



# DHAMPUR *sugar mills*

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*The Dhampur Sugar Mills Ltd.  
Annual Report - 2002-03*



**Sulphurless Sugar - Healthy Sugar**  
India's only sulphurless sugar

## Quality products from Dhampure

Dhampure has a wide range of successful products in the market. Proof enough of their inherent quality and their ready acceptance by the people.



### Sulphurless Sugar

Dhampure sugar is India's first and only sulphurless sugar. Dhampure does not use sulphur or harmful chemicals to bleach the impurities in sugar to make it look white. Instead, it uses the unique Ion Exchange Method to genuinely clean the sugar. That is why Dhampure also meets the strict European Union Standards for sulphur content in white sugar. The sugar that comes to you is not only sulphurless but also scum-free and non-acidic. Its hygienic packaging ensures that your hands are the first to touch the sugar.

### White Sugar Sachets

India's only sulphurless sugar is now available in convenient packs for office use.



### Gur

Made from select varieties of sugarcane, Dhampure Gur is not only natural but also chemical-free. Ordinary and loose gur has harmful chemicals in it. Sulphur dioxide, hydrosulphite, formic acid, bleaching chemicals and preservatives to name a few. The manufacturing process and handling is so unhygienic that it leads to dirt, scum and insects getting mixed with gur as it reaches you. Dhampure Gur takes extra care to ensure cleanliness and hygiene. Packed through automatic machines at the site of manufacture, it is ensured that its taste, flavour, and purity are retained. So, go ahead and experience the goodness of Dhampure Gur, yet another sweet offering from the house of Dhampure.



### Brown Sugar

Dhampure Demerara Sugar is a natural brown sugar. It is ideal for tea, coffee and for topping hot cereals. Dhampure Demerara Sugar has fewer calories than ordinary sugar and a rich dose of natural minerals. Hence, your diet becomes healthier. It brings out the aroma of coffee beans. Not only this, it also melts five times faster than ordinary sugar! Early Egyptian coffee drinkers boiled powdered coffee beans with natural brown sugar to produce a thick syrupy coffee. The rich aromatic Demerara Sugar adds a great undertone to an already delicious brew! It is also suitable for cakes, pastries, and other bakery items.

### Brown Sugar Sachets

Dhampure Demerara Sugar is also available in sachets.



### Dhampure Mishri

Mishri has always been used as an offering to the Gods. However, mishri as we knew it was again dirty and unhygienic. Since we believe that an offering to the Gods should be pure, we decided to launch a new avatar of mishri. This was Dhampure Shuddh Mishri, India's first sulphurless and packaged mishri. Made out of completely mechanized process and untouched by hands, Dhampure Mishri is as pure as one's faith.

### Pharma Grade Sugar

Dhampure is a household name known for its commitment to health. In view of that, when it comes to making Pharma Grade Sugar (which has to be absolutely pure), we go a step ahead. Dhampure Sucrose IP Pharma Sugar has all the qualities to make it the finest Pharma Grade Sugar.

Unlike other sugars in the market, Dhampure Sucrose IP Pharma Sugar is not bleached using sulphur dioxide, thereby making it the only sulphurless sugar in India. Complying with the IP standards, DSM refines its sugar using phospho-floatation and a two-stage (Acrylic and Styrene based Resin) ion exchange column, while other pharma sugar manufacturers reprocess the normal sulphitation sugar to produce pharma grade sugar. The EC- 2 grade sugar that Dhampure has been producing is of category IP sucrose and its Icumsa is below 25. It is not only non- acidic, but it is also absolutely scum-free. This process is accepted internationally because the sugar so produced, is sulphurless and of higher purity necessary for the pharma standards. Hence, proving our continual pursuit of quality.

No wonder that it is also one of the few to be IP certified (certified by Drugs Controller of India). In keeping with DSM's distinguished tradition, Dhampure Sucrose IP Pharma Sugar will undoubtedly raise the existing standards for Pharma Grade Sugar.



**Dhampure Sucrose  
IP Pharma Sugar**



The Dhampur Sugar Mills Ltd.



## **THE DHAMPUR SUGAR MILLS LIMITED**

### **BOARD OF DIRECTORS**

- Mr. V. K. Goel, Chairman & Executive Director
- Mr. A. K. Goel, Vice Chairman
- Mr. Gaurav Goel, Jt. Managing Director
- Mr. Gautam Goel, Jt. Managing Director
- Mr. A. K. Gupta
- Mr. M.P. Mehrotra
- Mr. Harish Saluja
- Mr. Rahul Bedi
- Mr. K. K. Koharwal
- Mr. Priya Brat, Nominee-ICICI Bank Ltd.

### **VICE PRESIDENT (FINANCE) & SECRETARY**

- Mr. Arhant Jain

### **AUDITORS**

- S. Vaish & Company  
Chartered Accountants, Kanpur
- Mittal Gupta & Company  
Chartered Accountants, Kanpur

### **BANKERS**

- Punjab National Bank
- Bank of Baroda



## THE DHAMPUR SUGAR MILLS LIMITED DHAMPUR, DISTRICT BIJNOR (U.P.)

### NOTICE TO SHAREHOLDERS

Notice is hereby given that the Sixty Ninth Annual General Meeting of the Company shall be held on Thursday, 25th March, 2004 at the Registered Office of the Company at Sugar Mills Compound, Dhampur, Distt. Bijnor (U.P.) at 3.00 P.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors Report, Auditors Report and Balance Sheet and Profit & Loss Account for the year ended 30th September, 2003.
2. To appoint a director in place of Shri K.K. Koharwal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Shri Rahul Bedi, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Shri Harish Saluja, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration. The retiring Auditors M/S S. Vaish & Company, Chartered Accountants, Kanpur, and M/S Mittal Gupta & Company, Chartered Accountants, Kanpur, are eligible for re-appointment and, in this connection to consider, and, if thought fit, to pass the following resolution as a Special Resolution:  
**"RESOLVED** that, pursuant to provisions of section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/S S. Vaish & Company, Chartered Accountants, Kanpur and Mittal Gupta & Company, Chartered Accountants, Kanpur be and are hereby reappointed as Joint Statutory Auditors of the Company to hold office from the conclusion of this meeting to the conclusion of next Annual General Meeting of the Company and that the Board of Directors be and is hereby authorised to fix their remuneration for the said period."

### SPECIAL BUSINESS:

To pass with or without modification following resolution as Ordinary Resolutions:

6. **"RESOLVED** that pursuant to sections 198, 269, 309 and read with Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, the existing remuneration and perquisites being paid to Shri Vijay Kumar Goel, Chairman and Executive Director, be and is here by revised with effect from 1st April, 2004 as under:

#### SALARY :

Rs. 1,25,000 per month with effect from 1st April 2004 for a a period of five years.

#### PERQUISITES :

**Housing :** For accomodaion owned by the comapny a deduction @ 10% of the salary.

#### ELECTRIC, GAS, WATER AND FURNISHING :

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income-Tex Rules, 1962. This shall, however, be subject to a ceiling of 10% of Salary of the Chairman & Executive Director.

#### MEDICAL :

Reimbursement of actual expenses incurred for self and family subject to ceiling of one month's salary in a year or 3 months salary over a period of 3 years.

#### LEAVE TRAVELS :

For self and family once a year incurred in accordance with the rules of the Company.

#### CLUB FEES :

Club fees subject to maximum of two clubs but not admission and life membership fees.

#### PERSONAL ACCIDENT INSURANCE :

Premium for insurance not to exceed Rs. 1,000/-per annum.

#### OTHERS : (Not to be treated as perquisites)

#### PROVIDENT FUND :

Employer's contribution to Provident Fund to the extent not taxable under the Income-tax Act, 1961.

#### GRATUITY :

At the rate of half month's salary for each completed year of service subject to a ceiling of Rs. 2,50,000/-

#### CONVEYANCE :

For use of Company's Car for private purposes a sum of Rs. 1000/- per month to be paid to the Company.

**RESOLVED FURTHER** that aforesaid monthly payment and monetary value of perquisites to be included in the remuneration for the purpose of section 198 of the Companies Act, 1956, shall be deemed to be minimum remuneration, in the event of absence or inadequacy of net profits computed in the manner provided under the said section".

7. **"RESOLVED** that pursuant Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, the existing remuneration and perquisites being paid to Shri Gaurav Goel, Joint Managing Director, be and is hereby revised with effect from 1st April, 2004 as under :

#### SALARY :

Rs. 1,00,000/-per month with effect from 1st april, 2004 for a period of five years.

#### PERQUISITES :

**Housing :** For accomodation owned by the company a deduction @ 10% of the salary.

#### ELECTRIC, GAS, WATER AND FURNISHING :

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income-Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of Salary of the Jt. Managing Director.

#### MEDICAL :

Reimbursement of actual expenses incurred for self and family subject to ceiling of one month's salary in a year or 3 months salary over a period of 3 years.

#### LEAVE TRAVEL :

For self and family once a year incurred in accordance with the rules of the Company.

#### CLUB FEES :

Club fees subject to maximum of two clubs but not admission and life membership fees.

#### PERSONAL ACCIDENT INSURANCE :

Premium for insurance not to exceed Rs. 1,000/-per annum.

#### BONUS :

Ex-gratia and Bonus as admissible to Senior Officers of the Company.





**OTHERS :** (Not to be treated as perquisites)

**PROVIDENT FUND :**

Employer's contribution to Provident Fund to the extent not taxable under the Income-tax Act, 1961.

**GRATUITY :**

At the rate of half month's salary for each completed year of service subject to a ceiling of Rs. 2,50,000/-.

**CONVEYANCE :**

For use of Company's Car for private purposes a sum of Rs. 1000/- per month to be paid to the Company.

**RESOLVED FURTHER** that aforesaid monthly payment and monetary value of perquisites to be included in the remuneration for the purpose of Section 198 of the Companies Act, 1956, shall be deemed to be minimum remuneration in the event of absence or inadequacy of net profits computed in the manner provided under the said Section."

8. **"RESOLVED** that pursuant to Section 198, 269 and 309 read with Schedule XIII and other applicable provisions of the companies Act, 1956, if any, the existing remuneration and perquisites being paid to Shri Gautam Goel, Jt. Managing Director, be and is hereby revised with effect from 1st April, 2004 as under :

**SALARY :**

Rs. 100,000/- per month with effect from 1st April, 2004 for a period of five years.

**PERQUISITES :**

**Housing :** For accommodation owned by the company a deduction @ 10% of the salary.

**ELECTRIC, GAS, WATER AND FURNISHING :**

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income-Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of Salary of the Jt. Managing Director.

**MEDICAL :**

Reimbursement of actual expenses incurred for self and family subject to ceiling of one month's salary in a year or 3 months salary over a period of 3 years.

**LEAVE TRAVEL :**

For self and family once a year incurred in accordance with the rules of the Company.

**CLUB FEES :**

Club fees subject to maximum of two clubs but not admission and life membership fees.

**PERSONAL ACCIDENT INSURANCE :**

Premium for insurance not to exceed Rs. 1,000/- per annum.

**BONUS :**

Ex-gratia and Bonus as admissible to Senior Officers of the Company.

**OTHER :**

(not to be treated as perquisites)

**PROVIDENT FUND :**

Employer's contribution to Provident Fund to the extent not taxable under the Income-tax Act, 1961.

**GRATUITY :**

At the rate of half month's salary for each completed year of service subject to a ceiling of Rs. 2,50,000/-.

**CONVEYANCE :**

For use of Company's Car for private purposes a sum of Rs. 1000/- per month to be paid to the Company.

**"RESOLVED FURTHER** that aforesaid monthly payment and monetary value of perquisites to be included in the remuneration for the purpose of Section 198 of the Companies Act, 1956, shall be deemed to be minimum remuneration in the event of absence or inadequacy of net profits computed in the manner provided under the said Section."

**NOTES:**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy so appointed need not to be a member of the Company. Proxies in order to be effective, must be received at Registered Office of the Company not less than 48 hours before the start of the meeting.
2. Pursuant to section-173 of the Companies Act, 1956, the relative Explanatory Statements is annexed here to.
3. Members are requested to send the following to the Company's Registrar & Share Transfer Agent M/s Alankit Assignments Limited, 205-206, Anarkali Market, Jhandewalan Extension, New Delhi-110055:—
  - (a). Application for consolidation of folios alongwith relevant share certificates where members hold more than one share certificate in the same name under different folios.
  - (b). Details regarding change of address, if any.
4. Member/Proxies should bring their copy of Annual Report and attendance slip duly completed when attending the Meeting.
5. The accounts, the report and all other documents required under the law to be annexed there to, will be available for inspection during working hours at the Registered Office of the Company on any working day except Saturdays and Sundays prior to the date of the Annual General Meeting.
6. 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.
7. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, the 19th March, 2004 to Thursday, the 25th March, 2004 (both days inclusive) for the purpose of Annual General Meeting.
8. The company has already transferred all unclaimed dividends declared upto the financial year ended 30th September, 1995 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government Rules, 1978, Shareholders who have so far not claimed or collected their dividends upto the aforesaid financial year are requested to claim their dividend from the Registrar of Companies, Uttar Pradesh, Westcott Building, The Mall, Kanpur—208001. Telephone nos. 252304 and 2367253 in the prescribed form which will be furnished on receipt of request by the Registrar and Transfer Agents.
9. Pursuant to the provisions of section 205A(5) of the Companies Act, 1956 dividend for the financial year ended 30th September, 1996 and thereafter which remain unclaimed for a period of 7 years will be transferred by the company to the 'Investor Education and Protection Fund' (IEPF) established by the Central Government pursuant to section 205C of the companies Act 1956.



Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below :-

Financial year Ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP Fund
30.9.1996	03.06.1997	02.06.2004	03.07.2004
30.9.1997	25.03.1998	24.03.2005	25.3.2005
30.9.1998	-	-	-
30.9.1999	-	-	-
30.9.2000	-	-	-
30.9.2001	-	-	-
30.9.2002	-	-	-

Shareholders who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant (s) by writing to the Company's Registrar and Transfer Agents, M/S Alankit Assignments Limited immediately. Shareholders are requested to note that no claims shall lie against the company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

## THE DHAMPUR SUGAR MILLS LIMITED

DHAMPUR, DISTT. Bijnore (U.P)

### EXPLANATORY STATEMENT

(Pursuant to Sec. 173 (2) of the Companies Act, 1956)

#### ITEM NO. 6

Shri V.K. Geol is the Chairman and Executive Director of the Company. He has been drawing remuneration of Rs. 50,000/-per month since 01.01.2002. Looking to the all round growth of the Company, the Board, subject to approval of members in Genral Meeting, has approved increase in his remuneration from Rs. 50,000/- to 1,25,000/- per month w.e.f. 1st April 2004. His appointment and remuneration is in accordance with the requirements of Schedule XIII of the Companies Act, 1956. The resolution is palced before you as an ordinary resolution.

Shri. V.K. Geol himself and Shri. A.K. Geol, Shri Gaurav Geol and Shri Gautam Geol bieng relatives are interested in the above resolution.

#### ITEM NO. 7

Shri Gaurav Geol, is the Jt. Managing Director of the Company. He has been drawing remuneration of Rs. 25000/- per month since 01.01.2002. Looking to the all round growth of the company, the Board, subject to approval of membeis in General Meeting, has approved increase in his remuneration from Rs. 25,000/-to Rs. 100,000/

-per month w.e.f. 1st April 2004. His appointment and remuneration is in accordance with the requirements of Schedule XIII of the Companies Act, 1956. The resolution is placed before you as an ordinary resolution.

Shri Gaurav Geol himself and Shri V.K. Geol, Shri A.K. Geol and Shri Gautam Geol being relatives are interested in the above resolution.

#### ITEM NO. 8

Shri Gautam Geol, is Jt. Managing Director of the Company. He has been drawing remuneration of Rs. 25000/- per month since 01.01.2002. Looking to the all round growth of the company, the Board, subject to approval of members in General Meeting, has approved increase in his remuneration from Rs. 25,000/-to Rs. 100,000/-per month w.e.f. 1st April 2004. His appointment and remuneration is in accordance with the requirements of Schedule XIII of the Companies Act, 1956. The resolution is placed before you as an ordinary resolution.

Shri Gautam Geol himself and Shri V.K. Geol, Shri A.K. Geol and Shri Gautam Geol being relatives are interested in the above resolution.

#### Details of Directors seeking reappointment at the 69th Annual General Meeting:-

Name	Age	Qualifications	Expertise in Specific functional Area	Directorship in other Cos	Committee/executive positions held in other companies
Sh. Harish Saluja	64 Yrs	Graduate	35 years Experienced Businessman	Donald Norries Chemical & Engg. Ind. Ltd. Mani Stock Brokers Ltd. Rawalpindi Flour Mills Pvt. Ltd.	—
Sh. Rahul Bedi	50 Yrs	Journalist	More than 30 years Experience in critical analysis		—
Sh. K.K. Koharwal	58 Yrs	Graduate, MSW	Expert in Factory administration, experience of about 35 years.		—

For The Dhampur Sugar Mills Limited

Place : New Delhi  
Date : 16th February, 2004

Arhant Jain  
Vice President (Finance) & Secretary



## DIRECTOR'S REPORT

Your Directors are presenting their 69th Annual Report together with audited accounts of the Company for the year ended on 30th September, 2003

### FINANCIAL RESULTS :

(Rs. In Crores)

	<u>Current Year</u>	<u>Previous Year</u>
Total Income	476.43	429.89
Operating Profit (before Interest, Depreciation & Extra Ordinary Items)	47.55	26.52
Interest	34.98	38.04
Depreciation	15.97	15.51
Extra Ordinary Items	6.85	(-) 4.84
Profit before Tax	3.45	(-) 31.87
Provision for deferred tax	0.70	-
Profit after Tax	4.15	(-) 31.86
Income Tax adjustment for earlier years	0.21	0.01
Balance brought forward from earlier year	(-) 58.50	(-) 26.64
Deficit carried to Balance Sheet	(-) 54.14	(-) 58.50

### DIVIDEND :

No dividend for this year was recommended by the Board of Directors of the Company.

### OPERATIONS :

The improvement of the financial health of the company, mainly attributable to better capacity utilization and lower sugar cane price during the year was partly set off by the substantial fall in prices of Sugar due to excessive stocks of sugar in the Country. Revenues of the company went up by 10.83%, Operating profit by 79.30%. The profit after tax went up by 113.03% from Rs. (-) 3186.42 Lacs to Rs. 414.86 Lacs.

### PERFORMANCE OF THREE SUGAR UNITS OF THE COMPANY :

The key operational figures in respect of three Sugar Unit at Dhampur, Rauzagaon and Asmoli for the two seasons are as follows :

#### SUGAR UNITS, DHAMPUR :

	<u>Sugar Season</u>	
	<u>2002-03</u>	<u>2001-02</u>
Start of the Crushing Season	29.11.02	08.11.01
Closing of Crushing Season	06.06.03	18.04.02
Cane Crushed (lac-Qtls.)	156.86	140.85
Recovery (%)	9.27%	9.60%
Sugar Produced (lac-Qtls.)	14.53	13.51

#### SUGAR UNIT, RAUZAGAON :

	<u>Sugar Season</u>	
	<u>2002-03</u>	<u>2001-02</u>
Start of the Crushing Season	02.12.02	08.11.01
Closing of Crushing Season	21.05.03	01.05.02
Cane Crushed (lac-Qtls.)	96.50	87.66
Recovery (%)	9.70%	9.26
Sugar Produced (lac-Qtls.)	9.36	8.12

#### SUGAR UNIT, ASMOLI :

	<u>Sugar Season</u>	
	<u>2002-03</u>	<u>2001-02</u>
Start of the Crushing Season	01.12.03	13.11.01
Closing of Crushing Season	01.05.03	11.04.02
Cane Crushed (lac-Qtls.)	65.84	61.78
Recovery (%)	9.23%	9.20%
Sugar Produced (lac-Qtls.)	6.08	5.68

### PERFORMANCE OF CHEMICAL UNIT OF THE COMPANY :

The production of Absolute Alcohol was started during the year and was at 884.228 KL. Net production of Acetic Anhydride, Ethyl Acetate, Acetaldehyde and Acetic Acid, during the year has decreased by 31.64% to sale 10229 M.T. against 14964 M.T. in the previous year due to of Absolute Alcohol. The production of Oxalic Acid Plant is slightly increased to 1658 M.T. against 1653 M.T. in previous year.

### SUBSIDIARIES & PROMOTED COMPANIES :

The audited accounts of the subsidiaries viz DSM Agro Products Limited for the year ended on 30th September, 2003, DSM Hi-tech Product Limited for the year ended on 31st March, 2003 and Mansurpur Sugar Mills Limited for the year ended 30th June, 2003 are annexed.

### OPERATIONAL DATA OF SUBSIDIARIES COMPANIES :

M/S DSM Agro Products Ltd.

	<u>Sugar Season</u>	
	<u>2002-03</u>	<u>2001-02</u>
Start of the Crushing Season	04.12.02	09.11.01
Closing of Crushing Season	05.05.03	08.04.02
Cane Crushed (lac-Qtls.)	62.30	59.35
Recovery (%)	9.60%	9.45%
Sugar produced (lac-Qtls.)	5.98	5.61

#### M/S MANSURPUR SUGAR MILLS LTD.

	<u>Sugar Season</u>	
	<u>2002-03</u>	<u>2001-02</u>
Start of the Crushing Season	01.12.02	06.11.01
Closing of Crushing Season	01.06.03	03.05.02
Cane Crushed (lac-Qtls.)	74.66	74.49
Recovery (%)	9.50%	9.48%
Sugar Produced (lac-Qtls.)	7.09	7.06

### GROUP SUMMARY AT A GLANCE

	<u>Sugar Season</u>	
	<u>2002-03</u>	<u>2001-02</u>
Cane Crushed (lac-Qtls.)	456.16	424.13
Sugar Produced (lac-Qtls.)	43.04	39.98
Recovery (%)	9.44	9.43

### FINANCE:

Financial Institutions and Banks appreciating the strengths of the group and the problem faced, had approved and implemented restructuring of the terms liabilities under Corporate Debt Restructuring Scheme (CDR) sanctioned vide letter dated 10th April, 2003 granting extension in repayment period of term loans etc.



## PUBLIC DEPOSITS :

Public Deposits as at 30th Sept., 2003 stood at Rs. 733.41 Lacs as against Rs. 832.10 Lacs in the previous year. There were unclaimed deposits amounting to Rs. 15.94 Lacs pertaining to 96 depositors as on that date and out of this, 45 depositors having deposits aggregating to Rs. 9.91 Lacs have subsequently claimed refund or renewed their deposits. However the balance amount of Rs. 6.03 Lacs still remained unclaimed.

## DELISTING OF EQUITY SHARES OF THE COMPANY AT UPSE, DSE AND ASE :

The existing equity shares of the company are listed on the National Stock Exchange of India Limited, The Stock Exchange, Mumbai, The Stock Exchange, Ahmedabad (ASE) and Delhi Stock Exchange Association Limited (DSE). The Company is seeking delisting of its securities from Ahmedabad and Delhi Stock Exchange (s) under the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003. Moreover, the existing equity share of the company are delisted on U.P. Stock Exchange Association Limited (UPSE) with effect from 26th September, 2003 on request of the company.

## COMPLIANCE CERTIFICATE :

A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

## DIRECTORS :

Mr. Harish Saluja, Mr. Rahul Bedi and Mr. K.K. Koharwal, directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

The nomination of Mr. D. Rama Rao has been withdrawn by IFCI Ltd. w.e.f. 23rd December, 2003 from the Board of Directors of the Company. The Board noted the withdrawal of nomination and appreciated the valuable advises and suggestion provided by him for the betterment of the Company during his tenure as director.

## DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm:

- i) that the applicable accounting standards have been followed in the preparation of the annual accounts;
- ii) that the Directors have 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 or loss of the Company for that period;

- iii) that the Directors have 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;
- iv) that the Directors have prepared the annual accounts on a 'going concern' basis.

## IV. AUDITORS REPORT:

M/s S. Vaish & Co., Chartered Accountants, Kanpur, and M/s Mittal Gupta & Co., Chartered Accounts, Kanpur, the joint auditors of your Company will retire at the ensuing Annual General Meeting and being eligible may be reappointed.

The Notes to the accounts are self explanatory and does not require further explanation.

## PARTICULARS OF EMPLOYEES :

The particulars of Employees under section 217 (2A) of the Companies Act, 1956—NIL.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO :

The particulars as required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 with regard to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure.

## INDUSTRIAL RELATIONS

The industrial relations have remained cordial and harmonious during the year.

## ACKNOWLEDGEMENTS :

Your directors place on record their acknowledgement and sincere appreciation of the Company to the Financial Institutions, Banks and Lessors for their continued support, to the Cane growers for the supply of the cane, to the officers, staff and worker of the Company for their relentless and dedicated efforts and labour put in by them for the growth of the company. Your directors further seek contribution from all the above to overcome the tough time and look forward for a bright future.

By Order of the Board

V.K. Goel

Chairman

Place : New Delhi  
Dated : 23.12.2003



**ANNEXURE I - TO DIRECTOR'S REPORT FOR THE YEAR ENDED 30.09.2003****CONSERVATION OF ENERGY**

	Current Year	Previous Year
a) Energy conservation measures taken : Instrumentation at various machines to save energy.		
b) Steps are being taken for further reduction of consumption of energy by installing Hydraulic Drive System at Mill House in place of Gear Boxes.		
c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. With saving in power consumption at Mill House, the additional requirement of power for enhanced crushing shall be met.		
d) <b>FORM—A:</b>		
b: Chemicals (Qtls.)		
- Electricity	237.57	196.85
- Furnace Oil	-	-
- Coal (Tons)	-	-
c: Straw Board (Qtls.)		
- Electricity	31.50	31.50
- Furnace Oil	-	-
- Coal (Tons)	-	-
d: Board (per Sq. Mtrs.)		
- Electricity	-	-
- Furnace Oil	-	-
- Coal (Tons)	-	-

**I. POWER AND FUEL CONSUMPTION :**

	Current Year	Previous Year
1) Electricity		
a) Purchased :		
Unit	334268	581520
Total Amount	1807471	5101495
Rate/Unit	5.41	8.77
b) Own Generation :		
i) Through Diesel Generator :		
Unit	2906030	2263700
Unit per Litre of diesel	3.35	3.31
Cost/Unit	5.80	5.51
ii) Through Steam Turbine :		
Unit	155761635	100023724
Units per litre of fuel	Steam produced mainly	
Oil/Gas	by use of own bagasse.	
Cost/Unit		
2) Coal (specify quality and where used)		
Quantity (Tonnes)	-	-
Total Cost (Rs.)	-	-
Average Rate	-	-
3) Furnace Oil		
Quantity (Lts.)	-	-
Total Cost (Rs.)	-	-
Average Rate	-	-
4) Other/Internal Generation :		
Purchased Bagasse, Paddy		
Husk and Fire wood		
Quantity (Tonnes)	32788	46037
Total Cost (Rs.)	23253102	30286761
Average Rate/Ton.	709.00	658.00

**II. CONSUMPTION PER UNIT OF PRODUCTION :**

a: Sugar (Qtls.)	2996788	2731442
- Electricity	52.90	37.58
- Furnance Oil	-	-
- Coal (Tons)	-	-

**III. TECHNOLOGY ABSORPTION :****Research and Development :**

- Specific areas in which R&D carried out by the Company :  
Development of new varieties of early maturing seeds for higher sugar recovery, yield in Sugar cane and for early start of crushing operations.
- Benefits derived as a result of the above R&D :  
Higher recovery % at Rauzagoan Unit.
- Future Plan of Action :  
Energy Conservation studies through gassification of bagasse.
- Expenditure on R&D : Rs. 296.56 Lacs  
: (Rs. 187.25 lacs).

**TECHNOLOGY ABSORPTIONS, ADOPTION AND INNOVATION :**

- Efforts in brief, made towards Technology Absorption, Adoption and Innovation.  
Improved juice clarification for manufacture of export quality (Low ICUMSA) and pharma Sugar.
- Benefit derived as a result of above efforts e.g. Product improvement, Cost Reduction, Product development, Import Substitution etc.
  - Technology Imported—No technology was imported.
  - Year of Import—N.A.
  - Has technology been fully absorbed—N.A.
  - If not fully absorbed, areas where this has not taken place, reasons therefore and future plans action—N.A.

**IV. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

- Activities relating to exports: Initiations taken to increase export, development of new export markets for products, services and export plans;  
During the year the company has done export of Sugar Machinery;
- Total Foreign Exchange used and earned;  
Export and foreign exchange earnings: (Rs in Lacs) 17.85 (43.40).  
Imports and expenditure in foreign currency: (Rs. in Lacs) 44.72 (78.56)



S. Vaish & Co.  
Chartered Accountants  
G-1, Akash Ganga  
15/96, Civil Lines  
Kanpur -208001

Mittal Gupta & Co.  
Chartered Accountants  
14, Ratan Mahal  
15/197, Civil Lines  
Kanpur-208001

## **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
The Dhampur Sugar Mills Ltd.  
Dhampur

We have examined the compliance of conditions of Corporate Governance by The Dhampur Sugar Mills Limited, Dhampur for the year ended on 30<sup>th</sup> September, 2003, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of 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 the 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 by the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of Investor Grievances received during the year ended 30<sup>th</sup> September, 2003, no such grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company and presented to the Investors Grievance 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 the Company.

For S. Vaish & Co.

For Mittal Gupta & Co.

(S.P. Agarwal)

(A.K. Gupta)

Partner

Partner

Chartered Accountants

Chartered Accountants

Place : Kanpur

Date : 23rd December, 2003