

# our time starts now!

- > Leveraging the experience of the past.
- > Embarking on pioneering initiatives for the present.
- > Creating a sustainable sugarcane product company for the future.



## Forward-looking statement

Statements in this report that describe the company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The company cautions that such state-

ments involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the company's principal markets,

changes in government regulations, economic developments within the countries in which the company conducts business, and other factors relating to the company's operations, such as litigation, labour negotiations and fiscal regimes.

# Report junction.com contents

 1 vision	 2 the year 2005-06 at a glance	 4 know our units	 6 performance
 18 managing directors speak...	 20 divisional analysis	 36 our strengths	 42 the dhampur share
 44 social responsibility	 46 financial review	 52 risk review	 56 directors' report
 64 report on corporate governance	 73 financial section	 144 corporate information	 144 corporate information

[reportjunction.com](http://www.reportjunction.com)

# vision

- To re-establish as the most efficient sugar company in India.
- To become a global sugar company by leveraging rich technical expertise.
- To optimise the utilisation of cane and cane residue in the most eco-friendly manner; to become an integrated player with co-generation and alcohol capabilities along with sugar plants.
- To continuously bring down the cost of conversion.
- To optimise the value of stakeholder investments with a continuous improvement in financial performance.
- To attain the highest level of accountability, corporate governance and shareholder value.

# the year 2005-06 at a glance

## October 2005

The Company was able to rationalise its debt from 11 per cent to 8.5 per cent.

## November 2005

The Company commenced crushing for the sugar season 2005-06; the Raizagoan unit of the Company was divested to Balrampur Chini Mills Ltd. for a consideration of Rs. 182 crore.

## December 2005

The Company made a preferential allotment of 22,84,414 convertible preference shares to ICICI Bank for Rs. 22.84 cr.

## January 2006

The Company acquired land at Raipura (Uttar Pradesh) for its new greenfield unit.

## February 2006

Hon'ble High Court, Allahabad approved the merger of Mansurpur Sugar Mills Ltd. with the Company.



## September 2006

The Company allotted 2,74,430 Compulsorily Convertible Preference Shares (CCPS) to IFCI Ltd.

## July 2006

The Board of Directors of the Company decided for merger of subsidiary company M/s DSM Hitech Products Ltd. with The Dhampur Sugar Mills Ltd.

## April 2006

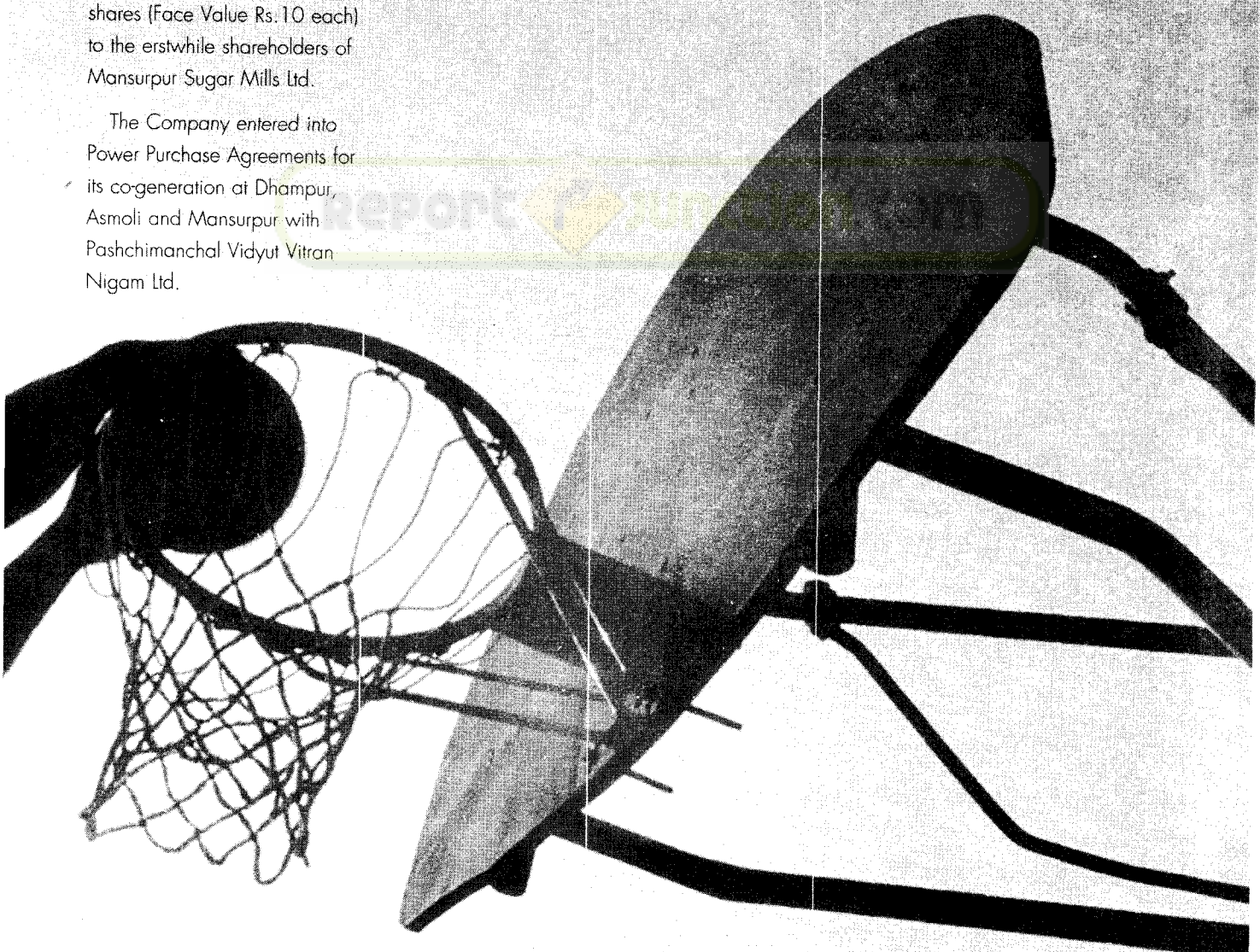
The Company allotted 11,150,000 equity shares pursuant to GDR, to the depository participants.

## March 2006

The Company floated a Rs. 239.72 crore GDR issue, which was oversubscribed more than four times.

The Company also allotted 5,25,000 fully paid up equity shares (Face Value Rs. 10 each) to the erstwhile shareholders of Mansurpur Sugar Mills Ltd.

The Company entered into Power Purchase Agreements for its co-generation at Dhampur, Asmoli and Mansurpur with Pashchimanchal Vidyut Vitran Nigam Ltd.



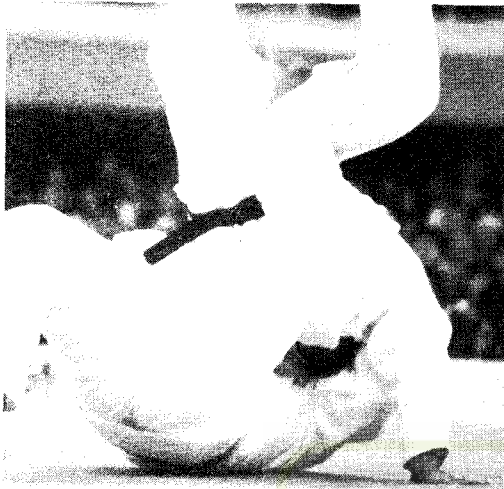
# know our units



**Established:** 2006

**Location:** District Badaun, Uttar Pradesh (Central)

**Products:**  
Plantation white sugar



**Established:** 1933

**Location:** District Bijnor, Uttar Pradesh (Central)

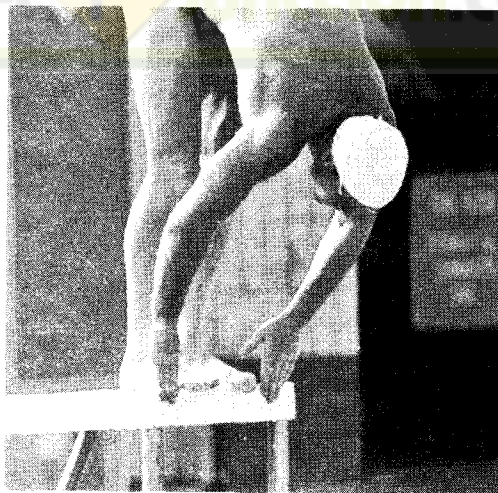
**Products:**  
Plantation white sugar  
Chemicals and ethanol  
Power



**Established:** 1994

**Location:** District Moradabad, Uttar Pradesh (Central)

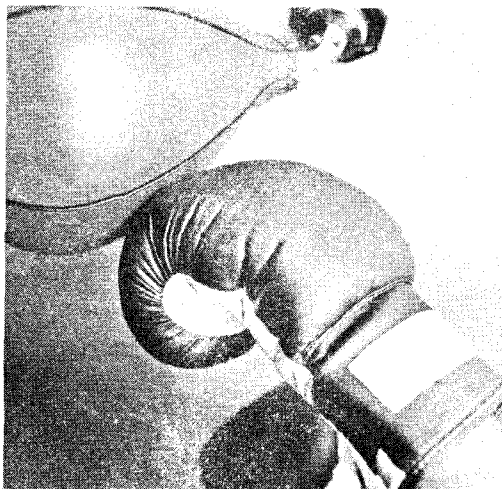
**Products:**  
Plantation white and refined sugar  
Power



**Established:** 1990

**Location:** District Udham Singh Nagar, Uttaranchal

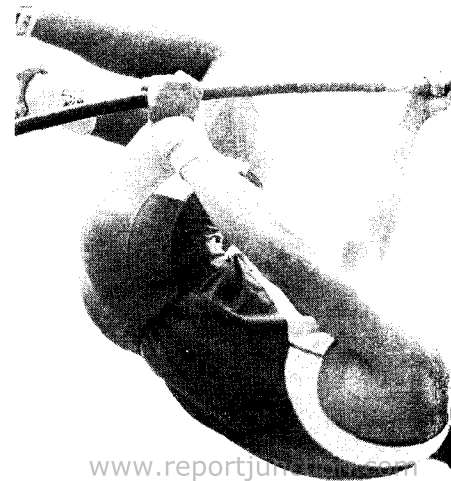
**Products:**  
Plantation white sugar

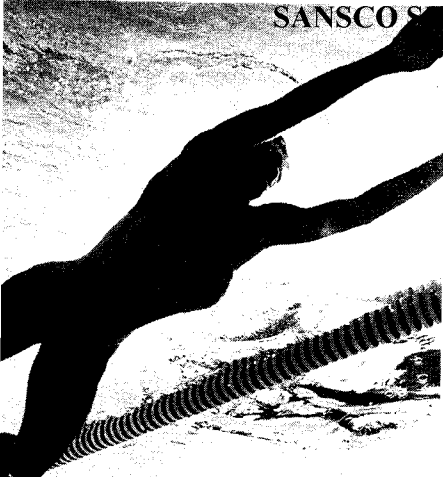


**Established:** 1997

**Location:** District Muzaffarnagar, Uttar Pradesh (West)

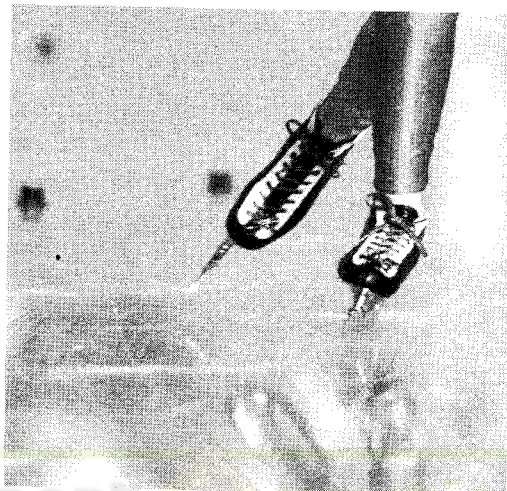
**Products:**  
Refined sugar  
Power





300 basis point rationalisation in the average cost of debt to 8.5 per cent.

Proposal of a dividend of Rs. 1.00 on a equity share with a face value of Rs. 10 each.



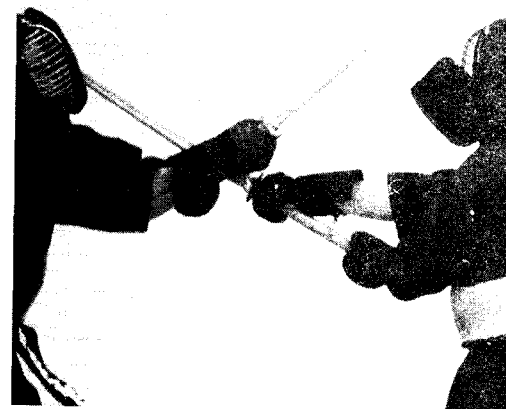
34.86 per cent growth in revenue to Rs. 983.12 crore.

8.53 per cent decrease in EBIDTA to Rs. 118.18 crore.

84.15 per cent increase in post tax profit to Rs. 102.54 crore (including profit on sale of assets and merger).



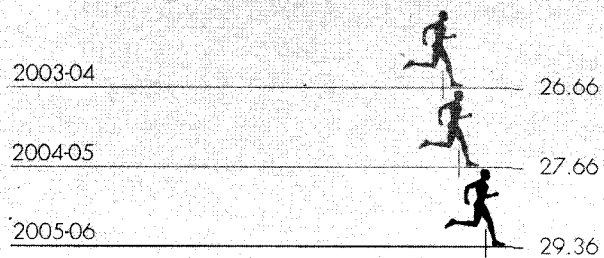
6.15 per cent growth in sugar production to a record 29.36 lac quintals.



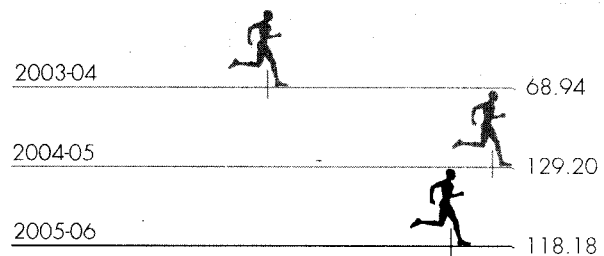
# performance

Report  nction.com

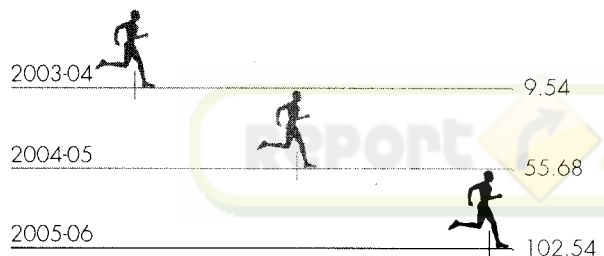




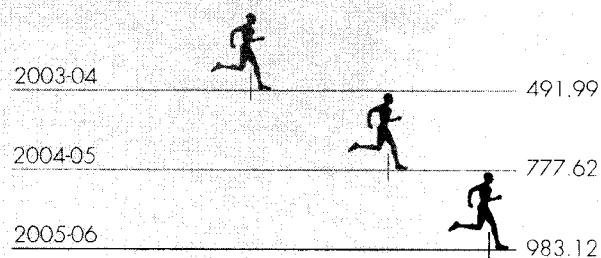
**Sugar production (lac/quintals)**



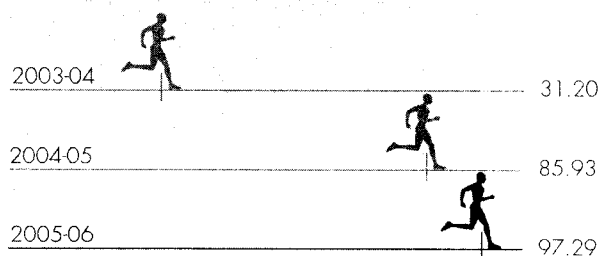
**EBITDA (Rs./cr)**



**PAT (Rs./cr)**



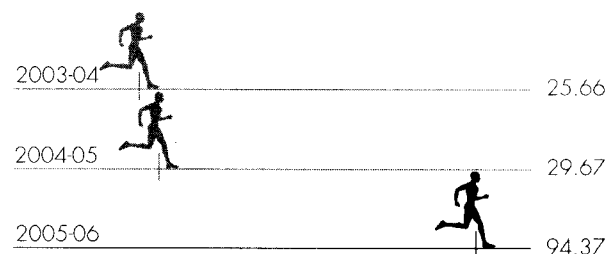
**Revenue (Rs./cr)**



**Cash profit (Rs./cr)**



**EPS (Rs.)**



**Book value (Rs.)**

In 2005-06,  
**we strengthened  
our Company  
through proactive  
initiatives.**

 junction.com