



Dham*pure* Speciality Sugars Ltd.

20th Annual Report
2011 - 2012

www.sugarindia.com

20th 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 : 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

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NOTICE

Notice is hereby given that the 20th 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 31st 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,

Dhampur 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 : Provision for Tax		
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:

- That in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there has been no material departure;
- 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 ;
- 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;
- 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
d) Own Generation		
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, 31st 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 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. 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

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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

- 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.
- 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

- The company is not sending half-yearly report to each household of shareholders.
- The results are being sent to all the stock exchanges where the shares of the company are listed for putting in their own website.
- The Company has published its quarterly results in Delhi editions of Financial Express (English) & Jansatta (Hindi).
- 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

- Trading Symbol at
The Stock Exchange, Mumbai - DHAMPURE SGR
BSE Scrip Code - 531923
- 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
Total	7161200	100.00

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
Total	4611	100	7161200	100

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