



Uttam Sugar Mills Limited

UTTAM SUGAR

Fill Sweetness in your life

DOUBLE REFINED
SULPHURLESS SUGAR



The Desire

To Excel



The Determination

To Deliver

19th
Annual Report 2013-14

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CORPORATE INFORMATION

[CORPORATE IDENTITY NUMBER (CIN) : L99999UR1993PLC032518]

BOARD OF DIRECTORS

Raj Kumar Adlakha	Managing Director
Ashok Kumar Agarwal	Executive Director
R. Vasudevan	Independent Director
G. S. Matta	Independent Director
Bikash Narayan Mishra	Nominee Director-PNB
Satish Chandra (Ceased w.e.f. 16.04.2014)	Nominee Director-IDBI Bank Ltd.
Kumar Neel Lohit (Appointed w.e.f. 16.04.2014)	Nominee Director-IDBI Bank Ltd.

REGISTERED OFFICE

Village Libberheri, Tehsil Roorkee,
District Haridwar, Uttarakhand – 247667
Tel. : 01332 - 229445
Fax : 01332 - 229194
Website : www.uttamsugar.in
E-mail : investorrelation@uttamsugar.in

CORPORATE OFFICE

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

STATUTORY 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.
Zila Sahkari Bank Limited

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.)

NOTICE OF 19TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 19th 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 Monday, the 15th day of December, 2014 at 12:30 p.m. to transact the following business(s):-

ORDINARY BUSINESS:

1. Adoption of Financial Statements

To receive, consider and adopt the Audited Balance Sheet as at 30th June, 2014, Profit & Loss Statement for the Financial Year ended on that date together with the Reports of Board of Directors and Auditors thereon.

2. Re-appointment of Mr. Ashok Kumar Agarwal (DIN: 05199585) as a Director liable to Retire by Rotation

To appoint a Director in place of Mr. Ashok Kumar Agarwal (DIN: 05199585), who retires by rotation and is eligible for re-appointment.

3. Appointment of Statutory Auditors

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

"**RESOLVED THAT** pursuant to the provisions of section 139 and all other applicable provisions of the Companies Act, 2013, if any, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s B. K. Kapur & Company, Chartered Accountants (Firm Registration No.000852C), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Twenty Second AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditor."

SPECIAL BUSINESS:

4. Re-appointment of Mr. Ashok Kumar Agarwal (DIN: 05199585), Whole Time Director and approval of Remuneration

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

"**RESOLVED THAT** pursuant to Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the Articles of Association of the Company and subject to Approval of Central Government, if necessary, the consent of the Company be and is hereby accorded to the re-appointment and payment of remuneration to Mr. Ashok Kumar Agarwal (DIN: 05199585) as a Whole Time Director of the Company for a further period commencing from 14th February 2015 to 31st December 2017 as recommended by the Nomination and Remuneration Committee of the Directors and approved by the Board of Directors on 12th November, 2014 on the revised terms and conditions including remuneration as minimum remuneration in the case of loss or inadequacy of profits in any financial year as set out in the explanatory statement, which shall be deemed to form part thereof."

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to revise, implement, alter and vary the terms and conditions of his appointment including remuneration in such manner as may be permitted in accordance with the provisions of the Companies Act, 2013 or any modification thereto and as may be agreed to by and between the Board and Mr. Ashok Kumar Agarwal."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered desirable or expedient to give effect to this resolution."

5. Re-appointment of Mr. Raj Kumar Adlakha (DIN: 00133256), Managing Director and approval of remuneration

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

"**RESOLVED THAT** pursuant to Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the Articles of Association of the Company and subject to Approval of Central Government, if necessary, the consent of the Company be and is hereby accorded to the re-appointment and payment of remuneration to Mr. Raj Kumar Adlakha (DIN : 00133256) as a Managing Director of the Company for a further period commencing from 1st September 2015 to 31st March, 2018 as recommended by the Nomination and Remuneration Committee of the Directors and approved by the Board of Directors on 12th November, 2014 on the revised terms and conditions including remuneration as minimum remuneration in the case of loss or inadequacy of profits in any financial year as set out in the explanatory statement, which shall be deemed to form part thereof."

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to revise, implement, alter and vary the terms and conditions of his appointment including remuneration in such manner as may be permitted in accordance with the provisions of the Companies Act, 2013 or any modification thereto and as may be agreed to by and between the Board and Mr. Raj Kumar Adlakha."

"**RESOLVED FURTHER THAT** that the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered desirable or expedient to give effect to this resolution."

6. Appointment of Dr. Ramasamy Vasudevan (DIN: 00109908) as Independent Director

To consider and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION:-**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Ramasamy Vasudevan (DIN: 00109908), who was appointed as an Independent Director w.e.f. 04.01.2006 be and is hereby appointed as an Independent Director in terms of provisions of Section 149 of the Companies Act, 2013 to hold office for a period of 1 (one) year commencing from this Annual General Meeting upto the conclusion of next Annual General Meeting to be held in calendar year 2015."

7. Appointment of Mr. Gurbachan Singh Matta (DIN: 02612602) as Independent Director

To consider and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION:-**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Gurbachan Singh Matta (DIN: 02612602), who was appointed as an Independent Director w.e.f. 12.09.2009 be and is hereby appointed as an Independent Director in terms of provisions of Section 149 of the Companies Act, 2013 to hold office for a period of 1 (one) year commencing from this Annual General Meeting upto the conclusion of next Annual General Meeting to be held in calendar year 2015."

8. Approval of Remuneration of Cost Auditor

To consider and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION:-**

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 2,50,000/- (Rupees Two Lacs Fifty Thousand only) plus service tax as applicable and reimbursement of out of pocket expenses for the Financial Year 2014-15, as approved by the Board of Directors on the recommendation of Audit Committee, to be paid to M/s. M.K. Singhal & Co., Cost Accountants (Firm Registration No.00074) to conduct the audit of the cost records of the Company be and is hereby ratified and confirmed."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. Alteration of Articles of Association

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

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Article No. 69 and 116 of the Articles of Association of the Company be deleted and substituted with the followings:-

69. *The Board may elect a Chairperson/Chairman of its meeting and determine the period for which such Chairperson/Chairman shall hold office. Such Chairperson/Chairman shall occupy the position, notwithstanding that he/she is the Managing Director of the Company for the time being. The Board is empowered to fix the term of office of such Chairperson/Chairman and in the absence of term being fixed, the Chairperson/Chairman so elected shall occupy the position as long as she/he is director of the Company. The Chairperson/Chairman so appointed shall preside over all the meetings of the Board and the General Meetings during the tenure of his/her office.*

116. *The Board of Directors, subject to the provisions of the Companies Act, 2013, and approval of the members accorded at a General Meeting, may from time to time, appoint or reappoint, one or more Director or Directors to the office of the Managing Director or Managing Directors and/or Whole Time Director or Whole Time Directors for such period and on such remuneration, terms and conditions as are approved by the members and / or subject to the terms of any agreement entered into with such Managing or Whole Time Director or Directors and / or may revoke such appointments.*

The Board of Directors, subject to the provisions of the Companies Act, 2013, may declare any one or more of the Managing Director or Managing Directors or Whole Time Director or Whole Time Directors as Director or Directors not liable to retire by rotation for such period as the Board may consider necessary."

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

(G. RAMARATHNAM)

Chief - Legal and Corporate Affairs & Company Secretary
Membership No. FCS1021

Place : Noida

Date : 12th November, 2014

NOTES:

1. Explanatory Statement setting out all material facts relating to special businesses contained in item No. 4 to 9 as required under Section 102 of the Companies Act, 2013 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 Friday, 12th December, 2014 to Monday, 15th December, 2014 (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 Company has paid the Annual Listing Fees for the year 2014-2015 to the following Stock Exchanges, viz. BSE Limited and National Stock Exchange of India Limited on which the Company's Securities are presently listed.
10. 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.
11. 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.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
13. Notice of the Annual General Meeting along with the Annual Report 2013-14 of the Company is being sent to all the members in the electronic mode, whose email address are registered with the Depository Participant, unless any member has requested for a hard copy of the same and for members who have not registered their email address, physical copy of above documents is being sent.
14. As per the green initiative of Ministry of Corporate Affairs (MCA), members are requested to provide their e-mail addresses to the Registrar & Share Transfer Agent of the Company namely M/s Link Intime India Private Limited, in order to receive the various Notices and other Notifications from the Company, in electronic form.
15. Members may also note that the Notice of Annual General Meeting and the Annual Report 2013-14 are also be available on Company's website: www.uttamsugar.in.

16. **Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of Listing Agreement, the Company is pleased to provide the facility to members to exercise their right to vote at the 19th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions to members for e-voting electronically are as under:-

- (i) The e-voting period commences on Tuesday, 9th December, 2014 (9.00 am) and ends on Thursday, 11th December, 2014 (6.00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/record date i.e. Friday, 14th November, 2014 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date/record date.
- (ii) Log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on "Shareholders" tab
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form: Enter Folio Number registered with the Company;
- (v) Next enter the Image Verification as displayed and Click on Login.



- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding share in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. * In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Shyam Kumar with sequence number 100 then enter SH00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
BANK DETAILS#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	# Please enter the DOB or Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/folio number in the Bank details field as mentioned in instruction (iv)

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on "**UTTAM SUGAR MILLS LIMITED**"
- (xii) On the voting page, you will see "**RESOLUTION DESCRIPTION**" and against the same the option "**YES/NO**" for voting. Select the option **YES** or **NO** as desired. The option **YES** implies that you assent to the Resolution and option **NO** implies that you dissent to the Resolution.
- (xiii) Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "**SUBMIT**". A confirmation box will be displayed. If you wish to confirm your vote, click on "**OK**", else to change your vote, click on "**CANCEL**" and accordingly **MODIFY** your vote.
- (xv) Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "**Click here to print**" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non- Individual shareholders and custodians.
 - A. Non Individual shareholder (i.e. other than Individuals, HUF, NRI and etc.) and custodians are required to log on to www.evotingindia.com and register themselves as Corporates.



- B. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
 - C. After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - D. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - E. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xx) The shareholders can opt for only one mode of voting, i.e. either physically by attending AGM or e-voting. If any shareholders opt for e-voting, he/she will not be eligible to vote physically in AGM.
17. **Mr. Naveen Kumar Rastogi**, Practicing Company Secretary (Membership No. FCS 3685) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Results of e-voting shall be declared on or after the AGM of the Company and the Results declared with Scrutinizer Report shall be placed on the website of the Company viz. www.uttamsugar.in and shall also be communicated to the Stock Exchanges where the Company's equity shares are listed.
18. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.
19. 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 - 110028
Tel.:- 011-41410592-93

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	Mr. Raj Kumar Adlakhia	Mr. Gurbachan Singh Matta	Dr. Ramaswamy Vasudevan	Mr. Ashok Kumar Agarwal
DIN	00133256	02612602	00109908	05199585
Date of Birth	22 nd January, 1956	24 th March, 1948	27 th April, 1938	09 th March, 1959
Date of Appointment in the Board	28 th July, 1998	12 th September, 2009	04 th January, 2006	14 th February, 2012
Qualifications	B.E.(Mach.)	B.Sc.(Hons.) & CAIIB	B.E.(Hons) (Mech), Ph.D (Moscow)	B.Com.(Hons) & ACA
Experience	Mr. Adlakhia is having more than 35 years of industrial experience in managing the operations of industrial undertakings. He started his career in 1979 by joining his family business of manufacturing parts for sugar mill machinery and expanded the business to carry out turnkey sugar mill projects. He was instrumental in setting up of our four sugar manufacturing units, Co-generation Units and One Distillery Unit under his leadership.	Mr. Matta is an ex-banker with over 43 years of experience. He was associated with Indian Overseas Bank since 1968 till 2005. In August 2005, he joined Punjab and Sind Bank and was promoted as Executive Director of the Bank in March 2006. He has also headed various committees for implementation of Basel II, Core Banking Solutions and Risk Management. He is also a visiting faculty at NIBSCOM (National Institute of Bank Studies and Corporate Management), Noida for lectures on various topics on the Banking Industry like Risk Management, Corporate Governance, Basel II norms, etc.	Dr. Vasudevan aged 76 Years, is a Doctorate and Qualified Ph.D (Hons). He has an overall experience of over 52 years. He has served Bharat Heavy Electricals Limited for a total period of 31 years and retired as General Manager (Engineering). He is Founder Director of Bharathidasan School of Energy and Retired Director, Bharathidasan Institute of Technology (Now Anna University, Tiruchirappalli). He has won various awards in the field of engineering such as- a) Business Leadership Award in the field of Bio-Energy for the year 2003 by International Congress on Renewable Energy, b) World Environmental Congress Award for the manufacture of compost from the municipal waste for the Tiruchirappalli City Corporation. c) Nations best research award for deve-loping and commercialising Fluid bed boilers and Fluid bed combustion Technology. d) Best University Teacher Award (Dr. Radhakrishnan Award). e) Scientist award of Tamilnadu Government. f) Best Engineer award of Uttar Pradesh State Govt. by Indian Society of Technical education. He has chaired various committees such as:- a) Past Chairman of Institution of Engineers – Trichy Chapter. b) Past Chairman Computer Society of India – Trichy Chapter. c) Past Chairman, cogeneration R&D Committee, MNES. d) Past Chairman, Mechanical Engineering Divisional Council BIS. Dr. R. Vasudevan also introduced High pressure, high temperature Cogeneration system in Indian sugar mills and also introduced Biomass power generation systems in India (6 MW & 12 MW).	Mr. Agarwal is having overall 31 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 in the Company/group till April, 2006 for 23 years and reached to the position of General Manager of Mawana Sugars Works. After that he joined Birla Group of Sugar Industries and worked till September 2008 and thereafter joined Sir Shadial 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.

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	Mr. Raj Kumar Adlakha	Mr. Gurbachan Singh Matta	Dr. Ramasamy Vasudevan	Mr. Ashok Kumar Agarwal
Directorship held in other Companies	a. Lipi Boilers Limited. b. Uttam Distilleries Limited. c. Shubham Sugars Limited. d. Uttam Housinginfra Limited (formerly known as Uttam Luxury Hotel & Resorts Limited) e. Telma Trading Private Limited f. Uttam Properties Private Limited. g. Shree Uttam Colonisers Private Limited. h. Divine Grace Enterprises Private Limited. i. Uttam Lifestyle Hotels Private Limited. j. Uttam Elite Hotels Private Limited k. Uttam Adlakha & Sons Holdings Private Limited. l. Uttam Chand Adlakha & Sons IPR Holdings Private Limited. m. Uttam Infra Projects & Engineering Company Private Limited	a. Bhandari Export Industries Ltd.	NIL	NIL
Membership / Chairmanships of Committee across other Public Limited Companies	Lipi Boilers Limited: - Chairman, Selection Committee - Chairman, Nomination & Remuneration Committee	NIL	NIL	NIL
Number of Shares held in the Company	16,24,610 Equity Shares 67,000 Pref. Shares	NIL	NIL	NIL
Relationship with Other Director	None	None	None	None

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ANNEXED AND FORMING PART OF THE NOTICE

Item No. 4

The Board of Directors of the Company, at its meeting held on 12th November, 2014 has recommended for re-appointment of Mr. Ashok Kumar Agarwal as Whole Time Director for a further period commencing from 14th February, 2015 to 31st December, 2017. There is no change in the remuneration to be paid to Mr. Ashok Kumar Agarwal as recommended by Nomination and Remuneration Committee. The terms and conditions are detailed below:

THE TERMS AND CONDITIONS OF RE-APPOINTMENT OF MR. ASHOK KUMAR AGARWAL AS WHOLE TIME DIRECTOR:-

(1) He will be designated as **Executive Director**.

(2) **Period:**

The re-appointment will be effective from 14th February, 2015 to 31st December, 2017.

(3) **Overall Remuneration:**

Subject to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the remuneration payable to the Whole Time Director in any financial year shall not exceed 5% (five percent of the net profit of the Company), or such other limits as may be specified under the relevant legislation prevailing from time to time. Within the aforesaid ceiling, the remuneration payable to him shall be as follows:

(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. (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.

(i) Gratuity as per Rules of the Company.

(ii) Encashment of Leave, as per Rules of the Company.

(c) **Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified in Section II of Part II of Schedule V of the Companies Act, 2013.

4) **Functions**

He shall exercise duties and functions as may be delegated/ assigned to him by the Board of Directors/Committee of Directors from time to time.

5) **Sitting Fee**

He shall not be paid any sitting fee for attending the Meeting of Board or Committee thereof.

6) His period of office shall be subject to retirement by rotation whilst holding office of Whole Time Director.

INFORMATION PURSUANT TO PROVISIO (iv) TO CLAUSE (B) OF SECTION (II) OF PART (II) OF SCHEDULE V TO THE COMPANIES ACT, 2013

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		
	2011-12 (12 Months)	2012-13 (12 Months)	2013-14(15 Months)
Turnover	70,228.19	66,224.94	89,249.96
Net Profit/(Loss) (before Tax)	(9,143.32)	1,237.47	(9,014.55)

- (5) **Foreign investments or collaborations, if any:-**

Nil

II. INFORMATION ABOUT THE APPOINTEE:

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

Mr. Agarwal is having overall 31 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 in the Company/group till April, 2006 for 23 years and reached to the position of General Manager of Mawana Sugars Works. 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:-**

During the financial year 2013-14 (15 Months), he has drawn Rs. 47.50 Lacs as remuneration from the Company.

- (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 is providing the baggasse based Co-generation Capacity by 103 MW (55.5MW Exportable) by installation of Power Co-Generation facility at all four Sugar Factories. 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.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Ashok Kumar Agarwal under Section 190 of the Companies Act, 2013.

The Board of Directors recommends the resolution for approval of Members by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company including their relatives except Mr. Ashok Kumar Agarwal is concerned or interested in the proposed resolution.

Item No. 5

Being the promoter of the Company, Mr. Raj Kumar Adlakha is associated as Director of the Company w.e.f. 28.07.1998 and has made considerable contribution in the growth of the Company. His efforts, knowledge and experience have been instrumental in the progress of the Company over the years.

The Board of Directors of the Company, at its meeting held on 12th November, 2014 has recommended for re-appointment of Mr. Raj Kumar Adlakha as Managing Director for a further period commencing from 01st September, 2015 to 31st March, 2018. There is no change in the remuneration to be paid to Mr. Raj Kumar Adlakha as recommended by Nomination and Remuneration Committee. The terms and conditions are detailed below:

THE TERMS AND CONDITIONS OF RE-APPOINTMENT OF MR. RAJ KUMAR ADLAKHA AS MANAGING DIRECTOR:-

(1) Period:

The appointment is effective from 01st September, 2015 to 31st March, 2018.

(2) Overall Remuneration:

Subject to the provisions of Section 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013, the remuneration payable to the Managing Director in any financial year shall not exceed 5% (five percent of the net profit of the Company), or such other limits as may be specified under the relevant legislation prevailing from time to time. Within the aforesaid ceiling, the remuneration payable to him shall be as follows:

a. Salary

Rs. 3,25,000/- (Rupees Three Lacs Twenty Five Thousand Only) per month.

b. **Perquisites:** In addition to above remuneration the Managing Director shall also be entitled to perquisites like furnished accommodation, gas, electricity, water and furnishings, medical reimbursement and leave travel assistance for self and family, club fees, medical insurance etc. in accordance with the rules of the Company subject to maximum of Rs.75,000/- (Rupees Seventy Five Thousands Only) per month.

c. Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the provisions of the Income Tax Act.

d. **Gratuity:** One half months salary for each completed year of service in accordance with the rules of the Company.

e. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall however be billed by the Company to the Managing Director.



(3) Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified in Section II of Part II of Schedule V of the Companies Act, 2013.

(4) Functions

Subject to the superintendence, control and direction of the Board of Directors of the Company the Managing 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.

(5) Sitting Fee

He shall not be paid any sitting fee for attending the Meeting of Board or Committee thereof.

(6) He shall not, so long as he functions as a Managing Director, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company.

(7) His period of office shall be subject to retirement by rotation whilst holding office of Managing Director.

INFORMATION PURSUANT TO PROVISIO (iv) TO CLAUSE (B) OF SECTION (II) OF PART (II) OF SCHEDULE V TO THE COMPANIES ACT, 2013

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		
	2011-12 (12 Months)	2012-13 (12 Months)	2013-14(15 Months)
Turnover	70,228.19	66,224.94	89,249.96
Net Profit/(Loss) (before Tax)	(9,143.32)	1,237.47	(9,014.55)

(5) Export investments or collaborations, if any:-

Nil

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:-

Mr. Adlakha is having more than 35 years of industrial experience in managing the operations of industrial undertakings. He started his career in 1979 by joining his family business of manufacturing parts for sugar mill machinery and expanded the business to carry out turnkey sugar mill projects. He was instrumental in setting up of our four sugar manufacturing units, Co-generation Units and One Distillery Unit under his leadership.

(2) Past remuneration:-

During the financial year 2013-14 (15 Months), he has drawn Rs. 50.77 Lacs as remuneration from the Company.

(3) Recognition or awards:-

Mr. Raj Kumar Adlakha was awarded Udyog Ratna Award "Involvement in Economic Development of Uttaranchal" on July 08, 2005 on the Centenary Celebrations of PHD Chamber of Commerce and Industry.

(4) Job profile and his suitability:

Subject to the superintendence, control and direction of the Board of Directors of the Company the Managing 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.

(5) Remuneration proposed:-

Salary of Rs. 3,25,000/- per month and perquisites subject to maximum of Rs. 75,000/- per month as per the terms and conditions as mentioned in Explanatory Statement of the notice of this Annual General Meeting.

(6) 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.

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

Apart from remuneration, Managing Director will be receiving dividends, if any, declared by the Company in respect of Shares held by him. Mr. Raj Kumar Adlakha is not related to 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 is providing the baggasse based Co-generation Capacity by 103 MW (55.5MW Exportable) by installation of Power Co-Generation facility at all four Sugar Factories. 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.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Raj Kumar Adlakha under Section 190 of the Companies Act, 2013.

The Board of Directors recommends the resolution for approval of Members by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company including their relatives except Mr. Raj Kumar Adlakha is concerned or interested in the proposed resolution.

Item No. 6 & 7

Dr. Ramasamy Vasudevan and Mr. Gurbachan Singh Matta were appointed as Independent Directors on the Board of the Company within the definition of Independent Directors under Clause 49 of the Listing Agreements entered with the Stock Exchanges.

Pursuant to the provisions of section 149 of the Companies Act, 2013 which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

Dr. Ramasamy Vasudevan and Mr. Gurbachan Singh Matta have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Director.

The Board considers that the continued association of Dr. Ramasamy Vasudevan and Mr. Gurbachan Singh Matta would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors of the Company.

A brief profile of Dr. Ramasamy Vasudevan and Mr. Gurbachan Singh Matta has already been provided under the heading "Re-Appointment / Appointment of Directors (Annexure to Notice)".

The Board of Directors recommends the resolution for approval of Members by way of Ordinary Resolutions.

Except Dr. Ramasamy Vasudevan and Mr. Gurbachan Singh Matta being the appointees, none of the other Directors and Key Managerial Personnel of the Company including their relatives is concerned or interested, financially or otherwise in the resolutions.

Item No. 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s M.K. Singhal & Co., the Cost Accountants as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year 2014-15 as per the following details:

Product	Factory
Sugar	Libberheri Unit, Barkatpur Unit, Khaikheri Unit & Shermau Unit
Power	Libberheri Unit, Barkatpur Unit, Khaikheri Unit & Shermau Unit
Ethanol Distillery	Barkatpur Unit

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2014-15 by way of an Ordinary Resolution is being sought from the members as set out at Item No. 8 of the Notice.

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

None of the Directors and Key Managerial Personnel of the Company including their relatives is concerned or interested, financially or otherwise in the resolutions.

Item No. 9

Change of Article No.69

In terms of provisions of Section 203 of the Companies Act, 2013, an individual can be a Chairperson/Chairman and Managing Director of the Company at the same time only if specifically so authorized by the Articles of Association of the Company.

The Articles of Association of the Company in its present form does not contain such a clause. It is therefore proposed to amend the Articles of Association of the Company by introducing a suitable clause.

Change of Article No.116

Article No.116 of the Articles of Association, inter alia, stipulates that the Managing Director and Whole Time Director shall not be liable to retire by rotation. Section 152 of the Companies Act, 2013, which has come into effect from 01.04.2014 stipulates that atleast 2/3 of the total Directors excluding independent directors shall be liable to retire by rotation.

In order to comply with the provisions of the Companies Act, 2013, it is necessary that the Article No.116 of Articles of Association be altered.

The Board of Directors recommends the passing of the Special Resolutions as set out in the Item No. 9 of the agenda.

None of the Directors and Key Managerial Personnel of the Company including their relatives is concerned or interested, financially or otherwise in the resolutions.

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

(G. RAMARATHNAM)

Chief - Legal and Corporate Affairs & Company Secretary
Membership No. FCS1021

Place : Noida

Date : 12th November, 2014

Registered Office:

Village Libberheri, Tehsil Roorkee,
Distt. Haridwar, Uttarakhand.
CIN: L99999UR1993PLC032518
Website: www.uttamsugar.in

DIRECTORS' REPORT

The Shareholders of the Company,

Your Directors take pleasure in presenting their Nineteenth Annual Report together with the Audited Accounts for the year ended 30th June, 2014.

FINANCIAL RESULTS

The financial results of the Company for the period/year ended on 30th June 2014 are as under:-

DETAILS	<i>(Rs. in Lacs)</i>	
	Period ended 30.06.2014 (15 months)	Year ended 31.03.2013 (12 months)
Revenue from Operations	87,161.19	64,532.45
Profit/(Loss) before Depreciation, Tax & Prior Period Items	(4,998.24)	4,212.80
Less:		
Depreciation	4,082.50	3,012.52
Prior period items (Net)	(66.19)	(37.19)
Profit/(Loss) before Tax & Exceptional Items	(9,014.55)	1,237.47
Less: Provision for Taxation		
Current Tax	-	-
Deferred Tax (Credit) / Charge	(3,484.74)	691.18
Profit/(Loss) after Taxation	(5,529.81)	546.29
Add: Balance brought forward from Previous Year	(13,940.63)	(14,486.92)
Deficit transferred to Balance Sheet	(19,470.44)	(13,940.63)

REVIEW OF OPERATIONS

The Financial Results for the year 2013-14 are for a period of 15 months and hence, are not comparable with the results of 2012-13 which were for a period of 12 months.

Sugar Division

Operational data of the Company for the financial year 2013-2014 and 2012-2013 are provided as under:

Financial Year	Cane Crushed (In Lakhs Qtls.)	Sugar Produced (In Lakhs Qtls.)	Recovery %
2013-2014	216.33	19.90	9.20
2012-2013	219.56	20.51*	9.34

*excludes 0.39 lakhs qtls of sugar of earlier seasons reprocessed.

Following are the season wise data of cane crushed and sugar produced:

Crushing Season	Cane Crushed (In Lakhs qntls)	Sugar Produced (In Lakhs qntls)	Recovery %
2013-2014	193.94	17.40	8.97
2012-2013	238.65	22.71	9.52

The Company registered a gross turnover of Sugar of Rs. 76108.98 lacs for the period ended 30th June, 2014 against Rs. 58921.62 lacs for the year ended 31st March, 2013 - an increase of gross turnover of 29.17% due to extension of financial year by three months. However, there was lower sales realizations of Rs. 3183 per qtls as compared to Rs. 3219 per qtls in the last year.



During the current season, Company commenced its crushing season on 11th December 2013 about 15 days later as against last crushing season. The crushing and recovery both were lower as compare to previous year mainly due to :-

- a. Damage of Cane area by heavy flood due to continuous water logging in the fields.
- b. The germination of plant cane was also badly affected and the tillering percentage was less which resulted overall downfall in cane yield.
- c. Due to humid condition incidence of insects and pest like spots and Pokka boeing has badly affected the cane crop, effecting both yield and recovery percentage.

Sugar: The Company's aggregate sugar cane crushing was lower at 193.94 Lakhs qntls during the season 2013-14 as against 238.65 Lakhs qntls in 2012-13 season due to lower cane availability. The Company had a lower recovery of 8.97% as against 9.52% in previous season. The lower recovery was common phenomena in all the Sugar Mills operating in Western Uttar Pradesh.

The Uttar Pradesh Government announced a State Advised Price (SAP) for sugarcane at Rs.280 per quintal for season 2013-14, which was the same as in previous season. SAP price of Rs.280 per quintal was unreasonable, unaffordable and irrational; most UP-based sugar companies were compelled to suspend crushing for season 2013-14 and commenced only after extensive deliberations between millers and the State Government the following consensus was arrived at:

- (i) The cane price of Rs. 280 per quintal would be paid to farmers in two installments. The first installment of Rs. 260 per quintal would be paid as per normal practice and the remaining Rs.20 per quintal would be paid by the end of the season.
- (ii) U.P. Government granted concessions of Rs.11.03 per quintal of cane to the millers for the season 2013-14 covering the following heads:

- Waiver of Entry Tax on sugar	-	Rs. 2.73 per qntl.
- Waiver of cane purchase tax	-	Rs.2.00 per qntl.
- Waiver of Society Commission	-	Rs.6.30 per qntl.
Total		Rs.11.03 per qntl.

Similar exemption also provided by Uttarakhand Government for Season 2013-14.

As already mentioned in the previous year's report your company is continuously focusing on Cane Development activities in the form of extensive replacement of old, poor and rejected varieties/ varietal improvement 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. Awareness programs have been organized among the formers to educate them the modern technologies. These efforts has not produced the desired result during the sugar season 2013-14 mainly because of heavy rain and flood in the area. However, we are hopeful that concerted effort will produce the desired result in the form of improved recovery during the sugar season 2014-15.

Co-generation Division

During the period under review, your company produced 1836.06 Lakhs KWH units of power as compared to 1919.97 Lakhs units of power in the year 2012-2013. Out of total production, your company exported 955.73 Lakhs KWH units to UPPCL/UPCL for a total amount of Rs.4156.70 Lakhs against 1061.30 Lakhs KWH for an amount of Rs. 4585.31 Lakhs in the previous year.

The company has been awarded 22069 and 29189 units of REC for Khaikheri and Shermau unit respectively and these REC units are trade able and an additional source of revenue to your company. During the F.Y.13-14 Company traded 5388 units of REC for Rs.80.82 lacs.

Distillery Division

Your company has a Greenfield Distillery Project with an installed capacity of 75 KLPD at Barkatpur (Distt. Bijnor) unit in State of Uttar Pradesh. During the year under review 105.94 lacs Bulk Litres (BL) of Industrial Alcohol produced as compared to 37.47 lacs Bulk Litres in the year 2012-13 and your company sold 108.45 lacs Bulk Litres Industrial Alcohol as compared to 18.25 lacs Bulk Litres in the previous year.

Future Outlook

The sugar season 2013-14 began with significant cane arrears. Sugar millers encountered challenges in arranging necessary funds from banks for the clearance of cane dues. The sugar business incurred a loss owing to a mismatch between a high arbitrary cane price and depressed sugar realizations.

The Karnataka and Maharashtra Governments have passed enactment regarding linkage of sugar cane prices to the realization of revenue to the sale of sugar and its first stage by-products as recommended by the Rangarajan Committee. This will remove the arbitrariness in cane price fixation. It is expected that the Govt of U.P. will soon adopt a similar policy failing which the Sugar Industry in U.P. will not be viable for operation.

Central Government is considering to increase the blending % of Ethanol in Petrol from 5% to 10%. This will improve the demand of Ethanol and price of Ethanol will also improve.

DIVIDEND

In view of the losses incurred in the period under review and carried forward losses, your Directors are unable to recommend any dividend.

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 Audit Committee of the Company 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 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement.

DIRECTORS

During the period under review, IDBI Bank Ltd. nominated Mr. Kumar Neel Lohit as their new nominee on the Board of the Company w.e.f. 16th April, 2014 in place of Mr. Satish Chandra.

The Board of Directors has proposed to re-appoint Mr. Ashok Kumar Agarwal as Executive/Whole Time Director of the Company for a further period from 14th February, 2015 to 31st December, 2017 subject to necessary approvals, if any.

The Board of Directors has also proposed to re-appoint Mr. Raj Kumar Adlakha as Managing Director of the Company for a further period commencing from 1st September, 2015 to 31st March, 2018 subject to necessary approvals, if any.

In compliance of Section 149 of the new Companies Act, 2013 it is proposed to reconfirm Dr. R. Vasudevan and Mr. G. S. Matta as Independent Directors to hold office for a period of 1 (one) year commencing from this Annual General Meeting upto the conclusion of next Annual General Meeting to be held in calendar year 2015.

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 losses 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 are attached hereto.

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 2013-14 and 2014-15 to both the Stock Exchanges.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is presented in a separate section forming a part of the Annual Report.

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 Statutory Auditors of the Company will retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

In terms of the provisions of Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, the Statutory Auditors (including Associate Audit Firm) can be appointed for a maximum two terms of 5 years which shall be inclusive of the existing tenure completed by such Statutory Auditors and Section 139 also provides three years period to comply with this requirement.

Since, M/s B.K. Kapur & Co., Chartered Accountants, Ghaziabad have completed more than 10 years as Statutory Auditors of the Company, it is proposed to re-appoint them for a further term of 3 consecutive years from the conclusion of the ensuing 19th Annual General Meeting to the conclusion of 22nd Annual General Meeting, subject to ratification by the shareholders at every Annual General Meeting.

The Company has received letters from the Auditors to the effect that their appointment, if made, shall be in accordance with the conditions as prescribed in the Rule 4 of the Companies (Audit and Auditors) Rules, 2014, and that they are not disqualified for appointment within the meaning of Section 139 and 141 of the Companies Act, 2013.

AUDITORS' OBSERVATIONS

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

- a) Observation in Para 10 of annexure to the Report regarding erosion of net worth of more than 50% as on 30th June, 2014, your Directors wish to state that the Company is incurring continuous losses due to fixation of unreasonable, unaffordable and irrational State Advised Price (SAP) by the State Government over the last several years. There is no transparent basis or formula for fixing SAP. The Indian Sugar Mills Association (ISMA) has already represented to State Government to implement the long term mechanism for determination of viable sugar cane price as per the recommendations of Dr. C. Rangarajan Committee. Unless the cane price is linked to sugar price it will be impossible for the sugar industry to improve the performance.

Your Directors wish to state that erosion of net worth is less than 50% at the end of the financial year viz. 30th June, 2014 considering the peak Net Worth during immediate preceding four financial years as per the provisions of Section 23 of The Sick Industrial Companies (Special Provision) Act, 1985.

- b) 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 current financial year and previous financial years.
- c) 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 current financial year and previous financial years 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, 2013 have filed the Cost Audit Reports (for Sugar, Co-generation and Industrial Alcohol products) on 28.09.2013 to the Government in XBRL Mode as mandated by the Ministry of Corporate Affairs vide general circular No. 8/2012 dated 10th May, 2012. For the Financial Year 2013-14, Cost Auditors will submit the Cost Audit Reports (for Sugar, Co-generation and Industrial Alcohol products) with the Government within the stipulated time.

The Board, on the recommendation of the Audit Committee, has 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 2014-2015.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. The Board recommends the same for approval of members in the ensuing Annual General Meeting.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance of provision of section 135 of the new Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been constituted with the following members:-

- a) Mr. Raj Kumar Adlakha - Chairman
b) Mr. Ashok Kr. Agarwal - Member
c) Mr. G.S. Matta - Member
d) Mr. G. Ramarathnam - Secretary

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.

ACKNOWLEDGEMENT

Your Directors thank the customers, suppliers, farmers, financial institutions, banks and shareholders for their continued support and co-operation. Finally, your Directors acknowledge the dedicated services rendered by all the employees of the Company.

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

Place: Noida
Date : 12th November, 2014

(**RAJ KUMAR ADLAKHA**)
Chairman of the Board
(DIN: 00133256)
(R/o: KD-51, Kavi Nagar, Ghaziabad)

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE "A"

(A) CONSERVATION OF ENERGY

ENERGY CONSERVATION MEASURES

- 1) Installation of Variable Frequency Drive (VFC) at one number cooling tower fan.
- 2) Installation of High Flow Pump (HFP) (7.5 KW) at raw melt in refinery instead of 15 KW centrifugal type pumps.
- 3) Installation of 7.5 KW electric drive in place of 11 KW at juice rotary screen.
- 4) Stoppage of fibrizer and leveler motor in mill house when there is reduced crushing.
- 5) Installation of digital temperature scanner for PTHE at the quad.

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	Period ended	
	30.06.2014 (15 Months)	31.03.2013 (12 Months)
1. Electricity		
a) Purchased units		
Units (KWH)	12,99,011	6,70,207
Total amount (Rs. Lakhs)	107.59	45.99
Rate per unit (Rs.)	8.28	6.86
b) Own generation		
i) Through diesel generator sets		
Units (KWH)	3,16,873	3,73,403
Units per ltr. of Diesel Oil	2.92	3.02
Total amount (Rs. Lakhs)	59.39	51.89
Cost/ unit (Rs)	18.74	13.90
ii) Through steam turbine		
Units (KWH)	18,36,06,396	19,19,96,616
Units per quintal of bagasse (cost/unit)	Steam produced by use of own bagasse	
2. Coal		
(Quantity)	NIL	NIL
Total Cost & Average Rate	NIL	NIL
3. Furnace oil (KL.)		
Total Amount/Average Rate	NIL	NIL

PARTICULARS	Period ended	
	30.06.2014 (15 Months)	31.03.2013 (12 Months)
4. Other / internal Generation (MT)		
Fire Wood*		
Quantity (Qtls)	302.50	152.20
Total Cost (Rs. Lacs)	1.38	0.62
Average Rate (Rs./Qtls)	456.21	407.36
Baggase (Purchased)*		
Quantity (Qtls)	13,218.5	1,17,204.60
Total Cost (Rs. Lacs)	28.62	65.95
Average Rate (Rs./Qtls)	216.52	56.27
Cane Tresh (Purchased)*		
Quantity (Qtls)	3,103.30	—
Total Cost (Rs. Lacs)	4.19	—
Average Rate (Rs./Qtls)	135.00	—

* Note :- Used for Co-generation

II. Consumption per unit of production of sugar

PARTICULARS	Period ended	
	30.06.2014 (15 Months)	31.03.2013 (12 Months)
Sugar Production (in Qtls.)	22,14,421	20,89,645
Electricity (KWH per Qtls. of Sugar)	39.95	39.69
Furnace Oil	NIL	NIL
Coal	NIL	NIL
Others	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	Period ended	
	30.06.2014 (15 Months)	31.03.2013 (12 Months)
Earnings	NIL	NIL
Outgo:- Foreign Travelling	4.61	23.78

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

Place: Noida
Date : 12th November, 2014

(RAJ KUMAR ADLAKHA)
Chairman of the Board
(DIN: 00133256)
(R/o: KD-51, Kavi Nagar, Ghaziabad)

CORPORATE GOVERNANCE REPORT 2013 - 2014

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: -

Name of Director(s)	Designation	Category
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 (ceased w.e.f.16.04.2014)	Nominee-Director - IDBI Bank Limited	Non-Executive
Mr. Bikash Narayan Mishra	Nominee-Director - PNB	Non-Executive
Mr. Kumar Neel Lohit (w.e.f.16.04.2014)	Nominee-Director - IDBI Bank Limited	Non-Executive

B. Attendance at Board Meeting and last AGM and details of membership of Directors in other Boards and Board Committees: -

Name of Director(s)	No. of Board Meetings Attended	Last AGM Attended	No. of Other Directorships ¹ and Committee Memberships/Chairmanships		
			Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Raj Kumar Adlakha	5	Yes	4	5	5
Mr. Ashok Kumar Agarwal	5	Yes	–	2	–
Dr. R. Vasudevan	5	Yes	–	3	2
Mr. G. S. Matta	5	Yes	1	5	1
Mr. Satish Chandra (ceased w.e.f.16.04.2014)	4	No	–	1 (upto 15.04.14)	–
Mr. Bikash Narayan Mishra	4	No	1	2	–
Mr. Kumar Neel Lohit (w.e.f.16.04.2014)	1	N.A	1	1 (from 16.04.14)	–

¹ Excludes viz. Private / Overseas Companies.

C. Details of the sitting fees paid to the Independent Directors for the year ended June 30, 2014:-

The Company paid sitting fees to all the Independent Directors for attending the meetings of the Board and / or committees thereof amounting to Rs.2,90,000/-. The details are as under:-

S.No.	Name	Sitting Fee (Rs.)
1.	Dr. R. Vasudevan	1,00,000
2.	Mr. G. S. Matta	1,00,000
3.	Mr. Bikash Narayan Mishra	40,000
4.	Mr. Satish Chandra (ceased w.e.f.16.04.2014)	40,000
5.	Mr. Kumar Neel Lohit (w.e.f.16.04.2014)	10,000

D. Details of Board Meetings held during the year ended 30th June, 2014 :

S.No.	Date of Meeting	No. of Directors Present
1.	18.05.2013	5
2.	14.08.2013	6
3.	14.11.2013	6
4.	14.02.2014	6
5.	14.05.2014	6

- The time gap between any two meetings did not exceed four months.
- The last AGM was held on 19th September, 2013.

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

S.No.	Name of Director	Shareholding
1.	Mr. Raj Kumar Adlakha	16,24,610 Eq. Shares 67,000 Pref. Shares
2.	Mr. Ashok Kumar Agarwal	Nil
3.	Dr. R. Vasudevan	Nil
4.	Mr. G. S. Matta	Nil
5.	Mr. Bikash Narayan Mishra	Nil
6.	Mr. Kumar Neel Lohit	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 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

(II) Composition, Name of Members and Chairman:-

Audit Committee comprises of two Independent Directors and one Executive Director, who are financially literate and possess sound knowledge of accounts, audit, finance etc.

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 2013-2014, 5 (Five) Audit Committee Meetings were held on 18.05.2013, 14.08.2013, 14.11.2013, 14.02.2014 and 14.05.2014. The attendance of the members is as follows:-

S.No.	Name	Attendance
1.	Mr. G. S. Matta	5
2.	Dr. R. Vasudevan	5
3.	Mr. Ashok Kumar Agarwal	5

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. Nomination & Remuneration Committee

(i) Details of the Composition and attendance of Members are as follows:

During the Financial Year 2013-14, 1 (one) remuneration committee meeting was held.

Name	Designation	Category of Directorship	Attendance in meeting
Dr. R. Vasudevan	Chairman	Non-Executive & Independent	1
Mr. G. S. Matta (w.e.f. 14.05.2014)	Member	Non-Executive & Independent	-
Mr. Bikash Narayan Mishra	Member	Non-Executive & Nominee	1
Satish Chandra (Ceased w.e.f. 16.04.2014)	Member	Non-Executive & Nominee	1

In compliance of the provisions of new Companies Act, 2013, the Board of Directors of the Company in their meeting held on 14.05.2014 has renamed the Remuneration Committee as "**Nomination & Remuneration Committee**".

(ii) Terms of Reference:-

The Nomination and Remuneration Committee is responsible to identify relevant persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board their appointment and removal and shall carry out evaluation of every director's performance. The Nomination and Remuneration Committee will formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to remuneration for the Directors, Key Managerial Personnel and other employees. Presently, the company does not have any criteria for performance evaluation or training of Directors.

(iii) Remuneration:

The remuneration paid to Managing Director and Whole Time Director for the year 2013-2014 was as follows:

(Rs. in lacs)

Name of Director	Salary	Perquisites	Total
Mr. Raj Kumar Adlakha (Managing Director)	48.75	2.02	50.77
Mr. Ashok Kumar Agarwal (Executive/Whole Time Director)	30.74	16.76	47.50

5. Stakeholders Relationship 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 dematerialization of shares and matters relating to issue of share certificates etc.

In compliance of the provisions of new Companies Act, 2013, the Board of Directors of the Company in their meeting held on 14.05.2014 has renamed Shareholders / Investors Grievance Committee as "**Stakeholders Relationship Committee**".

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

During the Financial Year 2013-14, 16 (Sixteen) committee meetings were held.

Name	Designation	Category of Directorship	Attendance in meetings
Dr. R. Vasudevan	Chairman	Non-Executive & Independent	16
Mr. G. S. Matta	Member	Non-Executive & Independent	16

During the year 2013-14, 2(Two) complaints were received from Shareholders. There was no outstanding complaint as at 30.06.2014.

Compliance Officer

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
16 th AGM	11.08.2011	Vill. Libberheri, Tehsil Roorkee, Distt. Haridwar, Uttarakhand	12.00 Noon	NIL
17 th AGM	21.09.2012	Vill. Libberheri, Tehsil Roorkee, Distt. Haridwar, Uttarakhand	12.00 Noon	<ul style="list-style-type: none"> • Appointment of Whole Time/Executive Director for a period of 3 years w.e.f. 14th February, 2012 • Reappointment of Managing Director for a period of 3 years w.e.f. 1st September, 2012. • Authorisation to Board of Directors to issue Redeemable Preference Shares pursuant to section 81(1A) of the Companies Act, 1956.
18 th AGM	19.09.2013	Vill. Libberheri, Tehsil Roorkee, Distt. Haridwar, Uttarakhand	12.00 Noon	<ul style="list-style-type: none"> • Increase in remuneration of Whole Time/Executive Director from 01.04.2013 to 13.02.2015

8. Resolution passed through Postal Ballot

During the Financial Year 2013-14, no resolution was passed through postal ballot.

(However, Special Resolutions pursuant to Section 180(1) (a) and Section 180(1) (c) were passed through postal ballot on 14th October, 2014.)

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 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.
- 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 Nomination and 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, (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 dematerialized 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. The results are also displayed/ uploaded on the Company's website: www.uttamsugar.in.

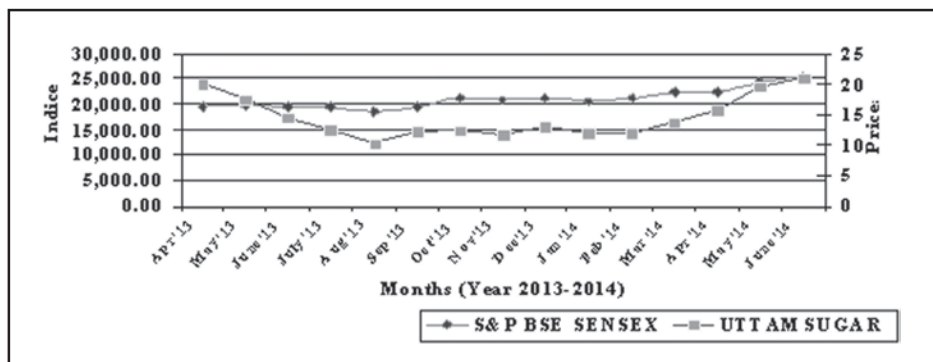
11. General Shareholder Information

i.	AGM Date, time and venue	Monday, 15 th December, 2014 at 12.30 p.m. Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand
ii.	Financial calendar 2014-15 Results for quarter ending : (a) 30 th September 2014 (b) 31 st December 2014 (c) 31 st March 2015 (d) 30 th June 2015/Audited yearly results	On or before 14 th day of November, 2014 On or before 14 th day of February, 2015 On or before 15 th day of May, 2015 On or before 29 th day of August, 2015
iii.	Book Closure Date	Friday, 12 th December, 2014 to Monday, 15 th December, 2014
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. 1 st 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. 2013-14 & F.Y. 2014-15
vi.	<u>Stock Code</u> - National Stock Exchange of India Ltd - BSE Limited	UTTAMSUGAR 532729

vii. Market Price Data High/ Low during each month of the Financial Year 2013-14: (BSE Limited)

Month	High (Rs.)	Low (Rs.)
April'13	22.85	16.10
May'13	20.55	16.60
June'13	18.00	13.35
July'13	15.45	11.15
August'13	13.96	9.83
September'13	14.94	9.59
October' 13	13.30	11.03
November' 13	12.95	10.53
December' 13	13.12	10.30
January'14	14.00	11.00
February'14	12.85	11.36
March'14	14.70	11.65
April'14	18.00	13.56
May'14	20.25	13.90
June'14	24.60	18.55

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, 2 nd 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 30th June, 2014.

(i) Category of Equity Shareholders as on 30.06.2014

S. No	Category of Shareholder	Total Number of Equity Shares	% of shares
(A)	Shareholding of Promoter and Promoter Group		
(1)	Indian		
	(a) Individuals/ Hindu Undivided Family	52,72,204	13.82
	(b) Bodies Corporate	2,33,31,381	61.18
(2)	Foreign	—	—
	Total Shareholding of Promoter and Promoter Group (A)	2,86,03,585	75.00
(B)(1)	Public Shareholding Institutions		
	(a) Financial Institutions/ Banks	560,723	1.47
	(b) Foreign Institutional Investors	—	—
	Sub-Total (B)(1)	560,723	1.47
(B)(2)	Non-Institutions		
	(a) Bodies Corporate	21,30,692	5.59
	(b) Individuals :		
	(i) Individual Shareholders holding nominal share capital up to Rs. 1 lakh	40,24,593	10.55
	(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	27,09,105	7.10
	(c) Any others :		
	(i) Trust	20	0.00
	(ii) Foreign Nationals (Non Resident Indians)	51,156	0.14
	(iii) Clearing Members	58,246	0.15
	Sub-Total (B)(2)	89,73,812	23.53
	Total Public Shareholding (B) = (B)(1) + (B)(2)	95,34,535	25.00
	TOTAL (A) + (B)	3,81,38,120	100.00

(ii) Distribution of Equity Shareholding as on the 30.06.2014

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	19,926	91.9860	18,76,650	4.9207
02.	501 to 1,000	907	4.1871	7,06,630	1.8528
03.	1,001 to 2,000	442	2.0404	6,44,063	1.6888
04.	2,001 to 3,000	114	0.5263	2,89,928	0.7602
05.	3,001 to 4,000	48	0.2216	1,67,859	0.4401
06.	4,001 to 5,000	54	0.2493	2,48,062	0.6504
07.	5,001 to 10,000	77	0.3555	5,27,349	1.3827
08.	10,001 to above	94	0.4339	3,36,77,579	88.3042
	TOTAL	21,662	100.000	3,81,38,120	100.000

xii. Dematerialization of shareholding and liquidity	As on June 30, 2014, 19,04,654 Equity Shares of the Company (4.994% of the total issued Equity Capital) were held in physical form and 3,62,33,466 Equity Shares (95.006% 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. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	Not Applicable
xiv. Plant locations	<p>Unit - I Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand</p> <p>Unit - II Village Barkatpur, Tehsil Nazibabad, District Bijnor, U.P.</p> <p>Unit - III Village Khaikheri, Tehsil & District Muzzaffarnagar, U.P.</p> <p>Unit - IV Village Shermau, Tehsil Nakur, Distt: Saharanpur, U.P.</p>
xv. Address for correspondence	<p>Registrar & Share Transfer Agent (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>Company (For Annual Report and any other related matters) Company Secretary, Uttam Sugar Mills Ltd. A-2E, IIIrd 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	No of Shareholder : 08, No of outstanding Shares : 199 Equity Shares
(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	No of Shareholder : 08, No of outstanding Shares : 199 Equity Shares
(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.

13. Management Discussion and Analysis

A separate chapter on Management Discussion and Analysis is given in this Annual Report.

14. Corporate Social Responsibility Committee

Every company falls under criteria prescribed under Section 135(1) of the Companies Act, 2013 is required to constitute a Corporate Social Responsibility (CSR) Committee of the Board. Hence, the Board of Director in its Board Meeting held on 14.05.2014 constituted a CSR Committee. The Composition of CSR Committee is as follows:-

Sl. No.	Name of Director	Category
1.	Mr. Raj Kumar Adlakha	Chairman, Promoter, Managing Director/(Executive)
2.	Mr. Ashok Kumar Agarwal	Member, Non-Promoter, Executive Director
3.	Mr. Gurbachan Singh Matta	Member, Non-Executive, Independent Director

Mr. G. Ramarathnam - Chief - Legal and Corporate Affairs & Company Secretary acts as Secretary to CSR Committee.

CSR Committee will formulate & recommend to the board, a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the Company as specified under Schedule VII of the Companies Act, 2013 and shall also recommend the amount of expenditure to be incurred therein. It shall monitor the Corporate Social Responsibility Policy of the Company time to time.

15. Vigil Mechanism

As per the provisions of Section 177(9) of the Companies Act, 2013, every listed company will establish a vigil mechanism for directors and employee to report genuine concerns. The Vigil Mechanism will provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee. Hence, the Board of Director in its Board Meeting held on 14.05.2014 constituted a Vigil Mechanism.

16. Independent Directors

Clause 49 of the Listing Agreement with the stock exchanges and Section 149 of the Companies Act, 2013 requires every listed company to have the requisite number of Independent Directors on its Board and also sets out various criteria for a person to be eligible for appointment as an Independent Director. As per the current provisions of Companies Act, 2013, the Nominee Directors are not treated as Independent Director. The Company has already appointed two Independent Directors which fulfills the criteria for Board of Directors.

17. Adoption of Mandatory / Non- Mandatory Requirements of Clause 49:-

During the Financial Year ended 30th June, 2014, the Company has duly complied with all the mandatory requirements and has adopted certain non-mandatory requirements of Clause 49 of the Listing Agreement as mentioned below:

- i) The Company has constituted Nomination & Remuneration Committee (as mentioned herein point no. 4) to determine the Company's policy of remuneration to its Managing/Executive Directors.
- ii) The Company has adopted the Vigil Mechanism in view to provide a mechanism for the directors and employees of the Company to approach chairperson person of Audit Committee to report existing/probable violations of laws, rules, regulations or unethical conduct.



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 30th June, 2014 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
(C. P. No. - 3785)**

**NAVEEN K. RASTOGI
Proprietor
Membership No. - FCS-3685**

**Place : Noida
Date : 12th November, 2014**

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 2013-2014.

**Place : Noida
Date : 12th November, 2014**

**(RAJ KUMAR ADLAKHA)
MANAGING DIRECTOR
(DIN : 00133256)**

CEO/CFO CERTIFICATION - FINANCIAL YEAR ENDED 30.06.2014

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 : 12th November, 2014

(RAJ KUMAR ADLAKHA)
MANAGING DIRECTOR
(DIN : 00133256)

(SANJAY BHANDARI)
CHIEF FINANCIAL OFFICER
(PAN : ACTPB6429P)

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 production in SS 2013/14 is 181.48 Million MT with a drop of 1.17% over 183.63 Million MT in SS 2012/13, 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 4 Sugar producers in the world, namely Brazil, India, China and Thailand, account for over 51% of total production.

Production, Consumptions and End Stocks

The global sugar industry production is 181.48 Million MT in 2013/14 with a drop of 1.17% on 2012/13. There is a slight rise in consumption by 2.15% to 176.75 Millions MT in 2013/14, resulting into inventory levels for the 2012/13 and 2013/14 at 75.20 Million MT and 75.84 Million MT respectively. There is an decrease in the closing stock to consumption ratio in 2013/14 at 42.91% as against 43.46% at the end of 2012/13.

World Sugar Balances (October/September)

(In Million MT, raw value)

Particulars	2013/14	2012/13	2011/12	Change in 2013/14 over 2012/13	
				(Million MT)	(%)
Production	181.48	183.63	174.65	-2.15	-1.17
Consumption	176.75	173.03	168.11	3.72	2.15
Surplus/(Deficit)	4.73	10.60	6.54		
Import demand	52.87	55.30	56.28	-2.43	-4.40
Export availability	57.14	56.44	56.42	0.70	1.24
End Stocks	75.84	75.20	65.74	0.64	0.85
Stock/Consumption Ratio in %	42.91	43.46	39.11		

Source: International Sugar Organisation (ISO)

As per October Market Report of ISO published in November 2013, In October world market prices strengthened despite a still widely expected global surplus for the 2013/14 season.

In Brazil, the world's leading producer and exporter of sugar, cane production so far in the 2013/14 Centre-South harvest to mid-October reached 471.2 mln tonnes, up to 12% on last year's. In the first half of October, however, output was disappointing, as cane, sugar and ethanol production were a respectively 19%, 32% and 16% lower than the comparative period last year.

In India, the world's second largest sugar producer, the second largest cane crop in history is on the horizon. A combination of good and well-distributed monsoon rains after last year's droughts in some major cane growing regions and practically unchanged cane areas (5.12 mln ha as against last season's 5.17 mln ha) are expected to bring an excellent cane crop. According to Indian Sugar Mills Association (ISMA), sugarcane production is expected to stand at 348.38 mln tonnes, up 2% from the previous season. However, the processing of cane crop is likely to be delayed due to mounting cane arrears of sugar mills and continuing cane price disputes.

INDIAN PERSPECTIVE OF SUGAR INDUSTRY

As per Indian Sugar Mills Association (ISMA), Sugar Mills for Sugar season 2012-13, 248 lakh tons of sugar produced, the Indian sugar industry has produced about 241 lakh tons of sugar in the current 2013-14 sugar season.

Maharashtra, this year again, being leading sugar producing state, produced 77 lakh tons of sugar, followed by the sugar mills in Uttar Pradesh who have produced about 65 lakh tons and mills in Karnataka who have produced just over 41 lakh tons.

As compared to the previous sugar season, the sugar mills in Maharashtra have produced almost similar quantity of sugar, whereas the mills in Uttar Pradesh produced about 10 lakh tons less and mills in Karnataka have produced over 7 lakh tons more than last year.

However, in the case of the fourth largest sugar producing State viz. Tamil Nadu, the production is significantly lower than last year when they had produced almost 17 lakh tons, but have produced 12 lakh tons in this sugar season.

The sugar despatches made by the sugar mills during the full season 2012-13, was 228 lakh tons for domestic consumption. As compared to this and considering the trend of sugar despatches till now, it is estimated that the sugar despatches by the sugar mills for domestic requirement, will be higher than last year and may be around 240 lakh tons.

The opening balance as on 1st October, 2013, for 2013-14 season was around 93 lakh tons. It is expected that around 19-20 lakh tons of sugar will get exported out of the country in the whole season i.e. October 2013 - September 2014 and, therefore, considering the consumption and production numbers, the closing balance as on 30th September, 2014 is expected to be around 74-75 lakh tons.

The country will be opening the new season with almost 18-20 lakh tons less than last year, but there will be a surplus of about 15-20 lakh tons, which can be exported as and when opportunity arises.

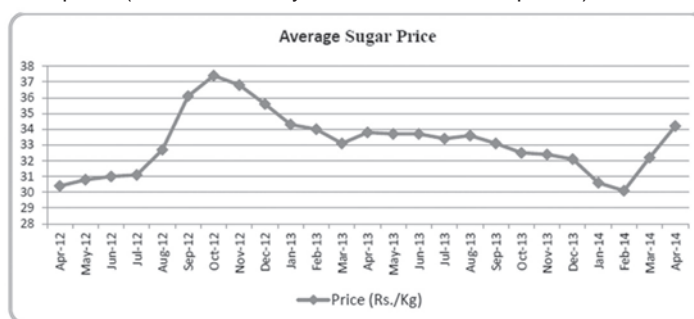
Source: ISMA

The following chart depicts cane production and Sugar production data as publish in GAIN Report, April 2014



Prices:

Domestic sugar prices have been on a downward trend on account of excess supply in the domestic market since SS 2012-13 coupled with no exports (due to relatively lower international prices). Prices of sugar are under pressure.



Source: NCDEX spot price (Kolkata)

High inventory level

(in mn MT)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14 (P)
Opening stock (A)	3.3	4.7	5.7	6.7	9.2
Production (B)	18.9	24.4	26.3	25.1	23.8
Imports (C)	4.1	0.0	0.0	0.7	0.4
Total Availability (D = A+B+C)	26.3	29.1	32.1	32.5	33.4
Internal Consumption (E)	21.3	20.8	22.0	23.0	24.4
Exports (F)	0.2	2.6	3.4	0.3	1.5
Total Offtake (G = E+F)	21.6	23.4	25.4	23.3	25.9
Closing Stock (D-G)	4.7	5.7	6.7	9.2	7.5
Stock as % of consumption	22%	27%	30%	40%	30%
Surplus (B-E)	-2.4	3.6	4.3	2.1	-0.6

Source: CARE Ratings

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.

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 fair and remunerative price system (FRP) 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. 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 FRP in all the growing states.

Given below is a chart depicting the difference in the the State Advised Cane Price (SAP) between 2012-13 and 2013-14 in the major sugar producing states:

Rs per Qtl.

State	2012-13 (SAP)	2013-14 (SAP)	2013-14 (FRP)*
Bihar	255	255	210
Uttar Pradesh	280	280	210
Punjab	240	280	210
Haryana	271	295	210
Maharashtra	275	255	210
Karnataka	275	250	210
Andhra Pradesh	246	251	210
Tamilnadu	240	235	210
Uttarakhand	285	285	210

*Note: - FRP linked with basic recovery rate at 9.5% subject to a premium of Rs. 2.21/- per qtl for every 0.1% point increase in recovery above that level.



Full Decontrol - Real sweetener for the industry

Sugar industry is the second-largest agro-based industry in India and plays a pivotal role in the socio-economic development of the rural India. The industry is cyclical in nature and the entire value chain is regulated leaving very little scope to the industry to play under free market forces. The excessive control mechanism led the Indian Sugar Industry to grapple under several challenges including mounting debt, squeeze on profitability because of high sugarcane prices fixed by various State Governments, sole dependence on the farmers of allotted area for sugar cane procurement and loss on account of meeting levy obligation at a subsidized price.

In a move to decontrol the industry, a Committee headed by Dr. C Rangarajan was formed which submitted its report in October 2012. The major recommendations were as under:

- a) Dispensing with the levy sugar obligation
- b) Dismantling the present monthly release mechanism of non-levy sugar
- c) Replacement of State Advised Price (SAP) with sugarcane price-sugar price linkage formula
- d) Phasing out of sugarcane area reservation

The industry was partially decontrolled in April 2013 by implementing the first two recommendations. While partial decontrol is certainly a great step forward for liberating the industry, the same failed to bring in much cheer, with situation remaining almost same or even worse with further dip in the profitability parameters of sugar companies post decontrol. A comparative analysis of a sample of 33 sugar entities before and after partial decontrol (9MFY13 vis-à-vis 9MFY14) has been tabulated below:

Table 1: Financial Performance.

Median ratios	9MFY13	9MFY14
PBILDT Margin (%)	9.9	1.6
Interest coverage (times)	1.2	0.1
PBT Margin (%)	1.3	(12.4)
Average sugar price (Rs./kg)	33.5	33.1

Source: Care Ratings.

Sugar Production and Marketing Policy

• Sugar Development Fund:

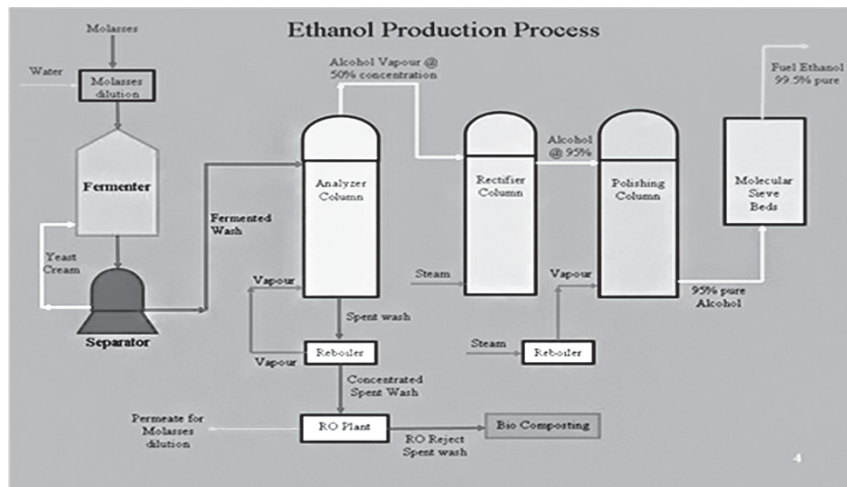
The GOI levies a sugar cess of Rs. 240 per ton of sugar produced by mills for the Sugarcane Development Fund (SDF), which is used to support research, extension, and technological improvement in the sugar sector. The SDF is also often used to support sugar buffer-stocks operations, provide a transport subsidy for sugar exports, and provide subsidised loans for the installation of power generation, ethanol production plants and for loan assistance given to sugar mills equivalent to excise duty. 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.

• Ethanol Manufacture

India's ethanol program is based on producing ethanol from sugar molasses, a by-product of the sugar industry and not directly from sugarcane or corn as in most countries.

India is the fourth largest ethanol producer after Brazil, the United States and China. Ethanol is produced by the fermentation of molasses in India, a by-product of sugar. 88 lbs of molasses is produced from one ton of cane, from which about 10 litres of ethanol can be obtained. If the sugarcane is directly and fully used in ethanol manufacturing, the yield of ethanol is 70 litres/ton.

The Ethanol Production process can be outlined as under:-



(As per ISMA report)

India has an indigenous installed capacity to produce over 400 Crore litres of rectified spirit/alcohol and over 150 Crore litres of fuel ethanol, which is sufficient to meet requirement for 7-8% ethanol blending with petrol. The national bio-fuel policy, approved by the Government, has plans for a 20% ethanol blending programme by 2017. The government-owned Sugar Development Fund is offering subsidized loans up to 40% of the project cost for setting up ethanol production facilities (using molasses and sugarcane).

The Cabinet Committee on Economic Affairs has approved the issue of pricing for bio-ethanol procurement by Oil Marketing Companies (OMCs) for Ethanol Blended Petrol (EBP) Programme as per following:

- i. The 5% mandatory ethanol blending with petrol as already decided by the CCEA in the past, should be implemented across the country, for which the Ministry of Petroleum & Natural Gas issue a gazette notification, for the OMCs to implement from the 2012-13 sugar season, effective from 1st December, 2012.
- ii. Procurement price of ethanol will be decided henceforth between OMCs and suppliers of ethanol.
- iii. In case of any shortfall in domestic supply, the OMCs and Chemical companies are free to import ethanol.

It is expected that 5% bio-ethanol will be blended with petrol sold in all the States and UTs of the country.

The EBP Programme is presently being implemented in a total of 13 States with blending level of about 2% against a mandatory target of 5%.

A stable EBP programme would ensure sustainable benefits for the sugarcane farmers across the nation. It will ensure an alternative market for the farmers who frequently get adversely affected in case of bumper crop of sugarcane and lack of its demand in the market. It will also provide an incentive to small and medium farmers to increase efforts towards sugarcane crop as better returns would be ensured.

Procurement of ethanol at a price determined by the market will ensure stability. EBP programme not only provides opportunities to sugarcane farmers, but it also ensures the use of ethanol as bio-fuel in a big way which is environment friendly. Besides, to the extent of implementation, this reduces the dependence on imported crude and leads the nation ahead on fuel self sufficiency.

Pursuant to this, OMCs, floated tenders for procure of ethanol. In the month of July 2013 OMCs floated a tender to supply Ethanol from June 2014 to Nov. 2014. Again on date 09.07.2014 OMCs have floated a new tender for procurement of ethanol from Nov.2014 to OCT.2015.

However, the delay in finalisation of tender and slow lifting by the Oil Marketing Companies (OMCs) led to piling of inventory of ethanol and increasing working capital requirements for the sugar companies. Besides, lower base price also adversely impacted the profitability.

Key Government initiatives for the sector

By State Government for the season 2013-14 (U.P./Uttarakhand)

1. The U.P. Government had kept the State advised price (SAP) flat at last year's level of Rs 280 per quintal for 2013-14 and UP mills have decided to make cane payment of Rs 260 per quintal in the first instalment to farmers and the remaining Rs 20 by the end of the crushing season. At Uttarakhand SAP were kept at Rs. 285 per quintal.

2. The UP Government has waived of entry tax liability on sugar and purchase tax on sugarcane for the season 2013-14. Similarly Uttarakhand Government has waived the purchase tax liability.
3. Society commission will be reimbursed by the U.P. Government and in the state of Uttarakhand same has been exempted.

By Central Government

1. The Central Government, with a view to improve the liquidity position of sugar factories for enabling them to clear cane price arrears of previous sugar season and timely settlement of cane price of current sugar season relating to the Fair and Remunerative Price (FRP) fixed by the Central Government, to the sugar cane farmers, had the notified scheme, namely "Scheme for Extending Financial Assistant to Sugar Undertakings, 2014".

Loan to the sugar mills which have been functional during 2013-14 sugar season and the quantum of loan would be equivalent to last three sugar season' excise duty, cess and surcharge on sugar paid by the mill. Total amount estimated for sugar loan is 6600 crore approx.

2. To make export competitive in the global market, following export subsidy was introduced as under :

- For February & March 2014	Rs. 3300/- per metric tonne
- For April & May 2014	Rs. 2277/- per metric tonne
- For June & July 2014	Rs. 3300/- per metric tonne
- For August & September 2014	Rs. 3371/- per metric tonne

3. The Central Government vide Notification no. 26/2014 dt 21st August, 2014 increased the import duty on sugar at 25% from 15% as part of efforts to help regional mills struggling with lower prices and higher stocks. A rise in the duty will make imports unviable for port-based refiners despite a plunge in global prices due to ample supplies from top exporters Brazil and Thailand.

Future Expectations/ Announcements

1. The state of Maharashtra and Karnataka producing above 50% of country sugar production, have already implemented the Rangrajan Committee formula. For the state of U.P. also the industry have requested to State Government for fixing of cane price based on the sharing of realisation from sugar and by-products. The State Government has already constituted a committee under the chairmanship of Chief Secretary of the state to submit its recommendations. We expect positive outcomes on the same and the effects of the same will come in next crushing seasons.
2. Central Government is considering to increase the blending % of Ethanol in Petrol from 5% to 10%. This will improve the demand of Ethanol and price of Ethanol will improve from these
3. Central Government is considering the interest free loan under interest subvention scheme equivalent to two year excise duty.

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 REC (Renewal Energy Certificate) mechanism to addressing mis-match between availability of renewable sources in state and to meet the obligation.
- 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.; 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 Fair and Remunerative Price (FRP) 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 from our sugar plant situated at Libberheri, Roorkee. The quality/purity of sugar is one of the best in the country as we are packing the quality of sugar accepted by European Union Standard. Currently our product comes in single variant with 3 SKUs (1 Kg, 5 Kg and 10 Kg). The Sugar that we produce is sulphurless, 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, Bihar, Assam and Madhya Pradesh through our distributors in the respective areas. We have already covered Modern Retails like Big Bazaar, Kendriya Bhandar, Easy Day, Mother Dairy etc.

Uttam Sugar is a very quality centric company and the same will be reflected in our products to come. Our future plans are very ambitious and we want to push Packaged Sugar in Market very aggressively. We would like to inform you that very soon we will be introducing other products along with our existing 1 Kg, 5 Kg and 10 Kg SKUs.

We have also increased our packaged sugar sale from 3% in 2011-12 to 5% in 2012-13 to 9% in 2013-14 and we will take it to more than 15% in 2014-15 season of our total Libberheri sugar Sale.

- 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 2013-14					SEASON 2012-13					SEASON 2011-12				
	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	44.79	69.41	32.47	47.27	193.94	60.07	82.00	41.49	55.09	238.65	50.18	77.58	32.42	51.14	211.32
RECOVERY (%)	8.94	9.42	8.77	8.50	--	9.43	9.60	9.63	9.42	--	8.90	9.10	8.87	8.67	--
PRODUCTION															
SUGAR	4.00	6.53	2.84	4.02	17.39	5.66	7.87	3.99	5.19	22.71	4.46	7.06	2.88	4.43	18.83
MOLASSES	2.04	3.41	1.62	2.40	9.47	2.82	4.08	2.08	2.64	11.62	2.43	3.93	1.61	2.66	10.63
WORKING DAYS	116	131	120	119	--	138	148	141	131	--	144	149	144	139	--

b) Figures for Power Export for last three Financial Years

(In Lacs Kwh)

	F.Y. 2013-14 (15 Months)					F.Y. 2012-13					F.Y. 2011-12				
	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL
POWER EXPORT	185.24	367.66	168.27	234.55	955.73	230.79	434.31	161.80	253.70	1080.60	233.01	--	149.24	260.27	642.52

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 30th June 2014 and the Statement of Profit and Loss and Cash Flow Statement for the period of fifteen months 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 design, 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 30th June 2014;
- b) in the case of the Statement of Profit and Loss, of the loss for the period ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Emphasis of Matter

We draw attention to:-

- a) Note No 26 regarding change in cost formula for computation of cost of finished goods from Weighted Average Cost (WAC) method to First in First Out (FIFO) method. This has resulted in increase in value of closing stocks of finished goods by Rs1327.11 Lacs and Net loss for the period is lower by Rs 1327.11 Lacs and Debit balance of Profit and loss account is lower by same amount. Had the Company followed the WAC method of valuation of finished goods, value closing stock of finished goods would have been Rs. 46246.31 lacs, Net Loss for the Period would have been Rs 6856.92 Lacs and Debit Balance of Profit and loss account would have been 20797.55 Lacs.
- b) Note No 41 of the financial statements regarding recognition of Deferred Tax Assets in respect of unabsorbed depreciation and unabsorbed brought forward business losses.

Our Opinion is not qualified in respect of above matters.

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:
- 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;
 - 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
 - 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.
 - In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in Sub Section (3C) of section 211 of the Companies Act, 1956;
 - On the basis of written representations received from the directors as on 30th June 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 30th June 2014, 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 and Co.
Chartered Accountants
Firm Registration No. 000852C

Place : Noida
Dated : 28.08.2014

(B.K. KAPUR) F.C.A.
Partner
M.No.4578

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the shareholders of **UTTAM SUGAR MILLS LIMITED** for the period ended 30th June 2014.)

- 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.
 - Fixed Assets disposed off during the period were not substantial and, therefore, do not effect the going concern assumption.
- The physical verification of inventory has been conducted by the management at reasonable intervals.
 - 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.
 - 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.
- 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.
 - 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. 137.34 Lacs. Further, the Company has not taken any secured loan from the aforesaid referred parties.
 - The other terms and conditions of the unsecured loans taken by the Company are prima-facie not prejudicial to the interest of the Company.
 - As informed to us, at present there is no stipulation regarding the repayment of the principal amount of unsecured loans.

4. In our opinion, and according to the information and explanations given to us, that some of 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 given 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*. 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 30th June 2014 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. 503.84 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	35.21	Commissioner/ Commissioner (Appeals)
		44.57	Tribunal
		9.22	High Court
Central Excise Act, 1944	Excise Duty	2.20	Commissioner/ Commissioner(Appeals)
		406.81	CESTAT
		5.83	High Court
Total		503.84	

Further, in respect of 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 exceeded fifty percent of its net worth as at 30th June 2014. The company has incurred cash losses amounting to Rs 4932.05 Lacs during the financial period covered by our audit, however there was no cash loss 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 period ended 30th June 2014 are as follows:-*



<i>Particulars</i>	<i>Amount (including Interest) (Rs. in lacs)</i>	<i>Period of Delay (Days)</i>
Banks	3688.58	1 - 30 days
	4948.71	31 - 60 days
	4817.48	61 - 90 days
Total	13454.77	

Out of above dues from Banks of Rs 13199.21 lacs were paid during the year and a sum of Rs.255.56 lacs was paid up to 28.08.2014.

The company has not issued any debentures.

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 other 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.
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. 15364 Lacs upto the date of the Balance Sheet have been used for long term basis primarily 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 comments is required under Para 4(xix) of CARO, 2003.
20. The Company has not raised any money by public issues during the period.
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 and Co.
Chartered Accountants,
Firm Registration No. 000852C

Place : Noida
Dated : 28.08.2014

(B.K. KAPUR) F.C.A.
Partner
M. No. 4578

Balance Sheet as at 30th June 2014

(Rs. in Lacs)

Particulars	Note No.	Figures as at end of Current Reporting Period 30.06.2014	Figures as at end of Previous Reporting Period 31.03.2013
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	1	10,978.81	10,856.31
Reserves and Surplus	2	(2,052.62)	3,354.69
		<u>8,926.19</u>	<u>14,211.00</u>
2 Non Current Liabilities			
Long Term Borrowings	3	18,284.60	21,870.14
Long Term Provisions	4	460.24	335.78
		<u>18,744.84</u>	<u>22,205.92</u>
3 Current Liabilities			
Short Term Borrowings	5	45,170.38	45,425.95
Trade Payables	6	25,658.64	30,146.06
Other Current Liabilities	7	15,697.88	13,645.06
Short Term Provisions	8	52.98	73.47
		<u>86,579.88</u>	<u>89,290.54</u>
		<u>114,250.91</u>	<u>125,707.46</u>
TOTAL (1+2+3)			
II. ASSETS			
1 Non Current Assets			
Fixed Assets	9		
Tangible Assets		45,969.50	47,295.41
Intangible Assets		15.00	17.88
Capital Work-In-Progress		2,559.81	2,801.24
		<u>48,544.31</u>	<u>50,114.53</u>
Deferred Tax Assets (Net)	10	4,851.09	1,366.35
Long Term Loans and Advances	11	1,140.95	2,408.85
		<u>54,536.35</u>	<u>53,889.73</u>
2 Current Assets			
Inventories	12	51,836.10	61,048.39
Trade Receivables	13	1,650.04	3,626.47
Cash and Bank Balances	14	4,301.89	5,834.52
Short Term Loans and Advances	15	1,896.53	1,268.35
Other Current Assets	16	30.00	40.00
		<u>59,714.56</u>	<u>71,817.73</u>
		<u>114,250.91</u>	<u>125,707.46</u>
TOTAL (1+2)			
Contingent Liabilities & Commitments	17		
Significant Accounting Policies and Notes			
Forming Integral Part of Financial Statements	(1 to 44)		

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

(S.L. SHARMA)
HEAD - A/C & COMMERCIAL

(B.K. KAPUR) F.C.A.
PARTNER
M. No. 4578

Place : Noida

Dated : 28th August, 2014

Statement of Profit and Loss for the Period Ended 30th June 2014

(Rs.in Lacs)

Particulars	Note No.	Figures for the Current Reporting Period 30.06.2014	Figures for the Previous Reporting Period 31.03.2013
I. Revenue from Operations	18	87,161.19	64,532.45
II. Other Income	19	211.32	142.31
III. Total Revenue (I+II)		<u>87,372.51</u>	<u>64,674.76</u>
IV. Expenses			
Cost of Material Consumed	20	62,863.24	64,574.06
Purchases of Stock-In-Trade		–	781.68
Changes in Inventories of Finished Goods, Work-In-Progress	21	8,495.13	(20,359.94)
Employee Benefits Expenses	22	4,084.05	3,198.22
Finance Costs	23	9,928.18	6,950.94
Depreciation and Amortisation Expenses		4,082.50	3,012.52
Other Expenses	24	7,000.15	5,317.00
Total Expenses		<u>96,453.25</u>	<u>63,474.48</u>
V. Prior Period Items (Refer Note No. 36)		(66.19)	(37.19)
VI. (Loss) / Profit before Tax (III-IV-V)		<u>(9,014.55)</u>	<u>1,237.47</u>
VII. Tax Expense :			
Deferred Tax (Credit) / Charge		(3,484.74)	691.18
VIII. (Loss) / Profit for the period (VI-VII)		<u>(5,529.81)</u>	<u>546.29</u>
XI. Earning per Share (Note No. 39)			
Nominal Value Rs. 10/-			
Basic		(16.25)	0.08
Diluted		(16.25)	0.08
Significant Accounting Policies and Notes Forming Integral Part of Financial Statements	(1 to 44)		

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

(S.L. SHARMA)
HEAD - A/C & COMMERCIAL

(B.K. KAPUR) F.C.A.
PARTNER
M. No. 4578

Place : Noida
Dated : 28th August, 2014



Cash Flow Statement for the Period Ended 30th June 2014

(Rs. In Lacs)

Particulars	Figures for current Reporting Period 30.06.2014	Figures for previous Reporting Period 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) / Profit before Tax	(9,014.55)	1,237.47
Adjustments for:		
Depreciation / Amortisation	4,082.50	3,012.52
Financial Cost	9,928.18	6,950.94
Loss on sale/discard of assets (net)	0.99	4.91
Profit on sale of Assets	(0.12)	(32.44)
Interest Income	(205.61)	(107.36)
Operating Profit before Working Capital changes	<u>4,791.39</u>	<u>11,066.04</u>
Adjustments for:		
Trade & Other Receivables	1,347.49	(1,746.12)
Inventories	9,212.29	(20,962.85)
Trade Payables	<u>(4,523.19)</u>	<u>15,334.68</u>
Cash generated from operations	<u>6,036.59</u>	<u>(7,374.29)</u>
Direct taxes (paid)	10,827.98	3,691.75
Net Cash flow from Operating Activities	10,806.36	3,643.49
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,056.28)	(728.09)
Sale/Adjustment of Fixed Assets	3.26	82.74
Sale of Assets held for Disposal	10.00	160.00
Interest Received	205.61	107.36
Net Cash used in Investing Activities	(837.41)	(377.99)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance Cost Paid	(9,802.14)	(7,035.39)
Redeemable Preference Share Capital issued	122.50	200.00
Equity Share Capital Issued	-	1,236.91
Premium on Issue of Redeemable Preference Share Capital	122.50	1,684.29
Share Application Money Received	-	(150.00)
Proceeds from Borrowings (Term Loans)	9,935.98	6,294.90
Proceeds from Borrowings (Short Term Loans)	1,276.72	2,312.50
Repayment of Borrowings (Unsecured Loans)	-	(675.00)
Repayments of Borrowings (Term Loans)	(11,624.90)	(9,511.48)
Proceeds/ (Repayment) of Borrowings (Working Capital)	(1,532.25)	5,860.78
Net Cash flow from Financing Activities	(11,501.58)	217.51
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(1,532.63)	3,483.01
Cash and Cash Equivalents as at Beginning	5,834.52	2,351.51
Cash and Cash Equivalents as at Closing	4,301.89	5,834.52

Notes:

- Cash and Cash Equivalents represent Cash and Bank Balances (Refer Note No. 14)
- 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

(S.L. SHARMA)
HEAD - A/C & COMMERCIAL

(B.K. KAPUR) F.C.A.
PARTNER
M. No. 4578

Place : Noida

Dated : 28th August, 2014

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:

Tangible 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 up to 31st March 2013 was determined on weighted average method whereas due to change in accounting policy as given in Auditors Report, closing stock appearing in the balance sheet has been determined on current cost. 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:

a) Current tax is determined on the amount of tax payable in respect of taxable income for the year.

b) 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 unabsorbed brought forward Business Losses 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 ended translated at the year ended 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/ de-capitalized. 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.

xiii. 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.

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2014

(Rs. in Lacs)

Particulars	Figures as at end of current Reporting Period 30.06.2014	Figures as at end of previous Reporting Period 31.03.2013
NOTE - 1 : SHARE CAPITAL		
Authorised:		
Equity Share Capital		
60000000 Equity Shares of Rs.10/- each (Previous Year 60000000 Equity Shares of Rs.10/- each)	6,000.00	6,000.00
Redeemable Preference Share Capital		
10000000 Preference Shares of Rs.100/- each (Previous Year 10000000 Preference Shares of Rs.100/- each)	10,000.00	10,000.00
Issued, Subscribed & Paid-up Capital		
Equity Share Capital		
38138120 Equity Shares of Rs.10/- each fully paid up (Previous Period 38138120 Equity Shares of Rs.10/- each fully paid up)	3,813.81	3,813.81
6.5% Cumulative Redeemable Preference Share Capital - Series I		
5000000 Preference Shares of Rs.100/- each (Previous Year 5000000 Preference Shares of Rs.100/- each)	5,000.00	5,000.00
10% Cumulative Redeemable Preference Share Capital - Series II		
2165000 Preference Shares of Rs.100/- each (Previous Year 2042500 Preference Shares of Rs.100/- each)	2,165.00	2,042.50
TOTAL	10,978.81	10,856.31

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 PERIOD ENDED 30TH JUNE 2014

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

Name of Equity Shareholders	As at 30th June, 2014		As at 31 st March, 2013	
	No. of Shares held	Percentage (%)	No. of Shares held	Percentage (%)
Uttam Adlakha & Sons Holdings Pvt. Limited	16,301,224	42.74%	10,119,224	26.53%
Lipi Boilers Limited	3,515,000	9.22%	3,515,000	9.22%
Uttam Sucrotech Limited	–	0.00%	4,614,267	12.10%
Uttam Industrial Engineering Limited	2,750,000	7.21%	2,750,000	7.21%
New Castle Finance & Leasing (P) Ltd.	–	0.00%	2,262,650	5.93%

Name of Preference Shareholders (Series - I)	No. of Shares held	Percentage (%)	No. of Shares held	Percentage (%)
Uttam Sucrotech Limited	1,700,000	34.00%	1,700,000	34.00%
Uttam Industrial Engineering Limited	1,310,000	26.20%	1,160,000	23.20%
Lipi Boilers Limited	340,000	6.80%	400,000	8.00%
Sekhri Finance and Investments Pvt. Limited	600,000	12.00%	600,000	12.00%
Uttam Properties Pvt. Ltd.	800,000	16.00%	800,000	16.00%
New Castle Finance & Leasing (P) Ltd.	250,000	5.00%	–	–

Name of Preference Shareholders (Series - II)	No. of Shares held	Percentage (%)	No. of Shares held	Percentage (%)
Uttam Sucrotech Limited	225,000	10.39%	225,000	11.02%
Uttam Industrial Engineering Limited	850,500	39.28%	850,500	41.64%
Lipi Boilers Limited	620,500	28.66%	674,500	33.02%
Sekhri Finance and Investments Pvt. Limited	167,500	7.74%	167,500	8.20%
Uttam Properties Pvt. Ltd.	120,000	5.54%	120,000	5.88%

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 preceding 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:	30.06.2014	31.03.2013
i) Equity Shares		
At the beginning of the year	38138120	25769000
Change during the year - Shares allotted under the Rights Issue of the Company	–	12369120
At the end of the year	38138120	38138120
ii) Preference Shares		
a) 6.5% Cumulative Redeemable Preference Shares - Series I		
At the beginning of the year	5000000	5000000
Change during the year	–	–
At the end of the year	5000000	5000000
b) 10% Cumulative Redeemable Preference Share - Series II		
At the beginning of the year	2042500	1842500
Change during the year - Preference Shares allotted	122500	200000
At the end of the year	2165000	2042500

Particulars	Figures as at end of current Reporting Period 30.06.2014	Figures as at end of previous Reporting Period 31.03.2013
NOTE - 2 : RESERVES AND SURPLUS		
a) Securities Premium Reserve		
As per Last Balance Sheet	17,295.32	15,611.03
Add: Additions during the year	122.50	1,684.29
	17,417.82	17,295.32
b) Surplus		
Profit & Loss Statement		
As per Last Balance Sheet	(13,940.63)	(14,486.92)
Add : (Loss) / Profit during the year	(5,529.81)	546.29
	(19,470.44)	(13,940.63)
TOTAL	(2,052.62)	3,354.69

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

NOTE - 3 : LONG TERM BORROWINGS

a) Secured Loans

Term Loans

- From Banks	16,281.42	19,184.17
- From Govt. of India, Sugar Development Fund (SDF)	1,823.05	2,519.19
	18,104.47	21,703.36

Vehicle Loans

- From Banks	27.32	13.97
	27.32	13.97
	18,131.79	21,717.33

b) Unsecured Loans

Loans from Related Parties (Refer Note No. 37)	152.81	152.81
	152.81	152.81
TOTAL	18,284.60	21,870.14

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 and third charge on pari passu basis on whole of the current assets (stock, book debts etc.) both present & future.
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.

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2014

3. Term Loans from banks (except Co Operative Bank Loan) are also secured by way of pledge on parri passu basis of 3484170 (Previous Year 19450442) Equity Shares in the Company held by individual promoters of the Company viz. Mr. Raj Kumar Adlakha, Rajan Adlakha & Ranjan Adlakha.
4. 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.
5. Term Loan from Uttarakhand State Co-operative Bank Limited is 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.
6. Term loan from Zila Sakhari Bank Limited, Ghaziabad is secured on residual charge basis on movable assets forming part of fixed/block assets, both present & future, situated at village Shermau, Tehsil Nakur Distt. Saharanpur & also guaranteed by Managing Director.
7. 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 (Rs.in Lacs)

Rate of Interest	2015-16 (9 Months)		2016-17		2017-18		2018-19		2019-20	
	No. of Inst.	Amount	No. of Inst.	Amount	No. of Inst.	Amount	No. of Inst.	Amount	No. of Inst.	Amount
4.00%	1	150.00	2	300.00		–		–		–
7.00%	1	111.13	2	222.26	1	111.13		–		–
7.50%	1	151.47	1	151.47	1	151.47		–		–
			2	118.54	2	118.54	2	118.54	2	118.54
10.65%	9	9.64	9	4.36		–		–		–
	12	3.26	10	3.64						
			11	6.42						
11.50%	2	2,672.47	4	1,547.34	3	1,129.35		–		–
	3	850.74	–	–		–		–		–
12.00%	1	70.19	12	842.33	12	842.33	11	772.14		
			10	293.61	12	352.33	12	352.33	2	58.71
			12	424.33	12	424.33	12	424.33		
12.50%	3	600.00	4	800.00	4	560.00	1	115.61		–
13.75%	3	1,095.19	3	875.72		–		–		–
14.25%	3	273.00	4	364.00	3	221.00		–		–
15.35%	3	150.00	3	170.00		–		–		–
Total		6,137.09		6,124.02		3,910.48		1,782.95		177.25

ii) Terms & Conditions of Unsecured Loans

- a) Loans from Related Parties represents Interest Free Unsecured Loans.
- b) 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 30th June 2014: (Refer Note No. 7)

- i) Interest on Term Loans from Banks Rs.255.56 lacs included in Other Current Liabilities was due as on Balance Sheet date and same has been paid upto 28th August 2014.
- ii) Unsecured Soft Loan from Uttarakhand State Government Rs.656.68 lacs and interest accrued & due thereon of Rs.247.54 lacs appearing in Other Current Liabilities (Note No.7) of Unsecured Loan was repayable in three years in quarterly instalments w.e.f. January 2008 and the same is still to be repaid.

Particulars	Figures as at end of current Reporting Period 30.06.2014	Figures as at end of previous Reporting Period 31.03.2013
NOTE - 4: LONG TERM PROVISIONS		
Provision for Employees Benefits	460.24	335.78
TOTAL	460.24	335.78

NOTE - 5: SHORT TERM BORROWINGS

a) Secured Loans

Loan Repayable on Demand

Cash Credit from Banks	44,138.66	43,113.45
Short Term Loans from Banks	1,031.72	2,312.50
TOTAL	45,170.38	45,425.95

i) Terms & Conditions of Secured Loans - Security Clause

1. 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.
2. Punjab National Banks' short term loan is secured/to be secured as follows:
 - (i) Secured on first pari passu charge by way of joint equitable mortgage on company's immovable properties & first charge by way of hypothecation of all movable properties of the company on pari passu basis & third charge on pari passu basis on whole of the current assets (Stock, Book Debts etc.), both present & future.
 - (ii) Secured by way of equitable mortgage of immovable property of Promoter group entity.
3. Cash Credit from banks (except Co Operative Bank Loan & Short Term Loan) are also secured by way of pledge on parri passu basis of 3484170 (Previous Year 19450442) Equity Shares in the company held by individual promoters of the company viz. Mr. Raj Kumar Adlakha, Rajan Adlakha & Ranjan Adlakha.
4. Cash Credit facility from Uttarakhand State Co-Operative Bank Limited are secured on pledge of Stocks of sugar at Village Libberheri, Distt Haridwar, Uttarakhand.
5. Cash Credit facility from Zila Sahkari Bank Limited, Bijnor are secured on pledge of stocks of sugar at Village Barkatpur, Tehsil : Najibabad Distt. Bijnor & also guaranteed by Managing Director.
6. Cash Credit facility from Zila Sahkari Bank Limited, Ghaziabad are secured on pledge of stocks of sugar at Village Shermau, Tehsil : Nakur, Distt. Saharanpur.

NOTE - 6 : TRADE PAYABLES

Micro, Small and Medium Enterprises (Refer Note No. 25)	35.07	51.46
Others	25,623.57	30,094.60
TOTAL	25,658.64	30,146.06

(Rs.in Lacs)

Particulars	Figures as at end of current Reporting Period 30.06.2014	Figures as at end of previous Reporting Period 31.03.2013
NOTE - 7 : OTHER CURRENT LIABILITIES		
a) Current Maturities of Long Term Debt (Refer Note No. 3)		
Secured Loans		
Term Loans		
- From Banks	9,048.71	7,049.27
- From Govt. of India, Sugar Development Fund (SDF)	1,059.15	1,166.97
Vehicle Loans		
- From Banks	22.83	17.83
Unsecured Loans		
- Soft Loan from Uttarakhand State Government	656.68	656.68
	10,787.37	8,890.75
b) Interest Accrued But Not due on Borrowings	238.19	117.14
c) Interest Accrued and due on Borrowings	503.10	498.12
d) Creditors for Capital Expenditure	713.62	543.73
e) Application Money received for allotment of securities and due for refund	-	0.46
f) Security Deposits	142.30	136.87
g) Due to Directors	10.80	3.59
h) Due to Scheduled Bank (Book Overdraft in reconciliation)	3.53	103.17
(j) Other Payables		
Statutory Liabilities	1,405.52	2,087.30
Advance From Customers	1,345.12	696.69
Other Liabilities *	548.33	567.24
TOTAL	15,697.88	13,645.06

* Other Liabilities includes commission on sales, due to employees and employees benefits & Expenses Payable.

NOTE - 8 : SHORT TERM PROVISIONS

a) Provision for Employee Benefits	51.48	71.93
b) Provision for Wealth Tax	1.50	1.54
TOTAL	52.98	73.47



NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2014

(Rs. in Lacs)

	As at 01.04.2013	During the period	As at 30.06.2014
NOTE - 10 : DEFERRED TAX ASSETS (NET)			
DEFERRED TAX LIABILITY			
Difference between Book & Tax Depreciation	7,442.58	(189.21)	7,253.37
	7,442.58	(189.21)	7,253.37
DEFERRED TAX ASSETS			
Expenses Allowed U/s 43-B on paid basis	672.93	(203.27)	469.66
Unabsorbed Depreciation & Business Loss (Refer Note No.41)	8,136.00	3,498.80	11,634.80
	8,808.93	3,295.53	12,104.46
NET DEFERRED TAX ASSETS	1,366.35	3,484.74	4,851.09
Previous Year	2,057.53	(691.18)	1,366.35

Particulars	Figures as at end of current Reporting Period 30.06.2014	Figures as at end of previous Reporting Period 31.03.2013
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NOTE - 11 : LONG TERM LOANS AND ADVANCES

(Unsecured - Considered good)

a) Capital Advances		
Advances to Related Parties (Refer Note. No.37)	85.21	1,320.82
Other Capital Advances	631.66	686.31
b) Security Deposits (incl. Interest Accrued thereon)	72.13	71.35
c) Other Loans and Advances		
Tax Deducted at Sources	71.07	49.49
Balance with Income Tax Department (Under Protest)	47.16	47.16
MAT Credit Entitlements	233.72	233.72
TOTAL	1,140.95	2,408.85

NOTE - 12 : INVENTORIES

(As taken, valued and certified by the Management)

a) Raw Material	2.62	220.00
b) Work-in-Progress	350.96	1,180.21
c) Finished Goods		
Sugar	47,573.42	54,478.68
Industrial Alcohol	538.28	584.01
Banked Power	66.24	77.55
Renewal Energy Certificates (RECs)	301.98	38.84
d) By-Products	2,097.08	3,402.19
e) Stores, Spare Parts and Packing Materials	905.52	1,066.91
TOTAL	51,836.10	61,048.39

Mode of Valuation of Inventories:

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

NOTE - 13 : TRADE RECEIVABLES

(Unsecured - Considered good)

a) Trade Receivables outstanding for a period exceeding six months	148.35	216.01
b) Others	1,501.69	3,410.46
TOTAL	1,650.04	3,626.47

Particulars	Figures as at end of current Reporting Period 30.06.2014	Figures as at end of previous Reporting Period 31.03.2013
NOTE - 14: CASH AND BANK BALANCES		
i) Cash & Cash Equivalents		
a) Balance with Banks		
In Current Accounts	3,200.37	2,337.52
In Fixed Deposit Account	6.30	297.93
b) Cash in Hand	22.95	30.37
ii) Other Bank Balances		
a) Term Deposit having remaining maturity of more than 3 months but not more one year (in Margin Money and interest accrued thereon)	473.25	2,867.89
b) Term Deposit having remaining maturity of more than 1 Year (in Margin Money and interest accrued thereon)	599.02	300.35
c) In Escrow Accounts	-	0.46
TOTAL	4,301.89	5,834.52
NOTE - 15 : SHORT TERM LOANS AND ADVANCES (Unsecured - Considered good)		
a) Advances to Related Parties for Supply of Goods & Services (Refer Note No.37)	36.98	37.04
b) Other Loans & Advances		
Advances for Supply of Goods & Services	144.40	214.33
Due from Employees	18.22	11.09
Prepaid Expenses	65.47	80.68
Balance with Excise Department	289.82	281.20
Cenvat Receivable	13.89	379.38
Security Deposits	108.46	89.89
Others Loans & Advances *	1,219.29	174.74
TOTAL	1,896.53	1,268.35
* includes Rs.138.32 lacs Interest recoverable (Previous Year Rs.130.20 lacs) (Refer Note No.33)		
NOTE - 16 : OTHER CURRENT ASSETS (Unsecured - Considered good)		
Assets held for Disposal (Refer Note. No. 42)	30.00	40.00
TOTAL	30.00	40.00
NOTE - 17 : CONTINGENT LIABILITIES AND COMMITMENTS		
Contingent Liabilities		
i) Excise Duty / Sales Tax demands and show cause notices against which Company / Department has preferred appeals / filed replies.	2,197.05	1,788.79
ii) Preference Dividend payable on cumulative Redeemable Preference Shares	2,105.07	1,438.60
iii) In respect of pending court cases by/against ex-employees amount not ascertainable at this stage	-	-
Capital Commitments		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	232.90	2,568.47
ii) Letter of Credit in favour of Suppliers and Bank Guarantees issued	1,012.29	1,374.50
TOTAL	5,547.31	7,170.36

Particulars	Figures for the Current Reporting Period 30.06.2014	Figures for the Previous Reporting Period 31.03.2013
NOTE - 18 : REVENUE FROM OPERATIONS		
a) Sale of Products	89,249.96	66,224.94
b) Other Operating Revenues	737.08	176.88
c) Less: Excise Duty	2,825.85	1,869.37
Net Sales	<u>87,161.19</u>	<u>64,532.45</u>
Particulars of Sale of Products		
Sugar	76,108.98	58,921.62
Molasses	4,607.80	2,261.50
Power	4,156.70	4,585.31
Distillery	3,955.25	421.91
Others	421.23	34.60
TOTAL	<u>89,249.96</u>	<u>66,224.94</u>
NOTE - 19 : OTHER INCOME		
a) Interest Income	205.61	107.36
b) Other Non Operating Income		
Profit on Sale of Assets	0.12	32.44
Miscellaneous Income	5.59	2.51
TOTAL	<u>211.32</u>	<u>142.31</u>
NOTE - 20 : COST OF RAW MATERIAL CONSUMED (Indegenous)		
Opening Stocks	220.00	49.64
Purchases	62,645.86	64,628.41
	<u>62,865.86</u>	<u>64,678.05</u>
Less : Closing Stocks	2.62	220.00
	<u>62,863.24</u>	<u>64,458.05</u>
Add Trial Run Period Cost	-	116.01
TOTAL	<u>62,863.24</u>	<u>64,574.06</u>
NOTE - 21 : CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS		
Opening Stocks		
Finished Goods	55,179.08	36,896.12
Work-in-Progress	1,180.21	558.80
By-products	3,402.19	1,635.85
	<u>59,761.48</u>	<u>39,090.77</u>
Closing Stocks		
Finished Goods	48,479.92	55,179.08
Work-in-Progress	350.96	1,180.21
By-products	2,097.08	3,402.19
	<u>50,927.96</u>	<u>59,761.48</u>
Excise & Other Duties on Increase / (Decrease) of Stocks	(338.39)	310.77
Decrease / (Increase) in Stocks	<u>8,495.13</u>	<u>(20,359.94)</u>

Particulars	Figures for the current Reporting Period 30.06.2014	Figures for the previous Reporting Period 31.03.2013
NOTE - 22 : EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	3,831.93	2,959.52
Contribution to Provident and other funds	115.25	98.83
Staff Welfare	136.87	139.87
TOTAL	4,084.05	3,198.22
NOTE - 23 : FINANCE COSTS		
Interest Expenses	9,584.04	6,772.21
Other Borrowing Costs	344.14	178.73
TOTAL	9,928.18	6,950.94
NOTE - 24 : OTHER EXPENSES		
a) Manufacturing Expenses		
Packing Materials Consumed	1,041.57	828.74
Consumption of Stores, Spares	673.07	582.23
Power and Fuel	543.05	176.67
Other Manufacturing Expenses	369.62	222.91
Repairs to:		
Plant and Machinery	1,633.02	1,421.80
Buildings	12.62	12.30
Others	76.46	111.88
	1,722.10	111.88
	4,349.41	3,356.53
b) Administrative and Other Expenses		
Rent	59.45	33.87
Rates and Taxes	39.58	45.72
Printing and Stationery	32.09	37.10
Postage, Courier and Telephones	43.83	46.88
Travelling and Conveyance	265.92	198.28
Fees and Subscription	53.38	56.61
Legal and Professional Charges	216.82	248.89
Auditors' Remuneration (Refer Note No.38)	19.05	16.01
Vehicle Running and Maintenance	186.53	104.01
Insurance	136.78	69.45
Cane Development Expenses	1,102.35	782.98
Loss on Sale/Discard of Fixed Assets	0.99	4.91
Office & Other Administration Expenses	39.35	42.78
	2,196.12	1,687.49
c) Selling & Distribution Expenses		
Business Promotion	17.65	10.38
Sugar Handling Expenses	55.07	26.47
Commission on Sales	237.49	163.41
Freight Outward	33.49	2.44
Other Selling Expenses	61.12	28.39
Rebate & Discount	49.80	41.89
	454.62	272.98
TOTAL	7,000.15	5,317.00

25. 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 Period	Previous Year
(a) Amount due to Micro, Small and Medium Enterprises as on		
i) Principal amount	35.07	51.46
ii) Interest due on above	NIL	NIL
(b) i) Principal amount paid after due date or appointed day during the period	NIL	NIL
ii) Interest paid during the period on (i) above	NIL	NIL
(c) Interest due & payable (but not paid) on principal amounts paid during the period 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 period upto the date when actually paid	NIL	NIL

26. The company has changed cost formula for computation of cost of stocks of finished goods from weighted average cost (WAC) method to First In First Out (FIFO) method as this gives the closed approximation to current cost flows and is in accordance to the AS-2 "Valuation of Inventories" issued by The Institute of Chartered Accountants of India. This has resulted in increase in value of closing stocks of finished goods - Sugar by Rs.1327.11 Lacs & net loss for the period and debit balance of Profit & Loss account is also lower by the same amount. Had the company followed the WAC method of valuation of finished goods value closing stock of finished goods - Sugar would have been Rs of 46246.31 Lacs, Net Loss for the period would have been Rs 6856.92 Lacs and debit balance of Profit and loss account would have been 20797.55 Lacs.
27. Amount of borrowing cost capitalized to fixed assets during the year is Rs. 40.98 Lacs (Previous Year Rs. Nil Lacs).
28. 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.
29. 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.
30. Disclosure in respect of Operating Lease:

The Company has entered into non-cancelable Operating Lease for premises and lease rent amounting to Rs. 59.45 Lacs (Previous Year Rs. 33.87 Lacs) have been charged to Profit & Loss account. The future minimum lease payments are as under:-

(Rs.in Lacs)

	Current Period	Previous Year
(a) Not later than one Year	45.20	21.57
(b) Later than one year & not later than Five Years	30.04	24.00
(c) Later than Five years	-	6.00

31. 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.

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2014

32. 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 Period	Previous Year
1	Segment Revenue		
	a) Sugar	85,520	64,521
	b) Cogeneration	6735	6,911
	c) Distillery	3579	408
	Total	95,834	71,840
	Less: Inter Segment Revenue	8673	7308
	Net Segment Revenue	87161	64532
2	Segment Results - Profit/(Loss) before Tax and Finance Cost		
	a) Sugar	(324)	6,912
	b) Cogeneration	1716	2,191
	c) Distillery	578	10
	Total	1970	9,113
	Add/Less: i) Finance Cost	9928	6,951
	ii) Other Un-allocable Expenses net of Un-allocable Income	1057	925
	Profit/(Loss) before Tax	(9015)	1,237
3	Segment Assets		
	a) Sugar	89945	101,171
	b) Cogeneration	9483	13,850
	c) Distillery	9348	8,892
	d) Unallocable	624	427
	Total Assets	109400	124,340
4	Segment Liabilities		
	a) Sugar	29981	34,545
	b) Cogeneration	71	88
	c) Distillery	573	318
	d) Unallocable	456	355
	Total Liabilities	31081	35,306
5	Capital Expenditure		
	a) Sugar	775	213
	b) Cogeneration	4	43
	c) Distillery	1701	422
	d) Unallocable	36	27
	Total Capital Expenditure:	2516	705
6	Depreciation and Amortisation		
	a) Sugar	3015	2,422
	b) Cogeneration	633	505
	c) Distillery	410	66
	d) Unallocable	25	20
	Total Depreciation and Amortisation:	4083	3013

33. Other Loans and Advances' in Note No. '15' includes interest of Rs. 59.54 Lacs (Previous Year Rs. 130.20 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, and includes interest of Rs. 78.78 Lacs (Previous Year Rs. Nil lacs) recoverable from Banks in respect of Scheme - "Extending Financial Assistance to Sugar Undertakings 2014" for clearance of cane dues wherein the Company had availed term loan of Rs. 4857.00 Lacs during the Period.

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2014

34. Statement of Expenses during construction period related to expansion of Distillery at Barkatpur (Boiler & Turbine) and Karnataka as on 30th June 2014 given is as under:-

(Rs. In Lacs)				
Particulars	As on 01.04.2013	For the Period	Capitalised	As on 30.06.2014
Salary & Wages	28.18	12.81	12.81	28.18
Staff & Workers Welfare	1.60	—	—	1.60
Printing and Stationery	0.65	—	—	0.65
Postage, Telegram and Telephones	0.77	—	—	0.77
Travelling and Conveyance	10.42	—	—	10.42
Legal and Professional Charges	4.99	32.16	32.16	4.99
Auditors' Remuneration	0.06	—	—	0.06
Fringe Benefit Tax	0.47	—	—	0.47
Interest & Financial Charges	7.74	40.98	40.98	7.74
Office & Other Administration Expenses	18.51	—	—	18.51
Total	73.39	85.95	85.95	73.39
Less:- Interest Received	18.77	—	—	18.77
Total	54.62	85.95	85.95	54.62

Since the Expansion at Distillery in Barkatpur unit has been completed in May 2014, all Expenses up to such period has been capitalized & allocated to assets.

35. 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 Period (15 Months)	Previous Year
— Employer's Contribution to provident fund	115.25	98.83

II) **Defined Benefit plan**

- Employee benefits in respect of Gratuity and Leave Encashment are based on Actuarial Valuation as on 30th June 2014. The details are given below.

Particulars	Gratuity- Unfunded	Leave Encashment -Unfunded
A) Change in the Present Value of obligation		
a) Present Value of obligation as at 1 st April 2013	286.00 (217.73)	121.70 (76.54)
b) Interest Cost	31.35 (19.28)	12.08 (6.20)
c) Past Service Cost	— (—)	— (—)
d) Current Service Cost	69.03 (41.68)	27.06 (21.85)
e) Benefits Paid	— (—)	— (—)
f) Actuarial Loss/(Gain)	13.70 (7.31)	(49.21) (17.11)
g) Present Value of Obligation as at 30 th June 2014	400.08 (286.00)	111.63 (121.70)

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2014

Particulars	Gratuity- Unfunded	Leave Encashment -Unfunded
B) Change in Fair Value of Plan Assets	– (–)	– (–)
C) Amount recognized in Balance Sheet (A-B)	400.08 (286.00)	111.63 (121.70)
D) Expenses recognized in the Profit & Loss Account		
a) Current Service Cost	69.03 (41.66)	27.06 (21.84)
b) Past Service Cost	– (–)	– (–)
c) Interest Cost	31.35 (19.28)	12.08 (6.20)
d) Actuarial Loss/(Gain)	13.70 (7.30)	(49.21) (17.11)
e) Net Cost	114.08 (68.24)	(10.07) (45.15)
E) Details of Plan Assets	– (–)	– (–)
F) Actuarial Assumptions		
a) Discount Rate		8.50%
b) Rate of escalation in Salary (Per Annum)		6.00%
c) Mortality Table		IALM (2006-08)
d) Retirement Age (Years)		58

36. Details of Prior Period Items (net) is as under: (Rs. in Lacs)

Particulars	Current Period	Previous Year
Expenditure		
Legal & Professional Charges	–	0.05
Repair - Plant & Machinery	0.07	0.25
Fees & Subscription	4.59	1.04
Staff Welfare Expenses	0.12	–
Insurance	0.02	
Salary & Wages	2.12	
Total	6.92	1.34
Income		
Miscellaneous Incomes	–	37.70
Interest on Term Loans	–	0.83
Cenvat for earlier Year availed	73.11	–
Total	73.11	38.53
Net Income	66.19	37.19

37. 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. 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 Sunna Charitable Trust
- New Castle Finance and Leasing Pvt. Ltd.
- Uttam Energy System Ltd.

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)		
		Period ended 30.06.14	Year ended 31.03.13		As at 30.06.14	As at 31.03.13
Key Management Personnel (KMP)						
Raj Kumar Adlakha	Remuneration & Perquisites	50.77	46.03	Remuneration Payable	6.89	0.49
	Lease Rent	13.60	6.00	Lease Rent	0.85	0.70
	Allotment of Redeemable Preference Shares (Series - II) of Rs.100/- each at a Share Premium of Rs.100/- each	134.00				
Ashok Kumar Agarwal	Remuneration & Perquisites	47.50	33.00	Remuneration Payable	3.07	2.40
Relative of KMP						
Amita Adlakha	Office Rent	8.16	3.60	Office Rent	0.42	(0.08)
	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			
	Receiving of Services (Machinery)	33.84	7.09	Creditors	125.35	123.87
	Unsecured Loan Received/(Repayment)	–	(250.00)	Unsecured Loan	17.94	17.94
	Sugar Sales made	1.15	1.47			
	Guarantee received/(Satisfied) (Net)	(8127.98)	(2658.67)	Guarantee	56591.13	64719.11

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2014

Uttam Industrial Engg. Ltd.	Purchase of Fixed Assets	68.06	56.47	Capital Advances	-	170.89
	Receiving of Services (Machinery)	248.05	108.56	Advances for Purchase of Goods/Services	35.78	35.41
				Creditors	0.19	31.04
	Sugar Sales made	1.40	2.10	Unsecured Loan	47.31	47.31
	Guarantee received/(Satisfied) (Net)	(8127.98)	(2658.67)	Guarantee	56591.13	64719.11
The Standard Type Foundry P. Ltd.	Purchase of Fixed Assets	8.50	73.51	Advances for Purchase of Goods/Services	0.07	0.50
	Receiving of Services (Machinery & Vehicles)	100.95	68.56	Creditors	41.84	81.38
	Sugar Sales made	3.17	4.63			
Lipi Boilers Ltd.	Purchase of Fixed Assets	1277.37	22.73	Capital Advances	85.21	1149.93
	Receiving of Services (Machinery)	3.78	160.54	Advances for Purchase of Goods/Services	1.12	1.12
	Unsecured Loan Received/(Repayment)	-	(200.00)	Creditors	14.63	9.83
	Allotment of Redeemable Preference Shares (Series - II) of Rs.100/- each at a Share Premium of Rs.100/- each	-	150.00	Unsecured Loans	44.24	44.24
	Guarantee received/(Satisfied) (Net)	(8127.98)	(2658.67)	Guarantee	56591.13	64719.11
Shubham Sugars Ltd.	Purchase of Agriculture Products	85.56	21.70	Creditors	66.82	21.70
Uttam Adlakha & Sons Holdings Pvt. Ltd.	Allotment of Redeemable Preference Shares (Series - II) of Rs.100/- each at a Share Premium of Rs.100/- each	66.00		Unsecured Loan	27.85	27.85
Sekhri Finance & Investment Pvt. Ltd.	-	-	-	Unsecured Loan	15.47	15.47
Rajan & Sons HUF	Unsecured Loan Recd./(Repayment)	-	(225.00)	Unsecured Loan	-	-
Uttam Sunna Charitable Trust	Advance Received & refund for Assets Sale	500.00	-			
	Interest on Advance	29.74	-			
	Sugar Sales	0.14				
	Assets Purchase	0.07		Creditors	0.07	
New Castle Finance and Leasing Pvt. Ltd.	Allotment of Redeemable Preference Shares (Series - II) of Rs.100/- each at a Share Premium of Rs.100/- each	45.00				
Uttam Energy System Ltd.	Reimburses of Expenses	1.12		Creditors	1.12	

38. Auditors' Remuneration:

(Rs.in Lacs)

	Current Period	Previous Year
(a) As Statutory Auditors	12.30	10.05
(b) For Tax Audit	1.25	1.25
(c) For Taxation Matters	1.25	1.25
(c) For other Matters	4.25	3.46
Total	19.05	16.01

39. Earning per share (EPS)

	Period ended 30.06.2014	Year ended 31.03.2013
a) Profit/(Loss) attributable to the Equity Shareholders (Rs.in lacs)	(5529.81)	546.29
Less: Preference Dividend as per Note No. 17	666.47	522.21
Profit/(Loss) attributable to the Equity Shareholders	(6196.28)	24.08
b) Weighted average number of equity shares outstanding		
i) <u>Basic:</u>		
Weighted average number of equity shares at the end	38138120	31021640
ii) <u>Diluted</u>		
Weighted average number of shares as in b(i)	38138120	31021640
c) Paid up value of share	Rs.10/-	Rs.10/-
d) Basic Earnings per share (Rs.) (a/bi)	(16.25)	0.08
e) Diluted Earnings per share (Rs.) (a/bii)	(16.25)	0.08

40. Expenditure in Foreign Currency: (Rs.in lacs)

Foreign Travelling Expenditure	4.61 (23.78)
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41. Out of a sum of Rs.44.22 Crores in respect of previously unrecognized deferred tax assets on brought forward unabsorbed business losses, during the Year the company has partially recognized deferred tax assets of Rs. 20.08 Crores in accordance with the AS-22 on "Accounting of Taxes" issued by The Institute of Chartered Accountants of India, as Cane Development Activities carried out by the company and on the basis of a report issued by Sugar Technical Expert, it has become reasonable that sufficient taxable income will be available against which such deferred tax assets can be realized. These earnings are expected to increase mainly due to higher cane recovery.

Further as per the policy adopted by the Company in preceding financial years, the company has recognized deferred tax assets on account of unabsorbed depreciation 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'.

42. The company has identified certain fixed assets which are being retired from active use and are being held for disposal 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'.
43. The previous year figures have been re-arranged, regrouped and reclassified wherever necessary and the figures are rounded off to nearest rupee Lacs.
44. Current Financial year is of 15 month starting from 01.04.2013 to 30.06.2014 while the previous year was for 12 month therefore figure are not comparable.

For and on behalf of the board

(RAJ KUMAR ADLAKHA)
MANAGING DIRECTOR

(ASHOK KUMAR AGARWAL)
EXECUTIVE DIRECTOR

As per our report of even date
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

(S.L. SHARMA)
HEAD - A/C & COMMERCIAL

(B.K. KAPUR) F.C.A.
PARTNER
M. No. 4578

Place : Noida

Dated : 28th August, 2014



Uttam Sugar Mills Limited

[Corporate Identity Number (CIN): L99999UR1993PLC032518]

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

Tel.: 01332-229445, Fax: 01332-229194, Website: www.uttamsugar.in,

Email id: investorrelation@uttamsugar.in

ATTENDANCE SLIP

Folio No. :

DP-ID No. :

Client ID No. :

Name of the Member (s): :

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 19th Annual General Meeting held on Monday, 15th December, 2014 at 12.30 p.m. at Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand - 247 667.

.....
Member/ Proxy's Signature

(PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING AND HAND OVER AT THE ENTRANCE DULY FILLED IN)



TEAR HERE



Uttam Sugar Mills Limited

[Corporate Identity Number (CIN): L99999UR1993PLC032518]

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

Tel.: 01332-229445, Fax: 01332-229194, Website: www.uttamsugar.in,

Email id: investorrelation@uttamsugar.in

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rules 19(3) of the Companies (Management and Administration) Rules, 2014)

Folio No. :

DP-ID No. :

Client ID No. :

Name of the Member (s): :

Regd. Address of Member :

I/We, being the member (s) of shares of the Uttam Sugar Mills Limited, hereby appoint:

1. Name Address:

E-mail id:.....Signature :or failing him

2. Name Address:

E-mail id:.....Signature :or failing him

3. Name Address:

E-mail id:.....Signature :or failing him

TEAR HERE



✂ ————— TEAR HERE ————— ✂

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual General Meeting of the Company to be held on Monday, 15th December, 2014 at 12.30 p.m. at Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand - 247667 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions
Ordinary Business	
1.	Adoption of Audited Financial Statements for the year ended 30th June, 2014.
2.	Re-appointment of Mr. Ashok Kumar Agarwal, (DIN : 05199585) who retires by rotation and being eligible, offers himself for re-appointment
3.	Re-appointment of M/s. B. K. Kapur & Company, Chartered Accountants as Statutory Auditor and fixing their remuneration.
Special Business	
4.	Re-appointment of Mr. Ashok Kumar Agarwal (DIN: 05199585) as a Executive/Whole-time Director of the Company.
5.	Re-appointment of Mr. Raj Kumar Adlakha (DIN: 00133256) as a Managing Director of the Company.
6.	Appointment of Dr. Ramasamy Vasudevan (DIN: 00109908) as an Independent Director of the Company.
7.	Appointment of Mr. Gurbachan Singh Matta (DIN: 02612602) as an Independent Director of the Company.
8.	Approval of the remuneration of the Cost Auditor for the financial year 2014-2015.
9.	Alteration in Articles of Association of the Company by deletion of existing and substitution of new Article No. 69 & 116 pursuant to Section 14 of the Companies Act, 2013.

Signed this day of2014

Signature of the Member :

Signature of the proxy holder(s) :

**Affix a
Revenue
Stamp of
₹ 1/-**

Note:

1. 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 that forty-eight hours before the time fixed for holding the aforesaid meeting. A proxy need not be a member of the Company.
2. For Resolutions, Explanatory Statements and Notes, please refer to the Notice of 19th Annual General Meeting of the Company.
3. Please complete all details including details of Member(s) before submission.

BOOK POST



If undelivered, please return to:

UTTAM SUGAR MILLS LIMITED

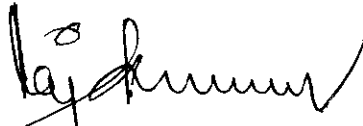
Corporate Office : A-2E, 3rd Floor, C.M.A. Tower,
Sector – 24, Noida – 201 301 (U.P.)

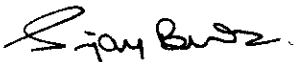
FORM – “A”


(Format of covering letter of the annual audit report to be filed with the Stock Exchanges in Terms of Clause 31 of the Listing Agreement)

1.	Name of the Company:	Uttam Sugar Mills Limited
2.	Annual financial statements for the year ended	30 th June, 2014
3.	Type of Audit observation	Matter of Emphasis*
4.	Frequency of observation	Item No.(a) – First Time Item No.(b) – Second Time

For Uttam Sugar Mills Limited


(Raj Kumar Adlakha)
Managing Director


(Sanjay Bhandari)
Chief Financial Officer


(Gurbachan Singh Matta)
Independent Director /
Audit Committee
Chairman

*** Emphasis of Matter as per Independent Auditors' Report dated 28.08.2014**

We draw attention to:-

- a) Note No 26 regarding change in cost formula for computation of cost of finished goods from Weighted Average Cost (WAC) method to First in First Out (FIFO) method. This has resulted in increase in value of closing stocks of finished goods by Rs1327.11 Lacs and Net loss for the period is lower by Rs 1327.11 Lacs and Debit balance of Profit and loss account is lower by same amount. Had the company followed the WAC method of valuation of finished goods, value closing stock of finished goods would have been Rs.46246.31 lacs, Net Loss for the Period would have been Rs 6856.92 Lacs and Debit Balance of Profit and loss account would have been 20797.55 Lacs.

::2:

- b) Note No 41 of the financial statements regarding recognition of Deferred Tax Assets in respect of unabsorbed depreciation and unabsorbed brought forward business losses.

Our Opinion is not qualified in respect of above matters.

**For B.K.KAPUR AND CO.,
Chartered Accountants,
Firm Registration No. 000852C**



**(B.K.KAPUR) F.C.A.
Partner
M.No.4578**

