



17th Annual Report 2007-08

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Indian Sucrose Limited

INDIAN SUCROSE LIMITED

MANAGEMENT

BOARD OF DIRECTORS

Sh. D. P. Singh	Chairman
Sh. Deepak Yadav	Managing Director
Sh. Jitender Singh	Director
Sh. Pawan Dewan	Director
Sh. Kunal Singh	Director
Sh. Sheoraj Singh Ahlawat	Director

COMPANY SECRETARY

Sh. Lalan Kumar Singh

AUDITORS

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

BANKERS

Punjab National Bank

REGD. OFFICE & WORKS

G. T. Road
Mukerian 144 211.
Distt. Hoshiarpur (Pb.)



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INDIAN SUCROSE LIMITED

NOTICE

Notice is hereby given that the 17th Annual General Meeting of the Members of the Company will be held on Tuesday, the 30th day of September, 2008 at 11:00 AM, at the Registered Office of the Company at G.T. Road, Mukerian-144 211, Distt. Hoshiarpur (Punjab), to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2008 and the Balance Sheet as on that date along with the Report of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Sh Pawan Dewan who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sh. Jitender Singh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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

" **RESOLVED THAT** Sh. Kunal Singh, who was appointed as an Additional Director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed a Director of the Company liable to retire by rotation."

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

" **RESOLVED THAT** Sh. Sheoraj Singh Ahlawat, who was appointed as an Additional Director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed a Director of the Company liable to retire by rotation."

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

"**RESOLVED THAT** pursuant to section 198, 269 & 309 and other applicable provisions of the Companies Act, 1956, if any, the approval is accorded for the appointment of Sh. Dharampal Singh, Chairman as Whole Time Director for a period of five (5) years, with effect from 12th March, 2008 and remuneration to be paid to him as Whole Time Director of the Company on the terms and conditions as set out in the agreement dated the 20th February, 2008 tabled at the meeting of Directors, being authenticated under the signature of the Managing Director."

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

"**RESOLVED THAT** pursuant to Articles 173 and 174 of the Articles of Association of the Company and in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any of the Companies Act, 1956, read with Schedule XIII as amended up to date and/or any statutory amendments, modifications or re-enactment thereof, the consent of the members of the Company, be and is hereby accorded for the re-appointment of Sh. Deepak Yadav, as Managing Director of the Company, for a period of 5 (five) years with effect from 1st October, 2008 on the terms and conditions including remuneration, authorities, powers, duties and responsibilities as contained in the draft agreement which is hereby specifically sanctioned with the liberty and authority to the Board of Directors to alter, vary, modify and revise the terms and conditions including remuneration of the said appointment and/or Agreement in such manner and from time to time, as may be mutually agreed between the Board and Sh. Deepak Yadav in

conformity with Schedule XIII and the provisions of the Companies Act, 1956, including any amendments/ modifications made hereafter in this regard, subject to renewal at the end of third year from the date of appointment in the shareholders meeting to the extent it relates to the payment of remuneration.

RESOLVED FURTHER THAT the increased remuneration paid to Sh. Deepak Yadav with effect from 1st October, 2007 till the date of ensuing Annual General Meeting, be and is hereby ratified/approved by the members of the Company.

RESOLVED FURTHER THAT the terms and conditions of re-appointment, agreement, remuneration, powers, duties and responsibilities specified in the Explanatory Statement may be altered, varied and revised, from time to time, by the Board of Directors of the Company, including any Committee thereof, as it may, in its discretion deem fit, so as not to exceed the limits specified in Section 309 and Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), or any amendments made thereto from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company, including any Committee thereof, be and is hereby authorized to do all such acts, deeds, things, to inter into such agreement, deed of amendment or any such document as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement as required under section 173(2) of the Companies Act, 1956, for the Item no's 5, 6, 7 & 8 is annexed hereto and forms part of the notice
3. The relevant records of the company are open for inspection by members as per provisions of the Company Law and can be inspected at the Registered Office of the company on any working day between 10:00 a.m. to 12:00 p.m.
4. The members are requested to notify the change in their addresses, if any to the company immediately.
5. Members desiring any information on the Accounts are requested to write to the company at least 10 days prior to the date of this Meeting to enable the Management to keep the information ready at the time of meeting.
6. Members are requested to bring their copies of Annual Report at the Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 26th September, 2008, to Tuesday, 30th September, 2008 (both days inclusive), for Annual Closing.
8. The members are requested to make their all correspondence with the Company at G.T. Road, Mukerian-144211, Distt. Hoshiarpur (Punjab).
9. Members are requested to furnish the Nomination Form in the prescribed Performa in case they wish to avail the Nomination facility given by the Companies Act, 1956.
10. Appointment/Re - appointment of Directors:
At the ensuing Annual General Meeting Sh. Pawan Dewan & Sh. Jitender Singh retire by rotation and have their desire to offer themselves



for re-appointment. The information or details to be provided for the aforesaid Directors as stipulated under Corporate Governance Code are as under:

Sh. Pawan Dewan is a businessman having wide experience of accounting and financial matters.

Sh. Jitender Singh is an experienced businessman. He is serving on the Board of various companies namely Yadu (India) Limited, Top Image Estates (P) Ltd., Samridhi Buildcon (P) Ltd., Samridhi Suppliers (P) Ltd., Jangatha Publication (P) Ltd.

Sh. Dharampal Singh is currently holding the position of Chairman of the Company. He has approx. 25 years of enriched and diverse social and business management experience. He is also serving on the Board of other Companies namely Yadu Resorts (India) Ltd., Yadu Sugar Ltd., Yadu Overseas Ltd.

Sh. Kunal Singh is a young and dynamic person with zeal to excel in the business. He is providing his intellectual guidance to various other companies in capacity of Director, namely Cosmos Industries Ltd., Yadu (India) Ltd., Yadu Resorts (India) Ltd., Yadu Overseas Ltd. Rangar Breweries Limited

Sh. Deepak Yadav is currently holding the position of Managing Director in the Company. He is a graduate in Engineering (B. Tech, Mechanical) and M. S. in finance from U.K. He has a great skill and expertise in takeover and turnaround/ restructuring of sick/bankrupt companies. In his enriched intellectual guidance, other companies namely Cosmos Industries Ltd., Rangar Breweries Limited has shown significant growth.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 5: Sh. Kunal Singh, who was appointed as an Additional Director of the Indian Sucrose Limited under provisions of section 260 of the Companies Act, 1956, by the Board of Directors and holding office till the ensuing Annual General Meeting. The Company has received the notice under section 257 of the Companies Act, 1956, proposing the name of Sh. Kunal Singh as Director of the Company. The Board recommends Sh. Kunal Singh may be appointed as the Director, liable to retire by rotation. Your Directors recommend the approval of the resolution mentioned as Item No.5

Sh. Kunal Singh is interested in the resolution to the extent of his appointment only. Sh. Dharampal Singh and Sh. Deepak Yadav are also interested in the abovementioned resolution in the capacity of father and brother in law of Sh. Kunal Singh.

None of the other Directors are interested in the above resolution.

Item No. 6: Sh. Sheoraj Singh Ahlawat, who was appointed as an Additional Director of the Indian Sucrose Limited under provisions of section 260 of the Companies Act, 1956, by the Board of Directors and holding office till the ensuing Annual General Meeting. The Company has received the notice under section 257 of the Companies Act, 1956, proposing the name of Sh. Sheoraj Singh Ahlawat as Director of the Company. The Board recommends Sh. Sheoraj Singh Ahlawat may be appointed as the Director, liable to retire by rotation.

Your Directors recommend the approval of the resolution mentioned as Item No. 6.

Sh. Sheoraj Singh Ahlawat is interested in the resolution to the extent of his appointment only.

None of the other Directors are interested in the above resolution.

Item No. 7 : As you are aware, your company is being run by the Board of Directors who has an onerous job of directing the company's policy and supervising the performance of the Managing Director of the company.

The board of directors in its meeting held on 5th March, 2008 approved the recommendation of the Remuneration Committee, to pay a lump sum remuneration of Rs. 50,000/- (Rupees Fifty Thousand) per month to the Chairman.

The Board further recommends the approval by the shareholders by passing resolution at Item No. 7.

Sh. Kunal Singh and Sh. Deepak Yadav are interested in the resolution being the relatives of Sh. Dharampal Singh.

None of the other Directors are interested in the resolution at Item No.7

This explanatory statement together with the accompanying Notice should be treated as an abstract of the terms and memorandum of appointment of Sh. Dharampal Singh in terms of Section 302 of the Companies Act, 1956.

Item No. 8: The present term of the office of Sh. Deepak Yadav, Managing Director shall come to an end on 30th September, 2008. Considering his capabilities and to enable the Company to have benefit of his experience, the Board on the recommendation of the Remuneration Committee, has subject to the approval of the Members, re-appointed Sh. Yadav as Managing Director of the Company for a further period of 5 (five) years from the expiry date of his present tenure.

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

I. Salary	Rs. 1,50,000/- (Rupees One Lac fifty thousand only)
II. Perquisites	Classified into three categories A, B and C
Category 'A'	
i) Medical Reimbursement	Expenditure incurred by Sh. Deepak Yadav and his family subject to a ceiling of one month's salary over a period of three years
ii) Leave Travel Concession	For Sh. Deepak Yadav and his family once in a year incurred in accordance with the rules specified by the Company.
iii) Personal Accident and Medical Insurance	As per the rules of the Company

Explanation: For the purpose of Category 'A' family means the spouse, the dependent children and the dependent parents.

Category B

- Contribution to Provident Fund and Superannuation fund as per the rules of the Company.
- Gratuity payable shall not exceed half a month's salary for each completed year of services as per the rules of the Company.
- Earned/Privilege Leave: As per the applicable rules of the Company.

Category C

Provision for car for use on Company's business and telephone at residence will not be considered as perquisite. Personal long distance calls on telephones will be billed by the Company to the appointee.

III Other Terms:

- Sh. Deepak Yadav shall be entitled to reimbursement of actual out of pocket expenses incurred in connection with the business of the Company.
- He shall not be entitled to any sitting fees payable to directors for attending the meetings of Board and committee thereof.
- The agreement may be terminated by either party by giving three month's notice.
- If at any time, Sh. Deepak Yadav ceased to be a Director of the Company for any reason /cause whatsoever, he shall cease to be the Managing Director of the Company.

Where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, he shall be entitled to remuneration by way of salary and perquisites not exceeding the limits specified under Section II of Part II of the Schedule

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XIII of the Companies Act, 1956, as amended and for the time being in force including such amendments, modifications, revisions as may be made by the Central Government in the said limits from time to time as minimum remuneration.

The Managing Director shall also be eligible to the following perquisites, which shall not be included in the computation of ceiling on remuneration specified in the said Section II Part II of the Companies Act, 1956:-

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

The Board recommends the Resolution for approval.

Sh. Deepak Yadav is interested in proposed resolution. Sh. Dharampal Singh and Sh. Kunal Singh, being related to him, may be deemed to be interested in the proposed resolution.

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

This explanatory statement together with the accompanying Notice should be treated as an abstract of the terms and memorandum of appointment of Sh. Deepak Yadav in terms of Section 302 of the Companies Act, 1956.

By Order of the Board of Directors

For Indian Sucrose Limited

(Lalan Kumar Singh)

Company Secretary

Place : Delhi

Date : 31st August, 2008

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DIRECTORS' REPORT

The Members,
Indian Sucrose Limited

Your Directors take great pleasure in presenting this 17th Annual Report of your company, along-with the Audited Statement of Accounts for the financial year ended 31st March, 2008.

1. FINANCIAL RESULTS

	(Rs. in Lacs)	
	2007-08	2006-07
Turnover	11588.83	10717.21
Profit before Depreciation		
Interest & Tax (PBITD)	1080.12	1654.65
Interest & Financial Expenses	600.66	368.86
Profit before Depreciation & Tax (PBDT)	479.46	1285.79
Depreciation	471.52	433.96
Profit before Tax (PBT)	7.94	851.83

2. PERFORMANCE REVIEW

As compared to last year turnover of Rs. 10717.21 lacs your company achieved turnover of Rs. 11588.83 lacs during the current year. Because of increase in cost of raw material as well as continuous fall in the sugar sale price the net operating profit before tax (PBT) has dipped to Rs. 7.94 lacs during the year under review as compared to Rs. 851.83 lacs during last year.

During the year under review, your Company has crushed 6195395 QTLS of Sugarcane and produced 609806 BAGS of Sugar in 151 crushing days, as compared to previous year crushing of 6409300 QTLS of sugarcane and production of 629912 BAGS of Sugar in 157 crushing days.

The capacity utilization of the plant during the year under review was 82.05 % and the average recovery was 9.86 % as compared to capacity utilization of 81.65 % and average recovery of 9.97 % in the previous year.

3. MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement your Directors wish to report as follows:

a. Industry Structure & Developments

In India out of the more than 470 sugar mills, about 60% are operating in the co-operative sector, 35% in the private sector and rest in public sector. The Co-operative sector accounts for about 43% of total production in the sugar industry. Crushing is not done during the monsoon so sugar recovery is very less. Sugar production in the country is hampered by lower sugar recovery of 10-11% in compared to 12-13% in Brazil and other major global sugar exporting country.

b. Opportunities and Threats

The ethanol policy announced by the government has come as bonanza for the sugar industry which is facing a problem of plenty. Public sector oil companies are required to mix 5% ethanol with petrol from October last year and 10% from October 2008. Ethanol is produced from molasses, a byproduct of sugar production. The Maharashtra Sugar Industry, which is mainly in the co-operative sector, has been looking at ethanol as major revenue source with long term potential. The sugar production is expected to fall by 21.5% to 21.2% million tones in 2008-09 SS (Sugar Season) on account of decline in area under sugarcane cultivation. Sugarcane arrears that started building up since the middle of 2006-07 SS will have caused farmers to switch to other crops such as wheat and paddy.

c. Segmentwise or Productwise Performance

Segmentwise or Productwise analysis or performance is not applicable

to your company under AS-17 as the company is dealing in only one segment/ produce, i.e. sugar.

d. Outlook

The outlook for the industry and consequently for your company for the coming season looks more or less the same but the long term outlook for the industry is very positive because India, the world's second biggest sugar producer, entered the raw sugar export market in 2007 by selling to Dubai's Al Khaleej, the world's largest refinery, which has now switched to India from Brazil.

e. Internal Control System

Your company has good and effective internal control system to check inefficiency and timely detection and redressal of unwanted irregularity or incompatibility in the system.

4. LISTINGS

The shares of your company are currently listed with Bombay and Calcutta Stock Exchanges. Application for delisting with Calcutta Stock Exchange is still pending and expected to be approved very soon. During the year, shares of the Company got delisted from Bangalore Stock Exchange.

5. DIRECTORS

Sh. Pawan Dewan and Sh. Jitender Singh, Directors of the Company, retire by rotation at this meeting and being eligible, offer themselves for re-appointment.

Sh. Sundeep Chaudhary has resigned from the Directorship of the Company with effect from 25th July, 2007.

Sh. Kunal Singh & Sh. Sheoraj Singh Ahalawat has been appointed as additional director of the Company with effect from 5th February, 2008..

Sh. Dharampal Singh, Chairman, has been appointed as the Whole Time Director of the Company with effect from 13th March, 2008.

The tenure of Sh. Deepak Yadav, Managing Director of the Company is coming to an end on 30th September, 2008. The Board proposed the re-appointment of the Sh. Deepak Yadav as the Managing Director of the Company with effect from 1st October, 2008, for further five (5) years.

Board on the recommendation of the Remuneration Committee has approved the appointment of Sh. Dharampal Singh and Sh. Deepak Yadav as Whole Time Director and Managing Director respectively.

6. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000 your Directors hereby confirm that: -

- in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed
- appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2008 and of the profit and loss of the Company for the financial year 2007-08;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Annual Accounts have been prepared on a going concern basis.

7. FIXED DEPOSITS

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

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8. CORPORATE GOVERNANCE

Under Annexure – II, a separate section on Corporate Governance is included in this Annual Report. The certificate from the Company's Auditors, confirming the terms of Corporate Governance as stipulated in the clause 49 of the Listing Agreement with the Stock Exchanges is annexed thereto.

9. AUDITORS' REPORT

The Auditors' Report and Notes on Accounts are self-explanatory and therefore, do not call for any comments.

10. AUDITORS

M/s B. K. Kapur & Company, Chartered Accountants, Statutory Auditors are retiring at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

11. COST AUDITORS

M/s Katyal & Associates, Cost Accountants, Delhi have been appointed as the Cost Auditor for the year 2007-08 and their report will be submitted to the Department of Companies Affairs, Government of India, in accordance with the requirement of Law.

PARTICULARS OF EMPLOYEES U/S 217(2A)

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

DISCLOSURE OF PARTICULARS UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 AND LISTING AGREEMENT OF STOCK EXCHANGES.

The information as per Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, and the disclosure under listing agreement is enclosed as per Annexure – I & II attached herewith, form an integral part of this report.

INDUSTRIAL RELATIONS & HUMAN RELATIONS DEVELOPMENT:

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

ACKNOWLEDGMENT

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

For and on behalf of the Board

Place : Delhi

(Dharampal Singh)

Date : 31st August, 2008

Chairman

ANNEXURE – I TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1) (e) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED ON 31ST MARCH, 2008

(A) CONSERVATION OF ENERGY

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

1) POWER AND FUEL CONSUMPTION

	Current Year	Previous Year
1. ELECTRICITY		
a) Purchased		
Units	Nil	653792
Amount (in Lacs)	Nil	25.85
Rate/Unit (in Lacs)	Nil	3.95
b) Own Generation		
i) Through Diesel Generator		
Units	738008	690612
Unit per Ltr. of Diesel Oil	3.11	2.98
Rate/Unit (in Rs.)	9.50	10.08
ii) Through Steam Turbine		
Generation		
Units	24423617	26459080
Units per Ton of Fuel	195.63	184.70
Rate/Unit	Nil	Nil
(Being Generated out of steam required for process)		
Bagasse		
Quantity M.T.	124844	143253
Total Cost (Rs. In Lacs)	1123.59	1389.55
(Estimated due to own generation)		
Average Rate (in Rs.)	1123.59	1360.90

2. CONSUMPTION UNIT OF PRODUCTION

	(IN M.T.) Standard	Actual Current Year	Actual Previous Year
Electricity (Units)	350	400.51	420.04
Bagasse (M.T.)	3.50	2.05	2.27

(B) TECHNOLOGY ABSORPTION (R & D)

Research & Development (R & D)

- The Company is regularly carrying on research and development for the development of Sugar Cane in the area.
- Agricultural implements, fertilizers, pesticides, and cane seeds are supplied to the cane growers on loan basis and at subsidised rates.
- Expenditure incurred on R & D.

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
a) Capital	---	---
b) Recurring	11.14	23.45
c) Total	11.14	23.45
d) Total Expenditure as percentage of Turnover	0.11	0.23



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

(C) FOREIGN EXCHANGE EARNING & OUTGO

- (a) Total Foreign Exchange earned Rs. Nil (previous year Rs. Nil)
- (b) Total Foreign Currency used-10.57 Lacs

CORPORATE GOVERNANCE ANNEXURE-II TO DIRECTORS REPORT

Company's Philosophy on Corporate Governance

Your company's philosophy on corporate governance is very crystal clear and your directors at the Board level assume great faith in managing the affairs of the company as per the prudent norms of corporate governance suggested by SEBI. Hereunder, the report of Directors on the practices of Corporate Governance prevalent in the Company in terms of clause 49 of Listing Agreement:

1. BOARD OF DIRECTORS:

a) **Composition of Board:** As on March 31, 2008, the Board of Directors of the Company consists of Six Directors, out of which two are independent Directors and one is Whole Time Director.

Name of Director	Category	No. of other Directorship	No. of other Committee Membership	No. of other Committee Chairmanship
Sh. D. P. Singh	Chairman Executive	3	--	--
Sh. Deepak Yadav	Managing Director	2	--	--
Sh. Jitender Singh	Non-Executive Independent	1	1	--
Sh. Pawan Dewan	Non-Executive Independent	1	--	--
Sh. Sheoraj Singh Ahlawat	Non-Executive Independent	1	--	--
Sh. Kunal Singh	Non-Executive	5	1	--

* Directors excluding private, foreign, unlimited liability companies and companies registered under section 25 of the Companies Act, 1956.

(a) BOARD MEETINGS :

During the financial year 2007-08, seven meetings of the Board of Directors were held on 30th April, 2007, 31st July, 2007, 27th August, 2007, 1st October, 2007, 31st October, 2007, 15th January, 2008, 31st January, 2008, 20th February, 2008 and 5th March, 2008 the attendance of the Directors in these meetings were as follows:-

Name of Director	Board Meeting	
	Held	Present
Sh. D.P. Singh	9	3
Sh. Deepak Yadav	9	7
Sh. Jitender Singh	9	6
Sh. Sundeeep Chaudhry	9	1
Sh. Pawan Dewan	9	6
Sh. Sheoraj Singh Ahlawat	9	2
Sh. Kunal Singh	9	2

2. AUDIT COMMITTEE:

(A) COMPOSITION, NAME OF MEMBERS AND CHAIRMAN

The Audit Committee of the company presently consists of two independent directors and one Executive director. After the resignation of Mr. Sundeeep Chaudhry the Audit Committee was reconstituted by the Board in its meeting held on 31st July, 2007 and Sh. Deepak Yadav has been introduced as new member of the Audit Committee. The composition of Audit Committee

is as follows:

Sh. Pawan Dewan	Chairman
Sh. Jitender Singh	Member
Sh. Deepak Yadav	Member

(B) NUMBERS OF AUDIT COMMITTEE MEETINGS HELD, DATES AND PRESENCE:

The Audit Committee Meetings were held 4 times during the year on 30th April, 2007, 31st July, 2007, 31st October, 2007 and 31st January, 2008. Sh. Pawan Dewan and Sh. Jitender Singh were present in all the meetings held during the financial year 2007-08, whereas Sh. Sundeeep Chaudhry and Sh. Deepak Yadav has attended only those meetings, held during their membership to the Audit Committee.

(C) TERMS OF REFERENCE

The terms of reference of the Audit Committee are as per guidelines set out in Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956. These broadly include approval of Annual Internal Audit Plan, review of financial reporting systems, internal control systems, ensuing compliance with regulatory guidelines, discussions on quarterly/ annual financial results, supervising the internal control system etc.

3. THE SHAREHOLDERS/INVESTORS GRIEVANCE/SHARE TRANSFER COMMITTEE

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

Sh. Pawan Dewan, Independent	Chairman
Sh. Jitender Singh, Non-Executive	Member
Sh. Deepak Yadav, Managing Director	Member

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

4. REMUNERATION COMMITTEE:

(A) CONSTITUTION AND COMPOSITION:

Company has constituted the remuneration committee on 20th February, 2008 comprising three members. The composition of the remuneration committee is as follows:

Sh. Sheoraj Singh Ahlawat	Independent	Chairman
Sh. Jitender Singh	Non-Executive	Member
Sh. Pawan Dewan	Independent	Member

(B) MEETINGS

The Remuneration Committee meeting held once in the year to be reported on 20th February, 2008.

(C) TERMS OF REFERENCE:

- i) To determine Remuneration Policy of the Company.
- ii) To recommend to the Board the remuneration payable to the Managing Director/ Whole Time Directors and other Directors.
- iii) To recommend to the Board the remuneration payable to directors for discharging the professional or other services otherwise than in the capacity of director.
- iv) To frame policies and compensation including salaries, incentives, promotions, benefits, stock options, and performance targets for executives of the Company.

INDIAN SUCROSE LIMITED

- v) To set standards for performance having regard to existing standards prevailing industry practices.
vi) To perform such other functions as may be delegated by the Board from time to time.

5. Remuneration paid to directors :

Non Executive/Independent Director

Sitting Fees Rs. 1500/- per meeting has been paid for attending committee and Board Meeting to Sh. Jitender Singh, Sh. Sundeeep Chaudhry, Sh. Pawan Dewan, Sh. D. P. Singh, Sh. Kunal Singh and Sh. Sheoraj Singh Ahlawat.

Whole Time Director	(In Rs.)
Salary	16,52,000
Perquisites	-
Contribution to PF & other funds	-
	16,52,000

Paid to Sh. Deepak Yadav, Managing Director and Sh. Dharampal Singh, Chairman

Notes:

No Commission has been paid to any Director.

6. General Body Meetings :

Annual General Meetings in last three years	Date	Venue	Special Resolution passed
2004-05	30 th Sep. 2005	at G.T.Road, Mukerian	No
2005-06	30 th Sep. 2006	Distt. Hoshiarpur, Mukerian	No
2006-07	29 th Sep. 2007	Mukerian	No

7. Disclosures

There is no materially significant transaction with the related parties viz Promoters, Directors, Directors' Relatives etc. that may potentially conflict with the company's interest at large.

8. Means of Communication

Subject	Detail
Weather Half Yearly Report	Since Company's unaudited quarterly results sent to each Shareholders are published in News papers, the same were not sent to Shareholders.

Quarterly Results

In which news paper : Chardhikala(English), Economic Times,
normally Published in : Business Standard ,Chardhikala (Punjabi)

Any website where displayed : No

9. General Share holder Information

Annual General Meeting:

Date & Time	: 30 th Sep. 2008 at 11.00 A.M.
Venue	: Regd. Off. & Work at G.T. Road, Mukerian
Financial year	: April 2007 to March 2008
Financial Reporting in	: (a) 1 st quarterly Results
Calender year	: on or before 31.07.2008
(Tentative 2008-09)	: (b) 2 nd Quarterly Results & Half Yearly Results on or before 31.10.2008
	: (c) 3 rd quarterly Results on or before 31.01.2009
	: (d) 4 th quarterly or Yearly Audited Results on or before 30.04.2009 or 30.06.2009

Date of Book Closure 26th September, 2008 to 30th September, 2008 (both days inclusive)

Listing of Shares at Stock Exchanges :

1. The Stock Exchange, Mumbai.

2. The Calcutta Stock Exchange Association Ltd.*

* The Delisting Application made by the Company is pending with the Stock Exchange.

Listing fee to Mumbai have been paid till 31st March, 2008 and listing fee to Calcutta is yet to be paid as delisting application is still pending with them.

Distribution of Shareholding as on 31st March, 2008.

DISTRIBUTION SCHEDULE

AS ON 31.03.2008

Equity Shares		Nominal Value of Each Share/Unit Rs.10/-			
Numbers of Share-Holders	% of Total	Share Holding of Nominal Value of Rs.	No. of Shares	Amount in Rs.	% to Total
19266	93.96	Up to 5000	3416507	34165070	22.10
716	3.49	5001 to 10000	571071	5710710	3.69
243	1.19	10001 to 20000	372817	3728170	2.41
112	0.55	20001 to 30000	280307	2803070	1.81
46	0.22	30001 to 40000	165697	1656970	1.07
28	0.14	40001 to 50000	132006	1320060	0.85
46	0.22	50001 to 100000	325159	3251590	2.10
47	0.23	100001 and above	10198243	101982430	65.96
20504	100.00	Total	15461807	154618070	100.00

Shareholding Pattern as on 31.03.2008

Sl. No.	Shareholders	No. of Shares	%age
1.	Promoters & Associate Companies	91,10,907	58.93
2.	Financial Institutions	500	--
3.	Bodies Corporate other than as said above	6,22,070	4.02
4.	Mutual Funds	9,434	0.06
5.	NRI's	9,06,405	5.87
6.	Individuals (Indian Public)	48,12,491	31.12
		1,54,61,807	100.00

Dematerialization of Equity Shares and Liquidity

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

- Plant Location (Manufacturing Unit)

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

- Item / Products

White Crystal Sugar

- By products

Molasses and Bagasse

* Address for Correspondence :

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

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

The above report has been placed before the Board in its meeting held on 31.08.2008 and the same was approved.

For and on behalf of Board
D. P. Singh
(Chairman)

Place : Delhi

Date : 31st August, 2008