

IGL CHEM International USA LLC

BALANCE SHEET AS AT March 31, 2017

(Amount in Rs)


	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
NON-CURRENT ASSETS:				
(a) Property, Plant and Equipment	2	259,233	327,914	-
(b) Other Intangible assets	3	7,733	12,995	-
		<u>266,966</u>	<u>340,909</u>	
CURRENT ASSETS:				
(a) Inventories	4	39,232,474	14,179,494	-
(b) Financial Assets				
(i) Trade receivables	5	57,987,918	-	-
(ii) Cash and cash equivalents	6	1,674,972	520,116	6,249,500
(c) Other current assets	7	72,459	-	-
		<u>98,967,823</u>	<u>14,699,610</u>	<u>6,249,500</u>
TOTAL ASSETS		<u>99,234,789</u>	<u>15,040,519</u>	<u>6,249,500</u>
EQUITY AND LIABILITIES				
EQUITY:				
(a) Equity Share capital	8	12,700,000	12,700,000	6,283,000
(b) Other Equity	8A	(25,680,357)	(23,076,403)	(1,473,816)
		<u>(12,980,357)</u>	<u>(10,376,403)</u>	<u>4,809,184</u>
LIABILITIES:				
CURRENT LIABILITIES:				
(a) Financial Liabilities				
(i) Trade payables	9	110,138,532	22,660,789	-
(ii) Other Financial Liabilities	10	2,076,614	2,756,133	1,440,316
		<u>112,215,146</u>	<u>25,416,922</u>	<u>1,440,316</u>
TOTAL EQUITY AND LIABILITIES		<u>99,234,789</u>	<u>15,040,519</u>	<u>6,249,500</u>


Company Overview & Summary of significant accounting policies 1


The accompanying notes (1 to 29) are an integral part of the financial statements.

IN TERMS OF OUR REPORT OF EVEN DATE.
FOR K N GUTGUTIA & CO.
CHARTERED ACCOUNTANTS
Firm Registration Number: 304153E

For and on behalf of the Board


B R GOYAL
PARTNER
M. NO.12172


U.S. Bhartia
Director


Mehta Dharmesh Yashwant
Director

Place - Noida
Date - May 12, 2017




IGL CHEM International USA LLC
Statement Of Profit & Loss For The Period Ended March 31, 2017

(Amt in Rs)

Particulars	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	11	151,958,874	16,918,444
Other income	12	8	2
Total Income		151,958,882	16,918,446
Expenses:			
Purchase of Stock-in-Trade	13	160,789,263	31,193,188
Change in inventories of Stock-in-trade	14	(26,232,850)	(14,168,794)
Employee benefit expenses	15	13,281,840	12,290,896
Finance costs	16	47,156	41,601
Depreciation and amortization expenses	17	73,943	68,071
Other expenses	18	6,928,502	10,698,284
Total Expenses		154,887,854	40,123,246
Profit/ (Loss) before exceptional items and tax		(2,928,972)	(23,204,800)
Exceptional Items		-	-
Profit/ (Loss) before tax		(2,928,972)	(23,204,800)
Tax Expense:			
- Current Tax		-	-
- Tax for earlier years		-	-
Profit/ (Loss) for the period		(2,928,972)	(23,204,800)
OTHER COMPREHENSIVE INCOME			
Items that will be reclassified to Profit or Loss			
Exchange difference arising on conversion of foreign transactions		325,018	1,602,213
Income tax relating to Exchange differences		-	-
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR		325,018	1,602,213
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR		(2,603,954)	(21,602,587)
Earning per Equity share basic/ diluted (in Rs.)		(13.02)	(133.33)

Company Overview & Summary of significant accounting policies 1
 The accompanying notes (1 to 29) are an integral part of the financial statements.


FOR K N GUTGUTIA & CO.
 CHARTERED ACCOUNTANTS
 Firm Registration Number: 304153E


B R GOYAL
 PARTNER
 M. NO.12172

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For and on behalf of the Board


U.S. Bhartia
 Director

Mehta Dharmesh Yashwant
 Director

IGL CHEM International USA LLC

Statement of Changes in Equity as on 31st March 2017

A. Equity Share Capital

(Amount in Rs)

Particulars	Balance as at 1st April 2015	Changes in equity share capital during the year	Balance as at 31 March 2016	Changes in equity share capital during the year	Balance as at 31 March 2017
Equity Shares of USD 1 each fully paid up	6,283,000	6,417,000	12,700,000	-	12,700,000
	6,283,000	6,417,000	12,700,000	-	12,700,000

B. Other Equity

(Amount in Rs)

Particulars	Reserve & Surplus - Retained Earnings	Other Comprehensive Income-foreign currency Translation Reserve	Total
Balance as at April 1, 2015	(1,438,832)	(34,984)	(1,473,816)
Profit / (Loss) for the year	(23,204,800)		(23,204,800)
Exchange difference arising on conversion of foreign transactions		1,602,213	1,602,213
Balance As at March 31, 2016	(24,643,632)	1,567,229	(23,076,403)
Profit / (Loss) for the year	(2,928,972)		(2,928,972)
Exchange difference arising on conversion of foreign transactions		325,018	325,018
Balance As at March 31, 2017	(27,572,604)	1,892,247	(25,680,357)

IN TERMS OF OUR REPORT OF EVEN DATE.

FOR K N GUTGUTIA & CO.

CHARTERED ACCOUNTANTS

Firm Registration Number: 304153E

BR GOYAL
PARTNER
M. NO.12172

Place - Noida
Date - May 12, 2017



For and on behalf of the Board

U.S. Bhartia

U.S. Bhartia
Director

Mehta Dharmesh Yashwant
Director

IGL CHEM International USA LLC

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	2016-17	(Amt in Rs) 2015-16
A Cash Flow from Operating Activities		
Net Profit/(Loss) Before Tax	(2,928,972)	(23,204,800)
Adjustments For:		
Depreciation	73,943	68,071
Operating Profit/(Loss) before Working Capital Changes	(2,855,029)	(23,136,729)
Adjustments For:		
(Increase)/Decrease in Trade & Other Receivables	(58,060,377)	-
(Increase)/Decrease in Inventories	(25,052,980)	(14,179,494)
Increase / (Decrease) in Trade & Other Payables	86,798,224	23,976,606
Cash Generated from / (Used in) Operations	829,838	(13,339,617)
Income Tax Paid	-	-
Net Cash flow from / (Used in) Operating Activities	829,838	(13,339,617)
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	-	(408,980)
Net Cash flow from / (Used in) Investing Activities	-	(408,980)
C Cash Flow from Financing Activities		
Proceeds from issue of shares	-	6,417,000
Net Cash flow from / (Used in) Financing Activities	-	6,417,000
D. Effect of Changes in Currency Fluctuation Reserve (D)	325,018	1,602,213
Net Increase/(Decrease) in Cash & Cash Equivalents [A+B+C+D]	1,154,856	(5,729,384)
Opening Cash & Cash Equivalent (refer note 6)	520,116	6,249,500
Closing Cash & Cash Equivalent (refer note 6)	1,674,972	520,116

Note:-

- 1 Previous period's figures have been regrouped / rearranged wherever considered necessary to confirm to make them comparable.
- 2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

As per our report of even date
FOR K N GUTGUTIA & CO.
CHARTERED ACCOUNTANTS
Firm Registration Number: 304153E

B R GOYAL
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PARTNER
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Date - May 12, 2017

For and on behalf of the Board

U.S. Bhartia
U.S. Bhartia
Director

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Director



IGL CHEM International USA LLC

Notes to the financial statements for the year ended 31 March 2017

1.1 Corporate Information

IGL CHEM International USA LLC (the Company) is a company incorporated in United States of America (USA) in July, 2014. The Company is wholly owned subsidiary of India Glycols Limited (the parent company), a company incorporated in India. The Company is engaged in trading of Guar Gum Powder and derivatives to customers based in the Americas.

1.2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation and Presentation of Financial Statements

These are the company's first financial statements for the year ended 31 March 2017 that has prepared in accordance with Ind AS notified under section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, read with Ind AS based Schedule III, under the Companies Act, 2013.

For all periods up to and including for the year ended 31 March 2016, the company's financial statements prepared complying in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule, 2014.

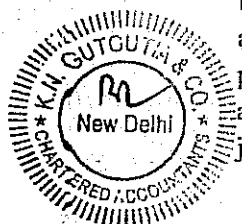
The Financial statements have been prepared under historical cost convention on accrual basis, except for the items that have been measured at fair value as required by relevant Ind-AS. The financial statements are presented in Indian Rupees, which is the holding company's functional and presentation currency, however function currency of the company is USD.

For the purpose of conversion of Financial Statement, year to date average rate of currency has been taken for revenue items and closing rate has been taken for Balance Sheet items, except for Share Capital and Reserve and Surplus, which are carried at historical exchange rate. The net exchange difference on account of conversion of financial statement is taken to Foreign Exchange Fluctuation Reserve.

The Company has consistently applied the accounting policies used in the preparation of its opening IND AS Balance Sheet at April 1, 2015 throughout all periods presented, as if these policies had always been in effect and are covered by IND AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India ("Indian GAAP") which is considered as the previous GAAP, as defined in IND AS 101. There is no effects of the transition from Indian GAAP to IND AS in the financial.

The Company's financial statements provide comparative information in respect to the previous year. In addition, the company presents Balance Sheet as at the beginning of the previous year, which is the transition date to IND AS.

The preparation of the financial statements requires management to make Judgements, estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 1.3 on significant accounting estimates, assumptions and judgments.)



IGL CHEM International USA LLC

Notes to the financial statements for the year ended 31 March 2017

B. Property, Plant and Equipment

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises of its purchase price including duties and other nonrefundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition

The Assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. Depreciation on Plant, Property and equipment has been provided using straight line method over the useful life of assets as specified in Schedule II of the Companies Act, 2013.

C. Intangible Assets

Identifiable intangible assets are recognised a) when the Company controls the asset, b) it is probable that future economic benefits attributed to the asset will flow to the Company and c) the cost of the asset can be reliably measured.

Computer software are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of license, generally not exceeding five years on straight line basis. The assets' useful lives are reviewed at each financial year end.

D. Inventories

Inventories are valued 'at lower of cost or net realizable value'. The cost is computed on the weighted average basis. Cost includes all direct costs and such other costs incurred as to bring the inventory to its present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated cost necessary to make the sale.

E. Employee Benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences, performance incentives etc. and are recognized as expenses in the period in which the employee renders the related service and measured accordingly.

F. Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial assets or a liability is recognised when the Company becomes a Party to the contractual provision of the instrument.

a) Financial Assets

Financial assets include cash and cash equivalent, Trade & other receivables, other eligible current and noncurrent assets.



IGL CHEM International USA LLC

Notes to the financial statements for the year ended 31 March 2017

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash-flow characteristics.

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

The company derecognizes a financial assets when the contractual rights to the cash flows from the financial assets expire or it transfers the financial assets and the transfer qualifies for the derecognition under Ind AS 109.

b) Financial liabilities

Financial liabilities include short term loan and other payables.

All financial liabilities recognized initially at fair value and, in the case of loans and borrowing and other payable, net of directly attributable transaction costs. After initial recognition, financial liabilities are classified under one of the following two categories

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

Financial liabilities measured at amortised cost

After initial recognition, such financial liabilities are subsequently measured at amortized cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of financial liability. The EIR amortization is included in finance expense in the statement of profit and loss.

De-recognition of financial liability

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

G. Revenue recognition and other income

Revenue is recognized either on delivery or on transfer of significant risk and rewards of ownership of the goods. Revenue from the sale of goods is measured at fair value of consideration received or receivable, after deducting discounts.

Revenue from services is recognized when the stage of completion can be measured reliably. Stage of completion is measured by the services performed till Balance Sheet date as a percentage of total services contracted.

Interest income is recognized using effective interest method.



IGL CHEM International USA LLC

Notes to the financial statements for the year ended 31 March 2017

H. Lease Accounting

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

In respect of assets taken on operating lease, lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless:

- another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset; or
- the payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases

I. Taxation

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that in future taxable profits will be available to set off such deductible temporary differences. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

1.3 Critical accounting estimates, assumptions and judgments

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgments, which have significant effect on the amounts recognised in the financial statement. Uncertainty about these assumptions and estimates could result in outcome that require a material adjustment to assets or liabilities affected in future periods.

Taxation

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities based on probability that taxable profit will be available against which the deductible temporary differences can be utilized. The Company reviews at each balance sheet date the carrying amount of deferred tax assets and liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.



IGL CHEM International USA LLC

Notes to the financial statements for the year ended 31 March 2017

Allowance for uncollected accounts receivable and advances

Receivables and advances are stated at their transaction value as reduced by appropriate allowances for estimated irrecoverable amounts. Receivables and advances are written off on case to case basis when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.



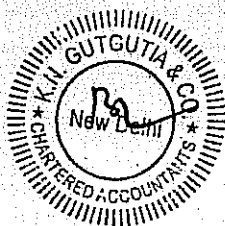
2. Property, Plant & Equipment

(Amount in Rs)

Particulars			
	Office Equipment	Furniture & Fixtures	Total
Gross block			
As at April 1,2015	-	-	-
Additions	152,924	239,924	392,848
Disposal	-	-	-
As at March 31,2016	152,924	239,924	392,848
Additions	-	-	-
Disposal	-	-	-
As at March 31,2017	152,924	239,924	392,848
Accumulated Depreciation			
As at April 1, 2015	-	-	-
Charge for the period	42,941	21,993	64,934
Disposal	-	-	-
As at March 31,2016	42,941	21,993	64,934
Charge for the period	45,203	23,478	68,681
Disposal	-	-	-
As at March 31,2017	88,144	45,471	133,615
Net Carrying Amount			
As at April 1, 2015	-	-	-
As at March 31,2016	109,983	217,931	327,914
As at March 31,2017	64,780	194,453	259,233



3. Other Intangibles		(Amount in Rs)
Particulars	Computer Software	
Gross block		
As at April 1,2015		
Additions		16,132
Disposal		-
As at March 31,2016		16,132
Additions		-
Disposal		-
As at March 31,2017		16,132
Accumulated Amortization		
As at April 1, 2015		
Charge for the period		3,137
Disposal		-
As at March 31,2016		3,137
Charge for the period		5,262
Disposal		-
As at March 31,2017		8,399
Net Carrying Amount		
As at April 1, 2015		-
As at March 31,2016		12,995
As at March 31,2017		7,733



4. Inventories (At lower of cost and net realisable value)
(As taken, valued and certified by the management)

(Amount in Rs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trading Goods-Gurargum	39,232,474	14,179,494	
	39,232,474	14,179,494	-

5. TRADE RECEIVABLES

(Amount in Rs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured - Considered good	57,987,918	-	-
	57,987,918	-	-

6. CASH & CASH EQUIVALENTS

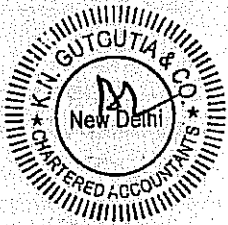
(Amount in Rs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balance with Banks - On Current Accounts	1,674,972	520,116	6,249,500
	1,674,972	520,116	6,249,500

7. OTHER CURRENT ASSETS

(Amount in Rs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advances recoverable in cash or in kind or for value to be received	72,459	-	-
	72,459	-	-



8. EQUITY SHARE CAPITAL

(Amount in Rs)

Particulars	As at March, 31		As at March, 31		As at April, 1
	2017		2016		2015
Authorised : 200000 (Previous year 200000) Equity Shares of USD 1 each	12,700,000		12,700,000		6,283,000
	12,700,000		12,700,000		6,283,000
Issued, Subscribed and paid up : 200000 (Previous year 200000) Equity Shares of USD 1 each fully paid up	12,700,000		12,700,000		6,283,000
	12,700,000		12,700,000		6,283,000

a) Terms/rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value USD 1 per share. Each holder of equity shares is entitled to one vote per share.

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

b) Details of shareholders holding more than 5% shares in the company

Name of Shareholders	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
India Glycols Limited	200000	100.00%	200000	100.00%	100000	100.00%
Total	200000	100.00%	200000	100.00%	100000	100.00%

c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	No. of Shares As at March 31, 2017		No. of Shares As at March 31, 2016		No. of Shares As at April 1, 2015
Shares outstanding at the beginning of the year	200,000		100,000		100,000
Shares Issued during the year	-		100,000		-
Shares bought back during the year	-		-		-
Shares outstanding as at the end of the year	200,000		200,000		100,000

d) In last 5 years there was no Bonus Issue, buy back and / or issue of shares other for cash consideration.

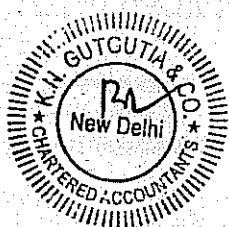
8A. Other Equity

Particulars	Reserve & Surplus -Retained Earnings	Other Comprehensive Income-foreign currency Translation Reserve	Total
Balance as at April 1, 2015	(1,438,832)	(34,984)	(1,473,816)
Profit / (Loss) for the year	(23,204,800)	-	(23,204,800)
Other Comprehensive Income for the year	-	1,602,213	1,602,213
Balance As at March 31, 2016	(24,643,632)	1,567,229	(23,076,403)
Profit / (Loss) for the year	(2,928,972)	-	(2,928,972)
Other Comprehensive Income for the year	-	325,018	325,018
Balance As at March 31, 2017	(27,572,604)	1,892,247	(25,680,357)

Nature of reserves

Retained Earnings - Retained earnings are the profits that the Company has earned till date & distributions paid to shareholders.

Foreign currency translation reserve - Exchange differences relating to the conversion of the revenue items and balance sheet items of the company from their functional currency (\$) to the holding's presentation currency (Rs) are recognised in the other comprehensive income and accumulated in foreign currency translation reserve.



9. TRADE PAYABLE

(Amount in Rs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade Payables (Including related party -refer note no 26)	110,138,532	22,660,789	
	110,138,532	22,660,789	-

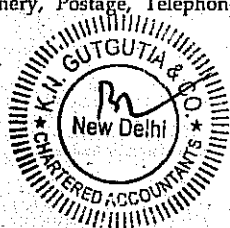
10. OTHER FINANCIAL LIABILITIES

(Amount in Rs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Other Payables	2,076,614	2,756,133	1,440,316
	2,076,614	2,756,133	1,440,316



	(Amount in Rs)	
11. REVENUE FROM OPERATIONS	Year ended March 31, 2017	Year ended March 31, 2016
Sales of Products		
Guar Gum Powder and derivatives	139,066,603	16,918,444
Sale of Services		
Commission received	12,892,271	-
Total Revenue from operations	<u>151,958,874</u>	<u>16,918,444</u>
		(Amount in Rs)
12. OTHER INCOME	Year ended March 31, 2017	Year ended March 31, 2016
Interest Income	8	2
	<u>8</u>	<u>2</u>
		(Amount in Rs)
13. PURCHASE OF STOCK-IN-TRADE	Year ended March 31, 2017	Year ended March 31, 2016
Purchases of traded Goods-Guargum	160,789,263	31,193,188
	<u>160,789,263</u>	<u>31,193,188</u>
		(Amount in Rs)
14. CHANGES IN INVENTORIES OF STOCK-IN-TRADE	Year ended March 31, 2017	Year ended March 31, 2016
CLOSING STOCK		
Trading Goods		
- Guar Gum Powder and derivatives	39,232,474	14,179,494
Total Trading Goods	<u>39,232,474</u>	<u>14,179,494</u>
OPENING STOCK		
Trading Goods		
- Guar Gum Powder and derivatives	14,168,794	-
Total Trading Goods	<u>14,168,794</u>	<u>-</u>
Foreign Currency Transaction Impact	(1,169,170)	10,700
Change in inventories of Stock-in-trade	<u>(26,232,850)</u>	<u>(14,168,794)</u>
		(Amount in Rs)
15. EMPLOYEE BENEFIT EXPENSES	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, Wages, Allowances, etc.	13,281,840	12,290,896
	<u>13,281,840</u>	<u>12,290,896</u>
		(Amount in Rs)
16. FINANCE COSTS	Year ended March 31, 2017	Year ended March 31, 2016
Other Borrowing Cost		
Financial Charges	47,156	41,601
	<u>47,156</u>	<u>41,601</u>
		(Amount in Rs)
17. DEPRECIATION AND AMMORTISATION EXPENSE	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation and amortisation expense	73,943	68,071
	<u>73,943</u>	<u>68,071</u>
		(Amount in Rs)
18. OTHER EXPENSES	Year ended March 31, 2017	Year ended March 31, 2016
Rent	1,372,159	1,410,670
Rates and Taxes	914,566	957,785
Travelling and Conveyance	616,476	2,772,192
Insurance	1,147,970	401,820
Legal & Professional	1,057,288	1,279,272
Printing & Stationery, Postage, Telephone and other Miscellaneous Expenses	1,820,043	3,876,545
	<u>6,928,502</u>	<u>10,698,284</u>



IGL CHEM International USA LLC

Notes to the financial statements for the year ended 31 March 2017

19. Accounts of the Company (a wholly owned subsidiary of India Glycols Limited, India, a company incorporated in India), incorporated in USA have been made out as per the requirements of Companies Act, 2013 of India ("the Act"), in due adherence of provisions of the Act. This entailed drawing up the Balance Sheet, Statement of Profit and Loss, Statement of changes in equity & Cash Flow Statement (including Auditor's Report thereon) of the subsidiary in a manner so as to make it appear conforming to requirements of the Act for the purpose of annexing the particulars of the Company with its holding company and for the preparation of the consolidated accounts of the group pursuant to the provisions of the Act and consolidating the Financial Statements of this company with the parent holding company in terms of Ind-AS 110 in respect of Consolidation of Accounts as required under Ind-AS-110 notified by the Ministry of Corporate Affairs and in pursuant of the provisions of the Act and this exercise also related to translation of treatment of various heads of accounts in terms of accounting standards referred to in the Act, read with the accounting policy of parent company and presentation of accounts in terms of Schedule III of the Act, including disclosure of necessary information as laid down under the said Act.

20. **Contingent Liabilities not Provided For (As Certified by the Management) :- NIL**

21. **Commitments - Nil**

22. **Financial risk management objectives and Policies**

The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk, credit risk and liquidity risk. The company's overall risk management policy seeks to minimize potential adverse effects on company's financial performance.

- **Market Risk:**

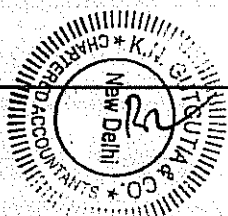
Market risk is the risk that the fair value of future cash flow of a financial instruments will fluctuate because of change in market prices.

The company has all transaction in foreign currency and is therefore, not exposed to foreign exchange risk.

The Company is affected by the price volatility of commodities. Its operating activities require the purchase of material therefore, requires a continuous supply of certain materials. To mitigate the commodity price risk, the Company has majorly purchased materials from its holding company at competitive prices for the commodities and to assess the market to manage the cost without any compromise on quality.

- **Credit Risk:**

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade & other receivables. The Company's exposure to credit risk is disclosed in Note 5 & 7. The company has closely monitor trade receivables and if necessary will make allowance & provisions.



IGL CHEM International USA LLC

Notes to the financial statements for the year ended 31 March 2017

- **Liquidity Risk:**

Liquidity risk is the risk, where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

23. Company has one operating lease for the office premises for the period of 1 year which is cancellable and usually renewable on mutual agreeable terms. During the year company has paid lease rent of Rs 1272159/- (PY- Rs. 1410670/-) in respect of said premises.

24. **Fair valuation techniques**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(Amount in Rs)

Particular	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value
(A) Financial Assets						
1. At fair value through profit & Loss	-	-	-	-	-	-
2. At Amortized Cost						
- Trade receivables	57987918/-	57987918/-	-	-	-	-
- Cash and cash equivalents	1674972/-	1674972/-	520116/-	520116/-	6249500/-	6249500/-
Total Financial Assets	59662890/-	59662890/-	520116/-	520116/-	6249500/-	6249500/-
(B) Financial Liabilities						
1. At fair value through profit & Loss	-	-	-	-	-	-
2. At Amortized Cost						
- Trade & Others payable	112215146/-	112215146/-	25416922/-	25416922/-	1440316/-	1440316/-
Total Financial Liabilities	112215146/-	112215146/-	25416922/-	25416922/-	1440316/-	1440316/-

The methods and assumptions were used to estimate the fair values:-Fair value of receivables, payables, and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.



IGL CHEM International USA LLC

Notes to the financial statements for the year ended 31 March 2017

25. Earnings per share (EPS)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Net profit/ (loss) for the year attributable to equity shareholders (Amount in Rs)	(2603954/-)	(21602587/-)
Weighted average number of equity shares outstanding	200000	162022
Basic and diluted earnings per share (face value of USD 1 each)	(13.02)	(133.33)

Weighted average number of equity shares for Earnings Per Share computation

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Numbers of shares at the beginning	200000	100000
Add: Shares issued during the year on 18.08.2015 (100000*227/366)	-	62022
Weighted average number of equity shares	200000	162022

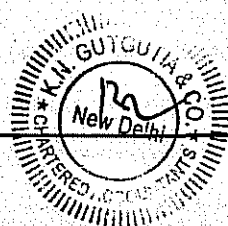
26. Related party Disclosure

Relationship

- a) India Glycols Limited (100% holding company)
- b) IGL Chem International Pte Ltd (Fellow Subsidiary)
- c) Mehta Dharmesh Yashwant (Key Management Personnel)
- d) Uma Shankar Bhartia (Key Management Personnel)

Related party transaction

Nature of transactions	Relationship	For the year Ended 31st March, 2017	For the year Ended 31st March, 2016
Allotment of equity Shares	India Glycols Limited	-	6417000/-
Purchase of Goods	India Glycols Limited	154217621/-	31193188/-
Total outstanding payable	India Glycols Limited	11,24,93,294/-	22815704/-
Total outstanding payable	IGL Chem International Pte Ltd	-	1294235/-
Remuneration payable	Mehta Dharmesh Yashwant	13281840/-	12060351/-
Remuneration payable	Mehta Dharmesh Yashwant	1270377/-	-



IGL CHEM International USA LLC

Notes to the financial statements for the year ended 31 March 2017

27. Principal differences between Ind-AS and Indian GAAP

There is no difference between Indian GAAP to IND AS in the financial.

28. For the purpose of conversion of accounts in to Indian Currency, following rates are applied:

Particular	2016-17	2015-16	2014-15
Average rate	1 UDS = Rs 67.08	1 UDS = Rs 64.94	1 UDS = Rs 62.43
Closing rate	1 UDS = Rs 64.84	1 UDS = Rs 66.26	1 UDS = Rs 62.50

29. Previous period's figures have been regrouped / rearranged, to confirm to this year's presentation.

In terms of our report of even date attached

For and on behalf of the Board

For K N GUTGUTIA & CO
Chartered Accountants
Firm Registration Number: 304153E


B.R. Goyal
Partner
M.No: 12172


U. S. Bhartia
(Director)

Mehta Dharmesh Yashwant
(Director)

Place : Noida
Date: May 12, 2017

