



# INDIAN SUCROSE LIMITED

## 24th Annul Report 2014-2015



## MANAGEMENT

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### BOARD OF DIRECTORS

**Sh. Kunal Yadav**  
Chairman & Managing 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

### AUDITORS

M/s 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

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

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# INDIAN SUCROSE LIMITED



## INDIAN SUCROSE LIMITED

(FORMERLY OSWAL SUGARS LIMITED)

Regd. Office & Works: G.T.Road, Mukerian-144211, Distt. Hoshiarpur (Punjab)

CIN: L15424PB1990PLC010903

Phone: +91-1883-249002/3/4, Fax: +91-1883-244532

Email Id: isl.investor@yaducorporation.com

Website: www.muksug.com

### NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Members of the Company will be held on Wednesday, 30th day of September 2015 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 financial statements of the Company for the financial year ended March 31, 2015 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 appoint M/s. R. Dewan & Co., Chartered Accountants, (FRN: 017883N) in place of retiring auditors M/s Rakesh Grover & Co., Chartered Accountants, 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 appointed as the Auditors of the Company, in place of retiring auditors M/s Rakesh Grover & Co., Chartered Accountants, 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:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or reenactment thereof), read with Schedule V to the Companies Act, 2013, subject to such other approvals, as may be necessary, consent of the Company be and is hereby accorded for the re-appointment of Sh. Kunal Yadav (DIN: 01338110) as Managing Director of the Company for a further period of 5 years upto June 16, 2020 with effect from June 17, 2015 on terms and conditions and remuneration as set out under this item annexed to the notice convening this meeting.

**RESOLVED FURTHER THAT** in the event of any statutory amendment, modification or relaxation by the Central Government to the provisions of Schedule V to the new Act, the Board of Directors of the Company (hereinafter referred to as "the Board" which terms shall be deemed to include any committee which the Board may constitute to exercise its powers, including powers conferred by this resolution) be and is hereby authorized

to alter and vary the terms and conditions of appointment including remuneration, if necessary, in such manner as may be agreed to by and between the Board and Sh. Kunal Yadav, within such prescribed limit(s) or ceiling and the agreement between the Company and the Managing Director be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in General Meeting.

5. 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, 2016, be paid a remuneration of Rs. 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."

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** 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: 22-08-2015

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 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 24, 2015 to Wednesday, September 30, 2015 (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

The Board of Director of your Company at its meeting held on 18th June, 2015 the on recommendation of the Nomination and Remuneration Committee re-appointed Mr. Kunal Yadav, as Managing Director of the Company with effect from 18th June, 2015 for the period of five years, subject to the approval of the Members, in pursuance of the provision of Schedule V and other provisions of the Companies Act, 2013.

The details of proposed remuneration payable to Sh. Kunal Yadav, Managing Director and other terms as enumerated in the draft Agreement is as under:

#### SALARY

₹ 1, 50,000/- (Rupees One Lac fifty thousand only) per month

#### PERQUISITES:

In addition to the aforesaid salary, the Managing Director shall be entitled to the following perquisites:

- (a) Fully furnished residential accommodation. Where no accommodation is provided by the Company, suitable house rent allowance in lieu thereof may be paid. The expenses on furnishings, gas, electricity, water and other utilities shall be borne by the Company.
- (b) Reimbursement of all medical expenses incurred for self and family.
- (c) Leave travel assistance for self and family as per Company rules.
- (d) Fees of clubs, which will include admission and life membership fees.
- (e) Personal accident insurance, premium whereof does not exceed ₹ 1, 00,000 per annum.
- (f) A car with driver for official purpose.
- (g) Telephone and fax facilities at residence.
- (h) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- (i) Gratuity at the rate not exceeding half a month's salary for each completed year of service, and

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- (j) Leave at the rate of one month for every eleven months of service. Leave not availed of may be encashed.

Family for the above purpose means wife, dependent children and dependent parents of the Managing Director.

## COMMISSION

Commission shall be decided by the Board of Directors based on the net profits of the Company each year subject to the condition that the aggregate remuneration of the Managing Director shall not exceed 5% of the net profits of the Company, in accordance with sections 197, 309 and Schedule V to the Companies Act, 2013.

## MINIMUM REMUNERATION

Where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, he shall be entitled to remuneration by way salary and perquisites not exceeding the limits specified under Section II of Part II of the Schedule V of the Companies Act, 2013 as amended and for the time being in force including such amendments, modifications, revisions as may be made by the Central Government in the said limits from time to time as minimum remuneration.

For the purpose of computation of minimum remuneration, the following shall not be included:

- Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- Gratuity at the rate not exceeding half a month's salary for each completed year of service, and
- Encashment of leave at the end of the tenure.

**Sitting Fees-** The Managing Director shall not be paid any sitting fees for attending the meeting of the Board of directors or Committee thereof from the date of his appointment.

The Board recommends the Resolution for approval.

None of the other Directors are concerned or interested in the proposed resolution.

## ITEM No. 5

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:

Sl. 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. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

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.

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

## ITEM NO. 6

The Company issued 700,000 6% Convertible Preference Shares of ₹. 100/- each convertible into Equity Shares of ₹ 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. 6 of the Notice for approval by the shareholders.

## Note on appointment of M/s. R. Dewan & Co., Chartered Accountants, as Statutory Auditors of the Company (Item No. 3)

M/s. Rakesh Grover & Co., Chartered Accountants, the present auditors of the Company would be retiring at the conclusion of this Annual General Meeting. They have communicated that they do not wish to offer themselves for reappointment at the conclusion of their present term of appointment, at this Annual General Meeting of the Company, which has been accepted by the Board of Directors of the Company in their meeting held on August 22, 2015.

Further, M/s. R. Dewan & Co., (FRN: 017883N) Chartered Accountants, being eligible, have indicated their willingness to serve as the statutory auditors of the Company, if appointed at the Meeting. The same has been recommended by the Audit Committee of the Board and approved by the Board of Directors of the Company, in their respective meetings held on August 22, 2015, subject to approval of the members of the Company at the ensuing Annual General Meeting.

The appointment of M/s. R. Dewan & Co., (FRN: 017883N) Chartered Accountants, if approved by the members of the Company, will take effect from the conclusion of this Annual General Meeting.

Further, as required under the provisions of Section 141 of the Companies Act, 2013, M/s. R. Dewan & Co., Chartered Accountants, provided a certificate to the effect that their appointment, if made at this Annual General Meeting, shall be in accordance with the limits specified in the sub-section 141(3) (g) of Section of Companies Act, 2013.

None of the Directors of the Company are in any way concerned or interested in this resolution.

By Order of the Board of Directors

For Indian Sucrose Limited

Sd/-

Place: Delhi

Date: 22-08-2015

**Kunal Yadav**

(Chairman & Managing Director)



## INDIAN SUCROSE LIMITED

**Details of the Directors seeking Appointment/Reappointment at the Annual General Meeting  
(In Pursuance of Clause 49 of the Listing Agreement and Secretarial Standard- 2 (SS-2) on "General Meetings")**

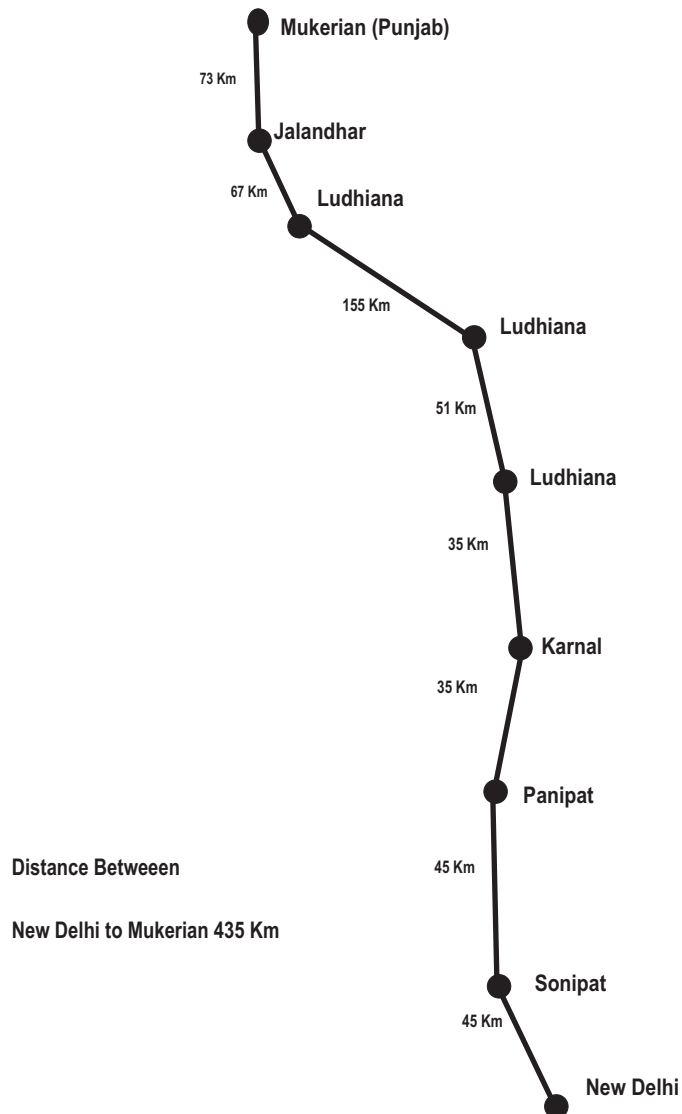
Name of the Director	Sh. Kunal Yadav	Sh. Sanjay Singh
Date of Birth	14/11/1981	01/01/1965
Age (in years)	33	50
Date of Appointment	03-05-2008	19-09-2013
Qualification	M.B.A.	
Board Position held	Managing Director	Executive Director
Term & Conditions for re-appointment	As per resolution given in the Notice	Liable to retire by rotation
Expertise in functional area	Industrialist, Experience in Corporate Finance, Management and Corporate Strategies	Management and Corporate Strategies
Other Directorship	Yadu Resorts (India) Limited Yadu (India) Limited Yadu Sugar Limited Cosmos Industries Limited Yadu Corporation Private Limited Kunal Beverages Private Limited Chanaky Capital Market Pvt Ltd Indian Cellulose Private Limited Shervani Sugar Syndicate Ltd Samridhi Buildcon Private Limited Scorpion Media Private Limited V.N. Properties Private Limited Comet Buildcon Private Limited Top-Image Estates Private Limited Noble Buildcon Private Limited Rangar Brweries Ltd. Sunstone Buildtech Private Limited Live Reporters Private Limited	NIL
Committee Positions in other Companies	<b>Cosmos Industries Limited</b> - Member- Audit Committee - Member- Nomination & Remuneration Committee  <b>Yadu Sugar Limited</b> - Member- Audit Committee - Member- Nomination & Remuneration Committee  <b>Yadu (India) Limited</b> - Member- Audit Committee - Member- Nomination & Remuneration Committee	Nil
Relationship with Directors	Ms. Kunj Deep Kalra- Wife	N.A.
No. of Shares held	NIL	NIL

# INDIAN SUCROSE LIMITED



## ROUTE MAP FOR AGM VENUE

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





# INDIAN SUCROSE LIMITED

## Directors' Report

To the Members,

The Board hereby presents its report for the year ended 31st March, 2015.

### 1. Financial Performance

The Financial Summary and Highlights are given below. As the preceding period ended 31st March 2014 was of six months, the figures of revenue and expenses are not comparable.

(₹ in Lacs)

	For the year ended March 31, 2015	For the 6 months ended March 31, 2014
Revenue from Operations and Other Income	21198.99	11168.95
Total Expenses	22229.81	11095.50
Profit/ (Loss) before Tax (PBT)	(918.19)	73.44
Prior Period Items	(20.60)	22.68
Profit before Tax	(897.59)	50.76
Tax Expenses:		
Current Tax	-	(27.55)
Earlier Year Tax	126.26	-
Wealth Tax	2.00	2.00
Deferred Tax charge/ (Credit)	(150.04)	43.97
Profit/ (Loss) after Tax	(875.81)	32.34

### 2. Performance Review

Your company achieved turnover of Rs. 21198.99 lacs for the year ended March 31, 2015. Company incurred a net loss of Rs. 875.81 lacs during the year under review.

During the year under review, your Company has crushed 6081747 QTLS of Sugarcane and produced 617402 bags of Sugar in 130 crushing days, as compared to previous year crushing of 5770462 QTLS of sugarcane and production of 579740 bags of Sugar in 129 crushing days.

The capacity utilization of the plant during the year under review was 93.56% and the average recovery was 10.14 % as compared to capacity utilization of 89.68 % and average recovery of 9.79 % in the previous year.

### 3. Dividend

No dividend has been recommended.

### 4. Capital

During the Financial year 2014-15 the Share Capital of the Company remains the same as that of previous year 2013-14.

### 5. Risk Management Policy

Disclosure indicating development and implementation of a Risk Management Policy is provided in the Management Discussion and Analysis Report forming part of this Report.

### 6. Internal Control System and their adequacy

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company.

### 7. Vigil Mechanism:

The Company has established a Vigil Mechanism for Directors and Employees in accordance with sub-section (9) and (10) of Section 177 of the Companies Act, 2013. Details of Vigil Mechanism are given in the Corporate Governance Report under the heading of Whistle Blower Policy. The Vigil Mechanism has been disclosed on the website of the Company.

### 8. Corporate Social Responsibility

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company yet the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development

### 9. Directors and Key Managerial Personnel

Shri Sanjay Singh, Executive Director shall retire at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Shri Dharampal Singh resigned as Director of the Company with effect from February 13, 2015.

Shri Manish Kumar Dixit, resigned as Company Secretary of the Company with effect from close of business hours of August 14, 2015.

Your Directors place on record their sincere appreciation of the valuable contribution made by the aforesaid Director and Company Secretary to the Company.

Pursuant to the recommendation of the Nomination and Remuneration Committee, Shri Kunal Yadav was reappointed by the Board of Directors, subject to the approval of the shareholders, as the Executive Chairman and Managing Director of the Company on May 18, 2015 for a further period of five years with effect from June 17, 2015 to June 16, 2020.

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.





## 10.1. Board Evaluation

Pursuant to the provisions of companies Act, 2013 and clause 49 of the Listing Agreement, 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.

## 10.2 Remuneration Policy

The Nomination and Remuneration Committee framed a policy for selection and appointment of Directors including determining qualifications independence of a Director, Key Managerial Personnel, Senior Management Personnel and their remuneration as part of its charter and other matters provided under Section 178(3) of the Companies Act, 2013. An extract of the policy covering these requirements is provided in the Corporate Governance report

## 10.3 Number of meetings of the Board

The Board met fifteen (15) times in the year ended 31st March 2015 viz. on 7th May 2014, 30th May 2014, 11th July 2014, 4th August 2014, 14th August 2014, 22nd August 2014, 15th October 2014, 14th November 2014, 29th December 2014, 1st January 2015, 13th February 2015, 14th February 2015, 25th February 2015, 12th March 2015 and 25th March 2015. The maximum interval between any two meetings did not exceed 120 days.

## 10.4 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.

## 11. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirmed that:

- (a) in the preparation of the Annual Accounts, for the financial year ended March 31, 2015 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, 2015 and of the 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 were adequate and operating effectively.

## 12. Related Party Transactions

None of the transactions with any of related parties were in conflict with the Company's interest. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. All related party transactions are negotiated on an arms-length basis and are ordinary course of business. Therefore, the Provisions of Section 188(1) of the Companies Act, 2013 are not applicable. The details of the transaction with the related party are provided in the accompanying financial statements.

## 13.1 Material changes and commitments affecting the financial position of the Company

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

## 13.2 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.

## 14. Auditors

### 14.1 Statutory Auditors:

M/s. Rakesh Grover & Co., Chartered Accountants, the retiring auditors, have expressed their unwillingness for re-appointment as Statutory Auditor of the Company. As recommended by Audit Committee and approved by the Board of Directors of the Company, in their respective meetings held on August 22, 2015, the Board has proposed the appointment of M/s. R.Dewan & Co., Chartered Accountants as Statutory Auditors for the Financial Year 2015-16, who being eligible, have indicated their willingness to serve as the statutory auditors of the Company, if appointed at the Meeting, subject to approval of the members of the Company at the ensuing Annual General Meeting.

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.

### 14.2 Explanation to Auditor's Remarks

There are no reservations or adverse remarks made in the Auditors' report. The notes to the accounts referred to in the Auditors' Report are self explanatory and no further explanation



## INDIAN SUCROSE LIMITED

is considered necessary. However, the clarifications on the qualifications in the Auditors' Report are as under:-

1. The Company has granted loan to M/s. Yadu Sugar Ltd. in the earlier years and the balance outstanding amount is Rs. 4.94 cr. as on 31-03-2015.
2. The Company has provided guarantee in respect of KCC loan secured to the farmers (suppliers) from Banks. As per Tri-party 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.

### 14.3 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 (2015-16) by the Board upon the recommendation of the Audit Committee.

### 14.4 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, 2015 is annexed as Annexure A 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:-

1. The Company has not complied with Section 180(1)(c) of Companies Act 2013.
2. Annual Return on Foreign Liabilities and Assets for the year ended on 31.03.2014 have not filed during the period.

### 14.5 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.

### 15. 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 to this report.

### 16. Particulars regarding Conservation of Energy

The Company has taken several steps to conserve energy. Information as required under Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given below and forms part of this Report.

#### 16.1 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 2014-15 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.

- (c) The capital Investment on energy conservation equipments: 47.78 Lacs

- (d) Total energy consumption and energy consumption per unit of production: 11.06

Particular	₹	
	Current year 01.04.14 to 31.03.15	Previous year 01.10.13 to 31.03.14
1. ELECTRICITY		
a). Purchased		
Units	431634kvah	11352
Amount (in lacs)	47.78	0.59
Rate/Unit ( in ₹)	11.06	5.17
b). Own generation		
i) Through Diesel Generator		
Units	560246kwh	735723kwh
Units per ltr of diesel oil	3.58 kwh	3.56 kwh
Rate/unit (in ₹)	15.59	15.73
ii) Through Stream Turbine		
Generation		
Units	32996128	29828168
Units per ton of fuel	292.34	253.24
Rate/unit		
(being generated out of stream required for process)	-	-
Bagasse		
Quantity M.T.	112866.78	117783.51
Total cost (₹ In lacs)		
(Estimated due to own generation)	2257.33	2061.20
Average rate (in ₹)	2000/-	1750/-