



INDIA GLYCOLS LIMITED

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Fax : +91 120 3090111, 3090211, E-mail : iglho@indiaglycols.com, Website: www.indiaglycols.com

27th October, 2016

The Manager (Listing),
BSE Limited,
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street,
Mumbai- 400 001.

Code No.500201

The Manager (Listing),
National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400051.

Code :INDIAGLYCO

Dear Sirs,

Sub: Disclosure of the Impact of Audit Qualification

Please find attached herewith the Statement on Impact of Audit Qualification as per the prescribed format for the Financial Year ended 31st March, 2015.

We request you to kindly take the above on record.

Thanking you,

Yours truly,
For India Glycols Limited

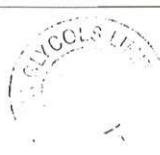
Ankur Jain
General Manager (Legal) & Company Secretary

India Glycols Ltd
Statement on Impact of Audit Qualifications of Standalone Financials for the Financial
Year ended March 2015.

(Rs. In Lacs, except for earnings per share)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
	1	Turnover/ Other Income	260,075.02	260,075.02
	2	Total Expenditure	266,208.90	266,208.90
	3	Net Profit/ (Loss)	(6,133.88)	(6,133.88)
	4	Earnings Per Share (Rs.)	(19.81)	(19.81)
	5	Total Assets	315,775.30	315,775.30
	6	Total Liabilities	270,244.81	270,244.81
	7	Net Worth	45,530.49	45,530.49
	8	Any Other financial item (s) (as felt appropriate by the management)	Refer Emphasis of Matter paragraph in the Auditor's Report on Standalone Financial Statements.	

II.	Audit Qualification (each audit qualification separately)
(i)	<p>Qualification 1</p> <p>a. Detail of Audit Qualification :</p> <p>i) Note no. 32(A)(i) & 32(A)(ii) of financial statements regarding non-provision against investment, inter-corporate deposit and advances in subsidiary company Shakumbhari Sugar and Allied Industries Limited (SSAIL) amounting to Rs. 5,427.50 Lacs (Previous Year Rs. 5,427.50 Lacs), Rs. 1,915.13 Lacs (including interest thereon) (Previous Year Rs. 1,834.83 Lacs) & Rs. 8,453.81 Lacs (Previous Year Rs. 8,375.82 Lacs) respectively, where, in the opinion of management no provision is necessary considering the long term in nature, the intrinsic value of assets of subsidiary company and for the reasons as stated in the said notes and our inability to comment thereon. Further company have also extended corporate guarantee on behalf of SSAIL against outstanding loans amount of Financial Institution and Banks (as stated in the note no. 27(A)(iii) & 32(A)(iii)).</p>



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	b. Type of Audit Qualification: Qualified Opinion
	<p>c. Frequency of Audit Qualification :</p> <p>This qualification w.r.t. investment in SSAIL is appearing since 2008-09.</p> <p>This qualification w.r.t. inter corporate deposit in SSAIL is appearing since 2010-11.</p> <p>This qualification w.r.t. advances in SSAIL is appearing since 2013-14.</p> <p>This qualification w.r.t. Corporate Guarantee given on behalf of SSAIL against outstanding amount of Financial Institution and Banks in above stated subsidiary company is appearing since 2011-12.</p>
	d. For audit qualification where the impact is quantified by the auditor, Management view: Not quantified.
	e. For audit qualification where the impact is not quantified by the auditor :
	(i). Management's estimation on the impact of audit qualification: Presently not ascertainable in view of facts stated in note no. 32(A)(i), A(ii) & A(iii) below
	<p>(ii). If management is unable to estimate the impact, reason for the same :</p> <p>As also explained in Notes to the Accounts as detailed below</p> <p>NOTE No. 32(A)(i) Company has investment of Rs. 5427.50 Lacs (Previous Year Rs. 5,427.50 Lacs) in equity share capital and 10% cumulative redeemable preference share capital in a subsidiary company Shakumbari Sugar and Allied Industries Limited (SSAIL) whose net worth has been fully eroded and SSAIL has also been declared sick industrial undertaking as per the provision of Sick Industrial Companies Act, 1985.</p> <p>Considering the intrinsic value of the investee assets, long term nature of investment and direction issued by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) for preparation of revival scheme by the operating agency as appointed, which has been filed with BIFR on 11th January 2014 and also filed TEV (Technical Evaluation Study) with IDBI (Operating Agency) on 09th February, 2015, no provision at this stage is considered necessary by the management against investments made in above stated subsidiary namely SSAIL.</p> <p>(ii) Loans and advances includes Inter corporate deposit with SSAIL amounting to Rs. 1,915.13 Lacs (Previous Year Rs. 1,834.83 Lacs) (including interest thereon) and advances of Rs. 8,453.81 Lacs (Previous Year Rs. 8,375.82 Lacs), where management is confident about recoverability/realisability of the same. Accordingly, considering the facts as stated in Para (i) above, amount is considered good and fully recoverable and no provision there against is considered necessary by the management.</p>



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	(iii) Central Bank of India (CBI) vide its letter dated 28.05.2014 had issued a notice under Section 13(2) of SARFAESI Act 2002 to SSAIL and IGL. The said notice was replied by SSAIL and IGL has challenged the legality of issuance of such notices. CBI, thereafter, on 11.09.2014 had issued another notice under Section 13(4) of SARFAESI on SSAIL and IGL, which has been challenged at DRT, Lucknow. As per the legal opinion, the notice is not valid since SSAIL is registered in BIFR as sick Company.
	(iii). Auditor's comments on (i)/(ii). above : Refer para (i)a. above and read with management estimation [e.(i).] and reasons [e.(ii).].
(ii)	<p>Qualification 2</p> <p>a. Detail of Audit Qualification:</p> <p>ii) <i>Note no. 32(B) regarding non provision against total exposure of amounting Rs. 14,774.64 Lacs (Previous Year Rs. 14,848.64 Lacs) (including investment in capital of Rs. 125 Lacs, Previous Year same) in a subsidiary, IGL Finance Limited, where the management is confident about its recoverability for the reasons as stated in said note, and our inability to comment thereon.</i></p> <p>b. Type of Audit Qualification : Qualified Opinion</p> <p>c. Frequency of Audit Qualification : This qualification w.r.t. inter corporate deposit and investment in IGL Finance Limited is appearing since 2013-14.</p> <p>d. For audit qualification where the impact is quantified by the auditor, Management view: Not quantified.</p> <p>e. For audit qualification where the impact is not quantified by the auditor :</p> <p>(i). Management's estimation on the impact of audit qualification : Presently not ascertainable in view of status as mentioned in note no. 32(B)(i) and 32(B)(ii) below.</p> <p>(ii). If management is unable to estimate the impact, reason for the same : As also explained in Notes to the Accounts as detailed below NOTE No. 32(B)(i) Short term loans and advances to related party includes Inter Corporate Deposit (ICD) amounting to Rs. 14,649.64 Lacs (Previous Year Rs. 14,723.64 Lacs) given to IGL Finance Ltd. (IGLFL), a 100% subsidiary of the company. IGLFL in turn had invested funds for short term in commodity financing contracts offered by National Spot Exchange Ltd. (NSEL). NSEL has defaulted in settling the contracts on due dates and for which IGLFL has initiated legal and other action and in turn IGLFL did not pay due amount to the company. Accordingly considering the prudence no interest on above ICD has been accrued for the period from 01-09-2013 to 31-3-2015. However, considering the arrangement of merger of NSEL with Financial Technologies (India) Limited (FTIL) and other measure which have so far been taken for and pending before the Govt. and other authorities, the management is confident for recovery of dues from NSEL over a period of time.</p>



	(ii) Pending above no provision has been considered necessary at this stage by the company for exposure in IGLFL of Rs. 14,774.64 Lacs (Previous Year Rs. 14,848.64 Lacs) (including Investment in capital of Rs. 125.00 Lacs), and the above is shown as good and fully recoverable by the management.
	(iii). Auditor's comments on (i). / (ii). above : Refer para (ii)a. above and read with management estimation [e.(i).] and reasons [e.(ii).].
(iii)	Qualification 3 a. Detail of Audit Qualification: iii.) <i>Note no. 32(D) regarding non provision against total exposure of amounting to Rs. 505.16 Lacs (including trade receivable account of Rs. 477.75 Lacs) in a subsidiary, IGL CHEM INTT. PTE Limited, Singapore, where the management is confident about its recoverability for the reasons as stated in said note, and our inability to comment thereon.</i>
	b. Type of Audit Qualification : Qualified Opinion
	c. Frequency of Audit Qualification: This qualification has appeared for the first time in the current financial year.
	d. For audit qualification where the impact is quantified by the auditor, Management view: Not quantified
	e. For audit qualification where the impact is not quantified by the auditor :
	(i). Management's estimation on the impact of audit qualification : Presently not ascertainable in view of facts stated in note no. 32 (D) below.
	(ii). If management is unable to estimate the impact, reason for the same :
	As also explained in Notes to the Accounts as detailed below NOTE No. 32(D) The Company has made equity investment of Rs. 27.41 Lacs (Previous Year Rs. 27.41 Lacs) in its wholly owned subsidiary IGL CHEM INTRENATIONAL PTE Limited, Singapore (IGL CHEM) and their outstanding in its account on account of receivables of amounting to Rs. 477.75 Lacs (Previous Year Rs. 530.31 Lacs). Due to losses & slowdown in business, net worth of IGL CHEM becomes negative. In view of strategic and long term in nature of investment, no provision against the same has been considered necessary by the management.
	(iii). Auditor's comments on (i). / (ii). above: Refer para (iii)a. above and read with management estimation [e.(i).] and reasons [e.(ii).].
III.	To be signed by:



Chairman and Managing Director	 (Uma Shankar Bhartia)
Chief Financial Officer	 (Anand Singhal)
Chairman(Audit Committee)	
Auditor of the Company	 (Pradip Kumar Khaitan)
<p>Refer our audit report dated 28th May, 2015 on the Standalone Financial Statements of the Company</p> <p>For Lodha & Co.</p> <p>Chartered Accountants</p> <p>(Firm Registration No.301051E)</p>  (N.K. Lodha) Partner (Membership No. 85155) 27 th September, 2016 Noida, Uttar Pradesh	



India Glycols Ltd
Statement on Impact of Audit Qualifications of Consolidated Financials for the Financial
Year ended March 2015.

(Rs. In Lacs, except for earnings per share)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
	1	Turnover/ Other Income	262,176.64	262,176.64
	2	Total Expenditure	271,041.13	272,018.65
	3	Net Profit/ (Loss)	(8,864.49)	(9,842.01)
	4	Earnings Per Share (Rs.)	(28.63)	(31.79)
	5	Total Assets	315,441.42	315,441.42
	6	Total Liabilities	285,736.19	286,713.71
	7	Net Worth	29,705.23	28,727.71
	8	Any Other financial item (s) (as felt appropriate by the management)	Refer Emphasis of Matter paragraph in the Auditor's Report on Consolidated Financial Statements.	

II.	Audit Qualification (each audit qualification separately)
(i)	<p>Qualification 1</p> <p>a. Detail of Audit Qualification :</p> <p>i. Note no. 32 regarding non provision against total exposure of amounting Rs. 14,444.43 Lacs (Previous Year 14,503.44 Lacs) in NSEL made by a subsidiary, where the management is confident about its recoverability for the reason as stated in said note, and our inability to comment thereon.</p> <p>b. Type of Audit Qualification: Qualified Opinion</p> <p>c. Frequency of Audit Qualification : This qualification is appearing since F.Y. 2013-14.</p> <p>d. For audit qualification where the impact is quantified by the auditor, Management view: Not quantified.</p> <p>e. For audit qualification where the impact is not quantified by the auditor :</p>



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	(i). Management's estimation on the impact of audit qualification: Presently not ascertainable in view of facts stated in note no. 32 below.
	<p>(ii). If management is unable to estimate the impact, reason for the same :</p> <p>As also explained in Notes to the Accounts as detailed below</p> <p>NOTE No. 32 The Subsidiary Company, IGL Finance Limited, had invested funds for short term in commodity financing contracts offered by National Spot Exchange Limited (NSEL). NSEL has defaulted in settling the contracts on due dates. However, considering the proposal of the arrangement of merger of NSEL with Financial Technologies (India) Limited (FITL) as announced by the Central Government; and other measure which have so far been taken for and pending before the Govt. and other authorities, legal actions taken by the subsidiary company, the management is confident of recovery of the dues from NSEL over the period of time. Accordingly, against total exposure of Rs. 14,444.43 Lacs (Previous Year Rs. 14,503.44 Lacs), no provision has been considered necessary at this stage by the subsidiary company and hence treated as good and fully recoverable.</p>
	(iii). Auditor's comments on (i)./(ii). above : Refer para (i)a. above and read with management estimation [e.(i).] and reasons [c.(ii).].
(ii)	<p>Qualification 2</p> <p>a. Detail of Audit Qualification:</p> <p>ii. <i>Note no. 45 (b)(iii) related with a subsidiary regarding non provision of interest, penal interest, charges etc. amounting to Rs. 977.52 Lacs (excluding penal interest, charges etc.- amount unascertained) and pending confirmation and reconciliation of secured loan balances for the reasons as stated in said note.</i></p>
	b. Type of Audit Qualification : Qualified Opinion
	<p>c. Frequency of Audit Qualification :</p> <p>This qualification w.r.t. non provision of interest, penal interest, charges etc. for SSAIL has appeared for the first time in the current financial year.</p>
	<p>d. For audit qualification where the impact is quantified by the auditor, Management view:</p> <p>As also explained in Notes to the Accounts as detailed below</p> <p>Note No 45(b)(iii) Above bank balance of loan from Central Bank Of India (CBI) is subject to confirmation and reconciliation and interest, penal interest, charges etc. amounting to Rs. 977.52 Lacs (excluding penal interest, charges etc.) has not been provided for (amount unascertained) as the SSAIL has initiated steps for negotiation with CBI.</p>



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	e. For audit qualification where the impact is not quantified by the auditor : Not Applicable
	(i). Management's estimation on the impact of audit qualification : Not Applicable
	(ii). If management is unable to estimate the impact, reason for the same : Not Applicable
	(iii). Auditor's comments on (i). / (ii). above : Not Applicable
(iii)	Qualification 3
	a. Detail of Audit Qualification:
	iii. <i>Note no. 42 related with a subsidiary regarding non provision against impairment loss on its fixed assets for the reason stated in the said note, as its expected recoverable value is more than its carrying value and our inability to comment thereon.</i>
	b. Type of Audit Qualification : Qualified Opinion
	c. Frequency of Audit Qualification: This qualification w.r.t. non provision against impairment loss on fixed assets of SSAIL appeared for the first time in the current financial year.
	d. For audit qualification where the impact is quantified by the auditor, Management view: Not quantified
	e. For audit qualification where the impact is not quantified by the auditor :
	(i). Management's estimation on the impact of audit qualification : Presently not ascertainable read with note no. 42 of notes to accounts.
	(ii). If management is unable to estimate the impact, reason for the same : As also explained in Notes to the Accounts as detailed below NOTE No. 42 In accordance with the Accounting Standard (AS-28) on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, in view of the management with respect to SSAIL, no impairment loss on its Fixed Assets/ Cash Generation Units (CGU) is considered necessary at this stage, as its expected recoverable value is more than its carrying value.
	(iii). Auditor's comments on (i). / (ii). above: Refer para (iii)a. above and read with management estimation [e.(i).] and reasons [e.(ii).].



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LODHA & CO. GLYCOLS
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