

35th

Annual Report 2017 - 18

2018

**INDO GULF
INDUSTRIES LIMITED**

| | | |
|--|---|---|
| BOARD OF DIRECTORS | Mr. Rajesh Jain Mr. Vijay Jagtap (appointed w.e.f 15th May 2018) Mr. Ashok Sarkar (Independent Director) Ms. Shivani Naithani (Independent Director) | |
| STATUTORY AUDITORS | M/s. Hemant Arora & Co.LLP, Chartered Accountants 1118-1119, 11 th Floor, DLF Galleria Tower, DLF Phase-IV, Gurgaon-122002 | |
| BANKERS | Indian Bank | |
| FACTORIES EXPLOSIVE DIVISION | Babina Plant Village Koti Sukhwa & Prithi Pura, Babina Distt. Jhansi (U.P.) | |
| SMS DIVISION | Singrauli Plant (SMS) Near Central Workshop Jayant, Village – Garda Singrauli, Distt. Sidhi,(M.P.) Talcher Plant (SMS) Plot No. 2, IDCO Industrial Estate Village Ghanipura, Distt. Dhenkanal, Talchar,(Orissa) | |
| | | Korba Plant(SMS) Vill. Goberaghora (Dipka) Korba Distt. Bilaspur (C.G.) I.B.Valley Vill. Sarandamal Tehsil – Lakhanpur, Distt. Sambalpur, (Orissa) |
| ACCESSORIES UNIT (Detonating Fuse etc.) | Village Koti, Sukhwa & Prithi Pura, Babina, Distt. Jhansi (U.P.) | |
| REGISTERED OFFICE | 4237/11, IIInd Floor, Narendra Bhawan 1, Ansari Road, Daryaganj New Delhi- 110002 Email: rjheadoffice@gmail.com | |
| WEBSITE | WWW.INDOGULFIND.COM | |
| CIN | L74900DL1981PLC011425 | |

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NOTICE

is hereby given that the 35th Annual General Meeting of the Members of **INDO GULF INDUSTRIES LIMITED** will be held on Saturday, the 29th day of September, 2018 at 11.00 A.M. at the registered office of the Company situated at 4237/11, IInd Floor, Narendra Bhawan, 1, Ansari Road, Daryaganj, New Delhi-110002 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2018, including the Balance Sheet as at 31st March, 2018, 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.

SPECIAL BUSINESS:

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 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. Vijay Jagtap (holding DIN: 0008086871) who was appointed as an Additional Director (Non-Independent) by the Board of Directors of the Company with effect from 15th May, 2018 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.”

Registered Office:

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

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

Sd/-
Anjali Goel
Company Secretary

Place: New Delhi
Date: 28.05.2018

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.

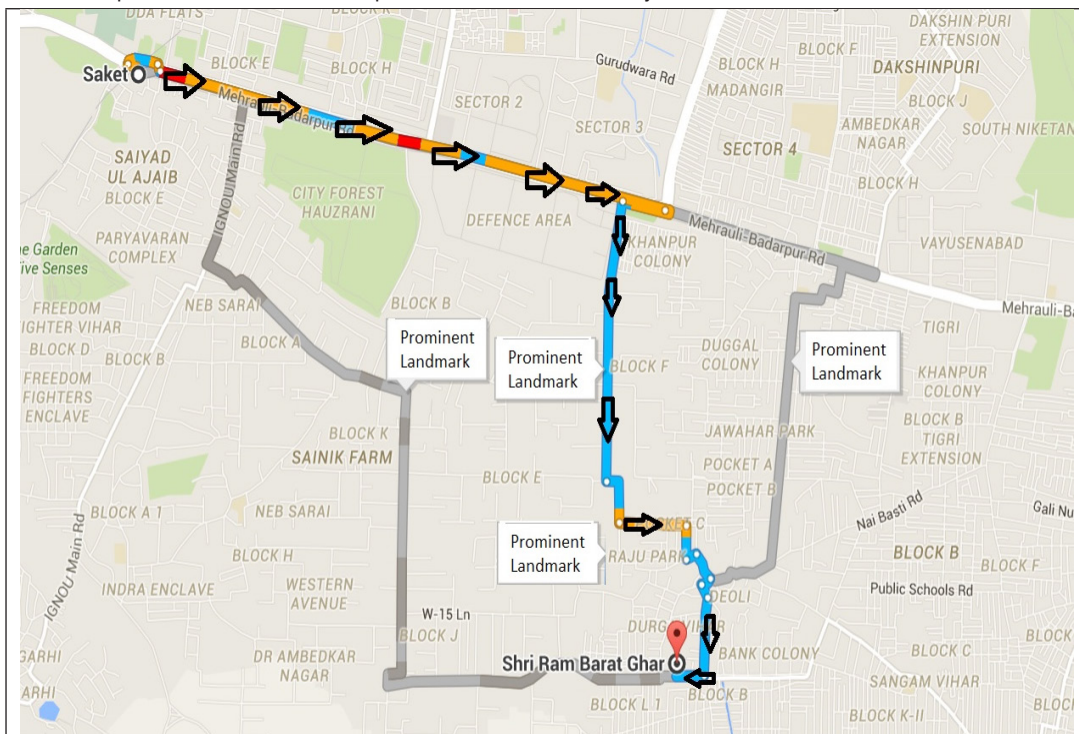
A blank proxy form is attached to the Notice.

2. **The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 22nd September, 2018 to Friday, 28th September, 2018 (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 35th Annual General Meeting and the Annual Report for the Financial Year 2017-18 are also available on the Company’s website: www.indogulfindustries.com for download.
8. CS Sameer Kishor Bhatnagar, Practising Company Secretary (holding C. P. No. 13115), who consented to act as the Scrutiniser, was appointed by the Board of Directors as the Scrutiniser to conduct the voting process in a fair and transparent manner and submit a consolidated Scrutiniser’s Report of the total votes cast, to the Chairman or a Director duly authorised in this regard.
9. In compliance with provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the provisions of Regulation 44 of the Listing Regulations, the Company is pleased to provide its members facility to cast their votes on all resolutions set forth in the Notice of the AGM using electronic voting system from a place other than the venue of the AGM (‘remote e-voting’), provided by Karvy Computershare Private Limited (Karvy) and the business may be transacted through such voting. Remote e-voting is optional. The Company also provides the option of voting by means of Ballot Form at the venue of the AGM in addition to the electronic voting system mentioned above. The detailed instructions for e-voting have been provided separately along with this Notice.
10. The remote e-voting period commences on Tuesday, 25th September, 2018 at 10:00 A.M. and ends on Friday, 28th September, 2018 at 5:00 P.M. During this period, members of the Company as on the cut-off date i.e. Saturday, 22nd September, 2018, may cast their vote electronically. The e-voting module will be disabled by Karvy for voting thereafter. **A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.** Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast vote again.
11. Voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the Register of Members as on the cut-off date, only shall be entitled to avail the facility of remote e-voting or voting at the AGM.
12. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of this Notice and holding shares as on the cut-off date, may obtain the User ID and password by sending request at evoting@karvy.com and cast their vote.

However, if he is already registered with Karvy for remote e-voting then he can use his existing user ID and password for casting his vote. If he forgets his password, he can reset his password by using “Forgot Password” option available on <https://evoting.karvy.com> or contact Karvy at 040-67161606 or Toll Free No.1800 3454 001.
13. In case of any query, you may refer Help & Frequently Asked Questions (FAQs) sections of <https://evoting.karvy.com> (Karvy Website) or call Karvy on 040-67161606 & Toll Free No.1800 3454 001 or contact Mr. MRV Subrahmanyam at Karvy having its office at Karvy Selenium Tower B, Plot No.31-32, Financial District, Gachibowli, Nankramguda, Hyderabad – 500 032 or mail at the designated email id: evoting@karvy.com who will address the grievances connected with the voting by electronic means.
14. The facility for voting will be available at the AGM venue for those Members who do not cast their votes by remote e-voting prior to the AGM. Members, who cast their votes by remote e-voting prior to the AGM, may attend the meeting but will not be entitled to cast their votes once again.

15. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a Director duly authorized and who shall declare the result of the voting forthwith.
16. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.indogulfindustries.com and on the website of Karvy immediately after the declaration of results. Such results shall also be immediately forwarded to the Stock Exchanges where the Company's equity shares are listed.
17. **Kindly bring your copy of the Annual Report at the Meeting.**
18. The Company has appointed M/s. Beetal Financial & Computer Services Pvt. Ltd. as the Registrar and Share transfer agent for the Equity Shares of the Company.
19. A Route map to the venue of AGM and prominent landmarks for easy location is as under:



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

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

Item No. 3:

Pursuant to Section 161 of the Act, Mr. Vijay Jagtap was appointed by the Board of Directors as an Additional (Non-Independent) Director of the Company w.e.f. 15th March, 2018 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. Vijay Jagtap 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. Vijay Jagtap as a Director of the Company.

Mr. Vijay Jagtap, born on 04.11.1982, 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. Vijay Jagtap 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. Vijay Jagtap has given his consent to act as a Director of the Company. Further, as per the declarations received by the Company, Mr. Vijay Jagtap is not disqualified under Section 164 of the Act.

Mr. Vijay Jagtap, aged around 35 years, does not hold by himself or for any other person on a beneficial basis, any shares in the Company as on 31st March 2018 and as on the date of this notice, Mr. Vijay Jagtap is not related to any other Director, Manager and other Key Managerial Personnel of the Company. The directorships held by Mr. Vijay Jagtap 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. Vijay Jagtap as on the date of this notice are given below:
NIL

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. 15th March, 2018.

Registered Office:

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

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

Sd/-
Anjali Goel
Company Secretary

Place: New Delhi
Date: 28.05.2018

BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present this Thirty Fifth Annual Report of the Company together with the Audited Financial Statements and Auditors' Report thereon for the Financial Year ended March 31, 2018.

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

| Financial Results | 2017-2018 | 2016-17 |
|--|----------------------|----------------------|
| Net Sales | - | - |
| Other Income | 84,18,480 | 12,78,887 |
| Profit before finance costs, depreciation and tax | (81,75,080) | (41,59,399) |
| Finance costs | 1,37,752 | - |
| Depreciation and amortization expense | 9,65,329 | 9,12,785 |
| Tax expense | - | - |
| Profit/(Loss) before exceptional and extra-ordinary items | (92,78,161) | (50,72,185) |
| Exceptional item | - | - |
| Net Profit/(Loss) | (92,78,161) | (50,72,185) |
| Add: Balance brought forward from the previous year | (3,84,24,608) | (3,33,52,423) |
| Less: Deduction on account of depreciation adjustment due to transitional provisions | - | - |
| Balance to be carried forward to next year's account | (4,77,02,769) | (3,84,24,608) |

Performance, Future Outlook & Prospects

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

Dividend

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

Deposits

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

Directors

Pursuant to Section 149 and other applicable provisions of Companies Act, 2013, your directors are seeking regularisation of appointment of Mr. Vijay Jagtap who was appointed as an Additional (Non-Independent) Director of the Company w.e.f. 15th March, 2018. Notice in writing under Section 160 of the Companies Act, 2013, has been received by the Company proposing the appointment of Mr. Vijay Jagtap as a director of the Company who shall be liable to retire by rotation.

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

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

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

Familiarization Programme for Independent Directors

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

Directors' Responsibility Statement

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

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

Corporate Governance

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

Management Discussion and Analysis

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

Share Capital

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

Particulars of Employees

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

Further, Directors were not paid any remuneration during the year 2017-18

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. Amit Kumar Modi, Company Secretary, resigned from the office on 01st Jan, 2018. In compliance of the provisions of Section 203 of the Companies Act, 2013, Ms. Anjali Goel, a member of ICSI, appointed to act as the Company Secretary (Key Managerial Personnel) and the Compliance Officer in the terms of Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from 01st January, 2018. 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 11 times on 17.04.2017, 20.05.2017, 12.07.2017, 22.07.2017, 27.07.2017, 11.08.2017, 06.09.2017, 14.11.2017, 06.12.2017, 07.02.2018 and 15.03.2018 during the Financial Year 2017-18. 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 | 2 |
| Mr. Shyam Lal Gouniyal | Independent, Non-Executive Director | 4 |
| Mr. Gora Chand Dutta | Independent, Non-Executive Director | 0 |
| Ms. Anjali | Independent, Non-Executive Director | 2 |
| Mr. Rajesh Jain | Non-Independent, Non-Executive Director | 9 |
| Mr. Ashok Sarkar | Independent, Non-Executive Director | 2 |
| Ms. Shivani Naithani | Independent, Non-Executive Director | 8 |

Audit Committee

The Audit Committee constituted by the Company has the terms of reference as provided in the Companies Act, 2013 and Listing Regulations. In compliance with SEBI Circular dated 15th November, 2014 on Clause 49 (Corporate Governance) of the Listing Agreement, the Company is required to reconstitute Audit Committee. Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Clause-49 of the Listing Agreement with the Stock Exchanges, the Audit committee of the Company be re-constituted as follows with effect from 11th August, 2017:

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

During the financial year ended 31st March 2018, there were no instances of the Board not accepting the recommendations of the Audit Committee. The Audit Committee met 4 times on 20.05.2017, 11.08.2017, 14.11.2017, 07.02.2018 during the financial year 2017-18. The Statutory Auditors of the Company are invited to the Audit Committee meetings for discussing the financial results and financial statements.

Number of Audit Committee meetings attended by the directors:

| Name of the Directors | Position | No. of meetings attended |
|------------------------|----------|--------------------------|
| Mr. Rajesh Jain | Chairman | 3 |
| Mr. Vimal Kumar Jain | Chairman | 1 |
| Mr. Shyam Lal Gouniyal | Member | 1 |
| Mr. Gora Chand Dutta | Member | 1 |
| Ms. Shivani Naithani | Member | 3 |
| Mr. Ashok Sarkar | Member | 3 |

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 four times on 12.07.2017, 26.07.2017, 01.01.2018 and 25.01.2018 during the Financial Year 2017-18.

The Board of Directors of the Company have constituted "Nomination and Remuneration Committee" in terms of Section 178 of the Companies Act, 2013 and as per Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Composition: The Board of Directors reconstituted the Committee on January 1, 2018 comprising of the following Committee Members:

Mr. Rajesh Jain Chairman/ Executive Director

Mr Ashok Sarkar Non Executive, Independent

Ms. Shivani Naithani Non Executive, Independent

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

| Name of the Directors | Position | No. of meetings attended |
|------------------------|----------|--------------------------|
| Mr. Rajesh Jain | Chairman | 4 |
| Ms. Anjali | Member | 2 |
| Mr. Shyam Lal Gouniyal | Member | 2 |
| Ms. Shivani Naithani | Member | 2 |
| Mr. Ashok Sarkar | Member | 2 |

Share Transfer Committee

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

The Share Transfer Committee met 5 times during the year on the following dates: 03.05.2017, 20.05.2017, 31.05.2017, 14.07.2017, 09.11.2017, 8.02.2018

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

| Name of the Directors | No. of meetings attended |
|------------------------|--------------------------|
| Mr. Rajesh Jain | 3 |
| Mr. Vimal Kumar Jain | 3 |
| Mr. Shyam Lal Gouniyal | 3 |
| Mr. Manish Rakesh | 2 |
| Mr. Rishabh Jain | 1 |
| Ms. Shivani Naithani | 2 |
| Ms. Anjali Goel | 1 |

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 31.03.2018.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, Ms. Ankita Parmar, Practicing Company Secretary, was appointed to undertake the secretarial audit for the financial year 2017-18. The Secretarial Audit Report for the financial year 2017-18 is attached as **Annexure "III"** and forms a part of the report of the Board.

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

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

The entire promoter shareholding is not in dematerialized form Regulation 31(2) of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015.

Auditors & Auditors' Report

The observations of Auditors in their Report dated 28th May, 2018 read with the relevant notes to accounts are self-explanatory and do not require any further explanation.

M/s Hemant Arora & Co. LLP Chartered Accounts were appointed as the new Statutory Auditors of the Company till the conclusion of 39th AGM. Further it is proposed to ratify the appointment of M/s Hemant Arora & Co.LLP, as the Statutory Auditors of the Company for the financial year 2018-19. The said Auditors have furnished the Certificate of their eligibility in this regard.

General

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

Green Initiatives

Electronic Copies of the Annual Report 2017-18 and Notice of the 35th Annual General Meeting are sent to all the members whose email addresses are registered with the Company/ Depository Participant(s). For members who have not registered their email addresses, physical copies are sent in permitted mode.

Acknowledgements

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

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

Place: New Delhi
Date: May 28, 2018

Sd/-
Vijay Jagtap
Director
DIN: 0008086871

Sd/-
Rajesh Jain
Director
DIN: 01200520

Annexure- I
DETAILS OF THE REMUNERATION OF DIRECTORS, KMP'S AND EMPLOYEES

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

- I. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2017-18:
None of the Directors were paid any remuneration during the Financial Year 2017-18. Hence, the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2017-18 is not applicable.
- II. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2017-18:
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 2017-18. Hence, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2017-18 is not provided.
- III. The percentage increase in the median remuneration of the employees in the financial year 2017-18:
There are 4 employees on the payroll of the Company, out of which 3 has joined in the Financial Year 2017-18. Further, there was no increase in the remuneration of the employee during the Financial Year 2017-18. Hence, percentage increase in the median remuneration is not provided.
- IV. The number of permanent employees on the rolls of the Company:
There were permanent employees on the rolls of the Company for the Financial Year 2017-18.
- V. Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in Managerial Remuneration:
Since, none of the employee had completed full year of service, no increment was done in the last financial year. Further, there was no change in the managerial remuneration.
Hence, the same is not applicable.
- VI. Affirmation that the Remuneration is as per the Remuneration Policy of the Company: It is hereby affirmed that the Remuneration paid is as per the Remuneration Policy of the Company.

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

| Sl No. | Name | Age (years) | Designation/ Nature of Duties | Gross Remuneration (Rs in lakhs)/ salary per month | Qualification | Total Experience (years) | Date of commencement of employment | Previous Employment |
|---|---------------------|-------------|-------------------------------|---|---------------|--------------------------|------------------------------------|---------------------|
| A. Details of top ten Employees in terms of remuneration drawn for the financial year ended 31st March 2018 | | | | | | | | |
| 1 | Mr. B.D. Agarwal | 53 years | President and CFO | 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 |
| 3. | Mr. Amit Kumar Modi | 33 years | Company Secretary | 8000 per month | C.S. | Approx 3 years | 22/07/2017 | N/A |
| 4. | Ms. Anjali Goel | 25 years | Company Secretary | 22500/- per month | C.S. | 2.5 years | 01.01.2018 | N/A |
| B Details of Employee employed throughout the year and in receipt of remuneration not less than Rs.10,200,000/- p.a. | | | | | | | | |
| Sl No. | Name | Age (years) | Designation/ Nature of Duties | Gross Remuneration (Rs in lakhs) | Qualification | Total Experience (years) | Date of commencement of employment | Previous Employment |
| 1. | NA | NA | NA | NA | NA | NA | NA | NA |
| C Details of Employee employed part of the year and in receipt of remuneration not less than Rs. 850,000/- p.m. | | | | | | | | |
| 1 | NA | NA | NA | NA | NA | NA | NA | NA |

Note:

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

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 | 4237/11, IInd Floor, Narendra Bhawan 1, Ansari Road, Daryaganj, New Delhi- 110002 Email Id: igilmaizapur@rediffmail.com |
| vi) | Whether listed company: Yes / No | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | BEETAL Financial & Computer Services Pvt. Ltd. BEETAL House, 3 rd Floor, 99, Madangir, Behind LSC, New Delhi – 110062 Ph.: 011-29961281-283, Fax: 011-29961284 Email Id: beetal@beetalfinancial.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 01.04.2017] | | | | No. of Shares held at the end of the year [As on 31.03.2018] | | | | % Change during the year |
|--------------------------|--|----------|-------|-------------------|--|----------|-------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | – | – | – | – | – | – | – | – | – |
| b) Central Govt | – | – | – | – | – | – | – | – | – |
| c) State Govt(s) | – | – | – | – | – | – | – | – | – |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 01.04.2017] | | | | No. of Shares held at the end of the year [As on 31.03.2018] | | | | % Change during the year |
|--|--|----------------|----------------|-------------------|--|----------------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| d) Bodies Corp. | – | 5162540 | 5162540 | 53.96 | – | 5162540 | 5162540 | 53.96 | 0.00 |
| e) Banks / FI | – | – | – | – | – | – | – | – | – |
| f) Any other | – | – | – | – | – | – | – | – | – |
| Sub-total (A)(1) | – | 5162540 | 5162540 | 53.96 | – | 5162540 | 5162540 | 53.96 | 0.00 |
| (2) Foreign | | | | | | | | | |
| a) NRI-Individuals | – | – | – | – | – | – | – | – | – |
| b) Other-Individuals | – | – | – | – | – | – | – | – | – |
| c) Bodies Corporate | – | – | – | – | – | – | – | – | – |
| d) Banks / FIs | – | – | – | – | – | – | – | – | – |
| e) Any other | – | – | – | – | – | – | – | – | – |
| Sub-total (A)(2) | – | – | – | – | – | – | – | – | – |
| Total shareholding of Promoter (A)= (A)(1)+ (A)(2) | – | 5162470 | 5162470 | 53.96 | – | 5162470 | 5162470 | 53.96 | 0.00 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | – | 370 | 370 | 0.00 | – | 370 | 370 | 0.00 | 0.00 |
| b) Banks / FI | – | 94378 | 94378 | 0.99 | – | 94378 | 94378 | 0.99 | 0.00 |
| c) Central Govt | – | – | – | – | – | – | – | – | – |
| d) State Govt(s) | – | – | – | – | – | – | – | – | – |
| e) Venture Capital Funds | – | – | – | – | – | – | – | – | – |
| f) Insurance Companies | – | 20000 | 20000 | 0.21 | – | 20000 | 20000 | 0.21 | 0.00 |
| g) FIs | – | 1298 | 1298 | 0.01 | – | 1298 | 1298 | 0.01 | 0.00 |
| h) Foreign Venture Capital Funds | – | – | – | – | – | – | – | – | – |
| i) Others (specify) | – | – | – | – | – | – | – | – | – |
| Sub-total (B)(1):- | – | 116046 | 116046 | 1.21 | – | 116046 | 116046 | 1.21 | 0.00 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corporate | | | | | | | | | |
| i) Indian | | 898436 | 898436 | 9.39 | | 898436 | 898436 | 9.39 | 0.00 |
| ii) Overseas | – | – | – | – | – | – | – | – | – |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakh | – | 3156296 | 3156296 | 32.99 | 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 |
| Sub-total (B)(2):- | – | 4288754 | 4288754 | 44.83 | 8651 | 4280103 | 4288754 | 44.83 | 0.00 |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 01.04.2017] | | | | No. of Shares held at the end of the year [As on 31.03.2018] | | | | % Change during the year |
|--|--|----------|---------|-------------------|--|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | – | 4404800 | 4404800 | 46.04 | 8651 | 4396149 | 4404800 | 46.04 | 0.00 |
| C. Shares held by Custodian for GDRs & ADRs | – | – | – | – | – | – | – | – | – |
| Grand Total (A+B+C) | – | 9567270 | 9567270 | 100.00 | 8651 | 9558619 | 9567270 | 100.00 | 0.00 |

ii) Shareholding of Promoter-

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year [As on 01.04.2017] | | | Shareholding at the end of the year [As on 31.03.2018] | | | % change in share holding during the year |
|---------|-----------------------------------|--|----------------------------------|--|--|----------------------------------|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | |
| 1 | Ganesh Explosives Private Limited | 5162540 | 53.96 | Nil | 5162540 | 53.96 | Nil | Nil |

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

| Sl. No. | | Shareholding at the beginning of the year [As on 01.04.2017] | | Cumulative Shareholding during the Year [01.04.2017 to 31.03.2018] | |
|---------|------------------------------|--|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of Shares | % of total Shares of the company |
| | At the beginning of the year | 5162540 | 53.96 | | |
| | Change in % of holding | Nil | Nil | | |
| | At the end of the year | | | 5162540 | 53.96 |

iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

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

| Sl. No. | Name of the Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-----------|---------------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 3 | Mahendra Girdharilal | | | | |
| | At the beginning of the year | 132964 | 1.39 | | |
| | No change during the year | – | – | | |
| | At the end of the year | | | 132964 | 1.39 |
| 4 | HB Leasing and Finance Co. Ltd | | | | |
| | At the beginning of the year | 109469 | 1.14 | | |
| | No change during the year | – | – | | |
| | At the end of the year | | | 109469 | 1.14 |
| 5 | Logic Infotech Ltd | | | | |
| | At the beginning of the year | 100000 | 1.05 | | |
| | No change during the year | – | – | | |
| | At the end of the year | | | 100000 | 1.05 |
| 6 | Sajjan Lal Kanodia | | | | |
| | At the beginning of the year | 94250 | 0.98 | | |
| | No change during the year | – | – | | |
| | At the end of the year | | | 94250 | 0.98 |
| 7 | Laxmi Devi Kanodia | | | | |
| | At the beginning of the year | 94250 | 0.98 | | |
| | No change during the year | – | – | | |
| | At the end of the year | | | 94250 | 0.98 |
| 8 | Oriental Bank of Commerce | | | | |
| | At the beginning of the year | 84800 | 0.88 | | |
| | No change during the year | – | – | | |
| | At the end of the year | | | 84800 | 0.88 |
| 9 | RRB Securities Limited | | | | |
| | At the beginning of the year | 66500 | 0.69 | | |
| | No change during the year | – | – | | |
| | At the end of the year | | | 66500 | 0.69 |
| 10 | Amrex Marketing Pvt Ltd | | | | |
| | At the beginning of the year | 60800 | 0.64 | | |
| | No change during the year | – | – | | |
| | At the end of the year | | | 60800 | 0.64 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Name of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----------|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1 | Mr. Rajesh Jain, Non Independent Non-executive Director | | | | |
| | At the beginning of the year | – | – | | |
| | Nil holding/ changes during the year | – | – | | |
| | At the end of the year | | | – | – |
| 2 | Ms. Shivani Naithani, Independent Non-executive Director | | | | |
| | At the beginning of the year | – | – | | |
| | Nil holding/ changes during the year | – | – | | |
| | At the end of the year | | | – | – |
| 3 | Mr. Ashok Sarkar, Independent Non-executive Director | | | | |
| | At the beginning of the year | – | – | | |
| | Nil holding/ changes during the year | – | – | | |
| | At the end of the year | | | – | – |
| 4 | Mr. Vijay Jagtap, Non Independent Non-executive Director | | | | |
| | At the beginning of the year | – | – | | |
| | Nil holding/ changes during the year | – | – | | |
| | At the end of the year | | | – | – |
| 5 | Ms. Anjali Goel, Company Secretary | | | | |
| | At the beginning of the year | – | – | | |
| | Nil holding/ changes during the year | – | – | | |
| | At the end of the year | | | – | – |
| 6 | Mr. B.D Aggarwal | | | | |
| | At the beginning of the year | – | – | | |
| | Nil holding/ changes during the year | – | – | | |
| | At the end of the year | | | – | – |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in lacs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------------------|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | – | – | – | – |
| ii) Interest due but not paid | – | – | – | – |
| iii) Interest accrued but not due | – | – | – | – |
| Total (i+ii+iii) | – | – | – | – |
| Change in Indebtedness during the financial year | | | | |
| • Addition | – | – | – | – |
| • Reduction | – | – | – | – |
| Net Change | – | – | – | – |
| Indebtedness at the end of the financial year | – | – | – | – |
| i) Principal Amount | – | – | – | – |
| ii) Interest due but not paid | – | – | – | – |
| iii) Interest accrued but not due | – | – | – | – |
| Total (i+ii+iii) | – | – | – | – |

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

(Rs. in lacs)

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

Remuneration to other directors:

(Rs. in lacs)

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

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | |
|---------|---|-------------------------------------|--------|
| | | Ms. Anjali Goel (Company Secretary) | Total |
| 1 | Gross salary | 22,500 | 67,500 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - |
| 2 | Stock Option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission | - | - |
| | - as % of profit | - | - |
| | others, specify... | - | - |
| 5 | Others, please specify [Employer's contribution to Provident Fund, etc.] | - | - |
| | Total | 22,500 | 67,500 |

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

(Rs. in lacs)

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

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

Sd/-
Vijay Jagtap
Director
DIN: 0008086871

Sd/-
Rajesh Jain
Director
DIN: 01200520

Place: New Delhi
Date: May 28, 2018

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
For the financial year ended March 31, 2018

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

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

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

Based on our verification of the M/s **Indo Gulf Industries Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s **Indo Gulf Industries Limited** for the financial year ended on March 31, 2018, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not applicable to the Company during the period of audit**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not applicable to the Company during the period of audit.**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not applicable to the Company during the period of audit.**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable to the Company during the period of audit.**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **Not applicable to the Company during the period of audit.**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable to the Company during the period of audit**
- (vi) Other laws applicable to the Company as per the representations made by the Management.

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

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

- 1) **No internal Auditor has been appointed by the Company in terms of provisions of section 138, of the Companies Act, 2013.**
- 2) **The entire promoter shareholding is not in dematerialized form Regulation 31(2) of SEBI [Listing obligations and Disclosure Requirements], Regulation, 2015**

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

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

We further report that as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the Company

commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review, as explained and represented by the management, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., having a major bearing on the Company's affairs. A detailed list of ongoing cases of the company is attached as Annexure –II with this report. This report is to be read with my letter of even date annexed to this report as Annexure-I and forms an integral part of the Report.

CS Ankita Parmar
Practicing Company Secretary
M. No. A36576; C.P. No. 15251

Place: Dehradun
Dated: 20.04.2018

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

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

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

CS Ankita Parmar
Practicing Company Secretary
M. No. A36576; C.P. No. 15251

Place: Dehradun
Dated: 20.04.2018

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 2017-18 closed at a net loss of Rs. 92,78,161 as compared to net loss of Rs. 58,72,184 in the preceding financial year.

Industry Structure and development:

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

Prospect and Outlook

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

Segment wise or Product wise performance

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

Opportunities and Threats**Opportunities:**

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

Threats:

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

Risk and Concerns

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

Internal Control System and their Adequacy

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

Human Resource

Your company has 4 employees as on 31st March, 2018. Relations between the management and employees have been cordial. Your company maintains a work environment that is free from any harassment.

INDEPENDENT AUDITOR'S REPORT

To
The Members of,
Indo Gulf Industries Limited
Report on the 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 March 31, 2018, the Statement of Profit and 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 in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation 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) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 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 financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 of the state of affairs (financial position) of the Company as at 31st March, 2018 and its loss (financial position including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative Ind AS Financial Statements for the year ended 31st March, 2017 included in these standalone Ind AS financial statements have been audited by a predecessor auditor. The report of the predecessor auditor on the comparative financial information and the opening Balance Sheet dated 01.04.2018 expressed an unmodified opinion:

- (a) The audit of Ind AS Financial Statements was performed by M/s MANV & Associates.
- (b) The date of the audit report for the Ind AS financial Statements for the year ending 31st March, 2017 was 20th May, 2017.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016, ("the Order") issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the internal financial controls with reference to Financial Statements of the company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the effectiveness of the Company's internal financial controls with reference to financial statements.
 - g) with respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial Statements in accordance with generally accepted accounting practices (Refer Note No-19 (4) (iii)).
 - ii. The Company doesn't have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company

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

PLACE : DEHRADUN
DATE : 28.05.2018

KAMAL NAGPAL
PARTNER
M.No.408066

Annexure B

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

We have audited the internal financial controls over financial reporting of Indo Gulf Industries Limited ("the Company") as of March 31st, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to explanations given to us, the Company has, in all material respects, an internal financial controls with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

PLACE : DEHRADUN
DATE : 28.05.2018

KAMAL NAGPAL
PARTNER
M.No.408066

ANNEXURE “A”

TO THE INDEPENDENT AUDITOR’S REPORT

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

- i. In respect of its fixed assets:
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) The lease deeds of leasehold land at village Prithivipura, Jhansi, Kanpur is being executed in the name of the company. However, the title deeds of freehold land have not been produced before us for verification.
- ii. According to the information and explanations given to us and based on the audit procedures conducted by us, the Company does not have inventory during the year and as on 31.03.2018. Therefore, the provisions of the paragraph 3(ii) of the Order are not applicable to the Company.
- iii. According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted any loan, secured or unsecured to the companies, firms Limited Liability partnership firms or other parties covered under Section 189 of the Companies Act 2013 during the year. Therefore, the provisions of clause (iii) of the Order is not applicable to the Company.
- iv. According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted any loan, made any investments, given any guarantees and security where provisions of Section 185 and Section 186 are to be complied with. Therefore, the provisions of clause (iv) of the Order are not applicable to the Company.
- v. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not accepted any deposit from the public covered under Section 73 to 76 or other relevant provisions of the Companies Act 2013. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi. According to the information and explanations given to us, the company is not required to maintain cost record as prescribed by Central Government under section 148(1) of the Companies Act, 2013. Therefore, the provisions of Clause (vi) of paragraph 3 of the Order are not applicable to the Company.
- vii. According to information and explanation given to us and on the basis of our examination of the books of accounts, in respect of statutory dues:
 - a) Undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues have not been regularly deposited with the appropriate authorities. The details of undisputed statutory dues outstanding as at 31st March, 2018 for the period of more than six months is as follows:

(Amount in INR)

| S. No. | Nature of Dues | Date of becoming payable | Amount outstanding as at 31.03.2018 |
|--------|-------------------------|--------------------------|-------------------------------------|
| 1. | Tax Deduction at Source | 05/04/2017 | 30,000/- |
| | Total | | 30,000/- |

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

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

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

- The notices and recovery certificates are issued prior to the date of rehabilitation Scheme sanctioned by the Hon'ble BIFR.
- The reliefs and concessions (re-assessment of demand, waiver of interest, waiver of penalty etc.) as directed by the Rehabilitation Scheme sanctioned by the Hon'ble BIFR have not been considered.

The details of statutory dues which have not been paid on account of dispute as at 31st March, 2018 are as follows:

(Amount in INR)

| S.No. | Nature of Dues | Amount | Authority where appeals are pending |
|-------|---|------------|--|
| 1. | Penalty u/s 271(1)(C) of Income Tax Act, 1961 | 4,05,000/- | Commissioner of Income Tax (Appeals), New Delhi. |

- viii. In our opinion and according to the information & explanations given to us, the Company was not required to repay any loan or borrowings from financial institutions, banks and Government or dues to debenture holders.
- ix. In our opinion and according to the information and explanations given to us and on the basis of examination of books of accounts, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) but for unsecured term loans from related parties during the year. The company has duly applied funds for which the term loan was raised.
- x. In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In our opinion and according to the information and explanations give to us, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of related party transactions have been disclosed in the Ind AS financial statements as required by the Indian accounting standards.
- xiv. In our opinion and according to the information and explanations give to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him and hence Section 192 of the Companies Act 2013 is not applicable to the company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

PLACE : DEHRADUN
 DATE : 28.05.2018

KAMAL NAGPAL
 PARTNER
 M.No.408066

BALANCE SHEET AS AT 31ST MARCH, 2018

(Amount in INR)

| | Particulars | Note No. | Figures as at the end of current reporting period | | Figures as at the end of previous reporting period | |
|------------|---|----------|---|-------------------|--|-------------------|
| | | | | | | |
| I. | ASSETS | | | | | |
| | Non - current assets | | | | | |
| | (a) Property, plant and equipment | 2(a) | 27,753,069 | | 13,872,606 | |
| | (b) Capital Work in Progress | 2(b) | 4,491,495 | | - | |
| | (c) Other non-current assets | | | | | |
| | (i) Capital Advances | | 5,408,657 | | - | |
| | | | | 37,653,221 | | 13,872,606 |
| | Current assets | | | | | |
| | (a) Financial assets | | | | | |
| | (i) Cash and cash equivalents | 3 | 3,491,264 | | 5,352,230 | |
| | (ii) Bank balances other than (i) above | 4 | 18,800,000 | | 13,971,091 | |
| | (iii) Loans | 5 | - | | 135,963 | |
| | (iv) Other Financial Assets | 6 | 138,696 | | 96,604 | |
| | (b) Other current assets | 7 | 2,975,447 | | 1,423,010 | |
| | | | | 25,405,407 | | 20,978,898 |
| | Total (A) | | | 63,058,628 | | 34,851,505 |
| II. | EQUITY AND LIABILITIES | | | | | |
| | Equity | | | | | |
| | (a) Equity Share capital | 8 | 9,567,270 | | 9,567,270 | |
| | (b) Other Equity | 9 | (47,702,769) | (38,135,499) | (38,424,609) | (28,857,339) |
| | Liabilities | | | | | |
| | Non - current liabilities | | | | | |
| | (a) Financial liabilities | | | | | |
| | (i) Borrowings | 10 | 87,778,456 | 87,778,456 | 55,838,240 | 55,838,240 |
| | Current liabilities | | | | | |
| | (a) Financial liabilities | | | | | |
| | (i) Other financial liabilities | 11 | 4,955,336 | | 3,498,224 | |
| | (b) Other current liabilities | 12 | 703,791 | | 27,235 | |
| | (c) Provisions | 13 | 7,756,544 | 13,415,671 | 4,345,144 | 7,870,604 |
| | Total (B) | | | 63,058,628 | | 34,851,505 |
| | Significant Accounting Policies | 1 | | | | |
| | Notes to Accounts | 2 to 20 | | | | |

The accompanying notes no. 1 to 19 form an integral part of the financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED.
For HEMANT ARORA & CO. LLP

CHARTERED ACCOUNTANTS

Firm's Registration No - 002141C

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

Sd/-

CA. Kamal Nagpal

M. No. 408066)

Partner

Sd/-

B.D. Agarwal

(Chief Finance Officer)

Sd/-

Rajesh Jain

(Director)

(DIN - 01200520)

Sd/-

Shivani Nathani

(Director)

(DIN - 07881480)

Place of Signature: New Delhi

Date: 28.05.2018

Anjali Goel

(Company Secretary)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018
(Amount in INR)

| Particulars | Note No. | Figures for the current reporting period | Figures for the previous reporting period |
|---|----------|--|---|
| Other Income | 14 | 8,418,480 | 1,278,887 |
| Total income | | 8,418,480 | 1,278,887 |
| Expenses: | | | |
| Employee benefits expense | 15 | 3,592,021 | 833,293 |
| Finance Cost | 16 | 137,752 | - |
| Depreciation and amortisation expense | 17 | 965,329 | 912,785 |
| Other expenses | 18 | 13,001,539 | 4,604,993 |
| Total expenses (III) | | 17,696,641 | 6,351,071 |
| Profit/(Loss) before exceptional items and tax (II-III) | | (9,278,161) | (5,072,184) |
| Exceptional items | | - | - |
| Profit/(Loss) before tax | | (9,278,161) | (5,072,184) |
| Tax expense | | | |
| (1) Current Tax | | - | - |
| (2) Deferred Tax | | - | - |
| Profit/(Loss) for the year from continuing operations (VII-VIII) | | (9,278,161) | (5,072,184) |
| Profit/(Loss) from discontinued operations | | - | - |
| Tax expense of discontinued operations | | - | - |
| Profit/(Loss) from Discontinued operations (after tax) (X-XI) | | - | - |
| Profit/(Loss) for the period (IX+XI) | | (9,278,161) | (5,072,184.00) |
| Other Comprehensive Income | | | |
| A) (i) Items that will not be reclassified to Profit or Loss | | - | - |
| (ii) Income tax relating to items that will not be reclassified to Profit or Loss | | - | - |
| B) (i) Items that will be reclassified to Profit or Loss | | - | - |
| (ii) Income tax relating to items that will be reclassified to Profit or Loss | | - | - |
| Total Other Comprehensive Income for the year (XII+XIII) | | (9,278,161) | (5,072,184) |
| (Comprising Loss and Other Comprehensive Income for the year) | | | |
| Earnings per equity share (Nominal value per share ₹ 1/-) | | | |
| [Refer Note No. 20(4)] | | | |
| - Basic (₹) | | (0.97) | (0.53) |
| - Diluted (₹) | | (0.97) | (0.53) |
| Number of shares used in computing Earnings per share | | | |
| - Basic | | 9,567,270 | 9,567,270 |
| - Diluted | | 9,567,270 | 9,567,270 |
| Significant Accounting Policies | 1 | | |
| Notes to Accounts | 2 to 20 | | |

The accompanying notes form an integral part of the financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED.
For HEMANT ARORA & CO. LLP

CHARTERED ACCOUNTANTS

Firm's Registration No - 002141C

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

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

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

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

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

Place of Signature: New Delhi

Date: 28.05.2018

Anjali Goel
 (Company Secretary)

CASH FLOW STATEMENT FOR THE YEAR ENDED AS AT 31 MARCH, 2018

(Amount in INR)

| Particulars | Note No. | Figures for the current reporting period | Figures for the previous reporting period |
|--|----------|--|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit/(Loss) before tax | | (9,278,161) | (5,072,185) |
| <i>Adjustments to reconcile profit/(loss) before exceptional items and tax to net cash flow provided by operating activities :</i> | | | |
| Employee benefits expense | | - | 12,825 |
| Depreciation expense | | 965,329 | 912,785 |
| Loss on sale/discard of property, plant and equipment | | - | 707 |
| Interest income | | (944,148) | (1,278,887) |
| Operating Profit/(loss) before working capital changes | | (9,256,980) | (5,424,754) |
| <i>Adjustments to reconcile operating loss to cash flow provided by changes in working capital :</i> | | | |
| Financial Assets | | | |
| -Loans | | 135,963 | (135,963) |
| -Other Financial Assets | | (42,092) | - |
| -Other Current Assets | | (1,454,740) | (1,244,905) |
| Financial Liabilities | | | |
| -Other Financial liabilities | | 1,457,112 | (51,793) |
| -Other Current liabilities | | 676,556 | 16,353 |
| -Provisions | | 3,411,400 | - |
| Cash from/(used) in operations | | (5,072,781) | (6,841,062) |
| Tax expense | | - | - |
| Direct taxes (paid)/refund received | | (97,697.00) | (92,330) |
| Cash flow before exceptional items | | (5,170,478) | (6,933,392) |
| Exceptional Items | | - | - |
| Net cash used in operating activities (A) | | (5,170,478) | (6,933,392) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Fixed deposits placed with banks | | (4,828,909) | (25,545,308) |
| Fixed deposits redeemed from banks | | - | 11,574,216 |
| Interest received on fixed deposits | | 944,148 | 1,171,798 |
| Purchase of PPE (including CWIP) | | (19,337,287) | - |
| Capital advances issued | | (5,408,657) | - |
| Net cash generated/(used in) investing activities | | (28,630,705) | (12,799,294) |

| Particulars | Note No. | Figures for the current reporting period | Figures for the previous reporting period |
|--|----------|--|---|
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from Borrowings-Related Parties | | 31,940,216 | - |
| Net cash generated/(used) from financing activities | | 31,940,216 | - |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | | (1,860,967) | (19,732,686) |
| Opening cash and cash equivalents | | 5,352,230 | 25,084,916 |
| Closing cash and cash equivalents [Refer Note No. 3] | | 3,491,264 | 5,352,230 |
| Significant Accounting Policies | 1 | | |
| Notes to Accounts | 2 to 20 | | |
| The accompanying notes form an integral part of the financial statements | | | |

AS PER OUR REPORT OF EVEN DATE ATTACHED.

For HEMANT ARORA & CO. LLP

CHARTERED ACCOUNTANTS

Firm's Registration No - 002141C

Sd/-

CA. Kamal Nagpal

M. No. 408066)

Partner

Place of Signature: New Delhi

Date: 28.05.2018

Sd/-

B.D. Agarwal

(Chief Finance Officer)

Sd/-

Rajesh Jain

(Director)

(DIN - 01200520)

Anjali Goel

(Company Secretary)

For and on behalf of the Board of Directors

Indo Gulf Industries Limited

Sd/-

Shivani Nathani

(Director)

(DIN - 07881480)

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31ST MARCH, 2018
(a) Equity Share capital
(Amount in INR)

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

(b) Other Equity
(Amount in INR)

| Particulars | Reserves and surplus | Other Comprehensive Income | Total |
|--|----------------------|----------------------------|--------------|
| | Retained Earnings | | |
| Balance as at 1st April, 2016 | (33,352,424) | - | (33,352,424) |
| Loss for the year ended 31st March, 2017 | (5,072,184) | - | (5,072,184) |
| Balance as at 31st March, 2017 | (38,424,608) | - | (38,424,608) |
| Loss for the year ended 31st March, 2018 | (9,278,161) | - | (9,278,161) |
| Balance as at 31st March, 2018 | (47,702,769) | - | (47,702,769) |

Significant Accounting Policies

1

Notes to Accounts

2 to 20

The accompanying notes form an integral part of the financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED.
For HEMANT ARORA & CO. LLP
CHARTERED ACCOUNTANTS

Firm's Registration No - 002141C

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

Sd/-

CA. Kamal Nagpal

M. No. 408066)

Partner

Sd/-

B.D. Agarwal

(Chief Finance Officer)

Sd/-

Rajesh Jain

(Director)

(DIN - 01200520)

Sd/-

Shivani Nathani

(Director)

(DIN - 07881480)

Place of Signature: New Delhi

Date:
Anjali Goel

(Company Secretary)

NOTE -1:- SIGNIFICANT ACCOUNTING POLICIES**1. Corporate information**

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

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

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

The Company's controlling interest aggregating to 54.96% is held by Ganesh Explosives Private Limited (*the holding company*) with effect from November 08th, 2017 post the approval letter sanctioned by BSE Prior to this, the controlling interest was with Balrampur Chini Mills Limited (*the outgoing promoter*)

These Ind AS Financial Statements were approved for issue by the Board of Directors of the Company onand are subject to the approval by the shareholders in the ensuing Annual General Meeting.

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

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

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

2.2 Basis of preparation

These financial statements have been prepared under the historical cost basis

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

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

An asset as current when it is:

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

Held primarily for the purpose of trading

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

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

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle

It is held primarily for the purpose of trading

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

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

The Company classifies all other liabilities as non-current.

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

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

2.3 Revenue Recognition

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

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

2.4 Property, plant and equipment

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

The cost of an asset includes the purchase cost of materials, including import duties and non refundable taxes, and any directable 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 capitalized as part of the cost of the asset until such time that the asset is ready for its intended use.

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

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

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

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

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

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

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

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

- b) **Capital Work in Progress**

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

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

2.5 Leases

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

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

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases under which

substantially all of the risks and rewards of ownership are transferred to the Company are classified as financial leases.

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

2.6 Provisions Contingent Liabilities and contingent assets

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

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

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

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

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

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

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

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

2.7 Employee benefits

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

2.8 Financial instruments

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

a) Financial assets
i) Initial recognition and measurement

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

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

ii) Subsequent measurement

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

Debt instruments at amortized cost

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

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

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

iii) De-recognition

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

b) Financial liabilities
(i) Initial recognition and measurement

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

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

The financial liabilities include borrowings and other payables.

(ii) Subsequent measurement

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

Financial liabilities at amortized cost

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

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

iii) De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on

substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

c) Offsetting of financial instruments

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

d) Fair value measurement

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

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

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

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

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

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

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

e) Share capital

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

2.9 Impairment of Assets

a) Non financial assets

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

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

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

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

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

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

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

b) Financial assets

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

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

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

2.10 Taxes

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

(a) Current income tax

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

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

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

(b) Deferred income tax

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

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

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

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

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

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

2.11 Earnings Per Share

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

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

2.12 Cash and Cash Equivalents

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

2.13 Significant accounting judgments, estimates and assumptions

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

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

Judgements

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

(a) Contingencies

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

(b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Amendments to Ind AS 7 "Statement of Cash Flows"

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

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

(Amount in INR)

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

| Particulars | Property, Plant and Equipment | | | | | | | | | | Total | |
|--|-------------------------------|-------------------|------------------|-------------------|----------------------|-------------------|---------------|--|---|-------------------|-------|--|
| | Land (Free Hold) | Land (Lease Hold) | Buildings | Plant & equipment | Furniture & Fixtures | Office Equipments | Computers | Others (Electrical Installations and Equipments) | | | | |
| Gross block | | | | | | | | | | | | |
| Gross carrying amount as at 01.04.2017 | 1,657,999 | 3,145,430 | 9,249,624 | 1,650,761 | - | - | 1,025 | - | - | 15,704,839 | | |
| Additions during the year | - | - | - | 13,899,477 | 25,050 | 25,869 | 41,017 | 854,379 | - | 14,845,792 | | |
| Disposals/deductions during the year | - | - | - | - | - | - | - | - | - | - | | |
| Gross carrying amount as at 31.03.2018 | 1,657,999 | 3,145,430 | 9,249,624 | 15,550,238 | 25,050 | 25,869 | 42,042 | 854,379 | - | 30,550,631 | | |
| <u>Depreciation</u> | | | | | | | | | | | | |
| Accumulated depreciation as at 01.04.2017 | - | - | 1,832,233 | - | - | - | - | - | - | 1,832,233 | | |
| Depreciation for the year | - | - | 909,874 | 42,442 | 362 | 795 | 2,313 | 9,543 | - | 965,329 | | |
| Disposals/deductions during the year | - | - | - | - | - | - | - | - | - | - | | |
| Accumulated depreciation as at 31.03.2018 | - | - | 2,742,107 | 42,442 | 362 | 795 | 2,313 | 9,543 | - | 2,797,562 | | |
| Net carrying amount as at 31.03.2018 | 1,657,999 | 3,145,430 | 6,507,517 | 15,507,796 | 24,688 | 25,074 | 39,729 | 844,836 | - | 27,753,069 | | |
| <u>Gross block</u> | | | | | | | | | | | | |
| Gross carrying amount as at 01.04.2016 | 1,657,999 | 3,145,430 | 9,249,624 | 1,650,761 | - | 707 | 1,025 | - | - | 15,705,546 | | |
| Additions during the year | - | - | - | - | - | - | - | - | - | - | | |
| Disposals/deductions during the year | - | - | - | - | - | 707 | - | - | - | 707 | | |
| Gross carrying amount as at 31.03.2017 | 1,657,999 | 3,145,430 | 9,249,624 | 1,650,761 | - | - | 1,025 | - | - | 15,704,839 | | |
| <u>Depreciation</u> | | | | | | | | | | | | |
| Accumulated depreciation as at 01.04.2016 | - | - | 919,448 | - | - | - | - | - | - | 919,448 | | |
| Depreciation for the year | - | - | 912,785 | - | - | - | - | - | - | 912,785 | | |
| Disposals/deductions during the year | - | - | - | - | - | - | - | - | - | - | | |
| Accumulated depreciation as at 31.03.2017 | - | - | 1,832,233 | - | - | - | - | - | - | 1,832,233 | | |
| Net carrying amount as at 31.03.2017 | 1,657,999 | 3,145,430 | 7,417,391 | 1,650,761 | - | - | 1,025 | - | - | 13,872,606 | | |
| Net carrying amount as at 01.04.2016 | 1,657,999 | 3,145,430 | 8,330,176 | 1,650,761 | - | 707 | 1,025 | - | - | 14,786,098 | | |

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

| Particulars | Balance as on 1st April, 2017 | Additions during the FY 2017-18 | Disposals/ Capitalization | Balance as on 31st March, 2018 |
|------------------------------------|-------------------------------|---------------------------------|---------------------------|--------------------------------|
| Building under Construction | | | | |
| Bricks | - | 13,000 | - | 13,000 |
| Cement Bags | - | 678,546 | - | 678,546 |
| Labour Charges | - | 1,125,218 | - | 1,125,218 |
| Drawing & Map Expenses | - | 95,420 | - | 95,420 |
| Genset Rent | - | 21,000 | - | 21,000 |
| Other Building Material | - | 401,034 | - | 401,034 |
| Material Shifting Charges | - | 23,961 | - | 23,961 |
| JCB Works | - | 71,062 | - | 71,062 |
| Sainatry Items | - | 888,236 | - | 888,236 |
| Sand & Stone | - | 746,000 | - | 746,000 |
| Iron | - | 101,531 | - | 101,531 |
| Steam Coal | - | 127,000 | - | 127,000 |
| White Wash | - | 147,041 | - | 147,041 |
| Water Tanker | - | 52,446 | - | 52,446 |
| | - | 4,491,495 | - | 4,491,495 |

Note No. : 3 Cash and cash equivalents
(Amount in INR)

| Particulars | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|--------------------------|---|--|
| Balances with banks | | |
| On current accounts | 3,352,041 | 747,831 |
| Cash on hand | 139,223 | 3,183 |
| Fixed deposits with bank | - | 4,601,216 |
| Total | 3,491,264 | 5,352,230 |

Note No. : 4 Bank Balances other than Note No. 3 above
(Amount in INR)

| Particulars | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|--|---|--|
| (i) Fixed deposits with bank (maturity period from 3 months to 12 months) | 18,800,000 | 13,971,091 |
| Total | 18,800,000 | 13,971,091 |

Note No. : 5 Loans
(Amount in INR)

| Particulars | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|--------------------------|---|--|
| Others | | |
| Secured, considered good | | |
| (i) Loan to employees | - | 135,963 |
| Total | - | 135,963 |

Note No. : 6 Other Financial assets
(Amount in INR)

| Particulars | Figures as at the end of current reporting period | | Figures as at the end of previous reporting period | |
|--|---|----------------|--|---------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| (a) Security Deposits | | | | |
| Electricity Security | | 10,000 | | - |
| Oxygen Cylinders | | 15,000 | | - |
| Gas Security | | 3,200 | | - |
| Telephone Security | | 3,500 | | 3,500 |
| (b) Interest accrued but not due on | | | | |
| Fixed deposits with bank | | 106,996 | | 93,104 |
| Total | | 138,696 | | 96,604 |

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

| Particulars | Figures as at the end of current reporting period | | Figures as at the end of previous reporting period | |
|---|---|------------------|--|------------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Advances other than Capital Advances | | | | |
| (a) Other Recoverable | | 104,494 | | 1,294,483 |
| TDS receivable | | | | |
| TDS -AY 2017-18 | | 126,490 | | 126,490 |
| TDS -AY 2018-19 | | 97,697 | | - |
| Input GST | | | | |
| IGST on Purchase | | 1,941,330 | | - |
| CGST on Purchase | | 352,718 | | - |
| SGST on Purchase | | 352,718 | | - |
| Deferred employee benefit expenses | | - | | 2,037 |
| Total | | 2,975,447 | | 1,423,010 |

Note No. : 8 Equity Share capital
(Amount in INR)

| Particulars | Figures as at the end of current reporting period | | Figures as at the end of previous reporting period | |
|---|---|--------------------|--|--------------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| (a) Authorised | | | | |
| Equity shares of par value ₹ 1/- each | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 |
| | | <u>150,000,000</u> | | <u>150,000,000</u> |
| (b) Issued, subscribed and fully paid up | | | | |
| Equity shares of par value ₹ 1/- each | 9,567,270 | 9,567,270 | 9,567,270 | 9,567,270 |
| | | <u>9,567,270</u> | | <u>9,567,270</u> |

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

There was no movement in number and amount of equity shares during the year ended 31st March 2018 nor in previous year ended 31st March 2017, hence reconciliation statement is not required to be disclosed.

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

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

- (e) 51,62,540 equity shares of par value ₹ 1/- each are held by Ganesh Explosives Private Limited, the Holding Company. (PY 31.03.2017: 51,62,540 equity shares were held by Balrampur Chini Mills Ltd.)
- (f) Shareholders holding more than 5 % of the equity shares in the Company :

| Name of the Shareholder | Figures as at the end of current reporting period | | Figures as at the end of previous reporting period | |
|--------------------------------------|---|--|--|--|
| | No. of shares held | % of holding to the total equity capital | No. of shares held | % of holding to the total equity capital |
| Balrampur Chini Mills Limited (BCML) | - | - | 5,162,470 | 53.96 |
| Ganesh Explosives Private Limited | 5,162,540 | 53.96 | - | - |

- (g) The outgoing 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.

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

Note No. : 9 Other Equity
(Amount in INR)

| Particulars | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|--|---|--|
| Surplus in the Statement of Profit and Loss | | |
| Balance at beginning of the year | (38,424,608) | (33,352,424) |
| Add: (Loss) for the year | (9,278,161) | (5,072,184) |
| Balance as at the balance sheet date | (47,702,769) | (38,424,608) |

Note No. : 10 Borrowings (Non-current)
(Amount in INR)

| Particulars | Figures as at the end of current reporting period | | Figures as at the end of previous reporting period | |
|--|---|-------------------|--|------------|
| | No. of Shares | Amount (₹) | No. of Shares | Amount (₹) |
| Deferred payment liabilities | | | | |
| Deferred sales tax loan (Unsecured) # | | 30,838,241 | | 30,838,241 |
| Preference Share Capital | | | | |
| Preference shares of par value ₹ 100/- each (Unsecured) | | 25,000,000 | | 25,000,000 |
| Unsecured Loan from related parties | | | | |
| Ganesh Explosives Private Limited (Unsecured) | | 14,995,638 | | - |
| Rajesh Jain (Unsecured) | | 16,844,577 | | - |
| Rajesh Explosives Private Limited (Unsecured) | | 100,000 | | - |
| Total | | 87,778,456 | | 55,838,240 |

Dy. Commissioner of Sales Tax Baidhan Distt. Sidhi M.P. has issued recovery notice dated 2nd March, 2006 for ₹ 454.29 lacs 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.

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

Notes
Details of preference share capital

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

- (iii) The preference shares are non 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. : 11 Other financial liabilities
(Amount in INR)

| Particulars | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|--|---|--|
| Financial liabilities at amortized cost | | |
| Other payables | | |
| Payable for capital expenditure | 1,414,033 | - |
| Outstanding Salaries & Wages | 37,047 | |
| Creditors for Expenses other than above | 147,910 | 141,878 |
| Gratuity Payable | 3,356,346 | 3,356,346 |
| Total | 4,955,336 | 3,498,224 |

Note No. : 12 Other Current liabilities
(Amount in INR)

| Particulars | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|-----------------------|---|--|
| Statutory liabilities | 703,791 | 27,235 |
| Total | 703,791 | 27,235 |

Note No. : 13 Provisions
(Amount in INR)

| Particulars | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|--|---|--|
| Other provisions | | |
| Provision for contingencies | 4,345,144 | 4,345,144 |
| Provision for Auditor Remuneration | 111,400 | - |
| Provision for Electricity Charges-Demand | 3,300,000 | - |
| Total | 7,756,544 | 4,345,144 |

Note No. : 14 Other income
(Amount in INR)

| Particulars | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|--|---|--|
| Liability not required to be paid back | 7,474,332 | - |
| Interest income on financial assets (amortized cost) | | |
| Fixed deposits with banks | 944,148 | 1,264,902 |
| Income Tax Refund | - | 1,160 |
| Others | - | 12,825 |
| Total | 8,418,480 | 1,278,887 |

Liability not required to be paid back

- (a) Waiver of damages u/s 14B of the EPF & MP Act, 1952 of Rs.54,48,373/- under the scheme of BIFR through order dated 08.03.2018. The same amount was reimbursed by M/s Balrampur Chini Mills Limited and is no longer to be repaid. Hence liability is derecognised and is credited to Statement of Profit and Loss.
- (b) An amount of INR 20,25,959/- was received from Balram Pur Chini Mills Limited on account of settlement of old statutory dues which are no longer to be repaid, hence liability is derecognised and is credited to Statement of Profit and Loss.

Note No. : 15 Employee benefits expense
(Amount in INR)

| Particulars | Figures for the current reporting period | Figures for the previous reporting period |
|---|--|---|
| Salaries and wages | 3,409,842 | 753,720 |
| Contribution to provident and other funds | 151,680 | 66,748 |
| Staff welfare expense | 30,499 | 12,825 |
| Total | 3,592,021 | 833,293 |

Note No. : 16 Finance Costs
(Amount in INR)

| Particulars | Figures for the current reporting period | Figures for the previous reporting period |
|--------------------------|--|---|
| Others | | |
| Letter of Credit Charges | 137,752 | - |
| Total | 137,752 | - |

Note No. : 17 Depreciation and amortisation expense
(Amount in INR)

| Particulars | Figures for the current reporting period | Figures for the previous reporting period |
|---|--|---|
| Depreciation and amortisation of tangible assets [Refer Note No. 4] | 965,329 | 912,785 |
| Total | 965,329 | 912,785 |

Note No. : 18 Other expenses
(Amount in INR)

| Particulars | Figures for the current reporting period | Figures for the previous reporting period |
|--|--|---|
| Rent | 15,284 | 60,060 |
| Repairs | | |
| - Others | 81,996 | 4,950 |
| Rates and taxes (excluding taxes on income) | 44 | 155,113 |
| Payments to auditor | | |
| -As auditor for statutory audit | 77,349 | 65,550 |
| -For other services (Limited reviews and certifications) | 34,051 | 28,857 |
| Listing and allied fees | 700,252 | 3,118,325 |
| Legal and Professional expenses | 2,160,700 | 1,052,877 |

| Particulars | Figures for the current reporting period | Figures for the previous reporting period |
|---|--|---|
| Miscellaneous expenses | 54,389 | 118,554 |
| Loss on sale/discard of property, plant and equipment | - | 707 |
| Electricity Expenses | 642,680 | - |
| Provident Fund Recoveries | 2,025,959 | - |
| Printing & Stationery | 431,594 | - |
| Postage Charges | 939,058 | - |
| Telephone Expenses | 5,096 | - |
| Travelling & Conveyance Expenses | 1,763,889 | - |
| Loading & Unloading Charges | 53,280 | - |
| Freight & cartage | 104,559 | - |
| Electricity Charges-Demand | 3,300,000 | - |
| Consultancy Charges | 320,980 | - |
| Interest on TDS | 42,377 | - |
| Advertisement | 187,275 | - |
| Bank Charges | 22,690 | - |
| Penalty on GST | 36,000 | - |
| Deferred expense written off | 2,037 | - |
| Total | 13,001,539 | 4,604,993 |

NOTE NO. : 19 OTHER DISCLOSURES
1. Contingent liabilities and commitments (to the extent not provided for)
(Amount in INR)

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

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

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

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

| S.No | Particulars | 2017-18 | 2016-17 |
|------|---|---------|---------|
| 1 | The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | Nil | Nil |
| 2 | The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | Nil | Nil |
| 3 | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act. | Nil | Nil |
| 4 | The amount of interest accrued and remaining unpaid at the end of each accounting year; and | Nil | Nil |
| 5 | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23. | Nil | Nil |

3. Related Party Disclosures

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

B. Related parties

- a) Relation and name of the related parties are:-
- 1 Promotor Venturer:
M/s Balrampur Chini Mills Ltd. (ceased to be promotor w.e.f. 08.11.2017)
 - 2 Holding Company:
M/s Ganesh Explosives Private Limited (w.e.f. 09.11.2017)
 - 3 Company in which director has substantial interest
M/s Rajesh Explosives Private Limited
 - 4 Key Managerial Personnel:
 - a) Chief Finance Officer - Mr. Bhagwan Dass Agarwal
 - b) Company Secretary - Mrs. Anjali Goel
 - c) Director - Mr. Rajesh Jain
 - d) Director - Mrs. Shivani Naithani
 - e) Director - Mr. Ashok Sarkar
 - f) Director - Mr. Vijay Ramesh Jagtap

5 Related Party Transactions

| S. No. | Particulars | Promotor Company | Holding Company | Company with Director's substantial Interest | Key Managerial Personnel |
|----------|---|------------------|-----------------|--|--------------------------|
| A | M/s Balrampur Chini Mills Ltd. | | | | |
| (i) | Amount Received for payment of Statutory Dues | 7,474,332 | - | - | - |
| B | M/s Ganesh Explosives Pvt. Ltd. | | | | |
| (i) | Unsecured Loans Received | - | 14,995,638 | - | - |

| S. No. | Particulars | Promotor Company | Holding Company | Company with Director's substantial Interest | Key Managerial Personnel |
|----------|--|------------------|-------------------|--|--------------------------|
| C | M/s Rajesh Explosives Private Limited | | | | |
| (i) | Unsecured Loan Received | - | - | 100,000 | - |
| D | Key Managerial Personnel | | | | |
| (i) | <i>Mr. B.D. Agarwal</i> | | | | |
| (a) | Reimbursement of Expenses | - | - | - | 1,118,298 |
| (b) | Salary | - | - | - | 1,200,000 |
| (ii) | <i>Mrs. Anjali Goel</i> | | | | |
| (a) | Professional Fees | - | - | - | 270,000 |
| | Total | 7,474,332 | 14,995,638 | 100,000 | 2,588,298 |

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

(i) Nature of provisions

Provision for contingencies

Provisions for contingencies represent provision towards various claims made/anticipated in respect of duties and taxes and other litigation claims against the Company based on the Management's assessment.

(ii) Movements in Provisions:

| Particulars | (Amount in INR) |
|--------------------------------|-----------------|
| Balance as at 1st April, 2017 | 4,345,144 |
| Provided during the year | 3,411,400 |
| Used during the year | - |
| Reversed during the year | - |
| Balance as at 31st March, 2018 | 7,756,544 |
| Non-current | |
| Current | 7,756,544 |
| Balance as at 1st April, 2016 | 7,756,544 |
| Provided during the year | - |
| Used during the year | - |
| Reversed during the year | - |
| Balance as at 31st March, 2017 | 7,756,544 |
| Non-current | - |
| Current | 7,756,544 |

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

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

(iii) Details of pending litigations:

- (a) Dy. Commissioner 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.

- (b) Dy. Commissioner 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.
- (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.).
- (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
- (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.
- (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
- (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.
- (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.
- (i) EPFO Dwarka, New Delhi vide its notice dated 09.12.2015 initiated enquiry u/s 14B of EPF and MP Act, 1952 levying ₹ 5.59 Lakhs against damages. IGIL vide its letter dated 11.01.2016 has requested EPFO Dwarka, New Delhi to waive damages of ₹ 5.59 Lakhs. Final order from EPFO Dwarka, New Delhi is awaited as on date.
- (j) Deputy Commissioner of Income Tax, New Delhi passed an order u/s 271(1) (C) of the I.T. Act 1961 on 29.04.2015 imposing penalty of ₹ 4.05 Lakhs for A.Y. 2012-13 IGIL filed an Appeal on 27.05.2015 with Commissioner of Income Tax (Appeals), New Delhi challenging the DCIT order dated 29.04.2015 Commissioner of Income Tax (Appeals), New Delhi as on date.

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. 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".

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, 2017: ₹ 8.03 lacs) is lying with them. No adjustment in this respect has been carried out in these accounts.

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

| Particulars | Figures as at the end of current reporting period | Figures as at the end of current reporting period |
|--|---|---|
| a) Amount used as the numerator Profit/(Loss) after tax - (A) | (9,278,161) | (5,072,184) |
| 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) | (0.97) | (0.53) |
| f) Diluted earnings per share (₹) (A/C) | (0.97) | (0.53) |

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

7 Segment information

The Board of Directors has been identified as the Company's chief operating decision-maker (CODM) as defined by Ind AS 108 – Operating Segments. The Company is in the business of manufacturing of industrial explosive. Considering the core activities of the Company, the management is of the view that it is a single reportable business segment and hence, information relating to primary segment is not required to be disclosed.

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

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

The company has significant account of carried forward losses and unabsorbed depreciation under the Income Tax Act, 1961, However, As per para-35, the existence of unused tax losses and tax credits is strong evidence that future taxable profit may not be available. Therefore, when an entity has a history of recent losses, the entity recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which the unused tax losses or unused tax credits can be utilised by the entity. Therefore, on prudence principle company has not accounted for deferred tax assets during the year.

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

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

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

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

11 Expenditure on Corporate Social Responsibilities (CSR) Activities

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

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

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

13 Fair Value Measurements

A. Financial instruments by category

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

| Sl. No. | Particulars | Amortized cost | FVTOCI | FVTPL | Total |
|---------|------------------------------------|-------------------|----------|----------|-------------------|
| | Non-Current Assets | | | | |
| (1) | Financial assets | - | - | - | - |
| | Current Assets | | | | |
| (2) | Financial assets | | | | |
| (a) | Cash and cash equivalents | 3,491,264 | - | - | 3,491,264 |
| (b) | Bank balances other than (i) above | 18,800,000 | - | - | 18,800,000 |
| (c) | Loans | - | - | - | - |
| | Total | 22,291,264 | - | - | 22,291,264 |

| Sl. No. | Particulars | Amortized cost | FVTOCI | FVTPL | Total |
|---------|--------------------------------|-------------------|----------|----------|-------------------|
| | Non Current Liabilities | | | | |
| (3) | Financial liabilities | | | | |
| (a) | Borrowings | 87,778,456 | - | - | 87,778,456 |
| | Current Liabilities | | | | |
| | Financial liabilities | | | | |
| (b) | Other current liabilities | 703,791 | - | - | 703,791 |
| | Total | 88,482,247 | - | - | 88,482,247 |

As at 31st March, 2017

(Amount in INR)

| Sl. No. | Particulars | Amortized cost | FVTOCI | FVTPL | Total |
|---------|------------------------------------|----------------------|----------|----------|----------------------|
| | Non-Current Assets | | | | |
| (1) | Financial assets | - | - | - | - |
| | Current Assets | | | | |
| (2) | Financial assets | | | | |
| (a) | Cash and cash equivalents | 5,352,230.00 | - | - | 5,352,230.00 |
| (b) | Bank balances other than (i) above | 13,971,091.00 | - | - | 13,971,091.00 |
| (c) | Loans | 135,963.00 | - | - | 135,963.00 |
| | Total | 19,459,284.00 | - | - | 19,459,284.00 |
| | Non Current Liabilities | | | | |
| (3) | Financial liabilities | | | | |
| (a) | Borrowings | 55,838,240.00 | - | - | 55,838,240.00 |
| (4) | Current Liabilities | | | | |
| | Financial liabilities | | | | |
| (b) | Other financial liabilities | 3,498,224.00 | - | - | 3,498,224.00 |
| | Total | 59,336,464.00 | - | - | 59,336,464.00 |

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

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

In terms of Ind AS 113, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient

data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

C. Fair Value Hierarchy

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

a) recognized and measured at fair value and

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

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

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

(i) Financial assets and financial liabilities measured at fair value as at 31st March 2018: **(Amount in INR)**

| SI. No. | Particulars | Level 1 | Level 2 | Level 3 | Total |
|------------|---|---------|---------|------------|------------|
| A. | Financial assets [At amortized cost (current)] | | | | |
| | Cash and cash equivalents | - | - | 3,491,264 | 3,491,264 |
| | Bank balances other than cash and cash equivalents | - | - | 18,800,000 | 18,800,000 |
| | Loans | - | - | - | - |
| | Other financial assets | - | - | - | - |
| | Total financial assets | - | - | 22,291,264 | 22,291,264 |
| B. | Financial Liabilities [At amortized cost] | | | | |
| (a) | Non-current | | | | |
| | Borrowings | - | - | 87,778,456 | 87,778,456 |
| (b) | Current | | | | |
| | Other financial liabilities | - | - | 4,955,336 | 4,955,336 |
| | Total financial liabilities | - | - | 92,733,792 | 92,733,792 |

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

| SI. No. | Particulars | Level 1 | Level 2 | Level 3 | Total |
|------------|---|---------|---------|------------|------------|
| A. | Financial assets [At amortized cost (current)] | | | | |
| | Cash and cash equivalents | - | - | 5,352,230 | 5,352,230 |
| | Bank balances other than cash and cash equivalents | - | - | 13,971,091 | 13,971,091 |
| | Loans | - | - | 135,963 | 135,963 |
| | Other financial assets | - | - | - | - |
| | Total financial assets | - | - | 19,459,284 | 19,459,284 |
| B. | Financial assets [At amortized cost] | | | | |
| (a) | Non-current | | | | |
| | Borrowings | - | - | 55,838,240 | 55,838,240 |
| (b) | Current | | | | |
| | Other financial liabilities | - | - | 3,498,224 | 3,498,224 |
| | Total financial liabilities | - | - | 59,336,464 | 59,336,464 |

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 2018 or during the year ended 31st March 2017.

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

14 Financial risk management objectives and policies

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

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

(Amount in INR)

| Sl. No. | Particulars | Less than 1 year | 1 to 5 years | 5 years | Total |
|-----------|---|------------------|---------------|---------------|---------------|
| A. | As at 31st March 2018 | | | | |
| (i) | Borrowings * | - | 24,770,593 | 63,007,863 | 87,778,456 |
| (ii) | Other financial liabilities | 4,955,336.00 | | - | 4,955,336.00 |
| | Total | 4,955,336.00 | 24,770,592.80 | 63,007,863.20 | 92,733,792.00 |
| B. | As at 31st March 2017 | | | | |
| (i) | Borrowings * | - | 24,670,593 | 31,167,648 | 55,838,241 |
| (ii) | Other financial liabilities | 3,498,224.00 | - | - | 3,498,224.00 |
| | Total | 3,498,224.00 | 24,670,592.50 | 31,167,648.13 | 59,336,464.63 |

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

15 Capital Management

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2018 and 31st March 2017.

AS PER OUR REPORT OF EVEN DATE ATTACHED.

For HEMANT ARORA & CO. LLP

CHARTERED ACCOUNTANTS

Firm's Registration No - 002141C

Sd/-

CA. Kamal Nagpal

M. No. 408066)

Partner

Sd/-

B.D. Agarwal

(Chief Finance Officer)

Sd/-

Rajesh Jain

(Director)

(DIN - 01200520)

Sd/-

Shivani Nathani

(Director)

(DIN - 07881480)

Place of Signature: New Delhi

Date: 28.05.2018

For and on behalf of the Board of Directors

Indo Gulf Industries Limited

Anjali Goel

(Company Secretary)

DEMATERIALIZATION OF SHARES

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

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

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

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

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

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

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

CIN: L74900DL1981PLC011425

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual general meeting of the company, to be held on the 29th day of September, 2018 At 11.00 a.m. at 4237/11, IInd Floor, Narendra Bhawan 1, Ansari Road, Daryaganj, New Delhi – 110002 and at any adjournment thereof in respect of such resolutions as are indicated below:

| SI. No | RESOLUTIONS | Optional** | |
|---------------------------|---|------------|---------|
| | | For | Against |
| Ordinary Business: | | | |
| 1. | To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2018, including the Balance Sheet as at 31st March, 2018, 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. | | |
| Special Business: | | | |
| 2. | Regularisation of Mr. Vijay Jagtap as the Director of the Company | | |

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

Signed this..... day of..... 2018

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 35th Annual General Meeting of the Company held on Saturday, the 29th day of the September, 2018 at 11.00 A.M at **4237/11, IInd Floor, Narendra Bhawan 1, Ansari Road, Daryaganj, New Delhi – 110002.**

Signature of Member/Proxy

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