

ANNUAL REPORT & ACCOUNTS



THE OUDH SUGAR MILLS LIMITED



CHAIRMAN EMERITUS

Dr. K. K. Birla

BOARD OF DIRECTORS

Shri C. S. Nopany
Chairman-cum-Mg. Director
 Shri S. V. Muzumdar
 Shri Rajaram Muchhal
 Shri Ashvin C. Dalal
 Shri S. M. Agarwal
 Shri Rohit Kumar Dhoot
 Smt. Madhu Vadera Jayakumar
 Shri M. Ghosh (Nominee - IDBI)
 Shri C. B. Patodia

EXECUTIVES

Shri C. C. Chhaya - *Secretary*
 Shri P. K. Lakhotia
Executive President, Hargaon
 Shri M. S. Sharma
Executive President, Narkatiaganj
 Shri M. N. Agarwal
Executive President, Rosa
 Shri S. K. Premi
Executive President, Allahabad Canning Co.

AUDITORS

S. R. Batliboi & Co.
 Kolkata

State Bank of India
 Punjab National Bank

REGISTRAR & SHARE TRANSFER

Intime Spectrum Registry Limited
 C-13, Pannalal Silk Mills Compound,
 L.B.S. Marg, Bhandup (West),
 Mumbai - 400 078.

REGISTERED OFFICE

P.O. Hargaon
 Dist. Sitapur (U.P.)
 Pin - 261 121

CORPORATE OFFICE

Industry House
 159, Churchgate Reclamation,
 Mumbai - 400 020

HEAD OFFICE

9/1, R.N. Mukherjee Road,
 Kolkata - 700001.

SUGAR MILLS

1. Hargaon, Dist. Sitapur (U.P.)
2. Rosa, Dist. Shahjahanpur (U.P.)
3. Narkatiaganj, Dist. W. Champaran (Bihar)

DISTILLERY

1. Hargaon, Dist. Sitapur (U.P.)
2. Narkatiaganj, Dist. W. Champaran (Bihar)

CANNING FACTORY

P.O. Bamrauli, Allahabad (U.P.)

CONTENTS

	Page No.
Notice	3
Directors' Report	6
Auditors' Report	23
Balance Sheet	26
Profit & Loss Account	27
Cash Flow Statement	28
Schedules to Accounts	29
Consolidated Financial Statements	52
Subsidiary Companies' Accounts	70

The Oudh Sugar Mills Limited

PERFORMANCE AT A GLANCE

	(Rs. in lakh)				
	1998-99	1999-2000 (15 Months)	2000-01	2001-02	2002-03
Turnover	20331.05	26640.39	23898.84	26075.23	31331.65
Operating Profit	3096.67	4449.75	3601.85	3000.61	2257.30
Interest (net)	2122.06	3288.01	3340.31	3531.98	3107.86
Depreciation	684.52	1087.21	1044.51	1062.60	1072.72
Profit/(Loss) before Tax	290.09	74.53	(782.97)	(1593.97)	(1923.28)
Profit/(Loss) after Tax	250.05	71.92	(785.32)	(949.04)	(1176.53)
Net Worth	7911.68	7986.78	5015.51	5371.33	4203.64
Net Worth per Ordinary Share (Rs.)	76.18	76.91	48.30	51.72	40.48
Dividend per Ordinary Share (Rs.)	2.00	—	—	—	—
Earning per Ordinary Share (Rs.)	2.41	0.69	—	—	—



NOTICE

Notice is hereby given that the Seventy-first Annual General Meeting of the members of **The Oudh Sugar Mills Limited** will be held at the Registered Office of the Company at Meeting Hall, Oudh Sugar Mills Complex, Hargaon, Dist. Sitapur, Uttar Pradesh, Pin - 261 121, on Saturday, the 18th October, 2003 at 11.00 A.M. to transact with or without modifications, as may be permissible, the following business :

Ordinary Business :

1. To receive and consider the Report of the Directors and to adopt the audited Accounts of the Company for the year ended 30th June, 2003.
2. To elect a Director in place of Shri Rajaram Muchhal, who retires by rotation and being eligible offers himself for re-election.
3. To elect a Director in place of Shri C. B. Patodia, who retires by rotation and being eligible offers himself for re-election.
4. To appoint Auditors and fix their remuneration.

Special Business :

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT Shri Rohit Kumar Dhoot who was appointed as an additional Director by the Board under Section 260 of the Companies Act, 1956 and Article 79(a) of Articles of Association of the Company and who will hold office upto the date of this Annual General Meeting and in respect of whom the Company has received notices in writing under Section 257 of the Companies Act, 1956 from members signifying their intention to propose him as a candidate for the office of Director of the Company, be and is hereby appointed a Director of the Company."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT Smt. Madhu Vadera Jayakumar who was appointed as an additional Director by the Board under Section 260 of the Companies Act, 1956

and Article 79(a) of Articles of Association of the Company and who will hold office upto the date of this Annual General Meeting and in respect of whom the Company has received notices in writing under Section 257 of the Companies Act, 1956 from members signifying their intention to propose her as a candidate for the office of Director of the Company, be and is hereby appointed a Director of the Company."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT subject to the provisions of Section 209 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the provisions of the Companies (Preservation and Disposal of Records) Rules, 1966 read with Companies (Issue of Share Certificates) Rules, 1960 the following records of the Company, be destroyed from time to time :

- i) Old Share Certificates of denomination of Rs. 100 received from members for exchange.
- ii) Paid Dividend Warrants from Unpaid Dividend Accounts transferred to/to be transferred in accordance with Section 205C of the Companies Act, 1956 to the Central Government.
- iii) Share Certificates received for Dematerialisation.
- iv) Counter foils of Old Share Certificates issued to the members in the denomination of Rs. 100."

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to settle all questions, difficulties or doubts as may arise and take necessary steps in this regard and to authorise any of its Committee or Director(s) or Secretary or Officers of the Company to do all such acts, deeds or things as may be necessary in order to implement this resolution."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT subject to the provisions of Securities & Exchange Board of India (Delisting of Securities) Guidelines, 2003, all other applicable laws, rules, regulations & guidelines and subject to such approvals, permission and sanctions, the approval of

The Oudh Sugar Mills Limited

NOTICE (Contd.)

the Company be and is hereby accorded to delist the Ordinary Shares of the Company from the Uttar Pradesh Stock Exchange Association Limited at such time as the Board of Directors (whether acting through Board, Committee of the Board or any Director or any person authorised by the Board) may, in their absolute discretion, consider appropriate and on the terms and conditions as may be stipulated and mutually agreed to the best interest of the Company, after taking into account various factors such as but not limited to the incidence, impact or burden of the cost of listing fees payable to the said exchange and that they be and are hereby authorised to do and perform

all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, desirable or appropriate and execute all such applications, documents and writings as may be considered necessary or proper for giving documents and writings as may be considered necessary or proper for giving effect to this resolution."

Place : Mumbai

Dated, the 14th August, 2003

By Order of the Board

C. C. Chhaya

Secretary

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

The instrument appointing proxy should, however be deposited at the Registered Office of the company not less than fortyeight hours before the commencement of the meeting.

2. The Register of the Members of the Company will remain closed from the 8th October, 2003 to the 18th October, 2003 (both days inclusive).
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 5 to 8 of the Notice as set out above, is annexed hereto.
4. Members are requested to notify any change in their addresses to the Company/Registrar and Share Transfer Agent in respect of shares held in physical form. Members are requested to notify their new addresses to their respective Depository Participants (DPs) in respect of shares held in electronic mode.
5. In all correspondence with the Company, the members are requested to quote their account/folio numbers and in case their shares are held in the dematerialised form, they must quote their Client ID Number and their DP ID Number.

6. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividend remaining unclaimed/unpaid for a period of seven years is required to be transferred to the Investor Education and Protection Fund of the Central Government (hereinafter referred to as "Fund"). Accordingly all unclaimed/unpaid dividends for the financial year 1994-95 have been transferred to the said Fund. Members who have not encashed the dividend warrants so far for the financial year 1995-96 and for subsequent years may make their claim to the Company/Registrar and Share Transfer Agent. All unclaimed/unpaid dividends for the financial year 1995-96 are due for transfer to the Fund in October, 2003 pursuant to the provisions of Section 205C of the Companies Act, 1956. Once the unclaimed/unpaid dividend is transferred to the Fund no claim in this regard, shall lie against the Fund or the Company.

7. The Ordinary Shares of the Company are listed at The Uttar Pradesh Stock Exchange Association Limited, Padam Towers, 14/113, Civil Lines, Kanpur 208001, The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 and The National Stock Exchange of India Limited, Exchange Plaza, Plot No. C-1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051. The listing fee for the year has been paid to each of the above Stock Exchanges.



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

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

Item No. 5

Shri Rohit Kumar Dhoot was appointed as an additional Director of the Company by the Board of Directors at its meeting held on the 7th February, 2003. Shri Rohit Kumar Dhoot will hold office until the date of this Annual General Meeting.

Notices alongwith deposits of Rs. 500 have been received from members proposing the candidature of Shri Rohit Kumar Dhoot as a Director of the Company liable to retire by rotation. A brief resume of Shri Rohit Kumar Dhoot appears under 'Corporate Governance' section of this Annual Report.

The Board considers that it is beneficial and in the interest of the Company to continue to have the advice of Shri Rohit Kumar Dhoot and accordingly recommends his appointment.

Except Shri Rohit Kumar Dhoot who is interested in the resolution as it deals with his appointment, no other Director of the Company is interested or concerned.

Item No. 6

Smt. Madhu Vadera Jayakumar was appointed as an additional Director of the Company by the Board of Directors at its meeting held on the 14th May, 2003. Smt. Madhu Vadera Jayakumar will hold office until the date of this Annual General Meeting.

Notices alongwith deposits of Rs. 500 have been received from members proposing the candidature of Smt. Madhu Vadera Jayakumar as a Director of the Company liable to retire by rotation. A brief resume of Smt. Madhu Vadera Jayakumar appears under 'Corporate Governance' section of this Annual Report.

The Board considers that it is beneficial and in the interest of the Company to continue to have the advice of Smt. Madhu Vadera Jayakumar and accordingly recommends her appointment.

Except Smt. Madhu Vadera Jayakumar who is interested in the resolution as it deals with her appointment, no other Director of the Company is interested or concerned.

Item No. 7

The Company has been maintaining since last several years the old records, as mentioned in the accompanying resolution. These records are more than eight years old and are no longer required to be preserved.

As these old records are occupying substantial space in the Company's registered and other offices, which could otherwise be beneficially utilised. The Board of Directors at their meeting held on 14th May, 2003 has resolved to destroy the same so that the space occupied by these old

records can be better utilised by the Company.

These old records are documents which are not strictly required to be maintained under the provisions of the Companies Act, 1956 and the Companies (Preservation and Disposal of Records) Rules, 1966 read with the Companies (Issue of Share Certificates) Rules, 1960. However, as an abundant caution, the Board has proposed the accompanying resolution for approval of the members and to bring to the notice of the members the proposal to destroy these records. Only those old records which are eight years and more old shall be destroyed from time to time. The Company will maintain a Register giving details of the records which shall be destroyed.

The Board recommends the resolution for members' approval. None of the Directors of the Company are in any way concerned or interested in the resolution.

Item No. 8

At present the Company's Ordinary Shares are listed at (i) The Uttar Pradesh Stock Exchange Association Limited, Kanpur (UPSE) (the regional Stock Exchange), (ii) The National Stock Exchange of India Limited (NSE) and (iii) The Stock Exchange, Mumbai (BSE).

With the extensive network of BSE and NSE investors will continue to have access to online trading in the Company's Ordinary Shares across the country. It is observed that the bulk of the trading in the Company's Ordinary Shares takes place on BSE and NSE. The Company's Ordinary Shares are one of the scrips, which the Securities & Exchange Board of India (SEBI) has specified for settlement only in dematerialised form by investors.

As a part of its cost reduction measures, the Board has proposed at its meeting held on 13th August, 2003 to delist the Ordinary Shares from UPSE. In line with Securities & Exchange Board of India (Delisting of Securities) Guidelines 2003, members' approval is being sought by a special resolution for enabling voluntary delisting of Ordinary Shares from the said regional Stock Exchange without giving exit opportunity to investors as the Ordinary Shares will continue to be listed at BSE and NSE having nationwide trading terminals. The delisting will take effect after all approvals, permissions and sanctions are received.

Your Directors recommend the special resolution for approval of members. None of the Directors of the Company are in any way concerned or interested in the resolution.

Place : Mumbai
Dated, the 14th August, 2003

By Order of the Board
C. C. Chhaya
Secretary

The Oudh Sugar Mills Limited

DIRECTORS' REPORT

To

The Shareholders,

Your Directors take pleasure in presenting their Report and the audited Statements of Account of the Company for the year ended 30th June, 2003.

Financial Results

	(Rs. in lakh)	
	2002-03	2001-02
2. Turnover	31331.65	26075.23
Loss before Depreciation	850.56	531.37
Which is deducted from :		
Balance brought forward from the previous year	96.04	45.08
Refund of Income Tax/ excess provision for taxation written back	0.22	8.64
Deferred Tax Asset for the year (net)	747.78	637.54
Transfer from General Reserve	679.18	1000.00
Leaving a credit balance of	672.66	1159.89
Out of this provisions have been made for :		
Depreciation	1072.72	1062.60
Taxation	1.25	1.25
(Debit) Credit Balance carried to Balance Sheet	(401.31)	96.04

Financial Performance & Dividend

- The financial performance of the Company for the year under review was adversely affected due to steep decline in the prices of free sale sugar by over Rs. 250 per quintal. Profitability was further eroded due to the heavy burden of interest and holding costs of large inventories of sugar because of surplus production. A detailed analysis of the Company's operations, future expectations and business environment has been given in the Management Discussions & Analysis Report, which is attached as a separate annexure and forms a part of this Report.
- In view of losses, the Directors are not in a position to recommend any dividend for the year.

Corporate Governance

- A separate report on Corporate Governance pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges is attached as a separate annexure and forms a part of this Report.

Directors

- Shri Pravinchandra V. Gandhi resigned from the Directorship of the Company. The Directors placed on record their high appreciation for the valuable services rendered by Shri Pravinchandra V. Gandhi during his tenure as a Director of the Company.
- Shri Rohit Kumar Dhoot and Smt. Madhu Vadera Jayakumar who were appointed as additional Directors



DIRECTORS' REPORT (Contd.)

retire at the ensuing Annual General Meeting and are eligible for re-appointment.

8. Shri Rajaram Muchhal and Shri C. B. Patodia retire from the Board by rotation and are eligible for re-election.

Directors' Responsibility Statement

9. Your Directors confirm that —
 - i) in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
 - ii) they have selected such accounting policies and applied them consistently and made judgements 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 loss of the Company for that year;
 - iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - iv) they have prepared the annual accounts on a going concern basis.

Auditors

10. The Notes on Accounts appearing in Schedule 22 and referred to in the Auditors' Report are self explanatory and therefore, do not call for any further comments or explanations.
11. The Auditors, Messrs S. R. Batliboi & Co., Chartered Accountants, retire and are eligible for re-appointment.
12. Messrs D. Radhakrishnan & Co., Cost Accountants, have been appointed as Cost Auditors relating to Sugar and Industrial Alcohol for the current year, subject to approval of the Central Government.

Subsidiary Companies

13. The audited Accounts of Narkatiaganj Farms Limited, Rajpur Farms Limited, Champaran Marketing Company Limited, OSM Investment & Trading Company Limited and Hargaon Investment & Trading Company Limited, subsidiaries of the Company, for the year ended 31st March, 2003 are attached as required by Section 212 of the Companies Act, 1956.

Statutory Requirements

14. As required under the Listing Agreement with Stock Exchanges, Consolidated Financial Statements conforming to the Accounting Standard 21 issued by the Institute of Chartered Accountants of India are attached.
15. There was no employee who was in receipt of remuneration as prescribed under Section 217(2A) of the Companies Act, 1956.
16. Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956 is attached as a separate annexure and forms a part of this Report.

Acknowledgements

17. Your Directors take this opportunity of recording their appreciation of the financial institutions and bankers for extending their support to the Company. Your Directors are also grateful to the various ministries in the Central and State Governments, the Sugar Directorate and the Sugar Development Fund for their continued support to the Company. The Directors also place on record their appreciation of the valuable contribution made by the employees at all levels.

For and on behalf of the Board

C. S. NOPANY

Chairman-

cum-Mg. Director

New Delhi

Dated, the 14th August, 2003

The Oudh Sugar Mills Limited

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

The Management of The Oudh Sugar Mills Ltd. (OSM) is pleased to present its report analysing the Company's operations in its various business segments and its future prospects based on the current prevailing market conditions. Its main business segments includes manufacturing of sugar and its by-products, industrial alcohol and fruits & vegetable products. Sugar, which constitutes 86.84% OSM's total sales, is produced at three sugar factories situated at Hargaon and Rosa in Uttar Pradesh and Narkatiaganj in Bihar. Industrial Alcohol is produced at its two distilleries at Hargaon and Narkatiaganj and Fruits & Vegetable products at Allahabad Canning Co., Allahabad (U.P.). A segmentwise analysis is presented below :

A. Sugar

1. World Sugar Scenario

- a) The world sugar market was subdued owing to surplus production and limited demand. Except during 2000-01 when the production of sugar dipped to 131.89 million tonnes raw value the production of sugar since 1998-99 has been consistently rising. The world sugar production in 2002-03 is estimated at about 147.79 million tonnes raw value as against 138.12 million tonnes raw value during 2001-02, an increase of 7.00% or 9.67 million tonnes raw value. This consistent increase in production has adversely affected sugar prices in the international markets, which declined sharply during the year. The London Daily Price (LDP) which was hovering around \$246 per tonne in the last week of January, 2003 declined to \$219 in the last week of May, 2003 and is presently around \$200 reflecting a fall of 18.70%. The prices in the international markets were also adversely affected due to dumping of 4 million tonnes of sugar by the European Union. Brazil, the world's largest producer of raw sugar, is estimating an output of 23.65 million tonnes raw value during the current season 2002-03, an increase of 1.36 million tonnes raw value over its previous year's production. Production is also expected to increase appreciably in all other major sugar producing countries except Cuba where production is expected to fall substantially due to closure of about 70 sugar mills.

- b) The International Sugar Organisation (ISO) has forecast that there is a possibility of slight world sugar deficit in 2003-04 but due to accumulated surplus stocks of the previous seasons, sugar prices in international markets are likely to remain static. This deficit is primarily based on the anticipation that sugar production in Brazil and exports therefrom would fall because of increased diversion of sugarcane for production of ethanol. Sugar production in Australia, the world's second biggest exporter, may also drop from 5.37 million tonnes to 4.92 million tonnes i.e. 8.4% drop in the next crop year after the nation's worst drought in 100 years compelling some farmers to abandon cane crops.

- c) In the past 10 years, global sugar consumption has grown by about 1.9% per annum with comparative faster growth in Asian countries. World sugar consumption in 2002-03 is expected to rise by 3.26 million tonnes raw value to 138.12 million tonnes raw value.

2. Indian Sugar Scenario

- a) The scenario of the Indian Sugar Industry, the second largest producer in the world after Brazil, continued to remain grim during the sugar season 2002-03. In 1998, the Government permitted import of sugar resulting in nearly 25 lakh tonnes of sugar being dumped in the country even when the industry was already burdened with surplus production and high inventory of sugar. Surpassing all predictions and despite drought and restricted sugarcane prices, sugar production reached a record high during the season 2002-03. The problem was further aggravated with sugar mills selling sugar in the open market under court orders in excess of the quantity allocated to them by the Government under the monthly release mechanism. This led to a steep decline in the prices of sugar by over Rs. 250 per quintal, resulting in the free market prices being lower than the levy prices.
- b) For the fifth consecutive sugar season 2002-03, the estimated production of sugar is set to reach a new record high of about 201 lakh tonnes which is about 15 lakh tonnes more than the last season's production of 186 lakh tonnes. Initially the sugar production for the season was estimated below the last year's level



MANAGEMENT DISCUSSIONS & ANALYSIS REPORT (Contd.)

at 175 lakh tonnes due to drought in major sugarcane producing states. Though the sugarcane production remained unchanged, improvement in the recovery of sugar from cane and lower diversion of sugarcane to alternate sweeteners resulted in an increase in total production to 201 lakh tonnes. The states of Maharashtra and U.P., the two largest sugar producing states, have produced 62 lakh tonnes and 56 lakh tonnes as against 56 lakh tonnes and 52.6 lakh tonnes respectively during the previous season.

c) Estimated Demand & Supply of Sugar in India

(In lakh tonnes)

	2002-03	2001-02
Opening Stock as on 1st October	109.00	112.00
Production during the season (October-September)	201.00	186.00
Total availability	310.00	298.00
Domestic consumption	180.00	178.00
Exports	16.00	11.00
Closing Stock as on 30th September	114.00	109.00

The above table is based on the estimates of the Government.

3. Government Policies

- The Government continued with its previous season's policy under which the ratio of levy and free sale sugar for the season 2002-03 remained at 10:90.
- In order to compensate the carrying cost of excessive inventory of sugar of the industry, the Government has created a buffer stock of 20 lakh tonnes of sugar for one year, effective from 18th December, 2002.
- The Government has amended the Essential Commodities Act, 1955 to bring sugar releases within the ambit of the said Act. This will enable the Government to implement effectively the regulated release mechanism which governs the quantum of free sale sugar that mills are allowed to sell in the

open market in a particular month. This move is expected to lead to higher sugar price realisations and has been welcomed by the industry.

- The Central Government under Clause 3-A of the Sugarcane (Control) Order, 1966 had fixed the rebate on transportation of sugarcane from the purchasing centres to mills at 2.5 paise per quintal per kilometre subject to a maximum of 32 paise per quintal. This was challenged in the Allahabad and Patna High Courts by the sugar factories in U.P. and Bihar respectively and interim orders have been granted allowing the factories to deduct Rs. 5.75 per quintal as transport rebate.

- In order to boost sugar exports, the Government has notified subsidy on ocean freight at the rate of Rs. 350 per tonne with effect from 13th February, 2003. This is in addition to the existing subsidy given on transportation of sugar for export from factory upto the port of shipment.

- The Government, by amending the Sugar (Packing & Marking) Order, 1970 has allowed sugar factories to pack 25% of sugar production from 12th July, 2002 to 30th June, 2003 and 50% of sugar production from 1st July, 2003 to 30th June, 2004 in 50 kg HDPE/PP bags. The amendment reducing statutory use of jute bags for packing sugar has been set aside by the Kolkata High Court.

4. Sugarcane Pricing

- During the current season, the sugar factories paid sugarcane prices to the sugarcane growers based on Statutory Minimum Price fixed by the Central Government in view of the Court Orders as against the State Advised Price fixed by the State Governments till last season.
- The Statutory Minimum Price (SMP) of sugarcane for the season 2002-03 was initially fixed by the Government at Rs. 64.50 per quintal which was subsequently increased to Rs. 69.50 per quintal linked to a base recovery of 8.5% with a premium for higher recovery as against Rs. 62.05 per quintal for the previous season. The SMP in respect of the