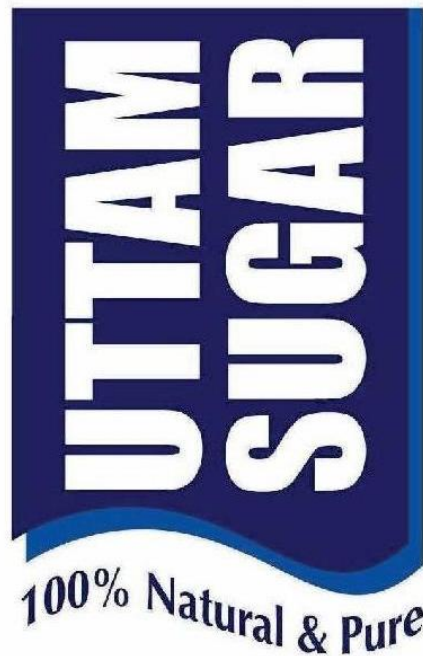




# **Uttam Sugar Mills Limited**



The Desire

To Excel

The Determination

To Deliver

**18th Annual Report 2012-13**



## CORPORATE INFORMATION

### DIRECTORS

<b>Raj Kumar Adlakha</b>	Managing Director
<b>Ashok Kumar Agarwal</b>	Executive Director
<b>R. Vasudevan</b>	Independent Director
<b>G. S. Matta</b>	Independent Director
<b>Satish Chandra</b>	Nominee Director-IDBI Bank Ltd.
<b>Bikash Narayan Mishra</b>	Nominee Director-PNB

### REGISTERED OFFICE

Village Libberheri, Tehsil Roorkee,  
District Haridwar, Uttarakhand – 247667  
Tel. : 01332 - 229445  
Fax : 01332 – 229194

### CORPORATE OFFICE

A-2E, 3<sup>rd</sup> Floor, C.M.A. Tower, Sector – 24,  
Noida – 201 301 (U.P.)  
Tel. : 0120 –4525000  
Fax : 0120 – 4525020  
E-mail : [uttamsugarnoida@gmail.com](mailto:uttamsugarnoida@gmail.com)  
[uttamnoida@gmail.com](mailto:uttamnoida@gmail.com)

### AUDITORS

**B.K. Kapur & Co.**  
Chartered Accountants

### CHIEF – LEGAL AND CORPORATE AFFAIRS & COMPANY SECRETARY

G. Ramarathnam

### BANKERS

Punjab National Bank  
IDBI Bank Ltd.  
Indian Overseas Bank  
State Bank of India  
Oriental Bank of Commerce  
Uttarakhand State Co-operative Bank Ltd.

### FACTORIES

**Unit - 1 :**  
Village Libberheri, Tehsil Roorkee,  
District Haridwar, Uttarakhand - 247667

**Unit – 2 :**  
Village Barkatpur,  
Tehsil Nazibabad  
District Bijnor (U.P.)

**Unit – 3 :**  
Village Khaikheri,  
Tehsil & District Muzaffarnagar (U.P.)

**Unit – 4 :**  
Village Shermau  
Tehsil Nakur,  
District Saharanpur (U.P.)



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## NOTICE OF 18<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 18<sup>th</sup> Annual General Meeting of the Members of Company will be held at the Registered Office of the Company at Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand on Thursday the 19<sup>th</sup> day of September, 2013 at 12.00 Noon to transact the following business(s):-

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, Profit & Loss Statement for the financial year ended on that date together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Ramasamy Vasudevan, who retires by rotation and is eligible for re-appointment.
3. To appoint M/s B. K. Kapur & Company, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### **SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:-**

**"RESOLVED THAT** Mr. Bikash Narayan Mishra, who was appointed under Section 260 of the Companies Act, 1956 as an Additional cum Nominee Director of Punjab National Bank on the Board of the Company w.e.f. 10th November, 2012 and who holds office till this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, whose period of office is not liable to retire by rotation."

5. To consider and if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION(S):-**

**"RESOLVED THAT** pursuant to section 198,269,309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act as amended upto date and subject to the Articles of Association of the Company and subject to the necessary approvals, if any, the consent of the Company be and is hereby accorded to the revision/increase in Remuneration payable to Mr. Ashok Kumar Agarwal, Whole Time Director of the Company for the period from 01st April, 2013 to 13th February, 2015 as recommended by the Remuneration Committee on the terms, conditions and remuneration as detailed below:

#### **(a) Salary:**

- (i) Salary: Rs. 1,58,000/- p.m. (Rupees One Lac Fifty Eight Thousands Only).
- (ii) Special Allowance: Rs. 45,500/- p.m. (Rupees Forty Five Thousands Five Hundred Only).
- (iii) Other Allowance: Rs. 1,400/- p.m. (Rupees One Thousand Four Hundred Only).

- (b) Perquisites: The Executive Director shall be paid the following perquisites classified into Categories 'A' & 'B'.

#### **Category - 'A':**

- (i) House Rent Allowance: Rs. 95,000/- p.m. (Rupees Ninety Five Thousands Only).
- (ii) Medical Reimbursement: Medical Expenses incurred for self, spouse and dependent children/parents - Rs.15,000/- per annum (Rupees Fifteen Thousands Only).
- (iii) Leave Travel Allowance: Rs.1,55,400/- per annum (Rupees One Lac Fifty Five Thousands Four Hundred Only).
- (iv) Conveyance Allowance: Rs.1,800/- p.m. (Rupees One Thousand Eight Hundred Only).
- (v) Car: Free use of Company's car for official purpose.
- (vi) Other benefits/reimbursements: as per the Company's policy.

#### **Category - 'B':**

- (i) Company's contribution to provident fund, as per Rules of the Company.
- (ii) Gratuity as per Rules of the Company.
- (iii) Encashment of Leave, as per Rules of the Company.



- (c) *Other Terms & Conditions of his appointment will remain the same as approved by Shareholders in the Annual General Meeting on 21st September, 2012 and approved by Ministry of Corporate Affairs, New Delhi vide its approval letter dated 02nd November, 2012."*

**"RESOLVED FURTHER THAT** the above remuneration will be payable to him as minimum remuneration in case of absence or inadequacy of profits in any financial year as permissible under Section II (B) of Part II of Schedule XIII of the Companies Act, 1956 including such amendment(s), modification(s) and/or revision(s) as may be made by the Central Government in the said limits from time to time".

By Order of the Board of Directors of the Company  
**For UTTAM SUGAR MILLS LTD.**

**(G. RAMARATHNAM)**

Chief - Legal and Corporate Affairs & Company Secretary

**Place : Noida**

**Date : 18<sup>th</sup> May, 2013**

## **NOTES:**

1. Explanatory Statement setting out all material facts relating to special businesses contained in item No. 4 & 5 as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing a proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of this meeting. A proxy shall not vote except on a poll. A proxy form is appended with the admission slip.
3. Corporate Members intending to send their authorized representatives to attend this General Meeting are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at this Annual General Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 18<sup>th</sup> day of September, 2013 to 19<sup>th</sup> day of September, 2013 (both days inclusive).
5. Members are requested to bring their copies of Annual Report to the Meeting.
6. Any query relating to Accounts must be sent to Company's Corporate Office: A-2E IIIrd Floor, C.M.A. Tower Sector - 24, Noida (U.P.) at least 10 days before the date of the meeting.
7. Members are informed that in the case of joint holders attending the meeting; only such joint holder whose name appears first in the order will be entitled to vote.
8. Members / Proxies are requested to bring the attendance slip sent with Annual Report duly filled in for attending the meeting.
9. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities Market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Company's RTA.
10. Members who hold shares in physical form in multiple folios in identical name or joint holding in the same order of names are requested to send their share certificates to our RTA, for consolidation into a single folio.
11. Members are requested to always quote their Folio No. / Client ID & DP ID in all correspondence with the Company's Registrars and the Company. Members are also requested to notify any change of address to their Depository Participants. Members are requested to send all communications relating to shares to the Registrar and Share Transfer Agent of the Company at the following address:-

**Link Intime India Private Limited**

44, Community Center, 2nd Floor,

Naraina Industrial Area, Phase I,

New Delhi - 110 028.

Tel. :- 011-4141 0592-94, Telefax :- 011-4141 0591

## RE-APPOINTMENT / APPOINTMENT OF DIRECTORS (ANNEXURE TO NOTICE)

(A brief resume in respect of the proposed re-appointment/appointment of Directors is given below in terms of Clause 49 of the Listing Agreement)

Particulars	Dr. Ramasamy Vasudevan	Mr. Bikash Narayan Mishra
DIN	00109908	06418377
Date of Birth	27th April, 1938	02nd October, 1960
Date of Appointment in the Board	04th January, 2006	10th November, 2012
Qualifications	Doctorate and Qualified Ph.D (Hons)	BA Economics (Hons.), MA Economics (JNU) & CAIIB (Both Parts)
Experience	Dr. Ramasamy Vasudevan aged 75 Years, is a Doctorate and Qualified Ph.D (Hons). He has an overall experience of over 51 years. He has served Bharat Heavy Electricals Limited for a total period of 31 years and retired as General Manager (Engineering). He is one of the founder Director in the School of Engineering Technology, Bharathidasan University, Tiruchirappalli. He has won various awards in the field on engineering such as Business Leadership Award in the field of Bio-Energy for the year 2003 by International Congress on Renewable Energy, World Environmental Congress Award for the manufacture of compost from the municipal waste for the Tiruchirappalli City Corporation etc. He has chaired various committees such as the R&D Committee, Ministry of Non-Conventional Energy Sources, Sugar, Cogeneration Projects and has also being a member of the Energy panel, Tamil Nadu Commission.	Mr. Bikash Narayan Mishra, aged 52 years, is B A Economics (Hons) 1st Class with distinction in the year 1980, MA Economics B+ (63%) from JNU New Delhi in the year 1983 and he is also a CAIIB (Both Parts). He is having more than 28 years of experience with Punjab National Bank. He has worked as Branch Manager, Senior Branch Manager, Chief Manager, AGM at different locations of Bank. Presently, he is working as Circle Head, Punjab National Bank, NCR Noida and overseeing business of over Rs 15000 crores spread over in 63 branches of bank in the NCR Noida Circle. He has been appointed as Nominee Director on the Board of the Company as Nominee of Punjab National Bank w.e.f.10.11.2012.
Directorship held in other Companies	NIL	Magnum Ventures Limited
Membership / Chairmanships of Committee across other Public Limited Companies	NIL	NIL
Number of Shares held in the Company	NIL	NIL
Relationship with other Directors	None	None

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ANNEXED AND FORMING PART OF THE NOTICE

### Item No. 4

As per CDR terms and conditions, Punjab National Bank can nominate a Director on the Board. During the Financial Year 2011-12, PNB had nominated Mr. Kamal Prasad as Nominee Director w.e.f. 27.05.2011.

Consequent upon reconstitution of Punjab National Bank's Circles, Mohan Nagar Branch Ghaziabad has been shifted from the jurisdiction of Meerut to jurisdiction of NCR Noida Branch. Accordingly, Mr. Bikash Narayan Mishra, Circle Head, NCR, Noida has been nominated in place of Mr. Kamal Prasad (Circle Head, Punjab National Bank, Meerut). He has been appointed as a Nominee Director on the Board w.e.f. 10.11.2012 as an Additional cum Nominee Director under the provisions of Section 260 of the Companies Act, 1956. He holds office till this Annual General Meeting. A notice u/s 257 of the Companies Act, 1956 along with a deposit of Rs. 500/- has been received from a member of the Company proposing the candidature of Mr. Bikash Narayan Mishra as Director cum Nominee Director on the Board of the Company.

None of the Directors except Mr. Bikash Narayan Mishra is concerned or interested in this resolution.



## Item No. 5

As per the provisions of the Companies Act, 1956 and the provisions of the Articles of Association of the Company, Mr. Ashok Kumar Agarwal was appointed as an Additional cum Whole-Time Director w.e.f. 14.02.2012 for a period of three years. His appointment and remuneration was approved by Shareholders of the Company in its 17th Annual General Meeting held on 21st September, 2012. Further, his remuneration was also approved by Central Government vide its Approval Letter dated 02nd November, 2012.

In the context of Mr. Ashok Kumar Agarwal's contribution in the Company's performance, the Board of Directors of the Company in its meeting held on 18th May, 2013 has [subject to necessary approval] approved the revision in remuneration payable to Mr. Ashok Kumar Agarwal, Executive/Whole-Time Director with effect from 01st April, 2013.

The Remuneration Committee has also recommended an upward revision in the remuneration, to retain the services of Mr. Agarwal, considering his vast experience and strong ability to lead and consolidate the present business of the Company.

Other Terms & Conditions of his appointment will remain the same as approved by Shareholders in the Annual General Meeting on 21st September, 2012 and approved by Ministry of Corporate Affairs, New Delhi vide its approval letter dated 02nd November, 2012.

Pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions of the Companies Act, 1956 ("the Act") read with Schedule XIII to the Act, the revised remuneration of Mr. Ashok Kumar Agarwal, Executive/Whole-Time Director is now been placed before the Members for their approval by way of a Special Resolution.

## **INFORMATION PURSUANT TO PROVISIO (iv) TO CLAUSE 1 (B) OF SECTION II OF PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956.**

### **I. GENERAL INFORMATION:**

#### **(1) Nature of industry:-**

Manufacturer of Sugar and other allied products.

#### **(2) Date or expected date of commencement of commercial production:-**

Company commenced commercial production from January 2001.

#### **(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:-**

Not applicable.

#### **(4) Financial performance based on given indicators:-**

(Rs. in Lacs)

Financial Parameter	Financial Years		
	2010-11	2011-12	2012-13
Turnover	70,591.10	70,228.19	<b>66,224.94</b>
Net Profit/(Loss) (before Tax)	(739.67)	(9,143.32)	<b>1,237.47</b>

#### **(5) Export performance and net foreign exchange collaborations:-**

Nil

#### **(6) Foreign investments or collaborators, if any:-**

Nil

### **II. INFORMATION ABOUT THE APPOINTEE:**

#### **(1) Background details:-**

**Mr. Ashok Kumar Agarwal**, aged 54 years, is B. Com. (Hons) and a Chartered Accountant. He is having overall 30 years of Techno Commercial Experience in sugar business which includes different areas like commercial, engineering, Process/Manufacturing, Project Management including Co-Generation Projects, cane supply and development etc. He started his career in the year 1983 with Mawana Sugars Limited and worked till April, 2006 for 23 years and reached to the position of General Manager of Mawana Sugars Limited. After that he joined Birla Group of Sugar Industries and worked till September 2008 and thereafter joined Sir Shadilal Enterprises Limited at the position of Chief Operating Officer cum President till October 2011 and further moved to Empee Sugars and Chemicals Limited and was appointed as Executive Director and worked till December 2011.



**(2) Past remuneration/Recognition or Awards:-**

Before joining Uttam Sugar Mills Limited, he was working with M/s Empee Sugars and Chemicals Limited and Sir Shadi Lal Enterprises Ltd. During the Financial Year 2010-11 he has drawn Rs. 24,19,758/- as remuneration from his employer.

**(3) Job profile and his suitability:-**

Subject to the superintendence, control and direction of the Board of Directors of the Company the Whole Time Director/Executive Director shall have substantial powers of management including day to day affairs of the Company and shall exercise other duties and functions as may be delegated/assigned to him by the Board of Directors/Committee of Directors from time to time.

**(4) Remuneration proposed:-**

As set out in the proposed resolutions and as per the terms and conditions as mentioned in Explanatory Statement of the notice of this annual general meeting.

**(5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) :-**

The proposed remuneration is in line with prevailing industry remuneration structure for the similar position.

**(6) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:-**

Apart from remuneration, Mr. Ashok Kumar Agarwal does not have any other pecuniary relationship with the Company. Further, Mr. Agarwal is not related any other managerial personnel of the Company.

### III. OTHER INFORMATION:

**(1) Reasons for loss/inadequate profit:-**

The Company has inadequate profit due to several external factors like (a) Irrational fixation of SAP by the State Government, (b) Inadequate availability of sugarcane resulting into lower capacity utilization, (c) Poor quality of sugarcane resulting in lower sugar recovery and (d) Lower Sugar Price resulting into lower sugar sales realization.

**(2) Steps taken or proposed to be taken for improvement:-**

To improve the financial viability of sugar manufacturing units, Company has increased the baggasse based Co-generation Capacity by 40 MW by installation of Power Co-Generation facility at Barkatpur Sugar Factory. The power produced by our cogeneration plants utilized for running sugar mills and the surplus power have been exported. Further, the Company has installed a Distillery plant with capacity of 75 KLPD at Barkatpur Unit.

**(3) Expected increase in productivity and profits in measurable terms:-**

There is adequate production capacity and steps are being taken to improve the cost efficiency.

This Explanatory Statement together with the accompanying Notice may be regarded as an abstract of terms of contract or variations and memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The Board of Directors recommends the resolution for approval of Members.

None of the Directors except Mr. Ashok Kumar Agarwal is concerned or interested in the proposed resolution.

By Order of the Board of Directors of the Company  
**For UTTAM SUGAR MILLS LTD.**

**(G. RAMARATHNAM)**

Chief – Legal and Corporate Affairs & Company Secretary

Place : Noida

Date : 18<sup>th</sup> May, 2013

**Registered Office:**

Village Libberheri, Tehsil Roorkee,  
Distt. Haridwar,  
Uttarakhand





## **DIRECTORS' REPORT**

**The Shareholders of the Company,**

Your Directors take pleasure in presenting their Eighteenth Annual Report together with the Audited Accounts for the year ended 31st March 2013.

**FINANCIAL RESULTS**

The financial results of the Company for the year ended on 31st March 2013 are as under:-

<b>DETAILS</b>	<b>(Rs. in Lacs)</b>	
	<b>Year ended 31.03.2013</b>	<b>Year ended 31.03.2012</b>
Revenue from Operations	<b>64,532.45</b>	68,289.66
Profit/(Loss) before Depreciation, Tax & Exceptional Items	<b>4,212.80</b>	(4,327.54)
Less:		
Depreciation	<b>3,012.52</b>	2,736.77
Prior period items (Net)	<b>(37.19)</b>	11.55
Profit/(Loss) before Tax & Exceptional Items	<b>1,237.47</b>	(7,075.86)
Exceptional Items	<b>–</b>	(2,067.46)
Less: Provision for Taxation		
Current Tax	<b>–</b>	2.95
Deferred Tax (Credit) / Charge	<b>691.18</b>	(2,206.44)
Income Tax for Earlier Years	<b>–</b>	19.82
<b>Profit/(Loss) after Taxation</b>	<b>546.29</b>	<b>(6,959.66)</b>
Add: Balance brought forward from Previous Year	<b>(14,486.92)</b>	(7,527.26)
<b>Deficit transferred to Balance Sheet</b>	<b>(13,940.63)</b>	<b>(14,486.92)</b>

**REVIEW OF OPERATIONS**
**SUGAR DIVISION**

Operational data of the Company for the financial year 2012-2013 and 2011-2012 are provided as under:

<b>Financial Year</b>	<b>Cane Crushed (in lacs qtls)</b>	<b>Sugar Produced (in lacs qtls)</b>	<b>Recovery %</b>
2012-13	219.56	20.51*	9.34
2011-12	220.67	19.94**	9.04

\*excludes 0.39 Lakhs qtls of sugar of earlier seasons reprocessed.

\*\* excludes 0.043 Lakhs qtls of processed raw sugar.

The production of molasses during 2012-13 was 10.60 Lakhs quintals as compared to 11.25 Lakhs quintals produced during the previous year viz. 2011-2012.

During the current season, Company commenced its crushing season on 28th November 2012 about 18 days later as against last crushing season thereby crushing the matured cane which also partly contributed to the enhanced recovery.

As already mentioned in the previous year's report your company has started focused attention on Cane Development activities in the form of replacement of old, poor and rejected varieties with new varieties and demonstrations to increase the cane yield by way of Ratoon management, Spacing Trials, Urea cum insecticidal spray on standing crop, providing pesticide to cane growers to get pest-free crop and arranging village meeting at mass level to impart technology to get higher yield. This concerted effort has produced the desired result in the form of improved recovery during the sugar season 2012-13 compared to previous year. Following are the season wise data of cane crushed and sugar produced:

## Uttam Sugar Mills Limited



Crushing Season	Cane Crushed (in lacs qtls)	Sugar Produced (in lacs qtls)	Recovery %
2012-13	238.65	22.71	9.52
2011-12	211.32	18.83	8.91

The Uttar Pradesh Government increased State Advised Price (SAP) of sugar cane by Rs. 40 per Qtl. across varieties. The revised SAP was Rs. 280/ 290 per qtl. for normal and early varieties respectively for the crushing season 2012-13 as against Rs. 240/250 per qtl. for sugar season viz. 2011-12 for general / early variety respectively. This increase comes to almost about 17% for the sugar season 2012-13 vis-à-vis sugar season 2011-12. Further, in the last 3 years cane prices have gone up by 70% from Rs. 165/- per qtl. to Rs. 280/- per qtl. while there has not been any corresponding increase in the sugar prices. The Uttarakhand State Government also announced the similar hike of Rs. 45 per qtl. of State Advised Price (SAP) for the sugar season 2012-13 which works out to Rs. 285/290 per qtls. as against Rs. 240/245 per qtls. for the sugar season 2011-12 for the general and early varieties respectively. There is no logic for such a steep increase in the cane price.

### CO-GENERATION DIVISION

During the year under review, your company produced 1919.97 Lakhs KWH units of power as compared to 1467.79 Lakhs units of power in the year 2011-2012. Out of total production, your company exported 1061.30 Lakhs KWH units to UPPCL/ UPCL for a total amount of Rs. 4585.31 Lakhs against 642.53 Lakhs KWH for an amount of Rs. 2693.73 Lakhs in the previous year.

The Company has got registration under Renewal Energy Certificate (REC) mechanism for sugar plants situated at Libberheri (Distt.-Haridwar), Khaikheri (Distt.-Muzaffarnagar) and Shermau (Distt. Saharanpur). The company has been awarded 18866 units of REC for Libberheri unit and these REC units are tradeable and an additional source of revenue to your company.

### DISTILLERY DIVISION

As reported last year, your company has successfully commissioned its new Greenfield Distillery Project with an installed capacity of 75 KLPD at Barkatpur (Distt. Bijnor) unit in the State of Uttar Pradesh. During the year under review 37.47 lacs Bulk Litres (BL) of Industrial Alcohol was produced and 18.25 lacs Bulk Litres Industrial Alcohol was sold.

### FUTURE OUTLOOK

The Government's decision on partial decontrol of sugar industry is welcome and it comes at the right time. One of the most positive steps in the decontrol process for both farmers and the industry is the removal of 10% Levy Sugar which deals with the supply of sugar by the sugar industry to the Public Distribution System (PDS). Levy sugar for the PDS will now be procured by State Government from the open market and at prevailing market prices.

The next important decision towards deregulation has been the removal of regulated release mechanism for non-levy sugar (free sale sugar), which has been abolished with immediate effect. The regulated release mechanism would dictate to sugar factories on how much sugar they could sell in the open market on a monthly basis. Sugar factories could not sell over or below the quantity stipulated by the Government. Now, each factory can sell how much it likes in the open market, depending upon the open market prices and their cash flow needs.

India has tremendous renewable energy potential and the demand for Biomass based green power sector is likely to grow in a big way. Thus with an increase in cane crushing and increase in bagasse availability our co-generation can optimize power generation and contribute to our profitability.

The Distillery unit is planning to enter into contract with Oil Marketing Companies (OMC) for supply of ethanol. With the commissioning of the Distillery unit your company sees a good potential in the ethanol production. By maintaining a proper product mix of alcohol for sale to potable, the industrial and blending sector, your company would strive to derive the optimum realization. Overall, with the outlook remaining positive, your company is committed to bettering the performance in future and confident of improving the profitability.

### DIVIDEND

In view of inadequacy of profits during the current financial year and carried forward losses, your Directors are unable to recommend any dividend for the year under review.

The Dividend on Cumulative Redeemable Preference Shares (Series I - 6.5% and Series II - 10%) are being accumulated and will be paid in the year of profit.



## AUDIT COMMITTEE

The Board of Directors has re-constituted the Audit Committee of the Company on 09th February, 2013 comprises of the following Directors viz. Mr. G. S. Matta as Chairman, Dr. Ramasamy Vasudevan and Mr. Ashok Kumar Agarwal are Members. The Audit Committee satisfies the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges.

## RIGHTS ISSUE

Your company has successfully completed Rights Issue of 1,23,69,120 Equity Shares of Rs. 10/- at a premium of Rs.12/- per Equity Shares (i.e. an issue price of Rs.22/- per Equity Share) aggregating to Rs.27,21,20,640/- to the existing shareholders of the company on rights basis. Accordingly, Equity Shares were allotted to eligible Shareholders, in consultation with the NSE (designated Stock Exchange) on October 27, 2012. These shares are listed and available for trading at NSE and BSE effective from 5th November, 2012.

Consequent to allotment of the aforesaid shares, the Paid-up Equity Share Capital of the Company stands increased from Rs. 2576.90 Lacs to Rs. 3813.812 Lacs w.e.f. October 27, 2012. The proceeds of the Rights Issue have been fully utilized as per the objects of Issue mentioned in the Letter of Offer.

## COMPLIANCE OF CLAUSE 40A - MINIMUM LEVEL OF PUBLIC SHAREHOLDING

Your Company has already complied with Clause 40A of the Listing Agreement i.e. at present Public Shareholding is 25% of the Paid-up Equity Share Capital.

## DIRECTORS

Dr. Ramasamy Vasudevan, Director of the Company is retiring by rotation at this forthcoming Annual General Meeting of the Company and is eligible for re-appointment. As required under Clause 49 of the Listing Agreement relating to Corporate Governance, a brief resume, expertise and details of other directorships of Dr. Ramasamy Vasudevan are provided in the Notice of ensuing Annual General Meeting.

As per CDR terms and conditions, Punjab National Bank is authorized to nominate Director on the Board of our Company. During the Financial Year 2011-12, PNB had nominated Mr. Kamal Prasad as Nominee Director w.e.f. 27.05.2011. Consequent upon reconstitution of Punjab National Bank's Circles, Mohan Nagar Branch Ghaziabad has been shifted from the jurisdiction of Meerut to jurisdiction of NCR Noida Branch. Accordingly, Mr. Bikash Narayan Mishra, Circle Head, NCR, Noida has been nominated in place of Mr. Kamal Prasad (Circle Head, Punjab National Bank, Meerut). He has been appointed as a Nominee Director on the Board of our Company w.e.f. 10.11.2012 as an Additional cum Nominee Director under the provisions of Section 260 of the Companies Act, 1956. He holds office till this Annual General Meeting. A notice u/s 257 of the Companies Act, 1956 along with a deposit of Rs. 500/- has been received from a member of the Company proposing the candidature of Mr. Bikash Narayan Mishra as Director cum Nominee Director on the Board of the Company. Mr. Vikram Singh Tandon ceased to be a Director of the Company w.e.f. 22nd December, 2012 consequent to resignation. The Board places on record its appreciation for the services rendered by him during his tenure.

## DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956

The Directors confirm that:-

- (i) in the preparation of annual accounts, the applicable accounting standards have been followed;
- (ii) we have, in the selection of the accounting policies consulted the Statutory Auditors and have 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 profits of the Company for that period;
- (iii) proper and sufficient care has been taken 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) the annual accounts have been prepared on a going concern basis.

## CORPORATE GOVERNANCE

As per clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance together with Certificate from a Practising Company Secretary forms part of the Annual report.

The Company's shares are listed on National Stock Exchange and Bombay Stock Exchange. The Company has already paid the Listing fees for the Financial Year 2012-13 and 2013-14 to both the Stock Exchanges.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENT COST AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Particulars in respect of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and out-go u/s 217(1)(e) of the Companies Act, 1956 are given in a separate Annexure "A" attached hereto and form a part of this Report.

**EMPLOYEES**

Particulars of employees as required u/s 217(2A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules 1975 and Amendment Rules, 2011 may be taken as NIL since no employee of the Company was in receipt of remuneration in terms of limits specified under said Rules.

**AUDITORS**

M/s B.K. Kapur & Co., Chartered Accountants, Ghaziabad Auditors of the Company will retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received a certificate from Auditors to the effect that their appointment if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956.

**AUDITORS' OBSERVATIONS**

Your Directors wish to clarify the various points/observations reported by the Statutory Auditors, as under: -

- Observation in Para 11 of annexure to the Report relating to delays in the repayment of installment/ interest to the Banks, there has been liquidity problems due to losses incurred by the company during the previous financial years coupled with inadequate cash generation during the current financial year.
- Observation in Para 17 of the annexure to the Report that short term funds have been used for repayment of loans and financing of losses, your Directors wish to clarify that this is mainly due to cash losses incurred by the Company during the previous financial years coupled with inadequate cash generation and consequent liquidity problems.

**COST AUDIT**

M/s M.K. Singhal & Company, Cost Accountants who were appointed as Cost Auditors for the year ended 31st March, 2012 have filed the following Cost Audit Reports to the Government.

S. No.	Product	Due date of filing cost audit report	Actual date of filing cost audit report
1.	Sugar	28.02.2013*	13.02.2013
2.	Cogeneration	28.02.2013*	13.02.2013

\* The due date for filing Cost Audit Report was extended upto 28.02.2013 by the Ministry of Corporate Affairs vide its General Circular No. 2/2013 dated 31.01.2013.

Your Board of Directors have re-appointed M/s M. K. Singhal & Company, Cost Accountants, to audit the cost accounting records relating to Sugar, Cogeneration and industrial alcohol for Financial Year 2013-2014.

**INDUSTRIAL RELATIONS**

Industrial relations continued to remain cordial throughout the period under review.

**PUBLIC DEPOSITS**

The Company has not accepted any public deposits during the period under review.

**TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND**

In terms of Section 205C of the Companies Act, 1956 an amount of Rs. 46,300/- being unclaimed Share Application Money relating to Initial Public Offer (I.P.O.) was transferred to the Investor Education and Protection Fund on 11.04.2013 established by the Central Government.

**ACKNOWLEDGEMENT**

Your Directors thank the customers, suppliers, farmers, financial institutions, banks and shareholders for their continued support and also recognize the contribution made by the employees to the Company's progress during the year under review.

By Order of the Board  
for **UTTAM SUGAR MILLS LTD.**

Place: Noida  
Date : 18<sup>th</sup> May, 2013

(**RAJ KUMAR ADLAKHA**)  
Chairman of the Board

**(A) CONSERVATION OF ENERGY**
**ENERGY CONSERVATION MEASURES**

- 1) Installation of Variable frequency drives (VFD) for juice flow control.
- 2) Stoppage of fibrizer and leveler motor in mill house when there is reduced in crushing.
- 3) Installation of digital temperature scanner for PTHE at the quad.
- 4) Installation of Variable frequency drives (VFD) at 15 MW condensing cooling tower pump.
- 5) Installation of Variable frequency drives (VFD) at 132 KW hot water cooling tower pump.
- 6) Installation of 1000 KW motor on fibrizer instead of 1500 KW.
- 7) Installation of 37.5 KW and 960 RPM motor on main cane carrier instead of 55 KW 1440 RPM motor.
- 8) Boiler operation taken in fully automation ID, FD, SA, Fan, Baggase feeder controlled through DCS.

The above measures have resulted in reduction in steam and power consumption.

**FORM A**
**Disclosure of particulars with respect to conservation of energy**
**I. Power and fuel consumption**

PARTICULARS	Year ended	
	31.03.2013	31.03.2012
<b>1. Electricity</b>		
a) Purchased units		
Units (KWH)	6,70,207	6,78,238
Total amount (Rs. Lakhs)	45.99	44.14
Rate per unit (Rs.)	6.86	6.51
b) Own generation		
i) Through diesel generator sets		
Units (KWH)	3,73,403	7,59,577
Units per ltr. of Diesel Oil	3.02	2.70
Total amount (Rs. Lakhs)	51.89	101.17
Cost/ unit (Rs)	13.90	13.32
ii) Through steam turbine		
Units (KWH)	19,19,96,616	14,67,78,705
Units per quintal of bagasse (cost/unit)	Steam produced by use of own bagasse	
<b>2. Coal</b>		
(Quantity)	NIL	NIL
Total Cost & Average Rate	NIL	NIL
<b>3. Furnace oil (KL.)</b>		
Total Amount/Average Rate	NIL	NIL
<b>4. Other / internal Generation (MT)</b>		
<b>Fire Wood</b>		
Quantity (Qtls)	152.20	NIL
Total Cost (Rs. Lacs)	0.62	NIL
Average Rate (Rs./Qtls)	407.36	NIL
<b>Baggase (Purchased)</b>		
Quantity (Qtls)	1,17,204.60	NIL
Total Cost (Rs. Lacs)	65.95	NIL
Average Rate (Rs./Qtls)	56.27	NIL

**II. Consumption per unit of production of sugar**

PARTICULARS	Year ended	
	31.03.2013	31.03.2012
Sugar Production (in Qtls.)	20,89,645	19,98,418
Electricity (KWH per Qtls. of Sugar)	39.69	40.63
Furnace Oil	NIL	NIL
Coal	NIL	NIL
Other	NIL	NIL

**(B) TECHNOLOGY ADAPTATION & INNOVATION**

The Company has not imported any technology for its plant. The Company is using well proved indigenous technology.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

(Rs. in Lacs)

PARTICULARS	Year ended	
	31.03.2013	31.03.2012
Earnings	NIL	NIL
Outgo:- Foreign Travelling	23.78	33.89

By Order of the Board  
for **UTTAM SUGAR MILLS LTD.**

Place: Noida  
Date : 18<sup>th</sup> May, 2013

(**RAJ KUMAR ADLAKHA**)  
Chairman of the Board

## **CORPORATE GOVERNANCE REPORT 2012 - 2013**

### **1. Company's Philosophy on Corporate Governance**

Uttam Sugar Mills Limited is committed to produce quality sugar and value added by-products and strives for continuous improvement in all its activities. Uttam Management strives to create long term value for its Shareholders. We also believe in good Corporate Governance which is essential for achieving long term corporate goals.

Your Company is fully compliant with all the provisions of Clause 49 of the Listing Agreement of the Stock Exchanges. The details of compliance are as follows:-

### **2. Board of Directors**

#### **A. Composition of the Board: -**

<b>Name of Director(s)</b>	<b>Designation</b>	<b>Category</b>
Mr. Raj Kumar Adlakha	Managing Director	Promoter/ Executive
Mr. Ashok Kumar Agarwal	Whole Time Director	Non-Promoter/Executive
Dr. R. Vasudevan	Director	Non-Executive/Independent
Mr. G. S. Matta	Director	Non-Executive/Independent
Mr. Satish Chandra	Nominee-Director - IDBI Bank Limited	Non-Executive/Independent
Mr. Bikash Narayan Mishra (w.e.f.10.11.2012)	Nominee-Director - PNB	Non-Executive/Independent
Mr. Kamal Prasad (ceased w.e.f.10.11.2012)	Nominee-Director - PNB	Non-Executive/Independent
Mr. V.S. Tandon (ceased w.e.f.22.12.2012)	Director	Non-Executive/Independent

#### **B. Attendance at Board Meeting and last AGM and details of membership of Directors in other Boards and Board Committees (as on the date of Report) :-**

<b>Name of Director(s)</b>	<b>No. of Board Meetings Attended</b>	<b>Last AGM Attended</b>	<b>No. of Other Directorships<sup>1</sup> and Committee Memberships/Chairmanships</b>		
			<b>Other Directorships</b>	<b>Committee Memberships</b>	<b>Committee Chairmanships</b>
Mr. Raj Kumar Adlakha	6	Yes	6	3	3
Mr. Ashok Kumar Agarwal	6	Yes	–	1	–
Mr. V.S. Tandon (ceased w.e.f.22.12.2012)	4	Yes	–	–	–
Dr. R. Vasudevan	6	Yes	–	3	2
Mr. G. S. Matta	5	No	1	3	1
Mr. Satish Chandra	6	No	–	2	–
Mr. Kamal Prasad (ceased w.e.f.10.11.2012)	–	No	–	–	–
Mr. Bikash Narayan Mishra (w.e.f.10.11.2012)	1	N.A.	1	2	–

<sup>1</sup>. Excludes viz. Private / Overseas Companies.

**C. Details of the sitting fees paid to the Independent Directors for the year ended March 31, 2013:-**

The Company paid sitting fees to all the Independent Directors for attending the meetings of the Board and / or committees thereof amounting to Rs. 3,95,000/-. The details are as under:-

S.No.	Name	Sitting Fee (Rs.)
1.	Dr. R. Vasudevan	1,10,000
2.	Mr. G. S. Matta	90,000
3.	Mr. V. S. Tandon (ceased w.e.f.22.12.2012)	80,000
4.	Mr. Bikash Narayan Mishra (w.e.f.10.11.2012)	15,000
5.	Mr. Satish Chandra	1,00,000

**D. Details of Board Meetings held during the year ended 31st March, 2013 :**

S.No.	Date of Meeting	No. of Directors Present
1.	14.05.2012	6
2.	30.05.2012	5
3.	11.08.2012	6
4.	28.08.2012	5
5.	10.11.2012	7
6.	09.02.2013	5

- The time gap between any two meetings did not exceed four months.
- The last AGM was held on 21.09.2012.

**E. Details of shareholding of Directors are as under:-**

S.No.	Name of Director	Shareholding (Eq. Shares)
1.	Mr. Raj Kumar Adlakha	16,24,610
2.	Mr. Ashok Kumar Agarwal	Nil
3.	Dr. R. Vasudevan	Nil
4.	Mr. G. S. Matta	Nil
5.	Mr. Satish Chandra	Nil
6.	Mr. Bikash Narayan Mishra	Nil

**3. AUDIT COMMITTEE**
**(I) TERM OF REFERENCE:-**

The scope of functions and terms of references of the Audit Committee are as prescribed under section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges.



## (II) COMPOSITION, NAME OF MEMBERS AND CHAIRMAN:-

The following Directors are the present members:-

S.No.	Name
1.	Mr. G. S. Matta – Chairman (Independent Director)
2.	Dr. R. Vasudevan – Independent Director
3.	Mr. Ashok Kumar Agarwal – Executive Director

## (III) MEETING AND ATTENDANCE:-

During the Financial Year 2012-2013, 5 (Five) Audit Committee Meetings were held on 14.05.2012, 30.05.2012, 11.08.2012, 10.11.2012 and 09.02.2013. The attendance of the members is as follows:-

S.No.	Name	Attendance
1.	Mr. V.S. Tandon (ceased w.e.f.22.12.2012)	4
2.	Dr. R. Vasudevan	5
3.	Mr. Ashok Kumar Agarwal	3
4.	Mr. G. S. Matta	4

Chief Financial Officer is a permanent invitee of the Audit Committee Meetings and representative of the Statutory Auditors of the Company is also invited to the Audit Committee Meetings.

The Company Secretary acts as secretary to the committee.

## 4. Remuneration of Directors

Details of the Composition of Remuneration Committee and attendance of Members are as follows:

During the Financial Year 2012-13, 1 (One) remuneration committee meeting was held on 14.05.2012.

Name	Designation	Category of Directorship	Attendance in meeting
Dr. R. Vasudevan	Chairman	Non-Executive & Independent	1
Mr. Satish Chandra	Member	Non-Executive & Nominee (Independent)	1
Mr. Kamal Prasad (ceased w.e.f.10.11.2012)	Member	Non-Executive & Nominee (Independent)	1
Mr. Bikash Narayan Mishra (w.e.f. 10.11.2012)	Member	Non-Executive & Nominee (Independent)	–

## Remuneration:

The remuneration paid to Managing Director and Whole Time Director for the year 2012-2013 was as follows:

(Rs. in lacs)

Name of Director	Salary	Perquisites	Total
Mr. Raj Kumar Adlakha (Managing Director)	39.00	7.03	46.03
Mr. Ashok Agarwal (Executive Director)	21.39	11.61	33.00

## 5. Shareholders / Investors Grievance Committee

The Board constituted a Shareholders/ Investors Grievance Committee to look into redressal of Shareholders / Investors complaints regarding transfer and transmission of shares, non receipt of Balance Sheet and dematerialisation of shares and matters relating to issue of share certificates etc.

Details of the Composition of Shareholders/Investors Grievance Committee and attendance of Members are as follows:

During the Financial Year 2012-13, 14 (Fourteen) committee meetings were held.

Name	Designation	Category of Directorship	Attendance in meetings
Dr. R. Vasudevan	Chairman	Non-Executive & Independent	14
Mr. G. S. Matta	Member	Non-Executive & Independent	14

During the year 2012-13, 1 (One) complaint was received from Shareholders. There was no outstanding complaint as at 31.03.2013.

Mr. G. Ramarathnam - Chief - Legal and Corporate Affairs & Company Secretary acts as Compliance Officer.

## 6. CEO/CFO Certification

Mr. Raj Kumar Adlakha, Managing Director and Mr. Sanjay Bhandari, Chief Financial Officer, have furnished a certificate relating to financial statements and internal control systems as per the format prescribed under Clause 49 of the Listing Agreement and the Board took the same on record.

## 7. General Body Meetings

Details of last three Annual General Meetings:

Meeting	Date	Venue of AGM	Time	Special Resolution Passed
15 <sup>th</sup> AGM	18.08.2010	Vill. Libberheri, Tehsil Roorkee, Distt. Haridwar, Uttarakhand	11.30 a.m.	<ul style="list-style-type: none"> <li>Authorisation to Board of Directors to issue Redeemable Preference Shares pursuant to section 81(1A) of the Companies Act, 1956</li> </ul>
16 <sup>th</sup> AGM	11.08.2011	Vill. Libberheri, Tehsil Roorkee, Distt. Haridwar, Uttarakhand	12.00 Noon	NIL
17 <sup>th</sup> AGM	21.09.2012	Vill. Libberheri, Tehsil Roorkee, Distt. Haridwar, Uttarakhand	12.00 Noon	<ul style="list-style-type: none"> <li>Appointment of Whole Time/Executive Director for a period of 3 years w.e.f. 14th February, 2012</li> <li>Reappointment of Managing Director for a period of 3 years w.e.f. 1st September, 2012.</li> <li>Authorisation to Board of Directors to issue Redeemable Preference Shares pursuant to section 81(1A) of the Companies Act, 1956.</li> </ul>

## 8. Resolution passed through Postal Ballot

Since the date of last Annual General Meeting, no resolution has been passed through postal ballot.

## 9. Disclosure

- There have been no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. which may have potential conflict with the interests of the Company at large.
- There have been no instances of non-compliance with any of the legal provisions of law been made by the Company nor any penalty or strictures imposed by the stock exchange or SEBI or any other statutory authority on any matter related to the capital markets during the last 3 years.
- The Company does not have a Whistle Blower Policy at present. No personnel have been denied access to the Audit Committee.
- The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. Constitution of Remuneration Committee as per the Non-mandatory requirement has been complied with.
- A qualified Practicing Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Ltd, (NSDL) and Central Depository Services (India) Ltd,

## Uttam Sugar Mills Limited



(CDSL) and the total issued and listed capital. The said Audit Report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

### 10. Means of Communication

The Company is publishing quarterly unaudited / annual audited financial results and notice advertisement in the "The Financial Express" and "Himachal Times" (vernacular language) regularly.

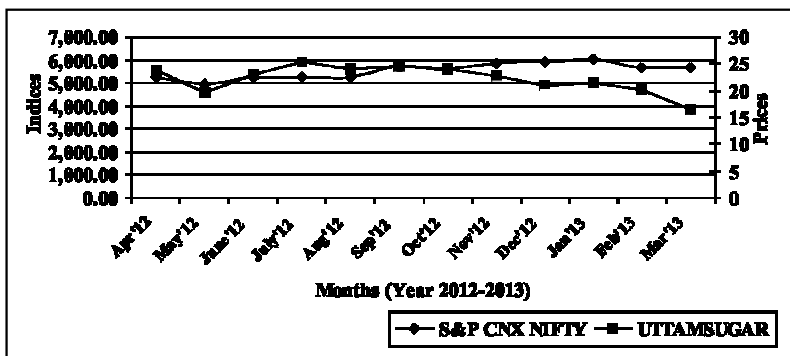
### 11. General Shareholder Information

i.	AGM Date, time and venue	19 <sup>th</sup> September, 2013 at 12.00 Noon Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand
ii.	Financial calendar 2013-14 <b>Results for quarter ending :</b> (a) 30th June 2013 (b) 30th September 2013 (c) 31st December 2013 (d) 31st March 2014/ Audited yearly results	On or before 14th day of August , 2013 On or before 14th day of November, 2013 On or before 14th day of February, 2014 On or before 30th day of May, 2014
iii.	Book Closure Date	18 <sup>th</sup> September 2013 to 19 <sup>th</sup> September 2013.
iv.	Dividend Payment Date	N.A.
v.	Listing on Stock Exchange	National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051  BSE Limited. 1st Floor, Phiroze, Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001  Note : Your Company has already paid the Listing fees to both the Stock Exchange for the F.Y. 2012-13 & F.Y. 2013-14
vi.	Stock Code National Stock Exchange of India Ltd BSE Limited	UTTAMSUGAR 532729

vii. Market Price Data High/ Low during each month of the Financial Year 2012-13:  
(National Stock Exchange)

Month	High (Rs.)	Low (Rs.)
April'12	25.70	22.20
May'12	24.70	18.80
June'12	23.95	19.55
July'12	32.60	22.45
August'12	30.00	23.65
September'12	26.90	23.15
October' 12	26.40	22.45
November' 12	24.60	21.50
December' 12	23.80	18.00
January'13	22.80	18.65
February'13	22.95	19.50
March'13	22.45	15.55

viii. Relative performance of Uttam Sugar's Share versus S&P CNX Nifty:



ix.	Registrars and Share Transfer Agents (for physical & demat shares)	Link Intime India Private Limited 44 Community Center, 2nd Floor, Naraina Industrial Area, Phase I, New Delhi - 110 028, Tel. :- 011-4141 0592-94 Telefax :- 011-4141 0591, Email: delhi@linkintime.co.in
x.	Share transfer system	Share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are complete in all respects.

xi. Distribution of Equity Shareholding as on 31st March, 2013

(i) Category of Equity Shareholders as on 31.03.2013

S. No	Category of Shareholder	Total Number of Equity Shares	% of shares
(A)	<b>Shareholding of Promoter and Promoter Group</b>		
(1)	Indian		
	(a) Individuals/ Hindu Undivided Family	52,72,204	13.82
	(b) Bodies Corporate	2,33,31,381	61.18
(2)	Foreign	—	0.00
	<b>Total Shareholding of Promoter and Promoter Group (A)</b>	<b>2,86,03,585</b>	<b>75.00</b>
(B)(1)	<b>Public Shareholding Institutions</b>		
	(a) Financial Institutions/ Banks	560,723	1.47
	(b) Foreign Institutional Investors	—	0.00
	<b>Sub-Total (B)(1)</b>	<b>560,723</b>	<b>1.47</b>
(B)(2)	<b>Non-Institutions</b>		
	(a) Bodies Corporate	15,91,476	4.17
	(b) Individuals :		
	(i) Individual Shareholders holding nominal share capital up to Rs. 1 lakh	40,59,671	10.64
	(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	32,14,245	8.43
	(c) Any others :		
	(i) Trust	20	0.00
	(ii) Foreign Nationals (Non Resident Indians)	64,317	0.17
	(iii) Clearing Members	44,083	0.12
	<b>Sub-Total (B)(2)</b>	<b>89,73,812</b>	<b>23.53</b>
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>95,34,535</b>	<b>25.00</b>
	<b>TOTAL (A) + (B)</b>	<b>3,81,38,120</b>	<b>100.00</b>

(ii) Distribution of Equity Shareholding as on the 31.03.2013

Sl. No.	No. of Equity Shares held	Number of Shareholders holding shares in each category		No. of shares held in each category	% of Equity Capital held in each category
		No.	%		
01.	1 to 500	21,264	92.581	19,93,423	5.227
02.	501 to 1,000	912	3.971	7,07,431	1.855
03.	1,001 to 2,000	417	1.816	6,04,713	1.585
04.	2,001 to 3,000	104	0.453	2,66,156	0.698
05.	3,001 to 4,000	52	0.226	1,83,712	0.482
06.	4,001 to 5,000	56	0.244	2,54,496	0.667
07.	5,001 to 10,000	66	0.287	4,62,447	1.213
08.	10,001 to above	97	0.422	3,36,65,742	88.273
	<b>TOTAL</b>	<b>22,968</b>	<b>100.000</b>	<b>3,81,38,120</b>	<b>100.000</b>

xii. Dematerialization of shareholding and liquidity	As on March 31, 2013, 19,06,032 Equity Shares of the Company (4.998% of the total issued Equity Capital) were held in physical form and 3,62,32,088 Equity Shares (95.002% of the total issued Equity Capital) were held in dematerialized form. Registrar and Transfer Agents are appointed for transfer of shares in physical mode.
xiii. Plant locations	<p><b>Unit - I</b> Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand</p> <p><b>Unit - II</b> Village Barkatpur, Tehsil Nazibabad, District Bijnor, U.P.</p> <p><b>Unit - III</b> Village Khaikheri, Tehsil &amp; District Muzzafarnagar, U.P.</p> <p><b>Unit - IV</b> Village Shermau, Tehsil Nakur, Distt: Saharanpur, U.P.</p>
xiv. Address for correspondence	<p><b>Registrar &amp; Share Transfer Agent</b> (For Dematerialisation and Share Transfer related query) Link Intime India Private Limited 44 Community Center, 2nd Floor, Naraina Industrial Area, Phase I, New Delhi - 110 028. Tel. :- 011-4141 0592-94, Telefax :- 011-4141 0591</p> <p><b>Company</b> (For Annual Report and any other related matters) Company Secretary, Uttam Sugar Mills Ltd. A-2E, IIrd Floor, C.M.A. Tower, Sector – 24, Noida (U.P.)</p>

**12. Disclosure regarding shares in suspense account**

(a)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	<i>No of Shareholder : 08, No of outstanding Shares : 199 Equity Shares</i>
(b)	Number of shareholders who approached issuer for transfer of shares from suspense account during the year	Nil
(c)	Number of shareholders to whom shares were transferred from suspense account during the year	Nil
(d)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	<i>No of Shareholder : 08, No of outstanding Shares : 199 Equity Shares</i>
(e)	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	We confirm that voting rights on these outstanding shares has been frozen.

### **CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Members of  
Uttam Sugar Mills Limited  
Uttarakhand.**

We have examined the compliance of conditions of Corporate Governance by **Uttam Sugar Mills Ltd.** for the period ended on 31<sup>st</sup> March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 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, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For N.K. RASTOGI & ASSOCIATES  
Company Secretaries**

**NAVEEN K. RASTOGI  
Proprietor  
C.P. No. - 3785**

**Place : Noida  
Date : 18<sup>th</sup> May, 2013**

**DECLARATION FOR COMPLIANCE OF CODE OF CONDUCT**

The Shareholders,

I, Raj Kumar Adlakha, Managing Director, hereby declare that all the Board Members and Senior Management personnel have affirmed compliance with code of conduct of the Company during the financial year 2012-2013.

Place : Noida  
Date : 18<sup>th</sup> May, 2013

(RAJ KUMAR ADLAKHA)  
MANAGING DIRECTOR

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**CEO/CFO CERTIFICATION – FINANCIAL YEAR ENDED 31.03.2013**

We, Raj Kumar Adlakha, Managing Director and Sanjay Bhandari, Chief Financial Officer of Uttam Sugar Mills Ltd. hereby certify that :-

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief :
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For UTTAM SUGAR MILLS LIMITED**

Place : Noida  
Date : 18<sup>th</sup> May, 2013

(RAJ KUMAR ADLAKHA)  
MANAGING DIRECTOR

(SANJAY BHANDARI)  
CHIEF FINANCIAL OFFICER

## MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors are pleased to present its Management Discussion and Analysis Report as per Clause 49 IV(F) of the Disclosure guidelines for Corporate Governance.

### 1. INDUSTRY STRUCTURE & DEVELOPMENTS

#### Global Sugar Industry Scenario

Global Sugar Industry ended the production in SS 2012/13 181.71 Million MT with a slight increase of 4.28% over 2011/12 174.25 Million MT, largely led by the top two sugar producing countries i.e. Brazil and India.

#### Industry Facts:

- Sugar is one of the world's major agro-based industries and is also one of the most actively traded soft commodities on the exchanges.
- More than 80% of sugar produced is from sugarcane while balance is from sugar beet.
- Top 5 Sugar producers in the world, namely Brazil, India, EU, China and Thailand, account for over 54% of total production.

#### Production, Consumptions and End Stocks

The global sugar production has seen an upside during last three seasons. The global sugar industry ended its production 181.71 Million MT in 2012/13 with an uptrend of 4.28% in 2010/11, largely led by Brazil and India. There is a slight rise in consumption by 2.21% to 171.73 Millions MT in 2012/13, resulting into inventory levels for the 2011/12 and 2012/13 at 63.83 Million MT and 69.49 Million MT respectively. There is an increase in the closing stock to consumption ratio at the end of 2012/13 at 40.47% as against 37.99% at the end of 2011/12.

#### World Sugar Balance (Million MT)

Particulars	2012/13	2011/12	Change (Million MT)	Change (%)
Production	181.71	174.25	7.45	4.28
Consumption	171.73	168.01	3.71	2.21
Surplus/(Deficit)	9.98	6.23		
Import demand	51.59	53.45	-1.89	-3.47
Export availability	55.91	54.26	1.65	3.03
End Stocks	69.49	63.83	5.67	8.87
Stock/Consumption				
Ratio in %	40.47	37.99		

**Source:** Quarterly Market Outlook of International Sugar Organisation (ISO).

As per Kinsman, Global sugar production will be 177.9 million tons in the 12 months starting in October. Consumption in the period will be little changed from the earlier estimate at 172.95 million tons. In 2012-13, demand is forecast at 170.4 million tons.

Millers in India, the world's second-biggest grower, will produce less sugar in 2013-14 as dry weather damages the crop, according to the report. Output there is forecast at 22.2 million tons next season. "Several districts in Maharashtra are badly affected by two years of drought and there are reports of entire fields being completely dried out".

Sugar production in Brazil will be 3.1 percent less than the previous estimate at 34.4 million tons as millers there use more of the raw material to make ethanol. Output in the EU will be 16.9 million tons.

Millers in Brazil will direct 45 percent of all the cane processed this year to making sugar, according to the report. The rest will be used for ethanol. The South American country will harvest a record 585 million tons of cane.

As per Kingsman, the lack of rain in the India's main Sugar producing state during last few months has delayed planting throughout the state and current estimates suggest that the total cane could be lower by 10 percent to 15 percent compared to 2012-13.



Sugar production in Thailand, the second-biggest exporter, will rise to 10.3 million tons next season. In Mexico, output will be 6.2 million tons, up.

A reduction in the surplus for 2013-14 will be more than compensated for by an increase in the current season, according to Kingsman data.

## INDIAN PERSPECTIVE OF SUGAR INDUSTRY

As per Indian Sugar Mills Association (ISMA), Sugar Production for Sugar season 2012-13, sugar mills have crushed about 244.2 million tonne of sugarcane, to produce 24.62 million tonne of sugar with 10.08% reported recoveries across states. However, this year total sugarcane crush is only about 1% lesser, but sugar production is about 3% lower as compared to same corresponding period during last year. This is due to lesser reported recoveries across country, which is about 0.17 points lesser than last year.

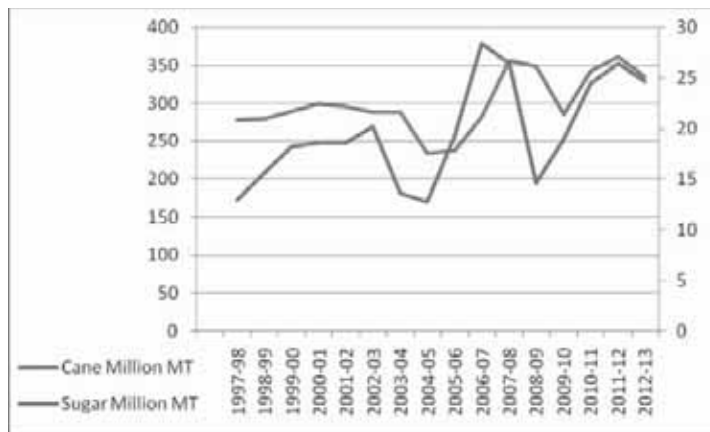
Maharashtra, this year again, being leading sugar producing state, produced about 7.98 million tonne of sugar by crushing 69.8 million tonne of sugarcane with 11.44% reported recovery. Till date sugar production is about 10% lesser than last year during same corresponding period. Sugar mills this year crushed 8% lesser sugarcane with about 0.21 point lesser reported recoveries than last year.

In Uttar Pradesh crushing season has come to an end and has produced 7.49 million tonne of sugar using 81.6 million tonne of sugarcane crushing with 9.19% reported recovery. Due to 0.12 points better reported recoveries than last year, till date state has produced 7% higher sugar with only 5% higher sugarcane crush than last year. Western & Central UP have reported better recoveries than last year, while Eastern UP has reported lower.

Karnataka has already closed crushing operations with 3.388 million tonne of sugar production as against 3.72 million tonne last year. This year 10.44% sugar recovery were 0.56 points lesser than last year.

Tamil Nadu is still operational with 23 mills as against 41 mills under crushing during last year. Till date state has produced 1.543 million tonne of sugar which is about 1% lesser than last year. Andhra Pradesh is almost closed and till date produced 0.986 million tonne of sugar as against 1.11 million tonne last year.

The following chart depicts cane production and Sugar production data as published by ISMA:



## Prices:

The domestic sugar prices were moderate in financial year 2011-12 ranging from 28.30 per kg to 33.75 per kg and in current financial year it has shown an upward trend between May 2012 to November 2012 with a peak of 38.30 per kg in October 2012, which shows better realisation of sugar in 2012/13, mainly driven by significant export of sugar in SY 2011-12, which relieved pressure on domestic stocks, lower sugar releases and concerns over delayed and weak monsoons affecting sugar output in Season 2012-13, showed softening trend since then and declined to around Rs.32 per kg by April 2013 mainly because of the factors such as seasonal supply pressure from new production, change in release pattern and also some sale of sugar in the domestic market by shore based refiners having access to cheap raw sugar. (Source: ICRA Report)

The domestic whole sale sugar prices trend in Delhi Market as published by ISMA is as under:



Source: ISMA

## Trade:

With the recent softening of international sugar prices and India's rising domestic cost of production, Indian sugar exporters will face lower export price realization, especially in mills in northern India which face higher transport costs. However, mills in western and southern India will continue to benefit from their proximity to ports and relatively lower production costs.

**Imports in the Country:** 15.31 lac tons of raw sugar has been contracted to be imported since starting of 2012-13 season. Total imports are coming from Brazil in raw sugar form. Out of total contracted volumes of imported raw sugar, 76% has already been discharged (i.e. 11.64 lac tons), while 3% is at discharging stage across various ports (i.e. 0.47 lac tons). Rest 3.2 lac tons of the imported raw sugar is expected to be arriving during May.

**Exports from the Country:** Till date, a total of 4.8 lac tons of different grade sugar has been shipped out of the country, while another 0.64 lac tons have been contracted to be shipped out in May month. Out of total 5.47 lac tons of contracted shipment quantity for exports, 11%, 80% and 9% are Raw, Refined and White grade sugar (i.e. 0.60 , 4.36 and 0.53 lac tons respectively) Kandla port handled 79% of the total shipped out sugar (i.e. 3.8 lac tons) from the country. Total raw i.e. 0.60 lac tons which has been exported is from ports like Chennai, JNPT and Tuticorin with quantities like 41%, 26% and 33% respectively. From 2009-10 till today, country has exported 72 lac tons of sugar. (Source : EXIM REPORT dated 2nd May 2013 for Season 2012-13).

## Trade Policy:

The Directorate General of Foreign Trade (DGFT) in a fresh Policy Circular No. 8 dated 24th December, 2012, has opened up sugar exports under OGL by obtaining Registration Certificates. The Circular mentions that exporters desirous of exporting sugar may continue to obtain Registration Certificates accordingly, without mentioning any last date.

The Prime Minister in May 2012 had opened up sugar exports in view of surplus sugar production and deteriorating financial health of sugar mills. The sugar mills were allowed to export only till 30th September, 2012 for the 2011-12 sugar season.

The sugar mills, facing mounting cane arrears and losses due to high cost of production, grabbed the opportunity with open arms, and exported around 9-10 lakh tons of sugar in that period. But soon after that, the international prices dipped in the major sugar export market, making exports unviable. The international prices which were quoting as high as 644 dollar per metric tons at LDP (White Sugar) and at 24.58 cents per lb for Raw Sugar at New York in April 2012 dipped in January 2012 to 523.70 dollar per metric ton for white sugar in London and 19.51 cents for Raw Sugar in New York market. Clearly the international prices have dropped significantly. The sugar mills are not in an advantageous position anymore to export the remaining sugar out of the country.

The sugar export order in May 2012 was too late; the international prices already started cooling down by then.

This is a best case scenario for sugar decontrol and freeing of export-import policy by the Government. A conservative Government policy which fails to attune itself with changing dynamics cannot be in the best interest of all the stakeholders- sugar mills, farmers and consumers.

The Government should let the industry decide the time and quantity of sugar exports it wants to do, so that it can earn crucial foreign exchange to pay the farmers on time, reduce its high inventories and invest in Research and Development of the sector.

## Sugarcane Production and Pricing Policy

The Government of India (GOI) supports research, development, training of farmers and transfer of new varieties and improved production technologies (seed, implements, pest management) to growers in its endeavour to raise cane



yields and sugar recovery rates. The Indian Council of Agricultural Research (ICAR) conducts sugarcane research and development at the national level. State agricultural universities, regional research institutions, and state agricultural extension agencies support these efforts at the regional and state levels. The central and state governments also support sugarcane growers by ensuring finances and input supplies at affordable prices. To increase the area of cultivation and production in India, a centrally sponsored scheme called the Sustainable Development Fund of Sugarcane Based Cropping System Area under the Macro Management Mode of Agriculture is being implemented in various sugarcane growing states.

The GOI establishes a minimum support price (MSP) for sugarcane on the basis of recommendations by the Commission for Agricultural Costs and Prices (CACP) and after consulting state governments and associations of the sugar industry and cane growers. In 2009, the GOI announced a new fair and remunerative price system (FRP) that links cane prices with sugar price realization by sugar mills. Several state governments further augment the MSP/FRP, typically by 30-40 percent, due to political compulsions rather than market pricing.

Sugar mills are required to pay the "state advised price (SAP)" to sugarcane farmers irrespective of the market price of sugar. Softening sugar prices, coupled with apprehensions of a large cane crop, discouraged the sugar mills to pay higher cane prices vis-à-vis those in 2010/11. However, cane prices received by farmers were higher than the MSP/FRP in most of the growing states. Although the local industry has been advocating rationalization of cane pricing policy by linking it with domestic/world sugar prices, industry sources do not expect any downward revision of the FRP in the coming years given the political clout of the farmers lobby.

Given below is a chart depicting the difference in the the State Advised Cane Price between 2011-12 and 2012-13 in the major sugar producing states:

**State Advised Cane Price 2011-12 / 2012-13**

State	Rs per Qtl.	
	2011-12	2012-13
Bihar	225	255
Uttar Pradesh	240	280
Punjab	220	240
Haryana	221	240
Maharashtra	180 to 205	210 to 250
Karnataka	200	220 to 240
Andhra Pradesh	200	250
Tamilnadu	200+10 T.C.*	225+10 T.C.*
Uttarakhand	250	285

Source: ISMA

\* Linked to 9.5% recovery

It can be seen that the maximum rise in SAP is in the states of Uttar Pradesh and Uttarakhand, where the sugar mills of your Company are located.

## Sugar Production and Marketing Policy

### • Sugar Development Fund:

The GOI levies a fee of Rs. 240 (\$5.60) per ton of sugar produced by mills for the Sugarcane Development Fund (SDF), which is used to support research, extension, and technological improvement in the sugar sector. The SDF is also often used to support sugar buffer-stocks operations, provide a transport subsidy for sugar exports, and provide an interest subsidy on loans for the installation of power generation and ethanol production plants. In March 2008, the GOI enacted the Sugar Development Fund (Amendment) Bill, 2008, that enables the government to include the use of the fund for debt restructuring and granting soft loans to sugar mills.

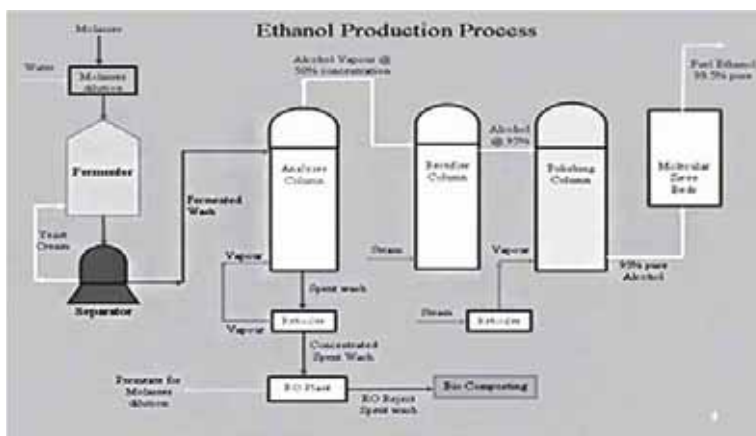
### • Abolition of regulated release mechanism and removal of the burden of levy sugar from the industry:

Government's decision to give freedom to the sugar industry to sell sugar on commercial consideration and removal of the burden of levy sugar are extremely important and crucial. As suggested by the Rangarajan Committee, these decisions will help the industry to achieve its potential growth of 20-25% per annum.

Removal of the burden of levy sugar will give the industry an annual savings of Rs. 3000 crore, whereas abolition of regulated release mechanism will reduce inventories and ensure better cash flows. These much awaited reforms will reduce the cost of production and improve liquidity with millers which, in turn, will ensure better and timely payment of cane price to farmers as also assure better quality sugar, at reasonable prices on a sustained basis, to the consumers.

The subsidy burden on PDS sugar supply alone was estimated at about Rs.2556 crore for 2011-12 production. The additional burden after the decontrol for supply of about 27 lakh tons of sugar would be about Rs.3120 crore.

The Ethanol Production process can be outlined as under:-



The government, through its notification on January 2, asked oil marketing companies OMCs to comply with the five per cent mandatory blending of ethanol with petrol latest by June 30, 2013. In a significant move that could mark a turn around in the fortunes of sugar mills, India's public-sector oil marketing companies (OMCs) have started placing orders for ethanol procurement at an average ex-factory price of Rs 36-37 a litre. Until last year, OMCs had fixed the ethanol price at Rs 27. OMCs need the green fuel to blend it directly with petrol. However, in response to tenders floated by the OMCs in January to procure 1,050 million litres of ethanol, mills have offered to supply 550 million litres. While many domestic suppliers could not participate in the tenders due to strict norms, some were left out because

of a delay in the selection of bidders, which would have stretched commencement of supply beyond the current crushing season. Placement of orders at a substantially higher price assumes significance as additional revenue would rescue sugar mills and partly compensate their loss from the core activity: sugar. The cost of ethanol production currently works out to Rs 34 a litre. The OMCs floated global tenders to procure 820.30 million litres for which technical bids opened on April 1 only to surprise the government. "At an average ex-factory price of Rs 36-37 a litre, we offer OMCs a profit of at least Rs 6-7 a litre, which may be partly offset through procurement at higher price from overseas. Since, the tenders floated for the current season were late, most of the smaller units sold molasses to other companies and also diverted the raw material for other purposes, thereby leaving minimal quantity for producing ethanol. The sugar industry is confident of meeting almost the full quantity of OMCs' requirement next season and hence, they do not require to import the same at a premium to petrol. Also, strict norms such as bidders should have three-year average turnover, debarred companies like HPCL, whose biofuel units in Bihar commenced operations only last year. Your Company has commenced ethanol distillery project (Capacity 75KLPD) in current financial year.

## Co-generation

As per informed sources, a target for addition of 1,700 MW capacity, consisting of 500 MW of biomass power projects and 1,200 MW of bagasse cogeneration projects has been proposed during the country's XIth plan period (2007-2012). A cumulative biomass power potential of about 18,000 MWs from the surplus agro residues have been estimated in the country. Sugar mills with a crushing capacity of 2,500 tons per day in Maharashtra, Uttar Pradesh, Tamil Nadu, Karnataka, Andhra Pradesh, Bihar, Gujarat, Punjab and Haryana have an estimated potential of about 5,000 MW surplus power generation through optimum bagasse-based co-generation.

Your Company has the Power Co-generation at all of its four units.

## 2. OPPORTUNITIES & THREATS

### Opportunities:

- Utilization of downstream by-products.
- Huge potential for increasing the High yielding cane crop to increase sugar recovery rate.
- Potential for new and upgrading Technology for improved utility consumption factors and utilization of by-products.
- Potential for added incentive for Certified Emission Reduction (CER) under Clean Development Mechanism (CDM) of the United Nations Framework Convention on Climate Change (UNFCCC).
- Potential for downstream production of Ethanol.

### Threats:

- Vulnerability of sugar sector to inflation & unfavourable regulatory policies relating to fixation of higher cane prices.
- Weather conditions affecting yield and recovery.
- Deteriorating quality of soil due to overuse of fertilizer and pesticides.
- Fluctuations in selling price in domestic and global markets.

## 3. RISKS AND CONCERNS

Sugar industry being agro based is vulnerable to commodity cycles and is hence, fraught with several risks. Given below is a discussion on the risks as perceived by the Management. The list is not exhaustive and meant for information purpose only for Investors who are requested to rely on their own judgement while assessing the risks associated with the Sugar Industry and your Company.

**a) Raw material risk:** Sugarcane is the principal raw material used for sugar production. Its availability, quality, growth and cost are affecting factors. These are in turn impacted by uncontrollable factors such as:-

- the area under sugarcane cultivation;
- availability of water;
- Adverse weather conditions, crop disease and pest control;
- Availability of better and higher yielding seeds;
- Shifting of farmers' preference to other crops;
- Diversion of sugarcane to other industries like Gur, khandsari etc.;
- Adequacy of harvesting and seasonal unskilled labour;
- Un-remunerative cane procurement price;
- High Local and State level taxes

### Risk mitigation

This risk can be mitigated by steps taken by the company through its Cane Development Programme which has yielded results in terms of high yields and recoveries. Government programme of Improved Infrastructure for roads and communication; Provision of better quality and higher yielding seeds as well as fertilizers and pesticides; Prompt clearance of the cane dues of farmers and steps to improve their goodwill by adoption of social development measures such as establishing schools and dispensaries in the command areas etc.; Permitting mills to import Raw sugar to alleviate the cane shortage; Diversifying into multiple locations etc.



## b) Regulatory Risks –

### i. Environmental Risks

The Industry & Company is subject to environmental regulations and may be exposed to liability as a result of our handling of hazardous materials and potential costs for environmental compliance.

### ii. Government policy related Risks

The Industry is regulated and your Company operates in a regulated environment. Central and State Government policies and factors such as:-

- State Advised Price (SAP) and Statutory Minimum Price (SMP) for sugarcane;
- Control on sale of Molasses;

affect the agricultural sector and related industries and in turn our operations and profitability.

#### **Risk mitigation**

The regulatory risks listed above are Government policy driven and beyond Company's control and cannot be alleviated unless the industry is completely decontrolled. Every effort is made to conform to regulatory requirements while judicial recourse is made when warranted.

- c) **Sugar Price risk** - Sugar prices in the Domestic and International markets depend primarily on the supply and demand situation. Global prices influence and affect the domestic prices directly and sale of Molasses controlled by the respective States. Fluctuations in demand and supply arise on account of the changes in the availability and price of sugarcane, variances in the production capacities of our competitors, availability of substitutes for the sugar products and international demand and supply position.

#### **Risk mitigation**

Your Company is unable to mitigate this risk since one does not have any control on the market forces and the regulatory prices. The wholesale price of sugar has a significant impact on our profits. Like other agricultural commodities, sugar is subject to price fluctuations resulting from weather, natural disasters, domestic and foreign trade policies, shifts in supply and demand and other factors beyond our control. Additionally, 15% to 30% of the total Global sugar production is traded on commodity exchanges which are speculative in nature and can adversely affect the global sugar prices and in turn the operations of your Company.

However, your Company is trying to reduce the impact of this risk by foraying into newer markets, entering the export market, more value addition by concentrating on downstream projects, increasing the quality and volume etc.

#### **Branded Sugar**

Uttam Sugar Mills Limited produces one of the finest quality sugars in India. The Sugar that we are currently packing is of our sugar plant in Libberheri, Roorkee and Barkatpur, Bijnor. The quality/purity of sugar is measured according to the ICUMSA value. Lower the ICUMSA value, higher the quality is. We are proud of the fact that we are producing sugar of highest purity in India. Currently our product comes in single variant with 2 SKUs (1Kg and 5 Kg). The Sugar that we produce is sulphur less, untouched by hand, and free from impurities.

Our packaged sugar is already selling in J&K, Himachal Pradesh, Punjab, Haryana, Delhi, Uttarakhand, Uttar Pradesh, Gujarat, Chandigarh, Rajasthan and Madhya Pradesh through our distributors in the respective areas. We have already covered Modern Retails like Big Bazaar, Easy Day, Wal-Mart, Reliance Fresh, Mother Dairy, 6 Ten, Big Apple, Spencer's, V-Mart, More, The Big Store etc.

- d) **Cyclical Risk:** The industry is dependent on monsoons for both production and price realisation. Moreover, switching to other crops by cane growers on account of better returns affect the Industry.

#### **Risk mitigation**

Your Company is unable to mitigate this risk since one does not have any control on the cyclical nature of the industry. However, Governmental initiatives to improve the irrigation by introducing various schemes as well as improvement in the distribution system by augmentation of the Canal Irrigation and tapping of the available surpluses of water are expected to mitigate this risk significantly.

- e) **Finance Risk:** The Industry is dependent on the availability of timely working capital at competitive interest rates and Long Term Finance for capacity enhancements / economic size of mills as well as for the manufacture of by-products.

#### **Risk mitigation**

Your Company is facing severe financial constraints. However, it is approaching Banks for short term funding/finance.

## 4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Broadly, the areas of operation have been classified as Procurement, Manufacture, Marketing and Finance, in the functioning of which, various checks and control systems have been incorporated as Standard Operating Procedures. Even though they are considered adequate to reasonable safeguard its interests, a continuous review is undertaken for further improvement since the management gives lot of emphasis on continuous up gradation of business processes and adherence to the designed system and processes.

Moreover, there is an adequate and effective internal audit system in place in your Company that employs periodic checks on the various systems and on-going process. The Audit Committee of the Board of Directors of your Company comprising of reputed professionals, regularly reviews the effectiveness of internal control system and suggests changes wherever necessary, to ensure due and proper compliance with applicable laws, accounting standards and regulatory guidelines presently in vogue.

## 5. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE (OPERATIONS)

The comparative operational figures of the Company are given below:

a) Figures for operational performance other than power export for last three Seasons.

(in lacs quintals)

	SEASON 2012-13					SEASON 2011-12					SEASON 2010-11				
	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL
CAPACITY (TCD)	6250	7000	4500	6000	23750	6250	7000	4500	6000	23750	6250	7000	4500	6000	23750
CANE CRUSHING	60.07	82.00	41.49	55.09	238.65	50.18	77.58	32.42	51.14	211.32	46.72	69.52	31.87	46.72	194.83
RECOVERY (%)	9.43	9.60	9.63	9.42	-	8.90	9.10	8.87	8.67	-	9.39	9.61	9.58	8.91	-
<b>PRODUCTION</b>															
SUGAR	5.66	7.87	3.99	5.19	22.71	4.46	7.06	2.88	4.43	18.83	4.39	6.68	3.05	4.16	18.28
MOLASSES	2.82	4.08	2.08	2.64	11.62	2.43	3.93	1.61	2.66	10.63	2.17	3.48	1.55	2.48	9.68
WORKING DAYS	138	148	141	131	-	144	149	144	139	-	145	140	147	134	-

b) Figures for Power Export for last three Financial Years

(In Lacs Kwh)

	F.Y. 2012-13					F.Y. 2011-12					F.Y. 2010-11				
	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL
POWER EXPORT*	230.79	434.31	161.80	253.70	1080.60	233.01	----	149.24	260.27	642.52	154.14	----	135.28	229.84	519.26

\*Figures include transmission loss

## 6. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT

Industrial relations in your Company have remained cordial throughout the year under review. With the global recessionary trends, sugar mills have deferred capacity expansion as well as new sugar projects and have initiated cost reduction measures. All this has lead to the rise of new roadblocks which have severely challenged human resources development.

Your company has countered all this by continuously upgrading the process and the systems that help harmonize cultures of the varied manpower arising out of diverse sources and backgrounds. The Organization has steadfastly stuck to its vision to enhance knowledge, skills and competencies of the human resources pool - helping them develop individually while simultaneously improving and upgrading productivity and increasing quality ratios. To achieve this, your company is providing compensation by way of salary and wages to its employees at a rate which is at par with the prevailing standards in the Industry as well as regular training for up-gradation of skills at various levels.

With these progressive steps, your Company has been able to maintain cordial relations with its staff members.

### CAUTIONARY / FUTURISTIC STATEMENTS

Statements in this report detailing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable laws and regulations and are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate and can be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements in future on the basis of subsequent developments, information or events. Investors, are, therefore, requested to make their own independent judgments before taking any investment decisions.

(Data and figures relating to industry and future expected developments in the industry have been taken from industry and industry-related publications and web-sites)

**INDEPENDENT AUDITORS' REPORT****TO THE SHAREHOLDERS OF UTTAM SUGAR MILLS LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **UTTAM SUGAR MILLS LIMITED** which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the de-sign, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention to Note No.43 of the financial statements regarding recognition of Deferred Tax Assets in respect of unabsorbed depreciation. Our opinion is not qualified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.



## Uttam Sugar Mills Limited



- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For B.K.Kapur & Co.**  
**Chartered Accountants**  
**Firm Registration No. 000852C**

**Place : Noida**  
**Dated : May 18<sup>th</sup> 2013**

**(M.S.Kapur) F.C.A.**  
**Partner**  
**M. No.74615**

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### Annexure to the Auditors' Report

(Referred to in paragraph (1) of our Report of even date to the shareholders of UTTAM SUGAR MILLS LIMITED for the year ended 31<sup>st</sup> March, 2013.)

1. (a) The Company has maintained records showing particulars including quantitative details and situation of its principal fixed assets, accordingly the fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regards to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.  
(b) Fixed Assets disposed off during the year were not substantial and, therefore, do not effect the going concern assumption.
2. (a) The physical verification of inventory has been conducted by the management at reasonable intervals.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) On the basis of our examination, in our opinion, the Company has maintained proper records of inventory. Discrepancies noticed on such physical verification of inventory as compared to the book records were not material.
3. (a) According to information made available to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act, accordingly clause 4(iii) (b) to (d) of the Order are not applicable to the Company.  
(b) According to information made available to us, the Company has taken interest free unsecured loans from four parties covered in the register maintained under section 301 of the Act. There was Rs.137.34 Lacs outstanding of principal amount of such loan at the year end and maximum outstanding during the year amounts to Rs. 812.34 Lacs. Further, the Company has not taken any secured loan from the aforesaid referred parties.  
(c) The other terms and conditions of the unsecured loans taken by the Company are prima-facie not prejudicial to the interest of the Company.  
(d) As informed to us, the repayment of the principal amount of unsecured loans, wherever there is stipulation as regards the payments, are regular.
4. In our opinion, and according to the information and explanations given to us, that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and nature of its business, for purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. (a) Based on our examination and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.



- (b) In our opinion and according to the information and explanations give to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
6. On the basis of information and explanations given to us, the Company has not accepted any public deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Act, and rules framed there under.
7. The Company has an internal audit system which is commensurate with the size and nature of the Company's business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the order made by the Central Government for the maintenance of the cost records under section 209(1)(d) of the Act and are of the opinion that, prima-facie, the prescribed account and records have been maintained and are being made up. We however as not required have not made a detailed examination of such records with a view to determine whether these are accurate or complete.
9. (a) According to the information and explanations given to us the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it, *except few cases of delay in deposit of Tax Deducted at Source, and provident fund*. As explained to us, the provisions of Employees State Insurance are not applicable to the Company; no amount was due to be deposited under Investor Education and Protection Fund. Further, there was no arrears of undisputed statutory dues outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the disputed statutory dues of Sales Tax & Excise duty aggregating to Rs. 513.77 Lacs that have not been deposited are given below:-

Name of Statute	Nature of Dues	Amount (Rs.in Lacs)	Forum where dispute is pending
Sales Tax Laws	Sales Tax/ Entry Tax	64.30	Commissioner/ Commissioner (Appeals)
		11.65	Tribunal
		9.33	High Court
Central Excise Act, 1944	Excise Duty	54.23	Commissioner/ Commissioner(Appeals)
		368.43	CESTAT
		5.83	High Court
<b>Total</b>		<b>513.77</b>	

Further, in respect of Income Tax, Custom Duty, Wealth Tax, Service Tax and Cess, it has been informed that there are no dues, which have not been deposited on account of any dispute.

10. The accumulated losses of the company have not exceeded fifty percent of its net worth as at 31st March, 2013. The company has not incurred any cash losses during the financial year covered by our audit, however there was a cash loss of Rs. 6423.81 Lacs in the immediately preceding financial year.
11. *In our opinion and according to the information and explanations given to us, the Company has delayed in repayment of its dues to Banks. The particulars of delays which relates to interest/ installment during the year ended 31st March, 2013 are as follows :-*

Particulars	Amount (including Interest) (Rs. in lacs)	Period of Delay (Days)
Banks	2740.24	1-30
	2325.71	31-60
	3213.72	61-90
	41.29	90-more
<b>Total</b>	<b>8320.96*</b>	

\* Fully paid during the year

The company has not issued any debentures.

## Uttam Sugar Mills Limited



12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a Nidhi/ mutual benefit fund/ society, therefore provisions of clause 4(xiii) of the order are not applicable to the Company.
14. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, provisions of clause 4(xiv) of the order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any corporate guarantees for loans taken by others from Banks.
16. In our opinion and on the basis of information and explanations given to us and on overall basis, term loans availed by the Company were, applied by the Company for the purposes for which the loans were raised apart from Rs. 362.50 lacs pending utilization.
17. *On the basis of overall examinations of the balance sheet of the Company, in our opinion and according to the information and explanations given to us funds raised on the short term basis to the extent of Rs. 8,003 Lacs upto the date of the Balance Sheet have been primarily used for repayment of Loans and financing of past losses.*
18. During the year preferential allotment of 10% cumulative redeemable preference shares of Rs. 100/- each at a premium of Rs. 100/- per share have been made to parties and companies covered in the register maintained under section 301 of The Act.  
In our opinion, price at which aforesaid shares have been issued is not prejudicial to the interest of the Company.
19. The Company has not issued any debentures, therefore, no comment is required under para 4(xix) of CARO, 2003.
20. The Company has raised monies by way of right issue of equity shares during the year. We have verified the end use of money raised by way of the right issue as declared by the management in the letter of offer filed with the Securities and Exchange Board of India and as appearing in Note No. 45 forming part of the financial statement.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For B.K.Kapur & Co.**  
**Firm Registration No. 000852C**  
**Chartered Accountants,**

**Place : Noida**  
**Dated : May 18<sup>th</sup> 2013**

**(M.S.Kapur) F.C.A.**  
**Partner**  
**M. No.74615**


**BALANCE SHEET As At 31st MARCH, 2013**

(Rs.in lacs)

Particulars	Note No.	Figures as at end of current Reporting Period 31.03.2013	Figures as at end of previous Reporting Period 31.03.2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
Share Capital	1	10,856.31	9,419.40
Reserves and Surplus	2	3,354.69	1,124.11
		<u>14,211.00</u>	<u>10,543.51</u>
<b>2 Share Application Money Pending Allotment</b>	3	<u>—</u>	<u>150.00</u>
<b>3 Non Current Liabilities</b>			
Long Term Borrowings	4	21,870.14	27,264.62
Long Term Provisions	5	335.78	263.64
		<u>22,205.92</u>	<u>27,528.26</u>
<b>4 Current Liabilities</b>			
Short Term Borrowings	6	45,425.95	37,927.65
Trade Payables	7	30,146.06	14,498.97
Other Current Liabilities	8	13,645.06	11,975.36
Short Term Provisions	9	73.47	33.58
		<u>89,290.54</u>	<u>64,435.56</u>
<b>TOTAL (1+2+3+4)</b>		<u><u>125,707.46</u></u>	<u><u>102,657.33</u></u>
<b>II. ASSETS</b>			
<b>1 Non Current Assets</b>			
Fixed Assets	10		
Tangible Assets		47,295.41	39,959.75
Intangible Assets		17.88	20.19
Capital Work-In-Progress		2,824.75	12,680.37
		<u>50,138.04</u>	<u>52,660.31</u>
Deferred Tax Assets (Net)	11	1,366.35	2,057.53
Long Term Loans and Advances	12	2,349.66	2,168.37
		<u>53,854.05</u>	<u>56,886.21</u>
<b>2 Current Assets</b>			
Inventories	13	61,048.39	40,085.53
Trade Receivables	14	3,626.47	1,705.99
Cash and Bank Balances	15	5,834.52	2,351.51
Short Term Loans and Advances	16	1,304.03	1,428.09
Other Current Assets	17	40.00	200.00
		<u>71,853.41</u>	<u>45,771.12</u>
<b>TOTAL (1+2)</b>		<u><u>125,707.46</u></u>	<u><u>102,657.33</u></u>
Contingent Liabilities & Commitments	18		
Significant Accounting Policies and Notes			
Forming Integral Part of Financial Statements	(1 to 46)		

AS PER OUR REPORT OF EVEN DATE

Firm Registration No. 000852C

(RAJ KUMAR ADLAKHA)  
MANAGING DIRECTOR

(ASHOK KUMAR AGARWAL)  
EXECUTIVE DIRECTOR

For B.K.Kapur & Co.  
Chartered Accountants

(SANJAY BHANDARI)  
CHIEF FINANCIAL OFFICER

(G.RAMARATHNAM)  
CHIEF-LEGAL AND CORPORATE AFFAIRS  
& COMPANY SECRETARY

(M.S.KAPUR) F.C.A.  
PARTNER  
M. No. 74615

Place : Noida

Dated : May 18<sup>th</sup> 2013


**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013** (Rs.in lacs)

	Note No.	Figures for the current Reporting Period 31.03.2013	Figures for the previous Reporting Period 31.03.2012
I. Revenue from Operations	19	64,532.45	68,289.66
II. Other Income	20	142.31	270.44
III. Total Revenue (I+II)		<u>64,674.76</u>	<u>68,560.10</u>
IV. Expenses			
Cost of Material Consumed	21	64,574.06	56,236.40
Purchases of Stock-In-Trade		781.68	4,059.20
Changes in Inventories of Finished Goods, Work-In-Progress	22	(20,359.94)	(1,870.66)
Employee Benefits Expenses	23	3,198.22	2,853.86
Finance Costs	24	6,950.94	6,812.03
Depreciation and Amortisation Expenses		3,012.52	2,736.77
Other Expenses	25	5,317.00	4,796.81
<b>Total Expenses</b>		<u>63,474.48</u>	<u>75,624.41</u>
V. Prior Period Items (Refer Note No. 38)		(37.19)	11.55
VI. <b>Profit/(Loss) before Exceptional Items and Extraordinary items and Tax (III-IV-V)</b>		<u>1,237.47</u>	<u>(7,075.86)</u>
VII. Exceptional Items (Refer Note No.30)		–	2,067.46
VIII. <b>Profit/(Loss) before Tax (VI-VII)</b>		<u>1,237.47</u>	<u>(9,143.32)</u>
IX. Tax Expense :			
Current Tax		–	2.95
Deferred Tax Charge/(Credit)		691.18	(2,206.43)
Income Tax for Earlier Years		–	19.82
X. <b>Profit / (Loss) for the period (VIII-IX)</b>		<u>546.29</u>	<u>(6,959.66)</u>
XI. <b>Earning per Share (Note No. 41)</b>			
Nominal Value Rs. 10/-			
Basic		0.08	(28.98)
Diluted		0.08	(28.98)
Significant Accounting Policies and Notes Forming Integral Part of Financial Statements (1 to 46)			

AS PER OUR REPORT OF EVEN DATE  
Firm Registration No. 000852C

(RAJ KUMAR ADLAKHA)  
MANAGING DIRECTOR

(ASHOK KUMAR AGARWAL)  
EXECUTIVE DIRECTOR

For B.K.Kapur & Co.  
Chartered Accountants

(SANJAY BHANDARI)  
CHIEF FINANCIAL OFFICER

(G.RAMARATHNAM)  
CHIEF-LEGAL AND CORPORATE AFFAIRS  
& COMPANY SECRETARY

(M.S.KAPUR) F.C.A.  
PARTNER  
M. No. 74615

Place : Noida  
Dated : May 18<sup>th</sup> 2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

(Rs. In lacs)

Particulars	Figures for current Reporting Period 31.03.2013	Figures for previous Reporting Period 31.03.2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Tax	1,237.47	(9,143.32)
Adjustments for:		
Depreciation /Amortisation	3,012.52	2,740.33
Finance cost	6,950.94	6,812.03
Loss on sale/discard of assets (net)	4.91	188.98
Profit on sale of Assets	(32.44)	(1.71)
Miscellaneous Expenditure written off	—	1.95
Interest Income	(107.36)	(31.59)
Operating Profit before Working Capital changes	11,066.04	566.67
Adjustments for:		
Trade & Other Receivables	(1,781.79)	(1,093.17)
Inventories	(20,962.85)	(1,999.76)
Trade Payables	15,334.68	5,717.28
	(7,409.96)	2,624.35
Cash generated from operations	3,656.08	3,191.02
Direct taxes (paid)	(12.59)	(108.45)
<b>Net Cash flow from Operating Activities</b>	3,643.49	3,082.57
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(728.09)	(1,346.59)
Sale/Adjustment of Fixed Assets	82.74	276.10
Sale of Assets held for Disposal	160.00	—
Interest Received	107.36	31.59
<b>Net Cash used in Investing Activities</b>	(377.99)	(1,038.90)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance cost Paid	(7,035.39)	(7,041.91)
Redeemable Preference Share Capital issued	200.00	—
Equity Share Capital Issued	1,236.91	—
Premium on Issue of Redeemable Preference Shares	1,684.29	—
Share Application Money Received	(150.00)	—
Proceeds from Borrowings (Term Loans)	6,294.90	5,385.87
Proceeds from Borrowings (Short Term Loans)	2,312.50	—
Repayment of Borrowings (Unsecured Loans)	(675.00)	675.00
Repayments of Borrowings (Term Loans)	(9,511.48)	(4,763.07)
Proceeds from Borrowings (Working Capital)	5,860.78	3,368.66
<b>Net Cash flow used in Financing Activities</b>	217.51	(2,375.45)
<b>Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	3,483.01	(331.78)
Cash and Cash Equivalents as at Beginning	2,351.51	2,683.29
Cash and Cash Equivalents as at Closing	5,834.52	2,351.51

**Notes:**

- Cash and Cash Equivalents represent Cash and Bank Balances (Refer Note No.15)
- Previous year figures have been regrouped / rearranged wherever considered necessary.

(RAJ KUMAR ADLAKHA)  
MANAGING DIRECTOR

(ASHOK KUMAR AGARWAL)  
EXECUTIVE DIRECTOR

For B.K.Kapur & Co.  
Firm Registration No. 000852C  
Chartered Accountants

(SANJAY BHANDARI)  
CHIEF FINANCIAL OFFICER

(G.RAMARATHNAM)  
CHIEF-LEGAL AND CORPORATE AFFAIRS  
& COMPANY SECRETARY

(M.S.KAPUR) F.C.A.  
PARTNER  
M. No. 74615

Place : Noida  
Dated : May 18<sup>th</sup> 2013

## SIGNIFICANT ACCOUNTING POLICIES:

### i. Basis of Accounting:

The Company follows the Mercantile System of Accounting and recognizes Income and Expenditure on Accrual Basis. The financial statements are prepared under the historical cost convention and are in accordance with the requirements of Companies Act, 1956, applicable Accounting Standards and accepted accounting principles.

### ii. Tangible, Intangible Assets and Capital Work in Progress:

Intangible Assets are stated at cost less accumulated Depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes and incidental expenses incurred during construction period.

Capital Work-in-Progress comprises cost of fixed assets that are not ready for its intended use at the reporting date. Expenditure during construction period that are directly attributable to the cost of bringing the assets to its working conditions and all common costs allocated on rational basis are treated as 'Pre-Operative Expenses' pending allocation and are shown under 'Capital Work-in Progress' and the same are allocated on pro-rata basis to the assets capitalized on commencement of commercial operations.

Items of expenditure that meet the recognition criteria as mentioned in Accounting Standard are classified as intangible Assets.

### iii. Depreciation/Amortization:

Depreciation on tangible assets have been provided on Straight Line Method at the rates in the manner specified in Schedule XIV to the Companies Act, 1956. Low value items costing individually Rs.5,000/- or less are fully depreciated in the year of purchase. Depreciation is charged on pro-rata basis in respect of assets acquired/sold during the year.

Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.

Leasehold Building Developments are amortized at lower of period of lease or ten years.

Intangible Assets are amortised over a period of economic benefits not exceeding ten years.

### iv. Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

### v. Leases :

Assets acquired under finance lease are recognized at the lower of the fair value of leased assets at inception and the present value of minimum lease payments, lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are allocated to the period during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

In respect of fixed assets taken on finance lease, when there is reasonable certainty that the Company will obtain ownership by the end of the lease term, depreciation is provided in accordance with the policy followed by the Company for owned assets.

### vi. Inventories:

Inventories (other than By-products) are valued at lower of cost or net realizable value.

Inventories of Renewal Energy Certificates(REC's) are valued at lower of cost or net realizable value.

Cost of inventories is determined on weighted average. Cost of finished goods and Work in Progress has been worked out on absorption cost basis.

By- products and residuals are valued at net realizable value.

### vii. Taxes on Income:

- Current tax is determined on the amount of tax payable in respect of taxable income for the year.
- Deferred tax assets/liabilities are provided on significant timing differences arising from the different treatments in accounting and taxation of relevant items. Deferred tax assets/liabilities shall be reviewed as at each Balance Sheet date, based on development during the year, to reassess realization/liabilities.

- c) Deferred Tax Assets in respect of Accumulated Loss and Unabsorbed Depreciation are recognized and carried forward only if there is virtual certainty of its realization.
- d) Deferred Tax resulting from timing difference which originate during the tax holiday period but are expected to reverse after tax holiday period is recognized in the year in which the timing differences originate using the tax rates and laws enacted or substantively enacted by the balance sheet date.
- e) Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will be in a position to avail such credit under the provisions of the Income Tax Act, 1961.

## viii. Revenue Recognition :

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and revenue can be reliably measured. The Company recognizes sale of goods when the significant risks and rewards of ownership are transferred to the customer.

Sales include Excise Duty, Administrative Charges & Entry Tax etc and exclude Sales Tax/Value Added Tax.

Revenue from sale of power is recognized when the units generated are transmitted to the pooling station, in accordance with the terms and conditions of the power purchase agreement entered into by the Company with the purchasing parties.

Interest Income is accounted on accrual basis.

## ix. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets, when such asset is ready for its intended use. All other borrowing costs are charged to revenue.

## x. Foreign Currency Transactions:

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currencies at the year end translated at the year end rates which is likely to be realized from, or required to disburse at the balance sheet date. Exchange differences arising on settlement of monetary items at rates different from those at which they were initially recorded / reported in financial statements are recognized as income or expense in the year in which they arise except exchange differences on liabilities/ assets incurred for acquisition of fixed assets from outside India which are capitalized/ decapitalised. Premium in respect of forward contract is accounted for over the period of the contract.

## xi. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in notes. Contingent assets are neither recognized nor disclosed in the financial statements.

## xii. Employee Benefits:

- a) Short -term employee benefits are recognized as an expense at the undiscounted amount in the Profit & Loss Account of the period in which the related service is rendered.
- b) Long -term employee benefits are recognized as an expense in the Profit & Loss Account for the year in which the employee has rendered services. The expenses are recognized at the present value of the amount payable as per actuarial valuations, using Projected Unit Credit Method. Actuarial gains and losses in respect of such benefits are recognized in the Profit and loss Account.

## xii. Segment Reporting:

Segments are identified based on the dominant source and nature of risks and returns and the internal organization and management structure. The accounting policies adopted for segment reporting are in line with the accounting policies of the company. In addition, the following specific accounting policies have been followed for segment reporting:

- a) Inter segment revenue is accounted for based on the transaction price agreed to between segments which is primarily market led.
- b) Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expense, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been disclosed as 'Unallocable'.



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

(Rs.in lacs)

	Figures as at end of current Reporting Period 31.03.2013	Figures as at end of previous Reporting Period 31.03.2012
<b>NOTE - 1 : SHARE CAPITAL</b>		
<b>Authorised:</b>		
<b><u>Equity Share Capital</u></b>		
60000000 Equity Shares of Rs.10/- each (Previous Year 40000000 Equity Shares of Rs.10/- each)	<b>6,000.00</b>	4,000.00
<b><u>Redeemable Preference Share Capital</u></b>		
10000000 Preference Shares of Rs.100/- each (Previous Year 7500000 Preference Shares of Rs.100/- each)	<b>10,000.00</b>	7,500.00
<b>Issued, Subscribed &amp; Paid-up Capital</b>		
<b><u>Equity Share Capital</u></b>		
38138120 Equity Shares of Rs.10/- each fully paid up (Refer Note No. 45) (Previous Period 25769000 Equity Shares of Rs.10/- each fully paid up)	<b>3,813.81</b>	2,576.90
<b><u>6.5% Cumulative Redeemable Preference Share Capital - Series I</u></b>		
5000000 Preference Shares of Rs.100/- each (Previous Year 5000000 Preference Shares of Rs.100/- each)	<b>5,000.00</b>	5,000.00
<b><u>10% Cumulative Redeemable Preference Share Capital - Series II</u></b>		
2042500 Preference Shares of Rs.100/- each (Previous Year 1842500 Preference Shares of Rs.100/- each)	<b>2,042.50</b>	1,842.50
<b>TOTAL</b>	<b>10,856.31</b>	9,419.40

**a) Terms & Conditions of Equity Shares**

- 1 The Company has one class of Equity Shares having a par value of Rs.10/- each.
- 2 Each Shareholder is eligible for one vote per shares held.
- 3 The Dividend, if any, proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting, except in the case of interim dividend.
- 4 In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholding.

**b) Terms & Conditions of Preference Shares**
**(Series - I)**

- 1 Rate of Dividend on these Preference Shares is 6.5% p.a.
- 2 The Preference Shares are Cumulative with reference to the dividend.
- 3 The Preference Shares shall be redeemed after completion of 12 years but not later than 15 years from the date of allotment on the call of the Company.
- 4 The Preference Shareholders will have no voting rights except as provided in the Companies Act, 1956.

**(Series - II)**

- 1 Rate of Dividend on these Preference Shares is 10% p.a.
- 2 The Preference Shares are Cumulative with reference to the dividend.
- 3 The Preference Shares shall be redeemed after completion of 12 years but not later than 15 years from the date of allotment at a premium of Rs.100/-per share on the call of the Company.
- 4 The Preference Shareholders will have no voting rights except as provided in the Companies Act, 1956.

- c) There are Nil number of shares (Previous Year Nil) in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiary or associates of the holding company or the ultimate holding company in aggregate.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

d) Shares in the company held by each shareholders holding more than 5% shares.

Name of Equity Shareholders	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	Percentage (%)	No. of Shares held	Percentage (%)
Uttam Adlakha & Sons Holdings Pvt. Limited	10,119,224	26.53%	813,650	3.16%
Lipi Boilers Limited	3,515,000	9.22%	3,212,841	12.47%
Uttam Sucrotech Limited	4,614,267	12.10%	3,474,267	13.48%
Uttam Industrial Engineering Limited	2,750,000	7.21%	4,652,043	18.05%
New Castle Finance & Leasing Pvt. Limited	2,262,650	5.93%	2,262,650	8.78%
Name of Preference Shareholders	No. of Shares held	Percentage (%)	No. of Shares held	Percentage (%)
Uttam Sucrotech Limited	1,925,000	27.33%	1,925,000	28.13%
Uttam Industrial Engineering Limited	2,010,500	28.55%	1,197,500	17.50%
Lipi Boilers Limited	1,074,500	15.26%	789,500	11.54%
Sekhri Finance and Investments Pvt. Limited	767,500	10.90%	767,500	11.22%
Uttam Properties Pvt. Ltd.	920,000	13.06%	—	—

e) There are Nil number of shares (Previous Year Nil) reserved for issue under option and contracts/commitment for the sale of shares/disinvestment including the terms and amounts.

f) For the period of five years immediately preceeding the date at which the balance sheet is prepared.

Particulars	No. of Shares
Aggregate number and class of shares allotted as fully paid up pursuant to Contract(s) without payment being received in cash	Nil
Aggregate number and class of shares allotted as fully paid up by way of bonus shares	Nil
Aggregate number and class of shares bought back	Nil

g) There are no securities (Previous Year no) convertible into Equity/Preferential shares.

h) There are no calls unpaid (Previous Year no) including calls unpaid by Directors and Officers as on balance sheet date.

i) Reconciliation of No. of Shares Outstanding:

	As at 31.03.2013	As at 31.03.2012
<b>i) Equity Shares</b>		
At the beginning of the year	25769000	25769000
Change during the year - Shares allotted under the Rights Issue of the Company (Refer Note No.45)	12,369,120	—
At the end of the year	38138120	25769000
<b>ii) Preference Shares</b>		
<b>a) 6.5% Cumulative Redeemable Preference Shares - Series I</b>		
At the beginning of the year	5000000	5000000
Change during the year	—	—
At the end of the year	5000000	5000000
<b>b) 10% Cumulative Redeemable Preference Share - Series II</b>		
At the beginning of the year	1842500	1842500
Change during the year - Preference Shares allotted	200,000	—
At the end of the year	2042500	1842500



(Rs.in lacs)

	Figures as at end of current Reporting Period 31.03.2013	Figures as at end of previous Reporting Period 31.03.2012
<b>NOTE - 2 : RESERVES AND SURPLUS</b>		
<b>a) Securities Premium Reserve</b>		
As per Last Balance Sheet	15,611.03	15,611.03
Add: Additions during the year	1,684.29	—
	<b>17,295.32</b>	<b>15,611.03</b>
<b>b) Surplus</b>		
<b>Profit &amp; Loss Statement</b>		
As per Last Balance Sheet	(14,486.92)	(7,527.26)
Add: Profit/(Loss) during the year	546.29	(6,959.66)
	<b>(13,940.63)</b>	<b>(14,486.92)</b>
<b>TOTAL</b>	<b>3,354.69</b>	<b>1,124.11</b>

i) There is no reserve specifically represented by earmarked investments which can be termed as fund.

## NOTE - 3 : SHARE APPLICATION MONEY PENDING ALLOTMENT

Preference Share Application Money Pending Allotment	—	150.00
	<b>—</b>	<b>150.00</b>

### Terms & Conditions (in respect of Previous Year) :

- 1 Number of Shares issued : 75000 - 10% Cumulative Redeemable Preference Shares of Rs.100/- each to be issued at a premium of Rs.100/-per share.
- 2 The Preference Shares shall be redeemed after completion of 12 years but not later than 15 years from the date of allotment.
- 3 The Board of Directors were reviewing the terms and conditions because of which there has been some delay. However, the shares have been allotted on May 30th, 2012.
- 4 There is sufficient authorised share capital to cover the share capital amount on allotment of shares out of share application money.
- 5 There is no interest accrued on the amount due.



	Figures as at end of current Reporting Period 31.03.2013	Figures as at end of previous Reporting Period 31.03.2012
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## NOTE - 4 : LONG TERM BORROWINGS

### a) Secured Loans

#### Term Loans

- From Banks	19,184.17	24,889.62
- From Govt. of India, Sugar Development Fund (SDF)	2,519.19	2,191.27
	<b>21,703.36</b>	<b>27,080.89</b>

#### Funded Interest Term Loans

- From Banks	-	-
	-	-

#### Vehicle Loans

- From Banks	13.97	30.92
	<b>13.97</b>	<b>30.92</b>
	<b>21,717.33</b>	<b>27,111.81</b>

### b) Unsecured Loans

#### Loans from Related Parties (Refer Note No.39)

	152.81	152.81
	<b>152.81</b>	<b>152.81</b>

#### TOTAL

	<b>21,870.14</b>	<b>27,264.62</b>
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### i) Terms & Conditions of Secured Loans

#### a) Security Clauses:

- (1) Term Loans from Banks (except Co-operative bank loan) are secured on first pari passu charge by way of joint equitable mortgage on Company's immovable properties and first charge by way of hypothecation of all movable properties of the Company on pari passu basis, subject to prior charge created / to be created in favour of Company's Bankers (except Co-operative bank loan) for securing borrowings for working capital requirements of the Company.
- (2) Term Loans from Banks (except Co-operative bank loan) are guaranteed by Managing Director and two other promoters of the Company and corporate guarantees of three Promoter Companies.
- (3) Term Loan from Govt. of India, Sugar Development Fund through Industrial Finance Corporation of India Ltd. is secured by an exclusive second charge on movable assets (except book debts) and Company's immovable properties.
- (4) Term Loan from Uttarakhand State Co-operative Bank Limited are secured on Residual charge basis on all movable assets forming part of fixed / block assets both present & future, situated at Village Libberhedi, Distt Haridwar, Uttarakhand and also guaranteed by Managing Director.
- (5) Vehicle loans from banks are secured by way of hypothecation of vehicle financed by them.

#### b) Maturity Profile and Rate of Interest & No. of Instalments of Term Loans

Rate of Interest	2014-15		2015-16		2016-17		2017-18	
	No. of Inst.	Rs. in lacs	No. of Inst.	Rs. in lacs	No. of Inst.	Rs. in lacs	No. of Inst.	Rs. in lacs
4%	2	535.43	2	300.00	2	300.00		-
7%	2	222.26	2	222.26	2	222.26	1	111.13
7.5%	1	151.47	1	151.47	1	151.47	1	151.47
11.25%	7	2.18		-		-		-
	8	7.63		-		-		-
	9	1.76		-		-		-
11.50%	4	6161.82	3	4034.50	4	1547.34	3	1139.44
	11	2.39	4	1074.45				-
12.50%	4	320.00	4	320.00	4	320.00	1	80.00
13.50%	4	150.00	4	150.00	3	90.00		-
13.75%	4	1460.25	4	1460.25	3	876.15		-
<b>Total</b>		<b>9,015.19</b>		<b>7,712.92</b>		<b>3,507.21</b>		<b>1,482.04</b>



## ii) Terms & Conditions of Unsecured Loans

- Loans from Related Parties represents Interest Free Unsecured Loans.
- Unsecured Loans from Related Parties shall be repayable after a period of 3 years with the consent of Term Lenders (Banks) covered under Corporate Debt Restructuring (CDR).

## iii) Continuing Default as on 31st March 2013: (Refer Note No. 8)

- Interest on Term Loans from Banks Rs.270.60 lacs included in Current Maturities of Term Loans from Bank was due as on Balance Sheet date and out of which Rs.89.30 lacs on 1st May 2013.
- Unsecured Soft Loan from Uttarakhand State Government Rs.656.68 lacs included in Current Maturities of Unsecured Loan was repayable in three years in quarterly instalments w.e.f. January 2008 and the same is still to be repaid.

(Rs.in lacs)

	Figures as at end of current Reporting Period 31.03.2013	Figures as at end of previous Reporting Period 31.03.2012
<b>NOTE - 5 : LONG TERM PROVISIONS</b>		
Provision for Employees Benefits	335.78	263.64
<b>TOTAL</b>	<b>335.78</b>	<b>263.64</b>

## NOTE - 6 : SHORT TERM BORROWINGS

### a) Secured Loans

#### Loan Repayable on Demand

Cash Credit from Banks	43,113.45	37,252.65
Short Term Loans from Banks	2,312.50	—

### b) Unsecured Loans

#### Loans from Related Parties (Refer Note No.39)

	—	675.00
<b>TOTAL</b>	<b>45,425.95</b>	<b>37,927.65</b>

## i) Terms & Conditions of Secured Loans - Security Clause

- Cash Credit from Banks (except Co-operative bank loan) are secured/to be secured by first pari passu charges by hypothecation of stocks of raw materials, sugar, molasses, other stores and spares and book debts/receivables of the Company both present and future and third pari passu charge on immovable assets of the Company. Cash Credit from Banks (except Co-operative bank loan) are also guaranteed by Managing Director and two other promoters of the Company and corporate guarantees of three Promoter Companies.
- Cash Credit facility from Uttarakhand State Co-operative Bank Limited are secured on pledge of Stocks of sugar at village libberheri, Distt Haridwar, Uttarakhand.
- Short Term Loan from Banks is secured against fixed deposit receipts of the Company (Refer Note No.15)

## ii) Terms & Conditions of Unsecured Loans

Loans from Related Parties represents Interest Free Unsecured Loans from Related Parties

## iii) There is no default as on Balance Sheet date in repayment of Loans and Interest thereon.

	Figures as at end of current Reporting Period 31.03.2013	Figures as at end of previous Reporting Period 31.03.2012
<b>NOTE - 7 : TRADE PAYABLES</b>		
Micro, Small and Medium Enterprises (Refer Note No.26)	51.46	20.61
Others	30,094.60	14,478.36
<b>TOTAL</b>	<b>30,146.06</b>	<b>14,498.97</b>

**NOTE - 8 : OTHER CURRENT LIABILITIES**
**a) Current Maturities of Long Term Debt (Refer Note No.4)**
**Secured Loans**
**Term Loans**

- From Banks	7,049.27	4,793.77
- From Govt. of India, Sugar Development Fund (SDF)	1,166.97	1,055.84

**Funded Interest Term Loans**

- From Banks	—	192.49
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**Vehicle Loans**

- From Banks	17.83	14.08
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**Unsecured Loans**

- Soft Loan from Uttarakhand State Government	656.68	656.68
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**b) Interest Accrued But Not due on Borrowings**
**(c) Interest Accrued and due on Borrowings**
**(d) Creditors for Capital Expenditure**
**(e) Application Money received for allotment of securities and due for refund**
**(f) Security Deposits**
**(g) Due to Directors**
**(i) Due to Scheduled Bank (Book Overdraft)**
**(j) Other Payables**

Statutory Liabilities	2,087.30	1,719.91
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Advance From Customers	696.69	1,404.18
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Other Liabilities \$	567.24	532.30
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<b>TOTAL</b>	<b>13,645.06</b>	<b>11,975.36</b>
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\$ Other Liabilities includes commission on sales, due to employees and employees benefits & Expenses Payable.

**NOTE - 9 : SHORT TERM PROVISIONS**

a) Provision for Employee Benefits	71.93	30.65
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b) Provision for Wealth Tax	1.54	2.93
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<b>TOTAL</b>	<b>73.47</b>	<b>33.58</b>
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**NOTE No. 10 : FIXED ASSETS**

[illegible]

	As at 01.04.2012	During the Year	As at 31.03.2013
<b>NOTE - 11 : DEFERRED TAX ASSETS (NET)</b>			
<b>DEFERRED TAX LIABILITY</b>			
Difference between Book & Tax Depreciation	5,798.43	1,644.15	7,442.58
	5,798.43	1,644.15	7,442.58
<b>DEFERRED TAX ASSETS</b>			
Expenses Allowed U/s 43-B on paid basis	590.85	82.09	672.94
Unabsorbed Depreciation (Refer Note No.43)	7,265.11	870.89	8,136.00
	7,855.96	952.97	8,808.93
<b>NET DEFERRED TAX ASSETS</b>	2,057.53	(691.18)	1,366.35

(Rs.in lacs)

	Figures as at end of current Reporting Period 31.03.2013	Figures as at end of previous Reporting Period 31.03.2012
<b>NOTE - 12 : LONG TERM LOANS AND ADVANCES</b>		
(Unsecured - Considered good)		
a) Capital Advances		
Advances to Related Parties (Refer Note. No. 39)	1,320.82	1,097.76
Other Capital Advances	662.80	701.11
b) Security Deposits (incl. Interest Accrued thereon)	71.35	85.50
c) Other Loans and Advances		
Advance Income Tax	13.81	2.62
Prepaid Expenses	—	0.50
Balance with Income Tax Department (Under Protest)	47.16	47.16
MAT Credit Entitlements	233.72	233.72
<b>TOTAL</b>	<b>2,349.66</b>	<b>2,168.37</b>

**NOTE - 13 : INVENTORIES**

(As taken, valued and certified by the Management)

a) Raw Material	220.00	49.64
b) Work-in-Progress	1,180.21	558.80
c) Finished Goods		
Sugar	54,478.68	36,855.30
Industrial Alcohol	584.01	—
Banked Power	77.55	40.82
Renewal Energy Certificates (RECs)	38.84	—
d) By-Products	3,402.19	1,635.85
e) Stores, Spare Parts and Packing Materials	1,066.91	945.12
<b>TOTAL</b>	<b>61,048.39</b>	<b>40,085.53</b>

**Mode of Valuation of Inventories:**

Inventories of Raw Material, Work-in-Progress, Finished Goods, Stock-in-Trade, Stores, Spares Parts, Packing Materials and Renewal Energy Certificate (REC) are valued at lower of Cost or Net Realisable Value. By-Products and residuals are valued at Net Realisable Value. Cost of Inventories is determined on weighted average.

Cost of Finished Goods and Work - in - Progress has been worked out on absorption cost basis.

**NOTE - 14 : TRADE RECEIVABLES**

(Unsecured - Considered good)

a) Trade Receivables outstanding for a period exceeding six months	216.01	58.86
b) Others	3,410.46	1,647.13
<b>TOTAL</b>	<b>3,626.47</b>	<b>1,705.99</b>





	Figures as at end of current Reporting Period 31.03.2013	Figures as at end of previous Reporting Period 31.03.2012
<b>NOTE - 15 : CASH AND BANK BALANCES</b>		
<b>i) Cash &amp; Cash Equivalents</b>		
a) Balance with Banks		
In Current Accounts	2,337.52	1,876.15
In Fixed Deposit Account	297.93	—
b) Cash in Hand	30.37	54.14
<b>ii) Other Bank Balances</b>		
a) In Fixed Deposit Account		
(in Margin Money and interest accrued thereon) (Refer Note No.6)	2,867.89	128.24
b) Term Deposit having remaining maturity of more than 1 Year	300.35	292.38
(in Margin Money and interest accrued thereon)		
c) In Escrow Accounts	0.46	0.60
<b>TOTAL</b>	<b>5,834.52</b>	<b>2,351.51</b>
<b>NOTE - 16 : SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured - Considered good)		
a) Advances to Related Parties for Supply of		
Goods & Services (Refer Note No. 39)	37.04	217.77
b) Other Loans & Advances		
Advances for Supply of Goods & Services	214.33	153.76
Due from Employees	11.09	22.31
Prepaid Expenses	80.68	52.84
Balance with Excise Department	281.20	292.31
Cenvat Receivable	379.38	310.03
Security Deposits	89.89	78.13
Others Loans & Advances *	210.42	300.94
<b>TOTAL</b>	<b>1,304.03</b>	<b>1,428.09</b>
* includes Rs.130.20 lacs Interest recoverable (Previous Year Rs.145.40 lacs) (Refer Note No.35)		
<b>NOTE - 17 : OTHER CURRENT ASSETS</b>		
(Unsecured - Considered good)		
Assets held for Disposal (Refer Note. No.44)	40.00	200.00
<b>TOTAL</b>	<b>40.00</b>	<b>200.00</b>
<b>NOTE - 18 : CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>Contingent Liabilities</b>		
i) Excise Duty / Sales Tax demands and		
show cause notices against which Company / Department		
has preferred appeals / filed replies.	1,788.79	2,299.60
ii) Preference Dividend payable on cumulative		
Redeemable Preference Shares	1,438.60	916.39
iii) In respect of pending court cases by/against ex-employees		
amount not ascertainable at this stage		
<b>Capital Commitments</b>		
i) Estimated amount of contracts remaining to be		
executed on capital account and not provided for (Net of Advances)	2,568.47	5,034.61
ii) Letter of Credit in favour of Suppliers and Bank Guarantees issued	1,374.50	816.99
<b>TOTAL</b>	<b>7,170.36</b>	<b>9,067.59</b>



	Figures for the current Reporting Period 31.03.2013	Figures for the previous Reporting Period 31.03.2012
<b>NOTE - 19 : REVENUE FROM OPERATIONS</b>		
a) Sale of Products	66,224.94	70,228.19
b) Other Operating Revenues	176.88	171.04
c) Less: Excise Duty	1,869.37	2,109.57
Net Sales	64,532.45	68,289.66
<b>Particulars of Sale of Products</b>		
Sugar	58,921.62	63,139.25
Molasses	2,261.50	3,883.85
Power	4,585.31	2,695.65
Others	456.51	509.44
<b>TOTAL</b>	<b>66,224.94</b>	<b>70,228.19</b>
<b>NOTE - 20 : OTHER INCOME</b>		
a) Interest Income	107.36	31.59
b) Other Non Operating Income		
Profit on Sale of Assets	32.44	1.71
Miscellaneous Income	2.51	237.14
<b>TOTAL</b>	<b>142.31</b>	<b>270.44</b>
<b>NOTE - 21 : COST OF RAW MATERIAL CONSUMED (Indegenous)</b>		
Opening Stocks	49.64	117.35
Purchases	64,628.41	56,168.69
	64,678.05	56,286.04
Less : Closing Stocks	220.00	49.64
	64,458.05	56,236.40
Add Trial Run Period Cost (Refer Note No. 36)	116.01	—
<b>TOTAL</b>	<b>64,574.06</b>	<b>56,236.40</b>
<b>NOTE - 22 : CHANGES IN INVENTORIES OF FINISHED GOODS &amp; WORK-IN-PROGRESS &amp; STOCK-IN-TRADE</b>		
<b>Opening Stocks</b>		
Finished Goods	36,896.12	34,523.54
Work-in-Progress	558.80	917.49
By-products	1,635.85	1,585.26
	39,090.77	37,026.29
<b>Closing Stocks</b>		
Finished Goods	55,179.08	36,896.12
Work-in-Progress	1,180.21	558.80
By-products	3,402.19	1,635.85
	59,761.48	39,090.77
Excise & Other Duties on (Increase) / Decrease of Stocks	310.77	193.82
(Increase) in Stocks	(20,359.94)	(1,870.66)
<b>NOTE - 23 : EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	2,959.52	2,622.46
Contribution to Provident and other funds	98.83	96.64
Staff Welfare	139.87	134.76
<b>TOTAL</b>	<b>3,198.22</b>	<b>2,853.86</b>

# Uttam Sugar Mills Limited



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs.in lacs)

	Figures for the current Reporting Period 31.03.2013	Figures for the previous Reporting Period 31.03.2012
<b>NOTE - 24 : FINANCE COSTS</b>		
Interest Expenses	6,772.21	6,667.00
Other Borrowing Costs	178.73	145.03
<b>TOTAL</b>	<b>6,950.94</b>	<b>6,812.03</b>
<b>NOTE - 25 : OTHER EXPENSES</b>		
<b>a) Manufacturing Expenses</b>		
Packing Materials Consumed	828.74	795.44
Consumption of Stores, Spares	582.23	491.70
Power and Fuel	176.67	213.54
Other Manufacturing Expenses	222.91	182.35
Repairs to:		
Plant and Machinery	1,421.80	1,558.69
Buildings	12.30	76.70
Others	111.88	42.20
	<b>3,356.53</b>	<b>3,360.62</b>
<b>b) Administrative and Other Expenses</b>		
Rent	33.87	39.69
Rates and Taxes	45.72	84.12
Printing and Stationery	37.10	23.45
Postage, Courier and Telephones	46.88	48.97
Travelling and Conveyance	198.28	232.74
Fees and Subscription	56.61	28.56
Legal and Professional Charges	248.89	170.65
Auditors' Remuneration (Refer Note No.40)	16.01	13.99
Vehicle Running and Maintenance	104.01	90.02
Insurance	69.45	57.88
Cane Development Expenses	782.98	72.56
Loss on Sale/Discard of Fixed Assets	4.91	188.98
Miscellaneous Expenditure written off	—	1.95
Office & Other Administration Expenses	42.78	34.60
	<b>1,687.49</b>	<b>1,088.16</b>
<b>c) Selling &amp; Distribution Expenses</b>		
Business Promotion	10.38	8.28
Sugar Handling Expenses	26.47	44.01
Commission on Sales	163.41	247.15
Freight Outward	2.44	1.54
Other Selling Expenses	70.28	47.05
	<b>272.98</b>	<b>348.03</b>
<b>TOTAL</b>	<b>5,317.00</b>	<b>4,796.81</b>

26. Based upon the information received from vendors regarding their status under the "Micro, Small and Medium Enterprises Development Act, 2006", the relevant information is provided below:

(Rs.in lacs)

	Current Year	Previous Year
(a) Amount due to Micro, Small and Medium Enterprises as on		
i) Principal amount	51.46	20.61
ii) Interest due on above	NIL	Nil
(b) i) Principal amount paid after due date or appointed day during the year	NIL	NIL
ii) Interest paid during the year on (i) above	NIL	NIL
(c) Interest due & payable (but not paid) on principal amounts paid during the year after the due date or appointed day	NIL	NIL
(d) Total interest accrued and remaining unpaid as on	NIL	NIL
(e) Further interest in respect of defaults of earlier years due and payable in current year upto the date when actually paid	NIL	NIL

27. During the year, Cogeneration Unit and Distillery Unit at Barkatpur (Distt. Bijnor) have commenced their commercial production in April 2012 and January 2013 respectively. The related trial run costs and pre-operative costs incurred by the units upto the date of commercial production have been allocated to costs of fixed assets in accordance with the Accounting Standard (AS) - 10 on 'Accounting for Fixed Assets' (Refer Note No. 36).
28. In accordance with the Accounting Standard (AS) - 16 on "Borrowing Costs" the interest on these projects for abnormally delayed period amounting to Rs. 225.93 lacs (Previous Year 799.62 Lacs) has been charged to Profit and loss account.
29. All the Current Assets, Loans and Advances, in the opinion of the Board, have a value on realization which in the ordinary course of business shall at least be equal to the amount, at which it is stated in the Balance Sheet.
30. 'Exceptional Items' appearing under previous reporting period represents Differential Cane Price Liability for the Sugar Season 2007-08, Pursuant to the Hon'ble Supreme Court's Order dated 17th January 2012.
31. The Company has made an investment of the requisite amount for setting up New Projects in the state of Uttar Pradesh in accordance with the UP Sugar Industry Promotion Policy, 2004 and has accordingly filed application for eligibility under the above policy, which is still pending. However, the State Government has later on terminated the Policy with effect from June 4, 2007. However, the Company is hopeful to get the benefits under the said policy.
32. Disclosure in respect of Operating Lease:  
The company has entered into non-cancelable Operating Lease for premises and lease rent amounting to Rs. 33.87 Lacs (Previous Year Rs. 39.69 lacs) have been charged to Profit & Loss account. The future minimum lease payments are as under:-

(Rs.in lacs)

	Current Year	Previous Year
(a) Not later than one Year	21.57	32.31
(b) Later than one year & not later than Five Years	24.00	35.49
(c) Later than Five years	6.00	12.00

33. In accordance with Accounting Standard (AS)-28 'Impairment of Assets' issued by the Institute of Chartered Accountants of India, the Company has carried out an exercise to ascertain the impairment, if any, in the carrying value of its fixed assets. However, no such case was found.

34. As per the Accounting Standard (AS)-17 on 'Segment Reporting' issued by The Institute of Chartered Accountants of India, the company has identified three business segment i.e. Sugar, Cogeneration and Distillery. The relevant disclosure is as under:

(Rs. In lacs)

S. No.	Particulars	Current Year	Previous Year
1	<b>Segment Revenue</b>		
	a) Sugar	64,521	67,467
	b) Cogeneration	6,911	2,739
	c) Distillery	408	—
	Total	71,840	70,206
	Less: Inter Segment Revenue	7,308	1,916
	Net Segment Revenue	64,532	68,290
2	<b>Segment Results - Profit/(Loss) before Tax and Finance Cost</b>		
	a) Sugar	6,826	(301)
	b) Cogeneration	2,191	520
	c) Distillery	10	—
	d) Unallocable	—	—
	Total	9,027	219
	Add/Less: i) Finance Cost	6,951	6,812
	ii) Other Un-allocable Expenses net of Un-allocable Income	839	483
	iii) Exceptional Items	—	2,067
	Profit/(Loss) before Tax	1,237	(9,143)
3	<b>Segment Assets</b>		
	a) Sugar	100,102	80,240
	b) Cogeneration	13,850	5,854
	c) Distillery	8,892	—
	d) Others	1,069	13,947
	e) Unallocable	427	559
	Total Assets	124,341	100,600
4	<b>Segment Liabilities</b>		
	a) Sugar	34,469	19,286
	b) Cogeneration	88	20
	c) Distillery	319	—
	d) Others	76	458
	e) Unallocable	355	296
	Total Liabilities	35,309	20,060
5	<b>Capital Expenditure</b>		
	a) Sugar	213	301
	b) Cogeneration	43	762
	c) Distillery	422	—
	d) Others	—	783
	e) Unallocable	27	8
	Total Capital Expenditure:	705	1,854
6	<b>Depreciation and Amortisation</b>		
	a) Sugar	2,422	2,505
	b) Cogeneration	505	219
	c) Distillery	66	—
	d) Others	—	—
	e) Unallocable	20	16
	Total Depreciation and Amortisation:	3,013	2,740

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

35. 'Other Loans and Advances' in Note No. '16' includes interest of Rs. 130.20 Lacs (Previous Year Rs. 145.40 lacs) recoverable from Banks in respect of scheme - "Extending Financial Assistance to Sugar Undertakings 2007" for clearance of cane dues wherein the Company had availed term loan of Rs. 3365.00 Lacs which has been fully repaid in earlier years.
36. Statement of Expenses during construction pending allocation as on 31st March 2013 is as under:-

(Rs. In lacs)

Particulars	As on 01.04.2012	For the Year	Capitalised	As on 31.03.2013
Salary & Wages	322.92	14.09	308.83	28.18
Staff & Workers Welfare	13.55	0.06	12.01	1.60
Rent	14.88	—	14.88	—
Printing and Stationery	1.48	0.07	0.90	0.65
Postage, Telegram and Telephones	1.74	0.12	1.09	0.77
Consumption of Stores & Spares	—	14.66	14.66	—
Travelling and Conveyance	70.57	0.61	60.76	10.42
Fees and Subscription	16.30	—	16.30	—
Legal and Professional Charges	87.73	—	82.74	4.99
Auditors' Remuneration	0.80	—	0.74	0.06
Insurance	0.20	—	0.20	—
Business Promotions	0.54	—	0.54	—
Fringe Benefit Tax	0.72	—	0.25	0.47
Interest & Financial Charges	2,573.79	—	2,566.05	7.74
Trial Run Expenses/Loss*	—	148.21	148.21	—
Office & Other Administration Expenses	22.26	—	3.75	18.51
<b>Total</b>	<b>3,127.48</b>	<b>177.82</b>	<b>3,231.91</b>	<b>73.39</b>
<b>Less:- Interest Received</b>	<b>35.74</b>	<b>4.22</b>	<b>21.19</b>	<b>18.77</b>
<b>Total</b>	<b>3,091.74</b>	<b>173.60</b>	<b>3,210.72</b>	<b>54.62</b>

### \*Trail Run Expenses / Loss

Raw material Consumed	126.00
Employee Benefit Expenses	36.10
Store, Spares and Packing material Consumed	6.12
Power & Fuel	51.52
Repair & Maintenance - Others	17.92
Miscellaneous Expenses	32.81
Depreciation	159.83
<b>Total Expenses</b>	<b>430.30</b>
<b>Less : Income During Trail Run</b>	
Sales	166.08
Stock out of Trial Run (Refer Note 21)	116.01
<b>Net Trail Run Expenses</b>	<b>148.21</b>

37. Pursuant to Accounting Standard (AS)-15 (Revised 2005) "Employee Benefits", the disclosure of employees benefits are given below:-

I) **Defined Contribution Plan and amount recognized in Profit and Loss Account.** (Rs. In lacs)

Particulars	Current Year	Previous Year
— Employer's Contribution to provident fund	99.45	96.64

II) **Defined Benefit plan**

— Employee benefits in respect of Gratuity and Leave Encashment are based on Actuarial Valuation as on 31<sup>st</sup> March 2013. The details are given below: (Rs. In lacs)

Particulars	Gratuity- Unfunded	Leave Encashment -Unfunded
<b>A) Change in the Present Value of obligation</b>		
a) Present Value of obligation as at 1 <sup>st</sup> April 2012	217.73 (183.94)	76.54 (62.04)
b) Interest Cost	19.28 (15.59)	6.20 (5.29)
c) Past Service Cost	— (1.14)	— (—)
d) Current Service Cost	41.68 (34.91)	21.85 (17.04)
e) Benefits Paid	— (-19.03)	— (-7.54)
f) Actuarial Loss/(Gain)	7.31 (1.18)	17.11 (-0.29)
g) Present Value of Obligation as at 31 <sup>st</sup> March 2013	286.00 (217.73)	121.70 (76.54)
<b>B) Change in Fair Value of Plan Assets</b>	— (—)	— (—)
<b>C) Amount recognized in Balance Sheet (A-B)</b>	286.00 (217.73)	121.70 (76.54)
<b>D) Expenses recognized in the Profit &amp; Loss Account</b>		
a) Current Service Cost	41.66 (34.92)	21.84 (17.04)
b) Past Service Cost	— (1.13)	— (—)
c) Interest Cost	19.28 (15.60)	6.20 (5.29)
d) Actuarial Loss/(Gain)	7.30 (1.17)	17.11 (-0.30)
e) Net Cost	68.24 (52.82)	45.15 (22.03)
<b>E) Details of Plan Assets</b>	— (—)	— (—)
<b>F) Actuarial Assumptions</b>		
a) Discount Rate		8.00%
b) Rate of escalation in Salary (Per Annum)		5.50%
c) Mortality Table		IALM(1994-96)
d) Retirement Age (Years)		58

38. Details of Prior Period Items (net) is as under :

(Rs. in lacs)

Particulars	Current Year	Previous Year
<b>Expenditure</b>		
Legal & Professional Charges	0.05	1.32
Repair - Plant & Machinery	0.25	1.51
Fees & Subscription	1.04	
Consumption of Stores, Spares & Packing Material	-	0.03
Vehicle Running & Maintance	-	0.16
Travelling & Conveyance	-	1.98
Staff Welfare Expenses	-	2.46
Depreciation for Earlier Years	-	3.56
Office & Other Administration Expenses	-	0.53
<b>Total</b>	<b>1.34</b>	<b>11.55</b>
<b>Income</b>		
Miscellaneous Incomes	37.70	-
Interest on Term Loans	0.83	-
<b>Total</b>	<b>38.53</b>	<b>-</b>
<b>Net Income / (Expenditure)</b>	<b>37.19</b>	<b>(11.55)</b>

39. Related Party Disclosures:-

In accordance with the requirements of Accounting Standard (AS)-18 on 'Related Party Disclosure' issued by The Institute of Chartered Accountants of India , the names of the related parties where control exist and/or with whom transaction have taken place during the Year and description of relationships as identified and certified by the management are:

A. Parties where control exists

NIL

B. Other related parties where transaction have taken place during the Year

i) Key Management Personnel (KMP) :

- Sh.Raj Kumar Adlakha – Managing Director (MD)
- Sh.Pasha Biswas – Whole Time Director (Upto 30<sup>th</sup> May, 2012)
- Sh. Ashok Kumar Agarwal – Executive Director

Relative of Key Management Personnel and their Relationship:

- Smt. Amita Adlakha (Wife of MD)

ii) Enterprises where Significant Influence exists :

- Uttam Industrial Engineering Limited
- Lipi Boilers Ltd.
- The Standard Type Foundry Pvt.Ltd.
- Uttam Sucrotech Limited
- Shubham Sugars Limited
- Uttam Adlakha & Sons Holdings Pvt. Ltd.
- Sekhri Finance & Investment Pvt. Ltd.
- Rajan & Sons HUF
- Uttam Distilleries Ltd.
- Uttam Properties (P) Ltd.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### C. Details of Transactions with the above related parties in the ordinary course of business:-

Name of related Parties	Nature of Transactions	Amount of Transactions (Rs. In Lacs)		Outstanding Balances (Rs. In Lacs)		
		Year ended 31.03.13	Year ended 31.03.12		As at 31.03.13	As at 31.03.12
Key Management Personnel (KMP)						
Raj Kumar Adlakha	Remuneration & Perquisites	46.03	40.26	Remuneration Payable	0.49	2.05
	Lease Rent	6.00	6.00	Lease Rent	0.70	2.35
Pasha Biswas	Remuneration & Perquisites	–	7.93	Remuneration Payable	–	–
Ashok Kumar Agarwal	Remuneration & Perquisites	33.00	8.25	Remuneration Payable	2.40	2.59
Relative of KMP						
Amita Adlakha	Office Rent	3.60	3.60	Office Rent	(0.08)	2.22
	Allotment of Redeemable Preference Shares (Series - II) of Rs.100/- each at a Share Premium of Rs.100/- each	10.00				
Enterprises Significantly Influenced by Directors and/or their relatives						
Uttam Sucrotech Ltd.	Purchase of Fixed Assets	5.12	115.30			
	Receiving of Services (Machinery)	7.09	43.11	Creditors	123.87	111.69
	Unsecured Loan Received/(Repayment)	(250.00)	250.00	Unsecured Loan	–	250.00
	Interest Converted to Unsecured Loan	–	17.94	Unsecured Loan	17.94	17.94
	Sugar Sales made	1.47	1.02			
	Guarantee received/(Satisfied) (Net)	(2658.67)	4547.78	Guarantee	64719.11	67377.78
Uttam Industrial Engg. Ltd.	Purchase of Fixed Assets	56.47	476.35	Capital Advances	170.89	231.89
	Receiving of Services (Machinery)	108.56	218.31	Advances for Purchase of Goods/Services	35.41	62.09
	Advance given for purchase of capital assets/services	–	–	Creditors	31.04	27.80
	Sugar Sales made	2.10	2.21			
	Sales of Scrap	–	7.33			
	Interest Converted to Unsecured Loan	–	47.31	Unsecured Loan	47.31	47.31
	Guarantee received/(Satisfied) (Net)	(2658.67)	4547.78	Guarantee	64719.11	67377.78
The Standard Type Foundry P. Ltd.	Purchase of Fixed Assets	73.51	–	Capital Advances	–	8.21
	Receiving of Services (Machinery & Vehicles)	68.56	85.94	Advances for Purchase of Goods/Services	0.50	3.91
	Sugar Sales made	4.63	3.02	Creditors	81.38	2.21
Lipi Boilers Ltd.	Purchase of Fixed Assets	22.73	0.56	Capital Advances	1149.93	857.66
	Receiving of Services (Machinery)	160.54	2.78	Advances for Purchase of Goods/Services	1.12	151.77
	Advance given for purchase of capital assets/services	–	160.82	Creditors	9.83	–
	Interest converted to Unsecured Loan	–	44.24	Unsecured Loans	44.24	44.24
	Unsecured Loan Received/(Repayment)	(200.00)	200.00	Unsecured Loan	–	200.00
	Allotment of Redeemable Preference Shares (Series - II) of Rs.100/- each at a Share Premium of Rs.100/- each	150.00	–		–	–
	Guarantee received/(Satisfied) (Net)	(2658.67)	4547.78	Guarantee	64719.11	67377.78
Shubham Sugars Ltd.	Purchase of Sugar Cane	21.70	18.90	Creditors / (Advance Recoverable)	21.70	16.93
Uttam Adlakha & Sons Holdings Pvt. Ltd.	Interest Converted to Unsecured Loan	–	27.85	Unsecured Loan	27.85	27.85
Sekhri Finance & Investment Pvt. Ltd.	Interest converted to Unsecured Loan	–	15.47	Unsecured Loan	15.47	15.47
Uttam Properties (P) Ltd.	Allotment of Redeemable Preference Shares (Series - II) of Rs.100/- each at a Share Premium of Rs.100/- each	240.00	–		–	–
Rajan & Sons HUF	Unsecured Loan Recd./(Repayment)	(225.00)	225.00	Unsecured Loan	–	225.00
Uttam Distilleries Ltd.		–	–	Creditors for Capital Expenditure	61.74	61.74

## 40. Auditors' Remuneration:

(Rs.in lacs)

	Current Year	Previous Year
(a) As Statutory Auditors	10.05	7.98
(b) For Tax Audit	1.25	1.00
(c) For Taxation Matters	1.25	1.00
(d) For other Matters	3.46	4.50
<b>Total</b>	<b>16.01</b>	<b>14.48</b>

## 41. Earning per share (EPS)

(Rs.in lacs)

	Year ended 31.03.2013	Year ended 31.03.2012
a) Profit/(Loss) attributable to the Equity Shareholders (Rs.in lacs)	546.29	(6959.66)
Less: Preference Dividend as per Note No.18	522.21	509.25
Profit/(Loss) attributable to the Equity Shareholders	24.08	(7468.91)
b) Weighted average number of equity shares outstanding		
i) <u>Basic:</u> Weighted average number of equity shares at the end	31021640	25769000
ii) <u>Diluted</u> Weighted average number of shares as in b(i)	31021640	25769000
c) Paid up value of share	Rs.10/-	Rs.10/-
d) Basic Earnings per share (Rs.) (a/bi)	0.08	(28.98)
e) Diluted Earnings per share (Rs.) (a/bii)	0.08	(28.98)

## 42. Expenditure in Foreign Currency:

(Rs.in lacs)

Foreign Travelling	23.78 (33.89)
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43. As per the policy adopted by the Company in immediately preceding financial year, the company has recognized deferred tax assets only on account of unabsorbed depreciation aggregating to Rs. 870.89 lacs to the extent of future reversal of Deferred Tax Liability and virtual certainty in accordance with Accounting Standard (AS) - 22 on 'Accounting for Taxes on Income'
44. The company has identified certain fixed assets which are being retired from active use and are being held for sale as on balance sheet date. Accordingly these assets have been written down to net realizable value, based on best estimates available with the company and have been disclosed as Other Current Assets under the head 'Fixed assets held for disposal'.
45. The Company concluded a Rights Issue in October, 2012 and raised an aggregate of Rs.2721.21 Lacs with the twin objects of repaying Interest-Free temporary Unsecured Loan of Rs. 675 Lacs and the balance amount of Rs. 1989.56 Lacs towards Financing Long Term Working Capital requirement. Upon allotment of 1,23,69,120 Equity Shares of face value of Rs.10/- at a price of Rs.22/- per share (including Share Premium of Rs.12/- per share) on October 27, 2012, the Paid-up Equity Share Capital and Share Premium have been increased by Rs.1236.91 Lacs and Rs.1484.30 Lacs respectively. These newly allotted Equity Shares rank pari passu in all respect with the existing Equity Shares of the Company. The proceeds of the Rights Issue have been fully utilized as per the objects of Issue mentioned in the Letter of Offer.
46. The previous year figures have been re-arranged, regrouped and reclassified wherever necessary and the figures are rounded off to nearest rupee Lacs.

For and on behalf of the board

As per our report of even date

(RAJ KUMAR ADLAKHA)  
MANAGING DIRECTOR

(ASHOK KUMAR AGARWAL)  
EXECUTIVE DIRECTOR

For B.K.Kapur & Co.  
Firm Registration No. 000852C  
Chartered Accountants

(SANJAY BHANDARI)  
CHIEF FINANCIAL OFFICER

(G.RAMARATHNAM)  
CHIEF-LEGAL AND CORPORATE AFFAIRS  
& COMPANY SECRETARY

(M.S.KAPUR) F.C.A.  
PARTNER  
M. No. 74615

Place : Noida  
Dated : May 18<sup>th</sup>, 2013



## Uttam Sugar Mills Limited

Registered Office : Village Libberheri, Tehsil Roorkee,  
District Haridwar, Uttarakhand - 247667.

### ATTENDANCE SLIP

Folio No. : .....

DP-ID No. : .....

Client ID No. : .....

Name of the Shareholder : .....

Name of the Proxy (in Block letters) : .....  
(to be filled in if the Proxy attends  
instead of the member)

I hereby record my presence at the 18<sup>th</sup> Annual General Meeting held on 19<sup>th</sup> September, 2013 at 12.00 Noon at Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand - 247667.

.....  
Member/ Proxy's Signature



TEAR HERE



TEAR HERE



## Uttam Sugar Mills Limited

Registered Office : Village Libberheri, Tehsil Roorkee,  
District Haridwar, Uttarakhand - 247667.

### PROXY FORM

I/ We.....of.....being  
a Member/ Members of **Uttam Sugar Mills Ltd.**, hereby appoint.....  
of .....or failing him.....  
of.....or failing him.....  
of.....as my/our proxy to attend and vote for me/ us/ on  
my / our behalf at the 18<sup>th</sup> Annual General Meeting of the Company to be held at Village Libberheri, Tehsil Roorkee,  
District Haridwar, Uttarakhand - 247667 on 19<sup>th</sup> September, 2013 at 12.00 Noon and at any adjournment thereof.

Signed this.....day of.....2013

**Affix  
30 paise  
Revenue  
Stamp**

Folio No. : .....

DP-ID No. : .....

Client ID No. : .....

#### **Note :**

This proxy form must be deposited at the Registered Office of the Company at Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand - 247667 or at Corporate Office of the Company at A-2E, IIIrd Floor, C.M.A. Building, Sector - 24, Noida (U.P.), not less than forty-eight hours before the time fixed for holding the aforesaid meeting. A proxy need not be a member of the Company.

