



INDIAN SUCROSE LIMITED

G.T.Road, Mukerian - 144 211 Distt. Hoshiarpur, (Punjab) India Fax: +91-1883-244532
EPABX No. +91+9780005968/70/71 e-mail : info.isl@yaducorporation.com
CIN - L15424PB1990PLC010903



To,
Department of Corporate Services
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai -400 001

Security Code: 500319
Security ID: INDSUCR

Sub: Submission of Annual Report for the-Financial Year 2018-19

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2018-19 alongwith the Notice of 28TH Annual General Meeting of Indian Sucrose Limited to be held on Monday, 30TH September, 2019.

The said Annual Report has also been uploaded on the website of the Company's at <http://www.muksug.com>investors>annualreport>.

Thanking you,

Yours faithfully,
For Indian Sucrose Limited


Anamika Raju
Company Secretary
M.No-26080



CORPORATE INFORMATION

BOARD OF DIRECTORS:

| | |
|---------------------------|-------------------------------|
| Mr. Kunal Yadav | Chairman & Executive Director |
| Mrs. Kunj Deep Kalra | Non-Executive Director |
| Mr. Jaitender Kumar | Non – Executive Director |
| Mr. Sheoraj Singh Ahlawat | Independent Director |
| Mr. Sebastian Gilbert | Independent Director |
| Mr. Abhay Upadhyay | Independent Director |

KEY MANAGERIAL PERSONNEL:

| | |
|---------------------|-----------------------|
| Mr. Ravinder Sharma | Chief Finance Officer |
| Mrs. Anamika Raju | Company Secretary |

AUDITORS:

M/s R. Dewan & Co.
Chartered Accountants,
Ludhiana.

BANKERS

Punjab National Bank

REGISTERED OFFICE & WORKS

INDIAN SUCROSE LIMITED
(Formerly Oswal Sugars Limited)
CIN: L15424PB1990PLC010903
Phone:+91-9115110651/52,
Fax: +91-1883-244532
Email Id : isl.investor@yaducorporation.com
Website:www.muksug.com

REGISTER AND TRANSFER AGENTS

MCS share Transfer Agent Limited
F-65, 1st Floor, Ma Anandmayee Marg, Okhla 1,
Okhla, Industrial Area, New Delhi - 110020
Tel No: 011-41406149
E-mail id: admin@mcsregistrars.com
Website: www.mcsregistrars.com

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INDIAN SUCROSE LIMITED
(Formerly Oswal Sugars Limited)

Regd. Office & Works: G.T.Road, Mukerian-144211, Distt. Hoshiarpur (Punjab)
CIN: L15424PB1990PLC010903
Phone: +91-9115110651/52, Fax: +91-1883-244532
Email Id: isl.investor@yaducorporation.com,
Website: www.muksug.com

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Members of Indian Sucrose Limited will be held on Monday, 30th September, 2019 at 11.00 A.M., at G.T. Road, Mukerian-144211, Distt. Hoshiarpur (Punjab), to transact the following business (es):

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited financial statements of the Company for the financial year ended March 31st, 2019 and the reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Jaitender Kumar (holding DIN 08164429), who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. R. Dewan & Co., Chartered Accountants, **(FRN: 017883N)** as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the company and to fix their remuneration.

“**RESOLVED THAT** M/s. R. Dewan & Co. **(FRN: 017883N)**, Chartered Accountants, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at such terms and conditions, including remuneration, to be finalized by Board of Directors or committee thereof in consultation with the Auditors.”

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modification(s), the following as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment (s) thereof for the time being in force), the consent of the members be and is hereby accorded to ratify the remuneration, decided by the Board of Directors on the recommendation of the Audit Committee, of Rs. 50,000/- (Rupees Fifty Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the audit, payable to M/s Khushwinder Kumar & Co, Cost Accountants, Ludhiana, having Firm Registration

No.100123, appointed by the Board to conduct the audit of cost records maintained by the Company for the financial year ended 31st March, 2020.

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

5. To consider and, if thought fit, to pass, with or without modification(s), the following as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with schedule IV, and any other applicable provisions of the Companies Act, 2013 (“the act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re – enactment(s), thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee Mr. Sebastian Gilbert (DIN: 07794799), who was appointed as Independent Director w.e.f. 22.11.2018 to hold office upto the date of this Annual General Meeting and who qualifies for being appointed as an Independent Director and who has submitted a declaration to that effect and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as Non- Executive Independent Director of the Company, not liable to retire by rotation and to hold office for a term of five consecutive years up to 21st November, 2023.

6. To consider and, if thought fit, to pass, with or without modification(s), the following as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with schedule IV, and any other applicable provisions of the Companies Act, 2013 (“the act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re – enactment(s), thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee Mr. Abhay Upadhyay (DIN: 08434768), who was appointed as Independent Director w.e.f. 29.05.2019 to hold office upto the date of this Annual General Meeting and who qualifies for being appointed as an Independent Director and who has submitted a declaration to that effect and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as Non – Executive Independent Director of the Company, not liable to retire by rotation and to hold office for a term of five consecutive years up to 28th May, 2024.

7. To consider and, if thought fit, to pass, with or without modification(s), the following as **Special Resolution:**

“RESOLVED THAT pursuant to recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of

Sections 196,197, 198, 203 and all other applicable provisions, if any, read with schedule V of the Companies Act, 2013 (“the Act”) and companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time, being in force), and any subsequent amendment /modification in the Rules, Act and /or applicable laws in this regard, the approval of the members of the company be and is hereby accorded for the re – appointment and payment of remuneration to Mr. Kunal Yadav (DIN : 01338110) as Executive Chairman cum Managing Director of the Company for a period with effect from June 16, 2020 upto June 15, 2025 on such terms and conditions as set out under this item annexed to the notice convening this meeting.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to the provisions of Schedule V to the new Act, the Board of Directors of the Company (hereinafter referred to as “the Board”) which terms shall be deemed to include any committee which the board may constitute to exercise its powers, including powers conferred by this resolution) be and is hereby authorized to alter and vary the terms and conditions of appointment including remuneration, if necessary, in such manner as may be agreed to by and between the Board and Mr. Kunal Yadav, within such prescribed limit(s) or ceiling and the agreement between the Company and the Managing Director be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in General Meeting.

“RESOLVED FURTHER THAT notwithstanding to the above, in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Mr. Kunal Yadav as Managing Director of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in Schedule V read with Sections 196 and 197 to the Companies Act, 2013 and subject to the approval of the Central Government / Members at the General Meeting, if required, as amended from time to time subject to the compliance of provisions thereof but in any event shall not exceed the remuneration payable as provided in the Agreement when the profits of the Company are adequate.”

“RESOLVED FURTHER THAT the Office of Managing Director shall not be liable to retire by rotation but he shall be taken into account in determining the number of directors to retire by rotation as prescribed Article 172 of the Articles of Association of the Company.”

“RESOLVED FURTHER THAT Mr. Kunal Yadav, Managing Director of the Company be and is hereby authorized, empowered and vested with the substantial powers of the Management of the Company for carrying out the affairs and activities of the Company subject to the superintendence, control and direction of the Board of Directors of the Company.”

“RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

8. To consider and, if thought fit, to pass, with or without modification(s), the following as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 185 of the Companies Act, 2013 (“the Act”) read with Companies (Meetings of Board and its powers) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force) and other applicable provisions of the Act and the rules and regulations made thereunder and the enabling provisions of the Memorandum and Articles of Association of the Company and pursuant to the recommendation of the Audit Committee, the Board of directors be and is hereby authorized:

- To advance any loan including any loan represented by a book debt or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the director of the company is interested (i.e. including any private company of which any such director is a director or member, any body corporate at a general meeting of which not less than twenty five percent of the total voting power may be exercised or controlled by any such director, managing director or manager , whereof is accustomed to act in accordance with the directions or instructions of the Board, or of any director or directors, of the lending company) including previous amount, if any, given/provided individually or taken together shall not exceed the limits as prescribed below till 31st March, 2020, provided that such loans are utilized by the borrowing company for its principal business activities only.

| Sl. No. | Name of the Company | Amount Not exceeding of Rs. | Rate of Interest p.a. | Terms |
|---------|-------------------------------|-----------------------------|---|---------------------|
| 1. | Highlink Investment Pvt. Ltd. | 13 Crore | As per the mutually agreed upon time to time subject to provisions of law | Repayable on demand |
| 2. | Yadu Sugar Limited | 16 Crore | As per the mutually agreed upon time to time subject to provisions of law | Repayable on demand |
| 3. | Rangar Breweries Ltd. | 2 Crore | As per the mutually agreed upon time to time | Repayable on demand |

| | | | | |
|----|----------------------------------|-----------------|---|---------------------|
| | | | subject to provisions of law | |
| 4. | Shervani Sugar Syndicate Limited | 1 Crore 70 Lacs | As per the mutually agreed upon time to time subject to provisions of law | Repayable on demand |
| 5. | Cosmos Sugar Private Limited | 3 Crore | As per the mutually agreed upon time to time subject to provisions of law | Repayable on demand |

“RESOLVED FURTEHR THAT the Board of directors be and are hereby authorized to finalize, sanction and disburse the said loans, guarantees and securities and also to delegate all or any of the above powers to committee of directors or any director(s) of the company and generally to do all such acts, deeds and things that may be deemed necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

9. To consider and, if thought fit, to pass, with or without modification(s), the following as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 read with any other applicable provisions of the Companies Act, 2013 (“the act”) and the Companies (Meetings of board and its powers) Rules, 2014 and pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re – enactment, thereof for the time being in force), approval/ratification of the shareholders be and is hereby to the Board of Directors for material related party transactions in the nature of sale, purchase or supply of goods or materials, availing or rendering of services, leasing/renting of property of any kind and paying/receiving the lease or rent for such property, selling or otherwise disposing off or buying property of any kind including plant and equipment, reimbursements to be made or received or any other transaction which is stated under section 188 of the Companies Act, 2013 which will be in the ordinary course of Company’s business and on Arm’s Length basis (“Transactions”), entered into and/or to be entered with Highlink Investment Pvt. Ltd., SNG Exim Pvt. Ltd., Yadu Sugar Ltd., Rangar Breweries Ltd., Cosmos Industries Ltd., Shervani Sugar Syndicate Ltd. and Yadu Resorts (India) Ltd., a ‘ Related Party’ as defined under the provisions of the SEBI (LODR) Regulations, 2015 on such terms and conditions as approved by the Board from time to time, for an amount not exceeding Rs. 1,72,00,00,000/-(Rupees One Hundred Seventy Two Crores only) for the purposes as set out in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds,

matters and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

10. To consider and, if thought fit, to pass, with or without modification(s), the following as Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of 300 Crores (Rupees Three Crore only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors (or a Committee thereof constituted for this purpose) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

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

**Registered Office: G.T.Road,
Mukerian – 144211, Dsitt. Hoshiarpur, Punjab**

**Anamika Raju
Company Secretary**

**Place : Punjab
Date : 28TH August, 2019**

NOTES:

1. In terms of Section 102 of the Companies Act, 2013, an explanatory statement setting out the material facts relating to special businesses to be transacted at the Annual General Meeting is annexed and forms part of this Notice.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED IN THE ENCLOSED PROXY FORM AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING.

a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. a member holding more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholders. ay appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxies submitted on behalf of Bodies Corporate (whether company or not) should be supported by appropriate resolution/authority letter as may be applicable. Proxy holder shall prove his/her identity at the time of attending the meeting.

A proxy shall not have a right to speak at the Annual General Meeting. However, in case a Member has not voted through the remote e-voting facility, the proxy may be entitled to vote through ballot at the 28th Annual General Meeting. ("AGM"/"The Meeting").

3. In the case of joint holders, the signature of any one holder on proxy form will be sufficient, but names of all the joint holders should be stated.
4. Bodies Corporates whether Company or not, which are members may attend through their authorized representatives appointed under section 113 of the Companies Act, 2013. A copy of authority letter/ resolution authorizing the same should be deposited with the Company /RTA/ Scrutinizer.
5. Members/ Proxies/Authorized Representatives are requested to bring a copy of Annual Report with the attendance slip duly filled in for attending the Meeting. Members who hold shares in dematerialized form are requested to write their client ID and DP ID and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
6. The Company's Registrar and Transfer Agents for its Share Registry work (Physical and Electronic) are MCS Share Transfer Agent Ltd. F-65, 1st, Floor, Okhla Industrial Area, Phase-I New Delhi-110 020. Ph: +91 11 41406148.
7. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail this facility may send their nomination in the prescribed form

No. SH-13 duly filled in to MCS on address mentioned on Note No.6. Members holding shares in demat form may contact their depository participant for availing this facility.

8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/MCS.
9. The Register of Members and Share Transfer Books of the Company shall remain closed from 24th September, 2019 to 30th September, 2019. (both days inclusive).
10. During the period beginning 24 hours before the time fixed for the Commencement of the AGM and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours at the Company. All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registration Office of the Company on all working days of the Company between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and at the venue of the Meeting for the duration of the Meeting.
11. 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/Management at the Registered Office of the Company, so that the same may be attended appropriately.
12. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Rule 18(1) of the Companies (Management and Administration) Rules, 2014, the Notice Calling the AGM along with the Annual report for the Financial Year ended 31st March, 2019, would be sent by electronic mode on the e-mail addresses as registered with Depositories/Registrar and Share Transfer Agent, unless the Members have requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode. In order to receive faster communication and enable the company to serve the members better and to promote green initiatives, the members are requested to provide/update their e – mail addresses with their respective Depository Participants(DPS) or send an e-mail at isl.investor@yaducorporation.com to get the Annual Report and other communication from the Company.

Members may also note that, the Notice 28th Annual General Meeting and the Annual Report for the Financial year ended 31st March, 2019 will also be hosted on the Company's website at www.muksug.com respectively for download.

13. The Company has fixed 23rd September, 2019 as the cut-off date for identifying the Members for determining the eligibility to vote by remote e-voting facility or at the Meeting by Ballot. Instructions for exercising voting rights by remote e-voting are provided herewith at Note 17. And forms part of this notice. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off shall be entitled to vote on the resolutions through the facility of remote e-voting or by voting through Ballot at the Annual General Meeting.

14. The details of the Directors seeking re-appointment/appointment under item no. 2,5,6 & 7 of the accompanying Notice, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided below.
15. The Members are requested-
 - i. To bring their copy of Annual Report at the Meeting;
 - ii. To bring Attendance Slip duly completed and signed at the meeting; and
 - iii. To quote their Folio No. / DP Id - Client Id in all correspondence.
16. 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).

17 . **Voting by electronic means¹**

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the SEBI(Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide facility for voting by electronic means and the resolutions requiring the approval of the members may be approved by the members through such voting and the members who have cast their vote by remote e-voting² prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling papers which would be available at the meeting.

The e-voting period commences on Friday, 27th September,2019 (9:00 A.M) and ends on Sunday 29th September,2019 (5:00 P.M.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2019, may opt for casting of vote through remote e-voting. The e-voting module shall be disabled by NSDL for voting thereafter.

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1 : Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:
<https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS

¹ **Voting by Electronic Means** includes “**remote e-voting**” and voting at the general meeting through an electronic voting system which may be the same as used for remote e-voting.

² **Remote E-Voting** means the facility of casting votes by a member using an electronic voting system from a place other than venue of general meeting.

login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details will be as per details given below :
 - a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
 - b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).
 - c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).
5. Your password details are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a. Click on "[Forgot User Details/Password?](#)"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

- b. **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2 : Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Instructions:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail cssheetalsharma@gmail.com to with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e.23rd September,2019.
4. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e.23rd September, 2019 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Company/RTA.

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

5. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
6. Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September,2019 and not casting their vote electronically, may only cast their vote at the 28th Annual General Meeting.
7. Ms. Sheetal Sharma Company Secretary (Membership No. A38958 & COP No: 15204) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
8. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of polling paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
9. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or

a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

10. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and Company's website.
11. The resolutions shall be deemed to be passed on the date of the Meeting ,i.e 30th September, 2019, subject to receipt of the requisite number of votes in favour of the Resolutions.
12. Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 the Company has sent three letter to such on 03.9.2018, 03.10.2018 and 01.12.2018 where folios do not have or have incomplete details of PAN and /or Bank Account to compulsorily furnish these details to the registrar and Share Transfer Agent (RTA) / the Company for updating the details in the folio. These cases also included shares which were unclaimed. The members who are yet to update their PAN and/or Bank Account details are requested to update the same by providing the duly filled format for furnishing the PAN and Bank details which is enclosed herewith this Notice, alongwith all necessary documents as mentioned therein and send the same to RTA.
13. The Securities and Exchange Board of the India (Listing Obligations and Disclosure Requirements) Fourth Amendment) Regulations, 2018 read with SEBI (Registrars to an issue and share Transfer Agents) (Amendment) Regulations 2018 (RTA Regulations) mandated that the transfer of securities would be carried out in dematerialized form only. In accordance with the said circular the members of the Company are requested to note that, with the effect from 1st April, 2019 (unless extended);
 - (a) except in case of transmission or transposition of securities requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. Accordingly, any shareholder who is desirous of transferring shares (which are held in physical form) after 1st April, 2019 can do so only after the shares are dematerialized.
 - (b) however, the above does not prohibit a shareholder from holding shares in physical form even after 1st April, 2019.

The Company in this regard has sent letters dated 03.9.2018, 03.10.2018 and 01.12.2018 to the shareholders informing them about the above requirement. We request all the shareholders holding shares in Physical Form to demat their shares at the earliest.

14. The route map of the venue of the Meeting is annexed to this Notice. The prominent Landmark for venue is also depicted as 'near to 'in the route map. The same has also hosted on the website of the Company at <http://www.muksug.com>.
15. **Updation of Members' Details**

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/Registrar and Transfer Agents to record additional details of Members, including their PAN details, e-mail address, etc., Members holding shares in physical form are requested to submit these additional details to MCS in the prescribed form. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

Members are requested to:

- (a) Intimate to MCS at the address mentioned at Notes No. 6 above, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
 - (b) Intimate to the respective Depository Participant, changes, if any, in their registered addresses, mobile number and e-mail id in the user profile details of the folio which may be used for sending future communications at an early date, in case of shares held in dematerialized form;
 - © Quote their folio numbers/Client ID/DP ID in all correspondence; and
 - (d) Consolidated their holding into one folio in case they hold shares under multiple folios in the identical order of names.
16. Non- Resident Indian Members are requested to inform Registrar and Share Transfer Agent of the Company immediately of:
- (a) Change in their residential status on return to India for permanent settlement.
 - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code and address of the bank with pin code number, if not furnished earlier.
17. Other Information
- (a) Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
 - (b) It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
18. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4.

The Board of Directors, at their Meeting held on 30th March, 2019 on the recommendation of the Audit Committee, approved the re – appointment of M/s Khushwinder Kumar & Co., Cost Accountants, as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the Financial Year ending 31st March, 2020 at a remuneration of Rs. 50,000/- (Rupees Fifty Thousand) excluding taxes and reimbursement of out of pocket expenses.

Pursuant to section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of a Company are required to ratify the remuneration to be paid to the Cost Auditors of the Company.

Accordingly, consent of the Members of the Company is sought by passing an Ordinary resolution as set out in Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the Audit of Cost records, for the Financial Year ending 31st March, 2020.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested financially or otherwise, in the resolution set out at item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at item No. 4 of the Notice for approval by the members.

ITEM No. 5

The Board of Directors of the Company (“the Board”) on 22nd November, 2018, recommended the appointment of Mr. Sebastian Gilbert as an Independent Director of the Company w.e.f. 22.11.2018 to the members, in terms of section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules, made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule IV to the companies Act, 2013, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulation 2015’), or any amendment thereto or modification thereof and his appointment shall not be subject to retirement by rotation.

Mr. Sebastian Gilbert holds a MBA Degree in Marketing from Sikkim Manipal University, Gangtok Sikkim. He had more than 10 years of experience in Marketing and corporate planning.

He is the Director of Gillies Catering Services Pvt. Ltd. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Sebastian Gilbert as an Independent Director of the Company. Mr. Sebastian Gilbert fulfills the conditions specified in Section 149(6) read with schedule IV to the Companies Act, 2013 and rules made thereunder for his appointment as an Independent director of the Company and is Independent of the Management. He is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Consent of the Members is required for appointment of Mr. Sebastian Gilbert, in terms of section 149 of the Act. Requisite Notice proposing the appointment of Mr. Sebastian Gilbert has been received by the Company, and consent has been filed by Mr. Sebastian Gilbert pursuant to section 152 of the Act.

Mr. Sebastian Gilbert and his relatives are interested in this resolution. None of the Other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Ordinary Resolution.

The Board recommends this Ordinary Resolution for your approval.

ITEM No. 6

The Board of Directors of the Company (“the Board”) on 29th May, 2019, recommended the appointment of Mr. Abhay Upadhyay as an Independent Director of the Company w.e.f. 29.05.2019 to the members, in terms of section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules, made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule IV to the companies Act, 2013, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulation 2015’), or any amendment thereto or modification thereof and his appointment shall not be subject to retirement by rotation.

Mr. Abhay Upadhyay holds M.com and MBA Degree, he completed his MBA in Human Resource and International Marketing from Lovely Professional University, Punjab. He had more than 5 years of experience in Human Resource Management and Strategy planning.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Abhay Upadhyay as an Independent Director of the Company. Mr. Abhay Upadhyay fulfills the conditions specified in Section 149(6) read with schedule IV to the Companies Act, 2013 and rules made thereunder for his appointment as an Independent director of the Company and is Independent of the Management. He is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Consent of the Members is required for appointment of Mr. Abhay Upadhyay, in terms of section 149 of the Act. Requisite Notice proposing the appointment of Mr. Abhay Upadhyay has been received by the Company, and consent has been filed by Mr. Abhay Upadhyay pursuant to section 152 of the Act.

Mr. Abhay Upadhyay and his relatives are interested in this resolution. None of the Other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Ordinary Resolution.

The Board recommends this Ordinary Resolution for your approval.

ITEM NO. 7.

Mr. Kunal Yadav, aged 37 years, with qualification of M.B.A. degree, had more than 11 years of rich industrial experience and managerial experience. He joined the Company as Director w.e.f. 03.05.2008 He was one of the promoter, industrialist and Managing Director and main contributory to the growth and development of the Company having a net worth of more than 90 crores with a turnover of 419 crores (financial year 2017-18) He was also equally excellent in ensuring growth by improving productivity, cost control, large size operations & consistently improving quality and his services were indispensable. He had been actively involved in business strategy, business development and research and development functions in the Company.

Mr. Kunal Yadav was re-appointed pursuant to provisions of Sections 196, 197, 203 read with Schedule V to the Companies Act, 2013 {corresponding Sections 198, 269, 309 & 310 read with Schedule XIII of the erstwhile Companies Act, 1956} by the members of the Company at the 24th Annual General Meeting held on 30th September, 2015 for a period of 5 years w.e.f. June 17, 2015 and his term will be expired on June 16, 2020.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 28th August, 2019, subject to approval of Members at this Annual General Meeting and considering the increased activities, responsibilities and contribution of Mr. Kunal Yadav in development and growth of the Company, consent of the Members was sought for the re-appointment of Mr. Kunal Yadav as Managing Director of the Company for further period of 5 years w.e.f. June 16, 2020 to June 15th, 2025, on following terms and conditions as stated below :

Salary & Perquisites

1. **Salary**

Rs. 12,00,000/- per month.

2. **perquisites**

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

- a) Fully furnished residential accommodation. Where no accommodation is provided by the Company, suitably house rent allowance in lieu thereof may be paid. The expenses on furnishings, gas, electricity, water and other utilities shall be borne by the Company.
- b) Reimbursement of all medical expenses incurred for self and family.
- c) Leave travel assistance for self and family as per Company rules.
- d) Fees of club, which will include admission and life membership fees.
- e) Personal accident insurance premium whereof does not exceed Rs. 1,50,000 per annum.
- f) A car with driver for official purpose.
- g) Telephone and fax facilities at residence.
- h) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under Income Tax Act 1961.
- i) Gratuity at the rate not exceeding half a month salary.
- j) Leave at the rate of one month for every eleven months of service. Leave not availed off may be encashed.

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

The nature and break up of the perquisites and allowances will be determined in accordance with the schemes/policies/rules of the Company or may be decided by the Board of Directors from time to time.

3. Commission

In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Sections 197, 198 read with Schedule V of the Companies Act, 2013 (including any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard) shall also be payable.

Not exceeding 1.5 percent of net profit in an accounting year of the Company subject to availability of profit w.e.f. financial year 2018-2019.

4. Other Terms and Conditions:

(a) Mr. Kunal Yadav, shall be vested with substantial powers of the management subject to the supervision, control and direction of the Board.

(b) As long as Mr. Kunal Yadav functions as Executive Chairman cum Managing Director of the Company, no sitting fees will be paid to him for attending the meetings of the Board of Directors or Committee thereof.

© the Office of Mr. Kunal Yadav shall not be liable to retire by rotation but he shall be taken into account in determining the number of directors to retire by rotation as prescribed Article 172 of the Articles of Association of the Company.”

(d) Mr. Kunal Yadav shall be entitled to the reimbursement of expenses actually and properly incurred by him, in the course of legitimate business of the Company and traveling, hotel and other expenses incurred by him in India and abroad, exclusively on the business of the Company.

(e) The terms and conditions of the said re-appointment and/or agreement may be altered, amended, varied and modified from time to time by the Board or Committee thereof as it may be permissible and if deem fit, within the limits prescribed in Schedule V to the Companies Act, 2013 or any subsequent amendments or modifications made thereto.”

(f) The appointment may be terminated by either party by giving three months' notice of such termination or salary in lieu thereof or by mutual consent.

Mr. Kunal Yadav satisfied all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 (including any amendments thereto) as also the conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for re-appointment. Disclosure under Regulation 36(3) of SEBI (LODR) Regulations, 2015, and Secretarial Standard-2 issued

by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement. Accordingly, consent of the Members is sought for passing Special Resolution as set out in this item of the Notice for re-appointment of Mr. Kunal Yadav as Executive Chairman cum Managing Director of the Company w.e.f. June 16, 2020 upto June 15, 2025. A Copy of Agreement entered into between the Company and Mr. Kunal Yadav for re-appointment of his terms is available for inspection between 11.00 a.m. to 1.00 p.m. during office hours on all working days except Sundays and Holidays at the Registered Office of the Company.

Mrs. Kunj Deep Kalra may be considered as concerned or interested in the same, being relatives of Mr. Kunal Yadav. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said resolution.

Item No. 8

The Company proposes to advance inter – corporate loans/deposits to Highlink Investment Pvt. Ltd., Yadu Sugar Limited, Rangar Breweries Ltd., Cosmos Sugar (Pvt.) Ltd. and Shervani sugar Syndicate Ltd. for the purpose of meeting their day to day working capital requirements as and when necessary and deemed fit by the board of the company and they are the related parties with respect to the company as define under regulation 2(zb) of SEBI (LODR) Regulations, 2015.

In terms of section 185 of the act, (as amended by Companies (Amendment) Act, 2017 and notified by Ministry of Corporate Affairs vide notification dated May 7, 2018), the proposed loan requires the approval of the Members of the Company by way of Special Resolution

The company will provide financial assistance to above mentioned companies according to the availability of surplus fund only. Further the proposed loan is expected to be advantageous to the company, the expansion of said company's business is considered beneficial from the company's prospective. The proposed loan will help said companies to keep the ongoing expansion on track. Further the proposed loan offer better return and terms compared to the current investment made by the company using surplus fund. No credit risk is anticipated for your company as a result of the proposed loan.

The required particulars as per proviso (a) of section 185 (2) are given hereunder.

| Name of the Company | Amount proposed to be given by the Company not exceeding of Rs. | Purpose for which the Inter – Corporate loan deposits/ loans proposed to be utilized |
|-------------------------------|---|--|
| Highlink Investment Pvt. Ltd. | 13 Crore | To meet day to day working capital requirements of the company |
| Yadu Sugar Limited | 16 Crore | To meet day to day working capital requirements of the company |
| Rangar Breweries Ltd. | 2 Crore | To meet day to day working capital requirements of the company |
| Shervani Sugar Syndicate | 1 Crore 70 Lacs | To meet day to day working |

| | | |
|--------------------------|---------|---|
| Limited | | capital requirements of the company |
| Cosmos Sugar (Pvt.) Ltd. | 3 Crore | To meet day to day working capital requirements of the company. |

The Audit Committee of the Company, at its meeting held on 30th March, 2019, was pleased to approve the proposed loan, subject to approval of the Board of Directors and fulfilment of other requirements, if any, Further, the Board of Directors' of the company, at its meeting held on 30th March, 2019, was pleased to unanimously approve the proposed loan, subject to the approval of the members of the company and other requisite approvals and requirements. If any

A copy of the draft loan term sheet will be available for inspection by the members, free of cost, at the registered office of the company during business hours on all working days, excluding Saturday and Sunday, between 11.00 a.m. to 1.00 p.m. up to the date of the AGM and also at the venue of the AGM.

None of the Directors, except Mrs. Umlesh Yadav, Mr. Kunal Yadav, Mrs. Kunj Deep Kalra or the Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolutions.

These board is of the opinion that the proposed loan is in the best interests of the Company, and therefore, recommends the resolution set out in the Notice for the approval of the members.

Item No. 9

pursuant to the provisions of Section 188 read with any other applicable provisions of the Companies Act, 2013 that a Company enters into with its Related Parties should be approved by the Members of the Company by passing a resolution. Further Regulation 23 of Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) mandates that all 'material related party transactions' to be entered into individually or taken together with previous transactions during a Financial Year, exceeding ten percent of the Annual Consolidated Turnover of the listed entity as per the last Audited Financial Statements of the listed entity should be approved by the members of the Company by passing a resolution.

The Company, in the ordinary course of its business, had entered into and to be entered with transaction in the nature of sale, purchase or supply of goods or materials, availing or rendering of services, leasing/renting of property of any kind and paying/receiving the lease or rent for such property, selling or otherwise disposing off or buying property of any kind including plant and equipment, reimbursements to be made or to be received ("Transactions") with a 'Related Party' as define in Regulation 2(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which would be 'material' in nature as per the provisions of Regulation 23 of SEBI (LODR) Regulations, 2015. All the transactions with the related parties are in the Ordinary Course of Company's business and are at Arm's Length basis. Details of the same are as under:

| | |
|----|---------------------------------|
| 1. | Rangar Breweries Limited |
|----|---------------------------------|

| | | |
|-----|--|--|
| (a) | Name of Director or Key Managerial Personnel who is related: | Kunal Yadav – Managing Director |
| (b) | Nature of Relationship | He and his relative is the director/member of the Company |
| © | Nature of Transactions | sale, purchase or supply of goods or materials, availing or rendering of services |
| (d) | Material Terms of Contracts/arrangements/ transactions | The Transactions are in the Ordinary Course of Business. |
| (e) | Monetary Value | Up to Rs. 8 crore 50 lacs in aggregate till 31 st March, 2020 for all the transactions. |
| (f) | Whether the transactions have been approved by Audit Committee and the Board of Directors | Yes |
| (g) | Any Other information relevant or important for the members to make a decision on proposed transaction | The transactions are in the Ordinary course of business and in the best interests of the Company. |

| | | |
|-----------|--|---|
| 2. | Yadu Sugar Limited | |
| (a) | Name of Director or Key Managerial Personnel who is related: | Kunal Yadav – Managing Director |
| (b) | Nature of Relationship | He and his relative is the director/member of the Company |
| © | Nature of Transactions | sale, purchase or supply of goods or materials, availing or rendering of services, |
| (d) | Material Terms of Contracts/arrangements/ transactions | The Transactions are in the Ordinary Course of Business. |
| (e) | Monetary Value | Up to Rs. 13 Lacs in aggregate till 31 st March, 2020 for all the transactions. |
| (f) | Whether the transactions have been approved by Audit Committee and the Board of Directors | Yes |
| (g) | Any Other information relevant or important for the members to make a decision on proposed transaction | The transactions are in the Ordinary course of business and in the best interests of the Company. |

| | | |
|-----------|--|---------------------------------|
| 3. | SNG Exim Pvt. Ltd. | |
| (a) | Name of Director or Key Managerial Personnel who is related: | Kunal Yadav – Managing Director |

| | | |
|-----|--|---|
| (b) | Nature of Relationship | He and his relative is the member of the Company |
| © | Nature of Transactions | sale, purchase or supply of goods or materials, availing or rendering of services and leasing of property |
| (d) | Material Terms of Contracts/arrangements/ transactions | The Transactions are in the Ordinary Course of Business. |
| (e) | Monetary Value | Up to Rs. 82 crores in aggregate till 31 st March, 2020 for all the transactions. |
| (f) | Whether the transactions have been approved by Audit Committee and the Board of Directors | Yes |
| (g) | Any Other information relevant or important for the members to make a decision on proposed transaction | The transactions are in the Ordinary course of business and in the best interests of the Company. |

| | | |
|-----------|--|--|
| 4. | Highlink Investment Pvt. Ltd. | |
| (a) | Name of Director or Key Managerial Personnel who is related: | Kunal Yadav – Managing Director |
| (b) | Nature of Relationship | He and his relative is the member or director in Chanaky Capital Market Pvt. Ltd., Top –Image Estate Pvt. Ltd. and Noble Buildcon Pvt. Ltd. who is the shareholders of Highlink Investment Pvt. Ltd. |
| © | Nature of Transactions | sale, purchase or supply of goods or materials, availing or rendering of services and leasing of property |
| (d) | Material Terms of Contracts/arrangements/ transactions | The Transactions are in the Ordinary Course of Business. |
| (e) | Monetary Value | Up to Rs. 79 crores and 19 lacs in aggregate till 31 st March, 2020 for all the transactions. |
| (f) | Whether the transactions have been approved by Audit Committee and the Board of Directors | Yes |
| (g) | Any Other information relevant or important for the members to make a decision on proposed transaction | The transactions are in the Ordinary course of business and in the best interests of the Company. |

| | | |
|-----------|---|---------------------------------|
| 5. | Shervani Sugar Syndicate Limited | |
| (a) | Name of Director or Key Managerial Personnel who is | Kunal Yadav – Managing Director |

| | | |
|-----|--|---|
| | related: | |
| (b) | Nature of Relationship | He and his relative is the director/member of the Company |
| © | Nature of Transactions | sale, purchase or supply of goods or materials, availing or rendering of services |
| (d) | Material Terms of Contracts/arrangements/ transactions | The Transactions are in the Ordinary Course of Business. |
| (e) | Monetary Value | Up to Rs. 1crore 50 lacs in aggregate till 31 st March, 2020 for all the transactions. |
| (f) | Whether the transactions have been approved by Audit Committee and the Board of Directors | Yes |
| (g) | Any Other information relevant or important for the members to make a decision on proposed transaction | The transactions are in the Ordinary course of business and in the best interests of the Company. |

| | | |
|-----------|--|---|
| 6. | Cosmos Industries Limited | |
| (a) | Name of Director or Key Managerial Personnel who is related: | Kunal Yadav – Managing Director |
| (b) | Nature of Relationship | He and his relative is the director/member of the Company |
| © | Nature of Transactions | sale, purchase or supply of goods or materials, availing or rendering of services |
| (d) | Material Terms of Contracts/arrangements/ transactions | The Transactions are in the Ordinary Course of Business. |
| (e) | Monetary Value | Up to Rs. 50 Lac in aggregate till 31 st March, 2020 for all the transactions. |
| (f) | Whether the transactions have been approved by Audit Committee and the Board of Directors | Yes |
| (g) | Any Other information relevant or important for the members to make a decision on proposed transaction | The transactions are in the Ordinary course of business and in the best interests of the Company. |

| | | |
|-----------|--|---------------------------------|
| 7. | Yadu Resorts (India) Limited | |
| (a) | Name of Director or Key Managerial Personnel who is related: | Kunal Yadav – Managing Director |

| | | |
|------|--|---|
| (b) | Nature of Relationship | He and his relative is the director/member of the Company |
| © | Nature of Transactions | Leasing of property |
| (d) | Material Terms of Contracts/arrangements/ transactions | The Transactions are in the Ordinary Course of Business. |
| (e) | Monetary Value | Up to Rs. 18 Lacs in aggregate till 31 st March, 2020 for all the transactions. |
| (f) | Whether the transactions have been approved by Audit Committee and the Board of Directors | Yes |
| (g) | Any Other information relevant or important for the members to make a decision on proposed transaction | The transactions are in the Ordinary course of business and in the best interests of the Company. |

Pursuant to SEBI (LODR) Regulations, 2015, all material related party transactions shall require approval of the shareholders through Ordinary resolution. Accordingly, on the recommendation of the Audit Committee, the Board of directors of the company has in its meeting held on 30th March, 2019 approved and ratified aforementioned related party transactions, and now seek approval of the shareholders by way of Ordinary Resolution under SEBI (LODR) Regulations, 2015.

Members may please note that based on the criteria laid down by SEBI (LODR) Regulations, 2015, transaction entered into/to be entered into till 31st March, 2020 are “Material” and therefore requires approval of the shareholders by an Ordinary Resolution. The Members are further informed that no member(s) of the Company being a related party or having any interest in the resolution as set out under this item shall not be entitled to vote to approve this Ordinary Resolution whether the entity is a related party to the transaction or not.

The Board is of the opinion that the aforesaid related party transaction is in the best interests of the Company and therefore, recommends the resolution set out at item No. 9 of the notice for the approval of the members in terms of Regulation 23(4) of the SEBI (LODR) Regulations, 2015.

Except Mr. Kunal Yadav, Managing Director and their relatives, none of the other directors and the Key Managerial Personnel or their relatives are interested or concerned, financially or otherwise in the Resolution set out at Item No. 9 of the Notice. No related party will vote to approve the transaction, whether the entity is a related party to the transaction or not.

Item No. 10

The Company has been making investments in, giving loans and guarantees to and providing securities in connection with loans to various persons and bodies corporate from time to time, in compliance with the applicable provisions of the Act. The provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person

or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more. Further, the said Section provides that where the giving of any loan or guarantee or providing any security or the acquisition as provided under Section 186(2) of the Act, exceeds the limits specified therein, prior approval of Members by means of a Special Resolution is required to be passed at a general meeting.

As per the latest audited Balance Sheet of the Company as on 31st March 2019, the allowed prescribed limits i.e. not exceeding sixty per cent of the paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account amounts, whichever is more, is exceeded now. Therefore, to considering the long term business plans of the Company, which requires the Company to make sizeable loans / investments and issue guarantees / securities to persons or bodies corporate, from time to time, prior approval of the Members is being sought for enhancing the said limits. Hence, the Special Resolution at Item No.10 of the Notice, notwithstanding the fact that the same exceeds the limits provided under Section 186 of the Act.

The Directors recommend the Special Resolution as set out at Item No. 10 of the accompanying Notice, for Members' approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution.

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

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

**Anamika Raju
Company Secretary**

**Place : Punjab
Date : 28TH August, 2019**

Information about the Directors to be appointed and reappointed at the Annual General Meeting as stipulated under Regulation 36 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015:

| | | | | |
|--|--|--------------------------------------|--|--|
| Name of the Director | Mr. Kunal Yadav | Mr. Jaitender Kumar | Mr. Sebastian Gilbert | Mr. Abhay Upadhyay |
| DIN | 01338110 | 08164429 | 07794799 | 08434768 |
| Date of Birth | 14/11/1981 | 07/07/1966 | 23/10/1975 | 02.05.1991 |
| Age (in Years) | 37 | 53 | 43 | 29 |
| Nationality | Indian | Indian | Indian | Indian |
| Date of Appointment | 03.05.2008 | 27.06.2018 | 22.11.2018 | 29.05.2019 |
| Qualification | MBA | Graduate | MBA | MBA, M.Com |
| Board Position held | Executive Chairman cum Managing Director | Director | Independent director | Independent director |
| Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid | Refer item no. 7 of the Notice read with explanatory statement thereto | Refer item no.2 of the Notice | Refer item no. 5 of the Notice read with explanatory statement thereto | Refer item no. 6 of the Notice read with explanatory statement thereto |
| Remuneration last drawn (including sitting fees, if any) | Refer report on Corporate Governance | Refer report on Corporate Governance | Refer report on Corporate Governance | Refer report on Corporate Governance |
| Number of the Meeting of the Board attended during the year | Refer report on Corporate Governance | Refer report on Corporate Governance | Refer report on Corporate Governance | Refer report on Corporate Governance |
| Expertise in functional area | rich industrial experience and managerial experience. business strategy, business development and research and development | Land and agriculture | Marketing And Corporate Planning | Human Resource Management and Strategy Planning |

| | | | | |
|--|-----------------------------|------|------|------|
| | functions. | | | |
| List of Directorship held in other listed entity | NIL | NIL | NIL | NIL |
| Committee positions held in other listed entity | NIL | NIL | NIL | NIL |
| Relationship with Directors | Son of Mr. Dharam Pal Yadav | None | None | None |
| No. of Shares held in Indian Sucrose Limited | 900025 | NIL | NIL | NIL |

INDIAN SUCROSE LIMITED
(Formerly Oswal Sugars Limited)

Regd. Office & Works: G.T.Road, Mukerian-144211, Distt. Hoshiarpur (Punjab)
CIN: L15424PB1990PLC010903
Phone: +91-9115110651/52, Fax: +91-1883-244532
Email Id: isl.investor@yaducorporation.com,
Website: www.muksug.com

Dear Member(s),

Sub: service of Documents through Electronic Mode

Pursuant to Section 101 of the Companies Act, 2013 read with Rule 18(3)(i) of the Companies (Management & Administration) Rules, 2014 and Rule 11 of the Companies(Accounts) Rules, 2014 provides for the facility of service of documents on members by a Company through electronic mode. This will enable these shareholders to receive such notice(s) /Annual Report(s) documents/Communication(s) etc., promptly and without loss in postal transit.

Accordingly, the Company is requesting for a positive consent from those its members who holds shares otherwise than in dematerialized format, to receive Notices of General Meeting/Postal Ballot, Annual Report and other shareholder's communication by electronic mode.

In case you have not yet registered your email id or you wish to change your already registered email id) you may get the same registered/updated.

1. with your Depository Participant, in case you hold the shares in Demat Form;
2. by writing to the in case you hold shares in physical form.

Shareholder(s) may also send a scanned copy of below Form, duly filled and signed, at the email: isl.investor@yaducorporation.com

As and when there are changes in your e-mail address, you are requested to update the same with your Depository Participant. For shares held in physical form, you can register your e-mail address with Company's Registrar MCS at admin@mcsregistrars.com OR the Company at isl.investor@yaducorporation.com mentioning your name(s) and Folio Number.

Please note that if you still wish to get a physical copy of the above documents, the Company will send the same, free of cost, upon receipt of a request from you.

We look forward to your support.

Thanking you,

Yours sincerely

For Indian Sucrose Limited

Anamika Raju

Sd/

Company Secretary Cum Compliance Office

Membership No:-A26080

Place : Punjab

Date : 28TH August, 2019

FORM FOR UPDATION / REGISTRATION OF E-MAIL ADDRESS

To

MCS Share Transfer Agent Ltd.
F-65, 1st, Floor,
Okhla Industrial Area, Phase-I
New Delhi-110 020

Dear Sir/Madam,

I hereby update/ register my e-mail address provided below for receiving the Notices, report and Accounts and other document from the Company through electronic mode; Please find below details for the same;

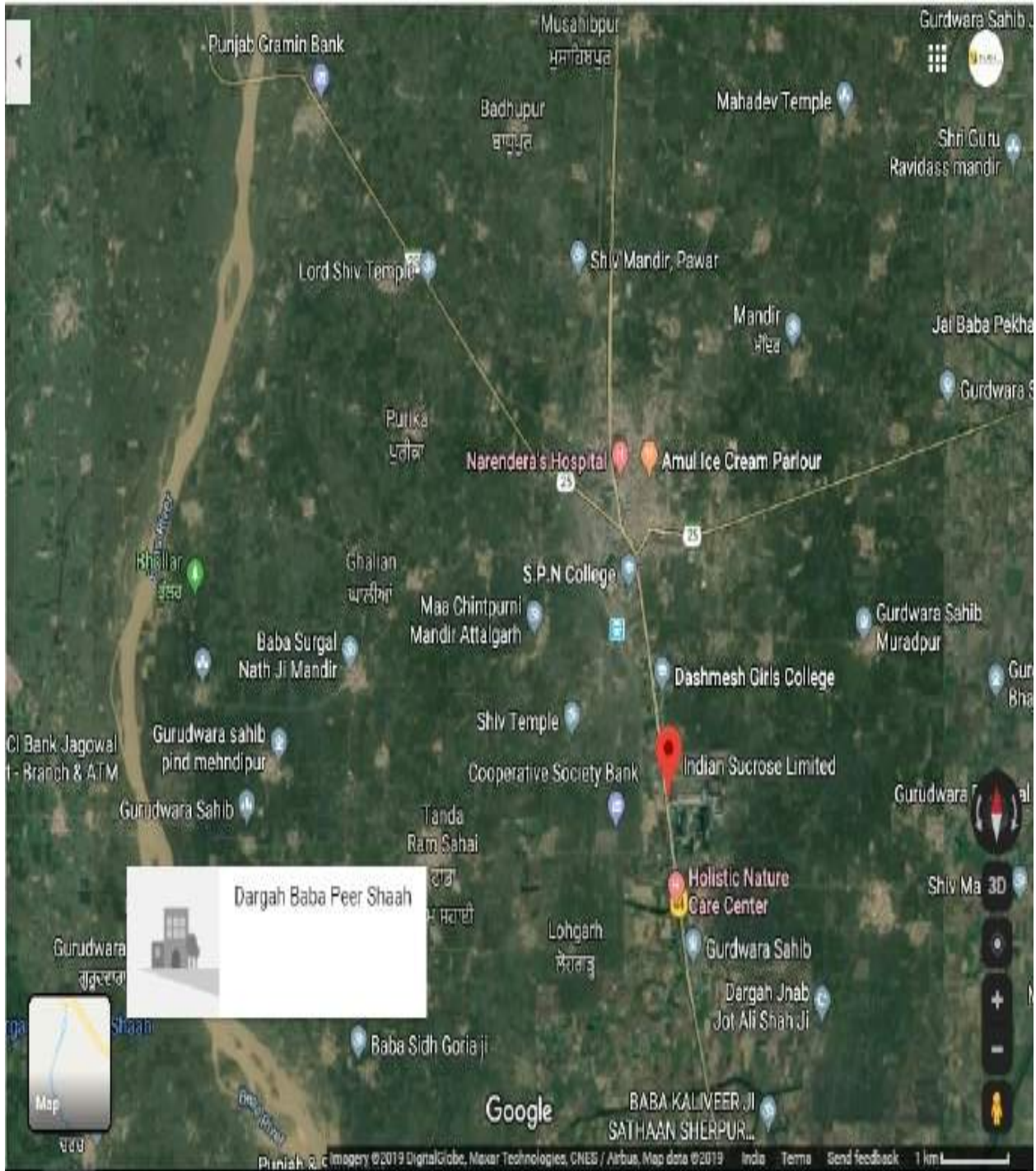
| | | | | |
|--|---|--|----------------------|--|
| Name of the sole/First Holder | : | | | |
| E-mail Address | : | | | |
| DP ID/Client ID/Account No. (In case of shares held in electronic mode) | : | | | |
| Physical Folio No. | : | | Contact Nos.(option) | |

Signature of the First Holder.....

Date:

ROUTE MAP FOR AGM VENUE

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



INDIAN SUCROSE LIMITED
(Formerly Oswal Sugars Limited)

Regd. Office & Works: G.T.Road, Mukerian-144211, Distt. Hoshiarpur (Punjab)
CIN: L15424PB1990PLC010903
Phone: +91-9115110651/52, Fax: +91-1883-244532
Email Id: isl.investor@yaducorporation.com,
Website: www.muksug.com

PROXY FORM MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]
28th Annual General Meeting (Monday, September 30th, 2019)

| |
|--------------------------------|
| Name of the member (s) : |
| Registered address : |
| E-mail Id: |
| Folio No/ Client Id : |
| DP ID : |

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

(1) Name: _____
Address: _____
E-mail Id: _____
Signature: _____, or failing him/her;

(2) Name: _____
Address: _____
E-mail Id: _____
Signature: _____, or failing him/her;

(3) Name: _____
Address: _____
E-mail Id: _____
Signature: _____, or failing him/her;

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the company, to be held on Monday, 30th September, 2019 at 11.00 a.m. at G.T Road, Mukerian, Distt. Hoshiarpur, Punjab-144211 and at any adjournment thereof in respect of such resolutions as are indicated below:

| | |
|--------------------|--|
| Resolutions | |
|--------------------|--|

| Ordinary Business | | For | Against |
|-------------------|--|-----|---------|
| 1. | To receive, consider and adopt the Audited financial statements of the Company for the Financial Year ended 31 st March, 2019 together with the reports of the Board of Directors and Auditors' thereon. | | |
| 2. | To appoint a Director in place of Mr. Jaitender Kumar (DIN: 08164429), who retires by rotation and being eligible, offers himself for re-appointment. | | |
| 3. | To re-appoint M/s. R. Dewan & Co., Chartered Accountants, (FRN: 017883N) as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration. | | |
| Special Business | | | |
| 4. | To ratify the remuneration of M/s Khushwinder Kumar & Co, Cost Auditors for the financial year ending on 31st March, 2020 at Rs. 50,000/- per annum. | | |
| 5. | To appoint Mr. Sebastian Gilbert (DIN : 07794799) as an Independent Director of the Company. | | |
| 6. | To appoint Mr. Abhay Upadhyay (DIN : 08434768) as an Independent Director of the Company. | | |
| 7. | To appoint Mr. Kunal Yadav (DIN : 01338110) as Chairman cum Managing Director of the Company | | |
| 8. | To advance any loan including any loan represented by a book debt or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the director of the company is interested under section 185 of the Companies Act, 2013. | | |
| 9. | To approve material related party transactions under section 188 of the Companies Act, 2013 | | |
| 10. | To give loan to other body corporate or/ and to give guarantee or provide any security and make investment in securities under section 186 of the Companies Act, 2013 | | |

Signed this ____30th September, 2019

| |
|---------------------|
| Affix revenue stamp |
|---------------------|

Signature of shareholder

.....
Signature of 1st Proxy holder(s)____

.....
Signature of 2nd Proxy holder

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2. A PROXY NEED NOT BE A MEMBER OF THE COMPANY**
3. A Person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.,
4. For the Resolutions, Notes and Explanatory Statement, please refer to the notice of the 28th Annual General Meeting.
5. It is optional to put 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Please complete all details including details of member(s) in the above box before submission.

INDIAN SUCROSE LIMITED
(Formerly Oswal Sugars Limited)

Regd. Office & Works: G.T.Road, Mukerian-144211, Distt. Hoshiarpur (Punjab)
CIN: L15424PB1990PLC010903
Phone: +91-9115110651/52, Fax: +91-1883-244532
Email Id: isl.investor@yaducorporation.com,
Website: www.muksug.com

ATTENDANCE SLIP

(PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL)

Joint shareholders may obtain additional attendance slip on request.

| | | | |
|-------------------|--|-----------------------------|--|
| DP. Id* | | Regd. Folio No. | |
| Client Id* | | No. of Share(s) held | |

NAME AND ADDRESS OF THE SHAREHOLDER

I/we hereby record my/our presence at the **28th ANNUAL GENERAL MEETING** on Monday, September 30th, 2019 at 11.00 a.m., at the **G.T. Road, Mukerian, Distt. Hoshiarpur, Punjab-144211**

*Applicable for investors holding share(s) in electronic form.

Signature of the shareholder or proxy:

E-VOTING PARTICULARS

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

Note: Please read instructions (**Voting by electronic means**) given to the Notice of the 28th Annual General Meeting carefully before voting electronically. The voting time commences from the voting module shall be disabled by NSDL for voting thereafter.



Dear Shareholders

The financial year 2018-19 was fraught with enormous challenges, owing to the global and domestic economic turbulence. Amid the challenging business environment, India's sugar industry had its share of sweet pie, with the government lending support through partial sugar decontrol with effect from Sugar Season (SS) 2018-19. This will help the industry save ` 3,000 Crore a year. While the progressive steps would definitely ensure the long-term sustainability of the sugar players, decontrol of sugarcane pricing, if allowed by the Government, would have further boosted the otherwise ailing sugar industry. The linkage of sugarcane pricing with the ultimate realization of finished sugar prices would have been a step in the right direction. It would have been a more realistic, fair and transparent system for both the cane growers as well as the sugar millers. With the regulated free sugar release mechanism having been removed, sugar companies will be able to better manage their inventories. Moreover, sugar mills are also not required to sell 10% of their production (popularly known as levy sugar) to the government at highly discounted rates for subsidized distribution under public distribution system (PDS). This will help the sugar industry to reduce its ever mounting losses. During SS 2018-19, South India's sugar industry put up a better performance compared to its northern counterpart, owing to cane price differentiation and higher recovery rate.

**Best Regards,
Kunal Yadav
(Managing Director)**

DIRECTORS' REPORT

**To,
The Members,**

Your Directors are pleased to present the 28th Annual Report together with the Audited Financial Statements of the Company for the financial year ended on 31st March, 2019.

FINANCIAL PERFORMANCE

The Audited Financial Statements of the Company as on 31st March, 2019 are prepared in accordance with the relevant applicable IND AS and provisions of the Companies Act, 2013.

The summarized financial highlight is depicted below.

| Particulars | (Rs. in Lakhs) | |
|---|-----------------------|------------------|
| | 2018-2019 | 2017-2018 |
| Revenue from Operations | 36280.27 | 41903.12 |
| Other Income | 1059.98 | 641.91 |
| Total Income | 37340.25 | 42545.04 |
| Total Expenses | 36537.12 | 41212.74 |
| Profit/(Loss) before Finance cost, Depreciation & Amortization and Tax Expenses | 3717.88 | 3411.75 |
| Finance Cost | 2137.38 | 1401.02 |
| Depreciation & Amortization | 777.36 | 678.43 |
| Profit/(Loss) before Tax | 803.13 | 1332.30 |
| (i) Provision for Taxation (Current) | 218.09 | 349.60 |
| (ii) Deferred Tax | 115.73 | 140.22 |
| (iii) Provision for tax of earlier years | 32.91 | 6.73 |
| Profit/ (Loss) after Tax | 206.41 | 835.75 |

PERFORMANCE REVIEW

During the year under review, your company has achieved turnover of Rs. 36280.27 Lacs as compared to previous year turnover of Rs. 41903.12 lacs and has earned net profit after Tax of Rs. 206.41 lacs as compared to previous year net profit after Tax of Rs. 835.75 lacs.

During the year under review, your Company has crushed 11358750.520 QTLS of Sugarcane and produced 1268280. QTLS of Sugar as compared to previous year crushing of 10,475,342.26 QTLS of sugarcane and production of 1,021,956 bags of Sugar.

The capacity utilization of the plant during the year under review was 85.19% and the average recovery was 11.16 % as compared to capacity utilization of 85.47% and average recovery of 9.75% in the previous year.

DIVIDEND & TRANSFER TO RESERVES

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year, there was no change in the nature of business of the Company.

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and/or commitments which may affect the financial position of the Company between the end of the financial period and the date of this Report.

SHARE CAPITAL

During the Financial year 2018-19 the Share Capital of the Company remains the same as that of previous year 2017-18.

DEPOSITS

During the period under review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

There was no amount required to be transferred to IEPF.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Corporate Social Responsibility

CSR is a company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large and building capacity for sustainable livelihoods. The Company believes in conducting its business responsibly, fairly and in a most transparent manner. It continually seeks ways to bring about an overall positive impact on the society and environment where it operates and as a part of its social objectives. This policy

has been formally formulated and adopted in terms of Section 135 of the Act and Rules framed there under to undertake CSR activities.

The Company has always made consistent efforts to maintain an active corporate social responsibility portfolio.

Composition of Corporate Social Responsibility Committee:

| Sl. No. | Name | Chairman/Member |
|---------|----------------------------|-----------------|
| 1. | Geoffery Frederick Francis | Chairperson |
| 2. | Sheoraj Singh Ahlawat | Member |
| 3. | Kunal Yadav | Member |

Mr. Geoffery Fredercik Francis resigned with effect from 29.05.2019 and Mr. Abhay Upadhyay has been inducted in the Corporate Social Responsibility Committee on 29.05.2019 as Chairperson of the Committee.

The responsibilities of the CSR Committee include:

- 1) Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken by the Company in areas or subject, specified in schedule VII
- 2) Recommending the amount of expenditure for the CSR activities.
- 3) Monitoring CSR activities from time to time.

As per the provisions of Companies Act, 2013, all companies having a net worth of Rs. 500 crore or more, or a turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during the immediately preceding financial year are required to constitute a CSR committee of the Board of Directors comprising three or more directors, at least one of whom should be an independent director. All such companies are required to spend at least 2% of the average net profits of their three immediately preceding financial years on CSR-related activities.

Accordingly, the company was invested Rs. 38,26,152.35 /- towards CSR activities during the financial year as required to invest pursuant to specified Schedule VII of the Companies Act, 2013.

Details of the CSR Policy available on our website www.muksug.com>about us> policy.

HUMAN RESOURCES

Human resources are the most important resource and your directors believe in to give them their due weight age 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.

RISK MANAGEMENT

The Company has developed and implemented a Risk Management Policy. The policy identifies the threat of such events as "Risks", which if occurred will adversely affect value to shareholders, ability of Company to achieve objectives, ability to implement business strategies,

the manner in which the Company operates and reputation. Such risks are categorized into Strategic Risks, Operating Risks and Regulatory Risks.

The framework defines the process for identification of risks, its assessment, mitigation measures, monitoring and reporting. While the Company, through its employees and Executive Management, continuously assess the identified Risks, the Audit Committee reviews the identified Risks and its mitigation measures annually.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has an Internal Audit department with adequate experience and expertise in internal controls, operating system and procedures. The system is supported by documented policies, guidelines and procedures to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency.

The Internal Audit Department reviews the adequacy of internal control system in the Company, its compliance with operating systems and laid down policies and procedures. Based on the report of internal audit function, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board of Directors from time to time.

VIGIL MECHANISM

The Company has a vigil mechanism Policy to deal with instance of fraud and mismanagement, if any. The vigil mechanism Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The policy has been uploaded in the website of the company at www.muksug.com.>about us>policy.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES COMPANIES

The Company does not have any subsidiary, joint venture or associate companies within the meaning of Sections 2(6) and 2(87) of the Companies Act, 2013 as on 31st March 2019. The Company has framed a policy for determining material subsidiaries, which has been uploaded on website of the company at www.muksug.com.>aboutus>policy.

CHANGES IN BOARD AND KMP

a. Appointment of Company Secretary

Your director at its meeting held on 1st October, 2018, on the recommendation of the Nomination and Remuneration Committee, had appointed Ms. Anamika Raju as Company Secretary cum compliance officer of the Company in place of Mr. Rishav Jaiswal w.e.f. 1st October, 2018 pursuant to section 203 read with rule made there under and other applicable provisions of the Companies Act, 2013.

b. Appointment of Director

(i) Your Director at its meeting held on 22nd November, 2018 on the recommendation of the Nomination and Remuneration Committee, had appointed Mr. Sebastian Gilbert (DIN: 07794799) as an Additional Director in the capacity on Non – Executive Independent Director with effect from 22nd November, 2018.

Your Directors have recommended for the approval of the Members the appointment of Mr. Sebastian Gilbert as Non-Executive Independent Director of the Company.

Mr. Sebastian Gilbert is not disqualified from being appointed as a Director as specified in terms of Section 164 of the Companies Act, 2013.

(ii) Your Director at its meeting held on 29th May, 2019 on the recommendation of the Nomination and Remuneration Committee, had appointed Mr. Abhay Upadhyay (DIN: 08434768) as an Additional Director in the capacity on Non – Executive Independent Director with effect from 29th May, 2019

Your Directors have recommended for the approval of the Members the appointment of Mr. Abhay Upadhyay as Non-Executive Independent Director of the Company.

Mr. Abhay Upadhyay is not disqualified from being appointed as a Director as specified in terms of Section 164 of the Companies Act, 2013.

C. Re – appointment of Managing Director

Your Director at its meeting held on 28th August, 2019 on the recommendation of the Nomination and Remuneration Committee, had re - appointed Mr. Kunal Yadav (DIN: 01338110) as Managing Director cum chairman of the Company for further period of 5 years w.e.f. June 16, 2020 to June 15th , 2025 not be liable to retire by rotation but he shall be taken into account in determining the number of directors to retire by rotation as prescribed Article 172 of the Articles of Association of the Company, subject to considering the increased activities, responsibilities and contribution of Mr. Kunal Yadav in development and growth of the Company.

Your Directors have recommended for the approval of the Members the re- appointment of Mr. Kunal Yadav as Executive chairman and Managing Director of the Company.

Mr. Kunal Yadav, aged 37 years, with qualification of M.B.A. degree, had more than 11 years of rich industrial experience and managerial experience. He joined the Company as Director w.e.f. 03.05.2008 He was one of the promoter, industrialist and Managing Director and main contributory to the growth and development of the Company having a net worth of more than 90 crores with a turnover of 419 crores (financial year 2017-18) He was also equally excellent in ensuring growth by improving productivity, cost control, large size

operations & consistently improving quality and his services were indispensable. He had been actively involved in business strategy, business development and research and development functions in the Company.

Mr. Kunal Yada satisfied all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 (including any amendments thereto) as also the conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for re-appointment.

e. Resignation of Director

Mr. Geoffery Frederick Francis who had joined the Company since 2016 ceased to be the Independent Director of the Company due to his personal reason on 29th May, 2019. He had joined the Company as an Independent Director on 30th May, 2016 Since then he had given his unstinted support to the Company; by guiding throughout as a member of Board of Directors, Chairman of all committee(s) of the Board. The Board of Directors recognizes and place on record his valued contribution and unstinted support to the Company.

(e) Retirement by Rotation

In accordance with the provisions of the Companies Act, 2013 and Regulation 36 of the Listing Regulations, Mr. Jaitender Kumar (DIN: 08164429), retires at the ensuing AGM, and being eligible offers himself for re-appointment. The brief resume/details relating to Director who is to be re-appointed is furnished in the Notice of the ensuing AGM. The Board of Directors of your Company recommends the re-appointment of the Director liable to retire by rotation at the ensuing AGM.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its performance as well as that of its Committees and individual directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Remuneration Policy is available on the website of the Company at www.muksug.com>about us > policy.

FAMILIARIZATION PROGRAM FOR THE INDEPENDENT DIRECTORS

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying it in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

The Company has through presentations, at regular intervals, familiarized and updated the Independent Directors with the strategy, operations and functions of the Company and Sugar Industry as a whole. The details of such familiarization programs for Independent Directors are explained in the Corporate Governance Report and posted on the website of the Company at www.muksug.com>aboutus>policy.

DECLARATION OF INDEPENDENCE

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they have complied with the Code for Independent Directors as prescribed in Schedule IV to the Companies Act, 2013.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Eleven (11) Meetings of the Board of Directors were held during the financial year ended 31st March, 2019. The intervening gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the Board and Committee meetings are provided in the Corporate Governance Report forming part of this Report.

COMMITTEES OF THE BOARD

During the year, the details of composition of the Committees of the Board of Directors are as under: -

a. Audit Committee

| Sl. No. | Name | Chairman/Member |
|---------|----------------------------|-----------------|
| 1. | Geoffery Frederick Francis | Chairperson |
| 2. | Sheoraj Singh Ahlawat | Member |
| 3. | Kunal Yadav | Member |

Mr. Geoffery Frederik Francis resigned with effect from 29.05.2019 and Mr. Abhay Upadhyay has been inducted in the Audit Committee on 29.05.2019 as Chairman of the Committee. The terms of reference of the Audit Committee has been furnished in the Corporate Governance Report. All the recommendation made by the Audit Committee during the year were accepted by the Board.

b. Nomination And Remuneration Committee

| Sl. No. | Name | Chairman/Member |
|---------|----------------------------|-----------------|
| 1. | Geoffery Frederick Francis | Chairperson |
| 2. | Sheoraj Singh Ahlawat | Member |
| 3. | Kunal Yadav | Member |
| 4. | Kunj Deep Kalra | Member |

Mr. Geoffery Fredercik Francis resigned with effect from 29.05.2019 and Mr. Abhay Upadhyay has been inducted in the Nomination & Remuneration Committee on 29.05.2019 as Chairperson of the Committee. The terms of reference of the Nomination & Remuneration Committee has been furnished in the Corporate Governance Report. All the recommendation made by the Nomination & Remuneration Committee during the year were accepted by the Board.

c. Stakeholders Relationship Committee

| Sl. No. | Name | Chairman/Member |
|---------|----------------------------|-----------------|
| 1. | Geoffery Frederick Francis | Chairperson |
| 2. | Sheoraj Singh Ahlawat | Member |
| 3. | Kunal Yadav | Member |

Mr. Geoffery Fredercik Francis resigned with effect from 29.05.2019 and Mr. Abhay Upadhyay has been inducted in the Stakeholders Relationship Committee on 29.05.2019 as Chairperson of the Committee. The terms of reference of the Stakeholders Relationship Committee has been furnished in the Corporate Governance Report.

d. Corporate Social Responsibility Committee

| Sl. No. | Name | Chairman/Member |
|---------|----------------------------|-----------------|
| 1. | Geoffery Frederick Francis | Chairperson |
| 2. | Sheoraj Singh Ahlawat | Member |
| 3. | Kunal Yadav | Member |

Mr. Geoffery Fredercik Francis resigned with effect from 29.05.2019 and Mr. Abhay Upadhyay has been inducted in the Corporate Social Responsibility Committee on 29.05.2019 as Chairperson of the Committee.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors 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 at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors prepared the annual accounts on a going concern basis;

(e) the directors laid down internal financial controls to be followed by the company and that such internal financial controls were adequate and operating effectively;

(f) the directors devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions with Related Parties are placed before the Audit Committee for approval. All related party transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business, the particulars of such transactions are disclosed in the notes to the financial statements. The nature of related party transactions require disclosure in AOC-2, the same is attached with this Report.

The policy on Related Party Transactions as approved by the Board is available on website of the company at www.muksug.com>about us>policy.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

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

AUDITORS AND AUDITOR'S REPORT

(a) STATUTORY AUDITORS

M/s R Dewan & Co., Chartered Accountants (FRN: 017883N) were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 29th September, 2018 to hold office till the conclusion of 28th Annual General Meeting of the company to be held in 2019 and are eligible for re – appointment. They have confirmed their eligibility to the effect that their re – appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re – appointment.

Accordingly, The Board has subject to approval of members in the forthcoming AGM and recommendation of Audit Committee approved the re –appointment of M/s R Dewan & Co., Chartered Accountants (FRN: 017883N) to hold office form the conclusion of this Annual General Meeting to be held in 30th September, 2019 till the conclusion of 29th Annual General Meeting of the Company to be held in 2020 for one (1) year.

Further as required under the provisions of section 139(1) of the Companies Act, 2013, the Company has received a written consent from M/s R Dewan & Co., Chartered Accountants (FRN: 017883N) to their appointment and a Certificate, to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed there under and that they satisfy the criteria provided in section 141 of the Companies Act, 2013.

The Members are requested to vote for the appointment of the Statutory Auditors as aforesaid and fix their remuneration.

The Report given by the Auditors on the financial statements along with the notes to the financial statements of the Company for the financial year 2018-19 is forming part of the Annual Report. The observations and comments given by Auditors in their report read together with notes to Accounts are self-explanatory and hence do not call for any further comments under section 134 of the Act.

Explanation to Auditor's Remarks

- (i) The title deeds of the immovable properties are held in the name of the company except in respect of following:

| Particulars of Land & Building | Carrying Value as at March 31, 19 (Rs. In Lakhs) | Remarks |
|--|--|--|
| 49.30 acres of Land & Building purchased from IFCI (acquired under SARFAESI Act, 2002) Bank of Mukerian Paper Ltd. | 2162.50 | Land & Building was purchased from IFCI on 17/02/2010 but registration is pending. |

- (ii) The Company has granted interest free unsecured loan / capital advances to one company covered in the register maintained under section 189 of the Companies Act, 2013.
- (iii) The Company has provided guarantee in respect of KCC loan secured to the farmers (suppliers) from Banks. As per Tri-partite agreement between the Indian Sucrose Ltd., farmers and banks, the banks have sanctioned KCC limit to the farmers and credited the same to the Indian Sucrose Ltd.
- (iv) The company has provided guarantee to State Bank of India of Rs. 13.69 crore in respect of a loan provided to M/s Ranger Breweries Limited in the Year 2012-13.
- (v) The total amount of investments, loans granted and guarantee provided exceeds the limit provided u/s 186(2). The company has not complied with the requirement of section 186 of the Companies Act, 2013 pursuant to loans granted, guarantees provided and investments made. Further the company has granted loans to the person in whom directors are interested as detailed below:

| Particulars | Opening Balance | Addition | Repayment | Balance as on 31.03.2019 |
|------------------------|-----------------|----------|-------------|--------------------------|
| Cosmos Sugar Pvt. Ltd. | 4,46,40,000 | Nil | 2,50,00,000 | 1,96,40,000 |

The Company has not complied the provision of section 185 of the Companies Act, 2013.

(b) Cost Auditor

M/s Khushwinder Kumar & Co., Cost Accountants, Jalandhar (Firm Registration No. 100123) carried out the cost audit for applicable business during the year. The Board of Directors has appointed them as Cost Auditors for the financial year 2019-20. The remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to M/s Khushwinder Kumar & Co., Cost Auditors is included as item No. 4 of the notice convening the Annual General Meeting.

(c) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Lalan Kumar Singh (FCS : 7837, COP: 8544), Company Secretary in practice, Delhi to conduct the Secretarial Audit of the Company for the financial year 2018- 19. The Secretarial Audit Report is annexed herewith as **Annexure - A**. There are reservations or adverse remarks made by Secretarial Auditor in this report. The clarifications on the qualifications in the secretarial Auditors' Report are self-explanatory and no further explanation is considered necessary: -

- (a) The Company has advanced a sum of Rs.11,05,85,000 to M/s. Cosmos Sugar Pvt. Ltd. in the financial year 2016-17. An amount of Rs. 1,96,40,000 is still outstanding as on 31.03.2019, but no interest has been charged on this loan.
- (b) The total amount of investments, loans granted and guarantee provided exceeds the limit provided u/s 186(2). The company has not complied with the requirement of section 186 of the Companies Act,2013 pursuant to loans granted, guarantees provided and investments made.
- (c) The company has granted loans to the person in whom directors are interested under section 185 of the Companies Act, 2013, However, the requirements for granting such loans, as provided under section 185 of the Companies Act, 2013, have not been fulfilled.

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

The Corporate Governance Report and Management Discussion & Analysis, which form part of this Report, are set out as separate Annexures together with the Certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure-B**.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return of the Company as on 31st March 2019 in Form MGT - 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies Management and Administration) Rules, 2014 is annexed herewith as **Annexure-C**.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect to the remuneration of the employees of the Company, are not applicable to the company.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure-D** to this report.

Listing:

The shares of the company have been listed in Bombay Stock Exchange Limited (BSE Ltd).

Fraud

There was no case of any fraud reported during the financial year under report.

Secretarial Standards

The Board of Directors hereby affirms that your Company has adhered to the Secretarial Standards as prescribed by the Institute of Company Secretaries of India during the financial year under report.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

In terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has an internal complaints committee in place, which registers the complaints made by any aggrieved woman for upholding the Justice.

ENHANCING SHAREHOLDERS VALUE

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socioeconomic and environmental dimensions and contribute to sustainable growth and development.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from the Company's customers, vendors, bankers, auditors, investors, Government authorities and stock exchanges during the year under review. Your Directors place on record their appreciation of the contributions made by employees at all levels. Your Company's consistent growth was made possible by their hard work, solidarity, co-operation and support.

For and on behalf of the Board
Indian Sucrose Limited

Date: 28th August, 2019
Place: Punjab

(Kunal Yadav)
Managing Director
(DIN: 01338110)

(Kunj Deep Kalra)
Director
(DIN: 05285059)

Annexure – A to the Directors' Report

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of
The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Indian Sucrose Limited
(Formerly known as Oswal Sugar Limited)
(CIN: L15424PB1990PLC010903)
Regd. Off: G.T. Road,
Mukerian, Distt. Hoshiarpur,
Punjab - 144211

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Indian Sucrose Limited** (Formerly known as Oswal Sugar Limited) (CIN: L15424PB1990PLC010903) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder as amended from time to time read with notified provisions of Companies (Amendment) Act, 2017 ;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable during audit period as no foreign exchange earnings or outgo was recorded)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the company during the Audit Period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the Audit Period)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the company during the Audit Period)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the company during the Audit Period)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the company during the Audit Period)**
- (vi) The Company was not engaged in the business of Non – banking Financial Institution, therefore registration from the Reserve Bank of India was not required.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. **(Secretarial Standard was complied with during audit period.)**

During the period under review, the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards, etc. mentioned above except to the extent as mentioned below:

- (a) The Company has granted interest free unsecured loan / capital advances to one company covered in the register maintained under section 189 of the Companies Act, 2013.
- (b) The company has provided guarantee to State Bank of India of Rs. 13.69 crore in respect of a loan provided to M/s Ranger Breweries Limited in the Year 2012-13.
- (c) The total amount of investments, loans granted and guarantee provided exceeds the limit provided u/s 186(2). The company has not complied with the requirement of section 186 of the Companies Act, 2013 pursuant to loans granted, guarantees provided and investments made. Further the company has granted loans to the person in whom directors are interested as detailed below:

| Particulars | Opening Balance | Addition | Repayment | Balance as on 31.03.2019 |
|------------------------|-----------------|----------|-------------|--------------------------|
| Cosmos Sugar Pvt. Ltd. | 4,46,40,000 | Nil | 2,50,00,000 | 1,96,40,000 |

The Company has not complied the provision of section 185 of the Companies Act, 2013.

(ii) The Listing Agreement entered into by the Company with the Stock Exchanges and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). **(The shares of the Company are listed with the BSE Limited. The Company has paid the Annual Listing fees within the stipulated time period as prescribed by BSE Ltd.)**

(vii) I further report that having regard to the compliance Management system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has compliance management system for the sector specific laws applicable specifically to the Company.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned hereinabove. I have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other sector specific laws applicable to the Company.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision at the board meeting as represented by the management were carried through unanimously whereas as informed, there is system of capturing the views of dissenting members' and recording the same as part of the minutes, wherever required.

I further report that the management has adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable rules, regulations and guidelines as referred here in above.

For L K Singh & Associates
Company Secretaries

Place : Delhi
(Lalan Kumar Singh)
Date : 26/08/2019
FCS No.:7837
CP. No.8544

Note: This report is to be read with our letter of even date which is annexed as Annexure I and forms an integral part of this report.

ANNEXURE - I

To,
The Members,
Indian Sucrose Limited
(Formerly known as Oswal Sugar Limited)
(CIN: L15424PB1990PLC010903)
Regd. Off: G.T. Road,
Mukerian, Distt. Hoshiarpur,
Punjab - 144211

Dear Sir,

Sub: Secretarial Audit Report for the Financial Year ended on 31st March, 2019.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For L K Singh & Associates
Company Secretaries

Place : Delhi
(Lalan Kumar Singh)
Date : 26/08/2019
FCS No.:7837
CP. No.8544

Annexure – B to the Directors' Report

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.

A CONSERVATION OF ENERGY:

The Company's operations involve low energy consumption. Energy conservation is first priority at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques. Uses of natural lights are resorted at factory premises to save energy. Wherever possible, energy conservation measures have been implemented. Efforts to conserve and optimize the use of energy will continue. The Company has installed most modern equipment's in the plant and is able to save and minimize energy consumption.

Power and Fuel Consumption:

| | | 2018-2019 | 2017-2018 |
|------|---|---------------|-------------|
| 1(a) | Electricity | | |
| | Unit | 1165860 Kwh | 1334970 kwh |
| | Total Amount (Lacs) | 11447715 | 11676448 |
| | Rate/Unit(in Rs.) | 6.18 | 8.74 |
| (b) | Own Generation | | |
| | (i) through Diesel generator | | |
| | Unit per ltr of diesel oil | 63840 kwh | 57260 kwh |
| | Total Amount (Lacs) | 11,24,847/- | 7,57,980/- |
| | Rate/Unit(in Rs.) | 3.80 | 3.81 |
| | (ii)through stream turbine | | |
| | Unit per ton of fuel | 43373380 | 43373380 |
| | Total Amount (Lacs) | 8,05,85,580/- | - |
| | Rate/Unit(in Rs.) (being generated out of stream required for process) | 6.18 | 5.9587 |

B TECHNOLOGY ABSORPTION:

Technology absorption, adaptations and innovation:

(i) the effort made towards technology absorption – The company has adopted latest technology in the plant to maximize production, better quality, and to minimize consumption of energy. The Company has implemented its own effluent treatment plant of latest technology.

(ii) The Benefit derived like product improvement, cost reduction, product development or import substitution.

(iii) Technology imported during the year - NIL

C FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange used and earned:

(Rs. In Lakhs)

| Particulars | 2018-2019 | 2017-2018 |
|--------------------------------------|------------------|------------------|
| Total foreign exchange used | NIL | NIL |
| Total foreign exchange earned | NIL | NIL |

Annexure – C to the Directors' Report

Form No. MGT 9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | |
|------|---|--|
| i. | CIN | L15424PB1990PLC010903 |
| ii. | Registration Date | December 12, 1990 |
| iii. | Name of the Company | Indian Sucrose Limited (Formerly known as Oswal Sugar Limited) |
| iv. | Category/Sub-Category of the Company | Company Limited by Shares/ Indian Non-Government Company |
| v. | Address of the Registered office and contact details | G.T. Road, Mukerian, Distt. Hoshiarpur, Punjab-144211 Phone: +91-9115110651/52, Fax: +91-1883-244532 mail Id: isl.investor@yaducorporation.com, Website: www.muksug.com |
| vi. | Whether listed Company ? (Yes/No) | Yes |
| vii. | Name, Address and Contact details of the Registrar and Transfer Agent, if any | MCS Share Transfer Agent Limited, Address: F-65, 1st Floor, Ma Anandmayee Marg, Okhla I, Okhla Industrial Area, New Delhi, Delhi 110020 Phone :011- 41406149 Email id: helpdeskkol@mcsregistrars.com Website: mcsregistrars.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the |
|---------|--|----------------------------------|----------------------------|
| 1. | Manufacturing and refining of Sugar | 15421 | 97.16 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary /Associate | % of shares held | Applicable Section |
|---|---------------------------------|---------|--------------------------------|------------------|--------------------|
| The Company does not have any Holding/Subsidiary/Associate Companies. | | | | | |

VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity)

i) Category-wise Share Holding:

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|---|---------------|----------------|-------------------|---|---------------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 2634911 | 450000 | 3084911 | 19.95 % | 2634911 | 450000 | 3084911 | 19.95 % | 0 |
| b) Central Government | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) State Government | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bodies Corporate | 6022607 | 0 | 6022607 | 38.95 % | 6022607 | - | 6022607 | 38.95 % | 0 |
| e) Banks / Financial Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total (A) (1):- | 8657518 | 450000 | 9107518 | 58.90 % | 8657518 | 450000 | 9107518 | 58.90 % | 0 |
| (2.) Foreign | | | | | | | | | |
| a) NRIs - Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Other - Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Banks/Financial Institution | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total(A)(2):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Shareholding of Promoters (A)=(A)(1)+(A)(2) | 8657518 | 450000 | 9107518 | 58.90 % | 8657518 | 450000 | 9107518 | 58.90 % | 0 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 33 | 9400 | 9433 | 0.06 | 33 | 9400 | 9433 | 0.06 | 0 |
| b) Banks / Financial Institutions | 500 | 0 | 500 | 0 | 500 | 0 | 500 | 0 | 0 |
| c) Central Governments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Governments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | |
|--|----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|---------------|--------------|
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) Foreign Institutional Investors (FII) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(1):- | 533 | 9400 | 9933 | 0.06 | 533 | 9400 | 9933 | 0.06 | 0 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corporate | | | | | | | | | |
| i) Indian | 629827 | 29700 | 659527 | 4.27% | 519623 | 29600 | 549223 | 3.55% | 0.72% |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 1741206 | 2074555 | 3815761 | 24.68% | 1816841 | 2001555 | 3818396 | 24.70% | 0.02% |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 1054917 | 0 | 1054917 | 6.82% | 1179994 | 0 | 1179994 | 7.63% | 0.81% |
| C) other specify | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) NRI | 154051 | 660100 | 814151 | 5.27% | 148943 | 647800 | 796743 | 5.15% | 0.12% |
| d) Trust | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(2):- | 3580001 | 2764355 | 6344356 | 41.03 | 3665401 | 2678955 | 6344356 | 41.03 | 1.67% |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 3580534 | 2773755 | 6354289 | 41.06% | 3665934 | 2688355 | 6354289 | 41.16% | 1.67% |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 1223805 | 3223755 | 15461807 | 100.00% | 12323452 | 3138355 | 15461807 | 100.00 | 0.00 |

B) Shareholding of Promoters-

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % of change in share holding during the year |
|---------|--------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|--|
| | | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | |
| 1. | Dharampal Singh | 535000 | 3.46% | 3.46% | 535000 | 3.46% | 3.46% | Nil |

| | | | | | | | | |
|----|--------------------|---------|--------|------|---------|--------|------|------|
| 2. | Umlesh Yadav | 1649886 | 10.67% | Nil | 1649886 | 10.67% | Nil | Nil |
| 3. | Yadu Sugar Limited | 6022607 | 38.95% | Nil | 6022607 | 38.95% | Nil | Nil |
| 4. | Kunal Yadav | 450025 | 2.91% | 2.91 | 900025 | 5.82% | 2.91 | 2.91 |

C) Change in Promoters' Shareholding: -

| Sl. No. | Name | Shareholding at the beginning of the year | | Cumulative Shareholding during the Year | |
|---------|------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Vikas Yadav | | | | |
| | At the beginning of the year | 450000 | 2.91% | | |
| | Decrease (03.12.2018) | (450000) | (2.91%) | | |
| | At the end of the year | | | 0 | 0 |
| 2. | Kunal Yadav | | | | |
| | At the beginning of the year | 450025 | 2.91% | | |
| | Increase (03.12.2018) | 450000 | 2.91% | | |
| | At the end of the year | | | 900025 | 5.82 |

**D) Shareholding Pattern of top ten Shareholders:
(other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sl.NO | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the Year | |
|-------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | SNG EXIM PRIVATE LIMITED | | | | |
| | At the beginning of the year | 183289 | 1.18% | | |
| | Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change | | | |
| | At the end of the year | | | 183289 | 1.18% |

| | | | | | |
|-----------|--|-----------|-------|--------|-------|
| | | | | | |
| 2. | Bhavesh Dhiresbhai Shah | | | | |
| | At the beginning of the year | 95035 | 0.61% | | |
| | Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 62500 | .40% | | |
| | At the end of the year | | | 157535 | 1.02% |
| | | | | | |
| 3. | ABL Infrastructure Pvt. Ltd. | | | | |
| | At the beginning of the year | 119544 | 0.77% | | |
| | Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change | | | |
| | At the end of the year | | | 119544 | 0.77% |
| | | | | | |
| 4. | Manju Shah/Anil Lodha | | | | |
| | At the beginning of the year | 72087 | 0.47% | | |
| | Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change | | | |
| | At the end of the year | | | 72087 | 0.47% |
| | | | | | |
| 5. | Jagrut Mahasukhlal Shah | | | | |
| | At the beginning of the year | 64528 | 0.42% | | |
| | Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change | | | |
| | At the end of the year | | | 64528 | 0.42% |
| | | | | | |
| 6. | Hamara Engineering Pvt. Ltd. | | | | |

| | | | | | |
|-----------|--|-----------|-------|-------|-------|
| | At the beginning of the year | 53000 | 0.34% | | |
| | Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change | | | |
| | At the end of the year | | | 53000 | 0.34% |
| | | | | | |
| 7. | Sheila Rajesh Khatri | | | | |
| | At the beginning of the year | 44000 | 0.28% | | |
| | Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change | | | |
| | At the end of the year | | | 44000 | 0.28% |
| | | | | | |
| 8. | Smita Satish Lunkad | | | | |
| | At the beginning of the year | 0 | 0 | | |
| | Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 39000 | 0.25% | | |
| | At the end of the year | | | 39000 | 0.25% |
| | | | | | |
| 9. | Manoj Kumar Goel | | | | |
| | At the beginning of the year | 36396 | 0.23% | | |
| | Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change | | | |
| | At the end of the year | | | 36396 | 0.23% |
| | | | | | |
| | | | | | |

| | | | | | |
|------------|--|-------|-------|-------|-------|
| 10. | Vardhaman MishriLal Lunkad | | | | |
| | At the beginning of the year | 12200 | 0.08% | | |
| | Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 24101 | 0.16% | | |
| | At the end of the year | | | 36301 | 0.23% |

E) Shareholding of Directors and Key Managerial Personnel:

| SN | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the Year | |
|----|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Mr. Kunal Yadav, Managing Director | | | | |
| | At the beginning of the year | 450025 | 2.91% | | |
| | Decrease | | | | |
| | Increase (03.12.2018) | 450000 | 2.91% | | |
| | At the end of the year | | | 900025 | 5.82 |
| 2. | Mrs. Kunj Deep Kalra – Director | | | | |
| | At the beginning of the year | 0 | 0.00 | | |
| | Decrease/Increase | 0 | 0.00 | | |
| | At the end of the year | | | 0 | 0.00 |
| 3. | Mr. Sheoraj Singh Ahlawat – Independent Director | | | | |
| | At the beginning of the year | 0 | 0.00 | | |
| | Decrease/Increase | 0 | 0.00 | | |
| | At the end of the year | | | 0 | 0.00 |
| 4. | Mr. Jaitender Kumar – Executive Director | | | | |
| | At the beginning of the year | 0 | 0.00 | | |
| | Decrease/Increase | 0 | 0.00 | | |
| | At the end of the year | | | 0 | 0.00 |
| 5. | Mr. Geoffery Frederick Francis – | | | | |

| | | | | | |
|----|---|-----|------|-----|--------|
| | Independent Director | | | | |
| | At the beginning of the year | 0 | 0.00 | | |
| | Decrease/Increase | 0 | 0.00 | | |
| | At the end of the year | | | 0 | 0.00 |
| | | | | | |
| 6. | Mr. Sebastian Gilbert – Independent Director | | | | |
| | At the beginning of the year | 0 | 0.00 | | |
| | Decrease/Increase | 0 | 0.00 | | |
| | At the end of the year | | | 0 | 0.00 |
| | | | | | |
| 7. | Mr. Ravinder Kumar – Chief Finance Officer | | | | |
| | At the beginning of the year | 400 | | | |
| | Decrease/Increase | 0 | 0 | | |
| | At the end of the year | | | 400 | 0.002% |
| | | | | | |
| 8. | MS. Anamika Raju – Company Secretary | | | | |
| | At the beginning of the year | 0 | 0 | | |
| | Decrease/Increase | 0 | 0 | | |
| | At the end of the year | | | 0 | 0 |
| | | | | | |
| | | | | | |

F) INDEBTEDNESS

(Rs. in Crore)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 194.54 | 8.40 | 0 | 212.94 |
| ii) Interest due but not paid | 0.0254 | 0 | 0 | 0.0254 |
| iii) Interest accrued but not due | 0 | 0 | 0 | |
| Total (i+ii+iii) | 194.56 | 18.40 | 0 | 212.97 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 7.15 | 0 | 0 | 7.15 |
| Reduction | 22.56 | 0.36 | 0 | 22.92 |

| | | | | |
|--|--------|------|---|--------|
| Net Change | 15.41 | 0.36 | 0 | 15.77 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 165.34 | 3.24 | 0 | 168.58 |
| ii) Interest due but not paid | 0.29 | 0.03 | 0 | .32 |
| iii) Interest accrued but not due | 0 | 0 | 0 | |
| Total (i+ii+iii) | 165.63 | 3.27 | 0 | 168.90 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/ or Manager:

Rs.

| Sl. no. | Particulars of Remuneration | Name of MD/ WTD/ Manager Mr. Kunal Yadav- | Total Amount |
|---------|--|---|---------------|
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 1,44,00,000/- | 1,44,00,000/- |
| 2. | Stock Option | 0 | 0 |
| 3. | Sweat Equity | 0 | 0 |
| 4. | Commission - as % of profit - others specify | 0 | 0 |
| 5. | Others, please specify | 0 | 0 |
| | Total (A) | 1,44,00,000/- | 1,44,00,000/- |
| | Ceiling as per the Act | - | 26,60,206.65 |

B. Remuneration to other directors:

| Sl. No. | Particulars of Remuneration | Name of Directors | | | Total Amount (Rs.) |
|---------|--|------------------------------------|------------------------------|--------------------------|--------------------|
| 1. | Independent Directors | Geoffery Frederic k Francis | Sheoraj Singh Ahlawat | Sebastian Gilbert | |
| | - Fee for attending board/committee meetings | 45000 | 50000 | 15000 | 110000/- |

| | | | | | |
|----|--|------------------------|--------------|-----------------------|-----------------|
| | - Commission | 0 | 0 | 0 | 0 |
| | - Others, Please specify | 0 | 0 | 0 | 0 |
| | Total (1) | 45000 | 50000 | 15000 | 110000/- |
| 2. | Other Non – Executive Directors | Kunj Deep Kalra | | Jatinder Kumar | |
| | - Fee for attending board/committee meetings | 55000 | 10000 | 65000/- | |
| | - Commission | 0 | 0 | 0 | |
| | - Others, Please specify | 0 | 0 | 0 | |
| | Total (2) | 55000 | 10000 | 65000/- | |
| | Total (B)=(1+2) | | | 1,75,000/- | |
| | Ceiling as per the Act | | | | |
| | Total Managerial Remuneration(A+B) | - | --- | 1,45,75,000/- | |
| | Overall Ceiling as per the Act | | | 58,52,454.63/- | |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

| Sr. no. | Particulars of Remuneration | Key Managerial Personnel | | | Total Amount (Rs.) |
|---------|--|-------------------------------------|--------------------------------------|-----------------------|--------------------|
| | | Anamika Raju (appointed 01.10.2018) | Rishav Jaiswal (resigned 01.09.2018) | Ravinder Kumar Sharma | |
| | | Company Secretary | Company Secretary | Chief Finance Officer | |
| 1. | Gross Salary | | | | |
| (a) | Salary as per provisions contained in section 17 | 135000 | 485000 | 853992 | 1473992 |
| (b) | Value of perquisites u/s 17(2) Income tax Act | 0 | 0 | 0 | 0 |
| © | Profits in lieu of salary under section 17(3) | 0 | 0 | 0 | 0 |
| 2. | Stock Option | 0 | 0 | 0 | 0 |
| 3. | Sweat Equity | 0 | 0 | 0 | 0 |
| 4. | Commission as % Profit | 0 | 0 | 0 | 0 |
| 5. | Others, please specify NPS, PF, Gratuity and | 0 | 0 | 0 | 0 |
| | Total (C) | 135000 | 485000 | 853992 | 1473992 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|---|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY/DIRECTORS/OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | NONE | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

Annexure – D to the Directors' Report

Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i. **The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year ("FY")**

| Name of Director & Designation | Median (in Rs.) | Remuneration (in Rs.) 2018- 2019 | Ratio |
|---|------------------------|---|--------------|
| Kunal Yadav – Managing Director | 72,00,000/- | 1,44,00,000/- | 7.17 |
| Geoffery Frederick Francis – Independent Director | N.A | 45,000/- | N.A |
| Sheoraj Singh Ahlawat – Independent Director | N.A | 50,000/- | N.A |
| Kunj Deep Kalra – Executive Director | N.A | 55,000/- | N.A |
| Sebastian Gilbert – Independent Director | N.A | 15,000/- | N.A |
| Jaitender Kumar – Non Executive Director | Nil | 10,000/- | Nil |

Notes:

1. Median is derived including remuneration paid to Mr. Kunal Yadav, Managing Director of the Company.
 2. To derive median, only employees on the payroll of the Company are taken into consideration.
 3. **Mr. Sheoraj Singh Ahlawat, Mr. Geoffery Frederick Francis, Mr. Sebastian Gilbert, Mr. Jaitender Kumar and Ms. Kunj Deep Kalra** received only sitting fees during 2018- 2019 which are not considered as remuneration for the purpose of above calculation.
- ii. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in the financial year**

| Name of Director/KMP | Designation | FY 2018-19 | FY 2017-18 | % increased |
|-----------------------------|--------------------|-------------------|-------------------|--------------------|
| Kunal Yadav | Managing Director | 1,44,00,000/- | 1,44,00,000/- | Nil |
| Ravinder | Chief Finance | 8,53,992/- | 7,06,248/- | 9.20% |

| | | | | |
|---|----------------------|------------|------------|--------|
| Sharma | Officer | | | |
| Rishav Jaiswal (resigned 01.09.2018) | Company Secretary | 4,85,000/- | 3,24,000/- | - |
| Anamika Raju (Appointed 01.10.2018) | Company Secretary | 135000.00 | Nil | 17.39% |

Notes:

1. The remuneration mentioned above is the per annum remuneration fixed during appointment.
2. **Mr. Sheoraj Singh Ahlawat, Mr. Geoffery Frederick Francis, Mr. Sebastian Gilbert, Jaitender Kumar and Mrs. Kunj Deep Kalra** received only sitting fees during the year, accordingly the same is not considered in providing the aforementioned information.

iii. The percentage increase in the median remuneration of employees in the financial year

The percentage increase in the median remuneration of employees in the financial year 2018-19 is 7.00%.

iv. The number of permanent employees on the rolls of Company

Permanent employees on the rolls of the Company as on March 31, 2019 were 322.

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

There is 7.00% increase in the salary of employees of the Company as against the nil increase in the salary of Managing Director of the Company for the financial year 2018-19.

vi. Affirmation that the remuneration is as per the remuneration policy of the Company.

The remuneration paid for FY 2018-19 was as per remuneration policy of the Company and has been approved by the Nomination and Remuneration Committee of the Board.

FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third provision thereto

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:

| | | | | | | | Rs. in Lacs |
|---|---|---|----------------------------------|--|---|----------------------------------|---------------------------------------|
| Name(s) of the related party and nature of relationship | Nature of contracts / arrangements/ transactions | Transaction Value during the year (Rs.) | Approved Transaction Limit (Rs.) | Duration of contracts/ arrangements/ transaction | Salient terms of the contracts/ arrangements/ transactions | Date(s) of approval by the Board | Amount paid as advances (Rs. in Lacs) |
| Ranger Breweries Limited (He and his relative is the director/member of the Company) | sale, purchase or supply of goods or materials, availing or rendering of services | 43.82 | 850 | Till 31 st March 2020 | Related Party Transaction entered during the period was in the ordinary course of business and on arm's length basis. | 30.03.2019 | |
| Yadu resorts (India) Limited (He and his relative is the director/member of the Company) | Leasing of Property | 8.88 | 18 | Till 31 st March 2020 | Related Party Transaction entered during the period was in the ordinary course of business and on arm's | 30.03.2019 | |

| | | | | | | | |
|---|---|---------|---------|----------------------------------|---|------------|--|
| | | | | | length basis. | | |
| SNG Exim Private Limited (He and his relative is the member of the Company) | sale, purchase or supply of goods or materials, availing or rendering of services | Nil | 8186.92 | Till 31 st March 2020 | Related Party Transaction entered during the period was in the ordinary course of business and on arm's length basis. | 30.03.2019 | |
| SNG Exim Private Limited (He and his relative is the member of the Company) | Leasing of Property | Nil | 13.08 | Till 31 st March 2020 | Related Party Transaction entered during the period was in the ordinary course of business and on arm's length basis. | 30.03.2019 | |
| Highlink investment Private limited (He and his relative is the member of the Company) | sale, purchase or supply of goods or materials, availing or rendering of services | 3910.79 | 7882.67 | Till 31 st March 2020 | Related Party Transaction entered during the period was in the ordinary course of business and on arm's length basis. | 30.03.2019 | |
| Highlink investment Private limited (He and his relative is | Leasing of Property | 9.60 | 17.32 | Till 31 st March 2020 | Related Party Transaction entered during the period was | 30.03.2019 | |

| | | | | | | | |
|--|---|-------|-----|----------------------------------|---|------------|--|
| the member of the Company) | | | | | in the ordinary course of business and on arm's length basis. | | |
| Yadu Sugar Limited (He and his relative is the director/member of the Company) | sale, purchase or supply of goods or materials, availing or rendering of services | 1.17 | 13 | Till 31 st March 2020 | Related Party Transaction entered during the period was in the ordinary course of business and on arm's length basis. | 30.03.2019 | |
| Shervani Sugar Syndicate Limited (He and his relative is the director/member of the Company) | sale, purchase or supply of goods or materials, availing or rendering of services | 0.84 | 150 | Till 31 st March 2020 | Related Party Transaction entered during the period was in the ordinary course of business and on arm's length basis. | 30.03.2019 | |
| Cosmos Industries Limited (He and his relative is the director/member of the Company) | sale, purchase or supply of goods or materials, availing or rendering of services | 15.60 | 50 | Till 31 st March 2020 | Related Party Transaction entered during the period was in the ordinary course of business and on arm's length basis. | 30.03.2019 | |

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Industry Structure & Development:

Sugar is one of world's major agro – based industries and is also one of the most actively traded soft commodities on the exchange. More than 80 % of sugar produced is from sugarcane while balance is from sugar beet. Top 5 sugar producers in the world, namely, Brazil, India, EU, China & Thailand, account for over 60% of the total production. The sugar price has been seen high level of volatility and now it is at a comfortable level. India is the second largest producer in the world and its production in 2018 -2019 was 32.12 Million Tonnes. Around 5 Million hectares of land under sugarcane. 50 Million cane farmers and their dependents. Around 700 Sugar Mills installed and 530 operational. India is world's largest consumer of sugar and usually consumed all sugar produced domestically about 62-65% of sugar consumed directly by bulk users.

Indian Sugar Industry

India's 2018- 2019 sugar production likely to be up by 1.5 percent over previous year, says Industry Body Indian Sugar Mills Association (ISMA). Sugar mills across the country have produced 321.19 lakh tonnes of sugar between 1st October 2018 and 30th April 2019. This is about 9.36 lac tons more than 311.83 lac tons produced at the same time last year.

“However, as compared to 110 sugar mills which were still crushing sugarcane on 30th April, 2018 last year, only 100 Sugar mills are crushing sugarcane on 30th April, 2019 this year. With lesser number of sugar mills working as on now, sugar production in the balance part of the current session will be much less than what was produced in the last year.

The sugar recovery in northern India is has been substantially better than the sugar recovery achieved in the last session. In the other parts of the country, including Maharashtra and Karnataka also, the sugar recovery is better than last year, though not as high as achieved in North India. Therefore, even though the quantum of sugarcane crushing in the current session is less than that in the last session, the sugar production in 2018-2019 will be marginally more than last year, Therefore, the sugar production in the current year for the whole country is expected to be around 330 lakh tonnes about 5 lakh tonnes more than last year.

Maharashtra's sugar production has reached 117 lakh tonnes upto 30th April, 2019 and all the mills except one have ended operations for the season. U.P. Sugar Mills have produced 112.65 lakh tonnes of sugar as on 30th April, 2019 which is 0.27 lac tons higher than the production achieved by them last year on the corresponding date. Out of 119 mills operated this year, 51 mills have ended their crushing, and 68 mills continue their operations now.

All sugar mills in Karnataka have ended their crushing for the season 2018 -19 SS and they have produced 43.20 lakh tons of sugar till 30th April, 2019.

Sugar mills in Gujrat, Tamil Nadu, Andhra Pradesh & Telangana and Madhya Pradesh & Chhattisgarh have produced 11.19 lakh tons, 7.05 lac tons, 7.60 lakh tons and 5.30 lakh tons respectively. Similarly sugar mills of Bihar, Punjab and Haryana have also produced 8.35 lac tons, 7.70 lac tons and 6.75 lac tons as on 30th April, 2019.

Considering the opening balance of 107 lakh tonnes on 1st October 2018, estimated production of 330 lakh tonnes and domestic consumption of 260 lac tons as well as export of 30 lakh tonnes of estimated sugar exports, sugar stocks at the end of the current 2018-19 SS i.e. 30th September 2019 are expected to be at a higher level of around 147 lakh tonnes.

The field reports from Maharashtra suggest that sugarcane planting in most of the regions in Maharashtra for harvesting in next 2019-20 season is significantly lower than the sugarcane harvested in the current season.

Additionally, due to substantially lower rainfall during last season's monsoon (June to September 2018) as also during the retreating monsoon i.e. North East Monsoon (October to December 2018), water in most of the reservoirs in Maharashtra is much below normal levels, which remained so, for most of the last 7 to 8 months. Therefore, the indications are that the acreage under sugarcane in Maharashtra for next year's harvesting will be significantly lower than the current season.

Therefore, at an all India level there is general expectation that the sugarcane availability will be much lower in 2019-20 than what has been in the current season, thereby reducing sugar production on next year.

ISMA will obtain satellite images of the sugarcane area across the country in later part June 2019 to make its preliminary estimates of sugarcane availability and sugar production for 2019-20 sugar session.

Government Policies:

- (1) To provide up to Rs. 10,540 Crore as soft loans to sugar mills NSE – 4.41% will help them in clearing arrears of cane growers by about 9,000 crore. It would cost exchequer upto Rs. 1054 crore as interest subsidy.
- (2) The interest subsidy of 7-10 % will reduce expenditure of 800-900 crore on account of interest burden of mills.
- (3) To ensure that farmers are paid their dues expeditiously, the center has asked banks to seek bank account details of cane growers from mill owners, so that amount is paid directly to farmers.

In order to incentivize the mills to clear their dues, CCEA also decided that the approved soft loan will be provided to those units which have already cleared at least 25 % of their outstanding dues in the sugar season 2018-19.

- (4) The Central Government raised benchmark selling price of sugar at factory gate by Rs. 2 to Rs. 31 per kg.
- (5) An assistance of Rs. 5.50 per quintal of cane crushed was announced, amounting to Rs. 1540 Crore to mills, for 2017-18. This has been raised to Rs. 13.88 per quintal for 2018-19, costing over Rs. 4,100 crore to the exchequer.

- (6) Around Rs. 1200 Crore was allocated for the creation of 30 lakh tonnes of buffer stock of sugar.
- (7) The Central Government is providing assistance worth Rs. 1375 crore to mills by compensating expenditure towards internal transport, freight, handling and other charges to facilitate 50 lakh tonnes export during the 2018-19 marketing year.

Policy: Sugarcane production and pricing policy

According to industry sources, the sugar industry will continue to be subject to production controls by state governments, including sugar industry licensing, cane area reservation, minimum distance criteria, adoption of the cane price formula, specified cane procurement areas for sugar mills, and cane pricing. On a side note, the sugar procurement for public distribution system(PDS) operation is being made from the open market by the State/Union Territories, and the Government is providing a fixed subsidy at INR 18.50 per kg for restricted coverage only to the antyodaya Anna Yojana (AAY) families who will be provided 1 kg of sugar per family per month.

Sugar surplus is bad for everyone. It depresses the prices apart from affecting the cash flow of the mills. They struggle to pay the farmers and as arrears amount the government is forced to step in and help the mills clear the dues through relief packages.

To avoid this situation, the government typically encourages the mills to export. But that is easier said than done. The high cane prices (Indian mills pay Rs. 2890 per tonne of cane compared with Rs. 1732 in Brazil, Rs. 1739 in Australia and Rs. 1843 in Thailand) and lower economics of scale the cost of production in India is way above the international sugar prices.

In 2017 -18 the production cost was Rs. 3580 per quintal of sugar while the international prices averaged Rs. 2080. To get exports going, the government offers subsidies which, at best, cover only a part of the cost. Mills still export at a loss to reduce the stock and release the badly needed working capital. That is why India, despite its significant surplus, is not a serious player in the global sugar market.

The ideal way to manage sugar surplus is to link the sugarcane price to output price. Today, cane price keeps increasing irrespective of the price of sugar. That is the root of the problem. The government should come up with a formula that arrives at the cane price after factoring the value of the output (including price of sugar, ethanol and power generated from bagasse). That way supply – demand economics will come into play again.

If sugar and ethanol prices rise, it means demand is good and the formula will throw up a higher price of cane and farmers will plant more of the crop to meet the demand. The cane price offered will be low if there is a surplus in the market and the farmers will shift to another crop restoring the balance.

If the government is still keen on keeping the farmers happy, it can pay a higher price (above the one of the formula puts out) and fund it from its budget. This will ensure that the sugar sector is not forced to foot its populism. But it will come in the way of managing the surplus in the most efficient manner.

Ethanol

It is time for the Government to look at a more efficient and less controversial way (in line with the WTO norms) of dealing with the sugar surplus. India imports 82 per cent of its crude oil requirements and for the sake of energy security it is imperative for it to reduce this dependence on imports. At times of high crude prices, India's economy feels the heat as the current account deficit widens putting pressure on the rupees and as inflation rises, the monetary policy tightens, slowing down the growth.

Brazil has shown that blending ethanol with petrol is a good way to reduce dependence on imported crude and, at the same time, manage the sugar surplus. The Central Government has done well on this front by giving a fresh impetus to the ethanol – blending programme and, most importantly, announcing remunerative prices for procurement by oil companies. It has set a 10 per cent blending rate by 2022.

Typically, ethanol is manufactured from molasses which is a by – product of sugar. But it can also be manufactured directly from sugarcane juice. This will reduce sugar production and help manage the glut. As India alternated between sugar surplus and deficit earlier, the government did not permit large scale conversion directly to ethanol as that would have hurt sugar production.

It has now allowed sugar mills to do so and has also announced a premium price for the ethanol so produced, compensating for the revenue foregone for not manufacturing sugar. As many as 114 mills are expanding their ethanol capacities, which in the next 24 months will add 90 crore liters of capacity. In 2018-19 Brazil converted 65 percent of its cane into ethanol directly. This helped to keep sugar production at the required level and also reduce significantly its oil import bill at a time when crude oil prices rose sharply. This option too has a catch. When global crude oil prices decline, oil marketing companies may not be willing to procure ethanol at a higher price.

Power Sector

Cogeneration of bagasse is one of the most attractive and successful energy projects that have already been demonstrated in many sugarcane producing countries such as Mauritius, Reunion island, India and Brazil. Combined heat and power from sugarcane in the form of power generation offers renewable energy options that promote sustainable development. Take advantage of domestic resources, increase profitability and competitiveness in the industry, and cost effectively address climate mitigation and other environment goals.

According to World Alliance for decentralized energy (WADE) report on bagasse Cogeneration, bagasse – based cogeneration could deliver up to 25 % of current power demand requirements in the world's main cane producing countries. The overall potential share in the world's major developing country producers exceeds 7 %. There is abundant opportunity for the wider use of bagasse – based cogeneration in sugarcane producing countries, it is especially great in the world's main cane producing countries like Brazil, India, Thailand, Pakistan, Mexico Cuba, Colombia, Philippines and Vietnam, yet this potential remains by and large unexploited.

Using bagasse to generate power represents an opportunity to generate significant revenue through the sale of electricity and carbon credits. Additionally, cogeneration of heat and power allows sugar producers to meet their internal energy requirements and drastically reduce their operational costs, in many cases by as much as 25% burning bagasse also removes a waste product through its use as a feedstock for the electrical generators and steam turbines.

Most sugar mills around the globe have achieved energy self-sufficiency for the manufacturer of raw sugar and can also generate a small amount of exportable electricity. However, using traditional equipment such as low pressure boilers and counter – pressure turbo alternators, the level and reliability of electricity production is not sufficient to change the energy balance and attract interest for export to the electric power grid.

On the other hand, revamping the boiler house of sugar mills with high pressure boilers and condensing extraction steam turbine can sustainability increase the level of exportable electricity. This experience has been witnessed in Mauritius, where, following major changes in the processing configurations, the exportable electricity from the sugar factory increased from around 30 -40 kwh to around 100-140 kwh per ton cane crushed. In Brazil, the world's largest cane producer, most of the sugar mills are upgrading their boiler configurations to 42 bars or even higher pressure of up to 67 bars.

Technology Options

The Prime technology for sugar mill cogeneration is the conventional steam – Rankine cycle design for conversion of fuel into electricity. A combination of stored and fresh bagasse is usually fed to a specially designed furnace to generate steam in a boiler at typical pressures and temperatures of usually more than 40 bars and 440°C respectively. The high pressure steam is then expanded either in a back pressure or single extraction back pressure or single extraction condensing type turbo generator operating at similar inlet steam conditions.

Due to high pressure and temperature as well as extraction and condensing modes of the turbine, higher quantum of power gets generated in the turbine-generator set, over and above the power required for sugar process, other by – products and cogeneration plant auxiliaries. The excess power generated in the turbine generator set is then stepped up to extra high voltage of 66/110/220 kv, depending on the nearby substain configuration and fed into the nearby utility grid. As the sugar industry operates seasonally, the boilers are normally designed for multi – fuel operations, so as to ensure year round operation of the power plant for export to the grid.

Latest trends

Modern power plants use higher pressures, up to 87 bars or more, the higher pressure normally generates more power with the same quantity of bagasse or biomass fuel. Thus, a higher pressure and temperature configuration is a key in increasing exportable surplus electricity.

In general, 67 bars pressure and 495°C temperature configuration for sugar mill cogeneration plants are well – established in many sugar mills in India. Extra high pressure at 87 bars and 510°C, configuration comparable to those in Mauritius, is the current trend and there are about several projects, commissioned and operating in India and Brazil. The average increase of power export from 40 bars to 60 bars to 80 bars stages is usually in the range of 7-10%.

A promising alternatives to steam turbines are gas turbines fueled by gas produced by thermochemical conversion of biomass. The exhaust is used to raise steam in heat recovery systems used in any of the following ways: heating process needs in a cogeneration system, for injecting back into gas turbine to raise power output and efficiency in a steam – injected gas turbine cycle (STIG) or expanding through steam turbine to boost power output and efficiency in a gas turbine/steam turbine combined cycle (GTCC). Gas turbines, unlike steam turbines, are characterized by power unit capital costs at modest scale, and the most efficient cycles are considered more efficient than comparably sized steam turbines.

SWOT ANALYSIS

Indian Sucrose Limited consists of manufacturing and trading facilities of sugar and power. Each of its business segments has its own strengths and weaknesses and exposures to a variety of opportunities and threats. The Company has the following SWOT attributes broadly:

STRENGTHS AND OPPORTUNITIES

- i) The promoters are in this line for over 5 decades and are having good experience of the line.
- ii) Company has integrated Sugar Plant, along with Co -Generation situated in the G.T. Road, Mukerian – 144211, Distt. Hoshiarpur (Punjab)
- iii) Company has integrated facilities to produce white crystal sugar and also has ability to Process Raw Sugar.
- iv) Company Produces Power which enhances the Revenue of the Company.

WEAKNESSES AND THREATS

- i) Though de-licensed, sugar industry remains a highly regulated industry with the acts and orders through which government regulates the sugar Industry.
- ii) Sugarcane being an agricultural commodity, its availability is dependent on vagaries of monsoon.
- iii) Non availability of sugar cane may adversely affect the sugar mills and cogeneration of power plants.
- iv) Sugar Industry has political intervention.
- v) Steep decline in sugar price may adversely affect the sugar mills.

SEGMENT-WISE PERFORMANCE.

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

The Sugar segment revenues constituted the largest share of the Company's revenues. The segment contributed 99.00% of the Company's turnover during the year under review.

Revenues from cogeneration contributed less than 1.00% of the company's revenues during the year under review.

RISKS AND CONCERNS:

The Company has a robust risk management framework to identify and evaluate business risks and opportunities. It seeks to create transparency, minimize adverse impact on the business objective and enhance the Company's competitive advantage. It aims at ensuring that the executive management controls the risk through means of a properly defined framework.

The Company has laid down appropriate procedures to inform the Board about the risk assessment and minimization procedures. The Board periodically revisits and reviews the overall risk management plan for making desired changes in response to the dynamics of the business.

Key areas of risks identified and mitigation plans are covered in the Management Discussion and Analysis Report. The Company is not currently required to constitute a Risk Management Committee.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

Your Company's approach to talent development is founded on the belief that learning initiatives must remain synergistic and aligned to business outcomes, emphasize experiential learning, provide an enabling and supportive environment and promote learning ability. Deep functional expertise is fostered through immersion in solving complex customer problems by the application of domain expertise early in managerial careers. Key talent is provided critical experiences in high impact roles and mentored by senior managers. Managers are assessed on your Company's behavioral competency framework and provided with learning and development support to address any areas identified for improvement. As part of your Company's managerial development and capability building strategy, various programmes have been designed and customized to your Company's requirements under these platforms. Your Company has further strengthened its performance management system and its culture of accountability through renewed emphasis on Management by objectives which includes clearly defined goals and outcomes based assessment.

DETAILS OF SIGNIFICANT CHANGES OF 25% OR MORE IN KEY FINANCIAL RATIOS:

i) Debtors Turnover: It enhanced from 1 days (previous year) to 9 days during the year under review due to lower turnover and increase in debtors.

ii) Inventory Turnover: It reduced from 1.99 (previous year) to 1.83 due to higher inventory and lower turnover of the Company, during the year under review.

iii) Interest Coverage Ratio: It reduced from 1.95 times (previous year) to 1.16 times during the year under review, due to decrease in profit.

iv) Current Ratio: Not changed by 25% or more as compared to the immediately previous financial year.

v) Debt Equity Ratio: - Debt Equity ratio increased from .34 (previous year) to 0.37 during the year under review, due to increase in working capital of the company.

vi) Operating Profit Margin (%): - Not changed by 25% or more as compared to the immediately previous financial year.

vii) Net Profit Margin (%): - It increased by 19 % from 1.96 % (previous year) to 2.15 % during the year under review, due to better recovery of sugar.

DETAILS OF CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE PREVIOUS FINANCIAL YEAR: - Return on Net Worth changed from 5.41% (previous year) to 2.82 % during the year under review. The change is due to decrease in sugar price as compared to previous year.

CORPORATE GOVERNANCE REPORT

The Board of Directors present the company's report on Corporate Governance for the year ended on 31st March, 2019.

1. Company's philosophy on Code of Governance

Indian Sucrose Limited (Formerly known as Oswal Sugars Limited) pursues its long-term corporate goals on the bedrock of financial discipline, high ethical standards, transparency and trust. Enhancing shareholders' value and protecting the interests of all stakeholders' is a tradition at ISL. Every effort is made to follow best practices in all the functional areas and in discharging the Company's responsibilities towards all stakeholders and the community at large.

2. Board of Directors

2.1 Composition of the Board:

The Company has a judicious mix of Executive, Non-Executive and Independent Non-Executive Directors on its Board. There are 6 Directors on the Board, with 1 Executive Director, 1 Non-Executive Non Independent Woman Directors, 1 Non Executive Non Independent Director and 3 Independent Non-Executive Directors. The Chairman is an Non Independent Executive Director and one-half of the Board consists of Independent Directors.

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 (hereinafter referred to as 'the Act') and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (hereinafter referred to as 'Listing Regulations').

None of the Directors are director in more than 8 Listed entities and serve as an Independent Director in more than 7 Listed entities. None of the Directors are directors in more than 20 Companies or member of more than 10 Committees or act as Chairman of more than 5 Committees across all Companies in which they are Directors. The Non-Executive Directors are appointed or re-appointed with the approval of shareholders.

The Company has not entered into any material significant transaction with non-executive and non-independent Directors of the Company. None of the directors are related to each other Except Mr. Kunal Yadav, Chairman cum Managing Director and Executive Director on Board and his wife Mrs. Kunj Deep Kalra, Non-Executive, Non – Independent Woman Director.

The composition of the Board as on 31 March 2019 is as under:

| Sr. No. | Name of Director | Materially significant, pecuniary or business | Number of shares and convertible instruments | No. of Directorships held in Public Ltd. | # Committee (s) position (including the company) |
|---------|------------------|---|--|--|--|
|---------|------------------|---|--|--|--|

| | | relationship with the Company | held in the Company | Co.s' (including the company) | Member | Chairman |
|----|----------------------------|--|---------------------|-------------------------------|--------|----------|
| 1. | Kunal Yadav | Executive Director/Chairperson/Managing Director | 900025 | 7 | 4 | 0 |
| 2. | Kunj Deep Kalra | Non Executive/ Non Independent/ Woman Director | 0 | 3 | 0 | 0 |
| 3. | Jaitender Kumar | Non Executive/ Non Independent | 0 | 1 | 0 | 0 |
| 4. | Sheoraj Singh Ahlawat | Non Executive/ Independent Director | 0 | 1 | 2 | 0 |
| 5. | Geoffery Frederick Francis | Non Executive/ Independent Director | 0 | 2 | 2 | 2 |
| 6. | *Sebastian Gilbert | Non Executive/ Independent Director | 0 | 1 | 0 | 0 |

* Appointed w.e.f. 22.11.2018

Only Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

2.2 Name of other listed entities where Directors of the company are Directors and the category of Directorship: No Directors hold any position to other listed entities.

2.3 Brief Profile of Directors:

The Board of Directors comprises of highly renowned person of diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision making process.

The brief profile of the Company's Board of Directors is as under:

Mr. Kunal Yadav – Managing Director – Executive Director (DIN - 01338110)

Mr. Kunal Yadav is a Managing Director cum Chairman & Executive Director on Board of our Company. He had more than 11 years of rich industrial experience and managerial experience. He joined the Company as Director w.e.f. 05.02.2008. He was one of the promoter, industrialist and Managing Director and main contributory to the growth and development of the Company having a net worth of more than 85 crores with a turnover of 419 crores (financial year 2017-18). He was also equally excellent in ensuring growth by improving productivity, cost control, large size operations & consistently improving quality and his services were indispensable. He had been actively involved in business strategy, business development and research and

development functions in the Company. Mr. Kunal Yadav is a M.B.A. degree, university of Greenwich, London, U.K.

Ms. Kunj Deep Kalra – Non Independent Non - Executive Director (DIN - 05285059)

Ms. Kunj Deep Kalra is the Non-Executive Non Independent Woman Director on the Board of our Company. She is wife of Mr. Kunal Yadav and main contributory to the growth and development of the Company. She has more than 10 years of experience in Corporate Planning and Management strategy. She was also equally excellent in ensuring growth by adopting different strategy to reduce cost control and improve the production quality of the Company. Mrs. Kunj Deep Kalra is Graduate from Delhi University.

Mr. Jaitender Kumar – Non Independent Non - Executive Director (DIN - 08164429)

Ms. Jaitender Kumar is the Non-Executive Non Independent Director on the Board of our Company. He holds a Post Graduate degree in B.S.C. Agriculture from Haryana Agriculture University, Hisar. He had more than 15 years of experience in Agriculture and land related issues. He is also the main contributory in the growth of the company.

Mr. Geoffery Frederick Francis – Independent Non - Executive Director (DIN - 03420590)

Ms. Geoffery Frederick Francis is the Non-Executive Independent Director on the Board of our Company. He holds a Bachelor's degree in Commerce from Kerala University. He had more than 10 years of experience in Corporate Planning.

Mr. Sheoraj Singh Ahlawat – Independent Non - Executive Director (DIN - 02027282)

Mr. Sheoraj Singh Ahlawat is the Non-Executive Independent Director on the Board of our Company. He holds a Post Graduate degree. He had more than 20 years of experience in management strategy and corporate planning.

Mr. Sebastian Gilbert – Independent Non - Executive Director (DIN - 07794799)

Mr. Sebastian Gilbert is the Non-Executive Independent Director on Board of our Company. He holds a MBA Degree in Marketing from Sikkim Manipal University, Gangtok Sikkim. He had more than 10 years of experience in Marketing and corporate planning.

2.4 Skill/Expertise of Directors: Directors have core skills and efficiency on different sectors such as sales and marketing, Technical aspects, General Management, Legal and Governance, Strategic thinking, Decision Making and Financial.

2.5 Board Meeting

During the financial year 2018-19, 11 Board Meetings were held on 13th April, 2018, 30th May, 2018, 27th June, 2018, 14th August, 2018, 24th August 2018, 01st October, 2018, 13th November, 2018 22nd November, 2018 15th January, 2019 13th February, 2019 and 30th March, 2019. The

maximum interval between any two consecutive meetings were not more than 120 days. Agenda, Notes on the agenda and other pre-read materials are circulated among the Directors, well in advance, in a structured format. All the Agenda items are supported by relevant information, documents and presentation to enable the Board to take informed decisions. A soft copy of the Board/Committee Meeting agenda is also hosted on the Board portal to provide web-based solution that functions as a document repository. Video/tele-conferencing facilities are used to facilitate Directors present at other locations, to participate in the meetings.

The Company has a well-established framework for the Meetings of the Board and its Committees which seeks to systematize the decision-making process at the Board and Committee meetings in an informed and efficient manner.

The attendance of each Director at these Board Meetings and last Annual General Meeting was as under:

| Sr. No. | Name of the Director | Board Meeting | | Whether present at the last AGM |
|---------|--------------------------------|------------------------|----------|---------------------------------|
| | | Held during the tenure | Attended | |
| 1. | Mr. Kunal Yadav | 11 | 11 | Yes |
| 2. | Mrs. Kunj Deep Kalra | 11 | 11 | Yes |
| 3. | Mr. Jaitender Kumar | 11 | 11 | Yes |
| 4. | Mr. Geoffery Frederick Francis | 11 | 9 | Yes |
| 5. | Mr. Sheoraj Singh Ahlawat | 11 | 10 | Yes |
| 6. | *Mr. Sebastian Gilbert | 11 | 3 | No |

* Appointed w.e.f. 22.11.2018

2.6 Separate Meeting of Independent Directors:

Independent Directors play an important role in the governance processes of the Board. They bring their expertise and experience on the deliberations of the Board. This enriches the decision making process at the Board with different points of view and experiences and prevents conflict of interest in the decision making process.

None of the Independent Directors serves as “Independent Directors” in more than seven listed companies. No person has been appointed or continuing as an Alternate Director for an Independent Director of the Company.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

Schedule IV to the Act, inter alia, prescribes that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management. During the year, one meeting of independent directors was held on 15th January, 2019. All the Independent Directors attended the Meeting. At the meeting, the Independent Directors reviewed the performance of the non-independent directors (including the Chairperson) and the Board as a whole and assessed the quality, quantity and timeliness of

flow of information between the Company, management and the board that is necessary for the board to effectively and reasonably perform their duties.

2.7 Disclosure of relationships between the Directors inter-se:

Except Mr. Kunal Yadav, Chairman cum Managing Director and Executive Director on Board and his wife Mrs. Kunj Deep Kalra, Non-Executive, Non – Independent Woman Director there is no relationship between the Directors inter-se.

2.8 Familiarisation programmes imparted to Independent Directors:

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The Company has through presentations at regular intervals, familiarized and updated the Independent Directors with the strategy, operations and functions of the Company and Sugar Industry as a whole.

The details of such familiarization programmes for Independent Directors are posted on the website of the Company at www.muksug.com > about us > Policy.

2.9 Code of Conduct for Directors and Senior Management Personnel:

In terms of Regulation 17 of the Listing Regulations and Section 149 of the Companies Act, 2013, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code.

2.10 Code of Conduct for Prohibition of Insider Trading:

SEBI (Prohibition of Insider Trading) Regulations, 2015 was amended pursuant to the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 dated 31st December, 2018 and the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019 dated 21st January, 2019 (the "Insider Trading Amendment") (together, the "Insider Trading Regulations") the Company has formulated and adopted revised Code for Prohibition of Insider Trading vide Board Resolution dated 30th March, 2019. Chief Financial Officer is responsible for implementation of the Code. All Directors, designated employees/persons and connected persons have affirmed compliance with the code.

2.11 Remuneration of Directors:

- (a) Executive Directors: Remuneration payable to the Executive Directors are in line with the Act, Listing Regulations and Remuneration Policy for remunerating Directors/KMPs. Remuneration of Executive Director includes salary, perquisites, allowances etc. Mr. Kunal Yadav is only the Managing Director and Executive Director of the Company who is getting remuneration as per the policy determined by the Nomination and Remuneration Committee which is subsequently approved by the Board of Directors as per the authority given by the shareholders at the General Meeting.

- (b) Non – Executive Directors – Remuneration to Non – executive Directors is paid by the way of sitting fees for attending the meetings of the Board/Committee.

The details of the remuneration paid to the Directors for the Financial Year ended 31st March, 2019 is as follows: -

| INR | | | | | |
|---------|--|-----------------------|-------------|--------------|---------------|
| Sr. No. | Directors | Salary and Allowances | Perquisites | Sitting fees | Total |
| 1. | Mr. Kunal Yadav (Executive Director) | 1,44,00,000/- | 0 | 0 | 1,44,00,000/- |
| 2. | Mrs. Kunj Deep Kalra (Non – Executive Director) | 0 | 0 | 55,000/- | 55,000/- |
| 3. | Mr. Sheoraj Singh Ahlawat (Non-Executive Independent Director) | 0 | 0 | 50,000/- | 50,000/- |
| 4. | Mr. Geoffery Frederick Francis (Non Executive Independent Director) | 0 | 0 | 45,000/- | 45,000/- |
| 5. | Mr. Jatinder Kumar (Non executive Director) | 0 | 0 | 10,000/- | 10,000/- |
| 5. | Mr. Sebastian Gilbert (Non Executive Independent Director) | 0 | 0 | 15,000/- | 15,000/- |

2.12 Committees of the Board:

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following 4 (Four) Committees viz:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

The terms and reference to these Committees are determined by the Board and their relevance reviewed from time to time. Each of these Committees has been mandated to operate within a

given framework. Minutes of the meetings of each of these Committees are tabled regularly at the Board Meetings for their perusal and noting.

3 AUDIT COMMITTEE

During the year under review, the Audit Committee comprises of two Independent Directors and one Executive and Non- Independent Director. The two Independent Directors are Mr. Sheoraj Singh Ahlawat and Mr. Geoffery Frederick Francis and Mr. Kunal Yadav is the Executive Non-Independent Director of the Committee.

3.1 Composition and Attendance:

During the year under review 7(Seven) Audit Committee meetings were held, the dates of those meetings being on 29th May, 2018, 14th August, 2018, 24th August, 2018, 13th November, 2018 22nd November, 2018, 13th February 2018 and 30th March, 2019. The attendance at the meetings of the Audit Committee is given below:

| Sr. No. | Name of Committee Members | Category | Position | Number of Meetings held | Number of Meetings attended |
|---------|--------------------------------|--------------------------------------|----------|-------------------------|-----------------------------|
| 1. | Mr. Geoffery Frederick Francis | Non Executive – Independent Director | Chairman | 7 | 7 |
| 2. | Mr. Sheoraj Singh Ahlawat | Non Executive – Independent Director | Member | 7 | 7 |
| 3. | Mr. Kunal Yadav | Executive Director | Member | 7 | 7 |

3.2 Terms of Reference:

The terms of reference and the scope of surveillance of the Audit Committee include –

- a) Ensuring compliance and improving efficiency of internal control system as well as internal audit.
- b) Reviewing of the Company's financial performance at regular intervals as well as overseeing of the Company's financial reporting process and concurring Financial Statements before submission to the Board.
- c) Reviewing scope and adequacy of audit functions, both internal and statutory.
- d) Examination of the financial statement and the auditors' report thereon.
- e) Disclosing of financial information while ensuring its correctness, sufficiency, credibility and its compliance with Stock Exchange Regulations as well as other legal requirements.

- f) Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- h) Reviewing finding of audit observations and critical concerns like suspected fraud or irregularity, or failure of internal control systems and reporting such matters to the Board.
- i) Approval or any subsequent modification of transactions of the company with related parties.
- j) Reviewing of the Financial and Risk Management Policies of the Company.
- k) Reviewing from time to time the Company's statutory and contractual obligations as well as reasons for defaults therein, if any.
- l) Scrutiny of inter-corporate loans and investments.
- m) Valuation of undertakings or assets of the company, wherever it is necessary.
- n) Evaluation of internal financial controls and risk management systems.
- o) Monitoring the end use of funds, if any raised through public offers and related matters.

No personnel have been denied access to the Audit Committee for any matter covered under vigil mechanism/ whistle blower policy of the company.

4. NOMINATION & REMUNERATION COMMITTEE

During the year under review, the Nomination and Remuneration Committee comprised of 4 directors out of which 2 Directors are Independent Director and 1 is Executive and 1 is non – executive director. Mr. Sheoraj Singh Ahlawat and Mr. Geoffery Frederick Francis are Independent directors, Mr. Kunal Yadav is Executive Director and Mrs. Kunj Deep Kalra is Non – executive Director of the Committee.

4.1 the Terms of Reference of the Committee:

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company has revised the terms of reference of the Committee. The revised terms of reference are:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;

- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
- (5) Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- (6) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (7) recommend to the board, all remuneration, in whatever form, payable to senior management;
- (8) to administer and supervise Employee Stock Options Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS;
- (9) Carrying out any other function as is mentioned in the terms of reference of the Nomination and Remuneration Committee.

4.2 Composition and Attendance:

During the year under review 4 (four) Nomination and Remuneration Committee meetings were held, the dates of those meetings being on 29th May, 2018, 24th August 2018, 01st October, 2018 and 22nd November, 2018. The attendance at the meetings of the Nomination and Remuneration Committee is given below:

| Sr. No. | Name of Committee Members | Category | Position | Number of Meetings held | Number of Meetings attended |
|---------|--------------------------------|--------------------------------------|----------|-------------------------|-----------------------------|
| 1. | Mr. Geoffery Frederick Francis | Non Executive – Independent Director | Chairman | 4 | 4 |
| 2. | Mr. Sheoraj Singh Ahlawat | Non Executive – Independent Director | Member | 4 | 4 |
| 3. | Mr. Kunal Yadav | Executive Director | Member | 4 | 4 |
| 4. | Mrs. Kunj Deep Kalra | Non Executive – Director | Member | 4 | 4 |

4.3 Evaluation of the Board's Performance:

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were

evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

During the year under review, the Stakeholders Relationship Committee comprised of 3 directors out of which 2 Directors are Independent Director and 1 is Executive Director. Mr. Sheoraj Singh Ahlawat and Mr. Geoffery Frederick Francis are Independent directors, Mr. Kunal Yadav is Executive Director of the Committee.

5. 1 TERMS OF REFERENCE

The Board of Directors has amended the terms of reference of Stakeholders Relationship Committee pursuant to amendment in the Listing Regulations. Some of the important terms of reference of the Committee are as follows:

- (1) Redress and resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates or allotment letters, general meetings etc;
- (2) Review of measures taken for effective exercise of voting rights by shareholders;
- (3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- (5) Monitor the compliance of Code of prevention of insider trading framed by the Company;
- (6) Effect dematerialisation and rematerialisation of shares of the Company;
- (7) Such other matters as per the directions of the Board of Directors of the Company which may be considered necessary in relation to shareholders and investors of the Company.

5.2 Composition and Attendance:

The Stakeholders Relationship Committee met 13 times during the year on 28th June, 2018, 19th July, 2018, 23rd August, 2018 10th October, 2018, 14th November, 2018, 27th November, 2018, 03rd December, 2018, 13th December, 2018, 05th January, 2019, 15th January, 2019 06th February, 2019, 28th February, 2019 and 18th March, 2019 to discharge its functions. The

composition and attendance details of the members of the Stakeholders Relationship Committee is given below:

| Sr. No. | Name of Committee Members | Category | Position | Number of Meetings held | Number of Meetings attended |
|---------|--------------------------------|--------------------------------------|----------|-------------------------|-----------------------------|
| 1. | Mr. Geoffery Frederick Francis | Non Executive – Independent Director | Chairman | 13 | 13 |
| 2. | Mr. Sheoraj Singh Ahlawat | Non Executive – Independent Director | Member | 13 | 13 |
| 3. | Mr. Kunal Yadav | Executive Director | Member | 13 | 13 |

5.3 Compliance Officer:

Mr. Rishav Jaiswal, Company Secretary, was the compliance officer for complying with requirements of Securities Laws and Listing Regulations with stock exchange upto 01.09.2018. However after resignation of Mr. Rishav Jaiswal on 01.09.2018 Ms. Anamika Raju is the Company secretary and Compliance officer of the Company from 01.10.2018. The contact details of Compliance officer are as follow:

Mrs. Anamika Raju
 Company Secretary
 Ph. Number : +91-9115522304
 Email:anamika.raju@yaducorporation.com

5.4 Details of Complaints / Queries received and redressed during 1st April, 2018 to 31st March, 2019:

The table below gives the number of complaints received and resolved during the financial year and pending as on 31 March 2019:-

| Number of shareholders' complaints pending at the beginning of the year | Number of shareholders' complaints received during the year | Number of shareholders' complaints redressed during the year | Number of shareholders' complaints pending at the end of the year |
|---|---|--|---|
| 0 | 3 | 3 | 0 |

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

During the year under review, the Corporate Social Responsibility Committee comprised of 3 directors out of which 2 Directors are Independent Director and 1 is Executive Director. Mr. Sheoraj Singh Ahlawat and Mr. Geoffery Frederick Francis are Independent directors, Mr. Kunal Yadav is Executive Director of the Committee.

6.1 TERMS OF REFERENCE OF THE COMMITTEE:

(1) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013;

(2) to finalize a list of CSR projects or programs or initiatives proposed to be undertaken periodically including the modalities for their execution / implementation schedules and to review the same from time to time in accordance with requirements of section 135 of the Companies Act 2013;

(3) recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

(4) monitor the Corporate Social Responsibility Policy of the company from time to time;

(5) review the CSR report and other disclosures on CSR matters for the approval of the Board for their inclusion in the Board report.

6.2 Composition and Attendance:

The Corporate Social Responsibility Committee met 2 times during the year on 29th May, 2018 and 13th February, 2019 to discharge its functions. The composition and attendance details of the members of the Stakeholders Relationship Committee is given below:

| Sr. No. | Name of Committee Members | Category | Position | Number of Meetings held | Number of Meetings attended |
|---------|--------------------------------|--------------------------------------|----------|-------------------------|-----------------------------|
| 1. | Mr. Geoffery Frederick Francis | Non Executive – Independent Director | Chairman | 2 | 2 |
| 2. | Mr. Sheoraj Singh Ahlawat | Non Executive – Independent Director | Member | 2 | 2 |
| 3. | Mr. Kunal Yadav | Executive Director | Member | 2 | 2 |

7 INFORMATION OF GENERAL BODY MEETINGS

7.1 The last three Annual General Meetings (AGM) were held as under:

| Year | Venue | Day and date | Time | Particulars of Special Resolutions passed |
|---------|--|--|------------|--|
| 2015-16 | G.T. Road, Mukerian – 144211, Distt. Hoshiarpur (Punjab) | Friday, 30 th September, 2016 | 11.00 A.M. | 1) To regularize Mr. Geoffery Frederick Francis as Director of |

| | | | | |
|---------|--|--|------------|---|
| | | | | <p>the Company</p> <p>2) To ratify the remuneration payable to M/s Ajay Singh & Associates, Cost Auditors of the Company for the f.y. 2015-2016.</p> <p>3) To approve conversion of 700,000 6% convertible Preference Shares into Equity Shares of the Company.</p> |
| 2016-17 | G.T. Road, Mukerian – 144211, Distt. Hoshiarpur (Punjab) | Saturday, 30 th September, 2017 | 11.00 A.M. | <p>1) To ratify the remuneration payable to M/s Ajay Singh & Associates, Cost Auditors of the Company for the f.y. 2016-2017.</p> <p>2) Revision in the remuneration payable to Mr. Kunal Yadav, Managing Director of the Company</p> |
| 2017-18 | G.T. Road, Mukerian – 144211, Distt. Hoshiarpur (Punjab) | Saturday, 29 th September, 2018 | 10.00 A.M. | <p>1) To appoint Mr. Jaitender Kumar as Director of the Company.</p> <p>2) To ratify the remuneration payable to M/s Khushwinder Kumar & Co., Cost Auditors of the Company for the f.y. 2018-2019.</p> |
| | | | | |

As on the date of this report there is no proposal for passing of special resolution by postal ballot.

8. MEANS OF COMMUNICATIONS WITH SHAREHOLDERS

The quarterly/half yearly/un-audited/audited financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors. These results are simultaneously posted on the web address of the Company at www.muksug.com>investors>financials, pursuant to Regulation 47 of Listing Regulations.

The results of the Company were published in the following local and national dailies:

1. The Financial Express (English language)
2. Jansatta (Vernacular language)

9. Website

The Company's web address is [www. Muksug.com](http://www.muksug.com). The website contains a complete overview of the Company. The Company's Annual Report, financial results, details of its business, shareholding pattern, compliance with Corporate Governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances and Code of Conduct are uploaded on the website.

10. Press releases

Press reports are given on important occasions. They are sent to Stock Exchanges and also placed on the Company's website www.muksug.com.

11. BSE Corporate Compliance & Listing Centre

BSE's Listing Centre is a web-based application designed by BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

12. SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

13. MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

The MDA section is carried in detail and forms part of the Board's Report

14. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a 'Policy for Prevention of Sexual Harassment' to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment, in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 and the rules thereunder.

- a. number of complaints filed during the financial year: NIL
- b. number of complaints disposed of during the financial year: NA
- c. number of complaints pending as on end of the financial year: NA

15. GENERAL SHAREHOLDER INFORMATION

15.1 Annual General Meeting:

Date: 30th September, 2019

Time: 11:00 a.m.

Venue: G.T. Road, Mukerian – 144211, Distt. Hoshiarpur (Punjab)

15.2 Financial Calendar:

The Financial Year of the Company is for a period of 12 months from 1st April to 31st March.

| | |
|---|--|
| First quarter results | Within 14 th August, 2019 |
| Second Quarter/Half Yearly Results | Within 14 th November, 2019 |
| Third Quarter Results | Within 14 th February, 2020 |
| Fourth quarter Results / Year end Results | Within 30 th May, 2020 |

15.3 Book Closure: Tuesday, 24th September, 2019 to Monday, 30th September, 2019. (both days inclusive)

15.4 Dividend payment Date: During the year under review, the Directors have not recommended any dividend.

15.5 Listing on Stock Exchanges: Equity Shares of the Company are listed on the following Stock Exchanges:

| Name of the Stock Exchange | Script Code | Address |
|----------------------------|-------------|--|
| BSE Limited | 500319 | 25 th Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400001 |

The Company has paid Annual Listing Fees for the Financial Year 2019-20 to BSE Limited.

* The Company had filed delisting application in Calcutta Stock Exchange Asso. Ltd. which is still pending by the exchange.

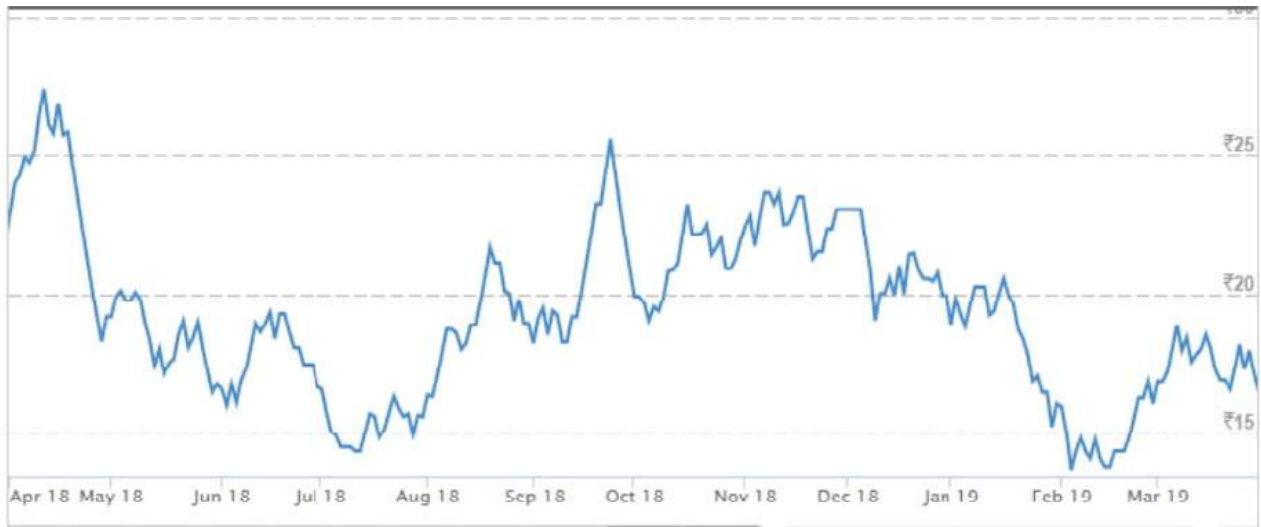
15.6 Market Price data:

(a) The Market and volume of the Company's share traded on BSE Limited during the financial year 2018-19 were as under:

| Month | High Price | Low Price | No. of Shares |
|-------------|------------|-----------|---------------|
| April, 2018 | 27.50 | 18.25 | 143701 |
| May, 2018 | 20.75 | 15.65 | 207795 |
| June, 2018 | 20 | 15.2 | 33150 |

| | | | |
|-----------------|-------|-------|-------|
| July, 2018 | 16.8 | 13.7 | 23135 |
| August, 2018 | 21.65 | 14.9 | 37344 |
| September, 2018 | 26.85 | 17.8 | 36585 |
| October, 2018 | 24.4 | 18.55 | 53433 |
| November, 2018 | 24.65 | 20.45 | 23437 |
| December, 2018 | 22.9 | 17.95 | 56303 |
| January, 2019 | 22 | 14.65 | 26721 |
| February, 2019 | 17 | 13.2 | 30097 |
| March, 2019 | 18.9 | 15.85 | 36846 |

(b) Performance of the Company's equity shares in comparison to BSE (Sensex) during 1.04.2018 to 31.03.2019:



15.7 Registrars and Transfer Agents:

MCS share Transfer Agent Limited
F-65, 1st Floor, Ma Anandmayee Marg, Okhla 1,
Okhla, Industrial Area, New Delhi - 110020
Tel No: 011-41406149
E-mail id: admin@mcsregistrars.com
Website: www.mcsregistrars.com

15.8 Distribution of Shareholding as on 31st March, 2019:

| Share Range | | Number of Shareholders | % of total Shareholders | No. of Shares | % of Issued Capital |
|-------------|-----|------------------------|-------------------------|---------------|---------------------|
| From | To | | | | |
| 1 | 500 | 17077 | 93.96 | 2945185 | 19.05 |

| | | | | | |
|--------|--------|-----|------|---------|-------|
| 501 | 1000 | 600 | 3.30 | 470130 | 3.04 |
| 1001 | 5000 | 385 | 2.12 | 866805 | 5.61 |
| 5001 | 10000 | 55 | .30 | 386260 | 2.50 |
| 10001 | 50000 | 44 | .24 | 897026 | 5.80 |
| 50001 | 100000 | 5 | 0.03 | 347150 | 2.25 |
| 100001 | ***** | 9 | .05 | 9549251 | 61.76 |

15.9 Category wise shareholding as on 31st March 2019:

| Sr. No. | Category | No. of Shares held | Percentage of Shareholding |
|---------|--|--------------------|----------------------------|
| 1. | Promoters and Promoter Group | 9107518 | 58.90 |
| 2. | Mutual Funds, Alternate Investment Funds and UTI | 9433 | 0.06 |
| 3. | Financial Institutions, Banks, Insurance Companies and Central/State Government | 500 | 0.00 |
| 4. | Foreign Portfolio Investors, Foreign Institutional Investors, NRIs and Foreign Banks | 0 | 0 |
| 5. | NBFCs registered with RBI | 0 | 0 |
| 6. | Bodies Corporate | 549223 | 3.55 |
| 7. | Individuals | 4998390 | 32.34 |
| 8. | IEPF | 0 | 0 |
| 9. | Trusts | 0 | 0 |
| 10. | Hindu Undivided Family | 0 | 0 |
| 11. | Non-Resident Indian (NRI) | 796743 | 5.15 |
| 12. | Clearing Members | 0 | 0 |
| 13. | Overseas Bodies Corporates | 0 | 0 |
| | Total | 15461807 | 100.00 |

15.20 Dematerialisation of shares and liquidity:

The Shares of the Company are compulsorily traded in DEMAT form in the Stock Exchanges where they are listed. The Shares are available for dematerialization on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on 31st March, 2019, 12323452 Equity Shares are in Dematerialized Form representing 79.70% of the total 15461807 Equity Share Capital of the Company. The ISIN allotted to the Company's scrip is INE557C01017. The Shares of the Company are actively traded at BSE Limited, Mumbai (BSE).

15.21 TRANSFER OF SHARES

The Company's shares being in the compulsory demat list, are transferable through the depository system. However, shares held in physical form are processed by the Registrar & Share Transfer Agent in coordination with the Company and the share certificates are returned

within fifteen days from the date of receipt for transfer by the Company provided that the transfer documents are complete in all respects.

MANDATORY DEMATERIALISATION

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, and notification thereto SEBI has mandated that, with effect from 1st April 2019, shareholders holding share in physical mode shall not be able to transfer their shares unless such shares are converted into dematerialised form. Accordingly, the shareholders holding shares in physical form, in their own interest, are hereby requested to take necessary steps to dematerialise their shares as soon as possible. The amendment does not impact the shareholders requests for transmission or transposition of securities held in physical mode.

15.22 Nomination Facility:

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 are requested to submit the prescribed Form SH-13 for this purpose. Shareholders may write to the Secretarial Department of the Company for a copy of the Form.

15.23 Outstanding GDRs / ADRs /Warrants or any Convertible Instruments, conversion date and likely Impact on Equity:

As on 31 March 2019, there are no Outstanding GDRs/ADRs/Warrants or any Convertible instruments

15.24 Commodity price risk or foreign exchange risk and hedging activities

Your Company does not deal in any commodity risk or foreign exchange or hedging activities and hence is not directly exposed to any commodity price risk.

15.25 Plant locations

G.T. Road, Mukerian – 144211, Distt. Hoshiarpur (Punjab), India

15.26 ADDRESS FOR CORRESPONDENCE

Indian Sucrose Limited

(Formerly Oswal Sugars Limited)

Regd. Office & Works

G.T. Road, Mukerian – 144211,

Distt. Hoshiarpur (Punjab)

Phone: 91-9115110651/52,

Fax:+91-1883-244532

E-mail: isl.investor@yaducorporation.com,

Website: www.muksug.com

16 OTHER DISCLOSURE

16.1 All transactions entered into by the Company with related parties as defined under the Companies Act, 2013 (“the Act”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), during the financial year 2018-19 were in the ordinary course of business and on arm’s length pricing basis and attract the provisions of Section 188 of the Act. All related party Transactions are placed before the Audit Committee. Disclosure of transactions with related parties is provided in notes to the financial statements, forming part of this report. There were some materially significant transactions with the related parties during the financial year which were not in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standard (Ind AS 24) has been made in the Annual Report. The policy on dealing with related party transactions is available on website of the company at www.muksug.com>about us>policy.

16.2 The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by any of these authorities.

16.3 Vigil Mechanism :

The Company has in place Board approved Policy on Breach of Integrity and Whistle Blower (Vigil mechanism). The Policy was framed with an objective to deal with issues pertaining to integrity, encouraging the employees and Directors of the Company to raise any concern about Company’s operations and working environment, including possible breaches of Company’s policies and standards, without fear of adverse managerial action being taken against such employees.

It provides a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of any code of conduct or policy in force. Instances of such suspected or confirmed incident of fraud/misconduct may be reported on the designated email id i.e. Yaduaire@gmail.com.

Whistle blower Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee. The mechanism also provides for adequate safeguards against victimization of employees to avail of the mechanism and in exceptional cases direct access to the Chairman of the Audit Committee to report instances of fraud/misconduct. During the year under review, no employee was denied access to the Audit Committee. The said Policy may be referred to, at the website of the Company at its web link i.e. <https://muksug.com>about> us >policy.

16.4 The policy for determining ‘material’ subsidiaries is available on website of the company: www.muksug.com>about us >policy.

16.5 The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15th November, 2018 is not required to be given.

16.6 There were no instances of raising of funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.

16.7 In terms of the amendments made to the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.

16.8 The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements for financial year 2018-19.

16.9 Disclosure with respect to demat suspense account/ unclaimed suspense account: **Not applicable.**

16.10 The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

16.11 During the financial year 2018-2019, the total fees for all services paid by the Company, on consolidated basis, to statutory auditor and all entities in the network firm/network entity of statutory auditor was 'Rs. 4,00,478/- (Rupees Four Lakh Four Hundred Seventy-Eight only).

16.12 Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The status of compliance with discretionary recommendations and adoption of the non-mandatory requirements as specified in Regulation 27(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided below:

a. **Shareholder Rights:** Half-yearly and other Quarterly financial statements are published in newspapers, uploaded on company's website www.muksug.com and same are not being sent to the shareholders.

b. **Modified Opinion(s) in Audit Report:** It is always the Company's endeavor to present unmodified Financial Statements. There is no audit qualification in the Company's Financial Statements for the financial year ended 31 March 2019.

c. **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

16.13 AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:

As required under Regulation 34 of the Listing Regulations, the auditors' certificate on Corporate Governance is annexed as **Annexure A** to this Report.

16.14 CEO/CFO Certification:

The certificate required under Regulation 17(8) of the Listing Regulations, duly signed by the CEO and CFO of the Company was placed before the Board. The same is provided as **Annexure B** to this report.

16.15 CERTIFICATE FROM PRACTICING COMPANY SECRETARY

A certificate from a Company Secretary in practice certifying that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority same is provided as **Annexure C** to this report.

For and on behalf of the Board

Date: 28th August, 2019
Place: Punjab

Kunal Yadav
Managing Director
(DIN: 01338110)

CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of
The Indian Sucrose Limited (Formerly known as Oswal Sugars Limited)**

1. This report contains details of compliance of conditions of corporate governance by **Indian Sucrose Limited (Formerly known as Oswal Sugars Limited)** ('the Company') for the year ended 31st March, 2019 as stipulated in regulation 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

2. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Our Responsibility

3. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2019.

5. We conducted our examination in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India (ICSI).

Opinion

6. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

7. We 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.

Restriction on use

8. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing

D.K.Dubey
Company Secretary in Practice
M.No-7898
COP No.:8882

Date-26th August, 2019
Place- New Delhi

CERTIFICATION IN TERMS OF REGULATION 17(8) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

14 May 2019

The Board of Directors
The Indian Sucrose Limited (Earlier known as Oswal Sugars Limited),

We, the undersigned in our respective capacities as Chairman and Managing Director and Chief Financial Officer of Indian Sucrose Limited, certify to the Board in terms of regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 that we have reviewed the Financial Statements and the Cash Flow Statement of the Company for the Financial Year ended 31 March 2019.

1. To the best of our knowledge and belief, we certify that:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading.

(ii) 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.

(iii) There are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

2. For the purpose of Financial Reporting, we accept responsibility for establishing and maintaining internal controls and that 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 internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

3. We have indicated to the Auditors and the Audit Committee:

(a) significant changes, if any, in the internal controls over financial reporting during the year.

(b) significant changes, if any, in the accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and

(c) instances of significant fraud, if any, of which we have become aware and the involvement therein, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Indian Sucrose Limited

**Kunal Yadav
Chairman & Managing Director**

**Ravindra Sharma
Chief Financial Officer**

**Date: 28th August, 2019
Place: Punjab**

PRACTICING COMPANY SECRETARY CERTIFICATE

To
The Members of Indian Sucrose Limited

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by M/s Indian Sucrose Limited, having its Registered office at G.T. Road, Mukerian, Dist. Hoshiarpur, Punjab – 144211 and also the information provided by the Company, its officers and authorized representatives, we hereby report that during the Financial Year ended on March 31, 2019, in our opinion, none of the director on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Company by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such Statutory authority.

Date 26th August, 2019
Place: New Delhi

Shukti Ojha
Company Secretary in Practice
M.No. – 10341
C.P.No. 13596

INDEPENDENT AUDITOR'S REPORT

To

The Members of
INDIAN SUCROSE LIMITED

Report on the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of Indian Sucrose Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except the matter described under the paragraph basis for qualified opinion. the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate, except in respect of matters described below, to provide a basis for our audit opinion on the standalone Ind AS financial statements.

- a. The Company has advanced a sum of Rs.11,05,85,000 to M/s. Cosmos Sugar Pvt. Ltd. in the financial year 2016-17. An amount of Rs. 1,96,40,000 is still outstanding as on 31.03.2019, but no interest has been charged on this loan which is prejudicial to the interests of the Company. Moreover, the requisite information and other relevant documents have not been provided to us for verification. Accordingly, we are unable to comment on terms and conditions of this advance.
- b. As per the Information and explanation given to us by the management, the Company has provided guarantee in respect of KCC loan secured to the farmers (suppliers) from Banks. As per Tri-partite agreement between the Indian Sucrose Ltd., farmers and banks, the banks have sanctioned KCC limit to the farmers and credited the same to the Indian Sucrose Ltd. by debiting the same in farmers loan account. As on 31.03.2019 as per books of accounts Rs.67.74 crores was payable to banks and Rs.119.51 crores was recoverable from farmers. The sum of Rs 119.51 crores includes interest paid by the company to Banks on behalf of farmers for delay in repayment of loans to the bank during earlier years to the tune of Rs 34.16 crores. In our view the entire amount of Rs. 34.16 crores appears to be doubtful whereas company has considered a sum of Rs 25.87 crores as non-recoverable. Refer Para iv(c) at Annexure-A to our report.
- c. The company is holding Equity investment in Rangar Breweries Ltd., Yadu Resorts (India) Ltd. and Versatile Events Private Limited. As per Ind AS-32 "Financial Instrument: Presentation" these financial instruments should be presented at fair value but the fair valuation of these financial instruments as on 31/03/2019 is not available with the company. Accordingly the same have been presented at their carrying cost as of 31/03/2018.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended 31 March 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibility described in the Auditor's responsibility for the audit of standalone Ind AS financial statement section of our report, including in relation to the matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for audit opinion on the accompanying standalone Ind AS financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|-------------------|--|
|-------------------|--|

(a) **Inventory valuation** (as described in note 2(i) and 6 of the Ind AS financial statements)

| | |
|---|---|
| <p>As per the accounting policy of the company, inventory of finished goods of sugar is valued at the lower of cost and net realizable value ('NRV').</p> <p>Sugar industry being seasonal in nature, the assessment of carrying value at each reporting date involves ascertainment of cost incurred till that reporting period for each sugar mill and estimation of corresponding NRV.</p> <p>We determined this to be a key audit matter given the significant judgement involved in the process due to different valuation parameters among sugar mills arising out of variability in the seasonal factors e.g. number of sugarcane crushing days, recovery of sugar from cane crushing and fluctuating selling price.</p> | <p>We performed the following procedures among others:</p> <ul style="list-style-type: none"> • Considered the appropriateness of the company's accounting policies relating to valuation of finished goods sugar and assessing compliance with the applicable accounting standards. • Tested the effectiveness of the company's controls over calculation of cost of finished goods for each sugar mill and estimation of corresponding NRV. . • Based on the data used by the company to arrive at cost and NRV, including minimum selling price and actual selling price during the year end, we assessed the permanence of methods used, relevance and reliability of data and the calculations applied we also compared them with previously considered corresponding valuation to assess the quality of managements NRV estimates. <p>Based on the above procedure performed, we concluded that management's process for determination of NRV and comparing that with cost of inventory of finished sugar is reasonable and accordingly the valuation of finished inventory of sugar is appropriate.</p> |
|---|---|

Other information

The other information comprises the information included in the Annual Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. The company's Board of Directors is responsible for the other information.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the audit of the standalone Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that include our opinion. Reasonable assurance is the high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the "Annexure- A", which forms part of this report, a statement on the matters prescribed in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) Except for the possible effects of the matters described in the Basis of Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended;
 - e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure- B", and
 - g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, and to the best of our information and according to the explanations given to us :
 - I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note No. 33 to the standalone financial statements;
 - II. The Company did not have any long-term contracts including derivatives Contracts for which there were any material foreseeable losses;
 - III. There are no amounts required to be transferred to the Investors Education and Protection Fund by the Company.

For R. Dewan & Co.
Chartered Accountants

(Rajiv Dewan)
Partner
M.No.: 084718
Place: Ludhiana
Date: 29th May, 2019

Annexure – A to the Auditor’s Report

The Annexure referred to in Independent Auditors’ Report to the members of the company on the financial statements for the year ended 31st March, 2019.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) According to the information and explanations given to us, Fixed Assets are verified by rotation every year. No discrepancies were observed in the Fixed Assets physically verified during the financial year.
- c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties are held in the name of the company except in respect of following:

| Particulars of Land and Building | Carrying Value as at March 31, 19 (Rs. In Lakhs) | Remarks |
|--|---|--|
| 49.30 acres of Land & Building purchased from IFCI (acquired under SARFAESI Act, 2002) Bank of Mukerian Paper Ltd. | 2162.50 | Land & Building was purchased from IFCI on 17/02/2010 but registration is pending. |

- (ii) a) According to information and explanations given to us, the inventories have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- b) According to the information and explanations given to us, no material discrepancies were noticed on physical verification of inventory as compared to the book records.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, we report that the Company has granted unsecured loan / capital advances to one company covered in the register maintained under section 189 of the Companies Act, 2013. This loan \ advance was granted interest free which is prejudicial to the interest of the company. Moreover, the copy of the loan \ advance agreement is not provided to us, accordingly we are unable to comment whether the terms and conditions of agreement has been complied with.
- (iv) The company has made investment, granted the loan and provided guarantee as per detail below:

a) Investment in shares:

| Particulars | Amount |
|---------------------------|------------------|
| Ranger Breweries Ltd | Rs.1,78,32,736/- |
| Yadu Resorts Pvt. Ltd. | Rs.96,05,400/- |
| Versatile Events (P) Ltd. | Rs.30,41,814 /- |

b) Loans \ advances granted:

| Particulars | Amount |
|-------------------------|----------------|
| Panchvaktra Holdings | Rs.15,00,000/- |
| Mr. Brij Bhushan Sharma | Rs.20,00,200/- |
| Ranger Breweries Ltd | Rs.1,39,918/- |
| Yadu Sugar Ltd. | Rs.1,10,55,800 |

c) Guarantees:

- The Company has provided guarantee in respect of KCC loan secured to the farmers (suppliers) from Banks. As per Tri-partite agreement between the Indian Sucrose Ltd., farmers and banks, the banks have sanctioned KCC limit to the farmers and credited the same to the Indian Sucrose Ltd., on account of Agri- Input to be supplied, by debiting the same in farmers loan account. The Indian Sucrose Ltd. shall repay the loan to Bank by making deduction from amount payable to farmers on account of sugarcane to be supplied by the farmers. The company has been showing net balance i.e, recoverable from farmers less amount of loan (KCC) due to banks as Current Asset / Current liability in the Financial Statements.

As on 31.03.2019 as per books of accounts Rs.67.74 crores was payable to banks and Rs.119.51 crores was recoverable from farmers. The sum of Rs 119.51 Crores includes interest paid by the company to Banks on behalf of farmers for delay in repayment of loans to the bank during earlier years to the tune of Rs 34.16 crores. Despite its best efforts to recover the interest from farmers no recovery has not been made by the company. In view of this it has been decided by the company to consider a sum of Rs 25.87 Crores as non-recoverable and accordingly has been written off during the year under consideration. In our view however, the entire amount of Rs. 34.16 crores appears to be doubtful. The company has shown Rs.25.90 crores (net of amount payable to banks) as "Current Asset" in the Financial Statements for the current financial year. As the KCC loan has been sanctioned by the banks to the farmers and the Indian Sucrose Ltd. is only guarantor and moreover due to non availability of requisite information with respect to farmer loans the figures of outstanding loans have not been reconciled with banks.

- The company has provided guarantee to State Bank of India of Rs. 13.69 crore in respect of a loan provided to M/s Ranger Breweries Limited in the Year 2012-13.

The total amount of investments, loans granted and guarantee provided exceeds the limit provided u/s 186(2). The company has not complied with the requirement of section 186 of the Companies Act, 2013 pursuant to loans granted, guarantees provided and investments made. Further the company has granted loans to the person in whom directors are interested as detailed below:

| Particulars | Opening Balance | Addition | Repayment | Balance as on 31.03.2019 |
|------------------------|-----------------|----------|-------------|--------------------------|
| Cosmos Sugar Pvt. Ltd. | 4,46,40,000 | Nil | 2,50,00,000 | 1,96,40,000 |

However, the requirements for granting such loans, as provided under section 185 of the Companies Act, 2013, have not been fulfilled. Therefore the provisions of the section 185 of the Companies Act, 2013 are not complied with.

- (v) According to the information and explanations given to us, the Company has not accepted deposits covered under the provisions of sections 73 to 76, other relevant provisions of the Companies Act, 2013 and the rules framed there under. According to the information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) a) According to the information and explanations given to us and on the basis of the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, Goods and Services Tax (GST), cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts in respect of statutory dues payable were outstanding as on the last day of the financial year concerned 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 dues of Income tax and Sales tax which has not been deposited on March 31, 2019 on account of any dispute, are as follows:

| Name of Statute | Nature of Dues | Financial year to which it pertains | Amount (Rs.) | Forum where dispute is pending. |
|-----------------|----------------|-------------------------------------|--------------|--|
| Sales Tax Laws | Sales tax | 1997-98 | 5.67 | Deputy Excise & Taxation Commissioner (Appeal) |
| Sales Tax Laws | Purchase Tax | 1999-2000 | 16.64 | Punjab & Haryana High Court. |
| | | 2000-01 & 2001-02 | 39.59 | DETC, Jalandhar |
| | | 2002-03 & 2003-04 | 36.73 | DETC, Jalandhar |
| | | 2004-05 | 30.16 | DETC, Jalandhar |
| | | 2006-07 | 157.38 | Vat Tribunal, Chandigarh |
| | | 2007-08 | 163.82 | Vat Tribunal, Chandigarh |
| | | 2008-09 | 112.32 | DETC, Jalandhar |
| | | 2009-10 | 109.74 | Tribunal Court |
| | | 2010-11 | 232.56 | Tribunal Court |
| | | 2011-12 | 41.49 | DETC, Jalandhar |
| | | | | |
| Direct Taxes | Income Tax | 2013-14 | 5.02 | CIT (Appeals)-I, Ludhiana |
| Direct Taxes | Income Tax | 2016-17 | 15.58 | CIT (Appeals)-I, Ludhiana |

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution bank or government. The Company has not issued any debentures during the year or in the preceding year.
- (ix) In our opinion and according to the information and explanations given to us, the term loans taken during the year by the Company have been applied for the purpose for which they were raised. The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.

- (xi) According to the information and explanations given to us and based on our examination of records of company, the company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to Companies Act, 2013.
- (xii) According to the information and explanation given to us, the company is not a Nidhi Company. Therefore the provisions of paragraph 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given to us, and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details of the transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Thus the provisions of paragraph 3(xii) of the Order are not applicable.
- (xv) According to information and explanations given to us, and based on our examination of the records of the company, the company has not entered into non-cash transactions with director or person connected with him. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable.
- (xvi) According to the information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For R. Dewan & Co;
Chartered Accountants
Firm Reg. No.017883N

(Rajiv Dewan)
Partner

M.No.: 084718
Place: Ludhiana
Date: 29th May, 2019

Annexure - B to the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of Indian Sucrose Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

2. Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

3. Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to these standalone Ind AS financial statements.

4. Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

5. Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance

Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R. Dewan & Co;
Chartered Accountants
Firm Reg. No.017883N

(Rajiv Dewan)
Partner
M.No.: 084718
Place: Ludhiana
Date: 29th May, 2019

INDIAN SUCROSE LIMITED

BALANCE SHEET AS AT 31 MARCH 2019

| | Particulars | Note No. | As at 31-Mar-19 ₹ | As at 31-Mar-18 ₹ |
|---|--|----------|-----------------------|-----------------------|
| | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Property, Plant and Equipment | 3 | 1,08,18,41,930 | 1,07,13,11,089 |
| | (b) Capital work in progress | | 25,16,08,911 | 20,66,78,368 |
| | (c) Intangible assets | | - | |
| | (d) Financial assets | | | |
| | (i) Investments | 4 | 3,04,79,950 | 7,82,02,219 |
| | (e) Other non current assets | 5 | 4,26,86,066 | 4,26,81,066 |
| | Total non-current assets | | 1,40,66,16,857 | 1,39,88,72,742 |
| 2 | Current Assets | | | |
| | (a) Inventories | 6 | 2,40,57,31,011 | 1,73,71,33,298 |
| | (b) Financial assets | | | |
| | (i) Trade Receivables | 7 | 37,54,87,420 | 21,95,30,037 |
| | (ii) Cash and cash equivalents | 8 | 8,44,32,625 | 8,26,29,343 |
| | (iii) Other Bank Balances (other than (iii) above) | 9 | 5,64,86,112 | 5,29,89,466 |
| | (iv) Other financial assets | 10 | 38,03,94,646 | 60,51,38,593 |
| | (c) Current tax assets (net) | 11 | 89,63,161 | 2,55,13,071 |
| | (d) Other current assets | 12 | 7,28,99,196 | 8,59,50,582 |
| | Total current assets | | 3,38,43,94,171 | 2,80,88,84,390 |
| | TOTAL ASSETS | | 4,79,10,11,028 | 4,20,77,57,132 |
| | EQUITY AND LIABILITIES | | | |
| | Equity | | | |
| | (a) Share capital | 13 | 15,41,86,320 | 15,41,83,320 |
| | (b) Other equity | 14 | 70,35,02,221 | 75,11,35,018 |
| | Total Equity | | 85,76,88,541 | 90,53,18,338 |
| 1 | Non Current Liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 15 | 31,57,50,447 | 31,16,22,581 |
| | (b) Provisions | 16 | 2,28,14,498 | 2,34,55,325 |
| | (c) Deferred Tax liabilities | 17 | 17,52,73,721 | 16,37,00,579 |
| | Total non-current liabilities | | 51,38,38,664 | 49,87,78,485 |
| 2 | Current liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 18 | 1,48,18,00,241 | 1,85,17,45,099 |
| | (ii) Trade payables | 19 | 1,83,47,38,510 | 71,12,33,919 |
| | (iii) Other financial liabilities | 20 | 2,06,01,604 | 11,07,12,191 |
| | (b) Other current liabilities | 21 | 5,19,74,126 | 8,88,43,549 |
| | (c) Provisions | 22 | 3,03,69,343 | 4,11,25,550 |
| | Total Current liabilities | | 3,41,94,83,824 | 2,80,36,60,308 |
| | Total Equity and liabilities | | 4,79,10,11,028 | 4,20,77,57,132 |
| | Corporate Information | 1 | | |
| | Significant Accounting Policies | 2 | | |

As per our report of even date attached
For R.Dewan & Co.
Chartered Accountants
Regn. No.-017883N

For and on behalf of Board of Directors

(Rajiv Dewan)
Partner
M. No.-084718

Managing Director

Director

Place: Ludhiana
Date : 29th May, 2019

Chief Financial Officer

Company Secretary

INDIAN SUCROSE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

| | Particulars | Note No. | Figures for the Current Reporting Period 31.03.2019 ₹ | Figures for the Previous Reporting Period 31.03.2018 ₹ |
|------|---|----------|--|---|
| I | Revenue from Operations | 23 | 3,62,80,27,534 | 4,19,03,12,577 |
| II | Other Income | 24 | 10,59,98,034 | 6,41,91,728 |
| III | Total Revenue | | 3,73,40,25,568 | 4,25,45,04,305 |
| IV | Expenses | | | |
| | Cost of Material Consumed | 25 | 3,33,00,87,441 | 3,29,27,88,517 |
| | Changes in Inventories of Finished Goods, Work-In-Progress | 26 | (61,99,51,492) | 19,03,54,293 |
| | Employee Benefits Expenses | 27 | 10,23,09,969 | 8,92,58,969 |
| | Finance Costs | 28 | 21,37,38,817 | 14,01,02,289 |
| | Depreciation and Amortisation Expenses | 29 | 7,77,36,370 | 6,78,42,984 |
| | Other Expenses | 30 | 54,97,91,323 | 26,09,02,232 |
| | Excise duty on sale of goods | | | |
| | Total expenses | | 3,65,37,12,428 | 4,04,12,49,284 |
| V | Profit before exceptional items and tax (III-IV) | | - | - |
| VI | Exceptional Items | | | |
| | Loss on sale of Assets | | - | 8,00,25,444 |
| VII | Profit before Tax | | 8,03,13,140 | 13,32,29,577 |
| VIII | Tax Expense : | | | |
| | Current Tax | | 2,18,09,379 | 3,49,59,705 |
| | Earlier Year Tax | | 32,91,115 | 6,72,960 |
| | Deferred Tax Asset | | 1,15,73,141 | 1,40,22,210 |
| | Total Tax Expense | | 3,66,73,635 | 4,96,54,876 |
| IX | Profit/(Loss) for the period from Continuing Operations (VII-VIII) | | 4,36,39,505 | 8,35,74,701 |
| X | Profit for the Year | | | |
| XI | Other Comprehensive Income | | | |
| A | (i) Items that will not be reclassified to profit or loss | | (2,29,97,979) | - |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| XII | Total Comprehensive income for the year | | 2,06,41,526 | 8,35,74,701 |
| XIII | Earning per Share | | | |
| | Nominal Value Rs. 10/- | | | |
| | Basic | | 2.82 | 5.41 |
| | Diluted | | 2.82 | 5.41 |
| | Corporate Information | 1 | | |
| | Significant Accounting Policies | 2 | | |

As per our report of even date attached

For R.Dewan & Co.
Chartered Accountants
Regn. No.-017883N

For and on behalf of Board of Directors

(Rajiv Dewan)
Partner
M. No.-084718

Managing Director

Director

Place: Ludhiana
Date : 29th May, 2019

Chief Financial Officer

Company Secretary

INDIAN SUCROSE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2019

| Particulars | for the year ended 31- March-2019 Rs. | | for the year ended 31- March-2018 Rs. | |
|---|---------------------------------------|-----------------------|---------------------------------------|-----------------------|
| Cash Flow from operational Activities | | | | |
| Profit Before Tax | | 8,03,13,140 | | 13,32,29,577 |
| Adjustments for; | | | | |
| Depreciation and amortisation Expenses | 7,77,36,370 | | 6,78,42,984 | |
| Loss/(profit) on sale of non-current investment | | | - | |
| Loss/(gain) on Fair Valuation of investment | | | - | |
| Measured through Profit and Loss | | | | |
| Subsidy income amortized | (1,95,05,371) | | (5,15,17,108) | |
| Liabilities no longer required written back | | | - | |
| Sundry balance Written off | | | - | |
| Loss/(profit) on property, plant and equipment sold net | - | | 8,00,25,444 | |
| Loss on Property, Plant and equipment discarded | | | - | |
| Interest Expenses | 20,70,03,384 | | 13,71,23,259 | |
| Interest Income | (50,20,453) | | (80,95,839) | |
| IND AS Adjustment | | | (80,51,657) | |
| Government Grant Amortized | | | 4,37,59,532 | |
| Operating Profit before working Capital Changes | 26,02,13,930 | 34,05,27,070 | 26,10,86,615 | 39,43,16,192 |
| Changes in Working Capital | | | | |
| Increase/(decrease) in trade Payables and other liabilities | 58,24,09,404 | | 50,39,93,953 | |
| Decrease/(increase) in trade and other receivables | 9,48,91,215 | | (15,13,17,944) | |
| decrease/(increase) in Inventries | (66,85,97,713) | | 19,65,05,760 | |
| Cash Generated from Operations | 87,02,906.00 | 34,92,29,976 | 54,91,81,769.00 | 94,34,97,961 |
| Income tax Paid (net) | | | | (7,29,38,215) |
| Net Cash Flow from / (used in) Operating Activities (A) | | 34,92,29,976 | | 87,05,59,746 |
| Cash Flow from investing Activities | | | | |
| Purchase of Property, Plant and equipment including intangible assets | (14,08,72,254) | | (71,78,79,251) | |
| Proceeds from sale of property plant and equipment | 76,74,501 | | 1,38,97,636 | |
| Proceeds from sale of not current investments | 2,46,37,500 | | | |
| Interest received | 50,20,453 | | 80,95,839 | |
| Bank balances not considered as cash and cash equivalents | | | (37,53,700) | |
| Net cash flow from/Used in) Investing Activities (B) | (10,35,39,800) | (10,35,39,800) | (69,96,39,476) | (69,96,39,476) |
| Cash Flow From financing Activities | | | | |
| Proceeds from Issuances of Share Capital | | | - | |
| Proceeds from non-current borrowings | | | 2,94,12,343 | |
| Repayment of Non-current borrowings | (3,68,83,510) | | | |
| Repayment of other Non-current liabilities | | | | |
| Proceeds from other Non-current liabilities | | | (13,65,33,317) | |
| Proceeds from current borrowings | | | (13,71,23,259) | |
| Interest Paid | (20,70,03,384) | | | |
| Net Cash Flow from/(used in) Financing Activities (C) | (24,38,86,894) | (24,38,86,894) | (24,42,44,233) | (24,42,44,233) |
| Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C) | | 18,03,282 | | (7,33,23,963) |
| Cash and cash equivalents at the beginning of the year | | 8,26,29,343 | | 15,59,53,306 |
| Cash and cash equivalents at the end of the year | | 8,44,32,625 | | 8,26,29,343 |
| Comprises | | | | |
| Balance with Banks in Current Account | | 7,70,30,992 | | 8,05,97,624 |
| Cash in hand | | 74,01,633 | | 20,31,719 |
| | | 8,44,32,625 | - | 8,26,29,343 |

See Accompanying notes to the financial Statements

As per our report of even date attached

For and on behalf of Board of Directors

For R.Dewan & Co.
Chartered Accountants
Regn. No.-017883N

(Rajiv Dewan)
Partner
M. No.-084718

Managing Director

Director

Place: Ludhiana
Date : 29,May, 2019

Chief Financial Officer

Company Secretary

INDIAN SUCROSE LIMITED

Notes forming part of financial statements for the year Ended 31 March 2019

STATEMENT OF CHANGE IN EQUITY

| Particulars | Equity share capital | Reserves and Surplus | | | | Other comprehensive income | Total Rs. |
|---|----------------------|----------------------|----------------------------|------------------------------|-------------------|----------------------------|---------------------|
| | | Capital reserve | Securities premium reserve | General Reserve (Govt Grant) | Retained Earnings | | |
| Balance as at beginning of the previous reporting period 01-Apr-17 | 15,41,83,320 | 1500000 | 66436000 | 73750576 | 508700061 | 60933212 | 86,55,03,169 |
| Profit for the period transferred from statement of profit and loss | | - | - | - | 83574701 | | 83574701 |
| Other Comprehensive Income for the period (net of income tax) | | - | - | - | - | - | - |
| IND AS Adjustment | | | | (4,37,59,532) | | | (4,37,59,532) |
| Total Comprehensive Income for the period | | - | - | - | | | |
| Balance as at the end of the previous reporting period 31-Mar-18 | 15,41,83,320 | 1500000 | 66436000 | 29991044 | 592274762 | 60933212 | 90,53,18,338 |

| Particulars | Equity share capital | Reserves and Surplus | | | | Other items of other comprehensive income | Total Rs. |
|---|----------------------|----------------------|----------------------------|----------------------------|-------------------|---|---------------------|
| | | Capital reserve | Securities premium reserve | General Reserve Govt Grant | Retained Earnings | | |
| Balance as at beginning of the reporting period 01-Apr-18 | 15,41,86,320 | 15,00,000 | 6,64,36,000 | 2,99,91,044 | 59,22,74,762 | 6,09,33,212 | 90,53,21,338 |
| Profit for the period transferred from statement of profit and loss | | | | | 4,36,39,505 | | 4,36,39,505 |
| Other Comprehensive Income for the period (net of income tax) | | | | | | (2,29,97,979) | (2,29,97,979) |
| IND AS Adjustment | | | | (2,72,62,947) | (4,10,11,376) | | (6,82,74,323) |
| Total Comprehensive Income for the period | | | | | | | |
| Balance as at the end of the reporting period 31-Mar-2018 | 15,41,86,320 | 15,00,000 | 6,64,36,000 | 27,28,097 | 59,49,02,891 | 3,79,35,233 | 85,76,88,541 |

As per our report of even date attached

For and on behalf of Board of Directors

For R.Dewan & Co.
Chartered Accountants
Regn. No.-017883N

(Rajiv Dewan)
Partner
M. No.-084718

Managing Director

Director

Place: Ludhiana
Date : 29,May, 2019

Chief Financial Officer

Company Secretary

INDIAN SUCROSE LIMITED

Notes to financial statements for the year ended 31 March, 2019

Note 1. Corporate information

Indian Sucrose Limited (“the Company”) is a public ltd company domiciled in India and incorporated on 12 December, 1990 under the provisions of the Companies Act, 1956. The shares of the company are listed on stock exchanges in India i.e. at Bombay Stock Exchange Limited (BSE). The company is engaged in the manufacturing and selling of Sugar and Molasses. The company caters to domestic and international market.

The registered office of the company is situated at the complex of Indian Sucrose Limited, G. T. Road, Mukerian, Distt.- Hoshiarpur - 144211, Punjab.

The financial statements are approved for issue by the Company’s Board of Directors on 29th May, 2019.

Note 2. Significant accounting policies

a. Statement of Compliance

The financial statements of the company have been prepared in accordance with the Indian Accounting Standards(IND AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015. The financial statement have been prepared on going concern basis and all the applicable Ind AS effective as on the reporting date have been complied with.

b. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value,

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

c. Functional and Presentation currency

The functional currency of the company is Indian rupee (INR). These financial statements are presented in Indian rupees. All amounts have been rounded off to the nearest rupee (INR) unless otherwise stated.

d. Use of estimates and judgements

The preparation of financial statements, in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of

INDIAN SUCROSE LIMITED

Notes to financial statements for the year ended 31 March, 2019

assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgement and use of assumption in these financial statements have been disclosed in notes. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management become aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made, and if material their effects are disclosed in the notes to the financial statements.

e. Revenue Recognition

i) Revenue form Sale of Goods:

With effect from 1st April 2018, Ind AS 115- "Revenue from sale of goods with customers" supersedes Ind. AS 18- "Revenue" and related appendices. The Company has adopted Ind AS 115 using the modified retrospective approach. The application of Ind AS 115 did not have any material impact on recognition and measurement principles.

Revenue from sale of goods is recognized at the time of transfer of all significant risks and rewards of ownership to the buyer and when the company does not retain effective control on the goods transferred to a degree usually associated with ownership; and cost has been incurred and it is probable that the economic benefit will flow to the company and the amount of revenue can be measured reliably.

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31 March 2018 were reported gross of Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, have been subsumed into GST and accordingly the same is not recognized as part of sale of goods.

ii) Interest-

Interest from Customer

Revenue from interest is recognized on a time proportion basis taking into account the amount outstanding and rate applicable

Other Interest

Interest income is recognized using effective interest rate (EIR).

iii) Insurance and other claims

Insurance and other claims are recognized when there exist no significant uncertainty with regard to the amount to be realized and the ultimate collection thereof.

INDIAN SUCROSE LIMITED

Notes to financial statements for the year ended 31 March, 2019

f. Employee Benefits

i) Provident Fund:

Employees receive benefit in the form of Provident fund which is a defined contribution plan. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

ii) Gratuity:

The Company provides for gratuity a defined benefit retirement plan "The gratuity plan" covering eligible employees. The gratuity plan provides for lump sum payment to vested employee at retirement, death, incapacitation or termination of employee of an amount based on the respective employee's salary and the tenure of employment with the company.

Liability with regard to Gratuity Plan are determined by actuarial valuation, performed by an independent actuary at each Balance sheet date using the project unit credit method.

g. Property, Plant and Equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any, Free hold land is stated at cost and not depreciated. The cost of an item of property, plant and equipment comprises:

- i) Its purchase price net of recoverable taxes where applicable and any attributable expenditure (directly or indirectly) for bringing the asset to its working condition for its intended use.
- ii) Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.
- iii) Initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either where the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation on property plant and equipment is provided on Straight Line Method on the basis of useful lives of such assets specified in Part C of Schedule II to the Companies Act, 2013, except the assets costing Rs.5000/- or below on which depreciation is charged @ 100% per annum on proportionate basis.

INDIAN SUCROSE LIMITED

Notes to financial statements for the year ended 31 March, 2019

| | As per Management Estimate |
|---|----------------------------|
| General Plant & Equipment on triple shift basis | 15 Years |
| General Plant & Equipment on continuous process | 15 Years |

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. The depreciation method, useful lives and residual value are reviewed periodically and at the end of each reporting period.

h. Intangible assets

Intangible assets are stated at cost less accumulated amount of amortization and impairment if any. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence etc. The amortization method, estimated useful lives are reviewed periodically and at end of each reporting period.

i. Inventories

Inventories are valued at the cost or net realizable value whichever is lower. The cost in respect of various items of inventories is computed as under:

| | | |
|---|-----------------------------|--|
| a | Raw Material and Components | First in first out method plus direct expenses |
| b | Stores and Spares | First in first out method |
| c | Work-in-progress | Cost of material plus appropriate share of overheads thereon at different stage of completion. |
| d | Finished goods | Cost of Material plus conversion cost, packing cost, and other overheads incurred to bring the goods there present conditions and location |

j. Government Grants

The government grants are recognized only when there is a reasonable assurance of compliance that conditions attached to such grants shall be complied with and it is reasonably certain that the ultimate collection will be made.

Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

Government grant in relation to fixed asset is treated as deferred income and is recognized in the statement of profit and loss on a systematic basis over the useful life of the asset.

INDIAN SUCROSE LIMITED

Notes to financial statements for the year ended 31 March, 2019

k. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of cost of such asset. Qualifying asset is one that takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenditure in the period in which these are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange difference to the extent regarded as an adjustment to the borrowing cost.

l. Accounting for taxes on income

Income tax expense comprises of current and deferred tax.

Current Income tax expense for the year is ascertained on the basis assessable profits computed in accordance with the provision of the income tax act, 1961. The Tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred tax is recognized using the balance sheet approach on the temporary differences between the carrying accounts of assets and liabilities in the financial statement and corresponding tax bases used in are generally recognized for all deductible temporary unused tax losses to the extent that it is probable that taxable profit will be available against which those deductible temporary difference can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the end of each reporting period recognized in net profit in the statement of profit and loss except to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

INDIAN SUCROSE LIMITED

Notes to financial statements for the year ended 31 March, 2019

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred income tax asset\Liability is recognized only to the extent that it is probable that future taxable profit\loss will be available against which such assets can be realized. Deferred tax assets\liability are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

m. Earnings per Share

Basic earnings per share are computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholder and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

n. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

All financial assets and liabilities are recognized at fair value on initial recognition. Transaction cost in relation to financial assets and financial liabilities other than those carried at fair value through profit or loss (FVTPL) are added to the fair value on initial recognition.

Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are carried at fair value through profit or loss are immediately recognized in the statement of profit and loss.

Subsequent measurement

Non-derivative financial instruments

1- Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

INDIAN SUCROSE LIMITED

Notes to financial statements for the year ended 31 March, 2019

2- Financial assets at fair value through other comprehensive income

A financial assets is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is archived by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

3- Financial Liabilities

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

o. Impairment of fixed assets

Impairment of Property, Plant and equipment and intangible Assets

Plant and equipment and intangible assets Property, plant and equipment and intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU (Cash Generating unit) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

p. Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) – 7 “Statement of Cash flows” using the indirect method for operating activities.

INDIAN SUCROSE LIMITED

Notes to financial statements for the year ended 31 March, 2019

q. Cash and cash equivalent

Cash and cash equivalent for the purpose of statement of cash flows include bank balances, where the original maturity is three months or less. Other short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value. Bank overdraft are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

r. Provisions and Contingent Liabilities

A provision is recognized if, as a result of past event, the company has a present obligation (legal or constructive) and on management judgement that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liability is disclosed in the case of:

A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

A present obligation arising from past events, when no reliable estimate is possible;

A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

1- (ii) Critical accounting estimates

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are bases on a number of factories including the effects of obsolescence, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the assets

The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

INDIAN SUCROSE LIMITED

Notes to financial statements for the year ended 31 March, 2019

Recoverable amount of property, plant and equipment

The recoverable amount of property plant and equipment is based on estimates and assumptions regarding the expected market outlook and expected future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

Recognition of deferred tax assets

Recognition of deferred tax assets depends upon the availability of future profits against which tax losses carried forward can be used.

2 (iii) Recent accounting pronouncements: Standards issued but not effective

On 30 March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – “Leases” and certain amendments to existing Ind AS. These amendments shall be applicable to the Company for annual reporting periods beginning on or after 01 April 2019.

A) Ind AS 116 – “Leases”

On 30 March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – “Leases”. The standard sets out the Principles for recognition, measurement, presentation and disclosures of leases for both lessor and lessee. The standard also contains enhanced disclosure requirements for lessees. The amendment is applicable for annual reporting periods beginning on or after 01 April 2019.

B) Amendment to existing standards

The Ministry of Corporate Affairs (MCA) has also carried out amendments in the following accounting standards:

- i. Ind AS 101 – First time adoption of Indian Accounting Standards
- ii. Ind AS 103 – Business Combinations
- iii. Ind AS 109 – Financial Instruments
- iv. Ind AS 111 – Joint Arrangements
- v. Ind AS 12 – Income Taxes
- vi. Ind AS 19 – Employee Benefits
- vii. Ind AS 23 – Borrowing Costs
- viii. Ind AS 28 – Investment in Associates and Joint Ventures

The Company is evaluating the impact of above amendments on its financial statements

INDIAN SUCROSE LIMITED

Notes formig part of Financial statements for the year Ended 31 March 2019

Note 3 Property, Plant and Equipment

| Particulars | Gross Block | | | | Depreciation and Amortisation | | | | Net Block | |
|-----------------------------|-----------------------|--------------------|------------------|-----------------------|-------------------------------|--------------------|----------------------------------|---------------------|---------------------------|---------------------------|
| | As at 01-Apr-2018 | Addition | Disposals | As at 31-Mar-2019 | As at 01-Apr-2018 | For the year* | Eliminated on disposal of Assets | As at 31-Mar-2019 | Balance As at 31-Mar-2019 | Balance As at 31-Mar-2018 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| A- Tangible Assets | | | | | | | | | | |
| Free hold Land | 22,86,60,421 | - | - | 22,86,60,421 | - | - | - | - | 22,86,60,421 | 22,86,60,421 |
| Buildings | 16,98,45,381 | - | - | 16,98,45,381 | 5,76,45,416 | 38,88,960 | - | 6,15,34,376 | 10,83,11,005 | 11,21,99,965 |
| Plant and Machinery | 1,45,21,80,391 | 7,53,18,171 | 76,74,501 | 1,51,98,24,061 | 78,15,72,664 | 6,30,86,845 | - | 84,46,59,509 | 67,51,64,552 | 67,06,07,727 |
| Furniture and fixtures | 50,37,520 | 17,20,823 | - | 67,58,343 | 41,22,313 | 1,80,779 | - | 43,03,092 | 24,55,251 | 9,15,207 |
| Office Equipments | 2,75,47,064 | 38,66,254 | - | 3,14,13,318 | 2,02,28,917 | 17,69,964 | - | 2,19,98,881 | 94,14,437 | 73,18,147 |
| Vehicles | 8,48,42,141 | 1,50,36,463 | - | 9,98,78,604 | 3,32,32,519 | 88,09,822 | - | 4,20,42,341 | 5,78,36,263 | 5,16,09,622 |
| Subtotal | 1,96,81,12,919 | 9,59,41,711 | 76,74,501 | 2,05,63,80,129 | 89,68,01,829 | 7,77,36,370 | - | 97,45,38,199 | 1,08,18,41,930 | 1,07,13,11,090 |
| B- Intangible Assets | | | | | | | | | | |
| Trade Mark | 28,500 | - | - | 28,500 | 28,500 | - | - | 28,500 | - | - |
| Subtotal | 28,500 | - | - | 28,500 | 28,500 | - | - | 28,500 | - | - |
| Grand Total | 1,96,81,41,419 | 9,59,41,711 | 76,74,501 | 2,05,64,08,629 | 89,68,30,329 | 7,77,36,370 | - | 97,45,66,699 | 1,08,18,41,930 | 1,07,13,11,090 |

| | |
|---|--------------------|
| *Depreciation for the year 2018-19 | 7,77,36,370 |
| Less Amount Transferred from Deferred revenue | |
| Depreciation charges to statement of profit or loss | 7,77,36,370 |

| Particulars | Gross Block/Deemed Cost | | | | Depreciation and Amortisation | | | | Net Block | |
|-----------------------------|-------------------------|---------------------|-----------------------|-----------------------|-------------------------------|--------------------|----------------------------------|---------------------|---------------------------|---------------------------|
| | As at 01-Apr-2017 | Addition | Disposals | As at 31-Mar-2018 | As at 01-Apr-2017 | For the year* | Eliminated on disposal of Assets | As at 31-Mar-2018 | Balance As at 31-Mar-2018 | Balance As at 31-Mar-2017 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| A- Tangible Assets | | | | | | | | | | |
| Free hold Land | 22,86,60,421 | - | - | 22,86,60,421 | - | - | - | - | 22,86,60,421 | 22,86,60,421 |
| Buildings | 16,15,61,870 | 82,83,511 | - | 16,98,45,381 | 5,39,00,785 | 37,44,631 | - | 5,76,45,416 | 11,21,99,965 | 10,76,61,085 |
| Plant and Machinery | 1,12,31,46,453 | 46,64,29,878 | (13,73,95,940) | 1,45,21,80,391 | 75,43,42,772 | 5,54,55,213 | 2,82,25,321 | 78,15,72,664 | 67,06,07,727 | 36,88,03,681 |
| Furniture and fixtures | 46,26,013 | 4,11,507 | - | 50,37,520 | 39,81,726 | 1,40,587 | - | 41,22,313 | 9,15,207 | 6,44,287 |
| Office Equipments | 2,25,14,011 | 50,33,053 | - | 2,75,47,064 | 1,94,90,660 | 7,38,257 | - | 2,02,28,917 | 73,18,147 | 30,23,351 |
| Vehicles | 6,01,23,118 | 3,40,14,696 | (92,95,673) | 8,48,42,141 | 3,14,20,079 | 77,64,296 | 59,51,856 | 3,32,32,519 | 5,16,09,622 | 2,87,03,038 |
| Subtotal | 1,60,06,31,886 | 51,41,72,645 | (14,66,91,613) | 1,96,81,12,918 | 86,31,36,022 | 6,78,42,984 | 3,41,77,177 | 89,68,01,829 | 1,07,13,11,089 | 73,74,95,863 |
| B- Intangible Assets | | | | | | | | | | |
| Trade Mark | 28,500 | - | - | 28,500 | 28,500 | - | - | 28,500 | - | - |
| Subtotal | 28,500 | - | - | 28,500 | 28,500 | - | - | 28,500 | - | - |
| Grand Total | 1,60,06,60,386 | 51,41,72,645 | (14,66,91,613) | 1,96,81,41,418 | 86,31,64,522 | 6,78,42,984 | 3,41,77,177 | 89,68,30,329 | 1,07,13,11,089 | 73,74,95,863 |

| | |
|---|--------------------|
| *Depreciation for the year 2017-18 | 6,78,42,984 |
| Less Amount Transferred from Deferred revenue | |
| Depreciation charges to statement of profit or loss | 6,78,42,984 |

As per our report of even date attached

For R.Dewan & Co.
Chartered Accountants
Regn. No.-017883N

For and on behalf of Board of Directors

(Rajiv Dewan)
Partner
M. No.-084718

Managing Director

Director

Place: Ludhiana
Date : 29th May, 2019

Chief Financial Officer

Company Secretary

INDIAN SUCROSE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

4 Investments - Current

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|---------------------------|---------------------------|
| Investment carried at fair value through Profit or loss (OCI) | | |
| Ranger Breweries Ltd (1259266 Equity Share) | 17832736 | 65598209 |
| Yadu Resorts Pvt. Ltd. (322160 Equity Share) | 9605400 | 9495866 |
| Versatile Events Pvt. Ltd. (33000 Equity Share) | 3041814 | 3021354 |
| PNB Gold Bond | - | 86790 |
| Total (at cost) | 30479950 | 78202219 |
| Aggregate amount of quoted investments | - | 86790 |
| Market value of quoted investments | - | 88830 |
| Aggregate amount of impairment in value of investment | - | - |

5 Other non-current assets

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| (Unsecured considered good) | | |
| Advances for Property, plant and equipment | 12146958 | 12146958 |
| Balances with Government authorities | - | - |
| Security deposit | 30539108 | 30534108 |
| | 42686066 | 42681066 |

6 Inventories *

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|-------------------|---------------------------|---------------------------|
| Raw materials | 53130 | 47892 |
| Work-in-progress | 27127294 | 29109414 |
| Finished Goods | 2112381673 | 1482547223 |
| By Products | 51435361 | 59336199 |
| Stores and Spares | 214733554 | 166092570 |
| | 2405731011 | 1737133298 |

* At cost or net realisable value, whichever is lower

Inventories includes ' Rs.1913606053/- amount of finished goods of Sugar as at cost at 31 March 2019 and ' Rs. 198727200 as at (Closing stock of 31 March 2018) valued at net market realisable value.

INDIAN SUCROSE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

7 Trade receivables

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---------------------------|---------------------------|
| Trade receivables considered good - | | |
| Unsecured | | |
| From related parties (refer note 37) | 253404735 | 143779217 |
| Trade receivables considered good - Unsecured * | 122082685 | 75750820 |
| Trade receivables which have significant increase in credit risk | - | - |
| Trade receivables- credit impaired | - | - |
| Less: Allowances for expected credit loss and doubtful receivables | - | - |
| | 375487420 | 219530037 |

Expected credit loss allowance for trade receivable is based on historical credit loss experience and adjustment for forward looking information.

No trade or other receivables are due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private limited companies respectively in which any director is a partner or a director or a member except.

8 Cash and cash equivalents

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|-----------------------|---------------------------|---------------------------|
| Balances with banks | | |
| - In current accounts | 77030992 | 80597624 |
| Cash on hand | 7401633 | 2031719 |
| | 84432625 | 82629343 |

9 Other Bank Balances

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|---------------------------|---------------------------|
| Balances with banks in earmarked accounts to the extent held as margin money against borrowings and other Commitments | | |
| Fixed deposits with original maturity of more than three months but less than twelve months | - | - |
| Fixed deposits with original maturity of more than twelve months but remaining maturity of less than twelve months | 56486112 | 52989466 |
| | 56486112 | 52989466 |

10 Other financial assets – Current

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|---------------------------|---------------------------|
| Unsecured considered good | | |
| Receivable Advance against goods/Others | 96963603 | 55794366 |
| Other recoverable from Cane Growers (Net of Payable to Bank) | 259064520 | 489493680 |
| Advance to Employee | 1226323 | 1566565 |
| Loans and Advances | 23140200 | 48761287 |
| - From related parties (refer note 37) | 0 | 9522695 |
| | 380394646 | 605138593 |

INDIAN SUCROSE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

No receivable against capital goods are due by directors or other officers of the Group or any of them either severally or jointly with any other persons or amounts due by firms or private limited companies respectively in which any director is a partner or a director or a member except ,

11 Current Tax Liabilities

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---------------------------|---------------------------|---------------------------|
| Provision for Current Tax | 8963161 | 25513071 |
| | 8963161 | 25513071 |

12 Other current assets

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---------------------------|---------------------------|
| Unsecured considered good unless otherwise stated | | |
| CENVAT Receivable | 211630 | 212497 |
| Prepaid expenses | 3545506 | 2581606 |
| Balance and deposits with government department or others | 65322810 | 56480810 |
| GST Recoverable | 3819250 | 26675669 |
| | 72899196 | 85950582 |

13 Equity share capital

| Particulars | As at 31 March 2019 | | As At 31 March 2018 | |
|---|------------------------|------------------|------------------------|------------------|
| | Number | Amount | Number | Amount |
| Authorized | | | | |
| Equity shares of ₹ 10/- each (par value) | 18000000 | 180000000 | 18000000 | 180000000 |
| Preference shares ₹ 10/- each (par value) | - | - | - | - |
| Total | 18000000 | 180000000 | 18000000 | 180000000 |
| Issued, subscribed and fully paid-up | | | | |
| Equity shares of ₹ 10/- each (par value) | 15461807 | 154618070 | 15461807 | 154618070 |
| Less Call Unpaid | | 431750 | | 434750 |
| Total | 15461807 | 154186320 | 15461807 | 154183320 |

a. Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period

| Particulars | Equity shares capital | | | |
|---|-----------------------|-----------|---------------|-----------|
| | 31 March 2019 | | 31 March 2018 | |
| | Number | Amount | Number | Amount |
| Issued, subscribed and paid-up equity shares | | | | |
| Shares and share capital outstanding at the beginning of the period | 15461807 | 154618070 | 15461807 | 154618070 |
| Shares and share capital issued during the period | - | 431750 | - | 434750 |
| 431750(call Unpaid) | | | | |
| Shares and share capital outstanding at the end of the period | | 154186320 | | 154183320 |

INDIAN SUCROSE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

b. Rights, preferences and restrictions attached to equity shares

The Company presently has one class of equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has not declared dividend during the year ended 31 March 2019.

Rights attached to preference shares

The company has not issued preference shares during the current and previous year.

c. The details of equity shareholders holding more than 5% of the aggregate equity shares

| Particulars | Equity shares capital | | | |
|---------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|
| | Number of shares held | 31 March 2019 % share-holding | Number of shares held | 31 March 2018 % share-holding |
| Yadu Sugar Limited | 6022607 | 38.95% | 6022607 | 38.95% |
| Umllesh Yadav | 1649886 | 10.67% | 1649886 | 10.67% |
| Kunal Yadav | 900025 | 5.82% | - | - |

d. There are no shares issued without payment being received in cash during the last five years.

e. There are no buy back of equity shares during the last five years.

f. There are no bonus shares issued during the last five years.

g. There is no holding / ultimate holding company of the company

14 Other Equity

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|---------------------|---------------------|
| a. Capital reserve (Balance at the beginning and end of the year) | 1500000 | 1500000 |
| b. Securities premium | | |
| Opening balance | 66436000 | 66436000 |
| Add: Securities premium on allotment of equity shares | - | - |
| Closing balance | 66436000 | 66436000 |
| c. Retained earnings | | |
| Opening balance | 592274762 | 508700061 |
| Add: Profit for the year | 43639505 | 83574701 |
| Less Ind AS Adjustment | (41011376) | |
| Closing balance | 594902891 | 592274762 |
| d- Items of other comprehensive income: Re-measurements benefit liability/(asset) | of defined | |
| Opening balance | 60933212 | 60933212 |
| Add/Less: Ind AS for the Year of defined benefit liability/(asset) | (22997979) | - |
| Closing balance | 37935233 | 60933212 |
| e- Items of other Government Grant : Re-measurements benefit liability/(asset) | of defined | |
| Opening balance | 29991044 | 73750576 |
| Add/Less: Ind AS for the Year of defined benefit liability/(asset) | (27262947) | (43759532) |
| Closing balance | 2728097 | 29991044 |
| TOTAL (a+b+c+d+e) | 703502221 | 751135018 |

INDIAN SUCROSE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Nature and purpose of reserve

Capital reserve: The excess of net assets taken, over the cost of consideration paid, were treated as capital reserve in accordance with previous GAAP.

Securities premium: The amount received in excess of face value of the equity shares is recognized in securities premium. It can be utilized in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc.

Retained earnings: Retained earnings, if any, represents the net profits after all distributions and transfers to other reserves.

Other comprehensive income: Re-measurements of defined benefit plan comprises actuarial gains and losses and return on plan assets (excluding interest income).

Monies received against Share warrants

15 - Borrowings (Non-current)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|---------------------------|---------------------------|
| Term Loans - secured | | |
| From banks | 142592927 | 69194698 |
| {net of unamortized processing charges | | |
| Subtotal | 142592927 | 69194698 |
| Other Vehicle loans - secured | 34962143 | 36878296 |
| Subtotal | 34962143 | 36878296 |
| Total term loans - secured | 177555070 | 106072994 |
| Less: Current maturities | - | - |
| Total (A) | - | - |
| From related parties/ Others | 147231282 | 218222256 |
| Less: Current maturities | - | - |
| Total (B) | - | - |
| Other loans and advances (unsecured) | | |
| From NBFC / Bank / | 8794362 | 12427669 |
| {net of unamortized processing charges as at 31 March 19: Nil and as at 31 March 18): | | |
| Less: Current maturities | 241543 | 245000 |
| Total (C) | 9035905 | 12672669 |
| Total borrowings | 324786352 | 324295550 |
| Less: Current maturities | 9035905 | 12672769 |
| Total borrowings (non current) (A+B+C) | 315750447 | 311622581 |

A Details of security for term loans

- Term loans from banks and financial institutions are secured by way of equitable mortgage of all present and future immovable properties of the company ranking pari-passu charge by way of hypothecation of all the Company's movable properties, save and except Book Debts but including movable machinery, spares, tools and accessories both present and future subject to prior charges created / to be created in favour of the Company's Bankers on specified movable properties for securing borrowings for working capital requirements.
- Further, the term loans from banks and financial institutions are secured by second pari-passu charge on all current assets present and future and the personal guarantee of the Managing Director of the company and his family members and corporate guarantee by a promoter company.
- Term loan from others are secured by hypothecation of vehicles purchased against these loans.

INDIAN SUCROSE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

B Terms of repayment of term loans from banks/ financial institutions/NBFC*

| Particulars | Principal Balance outstanding as at 31.03.2019 | Principal Balance outstanding as at 31.03.2018 | Repayment Periods | | No. of Installments Outstanding | |
|--|--|--|-------------------|---------------|---------------------------------|---------------|
| | | | Current year | Previous Year | Current Year | Previous Year |
| Term Loan from Banks | | | | | | |
| Punjab National Bank | 87,614,938 | 150,086,587 | 5 to 7 | 5 to 7 | 4 to 12 | 4 to 12 |
| | | | | | | |
| Vehicle loan from banks and non banking financial Companies | 34,726,599 | 36,777,181 | | | | |
| ICICI Bank Car Loan A/c | 14,732,039 | 8,599,948 | 5 to 7 | 5 to 7 | 104 to 108 | 104 to 108 |
| Daimler financial Services Pvt Ltd | 15,012,903 | 21,242,342 | 5 to 7 | 5 to 7 | 108 to 110 | 108- to 110 |
| Punjab National Bank | 4,010,458 | 5,006,684 | 5 to 7 | 5 to 7 | 24 | 24 |
| Toyata Financial Services Ltd., | 971,199 | 1,928,207 | 5 to 7 | 5 to 7 | 12 | 12 |

*Principal balance outstanding as stated above is inclusive of current maturities of long term debt and processing fee charged by the lenders.

Unsecured loans from related party has been brought in pursuance to the stipulation imposed by lending banks.

16-Provisions –Non Current

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|----------------------------------|---------------------------|---------------------------|
| Provision for employee benefits: | | |
| - Gratuity | 20409609 | 20560904 |
| - Compensated absences | 2404889 | 2894421 |
| | 22814498 | 23455325 |

17 Other non-current liabilities

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|---------------------------|---------------------------|
| Long term trade deposits | 175273721 | 163700579 |
| Deferred capital grants related to property, plant and equipment | 175273721 | 163700579 |

18 Borrowings - Current

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|----------------------------|---------------------------|---------------------------|
| Loan repayable on demand | | |
| - From banks (secured) PNB | 1481800241 | 1256190279 |
| - WHR From SBI | - | 595554820 |
| | 1481800241 | 1851745099 |

INDIAN SUCROSE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Details of security

PNB Loans repayable on demand from banks are secured by way of pledge of sugar stock and hypothecation of stock of store and spares, packing materials and molasses first charge on all present and future finished goods, work-in-progress, raw materials, stores and spares, and companies immovable properties situated at Mukerian, Distt, Hoshiarpur, and further secured by personal guarantee of the Managing Director of the company.

WHR cash Credit limit Availed from SBI angst Pledge of Stock

Terms:-

Working capital borrowings from banks are repayable on demand.

19- Trade Payable Current

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|---------------------------|---------------------------|
| i) Outstanding dues of micro enterprises and small enterprises | 54972477 | 52438164 |
| ii) Outstanding dues of Creditors other than micro enterprises and small enterprises | | |
| - to related parties (refer note 37) | - | - |
| - to others | 1779766033 | 658795755 |
| | 1834738510 | 711233919 |

20- Other Financial Liabilities Current

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|---------------------------|---------------------------|
| Current maturities of long term borrowings (secured) | 8794362 | 100078743 |
| Interest accrued but not due on borrowings | 241543 | 245000 |
| - to others | 7386735 | 6918214 |
| Expenses payable | - | 575040 |
| - to others | 4178964 | 2895194 |
| Total | 20601604 | 110712191 |

21 Other current liabilities

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|------------------------|---------------------------|---------------------------|
| Statutory remittances* | 35184970 | 8091402 |
| Other payable | 4166806 | 77492147 |
| Security deposit | 12622350 | 3260000 |
| | 51974126 | 88843549 |

*Statutory remittance includes contribution to provident Fund, Punjab Labour welfare fund and tax deducted at source

22 Current Provisions'

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|----------------------------------|---------------------------|---------------------------|
| Provision for employee benefits: | | |
| - Gratuity | 8559964 | 6165845 |
| - Provision for Taxation | 21809379 | 34959705 |
| | 30369343 | 41125550 |

INDIAN SUCROSE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

23 Revenue from operations

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|------------------------------|--|--|
| Sale of products | 3545754001 | 4247614747 |
| Other operating revenue | | - |
| Less : Excise Duty | - | (67760745) |
| (ii) Other operating revenue | 82273533 | 10458575 |
| | <u>3628027534</u> | <u>4190312577</u> |
| Sale of traded goods | - | - |
| | <u>3628027534</u> | <u>4190312577</u> |
| Details of sale of products | | |
| - Sugar | 3305195983 | 3972905075 |
| - Molasses | 63896014 | 136351219 |
| - Power | 114488631 | 80865053 |
| -Bagasse | 62173373 | 57493400 |
| | <u>3545754001</u> | <u>4247614747</u> |

24 Other income

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---------------------------------|--|--|
| Interest income (Gross) | | |
| - From bank deposits | 5020453 | 8095839 |
| written back | - | - |
| Rent received | 168000 | 168000 |
| Amortization of capital subsidy | 19505371 | 51517108 |
| Miscellaneous income | 81304210 | 4410781 |
| | <u>105998034</u> | <u>64191728</u> |

25 Cost of material consumed

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|----------------------------------|--|--|
| Raw material consumed | | |
| Opening Stocks | 47892 | 50371 |
| Add: Purchases | 3330092679 | 3292786038 |
| Total | <u>3330140571</u> | <u>3292836409</u> |
| Less: Closing stocks | 53130 | 47892 |
| | <u>3330087441</u> | <u>3292788517</u> |
| Consumption (refer detail below) | | |

26 Changes in inventories of finished goods and work-in-progress

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|--|--|--|
| Inventories at the beginning of the year | | |
| Work-in-progress | 29109414 | 34981368 |
| Finished goods | 1541883422 | 1848072617 |
| | <u>1570992836</u> | <u>1883053985</u> |
| Inventories at the end of the year | | |
| Work-in-progress | 27127294 | 29109414 |
| Finished goods | 2163817034 | 1541883422 |

INDIAN SUCROSE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

| | | |
|--|-------------|------------|
| | 2190944328 | 1570992836 |
| Net (increase) / decrease in opening and closing stock | (619951492) | 312061149 |
| Net movement in excise duty on finished goods | - | 121706856 |
| | (619951492) | 190354293 |

27 Employee benefits expense

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|-------------------------------------|-------------------------------------|
| Salaries and wages | 96293239 | 83774524 |
| Contribution to provident and other funds | 4645286 | 4238379 |
| Staff welfare expenses | 1371444 | 1246066 |
| | 102309969 | 89258969 |

28 Finance cost

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|-----------------------------------|-------------------------------------|-------------------------------------|
| a) Interest expense on: | | |
| i) Term loans and working capital | 207003384 | 137123259 |
| ii) other borrowings | - | - |
| b- Other borrowing costs | 4354270 | - |
| c- Processing charges amortized | 2381162 | 2979030 |
| | 213738817 | 140102289 |

29- Depreciation

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|--------------|-------------------------------------|-------------------------------------|
| Depreciation | 77736370 | 67842984 |

30- Other Expenses

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|----------------------------------|-------------------------------------|-------------------------------------|
| Power and fuel | 15448153 | 16931461 |
| Consumption of stores and spares | 50200164 | 53913830 |
| Packing Materials | 49395709 | 39086882 |
| Other Manufacturing Exp. | | |
| Repairs and maintenance | | |
| - Plant and machinery | 79486497 | 60364234 |
| - Building | 7918309 | 9501816 |
| - General Repair | 739760 | 401179 |
| Rent | 8913556 | 5285760 |
| Insurance charges | 2390088 | 2748278 |
| Auditor's remuneration | 516162 | 511986 |
| Fees Rates and taxes | 3891773 | 4434382 |

INDIAN SUCROSE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

| | | |
|---|------------------|------------------|
| Loss on property, plant and equipment sold (net) | - | - |
| Loss on property, plant and equipment discarded | 257769950 | - |
| Allowance for expected credit loss and doubtful receivables | - | - |
| Freight outward | - | - |
| Other selling and distribution expenses | 23057144 | 25047520 |
| Miscellaneous expenses | - | - |
| Other Manufacturing Exp. | 2608601 | 3753570 |
| Property/ House Tax | 247023 | 7048474 |
| Printing And Stationery | 1035533 | 862080 |
| Postage/Telephone Exp | 1428714 | 471920 |
| Travelling and Conveyance Director | 1398605 | 2462277 |
| Travelling and conveyance Staff | 2687937 | 2621164 |
| Legal and Professional Charges | 5960353 | 2544718 |
| Vehicle Running and Maint Exp | 23655708 | 13265157 |
| Cane Development Exp | 430452 | 7957699 |
| Office and other Adm, Exp | 10611131 | 1687845 |
| Total Expenses | 549791323 | 260902232 |

31- Current tax and deferred tax

a- Income tax Recognized instatement of Profit and Loss

| Particulars | For the year ended | For the year ended |
|---------------------------------------|--------------------|--------------------|
| | 31 March 2019 | 31 March 2018 |
| Current tax | | |
| In respect of current period | 21809379 | 34959705 |
| Total (A) | 21809379 | 34959705 |
| Deferred tax | | |
| In respect of current period | 11573141 | 14022210 |
| Earlier Year the current period | 3291115 | 672960 |
| Total (B) | 14864256 | 14695170 |
| Total Income tax expense (A+B) | 36673635 | 49654875 |

(b) Income tax recognized in other comprehensive income

| Particulars | For the year ended | For the year ended |
|---------------------|--------------------|--------------------|
| | 31 March 2019 | 31 March 2018 |
| Deferred tax assets | - | - |
| Total | - | - |

(c) Reconciliation of tax expense and the profit before tax multiplied by statutory tax rate

| Particulars | For the year ended | For the year ended |
|---|--------------------|--------------------|
| | 31 March 2019 | 31 March 2018 |
| Profit before tax | 80313140 | 133229577 |
| Income tax expense calculated at statutory tax rate | 36673635 | 49654876 |
| Add: Tax impact of expenses not considered for tax purposes | - | - |
| Less: Tax impact of Income not considered for tax purposes | - | - |
| Less: Tax impact of expenses availed on payment basis | - | - |
| Less: Tax impact of allowances of permanent nature | - | - |
| Less: Tax impact of unabsorbed depreciation and carried forward loss of earlier years | - | - |
| Less: Tax savings on deductions under Section 80 IA | - | - |

INDIAN SUCROSE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Tax expense charged to statement of profit and loss at effective rate

36673635

49654876

d) Movement in deferred tax balances

| Particulars | As at 01 April 2018 | Recognized in Profit and loss | Recognized in OCI | MAT credit entitlement of previous year | As at 31 March 2019 |
|---|---------------------------|-------------------------------------|----------------------|---|---------------------------|
| Deferred tax liabilities | | | | | |
| Property, plant and equipment | 163700579 | 11573141 | - | - | 175273721 |
| Gross deferred tax liabilities (A) | 163700579 | 11573141 | - | - | 175273721 |
| Deferred tax assets | | | | | |

32- Earning per share

The Earning per share (EPS) as disclosed in the statement of profit and loss has been calculated as under:

| Particulars | | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|----------|--|--|
| Total operations for the period | | | |
| Profit after tax attributable to equity shareholders | A | 43639505 | 83574701 |
| Depreciation and amortization expense | B | 77736370 | 67842984 |
| Deferred Tax | C | 14864256 | 14695170 |
| Cash profit after tax attributable to equity shareholders | D= A+B+C | 136240131 | 166112855 |
| Weighted average number of equity shares (number) | E | 15461807 | 15461807 |
| Weighted average number of equity shares in computing diluted earnings per share (number) | F | 15461807 | 15461807 |
| Basic earnings per share (₹) | A/E | 2.82 | 5.41 |
| Diluted earnings per share (₹) | A/F | 2.82 | 5.41 |
| Cash earnings per share (₹) | D/E | - | - |
| Face value per equity share (₹) | | 10.00 | 10.00 |

INDIAN SUCROSE LIMITED

Notes forming part of financial statement for the year Ended 31 March 2019

NOTE -33 Contingent liabilities and commitments (to the extent not provided for)

No Cash outflow is expected

| Particulars | for the year ended | | for the year ended | |
|--|--------------------|-----|--------------------|-----|
| | 31/03/2019 | Rs. | 31/03/2018 | Rs. |
| A contingent liabilities | | | | |
| i Claims not acknowledged as debts | | | | |
| 1999-2000 to 2003-2004 | 92,95,485 | | 92,95,485 | |
| 2004-2005 to 2011-2012 | 8,47,48,675 | | 8,47,48,675 | |
| Sales Tax Demand | 5,67,489 | | 5,67,489 | |
| Income tax Demand (2013-14) | 5,02,000 | | 5,02,000 | |
| Income tax Demand (2016-17) | 15,58,554 | | - | |
| ii Bank Guarantee issued in favour of others * | 13,69,00,000 | | 13,69,00,000 | |
| Bank Guarantee issued | 10,04,000 | | 10,04,000 | |
| | <u>9,76,76,203</u> | | <u>9,61,17,649</u> | |
| B Commitments | | | | |
| i Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances) | 3,22,46,836 | | 3,22,46,836 | |
| | <u>3,22,46,836</u> | | <u>3,22,46,836</u> | |

The Company has deposited Rs. 9342000/- under protest with Cane VAT Sales Tax Department.

* The Company has given corporate guarantee of Rs.13.69 Crore to State Bank of India in respect of loan taken by Company's Associate concern Rangar Breweries Ltd.

34 Gratuity

The following table set out the funded status of the gratuity plan and the amount recognised in the company's financial statement as at March 31, 2019 and March 31, 2018

| i Change in the present value of the obligation | | Gratuity | Gratuity |
|---|---|--------------------|--------------------|
| | | 31-Mar-19 | 31-Mar-18 |
| | | ₹ | ₹ |
| | Present value of Obligation as at the beginning of the year | 2,29,37,930 | 2,35,30,823 |
| | Interest Cost | 17,43,283 | 16,00,096 |
| | Current Service Cost | 14,71,652 | 14,09,228 |
| | Remeasurement - Actuarial (Gain/Loss) | (20,23,279) | (36,02,217) |
| | Present value of Obligation as at the end of the year | <u>2,41,29,586</u> | <u>2,29,37,930</u> |
| ii Change in the fair Value of plan assets | | | |
| | Fair Value of plan assets as at the beginning of the year | - | - |
| | Actual Return on plan assets | - | - |
| | Contribution | - | - |
| | Charges deducted | - | - |
| | Benefits Paid | - | - |
| | Fair Value of plan assets as at the beginning of the year | <u>-</u> | <u>-</u> |
| | Funded Status | (A-B) | (A-B) |
| | | 2,41,29,586 | 2,29,37,930 |
| iii Amount recognised in the Balance Sheet | | | |
| | Present Value of the defined benefit obligation | 2,41,29,586 | 2,29,37,930 |
| | Fair Value of Plan assets | - | - |
| | Net Assets/(Liability) | <u>2,41,29,586</u> | <u>2,29,37,930</u> |
| iv Expense recognised in the statement of Profit And loss | | | |
| | Current Service cost | 14,71,652 | 14,09,228 |
| | Net Interest cost | 17,43,283 | 16,00,096 |
| | Net Gain/(loss) recognised in the period | (6,68,623) | (22,71,566) |
| | Expense recognised in the Income statement | <u>25,46,312</u> | <u>7,37,758</u> |
| v Re-measurement of the net defined benefit liability/(assets) | | | |
| | Actuarial gain/(Losses) | | |
| | (Return)/ loss on plan assets | <u>24,12,958</u> | <u>22,93,793</u> |
| vi Bifurcation of actuarial (gain)/Loss | | | |
| | Actuarial (gain)/loss on arising from change in demographic assumption | 6,68,623 | 2,27,156 |
| | Actuarial (gain)/loss on arising from change in financial assumption | (6,68,623) | (22,71,566) |
| | Actuarial (gain)/loss on arising from change in experience assumption | | |
| | | <u>0</u> | <u>0</u> |
| vii The Major categories of plan assets as a percentage of the fair value of total plan assets | | | |
| | | Gratuity | Gratuity |
| | | 31-Mar-19 | 31-Mar-18 |
| | | ₹ | ₹ |
| | Investment with the insurer | 100% | 100% |
| | The plan assets are maintained with life Insurance Corporation of India (LIC). The detail of investments maintained by LIC have not been Furnished to the Company, The same have therefore not been disclosed | | |
| viii Principal actuarial assumptions at the Balance sheet date expressed as weighted average: | | | |
| | Discount rate (per Annum) | | |
| | Rate of increase in compensation levels (per annum) | 7% | 7% |
| | Average remaining working lives of employees (years) | 10.62 Yrs | 11.15 Yrs |
| | Method used | (IASLM2006-2008) | (IASLM2006-2008) |

INDIAN SUCROSE LIMITED

Notes farming part of financial statement for the year Ended 31 March 2019

The assumption and methodology used in actuarial valuation as consistent with the requirement of Ind AS-15

ix The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply of demand in the employment market

x **Sensitivity analysis of the defined benifite obligation:**

| | Gratuity 31-Mar-19 ₹ | Gratuity 31-Mar-18 ₹ |
|--|----------------------------|----------------------------|
| a) Impact of Change in discount rate | | |
| Present Value of Obligation at the end of the Period | 2,41,29,586 | 2,29,37,930 |
| 1. Impact due to increase of 1% | 14,13,854 | 14,43,702 |
| 2. Impact due to decrease of 1% | 12,87,364 | 13,09,811 |
| b) Impact of Change in Salary Increase | | |
| Present Value of Obligation at the end of the Period | 2,41,29,586 | 2,29,37,930 |
| 1. Impact due to increase of 1% | 14,06,992 | 14,38,095 |
| 2. Impact due to decrease of 1% | 13,04,732 | 13,28,619 |

As per Actuarial certificate, sensitivities due to mortality and withdrawals are insignificant and hence impact of change has not been calculated

xi **Actuarial risks exposures**

Valuation are based on certain assumptions, which are dynamic in nature and vary over time, As such company is exposed to various risks as follows:

- a) Salary Increases - Actual salary increases will increase the plan's liability increases in salary increases rate assumption in future valuations will also increase the liability.
- b) Investment risk- If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability
- c) Discount rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- d) Mortality and disability - Actual death and disability cases proving lower or higher than assumed in the valuation can impact the liabilities
- e) Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and changes of withdrawals rates at subsequent valuations can impact plan's liability

xii **Amount of defined benifites for the current and previous for years are as follows**

| Gratuity (Funded) | 2018-19 | 2017-18 |
|--|----------|----------|
| Present vlue of defined benifites obligationsas at the end of the year | 24129586 | 22937930 |
| Fair value of plan assets as at the end of the year | 0 | 0 |
| Net Assets/ (Liability) recognised in balance sheet | 24129586 | 22937930 |
| Expenses recognised in the income statement and other comprehensive income (OCI) | 1471652 | 1409228 |
| Actuarial gain/(loss) of plan assets | 2546312 | 737758 |

xiii **Bifurcation of Projects Benifit obligation (PBO) at the end of the year in current and non-current**

| | Gratuity 2019-20 ₹ | Gratuity 2018-19 ₹ |
|--|--------------------------|--------------------------|
| Current liability (amount due within one year) | 21,41,545 | 20,98,466 |
| Non-Current liability (amount due over one year) | | |
| Total PBO at the end of year | 21,41,545 | 20,98,466 |

The Company has recognized an expenses of Rs.2546312.00 (previous year Rs. 737758.00/-) in respect of gratuity.

INDIAN SUCROSE LIMITED

Notes farming part of financial statement for the year ended 31- March, 2019

35 Current Tax and Deferred Tax

(a) Income tax recognised in statement of profit and loss

| | for the year ended 31/03/2019 Rs. | for the year ended 31/03/2018 Rs. |
|---|---|---|
| Current Tax | | |
| In Respect of current Period | 2,18,09,379 | 3,49,59,705 |
| In Respect of Prior Years | 32,91,115 | 6,72,960 |
| | 2,51,00,494 | 3,56,32,665 |
| Deferred Tax | | |
| In Respect of current Period | 1,15,73,141 | 1,40,22,210 |
| TOTAL (B) | | |
| TOTAL INCOME TAX EXPENSES (A+B) | | |
| Income Tax recognised in other comprehensive income | | |
| Particulars | for the year ended 31/03/2019 Rs. | for the year ended 31/03/2018 Rs. |
| Classification of income tax recognised in other comprehensive income | (2,29,97,979) | 0 |
| TOTAL | (2,29,97,979) | 0 |

INDIAN SUCROSE LIMITED

Notes forming part of financial statements for the year ended 31 March 2019

NOTE -13

Equity share capital

| Particulars | As at 31-Mar-19 | | As at 31-Mar-18 | |
|--|--------------------|---------------------|--------------------|---------------------|
| | Number | Amount (Rs) | Number | Amount(Rs) |
| Authorised | | | | |
| Equity shares of Rs. 10/- each (par value) | 1,80,00,000 | 18,00,00,000 | 1,80,00,000 | 18,00,00,000 |
| Preference shares Rs.10/- each (par value) | - | - | - | - |
| Total | 1,80,00,000 | 18,00,00,000 | 1,80,00,000 | 18,00,00,000 |
| Issued, subscribed and fully paid-up | | | | |
| Equity shares of Rs. 10/- each (par value) | 1,54,61,807 | 15,41,86,320 | 1,54,61,807 | 15,41,83,320 |
| Total | 1,54,61,807 | 15,41,86,320 | 1,54,61,807 | 15,41,83,320 |

a. Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period

| Particulars | Equity shares capital | | | |
|---|-----------------------|--------------|-------------|--------------|
| | 31-Mar-19 | | 31-Mar-18 | |
| | Number | Amount(Rs) | Number | Amount(Rs) |
| Issued, subscribed and paid-up equity shares | | | | |
| Shares and share capital outstanding at the beginning of the period | 1,54,61,807 | 15,41,86,320 | 1,54,61,807 | 15,41,83,320 |
| Shares and share capital issued during the period | - | - | - | - |
| Shares and share capital outstanding at the end of the period | 1,54,61,807 | 15,41,86,320 | 1,54,61,807 | 15,41,83,320 |

b. Rights, preferences and restrictions attached to equity shares

The company presently has one class of equity shares having a par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The company has not declared dividend during the year ended March 31, 2019.

Rights attached to preference shares

The company has not issued preference shares during the current and previous year.

c. The details of equity shareholders holding more than 5% of the aggregate equity shares

| Particulars | Equity shares capital | | | |
|---------------------------|-----------------------|----------------|-----------------------|----------------|
| | 31-Mar-19 | | 31-Mar-18 | |
| | Number of shares held | % shareholding | Number of shares held | % shareholding |
| Yadu Sugar Ltd- Associate | 60,22,607 | 38.95% | 60,22,607 | 38.95% |
| Mrs Umlesh Yadav | 16,49,886 | 10.67% | 16,49,886 | 10.67% |
| Sh. Kunal yadav | 9,00,025 | 5.82% | - | - |

*There are 431750 calls unpaid (Previous Year 434750) including calls unpaid by Directors and Officers as on balance sheet date

d. There is no shares issued without payment being received in cash during the last five year.

e. There is no buy back of equity shares during the last five year.

f. There is no bonus shares issued during the last five year.

g. There is no holding / ultimate holding company of the company.

NOTE-14

Other Equity

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|--|---------------------|---------------------|
| | ₹ | ₹ |
| a. Capital reserve (Balance at the beginning and end of the year) | 15,00,000 | 15,00,000 |
| b. Securities premium account (Balance at the beginning and end of the year) | 6,64,36,000 | 6,64,36,000 |
| c. Retained earnings | | |
| Opening balance | 59,22,74,762 | 50,87,00,061 |
| Add: Profit for the year | 4,36,39,505 | 8,35,74,701 |
| Govt grant (adjustment) | (4,10,11,376) | - |
| Closing balance | 59,49,02,891 | 59,22,74,762 |
| Opening balance | 2,99,91,044 | 7,37,50,576 |
| Add/Less IND AS for the year | (2,72,62,947) | (4,37,59,532) |
| Closing balance | 27,28,097 | 2,99,91,044 |
| d. Items of other comprehensive income: | | |
| Re-measurement benefit Liability/Assets | | |
| Opening balance | 6,09,33,212 | 6,09,33,212 |
| Add/Less IND AS for the year | (2,29,97,979) | - |
| benefit Liability/Assets | | |
| Closing balance | 3,79,35,233 | 6,09,33,212 |
| Total | 70,35,02,221 | 75,11,35,018 |

Nature and purpose of reserve

Capital reserve:

The excess of net assets taken, over the cost of consideration paid, were treated as capital reserve in accordance with previous IND AS

Securities premium account:

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. It can be utilized in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc

Retained earnings:

Retained earnings if any represents the net profits after all distributions and transfers to other reserves.

Remeasurements of defined benefit liability/(asset):

: Remeasurements of defined benefit liability/(asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).

As per our report of even date attached

For and on behalf of Board of Directors

For R.Dewan & Co.
Chartered Accountants
Regn. No.-017883N

(Rajiv Dewan)
Partner
M. No.-084718

Managing Director

Director

Place: Ludhiana
Date : 29,May, 2019

Chief Financial Officer

Company Secretary

INDIAN SUCROSE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

36-Disclosures of financial instruments

(a) The carrying value and fair value of financial instruments by categories at the end of each reporting period is pending at the end as follows:

As at 31 March 2019

| Particulars | Amortized cost | At fair value through profit or loss | | At fair value through OCI | | Total carrying value | Total fair value |
|-------------------------------------|-------------------|--------------------------------------|-----------|--|-----------|----------------------|-------------------|
| | | Designated upon initial recognition | Mandatory | Equity instruments designated upon initial recognition | Mandatory | | |
| Assets: | | | | | | | |
| Other non-current financial assets | 42686066 | - | - | - | - | 42686066 | 42686066 |
| Current Investments | - | - | - | - | - | - | - |
| Trade receivables | 375487420 | - | - | - | - | 375487420 | 375487420 |
| Cash and bank balances | 84432625 | - | - | - | - | 84432625 | 84432625 |
| Other bank balances | 56486112 | - | - | - | - | 56486112 | 56486112 |
| Other financial current assets | 389357807 | - | - | - | - | 389357807 | 389357807 |
| Total | 948450030 | - | - | - | - | 948450030 | 948450030 |
| Liabilities: | | | | | | | |
| Long term borrowings | 315750447 | - | - | - | - | 315750447 | 315750447 |
| Short term borrowings | 1481800241 | - | - | - | - | 1481800241 | 1481800241 |
| Trade payables | 1834738510 | - | - | - | - | 1834738510 | 1834738510 |
| Other financial current liabilities | 20601604 | - | - | - | - | 20601604 | 20601604 |
| Total | 3652890802 | - | - | - | - | 3652890802 | 3652890802 |

As at 31 March 2018

| Particulars | Amortized cost | At fair value through profit or loss | | At fair value through OCI | | Total carrying value | Total Fair value |
|-------------------------------------|-------------------|--------------------------------------|-----------|--|-----------|----------------------|-------------------|
| | | Designated upon initial recognition | Mandatory | Equity instruments designated upon initial recognition | Mandatory | | |
| Assets: | | | | | | | |
| Other non-current financial assets | 42681066 | - | - | - | - | 42681066 | 42681066 |
| Current Investments | - | - | - | - | - | - | - |
| Trade receivables | 219530037 | - | - | - | - | 219530037 | 219530037 |
| Cash and bank balances | 82629343 | - | - | - | - | 82629343 | 82629343 |
| Other bank balances | 52989466 | - | - | - | - | 52989466 | 52989466 |
| Other financial current assets | 630651664 | - | - | - | - | 630651664 | 630651664 |
| Total | 1028481576 | - | - | - | - | 1028481576 | 1028481576 |
| Liabilities: | | | | | | | |
| Long term borrowings | 311622581 | - | - | - | - | 311622581 | 311622581 |
| Short term borrowings | 1851745099 | - | - | - | - | 1851745099 | 1851745099 |
| Trade Payables | 711233919 | - | - | - | - | 711233919 | 711233919 |
| Other financial current liabilities | 110712191 | - | - | - | - | 110712191 | 110712191 |
| Total | 2985313790 | - | - | - | - | 2985313790 | 2985313790 |

(b) Basis of fair value of financial assets and liabilities

(i) Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

INDIAN SUCROSE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

As at 31 March 2019

| Particulars | As at 31 March 2019 | Fair Value Fair Value measurement using | | |
|--|---------------------------|---|----------|-------------------|
| | | Level 1 | Level 2 | Level 3 |
| Fair value through Profit and loss | | | | |
| Current investments in Mutual funds | -- | - | - | -- |
| Financial assets at amortized cost | | | | |
| Other non-current financial assets | 42686066 | - | - | 42686066 |
| Trade receivables | 375487420 | - | - | 375487420 |
| Cash and bank balances | 84432625 | - | - | 84432625 |
| Other Bank Balances | 56486112 | - | - | 56486112 |
| Other financial current assets | 389357807 | - | - | 389357807 |
| Total | 948450030 | - | - | 948450030 |
| Financial liabilities at amortized cost | | | | |
| Long term borrowings | 315750447 | - | - | 315750447 |
| Short term borrowings | 1481800241 | - | - | 1481800241 |
| Trade Payables | 1834738510 | - | - | 1834738510 |
| Other financial current liabilities | 20601604 | - | - | 20601604 |
| Total | 3652890802 | - | - | 3652890802 |

As at 31 March 2018

| Particulars | As at 31-Mar-2018 | Fair Value Fair Value measurement using | | |
|--|----------------------|---|----------|-------------------|
| | | Level 1 | Level 2 | Level 3 |
| Fair value through profit and loss | | | | |
| Current investments in Mutual funds | - | - | - | - |
| Financial assets at amortized cost | | | | |
| Other non-current financial assets | 42681066 | - | - | 42681066 |
| Trade receivables | 219530037 | - | - | 219530037 |
| Cash and bank balances | 82629343 | - | - | 82629343 |
| Other Bank Balances | 52989466 | - | - | 52989466 |
| Other financial current assets | 630651664 | - | - | 630651664 |
| Total | 1028481576 | - | - | 1028481576 |
| Financial liabilities at amortized cost | | | | |
| Long term borrowings | 311622581 | - | - | 311622581 |
| Short term borrowings | 1851745099 | - | - | 1851745099 |
| Trade Payables | 711233919 | - | - | 711233919 |
| Other financial current liabilities | 110712191 | - | - | 110712191 |
| Total | 2985313790 | - | - | 2985313790 |

INDIAN SUCROSE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

37-Related Party Disclosures:-

In Accordance with the Requirements of Ind AS 24, on Related party disclosures, Name of the Related party, Related party Relationship, transaction and outstanding balances including commitments where control exists and with whom transactions have takes place during reported Periods are:

Relates Party and Their Relation ship

a) Key Management Personnel

| | | | |
|----|-------------------------|-----------------|--------------------|
| 1. | Managing Director | Kunal Yadav | (DIN-01338110) |
| 2 | Director | Kunj Deep Kalra | (DIN-05285059) |
| 3 | Company Secretary | Anamika Raju | (M. No.-ACS-26080) |
| 4 | Chief Financial Officer | Ravinder Sharma | - |

b) Details relating to related party where control exists

| | |
|-----|---------------------------------------|
| | |
| i. | Yadu Resorts India Limited |
| ii. | Scorpion News Communication Pvt. Ltd. |
| lii | Top Images Estates Pvt. Ltd. |
| Iv | Kunal Breweries Ltd. |
| V | SNG Exim Pvt. Ltd. |
| Vi | Neoli sugar Limited |
| Vi | HighLink Investment Pvt. Ltd. |

c) Relative of Key Management Personnel: N.A.

d) Enterprise significantly influenced by Directors and /or their relatives :-

- i. Cosmos Industries Ltd.
- ii. Yadu Sugar Limited
- iii. Scorpion Media Pvt. Ltd.

INDIAN SUCROSE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

f) Transactions with related party:-

(Rs. Lacs)

| Particulars | Sales | Purchase | Expenses | Loan Received / granted | Loan Repaid | Remuneration | Application Money | Receivables | Payables |
|--|---------|----------|----------|-------------------------|-------------|--------------|-------------------|-------------|----------|
| Company where control exists | | | | | | | | | |
| Ranger Breweries Ltd. | 43.82 | - | 0.45 | 65.90 | 64.50 | - | - | 371.28 | - |
| Kunal Breweries Pvt. Ltd. | - | - | - | 46.46 | - | - | - | - | - |
| Key Management Personnel | | | | | | | | | |
| Mr. D.P. Singh | - | - | - | - | - | - | - | - | 184.81 |
| Mr. Kunal Singh Yadav | - | - | 67.20 | - | - | 144.00 | - | - | - |
| Companies Significantly influenced by Directors | | | | | | | | | |
| Yadu Sugar Ltd. | 0.45 | 0.72 | 7.50 | 103.05 | - | - | - | 110.56 | - |
| Yadu Resorts (India) Ltd. | - | - | 8.88 | - | .12 | - | - | - | 25.09 |
| Cosmos Ind. Ltd. | 15.13 | 0.47 | 0.66 | 285.00 | 285.00 | - | - | - | - |
| Cosmos Sugar (P) Ltd. | - | - | - | - | 250.00 | - | - | 196.00 | - |
| SNG Exim (P) Ltd. | - | - | 0.73 | 6.95 | - | - | - | - | - |
| High Link Investment Private Ltd. | 3910.79 | - | 9.60 | 281.27 | 500.00 | - | - | 1979.44 | - |
| Neoli sugar Ltd. | 0.84 | - | - | 246.37 | 246.37 | - | - | 34.65 | - |

*Figures in () is representing previous year figures.

38-Financial Risk Management

The financial assets of the company include investments, loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The company is mainly exposed to the following risks that arise from financial instruments:

- (i) Market risk
- (ii) Liquidity risk
- (iii) Credit risk

The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

INDIAN SUCROSE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk: foreign currency risk and interest rate risk.

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements if any. All the company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

| Particulars | Carrying amount (INR) | |
|--------------------------------------|------------------------|------------------------|
| | Financial Year 2018-19 | Financial Year 2017-18 |
| Variable rate instruments | | |
| Long term borrowings | 31,57,50,447 | 31,16,22,581 |
| Current maturities of long term debt | 87.94.362 | 10,00,78,743 |
| Short term borrowings | 1,48,18,00,241 | 1,85,17,45,099 |

INDIAN SUCROSE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

(ii) Liquidity Risk

The financial liabilities of the company include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash to meet the obligations as and when falls due.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

| Particulars | Financial Year 2018-19 | Financial Year 2017-18 |
|---|------------------------|------------------------|
| Borrowings including current maturities | 32,45,44,809 | 41,17,01,324 |
| Less than 1 year | 87,44,809 | 10,00,78,743 |
| 1-2 year | 10,00,78,743 | 14,63,05,554 |
| 2-5 year | 21,56,71,704 | 16,53,17,027 |
| 5-10 year | - | - |
| Later | - | - |
| Total | 32,34,44,809 | 41,17,01,324 |
| Trade Payables | 1,83,47,38,510 | 71,12,33,919 |
| Less than 1 year | 1,83,47,38,510 | 71,12,33,919 |
| 1-2 year | - | - |
| 2-5 year | - | - |
| 5-10 year | - | - |
| Later | - | - |
| Total | 1,83,47,38,510 | 71,12,33,919 |
| Other Financial liabilities | 2,06,01,604 | 11,07,12,191 |
| Less than 1 year | 2,06,01,604 | 11,07,12,191 |
| 1-2 year | - | - |
| 2-5 year | - | - |
| 5-10 year | - | - |

INDIAN SUCROSE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

| | | |
|-------|-------------|--------------|
| Later | - | - |
| Total | 2,06,01,604 | 11,07,12,191 |

(iii) Credit Risk

Credit risk refers to the risk of default on its contractual terms or obligations by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

The company assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The company has not considered an allowance for doubtful debts in case of Trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The following is the detail of revenues generated from top five customers of the company and allowance for lifetime expected credit loss: (Rs.)

| Particulars | Financial Year 2018-19 | Financial Year 2017-18 |
|---|------------------------|------------------------|
| (a) Revenue from top five customers | | |
| -% of total sales of top 1 customer | 10.26% | 10.34% |
| -% of total sales of top 5 customers | 25.09% | 26.08% |
| | | |
| (b) Allowance for doubtful debt | 0 | 0 |
| -Balance at the beginning of the period | 0 | 0 |
| -Impairment loss recognized | 0 | 0 |
| -Amount written off | 0 | 0 |
| -Balance at the end of the period | 0 | 0 |

Write off policy

The financial assets are written off in case there is no reasonable expectation of recovering from the financial asset.

39. Capital Management

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management

INDIAN SUCROSE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's gearing ratio was as follows:

| Particulars | (Rs.) | |
|--------------------------------|---------------------------|---------------------------|
| | Financial Year 2018-19 | Financial Year 2017-18 |
| Borrowings | 32,47,86,352 | 40,93,01,324 |
| Less: Cash and cash equivalent | 8,44,32,625 | 8,26,29,343 |
| Net debt | 24,03,53,727 | 32,66,71,981 |
| Total equity | 85,76,88,541 | 90,53,18,338 |
| Capital and Net debt | 1,09,80,42,268 | 1,23,19,90,319 |
| Gearing ratio | 0.28 | 0.36 |

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

There were no changes in the objectives, policies or processes for managing capital during the year ended 31 March 2019 and 31 March 2018.

40- In accordance with the Ind AS-36 on Impairment of Assets, the Company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

41- Auditors' Remuneration

| S. No | Particulars | For the year ended 31, March-2019 Rs, | For the year Ended 31, March-2018 Rs. |
|--------------|----------------------|--|--|
| i) | As Statutory Auditor | 350000 | 300000 |
| ii) | As Tax Auditors | 50000 | 50000 |
| Total | | 400000 | 350000 |

INDIAN SUCROSE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

- 42-** The company is not maintaining separate details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). Accordingly, no details are being provided.
- 43-** In accordance with IND AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31 March 2017 and for the period 1 April to 30 June 2017 were reported gross of Excise Duty and net of VAT/ CST. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/CST, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognized as part of sales as per the requirements of Ind AS 18. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, certain expenses where credit of GST is available are also being reported net of taxes
- 44- Corporate Social Responsibility (CSR)**
The provisions of Section 135 of the Companies Act 2013 regarding Corporate Social Responsibility activity are applicable to the company.
- 45-** Figures in bracket indicate deductions.
- 46-** Previous year figures have been regrouped/re-casted/rearranged wherever necessary to conform to its classification of the current year.
- Amount Recognized Rs 38,26,152.00**
- 47-** Figures have been rounded off to the nearest rupee.

As per our Report of even date attached

For and on behalf of board of Directors

For R. Dewan & Co.
Chartered Accountants
Regn. No.-017883N

(Rajeev Dewan)
Partner
M. No. 084718

Managing Director

Director

Place: Ludhaina

Date: 29th May, 2019

Chief Financial Officer

Company Secretary

INDIAN SUCROSE LIMITED

DEPRECIATION CHART AS PER INCOME TAX ACT AS ON 31 MARCH 2019

| Nature of Assets | RATE | WDV AS ON 01.04.2018 | I ST HALF ADDITION | DELETION | TOTAL | IIND HALF ADDITION | DELETION | TOTAL | TOTAL GROSS | Deletion | IST HALF DEPR | IIND HALF DEPR | Additional Depreciation | TOTAL | WDV 31.03.2019 |
|--|------|-------------------------|-----------------------|-----------|--------------|-----------------------|----------|-------------|----------------|-----------|------------------|-------------------|----------------------------|--------------|-------------------|
| <u>BUILDINGS</u> | | | | | | | | | | | | | | | |
| Non factory | 5 | 4,01,84,718 | | | 4,01,84,718 | | | - | 4,01,84,718 | - | 20,09,236 | - | | 20,09,236 | 3,81,75,482 |
| Factory | 10 | 2,73,44,232 | | | 2,73,44,232 | | | - | 2,73,44,232 | - | 27,34,423 | - | | 27,34,423 | 2,46,09,809 |
| <u>FURNITURE & FIXTURES</u> | 10 | 14,43,510 | | | 14,43,510 | 17,20,823 | | 17,20,823 | 31,64,333 | - | 1,44,351 | 86,041 | | 2,30,392 | 29,33,941 |
| <u>PLANT AND MACHINERY</u> | | | | | | | | | | | | | | | |
| Mill Rollers | 40 | 7,87,774 | | | 7,87,774 | | | - | 7,87,774 | - | 3,15,110 | - | | 3,15,110 | 4,72,665 |
| Plant and Machinery | 15 | 55,07,18,577 | 1,38,812 | 76,74,501 | 54,31,82,888 | 7,51,79,359 | | 7,51,79,359 | 61,83,62,247 | 76,74,501 | 8,14,77,433 | 56,38,452 | 75,45,698 | 9,46,61,583 | 52,37,00,664 |
| | | - | | | | | | | | | | | | | - |
| <u>COMPUTERS</u> | 40 | 15,45,965 | | | 15,45,965 | 29,69,585 | | 29,69,585 | 45,15,550 | - | 6,18,386 | 5,93,917 | | 12,12,303 | 33,03,247 |
| <u>VEHICLES</u> | | | | | | | | | | | | | | | |
| Motor Cars | 15 | 5,53,75,973 | 1,37,20,177 | | 6,90,96,150 | 13,16,286 | | 13,16,286 | 7,04,12,436 | - | 1,03,64,422 | 98,721 | | 1,04,63,144 | 5,99,49,292 |
| <u>OFFICE EQUIPMENTS</u> | 15 | 47,23,906 | 10,800 | | 47,34,706 | 8,85,869 | | 8,85,869 | 56,20,575 | - | 7,10,206 | 66,440 | | 7,76,646 | 48,43,929 |
| <u>TRADE MARKS</u> | 25 | 1,044 | | | 1,044 | | | - | 1,044 | - | 261 | - | | 261 | 783 |
| | | 68,21,25,699 | 1,38,69,789 | 76,74,501 | 68,83,20,987 | 8,20,71,922 | - | 8,20,71,922 | 77,03,92,909 | 76,74,501 | 9,83,73,828 | 64,83,572 | 75,45,698 | 11,24,03,098 | 65,79,89,812 |

INDIAN SUCROSE LIMITED

Amount in INR

| | Financial Year Ending on | | |
|---|---------------------------|---------------------------|---------------------------|
| | 31/03/2016 (12 Months) | 31.03.2017 (12 Months) | 31.03.2018 (12 Months) |
| Net Profit after tax | 5,96,74,486.00 | 27,34,60,246.00 | 8,35,74,701.00 |
| Credits to be given | | | |
| - Bounties and subsidies | - | - | - |
| Total | - | - | - |
| Credits not to be given | | | |
| - profits, by way of premium on shares, which are issued or sold by the company | - | - | - |
| - profits on sales by the company of forfeited shares | - | - | - |
| - profits of a capital nature including profits from the sale of the undertaking or any of the undertakings of the company or of any part thereof | - | - | - |
| - profits from the sale of any immovable property or fixed assets of a capital nature comprised in the undertaking or any of the undertakings of the company | - | - | - |
| - any change in carrying amount of an asset or of a liability recognised in equity reserves including surplus in profit and loss account on measurement of the asset or the liability at fair value | - | - | 8,00,25,444.00 |
| Total | - | - | 8,00,25,444.00 |
| Deductions to be made | | | |
| - all the usual working charges | - | - | - |
| - directors' remuneration | - | - | - |
| - bonus or commission paid or payable to any member of the company's staff, or to any engineer, technician or person employed or engaged by the company, whether on a whole-time or on a part-time basis; | - | - | - |
| - any tax notified by the Central Government as being in the nature of a tax on excess or abnormal profits | - | - | - |
| - any tax on business profits imposed for special reasons or in special circumstances and notified by the Central Government in this behalf | - | - | - |
| - interest on debentures issued by the company | - | - | - |
| - interest on mortgages executed by the company and on loans and advances secured by a charge on its fixed or floating assets | - | - | - |
| - interest on unsecured loans and advances | - | - | - |
| - expenses on repairs, whether to immovable or to movable property, provided the repairs are not of a capital nature | - | - | - |
| - outgoing inclusive of contributions made under section 181 | - | - | - |
| - depreciation to the extent specified in section 123; | - | - | - |
| - the excess of expenditure over income | - | - | - |
| Total | - | - | - |
| Deductions not to be made | | | |
| - income-tax and super-tax payable by the company under the Income-tax Act, 1961, or any other tax on the income of the company not falling under clauses (d) and (e) of sub-section (4) | 4,56,75,559.00 | 14,19,08,428.00 | 4,96,54,876.00 |
| - any compensation, damages or payments made voluntarily, that is to say, otherwise than in virtue of a liability such as is referred to in clause (m) of sub-section (4); | - | - | - |
| - loss of a capital nature including loss on sale of the undertaking or any of the undertakings of the company or of any part thereof not including any excess of the written-down value of any asset which is sold, discarded, demolished or destroyed over its sale proceeds or its scrap value | - | - | - |
| - any change in carrying amount of an asset or of a liability recognised in equity reserves including surplus in profit and loss account on measurement of the asset or the liability at fair value | - | - | - |
| Total | 4,56,75,559.00 | 14,19,08,428.00 | 4,96,54,876.00 |
| Net Profit as per Section 198 | 10,53,50,045.00 | 41,53,68,674.00 | 5,32,04,133.00 |
| Average net profit of 3 years | 73,63,346.33 | 14,36,53,063.00 | 19,13,07,617.33 |
| CSR spending of 2% | 1,47,266.93 | 28,73,061.26 | 38,26,152.35 |
| For FY 2015-16 | | 1,47,266.93 | |
| For FY 2016-17 | | 28,73,061.26 | |
| For FY 2017-18 | | | 38,26,152 |

As per our report of even date attached

For and on behalf of Board of Directors

For R.Dewan & Co.
Chartered Accountants
Regn. No.-017883N

(Rajiv Dewan)

Partner
M. No.-084718

Managing Director

Director

Place: Ludhiana
Date : 29,May, 2019

Chief Financial Office

Company Secretary