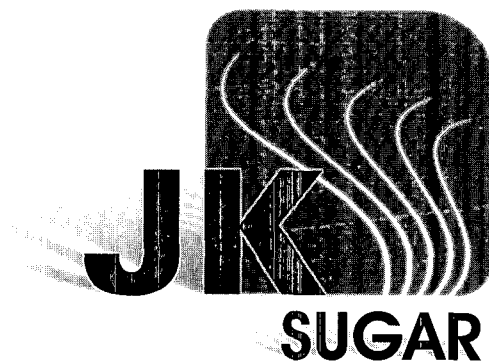


JK SUGAR LTD.



ANNUAL REPORT 2007-08

BOARD OF DIRECTORS

Bharat Hari Singhania
Chairman

P. K. Jain

Gautam Khaitan

J. R. C. Bhandari

Vikrampati Singhania

A. K. Kinra

A. K. Jain
Whole-time Director

Report Junction.com

Auditors

S. S. Kothari Mehta & Co.
Chartered Accountants

Registered Office

7, Council House Street,
Kolkata - 700 001

Bankers

Bank of India
Axis Bank
IDBI Bank
Dena Bank

Plant

Sindhuli Road,
Meerganj,
Bareilly (U.P.)

Company Secretary

Preeti Aggarwal

Administrative Office

Link House,
3, Bahadurshah Zafar Marg,
New Delhi-110 002.

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the Annual Report and Audited Accounts for the Financial Year ended 31st March, 2008.

OPERATIONS

During the year under review, your Company recorded a Sales Turnover of Rs.114.62 Crore against Rs.125.11 Crore during previous year. Profit before interest, depreciation & tax rose to Rs.9.70 Crore against Rs.3.44 Crore in the previous year and Profit before depreciation stood at Rs.2.79 Crore (previous year Rs.-3.27 Crore). Net Loss during the period under review has shown considerable improvement at Rs.1.98 Crore against a loss of Rs.5.90 Crore last year.

Owing to the extended Crushing Season 2006-07 in the backdrop of the highest ever crushing, prices of sugar remained under pressure during the first three quarters of the Financial Year 2007-08 ruling mostly at un-economical levels. However, prices started improving from the beginning of the fourth quarter. Thus prices witnessed wide fluctuations between a low of Rs.12,000 per MT to a high of Rs.15,300 per MT. During the year 2007-08, the average sales realization fell sharply to Rs.13059 per MT as against Rs.16952 during the previous year.

During the period under review, your Company has crushed 83.69 lacs quintal of cane against previous year of 68.54 lacs quintal. Due to various efforts in cane development the recovery of the Company rose from 9.68% in the previous year to 9.81% during the current financial year. In fact the recovery for the current season stood at all time high of 10.48%, achieving a new milestone in the history of the Company. The strategy to reduce distant cane purchasing centers has helped the Company in improving its operational efficiency as well as in reducing costs. Due to sustained efforts, performance of co-generated power exports to the grid using bagasse and other bio-fuels moved up from 349 lac units to 445 lac units in the current year.

CANE DEVELOPMENT

Your Company recognizes Cane Development as an area of prime focus. The Company has a full fledged Cane Development department for sustained Cane Development activities. Due to varietal improvement, your Company could achieve a record sugar recovery of 10.48% as against 9.36% last season. This year 8000 hectares of cane has been sowed with an optimum mix of early and mid-late varieties which are expected to yield better results in the ensuing season. In order to motivate farmers for cane plantation various facilities such as fertilizers, insecticides, pesticides, micronutrients etc. on subsidized rates are being provided. Cane Development teams continue to

arrange village meetings with various professionals for educating the farmers for adoption of improved crop practices to get better yield.

CONSERVATION OF ENERGY

The details as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 are annexed.

DIRECTORS

Shri Gautam Khaitan and Shri J.R.C. Bhandari retire by rotation and being eligible, offer themselves for reappointment.

AUDITORS

M/s S.S. Kothari Mehta & Co., Chartered Accountants, Auditors of the Company retires and are eligible for re-appointment. The observations of the Auditors in their report on Accounts read with the relevant notes are self-explanatory.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended regarding employees is annexed to this Report. However, as per the provisions of Section 219 (1) (b) (IV) of the Companies Act, 1956, the Report and Accounts are being sent to all shareholders of the Company excluding aforesaid information. Any shareholder interested in obtaining such particulars may write to the Secretary at the Company's New Delhi address.

CORPORATE GOVERNANCE

Your Company reaffirms its commitment to the good Corporate Governance practices. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors state that:

- i) in the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) the accounting policies selected and applied are consistent and judgments and estimates made are 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 or loss of the Company for that period;

- iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- iv) the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors wish to acknowledge, the continued support and cooperation received from valued Customers, Dealers, Suppliers, Farmers, Shareholders, Banks, Financial Institutions, and various Central and State Government Agencies.

Your Directors also acknowledge and appreciate the commitment and dedication of the employees at all levels.

On behalf of the Board

Date: 21st May 2008
New Delhi

B. H. SINGHANIA
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY

a. Steps taken by the company for conservation of energy during the season 2007-08 are as under :

1. Mixing of bio-fuels such as dry cane leaves and rice husk were used to supplement the fuel requirement of Boilers.
2. Replacement of defective capacitors with new one in powerhouse for improving power factor.
3. Replacement of four stages of blades of power turbine no.2 for reducing steam consumption.
4. The condensates of evaporator bodies were flashed in the subsequent bodies of the evaporator to recover flash heat thereby minimizing steam consumption.

b. Proposed specific areas of reduction in energy and process steam consumption.

1. Installation of appropriate system in boiling house to reduce steam consumption.
2. Installation of harmonic filters at mill D.C. drives and centrifugal D.C. drives.
3. Installation of new capacitors at powerhouse and critical load centers.
4. Installation of variable frequency drives on primary cane carrier, raw juice pumps and injection pumps in the boiling house.

c. The required data with regard to conservation of energy is furnished below:

| Sl.No. | Particulars | 2007-08 | 2006-07 |
|--------|---|--------------------------------|--------------------------------|
| 1. | Power and Fuel consumption | | |
| | Electricity | | |
| | a) Purchased | | |
| | Unit (Kwh In Lacs) | 8.04 | 6.60 |
| | Total Amount (Rs. Lacs) | 26.92 | 21.79 |
| | Rate/Unit (Rs.) | 3.35 | 3.30 |
| | b) Own Generation | | |
| | i) Through Diesel Generator | | |
| | Units (Kwh In Lacs) | 0.20 | 1.09 |
| | Unit/Ltr. of Diesel Oil (Kwh) | 2.03 | 2.41 |
| | Cost/Unit (Rs.) | 15.86 | 12.29 |
| | ii) Through Turbo Generator | | |
| | Unit (Kwh In Lacs) | 300.48 | 234.59 |
| | Unit per MT of Bagasse | Steam | Steam |
| | Cost/Unit | produced by use of own bagasse | produced by use of own bagasse |
| 2. | Consumption per unit of production | | |
| | Electricity (Kwh/Mt) - | 314 | 306 |

B. RESEARCH AND DEVELOPMENT

To increase production and area of early and improved varieties following activities are organized:

- 1 Varietal field trial of newly released varieties, i.e Co- 0238, Co-239 & Coj-85.
- 2 Mixed Cropping of sugarcane with Moong & Urad to decrease cost of cultivation and increase net income per unit area to farmers.
- 3 Trench planting through tractor drawn planter for obtaining high yield in comparison to traditional method with lesser consumption of water.
- 4 Distribution of cane seed of early & improved varieties i.e. Cos-96268, Cos-95255, Coj-85, Cos-8436, Cos-88230, Cos-98231, Cos-767, Cos-8432, Cos-97264, Cos-972675, Cos-96261, Cos-99259, Cos-96269, Cos-95422 to increase average of early & improved varieties while maintaining varietal balance.
- 5 Ratoon management of early and improved varieties through gap filling & intercultural operation to increase the production as well as area under cane.
- 6 Distribution of D.A.P and Neem Cake along with other micro-nutrients for obtaining better production and quality of sugarcane.

C. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

Presently, raw water is being mixed with high temperature condensate to maintain imbibition water at about 70°C at mills. Henceforth low temperature condensate will be cooled in jet cooling towers and will be mixed with high temperature condensate to maintain the resultant imbibition water temperature to about 70°C at mills. This will reduce the under ground water consumption by about 25T/hr. Further, scaling in evaporator sets will also reduce.

D. FOREIGN EXCHANGE EARNINGS AND OUTGOINGS:

Nil

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL SUGAR INDUSTRY SCENARIO

Since the last couple of years sugar production has remained in excess of consumption. During the season 2007-08 also, as per estimates by the International Sugar Organization (ISO) there will be a global sugar surplus of 11 million tonnes. The global sugar output for the year 2007-08 is estimated at about 170 million tonnes against the consumption demand of 159 million tonnes. World consumption is projected to grow by 2.4%, only a fraction up from the 10 year average of 2.3%. The global closing stock of sugar would be around 75 million tonnes at the end of the season 2007-08 as against 68 million tonnes last year. In other words, sugar stock will be equivalent to almost six months consumption globally.

SUGAR INDUSTRY SCENARIO IN INDIA

The Indian Sugar Industry is passing through a very critical period arising essentially out of a mismatch between sugar cane prices and sugar prices. The sugar cane price has increased by approximately 16% in the last two years, while sugar price has declined by 20% in this period. The margins in the sugar industry remain under pressure in spite of it being a global competitive producer. Raw material prices continue to be amongst the highest in the world whereas conversely finished goods are relatively cheaper owing to Government intervention to keep inflation under control. Incidentally, India continues to be the second largest producer and largest consumer of sugar in the world.

Sugar production during the season 2007-08 is expected to be around 25-26 million tonnes against the expected consumption of about 20 million tonnes. Considering the opening stock of about 10-11 million tonnes there will be stock available at the end of the Season 2007-08 to the tune of 15-16 million tonnes. To take care of the excess stock, the government has created a buffer stock of 5 million tonnes.

The Indian sugar industry is amongst the leaders in co-generation of power with a potential of 7000 MW. It currently supplies 1300 MW to the grid with an additional 500 MW under construction.

Ethanol the other by product made from molasses also holds promise as the Government has announced the policy of mixing 5% ethanol with petrol; with the likelihood of it being raised to 10% soon.

SUGAR CANE PRICE

Sugar Cane is a grossly politically influenced crop and the State Government continues to fix State Advised Price (SAP) of sugar cane in UP based on arbitrary considerations. The State Government had announced a price of Rs.125 per quintal for the season 2007-08 which is way above Rs.81.18 per quintal (at 8.5% recovery) announced by the Central Government as the Statutory Minimum Price (SMP). Looking at the unreasonable sugar cane price in relation to the finished good prices, the industry postponed crushing and simultaneously approach the High Court for intervention in the matter. While currently a number of cases/ writ petitions are pending in High Court of Uttar Pradesh, the Allahabad High Court has given an interim order to pay Rs.110/- per quintal. Cane price matters relating to earlier years are also subjudiced before the Apex Court of the country.

In the long term interest of the industry, it is imperative that the current method of arbitrarily fixing cane prices for short term gain gives way to a scientific mechanism of fixing cane price. This in turn will bring stability to the industry and protects long term interest of the farmers also.

SELLING PRICES

The rising trend in the sugar price which began in the year 2004-05 was arrested at the end of last quarter of financial year 2006-07. The sugar prices which were as high as Rs.16900 per MT fell sharply to Rs.13000 to 13500 per MT during the month of March'07 on account of excess production and availability of sugar cane. In the past few months the prices have started moving up marginally in anticipation of sugar cane shortage in the year 2008-09.

Removal of the export ban coupled with the grant of transportation assistance to sugar exports till 2009 will give the industry further impetus in the global market and help in stabilization of price. However, this may not be enough due to the continuous volatility of the Indian Rupee vis-à-vis the US Dollar. Deregulation of release mechanism of sugar will help in making sugar prices demand and supply driven.

OPPORTUNITIES

The Sugar Industry apart from improving per hectare yield and average recovery has the potential to grow by using its bi-products; namely molasses and bagasse.

Molasses is currently being used for production of alcohol and new capacities are being added for ethanol. Renewed push by the government towards blending of ethanol with fuel up to 5% has offered an opportunity for downstream value addition. Rising global oil prices as well as the possibility of extending blending up to 10% along with nod of the Government to make ethanol directly from sugar cane will have a favorable impact on the long term stability and sustainability of the sugar industry.

As mentioned earlier, power co-generation by using bagasse and other agricultural biomass has immense potential. The Sugar Industry alone can generate upto 7000 MW of power, given the right environment and favorable government policies. These projects also qualify for clean development mechanism by reducing greenhouse gases.

Besides the above opportunity this also has the advantage of insulating our country from the rising impact of oil prices and in turn reduce the dependence on imported fossil fuel.

Thus further growth of the sugar industry would be driven by integrated sugar mills as they not only enjoy higher levels of profits but also de-risk their variability in earnings as compared to their stand alone counterparts.

THREATS AND CONCERNS

The sugar industry being an agro based industry has the inherent risks of the vagaries of the monsoon and other natural calamities. Availability of its raw material which constitutes over 80% of the cost of input is cyclical in nature and experiences wide fluctuations depending upon the climatic conditions, government policies, as well as prices of other competing crops. Sugar industry is politically influenced due to its huge farmer base, hence the pricing of raw material continues to be disproportionately high. To complicate this matter, the industry has seen in the last couple of years a spate of cases and writ petitions by all stake holders with regard to the pricing of sugar cane. With these factors, the industry remains in continuous threat of uncertainty of paying higher sugar cane prices even retrospectively. As the industry continues to be highly regulated, any change in policies relating to allotment and pricing of cane and distribution has a major impact on the fortunes of the sugar industry. Any further changes in the import and export policy relating to sugar industry as well as the Rupee-Dollar

parity has a direct impact. In the prevailing policy, the Government of India has prescribed a minimum distance of 15 Kms for setting up a new unit. However, keeping the economic size of 5000 TCD in mind, a minimum distance of 25 Kms is highly desirable. Any deregulation of this minimum distance will have a negative impact on the industry.

OUTLOOK

Considering the current outlook regarding cane availability, production in the coming season is likely to be lower, not only in India but globally. Also due to increasing global oil prices, diversion of cane towards ethanol is likely to reduce global output of sugar. This will lead to reduction in overall carried forward stocks, thereby reducing the pressure on pricing. These factors are likely to help in firming up sugar prices in the coming years. Also increased diversion to ethanol offers new downstream value addition opportunities for the sugar industry.

From your Company's perspective, the performance of the season gone by has been very encouraging with an unprecedented level of recovery at 10.48%. With intensive cane development and management efforts your Company is hopeful of maintaining high recoveries even in the coming years. Various measures to improve efficiency all around and cost reduction initiatives should help the Company improve the performance further.

During recent times, the Government recognized difficulties faced by the industry and by way of a relief package announced an Interest Free Term Loan equivalent to the Excise Duty paid for the season 2006-07 and 2007-08. This measure in turn has helped in paying the outstanding cane price.

With all the above mentioned industry dynamics, the outlook of sugar industry appears positively poised.

HUMAN RESOURCES

The Company acknowledges its employees to be the most valuable assets and has concrete plans to translate this invaluable asset into business differentiator. The culture that has been deliberately nurtured in the Company enables unlocking of innovation and creative potentialities of its employees and these are reflected in enhanced productivity and efficiencies. The performance of the Company and the employees is leveraged by

operating a robust Performance Management System. Training needs are appropriately identified and are meticulously addressed, thereby having a positive impact on the performance.

FINANCIAL PERFORMANCE

The Financial Results for the year ended 31st March, 2008 are summarized below :

(Rs. in Crore.)

| Particular | 2007-08 | 2006-07 |
|--|---------|---------|
| Sales and Other Income | 114.62 | 125.11 |
| Profit before Interest, Depreciation & Tax | 9.70 | 3.44 |
| Profit before Depreciation | 2.79 | (-)3.27 |
| Profit before Tax | (-)2.13 | (-)8.14 |
| Profit after Tax | (-)1.98 | (-)5.90 |

During the year under review, your Company has achieved record cane crushing of 83.69 lac quintals against last year crushing of 68.54 lac quintals. The recovery during the year improved at 9.81% against previous year of 9.68%. The Power export rose by 27.50% to 445 lac units in 2007-08 as compared to 349 lac units in 2006-07. The overall performance shows considerable improvement owing to strong cane management activities and by effective control on operating parameters.

During the year under review, your Company recorded a turnover of Rs.114.62 crore as against Rs.125.11 crore in previous year. The financial performance of the Company has shown a marked improvement by achieving a PBIDT of Rs.9.70 crore against Rs.3.44 crore during the previous year.

INTERNAL CONTROL SYSTEM

The Company has a formal and structured Internal Control system, appropriate and adequate for its various functions capable of recognizing material risk. The system is adequate to safeguard assets of the Company from losses and unauthorized use. All the functions of the Company are reviewed periodically every year. The well defined Audit system of the Company ensures that Company achieves its performance and profitability targets, complies with all the applicable laws and regulations, checks the effectiveness, efficiency of operations and reliability of Financial Reporting.

Findings and observation of Internal Audit is placed before the Audit Committee consisting of

Independent Directors, before submission to the Board for approval. Audit Committee meets every quarter to review the Audit Report and action taken on the findings of Internal Audit Report discussed in the previous meeting.

The Company has also a very robust budgetary control system encompassing both annual and monthly budget, wherein the actual figures are compared with budgeted figures and detailed analysis of variance are carried out on monthly basis, to find out the reasons of deviation. Suitable measures are taken to ensure that incidence of deviation is minimized or altogether avoided.

CAUTIONARY STATEMENT

"Management's Discussion and Analysis Report" contains forward looking statements, which may be identified by the use of words in that direction, or connoting the same. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward looking statements. The Company's actual results, performance or achievement could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any onward looking statements, on the basis of any subsequent development, information or events.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is an integral part of values, ethics and the best business practices followed by the Company. The Company reaffirms its commitment to the good Corporate Governance practices. The core values of the Company are:

- Commitment to excellence and customer satisfaction
- Maximising long term shareholders' value
- Socially valued enterprise and

- Caring for people and environment.

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long term shareholders' value and commitment to high standard of business ethics. The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its management cadre.

2. BOARD OF DIRECTORS:

The Board of Directors presently consists of seven Directors, out of which one is Executive Director, six Non-Executive Directors (NED) three of whom are Independent Directors (IND). The Chairman is Non-Executive. Four Board Meetings were held during the financial year 1st April 2007 to 31st March 2008, on 31st May 2007, 19th July 2007, 31st October 2007 & 30th January 2008. Attendance and other details are given below:

| Director | Category | Number of Board Meetings Attended | Whether last AGM attended | No. of other Directorships and Committee Memberships/ Chairmanships | | |
|--|-----------|-----------------------------------|---------------------------|---|------------------------|--------------------------|
| | | | | Other Directorships\$ | Committee Memberships* | Committee Chairmanships* |
| Shri Bharat Hari Singhania, Chairman | NED | 4 | Yes | 3 | 1 | - |
| Shri Vikrampati Singhania | NED | 4 | Yes | 2 | 2 | - |
| Shri A.K. Kinra | NED | 4 | No | 8 | 3 | - |
| Shri Gautam Khaitan | IND | - | Yes | 7 | 5 | - |
| Shri P.K. Jain | IND | 4 | Yes | 5 | 1 | 2 |
| Shri J.R.C. Bhandari | IND | 4 | No | 4 | 2 | 3 |
| Shri A.K. Jain, Whole-time Director# | Executive | 3 | Yes | - | - | - |
| Shri R.C. Singhal, Whole-time Director** | Executive | 1 | N.A. | - | - | - |

\$ As per Section 275 read with Section 278 of the Companies Act, 1956

* Only covers Memberships/Chairmanships of Audit Committee and Shareholders/Investors Grievance Committee

Appointed as a Whole-time Director for a period of 3 years w.e.f 1st June 2007.

** Resigned with effect from 31st May 2007.

The Board periodically reviews Compliance Reports of all laws applicable to the Company and has put in place procedure to review steps to be taken by the Company to rectify instances of non-compliances, if any. Pursuant to the provisions of Clause 49 of the Listing Agreement, the Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code.

This Report contains a declaration to this effect signed by the Whole Time Director.

3. AUDIT COMMITTEE:

The Company has an Audit Committee of Directors which consists of four Directors, three of whom are Non-Executive Independent Directors namely Shri P.K. Jain (Chairman of the Committee), Shri Gautam Khaitan & Shri J.R.C. Bhandari and Shri A.K. Kinra, Non-Executive Director. All the four members of the Audit Committee are financially literate and three of them possess accounting expertise.

The 'Terms of Reference' of the Audit Committee are in conformity with the provisions of Section 292A of the Companies Act, 1956 and also Clause 49 of the Listing Agreement with Stock Exchanges.

Four meetings of the said Committee were held during the year 2007-08:

| Date of Meeting | No. of Members attended |
|-------------------------------|-------------------------|
| 31 st May 2007 | 3 |
| 19 th July 2007 | 3 |
| 31 st October 2007 | 3 |
| 30 th January 2008 | 3 |

The Company Secretary acts as the Secretary of the Committee. The Statutory Auditors attended 3 meetings.

4. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

The Company has Shareholders / Investors Grievance Committee at the Board level, which consists of three Directors namely Shri Vikrampati Singhania (Chairman of the Committee) and Shri A.K. Kinra, both being Non-Executive Directors and Shri Gautam Khaitan, Non-Executive Independent Director. The composition of the Committee is in conformity with Clause 49 (IV) (G) (iii) of the Listing Agreement.

Four Meetings of the said Committee were held during the year 2007-2008:

| Date of Meeting | No. of Members attended |
|-------------------------------|-------------------------|
| 31 st May 2007 | 2 |
| 19 th July 2007 | 2 |
| 31 st October 2007 | 2 |
| 30 th January 2008 | 2 |

The Company has not received any complaint from shareholders, during the year under review. As on date, no complaints are pending. The Board has delegated the power of share transfer to a Committee of Directors and the share transfer formalities are attended to as required. All valid requests for transfer of shares in physical form were processed in time and there were no pending transfer of shares. Secretary of the Company acts as the Compliance Officer.

5. REMUNERATION COMMITTEE (Non-mandatory):

A Remuneration Committee of Directors comprising of Shri J.R.C Bhandari (Chairman of the Committee), Shri P.K. Jain and Shri Gautam Khaitan all being Non-Executive Independent Directors and Shri A.K.Kinra , Non-Executive Director, was constituted on 31st May 2007 to determine and approve the remuneration of Shri A.K.Jain, Whole-time Director of the Company for a three years term commencing from 1st June 2007 pursuant to the provisions of Schedule XIII of the Companies Act 1956.

5.1. REMUNERATION PAID TO DIRECTORS:

- i) Whole-time Director : The aggregate value of salary, perquisites and contribution to Provident Fund and Superannuation Funds for the period 1st April, 2007 to 31st May, 2007 to Shri R.C.Singhal, Whole-time Director of the Company who resigned from the Directorship of the Company w.e.f. 31st May 2007 is Rs. 4.70 lacs and the aggregate value of salary,

perquisites and contribution to Provident Fund and Superannuation Funds for the financial year ended 31st March, 2008 to Shri A.K. Jain, Whole-time Director of the Company who has been appointed as a Whole-time Director w.e.f. 1st June 2007 for a period of 3 (three) years is Rs.27.65 lacs. No Commission was paid during the year.

The Company does not have any Stock Option Scheme. In the case of Whole-time Director notice period is three months.

- ii) Non-Executive Directors: The Company has paid sitting fees aggregating to Rs.1.33 lacs to all the Non-Executive Directors for attending the meetings of the Board and its Committees thereof.

No other payments were made to Non-Executive Directors and such Directors did not have any other pecuniary relationship or transactions vis-à-vis the Company during the year except as stated above.

The number of Equity Shares held by Non – Executive Directors are given below:

Shri Bharat Hari Singhania – 28,183 Equity Shares*, Shri Vikrampati Singhania – 10,298 Equity Shares#, Shri A.K. Kinra – 45 Equity Shares, Shri Gautam Khaitan - Nil, Shri P.K. Jain – Nil and Shri J.R.C. Bhandari – Nil. The Company does not have any outstanding convertible instruments.

* includes 8,550 shares held as Karta of HUF.

includes 8,437 shares held as Karta of HUF.

6. GENERAL BODY MEETINGS:

Location and time for the last three Annual General Meetings (AGM) of the Company were :

| Year | Location | Date | Time |
|-----------|---|------------|----------|
| 2004-2005 | Shripati Singhania Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road), Kolkata - 700 020 | 15.09.2005 | 11.30 AM |
| 2005-2006 | Shripati Singhania Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road), Kolkata - 700 020 | 06.09.2006 | 11.30 AM |
| 2006-2007 | Shripati Singhania Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road), Kolkata - 700020 | 31.08.2007 | 11:30 AM |