

Dham*pure* Speciality Sugars Ltd.

22nd Annual Report
2013 - 2014

www.sugarindia.com

22nd ANNUAL REPORT

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 : investor@sugarindia.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

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NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the members of DHAMPURE SPECIALITY SUGARS LIMITED will be held on Tuesday the 30 September, 2014 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 31st March, 2014, the Statement of 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 Narendra Kumar Gupta, DIN No. 00299795 who retires by rotation and being eligible offers himself for reappointment.
3. To consider and declare the dividend for the year 2013-14 on equity shares of the company.
4. To appoint auditors and to fix their remuneration.

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. 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.
5. The register of members and shares transfer books of the company will remain closed from 25.09.2014 to 30.09.2014 (both days inclusive) for the purpose of Annual General Meeting.
6. 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.
7. Final dividend of Re. 0.80 per share has been recommended by the Board of Directors for the year ended 31st March, 2014 and subject to the approval of the shareholders at the ensuing Annual General Meeting.

8. Electronic copy of the Notice of the 22nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 22nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

9. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 22nd Annual General Meeting by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under :

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "DSSL e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder – Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of DHAMPURE SPECIALITY SUGARS LIMITED.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.

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- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
- (xii) *Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to dsslscrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in*
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company / Depository Participant(s) or requesting physical copy]:
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :
- EVEN** (E Voting Event Number) **USER ID** **PASSWORD/**
PIN
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password / PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 24th September, 2014 (9:00 am) and ends on 26th September, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 29, 2014 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of August 29, 2014.
- VII. M/s. Anjani Kumar & Associates. Company Secretary (C.P. 8830) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sugarindia.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

By Order of the Board of Director
For **Dhampure Speciality Sugars Limited**

Place : New Delhi
Date : 30.08.2014

Ziaul Hasan Khan
Company Secretary

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 22nd Annual Report together with the Audited Accounts of the Company for the accounting year ended on 31st March, 2014.

FINANCIAL RESULTS

The working results of the Company are briefly given below :

	(Rupees) Current Year	(Rupees) Previous Year
Sales & other income	382997384	456676495
Operating Profit before		
Depreciation & tax	12660645	13514567
Less : Depreciation	2019397	2006162
Profit before tax	10641248	11508405
Less: a) Proposed Dividend	5728960	5728960
b) Provision for Tax		
(i) Current Tax	3397157	3676323
(ii) Deferred Tax	(20643)	(24445)
(iii) Income Tax paid for		
Previous Year	217993	115385
(iv) Dividend tax	929381	929381
Profit after Tax	388400	1082801

REVIEW AND PROSPECTS

Company produced 993 MT of Invert Sugar during the year as against 952 MT in the previous year. Speciality Sugar produced 595MT during the year against 404 in the previous year.

The Company has achieved a turnover of Rs. 382997384/- doing value addition of speciality sugars and chemicals during the year as against Rs. 456676495/- 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 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

Your Directors recommended a dividend of 8% (Rs.0.80) per equity Share of face value Rs.10- each for your approval.

DIRECTORS

In term of Section 152(6) of the Companies Act, 2013 and articles of Association of the company, Mr. Narendra Kumar Gupta is retiring by rotation but being eligible, has offered himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 134 (5) OF THE COMPANIES ACT, 2013

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) shall state that-

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

CORPORATE GOVERNANCE

We are making best efforts to implement the norms, which are promulgated by legislation, or any of the statutory bodies. In line with that, a report on Corporate Governance, along with a certificate from the Statutory Auditors, has been included in the Annual Report, detailing the compliances of corporate governance norms as enumerated in Clause 49 of the Listing Agreements with the Stock Exchanges.

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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 141 of the Companies Act, 2013.

THE PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956.

During the year ended March 31, 2014, no employee is drawing remuneration in excess of the amount prescribed under section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of employees) Rules, 1975.

LISTING OF THE SHARES

Company's shares are listed at BSE Ltd. And the listing fee for the year 2013-14 has been paid to the BSE Ltd.

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 of Director
Dhampure Speciality Sugars Ltd.

Place : New Delhi
Date : 30.08.2014

Murli Manohar
Director
(DIN: 01173857)

Sorabh Gupta
Managing Director
(DIN: 00227776)

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	111434	67323
b) Total Amounts (Rs.)	559398	337962
c) Rate/Unit	5.02	5.02

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

Product	: Invert Speility Sugars & Jaggery	
Electricity	: 33	45

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 of Director
Dhampure Speciality Sugars Ltd.

Place : New Delhi
Date : 30.08.2014

Murli Manohar
Director
(DIN: 01173857)

Sorabh Gupta
Managing Director
(DIN: 00227776)

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 two non-executive & independent directors, one non-executive directors & one Managing Director.

During the year 2013-14, the Board met Nine(09) times on the following dates, namely 29th May, 2013, 26th July, 2013, 30th August, 2013, 05th September, 2013, 24th September, 2013, 31st October, 2013, 12th February, 2014, 07th March, 2014 & 10th March, 2014.

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	Managing Director	9	Yes	8	1	1
Mr. Deshraj Singh	Non-Executive & Independent Director	8	Yes	1	3	-
Mr. N. K. Gupta	Non-Executive Director	6	Yes	4	3	-
Mr. Murli Manohar	Non-Executive & Independent Director	9	Yes	1	3	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 three non-executive directors namely Mr. N.K. Gupta, Mr. Murli Manohar (Non executive & Independent Director) and Mr. Deshraj Singh (Non executive & Independent Director).

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 29th May, 2013, 31st July, 2013, 31th October, 2013, 12th February, 2014.

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 inter alia, 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.

As on 31st March, 2014, No request for transfer & dematerialization 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.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The committee has been constituted with Mr. Murli Manohar (Non Executive & Independent Director) & Mr. N.K. Gupta (Non Executive Director) and Mr. Deshraj Singh (Non Executive & Independent Director). Mr. Murli Manohar is the Chairman of the committee. The Committee inter alia, consider and resolve the grievances of security holders of the company.

6. NOMINATION AND REMUNERATION COMMITTEE

Mr. Murli Manohar - Chairman
Mr. N.K. Gupta - Member
Mr. Deshraj Singh - Member

5. DIRECTORS' REMUNERATION

The remuneration is approved by the Board considering, the educational qualification, past experience and the dedication to the duties. None of the Independent Directors of the company have any pecuniary relationship or transactions with the company. Sitting fees have been paid to the Non-executive Directors only attending the meeting.

Rs. 15,00,000/- paid to the Managing Director towards remuneration during the financial year 2013-14.

6. GENERAL BODY MEETING

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

Financial Year	Date	Time	Location
2012 - 13	30.09.2013	2.00 P.M.	Village-Pallawala, Dhampur
2011 - 12	29.09.2012	2.00 P.M.	-- do --
2010 - 11	30.09.2011	2.00 P.M.	-- do --

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 2013-2014. 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 : 30th September, 2014 at 2.00 pm
 Venue : Dhampure Speciality Sugars Limited
 Village : Pallawala, Dhampur
 Distt - Bijnor (U. P.)

b) Book Closure Date :

25.09.2014 to 30.09.2014
 (both days inclusive)

d) Dividend

The Board of Directors recommended a dividend of 8% per equity share, subject to the approval of shareholder.

e) Stock Exchange Listing

Shares of the company are listed on BSE Ltd. The annual listing fees have been paid and there is no outstanding payment towards the exchanges as on 31st March, 2014.

b) Stock Code

Scrip ID : DHAMPURE
 Scrip Code : 531923
 ISIN : INE 956B01013

c) Registrar & Share Transfer Agent :

MAS Services Private Ltd.
 T-34, IInd Floor,
 Okhla Indl. Area, phase-II
 New Delhi- 110020

d) Distribution of shareholding

(a) Shareholding Pattern as on 31st March, 2014

Category	No. of Shares held	Percentage of Shareholding
Promoters	3330235	46.50
Private Corporate Bodies	815336	11.38
Indian Public	3015629	42.12
Total	7161200	100.00

b) Shareholding Pattern as on 31st March 2014

No. of Shares	No. of Share Holders	% of Share Holders	Aggregate No of Share	% of Share Holding
Upto 5000	3465	80.732	685566	9.573
5001 - 10000	382	8.9	319494	4.461
10001 - 20000	182	4.24	289084	4.037
20001 - 30000	77	1.794	200419	2.799
30001 - 40000	44	1.025	158479	2.213
40001 - 50000	39	0.909	186703	2.607
50001 - 100000	51	1.188	376265	5.254
10001 & above	52	1.212	4945190	69.055
Total	4292	100.00	7161200	100.00

i) Dematerialisation of shares

6940250 shares were dematerialised upto 31st March, 2014. The dematerialisation level as at 31st March, 2014 stands at 96.91%.

j) PLANT LOCATIONS

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

k) Address for Correspondence :

Company Secretary
 Dhampure Speciality Sugars Ltd.
 24, School Lane, Near World Trade Centre,
 New Delhi - 110001

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Managing Director Certification

We, Sorabh Gupta, Managing Director of Dhampure Speciality Sugars Limited, to the best of our knowledge and belief, certify that –

- a. We have reviewed financial statements for the year ended March 31, 2014 and that to the best of our knowledge and belief these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee :-
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

On behalf of the Board of Directors

For Dhampure Speciality Sugars Limited

Place : New Delhi
Date : August 30.08.2014

Sd/-
Sorabh Gupta
Managing Director
(DIN: 00227776)

Sd/-
Ilyas Ahmad
Manager Accounts

CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS ON CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Members of

DHAMPURE SPECIALITY SUGARS LIMITED

We have examined the compliance of the conditions of Corporate Governance by DHAMPURE SPECIALITY SUGARS LIMITED for the year ended 31st March, 2014, 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, 2014, 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 : 30.08.2014

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

INDEPENDENT AUDITORS' REPORT

To the Members of

DHAMPURE SPECIALITY SUGARS LIMITED

We have audited the accompanying financial statements of Dhampure Speciality Sugars Limited, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular No. 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Matters of Emphasis

Without qualifying our opinion, we draw attention to the Note no. 35(e) to the financial statement regarding remuneration paid to directors without talking approval of Central Government.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required

and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014; and
- (b) in the case of the statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order, to the extent applicable to the Company.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet and Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet and Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act read with the General Circular No. 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Place: New Delhi
Dated: 30.05.2014

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

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Dhampure Speciality Sugars Limited

ANNEXURE TO THE AUDITOR'S REPORT

(As referred to in Paragraph 1 of our report of even date)

- (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) As explained to us, the inventory has been physically verified by the management during the year.
- (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) a) According to the information and explanations given to us, the Company has not granted secured or unsecured loans to Companies, firms or other parties covered in the registered maintained under section 301 of the Act.
- b) According to the information and explanations given to us, during the year, the Company has not taken any fresh loan from Companies, firms or other parties covered in the registered maintained under section 301 of the Act. In our opinion, the rate of interest and other terms of the loan are prima facie not prejudicial to the interest of the company.
- (iv) In our opinion and according to the information and explanation 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 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (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 and according to the information and explanations given to us, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the company pursuant to rules made by the Central Government under section 209(1)(d) of the Companies Act, 1956 for maintenance of Cost records and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (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 and cases which have remained outstanding as at 31.03.2014 for a period of more than six months from the date they became payable, however an income tax demand i.e. assessed U/s 143(3) for the Assessment Year 2009-10 of Rs. 75,967/- and for the Assessment Year 2010-11 of Rs. 47,750/- are yet to deposit or to be adjust with the Income Tax Refund receivable from the Income Tax Department and a demand of Central Excise Duty of Rs. 50,76,707/- (Including interest of Rs. 15,22,721/-) for the period from F.Y. 2007-08 to 2011-12 The matter is pending with the Customs, Excise & Service Tax Appellate Tribunal, New Delhi.
- (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, 2014 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 and unquoted shares.
- (xv) That the company has taken a cash credit limit of Rs. 4,00,00,000/- 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 of 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

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

Place : New Delhi
Date : 30.05.2014

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

Balance Sheet as at 31st March' 2014

	Note No.	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
I. EQUITY & LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2	71612000	71612000
(b) Reserves and Surplus	3	110595132	110206732
2 Non-Current Liabilities			
(a) Other Long-Term Liabilities	4	920197	920197
(b) Long -Term Povisions	5	1088827	1078327
3 Current Liabilities			
(a) Short-Term Borrowing	6	2511288	7773603
(b) Trade Payable	7	8719070	14730715
(c) Other Current Liabilities	8	10379673	19341227
(d) Short-Term Provisions	9	4326538	4605704
TOTAL		<u>210152725</u>	<u>230268505</u>
II ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	10		
Tangible Assets		23439369	20477440
(b) Deffered Tax Assets	27	8979493	8958850
(c) Non-Current Investments	11	1386791	2152881
(d) Other Non-Current Assets	12	119310156	120236160
2 Current assets			
(a) Inventories	13	16732758	11461167
(b) Trade Receivables	14	31155587	59395280
(c) Cash and Cash Equivalents	15	4504675	3602333
(e) Other Current Assets	16	4643896	3984394
TOTAL		<u>210152725</u>	<u>230268505</u>

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 2-37

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

On behalf of the Board of Director

(S.P. Agarwal)
Proprietor
M.No. : F-092194
Place - New Delhi
Dated : 30.05.2014

Murli Manohar
Director
(DIN: 01173857)

Sorabh Gupta
Managing Director
(DIN: 00227776)

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

Ziaul Hasan Khan
Company Secretary
M. No. ACS 29983

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Statement of Profit & Loss for the Year Ended 31st March' 2014

	Note No.	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
REVENUE			
I. Revenue from operations (net)	17	381936044	455429466
II Other Income	18	1061340	1247029
Total Revenue (I+II)		<u>382997384</u>	<u>456676495</u>
III Expenses			
(a) Cost or Raw Material Consumed	19	354265882	422886796
(b) Increase / decrease inventories of Finished Goods	20	(3086180)	334505
(c) Employee benefits expenses	21	8645670	8324065
(d) Finance costs	22	454029	973736
(e) Depreciation and amortization expenses	23	2019397	2006162
(f) Other expenses	24	10057338	10642826
Total Expenses (III)		<u>372356136</u>	<u>445168090</u>
IV Profit before tax		10641248	11508405
Proposed Dividend		5728960	5728960
Tax Expenses			
(i) Current Tax		3397157	3676323
(ii) Deferred Tax	27	(20643)	(24445)
(iii) Income tax for earlier year		217993	115385
(iv) Dividend tax		929381	929381
Profit for the year		<u>388400</u>	<u>1082801</u>
V Earning per Equity share (nominal value of share Rs.10)			
Basic in Rs.	26	0.05	0.15
Diluted in Rs.		0.05	0.15

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 2-37

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

On behalf of the Board of Director

(S.P. Agarwal)
Proprietor
M.No. : F-092194
Place - New Delhi
Dated : 30.05.2014

Murli Manohar
Director
(DIN: 01173857)

Sorabh Gupta
Managing Director
(DIN: 00227776)

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

Ziaul Hasan Khan
Company Secretary
M. No. ACS 29983

1. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31.03.2014

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. Impairment of Assets

The Company identifies impairable tangible fixed assets at the year end in terms 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.

c. 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 bringing the inventories to their present location and condition. Raw material and Packing 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.

d. Revenue Recognition

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

e. Investments

Investments are stated at costs. Provision is made, where, there is a permanent fall in the value of investments.

f. Provision for Taxation

- (i) Provision for income tax is 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. 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.

h. 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 their 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.

i. 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.

j. 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 Statement of Profit and Loss.

k. Employee Retirement Benefits

Short term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and bonus etc., are recognized in the statement of profit and loss in the period in which the employee renders the related service.

Defined benefit plans

Defined benefit plans of the company consist of gratuity and leave encashment.

- Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to the vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and tenure of employment. Vesting occurs upon completion of five years of service.

- Leave Encashment

As per company's policy, eligible leaves have paid on every year basis.

Defined contribution plans-

Defined contribution plans of the company consist of Provident fund.

- Provident Fund

The company makes specified monthly contribution towards the employees' provident fund for the eligible employees. The contribution made to provident fund are charged to the statement of profit and loss as and when these become payable.

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Notes to Financial Statements for the year Ended 31st March' 2014

	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
2. SHARE CAPITAL		
Authorised		
2,50,00,000 Equity Shares of Rs. 10/- each	250000000	250000000
Issued , Subscribed and paid up Shares		
7161200 Equity Shares of Rs. 10/- each fully paid up in cash	71612000	71612000

The Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.

EQUITY SHARES

	As at 31.03.2014		As at 31.03.2013	
	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 proposed dividend @ 8% for the F.Y. 2013 - 2014

(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 31.03.2014		As at 31.03.2013	
	No.	% holding in the class	No.	% holding in the class
Equity shares of Rs. 10 each fully paid				
Mr. Sorabh Gupta	2549385	35.6	2304799	32.18
Mrs. Reena Gupta	687250	9.60	687250	9.60

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.

	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
3. Reserves and surplus		
Surplus in the statement of profit and loss		
Balance as per last Financial statements	77136732	76053931
Profit for the year	388400	1082801
(a) Net Surplus in the statement of profit & Loss	<u>77525132</u>	<u>77136732</u>
(b) Share Premium Account	33070000	33070000
Total (a+b)	<u>110595132</u>	<u>110206732</u>

	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
4. Others Long-Term Liabilities		
Advance from Customers	920197	920197
	<u>920197</u>	<u>920197</u>
5 Long-Term Provision		
Provision for Gratuity	1088827	1078327
	<u>1088827</u>	<u>1078327</u>
6 Short -Term Borrowings		
Secured Loan from Bank		
Punjab National Bank	2511288	7773603
(Secured against hypothecation of stock & book debts)	<u>2511288</u>	<u>7773603</u>
7 Trade Payables		
Sundry Creditors	8719070	14730715
	<u>8719070</u>	<u>14730715</u>
8 Other Current Liabilities		
(i) Advance from customers	770040	462453
(ii) Expenses Payable	2547645	2657117
(iii) Books Overdraft with Banks	919103	9706186
(iv) Duties & taxes Payable	413925	786511
(v) Proposed Dividend	5728960	5728960
	<u>10379673</u>	<u>19341227</u>
9 Short -Term Provision		
Provision for Income Tax	3397157	3676323
Provision for Dividend Tax	929381	929381
	<u>4326538</u>	<u>4605704</u>

10 : Fixed Asset

Particulars	Gross Block			Depreciation			Net Block			
	As on 01/04/13	Addition During the year	Sale / adj Druring the year	Total As on 31/03/14	Upto 31/03/13	Dep. for the year 31.03.2014	Sale / adj Druring the year	Total As on 31/03/14	As on 31/03/14	As on 31/03/13
TANGIBLE ASSETS										
LAND	2173745	-	-	2173745	-	-	-	-	2173745	2173745
BUILDING	18746795	4860824	-	23607619	6813519	621045	-	7434564	16173055	11933276
PLANT & MACHINERY	55748123	21000	-	55769123	53714544	674593	-	54389137	1379986	2033579
GENERATOR SETS	2499718	-	-	2499718	1460202	118737	-	1578939	920779	1039516
COMPUTERS	4335801	21000	-	4356801	4207667	38509	-	4246176	110625	128134
MISC. ASSETS	3188382	78502	-	3266884	1410935	152190	-	1563125	1703759	1777447
FURNITURE & FIXTURE	982963	-	-	982963	487143	62227	-	549370	433593	495820
VEHICLES	6332935	-	-	6332935	5437012	352096	-	5789108	543827	895923
CAPITAL IN PROGRESS	-	-	-	-	-	-	-	-	-	-
TOTAL	94008462	4981326	-	98989788	73531022	2019397	-	75550419	23439369	20477440
PREVIOUS YEAR	93250476	1207855	449869	94008462	71755527	2006162	230667	73531022	20477440	

11 NON CURRENT INVESTMENTS

Name of Script	Opening Balance As at 1.04.2013		Purchase During the year		Sold During the year		Closing Balance As at 31.03.2014		Closing Balance As at 31.03.2013	
	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)
“A” QUOTED SHARES										
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.	245	29752	100	5428	145	17608	200	13543	245	29752
Eiha Hotels	50	6509	100	11281	50	6509	100	11281	50	6509
FKONCO	200	17913			200	17913			200	17913
Gee Kay Exim	56000	249200					56000	249200	56000	249200
GVK Power	100	1671			100	1671			100	1671
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
I G L	100	25278			100	25278			100	25278
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
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
Rana Sugar	2000	21340			2000	21340			2000	21340

Name of Script	Opening Balance As at 1.04.2013		Purchase During the year		Sold During the year		Closing Balance As at 31.03.2014		Closing Balance As at 31.03.2013	
	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)
Reliance Ind	25	22343			25	22343			25	22343
Shree Renuka sugar	300	18628			300	18628			300	18628
Tilak Nagar Industry	500	26010			500	26010			500	26010
Unitech Ltd.	600	26814			600	26814			600	26814
Sub Total "A"	71771	1147881	200	16709	10670	778770	61301	381791	71771	1147881
<u>"B" UNQUOTED SHARES</u>										
Magic Software Pvt. Ltd.	10000	1000000					10000	1000000	10000	1000000
United Service Pvt. Ltd.	500	5000					500	5000	500	5000
Sub Total "B"	10500	1005000					10500	1005000	10500	1005000
GRAND TOTAL (A+B)	82271	2152881	200	16709	10670	778770	71801	1386791	82271	2152881
Previous year	82782	2174544	1489	99206	2000	120869	82271	2152881		
Market Value of quoted Shares								388532		

	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
12 Other Non-Current Assets Loans and Advances (Unsecured, considered good unless stated otherwise)		
(i) Security Deposits	99800	99800
(ii) Loan & advances to related parties (note 26)	63210356	64136360
(iii) Loan & advances to others	56000000	56000000
	<u>119310156</u>	<u>120236160</u>
13 Inventories (valued at lower of cost and net relizable value)		
(i) Raw Material	4407745	4042449
(ii) Finished Goods	4683365	1597185
(iii) Stock -in- Trade	7614014	5768794
(iv) Stores & Spares	26134	51239
(v) Fuel	1500	1500
	<u>16732758</u>	<u>11461167</u>
14 Trade receivables (Unsecured, considered good unless stated otherwise)		
(i) Outstanding for more than six months	582503	349840
(ii) Outstanding for less than six months	30573084	59045440
	<u>31155587</u>	<u>59395280</u>
15 Cash and Cash Equivalents		
(i) Balance with Banks on Current Accounts	3562836	2849056
(ii) Cash in hand	605369	434342
(iii) Fixed Deposits	336470	318935
	<u>4504675</u>	<u>3602333</u>
16 Other Current Assests		
Advanced recoverable in cash or in kind	306200	11812
Advanced to suppliers	911080	1080019
Prepaid Expenses	41380	71147
Advance to staff	-	71966
Advance Income tax	2800000	2300000
Balance with Government Authorities		
VAT Receivable	170525	30345
Balance with Excise Deptt.	124689	127812
TDS	151242	152513
IT Refundable	138780	138780
	<u>4643896</u>	<u>3984394</u>
17 Revenue from Operations		
Sales of Products		
(i) Domestic Sales	380161594	447554941
(ii) Export Sales	6707048	12959267
(iii) Less : Excise Duty	4932598	5084742
Revenue from Operations (Net)	<u>381936044</u>	<u>455429466</u>
18 Other Income		
(i) Interest Income	19289	24336
(ii) Net gain / loss from investment	-	28556
(iii) Agriculture Income (net)	460819	656654
(iv) Sundry Balance written off	257144	-
(v) Profit on sale of Fixed Assets	-	14798
(vi) Foreign Exchange Fluctuation	128413	261655
(vii) Miscellaneous Income	195675	261030
Total	<u>1061340</u>	<u>1247029</u>

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	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
19 Cost of Material Consumed		
Opening Stock	9263746	2835435
Purchase	356441453	429612652
Consumption of stores and spares	<u>582442</u>	<u>249952</u>
	366287641	432698039
Less : Closing Stock	<u>12021759</u>	<u>9811243</u>
Net consumupation	<u>354265882</u>	<u>422886796</u>
20 Increase/decrease in Inventories		
Inventories at the end of the year		
Finished Goods	4683365	1597185
Inventories at the beginning of the year		
Finished Goods	<u>1597185</u>	<u>1931690</u>
Net (increase)/decrease in Inventories	<u>(3086180)</u>	<u>334505</u>
21 Employee Benefits Expenses		
Salaries & Wages	6434852	5836116
Bonus	409021	509831
Director Remuneration	1500000	1500000
Contribution to Provident Fund	99141	107052
Gratuity	33577	222638
Staff Welfacre Expenses	<u>169079</u>	<u>148428</u>
	<u>8645670</u>	<u>8324065</u>
22 Finance Costs		
(a) Interest paid	306594	871024
(b) Bank Charges	41618	32487
(c) Processing Fee	<u>105817</u>	<u>70225</u>
	<u>454029</u>	<u>973736</u>
23 Depreciation and amortization expenses		
Depreciation	<u>2019397</u>	<u>2006162</u>
	<u>2019397</u>	<u>2006162</u>
24 Other Expenses		
(a) Auditors Remuneration (as Audit Fee)	24818	24818
(b) Power & fuel	776118	948693
(c) Repair to Building	398022	211375
(d) Repair to Machinery	176827	585462
(e) Repair to others	320548	315386
(f) Vehicle Repair & Maintance	4276	27325
(g) Printing & Stationery	87269	51991
(h) Communication Expneses	802512	790195
(i) Travelling & Conveyance	1884456	301930
(j) Insurance charges	32207	41871
(k) Rates & Taxes	48178	69119
(l) Filling Fee	4500	3000
(m) Additional Sales Tax Demand	141081	279439
(n) Legal & Professinal Charges	811279	662246
(o) Loss on sale of share (short term)	478491	-
(p) Share Listing Expenses	165210	108901
(q) Business Promotion	408948	395826
(r) Freight (outward)	609299	687768
(s) Commission Paid	1107771	2211890
(t) Security Expenses	187359	327558
(u) Rebates & Discount	354907	467347
(v) Godown Handing Expenses	19180	36990
(w) Exports Expenses	357028	1913496
(x) Misc. Expenses	704823	180200
(y) Service Tax expenses	132231	-
(z) Director Sitting Fee	<u>20000</u>	<u>-</u>
	<u>10057338</u>	<u>10642826</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2014

25. Quoted investments have been valued at cost, Market value of all the quoted shares as at the balance sheet date is Rs. 3,88,532/-. 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 of Related Parties:-

- (a) Directors & Relatives
- | | |
|------------------|-------------------|
| Mr. Sorabh Gupta | Managing Director |
| Mr. N.K. Gupta | Director |
- (b) Mr. Sorabh Gupta, the Director is the key managerial personnel who have the authority and responsibility for planning , directing and controlling the activities of the company
- | | |
|------------------|-----------------------------|
| Mr. N.K. Gupta | Father of Managing Director |
| Mrs. Reena Gupta | Wife of Managing Director |

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	Director Remuneration	1500000
Other related party		
Dhampur Infrastructure Pvt. Ltd.	Sugar cane purchase	112028
Greater Noida Habitat Centre Ltd.	Sugar cane purchase	79326

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
- For a demand of Central Excise Duty being contested - Rs. 50,76,707/- (Including interest of Rs. 15,22,721/-) for the period from F.Y. 2007-08 to 2011-12. The matter is pending with the Customs, Excise & Service Tax Appellate Tribunal, New Delhi.
 - Claims not acknowledged as debts – Nil

30. Payment to Auditors:

(Figures in Rs.)

Particulars	31.03.2014	31.03.2013
Audit Fees	22088	22088
Service Tax	2730	2730
Total	24818	24818

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31. Calculation of Earnings per Share (EPS)

Particulars	31.03.2014	31.03.2013
Net Profit/(Loss) for the period (Rs.)	388400	1082801
Weighted average number of equity shares (Nominal Value of Rs. 10/- per share)	7161200	7161200
Basic & Diluted earnings per Share (Rs.)	0.05	0.15

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	993080 kg	951920 kg
Speciality Sugar	595415 kg	403884 kg
Jaggery	1242 qtl	1004 qtl

b) Raw Material Consumed

Particulars	Consumption			
	Current Year		Previous Year	
	Qty.	Value in Rs.	Qty.	Value in Rs.
Suger (in Kg.)	1338700	43473164	1095000	38263260
Activated Carbon (in Kg.)	695	109171	520	76764
Sugar Cane (in Qtls.)	10972	1799470	12226	2450428
Stores Consumed	-	582442	-	249952
Total	-	45381805	-	41040404

c) Goods Purchased (Trade)

Particulars	Consumption			
	Current Year		Previous Year	
	Qty.	Value in Rs.	Qty.	Value in Rs.
Ethyl Acetate (in Kg)	2095030	120217234	3095120	169491152
Acetic Acid (in Kg)	-	-	806375	30263086
Sugar (in Qtls)	45917	178493600	43722	177455375
Total	-	298710834	-	377209613

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	935898	41081296	85207	2508494	28025	950328
Speciality Sugars	kg	548202	29596354	48749	1597371	1536	69357
Jaggery	qtls	1242	5465010	275	577500	275	577500
TRADED GOODS							
Ethyl Acetate	kg	2146105	132021120	115849	7248114	166924	5203327
Acetic Acid	kg	-	-	490	17970	490	17970
Sugar	qtls	45917	178704817	-	-	-	-

	Current Year	Previous Year
e) Expenditure in Foreign Currency	1695075/-	-
f) Earnings in Foreign Currency	6835461/-	13220922/-

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. Commission expenses is state net of income amounting to Rs. 1784939/- (Previous year Rs. 1929892/-)
37. Previous year Figures.
The company has reclassified previous year figures to conform to 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 of Director

 (S. P. Agarwal)
 Proprietor
 M. No. : F-092194
 Place : New Delhi
 Dated : 30.05.2014

 Murli Manohar
 Director
 (Din : 01173857)

 Sorabh Gupta
 Director
 (Din : 00227776)

 Ziaul Hasan Khan
 Company Secretary
 M. No. ACS29983

Registered Office :

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

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Cash Flow statement for the year ended 31st March, 2014

	As at 31.03. 2014 (Rupees in Thousands)	As at 31.03. 2013 (Rupees in Thousands)
NET CASH FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	10641	11508
ADJUSTMENT FOR :		
*Depreciation	2019	2007
Interest (Net)	(287)	(917)
Miscellaneous Expenditure Written off	1732	1090
Operating Profit before working capital Changes	12374	12598
ADJUSTMENT FOR :		
Trade & other receivables	20756	(4606)
Inventories	(5272)	(6659)
Trade Payables	(14973)	(6073)
Tax payments	(4524)	(1525)
NET CASH FROM OPERATING ACTIVITIES	8361	(6265)
CASH FLOW FROM INVESTING ACTIVITIES		
fixed Assets (net sales)	(2962)	1018
Sales /purchase () of Investments	766	22
Increase in Capital work in progress/ project expenditure	-	-
NET CASH EARNED IN INVESTING ACTIVITIES	(2196)	1040
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital		
Increase/(decrease) Share Application Money	---	---
Increase in Share Premium		
Net proceeds of Long Term Borrowings	(5262)	6899
NET CASH FROM FINANCING ACTIVITIES	(5262)	6899
Net increase in cash equivalents	903	1674
Opening cash and cash equivalents	3602	1928
Closing cash and cash equivalents	4505	3602

Auditors Report

As per separate report of even date attached
For S. PRASAD AGARWAL & CO.
Chartered Accountants
Firm Regn. No. 021425N

For and On behalf of the Board of Directors

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

MurliManohar
Director
(Din: 01173857)

Sorabh Gupta
Managing Director
(Din: 00227776)

Place - New Delhi
Dated - 30.05.2014

ZiaulHasan Khan
Company Secretary
M.No. ACS29983

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 2014		
	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	210152.73	Total Assets	210152.73
SOURCES OF FUNDS			
Paid up Capital	71612	Reserves & Surplus	110595.13
Secured Loans	2511.29	Other Liabilities	25434.31
APPLICATION OF FUNDS			
Net Fixed Assets	23439.37	Investments	1386.79
Current Assets	176347.08	Deffered Tax Assets	8979.49
Accumulated Losses	Nil	-	-

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

Sales & Other Income	382997.38	Total Expenditure	372356.13
(+) Profit/(-) Loss before tax	10641.25	Profit/Loss after tax	388.4
Earning per Share in Rs.	0.05	Dividend Rate (%)	8%

V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS OF COMPANY

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

DHAMPURE SEPECIALITY 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

of failing him of

as my/our Proxy to attend and vote for me / us and on my behalf at the Twenty two Annual General Meeting of the Company to be held on Tuesday, 30th September, 2014 at 2.00 p.m. and at any adjournment thereof.

Signed this day of 2014

Signature(s) of the Member (s)

- Note :** 1. The Proxy from duly stamped and completed deposited must be deposited at the Registered Office of the Company not less 48 hours before the time fixed for holding the aforesaid meeting.
 2. A proxy need no be a member.

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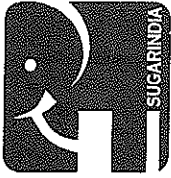
Dhamruze Speciality Sugars Ltd.

24, School Lane

Near World Trade Centre,

New Delhi - 110 001

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DHAMPURE SPECIALITY SUGARS LTD.

CIN : L24112UP1992PLC014478

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the Company	Dhampure Speciality Sugars Ltd.
2	Annual Financial Statements for the Year ended	March 31, 2014
3	Type of Audit qualification	Audit Report submitted
4	Frequency of qualification	Whether appeared first time/ repetitive/ since how long period NO
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	NIL
6	Additional comments from the board/audit committee chair:	NIL
7	To be signed by- • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman	<p>Sorabh Gupta</p> <p>Ilyas Ahmad</p> <p>S P Agarwal Proprietor S. Prasad Agarwal & Co., Chartered Accountants M.No. : F 092194</p> <p>Murli Manohar Director</p>

Date: 26/08/2014

Place: Delhi

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

Corp. Office : 24, School Lane, Nr. WTC, New Delhi - 110001 (INDIA)

Tel. : +91-11-23711223, 23711224 Fax : +91-11-23352591

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