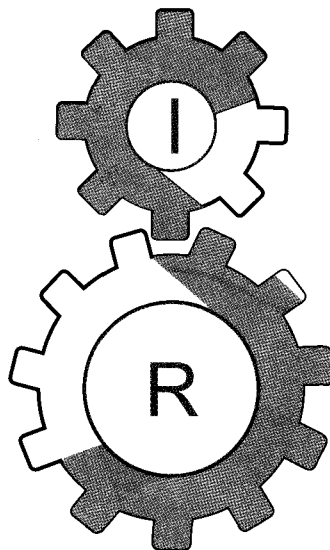


79th

ANNUAL REPORT 2012 – 2013



The India Sugars & Refineries Limited

THE INDIA SUGARS & REFINERIES LIMITED

BOARD OF DIRECTORS :

Sri Siddharth R Morarka, Managing Director
Sri Rahul R Morarka, Joint Managing Director
Sri. Sanjay M Medhekar
Sri. B S Gurumurthy
Sri S S Narayana

AUDITORS :

M/s. M S Krishnaswami & Rajan,
Chartered Accountants,
GB. Anand Apartments, JP Avenue, 6th Street,
Dr. Radhakrishnan Salai, Mylapore
CHENNAI - 600 004

BANKERS :

State Bank of India

REGISTERED OFFICE :

Chitwadgi,
Hospet - 583211
Dist. Bellary, Karnataka

CORPORATE OFFICES :

C/o M/s F.Bock (Agencies) Pvt Ltd.,
Voltas International House,
2nd Floor, 28, Bank Street,
Fort Mumbai - 400 001

108, Midford House,
1, Midford Gardens,
Bangalore - 560001

STOCK EXCHANGE WHERE COMPANY'S SECURITIES ARE LISTED

Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street,
Mumbai - 400001.



NOTICE

NOTICE is hereby given that the **SEVENTY-NINTH ANNUAL GENERAL MEETING OF THE INDIA SUGARS & REFINERIES LIMITED** will be held at the Registered Office of the Company at Chitwadgi-Hospet-583211, Bellary District, Karnataka State, at 11.00 A.M On Saturday the 29th March, 2014 to transact the following business:
ORDINARY BUSINESS

1. To receive, consider, and adopt the audited Balance Sheet as at 30th September 2013 Statement of Profit and Loss for the year ended on that date and Reports of Directors & Auditors and compliance certificate thereon.
2. To appoint a Director in place of Sri. Siddharth R Morarka, who retires by rotation and being eligible, offers himself for re- appointment
3. To appoint a Director in place of, Sri. S.S.Narayana who retires by rotation and being eligible, offers himself for re- appointment
4. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **"SPECIAL RESOLUTION"**.

"RESOLVED THAT, in modification/supersession of the resolution of the shareholders passed in the Seventy eighth Annual General meeting held on 28th March, 2013 and pursuant to the provisions of Section 269, 198 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, and subject to the approval of Central Government, the approval of the Company be and is hereby accorded to the

appointment of Sri. Sidharth R Morarka as the Managing Director of the Company for a further period of 3 years with effect from 1st July, 2013 on the remuneration and other terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT, in the event of Company not having any profit or its profits are inadequate in any financial year during the tenure of his appointment, the above remuneration by way of salary, allowances and perquisites shall be paid to Sri. Sidharth R Morarka as a minimum remuneration, but however subject to the approval of the Central Government and/ or limits laid down under Section II of Part II of Schedule XIII of the Companies Act, 1956 including any statutory modification or re-enactment thereof as may be for the time being in force.

RESOLVED FURTHER THAT, the Board of Directors of the company be and are hereby authorized to vary, alter or modify the and conditions including remuneration as may be directed by the Central Government and as may be agreed to by the Board of Directors and Sri Siddharth R Morarka.

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **"SPECIAL RESOLUTION"**.

"RESOLVED THAT, in modification/supersession of the resolution of the shareholders passed in the Seventy eighth Annual General meeting held on 28th March, 2013 and pursuant to the provisions of Section 269, 198 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, and



subject to the approval of Central Government, the approval of the Company be and is hereby accorded to the appointment of Sri Rahul R Morarka as the Managing Director of the Company for a further period of 3 years with effect from 1st July, 2013 on the remuneration and other terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting”

RESOLVED FURTHER THAT in the event of Company not having any profit or its profits are inadequate in any financial year during the tenure of his appointment, the above remuneration by way of salary, allowances and perquisites shall be paid to Sri Rahul R Morarka as a minimum remuneration, but however subject to the approval of the Central Government and/ or limits laid down under Section II of Part II of Schedule XIII of the Companies Act, 1956 including any statutory modification or re-enactment thereof as may be for the time being in force.

“RESOLVED FURTHER THAT, the Board of Directors of the company be and are hereby authorized to vary, alter or modify the terms and conditions including remuneration as may be directed by the Central Government and as may be agreed to by the Board of Directors and Sri Rahul R Morarka.”

7. To consider, and if thought fit, to pass with or without modification the following resolutions as a **“SPECIAL RESOLUTION”**.

“RESOLVED THAT, pursuant to the provisions of Section 180(1)(c) and other applicable provisions of the Companies Act 2013, and the Articles of Association of the Company, consent of the Company be ad is hereby accorded to the Board of Directors of the Company to borrow from time to time any sum or sums of money which, together with the moneys already borrowed by the Company (apart from temporary loans obtained/ to be obtained from the Bankers of the Company in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves provided that total amount so borrowed shall not at any time exceed Rs. 50 Crores (Rupees Fifty Crores) and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of such moneys to be borrowed from time to time as regards interest, repayment, security or otherwise as they may deem fit and also to execute all such deeds and documents as may be or required for the purpose.”

By Order of the Board of Directors
For **The India Sugars & Refineries Ltd.**

Siddharth R. Morarka
Managing Director

Place: Bengaluru
Date: 01.03.2014



NOTES:

1. The Explanatory Statement in regards to Special Business as required pursuant to Section 173 (2) of the Companies Act, 1956 is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND INSTEAD OF HIMSELF/HERSELF AND VOTE AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The Instrument appointing the proxy, Proxies in order to be valid, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 23rd March, 2014 to 29th March, 2014 (both days inclusive).
5. Members are requested to notify any change in their Addresses, if any, quoting their Folio Number(s).
6. Details of Directors seeking Appointment at the Annual General Meeting.

Particulars	Sri Siddharth R Morarka	Sri Rahul R Morarka	Sri S.S. Narayan
Date of Birth	30.03.1969	12.06.1972	01-05-1941
Date of Appointment	18.10.2008	18.10.2008	28-02-2008
Qualifications	B.Com,MBA	B.Com	LME.,BOE.,FSTA
Expertise in specific functional area	Companies expansion of sugar capacity production and in various cost saving efforts and in the up gradation, and reconditioning of the entire battery of boilers to activate maximum efficiency	well versed in finance, tax and excise related matters.	well versed in Technical Matters in the sugar industry also Managing Director in Co-operative Sugar Factories in Andhra also holding senior position in sugar Industries

Directorships held in other Public Companies

--NIL--

--NIL--

--NIL--

Memberships/Chairmanships of Committees of other Public Companies (includes only Audit Shareholder Grievance Committees)

--NIL--

--NIL--

--NIL--

By Order of the Board of Directors
For **The India Sugars & Refineries Ltd.**

Siddharth R. Morarka
Managing Director

No. of shares held in the Company

75,416

75,050

500

Place: Bengaluru
Date: 01.03.2014



EXPLANATORY STATEMENT

under section 173(2) of Companies Act, 1956

Item no 5

Sri Sidharth R Morarka has been working as a Managing Director of the Company with effect from October 18, 2008. He was last reappointed as Managing Director for a period of 3 years w.e.f July 1, 2010. His previous term was due to expire on June 30, 2013. In view of necessity of his continued services, the Board of Director's, on the recommendation of the Remuneration Committee, in their meeting held on February 23, 2013, subject to the approval of the shareholders and the Central Government, had reappointed Sri Sidharth R Morarka as Managing Director of the Company for a further period of 3 years w. e.f July 1, 2013.

The remuneration and other terms and conditions of appointment are set out below:

a. Salary : Rs1,80,000/- per month with an annual increment of Rs.20,000/- p.m. (in the scale of Rs.1,80,000-20,000-2,40,000)

b. Perquisites and allowances

Category A

a. Housing: Furnished residential accommodation or House Rent Allowance in lieu thereof subject to a maximum of 40% of the salary per month.

b. Provision of gas, electricity, furnishing, etc.; and the expenditure incurred by the Company on the same shall be valued as per the Income Tax Rules, 1962.

c. Medical reimbursement: For self and family subject to a ceiling of one month's salary in a year or three months' salary in a block of three years.

d. Medical insurance; The premium not exceeding Rs 10,000 per annum.

e. Personal accident insurance: The premium not exceeding Rs 4000/- per annum.

f. Leave Travel Concession: For self and family, once in a year incurred in accordance with the rules of the Company subject to a maximum of one month salary in a year.

g. Club Fees: Club fees subject to a maximum of two clubs. This will not include admission and life membership fee.

h. Bonus as per rules of the company.

Category B

i. Company's Contribution to Provident Fund, Superannuation Fund or Gratuity as per the Rules of the Company.

ii. Gratuity not exceeding half month salary for every completed year of service.

iii. Earned / privilege leave as per the rules of the Company as applicable to other senior executives of the Company.

iv. Encashment of the unutilized leave as per the rules of the Company.

Category C

i. Provision of car for use on Company's business and telephone at residence. Personal long distance calls on telephone and use of car for private purpose shall be billed to the Managing Director.

The Managing Director is not entitled to sitting-fees for attending meeting of the Board of Directors or any Committee thereof.



The appointment is terminable with three months notice in writing on either side.

The appointment of and payment of remuneration to Sri. Sidharth R Morarka was subsequently approved by the shareholders in the Seventy eighth Annual General Meeting held on 28th March, 2013 by an ordinary resolution. This resolution is proposed as a Special Resolution in supersession of the earlier resolution in conformity with the requirement of Schedule XIII of the Companies Act, 1956.

The resolution seeks the approval of the shareholders for appointment of Sri. Sidharth R Morarka as Managing Director of the Company for a period of 3 years w.e.f. 1st July, 2013, pursuant to provisions of Section 269, read with Schedule XIII and other applicable provisions of the Companies Act, 1956 and payment of above remuneration to him subject to the approval of the Central Government pursuant to Section 198,309, and other applicable provisions read with Schedule XIII of the Act.

Sri. Sidharth R Morarka, Managing Director as the resolution relates to his appointment, and Sri. Rahul R Morarka, Director being a relative in terms of Section 6 read with Schedule 1A of the Companies Act, 1956, may be regarded as interested or concerned in the resolution. No other Director is interested or concerned in the Resolution.

This may also be regarded as an Abstract of Terms and Conditions of appointment of Managing Director and Memorandum of Interest pursuant to Section 302 of the Act.

Item 6.

Sri Rahul R Morarka has been working as a Jt. Managing Director of the Company with effect from October 18, 2008. He was last reappointed as Jt. Managing Director for a period of 3 years w.e.f July 1 2010. His previous term was due to expire on June 30, 2013. In view of necessity of his continued services the Board of Directors, on the recommendation of the Remuneration

Committee, in their meeting held on February 23, 2013, subject to the approval of the shareholders and the Central Government, had reappointed Sri. Rahul R Morarka as Jt. Managing Director of the Company for a further period of 3 years w. e.f July 1,2013.

The remuneration and other terms and conditions of appointment are set out below:

a. Salary : Rs1,80,000/- per month with an annual increment of Rs.20,000/- p.m. (in the scale of Rs. 1,80,000-20,000-2,40,000)

b. Perquisites and allowances

Category A

a) Housing: Furnished residential accommodation or House Rent Allowance in lieu thereof subject to a maximum of 40% of the salary per month.

b) Provision of gas, electricity, furnishing, etc.; and the expenditure incurred by the Company on the same shall be valued as per the Income Tax Rules, 1962.

c) Medical reimbursement: For self and family subject to a ceiling of one month's salary in a year or three months' salary in a block of three years.

d) Medical insurance; The premium not exceeding Rs 10,000 per annum.

e) Personal accident insurance: The premium not exceeding Rs 4000/- per annum.

f) Leave Travel Concession: For self and family, once in a year incurred in accordance with the rules of the Company subject to a maximum of one month salary.

g) Club Fees: Club fees subject to a maximum of two clubs. This will not include admission and life membership fee.



- h) Bonus as per rules of the company.

Category B

- a. Company's Contribution to Provident Fund, Superannuation Fund or Gratuity as per the Rules of the Company.
- i. Gratuity not exceeding half month salary for every completed year of service.
- ii. Earned / privilege leave as per the rules of the Company as applicable to other senior executives of the Company.
- iii. Encashment of the unutilized leave as per the rules of the Company.

Category C

I. Provision of car for use on Company's business and telephone at residence. Personal long distance calls on telephone and use of car for private purpose shall be billed to the Managing Director.

The Jt. Managing Director is not entitled to sitting-fees for attending meeting of the Board of Directors or any Committee thereof.

The appointment is terminable with three months notice in writing on either side.

The appointment of and payment of remuneration to Sri Rahul R Morarka was subsequently approved by the shareholders in the Seventy eighth Annual General Meeting held on 28th March, 2013 by an ordinary resolution. This resolution is proposed as a Special Resolution in supersession of the earlier resolution in conformity with the requirement of Schedule XIII of the Companies Act, 1956.

The resolution seeks the approval of the shareholders for appointment of Sri. Sidharth R Morarka as Managing Director of the Company for a period of 3 years w.e.f. 1st July, 2013, pursuant to provisions of Section 269, read with Schedule XIII and other applicable provisions of the Companies Act, 1956 and payment of above remuneration to him subject to the approval

of the Central Government pursuant to Section 198,309, and other applicable provisions read with Schedule XIII of the Act.

A Statement pursuant to clause (B) of section II of Part II of Schedule XIII is attached.

Sri.Rahul R Morarka, Managing Director as the resolution relates to his appointment, and Sri.Sidharth R Morarka, Director being a relative in terms of Section 6 read with Schedule 1A of the Companies Act, 1956, may be regarded as interested or concerned in the resolution. No other Director is interested or concerned in the Resolution.

This may also be regarded as an Abstract of Terms and Conditions of appointment of Managing Director and Memorandum of Interest pursuant to Section 302 of the Act.

Item 7

At the 67th Annual General meeting of the Company held on 9.2.2002, the Members of the Company had authorized, pursuant to Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company to borrow up to Rs. 50 Crores (Rupees Fifty Crores) from Banks and Financial Institutions.

In view of the provisions of Section 180(c) of Companies Act 2013, it has become necessary to seek the approval of the shareholders by special resolution to borrow in excess of the aggregate of capital and free reserves of the company.

The Resolution seeks the approval of the Members for borrowing limit pursuant to Section 180(1)(c) of the Act by way of special resolution.

None of the Directors of the Company is concerned or interested in the Resolution.

By order of the Board of Directors
For **The India Sugars & Refineries Ltd.**

Siddharth R Morarka
Managing Director

Place: Bengaluru
Date : 01.03.2014



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Annexure to Notice of the Annual General Meeting

Statement Pursuant to Schedule XIII (Part II) Section II (1) 9 C) (iv)

I GENERAL INFORMATION

- (1) Nature of Industry : Sugar
- (2) Date of commencement of commercial production: Commercial production already started more than 7 decades ago and is operating company.
- (3) Financial Performance :
(---Rs. In lacks-----)

	2012-13 *	2011-12	2010-11	2009-10
Total Income	3247.24	6603.05	4988.11	1288.34
Total Expenditure	4387.76	6747.04	4714.80	1987.17
Profit before taxation	(1140.52)	(143.99)	273.31	(698.83)
Deferred tax-(net)	113.97	(37.06)	197.97	59.01
Profit after taxation	(1026.55)	(181.05)	75.34	(639.82)
Proposed Dividend	0.00	0.00	0.00	0.00
Corporate dividend tax	0.00	0.00	0.00	0.00
Transfer to General Reserve	0.00	0.00	0.00	0.00
Balance carried forward	(1026.55)	(181.05)	75.34	(639.82)

* unaudited figures

II INFORMATION ABOUT THE APPOINTEE:

(1) Background details:

Sri Sidharth R Morarka immediately after his graduation joined the company and was working as a Chief Executive from April 1, 1992. He was appointed Executive Director(whole time director) of the Company in March 1999. Since then he has been working as a whole time director and w.e.f. October 18, 2008 he was appointed the Managing Director of the Company He was last reappointed for a period of 3 years with effect from July 1, 2010.

Sri. Rahul R Morarka immediately after his

graduation joined the company and was working as an Executive from April 1, 1992. He was appointed Executive Director (whole time director) of the Company in March 1999. Since then he has been working as a whole time director and w.e.f. October 18, 2008 he was appointed the Jt. Managing Director of the Company. He was last reappointed for a period of 3 years with effect from July 1, 2010.

2) Past remuneration

Sri Sidharth R Morarka was paid Rs 75000/- per month initially on his appointment as Managing director and his last drawn remuneration was Rs 1,80,000/- per month plus perquisites and benefits.

He is a commerce graduate and has also done the Business Case Study program from University of Harvard and has contributed a lot to the improvement of the business of the Company for the last nearly two decades.

Sri Rahul R Morarka was paid Rs 75000/- per month initially on his appointment as Joint. Managing director and his last drawn remuneration was Rs 1,80,000/- per month plus perquisites and benefits.

He is a commerce graduate and well versed in finance, tax and excise related matters. and has contributed a lot to the improvement of the business of the Company for the last nearly two decades.

3) Recognition or awards.

Sri Siddharth R Morarka is member of India Sugar Mills Association, South Indian Sugar Mills association, and Karnataka Sugar Institution.

Sri Rahul R Morarka is member of India Sugar Mills Association, South Indian Sugar Mills association, and Karnataka Sugar Institution.

4) Job profile and his suitability.

Sri Sidharth R Morarka has been working with the Company for nearly twenty years and was responsible for the successful