



INDIAN SUCROSE LIMITED

21st Annual Report 2011-12



MANAGEMENT

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mr. Manish Kumar Dixit

AUDITORS

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

BANKERS

Punjab National Bank

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SUBSIDIARY COMPANY

Rangar Breweries Ltd.	00
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NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of the Company will be held on Monday, 31st day of December 2012 at 11:00 AM, at the Registered Office of the Company at G.T. Road, Mukerian-144 211, Distt. Hoshiarpur (Punjab), to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 30th September, 2012 and the Profit & Loss Account for the year ended on that date along with the Report of the Board of Directors and Auditors' thereon.
2. To re-appoint a director in place of Sh. Jitender Singh, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Prakash Chandra Gupta who was appointed as an Additional Director to act in the capacity of Independent Director and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 (Act), be and is hereby appointed a Non

Executive Independent Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

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 relevant records of the company open for inspection by members as per provisions of the Company Law can be inspected at the Registered Office of the company on any working day between 10:00 a.m. to 12:00 p.m.
3. The members are requested to notify the change in their addresses, if any to the company immediately.
4. 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.

5. Members are requested to bring their copies of Annual Report at the Meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 26th December 2012 to Friday, 31st December 2012 (both days inclusive), for Annual Closing.
7. The members are requested to make their all correspondence with the Company at G.T. Road, Mukerian-144211, Distt. Hoshiarpur (Punjab).
8. 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.
9. Appointment/Re - appointment of Directors:

At the ensuing Annual General Meeting Sh. Jitender Singh retire by rotation and has expressed his desire to offer himself for re-appointment. Sh. Jitender Singh is an experienced businessman. He is serving on the Board of various companies.

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

Sd/-

Place : Delhi
Date : 09-12-2012

CS Manish Kumar Dixit
(Company Secretary)

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

Items no. 4

Appointment of Directors liable to retire by rotation

Mr. Prakash Chandra Gupta was appointed as Additional Directors to act in the capacity of Independent Director of the Company with effect from February 15, 2012.

As per the provisions of the Companies Act, 1956, the above Directors hold office only upto the date of the forthcoming Annual General Meeting of the Company. The Company has received Notices under Section 257 of the Act, proposing his appointment as a Director of the Company.

Mr. Prakash Chandra Gupta is a Law Graduate and is a Law Practitioner. He possesses varied experience in the field of Law. Keeping in view his experience, and expertise, his appointment as Directors of the Company is recommended by the Board.

No Director, except Mr. Prakash Chandra Gupta is concerned or interested in this resolution.

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

Sd/-

Place : Delhi
Date : 09-12-2012

CS Manish Kumar Dixit
(Company Secretary)



INDIAN SUCROSE LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Twentieth Annual Report of your Company together with the audited Balance Sheet, Profit & Loss Account and the report on business and operation of the Company for the year ended September 30, 2012.

Financial Performance

(₹ in Lacs)		
Particulars	April 1, 2011 to September 30, 2012	April 1, 2010 to March 31, 2011
Turnover	13979.64	11411.89
Profit before Interest Depreciation & Tax (PBIT)	4122.83	2181.69
Interest & financial Expenses	3037.11	1614.81
Profit before Depreciation & Tax	3301.92	566.88
Depreciation	820.91	524.74
Profit before Tax (PBT)	264.81	41.93

Performance Review

Your company maintains performance in the term of net profit in compare to last year. As compared to last year turnover of ₹ 11411.89 lacs your company achieved turnover of ₹ 13979.64 lacs during the current year. The net operating profit before tax (PBT) was ₹ 264.81 lacs during the year under review as compared to ₹ 41.93 lacs during last year.

During the year under review, your Company has crushed 5,980,704 QTLS of Sugarcane and produced 594,091 BAGS of Sugar in 126 crushing days, as compared to previous year crushing of 5117272 QTLS of sugarcane and production of 487572 BAGS of Sugar in 115 crushing days.

The capacity utilization of the plant during the year under review was 94.94% and the average recovery was 9.93 % as compared to capacity utilization of 79.50% and average recovery of 8.87% in the previous year.

Directors

Sh. Dharmpal Singh, Chairman, has been appointed as a whole time Director of the Company with effect from March 13, 2008.

Sh. Kunal Yadav is a young second generation entrepreneur, having wide experience of accounting, marketing and finance matters He has been appointed as a Managing Director of the Company with effect from June 16, 2010 for the period of five (5) years.

Mr. Prakash Chandra Gupta was appointed as additional Directors of the Company to act in the capacity of Independent Director. He holds office till the date of forthcoming Annual General Meeting. The Company has received a notice under Section 257 of the Act, in respect of the him, proposing his appointment as Directors of the Company. Accordingly, resolutions seeking the approval of the Members for the appointment of Mr. Prakash Chandra Gupta as Director of the Company has been incorporated in the Notice of the forthcoming Annual General Meeting.

Sh. Pawan Dewan, Sh. Prakash Chandra Gupta and Sh. Sheoraj Singh Ahlawat, Independent Directors are businessmen having wide experience of accounting and finance matters.

Sh. Jitendra Singh, Non-Executive Directors, shall retire at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Financial Year

Your Company has extended its financial year from 12 months to 18 months i.e. 30-09-2012 with approval from Registrar of Companies, Chandigarh.

Corporate Governance

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

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

Auditors

M/s. B.K.Kapoor & Co., Chartered Accountants will retire at the forthcoming Annual General Meeting. They have been Statutory Auditors of the Company for the last for 5 years As recommended by Audit and Compliance Committee, the Board has proposed the appointment of M/s B.K.Kapur & Co., Chartered Accountants as Statutory Auditors for the Financial Year 2012-13. Member are requested to consider their appointment on a remuneration to be decided by the Board or Committee thereof for the ensuing Financial Year i.e. 2012-13.

Cost Auditor

M/s. Ajay Kumar Singh & Associates, Cost Accountants, Delhi were re-appointed as the Cost Auditor for the Year 2012-13 and their report will be submitted to the Ministry of Corporate Affairs, Government of India, in accordance with the requirement of law.

Statutory Disclosures

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

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

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

(A) CONSERVATION OF ENERGY

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

1) POWER AND FUEL CONSUMPTION

	Current Year	Previous Year
1. ELECTRICITY		
a) Purchased		
Units	Nil	Nil
Amount (in Lacs)	Nil	Nil
Rate/Unit (in Lacs)	Nil	Nil

	Current Year	Previous Year
b) Own Generation		
i) Through Diesel Generator		
Units	1323000	822548
Unit per Ltr. Of Diesel Oil	3.50	3.18
Rate/Unit (in ₹)	12.09	11.34
ii) Through Steam Turbine Generation		
Units	19283363	15775984
Units per Ton of Fuel	154.00	144.89
Rate/Unit (Being Generated out of steam required for process)	Nil	Nil
Bagasse		
Quantity M.T.	125231.20	108879.00
Total Cost (₹ In Lacs)	1878.50	1905.38
(Estimated due to own generation)		
Average Rate (in ₹)	1500	1750

2. CONSUMPTION UNIT OF PRODUCTION

	(IN M.T.) Standard	Actual Current Year	Actual Previous Year
Electricity (Units)	350	346.85	340.43
Bagasse (M.T.)	3.50	2.11	2.23

(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 subsidized rates.
- Expenditure incurred on R & D.

(₹ in Lacs)

	Current Year	Previous Year
a) Capital	-	-
b) Recurring	46.54	10.70
c) Total	46.54	10.70
d) Total Expenditure as percentage of Turnover	0.17%	0.09%

4. Technology absorption, adoption and innovation:

- 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.
- Technology imported during the year - Nil

(C) FOREIGN EXCHANGE EARNING & OUTGO

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

Directors' Responsibility Statement

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

- in the preparation of the Annual Accounts, for the financial year ended September 30, 2012 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at September 30, 2012 and of the profit and loss of the Company for year under review;
- the director have taken proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and the Annual Accounts have been prepared on a going concern basis.
- the Annual Accounts have been prepared on a going concern basis.

LISTINGS

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

FIXED DEPOSITS

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

INDUSTRIAL RELATIONS & HUMAN RELATIONS DEVELOPMENT

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

ACKNOWLEDGEMENT

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

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

By Order of the Board of Director
For Indian Sucrose Limited

Place: Delhi
Date : 09-12-2012

Sd/-
Sh. Dharam Pal Singh
(Chairman)



MANAGEMENT ANALYSIS AND PERCEPTION

1. Industry Structure & Development

India's sugar industry is the world's second-largest in the world; within the country, it is the second-largest agro based industry (after cotton). The industry plays a pivotal role in rural economic development, supporting over about 50 million sugarcane farmer, dependents and agricultural labourer. Some 671 sugar mills affect nearly 7.5% of India's rural population. The industry employs about 0.5 million skilled and semi-skilled workers. After two consecutive years of decline in sugar production (FY 2008-09 and FY 2009-10), production rebounded in FY 2010-11 and is likely to increase in 2011-12. Sugarcane production in India increased from 292.30 mn tones in 2009-10 to 342.38 million tones in 2010-11 and is expected to surge to 347.87 million tones in 2011-12. India's centrifugal sugar production increased from 18.91 million tones in FY 2009-10 to 24.39 million tones in FY 2010-11 and is expected to be 26.0 million tones in FY 2011-12.

India's centrifugal sugar production increased from 18.91 million tones in FY 2009-10 to 24.39 million tones in FY 2010-11 and is expected to be 26.0 million tones in FY 2011-12.

Higher cane prices resulted in higher cane acreage in the country which increased from 4.17 million hectares in FY 2009-10 to 4.94 million hectares in FY 2010-11 to 5.03 million hectares in FY 2011-12. India is the world's biggest sugar consumer, with a population of 1.2 bn consuming one-third more sugar than the EU combined and 60% more than China. Robust growth, followed by a surge in population growth is expected to

drive India's sugar consumption. Bulk consumers (soft drink manufacturer, bakeries, confectionary, hotel and restaurant consumer) account for 60 percent of India's mill sugar demand.

Credit rating agency, ICRA has estimated that the domestic sugar industry is likely to remain in surplus with the sugar output likely to outstrip domestic consumption for the second consecutive year. During FY 2011-12, sugar output is likely to be around 25.5-26 million MT (a 6-7% growth over the previous year) which is likely to outstrip domestic consumption (expected at around 23 million MT) by 3 million MT. However, the impact of this surplus is likely to be mitigated by exports. The Government of India has already permitted exports of 3.0 million MT and this volume of exports is feasible notwithstanding the softening international prices. Thus, sugar stocks are likely to remain stable at about 6 million MT or 3 months domestic consumption.

The domestic free sugar prices have remained subdued and range bound between ₹ 27,000-₹ 30,000/MT2 for the last 18 months mainly because of domestic sugar surpluses. Given the domestic surplus and falling international price trends which are likely to restrict export volumes (beyond the 2.5 mn MT as envisaged by ICRA), any significant change in the price trends is not expected that the domestic sugar industry has seen in the last 18 months at least for the next couple of quarters. In the medium-term, the sugar price trends will continue to be determined by the following three factors. Firstly, expectations on domestic sugar production for the coming season (FY 2012-13), which will start becoming clearer by end April 2012 by which time the cane acreage for the coming season will be known. Secondly, the international crude oil prices, which will determine the raw sugar: ethanol mix in Brazil, the world's largest producer; and finally, the

Government of India's policies regarding exports of sugar and import duties.

2. Outlook

According to data released by Indian Sugar Mills Association (ISMA) 259 lakh tons of sugar has been produced till 31st July 2012 in the current sugar season. With 23 sugar mills still crushing sugarcane, it is certain that by 30th September 2012, more than 260 lakh tons of sugar would get produced. ISMA had estimated over one year back that 260 lakh tons of sugar would be produced in 2011-12.

With Government releases of 210 lakh tons and exports of 35 lakh tons during the season, the closing balance for the year will be about 15 lakh tons more than the opening balance, which was around 55 lakh tons on 1st Oct. 2011.

The closing balance as on 30th September 2012, will be not only adequate to meet the sugar demands for the festival season in October and November 2012, but enough to meet the demands upto January, 2013.

As per the first advance estimates of Ministry of Agriculture, Government of India, the area under sugarcane for 2012-13 sugar season is 52.88 lakh hectares which is around 4% higher to the cane acreage of 50.96 lakh hectares during the current season.

Accordingly, considering the rainfall and the acreage under sugarcane in various States as of now, including the above 4 important sugar producing States, ISMA's estimates of sugar production for 2012-13 sugar season is 250 lakh tons.

There will certainly be surplus sugar production in the next season too. India will need to continue to be a net exporter of sugar in 2012-13 season to ensure that mills get reasonable return on their sugar sales and timely cash flows to pay adequate cane price to farmers on time.

There is no reason to be concerned about adequacy of sugar availability now or even during the next sugar season. There could be some who put their sugar production estimates at below 250 lakh tons, but the most conservative estimate also will confirm that the country will still have surplus production over the domestic requirement.

With satellite mapping results, carried out by ISMA and NFCSF, being available and after the monsoon season gets over in another month or so, the picture would be clearer and, if required, ISMA will then carry out a review of the sugarcane and sugar production estimates for next year. However, there does not seem to be any reason whatsoever to believe that next year will not be another surplus sugar production year. The only doubt which will remain, is whether the surplus will be 10 lakh tons or 30 lakh tons or anywhere in between.

3. Risks, Threats and Opportunities:

Threat:

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



Challenges

- High production cost resulting in idle capacities and water availability for irrigation
- Most of the sugar factories are more than 30 year old and still use old technology.
- Low installed production capacity leads to a sub-optimal production and losses
- Growing sugarcane prices.

Strengths

- India is the world's second-largest producer of sugar after Brazil
- The sugar industry paid well over `600 billion to sugarcane growers in the financial year 2011-12
- Annual tax contribution to the exchequer is around `2200 crore by way of excise duty
- Provides direct employment including ancillary activities to near by around 0.5 million worker
- It supports downstream industries by providing raw materials
- This sector has been the focal point of socio-economic development in rural India

Opportunities:

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

4. Segment wise Performance:

Your Company is having only one business segment i.e. manufacture white crystal sugar.

5. Internal Control Systems and their adequacy:

Your company maintains adequate Internal Control systems designed to provide reasonable assurance that assets are safeguarded, transaction are executed in accordance with management authorization and are properly recorded and accounting records are adequate for preparation of financial statements and information. A comprehensive system of Internal Controls employed by the company ensures optimal use of the resources available at its disposal. Internal Audit and checks are on going process within the Company. The Audit Committee of the Board, headed by an independent non- executive director, is in place to review the internal controls and other financial systems. The internal control system of the Company is monitored and evaluated by independent internal auditors and their reports are periodically reviewed by the Audit Committee. The observations and comments of the Audit Committee are appraised to the Board.

The internal auditors look into various areas of the company with following broad objectives:

- * To ensure critical examination of reasons with a view to trouble shooting of the problems that may arise due to shortcomings in Systems and procedures.
- * To review Systems and procedures in purchase, capital investments and routine operations.
- * To identify shortcomings that may adversely affect the company's operations and profitability.
- * To ensure the compliance of Company policies and procedures.
- * To identify non-performing assets and suggest the procedure for its disposal.
- * Any other assignment provided by the management.

6. Human Resources and No. of employees employed:

The Company believes that its experienced and skilled manpower is the biggest strength for meeting the challenges of changing business environment. Organizations differ in their ability to harness the full potential of their employees to the creative pursuit of attaining excellence. The attract, retain and motivate the best talent, the company believes in empowering its employees. The company continues to enjoy a cordial and harmonious relationship with its employees. We believe, it is our people along who provide us with the greatest sustainable and competitive advantage. The basic HR philosophy of the company revolves around commitment to create an organization that nurtures talents and enterprise of its people. Your Company's employees fully identify with your Company's vision and business goals. Training needs are identified in a systematic manner and regular training programmes are being organized to develop the knowledge and skill levels of the employees. Since the industry is of seasonal nature, hence during season time (from November to April) skilled contractual labour is also hired. Total number of employees (including contractual labour) as on 30th September 2012 was 309.

7. Industrial Relations:

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

8. Cautionary Statement:

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



REPORT ON CORPORATE GOVERNANCE

REPORT & OVERVIEW

Company's philosophy on Code of Governance

Effective Corporate Governance is the manifestation of professional beliefs and values, which configures the organizational values, credo and action of its employees. Transparency and Accountability are the fundamental principle to sound Corporate Governance which ensures that the origination is managed and monitored in a responsible manner for 'creating and sharing value'.

Indian Sucrose Limited believes that there is a need to view corporate governance as more than just regulatory requirements as there exist a fundamental link with the organization of business, corporate responsibility and shareholder wealth maximization. Therefore, Your Company

Board of Directors

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

Sh. Dharampal Singh is the Executive Chairman of the Board. The Committees have oversight of operational issues assigned to them by them by the Board.

Thirty Six Board meetings were held during the Financial Year ended September 30, 2012 on the following dates: April 2, 2011, May 15, 2011, May 17, 2011, May 30, 2011, June 15, 2011, July 8, 2011, August 14, 2011, August 29, 2011, August 31, 2011, September 2, 2011, October 7, 2011, October 10, 2011, October 25, 2011, November 14, 2011, January 18, 2012, February 14, 2012, March 2, 2012, March 15, 2012, April 17, 2012, May 7, 2012, May 11, 2012, May 15, 2012, May 18, 2012, May 29, 2012, May 30, 2012, May 31, 2012, June 5, 2012, June 13, 2012, June 14, 2012, June 22, 2012, July 25, 2012, August 4, 2012, August 14, 2012, September 15, 2012, September 19, 2012, September 24, 2012. The name of the members of the Board, their status, their attendance at the Board Meeting and the last Annual General Meeting (AGM), number of the other Directorship and Committee membership/Chairmanship of each Director are as under:

Name of Director	Board meeting attended during the year	Attendance at the Last AGM	Number of other Directorships		Number of committee memberships in other Companies
			Of Indian public limited Companies	Of other companies	
Whole time Director					
Sh. Dharampal Singh	36	YES	4	5	-
Managing Director					
Sh. Kunal Yadav	36	YES	7	17	-
Independent Director					
Sh. Pawan Dewan	14	YES	1	1	-
Sh. Sheoraj Singh Ahlawat	14	YES	1	-	-
Sh. Prakash Chandra Gupta	14	No	-	1	-
Non-Executive Director					
Sh. Jitender Singh	36	YES	3	3	-

Audit & Compliance Committee

Terms of Reference

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

articulating a multi-stakeholder model (including shareholder value) of accountability that will manage the symbolic relationship between the various stakeholders This approach will be central to the day-to-day functioning of your Bank and in implementation of its business strategy.

Code of Ethics

The Board of directors has approved and implemented a Code of Conduct and Ethics for the Board of Directors and Senior Management. The Confirmation from the Managing Director regarding compliance with the code by all the Directors and senior management.

Prevention of Insider Trading

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

Composition

The Audit & Compliance Committee comprises of three Directors, out of which two are Independent Directors. The Committee chaired by Sh. Pawan Dewan, Independent Director. Six meetings were held during the financial Year ended September 30, 2012. The Composition and attendance details are given below:

Name of the members	No. of meetings attended
Sh. Pawan Dewan	6
Sh. Sheoraj Singh Ahlawat	6
Sh. Prakash Chandra Gupta	6
Sh. Kunal Yadav	6



Board Remuneration Committee

Terms of Reference

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

Composition

The Board Remuneration Committee comprises of three members. One meeting was held during the financial Year ended September 30, 2012. The composition of the remuneration committee is as follows:

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

Remuneration Policy

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

Remuneration of Directors

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

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

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

Independent Directors are paid sitting fees of ₹1520/- for attending each meeting of the Board of Directors and any committee of Directors. During the financial Year ended September 30, 2012 the company paid ₹63480/= to the Independent Directors.

The Shareholders/Investors Grievance/Share transfer Committee

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

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

The Company has its in House Share Transfer department, at Regd. Office of the company, G. T. Road, Mukerian. M/s MCS Ltd., New Delhi is acting as Registrar for Electronic connectivity with NSDL & CDSL for the dematerialization of its shares. The power to approve Share Transfer/ Share Transmission is given to the Committee, which meet at the end of every month. The powers to sign the share transfer duly registered, and to confirm the dematerialization requests, are given to the whole time

Directors/Company Secretary/officers of the company. During the year under review, all the complaints received have been redressed. There is no share transfer application pending for registration for more than 30 days, except those cases where notices were required to be sent to registered holders, due to their objection lodged with the Company and Bad deliveries as per SEBI Guidelines in this regard.

General Body Meetings

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

Annual General Meetings (In last three years)	Date	Venue	Time	Special Resolution Passed
2009	Sept. 30, 2009	at G.T.Road, Mukerian	11.00 A.M	No
2010	Sept. 30, 2010	Distt. Hoshiarpur,	11.00 A.M	Yes
2011	Sept. 30, 2011	Punjab.	11.00 A.M	No

Disclosures

During the Financial Year ended September 30, 2012:

There was no materially significant related party transactions with the Directors that have a potential conflict with the interests of the Company.

The related party transactions have been disclosed in the notes to accounts forming part of the annual financial statements.

There were no instances of non-compliance by Company, penalties, strictures imposed by Stock Exchange and SEBI on any matter related to capital markets, since the incorporation of the Company.

The company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed by the clause 49 of on the Listing Agreement to the extent applicable to the Company.

Means of Communication

Quarterly Results are communicated through newspaper advertisement.

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

General Shareholders Information

Day, Date, Time and Venue of the Annual General Meeting	Monday, December 31, 2012, 11:00A.M., Regd.Off. & work at Mukerian
Financial Year	April 1,2011 to September 30, 2012
Date of Book Closure	Dec. 26, 2012 to Dec. 31, 2012 (Both days inclusive)
Dividend Payment Date	N.A.
Listing on Stock Exchanges	1. Bombay Stock Exchange Limited 2. Calcutta Stock Exchange Asso. Ltd* * The Delisting Application made by the Company is pending with these Stock Exchanges. Listing fee to Mumbai have been paid till 31st March, 2012.
Stock Code	BSE: 500319



INDIAN SUCROSE LIMITED

Distribution of Shareholding as on September 30, 2012

DISTRIBUTION SCHEDULE AS ON 30.09.2012

Equity Shares

Nominal Value of Each Share/Unit ₹10/-

Numbers Of Share-Holders	% of Total	Share Holding of Nominal Value of ₹	No. of Shares	Amount in ₹	% to Total
19892	94.18	Up to 5000	3545693	35456930	22.93
735	3.48	5001 to 10000	587436	5874360	3.80
241	1.14	10001 to 20000	365240	3652400	2.36
93	0.44	20001 to 30000	233941	2339410	1.51
41	0.19	30001 to 40000	149070	1490700	0.96
33	0.16	40001 to 50000	155043	1550430	1.00
45	0.21	50001 to 100000	320013	3200130	2.07
41	0.19	100001 and above	10105371	101053710	65.36
21121	100.00	Total	15461807	154618070	100.00

Shareholding Pattern as on September 30, 2012

Sl. No.	Shareholders	No. of Shares	% age
1.	Promoters & Associate Companies	9,107,493	58.90
2.	Financial Institutions	500	---
3.	Bodies Corporate other than as said above	771,396	4.99
4.	Mutual Funds	9,433	0.06
5.	Trust	1	---
6.	NRIs	767,727	4.97
7.	Individuals (Indian Public)	4,805,257	31.08
		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: - islcare@yahoo.co.in

The above report has been placed before the Board in its meeting held on 30.11.2012 and the same was approved.

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

Place : Delhi
Date : 09-12-2012

(Sh. Dharampal Singh)
Chairman