



**Dhampure Speciality Sugars Ltd.**

20<sup>th</sup> Annual Report  
2011 - 2012

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# 20th ANNUAL REPORT

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## **BOARD OF DIRECTORS**

### **MR. SORABH GUPTA**

Managing Director

### **MR. N. K. GUPTA**

Director

### **MR. MURLI MANOHAR**

Director

### **MR. DESHRAJ SINGH**

Director

## **AUDITORS**

M/S. S PRASAD AGARWAL & CO.

## **REGISTERED OFFICE & WORKS**

Village - Pallawala, Tehsil - Dhampur

Distt. - Bijnor (U. P.) - 246761

## **CORPORATE OFFICE & INVESTORS' RELATION CELL**

24, School Lane, Near World Trade Centre

New Delhi - 110001

E-mail : [ilyas@dhampuresugar.com](mailto:ilyas@dhampuresugar.com)

## **REGISTRAR & SHARE TRANSFER AGENT**

MAS Service Ltd.

T-34, 2nd Floor, Okhla Industrial Area

Phase-II, New Delhi - 110020

E-mail : [info@masserv.com](mailto:info@masserv.com)

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## NOTICE

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of the members of DHAMPURE SPECIALITY SUGARS LIMITED will be held on Saturday, the 29 September, 2012 at 2.00PM 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 31<sup>st</sup> March, 2012, 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 Murli Manohar, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors and to fix their remuneration.

By Order of the Board

For **Dhampure Speciality Sugars Limited**

Place : New Delhi  
Date : 31.08.2012

Sorabh Gupta  
Managing Director

Registered Office :

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

### Notes :

1. A member entitled to attend and vote 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 26.09.2012 to 29.09.2012 (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 dematerialization which includes, easy liquidity since trading is permitted in dematerialized form, electronic transfers, savings in stamp duty and prevention of forgery.

By Order of the Board

For **Dhampure Speciality Sugars Limited**

Place : New Delhi  
Date : 31.08.2012

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 the **20th Annual Report** together with the Audited Accounts of the company for the year ended on 31st March, 2012.

### FINANCIAL RESULTS

The working results of the Company are briefly given below :

	(Rupees) Current Year	(Rupees) Previous Year
Sales & other income	411833191	382608018
Operating Profit before		
Depreciation & tax	12072742	12334352
Less : Depreciation	2049198	2236151
Profit before tax	10023544	10098201
Less : <b>Provision for Tax</b>		
Current Tax	3081135	2868155
Deferred Tax	(19138)	(106204)
Income Tax paid for		
Earlier Year	<u>5586</u>	<u>46215</u>
Profit after Tax	6955961	7290035

### REVIEW AND PROSPECT

Company produced 1070 MT of Invert Sugar during the year as against 862 MT in the previous year. Speciality Sugar produced 223 MT during the year against 253 in the previous year.

The Company has achieved a turnover of Rs. 411833191 doing value addition of speciality sugars and chemicals during the year as against Rs. 382608018 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 not achieved significant success in the exporting of value added speciality sugars, due to restriction imposed by Govt. of India on export of sugar.

The company has taken major strides in becoming leader in supplying speciality sugar products not only in India but also Internationally. The company is focusing to increase the base in domestic market for invert sugar and Speciality Sugars.

At present, we are moving in the directions 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 etc.

### 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 dividend on equity shares.

### DIRECTORS

In accordance with the Companies Act 1956 and articles of Association of the company, Mr. Murli Manohar is retiring by rotation but being eligible, has offered themselves for reappointment. Mr. Gautam Goel and Mr. Gaurav Goel, Directors of the company have resigned during the year.

The Board placed on record its appreciation for the valuable guidance made available by Mr. Gautam Goel and Mr. Gaurav Goel during their 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 has selected accounting policies and applied them consistently and made judgment 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, 2012 and of the profit & loss of the company for the period ;
- iii. That the directors has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding 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 2011-12 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.

On behalf of the Board

Place : New Delhi  
Date : 31.08.2012

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. 33 (e) & 34 (f) Notes of financial statement.

**FROM - A**

**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

	Current Year	Previous Year
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**A. POWER AND FUEL CONSUMPTION**

1. Electricity (Light & Power)		
a) Purchased units	48643	110082
b) Total Amounts (Rs.)	244012	550868
c) Rate/Unit	5.02	5
<b>d) Own Generation</b>		
Through Diesel Generator	-	-
Unit	-	-
Unit per ltr. of diesel oil	-	-
Cost / Unit (Rs.)	-	-
2. Consumption of Coal	—	—
3. Furnace Oil		
Quantity (Ltr.)	—	—
Total Cost	—	—
Average Rate	—	—

**B) CONSUMPTION PER UNIT (M.T.) OF PRODUCTION**

Product	: Invert Speility Sugars & Jaggery	
Electricity	: 35	85
Furnace Oil	: —	—

**FROM - 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, Water white invert sugar syrup etc.

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

- 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:
  - 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.
  - Technology to make free flow demerara sugar and packing in various pack sizes from 5gms to 50 kg
- 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

On behalf of the Board

Place : New Delhi      Murli Manohar      Sorabh Gupta  
Date : 31.08.2012      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 three non-executive independent directors & one Managing Director.

During the year 2011-12, the Board met four times on the following dates, namely 30th April ,2011, 30th July,2011, 31th October,2011, 31st January,2012.

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-Ship	Committee Membership	Committee Chairman Ship
Mr. Sorabh Gupta	Executive (Managing Director)	4	Yes	4	-	-
Mr. Gautam Goel	Non-Executive	2	No	6	1	1
Mr. Deshraj Singh	...do...	3	Yes	1	-	-
Mr. N. K. Gupta	...do...	4	Yes	-	-	-
Mr. Gaurav Goel	...do...	2	No	6	2	-
Mr. Murli Manohar	...do...	4	Yes	1	-	-

\* They have resigned from Directorship on 03.01.2012

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 three non-executive directors namely Mr. N.K. Gupta, Mr. Murli Manohar and Mr. Deshraj.

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 30th April,2011, 30th July,2011, 31st October,2011 & 31st January,2012.

### 4. SHARE TRANSFER COMMITTEE/SHAREHOLDERS GRIEVANCE COMMITTEE

The committee has been constituted with Mr. Sorabh Gupta, Mr Murli Manohar & Mr. N.K. Gupta. Mr Sorabh Gupta is the Chairman of the committee. The Committee interalia, approves issue of duplicate certificates and oversees and reviews all matters connected with the share 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. Ilyas Ahmed , Manager-Accounts to approve the transfer and transmission of shares, folio consolidation change of name, transposition, certificate split and consolidation, dematerialisation or rematerialisation of share, replacement of certificate etc.

As on 31st March, 2012, 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. Ilyas Ahmad, Manager-Accounts, 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. 11,25,000/- paid to the Managing Director towards remuneration & no sitting fee paid during the financial year 2011-12 to any Executive or non-executive Directors

# 20th ANNUAL REPORT

## 6. GENERAL BODY MEETING

The last three Annual General Meeting were held as under :-

Financial Year	Date	Time	Location
2010 - 11	30.09.2011	2.00 P.M.	Village-Pallawala, Dhampur
2009 - 10	30.09.2010	2.00 P.M.	-- do --
2008 - 09	30.09.2009	2.00 P.M.	

All the resolutions set out in respective notice were passed by the shareholders

## 7. DISCLOSURES

- (a) Disclosures of transactions with related parties during the financial year 2011-2012. There were no materially significant transactions entered into between the company and its promoters, Directors or the managements, 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) Disclosures of Accounting Treatment in preparation of Financial statements. The company has followed the Accounting Standards laid down by the companies (Accounting Standards) Rules, 2006 in preparation of its financial statements.

## 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 Delhi editions of 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 : 29th September, 2012 at 2.00 pm  
Venue : Dhampur Speciality Sugars Limited  
Village : Pallawala, Dhampur  
Distt - Bijnor (U. P.)

### b) Book Closure Date :

26.09.2012 to 29.09.2012  
(both days inclusive)

### c) Financial Calender 2012 - 2013 (Tentative)

Adoption of Quarterly Result Ended	Date of Submission to Stock Exchange
30th June, 2012	Last week of July, 2012
30th September, 2012	Last week of October, 2012
31st December, 2012	Last week of January, 2013
31st March, 2013	Last week of April, 2013

### d) Dividend

No dividend recommended for the year 2011-12.

### e) Stock Exchange Listing

Shares of the company are listed on Bombay 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, 2012.

### 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 2012

Category	No. of Shares held	Percentage of Shareholding
Promoters	3061811	42.76
Private Corporate Bodies	932776	13.03
Indian Public	3166613	44.21
<b>Total</b>	<b>7161200</b>	<b>100.00</b>

#### b) Shareholding Pattern as on 31st March 2012

No. of Shares	No. of Share Holders	% of Share Holders	No. of Shares Held	% of Share Holding
Upto 5000	3716	80.59	730336	10.20
5001 - 10000	410	8.89	342954	4.79
10001 - 20000	206	4.47	323907	4.52
20001 - 30000	76	1.65	197249	2.76
30001 - 40000	50	1.28	176778	2.47
40001 - 50000	35	0.76	168147	2.35
50001 - 100000	63	1.37	452180	6.31
10001 & above	55	1.19	4769649	66.60
<b>Total</b>	<b>4611</b>	<b>100</b>	<b>7161200</b>	<b>100</b>

### i) Dematerialisation of shares

6529150 shares were dematerialised upto 31st March, 2012. The dematerialisation level as at 31st March, 2012 stands at 91.17%.

### j) PLANT LOCATIONS

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

### k) Address for Correspondence :

Ilyas Ahmed, Manager-Account  
Dhampur Speciality Sugars Ltd.  
24, School Lane, Near World Trade Centre,  
New Delhi - 110001



**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 31<sup>st</sup> March,2012, 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 31<sup>st</sup> March,2012, 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 Accounts  
Firm Regn. No. 021425N

Place : New Delhi  
Date : 31.08.2012

(S. P. Agarwal)  
Proprietor  
M. No. : F-092194

## AUDITORS' REPORT

To the Members of

### **DHAMPURE SPECIALITY SUGURS LIMITED**

1. We have audited the attached Balance Sheet of DHAMPURE SPECIALITY SUGARS LTD., as at March, 31, 2012 and the Statement of 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 of 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) According to the information and explanation given to us the terms and conditions of the loans granted or taken secured or unsecured to/from companies, firms or others parties covered in the register maintained under section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the company and the payment of the principal amount and interest are also regular whenever contractually payable or recoverable. There are no overdue amounts as the loans are repayable on demand.
  - (iv) In our opinion and according to the information and explanations given to us, the internal control system are generally adequate and 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 and services. 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) As informed to us, during the year, 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 cases which have remained outstanding as at 31.03.2012 for a period of more than six months from the date they became payable, however an income tax case for the Assessment Year 2009-10 is pending with the CIT (Appeals) - XIII, New Delhi against total demand of Rs. 75967/-.
- (c) According to the information and explanations given to us, there are no dues of Sales tax, Income tax, Wealth tax, Service tax, Custom duty, Excise duty and ceases which have not been deposited on account of any dispute, subject to Para No. (b) of point No. 9, as above.
- (x) The company has no accumulated losses as at March 31, 2012 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) 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.
- (xii) The company has not granted any loan on the basis of security by way of pledge of shares.
- (xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
- (xiv) 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.
- (xv) That the company has taken a cash credit limit of Rs. 3,00,00,000/- from schedule bank which is secured by hypothecation of stock and debtors.
- (xvi) In our opinion and according to the information and explanations given to us the company has not obtained any type of term loan facility.
- (xvii) 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.
- (xviii) 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.
- (xix) The company has not issued any debentures which have remained outstanding at the year end.
- (xx) The company has not raised any money by public issues during the year.
- (xxi) 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, Statement of 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, Statement of 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, 2012, and taken on record by the Board of Directors, none of the directors disqualified as on March 31, 2012, 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, 2012;
- (ii) In the case of the Statement of 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

Firm Regn. No. 021425N

**S. P. AGARWAL**

Proprietor

M. No. F-092194

Place : New Delhi

Date : 31.08.2012

# 20th ANNUAL REPORT

## Balance Sheet as at 31st March' 2012

	Note No.	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	2	71612000	71612000
Reserves and Surplus	3	109123931	102167970
<b>2. Non-Current Liabilities</b>			
(a) Other Long-Term Liabilities	4	920197	920197
(b) Long -Term Povisions	5	899134	542077
<b>3. Current Liabilities</b>			
(a) Short-Term Borrowing	6	874241	1673620
(b) Trade Payable	7	24217616	27365115
(c) Other Current Liabilities	8	10198303	10186240
(d) Short-Term Provisions	9	3081135	2868155
<b>TOTAL</b>		<b><u>220926557</u></b>	<b><u>217335374</u></b>
<b>II. ASSETS</b>			
<b>1. Non -Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	10	21494948	21157709
(b) Deffered Tax Assets	27	8934405	8915267
(c) Non-Current Investments	11	2174544	2495793
(d) Other Non-Current Assets	12	146083452	93560397
<b>2. Current assets</b>			
(a) Inventories	13	4802021	16555169
(b) Trade Receivables	14	30755725	58838688
(c) Cash and Cash Equivalentents	15	1928079	11900105
(d) Other Current Assets	16	4753383	3912246
<b>TOTAL</b>		<b><u>220926557</u></b>	<b><u>217335374</u></b>

Significant accounting policies followed by the company 1  
 The accompanying notes are an integral part of the  
 financial statements as per our report of even date 2-36

For S.Prasad Agarwal & Co.  
 Firm Regn. No. 021425N

On behalf of the Board

**(S.P. Agarwal)**  
 Proprietor  
 M.No. : F-092194  
 Place - New Delhi  
 Dated : 31.08.2012

Murli Manohar  
 Director

Sorabh Gupta  
 Managing Director

Registered Office  
 Village- Pallawala, Tehsil-Dhampur  
 Distt-Bijnor, U.P. - 246761

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 Statement of Profit & Loss for the Year Ended 31st March' 2012
 

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	Note No.	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
<b>REVENUE</b>			
I. Revenu from operations (net)	17	411082071	380356525
II. Other Income	18	751120	2251493
<b>Total Revenue (I+II)</b>		<b><u>411833191</u></b>	<b><u>382608018</u></b>
<b>III. Expenses</b>			
(a) Cost or Raw Material Consumed	19	378089594	343246066
(b) Increase ( ) / decrease inventories of Finished Goods	20	1184192	2380094
(c) Employee benefits expenses	21	7534154	6109640
(d) Finance costs	22	670665	302167
(e) Depreciation and amortization expenses	23	2049198	2236151
(f) Other expenses	24	12281844	18235699
<b>Total Expenses</b>		<b><u>401809647</u></b>	<b><u>372509817</u></b>
<b>IV. Profit before tax</b>		<b><u>10023544</u></b>	<b><u>10098201</u></b>
Tax Exepenses			
(i) Current Tax		3081135	2868155
(ii) Deferred Tax	27	(19138)	(106204)
(iii) Income tax for earlier year		5586	46215
<b>V. Profit for the year</b>		<b><u>6955961</u></b>	<b><u>7290035</u></b>
Earning per Equity share ( nominal value of share Rs.10)			
Basic in Rs.	26	0.97	1.02
Diluted in Rs.		0.97	1.02
Significant accounting policies followed by the company	1		
The accompanying notes are an integral part of the			
Financial statements as per our report of even date	2-36		

 For **S.Prasad Agarwal & Co.**  
 Firm Regn. No. 021425N

On behalf of the Board

**(S.P. Agarwal)**  
 Proprietor  
 M.No. : F-092194  
 Place - New Delhi  
 Dated : 31.08.2012

 Murli Manohar  
 Director

 Sorabh Gupta  
 Managing Director

 Registered Office  
 Village- Pallawala, Tehsil-Dhampur  
 Distt-Bijnor, U.P. - 246761

# 20th ANNUAL REPORT

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## 1. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 21.03.2012

### a. Method of Accounting

The financial statements are prepared under the historical cost convention and are in accordance with applicable mandatory Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

### b. Change in Accounting Policy

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However it has significant impact on presentation and disclosures made in financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

### 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 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. Revenue Recognition

Revenue is recognized when there is reasonable certainty of its ultimate realization/ collection.

### f. Provision for Taxation

(i) Provision for income tax as made on the basis of the estimated taxable income for the current accounting period in accordance with the Income Tax Act, 1961.

(ii) Deferred tax resulting from timing difference between book and tax profit is accounted for under liability method at the current rate of tax to the extent that the timing differences are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### g. Bonus, Gratuity and Leave Encashment

Bonus, Gratuity and leave encashment are accounted on due basis.

### h. Fixed Assets and Depreciation

(a) Fixed Assets are stated at cost including all direct incidental expenses.

(b) Depreciation on Fixed Assets is provided on Straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

### i. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in the financial statements.

### j. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

### k. 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.

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**Notes to Financial Statements for the year Ended 31st March' 2012**


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	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
<b>2. SHARE CAPITAL</b>		
<b>Authorised</b>		
2,50,00,000 Equity Shares of Rs. 10/- each	250000000	250000000
<b>Issued , Subscribed and paid up Shares</b>		
7161200 Equity Shares of Rs. 10/- each fully paid up in cash	71612000	71612000

**Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**
**EQUITY SHARES**

	As at 31.03.2012		As at 31.03.2011	
	No	Rupees	No	Rupees
At the beginning of the period	7161200	71612000	7161200	71612000
Issued during the period	-	-	-	-
Outstanding at the end of the period	<u>7161200</u>	<u>71612000</u>	<u>7161200</u>	<u>71612000</u>

**(a) Terms/rights attached to equity shares**

The company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per shares. The company has not declared any dividends for the F.Y. 2011-2012.

**(b) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date : **N.A.****
**(c) Details of shareholders holding more than 5% shares in the company**

Name of the shareholder	As at 31.03.2012		As at 31.03.2011	
	No.	% holding in the class	No.	% holding in the class
<b>Equity shares of Rs. 10 each fully paid</b>				
Sorabh Gupta	2280961	31.85	1984901	27.18
Reena Gupta	687250	9.60	687250	9.60
Mahima Stocks Private Ltd	500000	6.98	500000	6.98

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**3. Reserves and surplus**

Surplus in the statement of profit and loss		
Balance as per last Financial statements	69097970	61807935
Profit for the year	6955961	7290035
(a) Net Surplus in the statement of profit & Loss	<u>76053931</u>	<u>69097970</u>
(b) Share Premium Account	33070000	33070000
<b>Total (a+b)</b>	<u>109123931</u>	<u>102167970</u>

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	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
<b>4. Others Long-Term Liabilities</b>		
Advance from Customers	920197	920197
	<u>920197</u>	<u>920197</u>
<b>5. Long-Term Provision</b>		
Provision for Gratuity	899134	542077
	<u>899134</u>	<u>542077</u>
<b>6. Short -Term Borrowings</b>		
Secured Loan from Bank		
Punjab National Bank	874241	1673620
	<u>874241</u>	<u>1673620</u>
(Secured against hypothecation of stock & book debts)		
<b>7. Trade Payables</b>		
Sundry Creditors	24217616	27365115
	<u>24217616</u>	<u>27365115</u>
<b>8. Current Other Liabilities</b>		
(i) Advance from customers	4502250	1239244
(ii) Expenses Payable	663558	733425
(iii) Books Overdraft with Banks	4404479	7061381
(iv) Duties & taxes Payable	628016	1152190
	<u>10198303</u>	<u>10186240</u>
<b>9. Short -Term Provision</b>		
Provision for Income Tax	3081135	2868155
	<u>3081135</u>	<u>2868155</u>





**10 : Fixed Asset**

Particulars	Gross Block			Depreciation			Net Block			
	As on 01/04/11	Addition During the year	Sale / adj Druring the year	Total As on 31/03/12	Upto 31/03/11	Dep. for the year	Sale / adj Druring the year	Total As on 31/03/12	As on 31/03/12	As on 31/03/11
<b>TANGIBLE ASSETS</b>										
LAND	2173745	-	-	2173745	-	-	-	-	2173745	2173745
BUILDING	16953301	1217964	-	18171265	5645716	561388	-	6207104	11964161	11307585
PLANT & MACHINERY	54840206	814184	-	55654390	52264951	756982	-	53021933	2632457	2575254
ELECTRICAL INSTALLATION	1133183	-	-	1133183	1105351	27832	-	1133183	-	27832
GENERATOR SETS	2499718	-	-	2499718	1222728	118737	-	1341465	1158253	1276990
COMPUTERS	4256601	-	-	4256601	4149084	25521	-	4174605	81996	107517
MISC. ASSETS	2593773	354288	-	2948061	1133331	130541	-	1263872	1684189	1460442
FURNITURE & FIXTURE	763892	-	-	763892	383184	48355	-	431539	332353	380708
VEHICLES	6782804	-	-	6782804	4935168	379842	-	5315010	1467794	1847636
CAPITAL IN PROGRESS	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>91997223</b>	<b>2386436</b>	-	<b>94383659</b>	<b>70839513</b>	<b>2049198</b>	-	<b>72888711</b>	<b>21494948</b>	<b>21157709</b>
PREVIOUS YEAR	88658591	4022817	684185	91997223	68874272	2236151	270909	68874272	19784319	-

**11 NON CURRENT INVESTMENTS**

Name of Script	Opening Balance As at 1.04.2011		Purchase During the year		Sold During the year		Closing Balance As at 31.03.2012		Closing Balance As at 31.03.2011	
	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)
<b>“A” QUOTED SHARES</b>										
Adani Power	100	14006			100	14006			100	14006
Alok Industries	1500	43395			1500	43395			1500	43395
Delta Corporation	200	21580			200	21580			200	21580
Development Credit Bank	500	25556			500	25556			500	25556
Dhampur Sugar Mills	1500	140307					1500	140307	1500	140307
Dishman Pharma & Chemicals	150	34658					150	34658	150	34658
Dwarkesh sugar mills	400	46400					400	46400	400	46400
East India Hotel Ltd.	200	26782	45	2970			245	29752	200	26782
Edelweiss Capital	100	6411			100	6411			100	6411
Eiha Hotels	11	2609					11	2609	11	2609
Essar Oil	100	15629			100	15629			100	15629
Fortis health care	300	51793			300	51793			300	51793
Gee Kay Exim	56000	249200					56000	249200	56000	249200
Gujrat Industries Power co. Ltd.	200	25915			200	25915			200	25915
Gujrat Mineral Development Corp	200	32640			200	32640			200	32640
GVK Power			100	1123			100	1123		
HEG Ltd.	100	37777					100	37777	100	37777
Housing Development of India Ltd.	50	19056					50	19056	50	19056
IFCI	200	13956					200	13956	200	13956
Indowind	2000	125165					2000	125165	2000	125165
InformationTech	5000	84017					5000	84017	5000	84017
J K Lakshmi Cement	1250	90535					1250	90535	1250	90535
J.P. Associates	250	33866					250	33866	250	33866
KS Oils	200	11956					200	11956	200	11956
KCP Sugar	500	10958					500	10958	500	10958
Kohinoor Food	500	35415					500	35415	500	35415



Name of Script	Opening Balance As at 1.04.2011		Purchase During the year		Sold During the year		Closing Balance As at 31.03.2012		Closing Balance As at 31.03.2011	
	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)
L&T Finance Ltd.			100	4777			100	4777		
Maharashtra Krishna Valley Bond	1	23750					1	23750	1	23750
Mahindra Forg	500	60295					500	60295	500	60295
Mukand Ltd	300	24847					300	24847	300	24847
NRB Bearing	500	30815			500	30815			500	30815
Peninsula Land	100	7982			100	7982			100	7982
Raj Oil	500	31760			500	31760			500	31760
Rana Sugar	2000	21340					2000	21340	2000	21340
Reliance Ind	10	11597	25	22343			25	22343	10	11597
Satyam Computer	100	7256			100	7256			100	7256
Shree Renuka sugar	500	39146	500	31048	700	51566	300	18628	500	39146
Unitech Ltd.	100	9739	500	17075			600	26814	100	9739
Visa Steel	500	22684			500	22684			500	22684
<b>Sub Total "A"</b>	<b>76622</b>	<b>1490793</b>	<b>1270</b>	<b>79336</b>	<b>5610</b>	<b>400585</b>	<b>72282</b>	<b>1169544</b>	<b>76622</b>	<b>1490793</b>
<b>"B" UNQUOTED SHARES</b>										
Magic Software Pvt. Ltd.	10000	1000000					10000	1000000	10000	1000000
United Service Pvt. Ltd.	500	5000					500	5000	500	5000
<b>Sub Total "B"</b>	<b>10500</b>	<b>1005000</b>					<b>10500</b>	<b>1005000</b>	<b>10500</b>	<b>1005000</b>
<b>GRAND TOTAL (A+B)</b>	<b>87122</b>	<b>2495793</b>	<b>1270</b>	<b>79336</b>	<b>5610</b>	<b>400585</b>	<b>82782</b>	<b>2174544</b>	<b>87122</b>	<b>2495793</b>
Previous year	83251	2581941	19326	1953371	15455	2039519	87122	2495793	83251	2581941
Market Value of quoted Shares								1074358		

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	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
<b>12 Other Non-Current Assets loans and Advances</b>		
unsecured, considered good unless otherwise		
(i) Security Deposits	129496	129496
(ii) Loan & advances to related parties (note 26)	89953956	37430901
(iii) Loan & advances to others	56000000	56000000
	<b><u>146083452</u></b>	<b><u>93560397</u></b>
<b>13 Inventories (valued at lower of cost and net relizable value)</b>		
(i) Raw Material	2537683	6506022
(ii) Finished Goods	1931690	3115882
(iii) Stock -in- Trade	297752	6885795
(iv) Stores & Spares	31840	44414
(v) Fuel	3056	3056
	<b><u>4802021</u></b>	<b><u>16555169</u></b>
<b>14 Trade receivables</b>		
unsecured, considered good unless stated otherwise		
(i) Outstanding for more than six months	284250	426552
(ii) Outstanding for less than six months	30471475	58412136
	<b><u>30755725</u></b>	<b><u>58838688</u></b>
<b>15 Cash and Cash Equivalents</b>		
(i) Balance with Banks on Current Accounts	1320750	1152759
(ii) Cash in hand	310393	229920
(iii) Fixed Deposits	296936	10517426
	<b><u>1928079</u></b>	<b><u>11900105</u></b>
<b>16 Other Current Assests</b>		
Advanced recoverable in cash or in kind	114363	279510
Advanced to suppliers	1686377	564997
Prepaid Expenses	142015	56193
Advance to staff	374318	464649
Advance Income tax	2000000	2200000
<b>Balance with Government Authorities</b>		
VAT Receivable	13843	24902
Balance with Excise Deptt.	61903	58856
TDS	221784	124359
IT Refundable	138780	138780
	<b><u>4753383</u></b>	<b><u>3912246</u></b>
<b>17 Revenue from Operations</b>		
<b>Sales of Products</b>		
(i) Domestic Sales	406419797	369744055
(ii) Export Sales	8939472	13711755
(iii) Less : Excise Duty	4277198	3099285
Revenue from Operations (Net)	<b><u>411082071</u></b>	<b><u>380356525</u></b>
<b>18 Other Income</b>		
(i) Interest Income	49212	160603
(ii) Dividend Income	6331	9148
(iii) Net gain/Loss() from investment	-	409048
(iv) Agriculture Income (net)	520478	1011059
(v) Sundry Balance written off	7099	119917
(vi) Income from Logistic service	-	373718
(vii) Miscellaneous Income	168000	168000
	<b><u>751120</u></b>	<b><u>2251493</u></b>
<b>19 Cost of Material Consumed</b>		
Opening Stock	13391817	17374729
Purchase	367445833	33921294
Consumption of stores and spares	87379	50208
	<b><u>380925029</u></b>	<b><u>356637883</u></b>
Less : Closing Stock	2835435	13391817
<b>Net consumpation</b>	<b><u>378089594</u></b>	<b><u>343246066</u></b>



	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
<b>20 Increase/decrease in Inventories</b>		
Inventories at the end of the year		
Finished Goods	1931690	3115882
Inventories at the beginning of the year		
Finished Goods	3115882	5495976
Net (increase)/decrease in Inventories	<b>1184192</b>	<b>2380094</b>
<b>21 Employee Benefits Expenses</b>		
Salaries & Wages	5244568	3831427
Bonus	574709	430811
Director Remuneration	1125000	1500000
Contribution to Provident Fund	156890	182727
Gratuity	313612	78865
Staff Welfare Expenses	119375	85810
	<b>7534154</b>	<b>6109640</b>
<b>Finance Costs</b>		
(a) Interest paid	630688	210477
(b) Bank Charges	39977	91690
	<b>670665</b>	<b>302167</b>
<b>23 Depreciation and Amortization Expenses</b>		
Depreciation	<b>2049198</b>	<b>2236151</b>
<b>24 Other Expenses</b>		
(a) Auditors Remuneration ( as Audit Fee)	24818	24818
(b) Power & fuel	305757	550868
(c) Repair to Building	503096	71462
(d) Repair to Machinery	538429	324772
(e) Repair to others	361776	473096
(f) Vehicle Repair & Maintance	110858	55779
(g) Printing & Stationery	61848	74988
(h) Communication Expneses	432667	364932
(i) Travelling & Conveyance	261500	323341
(j) Insurance Charges	42885	29751
(k) Rent, Rates & Taxes	80522	565343
(l) Directors Siting Fees	-	60000
(m) Filling Fee	1000	176500
(n) Additional Sales Tax Demand	35446	246711
(o) Legal & Professinal Charges	413005	424369
(p) Loss on sale of Fixed Assets	-	67466
(q) Loss on sale of share (short term)	38377	81615
(r) Share Transfer Expenses	79353	43305
(s) Business Promotion	396495	511889
(t) Freight (outward)	1183381	-
(u) Commission Paid	5816949	11222715
(v) Security Expenses	284960	279284
(w) Discount & Rebates	381407	293475
(x) Godown Handing Expenses	63534	209300
(y) Exports Expenses	846683	1640601
(z) Misc. Expenses	17098	119319
	<b>12281844</b>	<b>18235699</b>

# 20th ANNUAL REPORT

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2012

25. Quoted investments have been valued at cost, Market value of all the quoted shares as at the balance sheet date is Rs. 1074358/-. However diminution in value other than temporary is provided. The profit / loss arising on account of sales are recognized in the statement of Profit & Loss Account.
26. Related party disclosures as per accounting standard - AS-18 issued by the institute of Chartered Accountants of India.

### List or Related Parties:-

(a) Directors & Relatives

Mr. Sorabh Gupta	Managing Director
Mr. N.K. Gupta	Director

- (b) Mr. Sorabh Gupta, the Director is the key management personnel who have the authority and responsibility for planning , directing and controlling the activities of the company

Mr. N.K. Gupta	Father
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Other related parties with whom transactions have taken place during the year.

Dhampur Alco Chem Ltd., Key man is also the key man of the company.

(c) Transaction with the Related Parties

Name of Director	Nature of Transactions	Amount
Mr. Sorabh Gupta	Salary	1125000
Other related party		
Delhi Int. Educational Society	Sugar cane purchase	607419
Dhampur Infrastructure Pvt. Ltd.	Sugar cane purchase	127432
Dhampur Infratech Pvt. Ltd.	Sugar cane purchase	148396
Greater Noida Habitate Centre Ltd.	Sugar cane purchase	110765
Shree Balaji Holdings & Instructure Pvt. Ltd.	Sugar cane purchase	163278
Sun Infoplanet Ltd.	Sugar cane purchase	132741

27. Sundry Debtors, Creditors, Advance from Customers, Sundry Deposits are subject to confirmation and are as per books of accounts and will require necessary adjustment on reconciliation.
28. Sales Tax Assessments for earlier years are in progress. Demands, if any shall be accounted for on the completion of assessments.
29. Contingent Liabilities
- a. For Sales Tax Demand being contested --- Nil
- b. Claims not acknowledged as debts - Nil
30. Payment to Auditors:

(Figures in Rs.)

Particulars	31.03.2012		31.03.2011
Audit Fees	22088		22500
Service Tax	2730		2318
Total	24818		24818

31. Calculation of Earnings per Share (EPS)

Particulars	31.03.2012		31.03.2011
Net Profit/(Loss) for the period (Rs.)	6955961		7290035
Weighted average number of equity shares (Nominal Value of Rs. 10/- per share)	7161200		7161200
Basic & Diluted earnings per Share (Rs.)	0.97		1.02

32. In the opinion of the directors of the company current assets, loans and advances, unsecured loans and current liabilities have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provisions for all know liabilities have been made.

33. Additional information as required by Part-ii Schedule VI of the Companies Act, 1956:

**a) Production**

	Current Year	Pervious year
Invert Sugar	1070370 kg	861900 kg
Speciality Sugar	223280 kg	252712 kg
Jaggery	903 qtl	1737.61 qtl

**b) Raw Material Consumed**

(Amount in Rs.)

Particulars	Consumption			
	Current Year		Previous Year	
	Qty.	Value in Rs.	Qty.	Value in Rs.
Suger (in Kg.)	985900	30408842	893230	26876614
Activated Carbon (in Kg.)	980	122342	2370	101753
Sugar Cane (in Qtls.)	10829	2057586	17278	3076147
Stores Consumed	-	87379	-	50208
<b>Total</b>	-	<b>32676149</b>	-	<b>30104722</b>

**b) Goods Purchased (Trade)**

(Amount in Rs.)

Particulars	Consumption			
	Current Year		Previous Year	
	Qty.	Value in Rs.	Qty.	Value in Rs.
Ethyl Acetate (in Kg)	2561895	147865717	3967995	175909092
Acetic Acid (in Kg)	1512535	46820338	214865	5988336
Sugar (in Qtls)	37200	137298921	32514	12111201
<b>Total</b>	-	<b>331984976</b>	-	<b>303008629</b>

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## d) Sales, closing stock and opening stock

(Value in Rs.)

Particulars	Unit	Sales		Closing Stock		Opening Stock	
		Qty.	Value	Qty.	Value	Qty.	Value
Invert Sugar	Kg	1046837	43636612	43027	1128104	19494	671339
Speciality Sugars	Kg	256041	15258187	6001	226086	38762	1290690
Jaggery	Qtls	1221	5050234	275	577500	593	1153853
<b>TRADED GOODS</b>							
Ethyl Acetate	Kg	2755253	165265180	5410	282309	198768	6546472
Acetic Acid	Kg	1523035	47281505	490	15443	10990	339368
Sugar	Qtls	37200	138867551	-	-	-	-

e) Expenditure in Foreign Currency

-

f) Earnings in Foreign Currency

8812940

-

13541571

### 34. Deferred Tax Liability/ Assets

As required by Accounting Standard -22" Accounting for taxes on income " issued by Instituted of Chartered Accountants of India, deferred tax assets on profits for the year has been created.

### 35. Figures have been rounded off to the nearest paisa.

### 36. Previous year figures Till the year ended 31st March, 2011, the company was using pre - revised Schedule VI to the Companies act, 1956, for the preparation and presentation of its financial statements. During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies act, 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification.

#### Auditors' Report

As per our Separate Report of even date annexed

For S. Prasad Agarwal & Co.  
Chartered Accountants  
Firm Regn No. 021425N

On behalf of the Board

(S. P. Agarwal)  
Proprietor  
M. No. : F-092194  
Place : New Delhi  
Dated : 31.08.2012

Murli Manohar  
Director

Sorabh Gupta  
Managing Director

#### Registered Office :

Village - Pallawala, Tehsil-Dhampur  
Distt - Bijnor (U.P.) Pin - 246761



**Cash Flow Statement for the year ended 31st March, 2012**

	<u>As at 31.03.2012</u>	<u>As at 31.03.2011</u>
	(Rupees in Thousand)	(Rupees in Thousand)
<b>A. NET CASH FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX	10024	10098
ADJUSTMENT FOR :		
*Depreciation	2249	2236
Interest (Net)		
Miscellaneous Expenditure Written off	(49)	2411
Operating Profit before working capital Changes	<u>12024</u>	<u>12509</u>
ADJUSTMENT FOR :		
Trade & other receivables	(27993)	(12526)
Inventories	11753	6508
Trade Payable	(3147)	7285
Tax Payments	<u>(1795)</u>	<u>(3201)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>(9158)</u>	<u>10585</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed Assets (Net Sales)	(336)	(3338)
Purchase of Investments	321	86
Increases in Capital work in progress/ Project expenditure	<u>-</u>	<u>-</u>
NET CASH EARNED IN INVESTING ACTIVITIES	(15)	(3252)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital	-	
Increase / (decrease) Share Application Money	-	
Increase in Share Premium	-	
Net Proceeds of Long Term Borrowings	<u>(799)</u>	<u>1674</u>
NET CASH FROM FINANCING ACTIVITIES	<u>(799)</u>	<u>1674</u>
Net increase in cash equivalents	<b>(9972)</b>	<b>9007</b>
Opening cash and cash equivalents	11900	2893
Closing cash and cash equivalents	<b>1928</b>	<b>11900</b>

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

For S. Prasad Agarwal & Co.  
Chartered Accountants  
Firm Regn No. 021425N

On behalf of the Board

(S. P. Agarwal)  
Proprietor  
M. No. : F-092194  
Place : New Delhi  
Dated : 31.08.2012

Murli Manohar  
Director

Sorabh Gupta  
Managing Director

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

# 20th ANNUAL REPORT

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 2012		
	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	220926.56	Total Assets	220926.56
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### SOURCES OF FUNDS

Paid up Capital	71612	Reserves & Surplus	109123.93
Secured Loans	899.13	Other Liabilities	39291.50

### APPLICATION OF FUNDS

Net Fixed Assets	21494.95	Investments	2174.54
Current Assets	188322.66	Deffered Tax Assets	8934.41
Accumulated Losses	Nil	-	-

## IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Sales & Other Income	411833.19	Total Expenditure	401809.65
(+) Profit/(-) Loss before tax	10023.54	Profit/Loss after tax	6955.96
Earning per Share in Rs.	0.97	Dividend Rate (%)	Nil

## V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS OF COMPANY

Item Code No. (ITC Code)	17029090	17019990	17011110
Production Description	INVERT SUGAR	DEMERARA SUGAR	JAGGERY

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