



17th Annual Report 2007-08



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	
i) Contribution to Provident Fund and Superannuation fund as per the rules of the Company.	
ii) Gratuity payable shall not exceed half a month's salary for each completed year of services as per the rules of the Company.	
iii) 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:	
i) Sh. Deepak Yadav shall be entitled to reimbursement of actual out of pocket expenses incurred in connection with the business of the Company.	
ii) He shall not be entitled to any sitting fees payable to directors for attending the meetings of Board and committee thereof.	
iii) The agreement may be terminated by either party by giving three month's notice.	
iv) 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



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

- (a) The Company has installed most modern equipments in the plant and is able to save and minimize energy consumption.
(b) 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:
- 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 Rs. Nil (previous year Rs. Nil)
- 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	1	1	--
Sh. Pawan Dewan	Independent	1	--	--
Sh. Sheoraj Singh Ahlawat	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. Sundeep 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. Sundeep 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. Sundeep 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, ensuring 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:

- To determine Remuneration Policy of the Company.
- To recommend to the Board the remuneration payable to the Managing Director/ Whole Time Directors and other Directors.
- To recommend to the Board the remuneration payable to directors for discharging the professional or other services otherwise than in the capacity of director.
- 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 normally Published in Chardhikala (English), Economic Times, 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	65.98
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.	NRIs	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

Place : Delhi

D. P. Singh

Date : 31st August, 2008

(Chairman)



AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To
The Members,
Indian Sucrose Limited,

We have read the Report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by Indian Sucrose Limited for the year ended 31st March, 2008 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

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

No Investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Company.

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

For B.K.KAPUR & COMPANY
CHARTERED ACCOUNTANTS

Place : Delhi
Date : 31st July, 2008

(M.S.KAPUR)
Partner
M. No. 74615

AUDITORS' REPORT

TO THE SHAREHOLDERS OF INDIAN SUCROSE LIMITED

1. We have audited the attached Balance Sheet of INDIAN SUCROSE LIMITED as at 31st March, 2008 the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ("The Order") issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 ("The Act"). We enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.

4. Further to our comments in Annexure referred to above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of such books;
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of account;
- d) In our opinion, Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with Accounting standards referred to in Section 211(3C) of the Companies Act, 1956.
- e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2008 from being appointed as Directors in terms of clause (g) of Sub Section (1) of Section of 274 of the Companies Act, 1956.
- f) Non-provision of disputed Purchase Tax liability on purchase of Sugar Cane aggregating to Rs. 119.63 Lakhs for the financial year 1999-2000 to 2003-04 pending at appellate levels and Rs. 650.46 Lakhs estimated for financial years ended 31.03.05 to 31.03.08 as per Note No: 6 (iv) of schedule 19 for Notes to the Accounts.
- g) Non-provision of disputed liabilities created by the Sales Tax Department & State Electricity Board aggregating to Rs. 56.12 Lakhs as per Notes No. 6 (ii) & (iii) of Schedule 19 for Notes to the accounts.
- h) Subject to our comments in paragraph 4 (f) & (g) which if had been considered the profit for the year would have been Rs. 939.093 Lakhs as against the reported profit of Rs. 112.88 Lakhs and the balance in Reserves & Surplus Rs. 873.06 Lakhs as against the reported figure of Rs. 1699.27 Lakhs similarly, the current liabilities would have been Rs. 6160.73 Lakhs as against the reported figure of Rs. 5334.72 Lakhs, and note no 14 of schedule 19 of notes to the accounts regarding Micro, small, & Medium Enterprises, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and other notes thereon and at attached thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of Balance Sheet, of the State of affairs of the Company as at 31st March, 2008.
 - ii) in the case of Profit & Loss Account, of the Profit of the Company for the year ended on that date; and
 - iii) in the case of Cash Flow Statement, for the cash flows for the year ended on that date.

Place : Ghaziabad
Dated : 30th June, 2008

For B.K. Kapur & Co.
Chartered Accountants,
(M.S. Kapur) F.C.A.

Partner

M. No. 74615

INDIAN SUCROSE LIMITED

ANNEXURE TO THE AUDITORS' REPORT

1. (a) The Company is generally maintaining records showing particulars including quantitative details and situation of fixed assets, however, their final competition is under process.
- (b) The fixed assets of the Company have been physically verified during the year by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
- (c) As per records and information and explanation given to us company has not disposed off during the year substantial part of its fixed assets.
2. (a) The physical verification of inventory has been conducted by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination, in our opinion, the Company has maintained proper records of inventory & discrepancies noticed on such physical verification on inventory as compared to the books records were not material.
3. (a) According to information made available to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act, accordingly clause 4(iii) (b) to (d) of the Order are not applicable to the company.
- (b) According to information made available to us, the company has taken unsecured loans from the Managing Director and their relative as covered in the register maintained under section 301 of the Act. Total outstanding for such loans at the year end was at the amount of Rs. 48.50 (Previous year Rs. 44.51 Lakhs) and maximum outstanding during the year amounted to Rs. 48.50 Lakhs (previous year Rs. 62.30 Lakhs). Further, the company has not taken any secured loan from the aforesaid referred parties.
- (c) The rate of interest and other terms and condition of the unsecured Loans taken by the company are prime facie not prejudicial to the interest of the company.
- (d) As informed to us, presently, there is no stipulation as regards to repayment of Principal amount. However, payment of interest is regular.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business, for purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanation given to us, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. (a) Based on our examination and according to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
6. On the basis of information and explanations given to us, the company has not accepted any public deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions the Act, and rules framed thereunder.
7. The company has an internal audit system, which needs to be more strengthened to make it commensurate with the size and nature of the Company's business.

8. We have broadly reviewed the books of account maintained by the company pursuant to the order made by the Central Government for the maintenance of the cost records under section 209(1) (d) of the Act and are of the opinion that, prima facie, the prescribed account and records have been maintained and are being made up, we however as not required have not made a detailed examination of such records with a view to determine whether these are accurate or complete.
9. (a) According to the information and explanations given to us the company is regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it, **except few cases of delay in deposit of Tax Deducted at Source**. As explained to us, the provisions of Employees State Insurance are not applicable to the company, No amount was due to be deposited under investor Education and Protection Fund. Further there was no arrears of undisputed statutory dues outstanding as at 31st March, 2008 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the disputed statutory dues of Sales Tax, & Purchase Tax aggregating to have not been deposited are given below:-

Name of Statute	Nature of Due	Financial year to which it pertains	Amount (Rs. in Lakhs)	Forum where dispute is pending.
Sales Tax Laws	Sales Tax	1997-98 & 2000-01	11.60	Deputy Excise & Taxation Commissioner (Appeal)
Sales Tax Laws	Purchase Tax	1999-2000	16.04	Sales Tax Tribunal, Punjab & Haryana High Court.
		2000-01 & 2001-02	52.78	
		2002-03 & 2003-04	50.21	Deputy Excise Taxation Commissioner (Appeals)
Central Sales Tax	CST	2003-04	1.23	Deputy Excise Taxation Commissioner (Appeal)
			132.46	

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

10. The company does not have accumulated losses. The company has not incurred any cash losses during the current financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of its dues to Bank The particulars of deals which relates to interest/installments during the year ended on 31.03.08.

Particulars	Amount (including interest)	Days
Bank	338.08	1 to 30
	197.52	31 to 60
	47.06	61 to 75
	21.85	76 to 228
Total	604.50	

It includes amount paid during the year.

The overdue amount outstanding as on 31st March, 2008 towards Sugar Development Fund is Rs. 199.76 lakhs. There are no dues of debenture holders.



12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a Nidhi / mutual benefit fund / society, therefore provisions of clause 4(xiii) of the order are not applicable to the company.
14. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, provisions of clause 4(xiv) of the order are not applicable to the company.
15. According to the information and explanation given to us, the company has not given guarantees for loans taken by others from Banks or Financial Institutions.
16. In our opinion and on the basis of information and explanation given to us, term loans were applied for the purposes for which the loans were raised other than amounts temporarily invested in bank deposits pending utilization of the funds for the stated use.
17. On the basis of information and explanations given to us, and on an overall examination of the financial statements and cash flow statement of the company, we report that no funds raised on short term basis have been ultimately used for long-term investment.
18. The company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, prices at which shares have been issued is not prejudicial to the interest of the Company.
19. The company has not issued any debenture, therefore, no comments is required under para 4(xix) of CARO, 2003.
20. The company has not raised any money through public issues during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For B.K. Kapur & Co.
Chartered Accountants,

Place : Ghaziabad
Dated : 30th June, 2008

(M.S. Kapur) F.C.A.
Partner
M. No. 74615

INDIAN SUCROSE LIMITED

INDIAN SUCROSE LIMITED BALANCE SHEET AS AT 31ST MARCH, 2008

	SCHEDULE No.	As at 31.3.2008 Rupees	As at 31.3.2007 Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	154,183,320	154,183,320
Reserves and Surplus	2	169,926,907	181,215,568
		324,110,227	335,398,888
Loan Funds			
Secured Loans	3	650,423,666	632,683,717
Unsecured Loans	4	4,849,564	4,451,773
		655,273,230	637,135,490
Deferred Tax Liability (Net)	5	110,764,899	99,308,274
TOTAL		1,090,148,356	1,071,842,652
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	944,045,743	934,393,291
Less :- Depreciation		388,608,306	341,920,735
Net Block		555,437,437	592,472,556
Capital Work in Progress		-	2,065,810
		555,437,437	594,538,366
Investments	7	11,722,532	11,722,532
Current Assets, Loans & Advances			
Inventories	8	614,339,994	609,255,537
Sundry Debtors	9	71,302,062	75,970,332
Cash and Bank Balances	10	7,676,859	81,446,203
Loans and Advances	11	374,114,670	80,253,931
		1,067,433,585	846,926,003
Less: Current Liabilities & Provisions	12		
Current Liabilities		533,472,337	369,842,318
Provisions		10,972,861	11,501,931
		544,445,198	381,344,249
Net Current Assets		522,988,387	465,581,754
Total		1,090,148,356	1,071,842,652

Significant Accounting Policies & Notes forming
part of Balance Sheet
The Schedules 1 to 19 form an integral
part of Balance Sheet

19

As per our report of even date attached.
for **B. K. KAPUR & COMPANY**
Chartered Accountants

D. P. SINGH
(Chairman)

DEEPAK YADAV
(Managing Director)

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

LALAN KUMAR SINGH
(Company Secretary)

GAURAV AGARWAL
(Manager Accounts)

Place : New Delhi
Date : 30th June, 2008



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	SCHEDULE No.	Year Ended 31.3.2008 Rupees	Year Ended 31.3.2007 Rupees
INCOME			
Sales		1,158,883,345	1,071,720,837
Less : Excise Duty		82,830,018	70,768,003
Net Sales		1,076,053,327	1,000,952,834
Other Income	13	421,737	1,092,811
(Decrease)/Increase in Stocks	14	254,142	175,402,918
Total		1,076,729,206	1,177,448,563
EXPENDITURE			
Material and Manufacturing Expenses	15	912,810,597	954,770,777
Salaries, Wages and Benefits	16	42,833,659	42,588,215
Administration and Other Expenses	17	13,073,212	14,624,201
Interest and Financial Charges	18	60,064,916	36,885,918
Total		1,028,782,384	1,048,869,111
Profit before Depreciation		47,946,822	128,579,452
Depreciation		47,152,279	43,396,530
Profit Before Tax		794,543	85,182,922
Provision for Taxation			
Current Tax		366,000	-
Less:-MAT Credit Entitlement		<u>341,000</u>	25,000
Deferred Tax (debit)		11,456,625	42,201,725
Income Tax for earlier year		133,310	377,733
Fringe Benefit Tax		468,133	454,944
Profit/(Loss) after Tax		(11,288,525)	42,148,520
Balance brought forward from Previous Year		113,279,432	71,131,048
Add:- MET Credit recoverable for earlier year		-	-
Surplus transferred to Balance Sheet		101,990,907	113,279,568
Earning per Share (Note No. 20)			
Nominal Value Rs. 10/-, (Previous year Rs.10/-)			
Basic			
Diluted		-	2.74

Significant Accounting Policies & Notes forming part of Balance Sheet
The Schedules 1 to 19 form an integral part of Balance Sheet

19

As per our report of even date attached.
for **B. K. KAPUR & COMPANY**
Chartered Accountants

D. P. SINGH
(Chairman)

DEEPAK YADAV
(Managing Director)

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

LALAN KUMAR SINGH
(Company Secretary)

GAURAV AGARWAL
(Manager Accounts)

Place : New Delhi
Date : 30th June, 2008

INDIAN SUCROSE LIMITED

SCHEDULES TO ACCOUNTS

	As at 31.3.2008 Rupees	As at 31.3.2007 Rupees
SCHEDULE 1 : SHARE CAPITAL		
Authorised :		
18000000 Equity Shares of Rs.10/- each)		
(Previous Year 18000000 Equity Shares of Rs.10/- each)	180,000,000	180,000,000
70000000 Preference Shares of Rs.10/- each)	70,000,000	70,000,000
(Previous Year 70000000 Preference Shares of Rs.10/- each)		
	250,000,000	250,000,000
Issued, Subscribed & Paid-up		
15461807 Equity Shares of Rs.10/- each fully paid up		
(Previous Year 15461807 Equity Shares of Rs.10/- each fully paid up)	154,618,070	154,618,070
Less : Calls unpaid	434,750	434,750
Total	154,183,320	154,183,320

SCHEDULE 2 : RESERVES AND SURPLUS		
Capital Reserves		
Share Premium Account		
As per Last Balance Sheet	66,436,000	66,436,000
Capital subsidy		
As per Last Balance Sheet	1,500,000	1,500,000
	67,936,000	67,936,000
Profit & Loss Account		
Surplus as per accounts annexed	101,990,907	113,279,568
Total	169,926,907	181,215,568

SCHEDULE 3 : SECURED LOANS		
A) Term Loans		
- Punjab National Bank	294,798,205	211,439,961
- Govt. of India, Sugar Development Fund (SDF)	10,881,000	10,881,000
- Interest Accrued and Due	12,135,851	10,932,527
	317,815,056	233,253,488
B) Cash Credit		
- Punjab National Bank	328,486,360	393,876,643
	328,486,360	393,876,643
C) Vehicle Loans		
-Scheduled banks	4,077,775	5,514,696
- Interest Accrued and Due	44,475	38,890
	4,122,250	5,553,586
Total	650,423,666	632,683,717

NOTES :-

- 1) Term loans are secured against all the plant and machineries of the company.
- 2) Cash credit limit is secured by way of pledge of sugar stocks and hypothecation of stocks of stores, Packing material and of Mollasses.
- 3) The company has obtained Sugar Development Loan from Government of India under rule 17(4) of the Sugar Development Fund Rule 1983 for the development of sugarcane which is secured by Bank Guranatee for the principal amount.
- 4) The cash credit limit, term loan and Bank Guranatee limit taken from Punjab National Bank are further secured by first charge on company's immovable properties situated at Mukerian tehsil Dasua Distt Hoshiyarpur Punjab.
- 5) Term Loans and cash credit loan are also secured by way of personal guarnatees of three directors of the company
- 6) The Vehical loan from banks are secured against vehicles financed by them.
- 7) The amount of term loan repayable with in year is Rs. 516.67 lacks (Previous year Rs. 516.67 Lacks)



	As at 31.3.2008 Rupees	As at 31.3.2007 Rupees
SCHEDULE 4 : UNSECURED LOANS		
From Director and their relative	4,849,564	4,451,773
Total	4,849,564	4,451,773

	As at 31.3.2007	During the year	As at 31.3.2008
SCHEDULE 5 : DEFERRED TAX LIABILITY (Net)			
DEFERRED TAX LIABILITY			
Difference between Book & Tax Depreciation	104,195,883	12,691,786	116,887,669
	104,195,883	12,691,786	116,887,669
DEFERRED TAX ASSETS			
Expenses Allowed U/s 43-B on paid basis	4,502,091	574,554	5,076,645
Unabsorbed Depreciation	385,518	660,607	1,046,125
Income Tax paid on Book Profit u/s 115JB	-	-	-
	4,887,609	1,235,161	6,122,770
NET DEFERRED TAX LIABILITY	99,308,274	11,456,625	110,764,899

SCHEDULE 6 : FIXED ASSETS

Nature of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 31.03.2007	Additions during the Year	Sold/Adj during the Year	As on 31.03.2008	Up to 31.03.2007	For the Year	On Sale/ Adjustment	Up to 31.03.2008	As on 31.03.2008	As on 31.03.2007
Freehold Land	12,410,421			12,410,421	-				12,410,421	12,410,421
Trade Mark	20,500	8,000		28,500					28,500	
Building	90,531,938	1,255,086		91,787,024	25,719,951	2,190,553		27,910,504	63,876,520	64,811,987
Plant and Machinery	803,887,178	6,924,215		810,821,393	303,889,944	42,260,175		346,150,119	464,671,273	500,007,234
Furniture and Fixtures	3,133,713	11,365		3,145,078	2,679,182	165,641		2,844,823	300,255	454,531
Office Equipments	8,319,515	2,744,767		11,064,301	3,221,451	1,002,295		4,223,746	6,840,555	5,098,054
Vehicles & Tractors	16,080,026		1,291,000	14,789,026	6,410,206	1,533,615	464,707	7,479,114	7,309,912	9,669,820
Total (Rupees)	934,393,291	10,943,452	1,291,000	944,045,743	341,920,734	47,152,279	464,707	388,608,306		
Previous Year (Rupees)	807,789,062	128,704,629	2,100,400	934,393,291	299,198,953	43,396,530	674,748	341,920,735		

Capital Work in Progress
(including Capital Advances)

	2,065,810
Total (Rupees)	555,437,438
Previous Year (Rupees)	594,538,366
	508,837,966

	As at 31.3.2008 Rupees	As at 31.3.2007 Rupees
SCHEDULE 7 : INVESTMENTS (Long Term)		
Other than Trade - Unquoted (At Cost)		
Investment in Equity Shares of Subsidiary Company (5861266 Equity Shares of 10/- each fully paid up of Ranger Breweries Limited)	11,722,532	11,722,532
Total	11,722,532	11,722,532

INDIAN SUCROSE LIMITED

	As at 31.3.2008 Rupees	As at 31.3.2007 Rupees
SCHEDULE 8 : INVENTORIES		
(As taken, valued and certified by the Management)		
Stores, Spare Parts and Packing Materials	43,656,376	38,325,587
Raw Material	9,660	114,978
Finished Goods	489,785,098	517,894,122
By-Products	63,780,944	42,549,684
Goods in Process	17,107,916	10,371,166
Total	614,339,994	609,255,537
SCHEDULE 9 : SUNDRY DEBTORS		
(Unsecured - Considered good)		
Debts over six months	5,266,352	5,284,528
Others	66,035,710	70,685,804
Total	71,302,062	75,970,332
SCHEDULE 10 : CASH AND BANK BALANCES		
Cash & Cheques in Hand	4,349,034	73,978,406
Balance with Scheduled Banks :		
In Current Accounts	1,391,658	5,675,340
In Fixed Deposit Account Pledged as Margin Money	1,633,000	1,633,000
Interest Accrued thereon	303,167	159,457
Total	7,676,859	81,446,203
SCHEDULE 11 : LOANS AND ADVANCES		
(Unsecured - Considered good)		
Advances Recoverable in cash or in kind or for value to be received	3,396,020	5,892,744
New Project Expenses	4,850,000	6,050,000
Balance with Excise Department	4,169,936	4,779,289
Cenvat Receivable	-	8,096,907
Security Deposits	3,584,733	3,584,733
Loan to Farmers	320,622,732	24,389,597
Advance Income tax	-	-
Prepaid Expenses	2,433,497	1,411,419
Claim recoverable	1,441,892	1,274,382
MAT Credit Entitlement	25,115,860	24,774,860
Share Application Money	8,500,000	-
Total	374,114,670	80,253,931
SCHEDULE 12 : CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors (Including for Projects)-Micro, Small and Medium Enterprises @ Others Creditors	13,220,529	37,265,674
Other Liabilities	400,607,881	301,999,347
Advance from Customers	3,200,000	5,750,000
Security Deposits received	135,000	135,000
Cane Price Payable	116,308,927	24,692,297
	533,472,337	369,842,318
Provisions		
Provision for Gratuity	10,692,341	9,257,095
Provision for FBT (Net of Advance Payments)	(26,047)	2,244,836
Provision for Taxation (Net of Advance Payments)	306,567	-
	10,972,861	11,501,931
Total	544,445,198	381,344,249

@ Refer note no 14 of schedule 19 notes to the Accounts



	As at 31.3.2008	As at 31.3.2007
	Rupees	Rupees
SCHEDULE 13 : OTHER INCOME		
Interest Earned (TDS Rs.nil-(Previous year Rs.4285/-)	203,143	85,366
Miscellaneous Income	218,594	767,565
Profit on sale of assets	-	239,880
Total	421,737	1,092,811

SCHEDULE 14 : INCREASE/(DECREASE) IN STOCKS		
Opening Stocks		
Finished Goods	517,894,122	343,016,724
By-products	42,549,684	42,531,913
Goods in Process	10,371,165	-
	570,814,971	385,548,637
Closing Stocks		
Finished Goods	489,785,098	517,894,122
By-products	63,780,944	42,549,684
Goods in Process	17,107,916	10,371,166
	570,673,958	570,814,972
Excise Duty etc. on Increase/Decrease of Stock	395,155	(9,863,417)
(Decrease)/Increase in Stocks	254,142	175,402,918

SCHEDULE 15 : MATERIAL AND MANUFACTURING EXPENSES		
Raw Material Consumed		
Opening Stocks	114,978	-
Purchases	818,639,527	855,692,967
	818,754,505	855,692,967
Less : Closing Stocks	9,660	114,978
	818,744,845	855,577,989
Manufacturing Expenses		
Consumption of Stores, Spares & oils & chemicals etc.	48,830,031	49,491,177
Packing Material	24,245,172	26,616,359
Manufacturing Expenses	4,297,382	4,203,600
Power and Fuel	8,713,120	10,459,559
Repairs to:		
Plant and Machinery	5,493,465	5,286,218
Building	2,275,003	2,925,907
Others	211,579	209,968
Total	912,810,597	954,770,777

SCHEDULE 16 : SALARIES, WAGES & BENEFITS		
Salary & Wages	39,269,552	38,965,169
Contribution to Provident and other funds	3,023,882	2,979,733
Staff & Workers Welfare	540,225	643,313
Total	42,833,659	42,588,215

SCHEDULE 17 : ADMINISTRATION AND OTHER EXPENSES		
Rent	929,736	1,023,909
Rates and Taxes	274,641	273,265
Printing and Stationery	662,858	670,344
Postage, Telegram and Telephones	983,718	1,425,617
Advertisement and Publicity	53,555	220,032
Travelling and Conveyance :		
Directors	296,712	
Others	<u>1,409,654</u>	1,548,484
Fees and Subscription	47,600	30,415
Legal and Professional Charges	281,050	593,248

INDIAN SUCROSE LIMITED

	As at 31.3.2008 Rupees	As at 31.3.2007 Rupees
Auditors' Remuneration	122,284	105,201
Vehicle Running and Maintenance	1,766,769	1,851,500
Insurance	783,161	857,708
Commission on Sales	3,174,200	2,357,750
Freight	106,569	212,638
Cane Development Expenses	1,113,729	2,345,420
Business Promotion	66,544	111,835
Loss on sale/damage of Fixed Assets	126,293	215,532
Prior Period Items	270,386	50,000
Sales Tax & Excise Duty	1,968	55,241
Other Stores	77,397	-
Miscellaneous Expenses	524,388	676,062
Total	13,073,212	14,624,201

SCHEDULE 18 : INTEREST AND FINANCIAL CHARGES

Interest on Term Loans	22,683,034	15,499,325
Others (including bank charges)	37,381,882	21,386,593
Total	60,064,916	36,885,918

SCHEDULE-19 SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS ENDING 31ST MARCH, 2008

A. Significant Accounting Policies :

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

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

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

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

iii) **Inventories** : Raw Material, Stores and spares are valued at cost on the basis of FIFO method.

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

Cost of Finished Goods is determined at raw material cost plus conversion cost with excise duty.

By Product and residuals are valued at net realizable value.

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

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

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

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

viii) **Sales** : Sales include Excise duty but exclude Sales/Trade Tax.

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

x) **Retirement Benefits** : Contribution is made under relevant rules/ statutes to the Provident Fund and which are charged to Profit and Loss Account for the year on accrual basis. Liability for gratuity as on 31st March, 2008 has been determined on the basis of actuarial valuation and provided for in the accounts.

Leave encashment liability is provided on accrual basis.

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

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

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

B. Notes To the Accounts :

1. The figures have been rounded off to the nearest rupee.



2. The previous year's figures have been regrouped and re-classified, where ever necessary, to make them comparable.
3. All the current assets, loans and advances in the opinion of the Board, have a value on realization, which in the ordinary course of business shall at least be equal to the amount at which it is stated in the Balance Sheet.
4. Balances of certain sundry debtors, creditors and advances are subject to confirmation/reconciliation. The management does not expect any material discrepancy affecting the current year financial results.

5. Auditors' Remuneration

S. No	Particulars	Current year Rupees (in '000)	Previous year Rupees (in '000)
i)	As Statutory Auditor	70	70
ii)	As Tax Auditors	25	25
iii)	Reimbursement of Expenses	27	10
	Total	122	105

6. Contingent Liability in respect of:

- i) Estimated amount of contracts remaining to be executed on capital account not provided for (Net of Advances) Rs Nil (previous year Rs 19.32 lakhs)
- ii) The Punjab State electricity board has created various demands in financial years ended on 31.03.1998 & 31.3.1999 aggregating to Rs 18.29 Lakhs (previous year Rs 18.29 Lakhs) against which company has paid Rs 8.09 Lakhs under protest in earlier year, this amount of Rs 8.09 Lakhs has already been written off in the earlier year and balance amount Rs.10.20 Lakhs, in the opinion of the company is not payable.
- iii) Sales tax demand of Rs 45.92 lakhs (previous year Rs 15.47 lakhs) no provision is made against such liability as management has been advised that full relief may be given at the appellate level.
- iv) A liability of Rs 119.63 lakhs was raised by the Sales Tax Department towards purchase tax for the years 1999-2000 to 2003-2004. Similarly on the same basis, there may arise purchase tax liability of Rs 41.48 Lakhs for the years 2004-2005. As regards the financial year 2005-06 onwards, with the introduction of VAT and favourable decisions in like cases by the hon'ble courts, company do not foresee any such liability. However, if such liability still arises it will be to the tune of Rs. 180.48 lakhs for the financial year 2005-06 & Rs. 211.05 lakhs for the financial year 2006-07 & Rs. 217.45 lakhs for the financial year 2007-08.
- v) Bank guarantee against principal amount of Sugarcane Development Fund Rs. 108.81 lakhs
7. Amount of borrowing costs capitalized to fixed assets during the year Rs Nil (previous year Rs 43.85 lakhs)
8. Loans and Advances includes Rs 28.54 lacs as security deposit with Punjab State Electricity Board for which in the opinion the company is refundable but the same is still pending.
9. The Company has distributed Agro inputs valuing Rs 98.45 lakhs (previous year Rs 115.92 lakhs for the development of sugarcane 's cultivation in its reserved zone at subsidized price of Rs 89.74 lakhs (Previous year Rs 105.25 lakhs) The net difference of Rs 8.71 lakhs (Previous year Rs 10.67 lakhs has been charged to cane development expenses and accordingly charged to Profit & Loss A/c
10. Consequent upon AS -28 Impairment of Assets being mandatory by the Institute of Chartered Accountants of India w.e.f April 04 , the company has carried out an exercise to ascertain the impairment, if any, in the company value of its fixed assets. However, no such case found.

11. The business activity of the company falls within a single primary business segment viz sugar and basically sale of the product is within the country.
12. Prior period item (net) amounting to Rs 60000 (previous year Rs 50000) include:-

	Current year	Previous year
Expenditure – Software AMC Charges	60000	50000
Bank Gurantee expenses	210386	0
Income	Nil	Nil

13. During the year, company has availed a Term Loan of Rs. 13.49 Lakhs (Previous year Nil) for the payment of cane dues for the season 2006-07 and 2007-08 as per scheme for Extending financial assistance to Sugar Industries.
14. The Sundry Creditors includes Rs 106.92/-Lakhs (Previous Year Rs 231.24/- lakhs) dues of Small Scale Industries (SSI) and the name of the SSI undertaking as given below, take into account only those creditors who have responded to the enquires made by the company for the purpose of determining its creditors who are SSI undertakings. Name of small scale industries to whom the company owns more than 30 days as on 31st March, 2008:

VVK Turbotech	Zukar Mal Engg (I) P Ltd
AIPA Automation	Apex Tubes
Asia Crain	Baba Vishwakarma
B.M.Polybegs	De Development
Dynaspead Integrated System	Gears India
KayKay Industry	Jassal Engg.
Prem Colour Chem	Priyadarshani Poly sacks ltd
R C Engg	Three Star Engg work
MR Kalia Ind.	Universal Heavy Engg
Puri Industries	Rachitech engg (p) ltd
Others	

Information with regard to amount due to SSI units has been determined on the basis of information available with the company and relied upon by the auditors. The company is in process of identifying its suppliers as Micro, small and Medium Enterprises as defined under the " Micro, Small and medium Enterprises Development Act 2006". However the company has not received any intimation/communication from their suppliers regarding applicability of this act to them. Therefore no such disclosure under the said act has been furnished.

15. RELATED PARTY DISCLOSURES

- a) Detail relating to related party
 - Parties where control exists
 - Yadu Resorts Ltd
 - Other related parties where transaction have taken place during the year
 - i) Subsidiary Company :-
 - Ranger Breweries Limited
 - ii) Associates Company :- Nil
 - iii) Key Management Personnel

Mr D.P. Singh	Chairman
Mr Deepak Yadav	Managing Director
Mr Jitender Singh	Director
Mr Pawan Dewan	Director
Mr Kunal Singh	Director
Mr.Sheoraj Ahlawat	Director
 - iv) Relative of Key Management Personnel
 - Mrs Umlsh Yadav
 - Mr. Kunal Singh
 - v) Enterprise significantly influenced by Directors and /or their relatives
 - Nil

INDIAN SUCROSE LIMITED

c) Transaction with related party

Rs. In Lakhs)

	Company where control exist Yadu Resorts Ltd	Subsidiary Company Ranger Breweries Limited	Key Management Personnel Mr D.P. Singh	Key Management Personnel Mr. Deepak Yadav	Relative of of KMP Mrs. Umlesh Yadav
Sales	-	156.74 (481.99)	-	-	-
Loan Received	-	-	-	27.08 (-)	-
Loan Repaid	-	-	-	25.10 (19.60)	-
Remuneration	-	-	0.32 (-)	16.20 (14.40)	-
Application Money	85.00 (-)	-	-	-	-
Receivables	-	411.84 (375.09)	-	-	-
Payable	-	-	-	27.00 (23.01)	21.50 (21.50)

16. Additional information pursuant to the Provisions of Paragraph 3 and 4 of Part II of Schedule VI to the Companies Act, 1956

A. PARTICULARS OF CAPACITY, PRODUCTION

S. No.	Particulars	Unit	Qty.
a)	Licensed Capacity	TCD	5000 (5000)
b)	Installed Capacity	TCD	5000 (5000)
c)	Production		
	- sugar	Qtls	609806 (629912)
	- Molasses	Qtls	307015 (339590)
	- Bagasse	Qtls	1763111 (1834193)

Notes:

- 1 The Installed capacity is certified by management and has not Verified by the auditors being Technical matter.
- 2 Production of Bagasse includes 1248444Qtls (Previous Year 1432519 Qtls) consumed internally as fuel for boiler.

B. STOCK AND SALES

Rs. In Lakhs)

	Opening Stock		Closing Stock		Sales	
	Qty (Qtls)	Value (Rs)	Qty (Qtls)	Value (Rs)	Qty (Qtls)	Value (Rs)
Sugar	359235 (223666)	5135.37 (3420.17)	325980 (359235)	4897.85 (5135.37)	643061 (494343)	9888.40 (8898.73)
Molasses	64338 (98156)	200.49 (415.32)	35264 (64338)	197.80 (200.49)	336089 (373408)	1373.59 (1661.17)
Bagasse	250000 (10000)	225.00 (10.00)	400000 (250000)	440.00 (225.00)	364667 (161674)	326.84 (157.31)
TOTAL		5560.86		5535.65		11588.83
TOTAL		(3845.49)		(5560.86)		(10717.21)

Notes:

- 1 Sales appearing in profit and loss account also include sale of Bagasse Rs 326.72 Lakhs (previous year Rs 157.31 Lakhs).
- 2 Value has been rounded off to nearest thousands rupee and the quantities have been rounded off to the nearest Qtl



C. RAW MATERIAL CONSUMED :

S. No.	Particulars	Unit	Qty.	Value Rs.(in Lakhs)
1	Sugar Cane	Qlts	6597945 (6409300)	8187.45 (8555.78)

D. BREAK-UP OF RAW MATERIALS AND STORES AND SPARES CONSUMED:

	RAW MATERIALS CONSUMED		STORES CONSUMED	
	Value (Rs.) (In Lakhs)	% of Total Consumption	Value (Rs.) (In Lakhs)	% of Total Consumption
a) Imported	Nil (Nil)	Nil (Nil)	99.83 (38.36)	19.78% (7.98%)
b) Indigenous	8187.45 (8555.78)	100% (100%)	404.78 (442.67)	80.22% (92.02%)

E. VALUE OF IMPORTS ON C.I.F. BASIS : (Rs. In Lakhs)

Chemical
(49.66)

Expenditure in Foreign Currency :
(Subject to deduction of tax where applicable)

i) Foreign Tour 0.59
(Nil)
ii) others expenses 9.98
(0.68)

F. The other information as required under paragraphs 3 & 4 part II

Schedule VI to the Companies Act, 1956 are not given being
EITHER NIL OR NOT APPLICABLE.

Note: The figures in bracket pertain to the previous year.

17. EPS

	Current Year Rupees	Previous Year Rupees
Profit/loss attributable to Equity Shareholders	(11288525)	42148520
Weighted Average no of share	15461807	15461807
Paid up value of shares	10	10
Basic EPS	-0.73	2.74
Diluted EPS	-0.73	2.74

18. Details of Remuneration to Directors:

	Managing Director	Wholetime Director
Salaries & Allowances	16.20	0.32
Contribution towards Provident & Other Funds	(14.40)	(-)
	NIL	NIL

Note: The figures in bracket pertain to the previous year.

	Figures in Lakhs	
Profit for the year		7.95
Add: Remuneration to Managing Directors/Director:		
Remuneration	16.52	
Perquisite	Nil	
Director sitting fee	0.48	
Loss on sale of fixed assets (net)	1.26	18.26
Less : Profit on sale of assets		Nil
Profit u/s 349		26.21

Due to inadequacy of profits remuneration to Managing Director/Director has been paid as per section II of Part II of schedule XIII of the companies Act 1956

INDIAN SUCROSE LIMITED

19. Information required in the terms of Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile :

I. Registration Details :

Registration No.	16-10903
State Code	55
Balance Sheet Date	31.03.2008

II. Capital Raised during the year

(Amount in Rs. Lakhs)

Public Issue	-
Rights Issue	-
Bonus Issue	-
Private Placement	-

III. Position of Mobilisation and Deployment of Funds

(Amount in Rs. Lakhs)

Total Liabilities	10901.48
Total Assets	10901.48
Sources of Funds :	
Paid-up Capital	1541.83
Reserves & Surplus	1699.26
Secured Loans	6504.24
Unsecured Loans	48.50
Net Deferred Tax Liability	1107.65
Application of Funds :	
Net Fixed Assets	5554.37
Investments	117.23
Net Assets	5229.88
Misc. Expenditure	Nil

IV. Performance of Company

(Amount in Lakhs)

Turnover(Including other income)	10767.29
Total Expenditure	10759.34
Profit/(Loss) Before Tax	7.95
Profit/(Loss) After Tax	(112.88)
Dividend Rate	-

V. Generic Names of Three Principal Products/Services Company (as per monetary terms)

Item Code No. (ITC Code)	17011109
Product Description	White Crystal Sugar
Item Code No. (ITC Code)	1703100
Product Description	Molasses
Item Code No. (ITC Code)	23010000
Product Description	Bagasse

for **B. K. KAPUR & COMPANY**
Chartered Accountants

D. P. SINGH
(Chairman)

DEEPAK YADAV
(Managing Director)

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

LALAN KUMAR SINGH
(Company Secretary)

GAURAV AGARWAL
(Manager Accounts)

Place : New Delhi

Date : 30th June, 2008



CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31ST MARCH, 2008

	Year ended 31.3.2008 Rupees	Year ended 31.3.2007 Rupees
A. Cash flow from Operating Activities		
Net Profit before Tax and Extra Ordinary items	794543	85182922
Adjustments for:		
Depreciation	47152279	43396530
Interest and financial charges	60064916	36885918
Loss on sale/damage of assets (net)	126293	215532
Profit on sale of assets	-	-239880
Interest earned	-203143	-85366
Operating Profit before Working Capital changes	107934888	165355656
Adjustments for:		
Trade & Other Receivables	-288851469	-26045015
Inventories	-5084457	-194607904
Trade Payables	165065265	172634253
	-20935772.85	117336990
Cash generated from operations		
Direct taxes (paid)/refund	-2931896	-15456261
Cane Price Difference for Season 2002-03		
Misc. Expenses		
Net Cash flow from Operating Activities	-23867668.85	101880729
B. Cash Flow Investing Activities		0
Purchase of Fixed Assets	-8877642	-130522582
Sale of Fixed Assets	700000	1450000
Interest Received	203143	85366
Net Cash used in Investing Activities	-7974499	-128987216
C. Cash Flow Financing Activities		
Calls unpaid	0	750
Interest paid	-60064916	-36885918
Proceeds from Borrowings Term Loan	83130232	63428055
Repayments of Borrowings Unsecured Loan	397791	-1778227
Proceeds from in cash credit	-65390283	19291169
Net Cash flow from Financing Activities	-41927176	44055829
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)	-73769344	16949342.28
Cash and Cash Equivalents as at 1st April, 2007	81446203	64496861
Cash and Cash Equivalents as at 31st March, 2008	7676859	81446203
	-73769344	16949342

Notes :

- 1 Cash and Cash Equivalents represent Cash and Bank Balances (Refer Schedule 10)
- 2 Interest paid is exclusive of interest capitalised Rs. Nil
- 3 Previous year figures have been regrouped / rearranged wherever consider necessary.

for **B. K. KAPUR & COMPANY**
Chartered Accountants

D. P. SINGH
(Chairman)

DEEPAK YADAV
(Managing Director)

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

LALAN KUMAR SINGH
(Company Secretary)

GAURAV AGARWAL
(Manager Accounts)

Place : New Delhi
Date : 30th June, 2008

RANGAR BREWERIES LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

RANGAR BREWERIES LIMITED CORPORATE INFORMATION

Name of Subsidiary Company

RANGAR BREWERIES LIMITED

1. Financial year of the Subsidiary ended on 31st March, 2008

2. Shares of the Subsidiary Company held on the above date and extent of holding.

a) Equity Shares of Rs. 10/- each (5861266 equity shares of Rs. 10/- each fully paid up) Rs. 5,86,12,660

b) Extent of Holding 99.94%

3. Net aggregate amount of Profit of the Subsidiary Company for the above financial year so far as it concerns the members of Indian Sucrose Limited

a) Dealt within Accounts of Indian Sucrose Limited NIL

b) Not dealt within Accounts of Indian Sucrose Limited 30.03 Lacs

4. Net Aggregate Amount of losses for previous financial year of the Subsidiary Company as it concerns members of Indian Sucrose Limited

a) Dealt within Accounts of Indian Sucrose Limited NIL

b) Not dealt within Accounts of Indian Sucrose Limited NIL

DIRECTORS' : Sh. Deepak Yadav

Sh. Bharat Singh

Sh. Kunal Singh

Sh. Gajraj Singh

REGISTERED OFFICE : B-270, Greater Kailash Part – I, New Delhi

WORKS AT : 1& 130, Industrial Area, Mehatpur, Distt.-Una-174315 Himachal Pradesh

AUDITORS' : M/s B. K. KAPUR & CO. Chartered Accountants Ghaziabad U. P.

For and on behalf on the Board of Directors

Indian Sucrose Limited

D. P. Singh Deepak Yadav Lalan Kumar Singh Gaurav Agarwal
(Chairman) (Managing Director) (Company Secretary) (Mgr. Accounts)

Place: Delhi

Date : 31st August, 2008



DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the Annual Report of the company together with Audited Accounts of the Company for the year ended on 31st March, 2008 and the Auditor's Report thereon.

1. OPERATING RESULTS:

(Rs. in Lacs)

	2007-08	2006-07
Sales (Net of Duties)	2300.46	2735.86
Other Income	49.51	38.06
Total Income	2347.68	2727.92
Profit before Interest, Dep & Taxation	183.69	127.81
Depreciation	75.82	69.91
Interest and Financial Charges	51.70	51.85
Profit/(Loss) before Taxation	55.92	7.06
Provision for Taxation		
Current	(14.00)	(5.02)
Deferred	(9.54)	1.56
FBT & I. Tax of earlier years	2.33	2.40
Profit after Taxation	30.04	1.20
Surplus brought forward	166.39	165.19
Surplus Carried Forward	196.43	166.39

DIVIDEND

In view of funds required for improving the working capital position of the Company your Directors do not recommend any dividend for the year 2007-08.

REVIEW OF OPERATION

During the year under review Company recorded net profit before tax of Rs 55.92 lacs as compared to net profit before tax of Rs. 7.06 lacs last year. The net turnover of the company during the year under review was Rs. 2300.46 lacs as compared to turnover of Rs. 2735.86 lacs in the previous year.

CAPITAL

During the year the company has not issued and allotted any Equity Shares.

FIXED DEPOSITS

During the year the company has neither accepted, nor renewed, any fixed deposit under the provisions of Section 58A of the Companies Act, 1956.

AUDITORS'

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

ENVIRONMENT AND SAFETY

Your directors appreciate and understand the concept of sustainable development whereby we assume our responsibility and accountability towards the environment safety and social obligations as a whole. The system of effluent treatment is given utmost importance and is managed with great care, caution & control.

DIRECTORS' RESPONSIBILITY

Pursuant to the provisions contained in Section 217 (2AA) of the Companies Act, 1956 the Directors of your Company confirm:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same.

- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that 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 financial year and of profit and loss of the company for that period.
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Directors have prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES:

None of the employee is covered under the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) rules 1975.

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

The information as per Section 217(1) (e) read with Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 are given in the annexure forming part of this report.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for devoted services and sincere efforts made by all the members of workers, staffs and officials of the company towards the progress of the company.

Your Directors wish to thank customers, suppliers, Bankers, Govt. Authorities and other business associates and shareholders for their continued support and encouragement extended to the Company.

For and on behalf of the Board

Place : New Delhi (Deepak Yadav) (Bharat Singh)
 Date : 16th August, 2008 Director Director

AUDITORS' REPORT

TO THE SHAREHOLDERS OF RANGAR BREWERIES LIMITED

- We have audited the attached Balance Sheet of RANGAR BREWERIES LIMITED as at 31st March, 2008 the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- As required by the Companies (Auditor's Report) Order, 2003 ("The Order") issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 ("The Act"). We enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
- Further to our comments in Annexure referred to above, we report that:
 - We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

RANGAR BREWERIES LIMITED

- b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of such books;
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of account;
- d) In our opinion, Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with Accounting standards referred to in Section 211(3C) of the Companies Act, 1956.
- e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the Directors are dis-qualified as on 31st March, 2008 from being appointed as Directors in terms of clause (g) of Sub Section (1) of Section of 274 of the Companies Act, 1956.
- f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and others notes thereon, and attached thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) in the case of Balance Sheet, of the State of affairs of the Company as at 31st March, 2008.
- ii) in the case of Profit & Loss Account, of the Profit of the Company for the year ended on that date; and
- iii) in the case of Cash Flow Statement, for the cash flows for the year ended on that date.

For B.K. Kapur & Co.
Chartered Accountants,
(M.S. Kapur) F.C.A.
Partner.
Membership No.74615.

Place : Ghaziabad
Dated : 30th June, 2008

Annexure to directors report:

Information as per Section 217(1) (e) read with Companies Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of the Directors' Report for the year ended 31st March, 2008.

A. CONSERVATION OF ENERGY:

- | | |
|---|--|
| (a) Energy conservation Measures | All steps are being taken to reduce the consumption of energy wherever possible. |
| (b) Additional investment and proposals if any, being implemented for reduction of consumption of energy. | NIL |
| (c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. | NIL |
| (d) Total energy consumption and energy consumption per unit of Production as per Form A of the Annexure in respect of the Industries Specified in the schedule thereto | Not Applicable |

B. TECHNOLOGY ABSORPTION:

Form B

- | | |
|---|--|
| Form for disclosure of particulars with respect to absorption | |
| 1. Specified areas in which R&D carried out by the Company. | New Product development and evaluation of alternative raw materials. |
| 2. Benefits derived as result of the above R&D. | Continue Improvement in the quality of the product. |
| 3. Further plan of action. | To continue R&D for the area specified (I). |

1. Expenditure on R&D

- | | |
|---|-----|
| a) Capital | Nil |
| b) Recurring | Nil |
| c) Total | Nil |
| d) Total R&D expenditure as a percentage of total turnover. | Nil |

C. FOREIGN EXCHANGE EARNING AND OUTGO

- | | |
|--|--|
| a) Activity relating to export: initiative to increase export markets for products and Export plans. | The company is exploring new export markets for export of spirit and IMFL. |
| b) Total foreign exchange earned used. | Nil |

For and behalf of the Board

Place : Delhi	(Deepak Yadav)	(Bharat Singh)
Date : 16 th August, 2008	Director	Director

Annexure to the Auditors' Report

(Referred to in paragraph (3) of our Report of even date to the shareholders of RANGAR BREWERIES LIMITED for the year ended 31st March, 2008.)

1. (a) We have been explained that the fixed assets register was lost in the year 1988-89, all the additions made after this period have been entered in a new fixed assets register wherein the quantitative details and situation of fixed assets are shown. For the earlier period, the management has prepared a new fixed assets register based on physical verification taken by the management, showing full particulars including quantitative details and situation of the fixed assets and the cost of these fixed assets have been taken as per Chartered Valuer's report.
- (b) We have informed that the fixed assets of the Company have been physically verified during the year by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
- (c) As per records and information and explanation given to us company has not disposed off during the year any part of its fixed assets.
2. (a) The physical verification of inventory has been conducted by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination, in our opinion, the Company has maintained proper records of inventory & discrepancies noticed on such physical verification on inventory as compared to the books records were not material.
3. (a) According to information made available to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act, accordingly clause 4(iii) (b) to (d) of the Order are not applicable to the company.
- (b) According to information made available to us, the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act, accordingly clause 4(iii) (e) to (g) of the Order are not applicable to the company.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business, for purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination



and according to the information and explanation given to us, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. (a) Based on our examination and according to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
6. On the basis of information and explanations given to us, the company has not accepted any public deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Act, and rules framed thereunder.
7. The company has an internal audit system, which needs to be more strengthened to make it commensurate with the size and nature of the Company's business.
8. To the best of our knowledge and belief and according to information given to us, Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the products of the Company.
9. (a) According to the information and explanations given to us the company is regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employee State Insurance Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it, except few cases of delay in deposit of Tax Collected at Source are not applicable to the company, No amount was due to be deposited under investor Education and Protection Fund. Further there was no arrears of undisputed statutory dues outstanding as at 31st March, 2007 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the disputed statutory dues of Sales Tax, & Purchase Tax aggregating to have not been deposited are given below:-

Name of Statute	Nature of Due	Financial year to which it pertains	Amount (Rs. in Lakhs)	Forum where dispute is pending.
Excise Duty	Redisstilltion Loss	1988-89	12.26	H.P. High Court Shimla

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

10. The company does not have accumulated losses. The company has not incurred any cash losses during the current financial year and in the immediately preceding financial year.

11. In our opinion and according to the information and explanations given to us, except the slight delays of few days in repayment of its dues as on 31st March, 2008 there was an over-due interest of Rs. 4824/- there was no dues of Debentureholders to banks company has not defaulted in repayments of dues. There was overdue amount of Rs. 12776/- in respect of re-payment of car loan from Punjab National Bank, however, which has been paid in August, 2007. There are no dues of debenture holders.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a Nidhi / mutual benefit fund / society, therefore provisions of clause 4(xiii) of the order are not applicable to the company.
14. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, provisions of clause 4(xiv) of the order are not applicable to the company.
15. According to the information and explanation given to us, the company has not given guarantees for loans taken by others from Banks or Financial Institutions.
16. In our opinion and According to the records of the company, it has not obtained during the year any term loans. Hence, no comment under para 4 (xvi) of CARO, 2003 is called for.
17. On the basis of information and explanations given to us, and on an overall examination of the financial statements of the company, we report that no funds raised on short term basis have been ultimately used for long-term investment.
18. According to the information and explanation given to us, during the period covered by our audit report, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The company has not issued any debenture, therefore, no comments is required under para 4(xix) of CARO, 2003.
20. The company has not raised any money through public issues during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Place : Ghaziabad
Dated : 30th June, 2008

For B.K. Kapur & Co.
Chartered Accountants,
(M.S. Kapur) F.C.A.
Partner.
Membership No.74615

RANGAR BREWERIES LIMITED

RANGAR BREWERIES LIMITED BALANCE SHEET AS AT 31ST MARCH 2008

(Rupees)

PARTICULARS	SCHEDULE	AS AT 31.3.2008	AS AT 31.3.2007
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	59,100,670	61,100,670
Reserves and Surplus	2	33,830,790	32,017,626
		92,931,460	93,118,296
Loan Funds			
Secured Loans	3	49,247,171	49,460,057
		49,247,171	49,460,057
Deferred Tax Liability (Net)	4	14,734,075	13,779,637
Total		156,912,707	156,357,990
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	191,421,315	182,874,482
Less :-Depreciation		88,023,559	79,250,966
Net Block		103,397,755	103,623,516
Capital Work in Progress		8,404,631	15,437,186
		111,802,387	119,060,702
Current Assets, Loans & Advances			
Inventories	6	86,972,922	80,633,409
Sundry Debtors	7	90,859,083	63,682,023
Loans and Advances	8	11,934,342	11,847,051
Cash and Bank Balances	9	15,971,815	6,104,679
		205,738,161	162,267,162
Less: Current Liabilities & Provisions			
Current Liabilities	10	156,535,872	122,667,014
Provisions	11	4,091,969	2,302,860
		160,627,841	124,969,874
Net Current Assets		45,110,321	37,297,288
Total		156,912,707	156,357,990

Significant Accounting Policies & Notes forming
part of Balance Sheet 18

The Schedules 1 to 18 form an integral part of Balance Sheet

As per our report of even date attached
B. K. KAPUR AND COMPANY
Chartered Accountants

(DEEPAK YADAV)
Managing Director

(BHARAT SINGH)
Director

(M.S.KAPUR) F.C.A.
Partner
Membership No.74615

Place : New Delhi
Dated : 30th June, 2008



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

(Rupees)

PARTICULARS	SCHEDULE	YEAR	
		ENDED 31.03.2008	ENDED 31.03.2008
INCOME			
Sales		267,357,988	340,151,022
Less : Excise Duty		37,311,818	66,564,738
Net Sales		230,046,171	273,586,284
Other Income	12	4,951,073	3,806,709
(Decrease)/Increase in Stocks	13	(229,379)	(4,601,109)
Total		234,767,865	272,791,884
Expenditure			
Material and Manufacturing Expenses	14	173,239,695	212,908,917
Salaries, Wages and Benefits	15	11,993,456	11,692,097
Administration and Other Expenses	16	31,164,907	35,409,182
Interest and Financial Charges	17	5,170,709	5,185,538
Total		221,568,767	265,195,734
Profit before Depreciation		13,199,097	7,596,150
Depreciation		7,582,302	6,991,295
Less: Previous Year Expenses/(Income)		25,000	(101,228)
Profit Before Tax		5,591,796	706,085
Provision for Taxation			
Current Tax	(1,400,000)	(501,705)	
Deferred Tax (debit)/credit	(954,438)	(2,354,438)	156,305
Income Tax adjustments		30,634	(20,349)
Fringe Benefit Tax		(264,534)	(220,272)
Profit after Tax		3,003,458	120,066
Balance brought forward from Previous Year		16,639,649	16,519,583
Surplus transferred to Balance Sheet		19,643,106	16,639,649
Earning per Share (Note No. 20)			
Nominal Value Rs. 10/-, (Previous year Rs.10/-)			
Basic		0.51	0.20
Diluted		0.50	0.19

Significant Accounting Policies & Notes forming part of Balance Sheet 18

The Schedules 1 to 18 form an integral part of Balance Sheet

As per our report of even date attached
B. K. KAPUR AND COMPANY
Chartered Accountants

(DEEPAK YADAV)
Managing Director

(BHARAT SINGH)
Director

(M.S.KAPUR) F.C.A.
Partner
Membership No.74615

Place : New Delhi
Dated : 30th June, 2008

RANGAR BREWERIES LIMITED

SCHEDULES TO ACCOUNTS

(Rupees)

PARTICULARS	AS AT 31.3.2008	AS AT 31.3.2007
SCHEDULE 1 : SHARE CAPITAL		
Authorised:		
10000000 Equity Shares of Rs.10/- each)		
(Previous Year 10000000 Equity Shares of Rs.10/- each)	100,000,000	100,000,000
	100,000,000	100,000,000
Issued, Subscribed & Paid-up		
5865067 Equity Shares of Rs.10/- each fully paid up		
(Previous Year 5865067 Equity Shares of Rs.10/- each fully paid up)	58,650,670	58,650,670
Share Application Money	450,000	2,450,000
Total	59,100,670	61,100,670

SCHEDULE 2 : RESERVES AND SURPLUS		
Capital Reserves		
Central Cash Subsidy Reserve		
As per Last Balance Sheet	1,378,432	1,378,432
Revaluation Reserve		
As per Last Balance Sheet	13,110,230	13,110,230
Less : Transferred to Depreciation on revalued Assets	1,190,293	11,919,937
General Reserve		
As per Last Balance Sheet	889,315	889,315
	14,187,664	15,377,977
Profit & Loss Account		
Surplus as per accounts annexed	19,643,106	16,639,649
Total	33,830,790	32,017,626

SCHEDULE 3 : SECURED LOANS FROM SCHEDULED BANKS		
B) Cash Credit		
- State Bank of India	48,133,285	48,776,412
	48,133,285	48,776,412
C) Vehicle Loans		
- Scheduled banks	109,062	600,411
- Interest Accrued and Due	4,824	83,234
	113,886	683,645
Total	49,247,171	49,460,057

NOTES:-

1. Cash Credit limit is secured against hypothecation of stocks of raw materials, stock in process, finished goods, book debts and other assets of the company and further secured by first charge on land, building, plant and machinery and other equipments of the company and further guaranteed by few directors of the company.
2. Vehicle loans from Banks are secured against vehicles financed by them.(out of this repayable within one year amounts to Rs 113886.00).

	As at 31.3.2007	During the year	As at 31.3.2008
SCHEDULE 4 : DEFERRED TAX LIABILITY (Net)			
DEFERRED TAX LIABILITY			
Difference between Book & Tax Depreciation	13,779,637	954,438	14,734,075
	13,779,637	954,438	14,734,075
NET DEFERRED TAX LIABILITY	13,779,637	954,438	14,734,075


SCHEDULES - 5 : FIXED ASSETS
(Rupees)

DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	COST AS AT 31.03.2007	ADDITIONS DURING THE YEAR	DEDUCTIONS/ SALES DURING THE YEAR	TOTAL COST AS AT 31.03.2008	AS AT 31.03.2007	FOR THE YEAR	UPTO 31.03.2008	AS AT 31.03.2008	AS AT 31.03.2007
Leasehold Lands	21345537	0	0	21345537	3562257	270420	3832677	17512860	17783280
Shed & Buildings	26829960	0	0	26829960	8131834	801121	8932955	17897005	18698126
Plant & Machineries	129070308	6223843	0	135294151	65727558	7011445	72739003	62555148	63342750
Furniture & Fixtures	494040	34307	0	528347	470448	51023	521471	6876	23592
Office Equipments	1163382	15150	0	1178532	437390	61790	499180	679352	725992
Computers	150774	0	0	150774	24835	23330	49275	101499	125939
Vehicles	3820481	2273533	0	6094014	896644	552354	1448998	4645016	2923837
Total	182874482	8546833	0	191421315	79250966	8772593	88023559	103397756	103623516
Capital work in progress	15437186	527534	7560089	8404631		0	0	8404631	15437186
Building Plant & Machinery etc									
Current Year(Rs)	198311668	9074367	7560089	199825946	79250966	8772593	88023559	111802387	119060702
Previous Year(Rs)	192003200	6308468	17327149	198311648	71069378	8181588	79250966	119060702	120933822

(Rupees)

PARTICULARS	AS AT 31.3.2008	AS AT 31.3.2007
SCHEDULE 6 : INVENTORIES		
(As taken, valued and certified by the Management)		
Raw materials	33,055,399	29,371,213
Packing & other materials	9,529,195	13,463,549
Fuel Stocks	901,783	42,957
Stores & Spares	7,687,761	3,396,885
Stock in process	19,701,139	21,470,083
Finished Goods	16,033,038	12,582,944
Goods in transit	64,607	305,778
Total	86,972,922	80,633,409

SCHEDULES - 7 : Sundry Debtors

(Unsecured - Considered good)

Debts over six months	16,107,182	5,624,903
Others	74,751,901	58,057,120
Total	90,859,083	63,682,023

SCHEDULES - 8 : Loans & Advances

(Unsecured - Considered good)

Advances recoverable in cash or in kind or for value to be received	4,281,230	6,162,753
Interest accrued on FDRs	153,154	130,568
Security Deposits	2,119,486	1,619,486
Prepaid Expenses	2,037,670	2,330,223
Balance with Excise Department & Sales Tax Department	3,337,342	1,604,021
Tax deducted at source / Advance Tax	5,460	-
Total	11,934,342	11,847,051

RANGAR BREWERIES LIMITED

PARTICULARS	AS AT 31.3.2008	AS AT 31.3.2007
SCHEDULES - 9 : Cash & Bank Balances		
Cash in hand	700,468	1,120,993
With Scheduled Banks		
- In Current Account	2,914,347	4,488,686
- In Fixed Deposit Account	12,357,000	495,000
Total	15,971,815	6,104,679

SCHEDULES - 10 : CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors for Goods Micro,small & Medium Enterprises @	-	-
Other Creditors	138,384,846	106,999,765
Sundry Creditors for Expenses	5,484,746	4,915,239
Liabilities For Expenses	10,126,281	7,212,009
Security Receipts	2,540,000	3,540,000
Total	156,535,872	122,667,013

SCHEDULES - 11 : Provisions		
Provisions For Retirement Benefits	2,457,435	2,182,316
Provision for Taxation	1,634,53	120,544
	4,091,969	2,302,860
Total	160,627,841	124,969,873

SCHEDULES - 12 : OTHER INCOME		
Interest received (Gross)	28,046	11,954
(Tax deducted at source Rs5460/- Prev. Year Rs1433/-)		
Scrap Sale	1,085,773	2,030,856
Freight Receipts	90,900	36,052
Sundry Balances Written back	154	1,727,847
Reversal of Rebate for earlier year	3,746,200	-
Total	4,951,073	3,806,709

SCHEDULES - 13 : INCREASE/(DECREASE) IN STOCKS		
Finished Goods	16,033,038	12,582,944
Stock In Process	19,701,139	21,470,083
	35,734,177	34,053,027
Finished Goods	(12,582,944)	(15,309,341)
Stock In Process	(21,470,083)	(25,715,781)
	(34,053,027)	(41,025,122)
(Decrease)/Increase in Stocks	1,681,149	(6,972,096)
Excise Duty etc. on Increase/Decrease of Stock	(1,910,528)	(2,370,987)
(Decrease)/Increase in Stocks	(229,379)	(4,601,109)

SCHEDULES - 14: MATERIAL AND MANUFACTURING EXPENSES		
Cost Of Material		
Opening Stocks	29,371,213	6,831,911
Purchases	88,511,241	84,161,065
	117,882,454	90,992,976
Less : Closing Stocks	33,055,399	29,371,213
	84,827,056	61,621,763
Purchase Of W.I.P	-	43,291,736



PARTICULARS	AS AT 31.3.2008	AS AT 31.3.2007
Cost Of Materials Consumed	84,827,056	104,913,499
Manufacturing Expenses		
Consumable Stores	60,188,454	70,955,449
Power & Fuel Consumed	13,005,415	16,341,275
Bottling, Brand & License fees	12,471,847	17,033,394
Processing Charges	1,843,110	1,440,110
Other manufacturing expenses	480,955	35,487
Repairs: Machinery	279,390	2,189,703
Repairs: Building	143,469	-
Total	173,239,695	212,908,917

SCHEDULES - 15 : SALARIES, WAGES & BENEFITS		
Salary & Wages	10,640,781	10,448,436
Contribution to Provident and other funds	1,039,614	842,568
Staff & Workers Welfare	313,061	401,093
Total	11,993,456	11,692,097

SCHEDULES - 16 : ADMINISTRATION AND OTHER EXPENSES		
ADMINISTRATION		
Insurance	442,369	563,417
Postage & Telephones	627,760	685,735
Printing & Stationery	136,639	183,806
Security Charges	918,510	784,194
Travelling & Conveyance (Other than Directors)	793,083	697,394
Vehicle Repairs & Maintenance Trucks and others	1,611,696	420,316
Vehicle Repairs & Maintenance Cars	426,442	-
Fees, Rates & Taxes	158,313	334,752
Rent / Lease Rent	24,200	92,500
Donation	14,954	33,471
General Repairs & Maintenance	1,000	114,070
Electricity & Water Charges	49,692	365,835
Auditors' Remuneration	91,730	96,100
Legal & Professional	291,873	197,872
Maintenance Charges	217,311	85,094
General expenses	49,182	103,755
Penalty & Fines	35,000	-
Other expenses	85,599	63,226
Entertainment Expenses	2,165	-
Festival expenses	753	-
SELLING & DISTRIBUTION		
Packing & Forwarding Expenses	13,134,786	10,753,741
Advertisement	27,280	6,900
Discount on Sales	7,387,901	13,618,278
Commission to Agents	3,702,290	5,319,880
Business Promotion	934,379	888,845
Total	31,164,907	35,409,182

SCHEDULES - 17 : INTEREST AND FINANCIAL CHARGES		
Interest on Term Loans	29,220	79,672
Others (including bank charges)	5,141,489	5,105,866
Total	5,170,709	5,185,538

RANGAR BREWERIES LIMITED

SCHEDULE –18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNS ENDING 31ST MARCH, 2008

A. Significant Accounting Policies :

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

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

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

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

iii) **Inventories:** Inventories (other than By- Products) are valued at Lower of cost or estimated realizable value Cost of raw material, stores and spares is determined on FIFO basis. Cost of finished goods has been worked out on absorption cost basis.

By Product and residuals are valued at net realizable value.

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

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

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

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

viii) **Sales:** Sales include Excise duty but exclude Sales/Trade Tax.

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

X) **Retirement Benefits:** Contribution is made under relevant rules/ statutes to the Provident Fund and which are charged to Profit and Loss Account for the year on accrual basis. Liability for gratuity as on 31st March, 2008 has been determined and provided for in the accounts Leave encashment liability is provided on accrual basis.

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

Deferred Tax Assets / Liabilities is recognized on Significant timing differences, arising from the different treatments in accounting and

taxation of relevant items. Deferred tax Assets / Liabilities shall be reviewed as at balance sheet date, based on development during the year, to reassess realization/ liabilities

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

B. Notes To the Accounts :

- The figures have been rounded off to the nearest rupee.
- The previous year's figures have been regrouped and re-classified, where ever necessary, to make them comparable.
- All the current assets, loans and advances in the opinion of the Board, have a value on realization, which in the ordinary course of business shall at least be equal to the amount at which it is stated in the Balance Sheet.
- Balances of sundry debtors , creditors and advances are subject to confirmation.
- Auditors' Remuneration

S. No	Particulars	Current year Rupees (in '000)	Previous year Rupees (in '000)
i)	As Statutory Auditor	60	60
ii)	As Tax Auditors	15	15
iii)	Reimbursement of Expenses	14	21
	Total	89	96

6. Contingent Liability in respect of:

i) Estimated amount of contracts remaining to be executed on capital account not provided for (Net of Advances) Rs 4.25 Lacs (previous year Rs 37.40 Lacs/-)

ii) Contingent Liabilities:

Nature of Liabilities	AS ON 31.03.2008 (Rs.in Lacs)	AS ON 31.03.2007 (Rs.in Lacs)
a) Claims against the company not acknowledged as debt.	8.03	16.46
b) Bank Guarantees		2.80
c) Excise Duty	15.00	

iii) **Loans and advances includes:** Rs. 6.36 lacs (Previous year Rs. 6.36 lacs) paid to National Insurance company Limited under protest against demand of same amount. The company has got order in its favour on 24/10/ 2003 from H.P. consumer Disputes Redressal Commission Shimla, against which insurance company has preferred an appeal before National consumer Disputes Redressal , New Delhi. No provision has been made in books as the company is confident to get refund for it.

iv) Rs. 16.04 (Previous year 16.04 lacs) deposited with excise department under protest. Show cause notices have been issued by the 'Collector of Excise' amounting to Rs. 28.30 lacs (Previous year Rs. 28.30 lacs) in respect of loss in redistillation process relating for various years 1989 to 2000 against which the company has contested, whenever the excise department has confirmed the demand of excise for same year. As directed by the Hon'ble High Court of H.P. Shimla, the company has deposited a sum of Rs. 16.04 lacs (Previous year Rs. 16.04 lacs).

7. Excise duty as applicable in the state of H.P., Delhi & Chandigarh is provided on closing stock of finished goods lying in H.P., Delhi & Chandigarh respectively..

8. Sundry Debtors include Rs. 25.44 lacs. (previous year 25.44 lacs) which are under litigation. No provision is made thereagainst as the



management is of the view that the company is in the position to get finalised such cases in coming years and be provided in the year of the finalisation of such litigation.

9. Leasehold land, building and plant and machinery as on 1.4.94 were revalued based on the current replacement value by a valuer appointed for the purpose. As a result, the net book value of such fixed assets was increased by Rs. 396.92 lacs on the said date, which had been transferred to revaluation reserve. During the year ended 31.3.08 depreciation of the current year includes Rs. 11.90 lacs (Previous year Rs. 11.90 lacs) on the revalued amount of such fixed assets, on straight line method. An equivalent amount has been recouped from Revaluation reserve and credited to the profit and loss account.

(Rs. In Lacs)

10. Deferred Tax Liability	AS AT 31.03.2008	AS AT 31.03.2007
(i) Difference due to Book & Tax depreciation On fixed Assets	156.87	145.14
	156.87	145.14
Deferred Tax Assets		
For Expenses Allowable against taxable income of future year u/s 43B	9.54	7.35
Net Deferred Tax Liability	147.34	137.79

11. The Sundry Creditors includes Rs 47.70 /-(Previous Year Rs 32.01 lacs) dues of Small Scale Industries (SSI) and the name of the SSI undertaking as given below, take into account only those creditors who have responded to the enquires made by the company for the purpose of determining its creditors who are SSI undertakings. Name of small scale industries to whom the company owns more than 30 days as on 31st March, 2008:

A.K.POLYMER	N.G.P.INDUSTRIES
A-VIN PRINT PACK	BOX BOARD PACKAGING
LAXMI PACKERS	NOOR PACKERS
RAJ & CO	RAVI ENTERPRISES
POLY LAM TRADERS	Dinesh & Co
BHAVESH AGRO FOODS	AMIT INDUSTRIES
SHIVAMETALS	SHRIGANPATI ENTERPRISES

Information regarding SSI units has been determined on the basis of information available with the company and relied upon by the Auditors. The Company is in process of identifying the suppliers as micro, small & medium enterprises under the "Micro Small & Medium Enterprises Development Act 2006". However the company has not received any intimation / communication from their Suppliers regarding applicability of this Act to them. Therefore no such disclosure under said Act has been furnished.

12. Additional information pursuant to the Provisions of Paragraph 3 and 4 of Part II of Schedule VI to the Companies Act, 1956

A. PARTICULARS OF CAPACITY, PRODUCTION

- a). Particulars of capacity & production (As certified by the management)

Description Unit	Licenced 31.03.2008	Capacity 31.03.2007	Installed Capacity		Net Production *	
			31.03.2008	31.03.2007	31.03.2008	31.03.2007
Spirit P.L. (In Lacs)	202.07	202.07	89.59 *	89.59 *	1.71	0.66

- As Certified by Chartered Engineer & Management.

b) Particulars of Stocks

(Quantity & Value in Lacs)

Item	Unit	Opening Stock				Closing Stock			
		31.03.2008		31.03.2007		31.03.2008		31.03.2007	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
(a) Finished Goods									
IMFL	PL	1.43	115.51	2.46	115.51	1.99	110.53	1.43	115.51
Country	PL								
Liquor		1.21	47.15	0.86	37.58	1.25	51.02	1.21	47.15
Total		2.64	125.83	3.32	153.09	3.24	161.55	2.64	125.83

c) Particulars of Sales

(Quantity & Value in Lacs)

Item	Unit	31.03.2008		31.03.2007	
		Qty.	Value	Qty.	Value
(a) Finished Goods					
IMFL	PL	13.35	716.65	22.67	
Country Liquor	PL	44.45	1891.27	32.20	
Spirit	PL	1.71	65.66	0.66	3368.46
Total		59.51	2673.58	55.53	3401.51

Notes:

- Spirit stock (Opening as well as closing) has been shown as 'stock in process' as spirit is used for bottling after addition of certain flavours and additives.
- Sales of spirit excludes 59.84 lacs PL (Previous year 72.57 lacs PL) used for the manufacture of IMFL and country liquor.
- Sales is exclusive of breakage of .39 lacs PL (Previous year 0.05 lacs PL).
- Sales appearing in the profit & loss account does not include Discount on Sales of Rs 73.88 lacs (Previous Year Rs 136.18 lacs)
- Production of Spirit does not includes 62.78 lacs pls (previous year 44.48 lacs pls) produced for internal consumption.

d). Particular of raw material consumed

(Rs. In Lacs)

Item	Unit	31.03.2008		31.03.2007	
		Qty.	Value	Qty.	Value
(i) Barley Malt	MT	1.78	37.73	0	0.00
(ii) Mollases, Sugar Grains etc.	MT	1849.79	810.54	10105.98	616.22
Total		1851.57	848.27	10105.98	616.22

e). Purchases - WIP

(Rs. In Lacs)

Item	Unit	31.03.2008		31.03.2007	
		Qty.	Value	Qty.	Value
Rectified Spirit	PL			27.91	432.92
Scotch	PL				
Total				27.91	432.92

f). Value of Imported Raw Materials, Packing Materials, Components & Stores Consumed.

(Rs. In Lacs)

Item	31.03.2008		31.03.2007	
	Value	%	Value	%
Raw Material				
Indigenous	848.27	100%	616.22	100%
Imported	-	-	-	-
Packing Material				
Indigenous	666.97	100%	783.95	100%
Imported	-	-	-	-

RANGAR BREWERIES LIMITED

- C) VALUE OF IMPORTS ON C.I.F. BASIS : NIL
 D) Expenditure in Foreign Currency : (Subject to deduction of tax where applicable) NIL
 E) EARNING IN FOREIGN EXCHANGE : NIL
 F) The other information as required under paragraphs 3 & 4 part II Schedule VI to the Companies Act, 1956 are not given being EITHER NIL OR NOT APPLICABLE.

13. RELATED PARTY DISCLOSURES

- A) Detail relating to related party
Parties where control exists
 Indian Sucrose limited (Holding Company)
 Other related parties where transaction have taken place during the year
- i) Key Management Personnel
 Mr. Deepak Yadav(Managing Director)
 Mr. Bharat Singh(Director)
 Mr. Gajraj Singh Yadav(Director)
 Relative of Key Management Personnel
- ii) Mr. Kunal Yadav
 iii) Smt. Bhawana Yadav
- Enterprise significantly influenced by Directors and /or their relatives
 Yadu (India) Ltd. Yadu Resorts (India) Ltd. Cosmos Industries Ltd.

B). Transaction with related party

(Rs in lacs)

	Volume of the Transactions				
	Holding Company	Associate Company	Enterprises Significantly Influenced By the Directors and/ or its relatives	KMP	Relative of KMP
Purchase	156.74 (481.86)	-	621.87	-	-
Expenses					
Rent			0.24 (0.18)		
Remuneration					7.80 (6.00)
Finance					
Repayment of			20.00 (10.00)		
Share Application Money					
Outstandings Payable	412.04 (375.09)		355.29		
Share Application Money			4.50 (24.50)		

Note: The figures in bracket pertain to the previous year.

14. EPS	Current Year	Previous Year
	Rupees	Rupees
Profit attributable to Equity Shareholders	3003458	120066
Weighted Average no of share Basic		
Weighted average number of equity shares at the end Diluted	5865067	5865067
Weighted average number of equity shares At the end	5865067	5865067
Add:Share application Money	45000	245000
Total	5910067	6110067
Paid up value of share	10/-	10/-
Basic EPS	0.51	0.20
Diluted EPS	0.50	0.19

15. The Business activity of the company falls within single primary business segment.
 16. Information required in the terms of Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile :

I. Registration Details :

Registration No.	7383
State Code	
Balance Sheet Date	31.03.2008

II. Capital Raised during the year (Amount in Rs.Thousands)

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Issue	NIL

III. Position of Mobilisation and (Amount in Rs.Thousands)

Deployment of Funds	
Total Liabilities	156912
Total Assets	156912
Sources of Funds :	
Paid-up Capital	58651
Share Application Money	450
Reserves & Surplus	33831
Secured Loans	49247
Unsecured Loans	
Net Deferred Tax Liability	14734
Application of Funds :	
Net Fixed Assets	111802
Investments	
Net Current Assets	45110
Misc.Expenditure	-

IV. Performance of Company (Amount in Rs.Thousands)

Turnover (Including other income)	234768
Total Expenditure	221579
Profit/(Loss) Before Tax	5592
Profit/(Loss) After Tax	3003
Dividend Rate	NIL

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	220830
Product Description	Whiskey
Item Code No. (ITC Code)	22.08
Product Description	Country Liquor
Item Code No. (ITC Code)	22.08
Product Description	Spirit

For B.K.KAPUR AND COMPANY (Deepak Yadav) (Bharat Singh)
 Chartered Accountants Managing Director Director

Place : Ghaziabad (M.S.KAPUR) F.C.A.
 Dated : 30th June, 2008 Partner
 Membership No.74615



CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31TH MARCH, 2008

	Year ended 31.3.2008 Rupees	Year ended 31.3.2008 Rupees
A. Cash flow from Operating Activities		
Net Profit before Tax and Extra Ordinary items	5741257	890487
Adjustments for:		
Depreciation	7582302	6991295
Interest and financial charges	5170709	5185537
Loss on sale/damage of assets (net)	-	-
Excess Income Tax Provision written back	-	(35,479)
Interest earned	(28046)	(11,954)
Other Incomes	-	-
Operating Profit before Working Capital changes	18466222	13019887
Adjustments for:		
Trade & Other Receivables	(27264350)	(7990275)
Inventories	(6133337)	(19254009)
Trade Payables	33937802	29516578
Cash generated from operations	19006337	15292181
Direct taxes (paid)/refund	-269374	(799819)
Net Cash flow from Operating Activities A	18736963	14492362
B. Cash Flow Investing Activities		
Purchase of Fixed Assets	(1514278)	(6308468)
Sale of Fixed Assets	0	0
Interest Received	28046	11,954
Net Cash used in Investing Activities B	(1486232)	(6296514)
C. Cash Flow Financing Activities		
Interest paid	(5170709)	(5185537)
Proceeds from Borrowings Term Loan	(569759)	(931857)
Proceeds from in cash credit	356873	(1876096)
Share Application Money	(2000000)	(1000000)
Net Cash flow from Financing Activities C	(7383595)	(8993490)
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)	9867135	(797642.00)
Cash and Cash Equivalents as at 1st April, 2007	6104679	6902322
Cash and Cash Equivalents as at 31st March, 2008	15971815	6104679
	9867136	(797642)

Notes :

- 1 Cash and Cash Equivalents represent Cash and Bank Balances (Refer Schedule 10)
- 2 Interest paid is exclusive of interest capitalised Rs. Nil
- 3 Previous year figures have been regrouped / rearranged wherever consider necessary.

For B.K.KAPUR AND COMPANY
Chartered Accountants

(DEEPAK YADAV)
Managing Director

(BHARAT SINGH)
Director

(M.S.KAPUR) F.C.A.
Partner
Membership No.74615

Place : New Delhi
Dated : 30th June, 2008



Regd. Office : G.T. Road, Mukerian Distt. Hoshiarpur - 144 211

(PROXY FORM)

I/ We
of
being a member/members of INDIAN SUCROSE LIMITED hereby appoint
in the district of or failing him/her of
in the district of
as my/ our proxy to vote for me/ us and on my/ our behalf at the 17th Annual General Meeting of the
Company to be held on Tuesday, the 30th day of September, 2008 at 11.00 A.M. and at any
adjournment thereof at the Registered Office of the Company.
Signed this day of, 2008 by the said

Signature
Address
Folio/ DP ID/Client ID No.

**Affix
Re. 1/-
Revenue
Stamp.**

NOTE: The proxy form duly signed across Revenue Stamp of Rs. 1/- must be returned so as to reach the Registered Office of the Company 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

INDIAN SUCROSE LIMITED



Regd. Office : G. T. Road, Mukerian Distt. Hoshiarpur 144 211

ATTENDANCE SLIP

(Please complete this slip and hand it over at the entrance of Meeting Hall)

I/ We hereby record my/our presence at the 17th Annual General Meeting held at the Registered Office of the company at G. T. Road, Mukerian, Distt. Hoshiarpur-144 211, on Tuesday, the 30th day of September, 2008 at 11.00 A.M.

NAME OF MEMBERS (In Block Letters)
NO. OF SHARES HELD
FOLIO/DP ID/CLIENT ID NO.

SIGNATURE OF SHARHOLDER/PROXY PRESENT

* Strike out whichever is not applicable

Note: Member may please note than NO GIFT will be distributed at the meeting.

BOOK POST

(PRINTED MATTER)

If undelivered please return to :

INDIAN SUCROSE LIMITED

G.T. Road, Mukerian

Distt. Hoshiarpur 144 211. (PUNJAB)