

Dham *pure* Speciality Sugars Ltd.

www.sugarindia.com

16th Annual Report 2007-2008



BOARD OF DIRECTORS

MR. SORABH GUPTA

Managing Director

MR. GAUTAM GOEL

Director

MRS. REENA GUPTA

Director

MR. N. K. GUPTA

Director

MR. GAURAV GOEL

Director

MR. MURLI MANOHAR

Director

AUDITORS

M/S. S PRASAD AGARWAL & CO.

BANKERS

STATE BANK OF INDIA

HDFC BANK

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.

AB-4, Safdarjung Enclave,

New Delhi - 110029

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NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the members of DHAMPURE SPECIALITY SUGARS LIMITED will be held on Tuesday , the 30 September, 2008 at 2.00 PM at its registered office at village Pallawala, Tehsil – Dhampur, Distt – 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, 2008, 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. Gorav Goel , who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Murli Manohar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.
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 27.09.2008 to 30.09.2008 (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 dematerialisation which includes, easy liquidity since trading is permitted in dematerialized form, electronic transfers, savings in stamp duty and prevention of forgery.

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

Place : New Delhi
Date : 28.08.2008

Sorabh Gupta
Managing Director

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

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

Place : New Delhi
Date : 28.08.2008

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.

DIRECTORS' REPORT

To
 The Members,
 Dhampur Speciality Sugars Limited

Your Directors have pleasure in presenting their **Sixteenth Annual Report** together with the Audited Statement of Accounts for the accounting year ended on **31st March, 2008** 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	179589439	171239983
Operating Profit before		
Depreciation & tax	17009589	11209531
Less : Depreciation	2599109	3418897
Profit before tax	14410480	7790634
Less: Corporate Tax	3808686	2557805
Add : Deferred Tax	163655	406998
Profit after Tax	10765449	5639827
Add : Balance carried from		
Profit & Loss A/c	31869863	26748944
Less: Income tax paid for		
Earlier Year	-	518908
Balance carrier to the		
Balance Sheet	42635312	31869863

REVIEW AND PROSPECT

Company Produced 426 MT of Speciality Liquid Sugar during the year as against 512 MT in the previous year. Speciality dry value added Sugar produced 933 MT during the year against 480 MT in the previous year.

The Company has achieved a turnover of Rs.160695367 doing value addition of speciality sugars and chemicals during the year as against Rs. 161810419 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. Gaurav Goel and Mr. Murli Manohar are retiring by rotation but being eligible, have offered themselves for re-appointment.

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, 2008 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.

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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.

AMALGAMATION

The amalgamation of the company with Dhampur Alco Chem Ltd is in process and pending with Hon'ble High Court of Allahabad.

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 : 28.08.2008

Murli Manohar

Director

Sorabh Gupta

Managing Director

Registered Office :

Village - Pallawala, Tehsil- Dhampur ,

Distt. - Bijnor (U.P.)

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	-	-
b) Total Amounts (Rs.)	-	-
c) Rate/Unit	-	-
d) Own Generation		
through Diesel Generator		
Unit	291096	496750
Units per ltr. of diesel oil	4	4
Cost/unit (Rs.)	7.11	7.92
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	:	245	332
Product	: Jaggery & Khandsari		
Electricity	:	187	273

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 Dhampur.

- 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 Dhampur Speciality Sugars Limited

Place : New Delhi	Murli Mahohar	Sorabh Gupta
Date : 28.08.2008	Director	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 Five non-executive Independent directors & one Managing Director.

During the year 2007-08, the Board met five times on the following dates, namely 28th April, 2007, 28th July, 2007, 31st October, 13 November 2007, 31st January, 2008.

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 Chairman ships	Committee Chairman ships
Mr. Sorabh Gupta	Executive (Managing Director)	5	Yes	4	---	---
Mr. Gautam Goel	Non-Executive	2	No	6	1	1
Mrs. Reena Gupta	--- do ---	5	No	1	---	---
Mr. N.K. Gupta	--- do ---	4	Yes	---	4	---
Mr. Gaurav Goel	--- do ---	3	No	6	2	1
Mr. Murli Manohar	--- do ---	4	Yes	2	2	---

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 Mrs. Reena Gupta, Mr. N.K. Gupta, & Mr. Gautam Goel & Mr. Gaurav Goel. Mrs. Reena Gupta is the Chairperson 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, 2007, 28th July, 2007, 31st October, 2007, 31st January, 2008.

4. SHARE TRANSFER COMMITTEE/SHAREHOLDERS GRIEVANCE COMMITTEE

The committee has been constituted with Mr. Sorabh Gupta, Mrs. Reena Gupta & 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, 2008, 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 authorised 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.186000 paid to the Managing Director towards remuneration & no sitting fee paid during the financial year 2007-08 to any Executive or non-executive Directors

6. GENERAL BODY MEETING

The last three Annual General Meeting were held as under:

Financial year	Date	Time	Location
2006-2007	29.09.2007	2.00 pm	Village - Pallawala, Dhampur
2005-2006	30.09.2006	2.00 pm	--- do ---
2004-2005	30.09.2005	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, 2008 at 2.00 pm
Venue : Dhampur Speciality Sugars Limited
 Village : Pallawala, Dhampur
 Distt – Bijnor (U.P.)

b) Book

: 27.09.2008 to 30.09.2008
Closure Date (both days inclusive)

c) Financial Calendar 2008-09 (Tentative)

Adoption of Quarterly Result Ended	Date of Submission to Stock Exchange
30th June, 2008	Last week of July, 2008
30th September, 2008	Last week of October, 2008
31st December, 2008	Last week of January, 2009
31st March, 2009	Last week of June, 2009

d) Dividend

No dividend recommended for the year 2007-08.

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, 2008

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.
 AB-4, Safdarjung Enclave
 New Delhi- 110029

h) Distribution of shareholding

(a) Shareholding Pattern as on 31st March, 2008

Category	No. of Shares held	Percentage of Shareholding
Promoters	2551195	35.625
Institutional	47668	0.665
Private Corporate Bodies	1425288	19.903
Indian Public	3061214	42.758
NRIS/OCBS	37004	0.517
Clearing Member	31331	0.438
Trust	7500	0.105
Total	7161200	100.00

(b) Shareholding Pattern as on 31st March, 2008

No of Shares	No of share-holders	% of Share-holders	Aggregate No. Of Shares held	% of share holding
Upto 5000	3804	81.317	7215660	10.076
5001-10000	360	7.696	3024620	4.224
10001-20000	189	4.040	3004320	4.195
20001-30000	101	2.159	2584510	3.609
30001-40000	37	0.719	1330990	1.859
40001-50000	43	0.919	2034020	2.840
50001-100000	70	1.496	5128930	7.162
100001 & above	74	1.582	47288950	66.035
Total	4678		71612000	100.00

i) Dematerialisation of shares

6038900 shares were dematerialised upto 31st March, 2008. The dematerialisation level as at 31st March, 2008 stands at 84.33%.

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
 Dhampur Speciality Sugars Ltd.
 24, School Lane, Near World Trade Center,
 New Delhi – 110 001

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To,

The Members of
 Dhampur Speciality Sugars Limited

We have examined the compliance of the conditions of Corporate Governance by Dhampur Speciality Sugars Limited for the year ended 31st March, 2008, 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, 2008, 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 : 28.8.2008

(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, 2008 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. 247089/- against hypothecation of Cars.
- (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 dealt 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 dealt 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, 2007, and taken on record by the Board of Directors, none of the directors disqualified as on March 31, 2008, 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, 2008;
- (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 : 28.08.2008

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Balance Sheet As at 31st March' 2008

Particulars	Schedule	As at 31.03.2008		As at 31.03.2007	
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
SOURCES OF FUNDS					
1. Shareholders' Funds :	1				
a) Share Capital		71612000		71612000	
b) Reserve & Surplus		<u>75705312</u>	147317312	<u>64939863</u>	136551863
2. Loan Funds	2				
Secured Loans			<u>247089</u>		<u>457970</u>
TOTAL			<u>147564401</u>		<u>137009833</u>
APPLICATION OF FUNDS					
1. Fixed Assets	3				
Gross Block		96542664		98390126	
Less: Depreciation		<u>64010839</u>		<u>61411729</u>	
Net Block			32531825		36978397
2. Investments	4		1523748		11511217
3. Deferred Tax Assets			8458098		8294443
4. Current Assets, Loans & Advances	5				
a) Inventories		17201975		24439537	
b) Sundry Debtors		24130847		29591516	
c) Cash & Bank Balances		8705124		26449735	
d) Advances		<u>78402509</u>		<u>21441156</u>	
TOTAL		128440455		101921944	
Less:Current Liabilities & Provisions	6				
a) Current Liabilities		20290922		19915180	
b) Provisions		<u>3623803</u>		<u>2480988</u>	
TOTAL		23914725		22396168	
Net Current Assets			104525730		79525776
Miscellaneous Assets			<u>525000</u>		<u>700000</u>
TOTAL			<u>147564401</u>		<u>137009833</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. : 92194
Palce : New Delhi
Dated : 28.08.2008

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' 2008

Particulars	Schedule	As at 31.03.2008		As at 31.03.2007	
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
INCOME					
Sales (Net of Returns)	7	160695367		161810419	
Interest received		4026605		1476175	
Miscellaneous Income	8	<u>14867467</u>		<u>7953389</u>	
TOTAL			179589439		171239983
EXPENDITURE					
Materials & Manufacturing Expenses	9	144342328		148048398	
Personnel Expenses	10	3336580		2209117	
Administrative Expenses	11	6491728		4074092	
Financial Charges	12	841539		263765	
Selling & Distribution Expenses	13	6532618		4163478	
Excise Duty		1035057		1271602	
Depreciation		<u>2599109</u>		<u>3418897</u>	
TOTAL			<u>165178959</u>		<u>163449349</u>
Profit/(Loss) before Tax			14410480		7790634
Less : Provision for Tax					
- Income Tax			3623803		2480988
- Fringe Benefit Tax			184883		76817
Add : Deferred Tax Assets			<u>163655</u>		<u>406998</u>
Profit / (Loss) after Tax			10765449		5639827
Add/ (Less) Brought forward from previous year			<u>31869863</u>		<u>26748944</u>
			42635312		32388771
Less: Income Tax Paid for Earlier Years			-		518908
Profit/Deficit() Carried to Balance Sheet			<u>42635312</u>		<u>31869863</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. : 92194
 Palce : New Delhi
 Dated : 28.08.2008

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 31.03.2008		As at 31.03.2007	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
SCHEDULE 1 : SHAREHOLDERS' FUNDS				
a) SHARE CAPITAL				
Authorised				
25000000 (Previous year 25000000)		<u>250000000</u>		<u>250000000</u>
Equity Shares of Rs.10/- each				
Issued, Subscribed and Paid Up				
7161200 (P.Y. 7161200) Equity Shares		71612000		71612000
of Rs.10/- each fully paid up in cash				
b) RESERVE & SURPLUS				
Share Premium Account:				
As per last Balance Sheet		33070000		33070000
Surplus				
As per Profit & Loss Account	<u>42635312</u>	<u>75705312</u>	<u>31869863</u>	<u>64939863</u>
SCHEDULE 2 : LOAN FUNDS				
SECURED LOANS				
Car Loan				
From Body Corporate secured by way of hypothecation of Cars		247089		457970

SCHEDULE- 3 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.07	Addition During the year	Sale/adj During the year	Total as at 31.03.08	Upto 31.03.07	For the year	Sale/Adj. During the year	Total As at 31.03.08	As at 31.03.08	As at 31.03.07
Land	16,341,975	-	2,273,700	14,068,275		-	-	-	14,068,275	16,341,975
Building	14,275,934	904,959	2,191,725	12,989,168	4,315,727	272,660	248,963	4,339,424	8,400,781	9,960,207
Plant & Machinery	52,384,983	45,000	4,043	52,425,940	48,730,026	1,597,839	19	50,327,846	2,098,075	3,654,957
Electrical Installation	1,133,183	-	-	1,133,183	844,605	20,402	-	865,007	268,176	288,578
Generator Sets	2,354,868	-	-	2,354,868	809,896	73,386	-	-	1,471,586	1,544,972
Computers	3,576,029	318,732	-	3,894,761	2,311,453	238,992	-	2,550,445	1,344,316	1,264,576
Misc. Assets	1,637,755	122,383	-	1,760,138	798,967	43,291	-	842,258	917,880	838,788
Furniture & Fixture	473,279	21,872	-	495,151	229,914	16,338	-	246,252	248,899	243,365
Vehicles	6,212,120	1,209,059	-	7,421,179	3,371,142	336,201	-	3,707,343	3,713,838	2,840,978
Total	98,390,126	2,622,005	4,469,468	96,542,663	61,411,730	2,599,109	248,982	64,010,839	32,531,826	36,978,396
Previous Year	84,957,238	2,615,653	4,658,675	98,390,126	58,195,684	3,418,897	202,851	61,411,730	36,978,396	

NOTES :

- 1) Land include agricultural land of Rs. 1751525/- and Industrial land Rs.12316750
- 2) Land include leasehold land of Rs.12143550/-

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SCHEDULE : 4 - INVESTMENTS

Name of Script	Opening Balance As at 01.04.2007		Purchase during the year		Sold during the year		Closing Balance As at 31.03.2008		Closing Balance As at 31.03.2007	
	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
Power Grid	-	-	4913	255476	4913	255476	-	-	-	-
Prime Capital Market Ltd.	25000	129250	-	-	-	-	25000	129250	25000	129250
State Bank Of India	-	-	500	1178364	500	1178364	-	-	-	-
East India Hotel Ltd.	-	-	100	12531	-	-	100	12531	-	-
Maharashtra Krishna Valley Bond	1	23750	-	-	-	-	1	23750	1	23750
Total - A	86001	486217	5513	1446371	5413	1433840	86101	498748	86001	486217
"B" UNQUOTED SHARES										
National Saving Certificates	-	20000	-	-	-	-	-	20000	-	20000
Magic Software Pvt. Ltd.	10000	1000000	-	-	-	-	10000	1000000	10000	1000000
United Service Pvt. Ltd.	500	5000	-	-	-	-	500	5000	500	5000
Reliance Fixed Horizon	1000000	10000000	-	-	1000000	10000000	-	-	1000000	10000000
Total - B	1010500	11025000	-	-	1000000	10000000	10500	1025000	1010500	11025000
GRAND TOTAL A+B	1096501	11511217	5513	1446371	1005413	11433840	96601	1523748	1096501	11511217
Previous year	71619	2787962	1025000	10129250	118	1406000	1096501	11511217	-	-
Market Value as on 31.03.2008								8203200		

Particulars	As at 31.03.2008		As at 31.03.2007	
	(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)	140005		150805	
Finished Goods (at lower of cost or net realizable value)	6533463		9828752	
Raw materials (at cost)	10057692		13853443	
Packing Material (at cost)	470815	17201975	606537	24439537
b) Sundry Debtors:				
(unsecured, considered good)				
outstanding for more than six months	1665750		2379433	
Less : Provision for Bad Debts	536205		-	
	1129545		2379433	
outstanding for less than six months	23001302	24130847	27212083	29591516
c) Cash & Bank Balances				
Cash in hand (as certified by the Management)	742794		1120066	
Balances with Scheduled Bank				
- Current Accounts	2308300		160184	
Fixed Deposits with bank				
(including intt. accrued thereon)	5654030		25169485	
		8705124		26449735
d) Advances				
(Unsecured - Considered Goods)				
Advance recoverable in cash or in kind and/or for value to be received and/or adjusted	73743261		16955179	
Security Deposits	257056		204656	
Balance with Excise Department	624604		348337	
Advance Tax & Tax deducted at source	2708203		2538069	
Advance to suppliers	1027681		413286	
Prepaid Expenses	41704	78402509	981629	21441156
SCHEDULE 6: CURRENT LIABILITIES & PROVISIONS				
a) Current Liabilities :				
Sundry Creditors and Liabilities for expenses	10382414		5741223	
Advance from Customers	619832		9328651	
Tax deducted at source payable	116891		6581	
Security deposit received	531331		231331	
Advance against sale of land	1000000		500000	
Books overdraft with Banks	7640454	20290922	4107394	19915180
b) PROVISIONS :				
for Income Tax		3623803		2480988

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Particulars	As at 31.03.2008		As at 31.03.2007	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
SCHEDULE 7 : SALES				
Domestic Sales	131849654		150614913	
Export Sales	<u>28845714</u>	160695368	<u>11195506</u>	161810419
SCHEDULE 8: MISCELLANEOUS INCOME				
Income from Logistic Service	3925767		5175354	
Income from Investment	766511		74000	
Agriculture Income	93610		777693	
Rental Income	51000		102000	
Misc. Income	34102		-	
Commission Income	755332		-	
I.T refund received for earlier year	205492		-	
Sales of Scrap	200748		507735	
Profit on Sales of Fixed Assets	7676940		644176	
Insurance Income	883992		575938	
Profit on Foreign Exch. Fluctuation	<u>273973</u>	14867467	<u>96493</u>	7953389
SCHEDULE 9: MATERIALS & MANUFACTURING EXP.				
Raw Material Consumed				
Opening Stock	13853443		7063060	
Add: Purchases	<u>127407604</u>		<u>145386258</u>	
	141261047		152449318	
Less : Closing Stock	<u>10057692</u>	131203355	<u>13853443</u>	138595875
Manufacturing Expenses :				
Production Expenses	1490334		935937	
Power & Fuel	<u>2161919</u>		<u>2519559</u>	
Stores & Spares consumed	31742		42133	
Packing Expenses	5916730		5688888	
Machinery Maintenance	<u>242959</u>	9843684	<u>198247</u>	9384764
Increase()/decrease in stocks				
A) Closing Stock:				
Finished goods	6533463		9828752	
B) Opening Stock:				
Finished goods	<u>9828752</u>		<u>9896511</u>	67759
Net increase()/decrease in stock (B-A)		3295289		
TOTAL		<u>144342328</u>		<u>148048398</u>
SCHEDULE 10 : PERSONNEL EXPENSES				
Salary, Wages & Allowances	2661811		1651625	
Meetings, Seminar Expenses	6000			
Employees Welfare Expenses	85386		55296	
Security Expenses	<u>583383</u>	3336580	<u>502196</u>	2209117

Particulars	As at 31.03.2008		As at 31.03.2007	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
SCHEDULE 11: ADMINISTRATIVE EXPENSES				
Printing & Stationery	86387		71183	
Communication Expenses	374059		389439	
Travelling & Conveyance	1858114		223490	
Repairs & Maintenance:-				
- Building	62998		190420	
- Others	455334		370621	
Vehicle Maintenance	82286		17460	
Insurance	967683		1001902	
Rent, Rates & Taxes	724480		810799	
Directors Remuneration	186000		180000	
Auditors Remuneration				
- as Audit Fee	25281		28035	
Filing Fee	176500		178032	
Legal & Professional Charges	1305572		454248	
Miscellaneous Expenses	146370		104205	
Share transfer Expenses	40056		43758	
Penalty	-	6491728	10500	4074092
SCHEDULE 12: FINANCIAL CHARGES				
Interest paid	640535		134653	
Bank charges	201004	841539	129112	263765
SCHEDULE 13: SELLING & DISTRIBUTION EXPENSES				
Mandi Samiti Tax	15408		169705	
Advertisement & Publicity	46255		92580	
Business Promotion & Entertainment	180802		171906	
Commission Paid	795600		-	
Discount & Rebates	883894		686651	
Godown Handling Expenses	1286419		983991	
Exports Expenses	3324240	6532618	2058645	4163478

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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 relisable value. Cost is determined on FIRST IN FIRST OUT basis. Cost 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 recognised 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 recognised at the time of delivery of goods effected by the principal. Transportation services are recognised on provision of services. Income from securities transaction is recognised 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 recognised using current tax rates. Deferred tax assets arising from unabsorbed depreciation or carry forward losses are recognised only if there is virtual the extent there is reasonable certainty of realisation 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.

- (I) 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 realisation 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. 200674/- (Previous year Rs. 641770/-).
6. As per the information available with the Company, there is no amount payable as at 31st March 2008 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.)
186000	180000

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)	425731 Kg. (511931 Kg.)
Khandsari	9 Rollers of 33x46.0 Cms 9 Rollers of 28x35.5 Cms (9 Rollers of 33x46.0 Cms) (9 Rollers of 28x35.5 Cms)	300 Qtl per day (300 Qtl per day)	Nil Nil
Jaggery	—do—	— do —	6905 Qtl (6134 Qtl)
Specialty Sugar	-N.A.-	-N.A.-	933396 Kg. (479909 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.	434033 (495749)	11135519 (13085328)	15096 (23398)	257893 (625731)	23398 (7216)	625731 (222237)
Specialty Sugar	Kg	1059463 (431764)	29024283 (13744477)	44396 (55704)	820947 (1000753)	55704 (3711)	1000753 (56765)
Jaggery	Qtls.	8312 (7907)	8720110 (9712682)	6064 (7471)	5454623 (8202268)	7471 (9244)	8202268 (9553693)

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(C) Raw Materials consumed (100% indigenous)

	Qty in Kg.		Value in Rs.	
	Current Year	Previous Year	Current Year	Previous Year
(i) Sugar	1245110	945824	16839708	15243755
(ii) Activated Carbon	Nil	Nil	62738	9450
(iii) Molasses	300	1800	975	5849
(v) Sugarcane (in Qtls.)	60818	55745	6350495	5417305
(D) Stores Consumed			31742	15256
(E) Expenditure in foreign currency			1677429	95527
(F) Earnings in foreign currency			28845713	11291999

9. Segment Disclosures

The Company's business activities predominantly relate to production of specialty sugars and trading of speciality chemicals & Sugars. Hence information's about business segment as defined in Accounting Standard – 17 issued by ICAI are furnished below.

Information about Business Segments

Particulars	(Rs. in Lakh) Speciality Sugars & Chemicals
1. REVENUE	
External Sales/Income	1795.89
Inter- Segment Sales/Income	
Total Revenue	1795.89
2. RESULTS	
Segment result – Profit/(Loss)	150.51
Less: Bank Interest	6.40
Profit before tax	144.11
3. Capital Employed	1385.81
4. Earning Per Share	1.50

Accounting policies followed for the purpose of segment reporting, are in conformity with the accounting policies, adopted for the purpose of preparation and presentation of financial statements.

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, Mrs. Reena Gupta wife of Managing Director

II. Details of transactions between into with related parties

(a) Key Managerial Personnel and other relatives

1) Mr. Sorabh Gupta	Remuneration	186000
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(b) List of Related Parties

M/s Dhampur Alco Chem Ltd.	Goods sold	15396
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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 1.4.2007	Debit / Credit during the year	Closing As at 31.3.2008
Timing differences on accounts of.			
Difference between book depreciation and depreciation under the Income Tax Rules	82.94	1.64	84.58
Net Deferred Tax Liability (-)/ Asset (+)	82.94	1.64	84.58

12 Amalgamation

The amalgamation of the company with Dhampur Alco Chem Ltd. is in process and pending with Hon'ble High Court of Allahabad.

13. Income/Expenditure relating to earlier year:

Expenses Rs. 26718/- (Previous year Rs. 17648/-)

Income Rs. NIL (Previous year Rs. NIL)

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

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

16. Schedules 1 to 14 form an integral part of the statement of accounts for the year ended 31st March, 2008

Signatures to Schedules 1 to 14

For S. PRASAD AGARWAL & CO.
Chartered Accountants

For DHAMPURE SPECIALITY SUGARS LTD.

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

Murli Manohar
Director

Sorabh Gupta
Managing Director

Place : New Delhi
Dated : 28.08.2008

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

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

	As at 31.03.2008 (Rupees)	As at 31.03.2007 (Rupees)
A. NET CASH FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	14410480	6449634
ADJUSTMENT FOR:		
*Depreciation	2599109	3418897
Interest (Net)	4026605	1476000
Miscellaneous Expenditure Written off	-	4894897
Operating Profit before working capital Changes	21036194	11344531
ADJUSTMENT FOR:		
Trade & other receivables	(51500684)	(5794000)
Inventories	7238000	(4675000)
Trade Payables	(1519000)	1798000
Tax payments	(4623198)	(3810000)
NET CASH FROM OPERATING ACTIVITIES	(29368688)	(1136469)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Assets (net sales)	1847462	2043022
Purchase of Investments	9987469	(8723250)
Increase in Capital work in progress/		
Project expenditure	-	(700000)
NET CASH EARNED IN INVESTING ACTIVITIES	11834931	(7380228)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	-	9000000
Increase/(decrease) Share Application Money	-	-
Increase in Share Premium	-	27000000
Net proceeds of Long Term Borrowings	(210881)	(2401541)
NET CASH FROM FINANCING ACTIVITIES	(210881)	33598459
Net increase in cash equivalents	(17533968)	25081762
Opening cash and cash equivalents	26449735	1368458
Closing cash and cash equivalents	8705124	26449735

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

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

For and on behalf of the Board

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

Murli Manohar
Director

Sorbha Gupta
Managing Director

Place : New Delhi
Dated : 28.08.2008

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 2008		
	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	171479	Total Assets	171479
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SOURCES OF FUNDS

Paid up Capital	71612	Reserves & Surplus	75705
Secured Loans	247	Unsecured Loans	Nil

APPLICATION OF FUNDS

Net Fixed Assets	32532	Investments	1524
Net Current Assets	104520	Miscellaneous	525
Accumulated Losses	Nil	Expenditure	8463

IV. PERFORMANCE OF COMPANY (Amount in Rs Thousands)

Sales & Other Income	179569	Total Expenditure	165179
(+)Profit/(-)Loss before tax	14410	Profit/Loss after tax	10765
Earning per Share in Rs.	1.50	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

16th ANNUAL REPORT



DHAMPURE SPECIALITY SUGARS LIMITED

Registered Office : Village-Pallawala, Tehsil-Dhampur,
Distt. Bijnor (U.P.), Pin : 248 761

ATTENDANCE SLIP

(Particulars to be completed by members)

Name of Member (In Block Letters)

Mr./Mrs./Ms.

Name of Proxy, if attending for Member (In Block Letters) :

Mr. Mrs./Ms.

MASTER FOLIO NO.	
NO. OF SHARES HELD	

I hereby record my presence at the Annual General Meeting of the Company, held on Tuesday, 30th September, 2008 at 2.00 P.M. at Village Pallawala, Tehsil Dhampur, Distt.Bijnor (U.P.) Pin : 246 761

- Note :**
1. Please sign the attendance slip and handover at the reception.
 2. Please bring your copy of the Notice at the Meeting.

For Office Use

Signature of Member/Proxy



DHAMPURE SPECIALITY SUGARS LIMITED

Registered Office : Village-Pallawala, Tehsil-Dhampur,
Distt. Bijnor (U.P.), Pin : 248 761

PROXY FORM

MASTER FOLIO NO.	
NO. OF SHARES HELD	

I/We _____

of _____

DHAMPURE SPECIALITY SUGARS LIMITED hereby appoint _____

of _____

or failing him _____ of _____

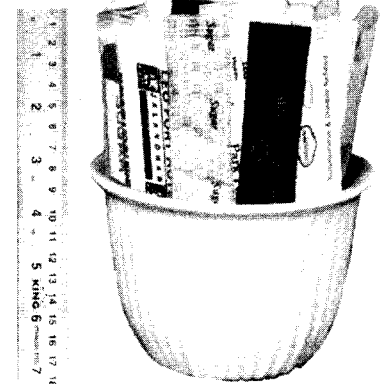
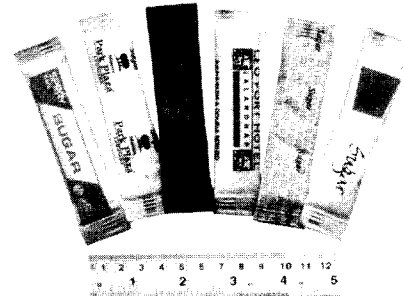
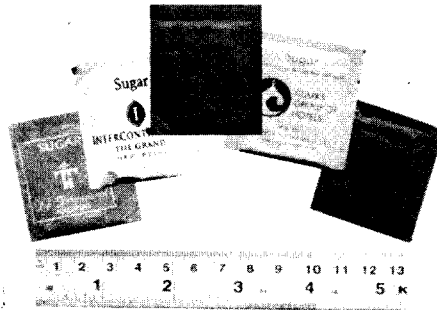
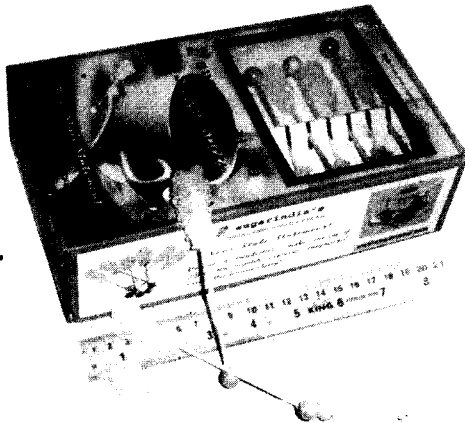
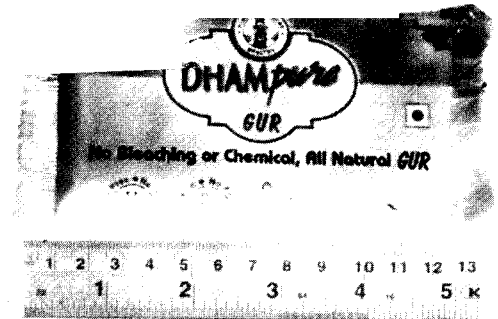
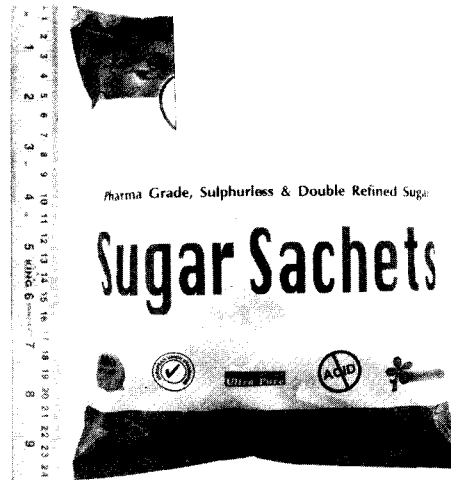
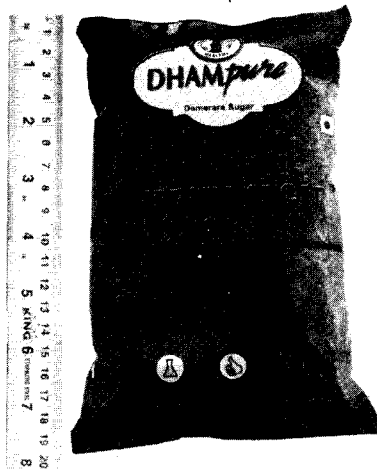
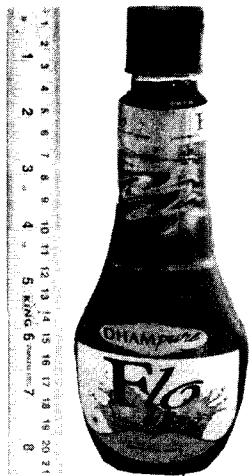
as my/our Proxy to attend and vote for me / us and on my behalf at the sixteenth Annual General Meeting of the Company to be held on Tuesday, 30th September, 2008 at 2.00 p. m. and at any adjournment thereof.

Signed this.....day of.....2008.

Signature(s) of the Member(s)

- Note :**
1. The Proxy form duly stamped and completed deposited must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting.
 2. A proxy need not be a member.

BOOK - POST



If undelivered, please return to :

Dhampure Speciality Sugars Ltd.
24, School Lane
Near World Trade Centre,
New Delhi-110 001

