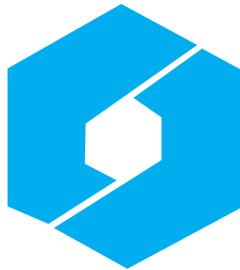


Twenty-Seventh
Annual Report
2010-11



India Glycols Limited

Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements-written and oral-that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Corporate Information

Board of Directors

U.S. Bhartia	Chairman & Managing Director
Jayshree Bhartia	Director
Pradip Kumar Khaitan	Director
Jitender Balakrishnan	Director
Ravi Jhunjhunwala	Director
Jagmohan N. Kejriwal	Director
Autar Krishna	Director
R.C. Misra	Director
M.K. Rao	Executive Director

Audit Committee

R.C. Misra	Chairman
Jagmohan N. Kejriwal	
Autar Krishna	

Investors' Grievance Committee

R.C. Misra	Chairman
U.S. Bhartia	
Autar Krishna	
Jagmohan N. Kejriwal	

Chief Executive Officer

Rakesh Bhartia

Company Secretary

Lalit Kumar Sharma

Auditors

Lodha & Co., Chartered Accountants

Bankers

State Bank of India
State Bank of Patiala
Axis Bank Limited
Punjab National Bank
Union Bank of India
IDBI Bank Ltd.
Exim Bank
State Bank of Hyderabad
State Bank of Travancore

Registered Office

A-1, Industrial Area,
Bazpur Road, Kashipur -244 713
Distt. Udham Singh Nagar,
Uttarakhand

Corporate Office

3A, Shakespeare Sarani,
Kolkata - 700 071

Head Office

Plot No. 2B, Sector-126, NOIDA - 201304
Dist. Gautam Budh Nagar,
Uttar Pradesh

Registrars & Transfer Agents

MCS Ltd.
F-65, Okhla Industrial Area Phase-I
New Delhi - 110 020

Notice

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the members of India Glycols Limited will be held on Tuesday the 27th day of September, 2011 at 12.30 P.M. at the Registered Office of the Company at A-1, Industrial Area, Bazpur Road, Kashipur, District Udham Singh Nagar, Uttarakhand to transact the following business:

ORDINARY BUSINESS

- 1 To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended on that date, the Reports of Directors and Auditors thereon.
- 2 To consider declaration of dividend on equity shares.
- 3 To appoint a Director in place of Shri Pradip Kumar Khaitan, who retires by rotation and being eligible, offers himself for reappointment.
- 4 To appoint a Director in place of Shri Ravi Jhunjunwala, who retires by rotation and being eligible, offers himself for reappointment.
- 5 To appoint a Director in place of Shri U.S. Bhartia, who retires by rotation and being eligible, offers himself for reappointment.
- 6 To appoint Statutory Auditors to hold office upto the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:
“RESOLVED THAT Shri Jitender Balakrishnan, who was appointed as Additional Director by the Board of Directors of the Company and holds the office till the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member signifying his intention to propose Shri Jitender Balakrishnan as a candidate for the office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”
8. To consider and if, thought fit to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:
“RESOLVED THAT subject to provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any modification(s) or re-enactment thereof, for the time being in force) and subject to

the approval of the Central Government, if required, Shri U.S. Bhartia be and is hereby reappointed as Chairman and Managing Director of the Company for a period of 5 years w.e.f. 1st April, 2011 on the remuneration, perquisites, benefits and amenities as mentioned below:

Remuneration:

- **Salary**
The Managing Director shall be paid salary of Rs.20,00,000/- (Rupees Twenty lacs only) per month.
- **Commission**
Not exceeding 4% of the net profits of the Company for each financial year computed in a manner laid down in section 309 of the Companies Act, 1956.
- **Perquisites:**
In addition to the salary, the Managing Director shall be entitled to the following perquisites which shall be evaluated as per Income Tax rules wherever applicable, in the absence of any such rule, perquisite shall be evaluated at actual cost;
 - i) unfurnished residential accommodation;
 - ii) furnishing of residence upto an amount not exceeding Rs.5.0 lacs per annum;
 - iii) gas, electricity, water as per bills produced to the Company;
 - iv) medical reimbursement – medical expenses incurred actually for self and family;
 - v) club fees for two clubs including admission and other fees;
 - vi) leave travel concession once in a year for self and family to any place in India by Air/Rail/Road;
 - vii) Mediclaim and Personal Accident Insurance premium not exceeding Rs.20,000 per annum;
 - viii) Contribution to Provident Fund as per rules of the Company;
 - ix) Gratuity not exceeding one-half month's salary for each completed year of service;
 - x) company's car with driver for official and personal use;
 - xi) Telephone facility at residence and mobile phone for business purposes;
 - xii) Leave encashment as per Company's rules i.e. 15 days for every completed year of service.

Provided further that the aggregate of remuneration by way of salary, commission, perquisites and allowances etc. payable to Shri U.S. Bhartia shall not exceed 5% of the Net Profits of the Company in

a financial year computed in the manner laid down under Section 309 (5) of the Companies Act, 1956 and within the overall limit prescribed under Section 198 and 309 read with Schedule XIII of the Act.”

“FURTHER RESOLVED THAT the Board of Directors of the Company on the recommendation of the Remuneration Committee be authorized to annually review the salary, commission, perquisites and allowances etc. payable to Shri U.S. Bhartia and authorized to restructure the remuneration payable within the overall limit of 5% of the Net Profits of the Company in a financial year computed in the manner laid down under Section 309 (5) of the Companies Act, 1956 and within the overall limit prescribed under Section 198 and 309 read with Schedule XIII of the Act.”

“FURTHER RESOLVED THAT notwithstanding to the above in the event of any loss or inadequacy of profit in any financial year of the Company during the tenure of Shri U.S. Bhartia as Managing Director of the Company, the aforesaid remuneration shall be the minimum remuneration payable to him or as may be approved by the Central Government, if required.”

“FURTHER RESOLVED THAT if the Managing Director holds an office as managerial person in any other company his remuneration shall not exceed the higher maximum limit admissible pursuant to schedule XIII to the Companies Act, 1956 from any one of the Companies of which he is a managerial person.”

“FURTHER RESOLVED THAT the agreement for reappointment as Chairman and Managing Director as approved and executed by the Company and Shri U.S. Bhartia be and is hereby ratified.”

9. To consider and if, thought fit to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 198 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any modification(s) or re-enactment thereof, for the time being in force) and subject to approval of the Central Government, if required, the approval to the payment of remuneration to Shri M.K. Rao, Executive Director for a period not exceeding 2 years w.e.f. 1st April, 2011 be and is hereby accorded, for an amount as may be decided by the Board of Directors from time to time, subject to not exceeding Rs.4,00,000/- p.m..”

“RESOLVED FURTHER THAT the aggregate of remuneration by way of salary, perquisites and allowances etc. payable to Shri M.K. Rao shall not exceed 5% of the Net Profits of the Company in a financial year computed in the manner laid down

under Section 309 (5) of the Companies Act, 1956 and within the overall limit prescribed under Section 198 and 309 read with Schedule XIII of the Act.”

“FURTHER RESOLVED THAT notwithstanding to the above in the event of any loss or inadequacy of profit in any financial year of the Company during the tenure of Shri M.K. Rao as Executive Director of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in section II and Part II of Schedule XIII of the Companies Act, 1956.”

“FURTHER RESOLVED THAT the Board of Directors of the Company on the recommendation of the Remuneration Committee be authorized to annually review and revise the salary structure of Executive Director from time to time during his tenor as Executive Director, the remuneration payable to him shall be in accordance with the overall limit prescribed under Section 198 and 309 read with Schedule XIII of the Act.”

“FURTHER RESOLVED THAT the modification of agreement for reappointment as approved and executed by the Company and Shri M K Rao be and is hereby ratified.”

10. To consider and if, thought fit to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 314 and any other provision, if any, of the Companies Act, 1956, the consent of the Company be accorded to the payment of remuneration payable to Ms. Pragya Bhartia Barwale as President of the Company for a period not exceeding 3 years w.e.f. 1st May, 2011, for an amount as may be decided by the Board of Directors from time to time, subject to not exceeding Rs.2,50,000/- p.m.”

“RESOLVED FURTHER THAT the Board of Directors be authorized to revise the remuneration from time to time subject to the maximum limit prescribed under the Companies Act, 1956 and rules made thereunder or any other law for the time being in force and any modifications thereof.”

“RESOLVED FURTHER THAT Shri Lalit Kumar Sharma, Company Secretary be and is hereby authorized to take necessary steps as are required under the Companies Act, 1956 in order to give effect to the above resolution.”

11. To consider and if, thought fit to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 81(1A) and all other applicable provisions, if any, of the Companies Act 1956 (including any

statutory modification(s) or re-enactment thereof), the Memorandum and Articles of Association of the Company and the regulations/guidelines prescribed by the Securities and Exchange Board of India or any other relevant authority, from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the “Board” which expression shall also include an ESOP Compensation Committee which the Board may constitute to exercise its powers, including the powers, conferred by this resolution), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board in its sole discretion, the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company or its subsidiaries, including any Directors of the Company, whether whole time or otherwise, options exercisable into equity shares being not more than 13,94,000 (Thirteen Lacs Ninety Four Thousand) equity shares of Rs.10/- (Ten) each of the Company not exceeding 5% of the subscribed and paid up equity share capital after issue of shares under a Scheme titled “Employee Stock Option Plan 2011” (hereinafter referred to as the “ESOP 2011”), in one or more tranches, and on such terms and conditions as may be fixed or determined by the ESOP Compensation Committee in accordance with the provisions of the law and guidelines issued by the relevant Authority, each option granted being exercisable for one (1) equity share of the Company.”

“RESOLVED FURTHER THAT the ESOP Compensation Committee be and is hereby authorised to issue and allot equity shares upon exercise of such options from time to time in accordance with the ESOP 2011 and such equity shares shall rank pari-passu in all respects with the existing equity shares of the Company.”

“RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition of the shares by the aforesaid allottees under the ESOP 2011 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.10/- (Ten) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation,

without affecting any other rights or obligations of the said allottees.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the ESOP Compensation Committee be and is hereby authorized to determine the form and terms of the issue, the issue price and all other terms and matters connected therewith, make modifications, changes, variations, alterations or revisions in the ESOP 2011 including to withdraw, suspend or revive the ESOP 2011 from time to time, as may be required by the authorities involved in such issues and to settle any questions or difficulties that may arise in regard to the issue and to do all such acts, deeds, matters and things as it may deem necessary or desirable for such purpose in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company and any other Regulations in force for the time being.”

By order of the Board

Place: NOIDA, U.P.
Date : 16th July, 2011

Lalit Kumar Sharma
Company Secretary

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself. The proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer books of the Company will remain closed from 15th September, 2011 to 27th September, 2011 (both days inclusive). The names of the shareholders, whose share transfer request received in order, either at the Head office/Registered office of the Company or at the Registrars & Share Transfer Agents, M/s. MCS Limited, F-65, Okhla Industrial Area Phase-I, New Delhi 110 020, before the book closure, shall be included in the members register as on the date of the Annual General Meeting.
3. If the dividend on equity shares, as recommended by the Directors, is declared at the meeting, the payment of such dividend will be made to those members of the Company whose name appear on the Register of Members of the Company as on the date of the Annual General Meeting. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per

details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

4. In order to provide protection against fraudulent encashment of Dividend warrant(s), shareholders holding shares in physical form are requested to intimate the Company under the signature of the sole/first joint holder, the following information be printed on the dividend warrant(s).
 - i) Name of the sole/first joint holder and Folio Number.
 - ii) Particulars of Bank Account viz., Name of Bank, Branch address with pin code, Bank Account Number with Account type whether saving or current account.
5. Members holding shares in Electronic form may kindly note that their bank details as furnished by the respective depositories to the Company will be printed on their dividend warrant(s), and that the Company will not entertain any direct request from such member for deletion of/change in such bank details. Further instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to dividend paid on shares in electronic form. Members may, therefore, give instructions regarding bank account in which they wish to receive dividend, directly to their depository participants.
6. The Company provides the facility of remittance of dividend through Electronic Clearing Services (ECS) to the Shareholders residing in the following cities:
Agra, Ahmadabad, Amritsar, Bangalore, Bhubaneswar, Bhopal, Chandigarh, Chennai, Coimbatore, Delhi, Guwahati, Hyderabad, Indore, Jaipur, Kanpur, Kochi, Kolhapur, Kolkata, Lucknow, Ludhiana, Madurai, Mangalore, Mumbai, Nagpur, Patna, Panaji, Pune, Rajkot, Surat, Vadodara, Vidisha and Thiruvananthapuram.
Shareholders holding shares in physical form and wish to avail of the ECS facility may authorise the Company with their ECS mandate in the prescribed form, available at our Head Office at Plot No. 2B Sector 126 Distt Gautam Budh Nagar Noida -201304 Uttar Pradesh or at Registrar and share transfer agent M/s. MCS Limited, F-65, Okhla Industrial Area Phase-I, New Delhi 110 020.
7. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, dividend for the financial year

ended 31st March, 2004, which remain unclaimed/unpaid for a period of 7 years from the date such dividend first become due for payment, will be transferred on 30th October, 2011 to the Investors Education and Protection Fund established by the Central Government. It has been noticed that some shareholders have not encashed the dividend warrant(s) so far for financial year ended 31st March, 2004 or any subsequent financial years. Such shareholders are requested to make their claim to the Company in respect of their unclaimed/unpaid dividend, before being transferred to Investors Education and Protection Fund as aforesaid. The Shareholders are requested to note that no claim shall lie against the said fund or the Company in respect of said unclaimed and unpaid dividend, if transferred to the Investors Education and Protection Fund on due dates.

8. Postal Ballot: Ordinary Resolutions under section 293 (i)(a) and 293 (i)(d) and a Special Resolution under Section 372A of the Companies Act, 1956 have been recommended for the approval of the shareholders through Postal Ballot. In This connection Postal ballot Notice dated 16.07.2011 alongwith Postal Ballot Form is being mailed to all the Shareholders through Post or email available at the Company and as per the mandate of the respective Shareholders. The Shareholders are requested to mark their assent or dissent to the Resolution in the Postal Ballot Form and send the same to the company in the self-addressed postage prepaid envelop enclosed with the Postal Ballot Form or through Email as the case may be. Duly completed Postal Ballot Form should reach the company on or before the last date i.e. Thursday the 15th day of September, 2011. The results of the Postal Ballot will be declared at the Annual General Meeting of the Company to be held on the Tuesday, 27th September day of 2011 at Kashipur, Uttarakhand.
9. MEMBERS ARE REQUESTED TO:
 - A Immediately notify any change of address to their depository participants (DPs) in respect of their holding in Electronic Form and to the Company in respect of their holding in physical form.
 - B Send their queries, if any, atleast 15 days in advance of the meeting at the Company's Head Office at Plot No. 2B, Sector 126, Distt Gautam Budh Nagar, Noida-201304, Uttar Pradesh so that the information

- can be made available at the meeting.
- C Fill the attendance slip for attending the meeting and those who hold the shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- D Send their shares for dematerialisation to the Company's Registrars and Share Transfer Agents, if so far, are not held in dematerialised form, as the Company comes under compulsory demat as per directive issued by the SEBI.
- E The Ministry of Corporate Affairs ('Ministry') has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. In accordance with the recent circulars bearing no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry, companies can now send various notices /documents (including Annual Report and other communications) to their shareholders through electronic mode to the registered e-mail addresses of the shareholders.
- We, therefore invite you to contribute to the cause. In case you wish to receive the Company's future Communications in email ID, please update the same with your Depository Participant(s).
- You are requested to send an e-mail to compliance.officer@indiaglycols.com and admin@mcsdel.com or send a letter at the following address registering your email with the Company:
- Mcs Limited or India Glycols Limited
F-65, 1st Floor, Plot No 2 B, Sector 126,
Okhla Industrial Area, Noida
Phase-I, Dist. Gautambudh
New Delhi- 110020 Nagar - 201304 (UP)
10. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 with respect to items of Special Business is appended hereto, and forms part of this Notice.
11. Shri Pradip Kumar Khaitan, Shri Ravi Jhunjunwala

and Shri U.S. Bhartia, Directors due to retire by rotation and are eligible for reappointment at this Annual General Meeting. Brief resumes of the said Directors are as under:

Name	Shri Pradip Kumar Khaitan	Shri Ravi Jhunjunwala	Shri U.S. Bhartia
Age	70 Years	55 Years	57 years
Qualifications	L.L.B	B.Com and MBA from Geneva	B.Com.(Hons.)
Expertise in Specific functional Area	Mr. P.K. Khaitan is an outstanding Lawyer, Senior Partner of the leading legal firm, Khaitan and Co, besides on the Board of several other reputed companies.	Shri Ravi Jhunjunwala, is an Industrialist manages Rs.3600 crores LNJ Bhilwara Business Group. He started his career as a Management Trainee and having gone through a very well planned grooming in all aspects of Business Management and was later assigned the reins of HEG Ltd. as Managing Director. He is also active on number of National Management forums and is associated with various chambers of commerce including CII.	Mr. U.S. Bhartia is an Industrialist and has overall 32 years of experience in managing large scale Industrial Companies. He is associated with India Glycols Limited for over 14 years as Managing Director and involved in the day to day managerial activities of the Company. Mr. U.S. Bhartia is one of the promoters of the Company.

Name	Shri Pradip Kumar Khaitan	Shri Ravi Jhunjunwala	Shri U.S. Bhartia
Date of appointment on the Board of the Company	29.11.1996	26.10.2009	30.11.1996
Name(s) of the other companies in which Directorships held (as per Sections 275 and 278 of the Companies Act, 1956)	1. CESC Limited 2. OCL India Limited 3. Dalmia Bharat Enterprises Limited. 4. Electrosteel Castings Limited. 5. Gillanders Arbuthnot & Co. Limited 6. Graphite India Limited 7. Hindustan Motors Limited 8. Dhunseri Petrochem & Tea Limited. 9. Pilani Investment and Industries Corpn Ltd. 10. Woodlands Multispeciality Limited 11. TCPL Packaging Limited. 12. VISA Steel Limited 13. India Glycols Ltd.	1. India Glycols Limited 2. HEG Ltd. 3. RSWM Ltd. 4. Maral Overseas Ltd. 5. Malana Power Company Ltd. 6. Indo Canadian Consultancy Services Ltd. 7. BSL Ltd. 8. Ad Hydro Power Ltd. 9. Cheslind Textiles Ltd. 10. Bhilwara Energy Ltd.	1. India Glycols Limited 2. Kashipur Holdings Limited 3. IGL Finance Ltd. 4. Shakumbari Sugar & Allied Ind. Ltd. 5. Polylink Polymers (India) Ltd. 6. Hindustan Wires Limited
Name(s) of Companies in which Committee membership(s)/ Chairmanship(s) held (as per Clause 49 of the Listing Agreement with the Stock Exchanges)	1. Hindustan Motors Ltd. -Member- Investors Grievances Committee 2. Pilani Inv. & Ind. Corp. Ltd- Member-Audit Committee 4. Gillanders Arbuthnot & Co. Limited. -Member- Shareholders and Investors Grievances Committee	1. HEG Limited – Member - Investors Grievance Committee 2. BSL Ltd. - Member - Investors Grievance Committee 3. Malana Power Company Ltd- Chairman-Audit Committee 4. Ad Hydro Power Ltd- Chairman-Audit Committee	India Glycols Ltd Member - Investor Grievance Committee Hindustan Wires Ltd Audit Committee Polylink Polymers India Limited Audit Committee and Investor Grievance Committee

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 7

Shri Jitender Balakrishnan was appointed as Additional Director to the Board of Directors w.e.f. 13.08.2010, who is holding the office till the ensuing Annual General Meeting of the Company. Shri Balakrishnan retired from IDBI Bank Ltd. as Deputy Managing Director. Shri Balakrishnan holds Bachelor's degree in Mechanical Engineering from National Institute of Technology, Madras and Masters in Business Administration, has more than 30 years of experience in banking and financial services. With his rich experience in Banking and Financial services, his guidance as our Board member will be beneficial to our Company.

The Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member signifying his intention to propose Shri Jitender Balakrishnan as a candidate for the office of the Director at the ensuing Annual General Meeting. Members' consent is required for appointment of Shri Jitender Balakrishnan as a Director of the Company.

In view of above, the Resolution set out at item no. 7 of the Agenda is recommended to pass as an Ordinary Resolution.

None of the Directors except Shri Jitender Balakrishnan is, in any way, concerned or interested in the resolution.

Item No. 8

The Board of Directors at its meeting held on 20th May, 2011 on the recommendation of the Remuneration Committee of the Board of Directors vide its resolution dated 20th May, 2011, has recommended the reappointment of Shri U.S. Bhartia as Chairman and Managing Director, subject to the approval of Shareholders and Central Government, if required, for a period not exceeding 5 years w.e.f. 1st April, 2011, as per the details mentioned in the resolution set out at item no.8 of the Notice

INFORMATION REQUIRED PURSUANT TO THE PROVISIONS OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 READ WITH CLAUSE 49 OF THE LISTING AGREEMENT IS FURNISHED AS UNDER:

I. GENERAL INFORMATION:

(i) Nature of Industry

India Glycols Limited is engaged in the manufacturing

and marketing of Chemicals including specialty Chemicals, Ethyl Alcohol (Potable), Nutraceutical and herbal extraction, Natural Gum & its derivatives, Industrial Gases, etc. having a turnover of more than Rs.1800 crores. IGL is the only company in the world to produce Ethylene Oxide from molasses which a by-product of sugar industry. The company has mastered the technology of producing ethanol from molasses which is converted into ethylene and thereafter converted into Ethylene Oxide. The company has the advantage of producing MEG through agro route (green route) while the other manufacturers are manufacturing through crude oil. The company has diversified from a single product to multi-product in a short span of last 11 years period. The Company has diversified its activities from MEG and EO derivatives to other specialty chemicals, Ethyl Alcohol (potable), Natural Gums and its derivatives, nutraceuticals and Herbal extractions and Industrial Gases. The company has entered into the sugar manufacturing industry by taking over Shakumbari Sugar And Allied Industries Limited at Saharanpur. In a step forward towards registering its international presence, the Company has established an overseas company in Singapore to market its products into south-east Asian Markets.

India Glycols Limited is a growing industry in the current economic scenario due to inevitable demand of Pharmaceutical & Nutraceutical industries, Food industries, Textile industry, Automobile industry, and Potable segment. India Glycols Limited is leading manufacturer of Chemicals including Mono Ethyl Glycols (MEG), Ethoxilates and Glycols Ethers through Molasses route, which is most appreciable due to eco-friendly nature in all over world. Sustainable Development of eco-friendly nature is the prime philosophy of our company as adopted by World Environment Forum.

- (ii) Date or expected date of commencement of commercial production 1st January, 1990.
- (iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not Applicable

- (iv) Financial performance based on given indicators The relevant financial figures (Audited) for the last 5 years are as under:-

(Amount in crores)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Total Turnover including other income	914.98	1538.68	1163.67	1412.19	1859.93
Profit/(loss) before Depreciation and Tax.	105.11	303.67	(33.08)	73.91	105.38
Depreciation and exceptional item.	52.86	66.12	104.16	42.81	68.62
Profit before Tax	52.25	237.56	(137.24)	31.10	36.76
Provision for Tax	11.20	59.04	(45.35)	11.10	11.14
Profit after Tax	41.05	178.53	(91.89)	20.00	25.62

- (v) Export performance and net foreign exchange, collaborations

The Company has total export turnover of Rs.704.62 crores as on 31st March, 2011. The Company has Net Foreign Exchange earning of Rs.143.49 crores

- (vi) Foreign Investments or collaborators, if any:

Not Applicable

II. INFORMATION ABOUT THE APPOINTEE:

- (a) Background Details

Mr. U.S. Bhartia, aged 57 years and a Commerce Graduate is a renowned Industrialist and has overall 32 years of experience in the managing large scale Industrial Companies. Mr. U.S. Bhartia is associated with India Glycols Limited for over 14 years as Managing Director and involved in the day to day managerial activities of the Company. Mr. U.S. Bhartia is one of the promoters of the Company, who along with other promoter group holds more than 53.56% of the total shareholding of the Company.

- (b) Past Remuneration

During the Year 2010-11, Mr. U.S. Bhartia was paid Salary, perquisite and allowance of Rs.267.03 lacs.

- (c) Recognition or Awards

He is renowned personality in the chemical industries and had immensely contributed to the nation in developing and introducing quality chemical including MEG and other specialty chemicals, Ethyl Alcohols, Natural Gums etc. Mr U.S. Bhartia was also conferred UDYOG RATNA AWARD for the year 2005.

- (d) Job Profile and his Suitability

As stated above, Mr. U.S. Bhartia is a Commerce

Graduate with over 32 years of experience and is vested with substantial powers of management of the Company. As is evident from his experience and industrialist background, Mr. U.S. Bhartia is ideally suited to the nature of our Industry, the benefits of which, the Company has reaped over the years. Mr. U.S. Bhartia is associated with India Glycols Limited for over 14 years as Managing Director and involved in the day to day managerial activities of the Company.

Mr. U.S. Bhartia has joined the Company in the year 1996 and since then under the able leadership of Mr. U.S. Bhartia, the Company has grown in short span of 11 years from single product of Mono Ethylene Glycols at single plant at Kashipur to multi products including EOD, Glycols Ethers, Ethyl Alcohol (Potable), Natural Gums, Industrial Gases, Nutraceuticals Herbal Extraction, Sugar etc. at four different plant locations including Sugar plant at Saharanpur, Uttar Pradesh.

Under the able leadership of Shri U.S. Bhartia, the plant capacity of MEG and equivalent has been increased from 60 MT per day in the year 1996 to 575 MT per day in the year 2011. The Company's turn-over has since been increased from Rs.122 crores in the year 1996 to Rs.1860 crores in the year 2011.

The Company is exporting its products in various countries around the globe and the Company has registered exports turnover of Rs 704.62 crores in the year 2010-11. During the tenor of Shri U.S. Bhartia as Managing Director, the Fixed Assets base has been increased from Rs.155.58 crores in the year 1996 to Rs 1525 crores in the year 2011.

Under the diversification plan initiated by Shri U.S. Bhartia, the Company has also set up Ethly Alcohol Division at its distilleries in Kashipur and Gorakhpur with an overall capacity of 725 KL per day and is among few Companies in the country having license of operations in and sale of Country Liquor and Indian Made Foreign Liquor (IMFL) in two states of Uttar Pradesh and Uttarakhand. The turnover of Ethly Alcohol Division has been increased from Rs 67 Crores in the year 2006 to Rs 341crores in the year 2011. The Company has over a period developed premium brands in its IMFL segment and is planning to develop further premium brands to further strengthen its market share.

The Company has also set up an Industrial Gases division producing Oxygen, Nitrogen and Argon with an overall capacity of 13000 NM³/h. The Company has also set up Carbon dioxide producing plant at Kashipur and Gorakhpur with a capacity of 80 MT/day.

The Company is diversifying into the field of Guar Gum derivatives used for Oil Field Industry and Textile Industry. The Company is modifying its existing Guar Gum Plant to produce value added derivatives for Oil Field Industry, specialty derivatives for food & paper industry and Textile Industry.

Under the able leadership of Shri U.S. Bhartia, the Company acquired controlling stake in Shakumbari Sugar & Allied Industries Limited (SSAIL), which operates a sugar manufacturing plant in the state of Uttar Pradesh with a crushing capacity of 3200 tones per day (TCD) alongwith a modern distillery of 40 KL per day (KLPD) producing high quality rectified spirit, ethanol and country liquor and an internal bagasse fired co-generation plant of 3MW catering to the captive power needs of the sugar and distillery units. In the first phase of expansion plan, the capacity of sugar manufacturing plant will be enhanced from 3200 TCD to 5500 TCD.

As a further step towards diversification plan initiated by Shri U.S. Bhartia, Company has set up a 100% Export Oriented undertaking (100% EOU) by the name of Ennature Bio-pharma division. The Company has taken 47 acres land on lease from Uttarakhand government, where it is growing a wide variety of medicinal plants etc. It has also set up a Supercritical Fluid Extraction facility (SCFE) at Dehradun, which will be cGMP compliant and in the process of being cGMP and HACCP. The unit is Kosher certified and

approved by India Food & Drug Authorities (FDA). SCFE at Dehradun has started on trial production of the plant and is in process of stabilizing and developing various Phytopharmaceuticals and Nutraceuticals products. The unit has received accreditation from the Indian Spices Board and has been enrolled as members of Pharmexcil and Shellac Export Promotion Council. This unit will be used for extraction of Dietary Food supplements, Natural Colors, Health care fruits & vegetables, Herbal Extracts, Fruit flavors & fragrances & Spice flavors & extracts. Future thrust is to become supplier of more refined natural active pharmaceutical ingredients (API) & intermediates to pharmaceutical & natural health product industries. All these are very high value added products.

All the Four Plants of the Company including Sugar Plant are being controlled from the head office at NOIDA, U.P. under the supervision, guidance and direction of Shri U.S. Bhartia, who takes keen interest in various on-going projects conception, planning and execution and has been guiding the activities of the Company all through. Since various projects of the Company are in the advanced stage of completion, Shri U.S. Bhartia's guidance and direction would continue to be of great asset and advantage to the Company.

(e) Remuneration Proposed

As mentioned in the Resolution proposed for Shareholders Approval.

(f) Comparative remuneration Profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin.)

The prevalent levels of remuneration in manufacturing industries, in general and the industry in particular, are higher. Taking into account the turnover of the Company, Mr. U.S. Bhartia's invaluable contribution to the Company, his role in placing the Company in pre-eminent position in the Industry, his strategic role in turning around the Company to its present position, the proposed remuneration to the Appointee is reasonable and in line with the remuneration levels in the Industry, across the country and befits his position.

(g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Mr. Uma Shankar Bhartia is one of the Promoters of the Company and has been instrumental in bringing significant growth in the volume of its business since inception. He is also related to Mrs. Jayshree Bhartia, who is belonging to Promoter group of the Company.

III. OTHER INFORMATION:

Though the Company has earned the profits during the last two preceding years, but net profit calculated in accordance with Sec. 349 & 350 of the Companies Act, 1956 are inadequate due to application of Sec 349(4)(l) of the Act. Also the profitability for the current year has been affected due to the higher prices of feed stock and lower realization of finished product, which is beyond the control of the Company. The increase in the prices of molasses is due to lower cultivation/production.

The remuneration and terms of appointment are in accordance with Section 269, 198, 309 read with Schedule XIII of the Companies Act, 1956 (as amended). The Agreement entered into with Shri U.S. Bhartia for re-appointment of Chairman and Managing Director is open for inspection to the members at the Registered Office of the Company at A-1, Industrial Area, Bazpur Road, Kashipur- 244713, Dist. U.S. Nagar, Uttarakhand between 10.00 A.M. and 1.00 P.M. on any working date prior to the date of the meeting.

In terms of Clause 49 of the Listing Agreement on Corporate Governance, Shri U.S. Bhartia qualifies as Non- Independent Director.

Except Smt. Jayshree Bhartia and Shri U.S. Bhartia, himself, none other Directors are concerned or interested in the proposed resolution.

The Board of Directors has recommended the proposed resolution set out at item No.8 of this Notice for your approval by way of a Special Resolution.

This explanatory statement alongwith the relevant resolution may be treated as an abstract of the variation of the terms of contract of appointment of Managing Directors to be disclosed to the members pursuant to Section 302 of the Companies Act, 1956.

ITEM NO. 9

The Board of Directors at its meeting held on 20th May 2011 on the recommendation of the Remuneration Committee of the Board of Directors vide its resolution

dated 20th May, 2011, has recommended the fixation of the remuneration of Shri M.K. Rao, Executive Director for remaining period of his appointment i.e. for 2 years w.e.f. 1st April, 2011 subject to the approval of Shareholders, as mentioned in the resolution set out at item no.9 of the Notice.

INFORMATION REQUIRED PURSUANT TO THE PROVISIONS OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 READ WITH CLAUSE 49 OF THE LISTING AGREEMENT IS FURNISHED AS UNDER:

I. GENERAL INFORMATION:

The information under this Clause has already been provided in the Explanatory Statement attached herewith in respect of the item No.8 of this Notice.

II. INFORMATION ABOUT THE APPOINTEE:

(a) Background Details

Shri M.K. Rao is involved in the day to day management of the Manufacturing Plant at Kashipur and various on-going projects with regard to conception, planning and execution thereof and has been guiding the activities all through. Shri M.K. Rao is B.Tech. (Chemical Engineering) from Andhra University College of Engineering and M.Tech. (Chemical Plant Design) from IIT, Madras. Shri M.K. Rao is having an overall experience of 28 years of Plant operations, maintenance and projects execution. Shri M.K. Rao had joined the Company in the year 1988 as Dy Manager (Technical Services) and rose to the level of Sr. Vice President and Plant Head in the year 2005. Shri M.K. Rao has lead the team of processing engineers in developing engineering packages for various debottlenecking/ plant expansions, process improvement schemes and cost effective energy conservation schemes.

(b) Past Remuneration

During the Year 2010-11, Shri M.K. Rao was paid Salary, perquisite and allowance of Rs.36.32 lacs.

(c) Recognition or Awards

Not Applicable

(d) Job Profile and his Suitability

As stated above, Shri M.K. Rao is involved in the day to day management of the Manufacturing Plant at Kashipur and various on-going projects with regard to conception, planning and execution thereof and has been guiding the activities all through. Shri

M.K. Rao is B.Tech. (Chemical Engineering) from Andhra University College of Engineering and M.Tech. (Chemical Plant Design) from IIT, Madras. Shri M.K. Rao is having an overall experience of 28 years of Plant operations, maintenance and projects execution. Shri M.K. Rao had joined the Company in the year 1988 as Dy Manager (Technical Services) and rose to the level of Sr. Vice President and Plant Head in the year 2005. Shri M.K. Rao has lead the team of processing engineers in developing engineering packages for various debottlenecking/ plant expansions, process improvement schemes and cost effective energy conservation schemes.

His inclusion as Executive Director in the Board of Directors of the Company has brought technical expertise to the Board. Keeping in view Shri M.K. Rao's contribution to the growth of the Company for last 21 years, he was included in the Board of Director of the Company.

(e) Remuneration Proposed

As mentioned in the Resolution proposed at Item No.9 of the Notice.

(f) Comparative remuneration Profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin).

The prevalent levels of remuneration in manufacturing industries, in general and the industry in particular are higher. Taking into account the turnover of the Company and responsibilities of Shri M K Rao, the proposed remuneration to the Appointee is reasonable and in line with the remuneration levels in the Industry, across the country and befits his position.

(g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Mr. M K Rao is senior Executive of the Company and has been instrumental in bringing significant growth in the volume of its business of the Company.

In terms of Clause 49 of the Listing Agreement on Corporate Governance, Shri M.K. Rao qualify as Non- Independent Director.

Except Mr M K Rao, none other Director is concerned or interested in the proposed resolution.

The Board of Directors has recommended the proposed resolution set out at item No.9 of this Notice

for your approval by way of a Special Resolution.

This explanatory statement alongwith the relevant resolution may be treated as an abstract of the variation of the terms of contract of appointment of Executive Directors to be disclosed to the members pursuant to Section 302 of the Companies Act, 1956.

ITEM NO.10

The Board of Directors at its meeting held on 20th May, 2011, on the recommendation of the Remuneration Committee and subject to the approval of the Shareholders, had revised the remuneration payable to Ms Pragya Bhartia Barwale, within the overall limit as specified under Section 314 of the Companies Act, 1956, as President of the Company, who is dealing with the Business Development including Strategy Planning of various on- going projects and day to day affairs of the Company, in terms of the revision of Remuneration Limit, as amended by the Department of Corporate Affairs, remuneration payable to Ms. Pragya Bhartia Barwale is as per details containing in the resolution set out at item No 10 of this Notice.

Initially, Ms. Pragya Bhartia Barwale was responsible for the implementation of Nutra-ceutical Herbal Extraction project at Dehradun. Ms. Pragya Bhartia Barwale is MSc. Economics for Development, with distinction and was second rank holder from University of Oxford, U.K.

Except Smt. Jayshree Bhartia and Shri U.S. Bhartia, none other Directors are concerned or interested in the proposed resolution.

The Board of Directors has recommended the proposed resolution set out at item No.10 of this Notice for your approval by way of a Special Resolution.

ITEM NO.11

Human Resource is the key resource for the continuing growth and development of the Company. To motivate the employees and enable them to participate in the long-term growth and financial success of the Company, with a common objective of maximizing the shareholder's value, it is proposed to introduce the Employees Stock Option Scheme ("ESOP"), applicable to the permanent employees of the Company and all its subsidiaries, whether now or hereafter existing, as well as to all the Directors of the Company. The principal objectives of the scheme are to attract, retain and motivate the employees of our Company, encourage employees to align individual performance with Company's objectives, reward

employee performance with ownership in proportion to their contribution and provide an incentive for employees to expand and improve the profits and prosperity of the Company.

Pursuant to the provisions of the Securities and Exchange Board of India (Employees' Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as the "SEBI Guidelines"), an ESOP Compensation Committee of the Board of Directors of the Company has been constituted for administration and superintendence of the ESOP.

The salient features of the ESOP 2011 are given hereunder:-

- (a) The total number of options to be granted would not exceed 5% of the paid up equity share capital of the Company ;
- (b) A permanent employee of the Company, including a Director, whether whole time or not, shall be entitled to participate in the ESOP Scheme 2011. Any Employee who is a Promoter or belongs to the Promoter Group or who is a Director who, either by himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent (10%) of the outstanding equity Shares of the Company, shall not be eligible for Grant of Options under this ESOP;
- (c) The Compensation Committee shall decide the vesting period for the Options granted to each employee, so however that the minimum period over which the Options will vest will be one year. The Compensation Committee may also provide for vesting of the Options over 4 to 6 year period as they may deem fit;
- (d) The maximum period within which the options shall be vested will be determined by the Compensation Committee subject to the maximum period over which the vesting takes place should not exceed 5 years;
- (e) The exercise price shall be determined by the Compensation Committee and shall be fixed as a percentage of the market value of shares on the date of Grant. The Compensation Committee shall not fix the exercise price below 90% of the market price of shares on the date of grant of an option. The exercise price of the shares under this ESOP shall not be less than the face value of the shares as on the date of grant of an option;
- (f) An employee can exercise his options on the vesting period of the option being completed. The employee shall make a written application for the exercise of such Options through an Exercise Application to the Compensation Committee;
- (g) The Compensation Committee will determine the appraisal process for determining the eligibility of employees to the ESOP Scheme 2011 in consultation with the supervisor, manager or the team leader of the Eligible Employee;
- (h) The maximum percentage of Options which can be issued to an employee in any one fiscal year cannot exceed 0.99% of the issued capital of the Company. The percentage may be increased with the approval of the shareholders of the Company in a general meeting;
- (i) The Company shall conform to the accounting policies as set out in Schedule 1 of the SEBI ESOP Guidelines;
- (j) The company shall use the valuation method for valuing its options as prescribed by the provisions of SEBI ESOP Guidelines;
- (k) In case the company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

The ESOP Compensation Committee shall, inter alia, formulate the detailed terms and conditions of the ESOP including:

- (a) the quantum of option to be granted under an ESOP per employee and in aggregate;
- (b) the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
- (c) the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
- (d) the specified time period within which the employee shall exercise the vested options in the event of

termination or resignation of an employee;

(e) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

(f) The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others.

In this regard, following shall be taken into consideration by the ESOP Compensation Committee:

(i) the number and the price of ESOP shall be adjusted in a manner such that total value of the ESOP remains the same after the corporate action;

(ii) for this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered;

(iii) The vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.

(g) the grant, vest and exercise of option in case of employees who are on long leave; and

(h) the procedure for cashless exercise of options

The ESOP Compensation Committee shall also frame suitable policies and systems to ensure that there is no violation of;

(a) Securities and Exchange Board of India (Insider Trading) Regulations, 1992; and

(b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995, by any employee.

The ESOP Compensation Committee shall have the authority in its discretion:

- i. to determine exercise price;
- ii. to select the employees to whom options may from time to time be granted hereunder;

iii. to determine the number of shares to be covered by each such option granted hereunder;

iv. to determine the vesting period and the exercise period;

v. to approve forms of agreement for use under the ESOP 2011;

vi. to determine the terms and conditions, not inconsistent with the terms of the plan, of any option granted hereunder;

vii. to prescribe, amend and rescind rules and regulations relating to the ESOP 2011;

viii. to construe and interpret the terms of the ESOP 2011 and options granted pursuant to the ESOP 2011; to determine the quantum of option to be granted per employee and in aggregate; and

ix. to delegate such power and authorities to such person/s on such terms as the Compensation Committee may deem fit and approve.

As the ESOP 2011 provides for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is sought pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and as per clause 6 of the SEBI Guidelines.

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of the securities that may be offered to them under the ESOP 2011.

The Board of Directors has recommended the proposed resolutions set out at the item No.11 for your approval by way of a Special Resolution.

By order of the Board

Place: NOIDA, U.P.
Date : 16th July, 2011

Lalit Kumar Sharma
Company Secretary

Directors' Report

To The Members

Your Directors are pleased to present Twenty Seventh Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2011.

Financial Results

(Rs. in lacs)

	Year ended 31.03.2011	Year ended 31.03.2010
Sales and other income	185,992	141,290
Profit/(loss) before depreciation, exceptional item and tax	10,538	7,391
Depreciation	6,862	5,907
Exceptional item	Nil	(1,626)
Profit/ (loss) before tax	3,676	3,110
Provision/(credit) for tax	1,114	1,110
Net profit/(loss)	2,562	2,000
Profit/(loss) brought forward	27,109	25,698
Profit available for appropriation	29,671	27,698

Dividend

Your Directors are pleased to recommend a dividend of Rs.1.50 (Rupee One and paise fifty only) per equity share. The outgo on dividend will be Rs.486.09 lacs including tax on dividend.

Performance

During the year under review, performance of the Company has shown improvement consequent to the improvement in the overall economic situation worldwide. The price of Glycols have started showing upward trend in the current year vis a vis last year. However, the prices of feedstock like molasses and alcohol have increased due to the Government decision to increase the use of Ethanol for blending in Petroleum. Keeping in mind the reduction in the prices of the Glycols in the year 2009-10, Company had diversified towards production of high value added Ethylene Oxide Derivatives (EODs), which has provided better margins as compared to Glycols.

Sales and other income for the year under review has been Rs.185,992 Lacs compared to Rs.141,290 Lacs last year showing an increase by 32% vis a vis last year. Profit before depreciation, exceptional item and tax for the year has been Rs.10,538 Lacs as compared to Rs.7,391 Lacs

last year showing an increase by 43%. The net profit after tax for the year has been Rs.2,562 Lacs as compared to net Profit of Rs.2,000 Lacs last year.

The borrowing cost has increased to Rs.8,631 lacs as compared to Rs.6,009 lacs last year, due to increase in the borrowings as well as increase in the overall interest rates by all the banks. The Company has taken various steps to keep the borrowing cost under control by availing PCFC, Buyers credit and converting Rupee Loans into FCNRB Loans.

During the year, your Company produced 76,364 MT of Glycols compared to 47,865 MT last year. Ethylene Oxide Derivatives (EODs) production has been 106,927 MT compared to 97,803 MT last year.

The Company has produced 37,280 KBL of Potable Alcohol and has produced 664 lacs PET Bottle at Gorakhpur for the Potable Alcohol plant at Gorakhpur.

Marketing

The Company is the largest manufacturer of Bio-MEG in the world made out of agriculture feedstock i.e. Molasses and Ethanol. Bio-MEG has an application, apart from other products, in PET bottles, which is used for packaging of beverage products. Sale of Glycols has been 77,572 MT compared to 43,677 MT last year. The sale of Ethylene Oxide Derivatives (EODs) has been 108,585 MT compared to 97,254 MT last year.

Exports

During the year under review, your Company has achieved total export turnover of Rs.70,462 lacs as compared to Rs.41,068 lacs last year. Your Company expects reasonable growth in the overall export sales in the current year. Company has been granted 'One Star Export House' status by Government of India, Office of the Jt. Director General of Foreign Trade.

Natural gum

During the year, your Company achieved total sales of Rs.6,488 lacs of the Natural Gum products out of which the export turnover was Rs.6,322 lacs as compared to total sales of Rs.2,624 lacs last year out of which the export turnover was Rs.2,584 lacs. The Company has registered a growth of 147% in Natural Gum segment, due to high international quality standard. The Company is modifying its existing Guar Gum Plant to upgrade the quality of the product of first hydrating Guar going for Oil Field Industry. The Company has enhanced the production capacity

by 50% as against earlier capacity and is also further planning to increase capacity by end of August 2011 to cater to the growing international demand.

Ethyl alcohol (potable) & extra natural alcohol

During the year, your Company registered total sales of Rs. 34,147 lacs compared to Rs.38,707 lacs last year in the Ethyl Alcohol (Potable) and Extra Natural Alcohol division. Efforts are being made to increase the sales of Ethyl Alcohol (Potable). Company has the most modern & largest captive distillery in Asia and is among few Companies in the country having license of operations in and sale of Country Liquor and Indian Made Foreign Liquor (IMFL) in the states of Uttar Pradesh and Uttarakhand. During the year, IMFL brands of the Company have been supplied to Defence Forces Canteens (CSD). The Segment contributes around 19% in the total revenues of the Company.

Ennature bio-pharma division (100% export oriented undertaking)

Company has a 100% Export Oriented Unit (100% EOU) by the name of Ennature Bio-pharma division. The Company has taken 47 acres land on lease from Uttarakhand government, where it is growing a wide variety of medicinal plants etc. It has also set up a Supercritical Fluid Extraction facility (SCFE) at Dehradun, which will be cGMP and HACCP compliant. The unit is Kosher certified and approved by Indian Food & Drug Authorities (FDA). SCFE at Dehradun has started production and is in process of stabilizing and developing various Phytopharmaceuticals and Nutraceuticals products. The unit has received accreditation from the Indian Spices Board and has been enrolled as members of Pharmexcil and Shellac Export Promotion Council. This unit will be used for extraction of Dietary Food supplements, Natural Colors, Health care fruits & vegetables, Herbal Extracts, Fruit flavors & fragrances & Spice flavors & extracts. Future thrust is to become supplier of more refined natural active pharmaceutical ingredients (API) & intermediates to pharmaceutical & natural health product industries. All these are very high value added products. Since this will be a 100% EOU, this diversification will provide tax benefit also. During the year, your Company registered total sale of Rs.1,538 lacs in the Ennature Bio Pharma Division.

Industrial gases

The Company has an Industrial Gases division producing Oxygen, Nitrogen and Argon with an overall capacity of

13,460 NM³/h. During the year under review, Company produced approximately 641 lacs NM³ of Oxygen and 218 lacs NM³ of Nitrogen. Both Oxygen and Nitrogen were successfully marketed and also used for own requirement. Industrial gases division also produced 13 lacs NM³ of Argon.

The Industrial Gases division has also produced food and industrial grade liquid Carbon Di-oxide (CO₂) at Kashipur Plant having capacities of 160 MT/day each, to meet growing domestic market. Company has produced 46,102 MT of Carbon Di-oxide (CO₂). During the year, Industrial Gases segment registered total sales of Rs.2,941 lacs compared to Rs. 2,330 lacs last year.

Joint venture for private freight terminal (PFT)

Our Company is setting up a Private Freight Terminal (PFT) under a joint venture with Fourcee Infrastructure Equipments Pvt. Ltd. as permitted vide Freight Marketing Circular No. 14 of 2010 dated 31.05.2010, and Freight Marketing Circular No. 6 of 2011 dated 21.06.2011 by the Indian Railways, for providing railways-based logistics services and other facilities at Kashipur, Uttarakhand, as provided under extant guidelines of the Indian Railways. The facility would be adjacent to the existing plant of Company at Kashipur.

The Parties have entered into a Memorandum of Understanding to co-operate and partner with each other for the purpose of setting-up, operating and managing the said Private Freight Terminal (PFT) in order to provide multi-modal logistics solutions to our Company and external customers and enhance its service delivery capacity. With the commissioning of this facility, logistics movement for both inbound and outbound cargo would become more dependable, reliable, economical, would also ensure on-time delivery of goods and enable better inventory management.

Expansion / modernisation / diversification plans

The Company is actively pursuing growth opportunities and looking at areas to reduce its cost of production. The Company is evaluating plans to further expand its Ethoxylates capacity to improve its product mix and also considering the setting up of a Power Plant to reduce its dependence on external power. In addition, the Company is actively pursuing expansion opportunities for its business other than Chemicals.

The Company is setting up 10 ton biomass/day capacity pilot plant to convert lignocellulosic agricultural waste

biomass to ethanol by using the bench-scale process developed at DBT-ICT Centre for Energy Bio-Sciences, Mumbai. The pilot plant will use agricultural non-fodder lignocellulosic waste (i.e. Rice straw, Wheat straw & Bagasse) as feedstock to manufacture ethanol. The plant will aim at solving technical roadblocks in lignocellulosic ethanol technology in order to improve the overall situation with regard to alcohol availability. The plant is being set-up with the Department of Bio-Technology aid/loan.

Finance

During the year under review, Company has raised Rupee Term Loans of Rs.3,170 million. The Company has repaid total loans of Rs.2,010 million, out of which Company repaid Rupee Term Loan of Rs.1513 million and Foreign Currency Loans of US\$ 7.61 million and JPY 276.25 million equivalent to Rs. 497 million.

The Company has been regular in meeting its obligations towards payment of principal/interest to Financial Institutions / Banks / Debentureholders / Fixed Deposit holders.

Listing of securities

The shares of the Company shall continue to be traded at the Bombay Stock Exchange and the National Stock Exchange.

Subsidiary companies

The Company is having controlling stake in Shakumbari Sugar & Allied Industries Limited (SSAIL), which operates a sugar manufacturing plant in the state of Uttar Pradesh with a crushing capacity of 5500 tones per day (TCD) alongwith a modern distillery of 40 KL per day (KLPD) producing high quality rectified spirit, ethanol and country liquor and an internal bagasse fired co-generation plant of 11.4 MW catering to the captive power needs of the sugar and distillery units.

The Company has completed first phase of expansion plan and the capacity of sugar manufacturing plant has been enhanced from 3200 TCD to 5500 TCD and co-generation plant capacity has been enhanced from 3 MW to 10.4 MW of power generation.

Your Company has also established a subsidiary in Singapore to augment its activities in South Eastern region & help the marketing of products from Chemical Plant and Supercritical Fluid Extraction facility to large buyers in US, Europe and South East Asia.

Your Company has three, wholly owned subsidiary companies, i.e. Shakumbari Sugar & Allied Industries Limited (SSAIL), IGL Finance Limited and IGL CHEM International Pte. Ltd. The Ministry of Corporate Affairs, Government of India, vide General Circular dated 8th February 2011 and 21st February 2011 has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular for non-inclusion of Subsidiary Companies' Annual Report with the Annual Report of the Holding Company. The Company has satisfied the conditions stipulated in the circular and hence have availed the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

The Company undertakes that annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the Company and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the head office of the company and of the subsidiary companies concerned. The Company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

Fixed deposit

The amount of Fixed Deposit held as on 31st March, 2011 was Rs.179.68 lacs. There are no overdue deposits except unclaimed deposits amounting to Rs.46.90 lacs.

Directors

Shri Pradip Kumar Khaitan, Shri Ravi Jhunjunwala and Shri U.S Bhartia, Directors of the Company, retiring by rotation and being eligible, offer themselves for reappointment. Your Directors recommend the reappointment of retiring Directors for your approval.

During the year under review, the Board of Directors has appointed Shri Jitender Balakrishnan as Additional Director of the Company, who will hold the office till ensuing Annual General Meeting of the Company. The Board has recommended the appointment of Shri Jitender Balakrishnan as Director of the Company, whose period of office shall be liable to determination for retirement by rotation.

Directors' responsibility statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- appropriate accounting policies have been selected and applied consistently and made judgements 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 ended 31st March, 2011 and of the profit and loss account of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

Management discussion and analysis

A separate report is appended herewith.

Corporate governance

The Board of Directors supports the broad principles of Corporate Governance. The report on Corporate Governance as stipulated in clause 49, as amended, of the listing agreement with the stock exchanges for the year ended 31st March, 2011 and Auditor's Certificate on Corporate Governance are appended herewith.

Auditors

The Auditors, M/s. Lodha & Co., Chartered Accountants, retiring at the ensuing Annual General Meeting and offer themselves for reappointment. They have confirmed that they are eligible under Section 224(1B) of the Companies Act, 1956 for reappointment.

Environment, energy conservation, technology absorption, etc.

The Company is working actively on various projects efficiently, approaching and targeting towards Clean Development Mechanism (CDM) and reduction in GHG emissions.

The Company has installed distillery effluent Evaporators at Gorakhpur and the concentrated effluent is burnt in specially designed boiler, the calorific value of

concentrated effluent generates super heated steam which is utilized for power generation. In the same way, your company has installed distillery evaporator at Kashipur Plant alongwith Boiler and the same superheated steam produced will generate power in 8.64 MW Turbo generator. The power will be utilized for plant operation as essential power which is being generated by DG set and back pressure steam will be utilized for plant operation.

The Biomass based Cogeneration Project activity taken up by the Company at its Gorakhpur, U.P. plant is successfully registered under Clean Development Mechanism (CDM) project by United Nations Framework Convention on Climate Change (UNFCCC) having equivalent 110157 CERs (certified emission reduction) per annum for ten year fixed crediting period 16/12/2010 to 15/12/2020. Under the Clean Development Mechanism, emission-reduction (or emission removal) projects in developing countries can earn certified emission reduction credits. These saleable credits can be used by industrialized countries to meet a part of their emission reduction targets under the Kyoto Protocol.

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 and the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 the required information relating to "Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo" is annexed hereto and forms part of this Report.

Human resources

Your Directors wish to place on record their deep appreciation to employees at all levels for their all-round efforts, dedication, commitment and loyal services which helped in achieving satisfactory performance during the year.

The required information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules, 1975, forms part of this report. However, as per the provisions of Section 219(1)(b) (iv) of the Companies Act, 1956, the report and accounts are being sent to all shareholders of the Company excluding the Statement of particulars of Employees under Section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at Head Office of the Company.

Social responsibility

Good governance demands adherence of social

responsibility coupled with creation of value in the larger interest of the general public. Your Company, Directors and its dedicated employees continue to contribute towards society by several worthwhile causes. Your Company aims to enhance the quality of life of the community in general and has a strong sense of social responsibility.

The range of our activities begins in and around Kashipur (Uttarakhand) by organizing regular Medical camps (three days a week) so that villagers get medical assistance free of cost and also active participation in organizing blood donation camps, facilitating plantation of trees for better environment, facilitating in constructing roads, bridges, drains and installing street lamps , promoting schools in vicinity (Ajay Bhartia Saraswati Shisumandir Jr High School Kashipur), providing furniture and other infrastructure facilities to nearby school (Barkhedi) and hand pumps for drinking water, which is benefiting nearby areas. The Company also extends support to the victims of flood affected during Monsoon, distributing of blankets to poor during winter, promoting Sports and socio-cultural activities in the State of Uttarakhand, supporting the local administration in fighting and managing fire accidents and other disasters taking place in the close by areas of factory and other noble works in the surrounding area of factory.

Your Company is supporting a community school at Dwarka, New Delhi through Nirmal Bhartia Society for

Education Promotion, and a charitable institution by making grants, School is now operational. The school is equipped with modern facilities and also has a good infrastructure. The school possess qualified and experienced faculties, which enable children to make a great future.

Your Company extending educational and on-job training to the students of many professional Institutions and the professionals of many other Management and Engineering Institutions, which helps them to start a new beginning for their future professional career.

At the end your Directors constantly strive hard to serve the society by implementing such other policies which benefited people at large.

Acknowledgment

Your Directors place on record their deep appreciation of the support given by the Central Government, States of Uttarakhand and Uttar Pradesh, Financial Institutions and banks and looks forward to their continued support.

for and on behalf of the Board

Place : NOIDA, U.P.

U.S. Bhartia

Dated : 16th July, 2011 *Chairman and Managing Director*

Annexure to the Directors' Report

Particulars as required under Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ending 31st March 2011.

Conservation of energy

(a) Energy Conservation Measures Taken.

1. Extraction / Back pressure steam turbine capacity 8.64 MW commissioned.
2. Energy Audit of steam system carried out by Forbes Marshall.
3. Process steam condensate of ENA plant is used as a boiler feed water resulting in DM water and energy saving.
4. Installation of 1000KVA Servo control stabilizer for the PET bottle plant operation during the TG set shut down.
5. Process condensate of Evaporator plant is used as a dilution in fermentation resulting in Raw water and energy saving.
6. Effluent Evaporator on stream factor increased after provision of centrifuge Decanters.
7. Installation of Slop fired boiler which will increase utilization of concentrated slops for steam generation and reduce the rice husk/coal consumption.

(b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:

Following schemes are being implemented:

1. Reducing the RFO consumption in MEG heater by maximizing the bio gas in heater.
2. Provision of VFD in cooling tower fans (Phase-2).
3. Installation of Airpreheater in the existing Slop Boiler.
4. Installation of Reboiler in ENA plant analyzer column to reduce the effluent.
5. Installation of VFD in spent wash recycles pumps to save the power.
6. Installation of 12 MW STG set to sell the surplus power to UPCL.
7. Installation of LED lighting and solar heaters.
8. Reduction of steam consumption by installing Radiator preheater in Guar Gum unit.

9. Replacement of fuel in MEG heater from Furnace Oil to Natural gas.

10. Modification of mould in PET Bottle machine to get the 200ML Bottle production resulting in reduction of per unit cost.

(c) Impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact

Energy Conservation Measures:	Benefits:
I Saving of Coal by	
Max. Biogas utilization in Boilers	Up to 40.74 MT/day
Preheating of Boiler Feed Water	Up to 44.38 MT/day
Operation of Evaporator reflux Preheater	Up to 1.4 MT/day
Installation of Boiler feed water preheater in MEG Process Heaters	Up to 4.0 MT/day
Preheating of 12 MW turbine condensate with Dehydration Steam Condensate	Up to 7.7 MT/day
Utilized hot condensate in GEA and GE to Generate LP steam.	Up to 0.96 MT/day
Utilized steam condensate to generate flash Steam in Guar Gum unit	Up to 5.15 MT/day
II Saving of Power by	
Operation of TG Set at Optimum load (Kashipur)	97688.75 MWH of Power
Operation of TG Set at Optimum load (Gorakhpur)	11144.9 MWH of Power Generated during the year (Last year 9204.0 MWH)
III Saving of Fuel (FO) by	
Utilization of waste gas/ Biogas in the Process Heater	Up to 12.74 MT/Day
(d) Total energy consumption and energy consumption per unit of production as prescribed Form – A.	

Form-A
Form for disclosure of particulars with respect to conservation of energy

	Units	Year ending March' 2011	Year ending March' 2010
A. Power and fuel consumption			
KASHIPUR PLANT			
i) Electricity			
a) Purchased unit	1000 KWH	138032.0	111495.5
Total Amount	Rs Lacs	5779.47	4106.8
Rate per unit	Rs /KWH	4.19	3.68
b) Own Generation through DG Sets	1000 KWH	18648.8	10197.9
Units per Kg/Litre of Diesel Oil/HPS	KWH/Kg	4.46	4.41
Cost/Unit	Rs/KWH	6.53	5.89
ii) Coal			
Quantity	MT	411320.9	344049.0
Total Cost	Rs. Lacs	12202.34	10387.8
Average Rate	Rs/MT	2966.62	3019.3
iii) Fuel Oil (LDO/RFO)			
Quantity	MT	4189.33	4111.87
Total Cost	Rs. Lacs	1183.42	1066.3
Average Rate	Rs/MT	28248.45	25932.24
iv) Others/internal generation			
a) From Back Pressure Turbine			
Quantity	1000 KWH	50524.49	32652.72
Total Cost	Rs. Lacs	Nil	Nil
Average Rate	Rs/KWH	Nil	Nil
b) From Extraction, Back Pressure & Condensing Turbine			
Quantity	1000 KWH	47164.26	58564.29
Total Cost	Rs. Lacs	1421.60	1376.26
Average Rate	Rs/KWH	3.01	2.35
Total (a + b)	1000 KWH	97688.75	91217.01
GORAKHPUR PLANT			
i) Electricity			
a) Purchased unit	1000KWH	3747.6	2835.8
Total Amount	Rs.Lacs	241.75	164.55
Rate per unit	Rs./KWH	6.45	5.80
b) Own Generation through DG sets	1000KWH	67.80	62.75
Unit per kg/Litre of Diesel Oil/HPS	Rs. Lacs	8.91	7.62
Cost/Unit	Rs/KWH	13.14	12.14
ii) Other/internal generation (From Back pressure Turbine)			
Quantity	1000KWH	11144.9	10214
Total Cost	Rs.Lacs	-	-
Average Rate	Rs./KWH	-	-
ENNATURE BIO-PHARMA PLANT			
i) Electricity			
a) Purchased unit	1000KWH	2526.92	
Total Amount	Rs.Lacs	114.22	
Rate per unit	Rs./KWH	4.52	
b) Own Generation through DG sets	1000KWH	3155.27	
Unit per kg/Litre of Diesel Oil/HPS	Rs. Lacs	3.40	
Cost/Unit	Rs/KWH	9.69	
B. Consumption per unit of production			
KASHIPUR PLANT			
Electricity	MWH/MT	0.992	1.130
Fuel Oil (LDO/RFO)	MT/MT	0.016	0.022
Coal	MT/MT	1.603	1.827
GORAKHPUR PLANT			
Electricity	MWH/MT	0.49	0.463
Fuel (Rice Husk)	MT/KBL	1.84	1.86

Note: # Ratios to be worked out by H.O

Form - B

(Form for disclosure of particulars with respect to Technology Absorption and Research and Development)

A. Reserch and Development

1. Specific areas in which R & D is carried out by the company

Chemical Plant

- Development of New Generation "Green" surfactants.
- Development of binders for ore beneficiation
- Development of biodegradable and user friendly surfactants for textile processing.
- Speciality Additives for Continuous Processing (Textiles)
- PEG free environment friendly High mole Ethoxylates
- Alcohol production from cellulose.
- Development of low temperature & low dosage demulsifiers for crude oil production.
- Development of specialty surfactants for pigment dispersion and defoamer in paints.
- Development of Emulsifiers for newly introduced combo pesticides for export.
- Development of wetting and dispersing agents for powder formulations in pesticides.
- Development of specialty chemicals for Pulp & Paper Industries.
- Adjuvants for the Herbicides formulations.
- Development of house hold cleaning and personal care surfactants.

Ennature Bio-Pharma Plant

- Stabilized the processes for Extraction and enrichment of the Herbal products using supercritical fluid CO₂ extraction technology.
- Sample trials were conducted and stabilized the process techniques for Extraction and enrichment of the Herbal products using aqueous and solvent extraction technology.
- Tabersonine has been extracted from Voacanga seeds using Solvent technology. The process technology has been developed up to 98% assay material. Further progress to develop to final drug stage is under progress.

Distillery Plant

- Use of condensate from Evaporator to fermentation.
- Development of slop fired Cheema boiler for maximum utilization of slop & working hours.
- Disposal or sale of Coal based Fly Ash to Industries i.e. Cement etc.

2 Benefits derived as a result of above R & D

Chemical Plant

- Providing eco-friendly surfactant for premium application.

- Developed low dosage application to reducing the load on effluent treatment.
- Product with cost advantage to customer with better attributes.

Ennature Bio-Pharma Plant

- New Product range is increased for better acceptability of market.
- Acceptability of product by green process is growing by widening the product range.
- Two patents filed.

Distillery Plant:

- Reduction of effluent generation per KL of alcohol production.
- Reduction of raw water consumption per KL of alcohol production.
- Reduction of rice husk consumption per MT of steam generation.
- Reduction of electricity consumption per KL of alcohol production

3 Future plan of action

Chemical Plant

- Substituted Glycol Ether Acetate for Pharma Application
- Random / block copolymers for Fibre Finish applications.
- Emulsion Polymers for Coating Application
- New delivery system for control release in crop protection.
- Modified polymeric surfactants for oil field and construction application.
- Speciality Chemicals for Technical Textiles
- New Dispersant system for Agro, Textiles & Paper Application
- Additives for Cement Strength Improver
- In-situ amphoteric surfactants for textile and personal care application.
- Fluorocarbon based surfactants for flame retardant applications.
- Enzyme based formulations for textile and paper application.
- Upgradation of laboratories and instrument application labs.

Ennature Bio-Pharma Plant

- To further tune the SCF-CO₂ plant for better capacity utilization by further changes in CO₂ pumps.
- Some of the attractive value products Vinpocetine and digoxin, reserpine to control the process related expenses and look for cost saving activities

by developing better extraction, refining and recovery techniques, thereby further stabilize the processes.

- To develop more economic and cost saving technologies for the extraction and isolation of the herbal materials.

Distillery Plant

- Recycling of spent lees in fermentation/cooling tower.

4 Expenditure on R & D

Chemical Plant	(Rs. In Lac)	
	2010 - 11	2009 - 10
A. Capital	--	--
B. Recurring	220.12	193.64
Total	220.12	193.64
Total expenditure as a percentage of turn over	0.12%	0.14%
Ennature Bio-Pharma Plant		
A. Capital	0.00	353.48
B. Recurring	76.96	36.13
Total	76.96	389.61
Total Expenditure as a percentage of turn over	5%	

B Technology absorption and innovation

Chemical Plant

- Developed APEO free emulsifiers for textile applications.
- Developed low temperature, low dosage demulsifier for crude oil demulsification and dehydration.
- Method development for chain distribution and Ethoxylated products by G.C./HPLC.
- Developed scaling inhibitors, biocides for oil and gas industries applications.
- Developed new cost effective emulsifier for emulsion explosive.

Ennature Bio-Pharma Plant

- All the technologies are developed in-house.
- To further utilize the technology and widen the product range for better market penetration.
- To apply for new projects from DSIR, NEW DELHI for strengthening the innovation.
- To file the process research and development patents.

Distillery Plant

- To develop the strain which may sustain at higher percentage of alcohol in medium (> 12%) and to increase the fermentation efficiency upto 95%.

Information about imported technology (imported during the last 5 years reckoned from the beginning of the financial year)

Technology imported	Year of import	Has technology been absorbed	If not fully absorbed, areas where this has not been taking place reasons thereof and future plan
MEG Debottlenecking	2007	YES	Completed in May'2008
Carbon Dioxide	2007	YES	Completed in May'2008
Super Critical Fluid Extraction	2007	YES	Completed in March'2008

Foreign exchange earning and outgo:

(i) Activities relating to exports, initiative taken to exports, development of new export for products and services and export plans.	:	Total Export During - Rs. 70462 Lacs during the year 2010-11
(ii) Total Foreign Exchange used	:	Net earning of Rs.14348.83 lacs (Previous year net earning of Rs. 8616.44 lacs)

For on behalf of the Board

Place : Noida, U.P.
Date : 16th July, 2011

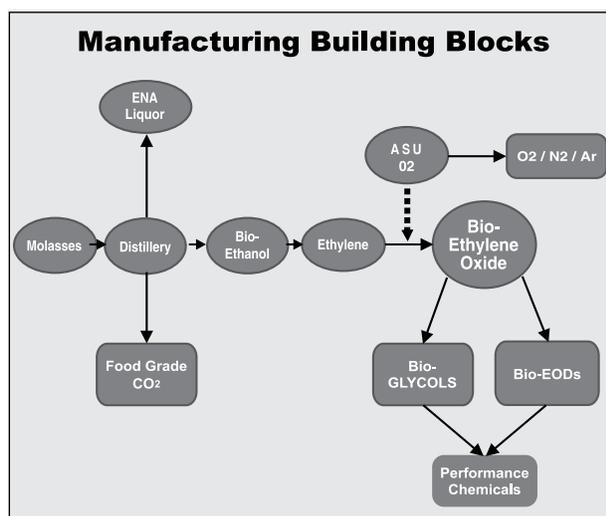
U.S. Bhartia
Chairman & Managing Director

Management Discussion & Analysis Report

Products

INDIA GLYCOLS LIMITED is one of the leading manufacturer of Glycols, Ethylene Oxide Derivatives, Ethyl Alcohol (Potable), Natural Gum & Derivatives and Industrial Gases. Our belief in providing the desired products with the help of the best technology is reflected in our state-of-the-art integrated manufacturing facilities.

The manufacturing building blocks are represented :-



The Company has organised its business into chemicals and other segments.

A. Chemical segments comprises :-

- Glycols (MEG, DEG, TEG and Heavy Glycols)
- Ethylene Oxide Derivatives (EODs)

B. Ethyl Alcohol (Potable) and Extra Neutral Alcohol

C. Others includes High Sulphur Alcohol, Hydro Chloric Acid, Natural Gum, Industrial Gases, Nutraceuticals and Herbal Extraction etc.

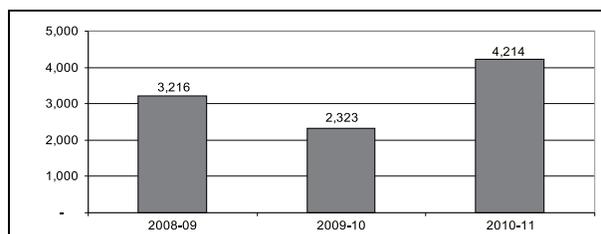
The segmentwise business share is indicated as follows:-

Segment	Sales Value 2010-11 (Rs. In Millions) (domestic + Exports)	% Share
A. Chemicals		
Glycols (MEG, DEG, TEG and Heavy Glycols)	4,214	23%
Ethylene Oxide Derivatives (EODs)	8,593	47%
B. Ethyl alcohol (potable) and extra neutral alcohol		
	3,415	19%
C. Others		
	1,972	11%
TOTAL	18,194	100%

Glycols

Sales of Glycols (MEG, DEG, TEG and Heavy Glycols) has increased from 43,677 MT to 77,572 MT and in Sales Value from Rs. 2,323 million in FY 2009-10 to Rs.4,214 million in FY 2010-11. The capacity utilisation, though showing improvement over previous year could not be fully utilised due to the prices of feedstock like molasses and alcohol did not come down in line with international prices of crude oil. Hence, the performance was further adversely affected as domestic prices of our feedstock viz. molasses and alcohol was high on account of poor availability of Alcohol and Molasses. Consequently, Company was forced to regulate its Glycols production as it was not economically viable.

	2008-09	2009-10	2010-11
Glycols Sales Value (Rs. In Million)	3,216	2,323	4,214



Opportunities & Challenges

There has been substantial increase in polyester manufacturing capacities in India due to major expansion undertaken at Reliance, Indo Rama, JBF and Garden Mills. Consequently, polyester industry is expected to grow at 16% during the financial year 2010-11. Overall demand of MEG in India is 1,800,000 MTPA as compared to supply of 1,100,000 MTPA and the balance shortfall is being met by imports.

There was shortfall in cotton crop during last year resulting in its high price and contributed to the higher demand of polyester, which coupled with increase in demand of petrochemicals post recession recovery period resulting in higher ethylene prices.

This has helped in stabilising price of MEG at around \$ 1150 - 1200 per MT.

IGL, in its long term strategy, is shifting from commodity to niche markets and speciality products and would divert EO molecule for Bio-MEG and EO Derivative/ Speciality products which will give us a much better returns. We are promoting our Glycols as Bio/ Green

MEG to potential customers interested in meeting their objective of using environment friendly chemicals made from natural renewable resources. We have converted this concept into a good business opportunity which will enable full capacity utilisation with better realisation. Moreover, the niche markets of BIO MEG in the packaged water, automobile, personal care & cosmetics are being explored.

We have also initiated promotion of Bio-Ethoxylates in the international market which is gaining acceptability and can be a good opportunity for better realisations in the niche market segments.

Ethylene oxide derivatives (EODs)

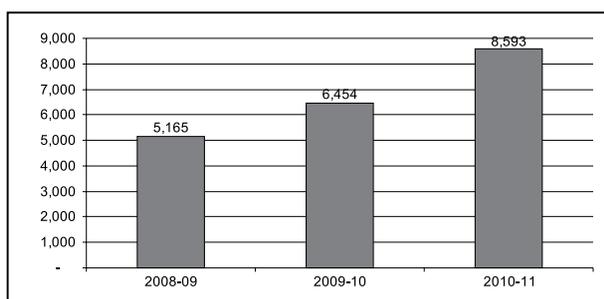
The EO Derivatives business has registered higher sales of 108,585 MT from 97,254 MT during previous year and in Sales Value Rs. 8,593 million as compared to Rs 6,754 million in 2009-10. This has been mainly due to increased availability of EODs as new capacities have been commissioned during the previous year. This segment accounted for 67% of company's total net revenues of Chemical business and is highest contributor at 47% to the total revenue of the Company.

The Ethylene Oxide Derivatives produced by the company are used by diverse industries like Textile, Agrochemicals, Detergents, Pharmaceuticals & Personal Care, Oil Field and Automotive industry, paint & coating industry, etc.

The company aims to increase its business by developing new products and applications especially in areas of textile chemicals, oil field chemicals, paper chemicals, home care & personal care applications.

The thrust would be in line with the strategy to maximise EODs business in view of increasing the usage of EO for EO Derivatives for improved margins .

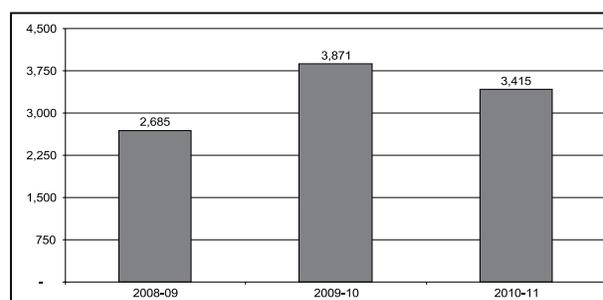
	2008-09	2009-10	2010-11
EODs Sales Value (Rs. in Million)	5,165	6,454	8,593



Ethyl alcohol (potable) and extra natural alcohol

In the Ethyl Alcohol (Potable) and Extra natural Alcohol segment, Company registered total sales of Rs.3,415 million compared to Rs.3,871 million last year and Rs.2685 million a year before. Efforts are being made to further increase the sales in the segment.

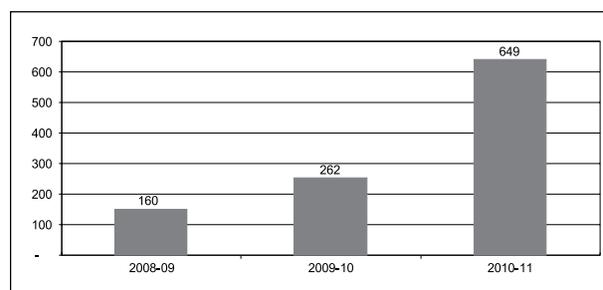
	2008-09	2009-10	2010-11
Sales Value (Rs. In Million)	2,685	3,871	3,415



Natural gum

During the year under review, Company produced 7,255 MT of Natural Gum and achieved total sales of Rs.649 million out of which the export turnover was Rs.632 million compared to total sales of Rs.262 million last year out of which the export turnover was Rs.258 million.

	2008-09	2009-10	2010-11
Sales Value (Rs. In Million)	160	262	649

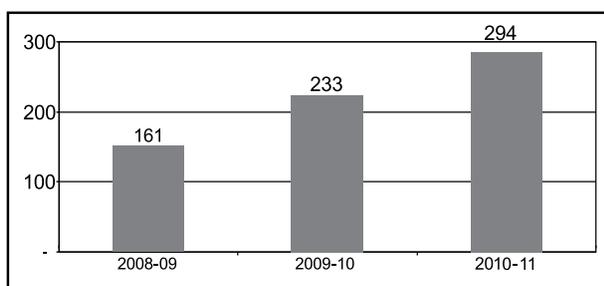


Industrial gases

Company produced 641 lacs NM3 of Oxygen and 218 lacs NM3 of Nitrogen during the year. Both Oxygen and Nitrogen successfully marketed and also used for own requirement of MEG Plant. Industrial gases division also produced 13 lacs NM3 of Argon and 46,102 MT of Carbon Di-oxide, which were marketed at remunerative prices.

Under the Industrial Gases division, Company registered total sales of Rs.161million compared to Rs.147 million last year and Rs.123 million a year before.

	2008-09	2009-10	2010-11
Sales Value (Rs. In Million)	161	233	294



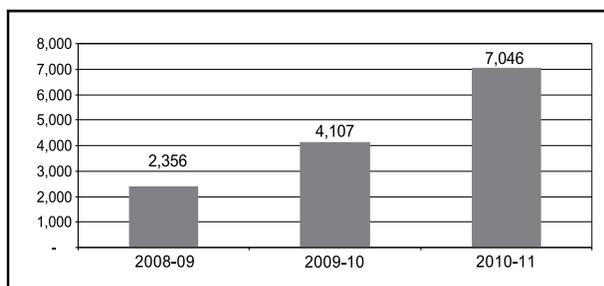
Exports

Company has identified exports as a key future growth driver. It has already established itself as a major domestic speciality ethoxylates company and with the increased capacities, the scope for exports would be explored for higher growth.

Exports has achieved a growth of more than 72% in turnover from Rs.4,107 million in 2009-10 to Rs.7,046 million in 2010-11. The products for export are Ethylene Oxide derivatives, which with increased capacities would result in higher export values. The future thrust would also be in the area of marketing Bio-MEG & Bio-Ethoxylates to niche markets for achieving better contribution.

We have increased our EXPORTS at Rs. 7,046 million despite slow down in the international markets. We expect to increase our exports in the coming year by atleast 30,000 MTPA by focussing on Bio-MEG and EODs.

	2008-09	2009-10	2010-11
Exports Sales Value (Rs. In Million)	2,356	4,107	7,046



The major export markets are the South East Asia, Middle East and China as we have logistic advantage in these region. export to more than 40 countries worldwide and the thrust for exports would be to other regions in Europe, USA, Japan & Latin America.

Financial review

During the year under review, performance of the Company has shown improvement consequent to the improvement in the overall economic situation worldwide. The price of Glycols have started showing upward trend in the current year vis a vis last year. However, the prices of feedstock like molasses and alcohol have increased due to the Government decision to increase the use of Ethanol for blending in Petroleum. Keeping in mind the reduction in the prices of the Glycols in the year 2009-10, Company has diversified towards production of high value added Ethylene Oxide Derivatives (EODs), which could provide better margins as compared to Glycols.

Sales and other income for the year under review has been Rs.185,992 Lacs compared to Rs.141,290 Lacs last year and Rs.114,125 Lacs a year before showing an increase by 32% vis a vis last year. Profit before depreciation, exceptional item and tax for the year has been Rs.10,538 Lacs as compared to profit of Rs.7,391 Lacs last year and loss of Rs. 3,308 lacs a year before showing an increase by 43%. The net profit after tax for the year has been Rs. 2,562 Lacs as compared to net Profit of Rs. 2,000 Lacs last year.

The borrowing cost has increased to Rs. 8,631lacs as compared to Rs. 6,009 lacs last year, due to increase in the borrowings as well as increase in the overall interest rates by all the banks. The Company has taken various steps to keep the borrowing cost under control by availing PCFC, Buyers credit and converting Rupee Loans into FCNRB Loans.

During the year under review, Company has raised Rupee Term Loans of Rs. 3,170 million. The Company has repaid total loans of Rs. 2,010 million, out of which Company repaid Rupee Term Loan of Rs.1513 million and Foreign Currency Loans of US\$ 7.61 million and JPY 276.25 million equivalents to Rs. 497 million.

During the year under review, the Gross Fixed Assets has increased to Rs. 152,550 Lacs from Rs.122,042 lacs in 2009-10.

Company has been regular in meeting its obligations towards payment of principal/interest to Financial Institutions/Banks/ Debenture holders/Fixed Deposit holders."

SAFETY, HEALTH, ENVIRONMENT & MANAGEMENT SYSTEMS

Safety

Company has set up elaborate safety systems to ensure proper safe work environment. Emphasis is given to prevention of any accident. As a result of strict safety norms being followed company has been able to maintain very good safety record and has received various prestigious national and international safety awards recognizing the safe working environment available at the factory.

A Central Safety Committee has been constituted to continuously review and upgrade the safe working practices. Emergency management plan is in place for

meeting any kind of emergency. Proper systems have been set up to record and report any accident, which is thoroughly investigated and corrective action taken for future prevention.

At work place appropriate protective equipment and gears are provided to the employees and usage of the same is strictly monitored to ensure high level of safety. Safety training programs are regularly conducted for training the employees in proper use of safety equipments and following the safe work practices.

Various incentive schemes are in operation for motivating the employees to ensure working in the safe environment. Company has its own Fire Station fully equipped with Fire Tenders, modern communication facilities and elaborate fire hydrant system and other equipment which are manned and supervised by trained experts. Live fire training drills are organized to provide hands-on training to the employees.

Health

India Glycols Limited accords very high priority to provide healthy and safe working environment. Company has a medical center at factory site with basic amenities, two qualified and experienced doctors with trained and experienced para-medical personnel are available round the clock to meet any contingency. Company also has a qualified Occupational Health Physician. Company has also an ambulance to provide necessary assistance in case of any emergency. All employees are required to undergo annual medical check-up for early diagnosis of any health problems. Company has made arrangements for treatment of employees and their dependents under the mediclaim insurance policy, which allows employee to avail treatment from any of the listed hospitals without having to make any immediate cash payments. This provides the employees much needed emotional and financial security.

Company organizes medical camps at nearby villages and organize/assist in National health related programs in the nearby villages as part of community welfare activities.

Environment

Company uses molasses, residue product of sugar mills generated in the process of manufacturing of sugar. The molasses converted into alcohol in the captive distillery and thereafter used in the process to make ethylene and its products. Company has set up elaborate systems by making substantial capital investments for proper treatment of the effluent generated and meets all the requirements in this regard.

To make the system more Eco-friendly, company has set up controlled land application, which is giving good results. The response from farmers has been very encouraging. Company has also set up a bio-composting facility to produce natural manure with highly encouraging results of using this in substitution to chemical fertilizers. Towards improvement of the environment company has developed

a green belt all around its factory by growing approx. 85,000 trees of different species some of which are fruit bearing in addition to providing green cover. All possible efforts are being made to preserve the environment and improve the same as far as possible.

Company has already achieved zero effluent discharge from their Ethanol Plants by way of adopting controlled land application, bio-composting, RO, concentration followed by incineration (effective and competitive techniques) to conserve the fossil fuel.

Sustainable environment and climate change initiatives

Company has taken up several initiatives in promoting climate change and environment-sustainable projects. As a result of such continuous efforts, Gorakhpur plant has got its Large scale CDM project (Title: Biomass based Cogeneration Project activity taken up by Company at Gorakhpur, U.P.; Annual CERs: 110157) registered at UNFCCC, on 16th December 2010.

Company has also completed successfully a comparative Life Cycle Assessment (LCA) study on Bio-Mono Ethylene Glycol (Bio-MEG) determining several Environmental Impacts (including Carbon Foot-Print) from its Renewable Manufacturing Approaches and could solidly conclude that "Manufacturing MEG through Renewable based raw materials is a better option than adopting Conventional Petro route approaches in India, US and Europe". The LCA study was conducted on a SIMAPRO Software and this final report of "LCA on Bio-MEG" got a Peer Review Certification done by Pre' Consultants, Netherlands.

Company has started to implement Renewable Energy Certification (REC) mechanism, which is a market based instrument to promote renewable energy and facilitate Renewable Purchase Obligation (RPO).

Management Systems

Company is having Integrated Management System (IMS) comprising of Quality Management System (ISO 9001:2008), Environmental Management System (ISO 14001:2004), Occupational Health & Safety Management System (OHSAS 18001:2007), Food Safety Management System (ISO 22000:2005) and Food Safety System Certificate (FSSC 22000: 2010). Integrated Management System has been accredited by M/s DNV, a renowned certification agency.

Lean management

Company is adopting a systematic approach to identifying and eliminating waste (non-value-added activities) through continuous improvement by following the product through flow processes based on a signal from the customers (internal & external).

Company uses the building blocks of – standardized work, workplace organization, visual controls, effective plant layout, and quality at the source, batch reduction, teams, customer demand-based manufacturing, point-of-use storage, quick changeover, cellular manufacturing,

Takt time, process improvements, Kaizen, world class manufacturing, synchronous manufacturing, and inventory management.

Research & development centre (R & D)

Innovation has been the key driver of the business in the Company, facilitating value addition to the customers via new products and new processes. Innovation strategy of COMPANY has always been architected in line with the vision and mission of the organization i.e. to establish the company as a "solution provider". The state-of-the-art R & D Centre at Kashipur is equipped with most modern and advanced instruments and a pool of highly experienced and dedicated scientists.. These scientists are continuously engaged in developing next generation environment friendly products and in turn creating high growth opportunities for the business. Needless to mention that our ability to respond rapidly and flexibly has made us preferred partner with most of the important customers..

Apart from new product and application development, R&D center is also working on the continuous improvement/modification of existing products and process technologies and on the import substitution as well, in order to transfer the maximum benefits to the customers so that the solution truly meets the market need.

The R & D Centre is duly recognized by the Department of Science & Technology(DST), Government of India allowing us to participate in research programs of national interest.

At present, the focus of R&D center has been in working with customized projects for various industrial applications such as;

1. Textile Processing (Fiber & Fabric processing)

Development of Products for continuous bleaching range (CBR) based on GREEN CHEMISTRY, Enzyme base Products for Desizing& Peroxide bleaching process, Green products for Fibre Manufacturing Process and Chemical for one bath scouring and dyeing (with reduced water consumption).

2. Crop-Protection Business

Development of Surfactants for capsule suspension-Controlled Release Applications, Emulsifier for oil based suspension concentrate.- With focus of low water usage, APEO free surfactants for Agro formulation and Surfactants for WDG formulation.

3. Oil & Gas Industry

Development of Low temperature & low doge demulsifier for crude oil, Environment Friendly POLYOLs for drilling application and Surfactants for Drilling fluid.

4. Fertilizer & Cement industry

Development of Strength improver for Cement, Surfactant for Ceramic Tile Printing and Nonionic surfactant for anticaking application for fertilizer.

5. Emulsion Polymerization & Paint Industry

Development of Ecofriendly surfactant (Vegetable oil based) for pigment dispersion, Universal colorant for water & oil based paint and Biocide for paint formulation.

6. Paper Industry

Development of Dry & wet strength resin, Eco-friendly deinking chemicals, cost effective sizing chemicals (Ecofriendly) and cost effective cooking aid.

7. Automobile industry

Development of Lubricant additives and Highly Corrosion Resistant Engine Coolant for OEM.

8. Detergent / Personal care Industry

Development of Eco-friendly and biodegradable Polyol Ester for personal care products and Ultra Low Dioxane SLES for Shampoo formulation.

9. Mining / Ore Industry

Development of cost effective binder for ore beneficiation.

10. Low PEG Ethoxylates

Development of Low PEG content Environment Friendly higher mole Ethoxylates.

The most important product development principle of company's R&D has been to focus on 3 Es i.e. Efficiency; Economic and Environment friendliness. The R & D not only develops the products as per the need of the customers but also ensures the smooth performance of the products at customers' end via very effective technical service Team. Further, the life cycle analysis and biodegradability of these products are ensured prior to the launch of the products.

RISK AND CONCERNS

Risk Factors & Minimisation procedure

1. Risk against fire, flood and accidents including accident due to human failure and health related problems and personal accident of the workforce

Risk against fire, flood, accident, health related problems and accidents of workforce are common risks attached to the working of any plant/company. Management has taken reasonable steps to counter the risk. Company has taken Comprehensive all risk Insurance policy, which covers company's assets against all risks. The policy also covers repair/replacement in case of any major breakdown. The policy also covers loss of profit due to interruption on account of any of these causes.

Accidents due to human failure are being tackled through the continuous training to our technical and other staff and through regular monitoring and supervision.

As a preventive measure, company has installed elaborate fire hydrant system to take care of any possible fire accident. Company also has its own fire tender located at Kashipur factory site. Company has also created teams of employees to co-ordinate fire fighting activities who have been duly trained for the purpose. Periodic drills are carried out to see that all systems functions adequately. Company also carries out periodical special audits to review the adequacy of fire protection measures to avoid any such accidents. As a result of these preventive measures company has never had any serious fire accident.

All the employees of the Company are insured under group mediclaim and accidental insurance policy, which

provides health related security to the employees and their dependent family members.

2. Availability of raw material at competitive prices

Company manufactures various products using molasses as basic raw material. Molasses is the waste product of sugar mills. Sugar cane production is dependent on adequacy of rains. Thus availability of feed stock is affected by climatic conditions. To protect against this risk, company has created large storage for the feed stock so that adequate quantities can be procured during the season and also the inventories can be built up during the period of good monsoon.

Company has an additional distillery at Gorakhpur in Eastern U.P. so that company can procure molasses available in that area to improve availability of feed stock by expanding its procurement over larger area.

3. Competition Risk and fluctuation in market price of finished product.

The Company has also expanded its capacity of MEG to compete in the volume trading and minimizing the marginal cost on production, resulting in higher profits.

Company has broadened its product and customer base by diversifying into Ethylene Oxide based derivatives product. Company has also set up its own R & D and Application Development Centre where products to provide economic and cost effective solutions are developed to meet specific requirement of the customers and these products are provided to them at competitive prices.

The company has also diversified into other areas of business like potable alcohol, Nutra-ceutical Herbal Extraction, Industrial Gases and Natural Gum to minimise risk from single business.

4. Environment Risk

Company operations are governed by very strict effluent disposal requirement. Company has taken adequate steps to meet the statutory requirements and it is constantly improving upon the same. Company has installed effluent treatment systems whereby effluent is converted into fuel and is used in substitution of coal thus while meeting the environment requirements company also achieves saving in cost.

5. Foreign currency fluctuations

In the normal course of business operations company is having various foreign currency transactions for

- import of capital goods and raw materials
- export of finished products
- repayment of foreign currency loans and interest thereon.

All above transactions are exposed to the risk of exchange rate fluctuations. In addition the payment of interest on term loans is also exposed to fluctuations in interest rate due to change in LIBOR.

Most of these transactions are in US Dollars and inward and outward flows serve to counter-balance the impact

of fluctuations. To further protect the company from the risk, with advice from various currency experts from Banks, preventive actions are taken to hedge the foreign currency transactions.

6. Default/late in Payment realization

In the normal course of business, it is normal practice that there is default in payment realization or realization is late. The Company has regular monitoring and reporting of default in payment realization and/or late realization. Proper followup in the matter is ensured by the respective departments. In case of long over dues, legal notices are being served through legal department of the Company and through legal counsel as the case may be. In case of default of payment realization, if not realized even after legal notices, legal cases against the defaulters are being initiated.

7. Compliance of various statutory and legal requirements

The Company is subject to compliance of various statutory and legal requirements under different laws in force. The Company adheres to the statutory requirements and regularly reviews the compliance to overcome such risk. The Company has also appointed Internal Auditors for their continuous review of the compliance and advice on better compliance reporting. The Company also places periodic compliance report on Corporate Governance before the Board of Directors as required by the SEBI and Department of Company Affairs.

INTERNAL CONTROL SYSTEM AND ADEQUACY

Company's internal control system and procedures are adequate. The systems, procedures, checks and controls are routinely tested and certified by our Statutory as well as Internal Auditors. Moreover, Company continuously upgrades these systems in line with best practices and standards on internal control systems and procedures.

HUMAN RESOURCE/INDUSTRIAL RELATIONS

Company continues to focus on training its employees on a continuous basis both on the job and through training program to face challenges in the business/industry. During the year, industrial relations have been cordial. Total numbers of employees on Company's role have been around 1300.

CAUTIONARY STATEMENT

The statement made in this report describing the Company's expectations and estimations may be a forward looking statement within the meaning of applicable securities laws and regulations. Actual results may differ from those expressed or implied in this report due to the influence of external and internal factors which are beyond the control of the Company.

Report on Corporate Governance

Company's philosophy on Corporate Governance

Good corporate practices ensure that a Company meets its obligations to optimise shareholders' value. Corporate governance has assumed great significance in India in the recent past in the form of amendment in the Companies Act, 1956 and Listing Agreement with Stock Exchanges. The provisions of the Corporate Governance code prescribed by the Companies Act and the Listing Agreement, for the time being in force, have been complied.

Board of Directors

a) Composition of the Board

As on 31st March, 2011 the Board of Directors comprised of nine Directors out of which seven are Non-Executive Directors, one Managing Director and one Executive Director. Out of the Nine Directors, Company has Five Independent Directors.

b) Number of Board Meetings

During the year ended 31st March, 2011, Four Board Meetings were held on 4th May, 13th August, 29th October, 2010 and 12th February, 2011.

c) Directors' attendance record and Directorship in other public Limited Companies:

Name of the Director	Position	Board Meetings held during the year	Board Meetings attended during the year	Whether attended last AGM	Directorship in other public Limited Companies*
Shri U.S. Bhartia	Chairman and Managing Director	4	4	Yes	5
Smt. Jayshree Bhartia	Promoter Director	4	3	No	2
Shri Pradip Kumar Khaitan	Non-Independent Director	4	4	No	14
Shri Autar Krishna	Independent Director	4	3	No	6
Shri Jitender Balakrishnan**	Independent Director	3	2	No	12
Shri Ravi Jhunjunwala	Independent Director	4	3	No	9
Shri Jagmohan N. Kejriwal	Independent Director	4	3	No	Nil
Shri R.C. Misra	Independent Director	4	4	Yes	Nil
Shri M.K. Rao	Executive Director	4	4	Yes	Nil

NOTE : None of the Directors is a member of more than 10 Board Level Committees, or a Chairman of more than five such committees as required under Clause 49 of the listing Agreement.

* Excludes Directorship in Private Limited Companies

** Appointed as a Director w.e.f. 13.08.2010

d) Disclosures

(i) The details of related party transactions with the Company as required by Accounting Standard (AS-18) on Related Party Transactions have been given in Note no.15 of the Notes to Accounts. Besides this, Company has no materially significant transaction with the related parties viz. Promoters, Directors or the management or relatives and their subsidiaries, etc. that may have a potential conflict with the interest of the Company at large.

(ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authorities on any matter related to Capital Markets for non-compliance by the Company during last three years.

(iii) Following Non-executive directors are holding equity shares of the company as per following details.

Name of Director	No of Shares
Smt.Jayshree Bhartia	383518
Shri R.C. Misra	500
Shri Autar Krishna	1000

e) Remuneration of Directors, sitting fees etc. for the year 2010-11

Shri U.S. Bhartia, Chairman and Managing Director was paid salary, Commission and perquisites as approved by the Central Government for Rs. 7,05,09,459 (including arrears). Besides this, the Chairman and Managing Director was entitled to Company's contribution to provident fund and gratuity fund.

Shri. M.K. Rao, Executive Director was paid salary and perquisites of Rs.36,32,107 Besides this, the Executive Director was entitled to Company's contribution to provident fund and gratuity fund.

Commission and Sitting fees paid to non-executive directors for the year ended 31st March, 2011

Name of director	Commission (Rs.)	Sitting Fee (Rs.)
Smt. Jayshree Bhartia	Nil	2,10,000
Shri Autar Krishna	Nil	1,50,000
Shri Pradip Kumar Khaitan	Nil	80,000
Shri Jagmohan N Kejriwal	Nil	1,50,000
Shri R.C. Misra	Nil	3,60,000
Shri Ravi Jhunjunwala	Nil	60,000
Shri Jitender Balakrishnan	Nil	40,000

During the year, payments of Rs. 18,49,159/- (Rs. Eighteen Lakhs Forty Nine Thousand One Hundred Fifty Nine only) were made to Khaitan & Co., in which Shri Pradip Kumar Khaitan, Director of the Company is a partner.

f) Code of Conduct for Board of Directors and Senior officials of the Company

The Code of Conduct duly approved by the Board has been posted on Company's web-site. All Board members and senior management personnel have affirmed compliance with the code for the year 2010-11, declaration by Chairman and managing Director to this effect is enclosed with this report.

Committees of the Board

a) Audit Committee

(i) Terms of Reference

Apart from all the matters provided in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the Audit Committee reviews report of the internal auditors, meets statutory auditors as and when required and discusses their findings, suggestions, internal control system, scope of audit, observations of auditors and other related matters. It also reviews major accounting policies followed by the Company.

(ii) Composition

As on 31st March, 2011, the Committee consists of three non-executive and independent Directors, namely, Shri R.C. Misra, Shri Autar Krishna and Shri. Jagmohan N. Kejriwal.

(iii) Attendance record of the Audit Committee

The Committee met four times during the year. The attendance record of the members at the meetings is as follows:

Name of the member	Status	No. of meetings attended
Shri R.C. Misra	Chairman	4
Shri Jagmohan N Kejriwal	Member	3
Shri Autar Krishna	Member	3

NOTE : None of the Directors is a member of more than 10 Board Level Committees, or a Chairman of more than five such committees as required under Clause 49 of the listing Agreement.

b) Investors' Grievance Committee

i) Terms of Reference

The Committee has been constituted to look into the redressal of shareholders' and investors' complaints, non-receipt of Annual Report and Non-receipt of declared dividends and any other matter relating to shareholders/ investors grievance.

ii) Compositions

As on 31st March, 2011 the committee comprises of three non-executive Independent Directors, namely, Shri R.C. Misra, Chairman of the committee, Shri Autar Krishna, Shri Jagmohan N Kejriwal and one Executive Director, Shri U.S. Bhartia, Chairman and Managing Director.

iii) Attendance record of the Investors' Grievance Committee

The Committee met four times during the year. The attendance record of the members at the meetings is as follows:

Name of the member	Status	No. of meetings attended
Shri R.C. Misra	Chairman	4
Shri U.S. Bhartia	Member	4
Shri Jagmohan N Kejriwal	Member	3
Shri Autar Krishna	Member	3

iv) Investors' complaints received and resolved during the year

During the year under review, Company had received 45 Investors' Complaints. Upto 31st March, 2011, Company had redressed 45 Complaints.

c) Share Transfer Committee

i) Terms of Reference

The Committee of the Board of Directors has been constituted to review and approve the request for transfer/ transmission of shares and issue of duplicate share certificates. The Share Transfer Committee also reviews the status of Shareholding pattern of the Company and significant changes, if any.

ii) Composition

As on 31st March, 2011, the Committee comprises of four Directors, namely, Shri U.S. Bhartia, Smt. Jayshree Bhartia, Shri Jagmohan N Kejriwal and Shri R.C. Misra.

iii) Attendance record of the Share Transfer Committee

The Committee met 16 times during the year. The attendance record of the members at the meetings is as follows:

Name of the member	Status	No. of meetings attended
Shri U.S. Bhartia	Chairman	16
Smt Jayshree Bhartia	Member	16
Shri Jagmohan N Kejriwal	Member	0
Shri R.C. Misra	Member	16

d) Investment Committee

(i) Terms of Reference

The Committee of Board of Directors is constituted to consider and approve Corporate Loans and Investment and invest surplus funds from time to time in marketable securities.

(ii) Composition

As on 31st March, 2011, the Committee comprises of three Directors, namely, Shri U.S. Bhartia, Chairman and Managing Director and two non-executive Directors namely Shri R.C. Misra and Shri Pradip Kumar Khaitan.

(iii) Attendance record of the Investment Committee

The Committee met once during the year. The attendance record of the members at the meetings is as follows:

Name of the member	Status	No. of meetings attended
Shri U.S. Bhartia	Chairman	1
Shri Pradip Kumar Khaitan	Member	1
Shri R.C. Misra	Member	1

e) Appointment and Remuneration Committee

i) Terms of Reference

The Committee has been constituted to consider and review Remuneration of Managing Director, Executive Director and any other official as may be required by the law for the time being in force.

ii) Composition

As on 31st March, 2011, the Committee comprises three non-executive independent Directors namely, Shri R.C. Misra, Shri Autar Krishna and Shri Jagmohan N. Kejriwal also one non-executive non-independent Director namely, Shri Pradip Kumar Khaitan.

iii) Attendance record of the Appointment and Remuneration Committee

No meeting of Appointment and Remuneration Committee has been held during the year.

f) Compensation Committee for Employees Stock Option Scheme

i) Terms of Reference

The Compensation Committee has been constituted to

consider administration and superintendence of the Employees Stock Option Scheme (ESOP).

ii) Composition

As on 31st March, 2011, the Committee comprises Chairman and Managing Director Shri U.S. Bhartia and three non-executive Directors namely Shri Pradip Kumar Khaitan, Shri R.C. Misra and Shri Autar Krishna.

iii) Meetings of Employees Stock Option Scheme Committee.

No meeting of Employees Stock Option Scheme Committee has been held during the year.

MANAGEMENT

a) Management discussion and analysis

Management discussion and analysis report forms part of this Annual Report.

b) Disclosure on Risk Management

The Company has further strengthened the Risk Management System in the Company. The Board of Directors periodically reviews the Risk Assessment and minimizing procedure thereof.

SHAREHOLDERS

a) Means of Communication

The quarterly, half-yearly and annual Audited Financial Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. The results are published in accordance with the guidelines of Stock Exchanges and are posted on the Web-site of the Company.

b) Investor Grievances

As mentioned earlier, the Company has constituted a Investors Grievance Committee for redressing shareholders and investors' complaints. Shri Lalit Kumar Sharma, Company Secretary is the Secretary to the Committee as well as Compliance Officer.

c) Share Transfers

All share transfers are handled by Company's Registrar and Share Transfer Agent M/s. MCS Limited, F-65, Okhla Industrial Area Phase -I New Delhi 110 020 a Category – I Registrar registered with SEBI.

d) General Body Meetings

Details of the last three Annual General meetings are as under:

Financial Year	Date	Time	Venue
2009-10	21.08.2010	12.30 P.M.	A-1, Industrial Area, Bazpur Road, Kashipur, Distt U.S. Nagar, Uttarakhand
2008-09	17.08.2009	12.30 P.M.	A-1, Industrial Area, Bazpur Road, Kashipur, Distt U.S. Nagar, Uttarakhand
2007-08	14.08.2008	12.30 P.M.	A-1, Industrial Area, Bazpur Road, Kashipur, Distt U.S. Nagar, Uttarakhand

Special Resolutions under section 81 (1A) were passed at the AGM(s) held on 14.08.2008, 17.08.2009 and 21.08.2010.

e) Postal Ballot

During the year ended 31st March, 2011, there has been no ordinary or special resolution passed by the Company's Shareholders through postal ballot.

Additional shareholders information

a) Annual General Meeting

Date : 27th September, 2011
 Venue : A-1, Industrial Area, Bazpur Road, Kashipur-244713, Distt. U.S.Nagar, Uttarakhand
 Time : 12.30 P.M.

b) Financial Calendar

Financial year: 1st April to 31st March
 For the financial year 2011-12, the tentative dates for approval of unaudited financial results will be by July 16, 2011 for the first quarter, by 14th November, 2011 for half-yearly, 14th February, 2012 for third quarter for Unaudited/ Audited Results and by May 15/May 30, 2012 for approval of Unaudited 4th Quarter/Audited Results (2011-12).

c) Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from 15th September, 2011 to 27th September, 2011 (Both days inclusive)

d) Dividend Payment Date

2nd October, 2011

e) Listing at stock exchanges and stock codes

The name of the Stock Exchanges at which the equity shares are listed as on 31st March, 2011 and the respective stock codes are as under:

Name of the Stock Exchange	Stock Code No.
Bombay Stock Exchange Ltd.	500201
National Stock Exchange of India Ltd.	Indiaglyco

Listing fee to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited for the financial year ended 31.03.2011 has been paid.

The ISIN numbers allotted to the Company for demat of Shares are as under:

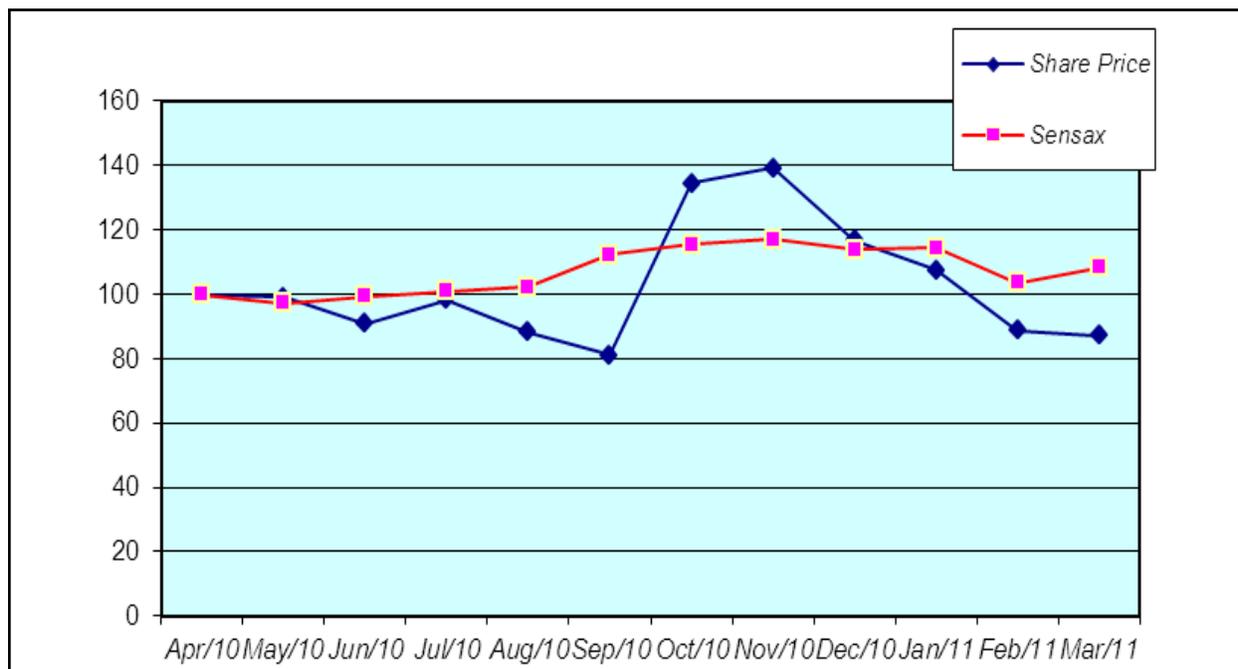
NSDL - INE 560A01015
 CDSL - INE 560A01015

f) Stock Data

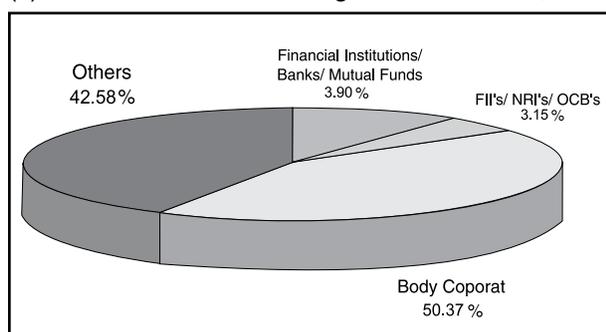
High/Low of market price of the Company's equity shares traded on the Bombay Exchange Mumbai Ltd. during the financial year ended 31st March, 2011 was as follows:

Month	High	Low	Sensex
April, 2010	152.4	119.4	18047.86
May, 2010	151	115.15	17536.86
Jun, 2010	138.7	118.05	17919.62
July, 2010	150	126.35	18237.56
August, 2010	134.6	112.4	18475.27
September, 2010	123.5	108.4	20267.98
October, 2010	205	115.8	20854.55
November, 2010	212.3	145.05	21108.64
December, 2010	177.95	130.5	20552.03
January, 2011	163.8	123.05	20664.8
February, 2011	135.35	105.7	18690.97
March, 2011	132.95	105.95	19575.16

g) Performance of Company's equity shares in comparison to BSE Sensex



(h) Distribution of shareholding as on 31st March, 2011



i) Shares held in physical and dematerialised form

As on 31st March, 2011, 45.01% of shares were held in De-materialized form and 54.99% in physical form. 89.27% Non-Promoters holding is in De-materialized form.

j) Outstanding GDR's / ADR's / Warrants / convertible instruments and their impact on equity Nil

k) Plant Locations

- 1) A-1, Industrial Area, Bazpur Road, Kashipur, Distt. Udham Singh Nagar, Uttarakhand.
- 2) E-1, Sector-15, Gorakhpur Industrial Development Area, Gorakhpur, Uttar Pradesh.
- 3) Plot No. 2,3 & 4 Pharma City, Selaqui, Dehradun, Uttarakhand

l) Address for correspondence

India Glycols Limited, Plot No. 2B, Sector-126, Noida-201 304, Gautam Budh Nagar, Uttar Pradesh

Telephone : 0120- 3090100

Fax : 0120-3090111

Website : www.indiaglycols.com

E-Mail : compliance.officer@indiaglycols.com

m) Electronic Clearing Services (ECS) for payment of dividend

ECS facility for payment of dividend is presently available at Agra, Ahmedabad, Amritsar, Bangaluru, Bhubaneswar, Bhopal, Chandigarh, Chennai, Coimbatore, Delhi, Guwahati, Hyderabad, Indore, Jaipur, Kanpur, Kochi, Kolhapur, Kolkata, Lucknow, Ludhiana, Madurai, Mangaluru, Mumbai, Nagpur, Patna, Panaji, Pune, Rajkot, Surat, Vadodara, Vidisha and Thiruvananthapuram. Shareholders can obtain ECS application form from Head Office at Plot No. 2B, Sector-126, Noida-201 304 Gautam Budh Nagar, Uttar Pradesh or from Registrar and Share Transfer Agent at F-65, Okhla Industrial Area Phase-I New Delhi 110 020.

n) Shares held in electronic form

Shareholders holding shares in electronic form may give instruction regarding bank details which they wish to incorporate on their dividend warrant to their depository participants. As per the regulations of NSDL and CDSL the Company is obliged to print the bank details on the dividend warrants, as furnished by these depositories to the Company.

To the Members of India Glycols Limited

Declaration

I, U.S. Bhartia, Chairman and Managing Director of India Glycols Limited do hereby declare that the Company had received affirmation from all the members of the Board and Senior Management personnel stating compliance of the code of conduct for the year 2010-11 pursuant to the requirement of the Clause 49 of the Listing Agreement as amended.

for Indian Glycols Limited

Place : Noida, U.P.
Date : 16th July, 2011

U.S. Bhartia
Chairman and Managing Director

Auditors' Certificate On Corporate Governance

To the Members of India Glycols Limited

We have examined the compliance of conditions of Corporate Governance by India Glycols Limited for the year ended on 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with, in all material respect, the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state, that in respect of investor grievances received during the year ended 31st March, 2011, no investor grievances are unattended/pending for a period exceeding one month against the Company as certified by the Registrars & Transfer Agents of the Company and details presented to the Investors Grievance Committee of the Company.

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

For LODHA & CO.
Chartered Accountants

Place : New Delhi
Date : 16th July, 2011

N.K. Lodha
Partner
Membership No. 85155

Auditors' Report

To
The Members of
INDIA GLYCOLS LIMITED

We have audited the attached Balance Sheet of INDIA GLYCOLS LIMITED as at 31st March 2011, the Profit and Loss Account and the also Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 ("The Order") as amended by the Companies (Auditor's Report) Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 ("The Act"), we enclose in the Annexure a statement on the matters specified in the paragraphs 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.

- e) As per explanations and information given to us, none of the directors of the Company is disqualified from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Without qualifying attention is invited to:
 - (i) Note no. 1 (B) of schedule 'L' regarding pending export obligation against custom duty saved on raw material consumed imported under advance licenses as stated in the said note. In the opinion of the management considering the Going Concern Concept and past export performance at this stage there is no need to make provision against duty saved.
 - (ii) Note no. 8 (i) & (ii) of schedule 'L' regarding investment in subsidiaries amounting to Rs. 5454.91 Lacs where in the opinion of management no provision for diminution is necessary considering the long term in nature and the intrinsic value of assets of subsidiary companies as stated in the said note and note no. 8 (iii) regarding loans to a subsidiary amounting to Rs. 463.39 Lacs (including interest accrued thereon) where management is confident about recoverability/ realisability.

In our opinion and to the best of our information and according to the explanations given to us, the said statements of account read together with notes thereon, give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of Balance Sheet, of the State of Affairs of the Company as at 31st March, 2011;
- (ii) in the case of Profit and Loss Account, of the profit of the Company for the year ended on that date; and
- (iii) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Lodha & Co.
Chartered Accountants
Firm Registration No: 301051E

(N. K. Lodha)

Partner

M. No.: - 85155

Place : Noida
Date : 20th May, 2011

Annexure to the Auditors' Report

(Referred to in paragraph (1) of our Report of even date of INDIA GLYCOLS LIMITED for the year ended 31st March, 2011)

- i. (a) The Company has maintained records in respect of fixed assets showing full particulars including quantitative details and situation of its fixed assets.
- (b) As per information & explanation given to us, certain fixed assets have been physically verified by the management. As explained to us there is regular programme of physical verification once in every three years, in phased manner, which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.
- (c) As per the records and information & explanation given to us, fixed assets disposed off during the year were not substantial.
- ii. (a) The inventory of the Company (except stock lying with the third parties and in transit) has been physically verified by the management at reasonable intervals.
- (b) In our opinion and according to information & explanation given to us, the procedures of physical verification of inventory followed by the management are generally reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to information & explanation given to us, the Company is generally maintaining proper records of inventory. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
- iii. (a) According to the information and explanations given to us, the Company has not granted during the year any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4 (iii) (b) to (d) of the Order are not applicable to the Company.
- (b) The Company has taken unsecured loan from three Companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year end balance of such loans are aggregate of Rs.1597 Lacs and Rs.1583 Lacs respectively.
- (c) In our opinion and according to information and explanations given to us, the rate of interest and other terms and conditions on which aforesaid loan has been taken are not, prima facie, prejudicial to the interest of the Company.
- (d) The company is regular in repaying the principal and interest amounts whenever the same are stipulated.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and for which suitable alternative sources do not exist for obtaining comparable quotation or where user department has shown specific preference, where, as explained, rates were determined considering the quality, volume, nature of the items and market conditions prevailing at that time in certain cases, there is an adequate internal control system which needs to be further strengthened to be made the same commensurate with the size of the Company and nature of its business for the certain purchases of Inventory & fixed assets, and for the sale of goods and services (read with note no.12 & 19 (a) of schedule L). Based on the audit procedure performed and information & explanations provided by the management, during the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v. According to the information and explanations provided by the management and based on the audit procedure performed, we are of the opinion that the particulars of the contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section and having regard to our comment in para (iv) above, the transaction made in pursuance of such contracts or arrangements (exceeding the value of Rs. 5 Lacs in respect of each party during the financial year) have been made at prices which are generally reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the directive issued by the Reserve Bank of India and the provisions of Section 58A and 58 AA of the Act or any other relevant provisions of the Act and the rules framed there under with regard to deposit accepted from the public. We have been informed that no order has been passed by the company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other tribunal in this regard.
- vii. The Company has an internal audit system commensurate with the size of the company and nature of its business. However, scope and coverage of balance confirmation as stated in note no. 19 (a) of schedule L needs to be further strengthened.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate and complete.
- ix. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident

Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities to the extent applicable. According to the information and explanations given to us, generally there are no undisputed amounts payable in respect of statutory dues which have remained outstanding as at 31st March, 2011 for a period of more than six months.

(b) According to the records and information and explanations given to us, there are no dues in respect of Income Tax, Sales Tax and Wealth Tax that have not been deposited with the appropriate authorities on account of any dispute and dues in respect of Custom Duty, Service Tax, Excise Duty and Cess that have not been deposited with appropriate authority on account of dispute and the forum where the dispute is pending are given below:-

Name of the Statute	Nature of Dues	Amount (Rs. In Lacs)	Period	Forum where dispute is pending
Custom Act	Custom duty	11.42 193.05	1992-93 2004-05 2009-10	High Court – Uttaranchal Asstt. Commissioner of Custom
Central Excise Act	Excise Duty	0.94 69.99 56.54 4,183.63 59.40 11.97 3.59	1996-97, 2007-2008 2005-06 to 2010-11 2006-07 to 2010-11 2005-06 to 2010-11 2009-10 to 2010-11 2009-10 to 2010-11	CESTAT CESTAT Asstt. Commissioner Haldwani Asstt. Commissioner Haldwani Additional Commissioner Joint Commissioner Asstt. Commissioner Allahabad
State Excise Act	Export Fees	993.25	2007-2011	High Court Nainital
Finance Act 1994	Service Tax	7.93 36.31 111.18 6.39	2005-2009 2004-2008 2004-05, 2005-06 2005-06	CESTAT Commissioner (Appeal) Commissioner Asstt. Commissioner

This is to be read with note no.1 (A) (i) of schedule L

- x. The Company does not have accumulated losses at the end of financial year and has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- xi. In our opinion, based on audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution, banks or debenture holders.
- xii. According to the information and explanation given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
- xiii. The Company is not a chit fund or a nidhi/ mutual benefit fund /society and therefore, the provisions of clause 4 (xiii) of the Order are not applicable.
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the Company has given corporate guarantees to banks for Loans taken by Shakumbari Sugar & Allied Industries Limited ('SSAIL' a Subsidiary Company) amounting to Rs.22,633.13 lacs as stated in note no.1(A)(iv) of schedule 'L', the terms and conditions on which the Company has given guarantees for loans taken by SSAIL from banks are not, prima facie, prejudicial to the interest of the Company since the is/are on account of commercial expediency. As explained to us, the Company has not given any guarantee for loans taken by others from financial institution.
- xvi. According to the information and explanations given to us, term loans have been applied for the purposes for which they were obtained.
- xvii. On the basis of information and explanations given to us and on overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie not been used for long-term investments.
- xviii. According to the information and explanation given to us, the Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under section 301 of the Act.
- xix. On the basis of record made available to us and according to the information and explanations given to us, the Company does not have outstanding debentures during the year and also at year end.
- xx. The Company has not raised any money through a public issue during the year.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations provided by the management, no material fraud on or by the Company has been noticed or reported during the course of the audit.

For Lodha & Co.
Chartered Accountants
Firm Registration No: 301051E

(N. K. Lodha)
Partner
M. No.: - 85155

Place : Noida
Date : 20.05.2011

Balance Sheet as at 31st March, 2011

(Rs. in lacs)

Schedule	As at 31.03.2011		As at 31.03.2010	
SOURCES OF FUNDS				
1. Shareholders' Funds				
a) Share Capital	A	2,788.25	2,788.25	
b) Reserves and Surplus	B	38,678.34	36,600.45	39,388.70
2. Loan Funds	C			
Secured Loans		146,156.13	109,656.62	
Unsecured Loans		2,793.68	3,542.49	113,199.11
3. Deferred tax liability (net)			6,064.24	4,692.64
TOTAL		196,480.64		157,280.45
APPLICATION OF FUNDS				
1. Fixed Assets	D			
Gross Block		152,550.04	122,042.55	
Less: Depreciation		48,588.82	41,829.97	
Net Block		103,961.22	80,212.58	
Capital work-in-progress (Including advances and pre-operative expenses)		13,571.92	32,251.53	112,464.11
2. Investments	E		5,720.16	4,119.11
3. Current Assets, Loans and Advances	F			
Inventories		42,395.68	29,570.79	
Sundry Debtors		16,004.73	11,596.11	
Cash and Bank Balances		17,622.92	4,411.32	
Loans and Advances		23,228.45	16,853.37	
		99,251.78	62,431.59	
Less: Current Liabilities and Provisions	G			
Current liabilities		23,596.43	16,985.18	
Provisions		2,428.01	4,782.25	
		26,024.44	21,767.43	
Net Current Assets		73,227.34		40,664.16
4. Foreign Currency Monetary Item Translation Difference			-	33.07
TOTAL		196,480.64		157,280.45
Notes to the Accounts	L			

Schedules referred herein above form an integral part of the Balance Sheet

As per our report of even date

For Lodha & Co.

Chartered Accountants

Firm Registration no. 301051E

N.K. Lodha

Partner

M. No. 85155

Place : Noida, UP

Dated : 20th May, 2011

U.S. Bhartia

Chairman and Managing Director

Rakesh Bhartia

Chief Executive Officer

Place : Noida, UP

Dated : 20th May, 2011

M.K. Rao

Executive Director

Anand Singhal

Chief Financial Officer

Lalit Kumar Sharma

Company Secretary

R.C. Misra

Jitender Balakrishnan

Ravi Jhunjhunwala

Jagmohan N. Kejriwal

Directors

Profit and Loss Account as at 31st March, 2011

(Rs. in lacs)

	Schedule	Current Year	Previous Year
INCOME			
Sales	H	181,933.74	134,554.64
Less: Excise Duty recovered on Sales		23,055.52	23,631.25
Net Sales		158,878.22	110,923.39
Other Income	H	4,058.58	6,735.72
Increase/ (Decrease) in Stocks	I	2,274.10	4,945.23
		165,210.90	122,604.34
EXPENDITURE			
Manufacturing and Other Expenses	J	146,042.61	109,204.35
Finance Charges (net)	K	8,630.64	6,009.49
		154,673.25	115,213.84
Profit / (Loss) before Depreciation, Exceptional Item and Tax		10,537.65	7,390.50
Depreciation	D	6,861.76	5,907.16
Profit / (Loss) before Exceptional item and Tax		3,675.89	1,483.34
Less: Exceptional item		-	(1,626.58)
Profit after Exceptional item		3,675.89	3,109.92
Profit / (Loss) Before Tax		3,675.89	3,109.92
Provision for tax			
- Current tax		752.06	492.43
- Deferred tax Charged / (Credit)		1,371.60	1,110.40
- Tax for earlier years		(258.07)	-
- Minimum Alternate Tax Credit entitlement		(752.06)	(492.43)
Net profit / (loss) for the year		2,562.36	1,999.52
Balance brought forward		27,108.60	25,698.40
Balance available for Appropriation		29,670.96	27,697.92
Transfer to General Reserve		100.00	100.00
Proposed Dividend		418.24	418.24
Corporate Dividend Tax		67.85	71.08
Excess Corporate Dividend Tax provision written back		(1.62)	-
Balance carried forward		29,086.49	27,108.60
Earning per share basic/ diluted		9.19	7.17
Notes to the Accounts	L		

Schedules referred herein above form an integral part of the Profit and Loss Account

As per our report of even date

For Lodha & Co.

Chartered Accountants

Firm Registration no. 301051E

N.K. Lodha

Partner

M. No. 85155

Place : Noida, UP

Dated : 20th May, 2011

U.S. Bhartia

Chairman and Managing Director

Rakesh Bhartia

Chief Executive Officer

Place : Noida, UP

Dated : 20th May, 2011

M.K. Rao

Executive Director

Anand Singhal

Chief Financial Officer

Lalit Kumar Sharma

Company Secretary

R.C. Misra

Jitender Balakrishnan

Ravi Jhunjhunwala

Jagmohan N. Kejriwal

Directors

Schedules forming part of the Balance Sheet

(Rs. in lacs)

	As at 31.03.2011	As at 31.03.2010
Schedule A SHARE CAPITAL		
A. Authorised		
30000000 (Previous year 30000000) Equity Shares of Rs. 10 each	3,000.00	3,000.00
B. Issued, Subscribed and Paid up		
27882500 (Previous year 27882500) Equity Shares of Rs.10 each fully paid up	2,788.25	2,788.25
	2,788.25	2,788.25

	As at 01.04.2010	Additions	Deductions	As at 31.03.2011
Schedule B RESERVES AND SURPLUS				
Capital Reserve	463.25	-	-	463.25
General Reserve	8,828.60	100.00	-	8,928.60
Reserve for Contingencies	200.00	-	-	200.00
Surplus in Profit and Loss Account	27,108.60	2,562.36	584.47	29,086.49
	36,600.45	2,662.36	584.47	38,678.34
	(35,090.25)	(2,099.52)	(589.32)	(36,600.45)

	As at 31.03.2011	As at 31.03.2010
Schedule C LOAN FUNDS		
SECURED LOANS		
RUPEE TERM LOANS		
Banks (Note 3)	58,353.18	40,925.17
Others (Note 3)	264.77	16.56
FOREIGN CURRENCY TERM LOANS		
Banks	6,597.84	11,927.52
BUYER'S IMPORT CREDIT - BANK	36,972.26	25,538.66
WORKING CAPITAL LOANS FROM BANKS	43,968.08	31,248.71
(Including working capital demand loan Rs.0.99 lacs, previous year Rs.3,759.04 lacs)	146,156.13	109,656.62
UNSECURED LOANS		
Fixed Deposits	179.68	742.80
From body corporate	2,614.00	-
Short Term Rupee Loan - Bank	-	2,500.00
Foreign Currency Term Loan - Bank	-	299.69
	2,793.68	3542.49

Notes:

- The Term Loans inter-se, are secured / to be secured by mortgage of all immovable properties of the Company both present and future and hypothecation of all movable properties of the Company (save and except book debts) including movable machinery, machinery spares, tools and accessories, both present and future subject to prior charges created and / or to be created in favour of the bankers of the Company on stocks, book debts and other specified movable properties for working capital requirements / Buyers Credit. (Amount due within one year Rs. 18,814.38 lacs, previous year Rs. 17,030.52 lacs).
- Working Capital Loans from Banks are secured / to be secured by way of hypothecation of book debts and stocks including in-transit and second charge on all immovable properties of the Company. Buyers Credit facility is secured against non-fund based facility sanctioned to the Company.
- Rupee Term Loans includes loans from Banks of Rs. 59.44 lacs (Previous year Nil) and loans from others Rs. 114.77 lacs (Previous year Rs. 16.56 lacs) secured by hypothecation of Motor Vehicles purchased there under, Further Rupee Term Loans from others includes Rs. 150.00 lacs (Previous year Nil) secured against bank guarantee. (Amount due within one year Rs. 67.48 lacs, previous year Rs. 5.50 lacs)

Schedules forming part of the Balance Sheet

Schedule D FIXED ASSETS

(Rs. in lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Addition/ Adjustment	Deduction/ Adjustment	As at 31.03.2011	Upto 01.04.2010	For the year	Deduction/ Adjustment	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land	1,271.77	572.23	-	1,844.00	-	-	-	-	1,844.00	1,271.77
Leasehold Land	1,410.97	-	-	1,410.97	101.90	16.64	-	118.54	1,292.43	1,309.07
Buildings	10,227.45	5,498.13	-	15,725.58	935.20	296.92	-	1,232.12	14,493.46	9,292.25
Plant and Machinery	104,633.76	23,301.06	-	127,934.82	39,208.51	6,099.36	-	45,307.87	82,626.95	65,425.25
Furniture and Fixtures	2,879.14	722.88	35.24	3,566.78	944.93	258.37	21.44	1,181.86	2,384.92	1,934.21
Vehicles (*)	891.44	402.02	194.14	1,099.32	298.75	96.97	81.47	314.25	785.07	592.69
Intangible Assets										
-Specialised Computer software	728.02	240.55	-	968.57	340.68	93.50	-	434.18	534.39	387.34
Total	122,042.55	30,736.87	229.38	152,550.04	41,829.97	6,861.76	102.91	48,588.82	103,961.22	80,212.58
Previous Year	108,605.43	13,673.63	236.51	122,042.55	36,079.12	5,907.16	156.31	41,829.97		
Capital Work- in-progress									13,571.92	32,251.53
									117,533.14	112,464.11

Capital Work in progress (include advance and preoperative expenses (refer note no. 14 of Sch-L))

(*) Gross Block includes Rs. 267.12 lacs (previous year Rs. 20.73 lacs) Secured by hypothecation against loan

Schedules forming part of the Balance Sheet

(Rs. in lacs)

	Nominal value	As at 31.03.2011	As at 31.03.2010
Schedule E INVESTMENTS			
LONG TERM INVESTMENTS (at cost, net of provision for diminution)			
Unquoted, fully paid up (Subsidiary Companies)			
Non-trade - Wholly owned			
1000000 (Previous year 1000000) Equity Shares of IGL Finance Ltd.	Rs.10.00	75.00	75.00
100000 (Previous year 100000) Equity Shares of IGL CHEM International. PTE Ltd., Singapore	SGD 1.00	27.41	27.41
Non-trade			
50112100* (Previous year 34112100) Equity Shares of Shakumbari Sugar & Allied Industries Ltd.	Rs.10.00	4,427.50	2,827.50
10000000 (Previous year 10000000) 10% Cumulative Redeemable Preference Shares of Shakumbari Sugar & Allied Industries Ltd.	Rs.10.00	1,000.00	1,000.00
		5,529.91	3,929.91
* Refer note no. 8 of schedule L			
Quoted, fully paid up (Others)			
211360 (Previous year 211360) Equity Shares of IDBI Bank Ltd	Rs.10.00	105.00	105.00
34000 (Previous year 34000) Equity Shares of Axis Bank Ltd.	Rs.10.00	7.14	7.14
2500 (Previous year 2500) Equity Shares of ICICI Bank Ltd.	Rs.10.00	1.97	1.97
		114.11	114.11
CURRENT INVESTMENT			
Unquoted, fully paid up			
668518 (Previous year 668518) UTI Bonds Fund - Dividend Plan	Rs.10.00	76.14	75.09
		76.14	75.09
		5,720.16	4,119.11
Aggregated book value of quoted investment		114.11	114.11
Market value of quoted investments		807.11	667.48

Note: The Company has earmarked 668518 UTI Bonds Funds amounting to Rs. 76.14 lacs (Previous year 668518 UTI Bonds Funds amounting to Rs. 75.09 lacs) in compliance with the provisions of Rule 3A of the Companies (Acceptance of Deposits) Rules, 1975.

Schedules forming part of the Balance Sheet

(Rs. in lacs)

		As at 31.03.2011		As at 31.03.2010
Schedule F CURRENT ASSETS, LOANS AND ADVANCES				
A. CURRENT ASSETS:				
Inventories				
(As taken, valued and certified by the management)				
Stores and spare parts		11,269.31		10,368.19
(Including in transit Nil, Previous year Rs. 28.62 lacs)				
Raw Materials		17,982.34		8,168.74
(Including in transit Rs. 7190.99 lacs, Previous year Rs. 720.29 lacs)				
Finished Goods*		3,705.62		5,391.39
(Including in transit Rs. 324.21 lacs, Previous year Rs. 1887.58 lacs)				
Stock-in-process #		9,366.70		5,571.78
Residue Product		7.75		7.66
Scrap		4.22		3.43
Loose Tools		59.74		59.60
		42,395.68		29,570.79
* Includes Nil stock of trial production (Previous year Rs. 147.84 lacs).				
# Includes Nil stock of trial production (Previous Year Rs. 328.95 lacs).				
Sundry Debtors				
(Unsecured, Considered Good unless stated otherwise)				
Over six months		744.02		262.28
Others		15,260.71		11,333.83
		16,004.73		11,596.11
Over six months doubtful		106.71		89.74
		16,111.44		11,685.85
Less: Provision		106.71		89.74
		16,004.73		11,596.11
Cash and Bank Balances				
Cash on hand		30.87		53.19
Cheques on hand (including remittances in transit)		-		28.21
Balance with Scheduled Banks				
- On Current Accounts		2,456.77		283.87
- On Margin Money Accounts (In Fixed Deposits)		7,733.68		3,340.46
- In Fixed Deposit Accounts		7,300.00		600.00
- On Dividend Accounts		101.60		105.59
		17,622.92		4,411.32
B. LOANS AND ADVANCES				
(Unsecured, Considered Good unless stated otherwise)				
Inter Corporate Deposit		1,101.45		275.00
Advances recoverable in cash or in kind or for value to be received	11,058.46		4,822.71	
Doubtful advances / loans	46.61		124.61	
	11,105.07		4,947.32	
Less : Provision for doubtful advances / loans	46.61	11,058.46	124.61	4,822.71
Export Incentive receivable		2,491.13		1,297.08
Balance with Excise Authorities		4,483.56		3,968.50
Deposits with Government Departments & Others#		1,052.91		1,242.26
MAT credit receivable		1,654.28		1,318.13
Advance Income Tax/ Tax deducted at source		1,386.66		3,929.69
		23,228.45		16,853.37

includes Fixed Deposit with bank pledged with Government Authorities of Rs. 58.48 lacs (Previous year Rs. 30.56 lacs)

Schedules forming part of the Balance Sheet

(Rs. in lacs)

	As at 31.03.2011	As at 31.03.2010
Schedule G CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
Acceptances	67.04	-
Sundry Creditors - Micro, Small and Medium Enterprises @	53.83	-
- Others	16,399.60	11,090.42
Other Liabilities	5,192.76	4,211.79
Advance from customers	1,467.77	645.52
Interest accrued but not due on loans	258.59	434.05
Investor Education & Protection Fund shall be credited by the following amounts when due:		
(i) Unclaimed Dividends	101.60	105.59
(ii) Unclaimed matured deposits	46.90	390.60
(iii) Unclaimed interest on above (ii)	8.34	107.21
	23,596.43	16,985.18
B. PROVISIONS		
Income Tax	1,244.49	3,841.80
Fringe Benefit Tax (Net)	165.53	165.53
Wealth Tax	3.62	3.12
Proposed Dividend	418.24	418.24
Corporate Dividend Tax	67.85	71.08
Retirement benefits	528.28	282.48
	2,428.01	4,782.25
	26,024.44	21,767.43

@ Refer note no.12 of Schedule L

Schedules forming part of the Profit and Loss Account

(Rs. in lacs)

	Current Year	Previous Year
Schedule H SALES AND OTHER INCOME		
SALES (Including Excise Duty)		
Ethylene Glycol	39,112.11	22,000.12
Di-ethylene Glycol	2,622.67	750.09
Heavy Glycol	406.77	475.37
E.O. Derivatives	85,925.09	67,538.27
Guar Gum Powder and derivatives	6,487.80	2,624.26
Ethyl Alcohol (Potable)	34,147.40	38,707.17
Industrial Gases	2,940.92	2,330.27
Others	1,895.59	86.00
Sale of traded goods	8,395.39	43.09
	181,933.74	134,554.64

Schedules forming part of the Profit and Loss Account

(Rs. in lacs)

	Current Year	Previous Year
Schedule H SALES AND OTHER INCOME (Contd.)		
OTHER INCOME		
Dividend on Investment	12.64	10.05
Rent (Tax Deducted at source Rs. 33.17 lacs, Previous year Rs. 11.95 lacs)	322.67	66.11
Miscellaneous Income	1,390.86	1,933.37
Reversal of Diminution in value of current Investments	1.05	-
Provision no longer required written back	67.03	597.21
Commodity derivative and exchange fluctuation gain [Refer note 22 (E)]	941.71	3,256.90
Sundry balances written back	2.02	0.01
Provision for doubtful debts/Advances written back	1.50	99.81
Prior period Income	-	45.38
(Net of expenses Nil, Previous year Rs. 11.64 lacs)		
Export Incentive receivable	1,308.58	692.07
Profit on sale of Fixed Assets	10.52	34.81
	4,058.58	6,735.72

(Rs. in lacs)

	Current Year	Previous Year
Schedule I INCREASE / (DECREASE) IN STOCKS		
CLOSING STOCK		
Finished Goods		
- Ethylene Glycol	312.23	777.34
- Di-Ethylene Glycol	69.14	144.88
- Heavy Glycol	22.58	189.00
- E.O. Derivatives	2,398.22	3,058.79
- Ethyl Alcohol (Potable)	440.75	866.32
- Guar Gum Powder and derivatives	81.01	198.87
- Guar Churi	0.01	0.07
- Industrial Gases	25.60	8.28
- Herbal Products	356.08	-
Total Finished Goods	3,705.62	5,243.55
Stock-in-Process	9,366.70	5,242.83
Residue Product	7.75	7.66
	13,080.07	10,494.04
LESS : OPENING STOCK		
Finished Goods		
- Ethylene Glycol	777.34	409.57
- Di-Ethylene Glycol	144.88	217.87
- Heavy Glycol	189.00	111.93
- E.O. Derivatives	3,058.79	2,703.25
- Ethyl Alcohol (Potable)	866.32	485.31
- Guar Gum Powder and derivatives	198.87	67.25
- Guar Churi	0.07	0.03
- Industrial Gases	8.28	17.81
Total Finished Goods	5,243.55	4,013.02
Stock-in-Process	5,242.83	1,334.04
Residue Product	7.66	77.38
	10,494.04	5,424.44
Less: Stocks at the commencement of commercial production		
Herbal Products		
- Finished Goods	147.84	-
- Stock-in-Process	328.95	-
Less: Differential Excise Duty provided on Stocks.	(164.86)	124.37
INCREASE/ (DECREASE)	2,274.10	4,945.23

Schedules forming part of the Profit and Loss Account

(Rs. in lacs)

Schedule J MANUFACTURING AND OTHER EXPENSES	Current Year		Previous Year	
Raw Materials consumed		84,895.07		66,459.92
Stores and spare parts consumed		11,128.61		10,356.92
Power and Fuel		23,692.70		18,238.45
Cost of Traded Goods		8,292.69		43.34
Salaries, Wages, Allowances, etc.		5,585.30		3,643.57
Contribution to Provident and other Funds		450.75		298.71
Staff Welfare Expenses		470.36		329.44
Repairs and Maintenance				
- Buildings	225.05		249.89	
- Plant and Machinery	928.52		1,005.46	
- Others	195.07	1,348.64	131.08	1,386.43
Rent		75.00		86.72
Rates and Taxes		1,093.87		836.21
Travelling and Conveyance		1,084.54		1,127.84
Insurance		161.73		249.34
(Net of recovery from customers Rs.2.98 lacs, Previous year Rs. 2.78 lacs)				
Directors' sitting Fee		10.50		8.60
Miscellaneous Expenses		1,800.13		1,384.05
Donation		44.61		10.90
Commission to Selling agents		501.98		317.61
Freight forwarding and others (Net of recovery from customers / provision written back Rs.1692.01 lacs, Previous year Rs. 964.75 lacs)		4,942.13		4,340.00
Bad debts written off	437.44		109.66	
Less : Provision for doubtful debts written back	83.46	353.98	109.66	-
Provision for doubtful debts and advances (Net)		23.93		-
Loss on Sale / Discard of Fixed Assets		48.27		33.80
Provision for diminution in value of Current Investments		-		7.12
Amortisation of Foreign Currency Monetary Item Transaction Difference		34.20		42.26
Wealth Tax		3.62		3.12
		146,042.61		109,204.35

(Rs. in lacs)

Schedule K FINANCE CHARGES	Current Year		Previous Year	
Interest on Fixed Loans		6,080.57		3,722.20
Other Interest [Includes Rs. 94.04 lacs (Previous year Rs. 15.77 lacs) charged in Income Tax Assessment Orders]		2,082.57		1,682.10
Financial Charges		1,566.51		1,124.54
		9,729.65		6,528.84
Less: Interest Received (*) (Tax Deducted at source Rs 47.56 lacs, Previous year Rs. 22.89 lacs)		1,099.01		519.35
		8,630.64		6,009.49

[(*) Include on deposit Rs. 561.41 lacs, Previous year Rs. 226.82 Lacs and Interest on Income Tax refund Rs 109.57 lacs, previous year Rs. 233.18 lacs and other Rs. 428.03 lacs, Previous year Rs.59.35 lacs]

Schedules forming part of the Accounts

Schedule L NOTES TO THE ACCOUNTS

I. ACCOUNTING POLICIES

A. FIXED ASSETS AND DEPRECIATION

- (a) (i) All tangible fixed assets are stated at their historical cost less accumulated depreciation. Depreciation on fixed assets, except on leasehold land, EO Derivative unit, is provided on straight line method at the rates and in the manner provided in Schedule XIV to the Companies Act, 1956. Depreciation on fixed assets of EO Derivative unit is provided on written down value method (WDV) at the rates and in the manner provided in Schedule XIV to the Companies Act, 1956. Depreciation on additions/disposals is provided with reference to the month of addition/disposal.
- (ii) Certain Plant and Machinery considered as continuous process plant based on technical evaluation.
- (iii) Leasehold land is amortised over the period of lease.
- (b) Intangible assets: Computer software are accounted for at their cost of acquisition and amortised over the estimated useful life i.e. not exceeding six years.

B. EXPENDITURE DURING CONSTRUCTION

Expenditure during construction period is being included under capital work-in progress and the same is allocated to fixed assets on completion of installation / construction.

C. INVESTMENTS

Long term investments are stated at cost. When there is a decline other than temporary in their value, the carrying amount is reduced on individual investment basis and is charged to Profit & Loss Account.

Current Investments are valued at lower of cost or fair value.

D. VALUATION OF INVENTORIES

Inventories are valued 'at lower of cost or net realisable value' except stock of residual products and scrap which are valued at net realisable value. The cost is computed on the weighted average basis. In case of finished goods and stock in process, cost is determined by considering material, labour, related overheads and duties thereon.

E. FOREIGN EXCHANGE & DERIVATIVE TRANSACTIONS

- a) Foreign currency transactions are recorded at the rate of exchange prevailing at the date of transaction. Foreign Currency Assets and Liabilities are converted at the exchange rates prevailing at the yearend except those covered under firm commitment which are stated at contracted rate. Exchange difference is charged to the revenue account except arising on account of such conversion related to (i) the purchase of fixed assets is adjusted therewith, and (ii) other long term monetary items is adjusted in the "Foreign Currency Monetary Item Translation Difference".
- b) Transactions covered by derivative contract are adjusted with variations, if any, are recognised on reinstatement and settlement whereas gains are recognised only on settlement. The premium on derivative contract is expensed out over the terms of contract.

F. MANAGEMENT OF RAW MATERIAL (GUAR GUM) PRICES

Risk associated with fluctuation in the prices of Guar Gum (Raw Material) is mitigated by hedging on futures/options market. The result of this hedging contract/transactions are recorded upon their settlement as part of Raw Material cost. Portion of Cash flow to the extent of underlying transactions having not been completed is carried forward as receivable/payable.

G. EMPLOYEES BENEFITS

(a) Defined Contribution Plan:

Employee benefits in the form of Provident Fund (with Government Authorities) are considered as defined contribution plan and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.

(b) Defined Benefit Plan:

Retirement benefits in the form of Gratuity and Long term compensated leaves are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Actuarial gain/losses, if any, are immediately recognised in the Profit and Loss Account.

(c) Other short term absences are provided based on past experience of leave availed.

H. GOVERNMENT GRANTS

Grants in the nature of Project Capital Subsidy are credited to Capital Reserves. Other Government grants are deducted from the related expenses.

Schedules forming part of the Accounts

I. BORROWING COST

Interest and other costs in connection with the borrowing of funds are capitalised up to the date when such qualifying assets are ready for its intended use and other borrowing costs are charged to profit and loss account.

J. PROVISION FOR CURRENT TAX AND DEFERRED TAX

Provision for current tax has been made on the basis of estimated taxable income computed in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax resulting from all timing differences between book profit and profit as per Income Tax Act, 1961 is accounted for, at the enacted / substantially enacted rate of Tax, to the extent that the timing differences are expected to crystallise. Deferred tax assets are recognised only to the extent that there is a reasonable / virtual certainty that sufficient future taxable profits will be available against which such deferred tax assets can be realised.

K. IMPAIRMENT

Where the recoverable amount of fixed assets is lower than its carrying amount, a provision is made for the impairment loss. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.

L. USE OF ESTIMATES AND ASSUMPTIONS

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and the estimates are recognised in the period in which the results are known / materialised.

M. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

II. NOTES

1) (A) Contingent Liabilities not provided for (As Certified by the Management) :-

(i) In respect of :- (Rs. in lacs)

Particulars	As on 31.03.2011	As on 31.03.2010
Central Excise/ State Excise	5,633.08	743.48
Customs	350.12	233.35
Service Tax & Others	293.18	164.85
Sales Tax	25.70	-

(ii) Claims against the Company not acknowledge as debts amounting to Rs. 303.24 lacs (Previous Year Rs. 320.31 lacs).

(iii) Bills discounted with Banks Rs. 3,365.09 lacs (Previous Year Rs. 2,757.09 lacs).

(iv) Corporate Guarantee to banks for loan availed by Shakumbari Sugar & Allied Industries Limited (a subsidiary company) amounting to Rs. 22,633.13 lacs. (Previous Year Rs. 22,513.00 lacs)

(B) Custom duty saved amounting to Rs. 1,283.43 lacs on raw material consumed (Previous Year Rs. 295.92) on import of raw material under Advance License, pending fulfillment of export obligation and to that extent profit is stated higher.

The management is of the view that considering the past export performance and future prospects there is certainty that pending export obligation under advance licenses, will be fulfilled before expiry of the respective advance licenses. Accordingly and on "Going Concern Concept" basis there is no need to make any provision for custom duty saved.

2) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs.1160.62 lacs, previous year Rs. 1,368.52 lacs) are Rs. 3,510.47 lacs (Previous year Rs.1,789.73 lacs).

3) Since it is not possible to determine with reasonable certainty/accuracy insurance claims and interest from customers, the same are continued to be accounted on settlement basis.

4) Advances recoverable in cash or kind includes loans and advances in the nature of Loan recoverable from the employees amounting to Rs. 261.37 lacs (Previous year Rs. 154.58 lacs) where there is no interest or interest is below Section 372A of the Companies Act (Maximum Balance outstanding during the year Rs. 424.28 lacs, previous year Rs. 236.45 lacs). Out of the above Rs. 66.04 lacs either has repayment schedule beyond seven years or there is no repayment schedule (Maximum Balance outstanding during the year Rs.127.77 lacs, previous year Rs.130.24 lacs).

Schedules forming part of the Accounts

5) Employees Benefits:

a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognized as expense for the year are as under: (Rs in lacs)

	Current year	Previous year
Employer's Contribution to Provident Fund	377.43	266.74

b) Defined Benefit Plan:

The employees' gratuity fund scheme managed by a trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

I. Reconciliation of opening and closing balance of Defined Benefit Obligation (Rs in lacs)

	Gratuity		Leave Encashment (Unfunded)	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
Present Value of Obligation at the beginning of the year	856.96	840.51	282.48	271.92
Current Service Cost	105.22	88.40	34.84	42.15
Interest Cost	68.56	60.52	22.60	19.58
Actuarial (gain)/ loss on obligations	167.80	(72.63)	12.21	(28.42)
Benefit Paid	(48.81)	(59.84)	(27.67)	(22.75)
Present Value of Obligation as at the end of the year	1,149.73	856.96	324.46	282.48

II. Reconciliation of opening and closing balance of fair value of plan assets (Rs in lacs)

	Gratuity	
	31.03.2011	31.03.2010
Fair value of plan assets at the beginning of the year	865.46	674.68
Expected Return on Plan Assets	79.26	35.22
Contributions	50.00	165.84
Actuarial gain/ (loss) on Plan assets	-	49.56
Benefit Paid	(48.81)	(59.84)
Fair value of plan assets at the end of the year	945.91	865.46

III. Reconciliation of fair value of assets and obligation (Rs in lacs)

	Gratuity		Leave Encashment (Unfunded)	
	31.03.11	31.03.10	31.03.11	31.03.10
Fair value of plan assets as at 31st March 2011	945.91	865.46	-	-
Present Value of Obligation as at 31st March 2011	1,149.73	856.96	324.46	282.48
Funded Status [surplus/(Deficit)]	(203.82)	8.50	(324.46)	(282.48)
Net Assets/(Liability) Recognized in Balance Sheet	(203.82)	8.50	(324.46)	(282.48)

IV. Expenses recognized during the year (Rs in lacs)

	Gratuity		Leave Encashment (Unfunded)	
	31.03.11	31.03.10	31.03.11	31.03.10
Current Service Cost	105.22	88.40	34.84	42.15
Interest Cost	68.56	60.52	22.60	19.58
Expected Return on Plan Assets	(79.26)	(35.22)	-	-
Actuarial (gain)/ loss	167.80	(122.19)	12.21	(28.42)
Net Expenses Recognized	262.32	(8.50)	69.65	33.31

Schedules forming part of the Accounts

V. Investment Detail

All Investments are made with Trust.

VI. Actuarial / Demographic assumptions:-

	Gratuity		Leave Encashment (Unfunded)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Mortality Table (LIC)	1994-96 (Ultimate)		1994-96 (Ultimate)	
Discount rate (Per annum)	8.00%	8.00%	8.00%	8.00%
Expected Return on Plan Assets (Per annum)	9.00%	9.00%	N.A	NA
Rate of escalation in salary (per annum)	7.00%	7.00%	7.00%	7.00%
Retirement Age	58 Years		58 years	
Withdrawal Rate (All Ages)	10%		10%	

The estimate of rate of escalation in salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

- 6) In the earlier years, the State Government of Uttar Pradesh (UP) had imposed a levy of license fee on transfer of alcohol from the distillery to the chemical plant. The levy was challenged by the Company in the Hon'ble Supreme Court and on 18th October, 2006 the matter was finally decided by The Hon'ble Supreme Court in favour of the Company. Accordingly, Company has filed an application for refund of amount paid of Rs.507.05 lacs (shown as recoverable under the head Loans and Advances) with State Government of Uttarakhand.
- 7) In the earlier years, the State Government of Uttarakhand had levied Export Pass Fee on ENA/RS export outside India. On the application of the Company the Hon'ble High Court of Uttarakhand vide its Order dated 13th November, 2007 has granted stay on charging of Export Pass Fees till further Order. An amount of Rs. 44.53 lacs paid in earlier years is shown as recoverable from State Govt. of Uttarakhand in the books of account.
- 8) (i) Company has investment of Rs. 4,427.50 lacs (Previous year Rs. 2,827.50 lacs) and Rs.1,000.00 lacs (Previous year Rs.1,000.00 Lacs) in equity share capital and 10% cumulative redeemable preference share capital respectively in its subsidiary company Shakumbari Sugar and Allied Industries Limited (SSAIL) where book value is lower than carrying to cost. During previous year the Hon'ble High Court of Allahabad vide its order dated 24thJuly, 2009 has approved the reduction of its paid up equity share capital. With such reduction in par and fully paid up value of equity share of Rs.10 each reduced to Rs.5 each, 2 (two) fully paid up equity shares of Rs.5 each have been consolidated into 1 (one) equity share of Rs.10 each fully paid up.
 - (ii) Company has an investment of Rs.27.41 lacs (Previous year Rs.27.41 lacs) in equity share capital of subsidiary company IGL Chem International PTE. LTD. (IGL CIP) where book value is negative / lower. Considering the intrinsic value of the investee assets and long term nature of investment made, no provision at this stage is considered necessary by the management for investments in above stated subsidiaries namely SSAIL and IGL CIP.
 - (iii) Loans and advances includes short term loan to SSAIL amounting to Rs. 463.39 lacs (Including interest accrued thereon) (Previous Year Nil), where management is confident about recoverability/realisability of the same (Maximum balance outstanding during the year Rs. 4,514.28 lacs (Previous year Rs.1,200 lacs).
- 9) The Company has challenged the legality and the validity of the financial derivative transaction dated 15th January 2008 entered into with Standard Chartered Bank, New Delhi (SCB), which is the subject matter of civil suit (Original suit) pending before the Hon'ble High Court of Delhi at New Delhi. Accordingly, of the total provision considered in in books on prudence basis of Rs.1,923.98 lacs (Previous Rs.1,923.98 lacs) excluding interest, if any, made against the said financial transaction dated 15th January 2008 is disputed and is subject to the final outcome of the aforesaid court proceedings.
- 10) In accordance with Companies (Accounting Standards) Amendment Rules 2009, the Company continued its policy, as exercised in financial year 2008-09, the option of adjusting exchange differences arising on reporting of long term foreign currency monetary items related to acquisition of depreciable capital assets in the cost of the assets to be depreciated over the balance life of the assets and other long term monetary item in the "Foreign Currency Monetary Item Translation Difference". Accordingly: (a) Exchange differences (gain)/ loss relating to long-term monetary items, in so far related to acquisition of depreciable capital assets, arising during the financial year 2010-11 amounting to Rs. 220.02 lacs (Previous year Rs. (1,042.85) lacs) (net of depreciation Rs. 21.34 lacs, previous year Rs. 89.10 lacs) adjusted to the cost of fixed assets, and (b) relating to Other long-term monetary items

Schedules forming part of the Accounts

arising during the year amounting to Rs. 2.91 lacs (Previous year Rs. (47.58) lacs) (Net of amortization Rs.1.13 lacs, previous year Rs. 38.38 lacs) are adjusted to "Foreign Currency Monetary Item Translation Difference".

- 11) Exceptional items represents exchange (gain)/loss Nil (Previous year Rs. (1,626.58) lacs (net)) on reinstatement of outstanding foreign exchange contracts.
- 12) As required by section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 the following information is disclosed:

(Rs. in lacs)

S. No	Particular	2010-11	2009-10
a)	i) Principal amount remaining unpaid at the end of the accounting year	53.83	-
	ii) Interest due on above	-	-
b)	The amount of interest paid by the buyer along with amount of payment made to the suppliers beyond the appointed date	-	-
c)	The amount of interest accrued and remaining unpaid at the end of financial year	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this Act	-	-
e)	The amount of further interest due and payable in succeeding year, until such interest is actually paid.	-	-

The above information's regarding Micro, Small and medium Enterprise has been determined to the extent such parties have been identified of information available with the Company.

- 13) (i) Catalyst is charged to the Profit & Loss Account as consumable (Stores & Spares) based on technically assessed useful life (1 to 3 Years).
- (ii) Specialised Computer Software is amortised over its useful life of 6 years on SLM basis.
- 14) Capital work-in-progress includes machinery under installation, buildings under construction, construction/erection material in hand, technical know-how fees, advances paid for plant & machinery and other assets and also includes the following pre-operative expenses:

(Rs. in lacs)

	2010-11	2009-10
Amount brought forward from previous year	4,758.11	3,530.72
Raw Material & Chemical Consumed	-	1,033.04
Salary, wages & allowances	6.18	217.63
Contribution to Provident fund & other funds	0.35	15.90
Staff welfare expenses	-	21.26
Legal & Professional charges	5.00	34.71
Repair & Maintenance	3.02	47.08
Travelling and Conveyance	8.67	187.89
Interest on Fixed Loans	1,030.66	2,612.08
Exchange Fluctuation (net)	7.35	(101.98)
Power & Fuel	260.46	217.29
Rates & Taxes	0.67	23.36
Miscellaneous Expenses	0.75	71.33
	6,081.23	7,910.31
Less:		
Sales:	-	485.48
Miscellaneous Income	-	0.95
Finished goods as at year end	-	147.84
W.I.P as at year end	-	328.95
	6,081.23	6,947.09
Less : Transferred/ Capitalised during the year	2,745.78	2,188.98
Balance carried forward	3,335.45	4,758.11

Schedules forming part of the Accounts

15) Related Parties Disclosure (As identified by the management):

- (i) Relationships:
- A. Subsidiary Companies
 - IGL Finance Limited
 - Shakumbari Sugar and Allied Industries Limited
 - IGL CHEM International Pte. Ltd.
- B. Key Management Personnel & their Relatives
 - U. S. Bhartia
 - M. K. Rao
 - Pragya Bhartia
- C. Enterprises over which Key Management Personnel have significant influence:
 - Ajay Commercial Co. (P) Ltd.
 - J. B. Commercial Co. (P) Ltd.
 - Kashipur Holdings Limited
 - Polylink Polymers (India) Ltd.
 - Hindustan Wires Limited

(ii) Detail of Transactions with related parties: (Rs. in lacs)

Sr. No.	Particulars	2010-11	2009-10
A	Shakumbari Sugar and Allied Industries Limited		
	- Purchases of Material	2,111.01	1,170.08
	- Sale of Material	12.99	5.13
	- Purchase of Fixed Assets	1,073.57	57.96
	- ICD Given	12,508.50	7,039.00
	- ICD Received Back	10,682.05	4,214.00
	- ICD Received	4,010.00	--
	- ICD Paid Back	4,010.00	1,200.00
	- Investment in Equity and Preference Share Capital (converted from ICD given)	1,600.00	2,825.00
	- Interest Income	263.27	129.70
	- Interest Expense	9.10	5.61
	Outstanding at year end		
	- Balance Receivable		
	i) ICD		
	ii) Others (net of receivable)	463.39	--
	- Balance Payable (interest on ICD)	2,333.70	56.77
	- Corporate Guarantee #	8.19	--
	# Refer note no. 1(A) (iv)		
B	IGL CHEM International Pte. Ltd.		
	- Sale of Material	1,575.64	1,467.25
	Outstanding at year end		
	- Balance Receivable	344.40	192.16
C	Ajay Commercial Co. (P) Ltd.		
	- ICD Received	325.50	--
	- ICD Paid Back	--	--
	- Interest Expense	15.84	--
	- Rent Paid	2.34	2.34
	- Security Deposit Given	150.00	--
	Outstanding at year end		
	- Balance Payable		
	iii) ICD	325.50	--
	iv) Others	--	--
	- Balance Receivable	240.00	90.00

Schedules forming part of the Accounts

Sr. No.	Particulars	2010-11	2009-10
D	J. B. Commercial Co. (P) Ltd.		
	- ICD Received	271.50	--
	- ICD Paid Back	9.00	--
	- Interest Expense	13.11	--
	- Rent Paid	2.34	2.34
	- Security Deposit Given	150.00	--
	Outstanding at year end		
	- Balance Payable		
	v) ICD	262.50	--
	vi) Others	--	--
	- Balance Receivable	240.00	90.00
E	Kashipur Holdings Limited		
	- ICD Received	1,000.00	--
	- ICD Paid Back	5.00	--
	- Interest Expense	36.86	3.81
	- Deposits Repaid	--	100.00
	Outstanding at year end		
	- Balance Payable		
	vii) ICD	995.00	--
	viii) Others	0.36	0.36
	- Balance Receivable	--	--
F	Polylink Polymers (India) Ltd.		
	- Sale of Material	57.78	43.09
	- Purchase of Material	7.80	--
	- Rent Paid	--	5.96
	Outstanding at year end		
	- Balance Payable		
	ix) ICD	1.52	--
	x) Others	57.78	--
	- Balance Receivable	--	52.36
G	Hindustan Wires Limited		
	- Purchases of Material	4.42	0.25
	- Sale of Material	273.54	226.28
	- Rent Paid	3.23	3.00
	Outstanding at year end		
	- Balance Payable		
	xi) ICD	--	--
	xii) Others	--	--
	- Balance Receivable	16.31	0.45
H	U. S. Bhartia		
	- Managerial Remuneration	788.13	65.99
I	M. K. Rao		
	- Managerial Remuneration	38.59	40.95
J	Pragya Bhartia		
	- Salary	5.12	4.51

Schedules forming part of the Accounts

16) Earnings per share (EPS) :

	2010-11	2009-10
Net profit for the year attributable to equity shareholders (Rs. in Lacs)	2,562.36	1,999.52
Weighted average number of equity shares outstanding	27882500	27882500
Basic and diluted earnings per share (face value of Rs. 10 each) (Rs.)	9.19	7.17

17) Deferred tax liabilities and assets are attributable to the following items (Rs. in lacs)

	As on 31.03.2011	As on 31.03.2010
Deferred Tax Liabilities :-		
Accelerated depreciation	12,236.75	11,477.11
Deferred Tax Assets :-		
Amount covered U/S 43B	224.15	117.96
Provision for doubtful debts	50.93	72.86
Unabsorbed Depreciation	2,696.78	2,795.60
Business Loss	1,672.68	2,209.40
Others	1,527.97	1,588.65
	6,172.51	6,784.47
Deferred Tax Liabilities (Net)	6064.24	4692.64

18) (a) Revenue expenditure on Research & Development of Rs. 220.12 lacs (Previous year Rs.193.64 lacs) incurred during the year has been charged to profit and loss account.

(b) Based on opinion of an expert, service tax credit setoffs of Rs. 591.07 lacs not taken in earlier years has now been taken. The same has been included in the respective heads of accounts in the Profit Loss Account.

19) (a) Balances of certain Debtors, creditors, other liabilities and loans and advances are in process of confirmation and/or reconciliation. Management is confident that on final reconciliation/ confirmation of these, there will not be any material adjustment.

(b) (i) Loans and advances includes advance for supplies Rs. 2,333.70 (Previous year Nil) to Shakumbari Sugar and Allied Industries Limited (Subsidiary Company) (Maximum balance outstanding during the year Rs. 2,700.26 lacs (Previous year Rs. 2,400.00 lacs).

(ii) Debtors includes Rs. 344.40 lacs (Previous year Rs. 192.16 lacs) receivable from IGL Chem International Pte Limited (Subsidiary Company) (Maximum balance outstanding during the year Rs. 447.62 lacs (Previous year Rs. 445.94 lacs)

20) Foreign exchange gain amounting to Rs.1,121.50 lacs (previous year Rs. 3,579.23 lacs), net of Loss of Rs. 2,663.77 lacs (previous year Rs. 784.38 lacs) has been included in the respective heads of accounts in the Profit Loss Account. This has no impact on Profit / Loss for the year.

21) Segment Information:

A. Information about Business Segments (Primary Segments):

(Rs. in lacs)

		Business Segments									
		Chemicals		Liquor		Others		Unallocable		Total	
		31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10
A	REVENUE										
1	Gross Sales (External)	1,39,678.14	93,209.90	34,201.02	38,718.00	8,054.58	2,626.74	-	-	1,81,933.74	1,34,554.64
2	Other Income	1,567.55	816.62	716.96	789.14	764.25	176.25	1,009.82	4,953.71	4,058.58	6,735.72
3	Total Revenue	1,41,245.69	94,026.52	34,917.98	39,507.14	8,818.83	2,802.99	1,009.82	4,953.71	1,85,992.32	1,41,290.36
B	RESULTS										
1	Segment Result (PBIT)	10,879.32	4,287.96	3,499.35	2,039.31	(314.35)	(494.21)	(1,757.79)	3,286.35	12,306.53	9,119.41
2	Interest Expense (Net)									8,630.64	6,009.49
3	Profit Before Tax									3,675.89	3,109.92
4a	Provision for Current Tax (net of MAT credit)									-	-
4b	Deferred Tax									1,371.60	1,110.40
4c	Taxation provision of earlier year									(258.07)	-
5	Profit after Tax									2,562.36	1,999.52
C	Other Information:										
1	Segment Assets	1,52,653.37	1,28,215.74	13,318.41	10,653.32	16,439.10	13,393.08	40,094.20	26,785.74	2,22,505.08	1,79,047.88
2	Segment Liabilities	14,797.08	13,436.63	3,735.63	1,258.85	1,869.29	899.15	1,60,636.49	1,24,064.55	1,81,038.49	1,39,659.18
3	Capital Expenditure	6,371.11	7,195.40	1,889.36	423.55	1,779.75	1,409.77	2,017.04	2,903.62	12,057.26	11,932.34
4	Depreciation and Amortisation expenses	5,627.90	5,200.93	223.97	208.04	532.54	215.44	511.55	282.76	6,895.96	5,907.17

Information about Geographical Segments (Secondary Segments):

	Domestic		Overseas		Total	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
1 Gross Sales (External)	1,11,471.96	93,486.62	70,461.78	41,068.02	1,81,933.74	1,34,554.64
2 Segment Assets	1,75,470.28	1,47,000.25	6,940.60	5,261.89	1,82,410.88	1,52,262.14

Notes:

Primary Segment reporting (by business segment)

Segments have been identified in line with Accounting Standard on 'Segment Reporting' (AS-17), taking into account the organisational structure as well as the differential risks and returns of these segments. The Company has identified three segments i.e. business chemical, liquor and others which includes guar gum, software development and Ennature Bio-pharma and reported accordingly.

Secondary Segment reporting (by geographical segment-customer location)

In respect of secondary segment information, the Company has identified its geographical segment as (a) domestic and (b) overseas on the basis of location of customers.

Reportable segments

Reportable segments have been identified as per the quantitative criteria specified in 'Accounting Standard 17: Segment Reporting'.

Segment Composition

Chemicals Segment comprises manufacture and sale of Ethylene Glycol, Di-ethylene Glycol, Heavy Glycol and EO Derivatives etc.

Liquor Segment comprises manufacture and sale of Ethyl Alcohol (Potable).

'Others' primarily include Guar Gum, Software development and Ennature Bio-pharma.

22) Previous year's figures have been regrouped / rearranged / recast wherever considered necessary.

23) Additional Information:

A. a) Payment to Auditors (Exclusive of applicable service tax) (Rs. in lacs)

	2010-11	2009-10
i) As Auditors	13.00	7.00
ii) In other capacity in respect of		
a) For Tax Audit	-	1.00
b) Out of Pocket Expenses	2.02	-
c) Certification	1.30	2.00
Total	16.32	10.00

b) Cost Auditors (Exclusive of applicable service tax) (Rs. in lacs)

	2010-11	2009-10
i) Audit Fees	0.70	0.40
ii) Out of Pocket Expenses	0.11	0.04
Total	0.81	0.44

B. Managerial Remuneration to Chairman and Managing Director (CMD) and Executive Director:

(Rs. in lacs)

	2010-11	2009-10
i) Salaries	734.33	90.29
ii) Contribution to Provident & other Funds	85.31	9.47
iii) Perquisite value of other benefits	7.08	7.18
Total	826.72	106.94

Note:

- Liability of gratuity has not been ascertained separately, since funded through group policy. Leave encashment liability cannot be ascertained separately, hence not included in above.
- Shareholders at their meeting held on 24th April, 2009 have approved revision in the remuneration of CMD w.e.f 1st April, 2008, however pending Central Government approval, remuneration of CMD for the period 1st April 2008 to 31st March 2010 was provided in respective year based on Schedule XIII of the Company's Act 1956. Accordingly, additional amount of Rs.547.06 lacs (in terms of resolution passed by the shareholders and on receipt of Central Govt. approval) in respect of earlier year have been accounted for during the year.
- In view of the inadequacy of profit as per section 198 of the Company's Act 1956 no commission is payable.

C. Capacities and Production

Products	Unit	Licensed-Capacity*	Installed Capacity*		Production #	
			2010-11	2009-10	2010-11	2009-10
KASHIPUR						
Ethylene Glycol	MT	N.A. @	86,500	86,500	69708	43077
Ethylene Oxide	MT	N.A. @	24,000	24,000	-	-
Di-ethylene Glycol	MT	N.A. @	6,100	6,100	6340	4272
Heavy Glycol	MT	N.A. @	400	400	316	516
E.O. Derivatives	MT	N.A. @	@@26,000	@@26,000	106927**	97803**
Guar Gum Powder & Derivatives	MT	N.A. @	12,000	12,000	7168	4159
Ethyl Alcohol (Potable)	KBL	N.A. @	18,000	18,000	4691	4524
Industrial Gases Division			NM3/Hr	NM3/Hr		
Oxygen	NM3	N.A. @	10400	10400	13634421##	55095402##
Nitrogen	NM3	N.A. @	2828	2828	895090##	16119619##
Argon	NM3	N.A. @	232	232	1241233##	1449028##
CO2	MT	N.A. @	160 (MT/day)	160 (MT/day)	46102	28688
EOCO2	MT	N.A. @	2400	-	2	-
GORAKHPUR						
Ethyl Alcohol	KBL	N.A. @	99000	99000	30507	28162
CO2	MT	N.A. @	-	-	-	1706***
Herbal Division						
Ennature Bio-Pharma	KGS	N.A. @	631000	Under Installation	5214	5511

Notes:

* As certified by the Management and relied upon by the auditors, being a technical matter.

@@ Standard Capacity

** Net of captive consumption.

Production as received in bonded tank farm.

@ Under the Industrial Policy Statement dated 24th July, 1991 and the notifications issued thereunder, no licensing is required for these products.

Net of Evaporation loss.

*** Including CO2 received from Kashipur Nil (Previous year 354 MT) net of transit loss Nil (Previous year 6 MT)

D. (a) C.I.F. Value of Imports

	2010-11 (Rs. in lacs)	2009-10 (Rs. in lacs)
1. Capital Goods	541.11	7.71
2. Stores & Spares	4837.58	3000.75
3. Raw Materials	41176.87	27578.82
4. Traded Goods	3831.80	43.34
(b) Earning in Foreign currency	2010-11 (Rs. in lacs)	2009-10 (Rs. in lacs)
1. FOB Value of Exports – Goods	65720.37	40106.09

E. Commodity and Foreign Exchange Derivatives and exposures (as certified by the management).

a) Outstanding at the year- end as follows

Nature of Instruments	2010-11 Amount (FC in million)	2010-11 Amount (Rs. in Crores)	2009-10 Amount (FC in million)	2009-10 Amount (Rs. in Crores)
Forward Contracts				
- USD	16.32	72.77	37.81	169.78
- EURO	-	-	0.35	2.12
Foreign currency options -USD	6.23	27.76	36.67	164.65
Packing Credit Net of Export debtors - USD	81.51	363.54	45.20	202.96
Open foreign exchange exposures:				
Loans				
- USD	80.22	357.77	26.66	119.69
- EURO	0.2	1.44	-	-
- JPY	69.06	3.72	-	-
Payable				
- USD	1.50	6.75	1.16	5.21
- EURO	0.01	0.05	-	-
- JPY	1.31	0.07	-	-
- CHF	0.01	0.02	-	-

b) Commodity derivative and exchange fluctuation gain of Rs. 941.71 lacs (Previous year Rs. 3256.90), is net of loss of Rs.1,437.13 lacs (Previous year Rs. 605.47 lacs).

c) The Company uses derivative instruments for hedging possible losses and exchange fluctuation gain is Rs. 649.17 lacs net off loss of Rs. 232.90 lacs (Previous year loss of Rs. 670.02 lacs net of gain Rs.1223.67 lacs) which is inclusive of loss of Rs. 202.90 lacs (Previous year loss of Rs. 416.67 lacs) provision for mark to market loss on account of all outstanding financial transactions as on 31st March 2011.

d) Considering the principle of prudence and announcement made by The Institute of Chartered Accountants of India 'Accounting for Derivatives' in March, 2008, the Company has provided an amount of Rs. 597.46 lacs included in (a) (Previous year Rs.416.67 lacs) on outstanding contracts to the profit & loss account, account of commodity and foreign exchange derivative instruments.

F. Consumption of Imported and Indigenous Raw Materials, Stores and Spares:

a)	Consumption of Stores,	2010-11		2009-10		
		(Rs.in lacs)	% age	(Rs.in lacs)		% age
	Spares Parts					
	Imported	1,303.64	11.71	909.96		8.79
	Indigenous	9,824.97	88.29	9,446.96		91.21
		11,128.61	100.00	10,356.92		100.00
b)	Raw Materials Consumed					
	Imported	39,989.29	47.10	40,126.82	#	59.45
	Indigenous	44,905.78	52.90	27,366.14	#	40.55
		84,895.07	100.00	67,492.96		100.00

Including trial run consumption.

G. Expenditure in Foreign Currency (as remitted)

(Rs. in lacs)

		2010-11	2009-10
a)	Travelling and other matters	316.70	180.16
b)	Interest	560.90	574.28
c)	Process Engineering & Technical Assistance	14.48	37.11
d)	Commission & Others	90.49	62.18

H. In accordance with the notification no. S.O. 301 (E), issued by the Ministry of Corporate Affairs, dated 8th Feb 2011, the Company has availed exemptions from disclosure requirements of paragraphs 3(i)(a), 3(ii)(a) and 3(ii)(b) of Part II of Schedule VI.

I. Remittance in Foreign Currency on Dividend Account

	2010-11	2009-10
Amount of Dividend Remitted*	Rs. 1.61 lacs	Rs. 5.30 lacs
Year to which the Dividend relates	Year ended 31 st March 2010	Year ended 31 st March 2009
No. of Equity Shares held by Non-resident shareholders	107082	530500

* Excluding for those shareholders for whom dividend has been credited to their NRE Accounts in India.

J. Balance Sheet abstract and company's general business profile (As per ANNEXURE-I)

Signatures to Schedules A to L

As per our report of even date

For **Lodha & Co.**

Chartered Accountants **U.S. Bhartia**
Chairman and Managing Director

Firm Registration no. 301051E

N.K. Lodha

Partner

M. No. 85155

Place : Noida, UP

Dated : 20th May, 2011

U.S. Bhartia

Chairman and Managing Director

Rakesh Bhartia

Chief Executive Officer

Place : Noida, UP

Dated : 20th May, 2011

M.K. Rao

Executive Director

Anand Singhal

Chief Financial Officer

Lalit Kumar Sharma

Company Secretary

R.C. Misra

Jitender Balakrishnan

Ravi Jhunjunwala

Jagmohan N. Kejriwal

Directors

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.

0	0	9	0	9	7
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 State Code

2	0
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Balance Sheet Date

3	1		0	3		2	0	1	1
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Date Month Year

II. Capital Raised during the Year (Amount in Rs Thousand)

Public Issue	Rights Issue																
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					N	I	L										
					N	I	L										
Bonus Issue	Private Placement																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>						N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>						N	I	L
					N	I	L										
					N	I	L										

III. Position of Mobilisation and Deployment of Funds (Amount in Rs Thousand)

Total Liabilities	Total Assets																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>2</td><td>2</td><td>5</td><td>0</td><td>5</td><td>0</td><td>8</td></tr></table>	2	2	2	5	0	5	0	8	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>2</td><td>2</td><td>5</td><td>0</td><td>5</td><td>0</td><td>8</td></tr></table>	2	2	2	5	0	5	0	8
2	2	2	5	0	5	0	8										
2	2	2	5	0	5	0	8										
Sources of Funds	Reserves & Surplus																
Paid-Up Capital	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td>4</td><td>4</td><td>7</td><td>4</td><td>2</td><td>5</td><td>8</td></tr></table>		4	4	7	4	2	5	8								
	4	4	7	4	2	5	8										
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>2</td><td>7</td><td>8</td><td>8</td><td>2</td><td>5</td></tr></table>			2	7	8	8	2	5	Unsecured Loans								
		2	7	8	8	2	5										
Secured Loans	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>2</td><td>7</td><td>9</td><td>3</td><td>6</td><td>8</td></tr></table>			2	7	9	3	6	8								
		2	7	9	3	6	8										
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>4</td><td>6</td><td>1</td><td>5</td><td>6</td><td>1</td><td>3</td></tr></table>	1	4	6	1	5	6	1	3									
1	4	6	1	5	6	1	3										

Application of Funds

Net Fixed Assets	Investments*																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>1</td><td>7</td><td>5</td><td>3</td><td>3</td><td>1</td><td>4</td></tr></table>	1	1	7	5	3	3	1	4	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>5</td><td>7</td><td>2</td><td>0</td><td>1</td><td>6</td></tr></table>			5	7	2	0	1	6
1	1	7	5	3	3	1	4										
		5	7	2	0	1	6										
Net Current Assets	Misc. Expenditure																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td>7</td><td>3</td><td>2</td><td>2</td><td>7</td><td>3</td><td>4</td></tr></table>		7	3	2	2	7	3	4	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>						N	I	L
	7	3	2	2	7	3	4										
					N	I	L										
Accumulated Losses																	
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>						N	I	L									
					N	I	L										

IV. Performance of Company (Amount in Rs Thousand)

Turnover & Other Income	Total Expenditure																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>8</td><td>5</td><td>9</td><td>9</td><td>2</td><td>3</td><td>2</td></tr></table>	1	8	5	9	9	2	3	2	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>8</td><td>2</td><td>3</td><td>1</td><td>6</td><td>4</td><td>3</td></tr></table>	1	8	2	3	1	6	4	3
1	8	5	9	9	2	3	2										
1	8	2	3	1	6	4	3										
Profit/Loss before tax	Profit/Loss after tax																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>3</td><td>6</td><td>7</td><td>5</td><td>8</td><td>9</td></tr></table>			3	6	7	5	8	9	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>2</td><td>5</td><td>6</td><td>2</td><td>3</td><td>6</td></tr></table>			2	5	6	2	3	6
		3	6	7	5	8	9										
		2	5	6	2	3	6										
(Please tick Appropriate box + for Profit, - for Loss)																	
Earning per share (in Rs)	Dividend rate %																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>9</td><td>.</td><td>1</td><td>9</td></tr></table>					9	.	1	9	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>1</td><td>5</td></tr></table>							1	5
				9	.	1	9										
						1	5										

V. Generic Names of Two Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

2	9	.	0	5
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Product Description

M	O	N	O	-	E	T	H	Y	L	E	N	E	-	G	L	Y	C	O	L
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Item Code No. (ITC Code)

3	4	.	0	2
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Product Description

E	T	H	Y	L	E		O	X	I	D	E		C	O	N	D	-		
E	N	S	A	T	E	S		D	E	R	I	V	A	T	I	V	E	S	

Cash Flow Statement for the year ended 31st March, 2011

(Rs. in lacs)

	For the year 2010-11		For the year 2009-10	
A Cash Flow from Operating Activities				
Net Profit Before Tax		3,675.89		3,109.92
Adjustments For:				
Depreciation	6,861.76		5,907.16	
(Profit)/Loss on Sale of Assets (net)	37.75		(1.01)	
Unrealised Foreign Exchange Fluctuation Gain / Loss	(652.14)		(1,618.69)	
Rent	(322.67)		(66.11)	
Amortisation of Foreign Currency Monetary Item Transaction Difference	34.20		42.26	
Reversal of Provision for Diminution in Value of Current Investment	(1.05)		-	
Provision for Diminution in Value of Current Investment	-		7.12	
Bad Debts w/off & Provision for Doubtful Debts and Advances (net)	376.41		(99.81)	
Provision No Longer Required Written Back	(69.05)		(597.21)	
Interest / Finance Expense	9,729.65		3,737.89	
Interest/Dividend Income	(1,111.65)	14,883.21	(529.40)	6,782.20
Operating Profit before Working Capital Changes		18,559.10		9,892.12
Adjustments for:				
(Increase)/Decrease in Trade & Other Receivables	(12,073.96)		(6,484.03)	
(Increase)/Decrease in Inventories	(12,824.89)		(8,051.60)	
Increase / (Decrease) in Trade Payables	5,635.28	(19,263.57)	(1,738.31)	(16,273.94)
Cash Generated from Operations		(704.47)		(6,381.82)
Income Tax Paid (Net)		(132.36)		2,092.50
Net Cash from Operating Activities		(836.83)		(4,289.32)
B Cash Flow from Investing Activities				
Purchase of Fixed Assets	(8,987.43)		(11,370.80)	
Sale of Fixed Assets	88.72		81.21	
Interest / Dividend received	419.99		459.57	
ICDs given	(826.45)		(200.00)	
Rental Income	322.67		66.11	
Investments in Shares of Subsidiaries	(1,600.00)		(2,825.00)	
Net Cash used in Investing Activities		(10,582.50)		(13,788.91)
C Cash Flow from Financing Activities				
Proceeds from Govt Subsidy	200.00		19.60	
Proceeds from Borrowings	44,443.19		35,492.81	
Repayment of Borrowings	(8,381.22)		(9,665.93)	
Interest/Other Borrowing Cost	(11,139.35)		(6,843.81)	
Dividends Paid (Including Corporate Dividend Tax)	(491.69)		(334.59)	
Net Cash Inflow from Financing Activities		24,630.93		18,668.08
Net Increase/(Decrease) in Cash and Cash Equivalents [A+B+C]		13,211.60		589.85
Cash and Cash equivalent being Cash and Bank Balances		4,411.32		3,821.47
(Opening Balance)				
Cash and Cash equivalent being Cash and Bank Balances		17,622.92		4,411.32
(Closing Balance)				

Note :

(1) Previous Year's Figures have been regrouped wherever considered necessary.

(2) Cash and Cash equivalent being Cash and Bank balances as per schedule 'F'

As per our report of even date

For **Lodha & Co.**
Chartered Accountants
Firm Registration no. 301051E

N.K. Lodha
Partner

M. No. 85155

Place : Noida, UP

Dated : 20th May, 2011

U.S. Bhartia
Chairman and Managing Director

Rakesh Bhartia
Chief Executive Officer

Place : Noida, UP
Dated : 20th May, 2011

M.K. Rao
Executive Director

Anand Singhal
Chief Financial Officer

Lalit Kumar Sharma
Company Secretary

R.C. Misra
Jitender Balakrishnan
Ravi Jhunjunwala
Jagmohan N. Kejriwal
Directors

Section 212

Statement pursuant to section 212 of the Companies Act, 1956, relating to subsidiary company

1. Name of the Subsidiary Company	IGL Finance Ltd.	Shakumbari Sugar and Allied Industries Ltd	IGLChem International Pte Ltd.
2. Financial Year of the Company ended on	31.3.2011	31.03.2011	31.03.2011
3. Holding Company's Interest :			
(a) Number of Shares Fully Paid	1000000	50112100	100000 in SGD
(b) Extent of holding	100%	98.88%	100%
4. Net aggregate amount of profit/(loss) of the Subsidiary, so far as they concern members of Holding Company			
(i) For the said financial year of the Subsidiary:			
(a) Dealt with in the accounts of Holding Company	Nil	Nil	Nil
(b) Not dealt with in the accounts of Holding Company	(0.18) Rs. in Lacs	(3196.98) Rs. in Lacs	0.32 SGD in Lacs
(ii) For the previous financial years of the Subsidiary since It became the Holding Company's Subsidiary	(14.68) Rs. in Lacs	(2922.78) Rs. in Lacs	(2.48) SGD in Lacs
5. Changes in the Holding Company's interest in the Subsidiary between the end of the subsidiary and Holding Company's Financial year	Not Applicable	Not Applicable	Not Applicable
6. Material Changes which have occurred between the end of the financial year of the subsidiary and the end of the Holding Company's financial year in respect of the subsidiary's:	Not Applicable	Not Applicable	Not Applicable
(i) Fixed Assets			
(ii) Investments			
(iii) Money lent by subsidiary			
(iv) Money borrowed by the subsidiary for any purpose other than that of meeting current liabilities			

Consolidated Auditors' Report

To
The Board of Directors of
INDIA GLYCOLS LIMITED on the Consolidated Financial Statements of India Glycols Limited and its Subsidiaries.

1. We have examined the attached Consolidated Balance Sheet of India Glycols Limited (the Company), and its subsidiaries as at 31st March 2011 and the Consolidated Profit and Loss Account and also the Consolidated cash flow statement for the year ended on that date annexed thereto. These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are prepared, in all material respect, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall Financial Statement Presentation. We believe that our audit provide a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiary companies M/s. IGL Finance Limited and IGL CHEM INTERNATIONAL PTE LIMITED, SINGAPORE, whose financial statements reflect total assets of Rs.460.84 Lacs as at 31st March 2011 and the total revenue of Rs.1904.83 Lacs for the year ended as on that date and considered for the purposes of consolidation. Our opinion, in so far as it relates to these subsidiaries are based solely on the report of their auditors and further information and explanation provided to us and relied upon by us. We have audited the financial statements of one subsidiary company viz. Shakumbari Sugar & Allied Industries Limited for the year ended 31st March 2011.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS-21) on "Consolidated Financial Statements", as issued by the Institute of Chartered Accountants of India, on the basis of the separate audited financial statements of India Glycols Limited, its subsidiary companies included in the aforesaid consolidation and,
 5. Without qualifying attention is invited to:
 - (i) Note no. 3 (B) of schedule 'L' regarding pending export obligation against custom duty saved on raw material consumed imported under advance licenses as stated in the said note. In the opinion of the management considering the Going Concern Concept and past export performance at this stage there is no need to make provision against duty saved.
 - (ii) Note no.11 of schedule 'L' relating to accounting for cane purchase liability for the sugar season 2007-08 at Rs.110 per quintal instead of State Advised Price of Rs.125 per quintal fixed by the Uttar Pradesh State Government, Pending completion of legal proceedings in the matter.
 6. *Attention is invited to note no.16 of schedule 'L' regarding pending confirmation/reconciliation of balances of certain debtors, creditors, loans and advances (including capital advances), other liabilities and provisions as stated in the said note and consequential impact whereof cannot be ascertainable.*
 7. Subject to para 6 and read with note no.17 of schedule L, on the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statement of the Company and its subsidiaries included in the Consolidated Financial Statement, we are of the opinion that the said Consolidated Financial Statements and notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Consolidated Balance Sheet, of the Consolidated State of Affairs of the Company and its Subsidiaries as at 31st March 2011;
 - b) In the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its Subsidiaries for the year ended on that date; and
 - c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flow of the Company and its Subsidiaries for the year then ended.

For Lodha & Co.
Chartered Accountants
Firm Registration No: 301051E

(N.K. Lodha)
Partner
M.N.-85155

Place : New Delhi
Date : 20th May, 2011

Consolidated Balance Sheet as at 31st March, 2011

(Rs. in lacs)

Schedule		As at 31.03.2011		As at 31.03.2010	
SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Share Capital	A	2788.25		2788.25	
b) Reserves and Surplus	B	35640.53	38428.78	35754.09	38542.34
2. Loan Funds					
Secured Loans	C	166330.24		127077.62	
Unsecured Loans		2793.68	169123.92	3542.49	130620.11
3. Deferred tax liability (net)					
4. Minority Interest					
TOTAL			213616.94		173869.22
APPLICATION OF FUNDS					
1. Fixed Assets					
Gross Block	D	171728.33		138808.61	
Less: Depreciation		54112.17		46602.90	
Net Block		117616.16		92205.71	
Capital work-in-progress (Including advances and pre-operative expenses)		16904.30	134520.46	37128.76	129334.47
2. Investments					
3. Current Assets, Loans and Advances					
Inventories		50143.67		42786.13	
Sundry Debtors		16192.05		11674.43	
Cash and Bank Balances		19251.35		4855.65	
Loans and Advances		21205.82		18161.22	
		106792.89		77477.43	
Less: Current Liabilities and Provisions					
Current liabilities	G	25465.77		28374.47	
Provisions		2494.89		4864.48	
		27960.66		33238.95	
Net Current Assets			78832.23		44238.48
4. Foreign Currency Monetary Item Translation Difference					
TOTAL			213616.94		173869.22
Notes to the Accounts					

Schedules referred herein above form an integral part of the Balance Sheet

As per our report of even date

For Lodha & Co.

Chartered Accountants

Firm Registration no. 301051E

N.K. Lodha

Partner

M. No. 85155

Place : Noida, UP

Dated : 20th May, 2011

U.S. Bhartia

Chairman and Managing Director

Rakesh Bhartia

Chief Executive Officer

Place : Noida, UP

Dated : 20th May, 2011

M.K. Rao

Executive Director

Anand Singhal

Chief Financial Officer

Lalit Kumar Sharma

Company Secretary

R.C. Misra

Jitender Balakrishnan

Ravi Jhunjhunwala

Jagmohan N. Kejriwal

Directors

Consolidated Profit & Loss Account for the year ended 31st March, 2011 *(Rs. in lacs)*

	Schedule	Current Year	Previous Year
INCOME			
Sales	H	195255.15	143847.77
Less: Excise Duty recovered on Sales		23661.00	24061.77
Net Sales		171594.15	119786.00
Other Income	H	4328.00	6867.40
Increase/ (Decrease) in Stocks	I	1027.82	8889.79
		176949.97	135543.19
EXPENDITURE			
Manufacturing and Other Expenses	J	158643.11	121186.27
Finance Charges (net)	K	11046.20	7614.30
		169689.31	128800.57
Profit / (Loss) before Depreciation, Exceptional item and Tax		7260.66	6742.62
Depreciation	D	7641.68	6657.69
Profit / (Loss) before Exceptional item and Tax		(381.02)	84.93
Less: Exceptional item		-	(1,626.58)
Profit / (Loss) Before Tax		(381.02)	1,711.51
Provision for tax			
- Current tax		752.06	492.43
- Deferred tax Charged / (Credit)		1371.60	1110.40
- Tax for earlier years		(258.07)	-
- Minimum Alternate Tax Credit entitlement		(752.06)	(492.43)
Net profit / (loss) for the year		(1494.55)	601.11
Balance brought forward		26232.82	24043.51
Balance available for appropriation		24738.27	24644.62
Transfer to General Reserve		100.00	100.00
Transfer from molasses reserve fund		(2.38)	0.91
Transfer from Minority Interest		(14.13)	(1.93)
Recognition of Goodwill on Consolidation		(1847.00)	(2176.50)
Proposed Dividend		418.24	418.24
Corporate Dividend Tax		67.85	71.08
Excess Corporate Dividend Tax Provision written back		(1.62)	-
Balance carried forward		26017.31	26232.82
Earning / (Loss) per share basic/ diluted		(5.36)	2.16
Notes to the Accounts	L		

Schedules referred herein above form an integral part of the Profit and Loss Account

As per our report of even date

For Lodha & Co.

Chartered Accountants

Firm Registration no. 301051E

N.K. Lodha

Partner

M. No. 85155

Place : Noida, UP

Dated : 20th May, 2011

U.S. Bhartia

Chairman and Managing Director

Rakesh Bhartia

Chief Executive Officer

Place : Noida, UP

Dated : 20th May, 2011

M.K. Rao

Executive Director

Anand Singhal

Chief Financial Officer

Lalit Kumar Sharma

Company Secretary

R.C. Misra

Jitender Balakrishnan

Ravi Jhunjunwala

Jagmohan N. Kejriwal

Directors

Schedules forming part of the Consolidated Balance Sheet

(Rs. in lacs)

	As at 31.03.2011	As at 31.03.2010
Schedule A SHARE CAPITAL		
A. Authorised		
30000000 (Previous year 30000000) Equity Shares of Rs. 10 each	3,000.00	3,000.00
B. Issued, Subscribed and Paid up		
27882500 (Previous year 27882500) Equity Shares of Rs.10 each fully paid up	2,788.25	2,788.25
	2,788.25	2,788.25

(Rs. in lacs)

	As at 01.04.2010	Additions	Deductions	As at 31.03.2011
Schedule B RESERVES AND SURPLUS				
Capital Reserve	463.33	-	-	463.33
Foreign Currency Translation Reserve	26.66	4.33	-	30.99
Statutory Reserve	0.30	-	-	0.30
General Reserve	8828.60	100.00	-	8928.60
Reserve for Contingencies	200.00	-	-	200.00
Surplus in Profit & Loss Account	26232.82	1,865.13	2,080.64	26017.31
Molasses Reserve Fund	2.38	-	2.38	-
	35754.09	1969.46	2083.02	35640.53
Previous Year	(34432.09)	(718.11)	(-603.89)	(35754.09)

(Rs. in lacs)

	As at 31.03.2011	As at 31.03.2010
Schedule C LOAN FUNDS		
SECURED LOANS		
RUPEE TERM LOANS		
Banks (Note 3 & 4)	68061.33	52138.89
Others (Note 3)	264.77	16.56
FOREIGN CURRENCY TERM LOANS		
Banks	6597.84	11927.52
BUYER'S IMPORT CREDIT - BANK	36972.26	26950.32
SUGAR DEVELOPMENT FUND	2777.15	310.00
WORKING CAPITAL LOANS FROM BANKS	51656.89	35734.33
(Including working capital demand loan Rs.0.99 lacs previous year Rs. 3759.04 lacs)		
	166330.24	127077.62
Unsecured Loans		
Fixed Deposits	179.68	742.80
From body corporate	2,614.00	-
Short Term Rupee Loan - Bank	-	2500.00
Foreign Currency Term Loan - Bank	-	299.69
	2793.68	3542.49

Notes:

- The Term Loans inter-se, are secured / to be secured by mortgage of all immovable properties of the Company both present and future and hypothecation of all movable properties of the Company (save and except book debts) including movable machinery, machinery spares, tools and accessories, both present and future subject to prior charges created and / or to be created in favour of the bankers of the Company on stocks, book debts and other specified movable properties for working capital requirements / Buyers Credit. (Amount due within one year Rs. 21263.37 lacs, previous year Rs.18613.59 lacs)
- Working Capital Loans from Banks are secured / to be secured by way of hypothecation of book debts and stocks including in-transit and second charge on all immovable properties of the Company. Buyers Credit facility is secured against non-fund based facility sanctioned to the Company.
- Rupee Term Loans include loans from Banks of Rs. 59.44 lacs (Previous year Nil) and loans from others of Rs.114.77 lacs (Previous year Rs. 16.56 lacs) secured by hypothecation of Motor Vehicles purchased there under, Further Rupee Term Loans from other includes Rs. 150.00 lacs (Previous year Nil) secured against bank guarantee. (Amount due within one year Rs. 67.48 lacs, previous year Rs. 5.50 lacs).
- Out of above, Term Loan of Rs. 9708.15 lacs (Previous Year Rs. 11213.73 lacs), working Capital Facility of Rs. 7688.81 lacs (Previous Year Rs. 4485.62 lacs) and Buyers Credit of Nil (Previous Year Rs. 1411.66 lacs) are also secured by the Corporate Guarantees of India Glycols Ltd. (The Holding Company).
- Out of above, Term loan of Rs. 1136.59 lacs (Previous year Rs.1913.72 lacs) and interest thereon are further secured by second charge on SSAIL's Current Assets.
- Sugar Development Fund is secured by Bank Gurantee, which is further secured by corporate guarantees of India Glycols Ltd. (The Holding Company).

Schedules forming part of the Consolidated Balance Sheet

Schedule D FIXED ASSETS

(Rs. in lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Addition/ Adjustment	Deduction/ Adjustment	As at 31.03.2011	Upto 01.04.2010	For the year	Deduction/ Adjustment	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land	1488.53	572.23	-	2060.76	-	-	-	-	2060.76	1488.53
Leasehold Land	1410.97	-	-	1410.97	101.90	16.64	-	118.54	1292.43	1309.07
Buildings	12351.64	5498.13	-	17849.77	1407.04	346.13	-	1753.17	16096.60	10944.60
Plant & Machinery	117573.02	23892.73	29.50	141436.25	43297.67	6810.74	23.63	50084.78	91351.47	74275.35
Furniture & Fixtures	3012.08	723.30	34.95	3700.43	1068.25	260.65	21.31	1307.59	2392.84	1943.83
Vehicles (*)	1052.04	414.90	204.67	1262.27	387.36	114.02	87.47	413.91	848.36	664.68
Intangible Assets										
-Specialised										
Computer software	728.03	240.55	-	968.58	340.68	93.50	-	434.18	534.40	387.35
Goodwill (#)	1192.30	1847.00	-	3039.30	-	-	-	-	3039.30	1192.30
Total	138808.61	33188.84	269.12	171728.33	46602.90	7641.68	132.41	54112.17	117616.16	92205.71
Previous Year	123627.59	15464.15	283.13	138808.61	40105.10	6657.69	159.89	46602.90		
Capital Work-in-progress									16904.30	37128.76
									134520.46	129334.47

- Capital Work in progress includes advance and preoperative expenses

(*) Gross Block includes Rs. 267.12 Lacs (previous year Rs. 20.73 Lacs) Secured by hypothecation against loan

- Opening Gross Block & Accumulated depreciation of Foreign Subsidiary, IGL Chem PTE LIMITED, Singapore, as on 31st March '11 is reinstated as per AS-11 and amount of Rs. 0.13 lacs (net of depreciation of Rs. 0.16 Lacs) is adjusted in Foreign Currency Translation Reserve.

(#) Represent Goodwill (net) arising on Consolidation.

(Rs. in lacs)

	Nominal value	As at 31.03.2011	As at 31.03.2010
Schedule E INVESTMENTS			
LONG TERM INVESTMENTS (Non-trade) (at cost, net of provision for diminution)			
Unquoted, fully paid up (Held by Subsidiary Companies)			
468000 (Previous year 468000) 15% Redeemable Non-cumulative Preference Shares of Hindustan Wires Ltd.	Rs. 100	70.68	70.68
22000 (Previous year 22000) 15% Redeemable Cumulative Preference Shares of Hindustan Wires Ltd.	Rs. 100	3.32	3.32
		74.00	74.00
Quoted, fully paid up (Others)			
211360 (Previous Year 211360) Equity Shares of IDBI Bank Ltd.	Rs. 10	105.00	105.00
34000 (Previous Year 34000) Equity Shares of Axis Bank Ltd.	Rs. 10	7.14	7.14
2500 (Previous Year 2500) Equity Shares of ICICI Bank Ltd.	Rs. 10	1.97	1.97
		114.11	114.11
CURRENT INVESTMENT			
Unquoted, fully paid up			
668518 (Previous Year 668518) UTI Bonds Fund - Dividend Plan	Rs. 10	76.14	75.09
		76.14	75.09
		264.25	263.20
Aggregated value of quoted investment		114.11	114.11
Market value of quoted investments		807.11	667.48

Note: The Company has earmarked 668518 UTI Bonds Funds amounting to Rs. 76.14 lacs (Previous Year 668518 UTI Bonds Funds amounting to Rs. 75.09 lacs) in compliance with the provisions of Rule 3A of the Companies (Acceptance of Deposits) Rules, 1975.

Schedules forming part of the Consolidated Balance Sheet

(Rs. in lacs)

		As at 31.03.2011		As at 31.03.2010
Schedule F CURRENT ASSETS, LOANS AND ADVANCES				
A. CURRENT ASSETS:				
Inventories (As taken, valued and certified by the management)				
Stores and spares parts (Including in transit Nil, previous year Rs. 28.62 lacs)		11490.11		10601.79
Raw Materials (Including in transit Rs 7190.99 lacs, previous year Rs. 720.29 lacs)		17976.00		8168.74
Finished Goods* (Including in transit Rs. 324.21 lacs, previous year Rs. 1887.58 lacs)		11124.35		14024.86
Stock of traded goods - Sugar @		-		4189.03
Stock-in-process #		9481.50		5731.02
Residue Product		7.75		7.66
Scrap		4.22		3.43
Loose Tools		59.74		59.60
		50143.67		42786.13
* Include Nil stock of trial production (Previous year Rs. 147.84 lacs).				
# Include Nil stock of trial production (Previous year Rs. 328.95 lacs).				
@ Stock in transit				
Sundry Debtors (Unsecured, Considered good unless stated otherwise)				
Over six months		795.66		271.47
Others		15396.39		11402.96
		16192.05		11674.43
Over six months doubtful		129.07		103.98
		16321.12		11778.41
Less: Provision		129.07		103.98
		16192.05		11674.43
Cash and Bank Balances				
Cash on hand		35.73		71.60
Cheques on hand (including remittances in transit)		100.00		28.21
Balance with Scheduled Banks				
- On Current Accounts		3386.56		359.24
- On Margin Money Accounts (In Fixed Deposits)		7733.68		3340.46
- In Fixed Deposit Accounts *		7893.78		950.55
- On Dividend Accounts		101.60		105.59
		19251.35		4855.65
*Out of above Fixed Deposits Rs. 531.25 lacs (P.Y. Rs. 314.06 lacs) pledged with bank against Bank guarantee and Rs. 33.00 lacs (P.Y. Rs. 18.00 lacs) with Excise & other Government Authorities				
B. LOANS AND ADVANCES (Unsecured, Considered good unless stated otherwise)				
Inter Corporate Deposit		875.00		275.00
Advances recoverable in cash or in kind or for value to be received	8620.14		5152.79	
Doubtful advances / loans	62.71		125.71	
	8682.85		5278.50	
Less : Provision for doubtful advances / loans	62.71	8620.14	125.71	5152.79
Export Incentive receivable		2491.13		1297.08
Balance with Excise Authorities		5100.76		4925.39
Deposits with Government Departments & Others #		1052.93		1242.28
MAT credit receivable		1654.28		1318.13
Advance Income Tax/ Tax deducted at source		1411.58		3950.55
		21205.82		18161.22

includes Fixed Deposit with bank pledged with Government Authorities of Rs. 58.48 lacs (Previous year Rs. 30.56 lacs)

Schedules forming part of the Consolidated Balance Sheet (Rs. in lacs)

	As at 31.03.2011	As at 31.03.2010
Schedule G CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
Acceptances	67.04	3,330.52
Sundry Creditors - Micro , Small and Medium Enterprises	54.91	-
- Others	17489.49	17345.22
Other Liabilities	5909.11	4957.83
Advance from customers	1481.30	1692.20
Interest accrued but not due on loans	307.08	445.30
Investor education & protection fund shall be credited by the following amounts when due:		
(i) Unclaimed Dividends	101.60	105.59
(ii) Unclaimed matured deposits	46.90	390.60
(iii) Unclaimed interest on above (ii)	8.34	107.21
	25465.77	28374.47
B. PROVISIONS		
Income Tax	1247.88	3845.19
Fringe Benefit Tax (Net)	165.53	165.53
Wealth Tax	3.62	3.12
Proposed Dividend	418.24	418.24
Corporate Dividend Tax	67.85	71.08
Retirement benefits	591.77	361.32
	2494.89	4864.48
	27960.66	33238.95

Schedules forming part of the Profit and Loss Account (Rs. in lacs)

	Current Year	Previous Year
Schedule H SALES AND OTHER INCOME		
SALES (Including Excise Duty)		
Ethylene Glycol	39112.11	22000.12
Di-ethylene Glycol	2622.67	750.09
Heavy Glycol	406.77	475.37
E.O. Derivatives	86254.19	66071.01
Guar Gum Powder and derivatives	6487.80	2624.26
Ethyl Alcohol (Potable)	34147.42	38707.25
Industrial Alcohol	204.19	188.33
Industrial Gases	2940.92	2330.27
Sugar	8056.68	7945.98
Molasses	145.29	70.70
Others	1881.36	86.00
Sale of traded goods	12995.75	2598.39
	195255.15	143847.77

Schedules forming part of the Profit and Loss Account

(Rs. in lacs)

	Current Year	Previous Year
Schedule H SALES AND OTHER INCOME (Contd.)		
OTHER INCOME		
Dividend on Investment	12.64	10.05
Rent (Tax Deducted at source Rs. 33.17 lacs ; Previous year Rs. 11.95 lacs)	324.13	66.11
Miscellaneous Income	1622.64	2019.96
Provision no longer required written back	67.03	597.21
Reversal of Diminution in value of Current Investments	1.05	-
Commodity derivative and exchange fluctuation gain	959.56	3,295.98
Liability no longer required written back	17.17	3.51
Provision for doubtful debts/Advances written back	1.50	99.81
Sundry Balances written back	2.02	-
Prior period Income (Net of expenses Nil, Previous year Rs. 11.64 lacs)	1.70	46.72
Export Incentive receivable	1308.58	692.07
Profit on sale of Fixed Assets	9.98	35.98
	4328.00	6867.40

(Rs. in lacs)

	Current Year	Previous Year
Schedule I INCREASE / (DECREASE) IN STOCKS		
CLOSING STOCK		
Finished Goods		
- Ethylene Glycol	312.23	777.34
- Di-Ethylene Glycol	69.14	144.88
- Heavy Glycol	22.58	189.00
- E.O. Derivatives	2566.65	3167.13
- Ethyl Alcohol (Potable)	659.37	964.80
- Guar Gum Powder and derivatives	81.01	198.87
- Guar Churi	0.01	0.07
- Industrial Gases	25.60	8.28
- Herbal Products	356.08	-
- Sugar	6402.37	7170.32
- Molasses & Bagasse	602.63	1111.11
- Anhydrous Alcohol and Rectified spirit	5.73	131.52
- Bio Compost and Press mud	20.95	13.70
Total Finished Goods	11124.35	13877.02
Stock-in-Process	9481.50	5402.07
Residue Product	7.75	7.66
	20613.60	19286.75
LESS : OPENING STOCK		
Finished Goods		
- Ethylene Glycol	777.34	409.57
- Di-Ethylene Glycol	144.88	217.87
- Heavy Glycol	189.00	111.93
- E.O. Derivatives	3167.13	2749.45
- Ethyl Alcohol (Potable)	964.80	573.27
- Guar Gum Powder and derivatives	198.87	67.25
- Guar Churi	0.07	0.03
- Industrial Gases	8.28	17.81
- Sugar	7170.32	4037.78
- Molasses & Bagasse	1111.11	447.91
- Anhydrous Alcohol and Rectified spirit	131.52	2.62
- Bio Compost and Press mud	13.70	12.60
Total Finished Goods	13877.02	8648.09
Stock-in-Process	5402.07	1448.44
Residue Product	7.66	77.38
	19286.75	10173.91
LESS: Stocks at the commencement of commercial production		
- Finished Goods	147.84	0.00
- Stock-in-Process	328.95	0.00
Less: Differential Excise Duty provided on Stock.	(177.76)	223.05
INCREASE/ (DECREASE)	1,027.82	8,889.79

Schedules forming part of the Profit and Loss Account

(Rs. in lacs)

Schedule J MANUFACTURING AND OTHER EXPENSES	Current Year		Previous Year	
Raw Materials consumed		90490.82		74335.50
Stores and spare parts consumed		11323.40		10654.11
Power and Fuel		23835.42		18394.27
Cost of Traded Goods		13348.02		2420.39
Salaries, Wages, Allowances, etc.		6221.84		4239.66
Contribution to Provident and other Funds		509.71		353.96
Staff Welfare Expenses		493.27		350.43
Repairs and Maintenance				
- Buildings	325.87		291.49	
- Plant and Machinery	1212.72		1214.36	
- Others	213.96	1752.55	150.43	1656.28
Rent		84.75		98.28
Rates and Taxes		1124.10		839.94
Travelling and Conveyance		1118.30		1164.35
Insurance		182.20		261.46
(Net of recovery from customers Rs. 2.98 lacs, Previous year Rs. 2.78 lacs)				
Directors' sitting Fee		10.50		8.60
Miscellaneous Expenses		2118.65		1605.19
Farm Expenses (Net of realisation of Agri products sale of Rs. 3.27 lacs) (Previous year Rs. 7.20 lacs)		0.21		1.03
Donation		44.61		10.90
Commission to Selling agents		539.89		345.53
Freight forwarding and others (Net of recovery from customers/ provision written back Rs.1692.01 lacs, Previous year Rs. 964.75 lacs)		4957.75		4360.09
Bad debts written off	437.44		109.66	
Less : Provision for doubtful debts written back	83.46	353.98	109.66	-
Provision for doubtful debts and advances		47.05		-
Loss on Sale / Discard of Fixed Assets		48.27		33.80
Provision for diminution in value of Current Investments		-		7.12
Amortisation of Foreign Currency Monetary Item Transaction Difference		34.20		42.26
Wealth Tax		3.62		3.12
		158643.11		121186.2

(Rs. in lacs)

Schedule K FINANCE CHARGES	Current Year		Previous Year	
Interest on Fixed Loans		7482.90		4857.36
Other Interest [Includes Rs.94.04 lacs (Previous year Rs. 15.77 lacs) charged in Income Tax Assessment Orders]		2762.48		2012.92
Financial Charges		1666.21		1142.02
		11911.59		8012.30
Less: Interest Received (*)				
(Tax Deducted at source Rs 24.38 lacs, Previous year Rs. 10.52 lacs)		865.39		398.00
		11046.20		7614.30

[(*) Include on deposit Rs. 591.06 lacs, Previous year Rs. 105.47 lacs and Interest on Income Tax refund Rs 109.57 lacs, previous year Rs.233.18 lacs and other Rs.164.76 lacs, Previous year Rs.59.35 lacs]

Schedules forming part of the Accounts

Schedule L NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1) PRINCIPLES OF CONSOLIDATION

- (i) The Consolidated Financial Statements (CFS) comprises the financial statements of India Glycols Limited (IGL) and its following subsidiaries as on 31st March, 2011.

Name of the Company	Country of Incorporation	% of Shareholding & Voting Power
Shakumbari Sugar & Allied Industries Limited (SSAIL)	India	98.89%
IGL Chem International PTE. LTD.	Singapore	100%
IGL Finance Limited	India	100%

- (ii) The Consolidated Financial Statements have been prepared using uniform accounting policies and in accordance with the generally accepted accounting policies (GAAP).
- (iii) The effects of intergroup balances and transactions are eliminated in consolidation.
- (iv) The difference between the costs to the Holding Company of its investment in the Subsidiary Companies over the Holding Company's portion of equity of the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be. Goodwill arisen on consolidation is shown as Intangible Asset under Fixed Assets and Capital Reserve on consolidation is shown under Reserve & Surplus.
- (v) The policy adopted by SSAIL for valuation of Inventories is enumerated below:-
- Finished Goods and Stock in Process of Sugar - At cost or at net realisable value whichever is lower, the net realizable value of sugar in case of finished goods of stock of levy sugar, levy price notified by Central Government.
 - Store and spares parts – At cost arrived at applying weighted average method.
 - Cane crop – At net realisable value determined on the basis of estimated yield per hectare.
Inventory of Molasses, Bagasse, Press mud and Bio Compost are considered at net realizable value.
- (vi) Foreign Subsidiary conversion: Operation of foreign subsidiary has been considered non integral foreign operation by the management thus all assets and liabilities are converted at the rates prevailing at the end of the year and Revenue items have been consolidated at the average rates. Exchange gain/ loss arising on translation of financial statements of foreign subsidiaries are shown under the head 'Foreign Currency Translation Reserve' in the Consolidated Balance Sheet.
- 2) Accounting Policies and other notes to the accounts of the financial statements of the Company and its subsidiaries are set out in there respective financial statements.
- 3) (A) Contingent Liabilities not provided for (As certified by the Management):

- (i) In Respect of :- (Rs. in lacs)

Particulars	As on 31.03.2011	As on 31.03.2010
Central Excise/ State Excise	5,646.95	765.06
Custom Duty	350.12	233.35
Service Tax	293.18	164.85
Sales Tax	4,931.56	14.23

- (ii) Claims against the Company not acknowledged as debts Rs.409.91 lacs (Previous Year: Rs.341.90 lacs)
- (iii) Bills discounted with Banks Rs. 3,365.09 lacs (Previous Year Rs. 2,757.09 lacs).
- (iv) Guarantees issued by Bank on behalf of Company Rs. 5,235.97 lacs (Previous year Rs. 2,920.80 lacs)
- (v) Recovery Charges claimed by S.D.M. Behat towards payment of cane dues Rs. 66.82 lacs (Previous year Rs. 66.82 lacs) including the interest on cane dues Rs. 46.89 lacs (Previous year Rs. 46.89 lacs).
- (vi) Pending final disposal by the Appellate Tribunal (CESTAT), Central Excise, the Company has not reversed in the books of account CENVAT credit taken, in respect of certain inputs and capital goods for Rs. 7.92 lacs (Previous year Rs.7.92 lacs) initially disallowed by authorities and even reversed in the Excise records. The said amount Rs. 7.92 lacs (Previous year Rs. 7.92 lacs) is included in CENVAT receivables.

(B) Custom duty saved amounting to Rs. 1,283.43 lacs on raw material consumed (Previous year Rs. 295.92 lacs) on import of raw material under Advance License, pending fulfillment of export obligation and to that extent the profit is stated higher.

The management is of the view that considering the past export performance and future prospects there is certainty that pending export obligation under advance licenses, will be fulfilled before expiry of the respective advance licenses. Accordingly and on "Going Concern Concept" basis there is no need to make any provision for custom duty saved.

- 4) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs. 2,499.26 lacs, previous year Rs. 2,714.68 lacs) are Rs.10,517.42 lacs, previous year Rs. 8,734.24 lacs.
- 5) In the earlier years, the State Government of Uttar Pradesh (UP) had imposed a levy of license fee on transfer of alcohol from the distillery to the chemical plant. The levy was challenged by the Company in the Hon'ble Supreme Court and on 18th October, 2006 the matter was finally decided by The Hon'ble Supreme Court in favour of the Company. Accordingly, Company has filed an application for refund of amount paid of Rs. 507.05 lacs (shown as recoverable under the head Loans and Advances) with State Government of Uttarakhand.
- 6) In the earlier years, the State Government of Uttarakhand had levied Export Pass Fee on ENA/RS export outside India. On the application of the Company the Hon'ble High Court of Uttarakhand vide its Order dated 13th November, 2007 has granted stay on charging of Export Pass Fees till further Order. An amount of Rs. 44.53 lacs paid in earlier years is shown as recoverable from State Govt. of Uttarakhand in the books of account.
- 7) The Company has challenged the legality and the validity of the financial derivative transaction dated 15th January 2008 entered into with Standard Chartered Bank, New Delhi (SCB), which is the subject matter of civil suit (Original suit) pending before the Hon'ble High Court of Delhi at New Delhi. Accordingly, of the total provision considered in books on prudence basis of Rs.1,923.98 lacs (Previous year Rs.1,923.98 lacs) excluding interest, if any, made against the said financial transaction dated 15th January 2008 is disputed and is subject to the final outcome of the aforesaid court proceedings.
- 8) In accordance with Companies (Accounting Standards) Amendment Rules 2009, the Company continued its policy, as exercised in financial year 2008-09, the option of adjusting exchange differences arising on reporting of long term foreign currency monetary items related to acquisition of depreciable capital assets in the cost of the assets to be depreciated over the balance life of the assets and other long term monetary item in the "Foreign Currency Monetary Item Translation Difference". Accordingly: (a) Exchange differences (gain)/ loss relating to long-term monetary items, in so far related to acquisition of depreciable capital assets, arising during the financial year 2010-11 amounting to Rs. 220.02 lacs (Previous year Rs. (1,042.85) lacs) (net of depreciation Rs. 21.34 lacs, previous year Rs89.10 lacs.) adjusted to the cost of fixed assets, and (b) relating to Other long-term monetary items arising during the year amounting to Rs. 2.91 lacs (Previous year Rs. (47.58) lacs) (Net of amortization Rs. 1.13 lacs, previous year Rs. 38.38 lacs) are adjusted to "Foreign Currency Monetary Item Translation Difference".
- 9) Exceptional items represent exchange (gain) / loss of Nil (Previous year Rs. (1626.58) lacs (net)) on reinstatement of outstanding foreign exchange contracts.
- 10) (i) Catalyst is charged to the Profit & Loss Account as consumable (Stores & Spares) based on technically assessed useful life (1 to 3 Years).
(ii) Specialized Computer Software is amortised over its useful life of 6 years on SLM basis.
- 11) For the sugar season 2007-08, sugar cane purchases was accounted for @ Rs 110 per quintal whereas State Advised Price (SAP) is Rs. 125 per quintal, the matter is subjudice and pending before the Hon'ble Supreme Court, which was paid in accordance with the interim order passed by the Hon'ble Supreme Court. Necessary adjustments in accounts, arising out of difference between SAP @ Rs.125 per quintal and @ Rs110 per quintal amounts to Rs. 569.91 lacs, will be considered/ provided for as and when the matter is finally decided.
- 12) SSAIL is in the process of updating the fixed assets records and physical verification of certain Fixed Assets is in progress. In view of the adequate security arrangements, management is of the view that there will not be any material discrepancies between book and physical stock of fixed assets on completion of physical verification.
- 13) **Related Parties Disclosure (As identified by the management):**
 - (i) Relationships:
 - A. Key Management Personnel
 - U. S. Bhartia
 - M. K. Rao
 - Pragya Bhartia
 - B. Enterprises over which Key Management Personnel have significant influences:
 - Ajay Commercial Co. (P) Ltd.
 - J. B. Commercial Co. (P) Ltd.
 - Kashipur Holdings Limited
 - Polylink Polymers (India) Ltd.
 - Hindustan Wires limited

(ii) Detail of Transactions with related parties:

(Rs.in lacs)

S. No.	Particulars	2010-11	2009-10
A	Ajay Commercial Co. (P) Ltd.		
	- ICD Received	325.50	--
	- ICD Paid Back	--	--
	- Interest Expense	15.84	--
	- Rent Paid	2.34	2.34
	- Security Deposit Given	150.00	--
	Outstanding at year end		
	- Balance Payable	--	--
	i) ICD	325.50	--
	ii) Others	--	--
	- Balance Receivable	240.00	90.00
B	J. B. Commercial Co. (P) Ltd.		
	- ICD Received	271.50	--
	- ICD Paid Back	9.00	--
	- Interest Expense	13.11	--
	- Rent Paid	2.34	2.34
	- Security Deposit Given	150.00	--
	Outstanding at year end		
	- Balance Payable	--	--
	iii) ICD	262.50	--
	iv) Others	--	--
	- Balance Receivable	240.00	90.00
C	Kashipur Holdings Limited		
	- ICD Received	1,000.00	--
	- ICD Paid Back	5.00	--
	- Interest Expense	36.86	3.81
	- Deposits Repaid	--	100.00
	Outstanding at year end		
	- Balance Payable	--	--
	v) ICD	995.00	--
	vi) Others	0.36	0.36
	- Balance Receivable	--	--
D	Polylink Polymers (India) Ltd.		
	- Sale of Material	57.78	43.09
	- Purchase of Material	7.80	--
	- Rent Paid	--	5.96
	Outstanding at year end		
	- Balance Payable	--	--
	vii) ICD	1.52	--
	viii) Others	57.78	--
	- Balance Receivable	--	52.36
E	Hindustan Wires Limited		
	- Purchases of Material	4.42	0.25
	- Sale of Material	273.54	226.28
	- Rent Paid	3.23	3.00
	Outstanding at year end		
	- Balance Payable	--	--
	ix) ICD	--	--
	x) Others	--	--
	- Balance Receivable	16.31	0.45
	- Investments in Preferences Shares	490.00	490.00
F	U. S. Bhartia		
	- Managerial Remuneration	788.13	65.99
G	M. K. Rao		
	- Managerial Remuneration	38.59	40.95
H	Pragya Bhartia		
	- Salary	5.12	4.51

14) Earnings per share (EPS):

	2010-11	2009-10
Net Profit/(Loss) for the year attributable to equity shareholders (Rs. in lacs)	(1,494.55)	601.11
Weighted average number of equity shares outstanding	27882500	27882500
Basic and diluted earnings per share (face value of Rs. 10 each) (Rs.)	(5.36)	2.16

15) (A) Deferred Tax Liabilities & Assets are attributable to the following items - (Rs. in lacs)

	As on 31.03.2011	As on 31.03.2010
Deferred Tax Liabilities		
Accelerated depreciation	12,236.75	11,477.11
Deferred Tax Assets		
Amount covered U/S 43B	224.15	117.95
Provision for doubtful debts	50.93	72.86
Unabsorbed Depreciation	2,696.78	2,795.60
Business Loss	1,672.68	2,209.40
Others	1,527.97	1,588.66
	6,172.51	6,784.47
Deferred Tax Liabilities (Net)	6,064.24	4,692.64

(B) In case of Subsidiary Companies, deferred tax assets in the immediate future cannot be quantified with a reasonable certainty, in view of significant carry forward losses and present market scenario. Therefore, no deferred tax assets (net) have been recognized.

- 16) Balances of certain debtors, creditors, other liabilities, provisions and loans and advances (including capital advance of Rs.1,338.64 lacs to suppliers related to SSAIL) are pending for confirmation and reconciliation. Management is confident that on final confirmation and reconciliation, there will not be any material adjustment.
- 17) In respect of subsidiary company (SSAIL), there is substantial erosion in the net worth. Consolidated financial statements have been prepared considering the current financial position of the subsidiary company.
- 18) Foreign exchange gain/ (loss) amounting to Rs.1,027.46 lacs (previous year Rs.3,871.05 lacs), net of Loss of Rs.2,757.81 lacs (previous year Rs.784.38 lacs) has been included in the respective heads of accounts in the Profit Loss Account. This has no impact on Profit / Loss for the year.
- 19) Commodity and Foreign Exchange Derivatives and exposures outstanding at year end is as follows (as certified by the management);

Nature of Instruments	2010-11		2009-10	
	Amount (FC in millions)	Amount (Rs. in Crores)	Amount (FC in millions)	Amount (Rs. in Crores)
Forward Contracts				
- USD	16.32	72.77	37.81	169.78
- EURO	-	-	0.35	2.12
Foreign currency options–USD	6.23	27.76	36.67	164.65
Packing Credit Net of Export debtors –USD	81.51	363.54	45.20	202.96
Open foreign exchange exposures:				
Loans				
- USD	80.22	357.77	29.80	133.81
- EURO	0.2	1.44	-	-
- JPY	69.06	3.72	-	-
Payable				
- USD	1.50	6.75	8.58	38.52
- EURO	0.01	0.05	-	-
- JPY	1.31	0.07	-	-
- CHF	0.01	0.02	-	-

20) Segment Information:
A. Information about Business Segments (Primary Segments)

(Rs. in lacs)

	Business Segments						Unallocable		Total	
	Chemicals		Liquor		Others		31.03.2011	31.03.2010	31.03.2011	31.03.2010
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010				
A REVENUE										
1 Gross Sales (External)	1,38,292.47	91,930.97	34,201.04	38,718.08	22,761.64	13,198.72	-	-	1,95,255.15	1,43,847.77
2 Other Income	1,577.61	825.98	715.64	789.14	976.65	245.43	1,058.10	5,006.85	4,328.00	6,867.40
3 Total Revenue	1,39,870.08	92,756.95	34,916.68	39,507.22	23,738.29	13,444.15	1,058.10	21,76.82	1,99,583.15	1,50,715.17
B RESULTS										
1 Segment Result (PBIT)	10,897.93	3,951.00	3,478.20	2,019.07	(1923.00)	106.30	(1,787.95)	3249.44	10,665.18	9,325.81
2 Interest Expense (Net)									11,046.20	7,614.30
3 Profit Before Tax									(381.02)	1,711.51
4a Provision for Current Tax (net of MAT credit)									-	-
4b Deferred Tax									1,371.60	1,110.40
4c Taxation provision of earlier year									(258.07)	-
5 Profit after Tax									(1,494.55)	601.11
C Other Information:										
1 Segment Assets	1,56,298.73	1,35,537.56	12,999.43	11,195.48	33,107.43	34,757.25	39,172.01	25,617.88	2,41,577.60	2,07,108.17
2 Segment Liabilities	14,628.66	13,623.74	3,827.97	1,336.65	3,874.55	12,098.70	1,80,817.64	1,41,506.74	2,03,148.82	1,68,565.83
3 Capital Expenditure	6,282.72	7,896.66	965.11	423.55	1,839.37	1,674.90	2,030.17	4,107.33	11,117.38	14,102.44
4 Depreciation and Amortisation expenses	5,758.59	5,294.87	243.79	228.30	1,119.73	811.48	553.77	323.04	7,675.88	6,699.95

B. Information about Geographical Segments (Secondary Segments)

(Rs. in lacs)

	Domestic		Overseas		Total	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
1 Gross Sales (External)	1,24,464.27	1,01,276.75	70,790.88	42,571.02	1,95,255.15	1,43,847.77
2 Segment Assets	1,95,306.29	1,76,070.49	7,099.30	5,391.60	2,02,405.59	1,81,490.29

Notes:
Primary Segment reporting (by business segment)

Segments have been identified in line with Accounting Standard on 'Segment Reporting' (AS-17), taking into account the organisational structure as well as the differential risks and returns of these segments. The Company has identified three segments i.e. business chemical, liquor and others which includes guar gum, Ennature Bio-Pharma, sugar & software development and reported accordingly.

Secondary Segment reporting (by geographical segment-customer location)

In respect of secondary segment information, the company has identified its geographical segment as (a) domestic and (b) overseas on the basis of location of customers.

Reportable segments

Reportable segments have been identified as per the quantitative criteria specified in 'Accounting Standard 17: Segment Reporting'.

Segment Composition

Chemicals Segment comprises manufacture and sale of Ethylene Glycol, Di-ethylene Glycol, Heavy Glycol and EO Derivatives

Liquor Segment comprises manufacture and sale of Ethyl Alcohol (Potable).

'Others' primarily include Guar Gum, Ennature Bio-Pharma, Software development & Sugar.

21) Previous year's figures have been regrouped / rearranged / recast wherever considered necessary.

Signatures to Schedules A to L

As per our report of even date

For **Lodha & Co.**

Chartered Accountants **U.S. Bhartia**

Firm Registration no. 301051E

N.K. Lodha

Partner

M. No. 85155

Place : Noida, UP

Dated : 20th May, 2011

U.S. Bhartia

Chairman and Managing Director

Rakesh Bhartia

Chief Executive Officer

Place : Noida, UP

Dated : 20th May, 2011

M.K. Rao

Executive Director

Anand Singhal

Chief Financial Officer

Place : Noida, UP

Dated : 20th May, 2011

Company Secretary

R.C. Misra

Jitender Balakrishnan

Ravi Jhunjhunwala

Jagmohan N. Kejriwal

Directors

Consolidated Cash Flow Statement for the year ended 31st March, 2011 (Rs. In lacs)

	For the year 2010-11		For the year 2009-10	
A Cash Flow from Operating Activities				
Net Profit Before Tax		(381.02)		1711.51
Adjustments For:				
Depreciation	7641.68		6657.69	
(Profit)/Loss on Sale of Assets (Net)	38.29		(2.18)	
Amortisation of Foreign Currency Monetary Item Translation Difference	34.20		42.26	
Effect of Exchange Difference on Translation of Foreign Currency Cash & Cash Equivalent	3.96		7.99	
Unrealised Foreign Exchange Fluctuation Gain / Loss	(652.14)		(1618.68)	
Provision for Diminution in Value of Current Investment	0.00		7.12	
Reversal of Provision for Diminution in Value of Current Investment	(1.05)		0.00	
Decrease in Capital Subsidy on MHAT Plant	0.00		(0.11)	
Bad Debts w/off & Provision for Doubtful Debts and Advances	399.53		(99.81)	
Rent	(324.13)		(66.11)	
Provision No Longer Required Written Back	(69.05)		(597.21)	
Liabilities No Longer Required Written Back	(17.17)		(3.51)	
Interest / Finance Expense	11911.59		5182.27	
Interest/Dividend Income	(878.03)	18087.68	(408.05)	9101.67
Operating Profit before Working Capital Changes		17706.66		10813.18
Adjustments for:				
(Increase)/Decrease in Trade & Other Receivables	(9912.89)		(6912.39)	
(Increase)/Decrease in Inventories	(7357.54)		(16117.43)	
Increase / (Decrease) in Trade Payables	(3794.42)	(21064.85)	8416.29	(14613.53)
Cash Generated from Operations		(3358.19)		(3800.35)
Income Tax Paid (Net)		(136.42)		2081.49
Net Cash from Operating Activities		(3494.61)		(1718.86)
B Cash Flow from Investing Activities				
Purchase of Fixed Assets	(8046.20)		(11934.48)	
Sale of Fixed Assets	98.58		125.42	
Interest / Dividend received	399.25		66.11	
Rental Income	324.13		334.55	
Net Cash used in Investing Activities		(7224.24)		(11408.40)
C Cash Flow from Financing Activities				
Proceeds from Govt Subsidy	200.00		19.60	
Proceeds from Borrowings	47196.30		34175.57	
Repayment of Borrowings	(8381.22)		(11530.54)	
Interest/Other Borrowing Cost	(13409.37)		(8861.10)	
Dividends Paid (Including Corporate Dividend Tax)	(491.69)		(334.59)	
Net Cash Inflow from Financing Activities		25114.02		13468.94
D Effect of Changes in Currency Fluctuation Reserve		4.49		16.14
E Effect of Exchange Differences on Translation of Foreign Currency				
Cash & Cash Equivalent		(3.96)		(7.99)
Net Increase/(Decrease) in Cash and Cash Equivalents [A+B+C+D+E]		14395.70		349.83
Cash and Cash equivalent being Cash and Bank Balances (Opening Balance)		4855.65		4505.82
Cash and Cash equivalent being Cash and Bank Balances (Closing Balance)		19251.35		4855.65

Note :

(1) Previous Year's Figures have been regrouped wherever considered necessary.

(2) Cash and Cash equivalent being Cash and Bank balances as per schedule 'F'

As per our report of even date

For Lodha & Co.
Chartered Accountants
Firm Registration no. 301051E

N.K. Lodha
Partner

M. No. 85155
Place : Noida, UP
Dated : 20th May, 2011

U.S. Bhartia
Chairman and Managing Director

Rakesh Bhartia
Chief Executive Officer

Place : Noida, UP
Dated : 20th May, 2011

M.K. Rao
Executive Director

Anand Singhal
Chief Financial Officer

Lalit Kumar Sharma
Company Secretary

R.C. Misra
Jitender Balakrishnan
Ravi Jhunjunwala
Jagmohan N. Kejriwal
Directors

The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included below:

Name of the Subsidiary	Shakumbari Sugar & Allied Industries Limited	IGL Chem International Pte. Ltd.	IGL Finance Limited
Functional Currency	INR (Rs. In Lacs)	SGD# (Rs. in Lacs)	INR (Rs. In Lacs)
Capital	6,067.71	35.39	100.00
Reserves (net of debit balance of Profit and Loss Account)	(5,850.38)	(77.85)	(14.86)
Total Assets (Including debit balance of Profit and Loss Account)	31,525.14	375.09	516.60
Total Liabilities	31,525.14	375.09	516.60
Investments	-	-	490.00
Turnover	14,306.86	1985.15	-
Profit / (loss) before tax	(3,249.95)	(10.62)	(0.18)
Provision for Taxation	-	-	-
Profit / (loss) after Taxation	(3,249.95)	(10.62)	(0.18)
Proposed Dividend	-	-	-

1 SGD = Rs. 35.3860 (TT Buying Rate as on 31.03.2011)



INDIA GLYCOLS LIMITED

Registered Office : A-1, Industrial Area, Bazpur Road, Kashipur-244 713, Distt. Udham Singh Nagar, Uttarakhand

TWENTY SEVENTH ANNUAL GENERAL MEETING

ADMISSION SLIP

FOLIO NO. / DP ID & CLIENT ID NO.....
(to be filled in by the shareholders)

I declare that I am a Registered Shareholder of the Company and hold _____ Shares.

Member's Signature

NOTE :

1. A member intending to appoint a proxy should complete the Proxy Form below and deposit it at the Company's Registered Office, not later than 48 hours before the commencement of the meeting.
2. A member proxy attending the meeting must complete this Admission Slip and hand it over at the entrance. Name of the Proxy in BLOCK LETTERS Proxy's Signature. Kindly bring your copy of the Annual Report at the Annual General Meeting, as copies of the Report will not be distributed at the Meeting



INDIA GLYCOLS LIMITED

Registered Office : A-1, Industrial Area, Bazpur Road, Kashipur-244 713, Distt. Udham Singh Nagar, Uttarakhand

TWENTY SEVENTH ANNUAL GENERAL MEETING

PROXY FORM

FOLIO NO. / DP ID & CLIENT ID NO.....
(to be filled in by the shareholders)

I / We _____ being a Member/Members of INDIA GLYCOLS LIMITED hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in district of _____ as my/our proxy to vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on the 27th day of September, 2011 at 12.30 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2011

Name _____

Address _____

Affix
Revenue
Stamo

The Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting



BOOK-POST

If undelivered, please return to:



INDIA GLYCOLS LIMITED

Plot No. 2B, Sector 126, Noida

Distt. Gautam Budh Nagar -201 304

Uttar Pradesh