

# Uttam Sugar Mills Limited

The best sugar you can buy.



**23<sup>RD</sup>**  
**ANNUAL**  
**REPORT**  
**2017-18**

**UTTAM  
SUGAR**

# ***Liquid Sugar***

*sweeter than regular sugar*

-  **Convenient to use**
-  **Lower in calories**
-  **More healthy**



**UTTAM SUGAR MILLS LIMITED**

 [www.uttamsugar.in](http://www.uttamsugar.in)

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 **FSSC 22000**  
CERTIFIED WITH  
SUCROSE I.P. CERTIFICATION

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## CORPORATE INFORMATION

[CORPORATE IDENTITY NO. (CIN) : L99999UR1993PLC032518]

### **BOARD OF DIRECTORS**

Mr. Raj Kumar Adlakha	Managing Director
Mr. Ashok Kumar Agarwal	Executive Director
Dr. R. Vasudevan	Independent Director
Mr. G. S. Matta	Independent Director
Mr. Narendra Kumar Sawhney	Independent Director
Mrs. Rutuja Rajendra More	Independent Director

### **REGISTERED OFFICE**

Village Libberheri, Tehsil Roorkee,  
District Haridwar, Uttarakhand – 247667  
Tel. : 01332 – 229445  
Fax : 01332 – 229194  
Website : [www.uttamsugar.in](http://www.uttamsugar.in)  
E-mail : [investorrelation@uttamsugar.in](mailto:investorrelation@uttamsugar.in)

### **CORPORATE OFFICE**

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

### **SUGAR 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.)

### **DISTILLERY FACTORY**

Village Barkatpur, Tehsil Nazibabad  
District Bijnor (U.P.)

### **STATUTORY AUDITORS**

SSVS & Co.  
Chartered Accountants

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

Mr. 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

# Uttam Sugar Mills Limited

## NOTICE OF 23<sup>RD</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Members of Company will be held at the Registered Office of the Company at Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand on Friday, 17<sup>th</sup> August, 2018 at 12.00 Noon to transact the following business (es):-

### ORDINARY BUSINESS(ES):

#### 1. Adoption of Financial Statements

To receive, consider and adopt the financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2018 including the audited Balance Sheet as at 31<sup>st</sup> March, 2018, 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. Raj Kumar Adlakha (DIN: 00133256) as a Director liable to Retire by Rotation

To re-appoint Mr. Raj Kumar Adlakha (DIN: 00133256), who retires by rotation and is eligible for re-appointment.

#### 3. Ratification of 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), the continuance of appointment of M/s SSVS & Co., Chartered Accountants (Firm Registration No. 021648C), as Statutory Auditors of the Company, be and is hereby ratified till the conclusion of the Twenty Fourth AGM of the Company to be held in the calendar year 2019 at a remuneration to be fixed by the Board of Directors on the recommendation of Audit Committee plus applicable taxes payable thereon and reimbursement expenses, if any, incurred by them in connection with the Audit."

### SPECIAL BUSINESS(ES):

#### 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 a **SPECIAL RESOLUTION(S):-**

**"RESOLVED THAT** pursuant to Section 196, 197, 198 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 provisions of Articles of Association of the Company and subject to the approval of Central Government, if necessary, the consent of the Company be and is hereby accorded for 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 of three years commencing from 01<sup>st</sup> January, 2018 to 31<sup>st</sup> December, 2020 as recommended by the Nomination and Remuneration Committee of the Directors and approved by the Board of Directors on 11<sup>th</sup> November, 2017 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** 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 a **SPECIAL RESOLUTION (S):-**

**"RESOLVED THAT** pursuant to Section 196, 197, 198 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



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force) and subject to the provisions of Articles of Association of the Company and subject to the approval of Central Government, if necessary, the consent of the Company be and is hereby accorded for the re-appointment and payment of remuneration to Mr. Raj Kumar Adlakha (DIN : 00133256) as Managing Director of the Company for a further period of three years commencing from 01<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2021 as recommended by the Nomination and Remuneration Committee of the Directors and approved by the Board of Directors on 14<sup>th</sup> February, 2018 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 of the Company be and is hereby authorised to decide the actual amount of commission payable in any financial year to Mr. Raj Kumar Adlakha upto 4% of the net profits of the Company, subject to the overall ceiling stipulated in Section 197 of the Companies Act, 2013 and to do all such acts, deeds and things as may be necessary to give effect to the above resolutions."

**"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. Re-classification of the Authorised Share Capital of the Company

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

**"RESOLVED THAT** pursuant to the provisions of Section 13 and 61 of the Companies Act, 2013 read with rules made thereunder and all other applicable provisions, if any, the existing Authorised Share Capital of the Company be and is hereby reclassified from Rs. 2,05,00,00,000/- (Rupees Two Hundred Five Crores only) divided into 4,00,00,000 (Four Crores) Equity Shares of Rs. 10/- (Rupees Ten) each and 1,65,00,000 (One Crore Sixty Five Lakh) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each into Rs. 2,05,00,00,000/- (Rupees Two Hundred Five Crores only) comprising of 7,00,00,000 (Seven Crores) Equity Share of Rs.10/- (Rupees Ten) each and 1,35,00,000 (One Crore Thirty Five Lakh) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each."

**"RESOLVED FURTHER THAT** the existing Clause V of the Memorandum of Association be altered and substituted by the following clause V:

V. The Authorised Share Capital of the Company is Rs. 2,05,00,00,000/- (Rupees Two Hundred Five Crores only) divided into 7,00,00,000 (Seven Crores) Equity Share of Rs.10/- (Rupees Ten) each and 1,35,00,000 (One Crore Thirty Five Lakh) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each."

### 7. Further Issue of Securities

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

**"RESOLVED THAT** in accordance with the provisions of Section 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 (**the "Companies Act"**) and the Rules made thereunder (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), and any other applicable law including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**"SEBI ICDR Regulations"**) and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**), Uniform Listing Agreement entered into by the Company with the Stock Exchanges on which equity shares of the Company are listed, the provisions of the Memorandum and Articles of Association of the Company, and subject to receipt of approval(s), if any, of the Securities and Exchange Board of India (**"SEBI"**), Reserve Bank of India (**"RBI"**), Registrar of Companies (**"ROC"**) and other appropriate statutory or regulatory authorities, and such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be stipulated or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company or any duly constituted Committee of the Board (hereinafter referred to as the **"Board"**), approval of the Members of the Company be and is hereby accorded to create, issue, offer and allot (including provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted under

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applicable law), either in India or in the course of international offering(s) in one or more foreign markets, equity shares of the Company with face value of Rs.10/- each (Rupees Ten each) and / or other securities convertible into Equity Shares (including warrants, or otherwise) or non convertible preference shares and /or debentures (hereinafter referred to as 'Securities') through Public and /or Private offerings including through Qualified Institutional Placement ("**QIP**") in accordance with Chapter VIII of the SEBI ICDR Regulations or any combination thereof or by issue of prospectus and/or placement document and /or other permissible/ requisite offer document to any eligible person(s), including but not limited to qualified institutional buyers (as defined in the SEBI ICDR Regulations) ("**QIB**") in accordance with Chapter VIII the SEBI ICDR Regulations or otherwise foreign or resident investors (whether institution, incorporated bodies, mutual funds, individuals or otherwise), Venture Capital Funds (Foreign or Indian), alternative investment funds, foreign portfolio investors (including foreign institutional investors), Indian and/or bilateral and/or multilateral financial institutions, Non-Resident Indians, stabilizing agents, State Industrial Development Corporations, Insurance Companies, Provident Funds, Pension Funds, Development Financial Institutions and /or any other categories of investors whether or not such investors are members of the company (collectively referred to as the investors), as may be decided by the Board at its discretion and permitted under applicable laws and regulations for an aggregate amount not exceeding Rs.500 crores (Rupees Five Hundred Crores only) or equivalent thereof in any foreign currency, inclusive of such premium as may be fixed on such securities at such time(s), in such a manner and on such terms and conditions including security, rate of interest, discount (as permitted under applicable law) etc., as may be deemed appropriate by the Board in its absolute discretion, including the discretion to determine the categories of investors to whom offer, issue and allotment shall be made to the exclusion of other categories of investor at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with the lead manager(s) and/or underwriter(s) and/or other advisor(s) for such issue and the number and/or price of the securities be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring."

**"RESOLVED FURTHER THAT** in pursuance of the aforesaid resolution:

- (a) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and
- (b) the Equity Shares that may be issued by the Company shall rank *pari passu* with the existing Equity Shares of the Company in all respects."

**"RESOLVED FURTHER THAT** any issue of Eligible Securities made by way of a QIP under Chapter VIII of ICDR Regulations shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations ('QIP Floor Price'). Furthermore, the Board may, at its absolute discretion, also offer a discount of not more than 5% (five per cent) or such other percentage as may be permitted under applicable law to the QIP Floor Price."

**"RESOLVED FURTHER THAT** price determined for issuance of Eligible Securities through a QIP under Chapter VIII of the ICDR Regulations shall be subject to appropriate adjustments as per the provisions of Regulation 85(4) of the ICDR Regulations, as may be applicable."

**"RESOLVED FURTHER THAT** in the event the proposed issuance of Securities is undertaken by way of a QIP in terms of Chapter VIII of the ICDR Regulations (hereinafter referred to as "Eligible Securities" within the meaning of the ICDR Regulations), the allotment of Eligible Securities (or any combination of Eligible Securities as may be decided by the Board) shall be completed within 12 months from the date of passing of this resolution or such other time as may be allowed under the ICDR Regulations from time to time."

**"RESOLVED FURTHER THAT** in the event that "Eligible Securities" are issued to QIBs under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares under Chapter VIII of the SEBI ICDR Regulations."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Securities, the Board be and is hereby severally authorized to take all the necessary steps, including preparation of the offer document for the issue, filing of the offer document with SEBI, ROC, Stock Exchanges, appointment of various intermediaries, determination of the terms of the issue, including the class of investors to whom the Securities are to be issued and allotted, the number of Securities to be issued in each tranche, issue opening and closing dates, issue price, premium / discount to the then prevailing market price, amount of issue, discount to issue price to a class of investors (including retail public, employees and existing shareholders), flexibility of part payment at the time of application by a class of investors (such as retail public, employees and existing shareholders) including

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through Application Supported by Blocked Amount ("ASBA") and payment of balance amount on allotment of Securities, exercise of a green-shoe option, if any, listing on one or more stock exchanges as the Board deems fit and to do all such acts, deeds, matters and things and execute such deeds, documents and agreements, as it may, in its absolute discretion, deem necessary, proper or desirable, and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise in this regard, and the transfer, allotment and utilization of the issue proceeds, and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, as it may in its absolute discretion, deem fit and proper in the best interests of the Company, without requiring any further approval of the Members."

**"RESOLVED FURTHER THAT** the Board or any committee thereof be and is hereby authorized to engage / appoint lead managers, underwriters, guarantors, depositories, custodian, registrar, stabilizing agent, trustees, bankers, advisors and all such agencies as may be involved or concerned in such offerings of securities and to remunerate them by way of commission, brokerage, fee or the like and also to enter into and execute all such arrangement, agreements, memoranda, documents etc with such agencies and to seek the listing of such securities on one or more national and/or international stock exchange(s)."

**"RESOLVED FURTHER THAT** all or any of the powers conferred on the Company and the Board vide this resolution may be exercised by the Board or by any Committee of the Board or by any one or more Directors of the Company as may be delegated by the Board, with power to sub-delegate to any officer(s) of the Company, as the Board may in its absolute discretion decide in this behalf."

### 8. Remuneration of Cost Auditor

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

**"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. 3,00,000/- (Rupees Three Lakhs only) plus applicable taxes and reimbursement of out of pocket expenses for the Financial Year 2018-19, 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. Service of Documents to Members

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

**"RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act, 2013 and relevant rules framed thereunder and other applicable provisions, if any, whereby, a document may be served on any member by the Company by sending it to him/her by post, by registered post, by speed post, by Courier, by electronic mode or any other modes as may be prescribed, consent of the members be and is hereby accorded to charge from the member such fees in advance equivalent to estimated actual expenses of delivery of the documents delivered through registered post or speed post or by courier service or such other mode of delivery of documents pursuant to any request by the shareholder for delivery of documents, through a particular mode of service mentioned above, provided such request along with requisite fees has been duly received by the Company."

**"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."

**By Order of the Board  
For Uttam Sugar Mills Limited**

**(G. RAMARATHNAM)  
CHIEF – LEGAL AND CORPORATE AFFAIRS &  
COMPANY SECRETARY  
Membership No. FCS1021**

Place : Noida

Date : 10<sup>th</sup> July, 2018



# Uttam Sugar Mills Limited

## 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 OR PROXIES 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 Saturday, 11<sup>th</sup> August, 2018 to Friday, 17<sup>th</sup> August, 2018 (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 III<sup>rd</sup> 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 2018-19 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 2017-18 of the Company is being sent to all the members in the electronic mode, whose email addresses 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 addresses, hard copy of above documents are 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 this Annual General Meeting and the Annual Report for the financial year 2017-18 are also be available on Company's website: [www.uttamsugar.in](http://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 as amended by the Companies (Management and Administration) Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to members to exercise their right to vote at the 23<sup>rd</sup> Annual General Meeting (AGM) by electronic means and members may cast their votes through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The facility for voting, through Ballot Paper shall also be made available at the Meeting & Members attending the meeting who have not already cast their vote by e-voting shall be able to vote at the meeting through Ballot Paper. Members have option to vote either through e-voting or through the Ballot Paper. If a member has opted for e-voting, then he/she should not vote by Ballot paper and vice-versa.

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However, in case members cast their vote both via Ballot Paper and e-voting, then voting through e-voting shall prevail and voting done by Ballot Paper shall be treated as invalid.

### The instructions for shareholders voting electronically are as under:

- (i) The e-voting period commences on Monday, 13<sup>th</sup> August, 2018 (9.00 am) and ends on Thursday, 16<sup>th</sup> August, 2018 (5.00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/record date i.e. Friday, 10<sup>th</sup> August, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. In case of any concern related to e-voting, the members may contact Mr. G. Ramarathnam (Chief - Legal and Corporate Affairs & Company Secretary) through mail at [investorrelation@uttamsugar.in](mailto:investorrelation@uttamsugar.in).
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iv) Click on "Shareholders" tab.
- (v) 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 should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares 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) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Annual Report.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly to 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for **"UTTAM SUGAR MILLS LIMITED"**
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.

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- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - 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.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - 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.
- (xxi) 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- 17. Mr. Naveen Kumar Rastogi, Practicing Company Secretary (Membership No. 3685) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- 18. The Chairman shall, at the Annual General Meeting, at the end of discussion on the Resolutions on which voting is to be held, allow voting, with the assistance of Scrutinizer, by use of "ballot paper" for all those Members who are present at the annual general meeting but have not cast their votes by availing the remote e-voting facility.
- 19. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall make not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the result of voting forthwith.  
The results of voting will be declared within 48 hours from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. The declared Results, alongwith the Scrutinizer's Report, will be available forthwith on the Company's corporate website [www.uttamsugar.in](http://www.uttamsugar.in) under the section 'Investors' and on the website of CDSL; such results will also be forwarded to the National Stock Exchange of India Limited & BSE Limited.
- 20. 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.
- 21. The voting rights of members 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 i.e. Friday, 10th August, 2018.
- 22. 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, 2<sup>nd</sup> Floor,  
Naraina Industrial Area, Phase I,  
Near PVR Naraina  
New Delhi – 110028  
Tel.:- 011-41410592-93

## Uttam Sugar Mills Limited

### 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 Regulation 36(3) of SEBI (LODR), 2015)

Particulars	Mr. Ashok Kumar Agarwal	Mr. Raj Kumar Adlakha
DIN	05199585	00133256
Date of Birth	09 <sup>th</sup> March, 1959	22 <sup>nd</sup> January, 1956
Date of Appointment in the Board	14 <sup>th</sup> February, 2012	28 <sup>th</sup> July, 1998
Qualifications	B.Com.(Hons) & ACA	B.E.(Mach.)
Experience	Mr. Agarwal is having overall 35 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.	Mr. Adlakha is having more than 39 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 Unit and one Distillery Units under his leadership.
Directorship held in other Listed Companies	NIL	NIL
Membership in Committee across other Listed Companies	NIL	NIL
Number of Shares held in the Company	NIL	16,24,610 Equity Shares
Relationship with other Directors	None	None

### Details of Shareholding/other convertible instruments of Non-Executive Directors of the Company

(Pursuant to Regulation 36(3) of SEBI (LODR), 2015)

Si. No.	Name of Director	No. of Equity Shares	Other Convertible Securities
1	Dr. Ramasamy Vasudevan	Nil	Nil
2	Mr. G. S. Matta	Nil	Nil
3	Mr. Narendra Kumar Sawhney	Nil	Nil
4	Mrs. Rutuja Rajendra More	Nil	Nil

# Uttam Sugar Mills Limited

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

### Item No. 4

As per the provisions of the Companies Act, 2013 and the provisions of the Articles of Association of the Company, Mr. Ashok Kumar Agarwal was appointed as Whole-Time Director w.e.f. 14<sup>th</sup> February, 2012. He was further re-appointed from 14<sup>th</sup> February, 2015 to 31<sup>st</sup> December, 2017. Now, the Board of Directors of the Company, at its meeting held on 11<sup>th</sup> November, 2017 has, subject to the approval of members, re-appointed Mr. Ashok Kumar Agarwal as Whole Time Director for a further period commencing from 01<sup>st</sup> January, 2018 to 31<sup>st</sup> December, 2020.

The terms and conditions of remuneration of Mr. Ashok Kumar Agarwal are detailed below:

#### 1. Effective date of Appointment :

The re-appointment will be effective from 01<sup>st</sup> January, 2018 to 31<sup>st</sup> December, 2020.

#### 2. Overall Remuneration:

Subject to the provisions of Section 196, 197, 198 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. 2,58,000/- p.m. (Rupees Two Lakh and Fifty Eight Thousand Only).
- (ii) Special Allowance: Rs. 63,737/- p.m. (Rupees Sixty Three Thousand Seven Hundred and Thirty Seven Only).

##### (b) Perquisites:

The Executive Director shall be paid the following perquisites classified into Categories 'A' & 'B'.

##### Category - 'A':

- (i) House Rent Allowance: Rs. 1,05,000/- p.m. (Rupees One Lakh and Five Thousand Only).
- (ii) Medical Reimbursement: Medical Expenses incurred for self, spouse and dependent children/parents - Rs.15,000/- p.a. (Rupees Fifteen Thousand Only).
- (iii) Leave Travel Allowance: Rs.1,55,400/- p.a. (Rupees One Lakh Fifty Five Thousand and Four Hundred Only).
- (iv) Conveyance Allowance: Rs.1,800/- p.m. (Rupees One Thousand and Eight Hundred Only).
- (v) Children Education Allowance : Rs.200/- p.m. (Rupees Two Hundred Only).
- (vi) Other Allowance: Rs. 1,400/- p.m. (Rupees One Thousand and Four Hundred Only).
- (vii) Car: Free use of Company's car for official purpose.
- (viii) Other benefits/reimbursements: As per the Company's policy.

##### Category - 'B':

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

#### 3. 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 as minimum remuneration.

#### 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.



## Uttam Sugar Mills Limited

### 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 Lakhs)

Financial Parameter	Financial Years		
	2015-16 (9 Months)	2016-17 (12 Months)	2017-18 (12 Months)
Turnover	84,257.43	1,11,689.06	1,24,792.74
Net Profit/(Loss) (before Tax)	1,785.87	11,900.06	2,375.68

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

Nil

## II. INFORMATION ABOUT THE APPOINTEE:

### (1) Background details:-

Mr. Ashok Kumar Agarwal, is having overall 35 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 2017-18, he has drawn Rs. 49,78,641/- (Rupees Forty Nine Lakh Seventy Eight Thousand Six Hundred and Forty One Only) including perquisites 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:-

Salary of Rs. 53,53,644/- p.a. (including perquisites) subject to the overall ceiling stipulated in Sections 197 of the Companies Act, 2013 and as per the terms and conditions as mentioned in Explanatory Statement herein above.

### (5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person :-

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. Mr. Ashok Kumar Agarwal is not related with any other managerial personnel of the Company.

## Uttam Sugar Mills Limited

### III. OTHER INFORMATION:

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

The Company has earned profits during the current financial year. However, the Company has incurred losses in the previous financial years. The reasons for accumulated losses/inadequate profit were 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. The Company has also initiated steps to further enhance (to double from its present capacity) the capacity of the Distillery division of the Company situated 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.

We wish to further inform you that the impact of the above measures is also reflecting in the Audited accounts of the Company for the current financial year. These measures are expected to go a long way in improving the performance of the Company.

The above explanatory statement may be treated as a written memorandum setting out the terms of contract of service of Mr. Ashok Kumar Agarwal under Section 190 of the Companies Act, 2013.

The Board of Directors recommends the resolution as set out in Item No.4 of the Notice 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 with 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.

As per the provisions of the Companies Act, 2013 and Articles of Association of the Company Mr. Raj Kumar Adlakha was appointed as Managing Director w.e.f 01.09.2001 and continued to hold the position of Managing Director in the Company. He was last re-appointed as Managing Director of the Company w.e.f. 01<sup>st</sup> September, 2015 to 31<sup>st</sup> March, 2018. Now, the Board of Directors of the Company, at its meeting held on 14<sup>th</sup> February, 2018 has, subject to the approval of members, re-appointed Mr. Raj Kumar Adlakha as Managing Director for a further period commencing from 01<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2021.

The terms and conditions of remuneration of Mr. Raj Kumar Adlakha are detailed below:

#### 1. Effective date of remuneration :

The remuneration will be effective from 01<sup>st</sup> April, 2018 to the remaining tenure upto 31<sup>st</sup> March, 2021.

#### 2. Overall Remuneration:

Subject to the provisions of Section 196, 197, 198 and 203 read with Schedule V 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. 2,04,00,000/- (Rupees Two Crore and Four Lakh Only) per annum consisting of monthly payment of Rs. 17,00,000/- (Rupees Seventeen Lakh Only) per month.

**b. Perquisites:** In addition to above remuneration the Managing Director shall also be entitled to perquisites like gas, electricity, water and furnishings, medical reimbursement, club fees, medical insurance etc. in accordance with the rules of the Company subject to maximum of Rs.1,00,000/-(Rupees One Lakh Only) per month.

## Uttam Sugar Mills Limited

### Note:

The incumbent shall also be entitled to the following benefits/perquisites, however the same will not be included in the computation of ceiling on minimum remuneration specified herein above.

- i) 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, 1961.
- ii) Gratuity: One half month's salary for each completed year of service in accordance with the rules of the Company.
- iii) Encashment of leave at the end of the tenure as per the policy of the Company.
- iv) Provision of car for use on Company's business and telephone at residence will also 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.

### Explanation:

The value of Perquisites shall be determined as per the Income Tax Rules, 1962, wherever applicable and in the absence of any such rule, perquisites will be evaluated at actual cost.

- c. **Commission:** In addition to above remuneration (Salary and Perquisites), the Managing Director shall also be entitled to commission not exceeding 4% of the net profits of the Company subject to the overall ceiling stipulated in Sections 197 of the Companies Act, 2013, payable for financial year in which adequate profits is earned.

### 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 @ Rs. 18,00,000/- per month (including perquisites) as minimum remuneration which is the present limit of remuneration payable or as may be amended from time to time.

### 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. His period of office shall be subject to retirement by rotation whilst holding office of Managing Director."

### INFORMATION PURSUANT TO PROVISOR (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 Lakhs)

Financial Parameter	Financial Years		
	2015-16 (9 Months)	2016-17 (12 Months)	2017-18 (12 Months)
Turnover	84,257.43	1,11,689.06	1,24,792.74
Net Profit/(Loss) (before Tax)	1,785.87	11,900.06	2,375.68

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

## Uttam Sugar Mills Limited

### II. INFORMATION ABOUT THE APPOINTEE:

#### (1) Background details:-

**Mr. Raj Kumar Adlakha**, aged 62 years holds Engineering Degree B.E. (Mach.) and has more than 39 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. Under his leadership, the Company has made remarkable progress.

#### (2) Past remuneration:-

During the financial year 2017-18, he has drawn Rs. 2,10,69,720/- (Rupees Two Crore Ten Lakh Sixty Nine Thousands Seven Hundred and Twenty Only) including perquisites and commission 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. 17,00,000/- p.m. and perquisites upto Rs.1,00,000/- p.m. alongwith commission not exceeding 4% of net profits of the Company subject to the overall ceiling stipulated in Section 197 of the Companies Act, 2013 and 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:-

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 earned profits during the current financial year. However, the Company has incurred losses in the previous financial years. The reasons for accumulated losses/inadequate profit were 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. The Company has also initiated steps to further enhance (to double from its present capacity) the capacity of the Distillery division of the Company situated 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.

We wish to further inform you that the impact of the above measures is also reflecting in the Audited accounts of the Company for the current financial year. These measures are expected to go a long way in improving the performance of the Company.

The above explanatory statement may be treated as a written memorandum setting out the terms of contract of service of Mr. Raj Kumar Adlakha under Section 190 of the Companies Act, 2013.

The Board of Directors recommends the resolution as set out in Item No.5 of the Notice for approval of Members by way of Special Resolution.

## Uttam Sugar Mills Limited

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

The Company is in need of funds for meeting the capital expenditure, operational expenditure, general corporate purpose and other requirements. It is, therefore, proposed to have enabling approvals to raise funds through issue of adequate securities by way of private/ public offering including through Qualified Institutional Placement ("QIP"), to Qualified Institutional Buyers ("QIBs") and/or other persons for an amount not exceeding Rs.500 Crores (Rupees Five Hundred Crores only) on such terms and conditions and price as may be determined by the Board. Section 62(1) (c) of the Companies Act, 2013 provides, inter-alia, that where it is proposed to increase the subscribed share capital of the Company by issue of further Securities, such further Securities can be offered to any persons. Hence, approval of shareholders is sought by way of Special Resolution and this resolution will be an enabling resolution authorizing the Board to decide as and when it is appropriate to proceed with the offering. The funds raised from the issue will augment the Company's capital base and financial position, and the funds are proposed to be utilized towards the growth of the business and other general corporate purposes from time to time.

Accordingly, consent of the members is sought for passing the Special Resolution as set out at Item No.7 of the Notice. This resolution is an enabling resolution and authorizes the Board of Directors of the Company to further issue Securities, as may be required by the Company, from time to time.

In view of the above proposal for fund raising your Board of Directors are of the view that, it is prudent to reclassify a part of the existing unissued Preference Shares Capital into Equity Shares Capital of the Company i.e. 30,00,000 Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each into 3,00,00,000 Equity share of Rs. 10/- each. Accordingly, approval of the members by way of Special Resolution is sought in the Item No. 6 for reclassification of Authorised Share Capital of the Company.

The Board of Directors recommends the Special Resolutions set out at Item No. 6 & 7 of the Notice for approval by the members.

None of the Directors and Key Managerial Personnel of the Company including their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.6 & 7 of the Notice.

### Item No. 8

The Board, on the recommendation of the Audit Committee, has approved the re-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 2018-19 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 as amended upto date, the remuneration payable to the Cost Auditors for the Financial Year 2018-19 is to be ratified by the shareholders by way of an Ordinary Resolution.

The Board of Directors recommends the resolution as set out in Item No.8 of the Notice 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

Pursuant to the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by registered post, by speed post, by courier, by electronic mode or any other modes as may be prescribed. It further provides that a member may request the delivery of documents through a particular mode for which he shall pay such fees as may be determined by the company in its Annual General Meeting. Accordingly, the Board recommends the passing of the Ordinary Resolution as set out at Item No. 9 of the Notice for approval of members.

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

**By Order of the Board  
For Uttam Sugar Mills Limited**

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

**Place : Noida  
Date : 10<sup>th</sup> July, 2018**



# Uttam Sugar Mills Limited

## Directors' Report

To

The Shareholders of the Company,

Your Directors take pleasure in presenting this Twenty Third Annual Report together with the Audited Annual Financial Statements for the year ended 31<sup>st</sup> March, 2018.

### FINANCIAL RESULTS

The financial results of the Company for the year ended on 31<sup>st</sup> March, 2018 are as under:-

DETAILS	(Rs. in Lakhs)	
	Year ended	Year ended
	31.03.2018	31.03.2017
Revenue from Operations	1,26,463.90	1,14,067.86
Profit/(Loss) before Depreciation & Tax	4,791.23	14,628.76
Less:		
Depreciation	2,415.55	2,276.69
Profit/(Loss) before Tax & Exceptional Items	2,375.68	12,352.07
Exceptional Items	-	452.01
Less: Provision for Taxation		
Current Tax	540	30
Less : Minimum Alternate Tax (MAT) credit available	(418)	(30)
Deferred Tax (Credit) / Charge	624.23	1,171.81
Income Tax for Earlier Years	(70.20)	70.20
<b>Profit/(Loss) after Tax</b>	<b>1,699.65</b>	<b>10,658.05</b>
Total Other Comprehensive Income	25.88	(36.77)
<b>Profit/(Loss) for the period</b>	<b>1,725.53</b>	<b>10,621.28</b>
Add: Balance brought forward from Previous Year	(3,195.45)	(13,816.73)
Amount carried to Reserves	-	-
<b>Deficit transferred to Balance Sheet</b>	<b>(1,469.92)</b>	<b>(3,195.45)</b>

### PERFORMANCE OF THE COMPANY

During the year under review, your Company's Revenue from Operations was Rs. 1,26,463.90 Lakhs as compared to Rs. 1,14,067.86 Lakhs in the previous financial year. Company's Profit after comprehensive income was Rs. 1,725.53 Lakhs as compared to Rs. 10,621.28 Lakhs in the previous financial year.

### REVIEW OF OPERATIONS

#### Sugar Division

Operational data of the Company for the financial year 2017-2018 and 2016-2017 are as under:

Financial Year	Cane crushed (In Lakhs Qtls.)	Sugar produced (In Lakhs Qtls.)	Recovery %
2017-2018	333.69	37.13	11.13
2016-2017	278.57	30.17	10.83

Following are the season wise data of Cane crushed and Sugar produced:

Crushing Season	Cane crushed (In Lakhs Qtls)	Sugar produced (In Lakhs Qtls)	Recovery %
2017-2018	368.80	41.38	11.22
2016-2017	297.39	32.48	10.92

## Uttam Sugar Mills Limited

The Company registered a gross turnover of Sugar of Rs. 1,10,963/- Lakhs for the year ended 31<sup>st</sup> March, 2018 against Rs. 94,998/- Lakhs for the year ended 31<sup>st</sup> March, 2017– an increase of gross turnover of 16.81 % on Pro rata Basis. The net sales realization at Rs. 3,642 per qtls for Current year ending 31<sup>st</sup> March, 2018 was lower as compared to Rs. 3,653 per qtls for the previous year ended 31<sup>st</sup> March, 2017.

During the financial year, the Company commenced its crushing in two units i.e. Libberheri & Shermau in last week of October 2017 & in Barkatpur & Khaikheri unit in first week of November 2017. The results were better as compared to previous season in terms of recovery mainly due to optimum mix of better cane varieties. The Crushing is also better as compared to last season mainly due to better yield and increase in the cane area.

The Company's aggregate sugar cane crushing was highest ever at 368.81 Lakhs qtls during the season 2017-18 as against 297.39 Lakhs qtls in 2016-17 season due to higher cane availability. The Company had a higher recovery of 11.22% as against 10.92% in previous season. The increase in recovery was mainly due to optimum mix of better cane varieties and varietal replacement. The Company continued to focus on cane development activities, comprising of varietal replacement with proven high sugared varieties, change in pattern of sowing, ratoon management, encouraging use of Bio – fertilizers, Bio-pesticides, soil testing activities etc. and modern agricultural practices due to which the recovery and crushing is expected to improve in the coming season. Apart from these activities, company is further strengthening the cane development activities by way of development of in-house agri research centre, integrated pest management programme, soil testing facilities, encouraging use of Bio-fertilizers and Bio-pesticides and training facilities for the farmers & cane development staff.

The Uttar Pradesh and Uttarakhand Government have announced State Advised Price (SAP) for sugarcane at Rs.315/- per qtl (Rs 325/- per qtl for early variety) and Rs. 316/- per qtl (Rs 326/- per qtl for early variety) respectively for season 2017-18. The State Governments has increased the SAP by Rs.10/- per qtl and Rs. 9/- per qtl respectively in U.P. and Uttarakhand as against crushing season 2016-17.

During the current Sugar season, Company had a highest crushing & recovery. There was dip in financial figures mainly due to decrease in sugar sales realization, steep decline in prices of by-products i.e molasses at almost zero value. Apart from these the cane price has also increased which was not compensated through sugar sales realization.

### Co-generation Division

During the period under review, your company produced 2,720.28 Lakhs KWH units of power as compared to 2,280.58 Lakhs KWH units of power in the year 2016-2017. Out of total production, your company exported 1,442.36 Lakhs KWH units to UPPCL/UPCL for a total amount of Rs.7,273.91 Lakhs against 1,211.10 Lakhs KWH for an amount of Rs. 6,068.85 Lakhs in the previous year.

The company has been awarded 40,171 units of REC for Barkatpur unit and the REC units are tradeable. This is an additional source of revenue to your company. During the year 2017-18 Company traded 1,05,613 units of REC for Rs. 1,056.13 Lakhs.

### Distillery Division

Your company has a Distillery with an installed capacity of 75 KLPD at Barkatpur (Distt. Bijnor) in the State of Uttar Pradesh. During the year under review 63.15 Lakhs bulk litres (BL) of industrial alcohol produced as compared to 201.12 Lakhs bulk litres in the year 2016-17 and your company sold 93.16 Lakhs bulk litres industrial alcohol (including Ethanol) as compared to 206.28 Lakhs bulk litres in the previous year.

CO<sub>2</sub> gas produced and sold of 4.05 Lakhs kg amounting to Rs 12 Lakhs during the Year as compared to production and sales of 26.64 Lakhs kg amounting to Rs 71 Lakhs in the previous year ending 31st March 2017.

During the financial year 2017-18 the operation of Distillery was effected mainly due to closure direction issued by Central Pollution Control Board (CPCB). Distillery remained closed for six months.

Expansion of Distillery from 75KLPD to 150KLPD work has already been started. All the formalities with various government departments have been completed for expansion and it is expected that the distillery will be commissioned in third quarter of the financial year 2018-19.

### Future Outlook

Sugar industry Association is requesting on continuous basis to the State/Central Government for fixing cane price on the basis of revenue sharing formula. Sugar prices drastically decreased during the latter part of the current financial

## Uttam Sugar Mills Limited

year specifically fourth quarter which continued to show a drastic dip in the beginning of next financial year both at domestic and international level.

Central government has taken certain steps to stabilize the price of sugar like:

- Removal of export duty of 20% on sugar and increase in import duty at 100% from the level of 50% on sugar,
- Imposition of stock holding limit in February and March 2018
- Introduction of minimum indicative export quota for the mills,
- Providing financial assistance on cane @ Rs 5.5 per qtl subject to compliance of certain conditions
- Creation of buffer stock of 30 Lakhs MT for one year effective from 1<sup>st</sup> July 2018 onwards
- Fixing of minimum selling price of sugar at Rs. 29/- per kg
- Selling quota system introduced from June 2018 onwards.

However, there will be gap of demand and supply quantity of sugar in India due to over production of sugar.

During the year the price of ethanol was also increased from Rs. 39/- per BL to Rs. 40.85/- per BL. Central government has taken certain initiatives like interest subvention for up-gradation of existing distilleries and for setting up new distilleries in sugar mills, introduction of national Bio Fuel policy resulting manufacturing of ethanol from sugar cane and B heavy Molasses, increase in Ethanol price from Rs. 40.85/- per BL to Rs. 43.70/- per BL and at Rs. 47.49/- per BL for ethanol derived from B heavy Molasses and sugar cane Juice for Sugar season 2018-19. These decisions are expected to increase the Ethanol Blending.

### DIVIDEND

The Company has generated profits during the current financial year but in view of the losses incurred in the previous financial years and carried forward losses, your Directors are unable to recommend any dividend.

### SHARE CAPITAL

The paid-up equity share capital outstanding as on 31<sup>st</sup> March, 2018 was Rs. 38.14 Crore. During the year under review, the Company has not issued any Shares including shares with Differential Voting Rights/ Stock Options/Sweat Equity, etc.

However, during the period under review the Company has obtained necessary approval of holders of 6.50% Cumulative Redeemable Preference Shares and 10.00% Cumulative Redeemable Preference Shares for variation in the terms and conditions of preference shares.

Pursuant to the approvals of preference shareholders following changes made in the terms and conditions of 6.50% and 10.00% Redeemable Preference Shares:-

- Change in Nomenclature:** The nomenclature of 6.50% and 10.00% Redeemable Preference Shares changed from Cumulative Redeemable Preference Shares of Rs. 100/- each to Non - Cumulative Redeemable Preference Shares of Rs. 100/- each
- Waiver of Dividend:** Waiver of arrears of preference dividend on 6.50% and 10.00% Redeemable Preference Shares amounting to Rs. 23.46 Crore and 12.48 Crore respectively.
- Redemption Period:** The Non-Cumulative Redeemable Preference Shares will be redeemed on the call of the Company on or after 01<sup>st</sup> April, 2023 but not later than 31<sup>st</sup> March, 2026 by giving 30 days notice.

### CAPACITY ADDITION/EXPANSION

Your Company is having 4 (four) sugar plants situated at Libberheri, Barkatpur, Khaikheri and Shermau. The Company is running all 4 plants with an overall crushing capacity at 6250, 7000, 4500 and 6000 TCD respectively. The company has also set-up an Ethanol Distillery plant at Barkatpur Unit which is presently running at the capacity of 75000 LPD.

Now, in the context of further improvement in the performance of the Company, your Company has initiated necessary steps to enhance/expand the cane crushing capacity to 10000 TCD from 7000 TCD at the Barkatpur Unit. Simultaneously, the steps are being taken to enhance/expand the Distillery (Ethanol) capacity to 150000 LPD from 75000 LPD at the Barkatpur Unit.

## Uttam Sugar Mills Limited

### DEPOSITS

Your Company has neither accepted nor renewed any deposit within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014. There were no unclaimed deposits at the end of Financial Year i.e. 31<sup>st</sup> March, 2018.

### DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Raj Kumar Adlakha, Managing Director (DIN: 00133256) of the Company is liable to retire by rotation and being eligible, offers himself for reappointment. The Board recommends the re-appointment of Mr. Raj Kumar Adlakha as Director in the ensuing AGM of the Company. Brief profile of Mr. Raj Kumar Adlakha and other disclosure as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given as Annexure to the Notice convening the Annual General Meeting.

During the year under review, Mr. Mukeshkumar S. Dave has ceased to be Nominee Director of Punjab National Bank w.e.f 11<sup>th</sup> November, 2017 and Mr. Anilkumar Ramprit Jaiswara has ceased to be Nominee Director of IDBI Bank Limited w.e.f 11<sup>th</sup> December, 2017.

All the Directors have made necessary disclosures as required under the various provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3) (c) read with Section 134(5) of the Companies Act, 2013 and state that:

- i. In the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2018, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. We have selected appropriate accounting policies 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 as at 31<sup>st</sup> March, 2018 and of the profits of the Company for the year ended on that date;
- iii. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. We have prepared the annual accounts on a 'going concern' basis;
- v. We have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

### AUDITORS

M/s SSVS & Co., Chartered Accountants, Noida, Statutory Auditors of the Company will retire at the forthcoming Annual General Meeting and are eligible for re-appointment. M/s SSVS & Co., Chartered Accountants, were appointed as Statutory Auditors for a tenure of 5 (five) years, i.e. from 22<sup>nd</sup> AGM till the conclusion of 27<sup>th</sup> AGM to be held in the calendar year 2022 subject to their ratification in subsequent AGM's as per the provisions of Section 139(1), their continuance of appointment is required to be ratified by the members of the Company in the ensuing Annual General Meeting. Hence, your Directors recommend ratification of appointment of M/s SSVS & Co., Chartered Accountants as Statutory Auditors in the ensuing Annual General Meeting.

The Company has received consent letter and certificate from the Auditors to the effect that their re-appointment, if made, shall be in accordance with the conditions as prescribed in the Companies (Audit and Auditors) Rules, 2014, as amended 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 observations reported by the Statutory Auditors, as under: -

1. Regarding observation in Para 1 of Annexure 'A' to the Report relating to the title deeds of the immovable property not in the name of the Company in few cases, your Directors wish to state that the necessary action is being taken by the Company.
2. Regarding observation in Para 8 of Annexure 'A' to the Report, there are no delays in the repayment of interest/ installments to the Bank/Others. However, relating to delays in the repayment of interest/principal amount of

## Uttam Sugar Mills Limited

the soft loan due to Govt. of Uttarakhand, your Directors wish to state that company has made a representation to the State Govt. for waiver of the loan alongwith interest which is under consideration.

### COST AUDITORS

The Board on the recommendation of the Audit Committee has re-appointed M/s M. K. Singhal & Company (Firm Regn. No. 00074), Cost Accountants, to audit the Cost Accounting records relating to Sugar, Cogeneration and Industrial Alcohol for Financial Year 2018-19.

In accordance with the provisions of Section 148 of the Companies Act, 2013 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.

### SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, amended upto date and other applicable provisions, if any, the Company has appointed M/s N K Rastogi & Associates (Firm Regn. No. 3785), Practicing Company Secretaries, to do Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2018 is attached and marked as "Annexure-I" and forms part of the Board's Report. The Secretarial Auditors' Report does not contain any qualification, reservation or adverse remark.

### MEETINGS

The details of Board Meetings and Committee Meetings held during the period under review are given in the Corporate Governance Report.

### AUDIT COMMITTEE

The Company has constituted Audit Committee as per the provisions of the Companies Act, 2013. The details of terms of reference of the Audit Committee, number and dates of meeting held, attendance, among others are given separately in the attached Corporate Governance Report. The Audit Committee satisfies the requirements of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review, there were no instances, where Board had not accepted the recommendations of the Audit Committee.

### EXTRACT OF ANNUAL RETURN

The extract of the Annual Return as required under the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, amended upto date, is annexed herewith and marked as "Annexure-II" to this Report.

### VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a whistleblower policy to deal with unethical behavior, victimization, fraud and other grievances or concerns, if any. The Policy allows the whistle-blowers to have direct access to the Chairman of the Audit Committee and also protects them from any kind of discrimination or harassment. The aforesaid policy can be accessed on the Company's website [www.uttamsugar.in](http://uttamsugar.in/pdf/whistle-blower-&-vigil-mechanism.pdf) and weblink of the same is <http://uttamsugar.in/pdf/whistle-blower-&-vigil-mechanism.pdf>.

### NOMINATION & REMUNERATION COMMITTEE

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Rules made thereunder and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a Nomination & Remuneration Committee and the details of terms of reference, number & dates of meeting held, attendance and other details are given separately in the attached Corporate Governance Report. The Board on the recommendation of Nomination & Remuneration Committee framed a policy i.e. Nomination and Remuneration Policy for selection and appointment of Directors, senior managerial personnel and their remuneration, including criteria for determining qualifications, positive attributes, independence of a director. The aforesaid policy can be accessed on the Company's website [www.uttamsugar.in](http://uttamsugar.in/pdf/nrc-policy.pdf) and weblink of the same is <http://uttamsugar.in/pdf/nrc-policy.pdf>.

### BOARD EVALUATION

As per the provisions of the Companies Act, 2013 a formal annual evaluation needs to be done by the Board of its own performance and of its committees and other individual directors. Pursuant to the provisions of the Act and the Listing



## Uttam Sugar Mills Limited

Regulations, the Board has carried out the annual performance evaluation of the Board, Independent Directors, Non-executive Directors, Executive Directors, Committees and the Chairman of the Board.

Accordingly, the above said evaluation was done based on criteria which includes, among others, providing strategic perspective, Chairmanship of Board and Committees, attendance and preparedness for the meetings, contribution at meetings, effective decision making ability and role of the Committees. The detailed analysis of performance evaluation is incorporated under the head 'Nomination and Remuneration Committee' in Corporate Governance Report.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The Company has not given any loan or made any investment or provided guarantee during the year under review in terms of section 186 of the Companies Act, 2013.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013**

All related party transactions entered during the year are negotiated on an arms-length basis and are in ordinary course of business. There have been no materially significant related party transactions made by the Company with the promoters, directors and key managerial personnel of the Company, which may be in conflict with the interest of the Company at large. Further, the suitable disclosure as required in AS-18 regarding Related Party transactions has been made in the notes to financial statements. The Company's policy for Related Party Transaction is available on Company's website i.e. [www.uttamsugar.in](http://www.uttamsugar.in) and weblink of the same is <http://uttamsugar.in/pdf/PolicyonRelatedPartyTransaction.pdf>.

### **PARTICULARS OF EMPLOYEES**

The particulars of employees, as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are attached with this Report and marked as "**Annexure-III**".

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013, are given in a separate annexure attached hereto and forms part of this Report and marked as "**Annexure-IV**".

### **INTERNAL FINANCIAL CONTROLS**

The Company has an adequate system of internal control relating to the nature of the business of the Company. A detailed note has been provided under Management Discussion and Analysis Report. The Company has an Audit Committee which ensures proper compliance with the provisions of the Companies Act, 2013 and Listing Regulations and also reviews the adequacy and effectiveness of the internal control.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

There were no significant or material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and Company's operations in future.

### **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Directors confirm that during the year under review, there were no complaints received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In accordance with the requirements of Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee (CSR) as per the provisions of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. The details of composition of CSR committee are given in the Corporate Governance Report attached hereto. The CSR Committee had framed and finalised the CSR policy of the Company which was duly approved by the Board. The CSR policy of the Company can be accessed on the Company's website: [www.uttamsugar.in](http://www.uttamsugar.in) and weblink of the same is <http://uttamsugar.in/pdf/CorporateSocialResponsibilityPolicy.pdf>.

## Uttam Sugar Mills Limited

Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as **"Annexure-V"** and forms integral part of this Report.

### RISK MANAGEMENT POLICY

The Company has a Risk Management policy to identify and evaluate Business Risk and opportunity of Risk Management to minimize the adverse impact on Business Objectives and enhancement of company's competitive advantage. The policy facilitates to identify the risk at appropriate time and necessary steps to be taken to mitigate the risk. The detailed risk analysis and their mitigation are given in the Management Discussions and Analysis Report.

### SUBSIDIARY COMPANIES

The Company does not have any Subsidiary, Associate and/or any Joint Venture Company.

### MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company occurred during the financial year of the Company to which this financial statements relate and as on the date of this report.

### CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under regulation 34 (3) read with Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms an integral part of this Report and annexed and marked as **"Annexure-VI"**, which also includes a Certificate obtained from a Practicing Company Secretary pursuant to regulation 34 (3) read with Schedule V(E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

A separate Report on Management Discussion and Analysis for the year under review, as stipulated under regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section and forms part of this Report and marked as **"Annexure-VII"**.

### INDUSTRIAL RELATIONS

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

### ACKNOWLEDGEMENT

Your Directors thank the Customers, Suppliers, Farmers, various Govt. Agencies, Banks and Shareholders for their continued support and co-operation. Further, your Directors also acknowledge the dedicated services rendered by all the employees of the Company.

**For and on behalf of the Board  
FOR UTTAM SUGAR MILLS LTD.**

Place : Noida  
Date : 10<sup>th</sup> July, 2018

(ASHOK KUMAR AGARWAL)	(RAJ KUMAR ADLAKHA)
EXECUTIVE DIRECTOR	MANAGING DIRECTOR
(DIN : 05199585)	(DIN : 00133256)

# Uttam Sugar Mills Limited

(Annexure – I)

FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule

No.9 of the Companies (Appointment and Remuneration Personnel)

Rules, 2014 read with the guidance note on secretarial audit (release – 1.2) of the Institute of Company Secretaries of India]

To,

**The Members,**

**Uttam Sugar Mills Limited**

Village Libberheri,

Tehsil Roorkee,

District Haridwar,

Uttarakhand – 247 667

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Uttam Sugar Mills Limited (CIN: L99999UR1993PLC032518)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31<sup>st</sup>, 2018 complied with the Statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31<sup>st</sup>, 2018 according to the provisions of :-

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period under review);**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the Audit Period under review);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period under review);**

## Uttam Sugar Mills Limited

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the Company during the Audit Period under review);**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period under review);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period under review); and**
- (i) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,
- (vi) Laws specifically applicable to the industry to which the Company specifically belongs, as identified by the management are:-

### Sugar Industry

- a) The U.P. Sugarcane (Regulation of supply and Purchase) Act, 1953 and Rules, 1954
- b) The Sugar (Control) Order, 1966
- c) Uttar Pradesh Sheera Niyamtran Adiniyam, 1964;
- d) Uttar Pradesh Sheera Niyamtran Niyamavali 1974;
- e) Food Safety And Standards Act, 2006;
- f) Essential Commodities Act, 1955;
- g) Export (Quality Control and Inspection) Act, 1963;
- h) Cost Accounting Records (Sugar) Amended Rules, 1997.

### Co-Generation of Power

- a) The Electricity Act, 2003;
- b) National Tariff Policy; and
- c) Explosives Act, 1884.

### Industrial Alcohol

Cost Accounting Records (Industrial Alcohol) Rules, 1997.

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### **We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company has:

## Uttam Sugar Mills Limited

- (a) Passed, through Postal Ballot on 11<sup>th</sup> October, 2017, a Special Resolution, in terms of provisions of Section 48 of the Companies Act, 2013, for change in the terms & conditions of 6.50% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each to the extent and manner given herein:-
- Waiver of arrears of preference dividend on 50,00,000 6.50% Cumulative Redeemable Preference Shares of Rs. 100/- each till 31<sup>st</sup> March, 2017 amounted to Rs. 23.46 Crore.
  - Changing the nomenclature of Preference Shares from 6.50% Cumulative Redeemable Preference Shares of Rs. 100/- each to 6.5% Non - Cumulative Redeemable Preference Shares of Rs. 100/- each w.e.f 01<sup>st</sup> April, 2017.
  - The 6.50% Cumulative Redeemable Preference Shares of Rs. 100/- each will be redeemed on the call of the Company on or after 01<sup>st</sup> April, 2023 but not later than 31<sup>st</sup> March, 2026 by giving 30 days notice.
- b) Passed, through Postal Ballot on 11<sup>th</sup> October, 2017, a Special Resolution, in terms of provisions of Section 48 of the Companies Act, 2013, for change in the terms & conditions of 10.00% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each to the extent and manner given herein:-
- Waiver of arrears of preference dividend on 21,65,000 10.00% Cumulative Redeemable Preference Shares of Rs. 100/- each till 31<sup>st</sup> March, 2017 amounted to Rs. 12.48 Crore.
  - Changing the nomenclature of Preference Shares from 10.00% Cumulative Redeemable Preference Shares of Rs. 100/- each to 10.00% Non - Cumulative Redeemable Preference Shares of Rs. 100/- each w.e.f 01<sup>st</sup> April, 2017.
  - The 10.00% Cumulative Redeemable Preference Shares of Rs. 100/- each will be redeemed on the call of the Company on or after 01<sup>st</sup> April, 2023 but not later than 31<sup>st</sup> March, 2026 by giving 30 days notice.

**We further report that** during the audit period the company has not undertaken any major activities like;

- Public/Right/Preferential issue of shares/debentures/ borrowing/sweat equity/ESOP etc.
- Redemption/ buy-back of securities
- Major decisions has not been taken by the members in pursuance to section 180 of the Companies Act, 2013
- Merger/amalgamation/reconstruction, etc.
- Foreign technical collaborations/Joint Ventures etc.

### Disclosure

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this Report.

**For N. K. Rastogi & Associates**  
**Company Secretaries**

**Naveen Kumar Rastogi**  
**FCS No. 3685**  
**C. P. No. 3785**  
**Proprietor**

**Place : Delhi**

**Date : 30<sup>th</sup> June, 2018**



## Uttam Sugar Mills Limited

### Annexure – A

#### [Annexure to the Secretarial Audit Report of M/s. Uttam Sugar Mills Limited for the Financial Year ended 31<sup>st</sup> March, 2018]

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For N. K. Rastogi & Associates**  
**Company Secretaries**

**Naveen Kumar Rastogi**  
**FCS No. 3685**  
**C. P. No. 3785**  
**Proprietor**

**Place : Delhi**

**Date : 30<sup>th</sup> June, 2018**

# Uttam Sugar Mills Limited

(Annexure - II)  
FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014]

### I. REGISTRATION & OTHER DETAILS:

i	CIN :	L99999UR1993PLC032518
ii	Registration Date :	04/10/1993
iii	Name of the Company :	Uttam Sugar Mills Ltd.
iv	Category/Sub-category of the Company	Public/ Limited by Shares
v	Address of the Registered office & contact detail	Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand - 247667
vi	Whether listed company :	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Link Intime India Private Limited 44, Community Center, 2 <sup>nd</sup> Floor, Naraina Industrial Area, Phase I, New Delhi – 110028

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated :-

Sl No	Name & Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Sugar	10721	88.92

### III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
NIL					

### IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % of total Equity)

#### (i) Category-wise share holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	5,272,204	-	5,272,204	13.82	5,272,204	-	5,272,204	13.82	-
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	23,331,381	-	23,331,381	61.18	23,331,381	-	23,331,381	61.18	-
(e) Banks/FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL(A)(1):</b>	<b>28,603,585</b>	<b>0</b>	<b>28,603,585</b>	<b>75.00</b>	<b>28,603,585</b>	<b>0</b>	<b>28,603,585</b>	<b>75.00</b>	
<b>(2) Foreign</b>									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>28,603,585</b>	<b>0</b>	<b>28,603,585</b>	<b>75.00</b>	<b>28,603,585</b>	<b>0</b>	<b>28,603,585</b>	<b>75.00</b>	<b>-</b>

# Uttam Sugar Mills Limited

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	604,883	0	604,883	1.59	2,305	0	2,305	0.01	(1.58)
C) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>604,883</b>	<b>0</b>	<b>604,883</b>	<b>1.59</b>	<b>2,305</b>	<b>0</b>	<b>2,305</b>	<b>0.01</b>	<b>(1.58)</b>
<b>(2) Non Institutions</b>									
a) Bodies corp.	-	-	-	-	-	-	-	-	-
i) Indian	1,699,602	200	1,699,802	4.46	1,209,449	200	1,209,649	3.17	(1.29)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	3,468,818	10,061	3,478,879	9.12	2,558,394	8,467	2,566,861	6.73	(2.39)
ii) Individuals shareholders holding nominal share capital in excess of Rs.1 lakh	2,386,371	393,500	2,779,871	7.29	4,510,046	393,500	4,903,546	12.86	5.57
<b>c) Others (specify)</b>									
i) Clearing Member	138,482	-	138,482	0.36	122,259	-	122,259	0.32	(0.04)
ii) Non-Resident (Repat)	54,126	-	54,126	0.14	71,503	-	71,503	0.19	0.05
ii) Non-Resident (Non-Repat)	119,304	-	119,304	0.31	121,727	-	121,727	0.32	0.01
iii) Trust	10	-	10	0.00	10	-	10	0.00	-
iv) HUF	659,178	-	659,178	1.73	536,675	-	536,675	1.41	(0.32)
<b>SUB TOTAL (B)(2):</b>	<b>8,525,891</b>	<b>403,761</b>	<b>8,929,652</b>	<b>23.41</b>	<b>9,130,063</b>	<b>402,167</b>	<b>9,532,230</b>	<b>24.99</b>	<b>1.58</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>9,130,774</b>	<b>403,761</b>	<b>9,534,535</b>	<b>25.00</b>	<b>9,132,368</b>	<b>402,167</b>	<b>9,534,535</b>	<b>25.00</b>	<b>(0.00)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>37,734,359</b>	<b>403,761</b>	<b>38,138,120</b>	<b>100.00</b>	<b>37,733,648</b>	<b>402,167</b>	<b>38,138,120</b>	<b>100.00</b>	<b>-</b>

# Uttam Sugar Mills Limited

## (ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
(A) Promoters								
1	Raj Kumar Adlakha	1,624,610	4.26	4.26	1,624,610	4.26	4.26	-
2	Rajan Adlakha	367,010	0.96	0.96	367,010	0.96	0.96	-
3	Ranjan Adlakha	1,492,550	3.91	3.91	1,492,550	3.91	3.91	-
4	Uttam Industrial Engineering Pvt. Ltd	2,750,000	7.21	7.21	2,750,000	7.21	7.21	-
5	Uttam Sucrotech Limited	314,267	0.82	0.79	314,267	0.82	0.79	-
6	Lipi Boilers Private Limited	3,515,000	9.22	7.74	3,515,000	9.22	7.74	-
	Total (A)	10,063,437	26.39	24.87	10,063,437	26.39	24.87	-
(B) Promoter Group (Relatives & Associates)								
7	Sonia Adlakha	10	0.00	-	10	0.00	-	-
8	Shomna Adlakha	870,410	2.28	-	870,410	2.28	-	-
9	Ranjana Chopra	373,300	0.98	-	373,300	0.98	-	-
10	Balram Adlakha	3,100	0.01	-	3,100	0.01	-	-
11	Jai Adlakha	4,200	0.01	-	4,200	0.01	-	-
12	Bharat Adlakha	166,500	0.44	-	166,500	0.44	-	-
13	Saieesha Adlakha	166,500	0.44	-	166,500	0.44	-	-
14	Rajni Babbar	139,910	0.37	-	139,910	0.37	-	-
15	Shanta	60,000	0.16	-	60,000	0.16	-	-
16	Raj Kumar Adlakha [Karta of R.K. & Sons(HUF)]	4,104	0.01	-	4,104	0.01	-	-
17	Uttam Adlakha & Sons Holdings Pvt Ltd.	16,301,224	42.74	-	16,301,224	42.74	-	-
18	Shubham Sugars Limited	70,240	0.18	-	70,240	0.18	-	-
19	New Castle Finance and Leasing Pvt. Ltd.	380,650	1.00	-	380,650	1.00	-	-
	Total (B)	18,540,148	48.61	-	18,540,148	48.61	-	-
	Total (A + B)	28,603,585	75.00	24.87	28,603,585	75.00	24.87	-

## (iii) Change in Promoter's Shareholding (specify if there is no change)

SI No.	Name & Type of Transaction	Shareholding at the beginning of the year		Shareholding at the end of the year		Increase / (Decrease) during the year	
		No. of Shares	% of total Shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Uttam Adlakha & Sons Holdings Private Limited	16,301,224	42.74	16,301,224	42.74	No Change	
2	Lipi Boilers Private Limited	3,515,000	9.22	3,515,000	9.22		
3	Uttam Industrial Engineering Private Limited	2,750,000	7.21	27,50,000	7.21		
4	Raj Kumar Adlakha	1,624,610	4.26	1,624,610	4.26		
5	Ranjan Adlakha	1,492,550	3.91	1,492,550	3.91		
6	Shomna Adlakha	870,410	2.28	870,410	2.28		
7	New Castle Finance And Leasing Pvt. Ltd	380,650	1.00	380,650	1.00		
8	Ranjana Chopra	373,300	0.98	373,300	0.98		
9	Rajan Adlakha	367,010	0.96	367,010	0.96		
10	Uttam Sucrotech Limited	314,267	0.82	314,267	0.82		
11	Bharat Adlakha	166,500	0.44	166,500	0.44		

## Uttam Sugar Mills Limited

12	Saiesha Adlakha	166,500	0.44	166,500	0.44	No Change
13	Rajni Babbar	139,910	0.37	139,910	0.37	
14	Shubham Sugars Limited	70,240	0.18	70,240	0.18	
15	Shanta	60,000	0.16	60,000	0.16	
16	Jai Adlakha	4,200	0.01	4,200	0.01	
17	Raj Kumar Adlakha [Karta of R.K. & Sons(HUF)]	4,104	0.01	4,104	0.01	
18	Balram Adlakha	3,100	0.01	3,100	0.01	
19	Sonia Adlakha	10	0.00	10	0.00	

### (iv) Shareholding Pattern of Top Ten Shareholders (Other Than Directors, Promoters and Holders of GDRs and ADRs)

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Increase / (Decrease) during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Anil Kumar Goel	470,840	1.23	1,803,000	4.73	1,332,160	3.49
2	Seema Goel	0	0.00	886,000	2.32	886,000	2.32
3	Vedicera Services Private Limited	885,040	2.32	835,040	2.19	(50,000)	-0.13
4	Yogesh Chopra	462,300	1.21	462,300	1.21	-	-
5	Anil Kumar Goel (HUF)	470,000	1.23	428,000	1.12	(42,000)	-0.11
6	Sathyamoorthi Devarajulu	0	0.00	200,000	0.52	200,000	0.52
7	Jai Babbar	159,257	0.42	141,972	0.37	(17,285)	-0.05
8	Sohan Lal Arora	137,000	0.36	137,000	0.36	-	-
9	Virender Kumar	124,500	0.33	122,277	0.32	(2,223)	-0.01
10	Ankita Babbar	120,000	0.31	120,000	0.31	-	0.00

### (v) Shareholding of Directors and Key Managerial Personnel

SI No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year		Increase / (Decrease) during the year	
		No. of Shares	% of total Shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Raj Kumar Adlakha, Managing Director	1,624,610	4.26	1,624,610	4.26	No Change	

### (V) INDEBTEDNESS

Indebtedness of the company including interest outstanding/accrued but not due for payment

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	70,883.02	809.49	-	71,692.51
ii) Interest due but not paid	-	319.76	-	319.76
iii) Interest accrued but not due	49.48	19.40	-	68.88
<b>Total (i+ii+iii)</b>	<b>70,932.50</b>	<b>1,148.65</b>	<b>-</b>	<b>72,081.15</b>



## Uttam Sugar Mills Limited

Change in Indebtedness during the financial year				
*Addition	14,918.11	38.82	-	14,956.93
* Reduction	(9,381.18)	(122.97)	-	(9,504.15)
<b>Net Change</b>	<b>5,536.93</b>	<b>(84.15)</b>	<b>-</b>	<b>5,452.78</b>
Indebtedness at the end of the financial year				
i) Principal Amount	76,422.55	705.19	-	<b>77,127.74</b>
ii) Interest due but not paid	-	346.03	-	346.03
iii) Interest accrued but not due	46.88	13.28	-	60.16
<b>Total (i+ii+iii)</b>	<b>76,469.43</b>	<b>1,064.50</b>	<b>-</b>	<b>77,533.93</b>

**Note :-** Outstanding Loan Amounts has been re-grouped as per IND-AS wherever required.

### (VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole time Directors and/or Manager: (Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Gross Salary	<b>Raj Kumar Adlakha, MD</b>	<b>Ashok Kr Agarwal, WTD</b>	
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	204.00	35.50	239.50
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	6.70	14.29	20.99
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	0
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>210.70</b>	<b>49.79</b>	<b>260.49</b>
	Ceiling as per the Act	5 % of the Net Profit calculated as per Section 198 of the Companies Act, 2013		

#### B. Remuneration to other directors: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	<b>R. Vasudevan</b>	<b>G. S. Matta</b>	<b>N.K. Sawhney</b>	<b>Rutuja Rajendra More</b>	
	Fee for attending board & committee meetings	175,000	175,000	150,000	100,000	600,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>175,000</b>	<b>175,000</b>	<b>150,000</b>	<b>100,000</b>	<b>600,000</b>
2	Other Non-Executive Directors	<b>Mukesh-kumar S. Dave<sup>1</sup></b>	<b>Anilkumar Ramprit Jaiswara<sup>2</sup></b>			
	Fee for attending board & committee meetings	50,000	25,000	-	-	75,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>50,000</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>75,000</b>
	<b>Total (B)=(1+2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>675,000</b>
	<b>Total Managerial Remuneration</b>					
	Overall Ceiling as per the Act			Only sitting fees paid to Non-Executive/Independent Directors		

<sup>1</sup>Resigned w.e.f. 11<sup>th</sup> November, 2017

<sup>2</sup>Resigned w.e.f. 11<sup>th</sup> December, 2017

# Uttam Sugar Mills Limited

## C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
1	Gross Salary	CEO	Company Secretary	CFO	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	23.19	29.55	52.74
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	3.98	15.99	19.97
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	27.17	45.54	72.71

## (VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY :					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS :					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT:					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board of Directors  
FOR UTTAM SUGAR MILLS LTD.

Place : Noida  
Date : 10<sup>th</sup> July, 2018

(ASHOK KUMAR AGARWAL)  
EXECUTIVE DIRECTOR  
(DIN : 05199585)

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

# Uttam Sugar Mills Limited

## (Annexure – III)

### PARTICULARS OF REMUNERATION

#### STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS AMENDED UPTO DATE

The information required under Section 197 of the Act and the Rules made there-under in respect of employees of the Company are as follows:-

- (a) The median remuneration of employees of the Company during the financial year was Rs. 2.41 Lakh. The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company for the financial year 2017-18 are as under:

Directors	Designation	Remuneration of Directors in Financial Year 2017-18 (Rs. In Lakhs)	Ratio of Remuneration to Median Remuneration of Employees
Mr. Raj Kumar Adlakha	Managing Director	210.70	87.500
Mr. Ashok Kumar Agarwal	Whole-Time Director	49.79	20.676
Dr. R. Vasudevan	Independent Director	1.75	0.727
Mr. G. S. Matta	Independent Director	1.75	0.727
Mr. N K Sawhney	Independent Director	1.50	0.623
Mrs Rutuja Rajendra More	Independent Director	1.00	0.415
Mr. Mukeshkumar S. Dave	Nominee Director-PNB	0.50	0.208
Mr. Anilkumar Rampriti Jaiswara	Nominee Director-IDBI Bank	0.25	0.104

- (b) The percentage increase in Remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year;

Name of Person	Remuneration of KMP in Financial Year 2016-17	Remuneration of KMP in Financial Year 2017-18	% Increase/ (Decrease) in remuneration
Mr. Raj Kumar Adlakha (MD)	170.58	210.70	23.52%
Mr. Ashok Kumar Agarwal (WTD)	46.33	49.79	7.46%
Mr. Sanjay Bhandari (CFO)	40.25	45.55	13.18%
Mr. Gopalaiyer Ramarathnam (CS)	24.09	27.18	12.83%

- (c) The percentage increase/(decrease) in the Median Remuneration of Employees in the financial year was 8.39%.
- (d) The number of Permanent Employees on the Rolls of Company: The number of Permanent Employees on the Rolls of Company as on 31<sup>st</sup> March, 2018 was 714.
- (e) Average percentage increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:  
The average increase/(decrease) in salaries of employees in 2017-18 was 16.46%. Percentage increase/(decrease) in the Managerial Remuneration for the year was 20.09%. The increase in the remuneration of employees and Managerial Remuneration was keeping in view the limits as laid down in the Companies Act, 2013 read with relevant rules and HR policy of the Company.
- (f) Affirmation that the Remuneration is as per the Remuneration Policy of the Company:  
The Company affirms that the Remuneration paid during the year was as per the Remuneration Policy of the Company.

## Uttam Sugar Mills Limited

### STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

a) Name of top ten employees in terms of salary drawn are mentioned below:

S No.	Name of Employee(s)	Remuneration Drawn (In Lakh)	Designation	Nature of Employment	Qualification	Experience	Age in Years	Date of Commencement of Employment	Last Employment	Equity Share held (%)
1	Mr. Raj Kumar Adlakha	210.70	Managing Director	Permanent	B.E. (Mach.)	39	62	N.A.	N.A.	1624610 (4.26%)
2	Mr. Ashok Kumar Agarwal	49.79	Executive Director	Permanent	B.Com. (Hons.), C.A	35	59	02.01.2012	Sir Shadilal Ent. Ltd	Nil
3	Mr. Sanjay Bhandari	45.55	CFO	Permanent	C.A.	32	53	27.01.2007	Willard India Ltd.	Nil
4	Mr. Shankar Lal Sharma	41.12	Sr. V.P (A/c & Comm.)	Permanent	B.Com, C.A.	21	45	04.07.2013	Bhushan Steel Limited	Nil
5	Mr. Asif Iqbal	35.25	G.M (Tech. - Corp.)	Permanent	B.Sc. (Hons.) (Phy.), ANSI	21	43	11.05.2015	ED & F Man, India	Nil
6	Mr. Dilip Agarwal	30.83	Vice President	Permanent	B.Com, C.A	22	47	01.06.2017	Balram-pur Chini Mills Limited	Nil
7	Mr. I Raja Rathiraman	28.80	G.M. (Power Plant)	Permanent	B.E	26	46	17.10.2008	N.A.	Nil
8	Mr. J. P. Tripathi	28.38	G.M (Distillery)	Permanent	B.Sc, P.G DIFAT	40	64	13.03.2013	Sir Shadilal Dist. & Chem. Works	Nil
9	Mr. G. Ramarathnam	27.18	Chief-Legal and Corp. Affairs & Company Secretary	Permanent	B.Com, LL.B, FCA, FCS, ACMA	52	73	01.06.2001	Oriental Carbon & Chemicals Limited	Nil
10	Mr. J. N. Sharma	25.48	Technical Head	Permanent	B.E, Dip. in Mech. Engg, AMIE (Mech.)	49	70	16.11.1996	ISGEC	Nil

**Note:** None of the above mentioned employees is relative of any Director of the Company.

- b) Name of employee employed throughout the financial year and was in receipt of remuneration not less than One Crore and Two Lakh rupees or more: **Mr. Raj Kumar Adlakha (Managing Director)**
- c) Name of employee employed for a part of the financial year and was in receipt of remuneration not less than Eight Lakh and Fifty Thousand rupees per month: **Nil**
- d) Name of the employee employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: **Nil**

# Uttam Sugar Mills Limited

## (Annexure IV)

### Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo [Particulars pursuant to the Companies (Accounts) Rules, 2014]

#### A) Conservation of Energy :-

##### i) The steps taken or impact on conservation of energy;

- Use of high luminous metal halide lights in replacement of high power consuming conventional lightings resulting in saving of power.
- V.F.D. provided at Raw Juice pump motor, FEE Pumps, SA fan of 35 TPH Boiler, mechanical separator ID fan of sugar dust collector and at PAN Circulator resulting saving of energy.
- Capacity enhancement, up-gradation and re tubing of boiler resulting increase in steam generation and improvement in efficiency of boiler.
- Reduction in transmission losses by exporting high quantum of power by utilizing both the power export bays at the Libberheri Unit.
- HPSV/MF fittings (250 Watt) has been replaced with LED lighting (100 watt) resulting in saving of energy.
- Up-gradation of Centrifugal machine drives and DC Drives of Mills resulting in reduction of power consumption in Mill area.
- Up-gradation of various cards, safety valves and ID Fan impeller resulting of reduction of Steam and power consumption.
- Re-blading of turbine at Distillery resulting improvement in Steam power ratio
- Installation of various energy saving equipments in the plants to improve the efficiency which resulting in saving of power :-
  - Installation of Governor, metering in turbine and intermediate starting equipment for electric motors.
  - .600 KVAR power capacitors added in mill and boiling house.
  - Installation of Falling Film Evaporator of 5500 m2 heating surface.
  - Installation of vibration monitoring system, diverter oil assembly for 40 MVA transformer vacuum circuit breaker and plate type heat exchanger.

##### ii) The steps taken by the company for utilizing alternate sources of energy;

- All the four sugar factories have bagasse based co-generation power plants, partly used for captive consumption and balance being exported to U.P. / Uttarakhand Power Corporation Ltd.
- Recycling of process water to conserve natural resources.

##### iii) The capital investment on energy conservation equipments : Rs. 12.44 Crore

#### B) Technology Absorption :-

- The efforts made towards technology absorption:- Not Applicable
- The benefits derived like product improvement, cost reduction, product development or import substitution:- Not Applicable
- Details regarding imported technology (imported during last three years reckoned from the beginning of the financial year) :

(a) The details of technology imported	Nil
(b) The year of import	Not Applicable
(c) Whether the technology been fully absorbed	Not Applicable
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable

- Expenditure incurred on Research & Development - NIL

#### (C) Foreign Exchange Earnings and Outgo

(Rs. in Lakhs)

PARTICULARS	Period Ended	
	31.03.2018	31.03.2017
Earnings Export Sales	30.63	-
Advance received for export sales of finished goods	32.24	17.86
Outgo:- a) Foreign Travelling and Legal & Professional charges	24.06	7.26
b) Fixed Assets	-	18.39



# Uttam Sugar Mills Limited

## (Annexure V)

### Annual Report on Corporate Social Responsibility Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014

1. A brief outline of the company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs :-

Uttam Sugar Mills Limited (USML) is committed to contribute towards Corporate social responsibility. The Company has taken various steps to meet society's expectations and welfare of the people. The company implemented the social activities in the neighboring villages of Company's factories/other areas for the welfare of the general public living therein.

The Company has in place a Corporate Social Responsibility (CSR) Committee as per the requirement of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, amended time to time. The CSR Policy has been framed by the Committee which can be accessed from the website of the Company.

Web link to the CSR Policy: <http://uttamsugar.in/pdf/CorporateSocialResponsibilityPolicy.pdf>

2. The composition of CSR Committee :-

#### Name

#### Category

Mr. Raj Kumar Adlakha : Promoter/ Executive (Chairman)  
Mr. Ashok Kumar Agarwal : Non-Promoter/Executive (Member)  
Mr. G. S. Matta : Non-Executive/Independent (Member)

3. Average net profit of the Company for last three financial years : Rs. 1,132.11 Lakhs
4. Prescribed CSR Expenditure (2% of the amount 3 above) : Rs. 22.64 Lakhs
5. Detail of CSR spent during the financial year :-
  - a. Total amount to be spent for the financial year : Rs. 22.64 Lakhs
  - b. Amount spent for 2017-18 : Rs. 23.03 Lakhs
  - c. Manner in which the amount spent during the financial year :-

Sl. No.	CSR Project/ Programs	Sector in which the Project / Programs is covered	Projects or programs 1) Local area or other 2) Specify the State and District where the Project or programs was undertaken	Amount outlay (budget) project / programs wise	Amount spent on the project / programs Direct expenditure on project / programs (Rs. in Lakh)	Cumulative expenditure upto reporting period (Rs. in Lakh)	Amount spent: Direct or through implementing Agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Providing health care and safe drinking water	Items (i) of Sch.VII of Companies Act 2013	- District Haridwar, Uttarakhand - District Bijnore, U.P. - District Muzaffarnagar, U.P. - District Saharanpur, U.P.	15.00	13.77	13.77	Direct

## Uttam Sugar Mills Limited

2.	Promoting Education	Items (ii) of Sch.VII of Companies Act 2013	District Haridwar, Uttarakhand	1.50	1.50	1.50	Direct
3.	Promoting Rural Sports	Items (vii) of Sch.VII of Companies Act 2013	- District Muzaffarnagar, U.P. - District Saharanpur, U.P.	0.25	0.23	0.23	Direct
4.	Rural Development Projects	Items (x) of Sch.VII of Companies Act 2013	- District Haridwar, Uttarakhand - District Muzaffarnagar, U.P. - District Saharanpur, U.P.	8.00	7.53	7.53	Direct
<b>Total</b>				<b>24.75</b>	<b>23.03</b>	<b>23.03</b>	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof the company shall provide the reasons for not spending the amount in its Board report : Not Applicable.
7. The CSR Committee confirmed that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the company.

Place : Noida  
Date : 10<sup>th</sup> July, 2018

(ASHOK KUMAR AGARWAL)  
EXECUTIVE DIRECTOR  
(DIN : 05199585)

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

**Annexure – VI**

**CORPORATE GOVERNANCE REPORT 2017-18**

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Uttam Sugar Mills Limited is committed to produce high 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. We are committed to implement sound Corporate Governance practices to ensure transparency in the operations.

Your Company is fully compliant with all the provisions of the Companies Act, 2013, Listing Regulations, and other applicable rules & bye laws. The details of compliances are as follows:-

**2. BOARD OF DIRECTORS**

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

The Board of Directors of the Company comprises of 6 (Six) Directors. Out of them two are Executive Directors and four are Non-Executive Independent Directors. The Board of the Company is duly constituted as per the requirements of the Companies Act, 2013 read with rules made thereunder and Listing Regulations. The composition and category of Directors of the Company are as follows:

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. Narendra Kumar Sawhney	Director	Non-Executive/Independent
Mrs. Rutuja Rajendra More	Director	Non-Executive/Independent
Mr. Mukeshkumar S. Dave *	Nominee-Director – PNB	Non-Executive
Mr. Anilkumar Rampriti Jaiswara**	Nominee-Director – IDBI Bank Limited	Non-Executive

\* Mr. Mukeshkumar S. Dave ceased to be Nominee Director of Punjab National Bank Limited w.e.f 11.11.2017.

\*\* Mr. Anilkumar Rampriti Jaiswara ceased to be Nominee Director of IDBI Bank Limited w.e.f 11.12.2017.

All the Directors have given disclosures of Interest as required in the Companies Act, 2013 and rules made there under.

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013. As per the requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Independent Directors on the Company's Board are Non-Executive.

**B. Attendance at Board Meeting and last AGM: -**

During the Financial Year 2017-18, 5 (Five) Board Meeting were held and all the meeting of the Board were convened as per the requirements of the Companies Act, 2013 and other applicable laws. Director's attendance at the Board meeting and in the Last AGM are as follows:-

Name of Director(s)	No. of Board Meetings Attended	Last AGM Attended
Mr. Raj Kumar Adlakha	5	Yes
Mr. Ashok Kumar Agarwal	5	Yes
Dr. R. Vasudevan	5	Yes
Mr. G. S. Matta	5	Yes
Mr. Narendra Kumar Sawhney	4	Yes
Mrs. Rutuja Rajendra More	4	No
Mr. Mukeshkumar S. Dave <sup>1</sup>	2	No
Mr. Anilkumar Rampriti Jaiswara <sup>2</sup>	1	No

<sup>1</sup>Resigned w.e.f. 11<sup>th</sup> November, 2017

<sup>2</sup>Resigned w.e.f. 11<sup>th</sup> December, 2017

## Uttam Sugar Mills Limited

### C. Number of other companies in which any director of the Company is a director, member or chairperson of Board or committees:

Details of Other Directorship in other Companies and chairmanship/membership in other Committees are as follows:-

Name of Director(s)	No. of Other Directorships and Committee Memberships/Chairmanships		
	Other Directorships	Membership (s) of Committees of other Companies	Chairmanship(s) of Committees of other Companies
Mr. Raj Kumar Adlakha	12	-	-
Mr. Ashok Kumar Agarwal	-	-	-
Dr. R. Vasudevan	-	-	-
Mr. G. S. Matta	1	-	-
Mr. Narendra Kumar Sawhney	1	-	-
Mrs. Rutuja Rajendra More	-	-	-
Mr. Mukeshkumar S. Dave <sup>1</sup>	-	-	-
Mr. Anilkumar Ramprit Jaiswara <sup>2</sup>	-	-	-

<sup>1</sup>Resigned w.e.f. 11<sup>th</sup> November, 2017

<sup>2</sup>Resigned w.e.f. 11<sup>th</sup> December, 2017

### D. Details of Board Meetings held during the year ended 31<sup>st</sup> March, 2018 :

The Details of the meetings of Board of Directors held during the year are as follows:

S. No.	Date of Meeting	No. of Directors Present
1.	27.04.2017	7
2.	15.07.2017	6
3.	07.09.2017	6
4.	11.11.2017	6
5.	14.02.2018	6

- The time gap between any two meetings did not exceed four months.
- The last AGM was held on Tuesday, 26<sup>th</sup> September, 2017.

### E. Relationships Between Directors:-

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.

### F. Details of shareholding of Directors are as under:-

The details of shareholding of Directors in the Company are as under:-

S. No.	Name of Director	Shareholding
1.	Mr. Raj Kumar Adlakha	16,24,610 Eq. Shares
2.	Mr. Ashok Kumar Agarwal	Nil
3.	Dr. R. Vasudevan	Nil
4.	Mr. G. S. Matta	Nil
5.	Mr. Narendra Kumar Sawhney	Nil
6.	Mrs. Rutuja Rajendra More	Nil
7.	Mr. Mukeshkumar S. Dave	Nil
8.	Mr. Anilkumar Ramprit Jaiswara	Nil

## Uttam Sugar Mills Limited

### G. Familiarization Programme for Directors

The Company has a Familiarization Program Module ("the programme") for the Independent Directors ("ID") of the Company. The said programme has been duly adopted by the Board of Directors pursuant to Securities and Exchange Board of India vide Circular no. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014.

This programme seeks to familiarize the Independent Directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through this programme. Familiarization Programme for Directors is also placed on the website: [www.uttamsugar.in](http://www.uttamsugar.in) and can be accessed at this weblink <http://uttamsugar.in/pdf/FamiliarisationProgrammeForIndependentDirectors.pdf>.

### 3. AUDIT COMMITTEE

#### A. Terms 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 Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### B. Composition, Name of Members and Chairman:-

The Audit Committee presently comprises of four members with three Independent Directors and one Executive Director. Mr. G. S. Matta (Independent Director) is the Chairman of the Committee. All the Members are financially literate and possess sound knowledge of accounts, audit, finance etc.

The following Directors are the present members of Audit Committee :-

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

#### C. Meeting and Attendance:-

During the Financial Year 2017-18, 5 (Five) Audit Committee Meetings were held on 27.04.2017, 15.07.2017, 07.09.2017, 11.11.2017 & 14.02.2018. The attendance of the members is as follows:-

S. No.	Name	Attendance
1.	Mr. G. S. Matta	5
2.	Mr. Ashok Kumar Agarwal	5
3.	Dr. R. Vasudevan	5
4.	Mr. Narendra Kumar Sawhney	4

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

Mr. G. Ramarathnam – Chief – Legal and Corporate Affairs & Company Secretary acts as secretary to the committee.

### 4. NOMINATION & REMUNERATION COMMITTEE

#### A. Terms of Reference

The Nomination and Remuneration Committee has been constituted pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company's Nomination & Remuneration committee is entrusted with the matters as specified in the Part D of schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



## Uttam Sugar Mills Limited

### B. Details of the Composition of Nomination and Remuneration Committee, Name of Members and Chairperson:

The following Directors are the present members of Nomination and Remuneration Committee :-

Name	Designation	Category of Directorship
Dr. R. Vasudevan	Chairman	Non-Executive & Independent
Mr. G. S. Matta	Member	Non-Executive & Independent
Mr. Mukeshkumar S. Dave <sup>1</sup>	Member	Non-Executive & Nominee
Mr. Narendra Kumar Sawhney	Member	Non-Executive & Independent

<sup>1</sup>Resigned w.e.f. 11<sup>th</sup> November, 2017

### C. Details of the Meeting and attendance of Members:

During the Financial Year 2017-18, 2 (Two) committee meeting were held on 11.11.2017 & 14.02.2018 attendance thereof is given below:

Name of Member	Attendance
Dr. R. Vasudevan	2
Mr. G. S. Matta	2
Mr. Mukeshkumar S. Dave <sup>1</sup>	Nil
Mr. Narendra Kumar Sawhney	1

<sup>1</sup>Resigned w.e.f. 11<sup>th</sup> November, 2017.

### D. Performance evaluation:

The Nomination and Remuneration Committee during the year has done the performance evaluation of every Director on the Board, including the Executive and Independent Directors. The criteria which was selected by the Nomination and Remuneration Committee for evaluation includes attendance and preparedness for the meetings, contribution at meetings, effective decision making ability and providing strategic perspective. The committee also considered involvement of each director in their respective meetings and decision making thereof. The committee also take parameters such as attendance, level of engagement and contribution, independence of judgment, competition challenges and meeting the risk management compliances and due diligence, financial control, safeguarding the interest of the company and its minority share holders.

The performance evaluation was carried out by the Committee as per the criteria framed by it. The Criteria framed by Nomination and Remuneration Committee was also duly adopted by the Board. The committee also reviewed the declaration received from the Independent Directors of the Company and confirmed that none of the Directors becomes disqualified under the Companies Act, 2013, rules made there under and under Listing Regulations. The Report on Performance Evaluation as prepared by the committee was submitted to the Board for adoption.

## 5. REMUNERATION OF DIRECTORS

The Company has in place a remuneration policy which is guided by the principles and objectives as enumerated in Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Managing Director and Whole Time Director are the Executive Directors on the Board. The compensation to the Executive Directors is within the scale approved by the shareholders.

The Company has not paid any sitting fees to Executives Directors for any Board / Committee Meetings attended by them. All Non-Executives Directors were paid sitting fees for the Board / Audit Committee Meeting attended by them. Apart from sitting fee they don't have any pecuniary relationship or transactions with the Company.

## Uttam Sugar Mills Limited

**Details of remuneration paid / payable to the Directors for the year ended 31<sup>st</sup> March, 2018 are as under :-**

The remuneration paid to Managing Director, Whole Time Director and all other Non - Executives Directors of the Company for the financial year ended on 31<sup>st</sup> March, 2018 are as follows:-

(Rs. in Lakhs)

S. No.	Name of the Directors	Salary	Perquisites / Benefits	Commission / Bonus	Sitting Fee	Total	Service Contracts
1.	Mr. Raj Kumar Adlakha	204.00	6.70	-	-	210.70	Appointed as Managing Director upto 31.03.2018 and subsequently re-appointed subject to the approval of shareholders.
2.	Mr. Ashok Kumar Agarwal	35.50	14.29	-	-	49.79	Appointed as W.T.D upto 31.12.2017 and subsequently re-appointed subject to the approval of shareholders.
3.	Dr. R. Vasudevan	-	-	-	1.75	1.75	Appointed as an Independent Director upto the AGM to be held in the year 2020.
4.	Mr. G. S. Matta	-	-	-	1.75	1.75	Appointed as an Independent Director upto the AGM to be held in the year 2020.
5.	Mr. N K Sawhney	-	-	-	1.50	1.50	Appointed as an Independent Director upto the AGM to be held in the year 2019.
6.	Mrs. Rutuja Rajendra More	-	-	-	1.00	1.00	Appointed as an Independent Director upto the AGM to be held in the year 2019.
7.	Mr. Anilkumar Ramprit Jaiswara	-	-	-	0.25	0.25	N.A. (Ceased w.e.f. 11.12.2017)
8.	Mr. Mukeshkumar S. Dave	-	-	-	0.50	0.50	N.A. (Ceased w.e.f. 11.11.2017).

### Disclosures as required under Schedule V of the Companies Act, 2013 & SEBI (LODR) Regulations, 2015

- The remuneration paid to Managerial Personnel and Non-Executive Directors are mentioned above. There are no other benefits given to the Directors.
- There are no performance based incentives given to the directors of the Company.
- There are no notice period and severance fees to the Directors.
- The Company has not issued any stock options during the financial year under review.

### 6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

During the Financial Year 2017-18, 4 (Four) committee meetings were held.

Name	Designation	Category of Directorship	Attendance in meetings
Dr. R. Vasudevan	Chairman	Non-Executive & Independent	4
Mr. G. S. Matta	Member	Non-Executive & Independent	4

## Uttam Sugar Mills Limited

During the year 2017-18, no complaint was received from Shareholders and there were no pending complaints as on 31<sup>st</sup> March, 2018. Other details pertaining to the Stakeholders Committee are given below:

a)	Name of Chairman heading the Committee	Dr. R. Vasudevan (Non Executive Independent Director)
b)	Name & Designation of Compliance Officer	Mr. G. Ramarathnam (Chief – Legal and Corporate Affairs & Company Secretary)
c)	Number of shareholders' complaints received so far	NIL
d)	Number not solved to the satisfaction of shareholders	NIL
e)	Number of pending complaints	NIL

### 7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company has in place a Corporate Social Responsibility (CSR) Committee as per the requirement of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, amended time to time. The CSR Policy has been framed by the Committee which can be accessed from the website of the Company.

The following Directors are the present members of CSR Committee :-

Name	Designation	Category of Directorship
Mr. Raj Kumar Adlakha	Chairman	Promoter/ Executive
Mr. Ashok Kumar Agarwal	Member	Non-Promoter/Executive
Mr. G. S. Matta	Member	Non-Executive/Independent

The Committee is also responsible to recommend the amount of expenditure to be incurred on the CSR activities and monitoring the implementation of the CSR Policy of the Company from time to time as specified in Schedule VII of the Companies Act, 2013. The schedule containing the details of amount spent on the CSR activities is annexed with the Directors report.

During the year one meeting of the Corporate Social Responsibility Committee was held on 27<sup>th</sup> April, 2017 and all the Members attended this Meeting.

### 8. GENERAL BODY MEETINGS

a) Details of last three Annual General Meetings and Special Resolutions Passed therein:

Meeting	Date	Venue of AGM	Time	Special Resolution Passed
20 <sup>th</sup> AGM	30.12.2015	Village Libberheri, Tehsil Roorkee, Distt. Haridwar Uttarakhand	12.00 Noon	<ul style="list-style-type: none"> <li>➤ Re-appointment of Dr. Ramasamy Vasudevan (DIN: 00109908) as an Independent Director of the Company.</li> <li>➤ Re-appointment of Mr. Gurbachan Singh Matta (DIN: 02612602) as an Independent Director of the Company.</li> <li>➤ Adoption of new set of Articles of Association.</li> <li>➤ Revision/Increase in Remuneration of Mr. Ashok Kumar Agarwal (DIN: 05199585), Whole Time Director.</li> </ul>

## Uttam Sugar Mills Limited

21 <sup>st</sup> AGM	16.09.2016	Village Libberheri, Tehsil Roorkee, Distt. Haridwar Uttarakhand	12.00 Noon	➤ Approval for remuneration of Mr. Raj Kumar Adlakha (DIN : 00133256), Managing Director from 01.07.2016 to 31.03.2018.
22 <sup>nd</sup> AGM	26.09.2017	Village Libberheri, Tehsil Roorkee, Distt. Haridwar Uttarakhand	12.00 Noon	➤ Revision/Increase in Remuneration of Mr. Raj Kumar Adlakha (DIN : 00133256), Managing Director from 01.02.2017 to 31.03.2018.

### b) Resolution passed through Postal Ballot

During the current financial year i.e. 2017-18, the Company has passed Special Resolutions through Postal Ballot. The Company had appointed M/s N.K. Rastogi & Associates, Practicing Company Secretaries, Delhi to act as Scrutinizer for conducting Postal Ballot in a fair and transparent manner. The details of voting pattern of Special Resolutions is given as under:-

- i. Variation in the terms and conditions of 6.50% Cumulative Redeemable Preference Shares:-

#### Voting Results are as under:

Promoter/ Public	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)] *100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/ (2)] *100	% of Votes against on votes polled (7)=[(5)/(2)] *100
Promoter and Promoter Group	5000000	5000000	100.00	5000000	-	100.00	-
Public – Institutional Holders	-	-	-	-	-	-	-
Public-Others	-	-	-	-	-	-	-
<b>Total</b>	<b>5000000</b>	<b>5000000</b>	<b>100.00</b>	<b>5000000</b>	<b>-</b>	<b>100.00</b>	<b>0</b>

- ii. Variation in the terms and conditions of 10.00% Cumulative Redeemable Preference Shares:-

#### Voting Results are as under:

Promoter/ Public	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)] *100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/ (2)] *100	% of Votes against on votes polled (7)=[(5)/(2)] *100
Promoter and Promoter Group	2165000	2165000	100.00	2165000	-	100.00	-
Public – Institutional Holders	-	-	-	-	-	-	-
Public-Others	-	-	-	-	-	-	-
<b>Total</b>	<b>2165000</b>	<b>2165000</b>	<b>100.00</b>	<b>2165000</b>	<b>-</b>	<b>100.00</b>	<b>0</b>

No special resolution is proposed to be conducted through postal ballot at the forthcoming AGM to be held on 17<sup>th</sup> August, 2018.

## Uttam Sugar Mills Limited

### 9. MEANS OF COMMUNICATION

The Company is publishing quarterly unaudited / annual audited financial results, notice, advertisement and other official news in the "The Financial Express", "Economics Times", and "Naya India" (vernacular language) regularly. The results have also displayed/uploaded on the Company's website: [www.uttamsugar.in](http://www.uttamsugar.in).

### 10. GENERAL SHAREHOLDER INFORMATION

a)	AGM date, time and venue	Friday, 17 <sup>th</sup> August, 2018 at 12.00 Noon at Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand
b)	Financial Year	1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018
	Financial Calendar 2018-19 (Tentative Schedule) <b>Results for quarter ending :</b> i. 30 <sup>th</sup> June, 2018 ii. 30 <sup>th</sup> September 2018 iii. 31 <sup>st</sup> December 2018 iv. 31 <sup>st</sup> March 2019	On or before 14 <sup>th</sup> day of August, 2018 On or before 14 <sup>th</sup> day of November, 2018 On or before 14 <sup>th</sup> day of February, 2019 On or before 30 <sup>th</sup> day of May, 2019
	Book Closure Date	Saturday, 11 <sup>th</sup> August, 2018 to Friday, 17 <sup>th</sup> August, 2018 (both days inclusive).
(c)	Dividend Payment Date	N. A.
(d)	Listing on Stock Exchange	<b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai – 400 051 <b>BSE Limited</b> 1 <sup>st</sup> Floor, Phiroze, Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 <b>Note :</b> Your Company has already paid the Listing fees to both the Stock Exchanges for the F.Y. 2017-18 & F.Y. 2018-19
(e)	<b>Stock Code</b> National Stock Exchange of India Ltd BSE Limited	UTTAMSUGAR 532729

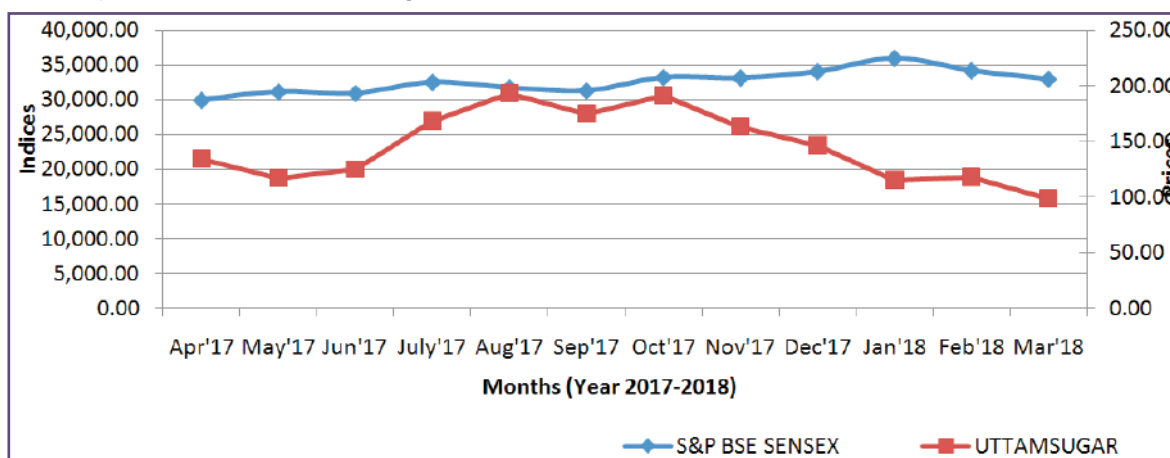
f) Market Price Data High/ Low during each month of the Financial Year 2017-18: (BSE Limited)

Month	High (Rs.)	Low (Rs.)
April'17	147.95	99.50
May'17	139.10	115.50
June'17	128.90	117.10
July'17	176.50	118.20
August'17	209.20	163.15
September'17	211.45	172.00
October' 17	198.80	171.50
November' 17	199.50	162.00
December' 17	175.00	142.70
January'18	152.05	101.00
February'18	135.80	101.75
March'18	126.75	84.10



## Uttam Sugar Mills Limited

g) Relative performance of Uttam Sugar's Share versus S&P BSE SENSEX:



h)	Suspension from trading	There was no suspension of trading of equity shares of the Company ordered by BSE & NSE.
i)	Registrars and Share Transfer Agents (for physical & demat shares)	Link Intime India Private Limited 44 Community Center, 2nd Floor, Naraina Industrial Area, Phase I, New Delhi – 110 028. Tel. :- 011-4141 0592-94 Telefax :- 011-4141 0591 Email: delhi@linkintime.co.in
j)	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.

k) Distribution of Equity Shareholding as on 31<sup>st</sup> March, 2018.

(i) Category of Equity Shareholders as on 31.03.2018

S. No	Category of Shareholder	Total Number of Equity Shares	% of Shares
(A)	<b>Shareholding of Promoter and Promoter Group</b>		
(1)	Indian		
(a)	Individuals/ Hindu Undivided Family	52,72,204	13.82
(b)	Bodies Corporate	2,33,31,381	61.18
(2)	Foreign	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)</b>	<b>2,86,03,585</b>	<b>75.00</b>
(B) (1)	<b>Public Shareholding Institutions</b>		
(a)	Financial Institutions/ Banks	2,305	0.00
(b)	Foreign Institutional Investors	-	-
	<b>Sub-Total (B)(1)</b>	<b>2,305</b>	<b>0.00</b>

## Uttam Sugar Mills Limited

<b>(B) (2) Non-Institutions</b>		
(a) Bodies Corporate		
(b) Individuals :	12,09,649	3.17
(i) Individual Shareholders holding nominal share capital up to Rs. 2 lakhs	27,87,618	7.31
(ii) Individual Shareholders holding nominal share capital in excess of Rs. 2 lakhs	46,82,789	12.28
(c) Any others :		
(i) Trust	10	0.00
(ii) Foreign Nationals (Non Resident Indians)	1,93,230	0.51
(iii) Clearing Members	1,22,259	0.32
(iv) HUF	5,36,675	1.41
<b>Sub-Total (B)(2)</b>	<b>95,32,230</b>	<b>25.00</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>95,34,535</b>	<b>25.00</b>
<b>TOTAL (A) + (B)</b>	<b>3,81,38,120</b>	<b>100.00</b>

(ii) Distribution of Equity Shareholding as on the 31.03.2018

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	14534	93.0891	1209642	3.1717
02	501 to 1,000	527	3.3754	419559	1.1001
03	1,001 to 2,000	238	1.5244	357904	0.9384
04	2,001 to 3,000	83	0.5316	212515	0.5572
05	3,001 to 4,000	50	0.3202	181050	0.4747
06	4,001 to 5,000	42	0.2690	192169	0.5039
07	5,001 to 10,000	63	0.4035	449101	1.1776
08	10,001 to above	76	0.4868	35116180	92.0763
	<b>TOTAL</b>	<b>15,613</b>	<b>100.000</b>	<b>3,81,38,120</b>	<b>100.000</b>

l) Dematerialization of shareholding and liquidity	As on March 31, 2018, 4,02,167 Equity Shares of the Company (1.05% of the total issued Equity Capital) were held in physical form and 3,77,35,953 Equity Shares (98.95% of the total issued Equity Capital) were held in dematerialized form. The shares of the Company are listed on BSE and NSE, which provide sufficient liquidity to the investors
m) Outstanding GDRs/ADRs/ Warrants or any Convertible instruments	Not Applicable
n) Commodity price risk or foreign exchange risk	Nil
o) Plant locations	<b>Unit - I</b> Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand <b>Unit - II</b> Village Barkatpur, Tehsil Nazibabad, District Bijnor, U.P.

	<p><b>Unit - III</b> Village Khaikheri, Tehsil &amp; District Muzzaffarnagar, U.P.</p> <p><b>Unit - IV</b> Village Shermau, Tehsil Nakur, Distt: Saharanpur, U.P.</p>
p) Address for correspondence	<p>Registrar &amp; Share Transfer Agent (For Dematerialisation and Share Transfer related query) Link Intime India Private Limited 44 Community Center, 2<sup>nd</sup> Floor, Naraina Industrial Area, Phase I, New Delhi – 110 028. Tel. :- 011-4141 0592-94 Telefax :- 011-4141 0591</p> <p><b>Company</b> (For Annual Report and any other related matters) Company Secretary, Uttam Sugar Mills Ltd. A-2E, III<sup>rd</sup> Floor, C.M.A. Tower, Sector – 24, Noida (U.P.)</p>

## 11. 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 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.
- The Company has in place vigil mechanism and whistle blower policy under which employees can report any violations of applicable laws and regulations and the Code of Conduct of the Company. Vigil Mechanism of the Company provides adequate safeguards against victimization of persons who use such mechanism and no personnel have been denied access to the Audit Committee.
- The Company has complied with all the mandatory requirements of Listing Regulations.
- The company does not have any Subsidiary Company. Therefore, policy for determining 'material' subsidiaries is not required to be framed.
- The Company has in place Policy for Related Party Transaction and the same is placed on Company's website i.e. [www.uttamsugar.in](http://www.uttamsugar.in) and weblink of the same is <http://uttamsugar.in/pdf/PolicyonRelatedPartyTransaction.pdf>.
- Information pertaining to the disclosure of commodity price risks and commodity hedging activities is not applicable to the Company.
- 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.

## 12. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB - PARAS (2) TO (10) - NIL

## 13. ADOPTION OF REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II

As specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, following requirement has been adopted by the Company:

- The Internal Auditor may report directly to the Audit Committee.
- Submission of Financial Statements with Unmodified Audit Opinion.

## Uttam Sugar Mills Limited

14. The Company has duly complied with all the Corporate Governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 15. 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.

### 16. INDEPENDENT DIRECTORS

The Board of the Company has been duly constituted with an optimum combination of Executive Directors, Non-Executive and Independent Directors. The Board of the Company comprises of following 4 (Four) Independent Directors:

- i) Dr. R. Vasudevan
- ii) Mr. G. S. Matta
- iii) Mr. N K Sawhney
- iv) Mrs. Rutuja Rajendra More

#### Meeting of Independent Directors

As required by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a Meeting of the Independent Directors of the Company was convened on 07<sup>th</sup> September, 2017 to oversee and review the performance of Non Independent Directors and of the Board as a whole. In the meeting members has also done performance evaluation of Managing Director of the Company.

#### Declaration by independent directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

### 17. MANAGEMENT DISCUSSION AND ANALYSIS

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

### 18. CEO/CFO CERTIFICATION

Mr. Raj Kumar Adlakha, Managing Director, Mr. S.L. Sharma, Sr. V. P. Accounts & Commercial 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 Regulation 17(8) of the SEBI (LODR) Regulations, 2015 and the Board took the same on record.

### 19. COMPLIANCE CERTIFICATION

Compliance Certificate for Corporate Governance obtained from a practicing Company Secretary is annexed herewith.

### 20. CODE OF CONDUCTS

Details of various policies and codes required to be framed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 are given under the head "Investors" on the website of the company i.e. [www.uttamsugar.in](http://www.uttamsugar.in).

## Uttam Sugar Mills Limited

### 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 financial year ended on 31<sup>st</sup> March, 2018 as stipulated in Regulation 27(1) & (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Regulations.

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 : 10<sup>th</sup> July, 2018**

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### DECLARATION FOR COMPLIANCE OF CODE OF CONDUCT

The Members,

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 2017-18.

**Place : Noida  
Date : 10<sup>th</sup> July, 2018**

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

## Uttam Sugar Mills Limited

### CEO/CFO CERTIFICATION – FINANCIAL YEAR ENDED 31.03.2018

[Pursuant to Regulation 17(8) of the SEBI (LODR) Regulations, 2015]

We, Raj Kumar Adlakha, Managing Director, Shankar Lal Sharma, Sr. V. P. Accounts & Commercial 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

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

**(S. L. SHARMA)**  
**SR. V. P. ACCOUNTS & COMMERCIAL**  
**(PAN: AGMPS8068E)**

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

**Place : Noida**

**Date : 10<sup>th</sup> July, 2018**



# Uttam Sugar Mills Limited

## (Annexure VII) MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors are pleased to present its Management Discussion and Analysis Report as per Regulation 34(2)(e) of SEBI (listing obligation of disclosure requirements) Regulations, 2015.

### A. INDUSTRY STRUCTURE & DEVELOPMENTS

#### Global Sugar Industry Scenario:

Global Sugar production in sugar season 2017-18 is 191.81 Million MT with an increase of 10.25% as compared to sugar production of 173.98 Million MT in sugar season 2016-17.

#### Industry Facts:

- Sugar is one of the world's major agro-based industry and is also one of the most actively traded soft commodity on the exchanges.
- More than 80% of sugar produced is from sugarcane while balance is from sugar beet.
- Brazil & India are the largest sugar producers from Sugarcane & EU (European Union) and US are the major sugar producers from beet.
- Brazil, India, EU, Thailand, China and U.S are the top global producers of Sugar.
- India, EU, China, Brazil and U.S are the major sugar consuming countries.
- India is the 2<sup>nd</sup> largest producer of sugar in the world after Brazil.
- USDA projects global surplus of approx 10.81 million tons in 2017-18.
- India Share in World Sugar Production was approx 17 % in 2017-18.
- Brazil was largest exporter in sugar.
- Major export destinations for India in 2017-18 were Sudan, Somalia, UAE, Canada and Myanmar. However, Sugar stock is expected to be in surplus globally, so for India, export will not be a viable option. However, government is taking various steps to increase the export specifically to neighbouring countries like China, Sri Lanka, Nepal, Bangladesh, etc.

#### Production, Consumptions and End Stocks:

The global sugar industry production is 191.81 Million MT in 2017-18 with an increase of 10.25% as compared to 173.98 in 2016-17. However, in consumption there is an increase by 1.96% to 174.12 Millions MT in 2017-18 as compared to 170.77 Millions MT in 2016-17, resulting into inventory levels for the 2017-18 and 2016-17 at 51.06 Million MT and 42.75 Million MT respectively. There is an increase in the closing stock to consumption ratio in 2017-18 at 29.32% as against 25.03% at the end of 2016-17.

#### World Sugar Balances (October to September) (In Million MT, Raw Value)

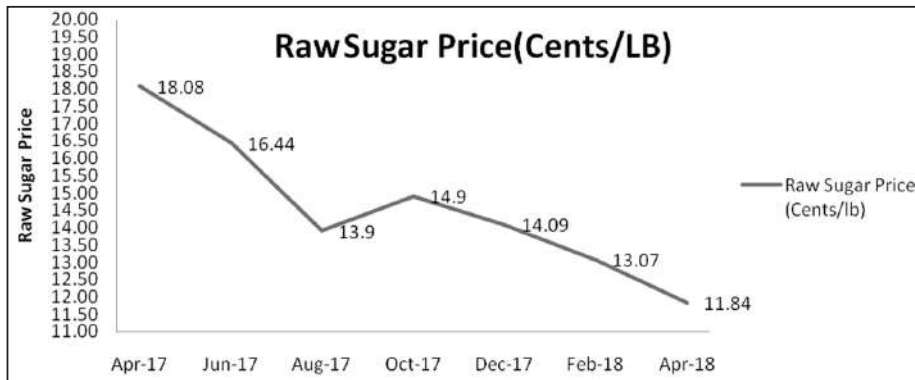
Particulars	2017-18 (Estimates)	2016-17	2015-16	Change in 2017-18 over 2016-17	
				(Million MT)	(%)
Production	191.81	173.98	164.89	17.83	10.25%
Consumption	174.12	170.77	169.56	3.35	1.96%
Surplus/(Deficit)	17.69	3.21	(4.67)	14.48	451.09%
Import demand	53.70	54.17	54.72	(0.47)	(0.87%)
Export availability	63.08	58.72	53.96	4.36	7.43%
End Stocks	51.06	42.75	44.09	8.31	19.44%
Stock/Consumption Ratio in %	29.32	25.03	26.00		

Source: United States department of agriculture (USDA)

- It is generally expected that weather across the world would be normal and rainfall should help good sugarcane and beet.
- Sugar surplus again expected next year and Brazil expected to divert 3-5 million tons of sugar to ethanol due to weak prices resulting from burdensome global supplies.
- Oct-Dec 2018 quarter offers good opportunity for Indian exports.
- Pakistan Production expected to lower next year.
  - The global sugar market continued show a declining trend in the prices. During the current financial year raw sugar prices which started at Rs. 18.08 cents/lb in April 2017 declined at its lowest level to Rs. 11.84 cents/lb in April 2018.

## Uttam Sugar Mills Limited

There was a steep decline in the sugar prices at International level. The graph below depicts the downward trend in the prices:



The main reasons for decline in prices are:

- Global Sugar production was very high in sugar season 2017-18 specifically in India, EU & Thailand.
- Stock levels are still very high.
- It is expected to have higher sugar output in Sugar season 2018-19.
- It is expected that in coming sugar season 2018-19 also the sugar output will be higher and there will still be a gap of output and consumption of 10 million MT. However, it is expected that the same will be compensated through export.

### INDIAN PERSPECTIVE OF SUGAR INDUSTRY

- As compared to about 203 Lakh ton of Sugar Produced in sugar season 2016-17, the production is approx. 310 Lakh ton in sugar season 2017-18.
- The Sugar mill in U.P. produced more than 120 Lakh tons of sugar, followed by Maharashtra at 107 Lakh tons & Karnataka at 36 Lakh tons.
- As compared to previous Sugar Season the production was higher in UP by around 37%, in Maharashtra by 153% & Karnataka by 79%.
- Average Sugar price was Rs. 3515 per quintal till end of November 2017, however it started further decreasing from the middle of December 2017 and came to Rs 3240 per qtl. In may 2018 price further declined at the lowest range of Rs. 2500- Rs. 2550 per qtl. Government took various initiatives due to which price improved in the month of June 2018 and is likely to stabilize in coming months.
- Due to high sugar output in India, the price of sweetener is expected to depress.
- The Following chart depicts State Wise Sugar Production in Sugar Season 2017-18 (Upto April 18):

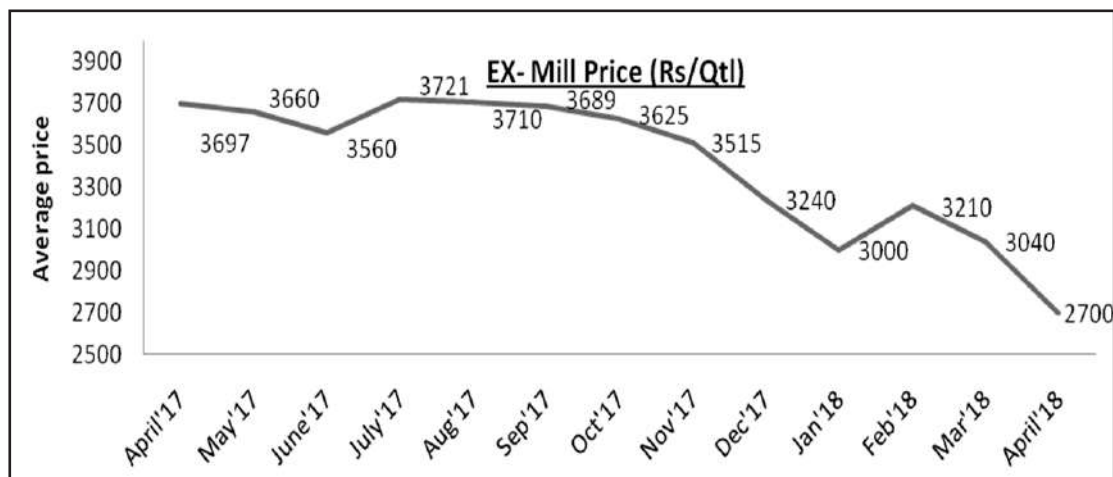
S. No	STATE	PRODUCTION (In Lakh Tons) 2017-18 (Upto April)	PRODUCTION (In Lakh Tons) 2016-17
1	Maharastra	106.50	42.03
2	U.P.	112.00	87.73
3	Karnataka	36.40	21.65
4	Tamilnadu	5.30	10.67
5	A.P. and Telangana	7.10	5.01
6	Gujarat	10.90	8.85
7	Punjab	8.00	6.92
8	Haryana	7.30	6.68
9	Bihar	7.10	5.26
10	M.P. and Rajasthan	5.47	4.16
11	Uttrakhand	4.05	3.46
12	Others	0.40	0.43
	<b>Total</b>	<b>310.52</b>	<b>202.85</b>

Source: ISMA

## Uttam Sugar Mills Limited

### Prices:

- The following chart explains price trend during the period from April 2017 to April 2018.



**SOURCE : ISMA**

### Inventory Level:

A Snapshot of the inventory position movement in the last four years is tabulated below: (In Million MT)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18(E)
Opening stock (A)	9.20	8.30	9.10	7.70	4.00
Sugar Production (B)	24.40	28.10	25.10	20.30	32.00
Imports (c)	1.00	0.70	0.00	0.70	0.18
Total Availability (D=A+B+C)	34.60	37.10	34.20	28.70	36.18
Internal Consumption (E)	24.10	25.00	24.80	24.60	25.00
Exports (F)	2.20	3.00	1.70	0.10	2.00
Total off-take (G=E+F)	26.30	28.00	26.50	24.70	27.00
Closing Stock (D-G)	8.30	9.10	7.70	4.00	9.18
Stock as % of consumption	34%	36%	31%	16.26%	36.72%
Surplus (B-E)	0.3	3.5	0.3	-4.3	7.00

Source: ISMA

### Trade:

During the current 2017-18 sugar season (from October-March), Sugar despatched by mills in the domestic market was 136.10 Lakh tons, as compared to 121.71 Lakh tons despatched in Sugar season 2016-17. Therefore, there are higher despatches by 12% as compared to previous season Sugar season 2016-17.

Due to higher estimation of sugar production in Sugar season 2017-18, the prices started declining from December 2017 onwards and were lowest in the range of Rs. 2500-2550 in May 2018.

To deal with this circumstances government have come up with following initiatives:

In order to prevent any unnecessary import of sugar and to stabilize the domestic price at a reasonable level, the Central Government has increased custom duty on import of sugar from 50% to 100% in February 2018.

Due to higher production, stock position and low prices of sugar the Government of India has withdrawn the custom duty of 20% on export in March 2018.

## Uttam Sugar Mills Limited

Export Quotas of 20 Lakh tonnes of all grades of sugar were fixed for sugar season 2017-18 so the extra sugar can be exported.

Further, the Central government also imposed stock holding limits. Apart from above, minimum price @ Rs. 29/- kg of sugar have been fixed by the government, quota for sales fixed from June 2018 onwards & introduction of creation of buffer stock.

Due to above steps, the sugar price remain stable during the month of June 2018.

### **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 to growers in its endeavour to raise cane yields and sugar recovery rates. Following Cane Development activities which improve the productivity, yield & Sugar Recovery Percentage of Sugarcane, are undertaken:

- a. Varietal Replacement with proven high recovery varieties.
- b. Ratoon management.
- c. Development of Agri Research Centres.
- d. Integrated Pest Management Programme.
- e. Soil testing facilities.
- f. Encouraging use of Bio-fertiliser & Bio-pesticides.
- g. Training facilities to the Farmers.
- h. Introduction of Latest methods of farming and use of various mechanical equipments for cultivation.

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 given by the Commission for Agricultural Costs and Prices (CACP) and after consulting state governments and associations of the sugar industry and cane growers.

Following factors are considered for fixation of FRP:

- Cost of Production of Sugarcane.
- Recovery of Sugar from Sugar cane
- Inter Crop Price parity.
- Price of Sugar Sold.
- Reasonable margins to Farmers.
- Realisation of By Product.
- Return to the growers from alternative crops and the general trend of prices of agricultural commodities;

Citing differences in cost of Production, productivity levels & also as a result of pressure from Farmer's Group, some states declare state specific sugarcane prices called State Advised Prices (SAP), usually higher than FRP.

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 large cane crop, discouraged the sugar mills to pay higher cane prices.

## Uttam Sugar Mills Limited

The Commission for Agricultural Costs and Prices (CACP) has recommended the government to keep the fair and remunerative price for sugarcane at Rs 255 per quintal for the Sugar season 2017-18.

Given below is a chart depicting the difference in the State Advised Cane Price (SAP) during 2014-15 to 2017-18 in the major sugar producing states:

State	2014-15 (SAP)	2015-16 (SAP)	2016-17 SAP	2016-17 FRP*	2017-18 FRP*
Bihar	255	255	280	300	255
Uttar Pradesh	280	280	305	315	255
Punjab	285	285	300	300	255
Haryana	305	305	315	325	255
Maharashtra	-	-	-	-	255
Karnataka	250	250	230	-	255
Andhra Pradesh	-	-	-	-	255
Tamil Nadu	265	285	285	-	255
Uttarakhand	280	280	307	316	255

**Source : ASTA**

**Note: -**

- 1.\* FRP linked with basic recovery rate at 9.50% subject to a premium of Rs. 2.68/- per qtl for every 0.1% point increase in recovery above that level.
2. In Maharashtra, Andhra Pradesh, T—amil Nadu & Karnataka the SAP & FRP are same.

### Sugar Production and Marketing Policy:

#### Sugar Development Fund:

Before implementation of GST, the GOI levies a sugar cess of Rs. 1240 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, pollution control equipments, Cane Development activities and interest benefit on the loans given to sugar mills equivalent to excise duty or Soft Loan. 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.

It is expected that there will be levy of cess on sugar.

#### Ethanol Manufacture:

Brazil is one of the major Bio-ethanol (from sugarcane) producers and the exporter. USA is the major producer of ethanol from corn due to abundance production of corn in the country. Ethanol from sugar cane juice is not being produced in USA.

Global ethanol production was dominated by the United States and Brazil, which retained their top spots, other significant producers of ethanol included China and Canada.

In India ethanol is produced mainly from molasses which is a by-product during production of sugar from sugar cane. India is the fourth largest Ethanol producer after Brazil, the U.S and China.

Ethanol is produced by the fermentation of Molasses in India, a by-product of Sugar.

45 kg of Molasses is produced from 1 ton of Cane, from which about 10 litre of Ethanol can be obtained. If the sugarcane is directly & fully used in Ethanol manufacturing, the yield of Ethanol is 70 litres per ton.

1. The fresh Tender for procurement of ethanol during 2017-18 (Dec-Nov) floated by the OMCs on 17<sup>th</sup> October 2017 which were opened on 18<sup>th</sup> November, 2017.
2. Out of 1588 million litres finalized by the OMCs, for which Letters of Intent (LOIs) have been issued by them, contracts for 1539 million litres have been executed till May, 2018 and 658 million litres have been lifted by the OMCs till 4<sup>th</sup> June, 2018.
3. Out of the total supplied quantity, approx. 250 million litres have been supplied by Uttar Pradesh and rest by the States of Maharashtra, Karnataka, Bihar, Andhra Pradesh and Gujarat.
4. Total lifted quantity i.e 43% of the contracted quantity & 41% of finalised quantity.

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### Ethanol Blending Programme (EBP):

The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 22<sup>nd</sup> November, 2012 decided that (i) 5% mandatory ethanol blending with petrol as already decided by CCEA in the past, should be implemented across the country; (ii) procurement price of ethanol will be decided henceforth between OMCs (Oil Manufacturing Companies) and suppliers of ethanol; and (iii) the 5% mandatory blending will be reckoned for the country as a whole and it be achieved by 30<sup>th</sup> June, 2013. Accordingly, a Gazette Notification was issued directing OMCs to sell ethanol blended Petrol with percentage of ethanol upto 10%.

Further, there are few constraints in implementation of EBP, possible solution to which is being provided by the Ministry.

India has capacity to produce 224 crore litres of Ethanol, out of which 200 crore litre capacity are attached with 130 sugar plants & remaining are from standalone distilleries. For meeting the demand at 10%, blending requires 266 crore litres for which the capacity to be increased & the capacity is being increased by the Distilleries.

### **Cabinet approves Mechanism for procurement of ethanol by Public Sector Oil Marketing Companies (OMCs) to carry out the Ethanol Blended Petrol (EBP) Programme- Revision of ethanol price for supply to Public Sector OMCs in circular dated 27 June 2018 by CCEA.**

Ethanol Blended Petrol (EBP) Programme was launched by the Government in 2003 on pilot basis which has been subsequently extended to the Notified 21 States and 4 Union Territories to promote the use of alternative and environmental friendly fuels. This intervention also seeks to reduce import dependency for energy requirements and give boost to agriculture sector.

The Cabinet Committee on Economic Affairs chaired by Prime Minister Shri Narendra Modi has approved the Mechanism for procurement of ethanol by Public Sector Oil Marketing Companies (OMCs) to carry out the Ethanol Blended Petrol (EBP) Programme-Revision of ethanol price for supply to Public Sector OMCs.

Now, CCEA has approved the following for the forthcoming sugar season 2018-19 during ethanol supply period from 1<sup>st</sup> December 2018 to 30<sup>th</sup> November 2019:

- To fix the ex-mill price of ethanol derived out of C heavy molasses to Rs.43.70 per litre (from prevailing price of Rs.40.85 per litre). Additionally, GST and transportation charges will also be payable.
- To fix ex-mill price of ethanol derived from B-heavy molasses and sugarcane juice at Rs.47.49 per litre. Additionally, GST and transportation charges will also be payable.
- As the price of ethanol is based on estimated FRP for sugar season 2018-19, it will be modified by Ministry of Petroleum and Natural Gas (MoPNG) as per actual Fair & Remunerative Price (FRP) declared by the Government.
- For ethanol supply year 2019-20, ethanol prices will be modified by MoPNG as per normative cost of molasses and sugar derived from FRP of sugarcane.

All distilleries will be able to take benefit of the scheme and large numbers of them are expected to supply ethanol for the EBP programme. Remunerative price to ethanol suppliers will help in reduction of cane farmer's arrears, in the process contributing to minimizing difficulty of sugarcane farmers.

Ethanol availability for EBP Programme is expected to increase significantly due to higher price for C heavy molasses based ethanol and enabling procurement of ethanol from B heavy molasses and sugarcane juice for first time. Increased ethanol blending in petrol has many benefits including reduction in import dependency, support to agricultural sector, more environmental friendly fuel, lesser pollution and additional income to farmers. Government has notified administered price of ethanol since 2014. This decision has significantly improved the supply of ethanol during the past four years. The ethanol procured by Public Sector OMCs has increased from 38 crore litre in ethanol supply year 2013-14 to estimated 140 crore litre in 2017-18.

The sugarcane and sugar production in this sugar season is very high leading to dampening of sugar prices. Consequently, sugarcane farmers' dues have increased due to lower capability of sugar industry to pay the farmers. Government has taken many decisions for reduction of farmer's dues.

As realization from ethanol is also one of the components in revenue of sugar mills/distilleries, Government has decided to review the price of ethanol derived out of C heavy molasses.

Government is also deciding the price of B heavy molasses and Sugarcane juice for the first time which is likely to positively impact the capability of sugar industry to pay farmers dues and increase availability of ethanol for EBP Programme. This is also in line with the National Policy on Bio-fuels - 2018 announced by the Government during May, 2018 which has widened the scope of raw material for ethanol production.



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### Key Government initiatives for Ethanol Manufacturing /Despatches

Central Government has taken action/initiative for Ethanol Blending programme which are as under:

- a) Bio enriched organic manure which being manufacture of mixing with press mud & effluent of Distillery are included in Fertilizer Control Order 1985. This move will be beneficial to Distillery & sugar mills for disposal of manure at good return.
- b) The Central Government amend the Industrial Development Regulation Act (IDRA), 1951 in which the power of Central & State Government are clearly demarcated on Alcohol / Ethanol. This move will be beneficial as the most of the problems and hurdles are due to the control and levy of taxes & duties on Ethanol by State Governments. Central Government has already issued the letters to the State Government for the implementation the same.
- c) To augment capacity through up-gradation of existing distilleries attached to sugar mills by installing inclination boilers and for setting up new distilleries in sugar mills, government will bear interest subvention of maximum Rs. 1332 crore over a period of Five years including moratorium period of one year.
- d) The government has approved the national policy on Bio Fuels, which expands the scope of raw material for ethanol production beyond sugar cane molasses, by allowing use of biomass such as sugar containing like sugar cane, sugar beet, sweet sorghum etc. starch containing material such as corn, cassava, rotten potatoes, algae etc. and cellulosic materials such as bagasse, wood waste, agricultural and forestry residues or other renewable resources like industrial waste.
- e) The Government revised the price of ethanol and fixed it at Rs. 43.70/- per litre of ethanol derived out of C heavy molasses and at Rs. 47.49/- per litre of ethanol derived out of B heavy molasses for supply to Public Sector Oil Marketing Companies during 2018-19 (Dec.-Nov.). GST and transportation charges was also to be payable additionally.

Government is undertaking to classify the industries under Bio-fuel policy as primary sector with additional facilities being drafted for the industry covered under Bio Fuel policy.

### Key Government initiatives in Sugar Sector

#### By Central Government

- a) For the sugar season 2017-18, the FRP (Fair remunerative price) has been increased by the Central government and fixed at Rs.255/-qtl as against Rs. 230/- Qtl in sugar season 2016-17.
- b) Government of India has increased the import duty to 100% from 50% level to maintain the domestic prices.
- c) Government of India has removed the custom duty on export of sugar.
- d) Central government, with a view to offset the cost of cane and facilitate timely payment of cane price dues of farmers for season 2017-18, notifies the scheme for assistance to sugar mills @ Rs. 5.50 per qtl on cane subject to fulfilment of certain conditions.
- e) MINIMUM INDICATIVE EXPORT QUOTAS (MIEQ)- In view of the inventory levels with the sugar industry and to facilitate achievement of financial liquidity, mill-wise Minimum Indicative Export Quotas (MIEQ) have been fixed for sugar season 2017-18. Export Quotas of 20 Lakh tonnes of all grades of sugar viz raw, plantation white as well as refined, have been prorated amongst sugar factories by taking into account their average production of sugar achieved by the sugar mills during last two operational sugar seasons and the current season. This will help in stabilizing the price of sugar.
- f) To help industry deal with crisis of low sugar realisation rates and help them clear their cane dues government have extended support by fixing minimum sugar sale price at Rs. 29/- kg.
- g) Creation of Buffer stock of 3 million tonnes of sugar to help industry deal with over production of sugar from 1<sup>st</sup> July 2018. Over production has led to a crash in prices leading to poor liquidity resulting arrears of cane dues. Carrying cost of the buffer stock will be reimbursed by the central government.
- h) Quantity restriction imposed on sale of sugar from June 2018 onwards and same will be reviewed from time to time by the GOI.

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### **By State Government for the season 2017-18 (U.P./Uttarakhand)**

The Uttar Pradesh & Uttarakhand Government have announced a State Advised Price (SAP) for sugarcane at Rs.315 per quintal and Rs.316 per quintal respectively for season 2017-18, which is approx 3.27% & 2.93% higher in Uttar Pradesh & Uttarakhand respectively than previous season.

### **Future Expectations/ Announcements**

- (i) Imposition of cess on sugar and the cess fund will be utilized as gapping fund for paying capacity of mills and FRP.
- j) Other benefits/ announcement is expected in national Bio-Fuel Policy where Ethanol is derived from sugar cane, B Heavy Molasses etc.
- k) State Government may announce some assistance on gap funding between FRP & SAP.

## **B. OPPORTUNITIES & THREATS**

### **Opportunities:**

- Utilization of downstream by-products.
- Huge potential for increasing the High yielding cane crop to increase the cane crushing & sugar recovery rate.
- Potential for new and upgrading Technology for improved utility consumption factors and utilization of by-products.
- Potential for downstream production of Ethanol.
- Utilisation of waste of the distilleries in a productive manner.
- Potential for New Technology for Saving in Energy.
- Introduction of National Bio Fuel Policy.

### **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 of finished product in domestic and global markets.

## **C. 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 and crop disease;
  - 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.
  - Short crop cycle.
  - Fragmented land holding – low yields at farm level.
  - Mounting cane arrears.

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### 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 and 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. Various representations through the body of the industry like ISMA, UPSMA, and UPDA submitted to the government to come out with the solutions regarding above risks.

### 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. From last three year onwards your company has entered into a very speciality products of Sugar in the aforesaid plant, these speciality product include Bura, Brown Sugar, Table Sugar, Sachets (Both in institutional and retail trade), icing sugar, superfine, pharma sugar, cube sugar, invert syrup etc and sugar in the different packaging i.e. 1Kg / 5Kg / 10Kg / 80gm.

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We have also started the manufacturing of brown sugar at our Khaikheri Unit.

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, Bikanerwala, Britannia, CCD, Rasna 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 products.

We have also increased our packaged sugar sale at Libberheri unit from 3% in 2011-12 to 25% in 2017-18 and efforts are being made to increase it further.

### 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 funding/finance.

## D. 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.

## E. 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 lakh quintals)

	SEASON 2017-18					SEASON 2016-17					SEASON 2015-16				
	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	80.90	123.72	66.13	98.05	368.80	68.10	106.09	54.11	69.09	297.39	39.24	84.93	37.06	39.89	201.12

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RECOVERY (%)	11.08	11.85	11.13	10.61	<b>11.22</b>	10.56	11.95	10.47	10.06	<b>10.92</b>	10.32	11.57	10.17	10.01	10.76
PRODUCTION															
SUGAR	8.96	14.66	7.36	10.40	<b>41.38</b>	7.19	12.67	5.67	6.95	<b>32.48</b>	4.05	9.83	3.77	3.99	21.64
MOLASSES	3.54	5.32	2.94	4.29	<b>16.08</b>	3.12	4.59	2.61	3.35	<b>13.67</b>	1.76	3.72	1.70	1.82	9.00
WORKING DAYS	176	202	180	196	-	168	181	170	156	-	143	145	134	120	-

b) Figures for Power Export for last three Financial Years

(In Lakh Kwh)

	F.Y. 2017-18 (12 Months)					F.Y. 2016-17 (12 Months)					F.Y. 2015-16 (9 Months)				
	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL
POWER EXPORT	377.28	454.91	266.07	344.10	1442.36	255.71	457.55	206.33	291.51	1211.10	108.82	271.40	160.05	202.55	742.82

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

Industrial relations in your Company have remained cordial throughout the year under review. As a result of huge gap between the cane price and the selling price of sugar, there is a severe financial crisis in the sugar industry on the whole. This has resulted into cost reduction measures but that has not affected harmonious human development relations.

Your Company has overcome all this by upgrading the process and the systems that help harmonize culture of the varied manpower arising out of diverse sources and backgrounds. The organization values and human development as one of the cardinal principle in the growth of the Company. The organization has steadfastly stuck to its vision to enhance knowledge, skills and competencies of the human resources pool- helping them develop individually and collectively thereby improving productivity. To achieve all this, the Company is providing compensation by way of salary and wages which is at par with the prevailing standards in the industry. The Company is also in the midst of providing regular training to the employees for up-gradation of skills at various levels.

With these progressive steps, your Company has been able to maintain cordial relations with its employees even in this crucial time.

### 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).

# Uttam Sugar Mills Limited

## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF UTTAM SUGAR MILLS LIMITED

#### Report on the Ind AS Financial Statements

We have audited the accompanying financial statements of **UTTAM SUGAR MILLS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereafter referred to as Ind AS Financial Statements").

#### Management Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS 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, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Other Matter

The Comparative financial information of the company for the year ended 31<sup>st</sup> March 2017 and the transition date opening balance sheet as at 1<sup>st</sup> April, 2016 included in these Ind AS financial Statements are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006.



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audited by the predecessor auditors whose report for the year ended 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 dated 27<sup>th</sup> April, 2017 and 14<sup>th</sup> May, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the difference in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of above matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. On the basis of written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 24 to the Ind AS financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For SSVS & Co.,**  
**Chartered Accountants,**  
**Firm Registration No. 021648C**

**(Vipul Sharma) F.C.A.**  
**Partner**  
**M.No. 74437**

**Place : Noida**  
**Dated : 29<sup>th</sup> May, 2018**

# Uttam Sugar Mills Limited

## ANNEXURE TO THE AUDITORS' REPORT

### Annexure A to the Auditors' Report

(Referred to in paragraph (1) of our Report on other legal and regulatory requirement of even date to the shareholders of **UTTAM SUGAR MILLS LIMITED** for the period ended 31<sup>st</sup> March, 2018)

1. a) The Company has maintained records showing particulars including quantitative details and situation of its principal Property, Plant and Equipment accordingly the Property, Plant and Equipment 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 Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- b) The title deeds of the immovable property as disclosed in the Property, Plant and Equipment (note No.4A to the Ind AS financial statements) are held in the name of the Company, except for the following freehold land:

S.No.	Property Description	Balance Sheet Value (Rs in Lacs)
1.	At Village-Barkatpur, Pudrikhurd. Pargana-Kiratpur, Tehsil-Najibabad, Distt- Bijnor (U.P) Khasra No- 482/2,483,484,485, 486,487/2,488,519,523,532,533,534,535,536/2 497/3,521, 21,43,64,66,79,80,359,384,529 51,53,54,59,74,78,99,100,105,119,124,125,126,142,144,145, 150,153,143, 122	8.37

However, the Company is in process to transfer this land in name of the Company.

2. (a) The physical verification of inventory has been conducted by the management at reasonable intervals.
- (b) On the basis of our examination, in our opinion, discrepancies noticed on such physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
3. According to information made available to us, the Company has not granted any loan or advance in the nature of Loan, secured or unsecured to Companies, firm, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Act, accordingly Para 3(iii)(a) to (c) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, no loan, investment, guarantees and security stated under section 185 and 186 of the Companies Act, 2013 have been given /made by the Company therefore, para 3(iv) of the order is not applicable.
5. On the basis of information and explanations given to us and our scrutiny of Company's records, in our opinion, the Company has not accepted any public deposits within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules frames there under. The directives issued by the Reserve Bank of India are not applicable to the Company.
6. We have broadly reviewed the books of account maintained by the Company in respect of products pursuant to the order made by the Central Government for the maintenance of the cost records under section 148(1) 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.
7. (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, Service Tax, Customs Duty, Excise Duty, Goods and service tax, Value added Tax, Cess and other statutory dues applicable to it. As explained to us, the provisions of Employees State Insurance are not applicable to the Company. Further, there was no arrears of undisputed statutory dues outstanding as at 31<sup>st</sup> March, 2018 for a period of more than six months from the date they became payable.

## Uttam Sugar Mills Limited

- (b) According to the information and explanations given to us, the disputed statutory dues of Sales tax, Excise duty and Income Tax aggregating to Rs. 109.78 Lakhs 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	0.39	Commissioner/ Commissioner(Appeal)
		11.71	Tribunal
		7.45	High Court
Central Excise Act, 1944	Excise Duty	61.36	Commissioner(Appeal)
Income Tax Act, 1961	Income Tax	28.87	Commissioner(Appeal)
<b>Total</b>		<b>109.78</b>	

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

8. In our opinion and according to the information and explanations given to us, there no delay in repayment of dues to Banks/others except Uttarakhand State Govt. Soft Loan amounting to Rs 1002.71 Lakhs (Refer Note No 18(ii) B), which continues to be unpaid.  
The company has not issued any debentures.
9. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments. The term loans were applied for the purpose for which they were taken.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees noticed or reported during the year nor have we been informed of any such case by the management.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by applicable Indian Accounting Standard.
14. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. Based upon the audit procedures performed and the information and explanations given by the management, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For SSVS & Co.,**  
**Chartered Accountants,**  
**Firm Registration No. 021648C**

**(Vipul Sharma) F.C.A.**  
**Partner**  
**M.No. 74437**

**Place : Noida**  
**Dated : 29<sup>th</sup> May, 2018**

# Uttam Sugar Mills Limited

## Annexure - B to the Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Uttam Sugar Mills Limited** ("the Company") as at 31<sup>st</sup> March, 2018 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

## Uttam Sugar Mills Limited

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SSVS & Co.,  
Chartered Accountants,  
Firm Registration No. 021648C**

**(Vipul Sharma) F.C.A.  
Partner  
M.No. 74437**

**Place : Noida  
Dated : 29<sup>th</sup> May, 2018**

## Uttam Sugar Mills Limited

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2018

(Rs. in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>I. ASSETS</b>				
<b>(1) Non-Current Assets</b>				
(a) Property, plant and equipment	4A	56,361.61	53,754.41	53,183.18
(b) Capital work in progress	4B	1,728.95	1,092.79	1,699.36
(c) Other intangible assets	4C	12.05	11.00	10.98
(d) Financial assets				
(i) Other financial assets	6	101.51	111.96	103.74
(e) Non-current tax assets (net of provision)	7	-	-	10.77
(f) Deferred tax assets (net)	8	4,049.82	4,687.75	5,840.36
(g) Other Non-current assets	9	1,123.59	820.71	838.95
<b>Total (1)</b>		<b>63,377.53</b>	<b>60,478.62</b>	<b>61,687.34</b>
<b>(2) Current assets</b>				
(a) Inventories	10	72,072.21	61,122.90	37,680.35
(b) Financial assets				
(i) Trade and other receivables	5	4,930.57	5,338.37	5,684.81
(ii) Cash and cash equivalents	11	1,917.34	3,316.82	1,991.06
(iii) Bank balance other than cash and cash equivalents	12	394.10	362.72	1,230.98
(iv) Other financial assets	6	428.22	275.19	1,285.62
(c) Other current assets	13	456.92	970.81	848.11
<b>Total (2)</b>		<b>80,199.36</b>	<b>71,386.81</b>	<b>48,720.93</b>
<b>(3) Assets classified as held for sale</b>	14	219.71	270.60	158.00
<b>Total Assets (1+2+3)</b>		<b>143,796.60</b>	<b>132,136.03</b>	<b>110,566.27</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Share capital	15	3,813.81	3,813.81	3,813.81
(b) Other equity	16	13,782.90	12,057.37	1,436.09
<b>Total (1)</b>		<b>17,596.71</b>	<b>15,871.18</b>	<b>5,249.90</b>
<b>Liabilities</b>				
<b>(2) Non-Current Liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	17	25,824.49	34,231.78	40,803.59
(ii) Other financial liabilities	18	4,197.60	3,764.67	3,376.39
(b) Deferred revenue (including Government grant)	19	422.84	901.13	284.45
(c) Provisions	20	824.73	744.39	591.59
<b>Total (2)</b>		<b>31,269.66</b>	<b>39,641.97</b>	<b>45,056.02</b>
<b>(3) Current Liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	17	41,971.24	28,548.36	12,835.29
(ii) Trade and others payable	21	38,425.03	28,347.11	30,864.61
(iii) Other financial liabilities	18	12,846.39	13,021.87	12,737.16
(b) Deferred revenue (including Government grant)	19	478.29	360.50	-
(c) Other current liabilities	22	1,008.93	5,998.45	3,719.58
(d) Provisions	20	138.33	130.23	103.71
(e) Current tax liabilities (net of advance tax)	23	32.86	16.36	-
<b>Total (3)</b>		<b>94,901.07</b>	<b>76,422.88</b>	<b>60,260.35</b>
<b>(4) Liabilities for Assets classified held for sale</b>		<b>29.16</b>	<b>200.00</b>	<b>-</b>
<b>Total Equity &amp; Liabilities (1+2+3+4)</b>		<b>143,796.60</b>	<b>132,136.03</b>	<b>110,566.27</b>
Corporate information	1			
Significant accounting policies and estimates	2-3			
The accompanying notes are an integral part of the financial statements				

## AS PER OUR REPORT OF EVEN DATE

for and on behalf of Board of Directors

Firm Registration No.021648C

For SSVS &amp; Co.

Chartered Accountants

(RAJ KUMAR ADLAKHA)  
Managing Director(ASHOK KUMAR AGARWAL)  
Executive Director

(CA VIPUL SHARMA)

Partner

Membership No.074437

(SANJAY BHANDARI)  
Chief Financial Officer(G.RAMARATHNAM)  
Chief-Legal and Corporate  
Affair & Company Secretary(S.L.SHARMA)  
Sr. V.P. (A/c & Commercial)

Place : Noida

Date : 29<sup>th</sup> May, 2018



## Uttam Sugar Mills Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

(Rs. in Lakhs)

Particulars	Note No.	Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017
I. Revenue from Operations	25	126,463.90	114,067.86
II. Other Income	26	1,115.95	318.03
III. Total Income (I+II)		127,579.85	114,385.89
IV. Expenses			
Cost of raw material consumed	27	111,264.46	90,428.36
Excise duty on sale of goods		2,116.14	5,530.06
Purchases of stock-in-trade		-	4,077.19
Change in inventories of finished goods, by-products & work in progress	28	(14,694.90)	(21,575.95)
Employees benefits expenses	29	5,470.41	4,718.00
Finance cost	30	8,006.35	7,350.28
Depreciation and amortization expense	4	2,415.55	2,276.69
Other expenses	31	10,626.16	9,229.19
Total Expenses		125,204.17	102,033.82
V. Profit before exceptional items and tax (III-IV)		2,375.68	12,352.07
VI. Exceptional items (refer note no.34 e)		-	452.01
VII. Profit before tax (V-VI)		2,375.68	11,900.06
VIII. Tax expense (refer note no. 32)			
Current Tax	540.00		30.00
Less: Minimum Alternate Tax (MAT) Credit Available	418.00	122.00	(30.00)
Deferred Tax		624.23	1,171.81
Income tax for earlier year (refer note no.34 s)		(70.20)	70.20
IX. Profit for the year (VII-VIII)		1,699.65	10,658.05
X. Other Comprehensive income (Refer note no. 33)			
(i) Items that will not be reclassified to profit or loss		39.58	(55.97)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(13.70)	19.20
Total Other Comprehensive Income		25.88	(36.77)
XI. Total Profit after comprehensive income for the year (IX+X)		1,725.53	10,621.28
(Comprising of profit and loss comprehensive income for the year)			
XII. Earnings per equity share (Nominal value per share Rs.10/-) (refer note no.34 p)			
- Basic (Rs.)		4.52	27.85
- Diluted (Rs.)		4.52	27.85
Number of shares used in computing earnings per share			
- Basic (Nos.)		38138120	38138120
- Diluted (Nos.)		38138120	38138120
Corporate information	1		
Significant accounting policies and estimates	2-3		
The accompanying notes are an integral part of the financial statements			

AS PER OUR REPORT OF EVEN DATE

Firm Registration No.021648C

For SSVS &amp; Co.

Chartered Accountants

for and on behalf of Board of Directors

(RAJ KUMAR ADLAKHA)  
Managing Director(ASHOK KUMAR AGARWAL)  
Executive Director

(CA VIPUL SHARMA)

Partner

Membership No.074437

Place : Noida

Date : 29<sup>th</sup> May, 2018(SANJAY BHANDARI)  
Chief Financial Officer(G.RAMARATHNAM)  
Chief-Legal and Corporate  
Affair & Company Secretary(S.L.SHARMA)  
Sr. V.P. (A/c & Commercial)

# Uttam Sugar Mills Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018

(Rs. in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	2,375.68	11,900.06
Adjustments for:		
Other comprehensive income	39.58	(55.97)
Depreciation and Amortization expenses	2,415.55	2,276.69
Finance cost	7,199.23	6,742.55
Interest expense based on effective interest rate	807.12	607.73
Loss on sale/discard of assets	-	0.14
Profit on sale of assets	(292.90)	(1.72)
Interest income based on effective interest rate	(348.25)	(131.26)
Income recognized under EPCG Scheme	(12.25)	-
Interest Income	(33.95)	(58.80)
<b>Operating Profit before Working Capital Changes</b>	<b>12,149.81</b>	<b>21,279.42</b>
Working Capital Adjustment		
Decrease/(Increase) in inventory	(10,949.31)	(23,442.55)
Decrease/(Increase) in trade receivables	407.80	346.44
Decrease/(Increase) in other financial assets	(183.82)	1,057.67
Decrease/(Increase) in other assets	513.89	(122.70)
Decrease/(Increase) in other bank balances	(20.93)	860.04
(Decrease)/Increase in other financial liabilities	(1,267.44)	218.80
(Decrease)/Increase in trade payable	9,838.40	(2,212.01)
(Decrease)/Increase in provisions	88.44	179.32
(Decrease)/Increase in other liabilities	(4,989.52)	2,278.87
	<b>(6,562.49)</b>	<b>(20,836.12)</b>
Cash generated from operations	5,587.32	443.30
Direct taxes (paid)/refund	(515.36)	15.52
<b>Net Cash flow from Operating Activities</b>	<b>5,071.96</b>	<b>458.82</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property plant and equipment	(5,222.51)	(2,755.76)
Sale Proceeds/Advance of Fixed assets held for Disposal	180.00	200.00
Sale Proceeds of Fixed Assets	3.00	10.30
Interest received	33.95	58.80
<b>Net Cash used in Investing Activities</b>	<b>(5,005.56)</b>	<b>(2,486.66)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance cost paid	(7,181.67)	(6,946.08)
Proceeds from borrowings (Term loans)	92.23	62.95
Proceeds from borrowings (Short term loans)	1,500.00	4,872.00
Repayments of borrowings (Term loans)	(4,051.64)	(7,804.13)
Proceeds from borrowings (Working capital)	7,624.70	13,446.90
Repayments of unsecured loans	(104.30)	-
<b>Net Cash flow from Financing Activities</b>	<b>(2,120.68)</b>	<b>3,631.64</b>
<b>Net Increase/(Decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(2,054.28)</b>	<b>1,603.81</b>
Cash and cash equivalents as at beginning	3,089.30	1,485.49
Cash and cash equivalents as at closing	1,035.01	3,089.30

(Rs. in Lakhs)

## Reconciliation of Cash and cash equivalents as per the cash flow statements

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
a) Balance with banks on current accounts	1,898.76	3,286.65	1,922.88
b) Cash on hand	18.58	30.17	68.18
<b>Closing cash and cash equivalents (Refer Note no.11)</b>	<b>1,917.34</b>	<b>3,316.82</b>	<b>1,991.06</b>
c) Less: Book overdraft balance (Refer note no.18 ii B)	882.33	227.52	505.57
<b>Closing Cash and cash equivalents for the purpose of cash flow statement</b>	<b>1,035.01</b>	<b>3,089.30</b>	<b>1,485.49</b>

The accompanying notes are an integral part of the financial statements

### AS PER OUR REPORT OF EVEN DATE

Firm Registration No.021648C

For SSVS & Co.

Chartered Accountants

for and on behalf of Board of Directors

(RAJ KUMAR ADLAKHA)

Managing Director

(ASHOK KUMAR AGARWAL)

Executive Director

(CA VIPUL SHARMA)

Partner

Membership No.074437

Place : Noida

Date : 29<sup>th</sup> May, 2018

(SANJAY BHANDARI)

Chief Financial Officer

(G.RAMARATHNAM)

Chief-Legal and Corporate  
Affair & Company Secretary

(S.L.SHARMA)

Sr. V.P. (A/c & Commercial)

# Uttam Sugar Mills Limited

## Statement of Changes in Equity for the Year Ended 31<sup>st</sup> March'2018

### (a) Equity Share Capital :

(Rs. in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2018			For the year ended 31 <sup>st</sup> March, 2017		
	Balance as at 01.04.2017	Changes in equity share capital during the year	Balance as at 31.03.2018	Balance as at 01.04.2016	Changes in equity share capital during the year	Balance as at 31.03.2017
38138120 Equity Shares of Rs.10/- each fully paid up	3,813.81	-	3,813.81	3,813.31	-	3,813.31

### (b) Other Equity

#### Balance as at 31<sup>st</sup> March, 2018

Particulars	Reserves and Surplus			
	Securities premium reserve	Retained earnings	Other comprehensive income	Total other equity
Balance as at 01.04.2017	15,252.82	(3,195.45)	-	12,057.37
Profit for the year		1,699.65	25.88	1,725.53
Changes in equity during the year ended 31 <sup>st</sup> March, 2018				
Transfer from/to other comprehensive income/retained earnings		25.88	(25.88)	-
Balance as at 31 <sup>st</sup> March, 2018	15,252.82	(1,469.92)	-	13,782.90

#### Balance as at 31<sup>st</sup> March, 2017

Particulars	Reserves and Surplus			
	Securities premium reserve	Retained earnings	Other comprehensive income	Total other equity
Balance as at 01.04.2016	15,252.82	(13,816.73)	-	1,436.09
Profit for the year		10,658.05	(36.77)	10,621.28
Changes in equity during the year ended 31 <sup>st</sup> March, 2017				
Transfer from/to other comprehensive income/retained earnings		(36.77)	36.77	-
Balance as at 31 <sup>st</sup> March, 2017	15,252.82	(3,195.45)	-	12,057.37

The accompanying notes are an integral part of the financial statements

**AS PER OUR REPORT OF EVEN DATE**

**Firm Registration No.021648C**

**For SSVS & Co.**

Chartered Accountants

**(CA VIPUL SHARMA)**

Partner

Membership No.074437

**(SANJAY BHANDARI)**

Chief Financial Officer

**(RAJ KUMAR ADLAKHA)**

Managing Director

**(G.RAMARATHNAM)**

Chief-Legal and Corporate  
Affair & Company Secretary

**(ASHOK KUMAR AGARWAL)**

Executive Director

**(S.L.SHARMA)**

Sr. V.P. (A/c & Commercial)

**Place :** Noida

**Date :** 29<sup>th</sup> May, 2018

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018

### Note No. 1 Corporate Information

Uttam Sugar Mills Ltd. ("USML" or the Company) is a public limited Company incorporated and domiciled in India. The registered office of the Company is situated at Village Libberheri, Tehsil Roorkee, Distt. Haridwar (Uttarakhand).

The Company's shares are listed on the Bombay Stock Exchange and National Stock Exchange of India Ltd.

The Company is engaged in the manufacture of Sugar, Industrial Alcohol and Generation of Power. The financial statements of the Company are for the year ended 31<sup>st</sup> March, 2018 and are prepared in Indian Rupees being the functional currency. The values in Indian Rupees are rounded off to Lakhs, except otherwise indicated.

The financial statements for the year ended 31<sup>st</sup> March, 2018 was approved for issue by the Board of Directors of the Company on 29<sup>th</sup> May, 2018 and is subject to the adoption by the shareholders in the Annual General Meeting.

### Note No. 2 Significant Accounting Policies

#### 2.1 Statement of Compliances with Ind AS

The financial statements of the Company have been prepared to comply with the Indian Accounting Standards ('Ind AS') notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended with effect from 1<sup>st</sup> April, 2016) read with Section 133 of the Companies Act, 2013. Up to the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the requirement of Indian GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP". These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101- First time adoption of Indian Accounting Standards. The date of transition to Ind AS is April 1, 2016.

Refer Note No.37 & 38 for the details of first time adoption exemptions availed by the Company and reconciliation of the reserves on transition date and the profit for the previous year as per Ind AS and previous GAAP.

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (India Accounting Standards) Rules 2015 (As amended) till the financial statements are approved for issue by the Board of Directors has been considered in preparing these financial statements.

#### 2.2 Basis of preparation

These financial statements have been prepared in accordance with Ind AS under the historical cost basis except for the following:

- i) Certain financial assets and financial liabilities – measured at fair value and
- ii) Defined benefits plan-plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration is exchange for goods and service.

#### 2.3 The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

**An asset is treated as current when it is:**

- i) Expected to be realized or intended to be sold or consumed in normal operating cycle,
- ii) Held primarily for the purpose of trading,
- iii) Expected to be realized within twelve months after the reporting period,
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period, or
- v) Carrying current portion of non-current financial assets.

All other assets are classified as non-current.

**A liability is current when:**

- i) It is expected to be settled in normal operating cycle,
- ii) It is held primarily for the purpose of trading,
- iii) It is due to be settled within twelve months after the reporting period,
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period, or
- v) It includes current portion of non-current financial liabilities.

All other liabilities are classified as non-current

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### 2.4 Recent accounting pronouncements

**Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:** On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

**Ind AS 115- Revenue from Contract with Customers:** On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

### 2.5 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 Buyer, usually on delivery of goods.

Revenue is measured at the fair value of the consideration received / receivable taking into account contractually defined terms of payment net of discounts, volume rebates and excluding taxes or duties collected on behalf of the Government.

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.

Income from sale of REC is recognized on delivery of REC to the customers 'account.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

All other incomes are accounted for on accrual basis.

### 2.6 Expenses

All expenses are accounted for on accrual basis.

### 2.7 Property, plant and equipment and Capital work in progress (CWIP)

All property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Free hold land is not depreciated. The cost of an asset includes the purchase cost of materials, including import duties and non refundable/ creditable taxes and any directly attributable cost of bringing an asset to the location and condition of its intended use interest on borrowing used to finance the construction of qualifying assets are capitalized as part of the cost of the asset until such time that the asset is ready for its intended use.



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When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major refurbishment is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognized in statement of profit and loss as incurred.

Directly attributable expenditure (including finance cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as pre-operative expenses pending allocation to the assets and are shown under CWIP, CWIP is stated at the amount expended up to balance sheet date on assets or property, plant and equipment that are not yet ready for their intended use

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost and related accumulated depreciation are eliminated from the financial statements upon disposal/sale or retirement of the asset and the resultant gains or losses (difference between the sale proceeds and the carrying amount of the assets) are recognized in the Statement of profit and Loss.

### 2.8 Depreciation methods, estimated useful lives and residual value

- a) Depreciation on tangible fixed assets is provided on Straight Line basis so as to charge the cost of the assets or the amount substituted for costs in case of revalued assets less its residual value over the useful life of the respective asset as prescribed under part C of Schedule II to the Companies Act, 2013. Residual value has been considered as 5% of the cost of the respective assets.
- b) Leasehold Building Developments are amortized at lower of period of lease or ten years.
- c) Intangible Assets are amortized over a period of economic benefits not exceeding ten years.
- d) Depreciation/amortization on assets added, sold or discarded during the year is provided on pro – rata basis.

### 2.9 Intangible assets (Computer software)

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is derecognized. Computer software is amortized over a period of three years.

### 2.10 Inventories

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

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

Cost of inventories 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.

### 2.11 Government Grants

Government grants are recognized at fair value when there is reasonable assurance that the grant would be received and the Company would comply with all the conditions attached with them.

Government grants related to PPE are treated as deferred revenue (included under non-current liabilities with current portion considered under current liabilities) and are recognized and credited in the statement of profit and loss on systematic and rational basis and included under other income.

Government grants related to revenue nature are recognized on a systematic basis in the Statement of profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate and are adjusted with the related expenditure.

(If not related to a specific expenditure, it is taken as income and presented under other Income)

### 2.12 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period

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of time to get ready for its intended use. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are charged to the profit and loss statement in the period in which they are incurred.

### 2.13 Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the statement of profit and loss over the lease term

### 2.14 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.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability when discounting is used, the increase in the passage of time is recognized as finance costs.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that can't be recognized because it can't be measured reliably.

A contingent liability is not recognized in the financial statements, but discloses its existence in the Financial Statement.

When the realization of income is virtually certain, then the related asset is no longer a contingent asset, and is recognized as an asset.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### 2.15 Dividend payable

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on the date of declaration by the Company's Board of Directors. A corresponding amount is recognized directly in equity.

### 2.16 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.

Non monetary items which are carried at historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction.

### 2.17 Employee benefits

- a) Short – term employee benefits are recognized as an expense at the undiscounted amount in the Statement 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 Statement Profit & Loss Account for the year in which the employee has rendered services.

#### i) Compensated absences

Accumulated leave, which is expected to be utilized within next 12 months, is treated as short term employee benefit and this is shown under current provisions in the Balance Sheet. The Company treats

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accumulated leave expected to be carried forward beyond twelve months, as Long term employee benefits and shown under Long term provisions in the Balance sheet.

### ii) Defined Benefit Plans

The Company provides for retirement benefits in the form of gratuity. The Company's liability towards this benefit is determined on the basis of actuarial valuation using projected unit credit method at the date of Balance sheet. Actuarial gain and Losses in respect of such benefits are recognized in Statement of Profit & Loss A/c.

## 2.18 Financial instruments

A Financial instrument is any contract that gives rise to financial assets of one entity and a financial liability or equity instrument of another party.

### A. Financial Assets

#### a. Initial recognition

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial instruments are recognized initially at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial instrument, except for financial assets at fair value through statement of profit and loss, which are initially measured at fair value, excluding transaction costs (which is recognized in statement of profit and loss).

#### b. Subsequent measurement

##### i) Financial assets carried at amortized cost (AC)

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### iii) Financial assets at fair value through statement of profit and loss (FVTPL)

#### Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value either as at FVTOCI or FVTPL. The Company makes such election on instrument-by-instrument basis. For equity instruments measured as at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss account.

#### c. De-recognition

A Financial Assets (or where applicable, part of financial assets) is primarily derecognized when:

1. The contractual right to receive cash flows from the assets have expired or
2. The Company has transferred its right to receive cash flow from the financial assets and subsequently all the risks and rewards of ownership of the assets to third party.

#### d. Reclassification of financial assets

Company determines the classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities.

#### e. Impairment of financial assets

The Company recognized loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through Statement of Profit and loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to life time ECL

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For all other financial assets, expected credit loss are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

### B. Financial liabilities

#### a. Initial recognition and measurement

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. The Company's financial liabilities includes trade and other payable, loans and borrowing including bank over drafts, financial guarantee contracts and derivative financial instruments. Fees of recurring nature are directly recognized in statement of profit and loss as finance cost.

#### b. Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### i) Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in statement of profit and loss when liabilities are de-recognized. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance cost in the statement of profit and loss.

##### ii) Compound financial instruments

At the issue date the fair value of the liability component of a compound instrument is estimated using the market interest rate for a similar non-convertible instrument. This amount is recorded as a liability at amortized cost using the effective interest method until extinguished upon conversion or at the instrument's redemption date. The equity component is determined as the difference of the amount of the liability component from the fair value of the instrument. This is recognized in equity, net of income tax effects, and is not subsequently re-measured.

#### c. De-recognition of financial instruments

A financial liability is derecognized where the obligation under the liability is discharged or cancelled or expires where an existing financial liability is replaced by another from the same tender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of new liability. The difference in the respective carrying amounts is recognized in the statement of Profit and Loss.

#### d. Offsetting of financial instruments

Financial assets and financial liabilities including derivative instruments are offset and the net amount is reported in the Balance sheet, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

#### e. Fair value measurement

Fair value is a market-based measurement, not an entity-specific measurement. Under Ind AS, fair valuation of financial instruments is guided by Ind AS 113 "Fair Value Measurement" (Ind AS – 113).

For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

Three widely used valuation techniques specified in the said Ind AS are the market approach, the cost approach and the income approach which have been dealt with separately in the said Ind AS.

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Each of the valuation techniques stated as above proceeds on different fundamental assumptions, which have greater or lesser relevance, and at times there is no relevance of a particular methodology to a given situation. Thus, the methods to be adopted for a particular purpose must be judiciously chosen. The application of any particular method of valuation depends on the Company being evaluated, the nature of industry in which it operates, the Company's intrinsic strengths and the purpose for which the valuation is made.

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each balance sheet date.

**The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:**

**Level 1 :** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2 :** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3 :** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

### f. Share capital

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity, net of any tax effects.

## 2.19 Impairment Non-financial assets

The carrying amount of any property, plant and equipment and intangible assets with finite lives are reviewed at each balance sheet date, if there is any indication of impairment based on internal /external factor. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

An impairment loss is charged to the Statement of Profit and loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount. At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment loss previously recognized is reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment loss had not been recognized.

## 2.20 Taxes

Income tax expense comprises current tax and deferred tax and is recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in Equity or in Other Comprehensive Income (OCI).

### Current tax

Provision for current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rates and laws that are enacted or substantively enacted at the balance sheet date. The tax is recognized in statement of profit and loss, except to the extent that it related to items recognized in the OCI or in other equity. In this case, the tax is also recognized in other comprehensive income and other equity.

### Deferred tax

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

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Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be recovered.

Unrecognized deferred tax assets are re-assessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off deferred tax assets against deferred tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### MAT Credit

Credit of MAT is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and written down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### 2.21 Earnings per Share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

### 2.22 Non-current assets (or disposal groups) held for sale and discontinued operations

- a) Non-current assets (or disposal groups) are classified as held for sale if their carrying amount would be recovered principally through a sale/distribution rather than through continuing use and a sale/distribution is considered highly probable.

Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale/ distribution would be made or that the decision to sell/distribute would be withdrawn. Management must be committed to sale/distribution expected within one year from the date of classification.

- b) Immediately before the initial classification of the assets (and disposal groups) as held for sale, the carrying amount of the assets (or all the assets and liabilities in the disposal groups) are measured in accordance with their applicable accounting policy.

Non-current assets (or disposal groups) held for sale/for distribution to owners are subsequently measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets which are specifically exempt from this requirement.

- c) Non-current assets including those that are part of a disposal group (PPE and Intangible assets) once classified as held for sale/ distribution to owners are neither depreciated nor amortized. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.
- d) Non-current assets (including assets of a disposal group) classified as held for sale are presented separately from the other assets in the Balance sheet. The liabilities of a disposal group classified as held for sale/ distribution are presented separately from other liabilities in the Balance sheet.



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- e) A disposal group qualifies as discontinued operation if it is a component of equity that has either being disposed of or is classified as Held for sale, and that represents a separate major line of business or geographical area of operations, or is part of a single co-ordinate plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented separately as a single amount as profit or loss after tax from discontinued operations in the Statement of Profit and Loss and comparative information is restated accordingly.

- f) All notes to the financial statements mainly include amounts for continuing operations, unless stated otherwise

### 2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue are accounted for based on the cost price. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities".

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director who makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

### 2.24 Cash and cash equivalents

Cash and cash equivalents in the Balance sheet comprise cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, Cash and cash equivalents consist of Cash and cash equivalents, as defined above and net of outstanding book overdrafts as they are considered an integral part of the Company's cash management.

### 2.25 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### Note No. : 3 Significant accounting judgment, estimates and assumptions

The preparation of the financial statements requires the use of accounting estimates, which, by definition would seldom equal the actual results. Management also needs to exercise judgment and make certain assumptions in applying the Company accounting policies and preparation of financial statements.

The use of such estimates, judgments and assumptions affect the reported amounts of revenue, expenses, assets and liabilities including the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

#### Estimates and Assumptions

The Company has based its assumptions and estimates on parameters available when the financial statement was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

- i) **Depreciation and useful lives of property, plant and equipment:** Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine

## **Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018**

the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

- ii) Income Tax:** Management judgment is required for calculation of income tax and deferred tax assets and liabilities. Deferred tax assets are recognized for unused losses (carry forward of prior years' losses) and unused tax credit to the extent that it is probable that taxable profit would be available against which the losses could be utilized. The Company reviews at each balance sheet date the carrying amount of deferred tax. The factor used in estimate may differ from actual outcome which may lead to significant adjustment in the amounts in financial statement.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period in the year in which the MAT credit becomes eligible to be recognized as an asset. The Company reviews the same at each balance sheet date and written down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period

- iii) Recoverability of trade receivable:** Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

- iv) Provisions:** Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

- v) Impairment of non-financial assets:** The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

- vi) Estimation of Defined benefit obligations**

The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuation.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each financial year end.

- vii) Impairment of financial assets:** The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

- viii) Fair value measurement of financial instruments:** The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- ix) Material uncertainty about going concern:** In preparing financial statements, management has made an assessment of Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis. The Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018

**Note No. - 4 : Property, Plant and Equipments, Intangible Assets and Capital Work in Progress for the Year Ended as on 31.03.2018**  
(Rs. in Lakhs)

Nature of Assets	G R O S S B L O C K			D E P R E C I A T I O N / A M O R T I S A T I O N				N E T B L O C K		
	As on 01.04.2017	Additions during the Year	Sold/ Adjustment during the Year	As on 31.03.2018	Upto 31.03.2017	For the Year	On Sale/ Adjustment	Upto 31.03.2018	As on 31.03.2018	As on 31.03.2017
<b>A. Tangible Assets</b>										
Freehold Land (Factory)	10,445.97	19.82	-	10,465.79	-	-	-	-	10,465.79	10,445.97
Freehold Land (Others)	531.80	-	-	531.80	-	-	-	-	531.80	531.80
Building	4,631.58	59.15	-	4,690.73	174.25	181.57	-	355.82	4,334.91	4,457.33
Leasehold Building Developments	72.02	-	-	72.02	0.89	1.19	-	2.08	69.94	71.13
Plant and Equipment	39,405.03	4,590.25	-	43,995.27	1,955.05	2,087.21	-	4,042.26	39,953.01	37,449.97
Furniture and Fixtures	93.52	5.63	-	99.15	33.33	11.73	-	45.06	54.09	60.19
Office Equipments	197.28	83.04	-	280.32	41.71	52.43	-	94.14	186.18	155.57
Weigh Bridges	383.03	87.67	-	470.70	33.56	37.60	-	71.16	399.54	349.47
Vehicles & Tractors	270.50	177.31	3.51	444.30	41.87	41.14	0.71	82.30	362.00	228.63
Live Stock	4.35	-	-	4.35	-	-	-	-	4.35	4.35
<b>Total (A)</b>	<b>56,035.07</b>	<b>5,022.87</b>	<b>3.51</b>	<b>61,054.43</b>	<b>2,280.66</b>	<b>2,412.87</b>	<b>0.71</b>	<b>4,692.82</b>	<b>56,361.61</b>	<b>53,754.41</b>
<b>B. Capital Work in Progress</b>										
Building, Plant & Equipment	1,092.79								1,728.95	1,092.79
<b>Total (B)</b>	<b>1,092.79</b>								<b>1,728.95</b>	<b>1,092.79</b>
<b>C. Other Intangible Assets</b>										
Computer Software	13.52	3.73	-	17.25	2.52	2.68	-	5.20	12.05	11.00
<b>Total (C)</b>	<b>13.52</b>	<b>3.73</b>	<b>-</b>	<b>17.25</b>	<b>2.52</b>	<b>2.68</b>	<b>-</b>	<b>5.20</b>	<b>12.05</b>	<b>11.00</b>
<b>Grand Total (A+B+C)</b>	<b>57,141.38</b>	<b>5,026.60</b>	<b>3.51</b>	<b>61,071.68</b>	<b>2,283.18</b>	<b>2,415.55</b>	<b>0.71</b>	<b>4,698.02</b>	<b>58,102.61</b>	<b>54,858.20</b>
<b>Previous Year</b>	<b>54,893.52</b>	<b>2,969.25</b>	<b>114.82</b>	<b>56,048.59</b>	<b>-</b>	<b>2,276.69</b>	<b>-6.49</b>	<b>2,283.18</b>	<b>54,858.20</b>	
<b>Notes :</b>										
1. Vehicles includes Motor Cars having gross book value of Rs.158.50 Lacs (Previous Year Rs.77.32 lacs) which are financed by bank/financial institution.										
2. Freehold Land aggregating to Rs. 8.37 lacs (Previous Year Rs.10.58 lacs) is pending for registration in name of Company.										

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018

Note No. - 4 : Property, Plant and Equipments, Intangible Assets and Capital Work in Progress for the Year Ended as on 31.03.2017

(Rs. in Lakhs)

Nature of Assets	G R O S S B L O C K				D E P R E C I A T I O N / A M O R T I S A T I O N				NET BLOCK
	As on 01.04.2016	Additions during the Year	Sold/ Adjustment during the Year	As on 31.03.2017	Upto 31.03.2016	For the Year	On Sale/ Adjustment	Upto 31.03.2017	As on 31.03.2017
A. Tangible Assets									
Freehold Land (Factory)	10,304.79	141.18	-	10,445.97	-	-	-	-	10,445.97
Freehold Land (Others)	644.40	-	112.60	531.80	-	-	-	-	531.80
Building	4,353.23	278.35	-	4,631.58	-	174.25	-	174.25	4,457.33
Leasehold Building Developments	72.02	-	-	72.02	-	0.89	-	0.89	71.13
Plant and Equipment	37,134.49	2,270.53	-	39,405.03	-	1,947.42	-7.63	1,955.05	37,449.97
Furniture and Fixtures	86.32	7.20	-	93.52	-	33.33	-	33.33	60.19
Office Equipments	109.26	88.02	-	197.28	-	41.71	-	41.71	155.57
Weigh Bridges	340.78	42.25	-	383.03	-	33.56	-	33.56	349.47
Vehicles & Tractors	133.54	139.18	2.22	270.50	-	43.01	1.14	41.87	228.63
Live Stock	4.35	-	-	4.35	-	-	-	-	4.35
Total (A)	53,183.18	2,966.71	114.82	56,035.07	-	2,274.17	-6.49	2,280.66	53,754.41
B. Capital Work in Progress									
Building, Plant & Equipment	1,699.36								1,092.79
Total (B)	1,699.36								1,092.79
C. Other Intangible Assets									
Computer Software	10.98	2.54	-	13.52	-	2.52	-	2.52	11.00
Total (C)	10.98	2.54	-	13.52	-	2.52	-	2.52	11.00
Grand Total (A+B+C)	54,893.52	2,969.25	114.82	56,048.59	-	2,276.69	-6.49	2,283.18	54,858.20
Additional Disclosure									
Note					Gross Block of Assets	Accumulated Depreciation	Net Block of Assets		
Gross Block as per previous GAAP as on 01.07.2015									
Add : Addition during the period (01.07.2015 to 31.03.2016)									
Add : Depreciation for the period (01.07.2015 to 31.03.2016)									
Gross/Net Block as per previous GAAP as on 31.03.2016									
Gross Block adopted under IND AS as on 01.04.2016									
Add : Capital work in progress as on 31.03.2016									
Add : Expenditure during construction period as on 31.03.2016									
Add : Assets recognized under EPCG Scheme									
Gross Block adopted under IND AS as on 01.04.2016									
54.62									
284.45									
54,893.52									

### Notes :

- Vehicles includes Motor Cars having gross book value of Rs.77.32 Lacs (Previous Period Rs.60.73 lacs) which are financed by bank/financial institution.
- Freehold Land aggregating to Rs.10.58 lacs is pending for registration in name of Company.

## Uttam Sugar Mills Limited

Notes on Financial Statements for the Year Ended 31<sup>st</sup> March 2018

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>Note No. : 5 Trade And Other Receivables (Carried at Amortized Cost)</b>			
(i) <b>Current (Unsecured, considered good)</b>			
Trade receivables	4,930.57	5,338.37	5,684.81
<b>Total</b>	<b>4,930.57</b>	<b>5,338.37</b>	<b>5,684.81</b>
(ii) <b>Current (Unsecured, considered Doubtful)</b>			
Trade receivables	9.97	-	-
Less : Provision for doubtful debts	9.97	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Note No. : 6 Other Financial Assets (Unsecured, considered good, unless stated otherwise)</b>			
(i) <b>Non-Current (Unsecured, considered good)</b>			
<b>Carried at amortized cost</b>			
Security deposits with others	8.00	8.00	10.00
<b>Fixed deposits with banks and other Govt. deptt.</b>			
(Bank deposits with more than 12 months maturity)			
For Molasses storage fund (earmarked) (including interest)	27.24	33.59	34.88
Pledged with bank & other Govt. deptt. (including interest)	66.27	70.37	58.86
<b>Total (i)</b>	<b>101.51</b>	<b>111.96</b>	<b>103.74</b>
(ii) <b>Current (Unsecured, considered good)</b>			
<b>Carried at amortized cost</b>			
Advances to employees	40.35	33.67	27.07
Security deposits with others	12.84	10.94	25.46
Claim receivable	375.03	230.58	1,233.09
<b>Total (ii)</b>	<b>428.22</b>	<b>275.19</b>	<b>1,285.62</b>
<b>Total (i+ii)</b>	<b>529.73</b>	<b>387.15</b>	<b>1,389.36</b>
<b>Note No. : 7 Non-Current Tax Assets (Net of provision) (Unsecured, Considered Good)</b>			
(i) <b>Non-Current (Unsecured, considered good)</b>			
Advance tax (including TDS)	-	-	10.77
Less : Provision for taxation	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>10.77</b>

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year Ended 31<sup>st</sup> March 2018

(Rs. in Lakhs)

Particulars	As At 01.04.2017	During the year	As At 31.03.2018
<b>Note No. : 8 : Deferred Tax Assets (Net)</b>			
<b>DEFERRED TAX LIABILITY</b>			
Deferred tax liability on comprehensive income	(19.20)	13.70	(5.50)
Difference between book & tax depreciation	8,022.09	1,135.90	9,157.99
Deferred tax liability on land revaluation reserve	1,250.00	-	1,250.00
Deferred tax liability on term loan expense amortized	21.55	(8.57)	12.98
<b>Total</b>	<b>9,274.44</b>	<b>1,141.03</b>	<b>10,415.47</b>
<b>DEFERRED TAX ASSETS</b>			
Expenses allowed u/s 43-B on paid basis	1,358.39	(996.90)	361.49
Unabsorbed business losses & depreciation (refer note no. 34 r)	12,603.80	1,500.00	14,103.80
	13,962.19	503.10	14,465.29
<b>NET DEFERRED TAX ASSETS</b>	<b>4,687.75</b>	<b>(637.93)</b>	<b>4,049.82</b>
<b>Total</b>	<b>4,687.75</b>	<b>(637.93)</b>	<b>4,049.82</b>

Particulars	As At 01.04.2016	During the year	As At 31.03.2017
<b>DEFERRED TAX LIABILITY</b>			
Deferred tax liability on comprehensive income	-	(19.20)	(19.20)
Difference between book & tax depreciation	7,778.58	243.51	8,022.09
Deferred tax liability on land revaluation reserve	1,250.00	-	1,250.00
Deferred tax liability on term loan expense amortized	32.31	(10.76)	21.55
<b>Total</b>	<b>9,060.89</b>	<b>213.55</b>	<b>9,274.44</b>
<b>DEFERRED TAX ASSETS</b>			
Expenses allowed u/s 43-B on paid basis	797.45	560.94	1,358.39
Unabsorbed business losses & depreciation (refer note no. 34 r)	14,103.80	(1,500.00)	12,603.80
	14,901.25	(939.06)	13,962.19
<b>NET DEFERRED TAX ASSETS</b>	<b>5,840.36</b>	<b>(1,152.61)</b>	<b>4,687.75</b>
<b>Total</b>	<b>5,840.36</b>	<b>(1,152.61)</b>	<b>4,687.75</b>



## Uttam Sugar Mills Limited

Notes on Financial Statements for the Year Ended 31<sup>st</sup> March 2018

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>Note No. : 9 Other Non-Current Assets (Unsecured, Considered good unless stated otherwise)</b>			
<b>Capital Advances:</b>			
To Others	447.76	471.44	552.19
To Related parties (refer note no. 34 m)	49.61	233.90	65.56
Balance with Income Tax department (under protest)	4.00	4.00	51.16
Tax Deducted at Sources	62.49	40.63	59.01
MAT credit entitlement	488.20	30.00	70.21
Security deposits with Government authorities (including interest)	48.09	40.74	40.82
Prepaid expenses	23.44	-	-
<b>Total</b>	<b>1,123.59</b>	<b>820.71</b>	<b>838.95</b>
<b>Note No. : 10 Inventories (Valued at lower of cost and net realisable value, unless stated otherwise)</b>			
(a) Raw material	183.27	275.24	49.47
(b) Work-in-progress	1,014.22	1,180.18	861.27
<b>(c) Finished Goods</b>			
Sugar	68,213.41	53,225.44	30,954.04
Industrial alcohol	217.59	1,319.89	1,182.64
Banked power	89.87	104.50	83.36
Renewal Energy Certificates (REC)	25.86	339.68	504.70
(d) By-products	829.40	3,275.82	2,769.96
(e) Stores, Spare Parts and Packing Materials	1,498.59	1,402.15	1,274.91
<b>Total</b>	<b>72,072.21</b>	<b>61,122.90</b>	<b>37,680.35</b>
Carrying amount of inventories pledged as security for Borrowings (Rs. In Lakhs)	41,971.24	28,548.36	9,024.66
<b>Note No. : 11 Cash and Cash Equivalents</b>			
<b>Balances with banks</b>			
on current accounts	1,898.76	3,286.65	1,922.88
Cash on hand	18.58	30.17	68.18
<b>Total</b>	<b>1917.34</b>	<b>3,316.82</b>	<b>1,991.06</b>

## Uttam Sugar Mills Limited

Notes on Financial Statements for the Year Ended 31<sup>st</sup> March 2018

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>Note No. : 12 Bank balances other than Cash and Cash Equivalents</b>			
<b>Earmarked balances</b>			
<b>Fixed deposits for molasses storage fund</b>			
Current portion of original maturity period more than 12 months (Including Interest)	18.03	13.74	8.40
Original maturity period upto 12 months (Including Interest)	20.24	16.18	13.64
<b>Fixed deposits pledged with bank and other Govt. deptt.</b>			
Current portion of original maturity period more than 12 months	-	-	609.64
Original maturity period upto 12 months	355.83	332.80	599.30
<b>Total</b>	<b>394.10</b>	<b>362.72</b>	<b>1,230.98</b>
<b>Note No. : 13 Other Current Assets (Unsecured, considered good)</b>			
Advances other than capital advances:			
To Suppliers and others	86.77	169.32	205.70
To Related parties (refer note no. 34 m)	0.35	29.34	1.12
Balance with Government authorities	61.46	403.77	258.72
GST Receivable	9.73	-	-
Security deposits with Government authorities	24.30	70.32	81.49
Prepaid expenses	129.93	108.43	95.10
Other advances	144.38	189.63	205.98
<b>Total</b>	<b>456.92</b>	<b>970.81</b>	<b>848.11</b>
<b>Note No. : 14 Assets Classified as Held for Sale</b>			
Assets held for disposal	219.71	270.60	158.00
<b>Total</b>	<b>219.71</b>	<b>270.60</b>	<b>158.00</b>

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year Ended 31<sup>st</sup> March 2018

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>Note No. : 15 Share Capital</b>			
<b>(a) Authorised</b>			
<b>Equity Share Capital</b>			
40000000 Equity Shares of Rs. 10/- each	4,000.00	4,000.00	4,000.00
<b>Redeemable Preference Share Capital</b>			
16500000 Preference Shares of Rs.100/- each	16,500.00	16,500.00	16,500.00
<b>Total (a)</b>	<b>20,500.00</b>	<b>20,500.00</b>	<b>20,500.00</b>
<b>(b) Issued, Subscribed and Paid-up Capital</b>			
38138120 Equity Shares of Rs.10/- each fully paid up	3,813.81	3,813.81	3,813.81
<b>Total (b)</b>	<b>3,813.81</b>	<b>3,813.81</b>	<b>3,813.81</b>

### 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) 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.

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

Name of Equity Shareholders	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017		As at 01 <sup>st</sup> April, 2016	
	No. of Shares held	Percentage (%)	No. of Shares held	Percentage (%)	No. of Shares held	Percentage (%)
<b>Uttam Adlakha &amp; Sons Holdings Pvt. Limited</b>	16301224	42.74%	16301224	42.74%	16301224	42.74%
<b>Lipi Boilers (P) Limited</b>	3515000	9.22%	3515000	9.22%	3515000	9.22%
<b>Uttam Industrial Engineering (P) Limited</b>	2750000	7.21%	2750000	7.21%	2750000	7.21%

- d) 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.

### e) 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

- f) There are no securities (Previous Year no) convertible into Equity/Preferential shares.
- g) There are no calls unpaid (Previous Year no) including calls unpaid by Directors and Officers as on balance sheet date.
- h) There are no shares forfeited by the Company.

### i) Reconciliation of No. of Shares Outstanding:

Particulars	31.03.2018	31.03.2017	01.04.2016
<b>Equity Shares</b>			
At the beginning of the year	38138120	38138120	38138120
Change during the year	-	-	-
At the end of the year	38138120	38138120	38138120

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year Ended 31<sup>st</sup> March 2018

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>Note No. : 16 : Other Equity</b>			
<b>Other Reserves</b>			
<b>(a) Security Premium reserve</b>			
As per last balance sheet	15,252.82	15,252.82	15,252.82
<b>(b) Retained Earnings</b>			
Balance as per Last Balance Sheet	(3,195.45)	(13,816.73)	(13,816.73)
Add : Profit for the Year	1,699.65	10,658.05	-
Add : Other comprehensive income/(Loss) for the year	25.88	(36.77)	-
<b>Total (b)</b>	<b>(1,469.92)</b>	<b>(3,195.45)</b>	<b>(13,816.73)</b>
<b>Total (a+b)</b>	<b>13,782.90</b>	<b>12,057.37</b>	<b>1,436.09</b>
<b>Note No. : 17 Borrowings</b>			
<b>(i) Non-current</b>			
<b>Carried at amortized Cost</b>			
<b>(A) Secured Loan</b>			
<b>Term Loans - from Banks</b>	<b>615.08</b>	<b>1,137.77</b>	<b>3,484.87</b>
IDBI Bank Limited	-	-	357.14
State Bank of India	-	-	667.52
Indian Overseas Bank	-	-	123.14
Oriental Bank of Commerce	-	-	218.14
Uttarakhand State Co-Op. Bank Limited	615.08	1,137.77	2,118.93
<b>Term Loans - from Banks SEFASU</b>	<b>70.84</b>	<b>1,327.89</b>	<b>3,600.54</b>
Punjab National Bank	-	545.33	1,594.14
Indian Overseas Bank	30.32	161.43	395.19
Oriental Bank of Commerce	8.16	63.67	160.93
Uttarakhand State Co-Op. Bank Limited	-	317.40	848.67
Zila Sahkari Bank Limited	32.36	240.06	601.61
<b>Term Loans - from Banks Soft Loans</b>	<b>2,067.76</b>	<b>3,515.37</b>	<b>4,429.61</b>
Punjab National Bank	1,000.54	1,722.72	2,153.36
IDBI Bank Limited	192.44	309.73	384.77
State Bank of India	270.90	460.07	552.00
Indian Overseas Bank	213.94	365.11	453.49
Oriental Bank of Commerce	90.00	153.57	190.70
Uttarakhand State Co-Op. Bank Limited	299.94	504.17	695.29
<b>From entities other than banks</b>			
- From Govt. of India, Sugar Development Fund (SDF)	792.08	1,075.39	1,698.20
<b>CC Under Repayment from Banks</b>	<b>22,182.59</b>	<b>27,009.25</b>	<b>27,430.15</b>
Punjab National Bank	14,437.00	17,531.00	20,109.00
IDBI Bank Limited	2,008.99	2,439.50	2,798.25
State Bank of India	2,040.60	2,550.75	3,060.90
Indian Overseas Bank	2,647.00	3,214.00	-
Oriental Bank of Commerce	1,049.00	1,274.00	1,462.00

## Uttam Sugar Mills Limited

Notes on Financial Statements for the Year Ended 31<sup>st</sup> March 2018

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>Vehicle Loans</b>			
- From Banks	42.68	-	-
- From Non banking finance company	4.95	13.30	7.41
<b>(B) Unsecured Loans</b>			
- Loan from related parties (refer note no.34 m)	48.51	152.81	152.81
<b>Total (i)</b>	<b>25,824.49</b>	<b>34,231.78</b>	<b>40,803.59</b>
<b>(ii) Current</b>			
<b>Secured Loans</b>			
<b>Loan repayable on demand</b>			
<b>Cash Credit from Banks</b>	<b>41,971.24</b>	28,548.36	12,835.29
Punjab National Bank	17,383.16	10,091.81	-
State Bank of India	9,428.95	4,001.57	-
Indian Overseas Bank	-	-	3,810.63
Uttarakhand State Co-Op. Bank Limited	5,483.69	6,480.13	5,550.29
Zila Sahkari Bank Limited, Ghaziabad	5,794.21	3,925.27	3,474.37
Zila Sahkari Bank Limited, Bulandshahr	3,881.23	4,049.58	-
<b>Total (ii)</b>	<b>41,971.24</b>	<b>28,548.36</b>	<b>12,835.29</b>
<b>Total (i + ii)</b>	<b>67,795.73</b>	<b>62,780.14</b>	<b>53,638.88</b>

## i) Terms &amp; Conditions of Secured Loans

## a) Security Clauses:

## 1. SEFASU Term Loan, Soft Loan &amp; CC Under Repayment (except term loan from Co-Operative Banks) :

- Term Loans and CC under repayment from Banks 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.
- Term Loans and CC under repayment from Banks are also secured by third pari-passu charge basis on whole of the current assets (stock, book debts etc.), both present and future.
- Term Loans and CC under repayment from Banks are also secured by way of Pledge on pari-passu basis of 34,84,170 Equity Shares in the company held by individual Promoters of the Company viz. M/s. Raj Kumar Adlakha, Rajan Adlakha and Ranjan Adlakha.
- Term Loans and CC under repayment from Banks are also guaranteed by Managing Director and two other promoters of the Company (viz. Mr. Rajan Adlakha & Mr. Ranjan Adlakha) and corporate guarantees of three Promoter Companies (viz. Uttam Industrial Engineering Private Limited, Uttam Sucrotech Limited and Lipi Boilers Private Limited).

## v. CC Under Repayment is additionally secured by :

- Pledge on pari-passu basis of 60,00,000 Equity Shares held by three promoter companies viz. M/s Uttam Industrial Engineering Pvt. Limited, M/s Uttam Sucrotech Limited and M/s Lipi Boilers Private Limited.
- Joint Equitable Mortgage on the immovable properties situated at H-2, Kaushambi, Ghaziabad owned by a group company, M/s Uttam Housinginfra Limited.
- Corporate Guarantee by two group Companies viz. M/s Uttam Adlakha & Sons Holdings Private Limited and M/s Uttam Housinginfra Limited.

## vi. Soft Loan is additionally secured by :

- Joint Equitable Mortgage on the immovable properties situated at H-2, Kaushambi, Ghaziabad owned by a group company, M/s Uttam Housinginfra Limited.
- Corporate Guarantee by a group Company viz M/s Uttam Housinginfra Limited.

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year Ended 31<sup>st</sup> March 2018

### 2. Term Loan from Govt. of India, Sugar Development Fund through IFCI Ltd.:

Term Loan from Govt. of India, Sugar Development Fund through IFCI Ltd is secured by an exclusive second charge on movable assets (except book debts) and Company's immovable properties.

### 3. Term Loan from Uttarakhand State Co-Operative Bank Limited:

Term Loan from Uttarakhand State Co-Operative Bank Limited is secured by Residual charge on all movable assets forming part of fixed/block assets both present & future, and Joint Equitable Mortgage on company's immovable properties situated at Village Libberheri, Roorkee, District Haridwar (Uttarakhand) on Residual Charge basis, and also guaranteed by Managing Director.

### 4. Term Loan from Zila Sahkari Bank Limited, Ghaziabad:

Term Loan from Zila Sahkari Bank Limited, Ghaziabad is secured on Residual charge basis on movable assets forming part of fixed/block assets, both present & future, and Joint Equitable Mortgage on company's immovable properties situated at Village Shermau, Tehsil Nakur, District Saharanpur (Uttar Pradesh) on Residual Charge basis, and also guaranteed by Managing Director.

### 5. Vehicle loans:

Vehicle loans from banks and Non-Banking finance company are secured by way of hypothecation of vehicle financed by them.

### Terms & Conditions of short term borrowings

#### 1. Non-Fund Based Working Capital Limits from Punjab National Bank & State Bank of India (Working Capital Limits)

- Working Capital Limits from Banks 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.
- Working Capital Limits from Banks are also secured by way of Pledge on pari-passu basis of 34,84,170 Equity Shares in the company held by individual Promoters of the Company viz. Mr. Raj Kumar Adlakha, Rajan Adlakha and Ranjan Adlakha.
- Working Capital Limits from Banks are also guaranteed by Managing Director and two other promoters of the Company (viz. Mr. Rajan Adlakha & Mr. Ranjan Adlakha) and corporate guarantees of three Promoter Companies (viz. Uttam Industrial Engineering Private Limited, Uttam Sucrotech Limited and Lipi Boilers Private Limited).

#### d) Non-Fund based Cash Credit Facilities from Punjab National Bank is additionally secured by :

- Pledge on pari-passu basis of 60,00,000 Equity Shares held in the Company, held by three promoter companies viz. Uttam Industrial Engineering Private Limited, Uttam Sucrotech Limited and Lipi Boilers Private Limited.
- Joint Equitable Mortgage on the immovable properties situated at H-2, Kaushambi, Ghaziabad owned by a group company, M/s Uttam Housinginfra Limited.
- Also Guaranteed by two group Companies viz. M/s Uttam Adlakha & Sons Holdings Private Limited and M/s Uttam Housinginfra Limited.

#### 2. Cash Credit (Pledge) Limits from Punjab National Bank

- Cash Credit (Pledge) Limits from Punjab National Bank is secured by way of pledge of warehouse receipt covering sugar stocks in possession of collateral managers appointed by bank.
- Cash Credit (Pledge) Limits from Punjab National Bank is also guaranteed by Managing Director (Mr. Rajkumar Adlakha) and two other promoters of the Company (viz. Mr. Rajan Adlakha & Mr. Ranjan Adlakha) and corporate guarantees of five Promoter/Group Companies (viz. Uttam Industrial Engineering Private Limited, Uttam Sucrotech Limited, Lipi Boilers Private Limited, Uttam Adlakha & Sons Holdings Pvt. Ltd. & Uttam Housinginfra Limited).
- Cash Credit (Pledge) Limits from Punjab National Bank is secured /to be secured on the third pari passu charge on immovable assets of the company.
- Cash Credit (Pledge) Limit from Punjab National Bank is also secured by way of Pledge on pari-passu basis of 94,84,170 Equity Shares in the company held by Promoters of the Company viz. Mr. Raj Kumar Adlakha, Mr. Rajan Adlakha, Mr. Ranjan Adlakha, M/s Uttam Industrial Engineering Private Limited, M/s Uttam Sucrotech Limited and M/s Lipi Boilers Private Limited.

#### 3. Working Capital Demand Loan (WCDL) from State Bank of India

- Working Capital Demand Loan (WCDL) from State Bank of India is secured by way of pledge of warehouse receipt covering sugar stocks in possession of collateral managers appointed by bank.
- Working Capital Demand Loan (WCDL) from State Bank of India is also guaranteed by Managing Director and two other promoters of the Company (viz. Mr. Rajan Adlakha & Mr. Ranjan Adlakha).



# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year Ended 31<sup>st</sup> March 2018

### 4. Term Loan (Repair & Maintenance) from Punjab National Bank

Term Loan from Punjab National Bank is secured on residual charge basis on fixed assets of the company, both present & future. The Loan is additionally secured by Joint Equitable Mortgage on the immovable properties situated at H-2, Kaushambi, Ghaziabad owned by a group company, M/s Uttam Housinginfra Limited.

### 5. Cash credit facility from Uttarakhand State Co-Operative Bank Limited

Cash credit facility from Uttarakhand State Co-Operative Bank Limited is secured by pledge of stocks of sugar at Libberheri Sugar Factory situated at Village Libberheri, Roorkee, District Haridwar.

### 6. Cash credit facility from Zila Sahkari Bank Limited, Ghaziabad

#### a. Cash Credit facility for Shermau Unit

Cash Credit facility for Shermau Unit from Zila Sahkari Bank Limited, Ghaziabad is secured by pledge of stocks of sugar at Shermau Sugar Factory situated at Village Shermau, Tehsil Nakur, District Saharanpur, Uttar Pradesh & also guaranteed by Managing Director of the Company.

#### b. Cash Credit facility for Barkatpur Unit

Cash Credit facility for Barkatpur Unit from Zila Sahkari Bank Limited, Ghaziabad is secured by pledge of stocks of sugar at Barkatpur Sugar Factory situated at Village Barkatpur, Tehsil Nazibabad, District Bijnor, Uttar Pradesh & also guaranteed by Managing Director of the Company.

### 7. Cash credit facility from Zila Sahkari Bank Limited, Bulandshahr

#### a. Cash Credit facility for Shermau Unit

Cash Credit facility for Shermau Unit from Zila Sahkari Bank Limited, Bulandshahr is secured by pledge of stocks of sugar at Shermau Sugar Factory situated at Village Shermau, Tehsil Nakur, District Saharanpur, Uttar Pradesh & also guaranteed by Managing Director of the Company.

#### b. Cash Credit facility for Barkatpur Unit :

Cash Credit facility for Barkatpur Unit from Zila Sahkari Bank Limited, Bulandshahr is secured by pledge of stocks of sugar at Barkatpur Sugar Factory situated at Village Barkatpur, Tehsil Nazibabad, District Bijnor, Uttar Pradesh & also guaranteed by Managing Director of the Company.

### Terms & Conditions of Unsecured Loans

Unsecured Loans from related parties shall be repayable after eight years from the date of disbursement of Loan.

Interest will be accrued annually on 31<sup>st</sup> March every year but is payable on maturity or date of repayment of loan, whichever is earlier.

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year Ended 31<sup>st</sup> March 2018

### b) Terms of Repayment of Term Loan:

Bank Name	ROI	2019-20		2020-21		2021-22		2022-23		Total
		No of Inst.	Rs. in Lakhs	No of Inst.	Rs. in Lakhs	No of Inst.	Rs. in Lakhs	No of Inst.	Rs. in Lakhs	
PNB (CC Under repayment)	11.50%	4	3609.00	4	4125.00	4	4125.00	2	2578.00	14437.00
PNB (SOFT)	11.60%	12	717.80 <sup>+</sup>	5	282.74 <sup>+</sup>					1000.54
IDBI Bank Ltd (CC under repayment)	11.00%	4	502.25	4	574.00	4	574.00	2	358.74	2008.99
IDBI Bank Ltd (Soft)	11.50%	12	128.26 <sup>+</sup>	6	64.18 <sup>+</sup>					192.44
State Bank of India (CC Under repayment)	11.00%	4	680.20	4	680.20	4	680.20			2040.60
State Bank of India (SOFT)	11.50%	12	183.67	6	87.23					270.90
Indian Overseas Bank (CC under repayment)	11.50%	4	662.00	4	756.00	4	756.00	2	473.00	2647.00
Indian Overseas Bank (SEFASU)*	12.00%	3	30.32 <sup>^</sup>							30.32
Indian Overseas Bank (SOFT)	12.00%	12	151.16 <sup>+</sup>	5	62.78 <sup>+</sup>					213.94
Oriental Bank of Commerce (CC under repayment)	11.50%	4	263.00	4	300.00	4	300.00	2	186.00	1049.00
Oriental Bank of Commerce (SEFASU)*	12.00%	2	8.16 <sup>^</sup>							8.16
Oriental Bank of Commerce (SOFT)	12.00%	12	63.57 <sup>+</sup>	5	26.43 <sup>+</sup>					90.00
USCBL (Term Loan)	12.50%	12	399.48	8	215.60					615.08
USCBL (SOFT)	12.00%	12	255.01	3	44.93					299.94
ZSBL Ghaziabad (SEFASU)*	12.00%	2	32.36 <sup>^</sup>							32.36
SDF	5.75%	2	100.62 <sup>#</sup>	2	100.62 <sup>#</sup>	2	100.62 <sup>#</sup>	1	50.31 <sup>#</sup>	352.17
SDF	6.50%	2	132.11 <sup>#</sup>	2	132.11 <sup>#</sup>	1	66.06 <sup>#</sup>	0	0.00	330.28
SDF	7.50%	2	109.63 <sup>#</sup>	0		0	0.00			109.63
Punjab National Bank	8.75%	12	22.66	8	10.11					32.77
Punjab National Bank	8.70%	12	7.12	4	1.12					8.24
Punjab National Bank	8.50%	6	1.67							1.67
Toyota Financial Services India Limited	8.19%	12	4.95							4.95
<b>Total</b>			<b>8064.99</b>		<b>7463.06</b>		<b>6601.88</b>		<b>3646.05</b>	<b>25775.98</b>

\*Entitled for interest subvention from Sugar development fund up to 12.00% P.a

<sup>^</sup>including Rs. 31.43 Lakhs on account of effective rate of interest adjustment.

<sup>+</sup> including Rs. 16.10 Lakhs on account of effective rate of interest adjustment.

<sup>#</sup> including Rs. 119.55 Lakhs on account of effective rate of interest adjustment.

## Uttam Sugar Mills Limited

Notes on Financial Statements for the Year Ended 31<sup>st</sup> March 2018

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>Note No. : 18 Other Financial Liabilities</b>			
<b>(i) Non-current</b>			
Reclassification of Preference shares capital as financial liabilities	4,197.60	3,764.67	3,376.39
<b>Total</b>	<b>4,197.60</b>	<b>3,764.67</b>	<b>3,376.39</b>
<b>(ii) Current</b>			
<b>Carried at amortized Cost</b>			
<b>Current maturities of long term debt (refer note no.17)</b>			
<b>(A) Secured Loans</b>			
<b>Term Loans - from Banks</b>	<b>1,149.48</b>	<b>1,437.34</b>	<b>4,132.48</b>
Punjab National Bank	750.00	-	674.26
IDBI Bank Limited	-	236.88	644.84
State Bank of India	-	296.25	950.58
Indian Overseas Bank	-	80.11	311.03
Oriental Bank of Commerce	-	217.90	352.29
Uttarakhand State Co-Op. Bank Limited	399.48	606.20	1,199.48
<b>Term Loans - from Banks SEFASU</b>	<b>1,241.05</b>	<b>1,479.72</b>	<b>1,681.07</b>
Punjab National Bank	544.09	696.28	831.72
Indian Overseas Bank	116.40	132.42	131.73
Oriental Bank of Commerce	55.47	62.25	61.90
Uttarakhand State Co-Op. Bank Limited	317.40	355.89	424.33
Zila Sahkari Bank Limited	207.69	232.88	231.39
<b>Term Loans - from Banks Soft Loans</b>	<b>1,437.15</b>	<b>898.96</b>	<b>118.71</b>
Punjab National Bank	717.80	418.73	-
IDBI Bank Limited	128.26	74.82	-
State Bank of India	168.17	91.83	-
Indian Overseas Bank	151.16	88.18	-
Oriental Bank of Commerce	63.57	37.08	-
Uttarakhand State Co-Op. Bank Limited	208.19	188.32	118.71
<b>From entities other than banks</b>			
- From Govt. of India, Sugar Development Fund (SDF)	283.31	398.48	792.26
<b>CC Under Repayment from Banks</b>	<b>4,521.06</b>	<b>3,992.58</b>	<b>965.85</b>
Punjab National Bank	2,963.06	2,578.00	516.00
IDBI Bank Limited	420.10	324.44	71.75
State Bank of India	437.06	501.79	340.10
Indian Overseas Bank	537.41	461.57	-
Oriental Bank of Commerce	163.43	126.78	38.00
<b>Vehicle Loans</b>			
- From Banks	35.09	40.64	14.61
- From Non banking finance Company	8.18	8.00	3.26

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year Ended 31<sup>st</sup> March 2018

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>(B) Unsecured Loans</b>			
- Soft Loan from Uttarakhand State Government	656.68	656.68	656.68
Interest accrued but not due on borrowings	60.17	68.88	104.36
Interest accrued and due on borrowings	346.03	319.76	487.81
Security deposits	269.09	273.34	220.38
Due to directors	4.32	60.40	11.44
Due to scheduled bank (book overdraft)	882.33	227.52	505.57
Supplier's credit balance against farmer crop loan (refer note no.34 d)	1,346.42	2,585.90	2,496.38
Other Liabilities	606.03	573.67	546.30
<b>Total (ii)</b>	<b>12,846.39</b>	<b>13,021.87</b>	<b>12,737.16</b>
<b>Total (i + ii)</b>	<b>17,043.99</b>	<b>16,786.54</b>	<b>16,113.55</b>

**Terms & conditions of Preference Shares capital reclassified due to adoption of Ind AS as financial Liabilities, is as under:-**

### Series-1 6.50% Non-Cumulative Redeemable Preference Shares

1. Rate of dividend on these Preference shares is 6.50%.
2. The Preference shares are Non-Cumulative with reference to the dividend.
3. The Preference shares shall be redeemed on the call of the Company on or after 1<sup>st</sup> April, 2023 but not later than 31<sup>st</sup> March, 2026 by giving 30 days notice.
4. The Preference shareholders will have no voting rights except as provided in the Companies Act, 2013.

### Series-2 10% Non-Cumulative Redeemable Preference Shares

1. Rate of dividend on these Preference shares is 10%.
2. The Preference shares are Non-Cumulative with reference to the dividend.
3. The Preference shares shall be redeemed on the call of the Company on or after 1<sup>st</sup> April, 2023 but not later than 31<sup>st</sup> March, 2026 by giving 30 days notice.
4. The Preference shareholders will have no voting rights except as provided in the Companies Act, 2013.

### Terms & Conditions of Unsecured Loan from Uttarakhand State Government

Unsecured Soft Loan from Uttarakhand State Government amounting to Rs.656.68 lacs and interest accrued & due thereon of Rs.346.03 lacs was repayable in three years in quarterly installments w.e.f. January 2008 however the same continues to unpaid. An application for waiver off such loan is pending with the Government of Uttarakhand.

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year Ended 31<sup>st</sup> March 2018

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>Note No. : 19 Deferred Revenue (including Government grant)</b>			
Opening Balance	1,261.63	284.45	-
Add: Received during the year	-	977.18	284.45
Less : released to statement of profit and loss account	360.50	-	-
Closing Balance	901.13	1,261.63	284.45
<b>Current</b>	478.29	360.50	-
<b>Non Current</b>	422.84	901.13	284.45
<b>Note No. : 20 Provisions</b>			
<b>(i) Non-current</b>			
Provision for employee benefits	824.73	744.39	591.59
<b>(ii) Current</b>			
Provision for employee benefits	138.33	130.23	103.71
<b>Total</b>	963.06	874.62	695.30
<b>Note No. : 21 Trade and Other Payables</b>			
<b>Current</b>			
<b>(A) Trade Payables</b>	-	-	-
Total outstanding dues of micro enterprises and small enterprises {Refer Note No.34 a}	291.79	203.58	64.07
Total outstanding dues of creditors other than micro enterprises and small enterprises	37,574.41	27,824.22	30,175.74
<b>Total (A)</b>	37,866.20	28,027.80	30,239.81
<b>(B) Other Payables</b>			
Total outstanding dues of micro enterprises and small enterprises {Refer Note No.34 a} (Capital Goods)	2.15	0.16	13.82
Total outstanding dues of creditors other than micro enterprises and small enterprises (Capital Goods)	556.68	319.15	610.98
<b>Total (B)</b>	558.83	319.31	624.80
<b>Total (A+B)</b>	38,425.03	28,347.11	30,864.61
<b>Note No. : 22 Other Current liabilities</b>			
<b>Other Payables</b>			
Statutory liabilities	560.84	4,298.90	2,398.75
Advance from customers	220.26	1,213.24	753.47
Other liabilities	227.83	486.31	567.36
<b>Total</b>	1,008.93	5,998.45	3,719.58

## Uttam Sugar Mills Limited

Notes on Financial Statements for the Year Ended 31<sup>st</sup> March 2018

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>Note No. : 23 Current Tax Liabilities (Net of Advance tax)</b>			
Provision for taxation	540.00	30.00	-
Less : Advance tax	507.14	13.64	-
<b>Total</b>	<b>32.86</b>	<b>16.36</b>	<b>-</b>
<b>Note No. : 24 Contingent liabilities and commitments</b>			
<b>Contingent Liabilities</b>			
(i) Claims against the Company not acknowledged as debts :			
a) Excise duty / service tax	242.89	2,331.81	3,213.72
b) Sales tax / VAT	26.21	103.82	103.05
c) Income tax	28.87	-	29.05
d) In respect of pending court cases by/ against ex-employees amount not ascertainable at this stage	-	-	-
(ii) Guarantees excluding financial liabilities			
i) Bank guarantees issued	787.91	913.48	870.88
(iii) Other money for which the Company is contingently liable			
i) Letter of credit in favour of suppliers	1,444.62	1,367.17	1,489.11
<b>Capital Commitments</b>			
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	164.77	650.36	185.85
ii) The Company has imported goods under the Export Promotion Capital Goods Scheme of the Govt. of India, at concessional rates of duty on an undertaking to fulfill quantified exports in the future years.	1,633.22	1,706.73	1,706.73
<b>Total</b>	<b>4,328.49</b>	<b>7,073.37</b>	<b>7,598.39</b>



## Uttam Sugar Mills Limited

Notes on Financial Statements for the Year Ended 31<sup>st</sup> March 2018

(Rs. in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017
<b>Note No. : 25 Revenue from Operations</b>		
(a) Sale of products	124,792.74	111,689.06
(b) Other operating revenues	1,671.16	2,378.80
<b>Gross Sales</b>	<b>126,463.90</b>	<b>114,067.86</b>
<b>Particulars of Sale of Products</b>		
Sugar	110,962.57	94,998.08
Molasses	2,410.61	905.56
Power	7,273.91	6,068.85
Distillery	3,861.96	8,983.09
Others	283.69	733.48
<b>Total</b>	<b>124,792.74</b>	<b>111,689.06</b>
<b>Note No. : 26 Other Income</b>		
<b>Interest income on financial assets carried at amortized cost</b>		
Interest income	33.95	58.80
Interest income based on effective interest rate	348.25	131.26
Income recognized under EPCG scheme	12.25	-
Excess provision Written Back	-	18.60
Profit on sale of assets	292.90	1.72
Miscellaneous income	428.60	107.65
<b>Total</b>	<b>1,115.95</b>	<b>318.03</b>
<b>Note No. : 27 Cost of Raw Materials Consumed</b>		
Opening Stocks	275.24	49.47
Purchases	111,172.49	90,654.13
	111,447.73	90,703.60
Less : Closing Stocks	183.27	275.24
<b>Material Consumed</b>	<b>111,264.46</b>	<b>90,428.36</b>
<b>Note No. : 28 Changes in Inventories of Finished Goods, By-Products and Work-In-Progress</b>		
<b>Opening Stocks</b>		
Finished goods	54,989.51	32,724.74
Work-in-progress	1,180.18	861.27
By-products	3,275.82	2,769.96
	59,445.51	36,355.97
<b>Closing Stocks</b>		
Finished goods	68,546.73	54,989.51
Work-in-progress	1,014.22	1,180.18
By-products	829.40	3,275.82
<b>Total</b>	<b>70,390.35</b>	<b>59,445.51</b>
<b>Excise &amp; other duties on (decrease)/increase of stocks</b>	<b>(3,750.06)</b>	<b>1,513.59</b>
<b>(Decrease)/increase in stocks</b>	<b>(14,694.90)</b>	<b>(21,575.95)</b>

## Uttam Sugar Mills Limited

Notes on Financial Statements for the Year Ended 31<sup>st</sup> March 2018

(Rs. in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017
<b>Note No. : 29 Employee Benefits Expenses</b>		
Salaries and wages	5,088.97	4,359.60
Contribution to provident and other funds	181.96	167.08
Staff welfare expenses	199.48	191.32
<b>Total</b>	<b>5,470.41</b>	<b>4,718.00</b>
<b>Note No. : 30 Finance Costs</b>		
Interest expenses based on effective interest rate	807.12	607.73
Interest expenses	6,923.82	6,448.83
Other borrowing cost	275.41	293.72
<b>Total</b>	<b>8,006.35</b>	<b>7,350.28</b>
<b>Note No. : 31 Other Expenses</b>		
<b>(A) Manufacturing Expenses</b>		
Packing materials consumed	1,715.37	1,379.72
Consumption of stores, spares	1,110.32	899.64
Power and fuel	505.97	236.02
Other manufacturing expenses	591.70	676.24
Repairs to :		
Plant and Machinery	2,581.05	1,904.81
Buildings	65.12	56.17
Others	129.15	159.37
<b>Total (A)</b>	<b>6,698.68</b>	<b>5,311.97</b>
<b>(B) Administrative and Other Expenses</b>		
Rent	64.75	93.65
Rates and taxes	209.83	112.35
Printing and stationery	44.84	42.57
Postage, courier and telephones	53.77	45.18
Travelling and Conveyance		
Directors	30.16	26.27
Others	212.16	172.53
Fees and subscription	113.72	77.11
Legal and professional charges	219.19	142.38
Auditors' remuneration	12.99	18.42
Vehicle running and maintenance	209.47	173.30
Insurance	163.05	103.18
Cane development expenses	1,053.83	1,611.26
Provision for doubtful debts	9.97	-
Charity & donation	10.00	-
Loss on sale/damage of fixed assets	-	0.14
Foreign currency fluctuation on sale	(0.24)	(0.74)
Corporate social responsibility expenses (refer note no. 34 o)	23.03	-
Office & other administration expenses	80.56	100.90
Pre-operative exps. written off	-	54.62
<b>Total (B)</b>	<b>2,511.08</b>	<b>2,773.12</b>

## Uttam Sugar Mills Limited

Notes on Financial Statements for the Year Ended 31<sup>st</sup> March 2018

(Rs. in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017
<b>(C) Selling &amp; Distribution Expenses</b>		
Business promotion	48.95	19.65
Sugar handling expenses	131.93	39.53
Commission on sales	352.29	247.29
Freight outward	581.72	678.90
Other selling expenses	104.86	68.59
Compensation paid	196.65	90.14
<b>Total (C)</b>	<b>1,416.40</b>	<b>1,144.10</b>
<b>Total (A+B+C)</b>	<b>10,626.16</b>	<b>9,229.19</b>
<b>Note No. : 32 Tax expense</b>		
Current tax	540.00	30.00
Deferred tax	624.23	1,171.81
Minimum Alternate tax (MAT) Credit entitlement	(418.00)	(30.00)
Income tax for earlier year	(70.20)	70.20
<b>Total</b>	<b>676.03</b>	<b>1,242.01</b>
Reconciliation of tax expenses		
Profit before tax	2,375.68	11,900.06
Applicable tax rate %	34.608	4,118.37
<b>Computed tax expenses</b>	<b>822.18</b>	<b>4,118.37</b>
<b>Adjustments for :</b>		
Effect of tax expenses not allowed for tax purpose	11.57	18.90
Effect of tax on profit on sale of fixed assets	(101.36)	(0.54)
Effect on deferred tax due to change in Tax Rate	537.35	-
Effect of tax on Renewable energy certificate	(80.70)	-
Effect of deferred tax assets not recognized on loss	(442.81)	-
Effect of deferred tax assets not recognized for earlier years	-	(2,964.92)
Adjustments recognised in the current year in relation to prior years	(70.20)	70.20
<b>Net adjustments</b>	<b>(146.15)</b>	<b>(2,876.36)</b>
<b>Tax expenses</b>	<b>676.03</b>	<b>1,242.01</b>
<b>Note No. : 33 Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Re-measurements of defined benefit plans	39.58	(55.97)
Less: Income tax relating to items that will not be reclassified to profit or loss	(13.70)	19.20
<b>Total</b>	<b>25.88</b>	<b>(36.77)</b>

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year Ended 31<sup>st</sup> March 2018

### Note No.: 34

- a. 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 Lakhs)

Particulars	Current Year	Previous Year
(a) Amount due to Micro, Small and Medium Enterprises as on		
i) Principal amount	293.94	203.74
ii) Interest due on above	6.71	6.09
(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	5.42	NIL
(d) Total interest accrued and remaining unpaid as on	12.80	6.09
(e) Further interest in respect of defaults of earlier years due and payable in current period up to the date when actually paid	NIL	NIL

- b. 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.
- c. 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. However, the State Government has later on terminated the Policy with effect from June 4, 2007 and based on that rejected the application. The Company had filed writ petition before Hon'ble Allahabad high court (Lucknow Bench) for enforcement of the scheme and settlement of incentive claims.

As per the erstwhile incentive policy, the Company claims to be eligible for capital subsidy of Rs. 3847 lakhs (10 % of total investment) and remission/exemption/ reimbursement of taxes, duties & other charges aggregating to Rs. 9277 lakhs, which will be accounted for in the year of final decision of Hon'ble court.

- d. Supplier's credit balance against farmers crop loan appearing under other financial liabilities (note no. 18) represent loan of Rs.1346.42 lakhs (Previous year Rs. 2585.90 lakhs) from IDBI Bank Ltd to the cane growers under corporate tie up scheme for Crop loans, wherein the Company is acting as 'Business Facilitator' and the same is backed by indemnity/guarantee of the Company and personal guarantee of the Managing director.
- e. Exceptional item represents a sum of nil (Previous year Rs.452.01 lakhs) being society commission relating to sugar season 2015-2016 which was recoverable from the State Government of Uttar Pradesh vide order dated 05<sup>th</sup> February, 2016, has now been written off during the last year in pursuance of Government order dated 28<sup>th</sup> December, 2016.
- f. For sugar season 2016-2017 financial assistance of Rs.2/- per quintal was granted vide Govt. of Uttarakhand Order No.02/XIV-2/2017/7(6)/2013 T.C.-2016 Dtd 03.01.2017, the Company has accounted for an amount of Rs. 117.63 lakhs during the last year (note no. 6). The aforesaid financial assistance has been reduced from cane cost.
- g. For sugar season 2015-2016 financial assistance of Rs. 23.30/- per quintal was granted vide Govt. of Uttarakhand Order No.XIV-2/2016/7(6)/2013 Dated 08.02.2016, the Company has accounted for an amount of Rs. 914.72 lakhs during the last year. The aforesaid financial assistance has been accounted for Rs. 823.47 lakhs shown under other operating revenue (Note No. 25) & Rs. 91.25 lakhs has been reduced from cane cost.
- h. **Disclosure in respect of Operating Lease:**  
The Company has entered into non-cancelable Operating Lease for premises and vehicles and lease rent amounting to Rs.64.75 Lakhs (Previous year Rs. 93.65 Lakhs) have been charged to Statement of Profit & Loss. The future minimum lease payments are as under:-

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year Ended 31<sup>st</sup> March 2018

(Rs. in Lakhs)

Particulars	Current year	Previous year
(a) Not later than one Year	35.22	59.15
(b) Later than one year & not later than five Years	12.60	140.07
(c) Later than five years	-	-

- i. In terms of Ind AS 36 on impairment of assets, there was no impairment indicators exist as of reporting date as per the internal management estimates done and hence no impairment charge is recognized during the year under review.

**j. Segment Information:**

The Managing director has been identified as the Company's Chief Operating Decision –Maker (CODM) as defined by IND AS- 108 Operating Segments. The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The following is analysis of revenue and results from operation by reportable segment:-

(Rs. in Lakhs)

S.No.	Particulars	Current Year	Previous Year
<b>1</b>	<b>Segment Revenue</b>		
	a) Sugar	122755	110282
	b) Cogeneration	13752	9499
	c) Distillery	3883	9463
	<b>Total</b>	<b>140390</b>	<b>129244</b>
	Less: Inter Segment Revenue	13926	15176
	Net Segment Revenue	126464	114068
<b>2</b>	<b>Segment Results - Profit/(Loss) before Tax and Finance Cost and Exceptional Items</b>		
	a) Sugar	5251	15974
	b) Cogeneration	6247	2743
	c) Distillery	233	1983
	<b>Total</b>	<b>11731</b>	<b>20700</b>
	Add/Less: i) Finance Cost	8006	7350
	ii) Other Un-allocable Expenses net off	1349	998
	iii) Exceptional Items	-	452
	<b>Profit/(Loss) before Tax</b>	<b>2376</b>	<b>11900</b>
<b>3</b>	<b>Segment Assets</b>		
	a) Sugar	117230	105018
	b) Cogeneration	11570	10362
	c) Distillery	9579	11141
	d) Unallocable	1335	911
	Total Assets	139714	127432
<b>4</b>	<b>Segment Liabilities</b>		
	a) Sugar	42885	37964

## Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018

	b) Cogeneration	18	24
	c) Distillery	454	1022
	d) Unallocable	555	517
	<b>Total Liabilities</b>	<b>43912</b>	<b>39527</b>
<b>5</b>	<b>Capital Expenditure</b>		
	a) Sugar	5116	1787
	b) Cogeneration	-	-
	c) Distillery	525	571
	d) Unallocable	22	59
	<b>Total Capital Expenditure</b>	<b>5663</b>	<b>2417</b>
<b>6</b>	<b>Depreciation and amortization</b>		
	a) Sugar	1681	1624
	b) Cogeneration	336	282
	c) Distillery	364	343
	d) Unallocable	34	28
	<b>Total Depreciation and Amortization</b>	<b>2416</b>	<b>2277</b>

- k. Other financial assets note no 6 includes interest of Rs. 214.45 Lakhs (Previous year Rs. 90.39 Lakhs) recoverable from banks in respect of scheme – “Extending Financial Assistance to Sugar Undertakings 2014” for clearance of cane dues wherein the Company has availed term Loan of Rs. 5387 Lakhs. Further it includes Rs. Nil (Previous year Rs. 4.73 lakhs) recoverable from banks in respect of scheme – “Soft Loan to Sugar Mills 2015” for clearance of cane dues where in the Company has availed term loan of Rs. 4582 Lakhs.

**l. Employee Benefits**

As per Indian Accounting Standard – 19 “Employees Benefits” the disclosures of employees benefits are as follows:

**Defined Contribution Plan**

Employee benefits in the form of provident fund are considered as defined contribution plan. The contribution to the respective fund are made in accordance with the relevant statute and are recognized as expense when employees have rendered service entitling them to the contribution. The contribution to defined contribution plan, recognized as expense in the Statement of Profit and Loss are as under :

(Rs. in lakhs)

Particulars	Current Year	Previous Year
Employer’s contribution to provident fund	52.15	46.82
Employer’s contribution to pension fund	114.45	103.49
Other administrative expenses	15.36	16.77
<b>Total</b>	<b>181.96</b>	<b>167.08</b>

**Gratuity**

The gratuity plan is governed by the payment of Gratuity Act 1972. Under the said Act an employee who has completed five years of service is entitled to specific benefit. The gratuity plan provides a lump sum payment to employees at retirement death, incapacitation or termination of employment. The level of benefits provided depends on the member’s length of service and salary at retirement age.

**Detail of unfunded post retirement Defined Benefit obligations are as follows:**

Employee benefits in respect of gratuity and leave encashment are based on actuarial valuation as on 31<sup>st</sup> March 2018. The details are given below:



# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018

(Rs. in Lakhs)

Particulars	Gratuity Unfunded	Leave Encashment Unfunded
<b>A) Change in the Present Value of obligation</b>		
(a) Present Value of obligation as at 1 <sup>st</sup> April 2017	668.24 (528.28)	206.38 (167.02)
(b) Interest Cost	49.25 (42.26)	15.21 (13.36)
(c) Current Service Cost	81.24 (75.45)	34.89 (34.95)
(d) Benefits Paid	(32.91) (-28.43)	(19.66) (-14.25)
(e) Actuarial Loss/(Gain)	(17.57) (50.67)	(22.01) (5.30)
(f) Present Value of Obligation as at 31 <sup>st</sup> March 2018	748.25 (668.24)	214.81 (206.38)
Current Liability	90.35 (80.51)	47.98 (49.72)
Non - Current Liability	657.90 (587.73)	166.83 (156.66)
<b>(B) Amount recognized in Balance Sheet (A-B)</b>	748.25 (668.24)	214.80 (206.38)
<b>(C) Expenses recognized in the Profit &amp; Loss Account</b>		
(a) Current Service Cost	81.24 (75.45)	34.89 (34.95)
(b) Interest Cost	49.25 (42.26)	15.21 (13.36)
<b>(D) Expenses recognized in Other Comprehensive Income</b>		
(a) Actuarial Loss/(Gain)	(17.57) (50.67)	(22.01) (5.30)
(b) Net Cost	112.92 (168.39)	28.08 (53.61)
<b>Actuarial Assumptions</b>		
(a) Discount Rate		7.73%
(b) Rate of escalation in Salary (Per Annum)		5.50%
(c) Mortality Table		IALM (2006 - 08)
(d) Retirement Age (Years)		58

### m. Related Party Disclosures:-

The disclosures in respect of Related Parties as required under Ind AS 24 'Related Party Disclosures' is stated herein below:

(i) Parties where control exists **NIL**

(ii) Other related parties where transaction have taken place during the year

#### a) Key Management Personnel (KMP):

Sh. Raj Kumar Adlakha - Managing Director (MD)  
Sh. Ashok Kumar Agarwal - Executive Director

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018

### Close Member of Key Management Personnel and their Relationship:

- Smt. Amita Adlakha (Wife of MD)

### (a) Enterprises where Significant Influence exists :

- Uttam Industrial Engineering Private Limited
- Lipi Boilers Pvt. Ltd.
- The Standard Type Foundry Pvt. Ltd.
- Uttam Sucrotech Limited
- Shubham Sugars Limited
- Uttam Adlakha & Sons Holdings Pvt. Ltd.
- Sekhri Finance & Investment Pvt. Ltd.
- Uttamenergy Ltd.
- Uttam Housinginfra Limited
- Uttam Sunna Charitable trust
- Uttam Sucrotech International (P) Limited

### 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 Lakhs)		Outstanding Balances (Rs. In Lakhs)		
		Year ended 31.03.18	Year ended 31.03.17		As at 31.03.18	As at 31.03.17
Key Management Personnel (KMP)						
Raj Kumar Adlakha	Remuneration & Perquisites	210.70	93.72	Remuneration Payable	1.55	4.72
	Commission	-	76.86	Commission Payable	-	49.36
	Lease Rent	15.00	14.40	Lease Rent	-	3.11
Ashok Kumar Agarwal	Remuneration & Perquisites	49.79	39.17	Remuneration Payable	2.77	3.21
Relative of KMP						
Amita Adlakha	Office Rent	10.56	9.93	Office Rent	1.11	1.27
Uttam Sucrotech Ltd.	Purchase of Fixed Assets	-	33.02	Creditors	-	-
	Receiving of Services (Machinery)	-	21.42	Unsecured Loan	17.94	17.94
	Interest on Unsecured Loan	1.79	1.79	Interest for Unsecured Loan	-	1.61
	Guarantee received (Net)	1125.60	6584.22	Guarantee	51458.76	50333.16
Uttam Sucrotech International (P) Ltd.	Receiving of Services (Machinery)	79.36	13.60	Advance for Purchase of Goods/Service	0.35	1.88
	Purchase of Fixed Assets	139.57	-	Capital Advance	-	16.00
	Sugar Sales made	2.36	0.63			
	Advance given & Refund received back	160.00	-			
Uttam Industrial Engg. (P) Ltd.	Purchase of Fixed Assets	300.72	17.71	Capital Advance	-	55.00

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018

	Receiving of Services (Machinery)	<b>168.93</b>	78.91	Creditors	<b>38.02</b>	-
	Sugar Sales made	<b>3.82</b>	4.94	Unsecured Loan	<b>27.31</b>	47.31
	Payment of Unsecured Loan	<b>20.00</b>	-	Advance for Purchase of Goods/Service	-	6.67
	Interest on Unsecured Loan	<b>4.06</b>	9.46	Interest for Unsecured Loan	<b>12.16</b>	8.52
	Guarantee received (Net)	<b>1125.6</b>	6584.22	Guarantee	<b>51458.76</b>	50333.16
The Standard Type Foundry (P) Ltd.	Purchase of Fixed Assets	-	26.95	Creditors	<b>59.52</b>	13.18
	Receiving of Services (Machinery & Vehicles)	<b>119.09</b>	47.94			
	Sugar Sales made	<b>4.04</b>	4.63			
Lipi Boilers Pvt. Ltd.	Purchase of Fixed Assets	-	13.94	Capital Advances	<b>49.61</b>	64.62
	Payment of Unsecured Loan	<b>44.24</b>	-	Creditors	-	22.51
	Lease Rent of Vehicle	-	13.80	Unsecured Loans	-	44.24
	Interest on Unsecured Loan	<b>4.15</b>	4.42	Interest for Unsecured Loan	-	3.98
	Guarantee received (Net)	<b>1125.60</b>	6584.22	Guarantee	<b>51458.76</b>	50333.16
Shubham Sugars Ltd.	Purchase of Agriculture Products	<b>125.92</b>	88.43	Creditors	<b>1.25</b>	12.38
Uttam Adlakha & Sons Holdings Pvt. Ltd.	Interest on Unsecured Loan	<b>2.72</b>	2.78	Interest for Unsecured Loan	-	2.51
	Payment of Unsecured Loan	<b>27.85</b>	-	Unsecured Loan	-	27.85
	Guarantee received	<b>12823.72</b>	2545.33	Guarantee	<b>46319.35</b>	33495.63
Sekhri Finance & Investment Pvt. Ltd.	Interest on Unsecured Loan	<b>1.24</b>	3.09	Interest for Unsecured Loan	<b>1.11</b>	2.78
	Payment of Unsecured Loan	<b>12.21</b>	-	Unsecured Loan	<b>3.26</b>	15.47
Uttamenergy Ltd.	Purchase of Fixed Assets	<b>1151.86</b>	43.18	Creditors	<b>73.23</b>	-
				Capital advances	-	98.28
				Advance for purchase of goods/Service	-	20.79
Uttam Housinginfra Ltd.	Guarantee received	<b>2000.50</b>	12624.64	Guarantee	<b>49343.44</b>	47342.94
Uttam Sunna Charitable Trust	Purchase of Fixed Assets	<b>3.78</b>	-	Creditors	<b>3.78</b>	-
	Sugar Sales made	<b>0.16</b>	-			

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018

### n. Auditors' Remuneration:

(Rs. in lakhs)

Particulars	Current Year	Previous Year
(a) As Statutory Auditors	12.00	12.00
(b) For Tax Audit	-	1.26
(c) For Taxation Matters	-	2.88
(d) For other Matters	0.99	2.28
<b>Total</b>	<b>12.99</b>	<b>18.42</b>

### o. Expenditure on Corporate Social Responsibility (CSR) activities:

(Rs. in lakhs)

Sl. No.	Particulars	Current Year
<b>(i) Details of CSR Expenditure :</b>		
a)	Gross amount required to be spent by the Company during the year	<b>22.64</b>
b)	Amount spent during the Year	
	i) Construction/acquisition of any asset	
	- in cash	
	- yet to be paid in cash	
	ii) On purposes other than (i) above	
	- in cash	<b>23.03</b>
	- yet to be paid in cash	

#### (ii) The various heads under which the CSR expenditure were incurred in cash as detailed as follows :

Sl. No.	Relevant Clause of Schedule VII to the Act	Description of CSR activities	Current Year
a)	Clause (i)	Eradicating hunger, poverty and malnutrition, promoting health care & providing safe drinking water	<b>13.77</b>
b)	Clause (ii)	Promoting education, including special education and employment enhancing vocational training and livelihood enhancement projects	<b>1.50</b>
c)	Clause (vii)	To promote rural sports	<b>0.23</b>
d)	Clause (x)	Rural Development Projects	<b>7.53</b>
<b>Total</b>			<b>23.03</b>

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018

### p. Earnings per share (EPS)

Particulars	Current Year	Previous Year
(a) Profit / (Loss) attributable to the equity shareholders (Rs. in Lakhs)	1725.53	10621.28
(b) Weighted average number of equity shares outstanding		
(i) <u>Basic:</u> Weighted average number of equity shares at the end	38138120	38138120
(ii) <u>Diluted</u> Weighted average number of shares as in b(i)	38138120	38138120
c) Paid up value of share	Rs.10/-	Rs.10/-
d) Basic Earnings per share (Rs) (a/bi)	4.52	27.85
e) Diluted Earnings per share (Rs.) (a/bii)	4.52	27.85

### q. Foreign Currency Inflow & outflow

#### i. Expenditures:

(Rs. in Lakhs)

Particulars	Current Year	Previous Year
Travelling Expenditure	24.06	7.26
<b>Fixed Assets</b>	-	18.39

#### ii. Earnings:

(Rs. in Lakhs)

Particulars	Current Year	Previous Year
Export Sales (F.O.B. Value)	30.63	-
Advance received for Export Sale of finished goods	32.24	17.86

r. The realization of deferred tax assets in respect of unabsorbed depreciation & carried forward business losses is depended on the generation of future taxable income. Based on the profit during the year and in immediate preceding year, increase in sugar recovery supported by cane development activities and projections of future taxable income over the period in which the deferred tax assets are deductible, management believes that the Company will realize the deferred tax assets in respect of unabsorbed depreciation & carried forward business losses.

s. The Company, in past had paid taxes on book profits under section 115JB of the Income tax Act, 1961 (MAT). As per provisions of Income tax Act, 1961, such MAT credit prior to Finance Act, 2017 was allowed to be carried forward for ten years for adjustment against normal tax liability of the Company. Such MAT credit was considered to be uncertain and accordingly unexpired amount of Rs.70.20 lakhs was considered impaired and written off in last year.

During the year, the Company has reviewed the position in light of the following facts, information and other developments as at reporting date

- In the Finance Act, 2017 period of carry forward of MAT credit has been increased to fifteen years from ten years earlier, providing additional five years for adjustment of MAT credit.
- Due to change in the business fundamentals in the sugar business, the operations of the Company have turned around and have become profitable. The Company has achieved significant profitability during the current year. Further the outlook for future looks promising in view improved fundamentals and substantial increase in operational efficiencies of the Company.

In view of above position and circumstances, the management is convinced that the MAT credit entitlement of the Company shall be utilized within the prescribed period available to utilization. Accordingly MAT credit of Rs.70.20 lakhs derecognized in last year has been recognized during the year.

### Note No. 35 - Financial Risk Framework

The Company's financial liabilities comprise borrowings, capital creditors and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include Loans, Trade and other receivables, Cash and cash equivalents.

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risks activities are governed by appropriate policies and risk objectives. All derivative activities for risk management purpose are carried out by teams that have appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

### A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market price. Market risk comprises three types of risk interest rate risk, currency risk and other risks, such as regulatory risk and commodity price risk.

#### i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowing obligations with floating interest rates.

(Rs. in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Variable rate Borrowings	56657.83	49614.94	41388.58
Fixed rate Borrowings	20421.39	21924.79	20462.41

#### Sensitivity

Almost 100% of the Company's borrowings are linked to MCLR / Base rates of the banks. With all other variables held constant, the following table demonstrates the impact of change in interest rate on borrowing cost on floating rate portion of loans on closing balance.

(Rs. in Lakhs)

Particulars	Increase /decrease in Basic Points			Impact on Profit before Tax		
	2018	2017	2016	2018	2017	2016
Increase in Basis Point	50	50	50	283.29	248.07	206.94
Decrease in Basis Point	50	50	50	(283.29)	(248.07)	(206.94)

#### ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates, The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the exports made by the Company which are made during the year however same is very negligible as compare to total turnover.

#### Sensitivity

1% increase or decrease in foreign exchange rates will have no material impact on profit.

#### iii) Other risk

##### a) Regulatory risk

Sugar industry is regulated both by central government as well as by the state government, Central and state government policies and factors such as State Advised Price (SAP) and fair and Remunerative Price (FRP) of sugar cane affect the sugar industry and the Company's operations and profitability. Distillery business is also dependent on the Government policy. Similarly sugar prices are also affected by the Government Policies like restriction on sale, import of sugar, export of sugar and import duty / export duty deterrent of sugar.

The regulatory risks listed above are Government policy driven and are beyond the control of the Company and can't be alleviated unless the industry is decontrolled. Various representations through the body of industry like ISMA, UPSMA and UPDA submitted to Government to come out solutions regarding above risks.

##### b) Commodity price risk

Sugar Prices in domestic and international markets depends primarily on the supply and demand situation. Fluctuation in demand and supply arise on account of the change in the availability and



# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018

price of sugar, variation in the production capacity of the competitors, availability of substitutes for the sugar products and international demand and supply position. The Company has mitigated this risk by adding more value added products by diversifying into co-generation and distillation, thereby utilizing the by-products. Similarly in sugar product also the Company's products are diversifying in specialty sugar segments like brown sugar, sachet, Pharma sugar, Icing sugar, liquid sugar etc.

### B. Credit Risk

Credit risk is the risk that counter party will default on its obligations under a Contractual arrangement leading to a financial loss. The Company's sugar sales are mostly on advance payment basis. Power and ethanol are sold to state government companies and petroleum companies; thereby the credit default risk is significantly mitigated. Company has also taken advances and security deposits from its customers / agents, which mitigate the credit risk to extent financial assets, are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables. Where recoveries are made, these are recognized in the statement of profit and loss.

The ageing of trade receivable is given below:

(Rs. in Lakhs)				
	Particulars	Up to 6 Months	More than 6 Months	More than one year
a)	As at 31.03.2018			
	Gross carrying Amount	4924.70	2.12	13.72
b)	Expected Credit Loss @			
a)	As at 31.03.2017			
	Gross carrying Amount	5284.78	0.59	53.00
b)	Expected Credit Loss @			
a)	As at 1.04.2016			
	Gross carrying Amount	5526.82	57.27	100.72
b)	Expected Credit Loss@			

Following table summarizes the change in loss allowances measured using life time expected credit loss model. No significant changes in the estimation techniques or assumption were made during the period.

(Rs. in Lakhs)	
Particulars	ECL for Trade Receivables
01.04.2016	
Provision/Reversal during the year	-
31.03.2017	
Provision/Reversal during the year	-
31.03.2018	
Provision/Reversal during the year	9.97

### Balances with Banks – Other Financial Assets

Credit risk from balances with banks is managed in accordance with Company's policy. Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which term deposits are maintained. Generally, term deposits are maintained with banks with which Company has also availed borrowings.

The Company's maximum exposure to credit risk for the components of the balance sheet as at 31<sup>st</sup> March, 2108, 31<sup>st</sup> March, 2017 and 1<sup>st</sup> April 2016 is the carrying amounts as stated under Note No. 12.

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018

### C. Liquidity risk

#### i. Liquidity Risk Management

Liquidity risk is the risk that a Company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Company's objective is to maintain optimum levels of liquidity to meet its cash and its collateral requirements. The Company's Management is responsible for liquidity, funding as well as settlement. Management monitors the Company's net liquidity position through rolling, forecast on the basis of expected cash flows.

#### ii. Maturities of financial liabilities

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

#### Non derivative financial instruments

(Rs. in Lakhs)

Particulars	As at 31.03.2018 Carrying Amount	On Demand	Less than One year	More than one year and less than three years	More than three years	Total
Borrowings	77127.73	42627.92	8675.32	15576.56	10247.93	77127.73
Trade Payables	38425.03	-	38425.03	-	-	38425.03
Other Financial Liabilities	3514.39	-	3514.39	-	-	3514.39

Particulars	As at 31.03.2017 Carrying Amount	On Demand	Less than One year	More than one year and less than three years	More than three years	Total
Borrowings	71692.54	29205.03	8255.70	16476.60	17755.21	71692.54
Trade Payables	28347.11	-	28347.11	-	-	28347.11
Other Financial Liabilities	4109.47	-	4109.47	-	-	4109.47

Particulars	As at 01.04.2016 Carrying Amount	On Demand	Less than One year	More than one year and less than three years	More than three years	Total
<b>Borrowings</b>	62003.80	13491.97	7708.24	17372.09	23431.50	62003.80
<b>Trade Payables</b>	30864.61	-	30864.61	-	-	30864.61
<b>Other Financial Liabilities</b>	4372.23	-	4372.23	-	-	4372.23

#### iii. Financial Arrangements

The Company has following undrawn borrowing facilities at the end of reporting period. (Rs. in Lakhs)

Particulars	31.03.2018	31.03.2017	01.04.2016
Undrawn Borrowing Facilities	8928.76	651.64	1144.71

### Note No. - 36 - Capital Management

#### a) Risk Management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholder of the Company. The Primary objective of capital management is to maximize shareholder value and also to maintain an optimum capital structure and to safeguard its ability to continue at a going concern.

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018

The Company's Capital management objectives are to maintain equity including all reserve to protect economic viability and to finance any growth opportunities that may be available in future so as to maximize shareholder value.

The Company manages its capital structure and makes adjustments in the amount of dividends, return on capital to shareholders, issue new shares or sell assets to reduce debts.

The Company monitors capital on the basis of following gearing ratio.

(Rs in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Debts	35156.49	43144.18	49168.51
Cash & Bank balances	1917.34	3316.82	1991.06
Net Debts (i)	33239.15	39827.36	47177.45
Total Equity (ii)	17596.72	15871.18	5249.80
Net debts / Equity Ratio ( i / ii )	1.89	2.51	8.99

Debts excluding cash credits limits from bank.

### b) Loan Covenants:

In order to achieve this overall objective the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowing that define capital structure requirements. The Company has complied with these covenants and there have been no breaches in the financial covenants of any interest – bearing loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March, 2017.

### Note No. 37

#### On First Time adoption of IND AS, Explanation of transition to Ind AS

These financial statements for the year ended 31<sup>st</sup> March 2018 are the first financial statements, the Company has prepared in accordance with Ind AS.

Accordingly, the Company has prepared financial statements; the Company has prepared financial statements which comply with Ind AS applicable for year ended 31<sup>st</sup> March 2018, together with the comparative figures for the year ended 31<sup>st</sup> March 2017, as described in the summary of significant accounting policies.

In preparing these financial statements, the Company's opening balance sheet was prepared as at 1<sup>st</sup> April 2016, i.e the date of transition to Ind AS.

This note explains the principal adjustments made by the Company and an explanation on how the transition from the previous GAAP to Ind AS has affected its financial statements, including the balance sheet as at 1<sup>st</sup> April 2016, and the financial statements for the year ended 31<sup>st</sup> March 2017.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from the previous GAAP to Ind AS.

#### Deemed Cost

- The Company has elected to continue with carrying value of all property, plant and equipment under the previous GAAP as deemed cost as at the transition date i.e. 1<sup>st</sup> April 2016. Under the previous GAAP, property, plant and equipment were stated at their original cost (net of accumulated depreciation, amortization and impairment), if any, adjusted by revaluation of freehold land.
- The Company has elected to continue with the carrying value of Capital work in progress as recognized under the previous GAAP as deemed cost as at the transition date.
- The Company has elected to continue with the carrying value for intangible assets (computer software) as recognized under the previous GAAP as deemed cost as at the transition date, under the previous GAAP, computer software was stated at its original cost, net of accumulated amortization.

#### Leases

Appendix C to AS 17 requires an entity to assess whether a contract or arrangements contains a lease. In accordance with Ind AS 17, the assessment should be carried out at the inception of the contract or arrangement. However, the

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018

Company has used Ind AS 101 exemption and assessed all arrangements for embedded leases based on conditions in place as at the date of transition.

### Estimates

The estimates as at 1<sup>st</sup> April 2016 and as at 31<sup>st</sup> March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

### Classification and Measurement of Financial Assets

Ind AS 101 requires the de-recognition requirements of Ind AS 109 to be applied prospectively to transactions occurring on or after the date of transition.

Therefore, the Company has not recognized financial assets and liabilities under Ind AS which were derecognized under the previous GAAP as a result of a transaction that occurred before the date of transition.

### Government Grants

The Company has applied the requirements in Ind AS 109 and Ind AS 20 prospectively to government loans existing as at the date of transition to Ind AS.

### Note No.38

#### Disclosure as required by Ind AS -101 First time adoption of Indian Accounting Standard-Reconciliation between Previous GAAP and Ind AS

##### Reconciliation of equity as at 1<sup>st</sup> April 2016 (date of transition to Ind AS)

(Rs. in Lakhs)

Particulars	Previous GAAP	Adjustments	Ind AS
<b>I. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, plant and equipment	53,047.23	135.95	53,183.18
(b) Capital work in progress	1,550.86	148.50	1,699.36
(c) Other Intangible assets	10.98	-	10.98
(d) Financial assets			
(i) Other financial assets	103.74	-	103.74
(e) Non-current tax assets (net)	10.77	-	10.77
(f) Deferred tax assets (net)	7,122.66	(1,282.31)	5,840.36
(g) Other Non-current assets	838.95	-	838.95
<b>Total (1)</b>	<b>62,685.19</b>	<b>(997.86)</b>	<b>61,687.34</b>
<b>(2) Current Assets</b>			
(a) Inventories	37,680.35	-	37,680.35
(b) Financial assets			
(i) Trade and other receivables	5,684.81	-	5,684.81
(ii) cash and cash equivalents	1,991.06	-	1,991.06
(iii) Bank balance other than cash and cash equivalents	1,230.98	-	1,230.98
(iv) Other financial assets	1,285.62	-	1,285.62
(d) other current assets	848.11	-	848.11
<b>(3) Assets classified as held for sale</b>	<b>158.00</b>	<b>-</b>	<b>158.00</b>
<b>Total (2+3)</b>	<b>48,878.93</b>	<b>-</b>	<b>48,878.93</b>
<b>Total Assets (1+2+3)</b>	<b>111,564.13</b>	<b>(997.86)</b>	<b>110,566.27</b>

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018

<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Share capital	10,978.81	(7,165.00)	3,813.81
(b) Other equity	(1,085.06)	2,521.15	1,436.09
Liabilities			
<b>(2) Non-Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	40,868.77	(65.18)	40,803.59
(ii) Other financial liabilities	-	3,376.39	3,376.39
(b) Deferred revenue (including Government grant)	-	284.45	284.45
(c) Provisions	591.59	-	591.59
<b>Total (1+2)</b>	<b>51,354.11</b>	<b>(1,048.19)</b>	<b>50,305.92</b>
<b>(3) Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12,835.29	-	12,835.29
(ii) Trade and others payable	30,864.61	-	30,864.61
(iii) Other financial liabilities	12,769.71	(32.55)	12,737.16
(b) Deferred revenue (including Government grant)	-		-
(c) Other current liabilities	3,636.70	82.88	3,719.58
(d) Provisions	103.71	-	103.71
(e) Current tax liabilities (net of Advance Tax)	-	-	-
<b>Total (3)</b>	<b>60,210.02</b>	<b>50.33</b>	<b>60,260.35</b>
<b>(4) Liabilities for Assets classified held for sale</b>	-	-	-
<b>Total Equity &amp; Liabilities (1+2+3+4)</b>	<b>111,564.13</b>	<b>(997.86)</b>	<b>110,566.27</b>

Disclosure as required by Ind AS -101 First time adoption of Indian Accounting Standard-Reconciliation between Previous GAAP and Ind AS.

### Reconciliation of equity as at 31<sup>st</sup> March 2017

(Rs. in Lakhs)

Particulars	Previous GAAP	Adjustments	Ind AS
<b>I. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, plant and equipment	53,618.46	135.95	53,754.41
(b) Capital work in progress	944.29	148.50	1,092.79
(c) Other Intangible assets	11.00	-	11.00
(d) Financial assets			
(i) Other financial assets	111.96	-	111.96
(e) Non-current tax assets (net)	-	-	-
(f) Deferred tax assets (net)	5,940.10	(1,252.35)	4,687.75
(g) Other Non-current assets	820.71	-	820.71
<b>Total (1)</b>	<b>61,446.52</b>	<b>(967.90)</b>	<b>60,478.62</b>

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018

<b>(2) Current Assets</b>			
(a) Inventories	61,122.90	-	61,122.90
(b) Financial assets			
(i) Trade and other receivables	5,338.37	-	5,338.37
(ii) cash and cash equivalents	3,316.82	-	3,316.82
(iii) Bank balance other than cash and cash equivalents	362.72	-	362.72
(iv) Other financial assets	275.19	-	275.19
(c) Other current assets	970.81	-	970.81
<b>(3) Assets classified as held for sale</b>	<b>270.60</b>	-	270.60
<b>Total (2+3)</b>	<b>71,657.41</b>	-	<b>71,657.41</b>
<b>Total Assets (1+2+3)</b>	<b>133,103.93</b>	<b>(967.90)</b>	<b>132,136.03</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Share capital	10,978.81	(7,165.00)	3,813.81
(b) Other equity	9,847.29	2,210.08	12,057.37
Liabilities			
<b>(2) Non-Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	34,899.95	(668.17)	34,231.78
(ii) Other financial liabilities	-	3,764.67	3,764.67
(b) Deferred revenue (including Government grant)	-	901.13	901.13
(c) Provisions	744.39	-	744.39
<b>Total (1+2)</b>	<b>56,470.44</b>	<b>(957.29)</b>	<b>55,513.15</b>
<b>(3) Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	28,548.36	-	28,548.36
(ii) Trade and others payable	28,347.11	-	28,347.11
(iii) Other financial liabilities	13,396.06	(374.19)	13,021.87
(b) Deferred revenue (including Government grant)	-	360.50	360.50
(c) Other current liabilities	5,995.37	3.08	5,998.45
(d) Provisions	130.23	-	130.23
(e) Current tax liabilities (net of Advance Tax)	16.36	-	16.36
<b>Total (3)</b>	<b>76,433.49</b>	<b>(10.61)</b>	<b>76,422.88</b>
<b>(4) Liabilities for Assets classified held for sale</b>	<b>200.00</b>	-	200.00
<b>Total Equity &amp; Liabilities (1+2+3+4)</b>	<b>133,103.93</b>	<b>(967.90)</b>	<b>132,136.03</b>



# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018

### Note No.38

#### Reconciliation of Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2017

(Rs. in Lakhs)

Particulars	Previous GAAP	Adjustments	Ind AS
<b>I. Revenue from operations</b>	108,294.42	5,773.44	114,067.86
II. Other income	186.77	131.26	318.03
<b>III. Total Income (I+II)</b>	<b>108,481.19</b>	<b>5,904.70</b>	<b>114,385.89</b>
<b>IV. Expenses</b>			
Cost of raw material consumed	90,428.36	-	90,428.36
Excise duty on sale of goods	-	5,530.06	5,530.06
Purchases of stock-in-trade	4,077.19	-	4,077.19
Change in inventories of finished goods, by-products & work in progress	(21,575.95)	-	(21,575.95)
Employees benefits expenses	4,829.60	(111.60)	4,718.00
Finance cost	6,741.19	609.09	7,350.28
Depreciation and amortization expense	2,276.69	-	2,276.69
Other expenses	8,984.10	245.09	9,229.19
<b>Total Expenses</b>	<b>95,761.18</b>	<b>6,272.64</b>	<b>102,033.82</b>
<b>V. Profit before exceptional items and tax (III-IV)</b>	<b>12,720.01</b>	<b>(367.94)</b>	<b>12,352.07</b>
Prior period expenses/(income)	82.88	(82.88)	-
<b>VI. Exceptional items</b>	<b>452.01</b>	<b>-</b>	<b>452.01</b>
<b>VII. Profit before tax (V-VI)</b>	<b>12,185.12</b>	<b>(285.06)</b>	<b>11,900.06</b>
<b>VIII. Tax expense</b>			
Current tax	30.00		30.00
Less: Minimum Alternate Tax (MAT) credit available	(30.00)	-	(30.00)
Deferred tax	1,182.57	(10.76)	1,171.81
Income Tax for earlier year	70.20	-	70.20
<b>IX. Profit for the year (VII-VIII)</b>	<b>10,932.35</b>	<b>(274.30)</b>	<b>10,658.05</b>
<b>X. Other Comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss	-	(55.97)	(55.97)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	19.20	19.20
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>(36.77)</b>	<b>(36.77)</b>
<b>XI. Total Profit after comprehensive income for the year (IX+X)</b>	<b>10,932.35</b>	<b>(311.07)</b>	<b>10,621.28</b>
(Comprising of profit and loss comprehensive income for the year)			

**Footnotes to the reconciliation of equity as at 1<sup>st</sup> April 2016 and 31<sup>st</sup> March, 2017 and Statement of profit and Loss for the year ended 31<sup>st</sup> March 2017.**

- a) **Property plant and equipment:-** Under Ind AS the Company has elected to opt for cost model with respect to property, plant and equipments, capital work in progress and computer software. Company had in earlier years imported turbines under EPCG scheme on which export obligation has to be completed. As on 1<sup>st</sup> April 2016 export benefit amounting of Rs.284.45 debited to head of Property plant and Equipment.

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018

- b) **Provision for expected credit loss on trade receivables:-** The Company has made impairment for trade receivable as per simplified approach based on the life time expected credit loss model. No impact on the transition date is recognized in opening reserves and changes thereafter in Profit and Loss Account.
- c) **Borrowings:-** Ind AS requires transaction costs incurred towards origination of borrowing to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under the previous GAAP, transaction costs incurred in connection with borrowings are accounted upfront and charged to statement of profit and loss for the period in which such transaction costs were incurred. Accordingly, borrowings as at the transition date have been reduced by Rs. 97.73 lakhs and deferred tax of Rs.32.31 lakhs with a corresponding adjustment to retained earnings.
- d) **Defined benefit Liabilities:-** As per Ind AS 19 - Employee Benefits, actuarial losses of Rs.55.97 lakhs are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under previous GAAP. Consequently the tax effect of Rs.19.20 lakhs has also been recognized in other comprehensive income under Ind AS instead of profit and loss.
- e) **Deferred tax:-** Previous GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the year Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which were not required under the previous GAAP.
- In addition, the various transitional adjustments lead to temporary differences and consequently deferred tax adjustments have been recognized in correlation to the underlying transaction in retained earnings.
- The net impact on deferred tax liabilities has increased by Rs. 1282.31 lakhs as on transition date.
- f) **Deferred Revenue ( including Government grants):-** Under Ind As when loans or similar assistance are provided by the government or related institutes, with an interest rate below market rate, the effect of its favorable interest is regarded as a Government grant. The loan or assistance is initially recognized and measured at fair value and the Government Grants is measured as a difference between the initial carrying value of the loan and the proceeds received. Consequently Government grant recognized of RS.977.18 lakhs on borrowing and Rs.284.45 lakhs under EPCG scheme.
- g) **Non cumulative redeemable Preference Shares:-** Ind AS 109 deals with the measurement of financial assets and financial liabilities. Such an instrument is a compound financial instrument, with the liability component being the present value of the redemption amount. The unwinding of the discount on this component is recognized in profit or loss and classified as notional interest expense. Any dividends paid relate to the equity component and, accordingly, are recognized as a distribution of profit or loss. Accordingly, on initial recognition, the fair value of the instrument will be bifurcated into liability and equity component. The fair value of the liability component on initial recognition is determined as the present value of the eventual redemption amount discounted at the market rate of return. The equity component is the residual amount, i.e. the difference between the present value of the liability component and fair value of the instrument as a whole is transferred to Reserves .Consequently the Company has reclassified the Preference shares as financial liability at fair value amounting of Rs 3376.39 lakhs in opening balance sheet as on 1.04.2016 and balance amounting of Rs. 5953.61 is transferred to retained earnings. The Company has not recognized MAT tax liability on the first time of adoption of Ind AS on the reclassification of preference shares and in this context opinion of the expert has been obtained on which reliance has been placed by the Company.
- h) **Revenue from sale of goods**
- i) **Excise duty:** Under the previous GAAP, revenue from sale of goods was presented as net of excise duty on sales, however under Ind AS, revenue from sale of goods includes excise duty and such excise duty is separately presented as an expense on the face of the statement of Profit and Loss. Thus, under Ind AS, sale of goods for the year ended 31<sup>st</sup> March, 2017 has increased by Rs. 5530.06 Lakhs respectively with a corresponding increase in Expenses.
- ii) **Cash Discount:** In contrast to the previous GAAP requirements, Ind AS requires revenue to be measured at fair value of the consideration received or receivable and settlement discounts is required to be estimated at the time of sale and deducted from revenue. Hence, cash discount paid/ pay/payable aggregating to Rs. 29.24 lakhs which was considered as part of miscellaneous expenses under other Expenses under the previous GAAP has been adjusted with Sale of goods under Ind AS for the year ended 31<sup>st</sup> March 2017.

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018

### i) Interest Income

The previous GAAP required the recognition of revenue from interest on time proportion basis. However, Ind AS requires interest on financial assets to be recognized using the effective interest rate method.

### j) Cash Flow Statement

The transition from the previous GAAP to Ind AS has not material impact on Cash Flow Statement, except bank overdraft which is considered as part of Cash & cash equivalent.

### k) Retained Earnings

Retained earnings as at the transition date has been adjusted consequent to the above Ind AS transitional adjustment.

### l) Total Comprehensive Income and Other Comprehensive Income

Under the previous GAAP, the Company did not present total comprehensive income and other comprehensive income. Hence, it has reconciled previous GAAP profit to profit as per Ind AS. Further, the previous GAAP profit is reconciled to other comprehensive income and total comprehensive income as per Ind AS.

### Note No. : 39

### Financial instruments-Accounting, Classification and fair Value measurements

#### A. Financial instruments by category

(Rs. in Lakhs)

Particulars	Refer Note No.	Total Fair Value	Cost	Deemed Cost	Carrying Value			Total
					Amortized Cost	FVTOCI	FVTPL	
<b>As at 31<sup>st</sup> March 2018</b>								
<b>Financial assets</b>								
(i) Trade and other receivable	5	4,930.57			4,930.57			4,930.57
(ii) cash and cash equivalents	11	1,917.34			1,917.34			1,917.34
(iii) Bank balance other than cash and cash equivalents	12	394.10			394.10			394.10
(iv) Other financial assets	6	529.73			529.73			529.73
<b>Total</b>		<b>7,771.74</b>	-	-	<b>7,771.74</b>	-	-	<b>7,771.74</b>
<b>Financial liabilities</b>								
(i) Borrowings	17	67,795.73			67,795.73			67,795.73
(ii) Trade and others payable	21	38,425.03			38,425.03			38,425.03
(iii) Other financial liabilities	18	17,043.99			17,043.99			17,043.99
<b>Total</b>		<b>123,264.75</b>	-	-	<b>123,264.75</b>	-	-	<b>123,264.75</b>
<b>As at 31<sup>st</sup> March 2017</b>								
<b>Financial assets</b>								
(i) Trade and other receivable	5	5,338.37			5,338.37			5,338.37
(ii) cash and cash equivalents	11	3,316.82			3,316.82			3,316.82
(iii) Bank balance other than cash and cash equivalents	12	362.72			362.72			362.72
(v) Other financial assets	6	387.15			387.15			387.15
<b>Total</b>		<b>9,405.06</b>	-	-	<b>9,405.06</b>	-	-	<b>9,405.06</b>

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2018

<b>Financial liabilities</b>								
(i) Borrowings	<b>17</b>	62,780.14			62,780.14			62,780.14
(ii) Trade and others payable	<b>21</b>	28,347.11			28,347.11			28,347.11
(iii) Other financial liabilities	<b>18</b>	16,786.55			16,786.55			16,786.55
<b>Total</b>		<b>107,913.80</b>	-	-	<b>107,913.80</b>	-	-	<b>107,913.80</b>
<b>As at 01<sup>st</sup> April 2016</b>								
<b>Financial assets</b>								
(i) Trade and other receivable	<b>5</b>	5,684.81			5,684.81			5,684.81
(ii) cash and cash equivalents	<b>11</b>	1,991.06			1,991.06			1,991.06
(iii) Bank balance other than cash and cash equivalents	<b>12</b>	1,230.98			1,230.98			1,230.98
(iv) Other financial assets	<b>6</b>	1,389.36			1,389.36			1,389.36
<b>Total</b>		<b>10,296.21</b>	-	-	<b>10,296.21</b>	-	-	<b>10,296.21</b>
<b>Financial liabilities</b>								
(i) Borrowings	<b>17</b>	53,638.88			53,638.88			53,638.88
(ii) Trade and others payable	<b>21</b>	30,864.61			30,864.61			30,864.61
(iii) Other financial liabilities	<b>18</b>	16,113.55			16,113.55			16,113.55
<b>Total</b>		<b>100,617.04</b>	-	-	<b>100,617.04</b>	-	-	<b>100,617.04</b>

### Note:- Fair Value hierarchy

The fair value of the financial assets and financial liabilities are included at the amount at which the instrument could not be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade and other receivables, loans and other current financial assets, short term borrowings from banks and financial institutions, trade and other payables and other current financial liabilities approximate their carrying amounts due to the short term maturities of these instruments.

### Note No. 40

The previous year figures as on the date of transition have been reworked, regrouped, rearranged and reclassified wherever necessary amounts and other disclosures for the preceding year including figures as at the date of transition are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year. The figures are rounded off to nearest rupee in lakhs.

### AS PER OUR REPORT OF EVEN DATE

Firm Registration No.021648C

For SSVS & Co.

Chartered Accountants

for and on behalf of Board of Directors

(RAJ KUMAR ADLAKHA)

Managing Director

(ASHOK KUMAR AGARWAL)

Executive Director

(CA VIPUL SHARMA)

Partner

Membership No.074437

(SANJAY BHANDARI)

Chief Financial Officer

(G.RAMARATHNAM)

Chief-Legal and Corporate  
Affair & Company Secretary

(S.L.SHARMA)

Sr. V.P. (A/c & Commercial)

Place : Noida

Date : 29<sup>th</sup> May, 2018

**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](http://www.uttamsugar.in), email id :investorrelation@uttamsugar.in**ATTENDANCE SLIP**

Folio No. : .....

DP ID : .....

Client ID : .....

Name & Address of the Member (s) : .....

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

I hereby record my presence at the 23<sup>rd</sup> Annual General Meeting held on 17<sup>th</sup> August, 2018 at 12.00 Noon 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 HEAR)-----✂-----

**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](http://www.uttamsugar.in), email id :investorrelation@uttamsugar.in**MGT-11****PROXY FORM**

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

Name & Address of the Member (s) : .....

Email Id : .....

DP ID: : .....

Folio No. / Client ID No. : .....

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

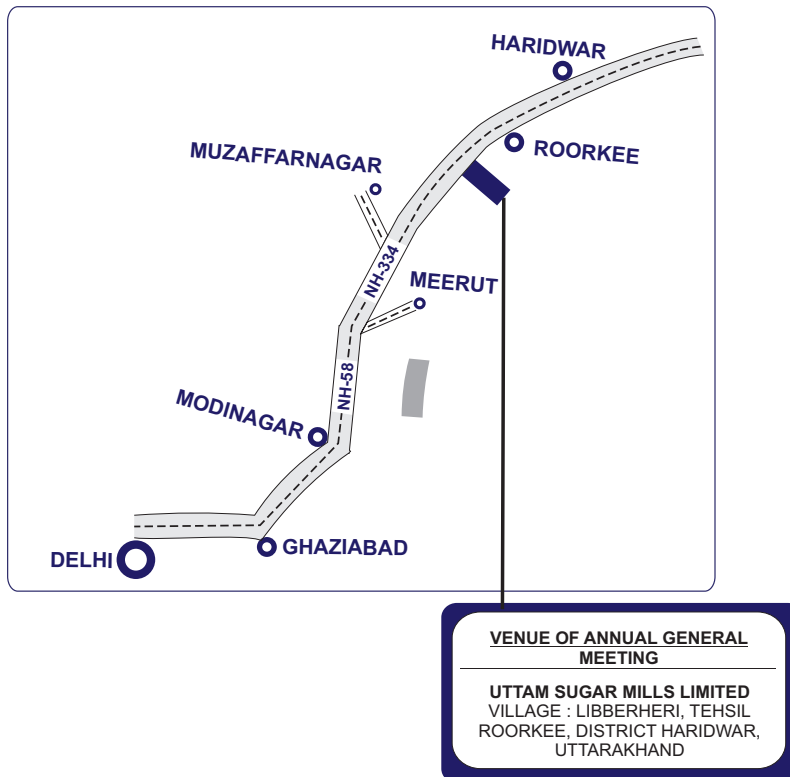
1. Name: ..... Address: .....

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

**ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING  
ON FRIDAY, THE 17TH AUGUST, 2018 AT 12.00 NOON.**



-----✂----- (TEAR HEAR) -----✂-----

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company to be held on Friday, 17<sup>th</sup> August, 2018 at 12.00 Noon 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	Optional	
Ordinary Business		For	Against
1.	Adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2018.		
2.	Re-appointment of Mr. Raj Kumar Adlakha, (DIN : 00133256) who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Ratification of Appointment of M/s. SSVS & Company, Chartered Accountants as Statutory Auditor and fixing their remuneration.		
Special Business			
4.	Re-appointment of Mr. Ashok Kumar Agarwal (DIN: 05199585), Whole Time Director and approval of Remuneration.		
5.	Re-appointment of Mr. Raj Kumar Adlakha (DIN: 00133256), Managing Director and approval of Remuneration.		
6.	Re-classification of the Authorised Share Capital of the Company.		
7.	Further issue of securities.		
8.	Remuneration of the Cost Auditor for the financial year 2018-19.		
9.	Service of Documents to members.		

Signed this ..... day of .....2018.

Signature of the Member : .....

Signature of the proxy holder(s) : .....

**Note :**

- This proxy form must be deposited at the Registered Office of the Company at Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand – 247667 or at Corporate Office of the Company at A-2E, III<sup>rd</sup> Floor, C.M.A. Building, Sector – 24, Noida (U.P.), not less than forty-eight hours before the time fixed for holding the aforesaid meeting. A proxy need not be a member of the Company.**
- For Resolutions, Explanatory Statements and Notes, please refer to the Notice of 23<sup>rd</sup> Annual General Meeting of the Company.
- It is Optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the, 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of Member(s) before submission.

**Affix a  
Revenue  
Stamp of  
₹1/-**



**UTTAM  
SUGAR**

*Uttam Sulphurless Sugar is*  
**10 TIMES  
LESS ACIDIC**  
*than regular sugar*

without  
sulphur

healthy  
living



**FSSC 22000**  
CERTIFIED WITH  
SUCROSE I.P. CERTIFICATION

**UTTAM SUGAR MILLS LIMITED**

[www.uttamsugar.in](http://www.uttamsugar.in)

[www.facebook.com/uttamsugar](https://www.facebook.com/uttamsugar)



**UTTAM  
SUGAR**

# Uttam Sugar Mills Limited

**FSSC 22000**

CERTIFIED WITH  
SUCROSE I.P. CERTIFICATION



## INDUSTRIES WE SERVE



**RETAIL  
INDUSTRY**



**BAKERY  
INDUSTRY**



**HOSPITALITY  
INDUSTRY**



**BEVERAGE  
INDUSTRY  
(ALCOHOLIC &  
NON-ALCOHOLIC)**



**PHARMACEUTICAL  
INDUSTRY**

*"Adding  
Sweetness  
to life"*

[www.uttamsugar.in](http://www.uttamsugar.in) | [uttamsugarnoida@gmail.com](mailto:uttamsugarnoida@gmail.com) | [contactus@uttamsugar.in](mailto:contactus@uttamsugar.in)