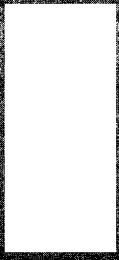


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17th Annual Report 2008-2009


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BOARD OF DIRECTORS

MR. SORABH GUPTA

Managing Director

MR. GAUTAM GOEL

Director

MR. N. K. GUPTA

Director

MR. GAURAV GOEL

Director

MR. MURLI MANOHAR

Director

AUDITORS

M/S. S. PRASAD AGARWAL & CO.

REGISTERED OFFICE & WORKS

Village-Pallawala, Tehsil-Dhampur
District Bijnor (U.P.)

**CORPORATE OFFICE &
INVESTORS' RELATION CELL**

24, School Lane, Near World Trade Centre
New Delhi - 110001
E-mail info@sugarindia.com

REGISTRAR & SHARE TRANSFER AGENT

MAS Service Ltd.
T-34, 2nd Floor, Okhla Industrial Area
Phase-II, New Delhi - 110 020
E-mail : info@masserv.com

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NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the members of DHAMPURE SPECIALITY SUGARS LIMITED will be held on Wednesday, the 30 September, 2009 at 2.00 PM at its registered office at village Pallawala, Tehsil – Dhampur, Dist – Bijnor (U.P.)-246761 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009, the Profit & Loss account for the year ended on that date and reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gautam Goel, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. N. K. Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:-

Proposal for increment of remuneration of Managing Director of the Company:

“Resolved that subject to Sections 198, 309 and 310 of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956 and subject to all other applicable rules and provisions mentioned in the Companies Act, 1956 in this context, if any, consent of the shareholders of the Company be and is hereby accorded for the modification in the terms and conditions and re-appointment of Mr. Sorabh Gupta, Managing Director of the company not liable to retire by rotation, for a period of 5 years w.e.f. 1st October 2009. The revised terms and conditions for remuneration are as under:

Salary: Rs. 70000 per month w.e.f. 1st October, with annual increment of Rs. 10000 per month raising up to Rs. 125000 per month in the maximum.

Commission: In addition to salary and perquisites, commission not exceeding 1 % of the net profits of the Company in a financial year, computed in the manner

laid down in section 309(5) of the Companies Act, 1956 and subject to the overall ceilings laid down under sections 198 and 309 of the Companies Act, 1956.

Perquisites: perquisites may be allowed in addition to salary and commission.

CATEGORY A

- a) **Accommodation :** The expenditure incurred by the company on hiring unfurnished accommodation will be subject to the ceiling of 60% of the salary over and 10% payable by himself. In case, the accommodation is owned by the company 10% his salary shall be deducted by the company. In case, no accommodation is provided by the company, the Managing Director shall be entitled to house rent allowance at the rate of 60% of the salary.
- b) **Medical Benefits:** Medical expenses incurred for self and family, subject to a ceiling of one month's salary in a year or three month's salary in a block period of three years.
- c) **Leave:** Leave in accordance with the rules of the company.
- d) **Club Fees:** Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- e) **Personal Accident Insurance:** Premium not to exceed Rs. 4000/- per annum.

CATEGORY B

Contribution towards Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling of perquisites to the extent that these either singly or put together are not taxable under the Income Tax Act.

Gratuity payable shall not exceed half a month's salary for each completed year of service.

CATEGORY C

The company shall provide a car with driver and telephone facility at the residence of the Managing Director. Provision of car for use of company's business and telephone facility at residence will not be considered as perquisites.

Personal Long distance calls on telephone and use of car for private purpose shall be billed by the company to the Managing Director.



In the event of loss or inadequacy of profits, the salary payable to Managing Director, as stated above shall be the minimum salary.

RESOLVED FURTHER that in the event of any relaxation by the Central Government in guidelines of Ceiling on managerial remuneration. The Board of Directors be and is hereby authorized to increase the remuneration of Mr. Sorabh Gupta as Managing Director within such guidelines or ceiling.

For and on behalf of the Board
For **Dhampure Speciality Sugars Limited**

Place : New Delhi
Date : 31.08.2009

Sorabh Gupta
Managing Director

Registered Office :

Village - Pallawala, Tehsil- Dhampur ,
Distt. – Bijnor (U.P.)

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the company. Proxy in order to be effective must be received by the company not later than 48 hours before meeting.
2. Members are requested to notify immediately to the company any change in their registered address.
3. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
4. The accounts, the report and all other documents required under the law to be annexed thereto, will be available for inspection during working hours of the registered office of the company on any working day except Saturdays and Sundays prior to the date of the Annual General Meeting.
5. Shareholders desiring any information as regards the accounts are requested to write to the company at an early date so as to enable the management to keep the information ready.

6. The register of members and shares transfer books of the company will remain closed from 27.09.2009 to 30.09.2009 (both days inclusive) for the purpose of Annual General Meeting.
7. Shareholders who are still holding physical share certificates are advised to dematerialize their shareholding to avail benefits of materialization which includes, easy liquidity since trading is permitted in dematerialized form, electronic transfers, savings in stamp duty and prevention of forgery.

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956

The Board of Directors, at its meeting held on 4 August, 2009, proposes to modify the terms and conditions of the appointment and re-appointment of Mr. Sorabh Gupta, Managing Director of the Company, after review the present market conditions and the standard of the payment of industry, subject to the approval of the shareholders at the forthcoming annual general meeting as laid out in the resolution mentioned in item no 5. The said resolution is thus placed before the shareholders of the Company for their consideration and consent. None of the Directors of the Company is concerned or interested in the said resolution except Mr. Sorabh Gupta, Managing Director of the Company.

For and on behalf of the Board
For **Dhampure Speciality Sugars Limited**

Place : New Delhi
Date : 31.08.2009

Sorabh Gupta
Managing Director

REGISTERED OFFICE :
Village Pallawala, Tehsil Dhampur,
Distt. Bijnor (U.P.)

DIRECTORS' REPORT

To

The Members,

Dhampure Speciality Sugars Limited

Your Directors have pleasure in presenting their **Seventeenth Annual Report** together with the Audited Statement of Accounts for the accounting year ended on **31st March, 2009** for your consideration and adoption.

FINANCIAL RESULTS

The working results of the Company are briefly given below :

	(Rupees) Current Year	(Rupees) Previous Year
Sales & other income	331286266	179589439
Operating Profit before		
Depreciation & tax	17502724	17009589
Less : Depreciation	2573821	2599109
Profit before tax	14928903	14410480
Less : Corporate Tax	3147892	3808686
Add : Deferred Tax	173993	163655
Profit after Tax	11955004	10765449
Add : Balance Brought Forward		
From Previous Year	42635312	31869863
Balance carrier to the	54590316	42635312
Balance Sheet		

REVIEW AND PROSPECT

Company Produced 497 MT of Speciality Liquid Sugar during the year as against 426 MT in the previous year. Speciality dry value added Sugar produced 1484 MT during the year against 933 MT in the previous year.

The Company has achieved a turnover of Rs.321895416 doing value addition of speciality sugars and chemicals during the year as against Rs. 160695367 in the previous year. The overall performance of the company resulting profit during the year. This was achieved by leveraging the brand value of the company, using strategic relationship with the customers and utilization of the logistics infrastructure of the Company.

The company has achieved significant success in exporting value added speciality sugars to a number of customers and many new countries. Your company has also achieved significant success in the field of E-commerce. Website, developed by the Company www.sugarindia.com, has achieved many international praises and a monthly viewership of half a million unique visitors.

Company has taken major strides in becoming leader in supplying speciality sugar products not only in India but also internationally. In the next stage of the same, we are in the process of achieving organic certification for many sugars.

At present, we are moving in the directions of developing wider product range of Speciality sugar by acquiring technical expertise or by using in house Research & Development. Some of these are Sugar Cane Juice, fancy sugar cubes, tetragon sugar sachets.

PUBLIC DEPOSIT

The Company has not accepted any deposits from the public during the financial year.

DIVIDEND

To conserve the resources, your Directors do not recommended any dividend on equity shares.

DIRECTORS

In accordance with the Companies Act'1956 and articles of Association of the Company Mr. Gautam Goel and Mr. N. K. Gupta are retiring by rotation but being eligible, have offered themselves for re-appointment. Mrs. Reena Gupta, Director of the Company has resigned during the year.

The Board placed on record its appreciation for the valuable guidance made available by Mrs. Reena Gupta during her tenure as Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

The Board of Directors of the Company confirms:

- i. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there has been no material departure;
- ii. That the directors had selected 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 as at March 31, 2009 and of the profit & loss of the company for that period;
- iii. That the directors had taken proper and sufficient care 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;
- iv. That the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

The disclosures as required under the Corporate Governance Reporting System have been furnished in the Annexure to the Directors Report under the head "Corporate Governance" and the company is complying with the various requirements under the new Corporate Governance Reporting System.

AUDITORS

M/s . S.Prasad Agarwal & Co., Chartered Accountants, the retiring statutory Auditors, being eligible, offers themselves for reappointment.They have confirmed that their reappointment if made would be within the limits in accordance with section 224(1B) of the Companies Act ,1956.

THE PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 — Nil(Previous year—Nil)

LISTING OF THE SHARES

Company's shares are listed at Bombay Stock Exchange Ltd. and the listing fee for the year 2008-2009 has been paid to the stock exchange.

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

The particulars required to be included in terms of Section 217 (1)(e) of the Companies Act,1956 with regard to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure.

EMPLOYEE RELATIONS

Employee relations remained cordial during the year under review.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the timely assistance and help extended by the Banks and Financial Institutions. The Board also wish to place on record the valuable contribution of all the officers, staff and workers in ensuring the smooth operations of the company.

For and on behalf of the Board
For **Dhampur Speciality Sugars Limited**

Place : New Delhi
Date : 31.08.2009

Murli Manohar
Director

Sorabh Gupta
Managing Director

Registered Office :
Village - Pallawala, Tehsil- Dhampur ,
Distt. - Bijnor (U.P.)

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ANNEXURE TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

CONSERVATION OF ENERGY

a) Energy conservation measures taken :

The Company continues its efforts to improve methods of energy conservation and utilization.

b) Total energy consumption per unit of production is given as per Form- A enclosed.

FOREIGN EXCHANGE EARNING AND OUTGO

The foreign exchange earned and outgoing during the year are outlined in Note No. 12 (G) & 12 (F) of Notes to Accounts of Schedule No. 14.

FORM - A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Current Year	Previous Year
A. POWER AND FUEL CONSUMPTION		
1. Electricity (Light & Power)		
a) Purchased units	56657	-
b) Total Amounts (Rs.)	174965	-
c) Rate/Unit	3.75	-
d) Own Generation		
through Diesel Generator Unit	110704	291096
Units per ltr. of diesel oil	4	4
Cost/unit (Rs.)	7.89	7.11
2. Consumption of Coal	—	—
3. Furnace Oil		
Quantity (Ltr.)	—	—
Total Cost	—	—
Average Rate	—	—
B. CONSUMPTION PER UNIT (M.T.) OF PRODUCTION		
Product : Invert & Specility Sugar		
Electricity :	56	245
Product : Jaggery & Khandsari		
Electricity :	14	187

FORM - B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R&D carried out by the Company :

a) Company developed automatic & standardized process to produce and pack jaggery (Gur) under the brand name of Dhampure.

b) Company developed different types of Speciality Sugars Including Demerara Sugar, Natural Brown Sugar, Cane Syrup etc.

c) Company signed MOUs with various Technical Institutions of International repute for developing novel products.

d) Company offering several in- house developed technologies on lab scale, commercial scale & turnkey basis.

2. Benefits derived as a results of above R & D :

- Value addition of finished goods.
- Catering to an International market with quality products
- Helping India enhance its position in the global market.

3. Future plan of action:

The company is constantly trying to improve the product quality with reduction in per unit cost and development and evaluation of alternate raw materials. Overall enhancement of quality, development of international market and offering a range of novel health-friendly sugar products remains the objective.

4. Expenditure on R & D:

Expenditure made is non-allocable

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

1. Efforts made towards technology absorption, adoption and innovation:

- Technology to make free flow demerara sugar and packing in various pack sizes from 5 gms to 500 gms.
- Production of chemical free jaggery by retaining its natural health properties and taste appeal.
- Technology to develop new style of cost effective sugar sachets
- Technology to develop a refreshing & healthy sugarcane juice drink.

2. Benefit derived as a result of the above efforts:

- Increase in number of customers.
- Value addition of finished goods.
- Catering to the global market with quality products.

3. Imported Technology: Nil

For and on behalf of the Board
For Dhampure Speciality Sugars Limited

Place : New Delhi
Date : 31.08.2009

Murli Mahohar
Director

Sorabh Gupta
Managing Director

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The company believes the good and effective corporate governance. Governance lies in managing the business in a transparent, fair accountable manner and sharing the information with the shareholders and not only complying with all the statutory obligations but also taking a role of a good corporate citizen. The philosophy of corporate governance as manifested in the company's functioning is to achieve business excellence by enhancing long term share holders value and interest of all, its stake holders such as customers, employees, financiers and to society in general.

2. BOARD OF DIRECTORS

The Board of Directors consists of Four non-executive independent directors & one Managing Director.

During the year 2008-09, the Board met six times on the following dates, namely 30th April 2008, 31st July, 2008, 28th August 2008, 31st October, 2008, 1st January 2009 and 31st January, 2009.

The following table gives details of directors, attendance of directors at the Board meeting and at the last annual general meeting, number of memberships held by directors in the Board/Committees of various companies:-

Name of Director	Category of Membership	Attendance particulars		Number of other directorships and committee Memberships/Chairmanships.		
		BMs	Last AGM	Director-ships	Committee Chairmanships	Committee Chairmanships
Mr. Sorabh Gupta	Executive (Managing Director)	6	Yes	--	-- Share grievance Committee	Share Transfer Committee
Mr. Gautam Goel	Non-Executive	5	Yes	--	Audit Committee	--
Mrs. Reena Gupta	--- do ---	3	Yes	--	---	Audit Committee
Mr. N.K. Gupta	--- do ---	6	Yes	--	Audit Committee	--
					Share Transfer Committee	
Mr. Gaurav Goel	--- do ---	5	Yes	--	Audit Committee	--
Mr. Murl Manohar	--- do ---	4	Yes	--	Share Transfer Committee	--

None of the directors is a member in more than ten committees and acts as a chairman in more than five committees across all companies in which he is a director.

3. AUDIT COMMITTEE

The Audit committee constituted by the Board of Directors consists of four non-executive directors namely Mr. N.K. Gupta, & Mr. Gautam Goel & Mr. Gaurav Goel. Mrs. Reena Gupta has regined from the post of Director on 31st December, 2008. Hence Mr. N. K. Gupta has appointed on Chairman of the Audit Committee.

The terms of reference of the committee covers all items stated in clause 49 of Listing Agreement with the stock exchanges and such other functions as may be specifically delegated to the committee by the Board from time to time. The constitution of Audit committee also meets with the requirements under section 292A of the companies Act, 1956. The committee reviews the all financial statements before they are placed before the Board during the year. Under review the committee meet on 28th April 2008, 28th July, 2008, 30th October, 2008, 30th January, 2009.

4. SHARE TRANSFER COMMITTEE/SHAREHOLDERS GRIEVANCE COMMITTEE

The committee has been constituted with Mr. Sorabh Gupta, Mr. Murl Manohar & Mr. N.K. Gupta. Sorabh Gupta is the Chairman of the committee. The Committee inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfer. The committee also looks into redressing of investors' complaints like transfer of shares, non-receipt of Balance Sheet etc. and also notes transfers/transmissions of securities issued by the company. The committee oversees the performance of the registrar and share transfer agent and recommends measures for overall improvement of the quality of investor services. The Board of Directors have delegated the power to Mr. Sorabh Gupta, Managing Director and Mr. Rajinder Gandhi, Sr. Accountant to approve the transfer and transmission of shares, folio consolidation change of name, transposition, certificate split and consolidation, dematerialisation or rematerialisation of securities, replacement of certificate etc.

As on 31st March, 2009, No request for transfer & dematerialisation was pending.

The Company has also adopted a code of conduct for prevention of insider trading in the shares of the company, pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The Board has designated Mr. Rajinder Gandhi, Sr. Accountant, as the compliance officer and authorized the committee to monitor the compliance's as required under the aforesaid regulations.

5. DIRECTORS' REMUNERATION

The remuneration to the Directors and approved by the Board of Directors of the company and the interested Director is not present when such business is taken up. The remuneration is approved by the Board considering, the educational qualification, past experience and the dedication to the duties. None of the non-executive Directors of the company have any pecuniary relationship or transactions with the company.

Rs. 273000 paid to the Managing Director towards remuneration & no sitting fee paid during the financial year 2008-09 to any Executive or non-executive Directors.

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6. GENERAL BODY MEETING

The last three Annual General Meeting were held as under:

Financial year	Date	Time	Location
2007-2008	30.09.2008	2.00 pm	Village - Pallawala, Dhampur
2006-2007	29.09.2007	2.00 pm	--- do ---
2005-2006	30.09.2006	2.00 pm	--- do ---

All the resolutions set out in the respective notices were passed by the shareholders.

7. DISCLOSURES

- (a) Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.

None of the transactions with any of the related parties were in conflict with the interests of the company.

- (b) Details of non-compliance by the company, penalties, strictures imposed on the company by the stock exchange or SEBI or any-statutory authority or any matter related to capital markets, during the last three years.

8. MEANS OF COMMUNICATION

- (a) The company is not sending half-yearly report to each household of shareholders.
- (b) The results are being sent to all the stock exchanges where the shares of the company are listed for putting in their own website.
- (c) The Company has published its quarterly results in Financial Express (English) & Jansatta (Hindi).
- (d) Management discussion and analysis forms part of the annual report which is posted to the shareholders of the company.

9. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date : 30th September, 2009 at 2.00 pm

Venue : Dhampure Speciality Sugars Limited
Village : Pallawala, Dhampur
Distt – Bijnor (U.P.)

b) Book Closure Date :

27.09.2009 to 30.09.2009
(both days inclusive)

c) Financial Calendar 2009-2010 (Tentative)

Adoption of Quarterly Result Ended	Date of Submission to Stock Exchange
30 th June, 2009	Last week of July, 2009
30 th September, 2009	Last week of October, 2009
31 st December, 2009	Last week of January, 2010
31 st March, 2010	Last week of April 2010

d) Dividend

No dividend recommended for the year 2008-09.

e) Stock Exchange Listing

Shares of the company are listed on Mumbai Stock Exchanges and pursuant to clause 38 of the Listing Agreement. The annual listing fee have been paid and there is no outstanding payment towards the exchanges as on 31st March, 2009

f) Stock Code

- (i) Trading Symbol at
The Stock Exchange, Mumbai — DHAMPURE SGR
BSE Scrip Code — 531923
- (ii) Demat ISIN Numbers in
NSDL & CDSL — INE 956B01013

g) Registrar & Share Transfer Agent :

MAS Services Ltd.

T-34, II Floor

Okhla Indl. Area, Phase-II, New Delhi- 110020

h) Distribution of shareholding

(a) Shareholding Pattern as on 31st March, 2009

Category	No. of Shares held	Percentage of Shareholding
Promoters	2744671	38.327
Institutional	250	0.003
Private Corporate Bodies	1172124	16.368
Indian Public	2950572	41.203
NRIS/OCBS	60023	0.838
Clearing Member	229660	3.207
Trust	3900	0.054
Total	7161200	100.00

(b) Shareholding Pattern as on 31st March, 2009

No of Shares	No of share-holders	% of Share-holders	Aggregate No. of Shares held	% of share holding
Upto 5000	3856	81.488	7438360	10.387
5001-10000	384	8.115	3179050	4.439
10001-20000	202	4.269	3270790	4.567
20001-30000	85	1.796	2181230	3.046
30001-40000	38	0.803	1375270	1.920
40001-50000	38	0.803	1804200	2.519
50001-100000	67	1.416	4655380	6.502
100001 & above	62	1.310	47707720	66.620
Total	4732	100	71612000	100.000

i) Dematerialisation of shares

6126800 shares were dematerialised upto 31st March, 2009. The dematerialisation level as at 31st March, 2009 stands at 85.556%

j) PLANT LOCATIONS

- 1) Village – Pallawala, Dhampur,
Distt – Bijnor (U.P.)
- 2) Village – Bachhawala, Tehsil Nehtaur,
Distt – Bijnor (U.P.)

k) Address for Correspondence :

Rajinder Gandhi Sr. Accountant
Dhampure Speciality Sugars Ltd.
24, School Lane, Near World Trade Center,
New Delhi – 110 001



AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To,

The Members of

Dhampure Speciality Sugars Limited

We have examined the compliance of the conditions of Corporate Governance by Dhampure Speciality Sugars Limited for the year ended 31st March,2009, as stipulated in Clause 49 of the Listing Agreement of said company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the Listing Agreement. We state that in respect of investor grievances received during the year ended 31st March,2009, no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Company and presented to the Shareholders/Investors' Grievance/ Share Transfer and Transmission Committee. 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 **S.Prasad Agarwal & Co.**
Chartered Accountants

Place : New Delhi
Date : 31.08.2009

(S.P. Agarwal)
Proprietor
Membership No. : F 92194

AUDITORS' REPORT

To the Members of

DHAMPURE SPECIALITY SUGARS LIMITED

1. We have audited the attached Balance Sheet of DHAMPURE SPECIALITY SUGARS LTD., as at March, 31, 2009 and the related Profit and Loss account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 have conducted our audit in accordance with the auditing standards generally accepted in India. These 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 includes examining, on 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 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we further report that:
 - (i)
 - (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the company during the year.
 - (ii)
 - (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, 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 of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) The company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
 - (iv) In our opinion, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examinations of the books and records of the company, and according to the information and explanations given to us. We have neither come across nor have been informed of any major weakness in the aforesaid internal control procedures.
 - (v)
 - (a) In our opinion and according to the information and explanation given to us, the transactions that need to be entered into the register in pursuance to Section 301 of the Act, have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Act exceeding the value of Rupees Five Lakhs in respect of any party during the year.
 - (vi) The company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and the rules framed there under.
 - (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
 - (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
 - (ix)
 - (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, investor, education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.



- (b) According to the information and explanations given to us and the records of the company examined by us there are no disputes and dues with Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty etc.
- (x) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in payment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- (xi) The company has not granted any loan on the basis of security by way of pledge of shares.
- (xii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
- (xiii) In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investment; however the company made investment in some quoted & unquoted shares.
- (xiv) That the company has taken term car loans amounting Rs. 19856/- and Rs. 9080000/- against hypothecation of Stock and Debtors.
- (xv) In our opinion and according to the information and explanations given to us the company has not obtained any type of term loan facility.
- (xvi) On the basis of an overall examination of the balance sheet of the company, and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment, and vice versa.
- (xvii) The company has not made preferential allotment shares to the parties and companies covered in the register maintained under section 301 of the Act during the year.
- (xviii) The company has not issued any debentures which have remained outstanding at the year end.
- (xix) The company has not raised any money by public issues during the year.
- (xx) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we have been informed of such case by the management.
4. Further to our comments in paragraph 3 above, we report that:
- (a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes 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 those books;
- (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement deal with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement deal with by this report company with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
- (e) On the basis of written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, none of the directors disqualified as on March 31, 2009, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) In the case of the Balance Sheet, of the state of affairs of the company as March 31, 2009;
- (ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **S. Prasad Agarwal & Co.**
Chartered Accountants

S.P. AGARWAL
PROPRIETOR
Membership No. F 92194

Place: New Delhi
Date : 31.08.2009

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Balance Sheet as at 31st March' 2009

Particulars	Schedule	As at 31.03.2009		As at 31.03.2008	
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
SOURCES OF FUNDS					
1. Shareholders' Funds :	1				
a) Share Capital		71612000		71612000	
b) Reserve & Surplus		<u>87660316</u>	159272316	<u>75705312</u>	147317312
2. Loan Funds	2				
Secured Loan			<u>9099856</u>		<u>247089</u>
TOTAL			<u><u>168372172</u></u>		<u><u>147564401</u></u>
APPLICATION OF FUNDS					
1. Fixed Assets	3				
Gross Block		87157618		96542664	
Less: Depreciation		<u>66335698</u>		<u>64010839</u>	
Net Block			20821920		32531825
2. Investments	4		1411592		1523748
3. Deferred Tax Assets			8632091		8458098
4. Current Assets, Loans & Advances	5				
a) Inventories		17137041		17201975	
b) Sundry Debtors		46161846		24130847	
c) Cash & Bank Balances		1267878		8705124	
d) Advances		<u>112358295</u>		<u>78402509</u>	
TOTAL		<u>176925060</u>		<u>128440455</u>	
Less: Current Liabilities & Provisions	6				
a) Current Liabilities		36802711		20290922	
b) Provisions		<u>2965780</u>		<u>3623803</u>	
TOTAL		<u>39768491</u>		<u>23914725</u>	
Net Current Assets			137156569		104525730
Miscellaneous Assets			<u>350000</u>		<u>525000</u>
TOTAL			<u><u>168372172</u></u>		<u><u>147564401</u></u>
NOTES TO THE ACCOUNTS	14				

Auditors' Report
As per our Separate Report of even date annexed
For **S. Prasad Agarwal & Co.**
Chartered Accountants

For **DHAMPURE SPECIALITY SUGARS LTD.**

(S. P. Agarwal)
Proprietor
Membership No. : F 92194
Palce : New Delhi
Dated : 31.08.2009

Murli Manohar
Director

Sorbha Gupta
Managing Director

Registered Office :
village - Pallawala, Tehsil-Dhampur
Distt - Bijnor (U.P.) Pin - 246761

Profit & Loss Account for the Year Ended 31st March' 2009

Particulars	Schedule	As at 31.03.2009		As at 31.03.2008	
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
INCOME					
Sales (Net of Returns)	7	321895416		160695367	
Interest received		78404		4026605	
Miscellaneous Income	8	9312446		14867467	
TOTAL			331286266		179589439
EXPENDITURE					
Materials & Manufacturing Expenses	9	278328135		144342328	
Personnel Expenses	10	4138600		3336580	
Administrative Expenses	11	5729263		6491728	
Financial Charges	12	351382		841539	
Selling & Distribution Expenses	13	24120055		6532618	
Excise Duty		1116107		1035057	
Depreciation		2573821		2599109	
TOTAL			316357363		165178959
Profit/(Loss) before Tax			14928903		14410480
Less : Provision for Tax					
- Income Tax			2965780		3623803
- Fringe Benefit Tax			182112		184883
Add : Deferred Tax Assets			173993		163655
Profit / (Loss) after Tax			11955004		10765449
Add/ (Less) Brought forward from previous year			42635312		31869863
Profit/Deficit() Carried to Balance Sheet			54590316		42635312

NOTES TO THE ACCOUNTS 14

Auditors' Report
As per our Separate Report of even date annexed

For **S. Prasad Agarwal & Co.**
Chartered Accountants

For **DHAMPURE SPECIALITY SUGARS LTD.**

(S. P. Agarwal)
Proprietor
Membership No. : F 92194
Palce : New Delhi
Dated : 31.08.2009

Murli Manohar
Director

Sorbha Gupta
Managing Director

Registered Office :
village - Pallawala, Tehsil-Dhampur
Distt - Bijnor (U.P.) Pin - 246761

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Schedules Annexed to and Forming Part of Accounts

	As at 31.03.2009		As at 31.03.2008	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
SCHEDULE 1 : SHAREHOLDERS' FUNDS				
a) SHARE CAPITAL				
Authorised				
25000000 (Previous year 25000000) Equity Shares of Rs.10/- each		<u>25000000</u>		<u>25000000</u>
Issued, Subscribed and Paid Up				
7161200 (P.Y. 7161200) Equity Shares of Rs.10/- each fully paid up in cash		71612000		71612000
b) RESERVE & SURPLUS				
Share Premium Account: As per last Balance Sheet		33070000		33070000
Surplus				
As per Profit & Loss Account		<u>54590316</u>	87660316	<u>42635312</u>
				75705312
SCHEDULE 2 : LOAN FUNDS				
a) SECURED LOANS				
Car Loan				
From Body Corporate secured by way of hypothication of Cars		19856		247089
b) Bank Loans				
From PNB (Secured by way of hypothication of stock & debtors)		<u>9080000</u>	9099856	<u>-</u>
				247089

SCHEDULE- 3 FIXED ASSETS

PARTICULARS	GROSSBLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.08	Addition During the year	Sale/adj During the year	Total as at 31.03.09	Upto 31.03.08	Dep. for the year	Sale/Adj. During the year	Total as at 31.03.09	As at 31.03.09	As at 31.03.08
LAND	14068275	249020	12143550	2173745	-	-	-	-	2173745	14068275
BUILDING	12989168	1503116	818686	13673598	4588387	407370	248962	4746795	8926803	8400781
PLANT & MACHINERY	52425940	1289415	-	53715355	50327865	606652	-	50934517	2780838	2098075
ELECTRICAL INSTALLATION	1133183	-	-	1133183	865007	80110	-	945117	188066	268176
GENERATOR SETS	2354868	-	-	2354868	883282	111856	-	995138	1359730	1471586
COMPUTERS	3894761	181949	-	4076710	2550445	652472	-	3202917	873793	1344316
MISC. ASSETS	1760138	84950	-	1845088	842258	86187	-	928445	916643	917880
FURNITURE & FIXTURE	495151	268740	-	763891	246252	40224	-	286476	477415	248899
VEHICLES	7421180	-	-	7421180	3707343	588950	-	4296293	3124887	3713837
TOTAL	96542664	3577190	12962236	87157618	64010839	2573821	248962	66335698	20821920	32531825
Previous Year	98390126	2622005	4469468	96542663	61411730	2599109	-	64010839	32531826	

Note : Land including agricultural Land of Rs. 2000545 and Industrial Land of Rs. 173200.

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SCHEDULE : 4 - INVESTMENTS

Name of Script	Opening Balance As at 01.04.2008		Purchase during the year		Sold during the year		Closing Balance As at 31.03.2009		Closing Balance As at 31.03.2008	
	Qty.	Value (Rs.)	Qty.	Value (Rs.)	Qty.	Value (Rs.)	Qty.	Value (Rs.)	Qty.	Value (Rs.)
"A" QUOTED SHARES										
In Equity Shares - Fully paid up										
Gee Kay Exim	56000	249200	-	-	-	-	56000	249200	56000	249200
Information Tech	5000	84017	-	-	-	-	5000	84017	5000	84017
Infra Era	-	-	124000	75366343	124000	75366343	-	-	-	-
Prime Capital Market Ltd.	25000	129250	-	-	17825	92156	7175	37094	25000	129250
East India Hotel Ltd.	100	12531	-	-	-	-	100	12531	100	12531
Maharashtra Krishna Valley Bond	1	23750	-	-	-	-	1	23750	1	23750
Total - A	86101	498748	124000	75366343	141825	75458499	68276	406592	86101	498748
"B" UNQUOTED SHARES										
Six years National Saving Certificates	-	20000	-	-	-	20000	-	-	-	2000
Magic Software Pvt. Ltd.	10000	1000000	-	-	-	-	10000	1000000	10000	1000000
United Service Pvt. Ltd.	500	5000	-	-	-	-	500	5000	500	5000
Total - B	10500	1025000	-	-	-	20000	10500	1005000	10500	1025000
" C" CAMMODTITIES										
Menthaoil(Cammodity trading)	-	-	-	6980157	-	6980157	-	-	-	-
Total - C	-	-	-	6980157	-	6980157	-	-	-	-
GRAND TOTAL (A+B+C)	96601	1523748	124000	82346500	141825	82458657	78776	1411592	96601	1523748
Previous year	1096501	11511217	5513	1446371	1005413	11433840	96601	1523748	-	-
Market Value as on 31.03.2009								3222235		

Particulars	As at 31.03.2009		As at 31.03.2008	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
SCHEDULE 5: CURRENT ASSETS, LOANS & ADVANCES				
a) Inventories (as taken, valued and certified by the Management)				
Store, Spares & Fuel (at cost)	24247		140005	
Finished Goods (at lower of cost or net realizable value)	4683496		6533463	
Raw materials (at cost)	12113153		10057692	
Packing Material (at cost)	316145	17137041	470815	17201975
b) Sundry Debtors: (unsecured, considered good)				
outstanding for more than six months	2234322		1665750	
Less : Provision for Bad Debts	-		536205	
	2234322		1129545	
outstanding for less than six months	43927524	46161846	23001302	24130847
c) Cash & Bank Balances				
Cash in hand (as certified by the Management)	382785		742794	
Balances with Scheduled Bank				
- Current Accounts	730326		2308300	
Fixed Deposits with bank (including intt. accrued thereon)	154767	1267878	5654030	8705124
d) Advances (Unsecured - Considered Goods)				
Advance recoverable in cash or in kind and/or for value to be received and/or adjusted	103750868		73743261	
Security Deposits	174496		257056	
Balance with Excise Department	560728		624604	
Advance Tax & Tax deducted at source	1689452		2708203	
Advance to Suppliers	6125770		1027681	
Prepaid Expenses	56981	112358295	41704	78402509
SCHEDULE 6: CURRENT LIABILITIES & PROVISIONS				
a) Current Liabilities :				
Sundry Creditors and Liabilities for expenses	22311962		10382414	
Advance from Customers	1702906		619832	
Tax deducted at source payable	1156011		116891	
Security deposit received	531331		531331	
Advance against sale of land	-		1000000	
Books overdraft with Banks	11100501	36802711	7640454	20290922
b) PROVISIONS :				
for Income Tax		2965780		3623803

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Particulars	As at 31.03.2009		As at 31.03.2008	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
SCHEDULE 7 : SALES				
Domestic Sales	267943132		131849654	
Export Sales	<u>53952284</u>	321895416	<u>28845714</u>	160695368
SCHEDULE 8: MISCELLANEOUS INCOME				
Income from Logistic Service	1244634		3925767	
Income from Investment	4027502		766511	
Agriculture Income	202903		93610	
Rental Income	-		51000	
Misc. Income	-		34102	
Commission Income	834474		755332	
I.T refund received for earlier year	-		205492	
Sales of Scrap	30283		200748	
Profit on Sales of Fixed Assets	1856450		7676940	
Insurance Income	-		883992	
Profit on Foreign Exchange Fluctuation	<u>1116199</u>	9312446	<u>273973</u>	14867467
SCHEDULE 9: MATERIALS & MANUFACTURING EXP.				
Raw Material Consumed				
Opening Stock	10057692		13853443	
Add: Purchases	<u>269081889</u>		<u>127407604</u>	
	279139581		141261047	
Less : Closing Stock	<u>12113153</u>	267026428	<u>10057692</u>	131203355
Manufacturing Expenses :				
Production Expenses	1536799		1490334	
Power & Fuel	1177515		2161919	
Stores & Spares consumed	88838		31742	
Packing Expenses	6280948		5916730	
Machinery Repair & Maintenance	<u>367640</u>	9451740	<u>242959</u>	9843684
Increase()/decrease in stocks				
A) Closing Stock:				
Finished goods	4683496		6533463	
B) Opening Stock:				
Finished goods	<u>6533463</u>	1849967	<u>9828752</u>	3295289
Net increase()/decrease in stock (B-A)				
TOTAL		<u>278328135</u>		<u>144342328</u>
SCHEDULE 10 : PERSONNEL EXPENSES				
Salary, Wages & Allowances	3657498		2661811	
Meeting, Seminar expenses	18029		6000	
Employees Welfare Expenses	162786		85386	
Security Expenses	<u>300287</u>	4138600	<u>583383</u>	3336580

Particulars	As at 31.03.2009		As at 31.03.2008	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
SCHEDULE 11: ADMINISTRATIVE EXPENSES				
Printing & Stationery	187466		86387	
Communication Expenses	551017		374059	
Travelling & Conveyance	951134		1858114	
Repairs & Maintenance:-				
- Building	53182		62998	
- Others	477362		455334	
Vehicle Repair & Maintenance	219640		82286	
Insurance Charges	992612		967683	
Rent, Rates & Taxes	736172		724480	
Directors Remuneration	273000		186000	
Auditors Remuneration				
- as Audit Fee	25281		25281	
Filing Fee	178000		176500	
Additional Sales tax Demand paid	52400		-	
Legal & Professional Charges	733265		1305572	
Miscellaneous Expenses	294173		146978	
Share Transfer Expenses	2627		40056	
Penalty	1932	5729263	-	6491728
SCHEDULE 12: FINANCIAL CHARGES				
Interest paid	130122		640535	
Bank charges	221260	351382	201004	841539
SCHEDULE 13: SELLING & DISTRIBUTION EXPENSES				
Mandi Samiti Tax	119967		15408	
Advertisement & Publicity	135795		46255	
Business Promotion & Entertainment	427784		180802	
Commission Paid	13303749		795600	
Discount & Rebates	2033959		883894	
Godown Handling Expenses	750077		1286419	
Exports Expenses	7348724	24120055	3324240	6532618

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SCHEDULE 14 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

The financial statements are prepared under historical cost convention, on an accrual basis and in accordance with the requirements of the Companies Act, 1956.

(b) FIXED ASSETS & DEPRECIATION

All fixed assets are stated at cost of acquisition less depreciation. Costs of acquisition include related pre-operational expenses. Depreciation on fixed assets (other than Land & Live Stock where no depreciation is provided) has been provided on straight line method at the rates specified in Schedule XIV to the Companies Act, 1956 on prorata basis.

(c) IMPAIRMENT OF ASSETS

The Company identifies impairable tangible fixed assets at the year- end in term of cash generating unit concept for the purpose of arriving at impairment loss thereon being the difference between the book value and recoverable value of relevant assets if indication of impairment exists within the meaning of para 5 to 13 of AS-28 issued by ICAI. Impairment loss if any when crystallizes is charged against revenue of the year.

(d) INVENTORIES

Inventories are valued at lower of cost or net realizable value. Cost is determined on FIRST IN FIRST OUT basis. Cost is comprises of all cost of purchase, cost of conversion and other costs incurred in bring the inventories to their present location and condition. Raw material cost is exclusive of excise duty paid / payable on purchases, as the same has been set off against excise duty payable on sale of finished goods under CENVAT scheme.

(e) INVESTMENTS

Investments are stated at cost. However, diminution in value other than temporary is provided. The profit/loss arising on account of sales is recognized in the Profit & Loss Account.

(f) REVENUE RECOGNITION

Revenue is recognized on sale of goods. Sales are inclusive of excise duty but net of Sales Tax. Duty draw back is accounted for on accrual basis. Commission is recognized at the time of delivery of goods effected by the principal. Transportation services are recognized on provision of services. Income from securities transaction is recognized on "Settlement" date basis. Income on speculative transaction is made on settlement basis.

(g) FOREIGN EXCHANGE TRANSACTIONS

- (i) Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of transactions.
- (ii) The exchange rate fluctuation in revenue accounts is adjusted in the respective head in Profit and Loss Accounts.

(h) RESEARCH & DEVELOPMENT

Research & Development expenses of revenue nature are charged to Profit & Loss Account in the year in which these are incurred.

(i) PRIOR PERIOD ITEMS

The expenditure and income pertaining to prior period are included under the respective head of accounts in the Profit & Loss Account

(j) INCOME TAXES AND DEFERRED TAX

Income tax expenses comprise current tax and deferred tax charge or credit. The deferred tax charge or credit is recognized using current tax rates. Deferred tax assets arising from unabsorbed depreciation or carry forward losses are recognized only if there is virtual the extent there is reasonable certainty of realization in future. Such assets are to be reviewed at each Balance Sheet date to reassess the reliability

(k) RETIREMENT BENEFITS

- (ii) The Company's contribution to Provident Fund & Family Pension Scheme is charged to the Profit & Loss Account.
- (iii) Accrued liability for Gratuity in accordance with the provision of the Payment of Gratuity Act, 1972 calculated on the assumption that such benefits are payable to all the employees at the end of accounting year, has been charged to Profit and Loss Account.

- (l) Accounting policies not specifically referred to are otherwise consistent and in consonance with generally accepted accounting practices.

NOTES TO ACCOUNTS:

1. Contingent liability not provided for

Undertaking executed in favour of Central Excise Department upto a limit of Rs. 1,50,000/- for clearance of Export Goods without payment of Excise Duty.

2. In the opinion of Board, all current assets, loans and advances have value on realization in the ordinary course of business at least equal to the amount at which these are stated in the balance sheet.
3. Sundry debtors and creditors are subject to confirmation.
4. Extension of Licence to utilize the technology from Bhabha Atomic Research Centre, Bombay for enzymatic production of invert sugar syrup and its terms & conditions are under negotiation. However, the Company is using other technology to manufacture the Invert Sugar.
5. Logistic Service Income is stated net of expenses amounting to Rs.468667/- (Previous year Rs. 200674/-).
6. As per the information available with the Company, there is no amount payable as at 31st March 2009 to Small Scale Industrial Undertakings. Managerial Remuneration U/s 198 of the Companies Act, 1956 paid to the director of the company.

Current Year (Rs.)	Previous Year (Rs.)
273000	186000

7. Additional information as required by Part II schedule VI to the Companies Act, 1956 :

(A) Licensed & Installed Capacity, Actual Production (as certified by the management)

Product	Licensed capacity	Installed capacity	Actual Production
Invert Sugar	60 MT per day (60 MT per day)	60 MT per day (60 MT per day)	497059 Kg. (425731 Kg.)
Khandsari	9 Rollers of 33x46.0 Cms (9 Rollers of 33x46.0 Cms)	300 Qtl per day 9 Rollers of 28x35.5 Cms (300 Qtl per day) (9 Rollers of 28x35.5 Cms)	Nil Nil
Jaggery	—do—	— do —	4000.50 Qtl (6905 Qtl)
Specialty Sugar	-N.A.-	-N.A.-	1483878 Kg. (933396 Kg.)

(B) Sales, Closing Stock and Opening Stock

Product	Unit	Sale		Closing Stock		Opening Stock	
		Qty.	Value (In Rs.)	Qty.	Value (In Rs.)	Qty.	Value (In Rs.)
Invert Sugar	Kg.	466177 (434033)	13643844 (11135519)	45978 (15096)	837688 (257893)	15096 (23398)	257839 (625731)
Specialty Sugar	Kg	1522357 (1059463)	51430389 (29024283)	5917 (44396)	107804 (820947)	44396 (55704)	820947 (1000753)
Jaggery	Qtls.	8283.2 (8312)	12645346 (8720110)	1781.16 (6064)	3738004 (5454623)	6063.86 (7471)	5454624 (8202268)

(C) Sales, Closing Stock and Opening Stock

Product	Unit	Trading		Closing Stock		Opening Stock	
		Qty.	Value (In Rs.)	Qty.	Value (In Rs.)	Qty.	Value (In Rs.)
Chemicals		2971936	158690963	189722	8896521	166263	5450530

(D) Raw Materials consumed (100% indigenous)

	Qty in Kg.		Value in Rs.	
	Current Year	Previous Year	Current Year	Previous Year
(i) Sugar	1946835	1245110	32363948	16839708
(ii) Activated Carbon	Nil	Nil	86098	62738
(iii) Molasses	200	300	650	975
(v) Sugarcane (in Qtls.)	45299	60818	7191468	6350495
(E) Stores Consumed			13662	31742
(E) Expenditure in foreign currency			335328	1677429
(F) Earnings in foreign currency			55068482	28845713

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9. Segment Disclosures

The Company Operators in single Segment of Speciality Sugars, Chemicles therefore Accounting Standard 17th on the Segment operating is not applicable.

10. Disclosure of details pertaining to related party transactions entered during the year in terms of Accounting Standard – 18. Related party disclosures issued by the Institute of Chartered Accountants of India.

I. List of Related Parties

- a) **Under Common Control**
Dhampur Alco Chem Limited,
- b) **Key Managerial Personnel**
Mr. Sorabh Gupta, Managing Director

II. Details of transactions between into with related parties

(a) Key Managerial Personnel and other relatives

1) Mr. Sorabh Gupta Remuneration 273000

(b) List of Related Parties

M/s Dhampur Alco Chem Ltd. Goods sold 9131

11. Deferred Taxation

As per Accounting Standard 22 on "Accounting for taxes on Income", the deferred tax credit/debit for the year has been recognised in the Profit & Loss Account.

The break-up of deferred tax debit/credit is as under :

(Rs. In lakhs)

Provision for Deferred Tax	Opening As at 1.4.2008	Debit / Credit during the year	Closing As at 31.3.2009
Timing differences on accounts of.			
Difference between book depreciation and depreciation under the Income Tax Rules	54.58	1.74	86.32
Net Deferred Tax Liability (-)/ Asset (+)	54.58	1.74	86.32

12. Income/Expenditure relating to earlier year:

Expenses Rs. 962/- (Previous year Rs.26718/-)

Income Rs. NIL (Previous year Rs. NIL)

13. Paise have been rounded off to the nearest of rupee.

14. Previous year's figures have been regrouped/rearranged wherever considered necessary to make these comparable with those of current year.

15. Schedules 1 to 15 form an integral part of the statement of accounts for the year ended 31st March, 2009

Signatures to Schedules 1 to 15

For S. PRASAD AGARWAL & CO.
Chartered Accountants

For DHAMPURE SPECIALITY SUGARS LTD.

(S. P. Agarwal)
Proprietor
Membership No. F 92194

Murli Manohar
Director

Sorabh Gupta
Managing Director

Place : New Delhi
Dated : 31.08.2009

Registered office :
Village Pallawala, Tehsil Dhampur
Bijnor (U.P.) Pin 246 761

Cash Flow Statement for the year ended 31st March, 2009

	As at 31.03.2009 (Rupees in Thousand)	As at 31.03.2008 (Rupees in Thousand)
A. NET CASH FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	14929	14410
ADJUSTMENT FOR:		
*Depreciation	2574	2599
Interest (Net)	78	4027
Miscellaneous Expenditure Written off	-	6626
Operating Profit before working capital Changes	17581	21036
ADJUSTMENT FOR:		
Trade & other receivables	(63038)	(51501)
Inventories	(65)	7238
Trade Payables	16512	(1519)
Tax payments	687	(4623)
NET CASH FROM OPERATING ACTIVITIES	(28323)	(29369)
B. CASH FLOW FROM INVESTING ACTIVITIES		
fixed Assets (net sales)	9385	1847
purchase of Investments	112	9987
Increase in Capital work in progress/ project expenditure	-	(700)
NET CASH EARNED IN INVESTING ACTIVITIES	9497	11835
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	-	-
Increase/(decrease) Share Application Money	-	-
Increase in Share Premium	-	-
Net proceeds of Long Term Borrowings	8853	(211)
NET CASH FROM FINANCING ACTIVITIES	8853	(211)
Net increase in cash equivalents	9973	(17534)
Opening cash and cash equivalents	8705	26450
Closing cash and cash equivalents	1267	8705

Auditors' Report

As per our Separate Report of even date annexed

 For **S. Prasad Agarwal & Co.**

Chartered Accountants

(S. P. Agarwal)

Proprietor

Membership No. : F 92194

For and on behalf of the Board

Murli Manohar

Director

Sorbha Gupta

Managing Director

Place : New Delhi

Dated : 31.08.2009

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Additional Information as required by Schedule VI to the Companies Act., 1956 Balance Sheet abstract & Company & General Business Profile.

I. REGISTRATION DETAILS

Registration Number	14478	State	20
Balance Sheet Date	31 03 2009		
	Date Month Year		

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue	Nil	Right Issue	NIL
Bonus Issue	Nil	Private Placement	NIL

III. POSITION AND MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities	208141	Total Assets	208141
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SOURCES OF FUNDS

Paid up Capital	71612	Reserves & Surplus	87660
Secured Loans	9099.86	Unsecured Loans	Nil

APPLICATION OF FUNDS

Net Fixed Assets	20822	Investments	1411.59
Net Current Assets	137186	Miscellaneous	350
Accumulated Losses	Nil	Expenditure	8632

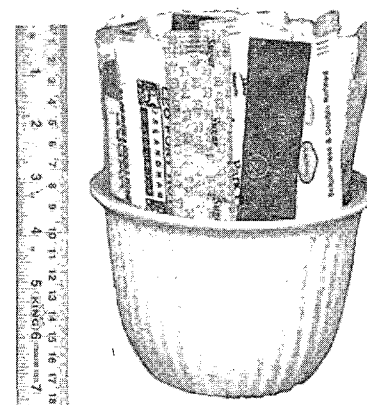
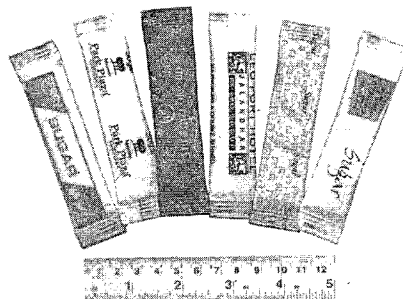
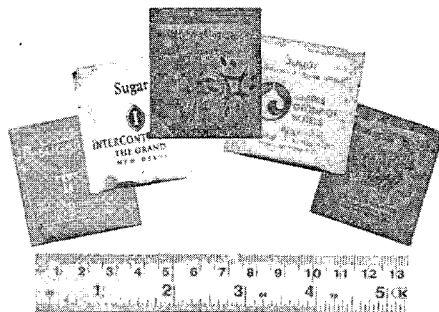
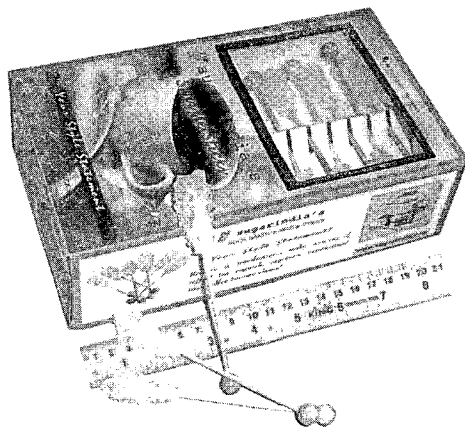
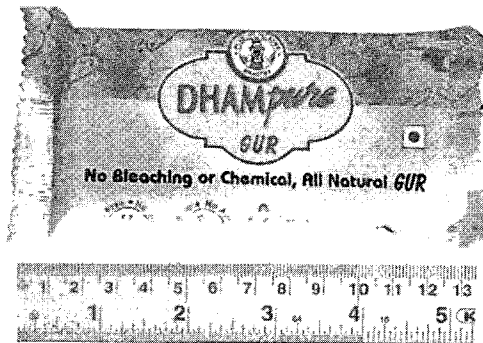
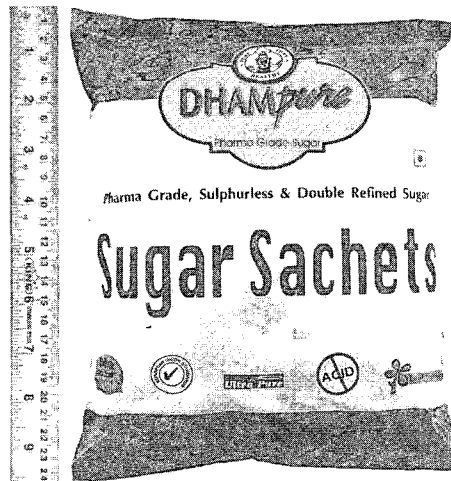
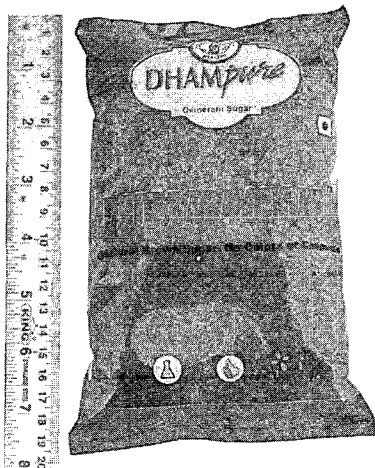
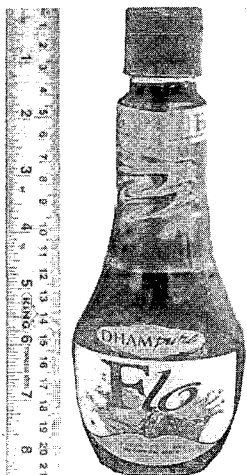
IV. PERFORMANCE OF COMPANY (Amount in Rs Thousands)

Sales & Other Income	331286	Total Expenditure	316357
(+)Profit/(-)Loss before tax	14929	Profit/Loss after tax	11984
Earning per Share in Rs.	1.67	Dividend Rate(%)	Nil

V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS OF COMPANY

Item Code No. (ITC Code)	17029090	17011190	17011110
Production Description	INVERT SUGAR	DEMERARA SUGAR	JAGGERY

BOOK - POST



If undelivered, please return to :

Dhampure Speciality Sugars Ltd.

24, School Lane
Near World Trade Centre,
New Delhi-110 001

