



**INDIAN SUCROSE LIMITED**

# 21st Annual Report 2011-12



## **MANAGEMENT**

### **BOARD OF DIRECTORS**

Sh. D. P. Singh	Chairman
Sh. Kunal Yadav	Managing Director
Sh. Jitender Singh	Director
Sh. Pawan Dewan	Director
Sh. Sheoraj Singh Ahlawat	Director
Sh. Prakash Chandra Gupta	Director

### **COMPANY SECRETARY**

Mr. Manish Kumar Dixit

### **AUDITORS**

M/s B.K.Kapur & Co.  
Chartered Accountants,  
Ghaziabad.

### **BANKERS**

Punjab National Bank

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### **SUBSIDIARY COMPANY**

<b>Rangar Breweries Ltd.</b>	<b>00</b>
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## NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of the Company will be held on Monday, 31st day of December 2012 at 11:00 AM, at the Registered Office of the Company at G.T. Road, Mukerian-144 211, Distt. Hoshiarpur (Punjab), to transact the following business:-

## ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 30th September, 2012 and the Profit & Loss Account for the year ended on that date along with the Report of the Board of Directors and Auditors' thereon.
2. To re-appoint a director in place of Sh. Jitender Singh, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

## SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modifications, if any, the following as an Ordinary Resolution:

"RESOLVED THAT Mr. Prakash Chandra Gupta who was appointed as an Additional Director to act in the capacity of Independent Director and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 (Act), be and is hereby appointed a Non

Executive Independent Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The relevant records of the company open for inspection by members as per provisions of the Company Law can be inspected at the Registered Office of the company on any working day between 10:00 a.m. to 12:00 p.m.
3. The members are requested to notify the change in their addresses, if any to the company immediately.
4. Members desiring any information on the Accounts are requested to write to the company at least 10 days prior to the date of this Meeting to enable the Management to keep the information ready at the time of meeting.

5. Members are requested to bring their copies of Annual Report at the Meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 26th December 2012 to Friday, 31st December 2012 (both days inclusive), for Annual Closing.
7. The members are requested to make their all correspondence with the Company at G.T. Road, Mukerian-144211, Distt. Hoshiarpur (Punjab).
8. Members are requested to furnish the Nomination Form in the prescribed Performa in case they wish to avail the Nomination facility given by the Companies Act, 1956.
9. Appointment/Re - appointment of Directors:

At the ensuing Annual General Meeting Sh. Jitender Singh retire by rotation and has expressed his desire to offer himself for re-appointment. Sh. Jitender Singh is an experienced businessman. He is serving on the Board of various companies.

By Order of the Board of Director  
For **Indian Sucrose Limited**

Sd/-

Place : Delhi  
Date : 09-12-2012

CS Manish Kumar Dixit  
(Company Secretary)

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

### Items no. 4

#### Appointment of Directors liable to retire by rotation

Mr. Prakash Chandra Gupta was appointed as Additional Directors to act in the capacity of Independent Director of the Company with effect from February 15, 2012.

As per the provisions of the Companies Act, 1956, the above Directors hold office only upto the date of the forthcoming Annual General Meeting of the Company. The Company has received Notices under Section 257 of the Act, proposing his appointment as a Director of the Company.

Mr. Prakash Chandra Gupta is a Law Graduate and is a Law Practitioner. He possesses varied experience in the field of Law. Keeping in view his experience, and expertise, his appointment as Directors of the Company is recommended by the Board.

No Director, except Mr. Prakash Chandra Gupta is concerned or interested in this resolution.

By Order of the Board of Director  
For **Indian Sucrose Limited**

Sd/-

Place : Delhi  
Date : 09-12-2012

CS Manish Kumar Dixit  
(Company Secretary)



## DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Twentieth Annual Report of your Company together with the audited Balance Sheet, Profit & Loss Account and the report on business and operation of the Company for the year ended September 30, 2012.

### Financial Performance

(₹ in Lacs)

Particulars	April 1, 2011 to September 30, 2012	April 1, 2010 to March 31, 2011
Turnover	13979.64	11411.89
Profit before Interest Depreciation & Tax (PBIT)	4122.83	2181.69
Interest & financial Expenses	3037.11	1614.81
Profit before Depreciation & Tax	3301.92	566.88
Depreciation	820.91	524.74
Profit before Tax (PBT)	264.81	41.93

### Performance Review

Your company maintains performance in the term of net profit in compare to last year. As compared to last year turnover of ₹ 11411.89 lacs your company achieved turnover of ₹ 13979.64 lacs during the current year. The net operating profit before tax (PBT) was ₹ 264.81 lacs during the year under review as compared to ₹ 41.93 lacs during last year.

During the year under review, your Company has crushed 5,980,704 QTLS of Sugarcane and produced 594,091 BAGS of Sugar in 126 crushing days, as compared to previous year crushing of 5117272 QTLS of sugarcane and production of 487572 BAGS of Sugar in 115 crushing days.

The capacity utilization of the plant during the year under review was 94.94% and the average recovery was 9.93 % as compared to capacity utilization of 79.50% and average recovery of 8.87% in the previous year.

### Directors

Sh. Dharpal Singh, Chairman, has been appointed as a whole time Director of the Company with effect from March 13, 2008.

Sh. Kunal Yadav is a young second generation entrepreneur, having wide experience of accounting, marketing and finance matters He has been appointed as a Managing Director of the Company with effect from June 16, 2010 for the period of five (5) years.

Mr. Prakash Chandra Gupta was appointed as additional Directors of the Company to act in the capacity of Independent Director. He holds office till the date of forthcoming Annual General Meeting. The Company has received a notice under Section 257 of the Act, in respect of the him, proposing his appointment as Directors of the Company. Accordingly, resolutions seeking the approval of the Members for the appointment of Mr. Prakash Chandra Gupta as Director of the Company has been incorporated in the Notice of the forthcoming Annual General Meeting.

Sh. Pawan Dewan, Sh. Prakash Chandra Gupta and Sh. Sheoraj Singh Ahlawat, Independent Directors are businessmen having wide experience of accounting and finance matters.

Sh. Jitendra Singh, Non-Executive Directors, shall retire at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

### Financial Year

Your Company has extended its financial year from 12 months to 18 months i.e. 30-09-2012 with approval from Registrar of Companies, Chandigarh.

### Corporate Governance

Your Company is committed to achieving the highest standards of Corporate Governance. Accordingly, your Board functions as trustees of the Shareholders and seek to ensure the long term economic value for its shareholders while balancing the interest of the stakeholders.

A separate section on Corporate Governances standards followed by your Company as stipulated under clause 49 of the listing Agreement with the stock Exchange is enclosed as an Annexure to this report.

### Auditors

M/s. B.K.Kapoor & Co., Chartered Accountants will retire at the forthcoming Annual General Meeting. They have been Statutory Auditors of the Company for the last for 5 years As recommended by Audit and Compliance Committee, the Board has proposed the appointment of M/s B.K.Kapur & Co., Chartered Accountants as Statutory Auditors for the Financial Year 2012-13. Member are requested to consider their appointment on a remuneration to be decided by the Board or Committee thereof for the ensuing Financial Year i.e. 2012-13.

### Cost Auditor

M/s. Ajay Kumar Singh & Associates, Cost Accountants, Delhi were re-appointed as the Cost Auditor for the Year 2012-13 and their report will be submitted to the Ministry of Corporate Affairs, Government of India, in accordance with the requirement of law.

### Statutory Disclosures

The Company has not paid remuneration to any employee of the Company beyond the prescribed limit under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (particulars of Employees) rules 1975, as amended to date. Hence no particulars are required to be given under this Section.

In term of Section 219(1) (iv) of the Companies Act, 1956 the same is open for inspection at the Registered Office of your Company. Copy of this statement may be obtained by the member by writing to the Company Secretary of your Company.

Information as per Section 217(1) (e) of the Companies Act, 1956 Read with the Companies (Disclosure of Particular in Report of Board of Directors), 1988 and forms part of this Report.

#### (A) CONSERVATION OF ENERGY

- The Company has installed most modern equipments in the plant and is able to save and minimize energy consumption.
- Total energy consumption and energy consumption per unit of production:

#### 1) POWER AND FUEL CONSUMPTION

	Current Year	Previous Year
1. ELECTRICITY		
a) Purchased		
Units	Nil	Nil
Amount (in Lacs)	Nil	Nil
Rate/Unit (in Lacs)	Nil	Nil



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	Current Year	Previous Year
b) Own Generation		
i) Through Diesel Generator		
Units	1323000	822548
Unit per Ltr. Of Diesel Oil	3.50	3.18
Rate/Unit (in ₹)	12.09	11.34
ii) Through Steam Turbine Generation		
Units	19283363	15775984
Units per Ton of Fuel	154.00	144.89
Rate/Unit (Being Generated out of steam required for process)	Nil	Nil
Bagasse		
Quantity M.T.	125231.20	108879.00
Total Cost (₹ In Lacs) (Estimated due to own generation)	1878.50	1905.38
Average Rate (in ₹)	1500	1750

## 2. CONSUMPTION UNIT OF PRODUCTION

	(IN M.T.) Standard	Actual Current Year	Actual Previous Year
Electricity (Units)	350	346.85	340.43
Bagasse (M.T.)	3.50	2.11	2.23

## (B) TECHNOLOGY ABSORPTION (R & D)

### Research & Development (R & D)

- The Company is regularly carrying on research and development for the development of Sugar Cane in the area.
- Agricultural implements, fertilizers, pesticides, and cane seeds are supplied to the cane growers on loan basis and at subsidized rates.
- Expenditure incurred on R & D.

(₹ in Lacs)

	Current Year	Previous Year
a) Capital	-	-
b) Recurring	46.54	10.70
c) Total	46.54	10.70
d) Total Expenditure as percentage of Turnover	0.17%	0.09%

- Technology absorption, adoption and innovation:
  - The Company has adopted latest technology in the plant to maximize production, better quality, and to minimize consumption of energy.
  - The Company has implemented its own Effluent Treatment Plant of latest technology.
  - Technology imported during the year - Nil

## (C) FOREIGN EXCHANGE EARNING & OUTGO

- Total Foreign Exchange earned ₹ nil (previous year ₹ Nil)
- Total Foreign Currency used- Nil

### Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies (Amendment) Act, 2000 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- in the preparation of the Annual Accounts, for the financial year ended September 30, 2012 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at September 30, 2012 and of the profit and loss of the Company for year under review;
- the director have taken 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; and the Annual Accounts have been prepared on a going concern basis.
- the Annual Accounts have been prepared on a going concern basis.

### LISTINGS

The shares of your company are currently listed with Bombay and Calcutta Stock Exchange. Application for delisting with Calcutta Stock Exchanges is still pending and expected to be approved very soon.

### FIXED DEPOSITS

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

### INDUSTRIAL RELATIONS & HUMAN RELATIONS DEVELOPMENT

Human resources are the most important resource and your directors believe in to give them their due weightage for their crucial role-playing in the overall progress of the organization. The relationship between the management and the staffs/ workers has been comfortable and cordial during the year.

### ACKNOWLEDGEMENT

Your Directors take this opportunity to express their deep and sincere gratitude to all officers/ staffs/ workers, as team members, for their dedicated and sincere efforts and also to Bankers, creditors, suppliers and all concerned for showing their continued faith and extending their full and wholehearted support to our organization.

Your Directors would also like to express their gratitude to members for their trust and support.

By Order of the Board of Director  
For **Indian Sucrose Limited**

Place: Delhi  
Date : 09-12-2012

Sd/-  
Sh. Dharam Pal Singh  
(Chairman)



## MANAGEMENT ANALYSIS AND PERCEPTION

### 1. Industry Structure & Development

India's sugar industry is the world's second-largest in the world; within the country, it is the second-largest agro based industry (after cotton). The industry plays a pivotal role in rural economic development, supporting over about 50 million sugarcane farmer, dependents and agricultural labourer. Some 671 sugar mills affect nearly 7.5% of India's rural population. The industry employs about 0.5 million skilled and semi-skilled workers. After two consecutive years of decline in sugar production (FY 2008-09 and FY 2009-10), production rebounded in FY 2010-11 and is likely to increase in 2011-12. Sugarcane production in India increased from 292.30 mn tones in 2009-10 to 342.38 million tones in 2010-11 and is expected to surge to 347.87 million tones in 2011-12. India's centrifugal sugar production increased from 18.91 million tones in FY 2009-10 to 24.39 million tones in FY 2010-11 and is expected to be 26.0 million tones in FY 2011-12.

India's centrifugal sugar production increased from 18.91 million tones in FY 2009-10 to 24.39 million tones in FY 2010-11 and is expected to be 26.0 million tones in FY 2011-12.

Higher cane prices resulted in higher cane acreage in the country which increased from 4.17 million hectares in FY 2009-10 to 4.94 million hectares in FY 2010-11 to 5.03 million hectares in FY 2011-12. India is the world's biggest sugar consumer, with a population of 1.2 bn consuming one-third more sugar than the EU combined and 60% more than China. Robust growth, followed by a surge in population growth is expected to

drive India's sugar consumption. Bulk consumers (soft drink manufacturer, bakeries, confectionary, hotel and restaurant consumer) account for 60 percent of India's mill sugar demand.

Credit rating agency, ICRA has estimated that the domestic sugar industry is likely to remain in surplus with the sugar output likely to outstrip domestic consumption for the second consecutive year. During FY 2011-12, sugar output is likely to be around 25.5-26 million MT (a 6-7% growth over the previous year) which is likely to outstrip domestic consumption (expected at around 23 million MT) by 3 million MT. However, the impact of this surplus is likely to be mitigated by exports. The Government of India has already permitted exports of 3.0 million MT and this volume of exports is feasible notwithstanding the softening international prices. Thus, sugar stocks are likely to remain stable at about 6 million MT or 3 months domestic consumption.

The domestic free sugar prices have remained subdued and range bound between ₹ 27,000-₹ 30,000/MT2 for the last 18 months mainly because of domestic sugar surpluses. Given the domestic surplus and falling international price trends which are likely to restrict export volumes (beyond the 2.5 mn MT as envisaged by ICRA), any significant change in the price trends is not expected that the domestic sugar industry has seen in the last 18 months at least for the next couple of quarters. In the medium-term, the sugar price trends will continue to be determined by the following three factors. Firstly, expectations on domestic sugar production for the coming season (FY 2012-13), which will start becoming clearer by end April 2012 by which time the cane acreage for the coming season will be known. Secondly, the international crude oil prices, which will determine the raw sugar: ethanol mix in Brazil, the world's largest producer; and finally, the

Government of India's policies regarding exports of sugar and import duties.

### 2. Outlook

According to data released by Indian Sugar Mills Association (ISMA) 259 lakh tons of sugar has been produced till 31st July 2012 in the current sugar season. With 23 sugar mills still crushing sugarcane, it is certain that by 30th September 2012, more than 260 lakh tons of sugar would get produced. ISMA had estimated over one year back that 260 lakh tons of sugar would be produced in 2011-12.

With Government releases of 210 lakh tons and exports of 35 lakh tons during the season, the closing balance for the year will be about 15 lakh tons more than the opening balance, which was around 55 lakh tons on 1st Oct. 2011.

The closing balance as on 30th September 2012, will be not only adequate to meet the sugar demands for the festival season in October and November 2012, but enough to meet the demands upto January, 2013.

As per the first advance estimates of Ministry of Agriculture, Government of India, the area under sugarcane for 2012-13 sugar season is 52.88 lakh hectares which is around 4% higher to the cane acreage of 50.96 lakh hectares during the current season.

Accordingly, considering the rainfall and the acreage under sugarcane in various States as of now, including the above 4 important sugar producing States, ISMA's estimates of sugar production for 2012-13 sugar season is 250 lakh tons.

There will certainly be surplus sugar production in the next season too. India will need to continue to be a net exporter of sugar in 2012-13 season to ensure that mills get reasonable return on their sugar sales and timely cash flows to pay adequate cane price to farmers on time.

There is no reason to be concerned about adequacy of sugar availability now or even during the next sugar season. There could be some who put their sugar production estimates at below 250 lakh tons, but the most conservative estimate also will confirm that the country will still have surplus production over the domestic requirement.

With satellite mapping results, carried out by ISMA and NFCSF, being available and after the monsoon season gets over in another month or so, the picture would be clearer and, if required, ISMA will then carry out a review of the sugarcane and sugar production estimates for next year. However, there does not seem to be any reason whatsoever to believe that next year will not be another surplus sugar production year. The only doubt which will remain, is whether the surplus will be 10 lakh tons or 30 lakh tons or anywhere in between.

### 3. Risks, Threats and Opportunities:

#### Threat:

- The government's policies regarding cane pricing, release mechanism and quota crippled industry growth
- Quality of soil deteriorates due to overuse of fertilizers and pesticides to increase sugarcane yield
- Unhealthy competition between members of the society
- Industry cyclicality



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## Challenges

- High production cost resulting in idle capacities and water availability for irrigation
- Most of the sugar factories are more than 30 year old and still use old technology.
- Low installed production capacity leads to a sub-optimal production and losses
- Growing sugarcane prices.

## Strengths

- India is the world's second-largest producer of sugar after Brazil
- The sugar industry paid well over `600 billion to sugarcane growers in the financial year 2011-12
- Annual tax contribution to the exchequer is around `2200 crore by way of excise duty
- Provides direct employment including ancillary activities to near by around 0.5 million worker
- It supports downstream industries by providing raw materials
- This sector has been the focal point of socio-economic development in rural India

## Opportunities:

- High value of by-products for downstream industries
- Huge potential to increase the productivity of cane and sugar recovery rate
- Technology upgradation, new advanced technology available for byproduct utilization
- Government effort to make ethanol blending mandatory

## 4. Segment wise Performance:

Your Company is having only one business segment i.e. manufacture white crystal sugar.

## 5. Internal Control Systems and their adequacy:

Your company maintains adequate Internal Control systems designed to provide reasonable assurance that assets are safeguarded, transaction are executed in accordance with management authorization and are properly recorded and accounting records are adequate for preparation of financial statements and information. A comprehensive system of Internal Controls employed by the company ensures optimal use of the resources available at its disposal. Internal Audit and checks are on going process within the Company. The Audit Committee of the Board, headed by an independent non- executive director, is in place to review the internal controls and other financial systems. The internal control system of the Company is monitored and evaluated by independent internal auditors and their reports are periodically reviewed by the Audit Committee. The observations and comments of the Audit Committee are appraised to the Board.

The internal auditors look into various areas of the company with following broad objectives:

- \* To ensure critical examination of reasons with a view to trouble shooting of the problems that may arise due to shortcomings in Systems and procedures.
- \* To review Systems and procedures in purchase, capital investments and routine operations.
- \* To identify shortcomings that may adversely affect the company's operations and profitability.
- \* To ensure the compliance of Company policies and procedures.
- \* To identify non-performing assets and suggest the procedure for its disposal.
- \* Any other assignment provided by the management.

## 6. Human Resources and No. of employees employed:

The Company believes that its experienced and skilled manpower is the biggest strength for meeting the challenges of changing business environment. Organizations differ in their ability to harness the full potential of their employees to the creative pursuit of attaining excellence. The attract, retain and motivate the best talent, the company believes in empowering its employees. The company continues to enjoy a cordial and harmonious relationship with its employees. We believe, it is our people along who provide us with the greatest sustainable and competitive advantage. The basic HR philosophy of the company revolves around commitment to create an organization that harnesses talents and enterprise of its people. Your Company's employees fully identify with your Company's vision and business goals. Training needs are identified in a systematic manner and regular training programmes are being organized to develop the knowledge and skill levels of the employees. Since the industry is of seasonal nature, hence during season time (from November to April) skilled contractual labour is also hired. Total number of employees (including contractual labour) as on 30th September 2012 was 309.

## 7. Industrial Relations:

The management and the workers in the Company maintain cordial and harmonious relations - unanimous in their belief that they have one common objective - sustainable success of the Company. All areas concerning employee's involvement safety, health and training development elicits their unqualified participation.

## 8. Cautionary Statement:

Statement in the Management Discussion and Analysis report disclosing the company's objectives, projections, estimates and expectations may be 'forward looking' statements within the meaning of applicable laws and regulations and futuristic in nature. However actual results might differ from those earlier expressed or implied. Such statements represent intentions of the management and the efforts put in to realise certain goals. The success in realising these depends on various factors both internal and external. Investors, therefore, are advised to make their own judgments before taking any investment decisions.





## REPORT ON CORPORATE GOVERNANCE

### REPORT & OVERVIEW

#### Company's philosophy on Code of Governance

Effective Corporate Governance is the manifestation of professional beliefs and values, which configures the organizational values, credo and action of its employees. Transparency and Accountability are the fundamental principle to sound Corporate Governance which ensures that the origination is managed and monitored in a responsible manner for 'creating and sharing value'.

Indian Sucrose Limited believes that there is a need to view corporate governance as more than just regulatory requirements as there exist a fundamental link with the organization of business, corporate responsibility and shareholder wealth maximization. Therefore, Your Company

#### Board of Directors

Your Company has a broad based Board of Directors, constituted in compliance with the Companies Act, Listing Agreement with the stock exchange(s) and in accordance with best practices in corporate Governance. The Board functions either as a full Board or through various Committees Constituted to oversee specific areas. Policy formulation, setting up of goal and evaluation of performance and control function vest with the Board.

Sh. Dharampal Singh is the Executive Chairman of the Board. The Committees have oversight of operational issues assigned to them by them by the Board.

Thirty Six Board meetings were held during the Financial Year ended September 30, 2012 on the following dates: April 2, 2011, May 15, 2011, May 17, 2011, May 30, 2011, June 15, 2011, July 8, 2011, August 14, 2011, August 29, 2011, August 31, 2011, September 2, 2011, October 7, 2011, October 10, 2011, October 25, 2011, November 14, 2011, January 18, 2012, February 14, 2012, March 2, 2012, March 15, 2012, April 17, 2012, May 7, 2012, May 11, 2012, May 15, 2012, May 18, 2012, May 29, 2012, May 30, 2012, May 31, 2012, June 5, 2012, June 13, 2012, June 14, 2012, June 22, 2012, July 25, 2012, August 4, 2012, August 14, 2012, September 15, 2012, September 19, 2012, September 24, 2012. The name of the members of the Board, their status, their attendance at the Board Meeting and the last Annual General Meeting (AGM), number of the other Directorship and Committee membership/Chairmanship of each Director are as under:

Name of Director	Board meeting attended during the year	Attendance at the Last AGM	Number of other Directorships		Number of committee memberships in other Companies
			Of Indian public limited Companies	Of other companies	
<b>Whole time Director</b>					
Sh. Dharampal Singh Managing Director	36	YES	4	5	-
Sh. Kunal Yadav <b>Independent Director</b>	36	YES	7	17	-
Sh. Pawan Dewan	14	YES	1	1	-
Sh. Sheoraj Singh Ahlawat	14	YES	1	-	-
Sh. Prakash Chandra Gupta <b>Non-Executive Director</b>	14	No	-	1	-
Sh. Jitender Singh	36	YES	3	3	-

#### Audit & Compliance Committee

##### Terms of Reference

The term of reference of the Audit & Compliance Committee include providing direction and oversight to the total audit function in the company, recommending appointment and removal of statutory/internal Auditors and fixing their remuneration, review of results/financial statement (quarterly, half yearly, annual) before submission to the Board, review of the adequacy of internal control system and the internal audit function, review of compliance, review of the finding of internal investigations, discussion on the scope of audit with external auditors and examination of reasons for substantial defaults.

articulating a multi-stakeholder model (including shareholder value) of accountability that will manage the symbolic relationship between the various stakeholders This approach will be central to the day-to-day functioning of your Bank and in implementation of its business strategy.

#### Code of Ethics

The Board of directors has approved and implemented a Code of Conduct and Ethics for the Board of Directors and Senior Management. The Confirmation from the Managing Director regarding compliance with the code by all the Directors and senior management.

#### Prevention of Insider Trading

The Company has instituted a comprehensive code of conduct for prevention of insider trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992.

#### Composition

The Audit & Compliance Committee comprises of three Directors, out of which two are Independent Directors. The Committee chaired by Sh. Pawan Dewan, Independent Director. Six meetings were held during the financial Year ended September 30, 2012. The Composition and attendance details are given below:

Name of the members	No. of meetings attended
Sh. Pawan Dewan	6
Sh. Sheoraj Singh Ahlawat	6
Sh. Prakash Chandra Gupta	6
Sh. Kunal Yadav	6





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## Board Remuneration Committee

### Terms of Reference

The term of reference of the Board Remuneration Committee includes reviewing the Company's overall compensation structure and related policies with a view to attract, motivate and retain employees and review compensation levels vis-à-vis other Companies and Industry in general, to determine the company's policies on remuneration packages payable to the directors including performance/achievement bonus, perquisites, retrials, sitting fee, etc., consider grant of Stock option to employees. The Committee also functions as the Compensation Committee as prescribed under the SEBI (Employee Stock Option Scheme and Employee stock purchase Scheme) guideline, 1999 and is authorized to allot shares pursuant to exercise of Stock options by employees.

### Composition

The Board Remuneration Committee comprises of three members. One meeting was held during the financial Year ended September 30, 2012. The composition of the remuneration committee is as follows:

Sh. Sheoraj Singh Ahlawat	Independent	Chairman
Sh. Prakash Chandra Gupta	Independent	Member
Sh. Pawan Dewan	Independent	Member

### Remuneration Policy

Your Company's Remuneration Policy is to Position its pay structure competitively in relation to the market to be able to attract and retain critical talent. The compensation strategy clearly endeavors to differentiate performance significantly and link the same with quality and quantum of rewards. Your Company would also strive to create long-term wealth creation opportunities through Stock Option Schemes.

### Remuneration of Directors

The Managing Director is paid remuneration as recommended by the Board Remuneration Committee and approved by the Board of Directors and shareholders.

The Executive Chairman is paid remuneration as recommended by the Board Remuneration Committee and approved by the Board of Directors and shareholders.

The Non-Executive Director is paid remuneration as recommended by the Managing Director, Board Remuneration Committee and approved by the Board of Directors and shareholders.

Independent Directors are paid sitting fees of ₹1520/- for attending each meeting of the Board of Directors and any committee of Directors. During the financial Year ended September 30, 2012 the company paid ₹63480/= to the Independent Directors.

### The Shareholders/Investors Grievance/Share transfer Committee

The composition of Share holders/investors Grievance/Share Transfer Committee is as follows:-

Sh. Sheoraj Singh Ahlawat,	Independent	Chairman
Sh. Pawan Dewan,	Independent	Member
Sh. Kunal Yadav	Managing Director	Member

The Company has its in House Share Transfer department, at Regd. Office of the company, G. T. Road, Mukerian. M/s MCS Ltd., New Delhi is acting as Registrar for Electronic connectivity with NSDL & CDSL for the dematerialization of its shares. The power to approve Share Transfer/ Share Transmission is given to the Committee, which meet at the end of every month. The powers to sign the share transfer duly registered, and to confirm the dematerialization requests, are given to the whole time

Directors/Company Secretary/officers of the company. During the year under review, all the complaints received have been redressed. There is no share transfer application pending for registration for more than 30 days, except those cases where notices were required to be sent to registered holders, due to their objection lodged with the Company and Bad deliveries as per SEBI Guidelines in this regard.

### General Body Meetings

Location and time of the previous Annual General Meeting(s)

Annual General Meetings (In last three years)	Date	Venue	Time	Special Resolution Passed
2009	Sept. 30, 2009	at G.T.Road, Mukerian	11.00 A.M	No
2010	Sept. 30, 2010	Distt. Hoshiarpur,	11.00 A.M	Yes
2011	Sept. 30, 2011	Punjab.	11.00 A.M	No

### Disclosures

During the Financial Year ended September 30, 2012:

There was no materially significant related party transactions with the Directors that have a potential conflict with the interests of the Company.

The related party transactions have been disclosed in the notes to accounts forming part of the annual financial statements.

There were no instances of non-compliance by Company, penalties, strictures imposed by Stock Exchange and SEBI on any matter related to capital markets, since the incorporation of the Company.

The company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed by the clause 49 of on the Listing Agreement to the extent applicable to the Company.

### Means of Communication

Quarterly Results are communicated through newspaper advertisement.

The results are generally published in the The Financial Express (English), Jansatta (Hindi)

### General Shareholders Information

Day, Date, Time and Venue of the Annual General Meeting	Monday, December 31, 2012, 11:00A.M., Regd.Off. & work at Mukerian
Financial Year	April 1,2011 to September 30, 2012
Date of Book Closure	Dec. 26, 2012 to Dec. 31, 2012 (Both days inclusive)
Dividend Payment Date	N.A.
Listing on Stock Exchanges	1. Bombay Stock Exchange Limited 2. Calcutta Stock Exchange Asso. Ltd*
Stock Code	* The Delisting Application made by the Company is pending with these Stock Exchanges. Listing fee to Mumbai have been paid till 31st March, 2012. BSE: 500319



Distribution of Shareholding as on September 30, 2012

## DISTRIBUTION SCHEDULE AS ON 30.09.2012

Equity Shares Nominal Value of Each Share/Unit ₹10/-

Numbers Of Share-Holders	% of Total	Share Holding of Nominal Value of ₹	No. of Shares	Amount in ₹	% to Total
19892	94.18	Up to 5000	3545693	35456930	22.93
735	3.48	5001 to 10000	587436	5874360	3.80
241	1.14	10001 to 20000	365240	3652400	2.36
93	0.44	20001 to 30000	233941	2339410	1.51
41	0.19	30001 to 40000	149070	1490700	0.96
33	0.16	40001 to 50000	155043	1550430	1.00
45	0.21	50001 to 100000	320013	3200130	2.07
41	0.19	100001 and above	10105371	101053710	65.36
21121	100.00	Total	15461807	154618070	100.00

## Shareholding Pattern as on September 30, 2012

Sl. No.	Shareholders	No. of Shares	% age
1.	Promoters & Associate Companies	9,107,493	58.90
2.	Financial Institutions	500	--
3.	Bodies Corporate other than as said above	771,396	4.99
4.	Mutual Funds	9,433	0.06
5.	Trust	1	---
6.	NRIs	767,727	4.97
7.	Individuals (Indian Public)	4,805,257	31.08
		1,54,61,807	100.00

## Dematerialization of Equity Shares and Liquidity

The Company shares are currently traded only in dematerialized forms. To facilitate trading in dematerialized form, there are two depositories i.e. NSDL & CDSL. The Company has entered into tripartite agreements with both these depositories. The shareholders can open account with any of Depository Participants registered with any of these depositories. None of the company's share is under lock in period for any purpose.

## Plant Location (Manufacturing Unit)

G.T. Road, Mukerian  
Distt. Hoshiarpur (Pb.)-144211

Item / Products White Crystal Sugar

By products Molasses and Bagasse

## \*Address for Correspondence:

For matters related to Shares/Queries/Demat/Transfer/Transmission request:

## Regd. Office & Works :

Indian Sucrose Limited,  
G.T. Road, Mukerian  
Distt. Hoshiarpur (Pb.) - 144211  
Ph. No. 01883-249002-5  
Fax.-244532  
Email: - islcare@yahoo.co.in

The above report has been placed before the Board in its meeting held on 30.11.2012 and the same was approved.

By Order of the Board of Director  
For **Indian Sucrose Limited**

Place : Delhi  
Date : 09-12-2012

(Sh. Dharampal Singh)  
Chairman



## AUDITORS' REPORT ON CORPORATE GOVERNANCE

To  
The Members,  
Indian Sucrose Limited,

We have read the Report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by Indian Sucrose Limited for the year ended 30th September, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination, conducted in the manner described in the 'Guidance Note on Certification of Corporate Governance' issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with the condition of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and on the basis of our examination above, the Company has complied with the condition of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

No Investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Company.

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

For B.K.KAPUR & COMPANY  
CHARTERED ACCOUNTANTS

Sd/-

Place: Mukerian  
Date : 30th November, 2012

(M.S.KAPUR)  
Partner

## AUDITORS' REPORT

### TO THE SHAREHOLDERS OF INDIAN SUCROSE LIMITED

1. We have audited the attached Balance Sheet of INDIAN SUCROSE LIMITED as at 30th September, 2012 the Profit & Loss statement and also the Cash Flow Statement for the period ended on that date annexed thereto. These 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 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 also 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ("The Order") 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 paragraphs 4 & 5 of the said Order.

4. Further to our comments in Annexure referred to 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 purpose of our audit.
- b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of such books;
- c) The Balance Sheet, Profit & Loss statement and Cash Flow Statement dealt with by this report are in agreement with books of account;
- d) In our opinion, Balance Sheet, Profit & Loss statement and Cash Flow Statement dealt with by this report comply with accounting standards referred to in Section 211(3C) of the Companies Act, 1956.
- e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 30th September, 2012 from being appointed as Directors in terms of clause (g) of Sub Section (1) of Section of 274 of the Companies Act, 1956.
- f) Non-provision of disputed Purchase Tax liability on purchase of Sugar Cane aggregating to ₹119.63 Lakhs for the financial year 1999-2000 to 2003-04 pending at appellate levels and ₹ 1167.13 Lakhs estimated for financial years from 2006-07 to 2011-12 as per Note No 35( iii).
- g) Non-provision of disputed liabilities created by the Sales Tax Department & State Electricity Board aggregating to ₹21.48 Lakhs as per Note No 35(i) & (ii)
- h) Subject to our comments in paragraph 4(f) & (g) which if had been considered, the loss for the year would have been ₹1312 Lakhs as against the reported profit of ₹ 3.82 Lakhs and the balance in Reserves & Surplus would have been ₹1290 Lakhs as against the reported figure of ₹ 2606 Lakhs similarly, the current liabilities would have been ₹10793 Lakhs as against the reported figure of ₹9476 Lakhs, and note no 47 regarding Micro, small, & Medium Enterprises, in our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and others notes thereon, and attached thereto, give the information 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 30th September 2012.
  - ii) in the case of Profit & Loss statement, of the Profit of the Company for the period ended on that date; and
  - iii) in the case of Cash Flow Statement, for the cash flows for the period ended on that date.

For B.K. Kapur & Co.  
Chartered Accountants,

Sd/-

(M.S. Kapur) F.C.A.  
Partner  
Membership No.74615

Place : Ghaziabad  
Dated : 30-11-2012



## Annexure to the Auditors' Report

1. (a) The company is generally maintaining records showing particulars including quantitative details and situation of its fixed assets, however, their final compilation is under process.
- (b) The fixed assets of the Company have been physically verified during the year by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
- (c) As per records and information and explanation given to us company has not disposed off during the period substantial part of its fixed assets.
2. (a) The physical verification of inventory has been conducted by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination, in our opinion, the Company has maintained proper records of inventory & discrepancies noticed on such physical verification on inventory as compared to the books records were not material.
3. (a) According to information made available to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act, accordingly clause 4(iii) (b) to (d) of the Order are not applicable to the company.
- (b) According to information made available to us, the company has taken interest free unsecured loans from the two parties being directors as covered in the register maintained under section 301 of the Act. Total outstanding for such loans at the year end was at the amount of ₹396 Lakhs and maximum outstanding during the year amounted to ₹ 396.00 Lakhs. Further, the company has not taken any secured loan from the aforesaid referred parties.
- (c) The other terms and conditions of the unsecured Loans taken by the company are prime facie not prejudicial to the interest of the company.
- (d) As informed to us, presently, there is no stipulation as regards to repayment of Principal amount. However, payment of interest is regular.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business, for purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanation given to us, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. (a) Based on our examination and according to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable

having regard to prevailing market price at the relevant time.

6. On the basis of information and explanations given to us, the company has not accepted any public deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions the Act, and rules framed thereunder.
7. The company has an internal audit system which needs to be more strengthened to make it commensurate with the size and nature of the Company's business.
8. We have broadly reviewed the books of account maintained by the company pursuant to the order made by the Central Government for the maintenance of the cost records under section 209(1) (d) of the Act and are of the opinion that, prima facie, the prescribed account and records have been maintained and are being made up. We however as not required have not made a detailed examination of such records with a view to determine whether these are accurate or complete.
9. (a) According to the information and explanations given to us the company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it. As explained to us, the provisions of Employees State Insurance are not applicable to the company, No amount was due to be deposited under investor Education and Protection Fund. Further, there was no arrears of undisputed statutory dues outstanding as at 31st September, 2012 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the disputed statutory dues of Sales Tax, & Purchase Tax aggregating to have not been deposited are given below:-

Name of Statute	Nature of Due	Financial year to which it pertains	Amount (₹ in Lakhs)	Forum where dispute is pending.
Sales Tax Laws	Sales tax	1997-98 & 2000-01	11.19	Deputy Excise & Taxation Commissioner (Appeal)
Sales Tax Laws	Purchase Tax	1999-2000	16.64	Sales Tax Tribunal.
		2000-01 & 2001-02	52.78	Punjab & Haryana High Court.
		002-03 & 2003-04	50.21	Deputy Excise Taxation Commissioner (Appeals)
		2004-05	41.48	EPF Appellate Tribunal
Provident Funds & Misc. Provisions Act, 1952 1952	Provident Fund	1997-98 to 2007-08	14.36	EPF Appellate Tribunal
Service Tax Act	Service Tax	2003-04	8.00	CESTAT
			w194.66	

Further, in respect of Income Tax, Custom Duty, Wealth Tax, Service Tax and Cess it has been informed that there are no dues, which have not been deposited on account of any dispute.



10. The company does not have accumulated losses. The company has not incurred any cash losses during the current financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us the company has defaulted in repayment of its dues to the bank. The Particulars of delays relates to the Interest/Installments during the period ended on 30th September,2012 are as follows:-

Particulars	Amount (including Interest) ₹ In lacs	Period of delay
Banks	940	1- to 30
	138	31- to 60
	1193	more than 60 days

There are no due of Debenture holders.

12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a Nidhi / mutual benefit fund / society, therefore provisions of clause 4(xiii) of the order are not applicable to the company.
14. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, provisions of clause 4(xiv) of the order are not applicable to the company.
15. According to the information and explanation given to us, the company has not given corporate guarantees for loans taken by others from Banks. The terms & conditions of these guarantees are not prejudicial to the interest of the company.

16. In our opinion and on the basis of information and explanation given to us, the term loans availed by the company has been on overall basis utilised for the purpose for which it were sanction.
17. On the basis of overall examination of the Balance sheet of the company in our opinion and according to the information and explanations given to us funds raised on short term basis to the extent of ₹3504 lakhs up to the date of Balance sheet , have been used for long term investments primarily in the nature of capital expenditures and repayment of loans.
18. The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The company has not issued any debenture, therefore, no comments is required under para 4(xix) of CARO, 2003.
20. The company has not raised any money through public issues during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For B.K. Kapur & Co.  
Chartered Accountants,  
Sd/-

(M.S. Kapur) F.C.A.  
Partner  
Membership No.74615

Place : Ghaziabad  
Dated : 30-11-2012



# INDIAN SUCROSE LIMITED

## BALANCE SHEET AS ON 30.9.2012

(₹)

Particulars	Note No.	As at 30.09.2012	As at 31.03.2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	224,183,320	224,183,320
Reserves and Surplus	3	260,636,505	260,254,407
		484,819,825	484,437,727
<b>Non Current Liabilities</b>			
Long Term Borrowings	4	340,075,213	501,292,383
Deferred Tax Liability (Net)	5	82,102,572	86,602,006
Long Term Provisions	6	17,116,768	16,628,341
		439,294,553	604,522,730
<b>Current Liabilities</b>			
Short Term Borrowings	7	748,515,074	914,293,782
Trade Payables	8	3,242,364	20,609,733
Other Current Liabilities	9	975,648,788	650,272,743
Short Term Provisions	10	32,860,384	45,515,675
		1,760,266,609	1,630,691,933
<b>TOTAL</b>		<b>2,684,380,987</b>	<b>2,719,652,390</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets	11		
Tangible Assets		674,447,331	729,059,584
Intangible Assets		8,527	17,100
Capital Working-In-Progress		143,799,162	137,395,940
		818,255,020	866,472,624
Non-Current Investments	12	18,972,532	74,222,532
Long Term Loans and Advances	13	43,338,111	84,487,806
		880,565,663	1,025,182,962
<b>Current Assets</b>			
Current Investments	14	270,000,000	-
Inventories	15	418,405,672	1,080,717,018
Trade Receivables	16	239,761,498	97,647,718
Cash and Cash Equivalents	17	342,746,207	20,516,350
Short Term Loans and Advances	18	532,901,948	495,588,342
		1,803,815,325	1,694,469,428
<b>TOTAL</b>		<b>2,684,380,987</b>	<b>2,719,652,390</b>

Notes forming part of Accounts

(1 to 49)

AS PER OUR REPORT OF EVEN DATE  
Firm Registration No.000852C  
For **B.K.Kapur & Co.**  
**Chartered Accountants**

**Kunal Yadav**  
(Managing Director)

**Dharampal Singh**  
(Chairman)

**(M.S KAPUR) FCA**  
**PARTNER**  
**M.NO. 74615**

**CS Manish Kumar Dixit**  
(Company Secretary)

**Gaurav Agarwal**  
(Chief Manager Accounts)

Place : Ghaziabad  
Dated : 30-11-2012





## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD 30.9.2012

(₹)

Particulars	Note No.	Year ended 30.09.2012	Year ended 31.03.2011
Revenue from Operations	19	2,692,157,173	1,089,554,202
Other Income	20	38,717,122	97,659,941
<b>Total Revenue</b>		<b>2,730,874,295</b>	<b>1,187,214,143</b>
<b>Expenses</b>			
Cost of Material Consumed	21	1,372,202,726	1,156,498,925
Purchases of other goods		3,692,500	36,763,179
Changes in Inventories of Finished Goods, Work-In-Progress	22	647,308,739	(413,443,316)
Employee Benefits Expenses	23	84,337,948	50,711,116
Finance Costs	24	303,710,996	161,480,871
Depreciation and Amortisation Expenses	25	82,091,107	52,474,425
Other Expenses	26	210,923,641	138,515,145
<b>Total Expenses</b>		<b>2,704,267,658</b>	<b>1,183,000,345</b>
Prior Period Items		125,410	20,000
Profit before Tax		26,481,228	4,193,798
<b>Tax Expense :</b>			
Current Tax		30,612,584	6,440,000
Earlier Year Tax		(14,020)	(2,302,409)
Deferred Tax Charge/(Credit)		(4,499,434)	(6,223,148)
Profit for the period		382,098	6,279,355
Earning per Share (Note No. 49)			
Nominal Value ₹ 10/-			
Basic		0.02	0.41
Diluted		0.02	0.41

Notes forming part of Accounts

(1 to 49)

AS PER OUR REPORT OF EVEN DATE  
Firm Registration No.000852C  
For **B.K.Kapur & Co.**  
**Chartered Accountants**

**Kunal Yadav**  
(Managing Director)

**Dharampal Singh**  
(Chairman)

**(M.S KAPUR) FCA**  
**PARTNER**  
**M.NO. 74615**

**CS Manish Kumar Dixit**  
(Company Secretary)

**Gaurav Agarwal**  
(Chief Manager Accounts)

Place : Ghaziabad  
Dated : 30-11-2012



## NOTE: 1 SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS ENDING 30TH SEPTEMBER, 2012

### Significant Accounting Policies :

#### i) Basis of Accounting

The Company follows the Mercantile system of Accounting and recognises Income and Expenditure on Accrual Basis. The accounts are prepared on Historical Cost Basis, as going concern, and consistent with generally accepted accounting principles.

#### ii) Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated Depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes and incidental expenses.

Depreciation on all fixed assets put to use has been charged on Straight line Method at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Items costing up to ₹ 5000/- each are fully depreciated in the year of purchase. Depreciation is charged on pro-rata basis in respect of assets acquired / sold during the year.

Post Impairment, depreciation is provided on the revised carrying value of the assets.

#### iii) Inventories

Raw Material, Stores and spares are valued at cost on the basis of FIFO method.

Finished Goods (other than By- Products) are valued at Lower of cost or estimated realizable value

Cost of Finished Goods is determined at the close of the year at weighted average method other than previous year at raw material cost plus conversion cost with excise duty.

By Product and residuals are valued at net realizable value.

#### iv) Investment

Long term Investment is valued at cost, where applicable, provision is made for permanent diminution in value.

#### v) Foreign Exchange Transactions

Transaction in foreign currency is accounted for at the exchange rate prevailing at the time of transactions. Monetary items denominated in foreign currencies at the year end translated at the year end rates which is likely to be realized from, or required to disburse at the balance Sheet date. Exchange difference arising on settlement of monetary items at rates different from those at which they arise, except Exchange difference on liabilities incurred for acquisition of

fixed assets from outside India which are capitalized /recapitalized.

#### vi) Impairment of Assets

An asset is treated as Impaired when carrying cost of the asset exceed the recoverable value and impairment loss is charged to profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in previous year is reversed if there has been a change in the estimate of recoverable amount.

#### vii) Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such assets. A qualifying assets is one that necessarily take substantial period of time to get ready to use .All other borrowing cost have being charge to revenue.

#### viii) Sales

Sales include Excise duty but exclude Sales/Trade Tax.

#### ix) Contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes to the Accounts. Contingent Assets are neither recognized nor disclosed in the Financial Statement.

#### X) Retirement Benefits

Contribution is made under relevant rules/statutes to the Provident Fund and which are charged to Profit and Loss Account for the year on accrual basis. Liability for gratuity and Leave encashment as on 30TH SEPTEMBER, 2012 has been determined on the basis of actuarial valuation and provided for in the accounts

#### XI) Taxes on Income

Current Tax is determined on the amount of tax payable on the taxable Income for the year in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax Assets / Liabilities is recognized on Significant timing differences, arising from the different treatments in accounting and taxation of relevant items. Deferred tax Assets / Liabilities shall be reviewed as at balance sheet date, based on development during the year, to reassess realization/ liabilities

Deferred Tax in respect of carry forward of losses and unabsorbed Depreciation are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such loss.



## SCHEDULES FORMING PART OF BALANCE SHEET

Particulars	(₹)	
	As at 30.09.2012	As at 31.03.2011
<b>NOTE - 2 : SHARE CAPITAL</b>		
<b>Authorised:</b>		
<b>Equity Share Capital</b>		
18000000 Equity Shares of ₹10/- each (Previous Period 18000000 Equity Shares of ₹10/- each)	<b>180,000,000</b>	180,000,000
<b>Redeemable Preference Share Capital</b>		
7000000 Preference Shares of ₹100/- each	<b>700,000,000</b>	700,000,000
<b>Issued, Subscribed &amp; Paid-up Capital</b>		
<b>Equity Share Capital</b>		
15461807 Equity Shares of ₹10/- each fully paid up (Previous Period 15461807 Equity Shares of ₹10/- each fully paid up)	<b>154,183,320</b>	154,183,320
<b>Preference Share Capital</b>		
700000 Preference Shares of ₹100/- each (see note below)	<b>70,000,000</b>	70,000,000
<b>TOTAL</b>	<b>224,183,320</b>	224,183,320

### Terms & Conditions of Equity Shares

The Company has one class of Equity Shares having a par value of ₹10/- each.

Each Shareholder is eligible for one vote per shares held.

The Dividend, if any, proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholding.

### Terms of Preference Share

Rate of Dividend on these Preference Shares is 6% p.a.

The Preference Shares are Cumulative with reference to the dividend.

The Preference Shares will be convertible into equity shares of ₹10/- each at a premium of ₹4/- at any time after the expiry of 12 Months but not later than 60 Months from the date of issue, subject to approval of shareholder meeting of the company

The Preference Shareholders will have no voting rights except as provided in the Companies Act, 1956.

There are Nil number of shares (Previous Year Nil in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiary or associates of the holding company or the ultimate holding company in aggregate.

Shares in the company held by each shareholders holding more than 5% shares

	As At 30.9.2012		As At 30.9.2011	
	No. of Shares held	Percentage(%)	No. of Shares held	Percentage(%)
<b>Name of Equity Shareholders</b>				
Yadu Sugar Ltd- Associate	6,022,607	38.95%	6,022,607	38.95%
Mrs. Umlsh Yadav	1,649,886	10.67%	1,649,886	10.67%
<b>Name of Preference Shareholders</b>				
Mrs. Umlsh Yadav	225,000	32%	225,000	32%
Sh. Kunal Singh	100,000	14%	100,000	14%
M/S Scorpion Media (P) Ltd.	175,000	25%	175,000	25%
M/s Top-Image Estate (P) Ltd.	100,000	14%	100,000	14%
M/s Noble Buildcon (P) Ltd.	100,000	14%	100,000	14%

There are Nil number of shares (Previous Year Nil) reserved for issue under option and contracts/commitment for the sale of shares/disinvestment including the terms and amounts.

For the period of five years immediately preceding the date at which the balance sheet is prepared

Name of Equity Shareholders	No. of Shares
Aggregate number and class of shares allotted as fully paid up pursuant to Contract(s) without payment being received in cash	NIL
Aggregate number and class of shares allotted as fully paid up by way of bonus shares	NIL
Aggregate number and class of shares bought back	NIL



# INDIAN SUCROSE LIMITED

Particulars	As at 30.09.2012	As at 31.03.2011
<b>NOTE - 3 : RESERVES AND SURPLUS</b>		
Capital Reserve	1,500,000	1,500,000
<b>Securities Premium Reserve</b>		
As per Last Balance Sheet	66,436,000	66,436,000
Add: Additions during the year	-	-
	66,436,000	66,436,000
Less: Deduction During the Year	-	-
	66,436,000	66,436,000
<b>Surplus</b>		
<b>Profit &amp; Loss Statement</b>		
As per Last Balance Sheet	192,318,407	186,039,054
Add: Additions/(deletions)during the year	382,098	6,279,353
	192,700,505	192,318,407
	192,700,505	192,318,407
<b>TOTAL</b>	<b>260,636,505</b>	<b>260,254,407</b>

There is no reserve specifically represented by earmarked investments which can be termed as fund.

Particulars	As at 30.09.2012	As at 31.03.2011
<b>NOTE - 4 : LONG TERM BORROWINGS</b>		
<b>Term Loans - Secured</b>		
- From Banks	230,181,311	376,320,406
- From Govt. of India, Sugar Development Fund (SDF)	9,000,000	23,000,000
	239,181,311	399,320,406
Vehicle Loans - Secured		
-From Banks	14,019,892	1,862,769
	14,019,892	1,862,769
	253,201,203	401,183,175
Unsecured Loan		
From Related Party	39,600,000	43,500,000
From Other	47,274,010	56,609,208
	86,874,010	100,109,208
<b>TOTAL</b>	<b>340,075,213</b>	<b>501,292,383</b>

#### Security Clauses:

- 1) Term loans from Punjab National bank are secured against hypothecation of all the plant and machineries of the company.
- 2) Term loan taken from Punjab National Bank are further secured by way of first charge on company's immovable properties situated at Mukerian, Distt Hoshiarpur, Punjab.
- 3) Term Loans are also secured by way of personal guarantees of three directors of the company
- 4) The Vehicles loan from banks are secured against vehicles financed by them.
- 5) Term loan from Govt. of India, Sugar development fund are secured by way of Bank guarantee given by the company.

#### Rate of Interest

From Bank (T/L)	14%
From SDF	4%
From Bank ( Veh. Loan)	12%

Maturity Profile	Oct to March 2012-13	April to March 2013-14	April to March 2014-15	April to March 2015-16
<b>Term Loan</b>				
T/L 61239	95.34	166.68	166.68	-
T/L IC-17	444.00	888.00	888.00	444
	539.34	1,054.68	1,054.68	444.00
SDF	40.00	90.00	50.00	
Vehicle loan	2012-13	2013-14	2014-15	2015-16
	14.24	31.16	35.11	37.71
	2016-17	2017-18	2018-19	
	29.94	17.76	3.63	-

#### Unsecured Loan Terms & Conditions

1. There is no stipulation regarding repayment of term loan
2. Rate of Interest
 

on 22000000/-	8%
on 64874010/-	0%



(₹)

Particulars	As at 01.04.2011	During the Period	As at 30.09.2012
<b>NOTE - 5 : DEFERRED TAX LIABILITY (NET)</b>			
<b>DEFERRED TAX LIABILITY</b>			
Difference between Book & Tax Depreciation	86,602,006	<b>2,384,604</b>	88,986,610
	86,602,006	<b>2,384,604</b>	88,986,610
<b>DEFERRED TAX ASSETS</b>			
Expenses Allowed U/s 43-B on paid basis		<b>6,884,038</b>	6,884,038
Unabsorbed Business Losses		-	-
	-	<b>6,884,038</b>	6,884,038
<b>NET DEFERRED TAX LIABILITY</b>	86,602,006	<b>(4,499,434)</b>	82,102,572

Particulars	As at 30.09.2012	As at 31.03.2011
<b>NOTE - 6 : LONG TERM PROVISIONS</b>		
<b>Provision for Employees Benefits</b>	<b>17,116,768</b>	16,628,341
	<b>17,116,768</b>	16,628,341

<b>NOTE - 7 : SHORT TERM BORROWINGS</b>		
<b>Loan Repayable on Demand</b>		
Cash Credit from Banks -Secured	<b>748,515,074</b>	914,293,782
	<b>748,515,074</b>	914,293,782

#### Terms & Condition of Cash Credit Loan

##### Security Clause

- 1) Cash credit limit is secured by way of pledge of sugar stocks and hypothecation of stocks of stores, Packing material and of Molasses.
- 2) cash credit limits taken from Punjab National Bank are further secured by way of first charge on company's immovable properties situated at Mukerian, Distt Hoshiarpur, Punjab.
- 3) cash credit limit are also secured by way of personal guarantees of three directors of the company

##### Rate Of Interest

<b>NOTE - 8 : TRADE PAYABLES</b>		
<b>Micro, Small and Medium Enterprises</b>	-	-
Others	<b>3,242,364</b>	20,609,733
	<b>3,242,364</b>	20,609,733

<b>NOTE - 9 : OTHER CURRENT LIABILITIES</b>		
<b>Current Maturities of Long Term Debt</b>		
<b>Term Loans - Secured</b>		
- From Banks	<b>79,101,000</b>	203,718,000
- From Govt. of India, Sugar Development Fund (SDF)	<b>9,000,000</b>	9,000,000
<b>Vehicle Loans</b>		
-From Banks	<b>2,935,336</b>	843,507
	<b>91,036,336</b>	213,561,507
Interest Accrued But Not due on Borrowings	<b>292,624</b>	695,890
Interest Accrued and due on Borrowings	<b>4,522,064</b>	6,254,907
Security Deposits	<b>458,690</b>	708,690
Due to Directors	<b>1,383,660</b>	915,660
<b>Other Payables</b>		
Statutory Liabilities	<b>3,824,212</b>	2,095,038
Other Liabilities	<b>874,131,202</b>	426,041,051
	<b>975,648,788</b>	650,272,743

<b>NOTE - 10 : SHORT TERM PROVISIONS</b>		
Provisions for Employee Benefits	<b>6,025,372</b>	5,584,005
Provision for Taxation	<b>13,736,881</b>	190,000
Provision of Excise on Stock	<b>13,098,131</b>	39,741,670
	<b>32,860,384</b>	45,515,675



# INDIAN SUCROSE LIMITED

## NOTE -- 10 : FIXED ASSETS

(₹)

Nature of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2011	Additions during the Year	Sold/Adj during the Year	As on 30.09.2012	Upto 31.03.2011	For the Year	On Sale/ Adjustment	UP TO 30.09.2012	As on 09.09.2012	As on 31.03.2011
<b>Tangible</b>										
Freehold Land	228,660,421	-	-	228,660,421	-	-	-	-	228,660,421	228,660,421
Building										
Factory	136,927,977	302,042	-	137,230,019	35,402,047	4,575,161	-	39,977,208	97,252,811	101,525,930
Non Factory										
Plant and Machinery	848,545,147	880,162	-	849,425,309	476,128,998	66,997,277	-	543,126,275	306,299,034	372,416,149
DG Set	-	-	-	-	-	-	-	-	-	-
Lab Equipment	-	-	-	-	-	-	-	-	-	-
Weighbridge	-	-	-	-	-	-	-	-	-	-
Furniture and Fixtures	3,905,579	116,954	-	4,022,533	3,518,546	350,726	-	3,869,272	153,261	387,033
Office Equipments	15,339,829	692,928	-	16,032,757	9,331,406	3,090,846	-	12,422,252	3,610,505	6,008,423
Computers	-	-	-	-	-	-	-	-	-	-
Tractory & Trolley	-	-	-	-	-	-	-	-	-	-
Vehicles	33,661,444	25,478,197	-	59,139,641	13,599,818	7,068,524	-	20,668,342	38,471,299	20,061,626
<b>Tangible Total</b>	<b>1,267,040,397</b>	<b>27,470,283</b>	<b>-</b>	<b>1,294,510,680</b>	<b>537,980,815</b>	<b>82,082,534</b>	<b>-</b>	<b>616,292,839</b>	<b>674,447,331</b>	<b>729,059,582</b>
<b>Intangible</b>										
Trade Mark	28,500	-	-	28,500	11,400	8,573	-	19,973	8,527	17,100
	28,500	-	-	28,500	11,400	8,573	-	19,973	8,527	17,100
<b>Capital Work-in-Progress:</b>										
Building,	-	-	-	-	-	-	-	-	-	-
Plant and Machinery	137,395,940	6403222	-	143,799,162	-	-	-	-	143,799,162	137,395,940
<b>Total (Rupees)</b>									<b>818,255,020</b>	<b>866,472,622</b>
<b>Previous Year (Rupees)</b>									<b>866,472,622</b>	

(₹)

Particulars	As at 30.09.2012	As at 31.03.2011
<b>NOTE - 12 : NON CURRENT INVESTMENT</b>		
<b>Investment - related party ( unquoted)</b>		
Rangar Breweries Ltd. 3084266 Equity shares of ₹ 10/ each	6,168,532	6,168,532
Yadu resorts Pvt Ltd 322160 Equity shares of ₹ 10/ each	8,054,000	8,054,000
Yadu Sugar Ltd 600000 Equity shares of ₹ 10/ each	-	60,000,000
Dharamputra Builders Pvt Ltd. 14500 Equity shares of ₹ 10/ each	1,450,000	-
Versatile Events Private Limited 33000 Equity shares of ₹ 10/ each	3,300,000	-
	<b>18,972,532</b>	<b>74,222,532</b>
<b>NOTE - 13 : LONG TERM LOANS AND ADVANCES (Unsecured - Considered good)</b>		
<b>Capital Advances</b>		
- Other	17,216,485	64,850,000
Security Deposits (incl. Interest Accrued thereon)	2,854,233	2,854,233
Loans & Advances to Related Parties	2,629,667	-
to Other	10,039,418	678,158
Balance with Sale Tax Department (under protest)	1,782,429	1,515,151
Advance Income Tax	2,548,559	6,953,960
MAT Credit Entitlements	6,267,320	7,636,304
	<b>43,338,111</b>	<b>84,487,806</b>





Particulars	As at 30.09.2012	As at 31.03.2011
<b>NOTE - 14 : CURRENT INVESTMENT</b>		
<b>Investment - related party ( unquoted)</b>		
Yadu Sugar Ltd 2700000 Pref. shares of ₹ 100/ each	270,000,000	-
	270,000,000	-
<b>NOTE - 15 : INVENTORIES</b>		
(As taken, valued and certified by the Management)		
Raw Material	-	
Work-in-Progress	2,882,683	2,818,178
Finished Goods	329,586,527	971,302,903
By-Products	34,990,281	67,290,377
Stores, Spare Parts and Packing Materials	50,946,181	39,305,560
	418,405,672	1,080,717,018
<b>Mode of Valuation of Inventories:</b>		
Inventories of Raw Material, Work-in-Progress, Finished Goods, Stock-in-Trade, Stores, Spares Parts and Packing Materials are valued at lower of Cost or Net Realisable Value. By-Products and residuals are valued at Net Realisable Value.		
Cost of Inventories is determined on weighted average. Cost of Finished Goods and Work - in - Progress has been worked out on absorption cost basis.		
<b>NOTE - 16 : TRADE RECEIVABLES</b>		
<b>(Unsecured - Considered good)</b>		
Trade Receivables outstanding for a period exceeding six months	155,750,735	-
Others	84,010,763	97,647,718
	239,761,498	97,647,718
<b>NOTE - 17 : CASH AND BANK BALANCE</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
Cash on Hand	5,223,033	2,936,700
Cheque in hand	28,000,000	-
Balance with Banks		
In Current Accounts	302,115,498	10,511,712
OTHER BANK BALANCE		
In Fixed Deposit Account (Margin Money and interest accrued thereon)	7,407,676	7,067,938
	342,746,207	20,516,350
<b>NOTE - 18 : SHORT TERM LOANS AND ADVANCES</b>		
<b>(Unsecured - Considered good)</b>		
Loans and Advances		
- Related Party	223,960,000	177,561,138
- Other	301,264,262	300,600,000
Due from Employees	410,167	897,299
Balance with Excise /sale tax Department	4,337,205	1,128,072
Cenvat Receivable	-	4,125,121
Other Amount Recoverable	1,805,590	10,129,152
Prepaid Expenses	1,124,724	1,147,560
	532,901,948	495,588,342
<b>NOTE - 19 : REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>	2,721,255,428	1,090,248,032
Other Operating Revenues	74,672,084	50,941,286
Less: Excise Duty	103,770,339	51,635,116
<b>Net Sales</b>	2,692,157,173	1,089,554,202
<b>Particulars of Sale of Products</b>		
Sugar	2,554,413,190	955,418,134
Molasses	166,842,238	134,829,898
	2,721,255,428	1,090,248,032



# INDIAN SUCROSE LIMITED

(₹)

Particulars	As at 30.09.2012	As at 31.03.2011
<b>NOTE - 20 : OTHER NON OPERATING INCOME</b>		
Interest Income	25,929,289	11,338,116
Miscellaneous Income	12,787,833	86,321,825
	38,717,122	97,659,941
<b>NOTE - 21 : COST OF RAW MATERIAL CONSUMED (Indigenous)</b>		
Opening Stocks	-	-
Purchases	1,372,202,726	1,156,498,925
	1,372,202,726	1,156,498,925
Less : Closing Stocks	-	-
	1,372,202,726	1,156,498,925
<b>NOTE - 22 : CHANGES IN INVENTORIES OF FINISHED GOODS &amp; WORK-IN-PROGRESS &amp; STOCK-IN-TRADE</b>		
<b>Opening Stocks</b>		
Finished Goods	971,302,903	535,445,416
Work-in-Progress	2,818,178	4,719,379
By-products	67,290,377	74,146,155
<b>Closing Stocks</b>		
Finished Goods	329,586,527	971,302,903
Work-in-Progress	2,882,683	2,818,178
By-products	34,990,281	67,290,377
	367,459,492	1,041,411,458
(Increase)/Decrease in stock	673,951,967	(427,100,508)
Excise & Other Duties on (Decrease)/Increase of Stocks	26,643,228	(13,657,192)
<b>(Decrease)/Increase in Stocks</b>	<b>647,308,739</b>	<b>(413,443,316)</b>
<b>NOTE - 23 : EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	78,859,545	45,426,480
Contribution to Provident and other funds	4,659,619	3,219,386
Staff Welfare	818,784	2,065,250
	84,337,948	50,711,116
<b>NOTE - 24 : FINANCE COSTS</b>		
Interest Expenses	297,539,975	62,836,791
Other Borrowing Costs	6,171,021	98,644,080
	303,710,996	161,480,871
<b>NOTE 25 : DEPRECIATION &amp; AMORTISATION EXPENSES</b>		
Depreciation	82,082,534	52,468,725
Amortisation	8,573	5,700
	82,091,107	52,474,425

(₹)

Particulars	As at 30.09.2012	As at 31.03.2011
<b>NOTE - 26 : OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Packing Materials Consumed	39,960,175	32,537,385
Consumption of Stores, Spares	40,295,181	30,034,362
Power and Fuel	16,967,769	13,081,451
Other Manufacturing Expenses	198,053	-
Repairs to:		
Plant and Machinery	74,430,559	43,302,126
Buildings	339,030	1,721,329
Others	-	329,070
	74,769,589	329,070
	172,190,767	121,005,723



Particulars	(₹)	
	As at 30.09.2012	As at 31.03.2011
<b>Administrative and Other Expenses</b>		
Rent	1,650,714	929,166
Rates and Taxes	1,365,497	1,052,251
Printing and Stationery	779,226	403,231
Postage, Courier and Telephones	1,109,217	618,848
Travelling and Conveyance	3,658,229	2,740,304
Fees and Subscription	2,352,305	60,700
Legal and Professional Charges	2,298,795	336,500
Auditors' Remuneration	249,634	187,276
Vehicle Running and Maintenance	5,186,281	3,570,544
Insurance	1,427,511	429,292
Cane Development Expenses	4,653,610	1,070,440
Wealth Tax	160,000	-
Miscellaneous Expenditure	398,551	12,700
Office & Other Administration Expenses	3,201,004	503,384
	<b>28,490,574</b>	<b>11,914,636</b>
<b>Selling &amp; Distribution Expenses</b>		
Advertisement	297,805	62,666
Divisional Office Expenses	115,392	103,364
Guest House Expenses	444,584	396,502
Sugar Handling Expenses	5,685,244	3,667,259
Commission on Sales	3,699,275	1,364,995
	<b>10,242,300</b>	<b>5,594,786</b>
	<b>210,923,641</b>	<b>138,515,145</b>

27. The figures have been rounded off to the nearest rupee.

28. The previous year's figures have been regrouped and re-classified, where ever Necessary, Since the current period consist of 18 months therefore, the figures of previous year being 12 months are not comparable.

29. All the current assets, loans and advances in the opinion of the Board, have a value on realization, which in the ordinary course of business shall at least be equal to the amount at which it is stated in the Balance Sheet.

30. Balances of certain sundry debtors, creditors and advances are subject to Confirmation /reconciliation. The management does not expect any material discrepancy affecting the current year financial results.

31. During the year the company has extended the period of Balancesheet to se

### 32. Auditors' Remuneration

S. No	Particulars	(₹ in '000)	
		As at 30.09.2012	As at 31.03.2011
i)	As Statutory Auditor	180	140
ii)	As Tax Auditors	30	30
iii)	Reimbursement of Expenses	-	17
	<b>Total</b>	<b>249</b>	<b>187</b>

33. Other income includes NIL (Previous year ₹59.20 Lakhs) as income against Levy sugar rate difference and ₹ 1 Crore has been considered as income on account of penalty charged against cancellation of agreement. and ₹ 24.20 Lakhs has also been shown as income on account of commission.

34. Part of Land & Building appearing under fixed assets schedule, registration if applicable is pending.

### 35. Contingent Liability in respect of:

- i) The Punjab State electricity board has created various demands in financial years ended on 31.03.1998 & 31.3.1999 aggregating to ₹18.29 Lakhs ( previous year ₹18.29 Lakhs) against which company has paid ₹8.09 Lakhs under protest in earlier year, this amount of ₹8.09 Lakhs has already been written off in the earlier year and balance amount ₹10.20 Lakhs, in the opinion of the company is not payable.
- ii) Sales tax demand of ₹11.19 lakhs (previous year ₹12.12 lakhs) no provision is made against such liability as management has been advised that full relief may be given at the appellate level.
- iii) A liability of ₹119.63 lakhs was raised by the Sales Tax Department towards purchase tax for the years 1999-2000 to 2003-2004. Similarly on the same basis, there may arise purchase tax liability of ₹41.48 Lakhs for the years 2004-2005. As regards the financial year 2005-06 for which vat liabilities to the extent of ₹179.19 Lakhs since been waived by the Sales Tax Authority. From F/y 2006-07 onwards with the introduction of VAT and favourable decisions in like cases by the Hon'ble courts, company do not foresee any such liability. However, if such liability still arises it will be to the tune of ₹ 1167.13 Lakhs for the financial year 2006-07 to 2011-12.
- iv) Bank guarantee against principal amount of Sugarcane Development Fund 360.00 Lakhs (Previous year 200.00 Lakhs)
- v) The company has deposited ₹ 8.00 Lakhs under protest under the order of H'ble High Court Chandigarh towards Service Tax, at present the appeal is pending with the Chief Commissioner Excise, Chandigarh.
- vi) Provident fund dues of ₹ 14.36 Lakhs, pending at appellate level.
- vii) Preference Dividend payable on cumulative Redeemable



# INDIAN SUCROSE LIMITED

Preference Shares of ₹ 75,25,000/- (previous year 12,25,000/-)

Encashment are based on Actuarial Valuation as on 30th September 2012. The details are given below :

36. Loans and Advances include ₹28.54 Lakhs as security deposit with Punjab State Electricity Board for which in the opinion the company is refundable but the same is still pending.
37. The Company has distributed Agro inputs valuing ₹309.46 Lakhs (previous year ₹381.48 Lakhs) for the development of sugarcane's cultivation in its reserved zone at subsidized price of ₹265.62 Lakhs (Previous year ₹370.77 Lakhs ) The net difference of ₹43.84 Lakhs (Previous year ₹10.71 Lakhs) has been included under the Cane development expenses and accordingly charged to Profit & Loss Account.
38. Consequent upon AS -28 Impairment of Assets being mandatory by the Institute of Chartered Accountants of India, the company has carried out an exercise to ascertain the impairment, if any, in the company value of its fixed assets. However, no such case found.
39. Current Liabilities also includes ₹ 8324 Lakhs ( Previous year ₹ 4153 Lakhs ) being Net of ₹ 2782 lakh being loan to farmer from Schedule Banks under scheme for loan to farmers against Sugar Cane Receivables wherein the Company is acting as 'Managing Agent /Facilitator'.
40. The business activity of the company falls within a single primary business segment viz sugar and basically sale of the product is within the country.
41. Prior period item (net) amounting to ₹125410/- (previous year ₹200000/-) include:-

Particulars	Current year	Previous year
Expenditure		
Rent	43750	--
<b>General Insurance</b>	<b>81660</b>	20000
	<b>125410</b>	20000

42. During the financial year 2007-08, the company has availed a Term Loan of ₹1349 Lakhs for the payment of cane dues for the season 2006-07 and 2007-08 as per scheme for Extending financial assistance to Sugar Industries. A sum of NIL (Previous year ₹ 33.48 Lakhs ) on account of Interest on the aforesaid loan is pending for reimbursement by the Central Government as per scheme.
43. Short term loan & advances included amount ₹ 21,31,50,000 returnable against sale of assets.
44. Sundry Debtor includes a sum of ₹ 537.08 Lakhs ( previous year ₹664.30 Lakhs ) due from a subsidiary Company.
45. Pursuant to Accounting Standard (AS)-15 ( Revised 2005) "Employee Benefits", the disclosure of employees benefits are given below :-

**I) Defined Contribution Plan and amount recognized in Profit and Loss Account**

(₹ in Lakhs)

- Employer's Contribution to provident fund 47.20

**II) Defined Benefit Plan**

-Employee benefits in respect of Gratuity and Leave

Particulars	Gratuity (Unfunded)	Leave Encashment (Unfunded)
<b>A) Change in the Present Value of obligation</b>		
a) Present Value of obligation as at 1st April 2011	148.63	17.64
b) Past service cost	--	--
c) Interest Cost	18.45	2.19
d) Current Service cost	16.57	2.24
e) Benefits Paid	( 12.78)	( 10.80)
f) Actuarial Loss /( Gain)	(1.72)	6.98
g) Present Value of Obligation as at 30th Sep. 2012	169.15	18.25
<b>B) Change in Fair Value of Plan Assets</b>	Nil	Nil
<b>C) Amount recognized in Balance Sheet ( A-B)</b>	169.15	18.25
<b>D) Expenses recognized in the Profit &amp; Loss Account</b>		
a) Current Service Cost	16.57	2.24
b) Past service cost	--	--
c) Interest Cost	18.45	2.19
d) Actuarial Loss /( Gain)	(1.72)	6.98
e) Net Cost	33.30	11.41
<b>E) Details of Plan Assets</b>	Nil	Nil
<b>F) Actuarial Assumptions</b>		
a) Discount Rate	8.20%	8.20%
b) Rate of escalation in Salary (Per Annum )	7.00%	7.00%
c) Mortality Table		
d) Retirement Age ( Years )	58 yrs	58 years

46. The company is in process of identifying its suppliers as Micro, Small and Medium Enterprises as defined under the " Micro, Small and Medium Enterprises Development Act 2006". However the company has not received any intimation/communication from their suppliers regarding applicability of this act to them. Therefore no such disclosure under the said act has been furnished.

## 47. RELATED PARTY DISCLOSURES

**a) Detail relating to related party**

Parties where control exists Yadu Resorts (India) Limited

**b) Other related parties where transaction have taken place during the year**

i) Subsidiary Company :- Rangar Breweries Limited

ii) Associates Company :- Nil

iii) Key Management Personnel

Mr Dharam Pal Singh Chairman

Mr Kunal Yadav Managing Director

iv) Relative of Key Management Personnel

v) Enterprise significantly influenced by Directors and /or their relatives Cosmos Industries Ltd.



### c) Transaction with related party :-

	(₹ In Lakhs)								
	Sales	Purchase	Expenses	Loan Re-ceived	Loan Repaid	Remun-eration	Application Money	Receivables	Payables
Company where control exist	-	-	Nil	-	-	-	Nil	-	Nil
Rangar Breweries Ltd.	36.93	-	-	-	-	-	-	537.08	-
Key Management Personnal	(323.58)	-	-	-	-	-	-	(664.30)	-
Mr. Dharam Pal Singh	-	-	-	-	-	-	-	-	240.00
Key Management Personnal	-	-	-	-	-	27.00	-	-	(250.00)
Mr. Kunal Yadav	-	-	-	(75.00)	-	(14.25)	-	-	169.83
Co. Significantly influenced by Directors	0.49	-	-	2,131.50	-	-	-	-	(194.15)
Yadu Sugar Ltd.	-	-	-	-	-	-	-	-	2,133.50
Co. Significantly influenced by Directors	-	-	-	-	-	-	-	-	-
Cosmos Ind. Ltd.	823.77	36.52	-	-	-	-	-	1,010.55	-
	(182.08)							(132.90)	

### 48. EPS

Particulars	(₹)	
	Current year	Previous year
Profit attributable to the Equity Shareholders	3,82,098/-	62,79,355/-
Less: Preference Dividend as per Note B(2)(g)	NIL	NIL
Profit/(Loss) attributable to the Equity Shareholders	3,82,098/-	62,79,355/-
Weighted Average no of share	15461807	15461807
Paid up value of shares	10	10
Basic EPS	(0.02)	0.41
Diluted EPS	(0.02)	0.41

49. During the year ended 31st March, 2012, the revised format of accounts was notified by revised Schedule VI under the Companies Act, 1956. The new format has been followed for preparation and presentation of the financial statements. The adoption of revised Schedule VI, as aforesaid do not impact recognition and measurement principles followed for preparation of the financial statements. The Company has reclassified the previous year's figures in accordance with the requirements applicable in the current year.

AS PER OUR REPORT OF EVEN DATE  
Firm Registration No.000852C  
For **B.K.Kapur & Co.**  
**Chartered Accountants**

**Kunal Yadav**  
**(Managing Director)**

**Dharampal Singh**  
**(Chairman)**

**(M.S KAPUR) FCA**  
**PARTNER**  
**M.NO. 74615**

**CS Manish Kumar Dixit**  
**(Company Secretary)**

**Gaurav Agarwal**  
**(Chief Manager Accounts)**

Place : Ghaziabad  
Dated : 30-11-2012



## CASH FLOW STATEMENT FOR THE PERIOD ENDING ON 30TH SEPTEMBER, 2012

(₹)

Particulars	As at 30.09.2012	As at 31.03.2011
<b>A. Cash Flow from operating activities</b>		
Net Profit before extraordinary items and tax	26,481,228	4,193,797
<b>Adjustments for:</b>		
Depreciation and Amortisation	82,091,107	52,474,425
Interest and Finance Cost	303,710,996	161,480,871
Loss on sale/damage of assets (net)	-	(301,397)
Interest Income	(25,929,289)	(510,172)
<b>Operating profit before working capital changes</b>	<b>386,354,042</b>	<b>217,337,524</b>
<b>Adjustment for:</b>		
Inventories	(662,311,346)	(393,821,935)
Trade Receivables	138,277,691	201,676,128
Trade payables	267,841,812	(486,851,703)
<b>Cash generated from operations</b>	<b>1,178,229,508</b>	<b>(461,659,986)</b>
Direct Tax (paid) / refunds	(30,598,562)	(3,001,664)
<b>Net cash flow Operating Activities (A)</b>	<b>1,147,630,946</b>	<b>(464,661,650)</b>
<b>B. Cash Flow from investing activities</b>		
Purchase of Fixed Assets	(33,873,505)	(18,663,146)
Sale of Fixed Assets	-	698,000
Interest Received	25,929,289	510,172
Investments	55,250,000	(54,000,000)
<b>Net Cash used in investing activities (B)</b>	<b>47,305,784</b>	<b>(71,454,974)</b>
<b>C. Cash Flow from financing activities</b>		
Share Capital	-	-
Proceeds from borrowings	-	334,195,015
Repayments of borrowings	(161,217,170)	(10,948,391)
Change of Credit Limited	(165,778,708)	182,388,241
Interest paid	(303,710,996)	(161,480,871)
<b>Net Cash used in financing activities (C)</b>	<b>(630,706,874)</b>	<b>344,153,994</b>
<b>Net increase / (decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>564,229,857</b>	<b>(191,962,630)</b>
<b>Cash and Cash equivalent at the 1st April 2011</b>	<b>20,516,350</b>	<b>212,478,980</b>
<b>Cash and Cash equivalent at the 30th September 2012</b>	<b>342,746,207</b>	<b>20,516,350</b>

Notes forming part of Accounts

(1 to 49)

AS PER OUR REPORT OF EVEN DATE  
Firm Registration No.000852C  
For **B.K.Kapur & Co.**  
Chartered Accountants

**Kunal Yadav**  
(Managing Director)

**Dharampal Singh**  
(Chairman)

(M.S KAPUR) FCA  
PARTNER  
M.NO. 74615

CS Manish Kumar Dixit  
(Company Secretary)

Gaurav Agarwal  
(Chief Manager Accounts)

Place : Ghaziabad  
Dated : 30-11-2012





## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of Subsidiary Company

**RANGAR BREWERIES LTD**

1. Financial year of the Subsidiary ended on	31st March, 2012
2. Shares of the Subsidiary Company held on the above dated and extent of holding.	
a) Equity Shares of ₹ 10/- each (3,084,266 equity shares of ₹ 10/- each fully paid up)	₹30,842,660/-
b) Extent of Holding	50.27%
3. Net aggregate amount of Profit of the Subsidiary Company for the above financial year so far as it concerns the members of Indian Sucrose Limited	
a) Dealt within Accounts of Indian Sucrose Limited	NIL
b) Not dealt within Accounts of Indian Sucrose Limited	18.76 Lacs
4. Net Aggregate Amount of losses for previous financial year of the Subsidiary Company as it concerns members of Indian Sucrose Limited	
a) Dealt within Accounts of Indian Sucrose Limited	NIL
b) Not dealt within Accounts of Indian Sucrose Limited	NIL

For and on behalf on the Board of Directors

Indian Sucrose Limited

**Dharampal Singh**  
(Chairman)

**Kunal Yadav**  
(Managing Director)

**CS Manish Kumar Dixit**  
(Company Secretary)

**Gaurav Agarwal**  
(Chief Manager Accounts)

Place: Delhi

Date: 09-12-2012

## CORPORATE INFORMATION

**DIRECTORS** : Sh. Bharat Singh  
Sh. Kunal Yadav  
Sh. Suraj Yadav

**REGISTERED OFFICE** : 202/47, Thapar Arcade, Kalu Sarai,  
Hauz Khas, Delhi-110016

**WORKS AT** : 1& 130, Industrial Area.  
Mehtapur, Distt.-Una-174315, Himachal Pradesh

**AUDITORS** : M/s B. K. KAPUR & CO.  
Chartered Accountants  
Ghaziabad U. P.



## NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Members of Company will be held at the Registered Office of the Company at 202/47, Thapar Arcade, Kalu Sarai, Hauz Khas, Delhi-110016 on Saturday, 29th day of September, 2012 at 10:15 a.m. to transact the following business(s) :

### ORDINARY BUSINESS:

1. To Receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit & Loss Account for the financial year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kunal Yadav, who retires by rotation and is eligible for re-appointment.
3. To appoint Statutory Auditors, and fix their remuneration and in connection therewith, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any of the Companies Act, 1956, M/s B. K. Kapur & Co., Chartered Accountants, Ghaziabad (U.P.), the retiring Auditors, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the members of the Company on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

For and on behalf of the Board  
**RANGAR BREWERIES LTD**

Sd/-  
KUNAL YADAV  
DIRECTOR

Place: New Delhi  
Date: 03.09.2012

### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The relevant records of the company open for inspection by members as per provisions of the Companies Act, 1956 can be inspected at the Registered Office of the company on any working day between 10:00 a.m. to 12:00 p.m.
3. The members are requested to notify the change in their addresses, if any to the company immediately.
4. Members are requested to bring their copies of Annual Report at the Meeting.

### 5. Appointment/Re - appointment of Directors:

At the ensuing Annual General Meeting Shri Kunal Yadav retires by rotation and has expressed their desire to offer himself for re-appointment.



## DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Annual Report of your Company together with the audited Balance Sheet, Profit & Loss Account and the report on business and operation of the Company for the year ended March 31, 2012.

### Financial Performance

(₹ in Lacs)

Particulars	April 1, 2011 to March 31, 2012	April 1, 2010 to March 31, 2011
Sales	4825.66	3904.72
Other Income	136.84	46.83
Total Income	4962.50	3951.55
Profit before Tax (PBT)	29.46	38.68
Income Tax Paid/Provisions	(37.34)	(29.25)
Provision for deferred tax	26.64	14.81
Net Profit	18.77	24.25

### Performance Review

During the year under review, the Company earned a total income of ₹ 496,250, 756/- as compared to ₹ 395,155,322/- in the previous year. The Company has earned a Net Profit of ₹ 1,876,670/- (Previous Year ₹ 2,425,080/-). With the improving economic scene, the Company expects to perform better during the current year.

### Directors

Mr. Kunal Yadav, Director of your company, retire in terms of provisions of the Articles of Association of the Company and being eligible he offers himself for re-appointment. During the Year under report, Sh. Suraj Yadav, was appointed as an Additional Director w.e.f. 4th May, 2012 to hold office till the date of next Annual General Meeting. He was appointed as Director at the Extra Ordinary General Meeting of the members of the Company held on 25-07-2012. Mr. Surendra Pal Sharma, Director of the Company died on 6th May, 2012.

### Share Capital

During the year Company allotted 270,000 equity shares of ₹ 10/- each at a premium of ₹ 40/- each on preferential basis.

### Dividend

In view of funds required for improving the working capital position of the Company, your directors do not recommend any dividend for the year 2011-12.

### Auditors

M/s. B.K. Kapur & Co., Chartered Accountants will retire at the forthcoming Annual General Meeting. The Board has proposed the appointment of M/s Anil Ajay & Company, Chartered Accountants as Statutory Auditors of the Company. Members are requested to consider their appointment on a remuneration to be decided by the Board. The Notes to the Accounts are self-explanatory.

### Particulars of Employees

None of the employees of the Company have received remuneration equal to or more than the limits prescribed under the Companies (Particulars of Employees) Rules, 1975.

### Particulars of Conservation of Energy and Technology Absorption and Research & Development

- The Company has installed most modern equipments in the plant and is able to save and minimize energy consumption.
- The Company has adopted latest technology in the plant to maximize production, better quality, and to minimize consumption of energy.
- The Company has implemented its own Effluent Treatment Plant of latest technology.
- Technology imported during the year - Nil

### Foreign Exchange Earning & Outgo

There is no inflow and outflow of Foreign Exchange during the year.

### Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies (Amendment) Act, 2000 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- in the preparation of the Annual Accounts, for the financial year ended March 31, 2012 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for year under review;
- the Directors have taken proper and sufficient care 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 Directors had prepared the annual accounts for the year ended 31st March 2012 on a 'going concern' basis.

### DEPOSITS

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

### ACKNOWLEDGEMENT

Your Directors take this opportunity to express their deep and sincere gratitude to all officers/ staffs/ workers, as team members, for their dedicated and sincere efforts and also to Bankers, creditors, suppliers and all concerned for showing their continued faith and extending their full and wholehearted support to our organization.

Your Directors would also like to express their gratitude to members for their trust and support.

For and on behalf of the Board  
For Rangar Breweries Ltd.

Place : Delhi	Sd/-	Sd/-
Date: 03.09.2012	(Kunal Yadav)	(Suraj Yadav)
	Director	Director



## AUDITORS' REPORT

### TO THE SHAREHOLDERS OF RANGAR BREWERIES LIMITED

1. We have audited the attached Balance Sheet of RANGAR BREWERIES LIMITED as at 31st March, 2012 the Profit & Loss statement and also the Cash Flow Statement for the year ended on that date annexed thereto. These 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 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 also 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ("The Order") 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 paragraphs 4 & 5 of the said Order.
4. Further to our comments in Annexure referred to above, we report that:
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - j) 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 such books;
  - k) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of account;
  - l) In our opinion, Balance Sheet, Profit & Loss statement and Cash Flow Statement dealt with by this report comply with Accounting standards referred to in Section 211(3C) of the Companies Act, 1956.
  - m) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2012 from being appointed as Directors in terms of clause (g) of Sub Section (1) of Section of 274 of the Companies Act, 1956.
  - n) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts subject to note 32 regarding micro, small or medium enterprises read together with the significant accounting policies and others notes thereon, and attached thereto, give the information 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:
- iv) in the case of Balance Sheet, of the State of affairs of the Company as at 31st March, 2012.
- v) in the case of Profit & Loss Statement, of the Profit of the Company for the year ended on that date; and

- vi) in the case of Cash Flow Statement, for the cash flows for the year ended on that date.

For **B.K. Kapur & Co.**  
Chartered Accountants,

(**M.S. Kapur**) F.C.A.  
Partner

Membership No.74615

Place : Ghaziabad

Dated : 03-09-2012

### Annexure to the Auditors' Report

**(Referred to in paragraph (3) of our Report of even date to the shareholders of RANGAR BREWERIES LIMITED for the year ended 31st March, 2012**

1. (a) We have been explained that the fixed assets register was lost in the year 1988-89, all the additions made after this period have been entered in a new fixed assets register wherein the quantitative details and situation of fixed assets are shown. For the earlier period, the management has prepared a new fixed assets register based on physical verification taken by the management, showing full particulars including quantitative details and situation of the fixed assets and the cost of these fixed assets have been taken as per Chartered Valuer's report.
- (b) We have been informed that the fixed assets of the Company have been physically verified during the year by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
- (c) As per records and information and explanation given to us company has not disposed off during the year any part of its fixed assets.
2. (a) The physical verification of inventory has been conducted by the management at reasonable intervals.
- (c) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination, in our opinion, the Company has maintained proper records of inventory & discrepancies noticed on such physical verification on inventory as compared to the books records were not material.
3. (a) According to information made available to us, the company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act, accordingly clause 4(iii) (b) to (d) of the Order are not applicable to the company.
- (e) According to information made available to us, the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act, accordingly clause 4(iii) (e) to (g) of the Order are not applicable to the company.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business, for purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the

information and explanation given to us, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. (a) Based on our examination and according to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (c) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market price at the relevant time except purchases from a company where we are informed by the management that the charges so paid are reasonable having regard to the nature and quality of work involved.
9. On the basis of information and explanations given to us, the company has not accepted any public deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions the Act, and rules framed thereunder.
10. The company has an internal audit system, which needs to be more strengthened to make it commensurate with the size and nature of the Company's business.
11. We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the Central Government for the maintained of Cost records under section 209(1)d of the Act and are of the opinion that, prima facie, the prescribed account and records have been maintained and are being made up. We however and not required have not made a detailed examination of such records with a view to determine whether these are accurate or complete.
9. (a) According to the information and explanations given to us the company is regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employee State Insurance Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it, except few cases of delay in deposit of Tax Collected at Source. are not applicable to the company, No amount was due to be deposited under investor Education and Protection Fund. Further there was no arrears of undisputed statutory dues outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, the disputed statutory dues of Excise Duty & Sales Tax, aggregating to ₹ 33.73 Lacs, which have been deposited by company under protest as details are given below:-

Name of Statute	Nature of Due	Financial year to which it pertains	Amount (₹ in Lakhs)	Forum where dispute is pending.
Excise Duty	Redistillation Loss	1988-89	16.04	H.P. High Court, Shimla
Sales Tax		2003-04	00.08	A.E.T.C, Una
		2001-02	02.61	D.E.T.C, Palampur
Excise Duty		2007-08	15.00	D.E.T.C, Palampur

Further, in respect of Income Tax, Custom Duty, Wealth Tax, Service Tax and Cess it has been informed that there are no dues, which have not been deposited on account of any dispute.

22. The company does not have accumulated losses. The company has not incurred any cash losses during the current financial year and in the immediately preceding financial year.
23. In our opinion and according to the information and explanations given to us, except the slight delays of few days in repayment of its dues to banks company has not defaulted in repayments of dues however there was no overdue amount as on 31st March, 2012. There are no dues of debenture holders.
24. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
25. The company is not a chit fund or a Nidhi / mutual benefit fund / society, therefore provisions of clause 4(xiii) of the order are not applicable to the company.
26. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, provisions of clause 4(xiv) of the order are not applicable to the company.
27. According to the information and explanation given to us, the company has not given guarantees for loans taken by others from Banks or Financial Institutions.
16. In our opinion and on According to the records of the company, it has not obtained during the year any term loans. Hence, no comment under para 4 (xvi) of CARO, 2003 is called for.
17. On the basis of information and explanations given to us, and on an overall examination of the financial statements of the company, we report that ₹ 128.16 Lacs raised on short term basis have been ultimately used for long-term investment.
18. According to the information and explanation given to us, during the period covered by our audit report, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The company has not issued any debenture, therefore, no comments is required under para 4(xix) of CARO, 2003.
20. The company has not raised any money through public issues during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit

For **B.K. Kapur & Co.**  
Chartered Accountants,

(**M.S. Kapur**) F.C.A.  
Partner  
Membership No.74615

Place : Ghaziabad  
Dated : 03-09-2012



# RANGAR BREWERIES LIMITED

## BALANCE SHEET AS AT 31ST MARCH 2012

(₹)

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	61,350,670	58,650,670
Reserves and Surplus	2	55,687,855	44,201,479
		117,038,525	102,852,149
<b>Non Current Liabilities</b>			
Deferred Tax Liability (Net)	3	13,878,845	16,543,228
Long Term Provisions	4	4,188,839	3,480,781
		18,067,684	20,024,009
<b>Current Liabilities</b>			
Short Term Borrowings	5	48,284,527	55,602,283
Trade Payables	6	156,024,197	161,500,493
Other Current Liabilities	7	22,331,372	17,244,694
Short Term Provisions	8	6,231,624	6,390,499
		232,871,720	240,737,969
<b>TOTAL (1+2+3)</b>		<b>367,977,928</b>	<b>363,614,127</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	9	102,901,846	110,922,234
Intangible Assets		-	-
Capital Working-In-Progress		42,805,593	5,221,559
		145,707,439	116,143,793
<b>Long Term Loans and Advances</b>	10	<b>50,426,716</b>	<b>32,633,796</b>
		196,134,155	148,777,589
<b>Current Assets</b>			
Inventories	11	74,913,421	118,460,404
Trade Receivables	12	85,350,362	82,096,277
Cash and Cash Equivalents	13	8,175,804	7,916,388
Short Term Loans and Advances	14	3,404,187	6,363,470
		171,843,774	214,836,539
<b>TOTAL (1+2)</b>		<b>367,977,929</b>	<b>363,614,128</b>

Notes forming part of Accounts

(1 to 22)

(1)

(1)

AS PER OUR REPORT OF EVEN DATE  
Firm Registration No.000852C  
For **B.K.Kapur & Co.**  
**Chartered Accountants**

**Kunal Yadav**  
**DIRECTOR**

**Suraj Yadav**  
**DIRECTOR**

**(M.S KAPUR) FCA**  
**PARTNER**  
**M.NO. 74615**

Place : Noida  
Dated : 03-09-2012





## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

(₹)

Particulars	Note No.	Year ended 31.03.2012	Year ended 31.03.2011
Revenue from Operations	15	482,566,091	390,472,218
Other Income	16	13,684,664	4,683,104
<b>Total Revenue (I+II+III)</b>		<b>496,250,755</b>	<b>395,155,322</b>
<b>Expenses</b>			
Cost of Material Consumed	17	243,511,181	96,375,737
Changes in Inventories of Finished Goods, Work-In-Progress	18	13,561,261	(22,086,591)
Purchase of Stock in Trade (WIP)		-	62,356,358
Employee Benefits Expenses	19	14,933,231	11,883,839
Finance Costs	20	8,139,641	7,257,417
Depreciation and Amortisation Expenses	21	9,546,527	9,084,281
Administrative & Other Expenses	22	202,528,546	225,886,842
<b>Total Expenses</b>		<b>492,220,387</b>	<b>390,757,883</b>
Prior Period Items (Expenses-Net of Income)		1,083,933	528,450
Profit/(Loss) before Exceptional Items and Extraordinary items and Tax (IV-V-VI)		2,946,435	3,868,989
Exceptional Items		-	-
Profit/(Loss) before Extraordinary Items and Tax (VII-VIII)		2,946,435	3,868,989
Extraordinary Items		-	-
Profit/(Loss) before Tax (IX-X)		2,946,435	3,868,989
<b>Tax Expense :</b>			
Current Tax		(3,365,500)	(2,925,000)
Earlier Year Tax		(368,650)	-
Deferred Tax Charge/(Credit)		2,664,383	1,481,091
Profit/(Loss) for the period from Continuing Operations (XI-XII)		1,876,669	2,425,080
Earning per Share (Note No. XX) Nominal Value ₹ 10/-			
Basic		0.31	0.41
Diluted		0.31	0.41

AS PER OUR REPORT OF EVEN DATE  
Firm Registration No.000852C  
For **B.K.Kapur & Co.**  
**Chartered Accountants**

**Kunal Yadav**  
**DIRECTOR**

**Suraj Yadav**  
**DIRECTOR**

**(M.S KAPUR) FCA**  
**PARTNER**  
**M.NO. 74615**

Place : Noida  
Dated : 03-09-2012



## NOTES TO FINANCIAL STATEMENTS

### 1 Significant Accounting Policies

a) During the year ended on 31st March 2012, the Revised Schedule VI notified under the company Act 1956, has been applicable to the company for the preparation of its financial statements. This does not impact recognition and measurement principles for financial statements preparation. However it has significant impact on presentation and disclosures. Asset and Liabilities have been classified as non-current and current and the company has ascertained its operating cycle as 12 Months for the current noncurrent assets and liabilities.

#### b) Basis of Accounting

The Company follows the Mercantile system of Accounting and recognises Income and Expenditure on Accrual Basis. The accounts are prepared on Historical Cost Basis, as going concern, and consistent with generally accepted accounting principles.

#### c) Tangible Assets and Depreciation

Tangible Assets are stated at cost less accumulated Depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes and incidental expenses.

Depreciation on all fixed assets put to use has been charged on Straight line Method at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Item costing up to ₹ 5000/- each are fully depreciated in the year of purchase. Depreciation is charged on pro-rata basis in respect of assets acquired / sold during the year.

Post Impairment, depreciation is provided on the revised carrying value of the assets.

#### c) Inventories

Inventories (other than By- Products ) are valued at Lower of cost or estimated realizable value. Cost of raw material, stores and spares is determined on FIFO basis. Cost of finished goods has been worked out on absorption cost basis.

By Product and residuals are valued at net realizable value.

#### d) Investment

Long term Investment is valued at cost, where applicable, provision is made for permanent diminution in value.

#### e) Foreign Exchange Transactions

Transaction in foreign currency is accounted for at the exchange rate prevailing at the time of transactions. Monetary items denominated in foreign currencies at the year end translated at the year end rates which is likely to be realized from, or required to disburse at the balance Sheet date. Exchange difference arising on settlement of monetary items at rates different from those at which they arise,

except Exchange difference on liabilities incurred for acquisition of fixed assets from outside India which are capitalized / recapitalized.

#### f) Impairment of Assets

An asset is treated as Impaired when carrying cost of the asset exceed the recoverable value and impairment loss is charged to profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in previous year is reversed if there has been a change in the estimate of recoverable amount.

#### g) Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such assets. A qualifying assets is one that necessarily take substantial period of time to get ready to use .All other borrowing cost have being charge to revenue.

#### h) Sales

Sales include Excise duty but exclude Sales/Trade Tax.

#### i) Contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed separately in Note No 15 to the financial statements. Contingent Assets are neither recognized nor disclosed in the Financial Statement.

#### J) Retirement Benefits

Contribution is made under relevant rules/statutes to the Provident Fund and which are charged to Profit and Loss Account for the year on accrual basis. Liability for Leave Encashment & Gratuity as on 31st March, 2012 has been determined and provided for in the accounts.

#### k) Taxes on Income

Current Tax is determined on the amount of tax payable on the taxable Income for the year in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax Assets / Liabilities is recognized on Significant timing differences, arising from the different treatments in accounting and taxation of relevant items. Deferred tax Assets / Liabilities shall be reviewed as at balance sheet date, based on development during the year, to reassess realization/ liabilities

Deferred Tax in respect of carry forward of losses and unabsorbed Depreciation are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such loss.

## SCHEDULES FORMING PART OF BALANCE SHEET

(₹)

Particulars	As at 31.03.2012	As at 31.03.2011
<b>NOTE - 2 : SHARE CAPITAL</b>		
<b>a. Authorised:</b>		
<b>Equity Share Capital</b>		
10000000 Equity Shares of ₹10/- each (Previous Period 10000000 Equity Shares of ₹10/- each)	<b>100,000,000</b>	100,000,000
	<b>100,000,000</b>	100,000,000
<b>b. Issued, Subscribed &amp; Paid-up Capital</b>		
<b>Equity Share Capital</b>		
6135067 Equity Shares of ₹10/- each fully paid up (Previous Period 5865067 Equity Shares of ₹10/- each fully paid up)	<b>61,350,670</b>	<b>58,650,670</b>
	<b>61,350,670</b>	58,650,670

### c) Terms And Conditions of Equity Share Capital

- The Company has one class of Equity Shares having a par value of ₹10/- each. each Shareholder is eligible for one vote per shares held.
- The Dividend, if any, proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting, except in the case of interim dividend.
- In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholding.
- There are Nil number of shares (Previous Year Nil) reserved for issue under option and contracts/commitment for the sale of shares/disinvestment including the terms and amounts.
- Details of Shares in the company held by each shareholders holding more than 5% shares

Name of Equity Shareholders	As at 31.03.2012		As at 31.03.2011	
	No. of Shares held	Percentage(%)	No. of Shares held	Percentage(%)
Indian Sucrose Ltd.	3,084,266	50.27%	5,861,266	99.93%
Cosmos Industries Ltd.	2,777,000	45.26%		

- There are Nil number of shares (Previous Year Nil) reserved for issue under option and contracts/commitment for the sale of shares/disinvestment including the terms and amounts.
- There are nil securities (Previous Year nil) convertible into Equity/Preferential shares. Nos
- There are Nil calls unpaid (Previous Year Nil ) including calls unpaid by Directors and Officers as on balance sheet date. Nos
- Reconciliation of Equity shares

	As at 31.03.2012		As at 31.03.2011	
	No. of Share	Amount	No. of Share	Amount
Nos of Equity Shares at beginning of Year	5,865,067	58,650,670	5,865,067	58,650,670
Add Changes during the year	270,000	2,700,000	-	-
Nos of Equity Shares at the close of the year	6,135,067	61,350,670	5,865,067	58,650,670



# RANGAR BREWERIES LIMITED

(₹)

Particulars	As at 31.03.2012	As at 31.03.2011
<b>NOTE - 3 : RESERVES AND SURPLUS</b>		
<b>a) Securities Premium Reserve</b>		
As per Last Balance Sheet	-	-
Add: Additions during the year	10,800,000	-
	10,800,000	-
Less: Deduction During the Year	-	-
<b>TOTAL</b>	<b>10,800,000</b>	<b>-</b>
<b>b) Revaluation reserve</b>		
As per Last Balance Sheet	8,349,058	9,539,351
Add: Additions during the year	-	-
	8,349,058	9,539,351
Less: Deduction During the Year	1,190,293	1,190,293
<b>TOTAL</b>	<b>7,158,765</b>	<b>8,349,058</b>
<b>C) General Reserve</b>		
As per Last Balance Sheet	889,315	889,315
Add: Additions during the year	-	-
	889,315	889,315
Less: Deduction During the Year	-	-
<b>TOTAL</b>	<b>889,315</b>	<b>889,315</b>
<b>d) Profit &amp; Loss Account</b>		
As per Last Balance Sheet	33,584,674	31,159,596
Add: Additions during the year	1,876,669	2,425,079
Less: Deduction During the Year	-	-
<b>TOTAL</b>	<b>35,461,343</b>	<b>33,584,675</b>
<b>TOTAL</b>	<b>54,309,423</b>	<b>42,823,048</b>
<b>e) Capital Reserve</b>		
Central Cash Subsidy Reserve	1,378,432	1,378,432
Add: Additions during the year	-	-
	1,378,432	1,378,432
Less: Deduction During the Year	-	-
<b>TOTAL</b>	<b>1,378,432</b>	<b>1,378,432</b>

(₹)

Particulars	During the Period	As at 31.03.2011
<b>NOTE - 4 : DEFERRED TAX LIABILITY (NET)</b>		
<b>DEFERRED TAX LIABILITY</b>		
Difference between Book & Tax Depreciation	(2,693,292)	15,442,368
	-	-
	(2,693,292)	15,442,368
<b>DEFERRED TAX ASSETS</b>		
Expenses Allowed U/s 43-B on paid basis	(28,909)	1,563,523
	(28,909)	1,563,523
<b>NET DEFERRED TAX ASSETS</b>	<b>(2,664,383)</b>	<b>13,878,845</b>

(₹)

Particulars	As at 31.03.2012	As at 31.03.2011
<b>NOTE - 5 : LONG TERM PROVISIONS</b>		
<b>Provision for Employees Benefits</b>		
Gratuity	3,842,969	3,253,736
Leave Encashment	345,870	227,045
	4,188,839	3,480,781

# RANGAR BREWERIES LIMITED



(₹)

Particulars	As at 31.03.2012	As at 31.03.2011
<b>NOTE - 6 : SHORT TERM BORROWINGS</b>		
<b>Loan Repayable on Demand</b>		
Cash Credit Limit from State Bank of India -Secured	48,284,527	55,602,283
<b>TOTAL</b>	<b>48,284,527</b>	<b>55,602,283</b>

Note: \*Cash credit limit is secured against hypothecation of stocks of raw material ,stock in process, finished goods book debts assets of the company and further secured by first charge on land,building,plant and machinery and other assets of the company.

Particulars	As at 31.03.2012	As at 31.03.2011
<b>NOTE - 7 : TRADE PAYABLES</b>		
<b>For Goods and Services</b>	<b>156,024,197</b>	<b>161,500,493</b>
<b>TOTAL</b>	<b>156,024,197</b>	<b>161,500,493</b>

Particulars	As at 31.03.2012	As at 31.03.2011
<b>NOTE - 8 : OTHER CURRENT LIABILITIES</b>		
<b>Current Maturities of Long Term Debt</b>		
a) Vehicle Loans- Secured	-	417,864
- From Punjab National Bank	-	-
b) Security Deposits	6,855,000	5,380,000
c) Due to State Bank of India (Bank Overdraft)	1,218,651	-
d) Other Payables	-	-
Statutory Liabilities	9,316,661	7,616,554
Expenses Payables	4,941,060	3,830,276
<b>TOTAL</b>	<b>22,331,372</b>	<b>17,244,694</b>

Particulars	As at 31.03.2012	As at 31.03.2011
<b>NOTE - 9 : SHORT TERM PROVISIONS</b>		
Provisions for Employee Benefits Bonus	496,445	407,382
Provisions for Employee Benefits Gratuity	686,561	619,759
Provisions for Employee Benefits Leave	63,935	164,412
Provision for Taxation net of advance tax	2,865,500	2,925,000
Provision of Excise on Stock	2,119,183	2,273,946
<b>TOTAL</b>	<b>6,231,624</b>	<b>6,390,499</b>

## NOTE -- 10 : FIXED ASSETS

(₹)

Nature of Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Cost As At 1.4.2011	Additions during the Year	Deductions/ Sales During The Year	Total Cost As At 31.03.2012	As At 1.4.2011	For the Year	Written Back	Upto 31.03.2012	As At 31.03.2012	As At 31.03.2011
<b>TANGIBLE ASSETS</b>										
Leasehold Lands	21345537	0	0	21345537	4643937	270420	0	4914357	16431180	16701600
Shed & Buildings	32416236	0	0	32416236	11392664	967758	0	12360422	20055814	21023572
Plant & Machinerics	164961058	1470635	0	166431693	95847215	8642873	0	104490088	61941605	69113843
Furniture & Fixtures	616707	83110	0	699817	607544	84300	0	691844	7973	9163
Office Equipments	1223552	286419	0	1509971	692602	66373	0	758975	750996	530950
Computers	226786	133490	0	360276	146522	44326	0	190848	169428	80264
Vehicles	6675814	1270065	577000	7368879	3212968	660771	49709	3824030	3544849	3462846
<b>Total</b>	<b>227465689</b>	<b>3243719</b>	<b>577000</b>	<b>230132408</b>	<b>116543452</b>	<b>10736819</b>	<b>49709</b>	<b>127230562</b>	<b>102901846</b>	<b>110922237</b>
Capital work in progress	5221560	37584033	0	42805593		0	0	0	42805593	5221560
Building Plant & Machinery etc Current Year(₹)	232687249	40827753	577000	272938001	116543452	10736819	49709	127230562	145707439	116143797
<b>INTANGIBLE ASSETS</b>										
<b>Grand Total</b>	<b>232687249</b>	<b>40827753</b>	<b>577000</b>	<b>272938001</b>	<b>116543452</b>	<b>10736819</b>	<b>49709</b>	<b>127230562</b>	<b>145707439</b>	<b>116143797</b>
Previous Year(₹)	221441876	26619766	15374393	232687249	106268873	10274579	0	116543452	116143797	115173003



# RANGAR BREWERIES LIMITED

(₹)

Particulars	As at 31.03.2012	As at 31.03.2011
<b>NOTE - 11: LONG TERM LOANS AND ADVANCES</b> <b>(Unsecured - Considered good)</b>		
a) Security Deposit	4,626,970	3,524,358
b) Capital Advances others	19,270,506	16,080,198
<b>Total (a)</b>	<b>23,897,476</b>	<b>19,604,556</b>
c) Other Loans and Advances Related Parties Yadu Sugar Ltd Sales Tax Refundable Claim with Insurance Co. Other Loans & Advances Balance with Excise Deptt.	17,000,000 301,091 636,868 5,253,939 3,337,342	3,500,000 301,091 636,868 5,253,939 3,337,342
<b>Total (b)</b>	<b>26,529,240</b>	<b>13,029,240</b>
<b>Total (a+b)</b>	<b>50,426,716</b>	<b>32,633,796</b>
<b>NOTE - 12: INVENTORIES</b> <b>(As taken, valued and certified by the Management)</b>		
a) Raw Material	12,724,283	42,817,998
b) Work-in-Progress	23,809,292	30,808,269
c) Finished Goods	12,804,032	19,521,079
d) Fuel Stock	838,606	966,462
e) Packing Materials	16,541,458	19,743,836
f) Stores, Spare Parts	8,195,750	4,602,760
<b>Total</b>	<b>74,913,421</b>	<b>118,460,404</b>
<b>Mode of Valuation of Inventories:</b>		
Inventories of Raw Material, Work-in-Progress, Finished Goods, Stock-in-Trade, Stores, Spares Parts and Packing Materials are valued at lower of Cost or Net Realisable Value. By-Products and residuals are valued at Net Realisable Value.		
Cost of Inventories is determined on FIFO basis. Cost of Finished Goods and Work - in - Progress has been worked out on absorption cost basis.		
<b>NOTE - 13: TRADE RECEIVABLES</b> <b>(Unsecured - Considered good)</b>		
a) Trade Receivables outstanding for a period exceeding six months	28,843,011	34,069,243
b) Others	56,507,351	48,027,034
<b>Total</b>	<b>85,350,362</b>	<b>82,096,277</b>
<b>NOTE - 14: CASH AND BANK BALANCES</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash in Hand	497,070	555,542
<b>Balance with Banks</b>		
In Current Accounts	297,815	1,439,846
<b>Other Bank Balances</b>		
FDR Pledged with Govt Authorities	7,380,919	5,921,000
<b>Total</b>	<b>8,175,804</b>	<b>7,916,388</b>
<b>NOTE - 15: SHORT TERM LOANS AND ADVANCES</b> <b>(Unsecured - Considered good)</b>		
Other Loan Advances	2,072,957	1,315,235
Securities Deposit	-	3,000,000
Interest Accrued on FDR	121,835	945,709
Advance Income Tax /TDS	77,676	40,904
Cenvat Receivable	106,981	5,432
Prepaid expenses	1,024,738	1,056,190
<b>Total</b>	<b>3,404,187</b>	<b>6,363,470</b>

# RANGAR BREWERIES LIMITED



Particulars	As at 31.03.2012	As at 31.03.2011
<b>NOTE - 16: CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>Contingent Liabilities</b>		
i) Claims against the Company not acknowledged as Debt		
Disputed Court Case with Parties	1,013,368	960,873
ii) Bank Guarantee in favour of Court cases	100,000	-
iii) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	12,298,488	27,700,000
	<b>13,411,856</b>	<b>28,660,873</b>
<b>NOTE - 17: REVENUE FROM OPERATIONS</b>		
Sale of Products	519,862,940	432,231,183
Less: Excise Duty	37,296,849	41,758,965
Net Sales	<b>482,566,091</b>	<b>390,472,218</b>
<b>NOTE - 18: OTHER INCOME</b>		
Interest Income	651,142	408,177
Sundry Balances Writton Back	4,587,704	211,456
Freight Net	864,163	40,300
Other Receipt/ Scrap Sale	7,265,806	4,023,171
Short Ptovision of Income	315,849	-
<b>Total</b>	<b>13,684,664</b>	<b>4,683,104</b>
<b>NOTE - 19: CHANGES IN INVENTORIES OF FINISHED GOODS &amp; WORK-IN-PROGRESS &amp; STOCK-IN-TRADE</b>		
Opening Stocks		
Finished Goods	19,521,079	16,813,801
Work-in-Progress	30,808,269	10,507,029
	<b>50,329,348</b>	<b>27,320,830</b>
Closing Stocks		
Finished Goods	12,804,032	19,521,079
Work-in-Progress	23,809,292	30,808,269
	<b>36,613,324</b>	<b>50,329,348</b>
(Increase)/Decrease in stock	(13,716,024)	23,008,518
Excise & Other Duties on (Decrease)/Increase of Stocks	(154,763)	921,927
(Decrease)/Increase in Stocks	<b>(13,561,261)</b>	<b>22,086,591</b>
<b>NOTE - 20: COST OF RAW MATERIAL CONSUMED</b>		
Opening Stocks	42,817,998	27,371,195
Purchases	213,417,466	111,822,540
Less : Closing Stocks	12,724,283	42,817,998
<b>Total</b>	<b>243,511,181</b>	<b>96,375,737</b>
<b>NOTE - 21: EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages (Including Director Remuneration ₹ 517420/-)	12,338,847	9,730,445
Contribution to Provident and other funds	2,024,443	1,596,433
Staff Welfare	569,941	556,961
<b>Total</b>	<b>14,933,231</b>	<b>11,883,839</b>
<b>NOTE - 22: FINANCE COSTS</b>		
On Term Loan	-	30,334
On Working Capital	7,727,178	6,827,685
Other Interest	129,181	10,575
Bank Charges	283,282	388,823
<b>Total</b>	<b>8,139,641</b>	<b>7,257,417</b>



# RANGAR BREWERIES LIMITED

(₹)

Particulars	As at 31.03.2012	As at 31.03.2011
<b>NOTE - 23: DEPRECIATION &amp; AMORTISATION EXPENSES</b>		
Depreciation	9,546,527	9,084,281
<b>Total</b>	<b>9,546,527</b>	<b>9,084,281</b>
<b>NOTE - 24: OTHER EXPENSES</b>		
<b>a) Manufacturing Expenses</b>		
Packing Materials Consumed	84,466,168	94,040,460
Power and Fuel	47,029,237	33,048,929
Bottling Brand & License Fees	12,729,168	17,439,262
Processing Charges	333,549	621,531
Repairs to:		
Plant and Machinery	5,078,764	6,993,769
Buildings	516,039	422,773
Others	281,250	199,211
<b>Total</b>	<b>150,434,175</b>	<b>152,765,935</b>
<b>b) Administrative and Other Expenses</b>		
Insurance	322,617	584,304
Postage and Telephones	280,475	251,914
Printing and Stationery	186,003	321,215
Security Charges	1,413,020	1,133,172
Travelling and Conveyance (Including Directors Travelling Exp. ₹ 3769/-)	520,882	435,017
Vehicle Repair and Maintenance Trucks and Other	2,030,358	2,174,384
Vehicle Repair and Maintenance Cars	757,238	281,105
Fee, Rates and Taxes	221,490	208,360
Rent/ / Lease Rent	2,386,300	1,976,800
Donation	67,900	81,100
General Repair and Maintenance	1,542,304	4,162,402
Electricity & Water Charges	76,040	61,834
Auditor Remuneration	200,154	130,641
Legal and Professional	609,054	289,765
Land Maintenance Charges	206,682	9,606
General Expenses	207,275	26,902
Penalty & Fines	398,364	340,732
Other Expenses	268,498	172,644
Festival Expenses	1,327,301	68,540
<b>Total</b>	<b>13,021,955</b>	<b>12,710,437</b>
<b>c) Selling &amp; Distribution Expenses</b>		
Packing & Forwarding Expenses	25,238,872	30,770,411
Advertisemnt	32,500	34,998
Commission to Agent	4,202,235	5,651,370
Business Promotion	9,598,809	23,953,691
<b>Total</b>	<b>39,072,416</b>	<b>60,410,470</b>
<b>Grand Total (a+b+c)</b>	<b>202,528,546</b>	<b>225,886,842</b>



## 23. Contingent Liabilities and Commitments

Particulars	2011-12	2010-2011
Contingent Liabilities		
i) Claim against the Company not acknowledge as Debt Deputed Court Case with Parties	1013368	960873
ii) Bank Guarantee in favour of Court Case	100000	-
iii) Capital Commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	12298488	27700000
<b>Total</b>	<b>13411856</b>	<b>28660873</b>

24 All the current assets, loans and advances in the opinion of the Board, have a value on realization, which in the ordinary course of business shall at least be equal to the amount at which it is stated in the Balance Sheet.

25 Balances of sundry debtors, creditors and advances are subject to confirmation.

## 26 Auditors' Remuneration:

(₹ in '000)

S. No	Particulars	As at 30.09.2012	As at 31.03.2011
i)	As Statutory Auditor	110	75
ii)	As Tax Auditors As Others	45	35
		35	
iii)	Reimbursement of Expenses	10	21
	<b>Total</b>	<b>200</b>	<b>131</b>

27 Excise duty as applicable in the state of H.P., Delhi & Chandigarh is provided on closing stock of finished goods lying in H.P., Delhi & Chandigarh respectively.

28. Sundry Debtors include ₹ 127.47 lacs. (previous year 127.47 lacs) which are under litigation. No provision is made there against as the management is of the view that the company is in the position to get finalised such cases in coming years and be provided in the year of the finalisation of such litigation.

29. Loans and advances includes :-

- I) ₹ 6.36 lacs (Previous year ₹ 6.36 lacs) paid to National Insurance company Limited under protest against demand of same amount. The company has got order in its favour on 24/10/ 2003 from H.P. consumer Disputes Redressal Commission Shimla, against which insurance company has preferred an appeal before National consumer Disputes Redressal, New Delhi. No provision has been made in books as the company is confident to get refund for it.
- II) Company had filed cases with excise & Sales Tax Department to the extent ₹ 33.73 lacs (Previous year 29.59 Lacs) out of which ₹16.04 Lacs relates to the year 1989 to 2004 and ₹17.33 Lacs relates to the financial year 2007-08 in respect of claims Penalty refund. matter are still under hearing with them under the order of Honnoble High Court Shimla ₹33.74 Lacs since has Been deposited under protest. Management is confident to get the refund of it.

30 Leasehold land, building and plant and machinery as on 1.4.94 were revalued based on the current replacement value by a valuer appointed for the purpose. As a result, the net book value of such

fixed assets was increased by ₹ 396.92 lacs on the said date, which had been transferred to revaluation reserve. During the year ended 31.3.12 depreciation of the current year includes ₹ 11.90 lacs (Previous year ₹ 11.90 lacs) on the revalued amount of such fixed assets, on straight line method. An equivalent amount has been recouped from Revaluation reserve and credited to the profit and loss account.

31 Prior period expenses (Net) represents of earlier years

Expenditures:

Land Maintenance Charges	561009
Sales tax Payable	522924
<b>Total</b>	<b>1083933</b>

32 The Company is in process of identifying the suppliers as micro, small & medium enterprises under the "Micro Small & Medium Enterprises Development Act 2006" However the company has not received any intimation / communication from their Suppliers regarding applicability of this Act to them. Therefore no such disclosure under said Act has been furnished.

33 Value of Imported Raw Materials, Packing Materials, Components & Stores Consumed.

Item	31.03.2012		31.03.2011	
	Value	%	Value	%
<b>Raw Material</b>				
Indigenous	2434.78	100%	963.75	100%
Imported	-	-	-	-
<b>Packing Material</b>				
Indigenous	844.66	100%	940.40	100%
Imported	-	-	-	-

34 VALUE OF IMPORTS ON C.I.F. BASIS : NIL

35 EXPENDITURE IN FOREIGN CURRENCY: NIL  
(Subject to deduction of tax where applicable)

36 EARNING IN FOREIGN EXCHANGE : NIL

37 RELATED PARTY DISCLOSURES

Related Party disclosures as required by AS-18 are given below:

A) Detail relating to related party

Parties where control exists(Holding Company)

Indian Sucrose Ltd

Other related parties where transaction have taken place during the year

i) Key Management Personnel

Mr Bharat Singh(Director)

Mr Kunal Yadav (Director)

Mr Suraj Yadav (Director)

Enterprise significantly influenced by Directors and /or their relatives

Cosmos Industries Ltd.

Yadu Sugars Ltd



# RANGAR BREWERIES LIMITED

## B) Transaction with related party

(₹ In Lakhs)

	Volume of the Transactions				
	Holding Company	Associate Company	Enterprises Significantly Influenced By the Directors and / or its relatives	KMP	Relative of KMP
Purchase	Nil (302.40)	- -	- -	- -	- -
Share Application Money			135.00 (35.00)		
Outstandings			170.00 (35.00)		
Payable	640.08 (664.30)		30.67 (101.26)		

Note: The figures in bracket pertain to the previous year.

## 48. EPS

(₹)

Particulars	Current year	Previous year
Profit attributable to the Equity Shareholders	1876676	2425079
Weighted Average no of share		
Basic Weighted average number of equity shares at the end	6135067	5865067
Diluted Weighted average number of equity shares At the end	6135067	5865067
Add: Share application Money		
Total	6135067	5865067
Paid up value of share	10/	10/
Basic EPS	0.31	0.41
Diluted EPS	0.31	0.41

39 The Business activity of the company falls within single primary business segment.

40 The figures have been rounded off to the wheatear it was necessary nearest rupee and previous year figures have been regrouped /re classified to make them comparable.

AS PER OUR REPORT OF EVEN DATE  
Firm Registration No.000852C  
For **B.K.Kapur & Co.**  
**Chartered Accountants**

**Kunal Yadav**  
**DIRECTOR**

**Suraj Yadav**  
**DIRECTOR**

**(M.S KAPUR) FCA**  
**PARTNER**  
**M.NO. 74615**

Place : Noida  
Dated : 03-09-2012



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2012

(₹)

Particulars	For the Year ended 31.3.2012	For the Year ended 31.3.2011
<b>A. Cash flow from Operating Activities</b>		
Net Profit before Tax and Extra Ordinary items	2,946,435	3,868,987
Adjustments for:		
Depreciation	9,546,527	9,084,281
Interest and financial charges	8,139,641	7,257,417
Loss on sale/damage of assets (net)	-	-
Excess Income Tax Provision written back		-
Interest earned	(651,142)	(408,177)
Other Incomes	-	-
<b>Operating Profit before Working Capital changes</b>	<b>19,981,461</b>	<b>19,802,508</b>
Adjustments for:		
Trade Receivables Other Assets	(1,482,631)	47,848,137
Inventories	(43,546,983)	(42,386,217)
Trade Payables	3,205,935	(10,313,809)
Cash generated from operations	(21,842,218)	14,950,619
Direct taxes (paid)/refund	(2,925,000)	(2,100,000)
<b>Net Cash flow from Operating Activities A</b>	<b>(24,767,218)</b>	<b>12,850,619</b>
<b>B. Cash Flow Investing Activities</b>		
Purchase of Fixed Assets	40,250,753	(11,245,373)
Share Application Money	(13,500,000)	(3,500,000)
Interest Received	651,142	408,177
<b>Net Cash used in Investing Activities B</b>	<b>27,401,895</b>	<b>(14,337,196)</b>
<b>C. Cash Flow Financing Activities</b>		
Interest paid	(8,139,641)	(7,257,417)
Proceeds from Borrowings Term Loan	(417,864)	417,864
Proceeds from in cash credit	(7,317,756)	4,305,374
Share Capital & Share Premium	13,500,000	
<b>Net Cash flow from Financing Activities C</b>	<b>(2,375,261)</b>	<b>(2,534,179)</b>
<b>Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>259,415</b>	<b>(4,020,757)</b>
<b>Cash and Cash Equivalents as at 1st April ,2011</b>	<b>7,916,388</b>	<b>11,937,144</b>
<b>Cash and Cash Equivalents as at 31st March,2012</b>	<b>8,175,803</b>	<b>7,916,388</b>
	<b>259,415</b>	<b>(4,020,756)</b>

### Notes:

- 1 Cash and Cash Equivalents represent Cash and Bank Balances (Refer Note No: 2.12)
- 2 Interest paid is exclusive of interest capitalised ₹Nil
- 3 Previous year figures have been regrouped / rearranged wherever consider necessary.

AS PER OUR REPORT OF EVEN DATE  
Firm Registration No.000852C

For **B.K.Kapur & Co.**

**Chartered Accountants**

**(M.S KAPUR) FCA**  
**PARTNER**  
**M.NO. 74615**

**Kunal Yadav**  
**DIRECTOR**

**Suraj Yadav**  
**DIRECTOR**

Place : Noida

Dated : 03-09-2012

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