



INDIAN SUCROSE LIMITED

22nd Annual Report 2012-13



MANAGEMENT

BOARD OF DIRECTORS

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

COMPANY SECRETARY

CS Manish Kumar Dixit

BANKERS

Punjab National Bank

REGISTERED OFFICE & WORKS

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

CORPORATE OFFICE

202/47, Thapar Arcade,
Kalu Sarai, Hauz Khas,

AUDITORS

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

COST AUDITORS

Ajay Kumar Singh & Associates,
Cost Accountants,
Delhi

CONTENTS

Notice	01
Director's Report	02
Management Discussion & Analysis	05
Corporate Governance Report	07
Auditor's Report	11
Balance Sheet	14
Profit & Loss Account	15
Schedules	16

INDIAN SUCROSE LIMITED



NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of the Company will be held on Monday, 30th day of December 2013 at 11:00 AM, at the Registered Office of the Company at G.T. Road, Mukerian-144 211, Distt. Hoshiarpur (Punjab), to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 30th September, 2013 and the Profit & Loss Account for the year ended on that date along with the Report of the Board of Directors and Auditors' thereon.
2. To appoint a director in place of Sh. Pawan Dewan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Sh. Dharampal Singh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Rakesh Grover & Co., Chartered Accountants, in place of retiring auditors M/s B. K. Kapur & 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. Rakesh Grover & Co., Chartered Accountants, be and are hereby appointed as the Auditors of the Company, in place of retiring auditors M/s B. K. Kapur & 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

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

“**RESOLVED THAT** Mr. Sanjay Singh, who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 (Act) and in respect of whom the Company has received a notice pursuant to Section 257 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.”

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

Place : Mukerian
Date: 05-12-2013

CS Manish Kumar Dixit
(Company Secretary)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY IS ANNEXED HERewith AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. The Person appointed as proxy shall not act on behalf of more than 50 members pursuant to the provisions of Section 105(1) of the Companies Act, 2013 (notified on 12-09-2013).
3. 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.
4. 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.
5. A Statement pursuant to Section 102 of the Companies Act, 2013 (notified on 12-09-2013), relating to the Special Business to be transacted at the meeting is annexed hereto.
6. The relevant records of the company open for inspection by members as per provisions of the Company Law can be inspected at the Registered Office of the company on all working days between 10:00 a.m. to 12:00 p.m.
7. The members are requested to notify the change in their addresses, if any to the company immediately.
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. The Members are requested to bring their copies of Annual Report at the Meeting.
10. The Members are requested-
 - i. To bring Attendance Slip duly completed and signed at the meeting; and
 - ii. To quote their Folio No. / DP Id - Client Id in all correspondence.
11. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 24th December 2013 to Tuesday, 30th December 2013 (both days inclusive), for Annual Closing.
12. Members who have not registered their email address so far are requested to register their email address for receiving the Annual report and other communication from the Company electronically.
13. 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).
14. Members are requested to furnish the Nomination Form in the prescribed Performa in case they wish to avail the Nomination facility given by the Companies Act, 1956.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Items no. 4

Appointment of Director liable to retire by rotation

Mr. Sanjay Singh was appointed as Additional Directors by the Board of Directors of the Company at their meeting held on September 19, 2013.

As per the provisions of Section 260 of the Companies Act, 1956, read with Article 133 of Articles of Association of the Company, Mr. Sanjay Singh holds office till the date of the forthcoming Annual General Meeting of the



Company. The Company has received Notice in writing from a Member of the Company along with the required deposit proposing the candidature of Mr. Sanjay Singh for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

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

None of the Directors except Mr. Sanjay Singh are concerned or interested in the resolution.

The Board recommends the ordinary resolution set forth at item no. 4 of the Notice, for the approval of the members.

Note on appointment of M/s. Rakesh Grover & Co., Chartered Accountants, as Statutory Auditors of the Company (Item No. 4)

M/s. B. K. Kapur & 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 December 05, 2013.

Further, M/s. Rakesh Grover & Co., 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 December 05, 2013, subject to approval of the members of the Company at the ensuing Annual General Meeting.

The appointment of M/s. Rakesh Grover & Co., 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 224 (1B) of the Companies Act, 1956, M/s. Rakesh Grover & 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 (1B) of Section 224 of Companies Act, 1956.

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

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

Place : Mukerian
Date: 05-12-2013

CS Manish Kumar Dixit
(Company Secretary)

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Twenty Second Annual Report of your Company together with the audited Balance Sheet, Profit & Loss Account and the report on business and operation of the Company for the year ended September 30, 2013.

Financial Performance

(₹ in Lacs)

Particulars	October 1, 2012 to September 30, 2013	April 1, 2011 to September 30, 2012
Revenue from operations (Net)	20116.11	26921.57
Profit before Finance Cost, Depreciation & Exceptional Items	3620.77	4124.09
Finance Cost	2064.22	3037.11
Depreciation and Amortization Expenses	582.85	820.91
Exceptional Items	3.16	1.25
Profit/(Loss) before Tax (PBT)	970.54	264.82
Tax Expenses	288.25	261.00
Profit/ (Loss) after Tax	682.29	3.82

Performance Review

Your company maintains performance in the term of net profit in compare to last year. As compared to last year turnover of ₹26921.57 lacs your company achieved turnover of ₹20116.11 lacs during the current year. The net operating profit after tax (PAT) was ₹682.29 lacs during the year under review as compared to ₹3.82 lacs during last year.

During the year under review, your Company has crushed 6118109.31 QTLS of Sugarcane and produced 600,063 QTLS of Sugar in 131

crushing days, as compared to previous year crushing of 5,980,704 QTLS of sugarcane and production of 594,091 BAGS of Sugar in 126 crushing days.

The capacity utilization of the plant during the year under review was 93.94% and the average recovery was 9.79% as compared to capacity utilization of 94.94% and average recovery of 9.93 % in the previous year.

Directors

Sh. Dharampal Singh and Sh. Pawan Dewan, Non-Executive Directors, shall retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Mr. Sanjay Singh was co-opted on the Board as an Additional Director by the Board of Directors of the Company at its meeting held on 19-09-2013. Considering Mr. Sanjay Singh's wide and in-depth knowledge of Sugar Industry, Proposal is being placed before the shareholders for approval to his appointment as a regular director, liable to retire by rotation.

Corporate Governance

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

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

Auditors

M/s. B. K. Kapur & 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 December 05, 2013, the Board has proposed the appointment of



M/s. Rakesh Grover & Co., Chartered Accountants as Statutory Auditors for the Financial Year 2013-14, 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. As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has obtained written confirmation from M/s. Rakesh Grover & Co. that their appointment, if made, would be in conformity with the limits specified in the Section.

Cost Auditor

During the financial year under review the Company has appointed M/s. Ajay Kumar Singh & Associates, Cost Accountants, Delhi as the Cost Auditor 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 (2013-14) by the Board upon the recommendation of the Audit Committee.

Postal Ballot

During the year under review the company has obtained the approval of its Members under Section 372A, 293(1)(a) and Section 293(1)(d) of the Companies Act, 1956, by passing the resolution through postal ballot as provides by postal ballot rules pertaining to:

- Resolution No. (1): Special Resolution under Section 372A of the Companies Act, 1956 to authorize the Board of Directors to make investment in excess of the limits specified in the said Act.
- Resolution No. (2): Special Resolution under Section 372A of the Companies Act, 1956 to authorize the Board of Directors to provide loan, guarantees and securities in excess of the limits specified in the said Act.
- Resolution No. (3): Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 for increase in borrowing limits from ₹150 Crores upto a limit of ₹200 Crores.
- Resolution No. (4): Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 for creation of charges on movable and immovable properties of the Company, both present and future, in respect of the borrowings in terms of resolution no. 3 above.

Voting Pattern and Procedure for Postal Ballot:

- The Board of Directors of the Company had, at its meeting held on 27.08.2013, appointed M/s Lovneet Handa & Associates, New Delhi, as the Scrutinizer for conducting the postal ballot voting process.
- The Postal Ballot process was carried out in a fair and transparent manner. The postal ballot forms had been kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- All postal ballot forms received up to the close of working hours on 31.10.2013 the last date and time fixed by the Company for receipt of the forms, had been considered.
- The results of the Postal Ballot were announced on 09.11.2013 at the Registered Office of the Company as per the Scrutinizer's Report.

Statutory Disclosures

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

required to be given under this Section.

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

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

(A) CONSERVATION OF ENERGY

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

1) POWER AND FUEL CONSUMPTION

	Current Year	Previous Year
1. ELECTRICITY		
a) Purchased		
Units	99,354	Nil
Amount (in Lacs)	6.95	Nil
Rate/Unit (in Lacs)	7.00	Nil
b) Own Generation		
i) Through Diesel Generator		
Units	824,600	1,323,000
Unit per Ltr. of Diesel Oil	3.80	3.50
Rate/Unit (in ₹)	12.65	12.09
ii) Through Steam Turbine Generation		
Units	19,746,965	19,283,363
Units per Ton of Fuel	134.98	154.00
Rate/Unit (Being Generated out of steam required for process)	Nil	Nil
Bagasse		
Quantity M.T.	146287.50	125231.20
Total Cost (₹ In Lacs)	2194.50	1878.50
(Estimated due to own generation)		
Average Rate (in ₹)	1500	1500

2. CONSUMPTION UNIT OF PRODUCTION

	(IN M.T.) Standard	Actual Current Year	Actual Previous Year
Electricity (Units)	350	345.99	346.85
Bagasse (M.T.)	3.50	2.44	2.11

(B) TECHNOLOGY ABSORPTION (R & D)

Research & Development (R & D)

- The Company is regularly carrying on research and development for the development of Sugar Cane in the area.



2. Agricultural implements, fertilizers, pesticides, and cane seeds are supplied to the cane growers on loan basis and at subsidized rates.
3. Expenditure incurred on R & D.

(₹ in Lacs)

	Current Year	Previous Year
a) Capital	-	-
b) Recurring	42.32	46.54
c) Total	42.32	46.54
d) Total Expenditure as percentage of Turnover	0.20%	0.17%

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

(C) FOREIGN EXCHANGE EARNING & OUTGO

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the Annual Accounts, for the financial year ended September 30, 2013 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at September 30, 2013 and of the profit of the Company for year under review;

- (iii) the director have taken proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the Annual Accounts on a going concern basis.

LISTINGS

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

FIXED DEPOSITS

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

INDUSTRIAL RELATIONS & HUMAN RELATIONS DEVELOPMENT

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

ACKNOWLEDGEMENT

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

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

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

Place : Mukerian
Date: 05-12-2013

Kunal Yadav
(Chairman & Managing Director)



MANAGEMENT ANALYSIS AND PERCEPTION

1. Industry Structure & Development

Sugar:

The Indian sugar sector is highly cyclical in nature and is sensitive to Government policy and weather conditions. A typical sugar cycle lasts for 3-5 years – lower sugarcane and sugar production results in an increase in sugar prices and higher and prompt payments to farmers, which, in turn, leads to an increase in area under cane cultivation. An increase in cane acreage then leads to higher sugar production, decline in sugar prices, lower profitability for mills and consequently delayed payments to farmers, which, in turn, results in area under cane cultivation coming down. As sugar is consumed by every household and a large number of farmers draw their livelihood from sugarcane cultivation, the Central Government has always wanted to control prices in the open market, while the States want to ensure higher and higher prices for sugarcane farmers.

The year 2012-13 started on a positive note with the Government allowing export of surplus sugar under OGL.

As the year progressed, because of excess production of sugar in most sugar producing countries, International prices of white sugar dropped from around US\$ 600 per MT to US\$ 520 per MT, thus limiting the prospects for further exports.

By the third quarter and onwards, sugar prices came under pressure due to higher release by the Government as well as import of raw sugar by coastal sugar refineries for domestic consumption. The start of crushing by mills and the rising trend of production, resulting in an even higher level of inventories, put further pressure on prices. Presently, the prices are below ₹3200/ qtl., which is much lower than the cost of production.

During the season 2012-13, domestic production is estimated at 24.5 Million MT as against 26 Million MT last year. After considering import of raw sugar by coastal refineries, and consumption at 22.5 Million MT, the season has added considerably to the sugar surplus. To safeguard the Industry, representations are being made to the Government to increase import duty on raw / white sugar from present level of 10% to the bound rate of 60%.

Recently, the Government of India has announced partial de-control of the sugar industry based on the recommendation of the committee headed by Dr. C. Rangarajan, Chairman, Economic Advisory Council. One of the decisions bringing relief to the industry is the dismantling of the release mechanism. Under this mechanism, the Government used to decide how much sugar mills can sell in the open market and in what time frame (quarterly, in 2012/13). The scrapping of the release mechanism is, therefore, a huge plus for the industry. One of the other positive steps for both farmers and the industry is the removal of 10 per cent 'levy sugar', which deals with supply of sugar by the sugar industry to the Public Distribution System (PDS). Levy sugar for the PDS will now be procured by State Governments from the open market at prevailing market prices. So far, the industry has been supplying levy sugar to the Government for PDS at 50-60 per cent of its cost of production. This decision will help the industry save about ₹3,000 crore annually, which would also help in making cane payments on time and reducing cane arrears. Another welcome move is that the Government has not increased any excise duty to fund the Government's additional subsidy burden arising out of its taking over the levy sugar burden from the industry.

The next important step for the Government, both the Central and States, would be to address sugarcane controls and rationalize the cane pricing in line with the globally accepted and successful

cane price-sugar price linkage formula, which is also very strongly recommended by the Rangarajan Committee. This step would help to reduce the cyclicity of sugar production and better enable the industry to pay for the sugarcane supplied by farmers and consumers too would benefit with more stable sugar prices.

Reforms in the sugar sector will result in a win-win situation for the farmers, consumer, Government and industry. In the long run, all stakeholders will benefit with a less volatile and a more stable industry.

Co-generation of Power:

During the last 15 years bagasse based co-generation power projects were commissioned in various States in India. Electricity production through co-generation in sugar mills in India is an important source of low-cost, non-conventional power. Presently, India has around 206 co-generation units with a cumulative installed capacity of 3123 MW. Further, India has a potential of generating 5000 MW of power through bagasse.

The Central Government has announced various incentives schemes for sugar Companies to set up cogeneration power projects and for acceleration of power co-generation programme. The Company has sold 1, 33, 09,878 units of power during the year.

2. Outlook:

The Indian sugar production in the past couple of years has gone through a volatile phase, primarily on account of bad weather conditions in 2008-09 and 2009-10. Sugar production in India fell from 28.63 million tonnes in 2007-08 to a low of 15.95 million tonnes in 2008- 09. Though, it has recorded gains in production and was at 28.3 million tonnes in 2011-12, India's sugar output is set to decline by 10-15 per cent in the 2012-13 crushing season due to lower cane availability from drought-hit Maharashtra Districts. As the largest sugar-producing State in India, Maharashtra contributes a third of India's overall sugar output. This is set to translate into India's total sugar output between 23-24 million tonnes during the 2013-14 crushing season, lower from 24.6 million tonnes estimated by the apex trade body, Indian Sugar Mills Association (ISMA).

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

3. Risks, Threats and Opportunities:

Threat:

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

Challenges

- High production cost resulting in idle capacities and water availability for irrigation
- Most of the sugar factories are more than 30 year old and still use old technology.



- Low installed production capacity leads to a sub-optimal production and losses
- Growing sugarcane prices.

Strengths

- India is the world's second-largest producer of sugar after Brazil
- Annual tax contribution to the exchequer is around ₹2200 crore by way of excise duty
- Provides direct employment including ancillary activities to near by around 0.5 million worker
- It supports downstream industries by providing raw materials
- This sector has been the focal point of socio-economic development in rural India

Opportunities:

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

4. Segment wise Performance:

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

5. Internal Control Systems and their adequacy:

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

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

6. Human Resources and No. of employees employed:

The Company believes that its experienced and skilled manpower is the biggest strength for meeting the challenges of changing business environment. Organizations differ in their ability to harness the full potential of their employees to the creative pursuit of attaining excellence. The attract, retain and motivate the best talent, the company believes in empowering its employees. The company continues to enjoy a cordial and harmonious relationship with its employees. We believe, its is our people along who provide us with the greatest sustainable and competitive advantage. The basic HR philosophy of the company revolves around commitment to create an organization that futures talents and enterprise of its people. Your Company's employees fully identify with your Company's vision and business goals. Training needs are identified in a systematic manner and regular training programmes are being organized to develop the knowledge and skill levels of the employees. Since the industry is of seasonal nature, hence during season time (from November to April) skilled contractual labour is also hired. Total number of employees (including contractual labour) as on 30th September 2013 was 204.

7. Industrial Relations:

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

8. Cautionary Statement:

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



REPORT ON CORPORATE GOVERNANCE

REPORT & OVERVIEW

1. Company's philosophy on Code of Governance

Corporate Governance refers to, but not limited to, a set of laws, regulations and good practices and systems that enable an organization to perform efficiently and ethically to generate long-term wealth and create value for all its stakeholders. Corporate governance requires everyone to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources optimally with the sound & prudent ethical standard. The Company recognizes that good corporate governance is a continuous exercise.

Adherence to transparency, accountability, fairness and ethical standard are integral part of the Company's function. Your Company's structure, business dealings, administration and disclosure practices have aligned to good corporate governance philosophy. Your Company has an adequate system of control in place to ensure that the executive decisions taken should result in optimum growth and development which benefits all the stakeholders. The Company aims to increase and sustain its corporate value through growth and innovation.

2. Code of Ethics

The Board of directors has approved and implemented a Code of Conduct and Ethics for the Board of Directors and Senior Management.

The name of the members of the Board, their status, their attendance at the Board Meeting and the last Annual General Meeting (AGM), number of the other Directorship and Committee membership/Chairmanship of each Director are as under:

Name of Director	Board meeting attended during the year	Attendance at the Last AGM	Number of other Directorships		Number of committee memberships in other Companies
			Of Indian public limited Companies	Of other companies	
Non-Executive Director					
Sh. Dharampal Singh	18	YES	4	5	-
Sh. Jitender Singh	18	YES	3	3	-
Managing Director					
Sh. Kunal Yadav	18	YES	7	17	-
Independent Director					
Sh. Pawan Dewan	6	YES	1	1	-
Sh. Sheoraj Singh Ahlawat	6	YES	1	-	-
Sh. Prakash Chandra Gupta	6	YES	-	1	-
Executive Director					
Sh. Sanjay Singh	-	NO	-	-	-

4. Audit & Compliance Committee

Terms of Reference

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

Composition

The Audit & Compliance Committee comprises of three Directors, out

The Confirmation from the Managing Director regarding compliance with the code by all the Directors and senior management.

Prevention of Insider Trading:

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

3. Board of Directors

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

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

Eighteen Board meetings were held during the Financial Year ended September 30, 2013 on the following dates: 12-10-2012, 15-11-2012, 30-11-2012, 08-12-2012, 09-12-2012, 24-01-2013, 06-02-2013, 15-02-2013, 19-03-2013, 14-05-2013, 30-05-2013, 17-06-2013, 26-06-2013, 09-07-2013, 14-08-2013, 27-08-2013, 31-08-2013 and 19-09-2013.

of which two are Independent Directors. The Committee chaired by Sh. Pawan Dewan, Independent Director. Four meetings were held during the financial Year ended September 30, 2013. The Composition and attendance details are given below:

Name of the members	No. of meetings attended
Sh. Pawan Dewan	4
Sh. Sheoraj Singh Ahlawat	4
Sh. Prakash Chandra Gupta	4
Sh. Kunal Yadav	4

5. Remuneration Committee

Terms of Reference

The term of reference of the Board Remuneration Committee includes



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

Composition

The Board Remuneration Committee comprises of three members. One meeting was held during the financial Year ended September 30, 2013. The composition of the remuneration committee is as follows:

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

Remuneration Policy

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

Remuneration of Directors

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

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

Independent Directors are paid sitting fees of ₹1520/- for attending each meeting of the Board of Directors and any committee of Directors.

6. The Shareholders/Investors Grievance/Share transfer Committee

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

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

The Company has its in House Share Transfer department, at Regd. Office of the company, G. T. Road, Mukerian. M/s MCS Ltd., New Delhi is acting as Registrar for Electronic connectivity with NSDL & CDSL for the dematerialization of its shares. The power to approve Share Transfer/Share Transmission is given to the Committee, which meet at the end of every month. The powers to sign the share transfer duly registered, and to confirm the dematerialization requests, are given to the whole time Directors/Company Secretary/officers of the company. During the year under review, all the complaints received have been redressed. There is no share transfer application pending for registration for more than 30 days, except those cases where notices were required to be sent to registered holders, due to their objection

lodged with the Company and Bad deliveries as per SEBI Guidelines in this regard.

7. General Body Meetings

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

Annual General Meetings (In last three years)	Date	Venue	Time	Special Resolution Passed
2010	Sept. 30, 2010	at G.T.Road, Mukerian	11.00 A.M	Yes
2011	Sept. 30, 2011	Distt. Hoshiarpur,	11.00 A.M	No
2012	Dec. 31, 2012	Punjab.	11.00 A.M	No

8. Disclosures

During the Financial Year ended September 30, 2013:

- There was no materially significant related party transactions with the Directors that have a potential conflict with the interests of the Company.
- The related party transactions have been disclosed in the notes to accounts forming part of the annual financial statements.
- There were no instances of non-compliance by Company, penalties, strictures imposed by Stock Exchange and SEBI on any matter related to capital markets, since the incorporation of the Company.
- The company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed by the clause 49 of on the Listing Agreement to the extent applicable to the Company.

9. Means of Communication

Quarterly Results are communicated through newspaper advertisement.

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

10. General Shareholders Information:

Day, Date, Time and Venue of the Annual General Meeting	Monday, December 30, 2013, 11:00A.M., Regd.Off. & work at Mukerian
Financial Year	October 1, 2012 to September 30, 2013
Date of Book Closure	Dec. 26, 2013 to Dec. 30, 2013 (Both days inclusive)
Dividend Payment Date	N.A.
Listing on Stock Exchanges	1. Bombay Stock Exchange Limited 2. Calcutta Stock Exchange Asso. Ltd* * The Delisting Application made by the Company is pending with these Stock Exchanges. Listing fee to BSE has been paid till 31st March, 2014.
Stock Code	BSE: 500319



INDIAN SUCROSE LIMITED

a) DISTRIBUTION SCHEDULE AS ON 30.09.2013

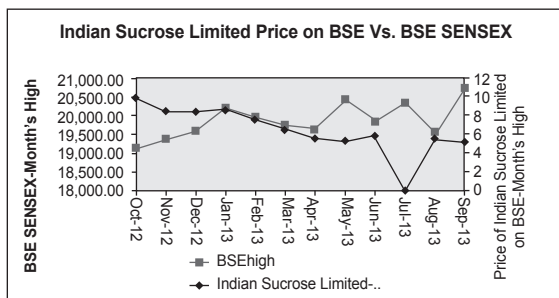
Equity Shares Nominal Value of Each Share/Unit ₹10/-

Numbers Of Share-Holders	% of Total	Share Holding of Nominal Value of ₹	No. of Shares	Amount in ₹	% to Total
18458	97.57	Up to 5000	4005779	40057790	25.91
302	1.60	5001 to 10000	509956	5099560	3.30
88	0.46	10001 to 20000	444545	4445450	2.88
34	0.18	20001 to 30000	219677	2196770	1.42
13	0.07	30001 to 40000	167410	1674100	1.08
3	0.02	40001 to 50000	96375	963750	0.62
7	0.04	50001 to 100000	200850	2008500	1.30
12	0.06	100001 and above	9817215	98172150	63.49
18917	100.00	Total	15461807	154618070	100.00

b) Market Price Data

Month	Open	High	Low	Close	Total Turnover (₹)
October, 2012	9.1	9.9	8.12	8.94	115902
November, 2012	8.5	8.5	7.19	7.93	499893
December, 2012	7.55	8.37	7.26	7.87	159651
January, 2013	7.62	8.61	7	7.11	142847
February, 2013	7	7.65	6.06	6.22	169011
March, 2013	6	6.52	5.3	5.3	213723
April, 2013	5.3	5.56	4.76	4.76	23900
May, 2013	4.99	5.26	4.99	5.26	14564
June, 2013	5.52	5.79	5.45	5.45	8375
July, 2013	-	-	-	-	-
August, 2013	5.18	5.5	5.18	5.49	41137
September, 2013	5.22	5.22	4.96	5	4334

c) Stock Performance in comparison to BSE SENSEX:



d) Shareholding Pattern as on September 30, 2013

Sl. No.	Category	No. of Shares held	% of Total Shareholding
1.	Promoters	9,107,493	58.90
2.	Financial Institutions/ Banks	500	
3.	Private Corporate Bodies	721,611	4.67
4.	Mutual Funds	9,433	0.06
5.	Trust	1	
6.	NRIs	759,923	4.91
7.	Indian Public	4,862,846	31.46
		15,461,807	100.00

e) Dematerialization of Equity Shares and Liquidity

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

f) Plant Location (Manufacturing Unit)

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

Item / Products White Crystal Sugar
By products Molasses and Bagasse

*Address for Correspondence:

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

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

DECLARATION BY THE MANAGING DIRECTOR ON THE CODE OF CONDUCT

THE MEMBERS,
INDIAN SUCROSE LIMITED

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES, I, KUNAL YADAV, MANAGING DIRECTOR OF INDIAN SUCROSE LIMITED, DECLARE THAT ALL THE BOARD MEMBERS AND SENIOR EXECUTIVES OF THE COMPANY HAVE AFFIRMED THEIR COMPLIANCE WITH THE CODE OF CONDUCT DURING THE YEAR ENDED 30TH SEPTEMBER, 2013.

PLACE: MUKERIAN
DATE: DECEMBER 05, 2013

KUNAL YADAV
(CHAIRMAN &
MANAGING DIRECTOR)



CEO/CFO Certification

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

**Re: Financial Statements for the year ended 30th September, 2013
Certification by Managing Director and Chief Financial Officer**

We, Kunal Yadav, Managing Director and Ravinder Sharma, Chief Financial Officer, of Indian Sucrose Limited, on the basis of the review of the financial statements and the cash flow statement for the year ended 30th September, 2013 and to the best of our knowledge and belief, hereby certify that :-

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 30th September, 2013 which, are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which, we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee that:
 - a) there have been no significant changes in internal control over financial reporting during this year.
 - b) there have been no significant changes in accounting policies during this year.
 - c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Place: Mukerian
Date: December 05, 2013

Ravinder Sharma
(Chief Financial Officer)

Kunal Yadav
(Chairman & Managing Director)

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members,
Indian Sucrose Limited,

We have read the Report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by Indian Sucrose Limited for the year ended 30th September, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

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

We state that in respect of investors grievances received during the year ended 30th September, 2013, no investor grievances are pending against the Company, as per the records maintained by the Company.

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

Place: New Delhi
Date : 5th December, 2013

Yatish Bhardwaj
Company Secretary in Practice
ACS-29932
CP No. 10780



INDEPENDENT AUDITORS REPORT

TO THE SHAREHOLDERS OF INDIAN SUCROSE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of INDIAN SUCROSE LIMITED which comprise the Balance Sheet as at September 30, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Emphasis on Matter

We draw attention to Note No. 43 of the financial statements regarding "Micro Small & Medium Enterprises Development Act 2006". Our opinion is not qualified in respect of this matter.

Basis of Qualification

- Non-provision of disputed liabilities created by the Sales Tax Department aggregating to ₹11,19,000/- as per Note No 34 (i)*
- There is a non-provision of disputed Purchase Tax liability on purchase of Sugar Cane aggregating to ₹1,19,63,485/- for the financial year 1999-2000 to 2003-04 pending at appellate levels and ₹12,64,36,638/- estimated for financial years 2004-05 and from 2006-07 to 2012-13 as per Note No 34 (ii).*

Opinion

Subject to our qualifications under Basis of qualification paragraph which if had been considered the loss for the year would have been

₹7,12,89,890/- as against the reported profit of ₹6,82,29,233/- and the balance in Reserves & Surplus would have been ₹18,93,46,615 as against the reported figure of ₹32,88,65,738/- similarly, the current liabilities would have been ₹92,79,08,795/- as against the reported figure of ₹78,83,89,672/-, in our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at September 30, 2013;*
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and*
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.*

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
 - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - On the basis of written representations received from the directors as on September 30, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on September 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For B.K.Kapur & Co.
Firm Registration No 000852C

Chartered Accountants,

(M.S.Kapur) F.C.A.
Partner
M. No.074615

Place: Ghaziabad
Dated: 29.11.2013



Annexure to the Auditors' Report

(Referred to our Report on Other Legal and Regulatory Requirements of our Report of even date to the shareholders of INDIAN SUCROSE LIMITED for the year ended 30th September, 2013)

1. (a) The Company has maintained records showing particulars including quantitative details and situation of its principal fixed assets, accordingly the fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regards to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
(b) Fixed Assets disposed off during the year were not substantial and, therefore, do not effect the going concern assumption.
2. (a) The physical verification of inventory has been conducted by the management at reasonable intervals.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination, in our opinion, the Company has maintained proper records of inventory. Discrepancies noticed on such physical verification of inventory as compared to the book records were not material.
3. (a) According to information made available to us, the company has granted unsecured loans to two parties covered in the register maintained under section 301 of the Act. Total outstanding of such loan at the end of the year was ₹14,13,10,000/- and maximum balance outstanding 37,76,75,000/- Further the company has not given any other secured loan to companies, firm or other parties covered in the register maintained under section 301 of the Act.
(b) Unsecured loans being interest free, other terms and conditions of the loan given by the company are prima facie not prejudicial to the interest of the company.
(c) There is no overdue amount receivable more than ₹One Lac on account of principal amount.
(d) According to information made available to us, the company has taken interest free unsecured loans from two parties as covered in the register maintained under section 301 of the Act. Total outstanding for such loans at the year end was at the amount of ₹3,51,00,000/- and maximum outstanding during the year amounted to ₹3,96,00,000/-. Further, the company has not taken any secured loan from the aforesaid referred parties.
(e) The other terms and conditions of the unsecured loans taken by the Company are prima- facie not prejudicial to the interest of the Company.
(f) As informed to us, the repayment of the principal amount of unsecured loans, wherever there is stipulation as regards the payments, are regular.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business, for purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanation given to us, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. (a) Based on our examination and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
6. On the basis of information and explanations given to us, the Company has not accepted any public deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Act, and rules framed there under.
7. The Company has an internal audit system which needs to be strengthened to make it commensurate with the size and nature of the Company's business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the order made by the Central Government for the maintenance of the cost records under section 209(1) (d) of the Act and are of the opinion that, prima-facie, the prescribed account and records have been maintained and are being made up. We however as not required have not made a detailed examination of such records with a view to determine whether these are accurate or complete.
9. (a) According to the information and explanations given to us the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it. As explained to us, the provisions of Employees State Insurance are not applicable to the Company; no amount was due to be deposited under investor Education and Protection Fund. Further, except Income tax dues of 2,37,96,495/- there was no arrears of undisputed statutory dues outstanding as at 30th September 2013 for a period of more than six months from the date they became payable.



(b) According to the information and explanations given to us, the disputed statutory dues of Sales Tax & Excise duty aggregating to ₹ 10,91,05,134/- that have not been deposited are given below: -

Name of Statute	Nature of Due	Financial year to which it pertains	Amount (₹)	Forum where dispute is pending.
Sales Tax Laws	Sales tax	1997-98	567489	Deputy Excise & Taxation Commissioner (Appeal)
Sales Tax Laws	Purchase Tax	1999-2000	1663678	Punjab & Haryana High Court.
		2000-01 & 2001-02	5283608	Supreme Court.
		2002-03 & 2003-04	4899199	Supreme Court.
		2004-05	4026274	Supreme Court.
		2006-07	20983714	Vat Tribunal, Chandigarh
		2007-08	21842376	Vat Tribunal, Chandigarh
		2010-11 & 2011-12	29497416 & 20341380	DETC , Jalandhar & DETC , Jalandhar
			10,91,05,134	

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

10. The company does not have accumulated losses. The company has not incurred any cash losses during the current financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has delayed in repayment of its dues to Banks. The particulars of delays which relates to interest/installment during the year ended 30th September 2013 are as follows: -

Particulars	Amount (including Interest)	Period of delay (Days)
Banks	7,05,17,245	1-30
	6,07,41,265	31-60
	1,10,77,300	61-90
Total	14,23,35,810	

There are no dues of debenture holders.

12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a Nidhi / mutual benefit fund / society, therefore provisions of clause 4(xiii) of the order are not applicable to the Company.
14. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, provisions of clause 4(xiv) of the order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any corporate guarantees for loans taken by others from Banks.
16. In our opinion and on the basis of information and explanation given to us, the term loans availed by the company has been on overall basis utilised for the purpose for which it were sanction.
17. On the basis of overall examination of the Balance sheet of the company in our opinion and according to the information and explanations given to us funds raised on short term basis have prima facie not been used for long term investment.
18. The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The Company has not issued any debenture, therefore, no comment is required under para 4(xix) of CARO, 2003.
20. The company has not raised any money through public issues during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For B.K.Kapur & Co.
Firm Registration No 000852C
Chartered Accountants,

(M.S.Kapur) F.C.A.
Partner
M. No.074615

Place: Ghaziabad
Dated: 29.11.2013



INDIAN SUCROSE LIMITED

BALANCE SHEET AS ON 30.9.2013

(₹)

Particulars	Note No.	Figures as at end of Current Reporting Period 30.09.2013	Figures as at end of Previous Reporting Period 30.09.2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	224,183,320	224,183,320
Reserves and Surplus	3	328,865,738	260,636,505
		553,049,058	484,819,825
Non Current Liabilities			
Long Term Borrowings	4	164,388,333	340,075,213
Deferred Tax Liability (Net)	5	67,757,537	82,102,572
Long Term Provisions	6	17,512,105	17,116,768
		249,657,975	439,294,553
Current Liabilities			
Short Term Borrowings	7	563,500,319	748,515,074
Trade Payables	8	23,160,743	3,242,364
Other Current Liabilities	9	788,389,672	975,648,788
Short Term Provisions	10	75,734,205	32,860,384
		1,450,784,938	1,760,266,610
TOTAL		2,253,491,972	2,684,380,988
ASSETS			
Non Current Assets			
Fixed Assets	11		
Tangible Assets		676,879,081	674,447,331
Intangible Assets		2,827	8,527
Capital Working-In-Progress		146,258,571	143,799,162
		823,140,479	818,255,020
Non-Current Investments	12	18,972,532	18,972,532
Long Term Loans and Advances	13	26,662,662	43,338,111
		868,775,673	880,565,663
Current Assets			
Current Investments	14	150,000,000	270,000,000
Inventories	15	595,888,453	418,405,672
Trade Receivables	16	54,171,183	239,761,498
Cash and Cash Equivalents	17	80,493,956	342,746,207
Short Term Loans and Advances	18	504,162,706	532,901,949
		1,384,716,299	1,803,815,325
TOTAL		2,253,491,972	2,684,380,988
Notes forming part of Accounts	(1 to 47)		

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

Kunal Yadav
Chairman & Managing Director

Dharampal Singh
Director

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

Ravinder Sharma
Chief Financial Officer

CS Manish Kumar Dixit
Company Secretary

Place : Ghaziabad
Dated : 29.11.2013

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD 30.09.2013

(₹)

Particulars	Note No.	Figures for the Current Reporting Period 30.09.2013	Figures for the Previous Reporting Period 30.09.2012
Revenue from Operations	19	2,011,611,342	2,692,157,173
Other Income	20	2,185,824	38,717,122
Total Revenue		2,013,797,166	2,730,874,295
Expenses			
Cost of Material Consumed	21	1,508,664,207	1,372,202,726
Purchases of other goods		-	3,692,500
Changes in Inventories of Finished Goods, Work-In-Progress	22	(148,237,967)	647,308,739
Employee Benefits Expenses	23	63,080,372	84,337,948
Finance Costs	24	206,422,164	303,710,996
Depreciation and Amortisation Expenses	25	58,284,539	82,091,107
Other Expenses	26	228,213,520	210,923,641
Total Expenses		1,916,426,835	2,704,267,657
Prior Period Items		315,733	125,410
Profit before Tax		97,054,598	26,481,228
Tax Expense :			
Current Tax		43,170,400	30,612,584
Earlier Year Tax		-	(14,020)
Deferred Tax Charge/(Credit)		(14,345,035)	(4,499,434)
Profit/(Loss) for the period from Continuing Operations (IX-X)		68,229,233	382,098
Earning per Share (Note No. 49)			
Nominal Value Rs. 10/-			
Basic		4.14	0.02
Diluted		3.34	0.02
Notes forming part of Accounts	(1 to 47)		

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

Kunal Yadav
Chairman & Managing Director

Dharampal Singh
Director

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

Ravinder Sharma
Chief Financial Officer

CS Manish Kumar Dixit
Company Secretary

Place : Ghaziabad
Dated : 29.11.2013



CASH FLOW STATEMENT FOR THE PERIOD ENDING ON 30TH SEPTEMBER, 2013

(₹)

Particulars	Figures for the Current Reporting Period 30.09.2013	Figures for the Previous Reporting Period 30.09.2012
A. Cash Flow from operating activities		
Net Profit before extraordinary items and tax	97,054,598	26,481,228
Adjustments for:		
Depreciation and Amortisation	58,284,539	82,091,107
Interest and Finance Cost	206,422,164	303,710,996
Loss on sale/damage of assets (net)	176,082	-
Interest Income	(2,034,785)	(25,929,289)
Operating profit before working capital changes	359,902,598	386,354,042
Adjustment for:		
Inventories	(177,482,781)	662,311,346
Trade Receivables	185,590,315	(142,113,780)
Short term Loans and Advances	28,739,243	(37,313,606)
Long term Loans and Advances	16,675,449	41,149,695
Long Term Provisions	395,337	488,427
Trade payables	19,918,379	(17,367,369)
Other Current Liabilities	(187,259,116)	325,376,045
Short Term Provisions	42,873,821	(12,655,291)
Cash generated from operations	289,353,244	1,206,229,509
Direct Tax (paid) / refunds	(43,170,400)	(30,598,564)
Net cash flow from Operating Activities (A)	246,182,844	1,175,630,945
B. Cash Flow from investing activities		
Purchase of Fixed Assets	(63,671,080)	(33,873,505)
Sale of Fixed Assets	325,000	-
Interest Received	2,034,785	25,929,289
Non Current Investments	-	55,250,000
Current Investments	120,000,000	(270,000,000)
Net Cash flow from Investing Activities (B)	58,688,705	(222,694,216)
C. Cash Flow from financing activities		
Repayments of borrowings	(175,686,880)	(161,217,170)
Change of Credit Limited	(185,014,755)	(165,778,708)
Interest paid	(206,422,164)	(303,710,996)
Net Cash flow from Financing Activities (C)	(567,123,799)	(630,706,874)
Net increase / (decrease) in Cash and Cash equivalents (A+B+C)	(262,252,251)	322,229,857
Cash and Cash equivalent at the 1st Oct 2012	342,746,207	20,516,350
Cash and Cash equivalent at the 30th September 2013	80,493,956	342,746,207
Notes forming part of Accounts	(1 to 47)	

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

Kunal Yadav
Chairman & Managing Director

Dharampal Singh
Director

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

Ravinder Sharma
Chief Financial Officer

CS Manish Kumar Dixit
Company Secretary

Place : Ghaziabad
Dated : 29.11.2013



NOTE: 1 SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS ENDING 30th SEPTEMBER 2013

Significant Accounting Policies :

i) Basis of Accounting :

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

ii) Fixed Assets and Depreciation :

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

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

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

iii) Inventories :

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

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

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

By Product and residuals are valued at net realizable value.

iv) Investment :

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

v) Foreign Exchange Transactions

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

vi) Impairment of Assets

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

vii) Borrowing Costs:

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

viii) Sales

Sales include Excise duty but exclude Sales/Trade Tax.

ix) Contingent Liabilities :

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

X) Retirement Benefits

Contribution is made under relevant rules/statutes to the Provident Fund and which are charged to Profit and Loss Account for the year on accrual basis. Liability for gratuity and Leave encashment as on 30th September, 2013 has been determined on the basis of actuarial valuation and provided for in the accounts

XI) Taxes on Income

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

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

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



SCHEDULES FORMING PART OF BALANCE SHEET

(₹)

Particulars	Figures as at end of Current Reporting Period 30.09.2013	Figures as at end of Previous Reporting Period 30.09.2012
NOTE - 2 : SHARE CAPITAL		
Authorised:		
Equity Share Capital		
18000000 Equity Shares of ₹10/- each (Previous Period 18000000 Equity Shares of ₹10/- each)	180,000,000	180,000,000
Convertible Preference Share Capital		
700000 Preference Shares of ₹100/- each	70,000,000	70,000,000
Issued, Subscribed & Paid-up Capital		
Equity Share Capital		
15461807 Equity Shares of ₹10/- each fully paid up (Previous Period 15461807 Equity Shares of ₹10/- each fully paid up)	154,183,320	154,183,320
Preference Share Capital	70,000,000	70,000,000
700000 Preference Shares of ₹100/- each (see note below)		
TOTAL	224,183,320	224,183,320

Terms & Conditions of Equity Shares

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

Each Shareholder is eligible for one vote per shares held.

The Dividend, if any, proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting, except in the case of interim dividend.

In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholding.

Terms of Preference Share

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

The Preference Shares are Cumulative with reference to the dividend.

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

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

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

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

	As At 30.09.2013		As At 30.09.2012	
	No. of Shares held	Percentage(%)	No. of Shares held	Percentage(%)
Name of Equity Shareholders				
Yadu Sugar Ltd- Associate	6,022,607	38.95%	6,022,607	38.95%
Mrs. Umlesh Yadav	1,649,886	10.67%	1,649,886	10.67%
Name of Preference Shareholders				
Smt. Umlesh Yadav	225,000	32%	225,000	32%
Sh. Kunal Yadav	100,000	14%	100,000	14%
M/S Scorpion Media (P) Ltd.	175,000	25%	175,000	25%
M/s Top-Image Estate (P) Ltd.	100,000	14%	100,000	14%
M/s Noble Buildcon (P) Ltd.	100,000	14%	100,000	14%

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



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

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

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

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

Particulars	Figures as at end of Current Reporting Period 30.09.2013	Figures as at end of Previous Reporting Period 30.09.2012
NOTE - 3 : RESERVES AND SURPLUS		
Capital Reserve	1,500,000	1,500,000
Securities Premium Reserve		
As per Last Balance Sheet	66,436,000	66,436,000
Add: Additions during the year	-	-
	66,436,000	66,436,000
Surplus		
Profit & Loss Statement		
As per Last Balance Sheet	192,700,505	192,318,407
Add: Additions/(deletions) during the year	68,229,233	382,098
	260,929,738	192,700,505
TOTAL	328,865,738	260,636,505

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

Particulars	Figures as at end of Current Reporting Period 30.09.2013	Figures as at end of Previous Reporting Period 30.09.2012
NOTE - 4 : LONG TERM BORROWINGS		
Term Loans - Secured		
- From Banks	79,820,957	230,181,311
- From Govt. of India, Sugar Development Fund (SDF)	-	9,000,000
	79,820,957	239,181,311
Vehicle Loans - Secured		
- From Banks	14,309,606	14,019,892
	14,309,606	14,019,892
	94,130,563	253,201,203
Unsecured Loan		
From Related Party	35,100,000	39,600,000
From Other	35,157,770	47,274,010
	70,257,770	86,874,010
TOTAL	164,388,333	340,075,213

Security Clauses:

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

Rate of Interest

From Bank (T/L)	14.25%
From SDF	4.00%
From Bank (Veh. Loan)	11.75%



INDIAN SUCROSE LIMITED

Maturity Profile		2013-14	2014-15	
Term Loan				
T/L 61239		17,385,957.00	12,503,000.00	
T/L IC-17		111,232,894.00	66,600,000.00	
T/L IC-26		50,000,000.00	-	
T/L 7224		46,250,000.00	-	
SDF		9,000,000.00	-	
Vehicle loan				
		2013-14	2014-15	2015-16
		3,813,874.00	4,251,926.00	3,853,714.00
		2016-17	2017-18	2018-19
		2019-20	2018-19	2019-20
	3,129,388.00	1,788,317.00	728,230.00	558,031.00

Unsecured Loan Terms & Conditions

- There is no stipulation regarding repayment of term loan
- Rate of Interest

on 15000000/-	8%
on 55257770/-	0%

Particulars	As at 01.10.2012	During the Period	As at 30.09.2013
NOTE - 5 : DEFERRED TAX LIABILITY (NET)			
DEFERRED TAX LIABILITY			
Difference between Book & Tax Depreciation	82,102,572	(305,514)	81,797,058
	82,102,572	(305,514)	81,797,058
DEFERRED TAX ASSETS			
Expenses Allowed U/s 43-B on paid basis		14,039,520	14,039,520
Unabsorbed Business Losses		-	-
	-	14,039,520	14,039,520
NET DEFERRED TAX LIABILITY	82,102,572	(14,345,035)	67,757,537
	82,102,572	(14,345,035)	67,757,537

Particulars	As at 30.09.2012	As at 31.03.2011
NOTE - 6 : LONG TERM PROVISIONS		
Provision for Employees Benefits	17,512,105	17,116,768
TOTAL	17,512,105	17,116,768

	Figures as at end of Current Reporting Period 30.09.2013 Rupees	Figures as at end of Previous Reporting Period 30.09.2012 Rupees
NOTE - 7 : SHORT TERM BORROWINGS		
Loan Repayable on Demand		
Cash Credit from Banks -Secured	563,500,319	748,515,074
TOTAL	563,500,319	748,515,074

Terms & Condition of Cash Credit Loan

Security Clause

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

Rate Of Interest **14.25%**

INDIAN SUCROSE LIMITED



(₹)

	Figures as at end of Current Reporting Period 30.09.2013	Figures as at end of Previous Reporting Period 30.09.2012
NOTE - 8 : TRADE PAYABLES		
Micro, Small and Medium Enterprises	-	-
Others	23,160,743	3,242,364
TOTAL	23,160,743	3,242,364

NOTE - 9 : OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt		
Term Loans - Secured		
- From Banks	224,150,894	79,101,000
- From Govt. of India, Sugar Development Fund (SDF)	9,000,000	9,000,000
Vehicle Loans		
- From Banks	3,813,874	2,935,336
Interest Accrued But Not due on Borrowings	236,964,768	91,036,336
Interest Accrued and due on Borrowings	250,191	292,624
Security Deposits	8,553,817	4,522,064
Due to Directors	860,000	458,690
Other Payables	1,366,000	1,383,660
Statutory Liabilities	4,406,328	3,824,212
Advance From Customers	5,316,946	-
Other Liabilities	530,671,621	874,131,202
TOTAL	788,389,672	975,648,788

NOTE - 10 : SHORT TERM PROVISIONS		
Provisions for Employee Benefits	7,013,209	6,025,372
Provision for Taxation	45,255,253	13,576,881
Provision for Wealth Tax	170,000	160,000
Provision of Excise on Stock	23,295,743	13,098,131
TOTAL	75,734,205	32,860,384

NOTE -- 11 : FIXED ASSETS

(₹)

Nature of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.10.2012	Additions during the Year	Sold/Adj during the Year	As on 30.09.2013	Upto 30.09.2012	For the Year	On Sale/ Adjustment	UP TO 30.09.2013	As on 30.09.2013	As on 30.09.2012
Tangible										
Freehold Land	228,660,421	-	-	228,660,421	-	-	-	-	228,660,421	228,660,421
Building	137,230,019	2,486,864	-	139,716,883	39,977,208	3,092,098	-	43,069,306	96,647,577	97,252,811
Plant and Machinery	849,425,309	50,124,042	-	899,549,351	543,126,275	46,755,993	-	589,882,268	309,667,083	306,299,034
Furniture and Fixtures	4,022,533	306,813	-	4,329,346	3,869,272	295,203	-	4,164,475	164,871	153,261
Office Equipments	16,032,757	1,896,533	-	17,929,290	12,422,252	2,260,034	-	14,682,286	3,247,004	3,610,505
Vehicles	59,139,641	6,397,419	1,167,019	64,370,041	20,668,342	5,875,512	665,937	25,877,917	38,492,123	38,471,299
Tangible Total	1,294,510,680	61,211,671	1,167,019	1,354,555,332	620,063,349	58,278,839	665,937	677,676,251	676,879,081	674,447,331
Intangible										
Trade Mark	28,500	-	-	28,500	19,973	5,700	-	25,673	2,827	8,527
	28,500	-	-	28,500	19,973	5,700	-	25,673	2,827	8,527
Capital Work-in-Progress:										
Building,	1,502,425			1,502,425					1,502,425	-
Plant and Machinery	144,756,146	0		144,756,146					144,756,146	143,799,162
								Total (Rupees)	823,140,479	818,255,020
								Previous Year (Rupees)	818,255,020	



INDIAN SUCROSE LIMITED

(₹)

Particulars	Figures as at end of Current Reporting Period 30.09.2013	Figures as at end of Previous Reporting Period 30.09.2012
NOTE - 12 : NON CURRENT INVESTMENT		
Investment - related party (unquoted)		
Rangar Breweries Ltd. 3084266 Equity shares having face value of ₹10/ each	6,168,532	6,168,532
Yadu resorts (India) Ltd 322160 Equity shares having face value of ₹10/ each	8,054,000	8,054,000
Dharamputra Builders Pvt Ltd. 14500 Equity shares having face value of ₹10/ each	1,450,000	1,450,000
Versatile Events Private Limited 33000 Equity shares having face value of ₹10/ each	3,300,000	3,300,000
	18,972,532	18,972,532
NOTE - 13 : LONG TERM LOANS AND ADVANCES		
(Unsecured - Considered good)		
Security Deposits (incl. Interest Accrued thereon)	166,708	2,854,233
Share Application Money to Related Parties	-	-
to Other	-	10,039,418
Balance with Govt. Department (under protest)	15,891,910	1,782,429
Balance with Income Tax Authorities	2,548,559	2,548,559
	TOTAL 26,662,662	43,338,111
NOTE - 14 : CURRENT INVESTMENT		
Investment - related party (unquoted)		
1500000 Preference Shares of Yadu Sugar Ltd of ₹100/- each	150,000,000	270,000,000
P.Y. 2700000 Pref. shares of ₹100/ each		
	TOTAL 150,000,000	270,000,000
NOTE - 15 : INVENTORIES		
(As taken, valued and certified by the Management)		
Work-in-Progress	1,967,500	2,882,683
Finished Goods	472,328,640	329,586,527
Stores, Spare Parts and Packing Materials	69,993,379	50,946,181
	TOTAL 595,888,453	418,405,672
Mode of Valuation of Inventories:		
Inventories of Raw Material, Work-in-Progress, Finished Goods, Stock-in-Trade, Stores, Spares Parts and Packing Materials are valued at lower of Cost or Net Realisable Value. By-Products and residuals are valued at Net Realisable Value.		
Cost of Inventories is determined on weighted average. Cost of Finished Goods and Work - in - Progress has been worked out on absorption cost basis.		
NOTE - 16 : TRADE RECEIVABLES		
(Unsecured - Considered good)		
Trade Receivables outstanding for a period exceeding six months		-
Related Parties	45,661,736	155,750,735
	TOTAL 54,171,183	239,761,498
NOTE - 17 : CASH AND BANK BALANCE		
Cash & Cash Equivalents		
Cash on Hand	1,613,078	5,223,033
Cheque in hand	-	28,000,000
Balance with Banks		
In Current Accounts	18,065,474	302,115,498
In Cash Credit Accounts	-	-
Other Bank Balances		
In Fixed Deposit Account (In Margin Money and interest accrued thereon)	9,761,239	7,407,676
In Fixed Deposit Account having remaining maturity of less than 1 Year (Including interest thereon)	51,054,165	-
	TOTAL 80,493,956	342,746,207

INDIAN SUCROSE LIMITED



Particulars	Figures as at end of Current Reporting Period 30.09.2013	Figures as at end of Previous Reporting Period 30.09.2012
NOTE - 18 : SHORT TERM LOANS AND ADVANCES		
(Unsecured - Considered good)		
Advances to parties for supply of goods and services	13,958,722	-
Other Loans & Advances		
- Related Party	141,310,000	223,960,000
- Other	310,639,418	301,264,262
Cenvat Receivable	1,241,313	-
Other Amount Recoverable	30,660,908	1,805,590
Prepaid Expenses	2,110,912	1,124,724
TOTAL	504,162,706	532,901,948

Particulars	Figures for the Current Reporting Period 30.09.2013	Figures for the Previous Reporting Period 30.09.2012
NOTE - 19 : REVENUE FROM OPERATIONS		
Sale of Products	1,975,809,259	2,721,255,428
Other Operating Revenues	106,513,749	74,672,084
Less: Excise Duty	70,711,666	103,770,339
Net Sales	2,011,611,342	2,692,157,173
Particulars of Sale of Products		
Sugar	1,843,427,876	2,554,413,190
Molasses	132,381,383	166,842,238
	1,975,809,259	2,721,255,428

Particulars	Figures for the Current Reporting Period 30.09.2013	Figures for the Previous Reporting Period 30.09.2012
NOTE - 20 : OTHER NON OPERATING INCOME		
Interest Income	2,034,785	25,929,289
TOTAL	2,185,824	38,717,122

Particulars	Figures for the Current Reporting Period 30.09.2013	Figures for the Previous Reporting Period 30.09.2012
NOTE - 21 : COST OF RAW MATERIAL CONSUMED (Indigenous)		
Opening Stocks	-	-
Purchases	1,508,664,207	1,372,202,726
	1,508,664,207	1,372,202,726
Less : Closing Stocks	-	-
TOTAL	1,508,664,207	1,372,202,726

Particulars	Figures for the Current Reporting Period 30.09.2013	Figures for the Previous Reporting Period 30.09.2012
NOTE - 22 : CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS & STOCK-IN-TRADE		
Opening Stocks		
Finished Goods	329,586,531	971,302,903
Work-in-Progress	2,882,683	2,818,178
By-products	34,990,281	67,290,377
Stock - in - Trade		
Closing Stocks		
Finished Goods	472,328,640	329,586,527
Work-in-Progress	1,967,500	2,882,683
By-products	51,598,933	34,990,281
Stock - in - Trade	-	-
(Increase)/Decrease in stock	(158,435,579)	673,951,967
Excise & Other Duties on (Decrease)/Increase of Stocks	(10,197,612)	26,643,228
(Decrease)/Increase in Stocks	(148,237,967)	647,308,739

Particulars	Figures for the Current Reporting Period 30.09.2013	Figures for the Previous Reporting Period 30.09.2012
NOTE - 23 : EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	58,353,750	78,859,545
Contribution to Provident and other funds	3,426,690	4,659,619
Staff Welfare	1,299,932	818,784
TOTAL	63,080,372	84,337,948



INDIAN SUCROSE LIMITED

(₹)

Particulars	Figures for the Current Reporting Period 30.09.2013	Figures for the Previous Reporting Period 30.09.2012
NOTE - 24 : FINANCE COSTS		
Interest Expenses	204,832,754	297,539,975
Other Borrowing Costs	1,589,410	6,171,021
TOTAL	206,422,164	303,710,996
NOTE 25 : DEPRECIATION & AMORTISATION EXPENSES		
Depreciation	58,278,839	82,082,534
Amortisation	5,700	8,573
TOTAL	58,284,539	82,091,107
NOTE - 26 : OTHER EXPENSES		
Manufacturing Expenses		
Packing Materials Consumed	41,996,196	39,960,175
Consumption of Stores, Spares	46,559,682	40,295,181
Power and Fuel	15,176,781	16,967,769
Other Manufacturing Expenses	23,100	198,053
Repairs to:		
Plant and Machinery	70,044,675	74,430,559
Buildings	2,383,185	339,030
	176,183,619	172,190,767
Administrative and Other Expenses		
Rent	731,900	1,650,714
Rates and Taxes	2,510,547	1,365,497
Printing and Stationery	646,435	779,226
Postage, Courier and Telephones	671,546	1,109,217
Fees and Subscription	1,273,815	2,352,305
Legal and Professional Charges	1,766,696	2,298,795
Auditors' Remuneration	341,984	249,634
Vehicle Running and Maintenance	4,707,754	5,186,281
Insurance	1,159,121	1,427,511
Cane Development Expenses	4,231,639	4,653,610
Wealth Tax	180,000	160,000
Loss on sale/damage of Fixed Assets	176,082	-
Balances written off	16,946,887	398,551
Office & Other Administration Expenses	1,883,526	3,201,004
Bad debts	929,919	-
	42,126,223	28,490,574
Selling & Distribution Expenses		
Advertisement	122,807	297,805
Divisional Office Expenses	102,304	115,392
Guest House Expenses	605,304	444,584
Sugar Handling Expenses	6,742,524	5,685,244
Commission on Sales	2,330,739	3,699,275
	9,903,678	10,242,300
TOTAL	228,213,520	210,923,641

Notes to the Accounts:-

27. The figures have been rounded off to the nearest rupee.
28. The previous year's figures have been regrouped and re-classified, wherever necessary, to make them comparable.
29. The previous year figures in the financial statements are not comparable against the current year figures since the current year statements have been prepared for the 12 months period ending 30.09.2013 as against the previous year statements which has been prepared for the 18 month period ended 30.09.2012.
30. All the current assets, loans and advances in the opinion of the Board, have a value on realization, which in the ordinary course of business shall at least be equal to the amount at which it is stated in the Balance Sheet.
31. Balances of certain sundry debtors, creditors and advances are subject to confirmation /reconciliation. The management does not expect any



INDIAN SUCROSE LIMITED

material discrepancy affecting the current year financial results.

32. Auditors' Remuneration

(₹ in '000)			
S. No	Particulars	Current year	Previous year
i)	As Statutory Auditor	190000	180000
ii)	Reimbursement of Expenses	39439	39634
	Total	229439	219634

33. Registrations in respect of part of Land & Building appearing under fixed assets note, is pending.

34. The company has entered into PPA agreement with Punjab State Power Corporation Limited (PSPCL) for supply of power. As per the said agreement, PSPCL has raised dues of:-

- 2,89,57,333 towards defaulting amount, (Shown as Recoverable from Mukerian Paper Limited in current financial statements)
- 49,23,000/- towards Cost of bay, (Capitalised and shown under Fixed Asset)
- 2,24,74,582/- towards Cost of transmission line (Capitalised and shown under Fixed Asset)

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

In light of the above agreement and in the absence of any confirmation of the security deposit of ₹ 28,54,233/- appearing in our books of accounts with Punjab State Electricity Board, the same has been written off.

35. Contingent Liability in respect of:

- i) Sales tax demand of ₹11,19,000 (Previous year 11,19,000), no provision is made against such liability as management has been advised that full relief may be given at appellate level.
- ii) - A liability of ₹ 1,19,63,485/- was raised by the Sales Tax Department towards purchase tax for the years 1999-2000 to 2003-2004.

For FY 2004-05 and from F/y 2006-07 onwards with the introduction of VAT, company do not foresee any such liability. However, if such liability still arises it will be to the tune of ₹12,64,36,638/- for the financial year 2004-05 and from 2006-07 to 2012-13.

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

iii) Bank guarantee against principal amount of Sugarcane Development Fund ₹3,60,00,000/- (Previous year ₹2,00,00,000/-).

iv) The company has deposited ₹8,00,000/- under protest under the order of H'ble High Court Chandigarh towards Service Tax, at present the appeal is pending with the CESTAT, Chandigarh.

36. The company had acquired Mukerian paper mill from ARCIL in an auction which was challenged by the defaulting party. The Punjab and Haryana High Court has decided the said case in favor of the company. However, it is pending at the supreme court level.

37. Provident fund which were pending at appellate level have been settled at 5,84,200/- The same have been charged to financial statements.

38. The Company has distributed Agro inputs valuing ₹ 2,25,83,307/- (previous year ₹ 3,09,46,450/-) for the development of sugarcane's cultivation in its reserved zone at subsidized price of ₹ 1,85,04,054/- (Previous year ₹ 2,65,62,905/-). The net difference of ₹ 40,79,253/- (Previous year ₹ 43,83,545/-) has been included under the Cane development expenses and accordingly charged to Profit & Loss Account.

39. In accordance with the Accounting Standard AS -28 'Impairment of Assets' issued by The Institute of Chartered Accountants of India, the company has carried out an exercise to ascertain the impairment, if any, in the company value of its fixed assets. However, no such case found.

40. Current Liabilities also includes ₹51,73,64,265/- (Previous year ₹86,01,08,820/-) being Net of ₹56,43,25,235/- being loan to farmer from Schedule Banks under scheme for loan to farmers against Sugar Cane Receivables wherein the Company is acting as 'Managing Agent /Facilitator'.

41. As per the Accounting Standard (AS) - 17 on Segment Reporting issued by The Institute of Chartered Accountants of India, presently there is only one reportable segment i.e. sugar.

42. Prior period item (net) amounting to ₹ 3,15,733/- (previous year ₹ 125410/-) include:-

Particulars	Current year	Previous year
Expenditure -		
Rent	-	43,750
General Insurance	-	81,660
AMC	24,000	-
Staff Welfare	56,637	-
Internet & Connectivity	34,136	-
Travelling Expenses	200960	-
	3,15,733	1,25,410

43. Sundry Debtor includes a sum of ₹3,96,77,686/- (previous year ₹5,37,07,686/-) due from a associate Company.

44. Pursuant to Accounting Standard (AS)-15 (Revised 2005) "Employee Benefits", the disclosure of employees benefits are given below :-

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

(₹ in Lakhs)

- Employer's Contribution to provident fund 1,87,414/-

II) Defined Benefit Plan

-Employee benefits in respect of Gratuity and Leave Encashment are based on Actuarial Valuation as on 30th September 2013. The details are given below:-

Particulars	Gratuity (Unfunded)	Leave Encashment (Unfunded)
A) Change in the Present Value of obligation		
a) Present Value of obligation as at 1st OCT 2012	17586968	1981986
b) Past service cost	--	848347
c) Interest Cost	703479	79279
d) Current Service cost	562001	574224
e) Benefits Paid	(375394)	(26971)
f) Actuarial Loss /(Gain)	(1818299)	(704662)
g) Present Value of Obligation as at 30th Sep. 2013	16658755	2752203



B) Change in Fair Value of Plan Assets	Nil	Nil
C) Amount recognized in Balance Sheet (A-B)	16658755	2752203
D) Expenses recognized in the Profit & Loss Account		
a) Current Service Cost	562001	574224
b) Past service cost	--	848347
c) Interest Cost	703479	79279
d) Actuarial Loss /(Gain)	(1818299)	(704662)
e) Net Cost	(552819)	797188
E) Details of Plan Assets	Nil	Nil
F) Actuarial Assumptions		
a) Discount Rate	8.00%	9.00%
b) Rate of escalation in Salary (Per Annum)	7.00%	7.00%
c) Mortality Table		
d) Retirement Age (Years)	58 yrs	58 years

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

46. RELATED PARTY DISCLOSURES

In accordance with the requirements of Accounting Standard (AS) -18 on "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, the names of the related parties where control exists and with whom transactions have taken place during the period and description of relationship as identified and certified by the management are:

a) Detail relating to related party

Parties where control exists Yadu Resorts (India) Limited

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

- i) Subsidiary Company :- NIL
- ii) Associates Company :- Rangar Breweries Limited

C) Key Management Personnel

Mr Dharampal Singh Director
 Mr Kunal Yadav Charman & Managing Director
 Mr Jitender Singh Director

d) Relative of Key Management Personnel: NIL

e) Enterprise significantly influenced by Directors and /or their relatives

Cosmos Industries Ltd.
 Yadu Sugar Limited
 Scorpion News Communication Pvt. Ltd.
 Scorpion Media Pvt. Ltd.
 Top-Image Estates Pvt. Ltd.
 Yadu Corporation Private Limited
 Yadu Resorts (India) Limited



Details of Transaction with the above related parties in the ordinary course of business:-

Name of related parties	Nature of Transactions	Amount of Transactions		Outstanding Balances	
		year ended 30.09.2013	year ended 30.09.2012	year ended 30.09.2013	year ended 30.09.2012
Rangar Breweries Limited	Loan & Advances	1,40,30,000	1,89,00,000	4,02,36,686	5,37,07,686
Rangar Breweries Limited	Sales		36,92,950	36,92,950	36,92,950
Dharampal Singh	Unsecured Loan	NIL	NIL	2,40,00,000	2,40,00,000
Kunal Yadav	Unsecured Loan	45,00,000	29,00,00w0	12466000	16983660
Kunal Yadav	Remuneration	18,17,660	22,32,000	13,66,000	13,83,660
Yadu Sugar Limited	Loan & Advances	9,68,40,000	2,13,15,000	116310000	21,31,50,000
Cosmos Industries Limited	Loan & Advances	3,63,70,000	2,30,79,500	NIL	3,63,70,000
Cosmos Industries Limited	Sales	6,47,64,783	8,23,77,650	79,633Cr.	6,46,85,150
Cosmos Industries Limited	Purchase	NIL	36,92,500		NIL
Yadu Corporation Pvt. Ltd.	Loan & Advances	3,50,00,000	NIL	2,10,00,000	NIL
Scorpion News Communication Pvt. Ltd.	Loan & Advances	32,10,000	NIL	NIL	32,10,000
Top-Image Estates Pvt. Ltd.	Loan & Advances	36,00,000	NIL	NIL	36,00,000
Scorpion Media Pvt. Ltd.	Loan & Advances	26,29,677	20,01,575	NIL	26,29,677
Yadu Resorts (India) Limited	Rent	4,44,000	NIL	3,99,600	NIL

47. EPS

Particulars	(₹)	
	Current year	Previous year
Profit/loss attributable to Equity Shareholders	68229233	382098
Weighted Average no of share	15461807	15461807
Paid up value of shares	10	10
Basic EPS	4.14	0.02
Diluted EPS	3.34	0.02

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

Kunal Yadav
Chairman & Managing Director

Dharampal Singh
Director

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

Ravinder Sharma
Chief Financial Officer

CS Manish Kumar Dixit
Company Secretary

Place : Ghaziabad
Dated : 29.11.2013

Book Post

(Printed Matter)

If undelivered to please return to:
Indian Sucrose Limited
G. T. Road, Mukerain
Distt - Hoshiarpur 144 211 (PUNJAB)