable and to obtain any approval, permission, sanction which may be necessary or desirable, as they may deem fit."

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

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

Place: New Delhi  
Date: July 22, 2017

Sd/-  
**Amit Kumar Modi**  
Company Secretary

**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.**

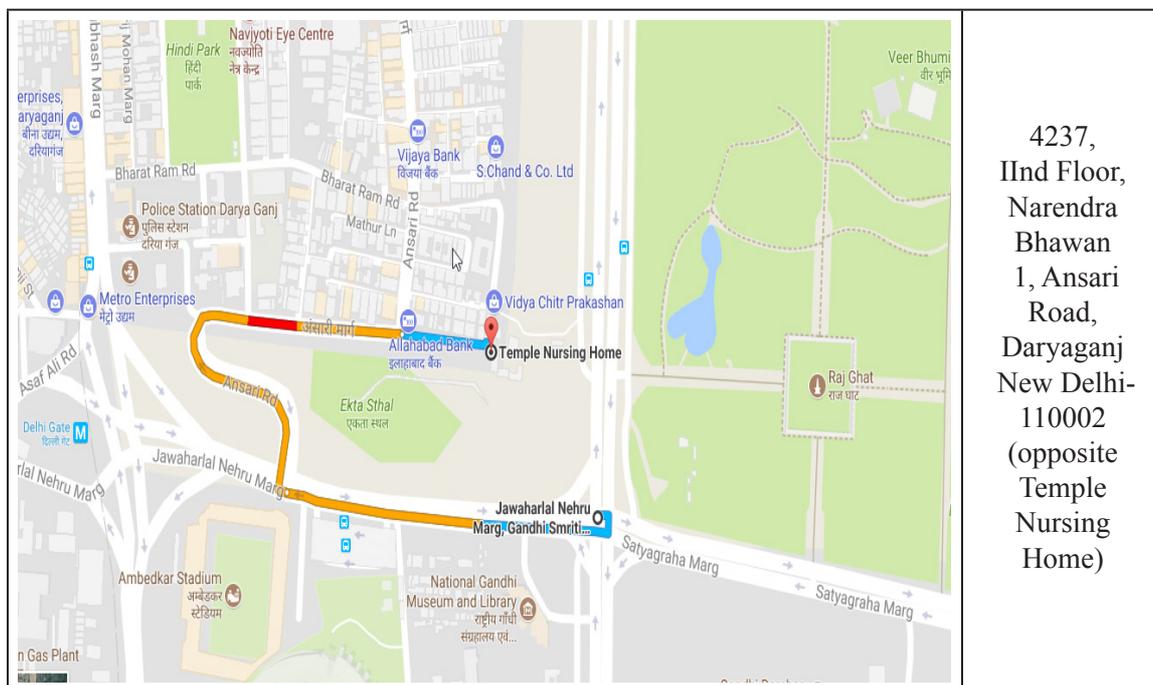
**A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT 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, 22<sup>nd</sup> August, 2017 to Monday, 28<sup>th</sup> August, 2017 (both days inclusive).**
3. The Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (as amended) ("the Act"), in respect of the Special Business as set out in the Notice is annexed hereto. Information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("the Listing Regulations"), and Para 1.2.5 of the Secretarial Standard on General Meetings, in relation to Director(s) seeking appointment / re-appointment at the Annual General Meeting (AGM) are provided in the said Statement.
4. Members seeking any information with regard to the accounts of the Company are requested to write to the Company atleast seven (7) days before the date of the Meeting so as to enable the management to keep the information ready.
5. All documents referred to in the accompanying Notice and the Statement under Section 102 of the Act are open for inspection at the Registered Office of the Company during the business hours on all working days except Saturdays, Sundays & Public Holidays between 11:00 A.M. and 1:00 P.M. upto the date of AGM and will also be available at the meeting.
6. Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Act are requested to send a duly certified copy of the Board Resolution together with their specimen signatures authorising their representative(s) to attend and vote in their behalf at the AGM.
7. Members may also note that the Notice of 34th Annual General Meeting and the Annual Report for the Financial Year 2016-17 are also available on the Company's website: [www.indogulfind.com](http://www.indogulfind.com) for download.
8. CS Sourabh Gupta, Practising Company Secretary (holding C. P. No. 13183), who consented to act as the Scrutiniser, was appointed by the Board of Directors as the Scrutiniser to conduct the voting process in a fair and transparent manner and submit a consolidated Scrutiniser's Report of the total votes cast, to the Chairman or a Director duly authorised in this regard.
9. In compliance with provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the provisions of Regulation 44 of the Listing Regulations, the Company is pleased to provide its members facility to cast their votes on all resolutions set forth in the Notice of the AGM using electronic voting system from a place other than the venue of the AGM ('remote e-voting'), provided by Karvy Computershare Private Limited (Karvy) and the business may be transacted through such voting. Remote e-voting is optional. The Company also provides the option of voting by means of Ballot Form at the venue of the AGM in addition to the electronic voting system mentioned above. The detailed instructions for e-voting have been provided separately along with this Notice.
10. The remote e-voting period commences on Friday, August 25, 2017 at 10:00 A.M. and ends on Monday, August 28, 2017 at 5:00 P.M. During this period, members of the Company as on the cut-off date i.e. Tuesday, August 22, 2017, may cast their vote electronically. The e-voting module will be disabled by Karvy for voting thereafter. **A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.** Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast vote again.
11. Voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the Register of Members as on the cut-off date, only shall be entitled to avail the facility of remote e-voting or voting at the AGM.
12. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of this Notice and holding shares as on the cut-off date, may obtain the User ID and password by sending request at [voting@karvy.com](mailto:voting@karvy.com) and cast their vote.

However, if he is already registered with Karvy for remote e-voting then he can use his existing user ID and password for casting his vote. If he forgets his password, he can reset his password by using “Forgot Password” option available on <https://evoting.karvy.com> or contact Karvy at 040-67161606 or Toll Free No.1800 3454 001.

13. In case of any query, you may refer Help & Frequently Asked Questions (FAQs) sections of <https://evoting.karvy.com> (Karvy Website) or call Karvy on 040-67161606 & Toll Free No.1800 3454 001 or contact Mr. MRV Subrahmanyam at Karvy having its office at Karvy Selenium Tower B, Plot No.31-32, Financial District, Gachibowli, Nankramguda, Hyderabad – 500 032 or mail at the designated email id: [evoting@karvy.com](mailto: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](http://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. **Kindly bring your copy of the Annual Report at the Meeting.**
18. The Company has appointed M/s. Beetal Financial & Computer Services Pvt. Ltd. as the Registrar and Share transfer agent for the Equity Shares of the Company.
19. A Route map to the venue of AGM and prominent landmarks for easy location is as under:



4237,  
1st Floor,  
Narendra  
Bhawan  
1, Ansari  
Road,  
Daryaganj  
New Delhi-  
110002  
(opposite  
Temple  
Nursing  
Home)

**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:**

The Shareholders, at the 31<sup>st</sup> Annual General Meeting of the Company held on August 1, 2014, appointed Mr. Rajesh Jain as an Independent Director of the Company to hold office for a term of five consecutive years ending on March 31, 2019. He was first appointed on the Board on December 14, 2013.

Mr. Rajesh Jain informed the Board of Directors of the Company, regarding the change in his status from an Independent Director to Non-Executive, Non-Independent Director w.e.f. January 27, 2017 consequent upon the execution of the Share Purchase Agreement amongst Balrampur Chini Mills Limited, Ganesh Explosives Private Limited, Mr. Rajesh Jain and the Company.

Accordingly, the terms and conditions including remuneration, as applicable to the Non-Executive Directors of the Company are applicable to Mr. Jain. Since the appointment of Mr. Jain as an Independent Director was approved by the members, it is considered prudent to seek members consent for change of category and designation of Mr. Jain.

Notice under Section 160 of the Act has been received from a member, alongwith requisite deposit, proposing the appointment of Mr. Jain as a Director, liable to retire by rotation. As per the declarations received by the Company, Mr. Jain is not disqualified under Section 164 of the Companies Act, 2013.

Mr. Jain, born on 30.06.1962, is an MBA having rich experience of more than 25 years in the field of manufacturing of explosives, administration and management etc.

Mr. Jain, aged 55 years, does not hold by himself or for any other person on a beneficial basis, any shares in the Company as on 31st March 2017. Except Mr. Rishabh Jain (Son), Mr. Rajesh Jain is not related to any other Director, Manager and other Key Managerial Personnel of the Company. The directorships held by Mr. Jain are within the limits prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Details of other directorships and committee positions held by Mr. Jain as on 31st March 2017 are given below:

<b>Board Membership in Other Companies</b>	<b>Membership/Chairmanship of Committees of the Board of Directors in other Company</b>
1. Rudra Aeromatic Oils Private Limited	Nil
2. RJ Aqua Food Private Limited	
3. Ganesh Explosives Private Limited	
4. Rajesh Explosives Private Limited	

He was inducted as a member of the Audit Committee and Nomination & Remuneration Committee of the Board of Directors of the Company w.e.f. May 20, 2017 and Member of Share Transfer Committee w.e.f. July, 12, 2017.

Mr. Jain attended 1 out of 7 Board Meeting during the year 2016 - 17. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Jain as a Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Jain as a Director, for the approval by the Members of the Company. Except Mr. Rajesh Jain, being an appointee and Mr. Rishabh Jain (Director) (son of Mr. Rajesh Jain), none of the other Directors and Key Managerial Personnel of the Company and their relatives (except the relative(s) of Mr. Rajesh Jain to the extent of their shareholding in the Company) is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

**ITEM NO. 4:**

Pursuant to Section 161 of the Act, Mr. Rishabh Jain was appointed by the Board of Directors as an Additional (Non-Independent) Director of the Company w.e.f. 20th May 2017 to hold office till the conclusion of the ensuing AGM. In terms of Section 149 of the Act and other applicable provisions of the Act, Mr. Rishabh Jain being eligible, offers himself for appointment and is proposed to be appointed as a Director of the Company who shall be liable to retire by rotation.

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 Mr. Rishabh Jain as a Director of the Company.

Mr. Rishabh Jain, born on 27.01.1990, is a Graduate by qualification having good knowledge of Explosive Industry. Based on the recommendation received from the Nomination & Remuneration Committee of Directors of the Company and in view of his skills, knowledge and experience, it is proposed to appoint Mr. Rishabh Jain as a Director of the Company in terms of Section 149 read with Section 152 of the Act and Regulation 19 of the Listing Regulations.

Mr. Rishabh Jain has given his consent to act as a Director of the Company. Further, as per the declarations received by the Company, Mr. Rishabh Jain is not disqualified under Section 164 of the Act.

Mr. Jain, aged around 27 years, does not hold by himself or for any other person on a beneficial basis, any shares in the Company as on 31st March 2017 and as on the date of this notice. Except Mr. Rajesh Jain (Father), Mr. Rishabh Jain is not related to any other Director, Manager and other Key Managerial Personnel of the Company. The directorships held by Mr. Jain are within the limits prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of other directorships and committee positions held by Mr. Jain as on the date of this notice are given below:

Board Membership in Other Companies	Membership/Chairmanship of Committees of the Board of Directors in other Company
1. RJ Aqua Food Private Limited	Nil
2. Ganesh Explosives Private Limited	
3. Rajesh Explosives Private Limited	

He was inducted as a member of the Audit Committee and Nomination & Remuneration Committee of the Board of Directors of the Company w.e.f. May 20, 2017 and Member of Share Transfer Committee w.e.f. July 12, 2017

Mr. Rishabh Jain has attended 1 out of 3 board meetings since the date of his original appointment. The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Jain as a Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Jain as a Director, for the approval by the Members of the Company. Except Mr. Rishabh Jain, being an appointee and Mr. Rajesh Jain (Director) (Father of Mr. Rishabh Jain), none of the other Directors and Key Managerial Personnel of the Company and their relatives (except the relative(s) of Mr. Rishabh Jain to the extent of their shareholding in the Company) is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

#### ITEM NO 5:

Mr. Ashok Sarkar has been a Non Executive Director since July, 2017, and was considered as Independent for purpose of Clause 49 of Listing Agreement. A brief profile of Mr. Ashok Sarkar is as follows:

<b>Date of Birth &amp; Age</b>	30.10.1951 , 66 years
<b>Date of Appointment</b>	27.07.2017
<b>Qualifications</b>	Bachelor of Commerce from Kolkata
<b>Expertise in specific functional areas</b>	Mr. Sarkar being retired Colonel from Indian Army has thorough knowledge in the field of Explosives. He had in the past provided consultancy to various government companies dealing in arms ammunition and explosives. The Company looks forward from gaining from his knowledge and expertise.
<b>Directorship in other Companies</b>	NIL
<b>Chairmanship/ Membership of above mentioned companies</b>	NIL
<b>Shareholding in companies</b>	NIL

Pursuant to provisions of Section 149 of Companies Act, 2013, an Independent Director can be appointed for a period upto 5 years and such director shall not be liable to retire by rotation. Mr. Sarkar has provided declaration of his independence as required under section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement. In opinion of the Board, Mr. Sarkar fulfills the criteria of being appointed as Independent Director. A Notice under section 160 of the Act has been received by the Company from a member proposing the candidature of Mr. Sarkar as the Director of the Company not liable to retire by rotation. The matter of appointment of Independent Director was placed before the Remuneration & Nomination Committee on July 12, 2017 which recommended his appointment as Independent Director for a period of 3 years from July 27, 2017 till July 26, 2020.

In terms of section 149, his appointment as Independent Director is being placed before members for approval. Further Mr. Sarkar is interested in the Resolution mentioned in item no 5.

No other Director or Key Managerial Personnel or their relatives are interested in the Resolution.

**ITEM NO. 6**

Ms. Shivani Naithani has been a Non Executive Director since July, 2017, and was considered as Independent for purpose of Clause 49 of Listing Agreement. A brief profile of Ms. Shivani Naithani is as follows:

<b>Date of Birth &amp; Age</b>	19.04.1977 , 40 years
<b>Date of Appointment</b>	12.07.2017
<b>Qualifications</b>	Bachelor of Commerce from Dehradun and Master of Business Administration (Finance) from Delhi.
<b>Expertise in specific functional areas</b>	Mr. Shivani Naithani has a working experience of 15 years in the field of Finance. She has worked with multiple corporate in Delhi and Gurgaon as manager Finance and DGM Finance. Being well versed in the field of finance she also provides consultancy to companies w.r.t Project Finance and Due Diligence.
<b>Directorship in other Companies</b>	NIL
<b>Chairmanship/ Membership of above mentioned companies</b>	NIL
<b>Shareholding in companies</b>	NIL

Pursuant to provisions of Section 149 of Companies Act, 2013, an Independent Director can be appointed for a period upto 5 years and such director shall not be liable to retire by rotation. Ms. Shivani has provided declaration of her independence as required under section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement. In opinion of the Board, Ms. Shivani fulfills the criteria of being appointed as Independent Director. A Notice under section 160 of the Act has been received by the Company from a member proposing the candidature of Mr. Sarkar as the Director of the Company not liable to retire by rotation. The matter of appointment of Independent Director was placed before the Remuneration & Nomination Committee on July 12, 2017 which recommended her appointment as Independent Director for a period of 3 years from July 12, 2017 till July 11, 2020.

In terms of section 149, her appointment as Independent Director is being placed before members for approval. Ms. Shivani is interested in the Resolution mentioned in item no 6.

No other Director or Key Managerial Personnel or their relatives are interested in the Resolution

**ITEM NO.7**

Mr. Rajesh Jain was appointed as Non-Executive, Non-Independent Director w.e.f. January 27, 2017 consequent upon the execution of the Share Purchase Agreement amongst Balrampur Chini Mills Limited, Ganesh Explosives Private Limited, Mr. Rajesh Jain and the Company.

In order to comply with the provisions of section 203 of the Companies Act, 2013 and rules made thereunder and also keeping in view the change in the management of the Company it is hereby proposed to re-designate Mr. Rajesh Jain as the Managing Director of the Company w.e.f July 22, 2017.

Further as the company is not currently operational, Mr. Rajesh Jain intends not to take any remuneration from the Company till the company commences its business and generates revenue or becomes profitable. No Salary, perquisites and Allowances, Remuneration based on net profits or reimbursement of expenses shall be paid to Mr. Rajesh Jain.

**ITEM NO. 8**

Ganesh Explosives Private Limited (GEPL/Acquirer) has entered into a Share Purchase Agreement dated 27th January, 2017 (the "Share Purchase Agreement") with Balrampur Chini Mills Limited, the promoters (referred to hereinafter as "BCML"), providing, inter alia, for purchase of the entire shareholding of the Company (i.e. Indo Gulf Industries Limited) held by BCML, resulting into takeover of sole control and management of the Company by GEPL. The Acquirer had also made an Open Offer under Regulation 3 and 4 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("the SAST Regulations"), the process whereof has since been fully completed and BCML has transferred its entire shareholding to GEPL. As a result of which, GEPL has acquired the sole control and management of the Company. Consequent to the above and in terms of the SAST Regulations and other applicable provisions, GEPL and/ or its holding/ subsidiary companies/other affiliates/associates have become the sole Promoters/Promoter Group of the Company and erstwhile promoters/promoter group namely, Balrampur Chini Mills Limited have ceased to be Promoters/Promoter Group of the Company.

Further, in terms the provisions of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), when a new promoter replaces the previous promoter subsequent to an open offer, re-classification of previous promoter may be permitted by the Stock Exchanges on compliance of conditions prescribed therein and subject to approval of shareholders of the company in general meeting.

The Board of Directors of the Company accordingly recommend the Special Resolution set out at Item No.5 of the notice for the approval of the Members. Mr. Rajesh Jain and Mr. Rishabh Jain, are deemed to be concerned or interested in the resolution. Save and except the above, none of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 8 except to the extent of their shareholding, if any.

**Registered Office:**

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

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

Place: New Delhi  
Date: July 22, 2017

Sd/-  
**Amit Kumar Modi**  
Company Secretary

**BOARD'S REPORT****Dear Shareholders,**

Your Directors are pleased to present this Thirty Fourth Annual Report of the Company together with the Audited Financial Statements and Auditors' Report thereon for the Financial Year ended March 31, 2017.

**Financial Highlights****(Amount in Rs.)**

<b>Financial Results</b>	<b>2016-17</b>	<b>2015-16</b>
Net Sales	-	-
Other Income	12,78,887	3,30,000
Profit before finance costs, depreciation and tax	(41,59,399)	(2,69,336)
Finance costs	-	-
Depreciation and amortization expense	9,12,785	9,19,448
Tax expense	-	-
<b>Profit/(Loss) before exceptional and extra-ordinary items</b>	<b>(50,72,185)</b>	<b>(11,88,784)</b>
Exceptional item	-	-
<b>Net Profit/(Loss)</b>	<b>(50,72,185)</b>	<b>(11,88,784)</b>
Add: Balance brought forward from the previous year	(3,33,52,423)	(3,21,63,639)
Less: Deduction on account of depreciation adjustment due to transitional provisions	-	-
<b>Balance to be carried forward to next year's account</b>	<b>(3,84,24,608)</b>	<b>(3,33,52,423)</b>

**Performance, Future Outlook & Prospects**

None of the Units of the Company was in operation during the year under review.

During the year under review, Ganesh Explosives Private Limited (GEPL) has made a public announcement regarding "Open Offer" for the acquisition of 24,87,491 fully paid up equity shares of Rs. 1 each representing 26% of the total paid up equity and voting share capital of the Company at a price of Rs. 0.40 per equity share payable in cash under the Securities and Exchange Board of India (SAST Regulations), 2011. Post this offer, GEPL is having significant equity ownership and effective management control over your Company pursuant to regulation 3(1) and 4 of the SEBI (SAST) Regulations 2011.

Further, Balrampur Chini Mills Limited (Holding Company/BCML) has entered into a Share Purchase Agreement (SPA) on 27<sup>th</sup> January 2017 to sell and transfer its entire holding in the Company consisting of 51,62,470 Equity Shares of Re. 1/- each (53.96%) and upon completion of the formalities under SEBI (SAST) Regulations, 2011 and condition precedent in terms of the SPA, BCML shall cease to be the Holding Company.

As on the date of this Report, GEPL has completed the open offer process and the shares held by BCML has been transferred to GEPL. Accordingly, GEPL has become the holding company of Indo Gulf Industries Limited.

**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, Ms. Anjali (DIN: 07612147) was appointed as an Additional Director (category Independent, Woman Director) w.e.f. September 24, 2016 for a term of 1 year starting from the date of her initial appointment subject to regularisation at the ensuing Annual General Meeting. However, due to her pre-occupation she does not wish to get re-appointed and accordingly she resigned from the office on 22<sup>nd</sup> July, 2017.

Pursuant to Section 149 and other applicable provisions of Companies Act, 2013, your directors are seeking regularisation of appointment of Mr. Rishabh Jain who was appointed as an Additional (Non-Independent) Director of the Company w.e.f. 20<sup>th</sup> May 2017. Notice in writing under Section 160 of the Companies Act, 2013, has been received by the Company proposing the appointment of Mr. Rishabh Jain as a director of the Company who shall be liable to retire by rotation.

Your directors are seeking regularisation of appointment of Mr. Ashok Sarkar (DIN: 07892315) who was appointed as the Additional Director (Independent) w.e.f July 27, 2017 and Ms. Shivani Sarkar (DIN: 07881480) who was appointed as the Additional Director (Independent) w.e.f July 12, 2017. Notices in writing under Section 160 of the Companies Act, 2013, has been received by the Company proposing the appointments of Mr. Ashok Sarkar and Ms. Shivani Naithani as a director of the Company who shall not be liable to retire by rotation.

Ms. Preety Gupta resigned due to personal reasons and pre-occupations and ceased to be a Director of the Company from the close of business hours of September 23, 2016.

Mr. Vimal Kumar Jain resigned due to advanced age and consequential ailment and ceased to be a Director of the Company from the close of business hours of May 20, 2017.

Mr. Gorachand Dutt resigned due ailment and paucity of time and ceased to be a Director of the Company from the close of business hours of May 20, 2017.

Mr. Shyam Lal Gouniyal resigned due preoccupations and ceased to be the Independent director of the Company from the close of business hours of July 22, 2017.

Upon the execution of the Share Purchase Agreement amongst Balrampur Chini Mills Limited (Holding Company), Ganesh Explosives Private Limited (Acquirer), Shri Rajesh Jain (Director) and Indo Gulf Industries Limited for acquisition of 51,62,470 (53.96% ) Equity Shares of the Company, Mr. Rajesh Jain, who was a Non- Executive Independent Director on the Board of the Company has now become a Non-executive Non-Independent Director w.e.f. January 27, 2017.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Resume and other information regarding the director seeking appointment/ reappointment as required by Listing Regulations and Secretarial Standard-2 has been given in the Notice convening the ensuing Annual General Meeting and Statement pursuant to Section 102 of the Act.

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

#### **Familiarization Programme for Independent Directors**

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

#### **Directors' Responsibility Statement**

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

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

#### **Corporate Governance**

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

### Management Discussion and Analysis

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

#### Share Capital

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

#### Particulars of Employees

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

Further, Directors were not paid any remuneration during the year 2016-17

#### 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

Mr. Manish Rakesh, Company Secretary, resigned from the office on 22<sup>nd</sup> July, 2017. In compliance of the provisions of Section 203 of the Companies Act, 2013, Mr. Amit Kumar Modi, a member of ICSI, appointed to act as the Company Secretary (Key Managerial Personnel) and the Compliance Officer in the terms of Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 7 times on 09.04.2016, 05.08.2016, 31.08.2016, 23.09.2016, 05.11.2016, 25.01.2017 and 27.01.2017 during the Financial Year 2016-17. 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	Non-Independent, Non-Executive Director	1 out of 7
Mr. Gorachand Dutta	Independent, Non-Executive Director	1 out of 7
Ms. Preety Gupta (ceased w.e.f. 23.09.2016)	Independent, Non-Executive Director	1 out of 4
Ms. Anjali (appointed w.e.f. 24.09.2016)	Independent Non-Executive (Additional) Director	3 out of 3

#### Audit Committee

The Audit Committee constituted by the Company has the terms of reference as provided in the Companies Act, 2013 and Listing Regulations. Ms. Preety Gupta resigned as the member of the Audit Committee w.e.f. 23.09.2016 and Ms. Anjali has been appointed as the member of the Audit Committee on 24.09.2016. During the financial year ended 31<sup>st</sup> March 2017, there were no instances of the Board not accepting the recommendations of the Audit Committee. The Audit Committee met 5 times on 09.04.2016, 05.08.2016, 31.08.2016, 05.11.2016 and 25.01.2017 during the financial year 2016-17. 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	5 out of 5
Mr. Shyam Lal Gouniyal	Member	5 out of 5
Mr. Gorachand Dutta	Member	1 out of 5
Ms. Preety Gupta (ceased w.e.f. 23.09.2016)	Member (ceased w.e.f. 23.09.2016)	1 out of 3
Ms. Anjali (appointed w.e.f. 24.09.2016)	Member (inducted w.e.f. 24.09.2016)	2 out of 2

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. The Nomination & Remuneration Committee met once on 23.09.2016 during the Financial Year 2016-17

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

Name of the Directors	Position	No. of meetings attended
Mr. Shyam Lal Gouniyal	Chairman	1 out of 1
Mr. Vimal Kumar Jain	Member	1 out of 1
Mr. Gorachand Dutta	Member	Nil

### Share Transfer Committee

The Share Transfer Committee constituted by the Board looks into matters such as transfer of shares, transmission of shares, etc.,. The Share Transfer Committee met 9 times during the year on the following dates:

25.5.2016, 16.09.2016, 17.10.2016, 19.10.2016, 24.10.2016, 17.01.2017, 6.2.2017, 20.2.2017 and 22.3.2017

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

Name of the Directors	No. of meetings attended
Mr. Shyam Lal Gouniyal	9 out of 9
Mr. Vimal Kumar Jain	9 out of 9

### Policy on Directors' Appointment and Remuneration

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

### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual evaluation of its own performance, of the individual directors as well as the working of its Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee. The Nomination & Remuneration Committee also reviewed the performance of all directors. Evaluation was done on the basis of questionnaire prepared, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees etc.

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

### Extract of Annual Return

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

### Significant and Material Order

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

### Complaints received by the Sexual Harassment Committee

The Company has in place a policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress any complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. No complaint was received during the year and no complaint was pending to be resolved as on 31.03.2017.

**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 2016-17. The Secretarial Audit Report for the financial year 2016-17 is attached as **Annexure "III"** and forms a part of the report of the Board.

In relation to observations made in the Secretarial Audit Report, we inform that the Company during the year, had no operations and all the units of the Company are closed. Consequently, the Company has incurred cash losses during the year under review. Therefore, in view of the non-availability of funds, the Company could not comply with the provisions of the Companies Act, 2013 and the Listing Regulations.

Further, regarding the show cause notice received from Ministry of Corporate Affairs, Office of the Registrar of Companies, NCT of Delhi & Haryana under Section 12(8) of the Companies Act, 2013 wherein it was stated that the Company has applied for Industrial Licence on an old letterhead, thereby violating provision of Section 12(3)(c) of the Companies Act, 2013. We hereby inform that use of an old letterhead was an inadvertent lapse on the part of one of the Technical professionals/Experts engaged by the Company, who does not have any expertise in Company Law. However, the Secretarial Auditor has also reported that during the course of her audit, she had however, not come across any communication made by the Company on any letterhead without the CIN being printed on them.

**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 140(2) of the Companies Act, 2013 and the Rules framed thereunder, M/s MANV & Associates, Chartered Accountants resigned from the post of Statutory Auditors on 22/07/2017 due to preoccupation in other assignments.

The observations of Auditors in their Report dated 20<sup>th</sup> May, 2017 read with the relevant notes to accounts are self-explanatory and do not require any further explanation.

M/s Hemant Arora & Co.LLP Chartered Accounts were appointed as the new Statutory Auditors of the Company till the conclusion of ensuing AGM. Further it is proposed to ratify the appointment of M/s Hemant Arora & Co.LLP, as the Statutory Auditors of the Company for the financial year 2017-18. The said Auditors have furnished the Certificate of their eligibility in this regard.

**General**

- a) The Company is not required to constitute CSR Committee under the provisions of the Companies Act, 2013.
- b) The Company has not lent out any money or made any investments or provided any guarantees during the year under review.
- c) The Company does not have any related party transactions which may have potential conflict with the interests of the Company at large. Thus, disclosure in Form AOC-2 is not required.
- d) The Company having no commercial activity during the year under review, has not laid down policy on risk assessment and minimization procedures.
- e) There were no material changes and commitments between the end of financial year and date of report.
- f) The Company has in place adequate internal financial control with reference to the financial statements.

**Green Initiatives**

Electronic Copies of the Annual Report 2016-17 and Notice of the 34th Annual General Meeting are sent to all the members whose email addresses are registered with the Company/ Depository Participant(s). For members who have not registered their email addresses, physical copies are sent in permitted mode.

**Acknowledgements**

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

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

Sd/-  
**Rishabh Jain**  
Director  
DIN: 02329777

Sd/-  
**Rajesh Jain**  
Director  
DIN: 01200520

Place : New Delhi  
Date : July 22, 2017

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

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

- I. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2016-17:  
None of the Directors were paid any remuneration during the Financial Year 2016-17. Hence, the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2016-17 is not applicable.
- II. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2016-17:  
None of the Directors were paid any remuneration during the year. Further, there was no increase in the remuneration of Company Secretary during the Financial Year 2016-17. Hence, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2016-17 is not provided.
- III. The percentage increase in the median remuneration of the employees in the financial year 2016-17:  
There are 2 employees on the payroll of the Company, out of which 1 has joined in the Financial Year 2016-17. Further, there was no increase in the remuneration of the employee during the Financial Year 2016-17. Hence, percentage increase in the median remuneration is not provided.
- IV. The number of permanent employees on the rolls of the Company:  
There were 2 permanent employees on the rolls of the Company for the Financial Year 2016-17.
- V. Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in Managerial Remuneration:  
Since, none of the employee had completed full year of service, no increment was done in the last financial year. Further, there was no change in the managerial remuneration.  
Hence, the same is not applicable.
- VI. Affirmation that the Remuneration is as per the Remuneration Policy of the Company: It is hereby affirmed that the Remuneration paid is as per the Remuneration Policy of the Company.

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

Sl No.	Name	Age (years)	Designation/ Nature of Duties	Gross Remuneration (Rs in lakhs)	Qualification	Total Experience (years)	Date of commencement of employment	Previous Employment
<b>A. Details of top ten Employees in terms of remuneration drawn for the financial year ended 31<sup>st</sup> March 2017</b>								
1	Mr. B.D. Agarwal	53 years	President	664,577	Graduate	Approx 30 years	01/08/2016	N/A
2	Mr. Manish Rakesh	35 years	Company Secretary	168,716	C.S., LL.B	Approx 4 years	29/03/2016	N/A
<b>B. Details of Employee employed throughout the year and in receipt of remuneration not less than Rs.10,200,000/- p.a.</b>								
Sl No.	Name	Age (years)	Designation/ Nature of Duties	Gross Remuneration (Rs in lakhs)	Qualification	Total Experience (years)	Date of commencement of employment	Previous Employment
1.	NA	NA	NA	NA	NA	NA	NA	NA
<b>C. Details of Employee employed part of the year and in receipt of remuneration not less than Rs. 850,000/- p.m.</b>								
1	NA	NA	NA	NA	NA	NA	NA	NA

**Note:**

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

**FORM MGT.9**
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2017

*[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 <sup>rd</sup> 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 01.04.2016]				No. of Shares held at the end of the year [As on 31.03.2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
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	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	-	<b>5162470</b>	<b>5162470</b>	<b>53.96</b>	-	<b>5162470</b>	<b>5162470</b>	<b>53.96</b>	<b>0.00</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.04.2016]				No. of Shares held at the end of the year [As on 31.03.2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FIs	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)= (A)(1)+ (A)(2)</b>	-	<b>5162470</b>	<b>5162470</b>	<b>53.96</b>	-	<b>5162470</b>	<b>5162470</b>	<b>53.96</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
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) FIs	-	1298	1298	0.01	-	1298	1298	0.01	0.00
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	<b>116046</b>	<b>116046</b>	<b>1.21</b>	-	<b>116046</b>	<b>116046</b>	<b>1.21</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
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	8651	3147645	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
<b>Sub-total (B)(2):-</b>	-	<b>4288754</b>	<b>4288754</b>	<b>44.83</b>	<b>8651</b>	<b>4280103</b>	<b>4288754</b>	<b>44.83</b>	<b>0.00</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	<b>4404800</b>	<b>4404800</b>	<b>46.04</b>	<b>8651</b>	<b>4396149</b>	<b>4404800</b>	<b>46.04</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>9567270</b>	<b>9567270</b>	<b>100.00</b>	<b>8651</b>	<b>9558619</b>	<b>9567270</b>	<b>100.00</b>	<b>0.00</b>

**ii) Shareholding of Promoter-**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01.04.2016]			Shareholding at the end of the year [As on 31.03.2017]			% 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 01.04.2016]		Cumulative Shareholding during the Year [01.04.2016 to 31.03.2017]	
		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
<b>1</b>	<b>HB Stock Holdings Limited</b>				
	At the beginning of the year	170850	1.79		
	No change during the year	-	-		
	At the end of the year			170850	1.79
<b>2</b>	<b>Picup Limited</b>				
	At the beginning of the year	167536	1.75		
	No change during the year	-	-		
	At the end of the year			167536	1.75
<b>3</b>	<b>Mahendra Girdharilal</b>				
	At the beginning of the year	132964	1.39		
	No change during the year	-	-		
	At the end of the year			132964	1.39
<b>4</b>	<b>HB Leasing and Finance Co. Ltd</b>				
	At the beginning of the year	109469	1.14		
	No change during the year	-	-		
	At the end of the year			109469	1.14
<b>5</b>	<b>Logic Infotech Ltd</b>				
	At the beginning of the year	100000	1.05		
	No change during the year	-	-		
	At the end of the year			100000	1.05

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
<b>6</b>	<b>Sajjan Lal Kanodia</b>				
	At the beginning of the year	94250	0.98		
	No change during the year	–	–		
	At the end of the year			94250	0.98
<b>7</b>	<b>Laxmi Devi Kanodia</b>				
	At the beginning of the year	94250	0.98		
	No change during the year	–	–		
	At the end of the year			94250	0.98
<b>8</b>	<b>Oriental Bank of Commerce</b>				
	At the beginning of the year	84800	0.88		
	No change during the year	–	–		
	At the end of the year			84800	0.88
<b>9</b>	<b>RRB Securities Limited</b>				
	At the beginning of the year	66500	0.69		
	No change during the year	–	–		
	At the end of the year			66500	0.69
<b>10</b>	<b>Amrex Marketing Pvt Ltd</b>				
	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
<b>1</b>	<b>Mr. Vimal Kumar Jain, Independent Non-executive Director</b>				
	At the beginning of the year	–	–		
	Nil holding/ changes during the year	–	–		
	At the end of the year			–	–
<b>2</b>	<b>Mr. Shyam Lal Gouniyal, Independent Non-executive Director</b>				
	At the beginning of the year	–	–		
	Nil holding/ changes during the year	–	–		
	At the end of the year			–	–

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
<b>3</b>	<b>Mr. Gorachand Dutta, Independent Non-executive Director</b>				
	At the beginning of the year	–	–		
	Nil holding/ changes during the year	–	–		
	At the end of the year			–	–
<b>4</b>	<b>Mr. Rajesh Jain, Non Independent Non-executive Director</b>				
	At the beginning of the year	–	–		
	Nil holding/ changes during the year	–	–		
	At the end of the year			–	–
<b>5</b>	<b>Ms. Preety Gupta, Independent Non-executive Director (ceased on 23.09.2016)</b>				
	At the beginning of the year	–	–		
	Nil holding/ changes during the year	–	–		
	At the end of the year			–	–
<b>6</b>	<b>Ms. Anjali, Independent Non-executive Director (appointed w.e.f. 24.09.2016)</b>				
	At the beginning of the year	–	–		
	Nil holding/ changes during the year	–	–		
	At the end of the year			–	–
<b>7</b>	<b>Mr. Manish Rakesh, Company Secretary</b>				
	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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
<b>Total (i+ii+iii)</b>	–	–	–	–
<b>Change in Indebtedness during the financial year</b>				
• Addition	–	–	–	–
• Reduction	–	–	–	–
<b>Net Change</b>	–	–	–	–
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
<b>Total (i+ii+iii)</b>	–	–	–	–

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

(Rs. in lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify...					
5	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

**Remuneration to other directors:**

(Rs. in lacs)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount	
		Mr. Vimal Kumar Jain	Mr. Shyam Lal Gouniyal	Mr. Gorachand Dutta	Mr. Rajesh Jain	Ms. Preety Gupta (ceased on 23.09.2016)	Ms. Anjali (appointed w.e.f 24.09.2016)		
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	
		Mr. Manish Rakesh (Company Secretary)	Total
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.54	1.54
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–
2	Stock Option	–	–
3	Sweat Equity	–	–
4	Commission	–	–
	- as % of profit	–	–
	others, specify...	–	–
5	Others, please specify [Employer's contribution to Provident Fund, etc.]	0.09	0.09
	Total	1.63	1.63

**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)
<b>A. COMPANY</b>					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
<b>B. DIRECTORS</b>					
Penalty	–	–	NIL	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–

**Note:** A show cause notice was received by the Company from the Office of the Registrar of Companies, NCT of Delhi & Haryana for purported violation of Section 12 of the Companies Act, 2013. The Company has in its reply submitted that use of an old letterhead without CIN was an inadvertent lapse on the part of one of the Technical Professionals/ Experts engaged by the Company, who does not have any expertise in Company Law. The matter is pending before the Adjudicating Officer till the date of this report.

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

Place : New Delhi  
Date : July 22, 2017

Sd/-  
**Rishabh Jain**  
Director  
DIN: 02329777

Sd/-  
**Rajesh Jain**  
Director  
DIN: 01200520

**MANAGEMENT DISCUSSION AND ANALYSIS****Financial Performance**

This year also Company could not start its business activities due to financial and other factors beyond the control of management of the Company. The financial year 2016-17 closed at a net loss of Rs. 50,72,000 as compared to net loss of Rs. 11,88,784 in the preceding financial year.

**Industry Structure and development:**

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

**Prospect and Outlook**

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

**Segment wise or Product wise performance**

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

**Opportunities and Threats****Opportunities:**

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

**Threats:**

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

**Risk and Concerns**

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

**Internal Control System and their Adequacy**

The Company has in place an adequate internal control system to safeguard all assets and ensure operational excellence. The system also meticulously records all transaction details and ensures regulatory compliance. The Company has an Audit Committee in place which guides and provides proper measure for controlling the affairs of the Company.

**Human Resource**

Your company has 2 employees as on 31st March, 2017. Relations between the management and employees have been cordial. Your company maintains a work environment that is free from any harassment.

**INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
Indo Gulf Industries Limited

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of **Indo Gulf Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit & Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS 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 of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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 were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2017, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of accounts;

- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
- e) On the basis of written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2017 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 Ind AS 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;
  - iv. the Company has provided requisite disclosures in the Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management.

Place : New Delhi  
Date : 20<sup>th</sup> May, 2017

Sd/-  
Vijay Kumar Jain  
Partner  
M. No.087502

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

**Anexure- A referred to in our Independent Auditors' Report to the Members of Indo Gulf Industries Limited on the Ind AS financial statement for the year ended on 31<sup>st</sup> March 2017, 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, fixed assets of the plants have not been physically verified.
- 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 31.03.2017. 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:

The Company has received various notices and recovery certificates amounting to Rs. 5,71,98,248/- pertaining to the demand of sales tax of Rs. 5,37,10,942/- and central excise of Rs. 34,87,306/- (Refer Note No. 20 (3) (iii) (a to f) of the financial statement). The above notices mainly received before the sanction of Rehabilitation Scheme.

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

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

- The notices and recovery certificates are issued prior to the date of Rehabilitation Scheme sanctioned by the Hon'ble BIFR.
  - The relief and concessions (reassessment of demand, waiver of interest, waiver of penalty etc.) as directed by the Rehabilitation Scheme sanctioned by the Hon'ble BIFR have not been considered.
- a) According to information and explanation given to us, 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 undisputed statutory dues were outstanding as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable except above.
- 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 as at 31<sup>st</sup> March, 2017 except above.
- 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of the paragraph 3 (xiv) of the Order is not applicable to the Company.
- 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.

Sd/-

Vijay Kumar Jain  
Partner  
M. No.087502

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

Place : New Delhi  
Date : 20<sup>th</sup> May, 2017

**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, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based 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, 2017, 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.

Place : New Delhi  
Date : 20<sup>th</sup> May, 2017

Sd/-  
Vijay Kumar Jain  
Partner  
M. No.087502

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

**BALANCE SHEET AS AT 31ST MARCH, 2017**

(₹ in lacs)

	Particulars	Note	As at		As at	
			31st March, 2017		31st March, 2016	As at 1st April, 2015
<b>I.</b>	<b>ASSETS</b>					
(1)	<b>Non - current assets</b>					
	Property, plant and equipment	4		<b>138.72</b>	147.86	157.05
(2)	<b>Current assets</b>					
(a)	Financial assets					
(i)	Cash and cash equivalents	5	<b>53.52</b>		250.85	2.79
(ii)	Bank balances other than cash and cash equivalents	6	<b>139.71</b>		-	-
(iii)	Loans	7	<b>1.36</b>		-	-
(iv)	Other financial assets	8	<b>0.97</b>		0.04	0.04
(b)	Other current assets	9	<b>14.22</b>		0.84	-
				<b>209.78</b>	251.73	2.83
	<b>Total Assets</b>			<b>348.50</b>	<b>399.59</b>	<b>159.88</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>					
	<b>Equity</b>					
(a)	Equity Share capital	10	<b>95.67</b>		95.67	95.67
(b)	Other Equity	11	<b>(384.25)</b>	<b>(288.58)</b>	(333.53)	(237.86)
	<b>Liabilities</b>					
(1)	<b>Non - current liabilities</b>					
	Financial liabilities					
	Borrowings	12		<b>558.38</b>	558.38	308.38
(2)	<b>Current liabilities</b>					
(a)	Financial liabilities					
	Other financial liabilities	13	<b>34.98</b>		35.51	34.00
(b)	Other current liabilities	14	<b>0.27</b>		0.11	0.02
(c)	Provisions	15	<b>43.45</b>	<b>78.70</b>	43.45	79.07
	<b>Total Equity and Liabilities</b>			<b>348.50</b>	<b>399.59</b>	<b>159.88</b>
	The accompanying notes form an integral part of the financial statements					
<b>As per our report of even date attached.</b>						

**For MANV & Associates**

Chartered Accountants

Firm's Registration Number - 007351N

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

**For and on behalf of the Board of Directors  
 Indo Gulf Industries Limited**
**Place of Signature:** New Delhi

**Date:** 20th May, 2017

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

(₹ in lacs)

Particulars	Note No.	Year ended 31st March, 2017	Year ended 31st March, 2016
Other income	16	12.79	3.30
<b>Total income</b>		<b>12.79</b>	<b>3.30</b>
<b>Expenses:</b>			
Employee benefits expense	17	8.33	0.03
Depreciation and amortisation expense	18	9.13	9.19
Other expenses	19	46.05	5.97
<b>Total expenses</b>		<b>63.51</b>	<b>15.19</b>
<b>Loss before exceptional items and tax</b>		<b>50.72</b>	<b>11.89</b>
<b>Exceptional items</b>		-	-
<b>Loss before tax</b>		<b>50.72</b>	<b>11.89</b>
Tax expense		-	-
<b>Loss for the year</b>		<b>50.72</b>	<b>11.89</b>
<b>Other Comprehensive Income</b>			
a) (i) Items that will not be reclassified to Profit or Loss		-	-
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
b) (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
<b>Total Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income for the year</b>		<b>(50.72)</b>	<b>(11.89)</b>
<b>(Comprising Loss and Other Comprehensive Income for the year)</b>			
<b>Earnings per equity share</b> (Nominal value per share ₹ 1/-) [Refer Note No. 20(4)]			
- Basic (₹)		(0.00)	(0.00)
- Diluted (₹)		(0.00)	(0.00)
<b>Number of shares used in computing Earnings per share</b>			
- Basic		9,567,270	9,567,270
- Diluted		9,567,270	9,567,270
The accompanying notes form an integral part of the financial statements			
<b>As per our report of even date attached.</b>			

**For MANV & Associates**

Chartered Accountants

Firm's Registration Number - 007351N

Sd/-

**(CA. Vijay Kumar Jain**  
 Membership No. 087502)  
 Partner

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

**Place of Signature:** New Delhi

**Date:** 20th May, 2017

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

(₹ in lacs)

	Particulars	Year ended	
		31st March, 2017	31st March, 2016
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Loss before exceptional items and tax</b>	50.72	11.89
	<i>Adjustments to reconcile loss before exceptional items and tax to net cash flow provided by operating activities :</i>		
	Employee benefits expense	0.13	
	Depreciation expense	9.13	9.19
	Loss on sale/discard of property, plant and equipment	0.01	-
	Interest income	(12.79)	-
	Unspent liabilities /balances written back	-	-
		<u>(3.52)</u>	<u>9.19</u>
	<b>Operating loss before working capital changes</b>	54.24	2.70
	<i>Adjustments to reconcile operating loss to cash flow provided by changes in working capital :</i>		
	Other current financial and non-financial liabilities	(0.37)	1.60
	Other current financial and non-financial assets	(13.81)	(0.51)
		<u>(14.18)</u>	<u>1.09</u>
	<b>Cash used in operations</b>	68.42	1.61
	Tax expense		
	Direct taxes (paid)/refund received	(0.92)	(0.33)
	<b>Cash flow before exceptional items</b>	69.34	1.94
	Exceptional items	-	-
	<b>Net cash used in operating activities</b>	<u>69.34</u>	<u>1.94</u>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Fixed deposits placed with banks	(255.45)	-
	Fixed deposits redeemed from banks	115.74	-
	Interest received on fixed deposits	11.72	-
	<b>Net cash (used in) investing activities</b>	<u>(127.99)</u>	<u>-</u>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from issue of preference shares	-	250.00
	<b>Net cash generated from financing activities</b>	<u>-</u>	<u>250.00</u>
	<b>Net (decrease) in cash and cash equivalents (B+C-A)</b>	<u>(197.33)</u>	<u>248.06</u>
	Opening cash and cash equivalents	250.85	2.79
	<b>Closing cash and cash equivalents [Refer Note No. 5]</b>	53.52	250.85

**Notes :**

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 on "Statement of Cash Flows".
- 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. 5, 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

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:** 20th May, 2017

**SIGNIFICANT ACCOUNTING POLICY****1. Corporate information**

Indo Gulf Industries Limited ("IGIL" or "the Company") is a public limited Company incorporated and domiciled in India. The registered office of the Company is situated at 213, Rectangle One, D-4 District Centre, Saket, New Delhi – 110017, India.

The Company's shares are listed on the BSE Ltd. and Ahmedabad Stock Exchange.

The principal activities of the Company is manufacturing of explosive, ammunition and fireworks.

These financial statements were approved for issue by the Board of Directors of the Company on 20<sup>th</sup> May, 2017 and are subject to the approval by the shareholders in the ensuing Annual General Meeting.

**2. Significant accounting policies****2.1 Compliance with Ind AS**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") with effect from 1st April, 2016 with restatement of previous year figures presented in these financial statements. The Ind AS are prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted the applicable Ind AS and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in Note 20(17).

These financial statements for the year ended 31<sup>st</sup> March 2017 are the first financial statements of the Company prepared in accordance with Ind AS.

**2.2 Basis of preparation**

These financial statements have been prepared under the historical cost basis.

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

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

These financial statements including notes thereon are presented in Indian Rupees ("Rupees" or "Rs." or "₹"), which is the Company's functional and presentation currency. All amount disclosed in these financial statements including notes thereon have been rounded off to the nearest rupee as per the requirements of Schedule III to the Act, unless stated otherwise.

**2.3 Revenue recognition**

Revenue is recognised to the extent it is probable that economic benefits would flow to the Company and the revenue can be reliably measured, regardless of when the revenue proceeds is received from customers.

Revenue is measured at the fair value of the consideration received/receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

For all debt instruments measured at amortized cost, interest income is recognised using the effective interest rate (EIR). When calculating the EIR, the Company estimates the expected cash flows by considering all contractual terms of the financial instruments but does not consider the expected credit losses. Interest income is included in "Other Income" in the Statement of Profit and Loss.

All other income are accounted for on accrual basis.

**2.4 Property, plant and equipment (PPE)****a) Transition to Ind AS**

The Company has elected to continue with carrying value of all Property, plant and equipment under the previous GAAP, as deemed cost at the transition date i.e. 1st April, 2015. Under the previous GAAP, Property, plant and equipment were stated at their original cost, net of accumulated depreciation.

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

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

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

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

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

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

**c) Depreciation methods, estimated useful lives and residual value**

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

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.

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

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

Useful life and residual value of the assets are reviewed at each Balance Sheet date.

**2.5 Leases**

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

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

**As a lessee**

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

**2.6 Provisions, contingent liabilities and contingent assets**

a) A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognised for future operating losses.

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

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

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

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

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

c) Contingent assets is not recognised in the financial statements, however, is disclosed, where an inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

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

## 2.7 Employee benefits

### Short-term employee benefits

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

## 2.8 Financial instruments

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

### a) Financial assets

#### i) Initial recognition and measurement

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

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

#### ii) Subsequent measurement

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

#### Debt instruments at amortised cost

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

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

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

#### iii) De-recognition

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

### b) Financial liabilities

#### (i) Initial recognition and measurement

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

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

The financial liabilities include borrowings and other payables.

#### (ii) Subsequent measurement

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

#### Financial liabilities at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

#### (iii) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**c) Offsetting of financial instruments**

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

**d) Fair value measurement**

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

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

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

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

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

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

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

**e) Share capital**

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

**2.9 Impairment of Assets**

**a) Non-financial assets**

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

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

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

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

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

**b) Financial assets**

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

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

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

**2.10 Taxes**

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

**a) Current income tax**

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

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

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

**b) Deferred income tax**

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

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

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

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

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

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

**2.11 Earnings per Share**

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

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

**2.12 Cash and cash equivalents**

Cash and cash equivalent in the Balance Sheet comprise cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**2.13 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.

**3. Use of critical estimates, judgements and assumptions**

The preparation of the financial statements requires the use of accounting estimates, which, by definition would seldom equal the actual results. Management also needs to exercise judgement and make certain assumptions in applying the Company's accounting policies and preparation of financial statements.

The use of such estimates, judgements and assumptions affect the reported amounts of revenue, expenses, assets and liabilities including the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

**STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31ST MARCH 2017**
**(a) Equity Share capital**

(₹ in lacs)

Particulars	
Balance as at 1st April, 2015	95.67
Changes during the year ended 31st March, 2016	-
Balance as at 31st March, 2016	95.67
Changes during the year ended 31st March, 2017	-
Balance as at 31st March, 2017	95.67

**(b) Other Equity**

(₹ in lacs)

Particulars	Reserves and surplus	Other Comprehensive Income	Total
	Retained Earnings		
Balance as at 1st April, 2015	(321.64)	-	(321.64)
Loss for the year ended 31st March, 2016	(11.89)	-	(11.89)
Balance as at 31st March, 2016	(333.53)	-	(333.53)
Loss for the year ended 31st March, 2017	(50.72)	-	(50.72)
Balance as at 31st March, 2017	(384.25)	-	(384.25)

**NOTE NO. : 4 PROPERTY, PLANT AND EQUIPMENT**

(₹ in lacs)

Particulars	Land (Free Hold)	Land (Lease Hold)	Buildings	Plant & equipments	Office Equipments	Computers	Total
<b>Gross block</b>							
<b>Gross carrying amount as at 01.04.2016</b>	16.58	31.45	92.50	16.50	0.01	0.01	157.05
Additions during the year	-	-	-	-	-	-	-
Disposals/deductions during the year	-	-	-	-	0.01	-	0.01
<b>Gross carrying amount as at 31.03.2017</b>	16.58	31.45	92.50	16.50	-	0.01	157.04
<b>Depreciation</b>							
<b>Accumulated depreciation as at 01.04.2016</b>	-	-	9.19	-	-	-	9.19
Depreciation for the year	-	-	9.13	-	-	-	9.13
Disposals/deductions during the year	-	-	-	-	-	-	-
<b>Accumulated depreciation as at 31.03.2017</b>	-	-	18.32	-	-	-	18.32
<b>Net carrying amount as at 31.03.2017</b>	16.58	31.45	74.18	16.50	-	0.01	138.72
<b>Gross block</b>							
<b>Gross carrying amount as at 01.04.2015</b>	16.58	31.45	92.50	16.50	0.01	0.01	157.05
Additions during the year	-	-	-	-	-	-	-
Disposals/deductions during the year	-	-	-	-	-	-	-
<b>Gross carrying amount as at 31.03.2016</b>	16.58	31.45	92.50	16.50	0.01	0.01	157.05
<b>Depreciation</b>							
<b>Accumulated depreciation as at 01.04.2015</b>	-	-	-	-	-	-	-
Depreciation for the year	-	-	9.19	-	-	-	9.19
Disposals/deductions during the year	-	-	-	-	-	-	-
<b>Accumulated depreciation as at 31.03.2016</b>	-	-	9.19	-	-	-	9.19
<b>Net carrying amount as at 31.03.2016</b>	16.58	31.45	83.31	16.50	0.01	0.01	147.86
<b>Net carrying amount as at 01.04.2015</b>	16.58	31.45	92.50	16.50	0.01	0.01	157.05

**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.

**NOTE NO. : 5 CASH AND CASH EQUIVALENTS**

(₹ in lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balances with banks			
On current accounts	7.48	250.79	2.79
Cash on hand	0.03	0.06	-
Fixed deposits with bank	46.01	-	-
	53.52	250.85	2.79

**NOTE NO. : 6 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ in lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Fixed deposits with bank			
Original maturity period up to 12 months	139.71	-	-
	139.71	-	-

**NOTE NO. : 7 LOANS (UNSECURED, CONSIDERED GOOD)**

(₹ in lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial assets at amortized cost			
Loan to employee	1.36	0.00	-
	1.36	-	-

**NOTE NO. : 8 OTHER FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)**

(₹ in lacs)

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
<b>Financial assets at amortized cost</b>						
Security deposit		0.04		0.04		0.04
Interest accrued but not due on						
Fixed deposits with bank	0.93		-		-	
Others	-	0.93	-	-	-	-
		0.97		0.04		0.04

**NOTE NO. : 9 OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)**

(₹ in lacs)

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
Advances other than capital advances						
Other advances		12.94		0.45		-
Others						
Prepaid expenses	0.00		0.06		-	
TDS receivable	1.26		0.33		-	
Deferred employee benefit expenses	0.02	1.28	-	0.39	-	-
		14.22		0.84		-

**NOTE NO. : 10 EQUITY SHARE CAPITAL**

(₹ in lacs)

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>(a) Authorised</b>						
Equity shares of par value ₹ 1/- each	150,000,000	1,500.00	150,000,000	1,500.00	197,500,000	1,975.00
		1,500.00		1,500.00		1,975.00
<b>(b) Issued, subscribed and fully paid up</b>						
Equity shares of par value ₹ 1/- each	9,567,270	95.67	9,567,270	95.67	9,567,270	95.67
		95.67		95.67		95.67

**(c) Reconciliation of number and amount of equity shares outstanding:**

There was no movement in number and amount of equity shares during the year ended 31st March 2017 nor in previous year ended 31st March 2016, hence reconciliation statement is not required to be disclosed.

- (d) The Company has only one class of equity shares. The Company declares and pays dividend in Indian Rupees. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share.

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

- (f) 51,62,470 (31st March, 2016: 51,62,470) equity shares of par value ₹ 1/- each are held by Balrampur Chini Mills Ltd. (BCML), the Holding Company.

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

Name of the Shareholder	As at 31st March, 2017		As at 31st March, 2016		As at 1st April 2015	
	No. of shares held	% of holding to the total equity capital	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 (BCML)	5,162,470	53.96%	5,162,470	53.96%	5,162,470	53.96%

- (h) The existing promoters of the Company, namely Balrampur Chini Mills Ltd. (BCML) entered into a Share Purchase Agreement (SPA) dated 27th January, 2017 with Ganesh Explosives Private Limited (GEPL) for sale of its entire shareholding in the Company consisting of 51,62,470 Equity Shares of ₹ 1/- each (53.96%) subject to compliance and completion of the formalities under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI (SAST) Regulations, 2011") and the conditions precedent in terms of the SPA.

Accordingly, GEPL has made an "Open Offer" for the acquisition of 24,87,491 fully paid-up Equity Shares of ₹ 1/- each, representing 26% of the total paid up equity and voting share capital of the Company at a price of ₹ 0.40 per Equity Share payable in cash under the SEBI (SAST) Regulations, 2011.

Pursuant to the completion of the Open Offer formalities by the acquirer (GEPL), BCML has ceased to be the Holding Company and GEPL has now significant equity ownership and effective management control over the Company pursuant to regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011.

- (i) The Company has not issued any equity shares without payment being received in cash in 5 years immediately preceding the balance sheet date.
- (j) The Company has neither issued any bonus shares nor has bought back equity shares in 5 years immediately preceding the balance sheet date.

**NOTE NO. : 10 EQUITY SHARE CAPITAL**

(₹ in lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Surplus in the Statement of Profit and Loss</b>		
Balance at beginning of the year	(333.53)	(321.64)
Add: (Loss) for the year	(50.72)	(11.89)
<b>Balance as at the balance sheet date</b>	<b>(384.25)</b>	<b>(333.53)</b>

**NOTE NO. : 11 BORROWINGS (NON-CURRENT)**

(₹ in lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Deferred payment liabilities</b>			
Deferred sales tax loan (Unsecured ) #	308.38	308.38	308.38
<b>Preference Share Capital</b>			
0.001% Non Convertible, Non-Cumulative, Redeemable Preference shares of par value ₹ 100/- each (Unsecured )	250.00	250.00	-
	<b>558.38</b>	<b>558.38</b>	<b>308.38</b>

# Dy. Commissioner of Sales Tax Baidhan Distt. Sidhi M.P. has issued recovery notice dated 2nd March, 2006 for ₹ 454.29 lacs u/s 3 of Revenue Recovery Act, 1980. The Company has recognized the reduced liability of ₹ 308.38 lacs pursuant to sanction of the Rehabilitation Scheme by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR), and the aforesaid loan is to be treated as interest free and to be repaid in 5 yearly installments after the restart of the Company's explosive unit. However, the differential amount of ₹ 145.91 lacs is yet to be waived off by the department as per Rehabilitation Scheme.

**Notes**
**Details of preference share capital**

Particulars		As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		No. of Shares	Amount (₹)	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
(i)	<b>Authorised</b>						
	10% Convertible Cumulative Preference Shares of (Previous period: ₹ 100/-) each per value ₹ 100/- each	-	-	-	-	25,000	25.00
	Preference shares of par value ₹ 100/- each	500,000	500.00	500,000	500.00	-	-
		<b>500,000</b>	<b>500.00</b>	<b>500,000</b>	<b>500.00</b>	<b>25,000</b>	<b>25.00</b>
(ii)	<b>Issued, subscribed and fully paid up</b>						
	0.001% Non Convertible, Non-Cumulative, Redeemable Preference shares of par value ₹ 100/- each	250,000	250.00	250,000	250.00	-	-
		<b>250,000</b>	<b>250.00</b>	<b>250,000</b>	<b>250.00</b>	<b>-</b>	<b>-</b>

- (iii) The preference shares are not convertible in nature.
- (iv) 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.
- (v) The preference shareholder(s) shall have no voting rights, except as provided under the Companies Act, 2013 and rules made thereunder.
- (vi) 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.
- (vii) The Company has neither issued any bonus shares nor has bought back preference shares in 5 years immediately preceding the balance sheet date.
- (viii) 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. : 13 OTHER FINANCIAL LIABILITIES**

(₹ in lacs)

Particulars	As at		As at		As at	
	31st March, 2017		31st March, 2016		1st April, 2015	
<b>Financial liabilities at amortized cost</b>						
<b>Other payables</b>						
Accrued expenses	1.42		1.94		0.44	
Unpaid salaries and other payroll dues	-		0.01		-	
Others	33.56	34.98	33.56	35.51	33.56	34
		34.98		35.51		34.00

**NOTE NO. : 14 OTHER CURRENT LIABILITIES**

(₹ in lacs)

Particulars	As at		As at	
	31st March, 2017		31st March, 2016	
Statutory liabilities	0.27		0.11	0.02
	0.27		0.11	0.02

**NOTE NO. : 15 PROVISIONS**

(₹ in lacs)

Particulars	As at		As at	
	31st March, 2017		31st March, 2016	
Other provisions				
Provision for contingencies [Refer Note No. 20(3)]	43.45		43.45	43.45
	43.45		43.45	43.45

**NOTE NO. : 16 OTHER INCOME**

(₹ in lacs)

Particulars	Year ended		Year ended	
	31st March, 2017		31st March, 2016	
Interest income on financial assets (amortized cost)				
Fixed deposits with banks	12.65		-	
Others	0.13	12.78	-	-
Interest income on income tax refund		0.01		-
Brokerage and commission		-		3.30
		12.79		3.30

**NOTE NO. : 17 EMPLOYEE BENEFITS EXPENSE**

(₹ in lacs)

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Salaries and wages		7.54	
Contribution to provident and other funds		0.66		0.02
Staff welfare expense		0.13		-
		<b>8.33</b>		0.03

**NOTE NO. : 18 DEPRECIATION AND AMORTISATION EXPENSE**

(₹ in lacs)

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Depreciation and amortisation of tangible assets [Refer Note No. 4]		9.13	
		<b>9.13</b>		9.19

**NOTE NO. : 19 OTHER EXPENSES**

(₹ in lacs)

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Rent		0.60	
Others		0.05		0.08
Rates and taxes (excluding taxes on income)		1.55		0.10
Payments to auditor				
As auditor for statutory audit	0.66		0.65	
For other services (Limited reviews and certifications)	0.29		0.22	
		<b>0.95</b>		0.87
Listing and allied fees		31.18		0.29
Legal and Professional expenses		10.53		0.62
Miscellaneous expenses		1.18		3.47
Loss on sale/discard of property, plant and equipment		0.01		-
		<b>46.05</b>		5.97

**NOTE NO. : 20 OTHER DISCLOSURES**
**1. Contingent liabilities and commitments (to the extent not provided for)**

(₹ in lacs)

Particulars	As at	As at	As at
	31st March, 2017	31st March, 2016	1st April, 2015
<b>a) Contingent liabilities :</b>			
Claims against the Company not acknowledged as debts :			
a) Excise duty demand - under appeal	20.70	-	-
b) Sales tax demand- under appeal	261.61	-	-
c) Others - under appeal/litigation	183.04	-	-
	<b>465.35</b>	-	-

**b) Commitments :**

Estimated amount of contracts remaining to be executed on

capital account and not provided for

- - -

The amounts shown in (i) above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the Company or the claimants, as the case may be and, therefore, cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

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

2. Based on the information / documents available with the Company, no amount (31st March 2016: Nil, 1st April 2015: Nil) is/was due to Micro, Small and Medium Enterprises as defined in the "Micro, Small and Medium Enterprises Development Act, 2006".

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

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

**(i) Nature of provisions**
**Provision for contingencies**

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

claims against the Company based on the Management's assessment.

**(ii) Movements in Provisions:**

(₹ in lacs)

Particulars	Duties and taxes
Balance as at 1st April, 2016	43.45
Provided during the year	-
Used during the year	-
Reversed during the year	-
Balance as at 31st March, 2017	43.45
Non-current	-
Current	43.45
Balance as at 1st April, 2015	43.45
Provided during the year	-
Used during the year	-
Reversed during the year	-
Balance as at 31st March, 2016	43.45
Non-current	-
Current	43.45

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

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

**(iii) Details of pending litigations:**

(a)	Dy. Commisisioner of Sales Tax, Jhansi has issued demand notice dated 1st October, 2004 for ₹ 201.00 lacs for the year 1988-89, 1997-98, 1998-99, 1999-00 and 2000-01. However the company has made submission to reopen and review the case which is under consideration.	20,099,559.00	201.00
(b)	Dy. Commisisioner of Sales Tax Baidhan Distt. Sidhi M.P. has issued recovery notice for entry tax dated 10th October, 2011 for ₹ 272.64 lacs u/s. 146 of M.P. land Revenue Recovery Act, 1959.	27263731	272.64
(c)	Asstt. Collector IInd Grade, Delhi has issued writ of demand for a sum of ₹ 15.43 lacs on accounts of recovery certificate dated 21st February, 2007 issued by Dy. Commissioner of Commercial Tax Satna (M.P.).	1542501	15.43
(d)	Assistant Commissioner of Custom & Central Excise, Satna, M.P. has issued reminder dated 26th October, 2007 for demand of Excise duty and penalty thereon aggregating to ₹ 5.00 lacs	500423	5.00
(e)	Dy. Commissioner of Commercial Taxes, Angul, Orissa has issued notice dated 15th July, 2014 for ₹ 48.05 lacs on account of demand of sales tax for the period 1998-99 to 2000-01.	4805151	48.05
(f)	Additional Commissioner Central Excise, Kanpur, has issued order dated 30th June, 2010 for demand of Excise duty of ₹ 13.76 lacs and penalty of ₹ 16.10 lacs	1376497 1610386	13.76 16.10
(g)	Deputy Labour Commissioner, Jhansi has passed ex-parte order for recovery of ₹ 183.04 lacs on account of salary of 114 employees of Jhansi Exclusive Unit for the period from January 2001 to February 2005. The Company had filed writ petition in Allahabad High Court challenging the said DLC Jhansi orders. The Allahabad High Court had directed the Company to deposit ₹ 92.00 lacs before the Deputy Labour Commissioner, Jhansi and also directed to furnish security of balance amount ₹ 91.05 lacs The Company has challenged the said order by filing appeal in Hon'ble Supreme Court. Hon'ble Supreme Court has granted interim stay. The matter is pending before the Hon'ble Supreme Court of India.	18304058	183.04 - 92.00 91.05
(h)	The Company entered into an agreement with National Fertilizers Limited for supply of Ammonium Nitrate in the year 1989 which was subsequently renewed and revised from time to time till 1995. National Fertilizers Limited has filed suit against the Company. Matter is pending before High Court of Delhi. The amount involved is ₹ 144.56 lacs However, the Company has also filed a counter claim of ₹ 250.00 lacs in the above mentioned suit for charging higher rates for supply of Ammonium Nitrate.		- -
	Out of the total liability as stated in (a) to (d) above, provision to the tune of ₹ 289.68 lacs has already been provided by the Company.	14456000	144.56
	However, the said liability after taking into account the relief and concessions of Rehabilitation Scheme by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) stands reduced to ₹ 43.45 lacs and is included under the line item "Provision for contingencies".	25000000	250.00
	Further, the Government of Uttar Pradesh has initiated recovery proceedings for recovery of Sales Tax dues related to Explosive Unit at Jhansi, pursuant to which, the factory at Jhansi has been seized by the Government authorities. All the assets located at the said factory including records thereat remain seized till the year end. Out of the above assets, certain assets pertaining to the said unit have been auctioned by the Office of the Labour Commissioner, Jhansi, against which a sum of ₹ 8.03 lacs (31st March, 2016: ₹ 8.03 lacs) is lying with them. No adjustment in this respect has been carried out in these accounts.	28967629	289.68
		4345144.35	43.45
			-
			-
			-
		803000	8.03
		803000	8.03

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

Particulars		Year ended 31st March, 2017	Year ended 31st March, 2016
a)	Amount used as the numerator (₹ in lacs) (Loss) after tax - (A)	(50.72)	(11.89)
b)	Weighted average number of Equity shares outstanding used as the denominator for computing Basic Earnings per share - (B)	9,567,270	9,567,270
c)	Weighted average number of Equity shares outstanding used as the denominator for computing Diluted Earnings per share - (C)	9,567,270	9,567,270
d)	Nominal value of equity shares (₹)	1.00	1.00
e)	Basic earnings per share (₹) (A/B)	(0.53)	(0.12)
f)	Diluted earnings per share (₹) (A/C)	(0.53)	(0.12)

**5. Details of specified bank notes (SBNs) held and transacted during the period 8th November, 2016 to 30th December, 2016 is as follows:**

(₹ in lacs)

Particulars	Specified bank notes (SBNs)	Other denomination notes #	Total
<b>Closing cash in hand as at 8th November, 2016</b>	0.07	0.01	0.08
Add: Permitted receipts *	-	0.07	0.07
Less: Permitted payments	-	0.05	0.05
Less: Amount deposited in banks	0.07	-	0.07
<b>Closing cash in hand as at 30th December, 2016</b>	-	0.03	0.03
# includes coins			
* includes amount withdrawn from banks			

**6. The Hon'ble Appellate Authority for Industrial and Financial Reconstruction (AAIFR) at its hearing held on 14th June, 2016 has, inter-alia, discharged the Company from the purview of The Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), since the networth of the Company turned positive.**

Accordingly, the Company ceases to be a Sick Company.

**7. Segment information**

The Board of Directors has been identified as the Company's chief operating decision-maker (CODM) as defined by Ind AS 108 – Operating

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

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

**8. During the previous year ended 31st March, 2016, the Company had 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 ₹ 250.00 lacs on private placement basis for cash, at par.

Details of fund utilisation of the amount raised through private placement is as under:

Particulars	Amount (₹ in lacs)	
<b>Balance as at 1st April, 2015</b>		-
Add: Fund received during year ended 31st March, 2016		250.00
<b>Balance as at 31st March, 2016 *</b>		250.00
Add: Interest Income on fixed deposits		10.45
Less: Utilisation of funds		
Towards expenses incurred	68.64	68.64
<b>Balance as at 31st March, 2017 *</b>		191.81
* unutilised amount lying in current accounts/fixed deposit accounts of the Company		

9. In accordance with Indian Accounting Standard - 12 "Income Taxes", 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 ₹ 286.03 lacs as at 31st March, 2017 (31st March, 2016: ₹ 283.07 lacs) and profit after tax would have been higher by ₹ 286.03 lacs (31st March, 2016: 283.07 lacs) .

10. **Disclosure pursuant to Indian Accounting Standard - 36 on "Impairment of Assets"**

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

11. **Disclosure pursuant to Indian Accounting Standard - 19 on "Employee Benefits"**

During the year under review, no liability has accrued on account of long-term employee benefits payable by the Company.

Hence, information as per the requirements of Indian Accounting Standard - 19 on "Employee Benefits" is not required to be disclosed.

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

The Company has neither given any loan nor has advanced any amount either during the current year ended 31st March, 2017 or during the previous year ended 31st March, 2016. Hence, the requirements under the said Schedule is not applicable to the Company and no information is required to be disclosed.

14. **Fair Value Measurements**

As at 31st March, 2017

(₹ in lacs)

Sl. No.	Particulars	Amortized cost	FVTOCI	FVTPL	Total
<b>(1)</b>	<b>Financial assets</b>				
(a)	Cash and cash equivalents	53.52	-	-	53.52
(b)	Bank balances other than cash and cash equivalents	139.71	-	-	139.71
(c)	Loans	1.36	-	-	1.36
(d)	Other financial assets	0.97	-	-	0.97
	<b>Total</b>	<b>195.56</b>	-	-	<b>195.56</b>
<b>(2)</b>	<b>Financial liabilities</b>				
(a)	Borrowings	558.38	-	-	558.38
(b)	Other financial liabilities	34.98	-	-	34.98
	<b>Total</b>	<b>593.36</b>	-	-	<b>593.36</b>

**As at 31st March, 2016**
**(₹ in lacs)**

Sl. No.	Particulars	Amortized cost	FVTOCI	FVTPL	Total
<b>(1)</b>	<b>Financial assets</b>				
(a)	Cash and cash equivalents	250.85	-	-	250.85
(b)	Bank balances other than cash and cash equivalents	-	-	-	-
(c)	Loans	-	-	-	-
(d)	Other financial assets	0.04	-	-	0.04
	<b>Total</b>	<b>250.89</b>	<b>-</b>	<b>-</b>	<b>250.89</b>
<b>(2)</b>	<b>Financial liabilities</b>				
(a)	Borrowings	558.38	-	-	558.38
(b)	Other financial liabilities	35.51	-	-	35.51
	<b>Total</b>	<b>593.89</b>	<b>-</b>	<b>-</b>	<b>593.89</b>

**As at 1st April 2015**
**(₹ in lacs)**

Sl. No.	Particulars	Amortized cost	FVTOCI	FVTPL	Total
<b>(1)</b>	<b>Financial assets</b>				
(a)	Cash and cash equivalents	2.79	-	-	2.79
(b)	Bank balances other than cash and cash equivalents	-	-	-	-
(c)	Loans	-	-	-	-
(d)	Other financial assets	0.04	-	-	0.04
	<b>Total</b>	<b>2.83</b>	<b>-</b>	<b>-</b>	<b>2.83</b>
<b>(2)</b>	<b>Financial liabilities</b>				
(a)	Borrowings	308.38	-	-	308.38
(b)	Other financial liabilities	34.00	-	-	34.00
	<b>Total</b>	<b>342.38</b>	<b>-</b>	<b>-</b>	<b>342.38</b>

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

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

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

**C. Fair Value Hierarchy**

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

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

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

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

(i) Financial assets and financial liabilities measured at fair value as at 31st March 2017:

(₹ in lacs)

Sl. No.	Particulars	Level 1	Level 2	Level 3	Total
<b>A.</b>	<b>Financial assets [At amortized cost (current)]</b>				
	Cash and cash equivalents	-	-	53.52	53.52
	Bank balances other than cash and cash equivalents	-	-	139.71	139.71
	Loans	-	-	1.36	1.36
	Other financial assets	-	-	0.97	0.97
	<b>Total financial assets</b>	-	-	195.56	195.56
<b>B.</b>	<b>Financial assets [At amortized cost]</b>				
<b>(a)</b>	<b>Non-current</b>				
	Borrowings	-	-	558.38	558.38
<b>(b)</b>	<b>Current</b>				
	Other financial liabilities	-	-	34.98	34.98
	<b>Total financial liabilities</b>	-	-	593.36	593.36

(ii) Financial assets and financial liabilities measured at fair value as at 31st March 2016:

Sl. No.	Particulars	Level 1	Level 2	Level 3	Total
<b>A.</b>	<b>Financial assets [At amortized cost (current)]</b>				
	Cash and cash equivalents	-	-	250.85	250.85
	Bank balances other than cash and cash equivalents	-	-	-	-
	Loans	-	-	-	-
	Other financial assets	-	-	0.04	0.04
	<b>Total financial assets</b>	-	-	250.89	250.89
<b>B.</b>	<b>Financial assets [At amortized cost]</b>				
<b>(a)</b>	<b>Non-current</b>				
	Borrowings	-	-	558.38	558.38
<b>(b)</b>	<b>Current</b>				
	Other financial liabilities	-	-	35.51	35.51
	<b>Total financial liabilities</b>	-	-	593.89	593.89

(iii) Financial assets and financial liabilities measured at fair value as at 1st April 2015:

Sl. No.	Particulars	Level 1	Level 2	Level 3	Total
<b>A.</b>	<b>Financial assets [At amortized cost (current)]</b>				
	Cash and cash equivalents	-	-	2.79	2.79
	Bank balances other than cash and cash equivalents	-	-	-	-
	Loans	-	-	-	-
	Other financial assets	-	-	0.04	0.04
	<b>Total financial assets</b>	-	-	2.83	2.83
<b>B.</b>	<b>Financial assets [At amortized cost]</b>				
<b>(a)</b>	<b>Non-current</b>				
	Borrowings	-	-	308.38	308.38
<b>(b)</b>	<b>Current</b>				
	Other financial liabilities	-	-	34.00	34.00
	<b>Total financial liabilities</b>	-	-	342.38	342.38

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

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

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

There have been no transfers between Level 1 and Level 2 either during the year ended 31st March 2017 or during the year ended 31st March 2016.

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

#### 15. Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings. The main purpose of these financial liabilities is to finance the Company's operations.

The Company's principal financial assets include cash and bank balances.

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

SI. No.	Particulars	Less than 1 year	1 to 5 years	>5 years	Total
<b>A.</b>	<b>As at 31<sup>st</sup> March 2017</b>				
(i)	Borrowings *	-	246.71	311.68	558.39
(ii)	Other financial liabilities	34.98	-	-	34.98
	<b>Total</b>	<b>34.98</b>	<b>246.71</b>	<b>311.68</b>	<b>593.37</b>
<b>B.</b>	<b>As at 31<sup>st</sup> March 2016</b>				
(i)	Borrowings *	-	246.71	311.68	558.39
(ii)	Other financial liabilities	35.50	-	-	35.50
	<b>Total</b>	<b>35.50</b>	<b>246.71</b>	<b>311.68</b>	<b>593.89</b>
<b>C.</b>	<b>As at 1<sup>st</sup> April 2015</b>				
(i)	Borrowings *	-	246.71	61.68	308.39
(ii)	Other financial liabilities	34.00	-	-	34.00
	<b>Total</b>	<b>34.00</b>	<b>246.71</b>	<b>61.68</b>	<b>342.39</b>

\*Assuming the production will commence in the following financial year.

#### 16. Capital Management

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2017 and 31st March 2016.

#### 17. Explanation of transition to Ind AS

These financial statements, for the year ended 31<sup>st</sup> March, 2017, are the first financial statements, the Company has prepared in accordance with Ind AS.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for period ending on 31st March 2017, together with the comparative period data as at and for the year ended 31st March 2016, as described in the summary of significant accounting policies [Refer Note No. 2].

In preparing these financial statements, the Company's opening balance sheet was prepared as at 1<sup>st</sup> April 2015, i.e. the Company's date of transition to Ind AS.

This note explains the principal adjustments made by the Company and an explanation on how the transition from previous GAAP to Ind AS has affected its financial statements, including the balance sheet as at 1st April 2015 and the financial statements as at and for the year ended 31st March 2016.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS:

**Exemptions**

(a) Since, there is no change in the functional currency, the Company has elected to continue with carrying value of all Property, plant and equipments under the previous GAAP, as deemed cost at the transition date i.e. 1st April, 2015. Under the previous GAAP, Property, plant and equipment were stated at their original cost (net of accumulated depreciation and amortization).

(b) The estimates at 1st April 2015 and at 31st March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies)

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1<sup>st</sup> April 2015, the date of transition to Ind AS and as of 31st March 2016.

(c) Ind AS 101 requires the de-recognition requirements in Ind AS 109 prospectively to transactions occurring on or after the date of transition. Therefore, the Company has not recognized financial assets and liabilities under Ind AS which were derecognized under its previous GAAP as a result of a transaction that occurred before the date of transition.

(d) The Company has applied the requirements in Ind AS 109 and Ind AS 20 prospectively to government loan existing at the date of transition to Ind AS.

**18. Disclosures as required by Ind AS - 101 - First Time Adoption of Indian Accounting Standards - Reconciliation between Previous GAAP and Ind AS**
**(a) Reconciliation of equity as at 1st April 2015 (date of transition to Ind AS) (₹ in lacs)**

Particulars		Notes	Previous GAAP	Adjustments	Ind AS
<b>I. ASSETS</b>					
<b>(1) Non - current assets</b>					
	Property, plant and equipment	(i)	157.05	-	157.05
<b>(2) Current assets</b>					
<b>(a) Financial assets</b>					
	(i) Cash and cash equivalents		2.79	-	2.79
	(ii) Bank balances other than cash and cash equivalents		-	-	-
	(iii) Loans		-	-	-
	(iv) Other financial assets		0.04	-	0.04
<b>(b) Other current assets</b>					
			-	-	-
			2.83	-	2.83
	<b>Total Assets</b>		<b>159.88</b>	<b>-</b>	<b>159.88</b>
<b>II. EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
<b>(a) Equity Share capital</b>					
			95.67	-	95.67
<b>(b) Other Equity</b>					
			(321.64)	(225.97)	(321.64) (225.97)
<b>Liabilities</b>					
<b>(1) Non - current liabilities</b>					
<b>Financial liabilities</b>					
	Borrowings		308.38	-	308.38
<b>(2) Current liabilities</b>					
<b>(a) Financial liabilities</b>					
	Other financial liabilities		34.00	-	34.00
<b>(b) Other current liabilities</b>					
			0.02	-	0.02
<b>(c) Provisions</b>					
			43.45	77.47	43.45 77.47
	<b>Total Equity and Liabilities</b>		<b>159.88</b>	<b>-</b>	<b>159.88</b>

**(b) Reconciliation of equity as at 31st March 2016**

(₹ in lacs)

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
<b>I. ASSETS</b>				
<b>(1) Non - current assets</b>				
Property, plant and equipment	(i)	147.86	-	147.86
<b>(2) Current assets</b>				
(a) Financial assets				
(i) Cash and cash equivalents		250.85	-	250.85
(ii) Bank balances other than cash and cash equivalents		-	-	-
(iii) Loans		-	-	-
(iv) Other financial assets		0.04	-	0.04
(b) Other current assets		0.84	-	0.84
		251.73	-	251.73
<b>Total Assets</b>		<b>399.59</b>	-	<b>399.59</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital		345.67	(250.00)	95.67
(b) Other Equity	(ii)	(333.53)	- (250.00)	(333.53) (237.86)
<b>Liabilities</b>				
<b>(1) Non - current liabilities</b>				
Financial liabilities				
Borrowings	(ii)	308.38	250.00	558.38
<b>(2) Current liabilities</b>				
(a) Financial liabilities				
Other financial liabilities		35.51	-	35.51
(b) Other current liabilities		0.11	-	0.11
(c) Provisions		43.45	-	43.45
		79.07	-	79.07
<b>Total Equity and Liabilities</b>		<b>399.59</b>	-	<b>399.59</b>

**NOTE NO. : 19 RECONCILIATION OF STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH 2016**

(₹ in lacs)

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
Other income		3.30	-	3.30
<b>Total income</b>		<b>3.30</b>	-	<b>3.30</b>
<b>Expenses:</b>				
Employee benefits expense		0.03	-	0.03
Depreciation and amortisation expense		9.19	-	9.19
Other expenses		5.97	-	5.97
<b>Total expenses</b>		<b>15.19</b>	-	<b>15.19</b>
<b>Profit/ (loss) before exceptional items and tax</b>		<b>(11.89)</b>	-	<b>(11.89)</b>
<b>Exceptional items</b>		-	-	-
<b>Profit/ (loss) before tax</b>		<b>(11.89)</b>	-	<b>(11.89)</b>
Tax expense		-	-	-
<b>Loss for the year</b>		<b>(11.89)</b>	-	<b>(11.89)</b>
<b>Other Comprehensive Income</b>				

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
a) (i) Items that will not be reclassified to Profit or Loss		-	-	-
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-	-
		-	-	-
b) (i) Items that will be reclassified to Profit or Loss		-	-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-	-
		-	-	-
<b>Total Other Comprehensive Income</b>		-	-	-
<b>Total Comprehensive Income for the period</b>		<b>(11.89)</b>	-	<b>(11.89)</b>
<b>(Comprising Loss and Other Comprehensive Income for the year)</b>				

(d) Footnotes to the Reconciliation of Equity as at 1s April 2015 and 31st March 2016 and Statement of Profit and Loss for the year ended 31st March 2016

(i) Property, plant and equipment

Under Ind AS, the Company has elected to opt for cost model with respect to property, plant and equipments.

(ii) Borrowings

Under Ind AS, redeemable preference shares is required to be considered as borrowings unlike under Previous GAAP, where redeemable preference shares as part of share capital.

(iii) Cash flow statement

The transition from previous GAAP to Ind AS has not impacted cash flow statement.

20. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are

included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

**As per our report of even date attached.**

**For MANV & Associates**

*Chartered Accountants*

Firm's Registration Number - 007351N

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

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

**Place of Signature:** New Delhi

**Date:** 20th May, 2017

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

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

CIN: L74900DL1981PLC011425

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

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

Name of the Member (s):
Registered Address:
E-mail Id:
Folio No/ Client Id: DP ID:

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34<sup>th</sup> Annual general meeting of the company, to be held on the 29<sup>th</sup> day of August, 2017 At 10.00 a.m. at 4237, IInd Floor, Narendra Bhawan 1, Ansari Road, Daryaganj, New Delhi – 110002 and at any adjournment thereof in respect of such resolutions as are indicated below:

SI. No	RESOLUTIONS	Optional**	
		For	Against
<b>Ordinary Business:</b>			
1.	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2016		
2.	Ratification of appointment of M/s Hemant Arora & Co.LLP Chartered Accountants, as statutory Auditors of the Company and fixing their remuneration.		
<b>Special Business:</b>			
3.	Re-appointment of Rajesh Jain as Director of The Company		
4.	Regularization of Rishabh Jain as the Director of the Company.		
5.	Regularization of Mr. Ashok Sarkar as Director(Independent) of the Company		
6.	Regularization of Ms. Shivani Naithani as Director(Independent) of the Company		
7.	Re-designation of Mr. Rajesh Jain as Managing director of the Company		
8.	Acquisition of Shares by Ganesh Explosives Private Limited and classification as the Holding Company.		

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

Signed this..... day of..... 2017

Signature of shareholder

Signature of Proxy holder(s)



**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, statements setting out material facts, notes and instructions please refer to the Notice of the Annual general Meeting.
3. Please complete all details including details of member(s) and proxy(ies) in the above box before submissions.

**ATTENDANCE SLIP**

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

I hereby record my presence at the 34<sup>th</sup> Annual General Meeting of the Company held on Tuesday, the 29<sup>th</sup> day of the August, 2017 at 10.00 A.M at **4237, IInd Floor, Narendra Bhawan 1, Ansari Road, Daryaganj, New Delhi – 110002.**

\_\_\_\_\_  
Signature of Member/Proxy

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