

Dated: May 30, 2014

**FORM A**  
(Pursuant to Clause 31(a) of the Listing Agreement)

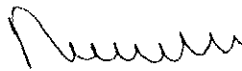
1.	Name of the Company	Indian Sucrose Limited
2.	Annual Financial Statement for the year ended	31st March, 2014
3.	Type of Audit Observation	Un-Qualified
4.	Frequency of Observation	Not Applicable

For Indian Sucrose Limited



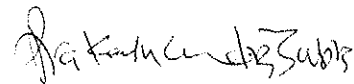
**Kunal Yadav**  
Managing Director

For Indian Sucrose Limited



**Ravinder Sharma**  
Chief Financial Officer

For Indian Sucrose Limited



**Prakash Chandra Gupta**  
Chairman of Audit Committee

AS PER OUR REPORT OF EVEN DATE

Firm Registration No. 017153N

For Rakesh Kumar Grover & Co.

Chartered Accountants

CHARTERED ACCOUNTANTS

FRN No. 017153N

(Rakesh Kumar Grover) FCA

PARTNER

M.NO. 096934

M.NO. 096934



# INDIAN SUCROSE LIMITED

23rd Annual Report  
2013-2014



## MANAGEMENT

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### BOARD OF DIRECTORS

**Sh. Kunal Yadav**

Chairman & Managing Director

**Sh. Dharampal Singh**

Non- Executive Director

**Sh. Pawan Dewan**

Independent Director

**Sh. Sheoraj Singh Ahlawat**

Independent Director

**Sh. Prakash Chandra Gupta**

Independent Director

**Sh. Vijay Sood**

Independent Director

**Sh. Sanjay Singh**

Executive Director

**Smt. Kunj Deep Kalra**

Woman Director

### COMPANY SECRETARY

CS Manish Kumar Dixit

### CHIEF FINANCIAL OFFICER

Ravinder Sharma

### AUDITORS

Rakesh Grover & Co.  
Chartered Accountants,  
Ludhiana

### COST AUDITORS

Ajay Kumar Singh & Associates,  
Cost Accountants,  
Delhi

### BANKERS

Punjab National Bank

### REGISTERED OFFICE & WORKS

G. T. Road, Mukerian,  
Distt.- Hoshiarpur,  
Punjab-144211

### CORPORATE OFFICE

202/47, Thapar Arcade,  
Kalu Sarai, Hauz Khas,  
Delhi-110016

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## INDIAN SUCROSE LIMITED

**Registered Office:** G.T. Road, Mukerian, Distt Hoshiarpur, Punjab-144211

**CIN:** L15424PB1990PLC010903

**Website:** www.muksug.com,

**Email:** islcare@yahoo.co.in/ isl.investor@yaducorporation.com

### NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Members of the Company will be held on Tuesday, 30th day of September 2014 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 31st March, 2014 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 resolve not to fill the vacancy for the time being in the Board, caused by the retirement of Sh. Jitender Singh, who retires by rotation and has expressed his unwillingness for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** M/s. Rakesh Grover & Co., Chartered Accountants (Registration No. 017153N), be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at such remuneration, as shall be fixed by Board of Directors of the Company."

### 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** Smt. Kunj Deep Kalra (DIN: 05285059), who was appointed as an Additional Director of the Company and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 and in respect of whom the Company has received a notice pursuant to Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

5. To appoint Shri Vijay Sood (DIN: 00517512) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Vijay Sood (DIN: 00517512), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in

writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years up to the conclusion of the 28th Annual General Meeting of the Company in the calendar year 2019."

6. To appoint Shri Pawan Dewan (DIN: 00223802) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Pawan Dewan (DIN: 00223802), a Non-Executive Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the calendar year 2019."

7. To appoint Shri Sheoraj Singh Ahlawat (DIN: 02027282) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Sheoraj Singh Ahlawat (DIN: 02027282), a Non-Executive Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the calendar year 2019."

8. To appoint Shri Prakash Chandra Gupta (DIN: 02995984) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Prakash Chandra Gupta (DIN: 02995984), a Non-Executive Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the calendar year 2019."



9. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Ajay Singh & Associates, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid a remuneration of ₹ 50,000/- per annum.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. To add new clause in the Object Clause of Memorandum of Association of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Shareholders of the Company be and is hereby accorded, subject to approval of the Registrar of Companies, Chandigarh to append following sub clause (6) & (7) after sub clause (5) of the Clause III A of the Memorandum of Association of the Company:

(6) To carry on the business as buyers, sellers, exporters, importers, manufacturers, stockiest, agents, exchangers, providers, distributors, collaborators, consultants, transporters, suppliers and dealers of all kinds, classes, applications, specifications, descriptions, characteristics, colours and uses of papers including writing papers, printing papers, absorbent papers, packing & wrapping papers, wall and ceiling papers, news print papers, filter papers, antique papers, ivory finish papers, art papers, card board papers, badami, brown or bugg papers, bible papers, cartridge papers, cloth lined papers, wove papers, creamlaid and wove papers, corrugated craft linear papers, speciality papers, tissue paper and articles made from paper or pulp, pulp plastics, gummed papers, handmade papers, parchment papers, drawing paper, manila papers, envelope papers, tracing papers, vellum papers, water proof papers, cartoon papers and craft papers, whether coated, glazed, polished, corrugated, laminated or otherwise and any raw materials, intermediates, ingredient, substances, consumables and allied materials.

(7) To manufacture, trade, import and export and to carry on the business of all varieties of paper, paper board and news print including tissue paper, crepe tissue paper, poster paper, grease proof paper, art paper, drawing paper, chart paper, decorative laminative paper, craft paper, insulation paper, coated paper and board, pulp of all varieties and products made thereof such as toilet rolls, face tissues, paper napkins, kitchen towels, C. fold wiper, JRT rolls, sanitary napkins and towels, diapers, nappy liners, wet tissues, coasters, saucer, plates, tray mats, paper core spool including packing material thereof and all varieties of aluminum and aluminum foil in rolls and sheets and its products such as domestic aluminum foil in rolls and sheets, wrap, containers, lids and envelopes, book binders, box makers.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all acts, deeds, things and matters as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary e-Forms with the Registrar of Companies, Chandigarh."

11. To add new clause in the Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 ('the Act') read with Rules made there under (including any statutory modifications or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to amend the Articles of Association of the Company, by inserting following new Article 2A after Article 2:

"2A Wherever in the Companies Act, 2013 ('CA 2013'), it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction(s) only if the Company is so authorized by its Articles, then and in that case by virtue of this Article, the Company is hereby specifically authorized, empowered and entitled to have such right, privilege or authority, to carry out such transaction(s) as have been permitted by the CA 2013 without there being any separate/specific article in that behalf herein provided."

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all acts, deeds, things and matters as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary e-Forms with the Registrar of Companies, Chandigarh."

12. To approve conversion of 700,000 6% Convertible Preference Shares into Equity Shares and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 55 and all other applicable provisions of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the members be and is hereby accorded for conversion of 700,000 6% Convertible Preference Shares of ₹ 100/- each into equity shares of ₹ 10/- each ranking at a premium of ₹ 4/- pari passu with the existing equity shares of the Company.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all acts, deeds, things and matters as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary e-Forms with the Registrar of Companies, Chandigarh."

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

Place: New Delhi  
Date: 22-08-2014

Sd/-  
**CS Manish Kumar Dixit**  
(Company Secretary)



## 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 IS ANNEXED HERewith AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The profile of the Directors seeking re-appointment/new appointment in terms of Clause 49 of the Listing Agreement, are annexed hereto and form part of this notice.
4. A Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.
5. The relevant records of the company open for inspection by members as per provisions of the Companies Act can be inspected at the Registered Office of the company on all working days between 10:00 a.m. to 12:00 p.m.
6. Members holding shares in electronic form are requested to intimate immediately any change in their address to their Depository Participants with whom they are maintaining their demat accounts. The members holding shares in physical form are requested to notify the change in their addresses, if any to the company immediately.
7. Members, desiring of any information/ clarification(s)/ intending to raise any query concerning the annual accounts and operations of the Company, are requested to write to the company at least 10 days prior to the date of this Meeting to the Company Secretary at the Registered Office of the Company, so that the same may be attended appropriately.
8. The Members are requested to bring their attendance slip along with their copy of Annual Report at the Meeting.
9. The Members are requested-
  - i. To bring their copy of Annual Report at the Meeting;
  - ii. To bring Attendance Slip duly completed and signed at the meeting; and
  - iii. To quote their Folio No. / DP Id - Client Id in all correspondence.
10. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 25, 2014

to Tuesday, September 30, 2014 (both days inclusive), for Annual Closing.

11. In terms of the provisions of the Companies Act, 2013, Notice of AGM may be served on the members through electronic means. Members who have registered their E-mail Ids with Depositories or the Company are being sent this notice by e-mail and Members who have not registered their E-mail Ids will receive notice through registered post/courier. In order to receive faster communication and enable the Company to serve the Members better and to promote green initiatives, the Members are requested to provide/update their e-mail addresses with their respective Depository Participants (DPs) or send an email at [islcare@yahoo.co.in](mailto:islcare@yahoo.co.in) to get the Annual Report other communication from the Company.
12. The members are requested to make their all correspondence with the Company at its Registered Office at G.T. Road, Mukerian-144211, Distt. Hoshiarpur (Punjab).
13. 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, 2013.

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO. 4

As per the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company shall have at least one woman director.

Keeping in view the above legal requirements, the Board of Directors have proposed that Smt. Kunj Deep Kalra be appointed as a Director of the Company.

Smt. Kunj Deep Kalra was appointed as Additional Directors by the Board of Directors of the Company at their meeting held on August 14, 2014.

As per the provisions of Section 161(1) of the Companies Act, 2013, read with Article of Articles of Association of the Company, Smt. Kunj Deep Kalra holds office till the date of the forthcoming Annual General Meeting of the Company. The Company has received a Notice in writing from a Member of the Company along with the required deposit proposing the candidature of Smt. Kunj Deep Kalra for the office of Director under the provisions of Section 160 of the Companies Act, 2013.

Smt. Kunj Deep Kalra is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Brief resume of the Smt. Kunj Deep Kalra is provided in the Corporate Governance Report forming part of the Annual Report. Further, the details required in terms of Clause 49 of the listing agreement, are attached and form part of this Notice.

Keeping in view her experience, and expertise, her appointment as Director of the Company is recommended by the Board.

No Director, Key Managerial Personnel or their relatives, except Sh. Kunal Yadav and Sh. Dharampal Singh to whom the resolution relate, is concerned or interested, financial or otherwise, in the resolution.

The Board commends the resolutions at item no. 4 for approval of the Members as Ordinary Resolution(s).



## ITEM NO. 5

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Shri Vijay Sood as an Additional Director of the Company with effect from August 14, 2014. In terms of the provisions of Section 161(1) of the Act, Shri Vijay Sood would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri Vijay Sood for the office of Director of the Company.

Shri Vijay Sood is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Shri Vijay Sood that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Shri Vijay Sood possesses appropriate skills, experience and knowledge; inter alia, in the field of finance.

In the opinion of the Board, Shri Vijay Sood fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Shri Vijay Sood is independent of the management.

Brief resume of Shri Vijay Sood, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Shri Vijay Sood is appointed as an Independent Director.

Copy of the draft letter for appointment of Shri Vijay Sood as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Shri Vijay Sood and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

## ITEM NO. 6, 7 & 8

Shri Pawan Dewan, Shri Sheoraj Singh Ahlawat and Shri Prakash Chandra Gupta are Independent Directors of the Company and have held the positions as such for more than 5 (Five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

It is proposed to appoint Shri Pawan Dewan, Shri Sheoraj Singh Ahlawat and Shri Prakash Chandra Gupta as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 26th Annual General Meeting of the Company in the calendar year 2017.

Shri Pawan Dewan, Shri Sheoraj Singh Ahlawat and Shri Prakash Chandra Gupta are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Shri Pawan Dewan, Shri Sheoraj Singh Ahlawat and Shri Prakash Chandra Gupta for the office of Directors of the Company.

The Company has also received declarations from Shri Pawan Dewan, Shri Sheoraj Singh Ahlawat and Shri Prakash Chandra Gupta that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri Pawan Dewan, Shri Sheoraj Singh Ahlawat and Shri Prakash Chandra Gupta fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Shri Pawan Dewan, Shri Sheoraj Singh Ahlawat and Shri Prakash Chandra Gupta are independent of the management.

Brief resume of Shri Pawan Dewan, Shri Sheoraj Singh Ahlawat and Shri Prakash Chandra Gupta, nature of their expertise in specific functional.

No Director, Key Managerial Personnel or their relatives, except Shri Pawan Dewan, Shri Sheoraj Singh Ahlawat and Shri Prakash Chandra Gupta to whom the resolution(s) relate, is concerned or interested, financial or otherwise, in these resolution(s).

The Board commends the resolutions at item nos. 6, 7 & 8 for approval of the Members as Ordinary Resolution(s).

## ITEM NO. 9

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 as per the following details:

S. No.	Name of the Cost Auditors	Industry	Audit Fees
1.	M/s Ajay Kumar Singh & Associates	Sugar	50,000/-

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.



## INDIAN SUCROSE LIMITED

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

### ITEM NO. 10

The resolution mentioned in Item No. 10 of the Notice relates to the alteration of the Objects Clause of the Memorandum of Association of the Company with respect to inclusion of new objects therein, as set out in the resolution.

As a part of new strategy, the company could cater towards manufacturing of paper and other related activities.

The proposed alteration will enlarge the main objects and new objects will enable the company to carry on its business more economically and efficiently. Further this will also enlarge the areas of Company's operations. The Proposed alteration will be in the interest of the Company and its shareholders.

The present business of the Company consists, inter-alia, of to carry on the business of manufacturing and trading of all grades and types of Sugar and its allied products and to generate, distribute, and supply electricity out of steam generated in the process of manufacturing of Sugar and its by-products. It is now proposed to enlarge their area of operations and for the expansion of their business in a different line of activity so that the company can expand their business in industries to manufacture, trade, import and export of all varieties of paper, paper board and news print including tissue paper, crepe tissue paper, poster paper, grease proof paper, art paper, drawing paper, chart paper, decorative laminative paper, craft paper, insulation paper, coated paper and board, pulp of all varieties and products made thereof.

As per the provisions of Section 13 of the Companies Act, 2013 any alteration in the Memorandum of Association of the Company requires the approval of shareholders by way of special resolution and filing of the same with the Registrar of Companies for it to register the same and certify the registration. Hence the resolution is proposed for your consideration.

A copy of the Articles of Association of the Company together with proposed alteration would be available for inspection free of cost by the members at the Registered Office of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 10 of the Notice.

The Board commends the Special Resolution set out at Item No. 10 of the Notice for approval by the shareholders.

### ITEM NO. 11

The members may please note that the Ministry of Corporate Affairs ('MCA') vide its notifications dated 12th September, 2013 and 26th March, 2014 has notified many substantive provisions of the Companies Act, 2013 ('the Act'), which governs general working of companies. However, provisions relating to National Company Law Tribunal, compromise, arrangement and amalgamations, winding-up and some other provisions have yet to be notified by the MCA. With the notifications of various Sections of the Act, existing Articles of Association of the Company require alterations and empowerment to the Company to carry out certain transactions in accordance with the provisions of the Act.

It is proposed to amend the existing article by including an Article No. 2A to authorize and empower the Company to carry out certain transactions, as permitted under the Act without there being any separate/specific article in existing Articles of Association.

A copy of the Articles of Association of the Company together with proposed alteration would be available for inspection free of cost by the members at the Registered Office of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 11 of the Notice.

The Board commends the Special Resolution set out at Item No. 11 of the Notice for approval by the shareholders.

### ITEM NO. 12

The Company issued 700,000 6% Convertible Preference Shares of ₹ 100/- each convertible into Equity Shares of RS. 10/- each at a premium of ₹ 4/- each at any time after the expiry of 12 months but not later than 60 months from the date of issue i.e. 15-12-2010 subject to approval of the Shareholders of the Company. The Board has proposed to convert these shares into equity shares of the company to enable the Preference Shareholders to get a higher rate of return on their investment. A Special Resolution has already been passed to this effect at the Preference Shareholders' Meeting held on 14-08-2014. The said proposal is now placed before the meeting for approval since the shares will rank pari passu with the existing equity shares of the Company.

Sh. Kunal Yadav, Managing Director who is holding 100,000 Preference Shares of the Company, may be deemed to be interested in this resolution. No other director is interested or concerned in this resolution.

The Board commends the Special Resolution set out at Item No. 12 of the Notice for approval by the shareholders.

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

Sd/-

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

Place: New Delhi  
Date: 22-08-2014





## DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AT THE ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

<b>Name of the Director</b>	<b>Sh. Dharampal Singh</b>	<b>Smt. Kunj Deep Kalra</b>
<b>Date of Birth</b>	25/07/1948	31/10/1986
<b>Age</b>	66	27
<b>Date of Appointment</b>	03-05-2000	14/08/2014
<b>Qualification</b>	Master of Arts	B.A. (Hons) English from University of Delhi
<b>Expertise in functional area</b>	Strategy Formulation	Management and Corporate Strategies
<b>Number of Shares held</b>	535000	Nil
<b>Other Directorship</b>	Yadu Resorts (India) Limited Yadu Sugar Limited Yadu Overseas Limited Cosmos Industries Limited Yadu Corporation Private Limited Dharamputra Builders Private Limited Kunal Beverages Private Limited Chanaky Capital Market Pvt Ltd Indian Cellulose Private Limited	Live Reporters Private Limited
<b>Committee Positions in other Companies</b>	Nil	Nil
<b>Relationship Between Directors</b>	Sh. Kunal Yadav, Smt. Kunj Deep Kalra	Sh. Kunal Yadav, Sh. Dharampal Singh

<b>Name of the Director</b>	<b>Sh. Vijay Sood</b>	<b>Sh. Prakash Chandra Gupta</b>
<b>Date of Birth</b>	29/11/1959	06-07-1950
<b>Age</b>	54	64
<b>Date of Appointment</b>	14/08/2014	15/02/2012
<b>Qualification</b>	Graduate	L.L.B.
<b>Expertise in functional area</b>	Corporate Planning	Corporate and Commercial Laws
<b>Number of Shares held</b>	Nil	Nil
<b>Other Directorship</b>	Scorpion Media Private Limited Yadu (India) Limited	Raj Krishna Estate Brokers & Developers Private Limited
<b>Committee Positions in other Companies</b>	Audit Committee- Chairman Yadu Sugar Limited Nomination/Remuneration Committee- Chairman Yadu Sugar Limited Vigilence Committee- Chairman Yadu Sugar Limited Audit Committee- Chairman Cosmos Industries Limited Nomination/Remuneration Committee- Chairman Cosmos Industries Limited Vigilence Committee- Chairman Cosmos Industries Limited	Audit Committee- Member Yadu Sugar Limited Nomination/Remuneration Committee- Member Yadu Sugar Limited Vigilence Committee- Member Yadu Sugar Limited Audit Committee- Member Cosmos Industries Limited Nomination/Remuneration Committee- Member Cosmos Industries Limited Vigilence Committee- Member Cosmos Industries Limited
<b>Nomination/Remuneration Member</b>	<b>Committee-</b> None	None

<b>Name of the Director</b>	<b>Sh. Pawan Dewan</b>	<b>Sh. Sheoraj Singh Ahlawat</b>
<b>Date of Birth</b>	04/07/1949	01/06/1947
<b>Age</b>	65	67
<b>Date of Appointment</b>	30/10/2004	05/02/2008
<b>Qualification</b>	Graduate	Graduate
<b>Expertise in functional area</b>	Corporate Finance	Management Strategy and Corporate Planning
<b>Number of Shares held</b>	Nil	Nil
<b>Other Directorship</b>	Cosmos Industries Limited Copper Coin Finance Private Limited	Cosmos Industries Limited
<b>Committee Positions in other Companies</b>	Nil	Nil
<b>Relationship Between Directors</b>	None	None



# INDIAN SUCROSE LIMITED

## DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Twenty Third 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 6 month period ended March 31, 2014.

### CHANGE IN FINANCIAL YEAR

The financial year 2013-14 of the Company was reduced by 6 months to end on March 31, 2014 (Financial Year) instead of September 30, 2014 to comply with the provision of the Companies Act, 2013 relating to "financial year" to mean the period ending on March 31 every year.

### FINANCIAL PERFORMANCE

The results for the Financial Year under review comprise of a period of 6 months and therefore are not comparable with the results of 2012-13, comprising a period of 12 months.

The summarized financial results of the Company for the 6 months period ended March 31, 2014 are presented below:

(₹ in Lacs)

	For the 6 months ended March 31, 2014	Year ended September 30, 2013
Sales and Other Income	11168.95	20137.97
Profit/ (Loss) before Finance Cost, Depreciation & Exceptional Items	1250.31	3622.57
Finance Cost	(876.08)	(2064.22)
Depreciation	(3.80)	(582.85)
Prior Period Items	(22.68)	(3.16)
Profit/ (Loss) before Tax (PBT)	50.76	972.35
Tax Expenses:		
Current Tax	(27.55)	431.70
Wealth Tax	2.00	1.80
Deferred Tax charge/ (Credit)	43.97	(143.45)
Profit/ (Loss) after Tax	32.34	682.29

### PERFORMANCE REVIEW

Your company achieved turnover of ₹ 11168.95 lacs for the 6 months period ended March 31, 2014 as compared to 20137.97 lacs in the previous year. The net operating profit after tax (PAT) was ₹ 32.34 lacs during the year under review as compared to ₹ 682.29 lacs during last year.

During the year under review, your Company has crushed 5770462 QTLS of Sugarcane and produced 579740 bags of Sugar in 129 crushing days, as compared to previous year crushing of 6118109.31 QTLS of sugarcane and production of 594,091 600,063 QTLS of Sugar in 131 crushing days.

The capacity utilization of the plant during the year under review was 89.68% and the average recovery was 9.79 % as compared to capacity utilization of 93.94% and average recovery of 10.21 % in the previous year.

### DIRECTORS

To comply with the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company has appointed Smt. Kunj Deep Kalra as woman director. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of

Association of Smt. Kunj Deep Kalra was co-opted on the Board as an Additional Director by the Board of Directors of the Company at its meeting held on August 14, 2014.

Shri Vijay Sood was appointed as an Additional Director designated as an Independent Director w.e.f. August 14, 2014 and he shall hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Shri Vijay Sood for appointment as an Independent Director.

The Company has received requisite notices in writing from members proposing Sh. Pawan Dewan, Sh. Sheoraj Singh Ahlawat and Sh. Prakash Chandra Gupta for appointment as Independent Directors.

The Board has decided not to fill the vacancy caused by the retirement of Sh. Jitender Singh, Non-Executive Director, liable to retire by rotation at the ensuing Annual General Meeting, who has expressed his unwillingness to be re-appointed as Director of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Brief resume of Directors seeking appointment/ re-appointment along with other details as stipulated under Clause 49 of the listing agreement, are provided in the Notice for convening the Annual General Meeting.

### 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. Rakesh Grover & Co., Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received certificate from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

### COST AUDITORS

During the financial year under review the Company has appointed M/s. Ajay Kumar Singh & Associates, Cost Accountants, Delhi as the Cost Auditors and the Cost Audit Report is required to be filed with the Central Government within 180 days from the end of financial year.

M/s. Ajay Kumar Singh & Associates, Cost Accountants, have also been re-appointed as the Cost Auditors of the Company for the current financial year (2014-15) by the Board upon the recommendation of the Audit Committee.

### 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
<b>1. ELECTRICITY</b>		
a) Purchased		
Units	11352	99,354
Amount (in Lacs)	0.59	6.95
Rate/Unit (in Lacs)	5.17	7.00
b) Own Generation		
i) Through Diesel Generator		
Units	735,723	824,600
Unit per Ltr. Of Diesel Oil	3.56	3.80
Rate/Unit (in ₹)	15.73	12.65
ii) Through Steam Turbine Generation		
Units	29,828,168	19,746,965
Units per Ton of Fuel	253.24	134.98
Rate/Unit (Being Generated out of steam required for process)	Nil	Nil
<b>Bagasse</b>		
Quantity M.T.	117783.51	146287.50
Total Cost (₹ In Lacs) (Estimated due to own generation)	2061.20	2194.50
Average Rate (in ₹)	1750	1500

## (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.
- 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 Act, 1956 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, 2014 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 are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for year under review;
- the director had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the Annual Accounts 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 Directors  
For Indian Sucrose Limited**

Sd/-  
**Kunal Yadav**

Place: New Delhi  
Date: 22-08-2014

(Chairman & Managing Director)



# INDIAN SUCROSE LIMITED

## MANAGEMENT ANALYSIS AND ANALYSIS REPORT:

### 1. Industry Structure & Development:

#### Sugar:

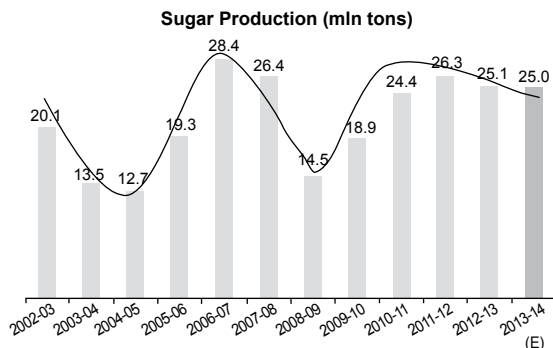
India has been known as the original home of sugar and sugarcane. Indian mythology supports the above fact as it contains legends showing the origin of sugarcane. India is the second largest producer of sugarcane next to Brazil consistently producing 25 million tons in the last 3 years. India has the largest number of cane farmers directly growing sugarcane. Presently, about 4 million hectares of land is under sugarcane with an average yield of 70 tons per hectare.

India is the largest single producer of sugar including traditional cane sugar sweeteners, khandsari and Gur equivalent to 26 million tonnes raw value followed by Brazil in the second place at 18.5 million tonnes. Even in respect of white crystal sugar, India has ranked No.1 position in 7 out of last 10 years.

India is the largest consumer of Sugar and one of largest exporter of sugar in the world.

The Indian sugar sector is highly cyclical in nature and follows a 5 year cycle:

- 2 to 3 year of high production; followed by
- 2 to 3 years of low production; and vice versa



As sugar is consumed by every household and a large number of farmers draw their livelihood from sugarcane cultivation, the Central Government has always wanted to control prices in the open market, while the States want to ensure higher and higher prices for sugarcane farmers.

Sugarcane pricing is influenced by politics and not by economics. There is no relationship between sugarcane pricing and revenue realization, which results in higher cost of production making Indian sugar mills uncompetitive in the global sugar market, resulting in lack in margin of sugar mills and cane price arrears of farmers.

Recently, the Government of India has announced partial de-control of the sugar industry based on the recommendation of the committee headed by Dr. C. Rangarajan, Chairman, Economic Advisory Council. One of the decisions bringing relief to the industry is the dismantling of the release mechanism. One of the other positive steps for both farmers and the industry is the removal of 10 per cent 'levy sugar', which deals with supply of sugar by the sugar industry to the Public Distribution System (PDS). Levy sugar for the PDS will now be procured by

State Governments from the open market at prevailing market prices.

In yet another relief to the sugar industry, the government has decided to provide financial assistance to manufacturers to export up to 40 lakh tones of raw sugar for two years. This is the second major incentive for the industry after the announcement of ₹ 7,600 crore interest free loans for sugar processors to pay cane farmers.

#### Co-generation of Power:

It is estimated that 4 million units of electricity per megawatt of capacity of the cogeneration plant is generated per year. The sale price of electricity ranges from ₹ 3.50 to ₹ 5.50 per unit of electricity depending upon the tariff fixed by the respective State Electricity Regulatory Commission (SERC).

In addition, captive electricity consumption by the sugar mills from cogeneration based technology is now eligible to earn Renewable Energy Certificates (RECs). REC is a kind of green attribute associate with electricity generation from renewable energy source. RECs can be traded on Energy Exchanges to earn additional revenue from such projects.

### 2. Outlook:

According to the Indian Sugar Mills Association (ISMA), India's sugar production has declined by 3.23 per cent to 23.9 million tonnes (MT) till May during the year 2013-14 (October-September) due to lower production in key states. Sugar production during the same period in the year 2012-13 stood at 24.7 MT. For the entire year 2013-14, sugar production is pegged at 24.2 MT, four per cent less than the last year's level of 25.1 MT.

During the ongoing year, there was a decline in the production of the sweetener from Uttar Pradesh and Tamil Nadu whereas the mills in Maharashtra have produced almost similar quantity of sugar, while the production in Karnataka was higher.

ISMA also highlighted that the pace of sugar exports has slowed down due to the reduction in the export incentive from ₹ 3,300 per tonne ₹ 2,277 per tonne by the Food Ministry. India has exported 17.5 lakh tonne sugar during the first six months of the 2013-14.

According to the data provided by the Ministry of Food and Consumer Affairs, India exported 17,53,840 tonnes during the October 2013 and March 2014 period.

The country had exported 3.48 lakh tonnes of sugar in the full 2012-13 (October-September), as per the data compiled by the apex sugar industry body ISMA.

With 2013 closing stocks likely to be maintained at prior year levels, sugar would also be available for exports, subject to global attractiveness to the domestically produced sugar. It is believed that a comfortable global sugar demand supply balance will result in weak international sugar prices.

### 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



## Challenges

- Low cane yields and low sugar recoveries.
- Inadequate availability of varieties.
- Problem in convincing the farmers to change varieties.
- High production cost resulting in idle capacities and water availability for irrigation
- Low installed production capacity leads to a sub-optimal production and losses
- Growing sugarcane prices.

## STRENGTHS

- 2/3rd of the consumption by bulk customers, who are themselves growing at a fast pace
- India is the world's second-largest producer of sugar after Brazil
- India is one of the fastest growing economies and therefore, income levels going up fast
- It supports downstream industries by providing raw materials
- This sector has been the focal point of socio-economic development in rural India

## Opportunities:

- Per capita sugar consumption is just about 19 kg, much below the global per capita of 24 kg
- Domestic consumption expected at 30-31 million tons by 2020.
- 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
- Mandatory 5% ethanol blending with petrol can be used as major tool to balance sugar production
- Abolition of regulated release mechanism.

## 4. Segment wise Performance:

Your Company is having two business segments i.e. manufacturing of white crystal sugar and Cogeneration of power.

## 5. Internal Control Systems and their adequacy:

The Company believes that internal control is a necessary part of the principle of governance and that freedom of management should be exercised within a framework of appropriate checks and balances. The Company remains committed in its endeavor to ensure an effective internal control environment that provides assurance on the efficiency and effectiveness of operations, reliability of financial reporting, statutory compliance and safety of assets. The Company has a well-established and robust internal systems and processes in place to ensure smooth functioning of the operations. An effective internal control system, supported by an Enterprise Resource Planning platform for all business processes, ensures that all transaction controls are continuously reviewed and adequately addressed. The control mechanism involves well documented policies, authorization guidelines commensurate with the level of responsibility and standard

operating procedures specific to the respective businesses. The Company has an Internal Audit department that monitors and makes continuous assessments of the adequacy and effectiveness of the internal controls and systems across the Company. The status of compliance with operating systems, internal policies and regulatory requirements are also monitored. The Board, Audit Committee and the Management review the findings and recommendations of the Internal Audit department and take corrective actions wherever necessary.

## 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, its 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 futures 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 31st March 2014 was 344.

## 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 containing 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

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

Corporate Governance refers to, but not limited to, a set of laws, regulations and good practices and systems that enable an organization to perform efficiently and ethically to generate long-term wealth and create value for all its stakeholders. The Board and Management of your Company believe that operating to the highest level of transparency and integrity in everything we do is integral to the culture of our Company. We ensure that all our activities are for the mutual benefit of the Company and all our stakeholders, our customers, our regulators, our employees, our shareholders and the communities in India of which we are an integral part and are privileged to serve. The Board and management of your Company are committed to the highest standards of accountability, transparency, social responsiveness, operational efficiency and good ethics.

Adherence to transparency, accountability, fairness and ethical standard are integral part of the Company's function. The Company is committed to sound Corporate Governance practices and compliance with all applicable laws and regulations. The Board believes that combining the highest levels of ethical principles with our unmatched brand name, experience and expertise, will ensure that we continue to be the leading Company in Building India.

#### 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.

#### 3. 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 comprises 9 Directors- 3 Executive Directors and 6 Non-Executive Directors including 4 Independent Directors.

Sh. Kunal Yadav, Managing Director, is the Chairman of the Board. The Committees have oversight of operational issues assigned to them by them by the Board.

Nine Board meetings were held during the Financial Year ended March 31, 2014 on the following dates: 23-10-2013, 09-11-2013, 29-11-2013, 05-12-2013, 29-01-2014, 07-02-2014, 14-02-2014, 06-03-2014 and 29-03-2014. 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>Non-Executive Director</b>					
Sh. Dharampal Singh	6	YES	4	5	-
Sh. Jitender Singh	1	YES	3	3	-
<b>Managing Director</b>					
Sh. Kunal Yadav	9	YES	7	17	-
<b>Independent Director</b>					
Sh. Pawan Dewan	4	YES	1	1	-
Sh. Sheeraj Singh Ahlawat	4	YES	1	-	-
Sh. Prakash Chandra Gupta	4	YES	2	1	2
Sh. Vijay Sood	-	-	3	1	2
<b>Executive Director</b>					
Sh. Sanjay Singh	6	YES	-	-	-
Smt. Kunj Deep Kalra	-	-	1	-	-

The Company aims to increase and sustain its corporate value through growth and innovation.

#### 2. 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.

#### 4. Audit & Compliance Committee

##### Terms of Reference

The terms of reference of the Audit Committee have been revised by the Board in its meeting held on 30th May, 2014 to meet the requirements of the Companies Act, 2013 and listing agreement. The terms of reference of the existing Audit Committee have been aligned with the requirements of the Companies Act, 2013 read with Clause 49 of the listing agreement. The Audit Committee



monitors and provides re-assurance to the Board on the existence of an effective internal control environment by supervising the financial reporting process, timely and proper disclosures and transparency, integrity and quality of financial reporting.

### Composition

The Audit & Compliance Committee comprises of Four Directors, out of which three are Independent Directors. The Committee chaired by Sh. Prakash Chandra Gupta, Independent Director. Two meetings were held during the financial Year ended March 31, 2014. The Composition and attendance details are given below:

Name of the members	No. of meetings attended
Sh. Prakash Chandra Gupta	2
Sh. Pawan Dewan	2
Sh. Sheoraj Singh Ahlawat	2
Sh. Kunal Yadav	2

## 5. Nomination and Remuneration Committee

### Terms of Reference

The existing Remuneration Committee has been realigned by enhancing the terms of reference in adherence with the provisions of the Companies Act, 2013 and Clause 49 of the listing agreement, SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time and re-naming it as Nomination and Remuneration Committee.

### Composition

The Board Remuneration Committee comprises of three members. One meeting was held during the financial Year ended March 31, 2014. The composition of the remuneration committee is as follows:

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

### Remuneration Policy

The Remuneration Policy of the Company is aimed at inculcating a performance driven culture. Through its comprehensive compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce.

The guiding principles of remuneration policy in your Company are as follows:

1. To reinforce Company's standing as premier employer in the industry;
2. To attract and retain high talent human capital; and
3. To motivate employees to achieve high standards of performance in line with business strategy.

The Company pays remuneration by way of salary, perquisites, allowances, retiral benefits that are fixed and a variable component which is linked directly to Company and individual performance which is measured through a comprehensive annual appraisal process.

### 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 Non-Executive Director is paid remuneration as recommended the Boards' Nomination and Remuneration Committee and approved by the Board of Directors and shareholders.

Independent Directors are paid sitting fees of ₹ 5,000/- for attending each meeting of the Board of Directors and any committee of Directors.

The Company also reimburses out of pocket expenses incurred by the Directors for attending the meetings. The service contract, notice period, severance fee etc. are not applicable to the Non-executive Directors.

## 6. Stakeholders Relationship Committee

The Companies Act, 2013 and Clause 49 of the listing agreement have reinstated the constitution and existence of Stakeholders Relationship Committee to look into and resolve the investors' grievances. The title of the existing 'Shareholders'/Investors' Grievance/Share Transfer Committee' has been changed to 'Stakeholders Relationship Committee' while retaining the existing terms of reference which meets the regulatory requirements.

The composition of Stakeholders Relationship Committee is as follows:-

Sh. Prakash Chandra Gupta	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 Committee inter-alia, oversees and reviews all matters connected with transfer of shares, approve issue of duplicate and split of share certificates, redressal of shareholders'/ investors' complaints/ grievances including transfer of shares, non-receipt of annual report and dividend etc. The Committee also reviews performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor services. With a view to expedite the process of share transfer/transmission etc., on fast track basis, the Board has empowered the Company Secretary for approving share transfer, transmission etc.

### Compliance Officer:

Sh. Manish Kumar Dixit, Company Secretary is the Compliance Officer of the Company.



## 7. General Body Meetings

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

Annual General Meetings	Date	Venue	Time	Special Resolution Passed
2011	Sept. 30, 2011	at G.T.Road, Mukerian	11.00 A.M	No
2012	Dec. 31, 2012	Distt. Hoshiarpur,	11.00 A.M	No
2013	Dec. 30, 2013	Punjab	11.00 A.M	No

## 8. Disclosures

During the Financial Year ended March 31, 2014:

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

- b) The related party transactions have been disclosed in the notes to accounts forming part of the annual financial statements.
- c) 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.
- d) The company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed by the clause 49 of the Listing Agreement to the extent applicable to the Company.

## 9. Means of Communication

Quarterly Results are communicated through newspaper advertisement.

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

## 10. General Shareholders Information:

Day, Date, Time and Venue of the Annual General Meeting	Tuesday, September 30, 2014, 11:00A.M., Regd.Off. & work at Mukerian, Distt. Hoshiarpur, Punjab - 144211
Financial Year	October 1, 2013 to March 31, 2014
Date of Book Closure	Sept. 25, 2014 to Sept. 30, 2014 (Both days inclusive)
Dividend Payment Date	N.A.
Listing on Stock Exchanges	1. Bombay Stock Exchange Limited 2. Calcutta Stock Exchange Asso.Ltd* * The Delisting Application made by the Company is pending with these Stock Exchanges. Listing fee to BSE has been paid till 31st March, 2015.

### a) DISTRIBUTION SCHEDULE

AS ON 31.03.2014

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
17810	94.40	Up to 5000	3115304	31153040	20.15
584	3.10	5001 to 10000	458087	4580870	2.96
217	1.15	10001 to 20000	329398	3293980	2.13
95	0.50	20001 to 30000	236910	2369100	1.53
32	0.17	30001 to 40000	114505	1145050	0.74
29	0.15	40001 to 50000	136551	1365510	0.88
46	0.25	50001 to 100000	331398	3313980	2.14
53	0.28	100001 and above	10739654	107396540	69.46
18866	100.00	Total	15461807	154618070	100.00

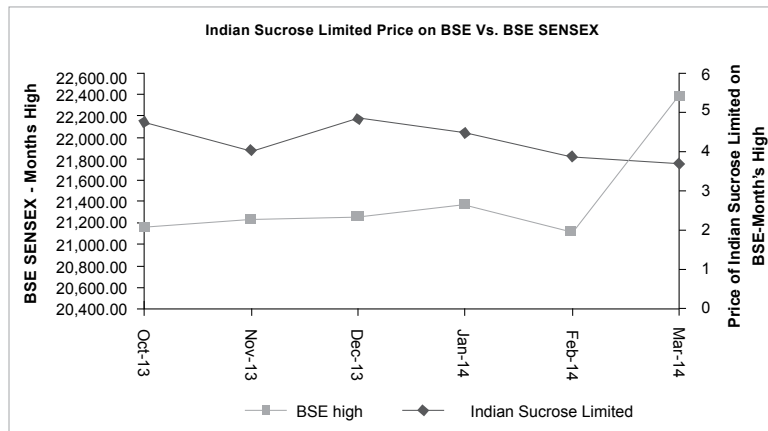
### b) Market Price Data

Month	Open	High	Low	Close
October, 2013	4.76	5.22	3.82	3.82
November, 2013	4.01	4.86	4.00	4.86
December, 2013	4.87	4.87	4.14	4.73
January, 2014	4.50	4.50	3.87	4.09
February, 2014	3.89	3.91	3.37	3.70
March, 2014	3.70	4.22	3.30	3.71





**c) Stock Performance in comparison to BSE SENSEX:**



**d) Shareholding Pattern as on March 31, 2014**

Sl. No.	Category	No. of Shares held	% of Total Shareholding
1.	Promoters	9,107,493	58.90
2.	Financial Institutions/ Banks	500	0.00
3.	Private Corporate Bodies	731,986	4.73
4.	Mutual Funds	9,433	0.06
5.	Trust	1	0.00
6.	NRIs	754,208	4.88
7.	Indian Public	4,858,186	31.43
		<b>15,461,807</b>	<b>100.00</b>

**e) 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.

**f) Plant Location (Manufacturing Unit)**

	G.T. Road, Mukerian Distt. Hoshiarpur (Pb.)-144211
<b>Item / Products</b>	White Crystal Sugar
<b>By products</b>	Molasses and Bagasse

**g) 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
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## DECLARATION BY THE MANAGING DIRECTOR ON THE CODE OF CONDUCT

The Members,  
Indian Sucrose Limited

Pursuant to Clause 49 of the Listing Agreement with stock exchange, I, Kunal Yadav, Managing Director of Indian Sucrose Limited, declare that all the Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct during the year ended 31st March, 2014.

Place: New Delhi  
Date: 22-08-2014

Sd/-  
**Kunal Yadav**  
(Chairman & Managing Director)

## CEO/CFO CERTIFICATION

**The Board of Directors**  
**Indian Sucrose Limited**  
**Mukerian**

### **Re: Financial Statements for the year ended 31st March, 2014 Certification by Managing Director and Chief Financial Officer**

We, Kunal Yadav, Managing Director and Ravinder Sharma, Chief Financial Officer, of Indian Sucrose Limited, on the basis of the review of the financial statements and the cash flow statement for the year ended 31st March, 2014 and to the best of our knowledge and belief, hereby certify that :-

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2014 which, are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which, we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee that:
  - a) there have been no significant changes in internal control over financial reporting during this year.
  - b) there have been no significant changes in accounting policies during this year.
  - c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Sd/-  
**Ravinder Sharma**  
(Chief Financial Officer)

Sd/-  
**Kunal Yadav**  
(Chairman & Managing Director)

Place: New Delhi  
Date: 22-08-2014



## COMPLIANCE CERTIFICATE ON COMPLIANCE OF CONDITIONS OF 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 31st March, 2014 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.

We state that in respect of investors grievances received during the year ended 31st March, 2014, no investor grievances are pending against the Company, as per the 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.

Place: New Delhi  
Date : 22-08-2014

Sd/-  
**Loveneet Handa**  
Company Secretary in Practice

ACS- 25973  
CP No. 10753



# INDIAN SUCROSE LIMITED

## TO THE SHAREHOLDERS OF INDIAN SUCROSE LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of INDIAN SUCROSE LIMITED which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis on Matter

We draw attention to Note No. 46 of the financial statements regarding "Micro, small, & Medium Enterprises Development Act, 2006". Our opinion is not qualified in respect of this matter.

### Basis of Qualification

- Non-provision of disputed Purchase Tax liability on purchase of Sugar Cane aggregating to ₹ 1,19,63,485/- for the financial year 1999-2000 to 2003-04 pending at appellate levels and ₹ 16,43,07,575/- estimated for financial years from 2006-07 to 2013-14 as per Note No 34 (ii).
- Non-provision of disputed liabilities created by the Sales Tax Department & State Electricity Board aggregating to ₹ 11,19,000/- as per Note No 34(i)
- Subject to our comments in paragraph 4(f) & (g) which if had been considered, the loss for the year would have been ₹ 16,21,91,855/- as against the reported profit of ₹ 32,34,720/- and the balance

in Reserves & Surplus would have been ₹ 16,66,93,743/- as against the reported figure of ₹ 33,21,20,318/- similarly, the current liabilities would have been ₹ 63,85,16,212/- as against the reported figure of ₹ 47,30,89,637/-,

### Opinion

Subject to our comments under Emphasis of Matter paragraph and our qualifications under Basis of qualification paragraph, In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
  - 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;
  - In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013; and
  - On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For Rakesh Grover & Co.**  
**Firm Registration No. 017153N**  
**Chartered Accountants,**

Sd/-  
**(Rakesh Grover) F.C.A.**  
Partner

M. No. 096934

Place: Ludhiana  
Dated: 30-05-2014



## ANNEXURE TO THE AUDITORS' REPORT

(The Annexure referred to in our report to the members of INDIAN SUCROSE LIMITED for the year ended 31st March, 2014. We report that:

1. (a) The Company has maintained records showing particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regards to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) Fixed Assets disposed off during the year were not substantial and, therefore, do not affect the going concern assumption.
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 explanations 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 of inventory as compared to the book records were not material.
3. (a) According to information made available to us, the company has granted unsecured loans/ capital advances to one company covered in the register maintained under section 301 of the Act. Total outstanding of such loan at the end of the year was ₹ 9,31,30,000/- and maximum balance outstanding 11,63,10,000/- Further the company has not given any other secured loan to companies, firm or other parties covered in the register maintained under section 301 of the Act.
- (b) Unsecured loans being interest free, other terms and conditions of the loan given by the company are prima facie not prejudicial to the interest of the company.
- (c) There is no overdue amount receivable more than ₹ One Lac on account of principal amount.
- (d) According to information made available to us, the company has taken interest free unsecured loans from two 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 ₹ 2,83,37,410/- and maximum outstanding during the year amounted to ₹ 3,51,00,000/-. Further, the company has not taken any secured loan from the aforesaid referred parties.
- (e) The other terms and conditions of the unsecured loans taken by the Company are prima- facie not prejudicial to the interest of the Company.
- (f) As informed to us, the repayment of the principal amount of unsecured loans, wherever there is stipulation as regards the payments, are 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 explanations 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 explanations given to us, the company has not entered into any contract or arrangement that needs to be entered in the register required to be maintained under section 301 of the Act.
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 of the Act, and rules framed there under.
7. The Company has an internal audit system which needs to be 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, except Income tax dues of Nil (Previous year ₹ 2,37,96,495/-) there was no arrears of undisputed statutory dues outstanding as at 31st March 2014 for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us, the disputed statutory dues of Sales Tax & Excise duty aggregating to ₹ 11,02,77,703/- that have not been deposited are given below: -

Name of Statute	Nature of Dues	Financial year to which it pertains	Amount (₹)	Forum where dispute is pending.
Sales Tax Laws	Sales tax	1997-98	567489	Deputy Excise & Taxation Commissioner (Appeal)
Sales Tax Laws	Purchase Tax	1999-2000	1663678	Punjab & Haryana High Court.
		2000-01 & 2001-02	5283608	Supreme Court.
		2002-03 & 2003-04	4899199	Supreme Court.
		2004-05	4026274	Supreme Court.
		2006-07	20983714	Vat Tribunal, Chandigarh
		2007-08	21842376	Vat Tribunal, Chandigarh
		2010-11	29497416	DETC, Jalandhar
		2011-12	20341380	DETC, Jalandhar
Excise & Service Tax	Service Tax	2006-11	1172569	CESTAT, New Delhi
			<b>110277703</b>	

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 delayed in repayment of its dues to Banks. The particulars of delays which relates to interest/ installment during the year ended 31st March 2014 are as follows:-
- | Particulars  | Amount(including Interest)<br>(₹ in Lacs) | Period of Delay<br>(Days) |
|--------------|---|---------------------------|
| Banks        | 304                                       | 1-30                      |
|              | 97  | 31-60                     |
| <b>Total</b> | <b>401</b>                                |                           |
- There are no dues 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 explanations given to us, the Company has not given any corporate guarantees for loans taken by others from Banks.
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 ₹ 325 lacs 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 comment 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 Rakesh Grover & Co.**  
**Firm Registration No. 017153N**  
**Chartered Accountants,**

Sd/-  
**(Rakesh Grover) F.C.A.**  
 Partner  
 M. No. 096934

Place: Ludhiana  
 Dated: 30-05-2014



# INDIAN SUCROSE LIMITED

## BALANCE SHEET AS ON 31.03.2014

(₹)

Particulars	Note No.	Figures as at end of Current Reporting Period 31.03.2014	Figures as at end of Previous Reporting Period 30.09.2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	224,183,320	224,183,320
Reserves and Surplus	3	332,120,318	328,865,738
		556,303,638	553,049,058
<b>Non Current Liabilities</b>			
Long Term Borrowings	4	307,995,849	164,388,333
Deferred Tax Liability (Net)	5	72,154,604	67,757,537
Long Term Provisions	6	18,658,706	17,512,105
		398,809,159	249,657,975
<b>Current Liabilities</b>			
Short Term Borrowings	7	1,517,997,712	563,500,319
Trade Payables	8	353,487,557	23,160,743
Other Current Liabilities	9	473,089,637	788,389,671
Short Term Provisions	10	83,847,871	75,734,205
		2,428,422,777	1,450,784,938
<b>TOTAL</b>		3,383,535,573	2,253,491,971
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets	11		
Tangible Assets		829,257,873	676,879,081
Intangible Assets		-	2,827
Capital Working-In-Progress		-	146,258,571
		829,257,873	823,140,479
Non-Current Investments	12	18,972,532	18,972,532
Long Term Loans and Advances	13	48,547,623	26,662,662
		896,778,028	868,775,673
<b>Current Assets</b>			
Current Investments	14	150,000,000	150,000,000
Inventories	15	1,475,731,805	595,888,452
Trade Receivables	16	175,724,461	54,171,183
Cash and Cash Equivalents	17	204,599,557	80,493,956
Short Term Loans and Advances	18	480,701,722	504,162,707
		2,486,757,545	1,384,716,298
<b>TOTAL</b>		3,383,535,573	2,253,491,971

Notes forming part of Accounts

(1 to 46)

AS PER OUR REPORT OF EVEN DATE  
Firm Registration No.000852C  
For Rakesh Grover & Co.  
Chartered Accountants

Sd/-  
Kunal Yadav  
Chairman & Managing Director

Sd/-  
Dharampal Singh  
Director

Sd/-  
(Rakesh Kumar Grover) FCA  
Partner  
M.NO. 096934

Sd/-  
Manish Kumar Dixit  
Company Secretary

Sd/-  
Ravinder Sharma  
Chief Financial Officer

Place : Ludhiana  
Dated : 30-05-2014



## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD 31.03.2014

(₹)

Particulars	Note No.	Figures for the Current Reporting Period 31.03.2014	Figures for the Previous Reporting Period 30.09.2013
Revenue from Operations	19	1,114,051,613	2,011,611,342
Other Income	20	2,843,400	2,185,824
<b>Total Revenue</b>		<b>1,116,895,013</b>	<b>2,013,797,166</b>
<b>Expenses</b>			
Cost of Material Consumed	21	1,662,575,583	1,508,664,207
Changes in Inventories of Finished Goods, Work-In-Progress	22	(857,807,474)	(148,237,966)
Employee Benefits Expenses	23	42,196,544	63,080,372
Finance Costs	24	87,607,601	206,422,164
Depreciation and Amortisation Expenses	25	30,079,606	58,284,539
Other Expenses	26	144,898,912	228,033,521
<b>Total Expenses</b>		<b>1,109,550,771</b>	<b>1,916,246,837</b>
Prior Period Items		2,267,708	315,733
<b>Profit before Tax</b>		<b>5,076,534</b>	<b>97,234,596</b>
<b>Tax Expense :</b>			
Current Tax		(2,755,253)	43,170,400
Wealth Tax		200,000	180,000
Earlier Year Tax		-	-
Deferred Tax Charge/(Credit)		4,397,067	(14,345,035)
<b>Profit/(Loss) for the period from Continuing Operations (IX-X)</b>		<b>3,234,720</b>	<b>68,229,231</b>
<b>Earning per Share (Note No. 49)</b>			
Nominal Value ₹ 10/-			
Basic		(0.06)	4.14
Diluted		0.16	3.34

Notes forming part of Accounts

(1 to 46)

AS PER OUR REPORT OF EVEN DATE  
Firm Registration No.000852C  
For **Rakesh Grover & Co.**  
**Chartered Accountants**

Sd/-  
**Kunal Yadav**  
Chairman & Managing Director

Sd/-  
**Dharampal Singh**  
Director

Sd/-  
**(Rakesh Kumar Grover) FCA**  
Partner  
M.NO. 096934

Sd/-  
**Manish Kumar Dixit**  
Company Secretary

Sd/-  
**Ravinder Sharma**  
Chief Financial Officer

Place : Ludhiana  
Dated : 30-05-2014





## CASH FLOW STATEMENT FOR THE PERIOD ENDING ON 31ST MARCH 2014

(₹)

Particulars	Figures for the Current Reporting Period 31.03.2014	Figures for the Previous Reporting Period 30.09.2013
<b>A. Cash Flow from operating activities</b>		
<b>Net Profit before extraordinary items and tax</b>	<b>5,076,534</b>	97,054,598
<b>Adjustments for:</b>		
Depreciation and Amortisation	30,079,606	58,284,539
Interest and Finance Cost	87,607,601	206,422,164
Loss on sale/damage of assets (net)	1,422,990	176,082
Interest Income	(2,387,542)	(2,034,785)
<b>Operating profit before working capital changes</b>	<b>121,799,189</b>	359,902,598
<b>Adjustment for:</b>		
Inventories	(879,843,353)	(177,482,781)
Trade Receivables	(121,553,278)	185,590,315
Short Term Loans and Advances	23,460,985	28,739,243
Long Term Loans and Advances	(21,884,961)	16,675,449
Long Term Provisions	1,146,601	395,337
Other Current Liabilities	(315,300,034)	(187,259,116)
Short Term Provisions	8,113,666	42,873,821
Trade payables	330,326,814	19,918,379
<b>Cash generated from operations</b>	<b>(853,734,371)</b>	289,353,244
Direct Tax (paid) / refunds	2,555,253	(43,170,400)
<b>Net cash flow Operating Activities (A)</b>	<b>(851,179,118)</b>	246,182,844
<b>B. Cash Flow Investing Activities</b>		
Purchase of Fixed Assets	(41,100,131)	(63,671,080)
Sale of Fixed Assets	3,500,000	325,000
Interest Received	2,387,542	2,034,785
Investments	-	120,000,000
<b>Net Cash used in investing activities (B)</b>	<b>(35,212,589)</b>	58,688,705
<b>C. Cash Flow Financing Activities</b>		
Repayments of borrowings	143,607,516	(175,686,880)
Change of Credit Limited	954,497,393	(185,014,755)
Interest paid	(87,607,601)	(206,422,164)
<b>Net Cash used in financing activities (C)</b>	<b>1,010,497,308</b>	(567,123,799)
<b>Net increase / (decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>124,105,602</b>	(262,252,250)
<b>Cash and Cash equivalent at the 1st Oct 2013</b>	<b>80,493,956</b>	342,746,207
<b>Cash and Cash equivalent at the 31st Mar 2014</b>	<b>204,599,557</b>	80,493,956
Notes forming part of Accounts	(1 to 46)	

AS PER OUR REPORT OF EVEN DATE  
Firm Registration No.000852C  
For **Rakesh Grover & Co.**  
Chartered Accountants

Sd/-  
**Kunal Yadav**  
Chairman & Managing Director

Sd/-  
**Dharampal Singh**  
Director

Sd/-  
**(Rakesh Kumar Grover) FCA**  
Partner  
M.NO. 096934

Sd/-  
**Manish Kumar Dixit**  
Company Secretary

Sd/-  
**Ravinder Sharma**  
Chief Financial Officer

Place : Ludhiana  
Dated : 30-05-2014



# INDIAN SUCROSE LIMITED

## NOTE: 1 SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS ENDING 31ST MARCH'2014

### 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 31st March, 2014 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.



# INDIAN SUCROSE LIMITED

(₹)

Particulars	Figures as at end of Current Reporting Period 31.03.2014	Figures as at end of Previous Reporting Period 30.09.2013
<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>		
700000 Preference Shares of ₹ 100/- each	<b>70,000,000</b>	70,000,000
<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>	<b>224,183,320</b>

## 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 31.03.2014		As At 30.09.2013	
	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%
Smt.. Umlesh Yadav	1,649,886	10.67%	1,649,886	10.67%
<b>Name of Preference Shareholders</b>				
Smt. Umlesh Yadav	225,000	32%	225,000	32%
Sh. Kunal Yadav	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

Particulars	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

There are no securities (Previous Year no) convertible into Equity/Preferential shares.

There are 434750 calls unpaid (Previous Year 434750) including calls unpaid by Directors and Officers as on balance sheet date.



(₹)

Particulars	Figures as at end of Current Reporting Period 31.03.2014	Figures as at end of Previous Reporting Period 30.09.2013
<b>NOTE - 3 : RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>	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	260,949,597	192,700,505
Add: Additions/(deletions)during the year	3,234,720	68,229,233
	264,184,318	260,929,738
Less: Deduction During the Year	-	-
	264,184,318	260,929,738
<b>TOTAL</b>	<b>332,120,318</b>	<b>328,865,738</b>

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

<b>NOTE - 4 : LONG TERM BORROWINGS</b>		
<b>Term Loans - Secured</b>		
- From Banks	247,842,311	79,820,957
	247,842,311	79,820,957
<b>Vehicle Loans - Secured</b>		
- From Banks	11,342,118	14,309,606
	11,342,118	14,309,606
	259,184,429	94,130,563
<b>Unsecured Loan</b>		
From Related Party	28,337,410	35,100,000
From Other	20,474,010	35,157,770
	48,811,420	70,257,770
<b>TOTAL</b>	<b>307,995,849</b>	<b>164,388,333</b>

(₹)

Particulars	As at 01.10.2013	During the Period	As at 31.03.2014
<b>NOTE - 5 : DEFERRED TAX LIABILITY (NET)</b>			
<b>DEFERRED TAX LIABILITY</b>			
Difference between Book & Tax Depreciation	67,757,537	4,397,067	72,154,604
	67,757,537	4,397,067	72,154,604

Particulars	Figures as at end of Current Reporting Period 31.03.2014	Figures as at end of Previous Reporting Period 30.09.2013
<b>NOTE - 6 : LONG TERM PROVISIONS</b>		
Provision for Employees Benefits	18,658,706	17,512,105
<b>Total</b>	<b>18,658,706</b>	<b>17,512,105</b>



## INDIAN SUCROSE LIMITED

<b>NOTE - 7 : SHORT TERM BORROWINGS</b>		
<b>Loan Repayable on Demand</b>		
Cash Credit from Banks -Secured	<b>1,517,997,712</b>	563,500,319
<b>TOTAL</b>	<b>1,517,997,712</b>	<b>563,500,319</b>

### 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** **13.50%**

<b>NOTE - 8 : TRADE PAYABLES</b>		
Micro, Small and Medium Enterprises	-	-
Others	<b>353,487,557</b>	23,160,743
<b>TOTAL</b>	<b>353,487,557</b>	<b>23,160,743</b>

### **NOTE - 9 : OTHER CURRENT LIABILITIES**

#### Current Maturities of Long Term Debt

##### Term Loans - Secured

- From Banks 151,718,000 224,150,894
- From Govt. of India, Sugar Development Fund (SDF) - 9,000,000

##### Vehicle Loans

- From Banks **3,312,975** 3,813,874

**TOTAL** **155,030,975** **236,964,768**

Interest Accrued But Not due on Borrowings	-	250,191
Interest Accrued and due on Borrowings	<b>6,586,810</b>	8,553,817
Security Deposits	<b>1,360,000</b>	860,000
Due to Directors	<b>422,011</b>	1,366,000
<b>Other Payables</b>		
Statutory Liabilities	<b>(1,025,126)</b>	4,406,328
Advance From Customers	-	5,316,946
Other Liabilities	<b>310,714,967</b>	530,671,621
<b>TOTAL</b>	<b>473,089,637</b>	<b>788,389,671</b>

### **NOTE - 10 : SHORT TERM PROVISIONS**

Provisions for Employee Benefits	<b>5,083,445</b>	7,013,209
Provision for Taxation	<b>19,000,000</b>	45,255,253
Provision for Wealth Tax	<b>370,000</b>	170,000
Provision of Excise on Stock	<b>59,394,426</b>	23,295,743
<b>TOTAL</b>	<b>83,847,871</b>	<b>75,734,205</b>



# INDIAN SUCROSE LIMITED

## NOTE -- 11 : FIXED ASSETS

(₹)

Nature of Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As on 01.10.2013	Additions during the Year	Sold/Adj during the Year	As on 31.03.2014	Upto 30.09.2013	For the Year	On Sale/ Adjustment	UP TO 31.03.2014	As on 31.03.2014	As on 30.09.2013
<b>Tangible</b>										
Freehold Land	228,660,421	-	-	<b>228,660,421</b>	-	-	-	-	<b>228,660,421</b>	228,660,421
Building	139,716,883	8,862,773	-	<b>148,579,656</b>	43,069,306	1,582,537	-	<b>44,651,843</b>	<b>103,927,813</b>	96,647,577
Plant and Machinery	899,549,351	176,403,917	-	<b>1,075,953,268</b>	589,882,268	24,103,536	-	<b>613,985,804</b>	<b>461,967,464</b>	309,667,083
Furniture and Fixtures	4,329,346	83,665	-	<b>4,413,011</b>	4,164,475	157,653	-	<b>4,322,128</b>	<b>90,882</b>	164,871
Office Equipments	17,929,290	1,401,374	-	<b>19,330,664</b>	14,682,286	1,167,248	-	<b>15,849,534</b>	<b>3,481,129</b>	3,247,004
Vehicles	64,370,041	626,834	6,510,830	<b>58,486,045</b>	25,877,917	3,065,804	1,587,840	<b>27,355,881</b>	<b>31,130,164</b>	38,492,124
<b>Tangible Total</b>	<b>1,354,555,332</b>	<b>187,378,562</b>	<b>6,510,830</b>	<b>1,535,423,064</b>	<b>677,676,252</b>	<b>30,076,779</b>	<b>1,587,840</b>	<b>706,165,191</b>	<b>829,257,873</b>	<b>676,879,080</b>
<b>Intangible</b>										
<b>Trade Mark</b>	28,500	-	-	<b>28,500</b>	25,673	2,827	-	<b>28,500</b>	-	2,827
	28,500	-	-	<b>28,500</b>	25,673	2,827	-	<b>28,500</b>	-	2,827
<b>Capital Work-in-Progress:</b>										
Building,	-	-	-	-	-	-	-	-	-	1,502,425
Plant and Machinery	-	-	-	-	-	-	-	-	-	144,756,146
<b>Total (Rupees)</b>									<b>829,257,873</b>	<b>823,140,479</b>
<b>Previous Year (Rupees)</b>									<b>823,140,479</b>	

(₹)

Particulars	Figures as at end of Current Reporting Period 31.03.2014	Figures as at end of Previous Reporting Period 30.09.2013
<b>NOTE - 12 : NON CURRENT INVESTMENT</b>		
<b>Investment - related party ( unquoted)</b>		
Ranger Breweries Ltd. 3084266 Equity shares having face value of ₹ 10/ each	<b>6,168,532</b>	6,168,532
Yadu resorts Pvt Ltd 322160 Equity shares having face value of ₹ 10/ each	<b>8,054,000</b>	8,054,000
Dharamputra Builders Pvt Ltd. 14500 Equity shares having face value of ₹ 10/ each	<b>1,450,000</b>	1,450,000
Versatile Events Private Limited 33000 Equity shares having face value of ₹ 10/ each	<b>3,300,000</b>	3,300,000
<b>TOTAL</b>	<b>18,972,532</b>	<b>18,972,532</b>
<b>NOTE - 13 : LONG TERM LOANS AND ADVANCES (Unsecured - Considered good)</b>		
- Other	<b>7,496,485</b>	7,496,485
Security Deposits (incl. Interest Accrued thereon)	<b>401,769</b>	166,708
Loans & Advances to Related Parties	-	559,000
to Other	-	15,891,910
Balance with Govt. Department (under protest)	<b>38,100,810</b>	-
Balance with Income Tax Authorities	<b>2,548,559</b>	2,548,559
<b>TOTAL</b>	<b>48,547,623</b>	<b>26,662,662</b>
<b>NOTE - 14 : CURRENT INVESTMENT</b>		
<b>Investment - related party ( unquoted)</b>		
1500000 Preference Shares of Yadu Sugar Ltd of ₹ 100/- each	<b>150,000,000</b>	150,000,000
<b>TOTAL</b>	<b>150,000,000</b>	<b>150,000,000</b>



# INDIAN SUCROSE LIMITED

(₹)

Particulars	Figures as at end of Current Reporting Period 31.03.2014	Figures as at end of Previous Reporting Period 30.09.2013
<b>NOTE - 15 : INVENTORIES</b>		
(As taken, valued and certified by the Management)		
Raw Material	2,746	-
Work-in-Progress	31,021,150	1,967,500
Finished Goods	1,258,994,596	472,328,640
By-Products	129,785,484	51,598,933
Stores, Spare Parts and Packing Materials	55,927,830	69,993,379
<b>TOTAL</b>	<b>1,475,731,805</b>	<b>595,888,452</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 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>		
Related Parties	30,976,686	45,661,736
Others	144,747,774	8,509,447
<b>TOTAL</b>	<b>175,724,461</b>	<b>54,171,183</b>
<b>NOTE - 17 : CASH AND BANK BALANCE</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash on Hand	3,585,751	1,613,078
Cheque in hand	3,839,418	-
Balance with Banks		
In Current Accounts	140,657,624	18,065,474
<b>Other Bank Balances</b>		
In Fixed Deposit Account (In Margin Money and interest accrued thereon)	3,648,258	9,761,239
In Fixed Deposit Account having remaining maturity of less than 1 Year (Including interest thereon)	52,868,506	51,054,165
<b>TOTAL</b>	<b>204,599,557</b>	<b>80,493,956</b>
<b>NOTE - 18 : SHORT TERM LOANS AND ADVANCES</b>		
<b>(Unsecured - Considered good)</b>		
Advances to parties for supply of goods and services	21,497,893	13,958,722
Other Loans & Advances		
- Related Party	97,714,080	141,310,000
- Other	314,791,270	310,639,418
Due from Employees	677,000	1,801,156
Advance Tax	1,404,184	-
Balance with Excise /sale tax Department	7,777,708	2,440,278
Cenvat Receivable	2,645,116	1,241,313
Other Amount Recoverable	32,435,759	30,660,908
Prepaid Expenses	1,758,712	2,110,912
<b>TOTAL</b>	<b>480,701,722</b>	<b>504,162,707</b>
<b>NOTE - 19 : REVENUE FROM OPERATIONS</b>		
Sale of Products	1,152,990,671	2,077,868,959
Other Operating Revenues	1,747,220	4,454,049
Less: Excise Duty	40,686,277	70,711,666
<b>Net Sales</b>	<b>1,114,051,613</b>	<b>2,011,611,342</b>
<b>Particulars of Sale of Products</b>		
Sugar	938,954,539	1,843,427,876
Molasses	93,552,658	132,381,383
Power	57,928,795	53,771,907
Bagasses	62,554,679	48,287,793
<b>TOTAL</b>	<b>1,152,990,671</b>	<b>2,077,868,959</b>



Particulars	Figures as at end of Current Reporting Period 31.03.2014	Figures as at end of Previous Reporting Period 30.09.2013
(₹)		
<b>NOTE - 20 : OTHER NON OPERATING INCOME</b>		
Interest Income	2,387,542	2,034,785
Miscellaneous Income	455,858	151,039
<b>TOTAL</b>	<b>2,843,400</b>	<b>2,185,824</b>
<b>NOTE - 21 : COST OF RAW MATERIAL CONSUMED (Indigenous)</b>		
Opening Stocks	-	-
Purchases	1,662,578,329	1,508,664,207
	<b>1,662,578,329</b>	<b>1,508,664,207</b>
Less : Closing Stocks	2,746	-
<b>TOTAL</b>	<b>1,662,575,583</b>	<b>1,508,664,207</b>
<b>NOTE - 22 : CHANGES IN INVENTORIES OF FINISHED GOODS &amp; WORK-IN-PROGRESS &amp; STOCK-IN-TRADE</b>		
<b>Opening Stocks</b>		
Finished Goods	472,328,640	329,586,531
Work-in-Progress	1,967,500	2,882,683
By-products	51,598,933	34,990,281
Stock - in - Trade	67,290,377	74,146,155
	<b>525,895,073</b>	<b>367,459,495</b>
<b>Closing Stocks</b>		
Finished Goods	1,258,994,596	472,328,640
Work-in-Progress	31,021,150	1,967,500
By-products	129,785,484	51,598,933
Stock-in-Trade		
<b>TOTAL</b>	<b>1,419,801,230</b>	<b>525,895,073</b>
(Increase)/Decrease in stock	<b>(893,906,157)</b>	<b>(158,435,578)</b>
Excise & Other Duties on (Decrease)/Increase of Stocks	<b>(36,098,683)</b>	<b>(10,197,612)</b>
<b>(Decrease)/Increase in Stocks</b>	<b>(857,807,474)</b>	<b>(148,237,966)</b>
<b>NOTE - 23 : EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	39,854,236	58,353,750
Contribution to Provident and other funds	1,976,774	3,426,690
Staff Welfare	365,534	1,299,932
<b>TOTAL</b>	<b>42,196,544</b>	<b>63,080,372</b>
<b>NOTE - 24 : FINANCE COSTS</b>		
Interest Expenses	85,146,746	204,832,754
Other Borrowing Costs	2,460,855	1,589,410
<b>TOTAL</b>	<b>87,607,601</b>	<b>206,422,164</b>
<b>NOTE 25 : DEPRECIATION &amp; AMORTISATION EXPENSES</b>		
Depreciation	30,076,779	58,278,839
Amortisation	2,827	5,700
<b>TOTAL</b>	<b>30,079,606</b>	<b>58,284,539</b>





(₹)

Particulars	Figures as at end of Current Reporting Period 31.03.2014	Figures as at end of Previous Reporting Period 30.09.2013
<b>NOTE - 26 : OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Packing Materials Consumed	33,623,069	41,996,196
Consumption of Stores, Spares	38,137,989	46,559,682
Power and Fuel	6,894,694	15,176,781
Other Manufacturing Expenses	48,433	23,100
Repairs to:		
Plant and Machinery	33,503,126	70,044,675
Buildings	2,074,675	2,383,185
<b>TOTAL</b>	<b>114,281,986</b>	<b>176,183,619</b>
<b>Administrative and Other Expenses</b>		
Rent	604,450	731,900
Rates and Taxes	398,879	2,510,547
Printing and Stationery	394,073	646,435
Postage, Courier and Telephones	1,123,471	671,546
Travelling and Conveyance	1,248,851	3,968,373
Fees and Subscription	553,768	1,273,815
Legal and Professional Charges	11,213,977	1,766,696
Auditors' Remuneration	188,950	341,984
Vehicle Running and Maintenance	2,174,523	4,707,754
Insurance	597,949	1,159,121
Cane Development Expenses	887,682	4,231,639
Loss on sale/damage of Fixed Assets	1,422,990	176,082
Balances written off	-	16,946,887
Office & Other Administration Expenses	1,546,839	1,883,526
Bad debts	-	929,919
<b>TOTAL</b>	<b>22,356,401</b>	<b>41,946,224</b>
<b>Selling &amp; Distribution Expenses</b>		
Advertisement	89,398	122,807
Divisional Office Expenses	65,308	102,304
Guest House Expenses	273,250	605,304
Sugar Handling Expenses	5,830,104	6,742,524
Commission on Sales	2,002,465	2,330,739
	8,260,525	9,903,678
<b>TOTAL</b>	<b>144,898,912</b>	<b>228,033,521</b>

27. The figures have been rounded off to the nearest rupee.
28. The previous year's figures have been regrouped and re-classified, wherever necessary, to make them comparable.
29. The previous year figures in the financial statements are not comparable against the current year figures since the current year statements have been prepared for the 6 months period ending 31.03.2014 as against the previous year statements which has been prepared for the 12 month period ended 30.09.2013.
30. 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.
31. Balances of sundry debtors, creditors and advances are subject to confirmation /reconciliation. The management does not expect any material discrepancy affecting the current year financial results.

### 32. Auditors' Remuneration

S. No.	Particulars	Current year Rupees	Previous year Rupees
i)	As Statutory Auditor	120000	190000
ii)	Reimbursement of Expenses	0	39439
<b>Total</b>		<b>120000</b>	<b>229439</b>

33. Registrations in respect of part of Land & Building appearing under fixed assets schedule is pending.
34. The company has entered into PPA agreement with Punjab State Power Corporation Limited for supply of power. As per the terms of the agreement, PSPCL has raised dues of ₹ 2,89,57,333/- towards defaulting amount, (Shown as Recoverable from Mukerian Paper Limited)

In view of the above PPA agreement, the company is of the opinion that no further dues will be payable to Punjab State Power Corporation Limited on any earlier account.

**35. Contingent Liability in respect of:**

- i) Sale Tax demand of ₹ 11,19,000/- ( Previous year 11,19,000/- ), no provision is made against such liability as management has been advised that full relief may be given at appellate level.
- ii) A liability of ₹ 1,19,63485/- was raised by the Sales Tax Department towards purchase tax for the years 1999-2000 to 2003-2004.

For F/Y 2004-05 and from F/y 2006-07 onwards with the introduction of VAT, company do not foresee any such liability. However, if such liability still arises it will be to the tune of ₹ 16,43,07,575/- for the financial year 2004-05 and from 2006-07 to 2013-14.

- Sale Tax demand of ₹ 5,67,489/- pertaining to financial 1997-98.

- iii) Bank guarantee against principal amount of Sugarcane Development Fund ₹ NIL (Previous year ₹ 3,60,00,000/).
- iv) The company has deposited ₹ 2,00,000/- under protest is pending with CESTAT, New Delhi. Demand raised by department ₹ 13,72,569/-

36. The Company has distributed Agro inputs valuing ₹ 66,55,222/- (previous year ₹ 2,25,83,307/-) for the development of sugarcane's cultivation in its reserved zone at subsidized price of ₹ 58,65,975/- (Previous year ₹ 1,85,04,054/- ). The net difference of ₹ 789,247/- (Previous year ₹ 40,79,253/-) has been included under the Cane development expenses and accordingly charged to Profit & Loss Account.
37. In accordance with the Accounting Standard AS –28 'Impairment of Assets' issued by 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.

38. Current Liabilities also includes ₹ 28,91,57,202/- (Previous year ₹ 51,73,64,265/-) against amount pending to be disbursed to farmers, being Net of ₹ 113,71,90,656/- 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'.
39. As per the Accounting Standard (AS) – 17 on Segment Reporting issued by The Institute of Chartered Accountants of India, presently there is only one reportable segment i.e. sugar.
40. Prior period item (net) amounting to ₹ 22,67,708/- (previous year ₹ 3,15,733/-) include:-

	Current year	Previous year
Expenditure –		
Ex-Gratia	27,08,595	-
Insurance Claim received	(440,887)	-
AMC	-	24,000
Staff Welfare	-	56,637
Internet & Connectivity	-	34,136
Travelling Expenses	-	200,960
	<b>22,67,708</b>	<b>3,15,733</b>

41. Sundry Debtor includes a sum of ₹ 3,09,76,686/- (previous year ₹3,96,77,686/-) due from a associates Company.
42. 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**  
 - Employer's Contribution to provident fund 19,76,774/-

**II) Defined Benefit Plan**

-Employee benefits in respect of Gratuity and Leave Encashment are based on Actuarial Valuation as on 31st March 2014. The details are given below:-

Particulars	Gratuity (Unfunded)	Leave Encashment (Unfunded)
<b>A) Change in the Present Value of obligation</b>		
a) Present Value of obligation as at 1st OCT 2013	16658755	2752203
b) Past service cost	--	711329
c) Interest Cost	703478	79280
d) Current Service cost	589841	(397988)
e) Benefits Paid	( 867901)	( 54067)
f) Actuarial Loss /( Gain)	(221965)	474987
g) Present Value of Obligation as at 31st MAR 2014	16862208	3565743
<b>B) Change in Fair Value of Plan Assets</b>	Nil	Nil
<b>C) Amount recognized in Balance Sheet ( A-B)</b>	16862208	3565743



Particulars	Gratuity (Unfunded)	Leave Encashment (Unfunded)
<b>D) Expenses recognized in the Profit &amp; Loss Account</b>		
a) Current Service Cost	589841	(397988)
b) Past service cost	--	711329
c) Interest Cost	703478	79280
d) Actuarial Loss/( Gain)	(221965)	474987
e) Net Cost	1071354	867608
<b>E) Details of Plan Assets</b>	Nil	Nil
<b>F) Actuarial Assumptions</b>		
a) Discount Rate	9.10%	9.10%
b) Rate of escalation in Salary (Per Annum)	7.00%	7.00%
c) Mortality Table		
d) Retirement Age ( Years )	58 yrs	58 years

43. 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.

44. Legal & Professional charges include ₹ 0.83 Crore paid on account of professional consultancy in relation to pending purchase tax case (pending at Supreme Court).

#### 45. 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 :-                      NIL
  - ii)   Associates Company :-                      Rangar Breweries Limited
- c) Key Management Personnel  
Sh. Dharampal Singh                                  Non-Executive Director  
Sh. Kunal Yadav                                        Chairman & Managing Director  
Sh. Jitender Singh                                      Non-Executive Director
- d) Relative of Key Management Personnel: NIL
- e) Enterprise significantly influenced by Directors and /or their relatives  
Cosmos Industries Ltd.  
Yadu Sugar Limited  
Scorpion New Communication Pvt. Ltd.  
Scorpion Media Pvt. Ltd.  
Top-Images Estates Pvt. Ltd.



f) Transaction with related party :-

	Sales	Purchase	Expenses	Loan Received	Loan Repaid	Remuneration	Application Money	Receivables	Payables
Company where control exist	-	-	Nil	-	-	-	Nil	-	Nil
Rangar Breweries Ltd.		-		-	-	-	-	309.77 (402.37)	-
Key Management Personnal Sh. Dharampal Singh	-	-		-	9.44	-	-	-	230.56 (240.00)
Key Management Personnal Sh. Kunal Yadav	-	-		-	58.19 (45.00)	9.00 (18.00)	-	-	57.03 (124.66)
Co. Significantly influenced by Directors Yadu Sugar Ltd.	-	-		-	-	-	-	931.30 (1,163.10)	-
Co. Significantly influenced by Directors Yadu Corporation Pvt. Ltd.				-	-	-	-	(210.00)	-
Co. Significantly influenced by Directors Yadu Resorts (India) Ltd	-	-	4.44 (4.44)	-	-				0.22 (4.44)

46. EPS

	Current year	Previous year
Profit/loss attributable to Equity Shareholders	3234720	68229233
Weighted Average no of share	15461807	15461807
Paid up value of shares	10	10
Basic EPS	(.06)	4.14
Diluted EPS	0.16	3.34

AS PER OUR REPORT OF EVEN DATE  
Firm Registration No.000852C  
For **Rakesh Grover & Co.**  
**Chartered Accountants**

Sd/-  
**Kunal Yadav**  
Chairman & Managing Director

Sd/-  
**Dharampal Singh**  
Director

Sd/-  
**(Rakesh Kumar Grover) FCA**  
Partner  
M.NO. 096934

Sd/-  
**Manish Kumar Dixit**  
Company Secretary

Sd/-  
**Ravinder Sharma**  
Chief Financial Officer

Place : Ludhiana  
Dated : 30-05-2014



# ATTENDANCE SLIP

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

**Registered Office:** G.T. Road, Mukerian, Distt Hoshiarpur, Punjab-144211

**CIN:** L15424PB1990PLC010903

**Website:** www.muksug.com,

**Email:** islcare@yahoo.co.in/ isl.investor@yaducorporation.com

Registered Folio no. / Client ID No.: .....

DP ID No. : .....

Number of shares held .....

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 07th Annual General Meeting of the Company at PHD Chamber of Commerce & Industry, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi – 110016 on Thursday, September 25, 2014, at 11:30 a.m. IST

.....

Name of the member / proxy

Signature of the member / proxy

(in BLOCK letters)

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

# PROXY FORM

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

**Registered Office:** G.T. Road, Mukerian, Distt Hoshiarpur, Punjab-144211

**CIN:** L15424PB1990PLC010903

**Website:** www.muksug.com,

**Email:** islcare@yahoo.co.in/ isl.investor@yaducorporation.com

Name of the member(s) .....

Registered address .....

Email : .....

Folio no. / Client ID

DP ID

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

Name: ..... Email : .....

Address : .....

Signature :

or failing him / her

Name: ..... Email : .....

Address : .....

Signature :

or failing him / her



# Book Post

(Printed Matter)

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