

ANNUAL REPORT & ACCOUNTS 2002 - 2003

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**Upper Ganges Sugar
& Industries Limited**

**CHAIRMAN EMERITUS**

Dr. K.K. Birla

BOARD OF DIRECTORS

Smt. Nandini Nopany

Chairperson-cum-Mg. Director

Shri C.S. Nopany

Shri R.K. Choudhury

Shri G.K. Bhagat

Shri Bhaskar Mitter

Lt. Gen. K. Chiman Singh (Retd.)

Shri R.N. Mody

Shri A.V. Lodha

Shri Gaurav Swarup

Shri Supriya Gupta

Shri S. Sahoo (IDBI-Nominee)

Shri G. Dhurka

REGISTRAR & SHARE TRANSFER AGENT

Intime Spectrum Registry Ltd.

Flat No. 7, 3rd Floor,

1/17, Prince Gulam Mohammed Road,

Kolkata - 700 026.

REGISTERED OFFICE

P.O. Seohara, Dist. Bijnor (U.P.)

Pin Code : 246 746

CORPORATE & HEAD OFFICE

9/1, R.N. Mukherjee Road,

Kolkata - 700 001.

SUGAR MILLS

1. Seohara, Dist. Bijnor (U.P.)
2. Sidhwalia, Dist. Gopalganj (Bihar)

DISTILLERY

Seohara, Dist. Bijnor (U.P.)

CINNATOLIAH TEA GARDEN

Lakhimpur North (Assam)

EXECUTIVES

Shri C.B. Patodia, Advisor

Shri S.K. Poddar, Secretary

Shri B.K. Malpani, Executive President (Seohara)

Shri B.K. Sureka, Sr. Executive Vice President (Sidhwalia)

Shri S.S. Binani, Executive Vice President (Tea Garden)

AUDITORS

S.R. Batliboi & Co.

Chartered Accountants

ADVOCATES & SOLICITORS

Khaitan & Co.

BANKERS

State Bank of India

Punjab National Bank

UPPER GANGES SUGAR & INDUSTRIES LIMITED**PERFORMANCE AT A GLANCE**

	(Rs. in lakh)				
	1998-99	1999-2000 (15 months)	2000-01	2001-02	2002-03
Turnover	22,662.62	24,868.09	19,735.89	20,081.07	28,863.96
Operating Profit	3,858.61	3,463.99	2,823.58	2,008.57	1,693.04
Interest (net)	1,882.57	2,238.80	1,856.71	2,121.38	1,990.50
Depreciation	607.97	798.76	655.67	739.31	775.01
Profit/(Loss) before Tax	1,368.07	426.43	311.20	(852.12)	(1,072.47)
Profit/(Loss) after Tax	1,154.81	357.53	250.88	(499.47)	(717.19)
Net Worth	8,768.23	9,136.36	7,985.84	6,213.49	5,508.21
Net Worth per Ordinary Share (Rs.)	121.33	126.61	110.12	89.03	78.92
Dividend per Ordinary Share (Rs.)	3.00	1.00	—	—	—
Earning per Ordinary Share (Rs.)	16.01	5.12	3.06	—	—
Cane Crushed (Season) (In lakh Qtls.)	149.38	160.33	154.02	184.62	194.43



NOTICE

Notice is hereby given that the Seventy-first Annual General Meeting of **Upper Ganges Sugar & Industries Limited** will be held on Friday, the 7th November, 2003 at 10.30 A.M. at the Registered Office of the Company at Sugar Mills Complex, P.O. Seohara, Dist. Bijnor (U.P.), Pin - 246 746 for the following purposes :

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 Bhaskar Mitter who retires by rotation and being eligible offers himself for re-election.
3. To elect a Director in place of Shri R.K. Choudhury who retires by rotation and being eligible offers himself for re-election.
4. To elect a Director in place of Shri G.K. Bhagat who retires by rotation and being eligible offers himself for re-election.
5. To appoint Auditors and fix their remuneration.

As Special Business :

To consider and if thought fit to pass with or without modifications, the following resolutions :

As Ordinary Resolutions :

6. "Resolved that Shri Gaurav Swarup be and is hereby appointed a Director of the Company."
7. "Resolved that Shri Supriya Gupta be and is hereby appointed a Director of the Company."
8. "Resolved that the consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 for mortgaging and/or charging of all the immovable and movable properties of the Company, relating to its Bharat Sugar Mills, P.O. Sidhwalia, Dist. Gopalganj (Bihar) and Seohara Distillery at P.O. Seohara, Dist. Bijnor (U.P.), wheresoever situate, present and future, together with power to take over the management of the business and concern of the Company's said units in certain events to or in favour of UTI Bank Ltd. (Bank) to secure Rupee Term Loan not exceeding Rs. 575 lakh (Rupees five hundred seventy five lakh only) lent and advanced by the Bank

together with interest thereon at the agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment, cost, charges, expenses and all other monies payable by the Company to the Bank under its loan agreement/letter of sanction/memorandum of terms and conditions entered into by the Company in respect of the said loan.

Resolved further that the Board of Directors of the Company be and is hereby authorised to finalise with the Bank the documents for creating the aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

As Special Resolution :

9. "Resolved that subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992, Listing Agreement with Stock Exchanges and the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and all other applicable laws, rules, regulations, guidelines or any amendment or modification thereof, and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions or sanctions which may be agreed to by the Board of Directors of the Company (the Board) or any Committee thereof for the time being exercising the powers delegated by the Board, consent of the Company be and is hereby accorded to the Board to delist the Ordinary Shares of the Company from Uttar Pradesh Stock Exchange Association Ltd.

Resolved further that the Board or any Committee thereof for the time being exercising the powers delegated by the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in this regard and to do all such acts, deeds and things as may be necessary, expedient and desirable, for the purpose of giving effect to this resolution."

9/1, R. N. Mukherjee Road,
Kolkata - 700 001.
Dated, the 14th August, 2003

By Order of the Board
S. K. Poddar
Secretary

UPPER GANGES SUGAR & INDUSTRIES LIMITED**NOTICE (Contd.)****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.**
2. The Register of the Members of the Company will remain closed from the 29th October, 2003 to the 7th November, 2003, both days inclusive.
3. Members are requested to notify any change in their addresses to the Company/ Registrar & Share Transfer Agent. Members holding shares in dematerialised form should send the above information to their Depository Participants.
4. In all correspondence with the Company/Registrar & Share Transfer Agent the members are requested to quote their account/folio numbers and in case their shares are held in the dematerialised form their Client ID Number and DP ID Number.
5. 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 (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. Separate intimation to those members whose dividend remained unclaimed/unpaid as on 31st March, 2003 as per Company's records, have been sent in this regard. 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.
6. In terms of provisions of Section 109A of the Companies Act, 1956, nomination facility is available to individual shareholders. The Nomination Form 2B prescribed by the Government can be obtained for the purpose from the Company/Registrar & Share Transfer Agent.
7. The Ordinary Shares of the Company are listed at Uttar Pradesh Stock Exchange Association Ltd., Padam Towers, 14/113, Civil Lines, Kanpur- 208 001, The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001, National Stock Exchange of India Ltd., Trade World, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 and the Calcutta Stock Exchange Association Ltd., 7, Lyons Range, Kolkata - 700 001. The listing fee for the year has been paid to each of the above Stock Exchanges.

EXPLANATORY STATEMENT

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

Item Nos. 6 & 7

Shri Gaurav Swarup and Shri Supriya Gupta were appointed by the Board of Directors as additional Directors. Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 79(a) of the Articles of Association of the Company they will hold office as Directors only upto the date of this Annual General Meeting. As required by Section 257 of the Companies Act, 1956 notices have been received from some shareholders signifying their intention to propose the appointment of Shri Gaurav Swarup and Shri Supriya Gupta as Directors. Their appointment as Directors is considered desirable in the interest of the Company so

that the Company may be able to avail their valuable advice. The Directors, accordingly, recommend the resolutions mentioned in item nos. 6 and 7 of the Notice for your approval.

Except the Directors named in the above items of the Notice, no other Director is interested in the proposed resolutions.

Item No. 8

UTI Bank Ltd. (Bank) has sanctioned to the Company Rupee Term Loan of Rs.575 lakh (Rupees five hundred

**NOTICE (Contd.)**

seventy five lakh only) under Corporate Loan Scheme.

The financial assistance from the Bank has to be secured by a first mortgage/charge on all the immovable and movable assets (save and except book debts), present and future, of the Company relating to its Bharat Sugar Mills, P.O. Sidhwalia, Dist. Gopalganj (Bihar) and Seohara Distillery, P.O. Seohara, Dist. Bijnor (U.P.) ranking pari passu with the charges created and/or to be created in favour of the financial institutions and subject to the charges created/to be created in favour of the Company's bankers on current assets for securing financial assistance for working capital requirements.

Section 293(1)(a) of the Companies Act, 1956 provides inter alia, that the Board of Directors of a public company shall not, without the consent of such public company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking the whole or substantially the whole of any such undertaking.

Since the mortgaging and/or charging by the Company of its immovable and movable properties as aforesaid in favour of the Bank may be regarded as disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956 before creation of the mortgage/charge and hence the resolution is submitted for your approval.

Copy of the Letter of Intent No. UTIB/NDL/CR/02-03/2082 dated 31st March, 2003 received from the Bank and copies of relevant documents/ correspondence between the Bank and the Company are open for inspection at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on any working day prior to the date of the meeting.

None of the Directors of the Company is interested in the resolution.

Item No. 9

The Ordinary Shares of the Company are at present listed at the National Stock Exchange of India Ltd. (NSE), The Stock Exchange, Mumbai (BSE), The Calcutta Stock Exchange Association Ltd. (CSE) and the Uttar Pradesh Stock Exchange Association Ltd. (UPSE). From the data on trading volumes, it is observed that the Ordinary Shares of the Company are generally traded at BSE and NSE. For several years there has been no trading in the Ordinary Shares of the Company at UPSE.

As the shares will continue to be listed at NSE and BSE, who are having nationwide trading terminals, apart from being listed at CSE the trading in the shares of the Company will not be affected in any way instead it would facilitate administrative convenience and saving in costs on account of listing fees etc. Therefore, your Directors are of the view that continued listing of the Ordinary Shares of the Company at UPSE will neither serve the interest of members/ investors nor that of the Company and hence recommend that the Ordinary Shares of the Company be delisted from UPSE.

As per Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 a Company can get its securities voluntarily delisted from Stock Exchange(s) after obtaining consent of the members by way of a Special Resolution provided its securities continue to be listed in the stock exchange having nationwide trading terminals i.e. NSE or BSE. Accordingly the resolution under this item is intended to obtain the approval of the members for proposed delisting of the Ordinary Shares of the Company from UPSE.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company is interested in the proposed resolution.

9/1, R. N. Mukherjee Road,
Kolkata - 700 001.
Dated, the 14th August, 2003

By Order of the Board
S.K. Poddar
Secretary

UPPER GANGES SUGAR & INDUSTRIES 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.

		(Rupees in lakh)	
Financial Results		2002-03	2001-02
2. Turnover		28863.96	20081.07
Loss before Depreciation		297.46	112.81
Which is deducted from :			
Balance brought forward from the previous year	351.46		675.21
Refund of Income-tax/excess provision for taxation written back (net)	—		6.24
Debenture Redemption Reserve no longer required written back	50.00		250.00
Deferred Tax Asset for the year	405.25		384.41
Transfer from General Reserve	325.00	1131.71	—
Leaving a credit balance of		834.25	1203.05
Out of this provisions have been made for :			
Depreciation	775.01		739.31
Taxation (including Rs. 1.72 lacs for earlier years)	49.97	824.98	38.00
Surplus available		9.27	425.74
Proposed Dividend on Preference Shares (including Rs. 37.50 lakh for previous year) subject to deduction of tax		—	74.28
Balance carried to Balance Sheet		9.27	351.46

Financial Performance & Dividend

3. 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.

4. In view of losses, the Directors are not in a position to recommend any dividend for the year.

Corporate Governance

5. 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

6. Your Directors regret to report the sad demise of Shri M.K. Mookerjee, a Director of the Company. The



DIRECTORS' REPORT (Contd.)

Directors placed on record their deep appreciation for the valuable services rendered by Late M.K. Mookerjee during his long association with the Company.

7. Shri Sudhir Jalan resigned from the Directorship of the Company. The Directors placed on record their high appreciation for the valuable services rendered by Shri Sudhir Jalan during his tenure as a Director of the Company.
8. Shri Gaurav Swarup and Shri Supriya Gupta who were appointed as additional Directors retire at the Annual General Meeting and are eligible for re-appointment.
9. Shri Bhaskar Mitter, Shri R.K. Choudhury and Shri G.K. Bhagat retire from the Board by rotation and are eligible for re-election.

Directors' Responsibility Statement

10. 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

11. The Notes on Accounts appearing in Schedule 24 and referred to in the Auditors' Report are self explanatory and therefore, do not call for any further comments or explanations.
12. The Auditors, Messrs S.R. Batliboi & Co, Chartered Accountants, retire and are eligible for re-appointment.

13. Shri S.N. Mukherjee, Cost Accountant, has been appointed as Cost Auditor relating to Sugar and Industrial Alcohol for the current year subject to approval of the Central Government.

Subsidiary Companies

14. The audited Accounts of Uttar Pradesh Trading Company Ltd. and Saran Trading Company Ltd., 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

15. As required under the Listing Agreement with the Stock Exchanges, Consolidated Financial Statements conforming to the Accounting Standard 21 issued by the Institute of Chartered Accountants of India are attached.
16. There was no employee who was in receipt of remuneration as prescribed under Section 217(2A) of the Companies Act, 1956.
17. 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

18. 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 Government and State Governments of Uttar Pradesh, Bihar and Assam, 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
NANDINI NOPANY
 Chairperson-cum-
 Mg. Director

Kolkata
 Dated, the 14th August, 2003

UPPER GANGES SUGAR & INDUSTRIES LIMITED

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

The Management of Upper Ganges Sugar & Industries Ltd. (UGS) 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 tea. Sugar, which constitutes 86.44% of UGS's total sales, is produced in two sugar factories situated at Seohara, U.P. and Sidhwalia, Bihar. Industrial alcohol and Bio-compost (organic fertilizer) are produced at distillery at Seohara. The tea garden is situated at Cinnatollah, Lakhimpur North, Assam. A segment wise 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 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.



MANAGEMENT DISCUSSIONS & ANALYSIS REPORT (Contd.)

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 Company's sugar factories was fixed as below :

	Season 2002-03	Season 2001-02
Statutory Minimum Price (Rs. per quintal)		
Seohara	77.70	69.35
Sidhwalia	69.50	65.10

- The Government of U.P. has granted a relief of Rs. 4 per quintal in the form of remission in cane purchase tax, society commission and other charges which have been passed on to the sugarcane farmers. Accordingly, the actual price for sugarcane paid by the Company's sugar factories for the season 2002-03 is as under :

	Season 2002-03	Season 2001-02
Actual Cane Price (Rs. per quintal)		
Seohara	81.70	95.00
Sidhwalia	69.50	86.00

The Government of Bihar has announced a subsidy @ Rs. 4.00 per quintal on supplies of sugarcane by the farmers to the sugar factories in Bihar during the season 2002-03 which is being disbursed by the Government to the cane growers directly.