



INDIAN SUCROSE LIMITED

**25th Annul Report
2015-2016**



MANAGEMENT

BOARD OF DIRECTORS

Sh. Kunal Yadav
Chairman & Managing Director

Sh. Sheoraj Singh Ahlawat
Independent Director

Sh. Prakash Chandra Gupta
Independent Director

Mr. Geoffery Frederick Francis
Independent Director

Sh. Sanjay Singh
Executive Director

Smt. Kunj Deep Kalra
Woman Director

COMPANY SECRETARY
CS Rishav Jaiswal

AUDITORS

M/s R. Dewan & 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-144 211

CORPORATE OFFICE

5A, 2nd Floor, 18 Poorvi Marg,
Vasant Vihar, Delhi-110057

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INDIAN SUCROSE LIMITED



INDIAN SUCROSE LIMITED
(FORMERLY OSWAL SUGARS LIMITED)
CIN: L15424PB1990PLC010903

Regd. Office & Works: G.T.Road, Mukerian-144211, Distt. Hoshiarpur (Punjab)
Phone: +91-9115110651/52/53 Email Id: isl.investor@yaducorporation.com
Website: www.muksug.com

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Members of the Company will be held on Friday, 30th day of September 2016 at 11:00 AM, at the Registered Office of the Company at G.T. Road, Mukerian-144211, Distt. Hoshiarpur (Punjab), to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2016 the Report of Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Sh. Sanjay Singh (DIN: 06694962), who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. R. Dewan & Co., Chartered Accountants, (FRN: 017883N) as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

"RESOLVED THAT M/s. R. Dewan & Co. (FRN: 017883N), Chartered Accountants, be and are hereby re-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 terms and conditions, including remuneration, to be finalized by Board of Directors or committee thereof in consultation with the Auditors."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 160 & 161 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, and subject to the approval of shareholders in general meeting, Mr. Geoffery Frederick Francis (DIN: 03420590) who was appointed as an Additional Director in the meeting of the Board of Directors held on Monday 30th May, 2016 whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company."

"RESOLVED FURTHER THAT any of the directors of the company be and is hereby authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

5. To consider and, if thought fit, to pass, with or without modifications, if any, the following as an Ordinary Resolution for ratification of remuneration payable to M/s. Ajay Singh & Associates, appointed as Cost Auditors of the Company for FY 2015-16:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any 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 Accountants appointed as Cost Auditors 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, 2016, be paid a remuneration of **Rs. 50,000/- (Rupees Fifty Thousand)** per annum.

RESOLVED FURTHER THAT any of the 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."

6. 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 Rs. 100/- each into equity shares of Rs. 10/- each ranking at a premium of Rs. 4/- pari passu with the existing equity shares of the Company.

RESOLVED FURTHER THAT any of the 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: 23-08-2016

Sd/-
Kunal Yadav
(Chairman & Managing Director)



INDIAN SUCROSE LIMITED

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 details of the Directors seeking re-appointment / appointment under item no. 2, and 4 of the accompanying Notice, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report.
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. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the registered office of the Company on all working days during business hours up to the date of the Meeting.
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. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested, to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
8. 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.
9. Members/Proxies should fill in the Attendance Slip for attending the Meeting and bring their Attendance Slip along with their copy of the annual report to the Meeting.
10. Members holding shares in electronic form are requested to write their DP ID and Client ID and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting to facilitate identification of membership at the Meeting.
11. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. 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.
13. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, September 24, 2016 to Friday, September 30, 2016 (both days inclusive), for Annual Closing.
14. 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 isicare@yahoo.co.in to get the Annual Report and other communication from the Company.
15. 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).
16. 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.
17. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company, for consolidation into a single folio.
18. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

Voting by electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide facility for voting by electronic means and the resolutions requiring the approval of the members may be approved by the members through such voting and the members who have cast their vote by

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remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling papers which would be available at the meeting.

The e-voting period commences on Tuesday, 27th September 2016 (9:00 A.M.) and ends on Thursday, 29 September 2016 (5:00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September 2016, may opt for casting of vote through remote e-voting. The e-voting module shall be disabled by NSDL for voting thereafter.

The detailed procedure and instructions for remote e-Voting is as follows:

- A. In case a Member receives an email from NSDL (for members who hold shares in electronic form and whose email IDs are registered with the Depository Participants(s):
 1. Open email and open PDF file viz; "remote e-voting. pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 2. Open the internet browser and type the following URL: www.evoting.nsdl.com
 3. Click on Shareholder-Login
 4. Put user ID and password as initial password/PIN noted in step (1) above. Click Login.
 5. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any

other person and take utmost care to keep your password confidential.

6. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
7. Select "REVEN (Remote Electronic Voting Event Number)" of Indian Sucrose Limited.
8. Now you are ready for remote e-voting as Cast Vote page opens.
9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
10. Upon confirmation, the message "Vote cast successfully" will be displayed.
11. Once you have voted on the resolution, you will not be allowed to modify your vote.
12. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with the attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at cssheetalsharma@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM and Attendance Slip (for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy):

1. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

REVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN

2. Please follow all steps from Sl. No. (2) to Sl. No. (8) as in clause A above, to cast vote.

General Instructions:

1. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
2. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
3. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
4. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e., 23rd September 2016.
 - a) **Voting by Electronic Means** includes "remote e-voting" and voting at the general meeting through an electronic voting system which may be the same as used for remote e-voting.
 - b) **Remote E-Voting** means the facility of casting votes by a member using an electronic voting system from a place other than venue of general meeting.



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5. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd September 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Company/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

6. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
7. Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September 2016 and not casting their vote electronically, may only cast their vote at the 25th Annual General Meeting.
8. **Ms. Sheetal Sharma**, Company Secretary (Membership No. 38958 & COP No: 15204) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
9. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of polling paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
10. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
11. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM No. 4

Mr. Geoffery Frederick Francis was appointed as an Additional Director w.e.f. 30th May 2016, in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 133 of Article of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing Mr. Geoffery

Frederick Francis candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

The Board feels that presence of Mr. Geoffery Frederick Francis on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 4 for adoption.

None of the Directors, except Mr. Geoffery Frederick Francis and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution. The Board recommends resolutions no. 4 to be passed as an ordinary resolution.

ITEM No. 5

In pursuance of section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the Company.

On the recommendation of the Audit Committee at its meeting held on, Saturday, 28th May 2016, the Board has, considered and approved the appointment of M/s. Ajay Singh & Associates, Cost Accountants as the cost auditor for the financial year 2015-16 at a remuneration of Rs. 50,000/- (Rupees Fifty Thousand) per annum.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for the ratification by the shareholders 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 resolution set out at Item No. 5 of the Notice.

ITEM NO. 6

The Company issued 700,000 6% Convertible Preference Shares of Rs. 100/- each convertible into Equity Shares of RS. 10/- each at a premium of Rs. 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 22nd August, 2013. 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. 6 of the Notice for approval by the shareholders.

By Order of the Board of Director
For Indian Sucrose Limited

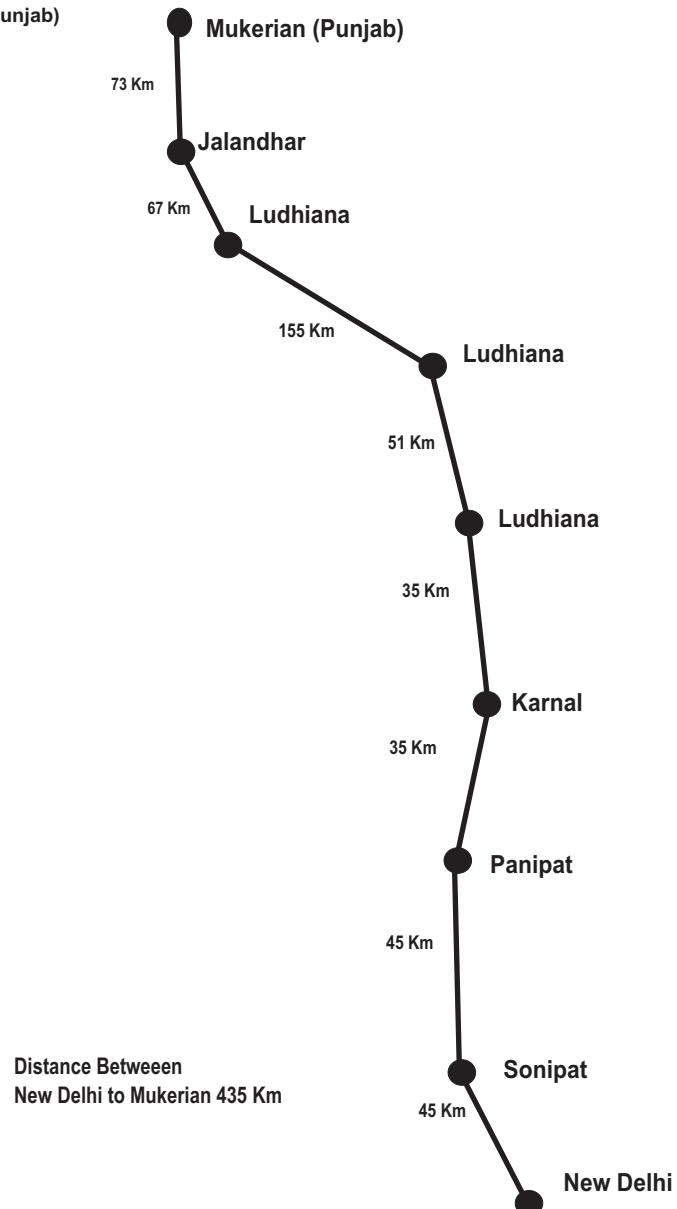
Sd/-
Kunal Yadav
(Chairman & Managing Director)

Place: New Delhi
Date: 23-08-2016



ROUTE MAP FOR AGM VENUE

Venue: G.T Road, Mukerian-144 211
Distt. Hoshiarpur, (Punjab)





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Directors' Report

To the Members,

The Board hereby presents its report for the year ended 31st March, 2016.

1. Financial Performance

The Financial Summary and Highlights are given below. For the period ended 31st March 2016.

(₹ in Lacs)

	For the year ended March 31, 2016	For the 6 months ended March 31, 2015
Revenue from Operations and Other Income	28308.78	21198.99
Total Expenses	27596.87	22229.81
Profit/ (Loss) before Tax (PBT)	1.90	(918.19)
Prior Period Items	764.75	(20.60)
Profit before Tax	312.38	(897.59)
Tax Expenses:		
Current Tax	312.38	-
Earlier Year Tax	-	126.26
Wealth Tax	-	2.00
Deferred Tax charge/ (Credit)	144.37	(150.04)
Profit/ (Loss) after Tax	596.74	(875.81)

2. Performance Review

Your company achieved turnover of Rs. 28308.78 lacs for the year ended March 31, 2016 and has earned a net profit of Rs. 596.74 lacs during the year under review.

During the year under review, your Company has crushed 8,678,782 QTLS of Sugarcane and produced 920,662 bags of Sugar in 136 crushing days, as compared to previous year crushing of 6,081,747 QTLS of sugarcane and production of 617,402 bags of Sugar in 130 crushing days.

The capacity utilization of the plant during the year under review was 98.86% and the average recovery was 10.63% as compared to capacity utilization of 93.56% and average recovery of 10.14% in the previous year.

3. Dividend & Transfer to Reserves

No amount is proposed to be transferred to the reserve(s) and your Directors have not recommended payment of any dividend for the year under review.

4. Capital

During the Financial year 2015-16 the Share Capital of the Company remains the same as that of previous year 2014-15.

5. Risk Management Policy

Board has constituted a Risk Management Committee of the Board, to assist the Board with regard to the identification, evaluation and mitigation of operational, strategic and external risks. Risk Management Committee works towards identifying internal and external risks and implementing risk mitigation steps. On quarterly basis, status updates are provided to the Board of Directors of the Company. More details on risks and threats have been disclosed in the section "Management Discussion and Analysis".

6. Adequacy of Internal Financial Controls With Reference to the Financial Statements

The Company has adequate internal control procedures commensurate with its size and nature of business. The business control procedures ensure efficient use and protection of Company's resources and compliance with policies, procedures and statutory requirements. Further Internal auditors are appointed to carry audit assignments and to periodically review the transactions across the divisions and evaluate effectiveness of internal control systems.

7. Vigil Mechanism:

The Company has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases.

8. Directors

The aforesaid appointment was made to hold office upto the date of the ensuing Annual General Meeting of the Company pursuant to Section 161 of the Companies Act, 2013 (the "Act").

The brief resume of the Directors being appointed/ re-appointed, the nature of their expertise in specific functional areas, names of companies in which they have held Directorship(s), Committee Membership(s)/ Chairmanship(s), their shareholding etc., is given in the section on Corporate Governance Report forming part of this Annual Report.

9. Key Managerial Personnel

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Act are as follows:

1. Mr. Kunal Yadav	Managing Director
2. Mr. Ravinder Sharma	CFO
3. Mr. Rishav Jaiswal	Company Secretary

During the year under review, Mr. Manish Kumar Dixit, resigned as Company Secretary and Compliance Officer of the Company with effect from the close of business hours of August 14th 2015 and Mr. Rishav Jaiswal was appointed as the Company Secretary and Compliance Officer of the Company with effect from May 30th 2016.

10. Subsidiary, Associate and Joint Venture Companies

Rangar Breweries Limited is the only associate company of your Company and does not have any subsidiary and joint venture companies. During the period under review, no Company became/ ceased to be a Subsidiary, associate and joint venture Company of your Company.

11. Deposits

During the year under review, your Company has not accepted any deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on March 31, 2016, there were no deposits which were unpaid or unclaimed and due for repayment.

12. Transfer of Unclaimed Dividend to Investor Education and Protection Fund

The provisions of Section 125(2) of the Act do not apply as there was no dividend declared and paid by the Company.

13. Significant and Material Orders Passed by the Regulators or



Courts or Tribunals Impacting the Going Concern Status and Company's Operations in Future.

During the year under review, there were no such orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

14. Declaration of Independence by Director

Pursuant to the provisions under Section 134(3)(d) of the Companies Act, 2013, with respect to statement on declaration given by Independent Directors under Section 149(6) of the Companies Act, 2013, the Board hereby confirms that all the Independent Directors of the Company have given a declaration and have confirmed that they meet the criteria of independence as provided in the said Section 149(6) and relevant Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

15. Familiarization programme for Independent Directors

All new Independent Directors (IDs) inducted into the Board are given an orientation. Presentations are made by Executive Directors (EDs) and Senior Management giving an overview of the Company's operations, to familiarize the new IDs with the Company's business operations. The new IDs are given an orientation on our products, group structure and subsidiary company, Board constitution and procedures, matters reserved for the Board, and the Company's major risks and risk management strategy.

16. Nomination And Remuneration Policy

The Company follows a policy on nomination and remuneration of Directors and Senior Management Employees. The Policy is approved by the Nomination and Remuneration Committee. The policy on the above is attached as **Annexure 1**.

17. Board Evaluation

Pursuant to the provisions of companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee. The manner in which the evaluation has been carried out has been explained in Corporate Governance Report.

18. Number of meetings of the Board

The Board met sixteen (16) times in the year ended 31st March 2016 viz. on 7th May 2015, 15th May 2015, 05th June 2015, 18th June 2015, 14th July 2015, 12th August 2015, 14th August 2015, 22nd August 2015, 19th September 2015, 29th September 2015, 14th November 2015, 25th November 2015, 23rd December 2015, 20th January 2016, 13th February 2016 and 14th March 2016. The maximum interval between any two meetings did not exceed 120 days. Details of the meetings of the Board along with the attendance of the Directors therein have been disclosed as part of the Corporate Governance Report forming part of this Annual Report.

19. Committees of the Board

The Company's Board has the following committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee

The details of the membership and attendance of the meetings of the above Committees of the board are provided in the Corporate Governance report.

20. Composition of Audit Committee

The composition of Audit Committee of the Company is as follows:

- | | |
|------------------------------|-------------|
| 1. Mr. Prakash Chandra Gupta | Chairperson |
| 2. Mr. Sheoraj Singh Ahlawat | Member |
| 3. Mr. Kunal Yadav | Member |

21. Corporate Social Responsibility

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

22. Directors' Responsibility Statement

Your Directors hereby confirmed that:

- (a) in the preparation of the Annual Accounts, for the financial year ended March 31, 2016 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (b) 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, 2016 and of the profit and loss of the Company for the financial year;
- (c) the director have 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;
- (d) the directors have prepared the Annual Accounts on a going concern basis;
- (e) The Directors have laid down internal financial controls to be followed by the Company, and these financial controls are adequate and are operating effectively; and
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

23. Particulars of Loans, Guarantees or Investments Under Section 186 of the Act

During the year under review, there were no loans and guarantees given and investments made under Section 186 of the Act.

24. Particulars Of Contracts Or Arrangements With Related Parties Referred To In Sub-Section (1) Of Section 188 Of The Act In The Prescribed Form

All contract(s) / arrangement(s) / transaction(s) entered into by your Company with its related parties, during the year under review, were:

- in "ordinary course of business" of the Company;
- on "an arm's length basis"; and
- not "material",

as per the provisions of Section 188(1) of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014. Accordingly, Form AOC-2, prescribed under the provisions of Section 134(3)(h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, for disclosure of details of Related Party Transactions, which are "not at arm's length basis" and also, which are "material & at arm's length basis", is not provided as an annexure of the Directors' Report.

25. Material Changes and Commitments affecting the financial



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position of the Company

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report.

26. Significant and material orders passed by the regulators or courts

There are no significant material orders passed by the Regulators / Courts. However which would impact the going concern status of the Company and its future operations.

27. Auditors

Statutory Auditors:

M/s R. Dewan & Co., Chartered Accountants, the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letter from M/s R. Dewan & Co., Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Act and that they are not disqualified for such appointment within the meaning of Section 141 of the Act. The observations and comments given by Auditors in their report read together with notes to Accounts are self explanatory and hence do not call for any further comments under Section 134 of the Act.

Explanation to Auditor's Remarks

1. The Company has granted loan to M/s. Yadu Sugar Ltd. in the earlier year and the balance outstanding as on 1/04/2015 was Rs. 4,93,56,000/-. During the year further loan of Rs 2,61,90,000/- was further granted. This amount including the opening balance outstanding was repaid during the year. However, no interest has been charged on this loan.
2. The Company has granted loan of Rs.2,75,00,000 to M/s. Cosmos Industries Ltd. in the financial year 2015-16 which was repaid during the year. But no interest has been charged on this loan.
3. The Company has provided guarantee in respect of KCC loan secured to the farmers (suppliers) from Banks. As per Tri-partite agreement between the Indian Sucrose Ltd., farmers and banks, the banks have sanctioned KCC limit to the farmers and credited the same in the Indian Sucrose Ltd.
4. The company had issued 7,00,000 cumulative 6% preference cumulative shares of Rs.100 each in Jan 2011, which were convertible into equity shares at a premium of Rs.4 each within 60 months from the date of issue. These shares have not been converted into equity shares which were due for conversion after the month of Dec, 2015.

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.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Lalan Kumar Singh (FCS.:7837)(CP.:8544) from M/s L K Singh & Associates, a firm of Company Secretaries in

Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit in Form MR-3 for the Financial Year ended March 31, 2016 is annexed as **Annexure 2** to the Report. There are no reservations or adverse remarks made by Secretarial Auditor in this report. The clarifications on the qualifications in the Secretarial Auditors' Report are self explanatory and no further explanation is considered necessary:-

- (a) *The Company has granted loan to M/s. Yadu Sugar Ltd. Rs 2, 61, 90,000/- and Rs.2,75,00,000 to M/s. Cosmos Industries Ltd respectively. However, no interest has been charged on this loan which is prejudicial to the interest of the Company and violation of Section 186 of Companies Act 2013 but loan granted was repaid during the year. Moreover the requisite information and other relevant documents have not been provided to us for verification. Accordingly we are unable to comment on terms and conditions of loan granted.*
- (b) *Company has granted Loan to company in which director are interested the requirement of Section 185 of Companies Act 2013 has not complied.*
- (c) *The company had issued 7,00,000 cumulative 6% preference cumulative shares of Rs.100 each in Jan 2011, which were convertible into equity shares at a premium of Rs.4 each within 60 months from the date of issue. These shares have not been converted into equity shares which were due for conversion after the month of Dec, 2015. Further, the company has neither paid nor credited any dividend since the date of issue of 6% preference cumulative shares.*

Internal Auditors

M/s Bhola Vijesh & Associates, Chartered Accountants performs the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time.

28. Corporate governance

The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on corporate governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with the certificate from the Practicing Company Secretary confirming the compliance, is annexed and forms part of this Annual Report.

29. Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings And Outgo

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act are provided as follows:

CONSERVATION OF ENERGY

- (a) **The Steps taken or Impact on Conservation of Energy:** Efforts for Energy Conservation are a continuing process. These efforts continued during the financial year 2015-16 also.
- (b) **Steps taken by the Company for utilizing alternate sources of energy:**

The Company has installed most modern equipments in the plant and is able to save and minimize energy consumption.