



Uttam Sugar Mills Limited

# 24<sup>th</sup> Annual Report 2018-19

The best sugar you can buy.



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## CORPORATE INFORMATION

[CORPORATE IDENTITY NO. (CIN) : L99999UR1993PLC032518]

### **BOARD OF DIRECTORS**

|                               |                      |
|-------------------------------|----------------------|
| Mr. Raj Kumar Adlakha         | Managing Director    |
| Mr. Ashok Kumar Aggarwal      | Executive Director   |
| Dr. R. Vasudevan              | Independent Director |
| Mr. G. S. Matta               | Independent Director |
| Mr. N. K. Sawhney             | Independent Director |
| Mrs. Rutuja Rajendra More     | Independent Director |
| Mr. Amir Singh Yadav          | Nominee Director     |
| (Appointed w.e.f. 07.08.2019) |                      |

### **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)

### **FACTORIES**

#### **Unit - 1 :**

##### **(Sugar & Cogeneration)**

Village Libberheri, Tehsil Roorkee,  
District Haridwar, Uttarakhand - 247667

#### **Unit – 2 :**

##### **(Sugar, Cogeneration & Distillery)**

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

#### **Unit - 3 :**

##### **(Sugar & Cogeneration)**

Village Khaikheri,  
Tehsil & District Muzaffarnagar (U.P.)

#### **Unit – 4 :**

##### **(Sugar & Cogeneration)**

Village Shermau, Tehsil Nakur,  
District Saharanpur (U.P.)

### **STATUTORY AUDITORS**

M/s 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 24<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 24<sup>th</sup> Annual General Meeting of the Members of Company will be held at the Registered Office of the Company at Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand – 247667 on Friday, 20<sup>th</sup> September, 2019 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, 2019 including the audited Balance Sheet as at 31<sup>st</sup> March, 2019, Profit & Loss Statement for the financial year ended on that date together with the Reports of Board of Directors and Auditors thereon.

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

To re-appoint Mr. Ashok Kumar Aggarwal (DIN: 05199585), who retires by rotation and is eligible for re-appointment.

#### 3. Approval to dispense with the requirement of 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 the Companies (Amendment) Act, 2017 read together with Section 139 of the Companies Act, 2013 (as amended) and other applicable provisions, if any, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in partial modification of the resolution passed by the members of the Company at the 22<sup>nd</sup> Annual General Meeting held on 26<sup>th</sup> September, 2017, the Company hereby dispenses with the requirement of ratification of the appointment of M/s SSVS & Co., Chartered Accountants (Firm Registration No. 021648C), as the Statutory Auditors of the Company at every Annual General Meeting."

### SPECIAL BUSINESS(ES):

#### 4. Confirmation of Continuation of Directorship of Mr. Narendra Kumar Sawhney (DIN: 00109853) as an Independent Director

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

**"RESOLVED THAT** pursuant to the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other applicable provisions, if any (including any statutory modification(s) or re-enactment thereof for the time being in force), continuation of Directorship of Mr. Narendra Kumar Sawhney (DIN: 00109853), who has attained the age of 75 (Seventy Five) years, as an Independent Director w.e.f 01<sup>st</sup> April, 2019 till his remaining period i.e. this Annual General Meeting, be and is hereby ratified and confirmed."

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

#### 5. Re-appointment of Mr. Narendra Kumar Sawhney (DIN: 00109853) as an Independent Director

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Narendra Kumar Sawhney (DIN: 00109853), who was appointed as an Independent Director in the Annual General Meeting held on 30<sup>th</sup> December, 2015 to hold office upto the date of this Annual General Meeting and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations, be and is hereby re-appointed as an Independent Director to hold office for a second term of 5 (Five) years commencing from this Annual General Meeting to 19<sup>th</sup> September, 2024 and whose office shall not be liable to retire by rotation."

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

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### 6. Re-appointment of Mrs. Rutuja Rajendra More (DIN: 07201928) as an Independent Director

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Rutuja Rajendra More (DIN: 07201928), who was appointed as an Independent Director in the Annual General Meeting held on 30<sup>th</sup> December, 2015 to hold office upto the date of this Annual General Meeting and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations, be and is hereby re-appointed as an Independent Director to hold office for a second term of 5 (Five) years commencing from this Annual General Meeting to 19<sup>th</sup> September, 2024 and whose office shall not be liable to retire by rotation."

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

### 7. Amendment in the terms and conditions of Remuneration of Mr. Raj Kumar Adlakha (DIN: 00133256), Managing Director w.e.f 01.08.2019

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the Articles of Association of the Company, the consent of the shareholders of the Company be and is hereby given for the increase in remuneration to Mr. Raj Kumar Adlakha (DIN : 00133256), Managing Director of the Company from Rs. 2,16,00,000/- per annum to Rs. 4,32,00,000/- per annum (including perquisites) subject to the overall ceiling stipulated in Section 197 of the Companies Act, 2013 for the period from 01<sup>st</sup> August, 2019 to 31<sup>st</sup> March, 2021 as recommended by the Nomination and Remuneration Committee on 07<sup>th</sup> August, 2019 and approved by the Board of Directors on 10<sup>th</sup> August, 2019."

**"RESOLVED FURTHER THAT** the above remuneration will be payable to him as minimum remuneration in case of absence or inadequacy of profits in any financial year as permissible under Section II of Part II of Schedule V of the Companies Act, 2013 including such amendment(s), modification(s) and/or revision(s) as may be made by the Central Government in the said limits from time to time."

**"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."

### 8. Alteration of Memorandum of Association of the Company:

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

**"RESOLVED THAT** pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Rules made there under, as amended from time to time, (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Registrar of Companies and/or of any other statutory or regulatory authority, as may be necessary, consent of the shareholders of the Company be and is hereby accorded for the modification, substitution, addition and deletion in Clause III i.e. the Objects Clause of the Memorandum of Association of the Company as follows:

- a) The existing title of Part A of Clause III of the Memorandum of Association of the Company be deleted and substituted with the following words:

*"The Objects to be pursued by the Company on its incorporation are".*

- b) In Part A of Clause III of Memorandum of Association, the existing sub-clause 2 be deleted and the following new sub-clauses be added after sub-clause 1:

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- "2. To carry on the business of generation and/or co-generation of all forms of energy by installation of Power Plant or otherwise, conventional or non-conventional means or through any latest technology for the purpose of captive consumption and to sale and distribute such surplus generation thereof to Government(s), Municipal or local authority, Company or person(s) in India or elsewhere, if necessary.
3. To cultivate, process, purchase, sell, import, export or otherwise deal in all types of Agri products whether processed or un-processed."
- c) The existing title of Part B of Clause III of the Memorandum of Association of the Company be deleted and substituted with the following words:
- "Matters which are necessary for furtherance of the objects specified in Clause III (A) are."*
- d) The sub-clauses numbered 5, 6, 9 & 16 of the Part C of Clause III to be brought under Part B of Clause III of the Memorandum of Association of the Company and shall be renumbered as 28, 29, 30, & 31 respectively.
- e) In Part B of Clause III of Memorandum of Association, the following new sub-clause be added after sub-clause 31:
- "32. To undertake Corporate Social Responsibility ('CSR') activities in terms of the provisions of the Companies Act, 2013 and the Rules made thereunder or in such other manner as the Company deems fit."*
- f) The existing Part C of the Objects Clause of the Memorandum of Association of the Company i.e. "Other Objects" be deleted.
- g) The existing Clause IV of the Memorandum of Association of the Company be substituted with the following clause:
- "The liability of the Member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them."*
- h) Wherever required, the references to various sections of the Companies Act, 1956 be replaced with the corresponding sections of the Companies Act, 2013 in Part B of Clause III of the Memorandum of Association of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

### 9. Further Issue of Securities:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **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 re-enactment(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, 2018 (**"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 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 (partly convertible, fully convertible or optionally convertible) including warrants 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 VI of the SEBI ICDR Regulations or any combination thereof or by issue of prospectus and/or placement document and /or other permissible/

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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 VI 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.300 crores (Rupees Three 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, 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.

**"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 VI 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 VI 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 VI of the ICDR Regulations shall be subject to appropriate adjustments as per the provisions of Regulation 176(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 VI 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 365 days 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 VI 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 VI 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 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,



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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."

### 10. 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 Lakh only) plus applicable taxes and reimbursement of out of pocket expenses for the Financial Year 2019-20, 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."

**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> August, 2019**

### NOTES:

1. Explanatory Statement setting out all material facts relating to special businesses contained in item No. 4 to 10 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, 14<sup>th</sup> September, 2019 to Friday, 20<sup>th</sup> September, 2019 (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.

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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 2019-20 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 2018-19 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 2018-19 are also 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 24<sup>th</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. 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:**

The e-voting period commences on Monday, 16<sup>th</sup> September, 2019 (9.00 am) and ends on Thursday, 19<sup>th</sup> September, 2019 (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, 13<sup>th</sup> September, 2019 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).

### **Section A: Voting Process**

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.
- (vi) 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> |

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) **Members Holding Physical shares**

Members holding shares in physical form will then reach directly to the Company selection screen. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

**Members Holding Demat shares**

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.

(ix) Click on the EVSN for **UTTAM SUGAR MILLS LIMITED**.

(x) 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.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) 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.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xv) 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.

**Note :** 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.

**Section B: Other instructions regarding e-voting**

(i) 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.

(ii) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.

(iii) A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

(iv) 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).

## Uttam Sugar Mills Limited

- (v) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Friday, 13<sup>th</sup> September, 2019, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or Share Transfer Agent's email id at [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in).
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, 13<sup>th</sup> September, 2019.
  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

Noble Heights, 1<sup>st</sup> floor,  
Plot No NH-2, C-1 Block, LSC,  
Near Savitri Market, Janakpuri,  
New Delhi - 110058.  
Tel. :- 011-4141 0592-94  
Telefax :- 011-4141 0591  
Email: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)

# 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 Aggarwal  | Mr. N. K. Sawhney   | Mrs. Rutuja Rajendra More   | Mr. Raj Kumar Adlakha  |
|----------------------------------|---|---|---|--|
| DIN                              | 05199585  | 00109853  | 07201928  | 00133256   |
| Date of Birth                    | 09 <sup>th</sup> March, 1959  | 01 <sup>st</sup> February, 1942   | 26 <sup>th</sup> May, 1969  | 22 <sup>nd</sup> January, 1956   |
| Date of Appointment in the Board | 14 <sup>th</sup> February, 2012   | 14 <sup>th</sup> May, 2015  | 05 <sup>th</sup> June 2015  | 28 <sup>th</sup> July, 1998  |
| Qualifications                   | B.Com.(Hons) & FCA  | B. Tech., M.B.A, A.N.S.I. (Tech.)   | M.Sc Microbiology   | B.E.(Mech.)  |
| Experience                       | Mr. Aggarwal is having overall 36 years of Techno Commercial experience in sugar business and acquired knowledge in various areas like commercial, engineering, manufacturing, project management, cane supply management and cane development. He started his career with erstwhile DCM Limited now known as Mawana Sugars Limited in the year 1983 and worked in the group for around 23 years and left the company in 2006 as General Manager. After leaving Mawana he joined Birla Group of Sugar Industries (Oudh Sugar Mills Limited) and left the company in 2008. In 2008 he joined Sir Shadilal Enterprises Limited as COO cum president and worked till October 2011. Before joining Uttam for a brief period he worked with Empee Sugars and chemicals till December 2011. | Mr. N.K. Sawhney, is an Engineer from IIT Madras, Sugar Technologist from National Sugar Institute, Kanpur and MBA in Finance from Faculty of Management Studies, University of Delhi. He has an overall experience of over 48 years with various industries on senior positions. Presently he is working as advisor to the various Sugar Companies. He has served as Advisor to the IFFCO Foundation, New Delhi from 2003 to 2012. He retired as the Executive Director of National Co-operative Development Corporation (NCDC) after serving for 18 years. He served as a manager in IFCI Limited during 1973-79. He has also worked with companies like Triveni Engg, Daurala Sugars of DCM and Ganga Sugar Corporation Ltd. | Mrs. Rutuja Rajendra More is having 25 years experience in Agricultural Microbiology. She has worked in Vasantdada Sugar Institute, Pune, Maharashtra from 1995 to 2018. Now, she is a Technical Director of Institute of Soil and Plant Health, Surat, Gujarat. She has vast experience of 25 years in the field of Research and Development, Teaching and training, Consultation and Extension for Agril., Environmental and Industrial Microbiology. She has also authored several research Articles relating to Sugarcane Agril., Microbiology and also published research papers time to time. She has also attended several National and International seminars/ Conferences. | Mr. Adlakha is having more than 40 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. |

|  |  |  |  |   |
|--|--|--|--|---|
| <b>Directorship held in other Listed Companies</b>   | NIL  | NIL  | NIL  | NIL   |
| <b>Membership in Committee across other Listed Companies</b>   | NIL  | NIL  | NIL  | NIL   |
| <b>Number of Shares held in the Company</b>  | NIL  | NIL  | NIL  | 16,24,610 Equity Shares   |
| <b>Terms and conditions of appointment / re-appointment along with details of remuneration sought to be paid</b> | Appointment of Mr. Ashok Kumar Aggarwal (Director liable to be retire by rotation) is proposed at item no. 2 of notice for approval of members. There is no change in the remuneration of Mr. Ashok Kumar Aggarwal | Continuance of appointment of Mr. N. K. Sawhney is proposed at item no. 4 and his re-appointment for second term of 5 years is also proposed at item no. 5 of Notice for approval of members. Further, only sitting fee paid to Mr. N. K. Sawhney. | Re-appointment of Mrs. Rutuja Rajendra More for second term of 5 years is proposed at item no. 6 of Notice for approval of members. Further, only sitting fee paid to Mrs. Rutuja Rajendra More. | There is no change in the terms of appointment of Mr. Raj Kumar Adlakha. However, amendments in the Remuneration of Mr. Raj Kumar Adlakha is proposed at item no. 7 for approval of members. (for details, please refer item no. 7) |
| <b>Remuneration last drawn</b>   | Rs. 53.54 Lakhs  | Rs. 1.65 Lakh  | Rs. 1.25 Lakh  | Rs. 228.88 Lakhs  |
| <b>The number of Meetings of the Board attended</b>  | 5  | 5  | 5  | 5   |
| <b>Relationship with other Directors</b>   | None   | None   | None   | None  |



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### 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. R. Vasudevan          | Nil                  | N.A.                         |
| 2       | Mr. G. S. Matta           | Nil                  | N.A.                         |
| 3       | Mr. N. K. Sawhney         | Nil                  | N.A.                         |
| 4       | Mrs. Rutuja Rajendra More | Nil                  | N.A.                         |
| 5       | Mr. Amir Singh Yadav      | Nil                  | N.A.                         |

### 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 newly inserted Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations"), effective from April 1, 2019, no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of 75 (Seventy Five) years unless a special resolution is passed to that effect and the explanatory statement annexed to the notice proposing such appointment or continuation specifies the justification of appointment of Independent Director.

Mr. N. K. Sawhney, Independent Director of the Company has attained the age of 75 (Seventy Five) years. He was appointed at the 20<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> December, 2015 for a term upto 24<sup>th</sup> Annual General Meeting by way of Ordinary Resolution. Hence, it is proposed to ratify his appointment w.e.f. 1<sup>st</sup> April, 2019 by way of Special Resolution in terms of said Regulations.

Accordingly, the Board of Directors on the basis of his rich experience, knowledge and valuable contribution in the improvement of Company recommends the resolution as set out in the Item No. 4 for approval of Members by way of Special Resolutions.

Except, Mr. N. K. Sawhney being the appointee, none of the other Directors and Key Managerial Personnel of the Company including their relatives are concerned or interested, financially or otherwise in the resolutions.

#### Item No. 5

Mr. N. K. Sawhney was appointed as an Independent Director of the Company in the 20<sup>th</sup> Annual General Meeting for a term upto 24<sup>th</sup> Annual General Meeting. Since, the tenure of Mr. N. K. Sawhney is going to expire in forthcoming Annual General Meeting, he may be re-appointed for further term of 5 (Five) years as per the provisions of the Companies Act, 2013.

As per the recommendation of the Nomination and Remuneration Committee in its meeting held on 07<sup>th</sup> August, 2019 and approval of the Board of Directors in their meeting held on 10<sup>th</sup> August, 2019, based on his skills, rich experience, knowledge and contributions to the management made by him during his tenure, the Board recommend the re-appointment of Mr. N. K. Sawhney as a Non – Executive Independent Director of the Company for the second term of 5 (Five) years commencing from this Annual General Meeting to 19<sup>th</sup> September, 2024 and he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has also received a declaration from Mr. N. K. Sawhney confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulations.

Mr. N. K. Sawhney is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time. In the opinion of the Board, he fulfills the conditions for his re-appointment specified in the Companies Act, 2013.

Pursuant to Secretarial Standards on General Meeting (SS-2), the summary of performance evaluation of Mr. N. K. Sawhney is as follows:

Mr. N. K. Sawhney is an IITian and has a vast experience in sugar industry. He is a regular consultant to number of sugar companies. He helps the Board of Directors in Risk Management, Strategically issue and standards on code of

## Uttam Sugar Mills Limited

conduct. He participates constructively and actively in the meetings of the Board / committees of the Board in which he is a member. He keeps himself well informed about the sugar industry and external factors which may impact the working of the company.

A copy of the draft letter for re-appointment of Mr. N. K. Sawhney setting out the terms and conditions of re-appointment is available for inspection between 11.00 a.m. to 1.00 p.m. on all working days except Sundays and Holidays at the Registered Office of the Company.

A brief profile of Mr. N. K. Sawhney has already been provided under the heading "Re-Appointment / Appointment of Directors (Annexure to Notice)".

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

Except, Mr. N. K. Sawhney being the appointee, none of the other Directors and Key Managerial Personnel of the Company including their relatives are concerned or interested, financially or otherwise in the resolutions.

### Item No. 6

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and the erstwhile Clause 49 of the Listing Agreement, at the 20<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> December, 2015, Mrs. Rutuja Rajendra More was appointed as an Independent Director of the Company for a term upto 24<sup>th</sup> Annual General Meeting. Since, the tenure of Mrs. Rutuja Rajendra More is going to expire in forthcoming Annual General Meeting, she may be re-appointed for further term of 5 (Five) years as per the provisions of the Companies Act, 2013.

As per the recommendation of the Nomination and Remuneration Committee in its meeting held on 07<sup>th</sup> August, 2019 and approval of the Board of Directors in their meeting held on 10<sup>th</sup> August, 2019, based on her skills, rich experience, knowledge and contributions to the management made by her during her tenure, the Board recommends the re-appointment of Mrs. Rutuja Rajendra More as a Non – Executive Independent Director of the Company for the second term of 5 (Five) years commencing from this Annual General Meeting to 19<sup>th</sup> September, 2024 and she shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has also received a declaration from Mrs. Rutuja Rajendra More confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulations. Mrs. Rutuja Rajendra More is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time. In the opinion of the Board, she fulfills the conditions for her re-appointment specified in the Companies Act, 2013.

Pursuant to Secretarial Standards on General Meeting (SS-2), the summary of performance evaluation of Mrs. Rutuja Rajendra More is as follows:

Mrs. Rutuja Rajendra More is an agricultural microbiologist. She helps the Company in the area of cane development activities, research and developments, plantation of sugarcane, cordial relation with the farmers. She participates constructively and actively in the meetings of the Board of Directors. She keeps herself updated about the sugar plantation all over the country and the environmental factors by which the Sugar Companies may get optimum advantage.

A copy of the draft letter for re-appointment of Mrs. Rutuja Rajendra More setting out the terms and conditions of re-appointment is available for inspection between 11.00 a.m. to 1.00 p.m. on all working days except Sundays and Holidays at the Registered Office of the Company.

A brief profile of Mrs. Rutuja Rajendra More has already been provided under the heading "Re-Appointment / Appointment of Directors (Annexure to Notice)".

The Board of Directors recommends the resolution as set out in the Item No. 6 for approval of Members by way of Special Resolutions.

Except, Mrs. Rutuja Rajendra More being the appointee, none of the other Directors and Key Managerial Personnel of the Company including their relatives are concerned or interested, financially or otherwise in the resolutions.

### Item No. 7

Mr. Raj Kumar Adlakha was re-appointed as Managing Director of the Company w.e.f. 01<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2021 on the recommendation of Nomination and Remuneration Committee duly approved by Board of Directors on the remuneration of Rs. 2,16,00,000/-per annum (including perquisites). The same was also confirmed by the shareholders of the Company in the Annual General Meeting held on 17<sup>th</sup> August, 2018.



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Now, in the context of contribution of Mr. Raj Kumar Adlakha in the improved performance of the Company, the Nomination and Remuneration Committee, in its meeting held on 07<sup>th</sup> August, 2019 recommended and the Board of Directors, in its meeting held on 10<sup>th</sup> August, 2019, approved the payment of remuneration of 4,32,00,000/- per annum (including perquisites) to Mr. Raj Kumar Adlakha (DIN : 00133256), as Managing Director of the Company w.e.f 1<sup>st</sup> August, 2019 to 31<sup>st</sup> March, 2021 subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

### 1. **Effective date of Appointment :**

The remuneration will be effective from 01<sup>st</sup> August, 2019 to the remaining tenure upto 31<sup>st</sup> March, 2021.

### 2. **Overall Remuneration:**

Subject to the provisions of Section 196, 197 and 198 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. Within the aforesaid ceiling, the remuneration payable to him shall be as follows:

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

Rs. 4,08,00,000/- (Rupees Four Crore and Eight Lakh Only) per annum consisting of monthly payment of Rs. 34,00,000/- (Rupees Thirty Four 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.2,00,000/-(Rupees Two Lakh Only) per month.

*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 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. The commission will accrue after the financial statements are audited and approved by the Board of Directors.

### 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. 36,00,000/- per month (including perquisites) as minimum remuneration.

### 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.

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### 5. Sitting Fee

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

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

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

### I. GENERAL INFORMATION:

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

Manufacturer of Sugar and other allied products.

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

Company commenced commercial production from January 2001.

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

Not applicable.

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

(Rs. in Lakhs)

| Financial Parameter            | Financial Years        |                        |                        |
|--------------------------------|------------------------|------------------------|------------------------|
|                                | 2016-17<br>(12 Months) | 2017-18<br>(12 Months) | 2018-19<br>(12 Months) |
| Turnover                       | 1,11,689.06            | 1,24,792.74            | 1,20,218.75            |
| Net Profit/(Loss) (before Tax) | 11,900.06              | 2,375.68               | 7,371.58               |

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

Nil

### II. INFORMATION ABOUT THE APPOINTEE:

#### (1) Background details:-

**Mr. Raj Kumar Adlakha**, aged 63 years holds Engineering Degree B.E. (Mech.) and has more than 40 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 2018-19, he has drawn Rs. 228.88 Lakh 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. 4,32,00,000/- per annum (including perquisites) alongwith commission not exceeding 4% of net profits of the Company 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 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:-

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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 past. 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 increased the capacity of Distillery plant from 75 KLPD to 150 KLPD during the financial year 2018-19 at Barkatpur Unit.

The Company is taking necessary steps to set up Distillery with a capacity of 50 KLPD at Libberheri unit of the Company in view of increased demand of Ethanol at National level. The Company is also setting up "Incineration Boiler" at Barkatpur Unit of the Company for improvement in the production of ethanol.

#### (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.

Further, we wish to inform you that, the Company has not defaulted in repayment of debts dues to Banks/ Creditors in the preceding financial year.

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.7 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. Raj Kumar Adlakha is concerned or interested in the proposed resolution.

### Item No. 8

The existing Memorandum of Association ("MOA") of the Company was framed pursuant to the provisions of the Companies Act, 1956. The provisions of the Companies Act, 2013 have come into force with effect from 01<sup>st</sup> April, 2014 require stating of MOA in a different manner. In view of the requirements of the Companies Act, 2013, the MOA is proposed to be amended as under:

1. In Clause III (A) of Objects Clause of MOA, existing sub-clause 2 be deleted and new sub-clauses no. 2 & 3 are proposed to be inserted to exhibit the Company's Main Objects more appropriately.
2. Objects of the Company under Clause III will now have 2 parts viz. Part A - **'The Objects to be pursued by the Company on its incorporation are'** and Part B **'Matters which are necessary for furtherance of the objects specified in Clause III A are'**, the existing Part C viz. "Other Objects" is proposed be deleted and some relevant objects which are necessary is proposed to be shifted under Part B 'Matters which are necessary for furtherance of the objects specified in Clause III A are'.
3. Accordingly, sub clauses no. 5, 6, 9 & 16 of Part C 'other object' are proposed to bring under Part B of Clause III of the Memorandum of Association of the Company and shall be renumbered as 28, 29, 30 & 31 respectively.
4. Further, a new sub Clause 32 is proposed to be inserted under Part B of Clause III of the Memorandum of Association of the Company to enable the Company to spend money on CSR activities which is now mandatory for certain Companies under the Companies Act, 2013.
5. Part B of Object Clause III will now have 1-32 items (both inclusive) after merging of above sub clauses of Part C (no. 5, 6, 9 & 16) and a new sub clause (no. 32) as mentioned above. Further, Part C of Clause III "i.e. other objects" will be deleted.

## Uttam Sugar Mills Limited

6. Clause IV will now be read as 'The liability of the Members(s) is limited and this liability is limited to the amount unpaid, if any on the shares held by them.' Adding the words 'and this liability is limited to the amount unpaid, if any on the shares held by them' will bring Clause IV into compliance with the Companies Act, 2013.
7. There are certain consequential renumbering of the sub clauses of the Memorandum of Association because of the amendments /insertions/ deletions as mentioned above.

The Board of Directors recommends the resolution as set out in the Item No. 8 for approval of Members by way of Special Resolutions.

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

### Item No. 9

The Shareholders at their 23<sup>rd</sup> Annual General Meeting ("AGM") held on 17<sup>th</sup> August, 2018 had inter alia approved the Special Resolution for further issue of securities. However, due to adverse market conditions, further issue of securities could not be done. It is, therefore, proposed to have enabling approvals to raise funds (as and when required) through issue of securities (convertible/non-convertible) 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.300 Crores (Rupees Three 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, capital expenditure, repayment of loans and working capital requirements / other general corporate purposes of the Company.

The Board of Directors recommends the resolution as set out in the Item No. 9 for approval of Members by way of Special Resolutions.

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

### Item No. 10

| Products           | 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 2019-20 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.10 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.

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

**(G. RAMARATHNAM)  
CHIEF – LEGAL AND CORPORATE AFFAIRS  
& COMPANY SECRETARY  
Membership No. FCS-1021**

**Place : Noida**

**Date : 10<sup>th</sup> August, 2019**

**Registered Office:**

Village Libberheri, Tehsil Roorkee,

Distt. Haridwar, Uttarakhand.

CIN: L99999UR1993PLC032518

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

# Uttam Sugar Mills Limited

## DIRECTORS' REPORT

To

The Shareholders of the Company,

Your Directors take pleasure in presenting this Twenty Fourth Annual Report together with the Audited Annual Financial Statements for the year ended 31<sup>st</sup> March, 2019.

### FINANCIAL RESULTS

The financial results of the Company for the year ended on 31<sup>st</sup> March, 2019 are as under:-

| DETAILS  | (Rs. in Lakhs)  |                   |
|--|-----------------|-------------------|
|  | Year ended      | Year ended        |
|  | 31.03.2019      | 31.03.2018        |
| Revenue from Operations                                      | 1,21,465.84     | 1,26,463.90       |
| Profit/(Loss) before Depreciation & Tax                      | 10,034.80       | 4,791.23          |
| Less:  |                 |                   |
| Depreciation   | 2,663.22        | 2,415.55          |
| Profit/(Loss) before Tax & Exceptional Items                 | 7,371.58        | 2,375.68          |
| Exceptional Items  | -               | -                 |
| Less: Provision for Taxation                                 |                 |                   |
| Current Tax  | 1,646           | 540               |
| Less : Minimum Alternate Tax (MAT) credit available          | (1,600)         | (418)             |
| Deferred Tax (Credit) / Charge                               | 1,508.94        | 624.23            |
| Income Tax for Earlier Years                                 | 4.73            | (70.20)           |
| <b>Profit/(Loss) after Tax</b>                               | <b>5,811.91</b> | <b>1,699.65</b>   |
| Total Other Comprehensive Income                             | 11.32           | 25.88             |
| <b>Profit/(Loss) for the year after comprehensive income</b> | <b>5,823.23</b> | <b>1,725.53</b>   |
| Add: Balance brought forward from Previous Year              | (1,469.92)      | (3,195.45)        |
| Amount carried to Reserves                                   | -               | -                 |
| <b>Surplus/(Deficit) transferred to Balance Sheet</b>        | <b>4,353.31</b> | <b>(1,469.92)</b> |

### PERFORMANCE OF THE COMPANY

During the year under review, your Company's Revenue from Operations was Rs. 1,21,465.84 Lakh as compared to Rs. 1,26,463.90 Lakh in the previous financial year. Company's Profit after comprehensive income was Rs. 5,823.23 Lakh as compared to Rs. 1,725.53 Lakh in the previous financial year.

### REVIEW OF OPERATIONS

#### Sugar Division

Operational data of the Company for the financial year 2018-2019 and 2017-2018 are as under:

| Financial Year | Cane crushed<br>(In Lakhs Qtls.) | Sugar produced<br>(In Lakhs Qtls.) | Recovery % |
|----------------|----------------------------------|------------------------------------|------------|
| 2018-2019      | 341.02                           | 39.86                              | 11.69      |
| 2017-2018      | 333.69                           | 37.13                              | 11.13      |

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

| Crushing Season | Cane crushed<br>(In Lakhs Qtls) | Sugar produced<br>(In Lakhs Qtls) | Recovery % |
|-----------------|---------------------------------|-----------------------------------|------------|
| 2018-2019       | 330.85                          | 39.24                             | 11.86      |
| 2017-2018       | 368.80                          | 41.38                             | 11.22      |

## Uttam Sugar Mills Limited

The Company registered a gross turnover of Sugar of Rs. 1,02,327/- Lakhs for the year ended 31<sup>st</sup> March, 2019 against Rs. 1,10,963/- Lakhs for the year ended 31<sup>st</sup> March, 2018 – a decrease of gross turnover of 7.78 %. The net sales realization at Rs. 3,133 per qtls. for Current year ending 31<sup>st</sup> March, 2019 was lower as compared to Rs. 3,642 per qtls. for the previous year ended 31<sup>st</sup> March, 2018.

During the financial year, the Company commenced its crushing in all units i.e. Libberheri, Barkatpur, Khaikheri & Shermau in middle of November 2018. The Company's aggregate sugar cane crushing was 330.85 Lakhs qtls. during the season 2018-19 as against 368.80 Lakhs qtls. in 2017-18. The Company had a higher recovery of 11.86% as against 11.22% in previous season. The increase in recovery was mainly due to optimum mix of better cane varieties, varietal replacement and better cane management. 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 further 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 and 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. 317 per qtl (Rs 327/- per qtl for early variety) respectively for season 2018-19. SAP was kept unchanged at Rs. 315/- per qtls. for general variety for Uttar Pradesh. However, there was marginal increase in the SAP of Re. 1/- per qtls. for Uttarakhand.

### Co-generation Division

During the period under review, your company produced 2,773.90 Lakhs KWH units of power as compared to 2,720.28 Lakhs KWH units of power in the year 2017-2018. Out of total production, your company exported 1,443.03 Lakhs KWH units to UPPCL/UPCL for a total amount of Rs.7,331.94 Lakhs against 1,442.36 Lakhs KWH for an amount of Rs. 7,273.91 Lakhs in the previous year.

REC is an additional source of Revenue to your company. During the year 2018-19 Company traded 35,878 units of REC for Rs. 396.32 Lakhs.

### Distillery Division

Your company has a Distillery with an installed capacity of 150 KLPD (75 KLPD till 31.12.2018) at Barkatpur (Distt. Bijnor) in the State of Uttar Pradesh. During the year under review 233.64 Lakhs bulk litres (BL) of industrial alcohol produced as compared to 63.16 Lakhs bulk litres in the year 2017-18 and your company sold 232.97 Lakhs bulk litres industrial alcohol (including Ethanol) as compared to 93.16 Lakhs bulk litres in the previous year.

CO<sub>2</sub> gas produced and sold of 21.17 Lakhs kg amounting to Rs 56 Lakhs during the Year as compared to production and sales of 4.05 Lakhs kg amounting to Rs 12 Lakhs in the previous year ending 31<sup>st</sup> March 2018.

### 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 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:

- Government of India has increased the import duty on sugar to 100% from 50% level to maintain the domestic prices.
- 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 – (20 Lakhs M.T.) and for sugar season 2018-19 – (50 Lakhs M.T.) by government of India.
- Quantity restriction imposed on sale of sugar from June 18 onwards and it is continued.
- Fixing of minimum selling price of sugar at Rs. 31/- per kg (Earlier fixed at Rs.29/- per kg).

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



## Uttam Sugar Mills Limited

During the year, CCEA has approved the following for the 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.43.46 per liter (from prevailing price of Rs.40.85 per liter). Additionally, GST and transportation charges will also be payable.
- To fix ex-mill price of ethanol derived from B-heavy molasses at Rs.52.43 per liter (from prevailing price of Rs.47.49 per liter). Additionally, GST and transportation charges will also be payable.
- To fix ex-mill price of ethanol fixed at Rs. 59.13 Per liter (ex mill) for the same period for manufactured out of Sugar Cane Juice.

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.

### 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, 2019 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 re-classified the Authorised Share Capital 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 Shares 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 after obtaining the necessary approval of shareholders by way of Special Resolution.

### CAPACITY ADDITION/EXPANSION

With reference to our earlier information to our members in the Annual report 2017-18 regarding expansion in the Distillery (Ethanol) Capacity from 75 KLPD to 150 KLPD at the Barkatpur unit of the Company, we would like to inform you that Company has successfully enhanced and implemented the capacity addition of 75 KLPD at the Barkatpur unit of the Company. The Company is also in process of establishing incineration boiler of 60TPH capacity at Barkatpur unit of the company. This will enable further improvement in the production of Ethanol at Barkatpur unit. Besides, your company is also taking necessary steps to set up Distillery with a capacity of 50 KLPD at Libberheri unit of the Company.

### 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, 2019.

### DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP)

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Ashok Kumar Aggarwal, Executive Director (DIN: 05199585) of the Company is liable to retire by rotation and being eligible, offers himself for reappointment. The Board recommends the re-appointment of Mr. Ashok Kumar Aggarwal as Director in the ensuing AGM of the Company.

Mr. N. K. Sawhney and Mrs. Rutuja Rajendra More, Independent Directors of the Company, being eligible are proposed to be re-appointed as Independent Directors of the Company for their second term of five years as per the provisions of the Companies Act, 2013.

Brief profile of Mr. Ashok Kumar Aggarwal (Executive Director), Mr. N. K. Sawhney and Mrs. Rutuja Rajendra More (Independent Directors) 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.

## Uttam Sugar Mills Limited

Further, as per the provisions of newly inserted Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations"), effective from April 1, 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive Independent director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect. On the Board of your Company, Dr. R. Vasudevan and Mr. N. K. Sawhney, Independent Directors of the Company are more than 75 years of age. Accordingly, their continuance of appointment as Independent Directors require the shareholders approval by way of Special Resolutions.

In this context, shareholders approval by way of Special Resolution was obtained for Dr. R. Vasudevan in the annual general meeting held on 30<sup>th</sup> December, 2015. Whereas, ratification of continuance of appointment of Mr. N. K. Sawhney as Independent Director is proposed by way of Special Resolution in the ensuing AGM.

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.

During the year, there has been no change in the Directors and Key Managerial Personnel of the Company. However, Mr. Amir Singh Yadav has been appointed as Nominee Director of Punjab National Bank on the Board of the Company w.e.f 07<sup>th</sup> August, 2019.

### 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, 2019, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. they 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, 2019 and of the profits of the Company for the year ended on that date;
- iii. they 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. they have prepared the annual accounts on a 'going concern' basis;
- v. they 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
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### AUDITORS

M/s SSVS & Co., Chartered Accountants, were appointed as Statutory Auditors in the 22<sup>nd</sup> AGM of the company held in the year 2017 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 of their appointment at every Annual General Meeting.

However, in terms of provisions of Companies (Amendment) Act, 2017, the requirement for ratification of the auditors at every annual general meeting has been removed and no such ratification is required anymore. Therefore, it is proposed to the shareholders to dispense with the requirement of ratification of the appointment of M/s SSVS & Co., Chartered Accountants at every Annual General Meeting.

The Company has received consent letter and certificate from the Auditors to the effect that they are not disqualified to act as Auditors 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 for registration of such immovable property in the name of 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 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.



## Uttam Sugar Mills Limited

### COST AUDITORS

As per the requirements of the Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is required to maintain cost records and accordingly, such accounts are made and records have been maintained. 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 2019-20.

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, M/s N. K. Rastogi & Associates (Firm Regn. No. 3785), Practicing Company Secretaries conduct the Secretarial Audit of the Company for the Financial Year 2018-19. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2019 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 in place Audit Committee as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of terms of reference, composition of the Audit Committee, number and dates of meeting held, attendance of members and other details 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. All recommendations made by the Audit Committee during the year were accepted by the Board.

### 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. The Annual Return is also available on the Company's website [www.uttamsugar.in](http://www.uttamsugar.in) and weblink of the same is [http://www.uttamsugar.in/adminpanel/product\\_image/c35700ee75e598eeff36036ebd183f47Annexure%20II%20-%20MGT-9%20EXTRACT%20OF%20ANNUAL%20RETURN%2031.03.2019.pdf](http://www.uttamsugar.in/adminpanel/product_image/c35700ee75e598eeff36036ebd183f47Annexure%20II%20-%20MGT-9%20EXTRACT%20OF%20ANNUAL%20RETURN%2031.03.2019.pdf)

### VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rules made thereunder 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://www.uttamsugar.in) and weblink of the same is [http://uttamsugar.in/adminpanel/product\\_image/944405c6b370a929b0493f9264721ae6WHISTLE-BLOWER-&-VIGIL-MECHANISM.pdf](http://uttamsugar.in/adminpanel/product_image/944405c6b370a929b0493f9264721ae6WHISTLE-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 in place Nomination & Remuneration Committee and the details of terms of reference, composition, 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://www.uttamsugar.in) and weblink of the same is [http://uttamsugar.in/adminpanel/product\\_image/8ede3de06c7d2e26770be337f132fa1d4cec6a98-638d-46ee-9822-ca8a6f6a220a.pdf](http://uttamsugar.in/adminpanel/product_image/8ede3de06c7d2e26770be337f132fa1d4cec6a98-638d-46ee-9822-ca8a6f6a220a.pdf).

# Uttam Sugar Mills Limited

## ANNUAL EVALUATION OF BOARD PERFORMANCE

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 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 the 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 IND AS-24 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/adminpanel/product\\_image/494aae23216ee62f6ad0a354f21aaca2PolicyonRelatedPartyTransaction.pdf](http://uttamsugar.in/adminpanel/product_image/494aae23216ee62f6ad0a354f21aaca2PolicyonRelatedPartyTransaction.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"**. During the year under review, no complaint / case was filed or was pending for redressal pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 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 systems.

## 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 may impact the going concern status and Company's operations in future.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a Corporate Social Responsibility (CSR) Committee. The details of composition of CSR committee are given in the Corporate Governance Report attached hereto. The CSR Committee has 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/adminpanel/product\\_image/c759ed36b95983ec3553f06654133160CorporateSocialResponsibilityPolicy.pdf](http://uttamsugar.in/adminpanel/product_image/c759ed36b95983ec3553f06654133160CorporateSocialResponsibilityPolicy.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 in place 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/ASSOCIATE/JOINT VENTURE 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

Except those disclosed in this Annual Report, there are no material changes and commitments affecting the financial position of the Company between the end of the financial year i.e. 31<sup>st</sup> March, 2019 and 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 marked as **"Annexure-VI"**, which also includes a Certificate obtained from a Practicing Company Secretary pursuant to the said Regulations.

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

A separate Report on Management Discussion and Analysis for the year under review, as stipulated under regulation 34(2)(e) read with Schedule V (B) 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, Dealers, 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> August, 2019

|                        |                     |
|------------------------|---------------------|
| (ASHOK KUMAR AGGARWAL) | (RAJ KUMAR ADLAKHA) |
| EXECUTIVE DIRECTOR     | MANAGING DIRECTOR   |
| (DIN : 05199585)       | (DIN : 00133256)    |

## (ANNEXURE – I)

## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2019

[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 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>, 2019 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>, 2019 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, 2018  
**(Not Applicable during the year under review);**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable during the year under review);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable during the year 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 during the year under review)** ;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable during the year under review)** ;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable during the year under review)** ;
  - (i) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ; and
  - (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (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) Uttar Pradesh Sheera Niyamtran Adiniyam, 1964;
- c) Uttar Pradesh Sheera Niyamtran Niyamavali 1974;
- d) Food Safety And Standards Act, 2006;
- e) Essential Commodities Act, 1955;
- f) Export (Quality Control and Inspection) Act, 1963;
- g) 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.

## Uttam Sugar Mills Limited

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

- (i) Public/Right/Preferential issue of shares/debentures/ borrowing/sweat equity/ESOP etc.
- (ii) Redemption/ buy-back of securities.
- (iii) Major decisions has not been taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger/amalgamation/reconstruction, etc.
- (v) 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 : 26<sup>th</sup> June, 2019**

### 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, 2019]**

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 : 26<sup>th</sup> June, 2019**



**(ANNEXURE - II)  
FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2019**

**[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,<br>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,<br>Noble Heights, 1 <sup>st</sup> Floor, Plot No NH-2,<br>C-1 Block, LSC, Near Savitri Market,<br>Janakpuri, New Delhi - 110058. |

**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                            | 85.11                              |

**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>-</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   | 2,305   | 0              | 2,305             | 0.01              | 191,857                                   | -              | 191,857           | 0.50              | 0.50                     |
| 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>2,305</b>                                    | <b>0</b>       | <b>2,305</b>      | <b>0.01</b>       | <b>191,857</b>                            | <b>0</b>       | <b>191,857</b>    | <b>0.50</b>       | <b>0.50</b>              |
| <b>(2) Non Institutions</b>   |   |                |                   |                   |   |                |                   |                   |                          |
| a) Bodies corp.   | -   | -              | -                 | -                 | -   | -              | -                 | -                 | -                        |
| i) Indian   | 1,209,449                                       | 200            | 1,209,649         | 3.17              | 1,143,090                                 | 200            | 1,143,290         | 3.00              | (0.17)                   |
| ii) Overseas  | -   | -              | -                 | -                 | -   | -              | -                 | -                 | -                        |
| b) Individuals  | -   | -              | -                 | -                 | -   | -              | -                 | -                 | -                        |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakhs            | 2,558,394                                       | 8,467          | 2,566,861         | 6.73              | 2,480,195                                 | 7,421          | 2,487,616         | 6.52              | (0.21)                   |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs | 4,510,046                                       | 393,500        | 4,903,546         | 12.86             | 4,249,956                                 | 373,500        | 4,623,456         | 12.12             | (0.73)                   |
| <b>c) Others (specify)</b>  |   |                |                   |                   |   |                |                   |                   |                          |
| i) Clearing Member  | 122,259   | -              | 122,259           | 0.32              | 109,627                                   | -              | 109,627           | 0.29              | (0.03)                   |
| ii) Non-Resident (Repat)  | 71,503  | -              | 71,503            | 0.19              | 89,314                                    | -              | 89,314            | 0.23              | 0.05                     |
| ii) Non-Resident (Non-Repat)  | 121,727   | -              | 121,727           | 0.32              | 25,773                                    | -              | 25,773            | 0.07              | (0.25)                   |
| iii) Trust  | 10  | -              | 10                | 0.00              | 10  | -              | 10                | 0.00              | -                        |
| iv) Huf   | 536,675   | -              | 536,675           | 1.41              | 463,282                                   | -              | 463,282           | 1.21              | (0.19)                   |
| v) NBFC   | -   | -              | -                 | -                 | 400,310                                   | -              | 400,310           | 1.05              | 1.05                     |
| <b>SUB TOTAL (B)(2):</b>  | <b>9,130,063</b>                                | <b>402,167</b> | <b>9,532,230</b>  | <b>24.99</b>      | <b>8,961,557</b>                          | <b>381,121</b> | <b>9,342,678</b>  | <b>24.50</b>      | <b>(0.50)</b>            |
| <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                                 | <b>9,132,368</b>                                | <b>402,167</b> | <b>9,534,535</b>  | <b>25.00</b>      | <b>9,153,414</b>                          | <b>381,121</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>37,735,953</b>                               | <b>402,167</b> | <b>38,138,120</b> | <b>100.00</b>     | <b>37,756,999</b>                         | <b>381,121</b> | <b>38,138,120</b> | <b>100.00</b>     | <b>-</b>                 |



# Uttam Sugar Mills Limited

## B. 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)

| Sl 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 | 16301224                                  | 42.74                            | 16301224                            | 42.74                            | No Change                             |                                  |
| 2      | Lipi Boilers Private Limited                  | 3515000                                   | 9.22                             | 3515000                             | 9.22                             |                                       |                                  |
| 3      | Uttam Industrial Engineering Private Limited  | 2750000                                   | 7.21                             | 2750000                             | 7.21                             |                                       |                                  |
| 4      | Raj Kumar Adlakha                             | 1624610                                   | 4.26                             | 1624610                             | 4.26                             |                                       |                                  |
| 5      | Ranjan Adlakha                                | 1492550                                   | 3.91                             | 1492550                             | 3.91                             |                                       |                                  |
| 6      | Shomna Adlakha                                | 870410                                    | 2.28                             | 870410                              | 2.28                             |                                       |                                  |
| 7      | New Castle Finance And Leasing Pvt. Ltd       | 380650                                    | 1.00                             | 380650                              | 1.00                             |                                       |                                  |
| 8      | Ranjana Chopra                                | 373300                                    | 0.98                             | 373300                              | 0.98                             |                                       |                                  |
| 9      | Rajan Adlakha                                 | 367010                                    | 0.96                             | 367010                              | 0.96                             |                                       |                                  |
| 10     | Uttam Sucrotech Limited                       | 314267                                    | 0.82                             | 314267                              | 0.82                             |                                       |                                  |
| 11     | Bharat Adlakha                                | 166500                                    | 0.44                             | 166500                              | 0.44                             |                                       |                                  |

## Uttam Sugar Mills Limited

|    |   |        |      |        |      |           |
|----|---|--------|------|--------|------|-----------|
| 12 | Saiesha Adlakha                               | 166500 | 0.44 | 166500 | 0.44 | No Change |
| 13 | Rajni Babbar                                  | 139910 | 0.37 | 139910 | 0.37 |           |
| 14 | Shubham Sugars Limited                        | 70240  | 0.18 | 70240  | 0.18 |           |
| 15 | Shanta  | 60000  | 0.16 | 60000  | 0.16 |           |
| 16 | Jai Adlakha                                   | 4200   | 0.01 | 4200   | 0.01 |           |
| 17 | Raj Kumar Adlakha [Karta of R.K. & Sons(HUF)] | 4104   | 0.01 | 4104   | 0.01 |           |
| 18 | Balram Adlakha                                | 3100   | 0.01 | 3100   | 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)

| Sl 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                             | 1803000                                   | 4.73                             | 1810000                             | 4.75                             | 7000                                  | 0.02                             |
| 2      | Seema Goel                                  | 886000                                    | 2.32                             | 886000                              | 2.32                             | -                                     | 0.00                             |
| 3      | Vedicera Services Private Limited           | 835040                                    | 2.19                             | 835040                              | 2.19                             | -                                     | 0.00                             |
| 4      | Yogesh Chopra                               | 462300                                    | 1.21                             | 462300                              | 1.21                             | -                                     | 0.00                             |
| 5      | Saravana Stocks Investments Private Limited | 0   | 0.00                             | 400000                              | 1.05                             | 400000                                | 1.05                             |
| 6      | Anil Kumar Goel (HUF)                       | 428000                                    | 1.12                             | 283197                              | 0.74                             | (144803)                              | -0.38                            |
| 7      | Axis Bank Limited                           | 2125                                      | 0.01                             | 188125                              | 0.49                             | 186,000                               | 0.49                             |
| 8      | Jai Babbar                                  | 141972                                    | 0.37                             | 141972                              | 0.37                             | -                                     | 0.00                             |
| 9      | Sohan Lal Arora                             | 137000                                    | 0.36                             | 137000                              | 0.36                             | -                                     | 0.00                             |
| 10     | Virender Kumar                              | 122277                                    | 0.32                             | 122277                              | 0.32                             | -                                     | 0.00                             |
| 11     | Ankita Babbar                               | 120000                                    | 0.31                             | 120000                              | 0.31                             | -                                     | 0.00                             |

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

| Sl 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 | 1624610                                   | 4.26                             | 1624610                             | 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  | 76,422.55                        | 705.19          | -        | 77,127.74          |
| 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>   |

| Change in Indebtedness during the financial year |                   |                 |          |                   |
|--|-------------------|-----------------|----------|-------------------|
| *Addition  | 13,947.20         | 29.23           | -        | 13,976.43         |
| * Reduction                                      | (18,390.81)       | (3.26)          | -        | (18,394.07)       |
| <b>Net Change</b>                                | <b>(4,443.61)</b> | <b>25.97</b>    | <b>-</b> | <b>(4,417.64)</b> |
| Indebtedness at the end of the financial year    |                   |                 |          |                   |
| i) Principal Amount                              | 71,830.70         | 701.93          | -        | <b>72,532.63</b>  |
| ii) Interest due but not paid                    | -                 | 372.30          | -        | 372.30            |
| iii) Interest accrued but not due                | 195.12            | 16.24           | -        | 211.36            |
| <b>Total (i+ii+iii)</b>                          | <b>72,025.82</b>  | <b>1,090.47</b> | <b>-</b> | <b>73,116.29</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/WT/ Manager   |                               | Total Amount  |
|---------|---|--|-------------------------------|---------------|
|         | Gross Salary  | <b>Raj Kumar Adlakha, MD</b>   | <b>Ashok Kr Aggarwal, WTD</b> |               |
| 1       | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 204.00   | 38.80                         | 242.80        |
|         | (b) Value of perquisites u/s 17(2) Income Tax Act, 1961                             | 11.88  | 14.74                         | 26.62         |
|         | (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961              | -  | -                             | -             |
| 2       | Stock Option  | -  | -                             | -             |
| 3       | Sweat Equity  | -  | -                             | -             |
| 4       | Commission<br>- as % of profit<br>- others, specify...                              | 13.00  | -                             | 13.00         |
| 5       | Others, please specify  | -  | -                             | -             |
|         | <b>Total (A)</b>  | <b>228.88</b>  | <b>53.54</b>                  | <b>282.42</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 | 165,000  | 105,000            | 165,000             | 125,000                     | 560,000      |
|         | Commission                                   | -  | -                  | -                   | -                           | -            |
|         | Others, please specify                       | -  | -                  | -                   | -                           | -            |
|         | <b>Total (1)</b>                             | 165,000  | 105,000            | 165,000             | 125,000                     | 560,000      |
|         | <b>Overall Ceiling as per the Act</b>        | Only sitting fees paid to Non-Executive/ Independent Directors |                    |                     |                             |              |

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

| 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. | –                        | 25.19             | 32.03 | 57.94 |
|         | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                       | –                        | 3.61              | 17.27 | 20.88 |
|         | (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961        | –                        | –                 | –     | –     |
| 2       | Stock Option   | –                        | –                 | –     | –     |
| 3       | Sweat Equity   | –                        | –                 | –     | –     |
| 4       | Commission<br>- as % of profit<br>- others, specify...                               | –                        | –                 | –     | –     |
| 5       | Others, please specify   | –                        | –                 | –     | –     |
|         | Total  | –                        | 29.52             | 49.30 | 78.82 |

**(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> August, 2019

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

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

**(ANNEXURE – III)**  
**PARTICULARS OF EMPLOYEES**

**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 thereunder 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. 2.44 Lakh. The ratio of the remuneration of each Director to the Median Remuneration of the employees of the Company for the financial year 2018-19 are as under:

| Directors                 | Designation          | Remuneration of Directors in Financial Year 2018-19 (Rs. In Lakhs) | Ratio of Remuneration to Median Remuneration of Employees |
|---------------------------|----------------------|--|---|
| Mr. Raj Kumar Adlakha     | Managing Director    | 228.88   | 93.63   |
| Mr. Ashok Kumar Aggarwal  | Whole-Time Director  | 53.54  | 21.90   |
| Dr. R. Vasudevan          | Independent Director | 1.65   | 0.68  |
| Mr. G. S. Matta           | Independent Director | 1.05   | 0.43  |
| Mr. N. K. Sawhney         | Independent Director | 1.65   | 0.68  |
| Mrs. Rutuja Rajendra More | Independent Director | 1.25   | 0.51  |

- (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 2017-18 | Remuneration of KMP in Financial Year 2018-19 | % Increase/ (Decrease) in remuneration |
|---------------------------------|---|---|--|
| Mr. Raj Kumar Adlakha (MD)      | 210.70  | 228.88  | 8.63                                   |
| Mr. Ashok Kumar Aggarwal (WTD)  | 49.79   | 53.54   | 7.53                                   |
| Mr. Sanjay Bhandari (CFO)       | 45.55   | 49.30   | 8.23                                   |
| Mr. Gopalaiyer Ramarathnam (CS) | 27.18   | 29.52   | 8.61                                   |

- (c) The percentage increase in the Median Remuneration of employees in the financial year was 1.515%.
- (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, 2019 was 802.
- (e) Average percentage increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentage 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 in the salaries of employees in 2018-19 was 14.03%. Percentage increase in the Managerial Remuneration for the year was 8.42%. 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    | 228.88                       | Managing Director                                 | Permanent            | B.E. (Mech.)                | 40         | 63           | N.A.                               | N.A.                                | 1624610 (4.26%)       |
| 2     | Mr. Ashok Kumar Aggarwal | 53.54                        | Executive Director                                | Permanent            | B.Com. (Hons.), C.A         | 36         | 60           | 02.01.2012                         | Empee Sugar                         | Nil                   |
| 3     | Mr. Sanjay Bhandari      | 49.30                        | CFO   | Permanent            | C.A.                        | 33         | 53           | 27.01.2007                         | Willard India Ltd.                  | Nil                   |
| 4     | Mr. Shankar Lal Sharma   | 45.12                        | Chief Operating Officer                           | Permanent            | B.Com, C.A.                 | 22         | 45           | 04.07.2013                         | Bhushan Steel Limited               | Nil                   |
| 5     | Mr. Anil Kumar Sharma    | 38.00                        | Vice President – Shermau Unit                     | Permanent            | B.Sc, LL.B                  | 25         | 61           | 14.08.2017                         | Simbhaoli Sugar Limited             | Nil                   |
| 6     | Mr. Asif Iqbal           | 37.50                        | G.M (Tech. - Corp.)                               | Permanent            | B.Sc. (Hons.) (Phy.), ANSI  | 22         | 43           | 11.05.2015                         | ED & F Man, India                   | Nil                   |
| 7     | Mr. Narpal Singh         | 31.40                        | Vice President – Barkatpur Unit                   | Permanent            | B.A                         | 34         | 58           | 04.06.2018                         | Oudh Sugar Mills                    | Nil                   |
| 8     | Mr. I Raja Rathinam      | 30.60                        | G.M. (Power Plant)                                | Permanent            | B.E                         | 27         | 47           | 17.10.2008                         | N.A.                                | Nil                   |
| 9     | Mr. J. P. Tripathi       | 30.50                        | Vice President (Distillery)                       | Permanent            | B.Sc, P.G DIFAT             | 41         | 64           | 13.03.2013                         | Sir Shadilal Dist. & Chem. Works    | Nil                   |
| 10    | Mr. G. Ramarathnam       | 29.52                        | Chief-Legal and Corp. Affairs & Company Secretary | Permanent            | B.Com, LL.B, FCA, FCS, ACMA | 53         | 74           | 01.06.2001                         | Oriental Carbon & Chemicals Limited | 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**

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

Place : Noida  
Date : 10<sup>th</sup> August, 2019

**(ASHOK KUMAR AGGARWAL)  
EXECUTIVE DIRECTOR  
(DIN : 05199585)**

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

**(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;**

- a) During the year 2018-19, the Company saved about 180000 units of power consumption, besides addition of 580 KW of power for running newly constructed pharma section and Bagasse cutting machine. This has been achieved by improving the power factor of supply after installation of 960 KVAR capacitor banks at major load centers.
- b) Reduction in the down time during the crushing season 2018-19 through quality maintenance carried out in off season of 2018. This also resulted into considerable saving in power consumption.
- c) Variable Frequency Drive (VFD) installed for pan circulator, feed pump, injection pump, rotary screen etc. resulting saving in energy.
- d) Installation of additional HT capacitor banks of 500 KVAR for the Shredder motor, which saved about 100 KW power per hour.
- e) Use of LED Lights being encouraged replacing of mercury/ sodium vapor lamps heating resulting saving in energy.
- f) Raw Sugar Correction melter has been shifted to such a height that melt flow is now through gravity which saved about 15 KW power per hour during crushing season.
- g) R3 sugar melter has been stopped and R3 magma is being transferred directly to Raw Sugar mingler. This has resulted into saving of 10 KW power per hour during crushing season.
- h) Bagasse Belt Conveyor between 4<sup>th</sup> Mill and Bagasse Elevator has been removed by providing achute for transfer of Bagasse. This has resulted into saving of 5 KW power per hour during season.

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

- a) 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.
- b) Recycling of process water to conserve natural resources.

**iii) The capital investment on energy conservation equipments : Rs. 9.26 Crore****B) Technology Absorption :-**

- i) The efforts made towards technology absorption:- Not Applicable
- ii) The benefits derived like product improvement, cost reduction, product development or import substitution:- Not Applicable
- iii) 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 |

- iv) Expenditure incurred on Research & Development - NIL

## Uttam Sugar Mills Limited

### (C) Foreign Exchange Earnings and Outgo

(Rs. in Lakhs)

| PARTICULARS   | Period Ended |            |
|---|--------------|------------|
|   | 31.03.2019   | 31.03.2018 |
| Earnings:- Export Sales (F.O.B Value)               | 63.72        | 30.63      |
| Advance received for export sales of finished goods | 0.85         | 32.24      |
| Outgo:- a) Travelling Expenditure                   | 17.36        | 24.06      |
| b) Professional Charges                             | 2.78         | –          |
| c) Repair & Maintenance                             | 0.54         | –          |

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

Place : Noida  
Date : 10<sup>th</sup> August, 2019

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

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



**(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/adminpanel/product\\_image/c759ed36b95983ec3553f06654133160CorporateSocialResponsibilityPolicy.pdf](http://uttamsugar.in/adminpanel/product_image/c759ed36b95983ec3553f06654133160CorporateSocialResponsibilityPolicy.pdf)

2. The composition of CSR Committee :-

**Name**
**Category**

Mr. Raj Kumar Adlakha : Promoter/ Executive (Chairman)  
 Mr. Ashok Kumar Aggarwal : 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. 1,975.24 Lakhs

4. Prescribed CSR Expenditure (2% of the amount 3 above) : Rs. 39.50 Lakhs

5. Detail of CSR spent during the financial year :-

- a. Total amount to be spent for the financial year : Rs. 39.50 Lakhs
- b. Amount spent for 2018-19 : Rs. 40.83 Lakhs
- c. Manner in which the amount spent during the financial year :-

| Sl. No. | CSR Project/<br>Programs                                  | Sector in<br>which the<br>Project /<br>Programs is<br>covered | Projects or<br>programs  | Amount<br>outlay<br>(budget)<br>project /<br>programs<br>wise<br>(Rs. in Lakh) | Amount<br>spent on the<br>project / pro-<br>grams Direct<br>expenditure<br>on project<br>/ programs<br>(Rs. in Lakh) | Cumulative<br>expenditure<br>upto report-<br>ing period<br>(Rs. in Lakh) | Amount<br>spent: Direct<br>or through<br>implement-<br>ing<br>Agency |
|---------|---|---|--|--|--|--|--|
|         |   |   | 1) Local area<br>or other<br>2) Specify<br>the State<br>and District<br>where the<br>Project or<br>programs<br>was<br>undertaken                     |  |  |  |  |
| (1)     | (2)   | (3)   | (4)  | (5)  | (6)  | (7)  | (8)  |
| 1.      | Providing<br>health care<br>and safe<br>drinking<br>water | Items (i) of<br>Sch.VII of<br>Companies<br>Act 2013           | - District<br>Haridwar,<br>Uttarakhand<br>- District<br>Bijnore, U.P.<br>- District<br>Muzaffarna-<br>gar, U.P.<br>- District<br>Saharanpur,<br>U.P. | 15.00  | 14.64  | 14.64  | Direct   |

## Uttam Sugar Mills Limited

|              |                            |   |   |              |              |              |        |
|--------------|----------------------------|---|---|--------------|--------------|--------------|--------|
| 2.           | Promoting Education        | Items (ii) of Sch.VII of Companies Act 2013 | District Haridwar, Uttarakhand  | 2.50         | 2.38         | 2.38         | Direct |
| 3.           | Rural Development Projects | Items (x) of Sch.VII of Companies Act 2013  | - District Haridwar, Uttarakhand<br>- District Bijnore, U.P.<br>- District Muzaffarnagar, U.P.<br>- District Saharanpur, U.P. | 22.50        | 23.81        | 23.81        | Direct |
| <b>Total</b> |                            |   |   | <b>40.00</b> | <b>40.83</b> | <b>40.83</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> August, 2019

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

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

## ANNEXURE – VI

**CORPORATE GOVERNANCE REPORT 2018-19****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 7 (Seven) Directors. Out of them two are Executive Directors and five are Non-Executive 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 Aggarwal  | Whole Time Director | Non-Promoter & Executive    |
| Dr. R. Vasudevan          | Director            | Non-Executive & Independent |
| Mr. G. S. Matta           | Director            | Non-Executive & Independent |
| Mr. N. K. Sawhney         | Director            | Non-Executive & Independent |
| Mrs. Rutuja Rajendra More | Director            | Non-Executive & Independent |
| Mr. Amir Singh Yadav*     | Nominee Director    | Non-Executive               |

\*Mr. Amir Singh Yadav has been appointed as Nominee Director of Punjab National Bank w.e.f 07.08.2019.

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

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 2018-19, 5 (Five) Board Meetings 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 Aggarwal  | 5                              | Yes               |
| Dr. R. Vasudevan          | 5                              | Yes               |
| Mr. G. S. Matta           | 3                              | Yes               |
| Mr. N. K. Sawhney         | 5                              | No                |
| Mrs. Rutuja Rajendra More | 5                              | Yes               |

**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)       | Directorship in Other Listed Company | 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     | -                                    | 10   | -   | -  |
| Mr. Ashok Kumar Aggarwal  | -                                    | -  | -   | -  |
| Dr. R. Vasudevan          | -                                    | -  | -   | -  |
| Mr. G. S. Matta           | 1*                                   | -  | -   | -  |
| Mr. N. K. Sawhney         | -                                    | 1  | -   | -  |
| Mrs. Rutuja Rajendra More | -                                    | -  | -   | -  |
| Mr. Amir Singh Yadav      | 1**                                  | -  | -   | -  |

\* Mr. G.S. Matta is also an Independent Director in Chamak Holdings Limited.

\*\* Mr. Amir Singh Yadav is also a Nominee Director in Bajaj Hindusthan Sugar Limited.

**D. Details of Board Meetings held during the year ended 31<sup>st</sup> March, 2019:**

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.     | 29.05.2018      | 5                        |
| 2.     | 10.07.2018      | 5                        |
| 3.     | 02.08.2018      | 6                        |
| 4.     | 12.11.2018      | 6                        |
| 5.     | 14.02.2019      | 6                        |

- The time gap between any two meetings did not exceed 120 days.
- The last AGM was held on Friday, 17<sup>th</sup> August, 2018.

**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 Aggarwal  | Nil                  |
| 3.     | Dr. R. Vasudevan          | Nil                  |
| 4.     | Mr. G. S. Matta           | Nil                  |
| 5.     | Mr. N. K. Sawhney         | Nil                  |
| 6.     | Mrs. Rutuja Rajendra More | Nil                  |
| 7.     | Mr. Amir Singh Yadav      | Nil                  |

**G. Familiarization Programme for Independent Directors**

The Company has a Familiarization programme 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.

## Uttam Sugar Mills Limited

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 Independent Directors is also placed on the website: [www.uttamsugar.in](http://www.uttamsugar.in) and can be accessed at this weblink [http://uttamsugar.in/adminpanel/product\\_image/0af37f5d744e53afcd12d5cc7f5e03a7FamiliarisationProgrammeforIndependentDirectors.pdf](http://uttamsugar.in/adminpanel/product_image/0af37f5d744e53afcd12d5cc7f5e03a7FamiliarisationProgrammeforIndependentDirectors.pdf).

### H. Skill/Expertise/Competence of the Board of Directors

| S. No. | Name of Director          | Skill, Expertise and Competence   |
|--------|---------------------------|---|
| 1.     | Mr. Raj Kumar Adlakha     | Mr. Raj Kumar Adlakha holds degree in B. E. (Mech). Mr. Adlakha is having more than 40 years of industrial experience in managing the operations of industrial undertakings. He was instrumental in setting up of our four sugar manufacturing units, Co-generation Unit and one Distillery Units under his leadership.   |
| 2.     | Mr. Ashok Kumar Aggarwal  | Mr. Ashok Kumar Aggarwal is a Chartered Accountant and also holds degree in Bachelors of Commerce (Hons). Mr. Aggarwal is having overall 36 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.   |
| 3.     | Dr. R. Vasudevan          | Dr. Vasudevan is a Doctorate and Qualified Ph.D. and has a degree in B.E. (Hons) (Mech). Dr. R. Vasudevan is having overall 57 years of Industrial Experience. He is Founder Director of Bharathidasan School of Energy. He has won various awards in the field of engineering.   |
| 4.     | Mr. G. S. Matta           | Mr. G. S. Matta has a degree in Bachelor of Science (Hons.) & is a Certified Associate of Indian Institute of Bankers (CAIIB). Mr. Matta is having around 47 years of experience. He has also headed various committees for implementation of Basel II, Core Banking Solutions and Risk Management. He is also a visiting faculty at (National Institute of Bank Studies and Corporate Management) NIBSCOM, Noida for lectures on various topics on the Banking Industry like Risk Management, Corporate Governance, Basel II norms, etc. |
| 5.     | Mr. N. K. Sawhney         | Mr. N.K. Sawhney, is an Engineer from IIT Madras, Sugar Technologist from National Sugar Institute, Kanpur and MBA in Finance from Faculty of Management Studies, University of Delhi. Mr. Sawhney has an overall experience of over 48 years with various industries on senior positions. Mr. Sawhney is also a corporate advisor to various Sugar companies.  |
| 6.     | Mrs. Rutuja Rajendra More | Mrs. Rutuja Rajendra More has a degree in Master of Science (Microbiology). Mrs. More is having 25 years experience in Agricultural Microbiology. She has Specialization in Agricultural microbiology with respect to biofertilizers, biopesticides and composting of Agro industrial wastes and its enrichment. She has authored several Articles relating to Sugarcane Cultivation / Development and also published Research papers from time to time.  |
| 7.     | Mr. Amir Singh Yadav      | Mr. Amir Singh Yadav holds degree in M.Com and CAIIB. He is working with Punjab National Bank for last 34 years, presently designated as Circle Head – DGM (PNB), Noida circle. He has been appointed as Nominee Director of PNB on the Board of the Company w.e.f 07 <sup>th</sup> August, 2019.   |

## Uttam Sugar Mills Limited

- I. The Board is of the opinion that all Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and are independent of the management.
- J. During the year under review, none of the Independent Directors resigned from the Board of the Company.

### 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 Aggarwal | Executive Director              |
| 3.     | Dr. R. Vasudevan         | Independent Director            |
| 4.     | Mr. N. K. Sawhney        | Independent Director            |

#### C. Meeting and Attendance:-

During the Financial Year 2018-19, 5 (Five) Audit Committee Meetings were held on 29.05.2018, 10.07.2018, 02.08.2018, 12.11.2018 & 14.02.2019. The attendance of the members is as follows:-

| S. No. | Name                     | Attendance |
|--------|--------------------------|------------|
| 1.     | Mr. G. S. Matta          | 3          |
| 2.     | Mr. Ashok Kumar Aggarwal | 5          |
| 3.     | Dr. R. Vasudevan         | 5          |
| 4.     | Mr. N. K. Sawhney        | 5          |

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.

#### 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. N. K. Sawhney | Member      | Non-Executive & Independent |

## Uttam Sugar Mills Limited

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

During the Financial Year 2018-19, 1 (One) committee meeting was held on 14.02.2019 attendance thereof is given below:

| Name of Member    | Attendance |
|-------------------|------------|
| Dr. R. Vasudevan  | 1          |
| Mr. G. S. Matta   | 1          |
| Mr. N. K. Sawhney | 1          |

### 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 shareholders.

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 and Board took note of the same.

## 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 remuneration 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.

### Details of remuneration paid / payable to the Directors for the year ended 31<sup>st</sup> March, 2019 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, 2019 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 | 11.88                  | 13.00              | -           | 228.88 | Appointed as Managing Director upto 31.03.2021 by the shareholders of the Company in the AGM held on 17.08.2018. |
| 2.     | Mr. Ashok Kumar Aggarwal | 38.80  | 14.74                  | -                  | -           | 53.54  | Appointed as W.T.D upto 31.12.2020 by the shareholders of the Company in the AGM held on 17.08.2018.             |



## Uttam Sugar Mills Limited

|    |                           |   |   |   |      |      |   |
|----|---------------------------|---|---|---|------|------|---|
| 3. | Dr. R. Vasudevan          | - | - | - | 1.65 | 1.65 | Appointed as an Independent Director upto the AGM to be held in the year 2020.  |
| 4. | Mr. G. S. Matta           | - | - | - | 1.05 | 1.05 | Appointed as an Independent Director upto the AGM to be held in the year 2020.  |
| 5. | Mr. N K Sawhney           | - | - | - | 1.65 | 1.65 | Appointed as an Independent Director upto ensuing AGM. Proposed to be re-appointed in this AGM for further term of 5 years. |
| 6. | Mrs. Rutuja Rajendra More | - | - | - | 1.25 | 1.25 | Appointed as an Independent Director upto ensuing AGM. Proposed to be re-appointed in this AGM for further term of 5 years. |

### 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 linked 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 2018-19, 6 (Six) 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 | 6                      |
| Mr. N. K. Sawhney | Member      | Non-Executive & Independent | 4                      |

During the year 2018-19, no complaint was received from Shareholders and there were no pending complaints as on 31<sup>st</sup> March, 2019. Other details pertaining to the Stakeholders Committee are given below:

|    |   |   |
|----|---|---|
| a) | Name of Chairman heading the Committee                | Dr. R. Vasudevan<br>(Non Executive Independent Director)                        |
| b) | Name & Designation of Compliance Officer              | Mr. G. Ramarathnam<br>(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.

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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 Aggarwal | 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 29<sup>th</sup> May, 2018 and Mr. Raj Kumar Adlakha and Mr. Ashok Kumar Aggarwal attended the Meeting. Leave of absence was granted to Mr. G. S. Matta on his specific request.

### 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   |
|----------------------|------------|---|------------|---|
| 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.  |
| 23 <sup>rd</sup> AGM | 17.08.2018 | Village Libberheri, Tehsil Roorkee, Distt. Haridwar Uttarakhand | 12.00 Noon | ➤ Re-appointment of Mr. Ashok Kumar Aggarwal (DIN: 05199585), Whole Time Director from 01 <sup>st</sup> January, 2018 to 31 <sup>st</sup> December, 2020<br>➤ Re-appointment of Mr. Raj Kumar Adlakha (DIN: 00133256), Managing Director from 01 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2021.<br>➤ Re-classification of the Authorised Share Capital of the Company.<br>➤ Further Issue of Securities |

#### b) Resolution passed through Postal Ballot

During the current financial year i.e. 2018-19, the Company has not passed any Special Resolutions through Postal Ballot. No resolution is proposed to be passed in the ensuing AGM through postal ballot.

### 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" and "Veer Arjun" (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, 20 <sup>th</sup> September, 2019 at 12.00 Noon at Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand |
| b) | Financial Year           | 1 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2019  |

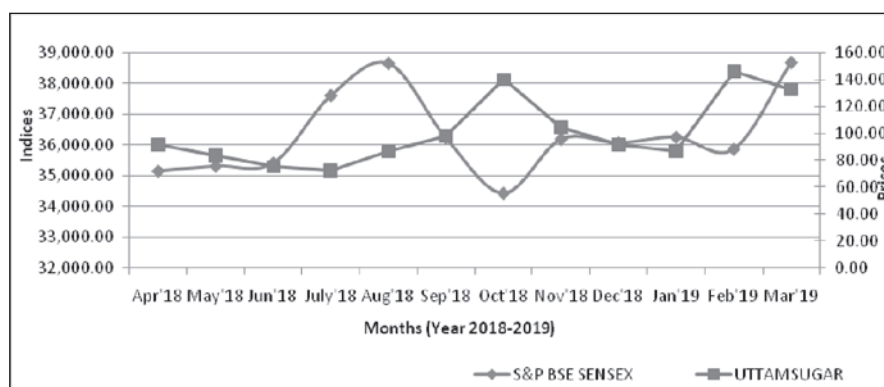
## Uttam Sugar Mills Limited

|     |   |  |
|-----|---|--|
|     | Financial Calendar 2019-20 (Tentative Schedule)<br><b>Results for quarter ending :</b><br>i. 30 <sup>th</sup> June, 2019<br>ii. 30 <sup>th</sup> September 2019<br>iii. 31 <sup>st</sup> December 2019<br>iv. 31 <sup>st</sup> March 2020 | On or before 14 <sup>th</sup> day of August, 2019<br>On or before 14 <sup>th</sup> day of November, 2019<br>On or before 14 <sup>th</sup> day of February, 2020<br>On or before 30 <sup>th</sup> day of May, 2020  |
|     | Book Closure Date   | Saturday, 14 <sup>th</sup> September, 2019 to Friday, 20 <sup>th</sup> September, 2019 (both days inclusive).  |
| (c) | Dividend Payment Date   | N. A.  |
| (d) | Listing on Stock Exchange   | <b>National Stock Exchange of India Limited</b><br>Exchange Plaza, Bandra - Kurla Complex,<br>Bandra (E), Mumbai – 400 051<br><b>BSE Limited</b><br>1 <sup>st</sup> Floor, Phiroze, Jeejeebhoy Towers,<br>Dalal Street, Mumbai – 400 001<br><b>Note :</b> Your Company has already paid the Listing fees to both the Stock Exchanges for the F.Y. 2018-19 & F.Y. 2019-20 |
| (e) | <u>Stock Code</u><br>National Stock Exchange of India Ltd<br>BSE Limited  | UTTAMSUGAR<br>532729   |

f) Market Price Data High/ Low during each month of the Financial Year 2018-19: (BSE Limited)

| Month        | High (Rs.) | Low (Rs.) |
|--------------|------------|-----------|
| April'18     | 110.80     | 82.65     |
| May'18       | 95.75      | 63.45     |
| June'18      | 86.50      | 70.00     |
| July'18      | 78.95      | 61.50     |
| August'18    | 95.10      | 72.20     |
| September'18 | 142.40     | 82.05     |
| October' 18  | 163.80     | 90.65     |
| November' 18 | 157.00     | 97.00     |
| December' 18 | 106.90     | 84.55     |
| January'19   | 108.00     | 84.50     |
| February'19  | 150.30     | 77.95     |
| March'19     | 161.00     | 118.05    |

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



## Uttam Sugar Mills Limited

|    |  |  |
|----|--|--|
| 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<br>Noble Heights, 1 <sup>st</sup> floor,<br>Plot No NH-2, C-1 Block, LSC,<br>Near Savitri Market, Janakpuri,<br>New Delhi - 110058.<br>Tel. :- 011-4141 0592-94<br>Telefax :- 011-4141 0591<br>Email: <a href="mailto:delhi@linkintime.co.in">delhi@linkintime.co.in</a> |
| 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, 2019.

(i) Category of Equity Shareholders as on 31.03.2019.

| S. No          | Category of Shareholder   | Total Number of Equity Shares | % of Shares   |
|----------------|---|-------------------------------|---------------|
| <b>(A)</b>     | <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>(B) (1)</b> | <b>Public Shareholding Institutions</b>                                       |                               |               |
| (a)            | Financial Institutions/ Banks   | 1,91,857                      | 0.50          |
| (b)            | Foreign Institutional Investors   | –                             | –             |
|                | <b>Sub-Total (B)(1)</b>   | <b>1,91,857</b>               | <b>0.50</b>   |
| <b>(B) (2)</b> | <b>Non-Institutions</b>   |                               |               |
| (a)            | Bodies Corporate  | 11,43,290                     | 3.00          |
| (b)            | NBFCs registered with RBI   | 4,00,310                      | 1.05          |
|                | Individuals :   |                               |               |
| (i)            | Individual Shareholders holding nominal share capital up to Rs. 2 lakh        | 26,45,780                     | 6.94          |
| (ii)           | Individual Shareholders holding nominal share capital in excess of Rs. 2 lakh | 44,65,292                     | 11.71         |
| (c)            | <u>Any others:</u>  |                               |               |
| (i)            | Trust   | 10                            | 0.00          |
| (ii)           | Foreign Nationals (Non Resident Indians)                                      | 1,15,087                      | 0.30          |
| (iii)          | Clearing Members  | 1,09,627                      | 0.29          |
| (iv)           | HUF   | 4,63,282                      | 1.21          |
|                | <b>Sub-Total (B)(2)</b>   | <b>93,42,678</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> |

## Uttam Sugar Mills Limited

(ii) Distribution of Equity Shareholding as on the 31.03.2019

| 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                  | 14077  | 93.10         | 1133051                             | 2.9709                                    |
| 02.     | 501 to 1,000              | 499  | 3.30          | 400541                              | 1.0502                                    |
| 03.     | 1,001 to 2,000            | 226  | 1.49          | 338379                              | 0.8872                                    |
| 04.     | 2,001 to 3,000            | 92   | 0.61          | 234724                              | 0.6155                                    |
| 05.     | 3,001 to 4,000            | 52   | 0.34          | 188425                              | 0.4941                                    |
| 06.     | 4,001 to 5,000            | 42   | 0.28          | 193415                              | 0.5071                                    |
| 07.     | 5,001 to 10,000           | 68   | 0.45          | 506361                              | 1.3277                                    |
| 08.     | 10,001 to above           | 65   | 0.43          | 35143224                            | 92.1472                                   |
|         | <b>TOTAL</b>              | <b>15,121</b>  | <b>100.00</b> | <b>38138120</b>                     | <b>100.00</b>                             |

|   |  |
|---|--|
| l). Dematerialization of shareholding and liquidity                     | As on March 31, 2019, 3,81,121 Equity Shares of the Company (1.00% of the total issued Equity Capital) were held in physical form and 3,77,56,999 Equity Shares (99.00% 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 and hedging activities | Nil  |
| o) Plant locations  | <p><b>Unit - I</b><br/>Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand</p> <p><b>Unit - II</b><br/>Village Barkatpur, Tehsil Nazibabad, District Bijnor, U.P.</p> <p><b>Unit - III</b><br/>Village Khaikheri, Tehsil &amp; District, Muzzaffarnagar, U.P.</p> <p><b>Unit - IV</b><br/>Village Shermau, Tehsil Nakur, Distt: Saharanpur, U.P.</p>  |
| p) Address for correspondence   | <p><b>Registrar &amp; Share Transfer Agent</b><br/>(For Dematerialisation and Share Transfer related query)<br/>Link Intime India Private Limited<br/>Noble Heights, 1<sup>st</sup> floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110058.<br/>Tel. :- 011-4141 0592-94<br/>Telefax :- 011-4141 0591</p> <p><b>Company</b><br/>(For Annual Report and any other related matters)<br/>Company Secretary,<br/>Uttam Sugar Mills Ltd.<br/>A-2E, III<sup>rd</sup> Floor,<br/>C.M.A. Tower, Sector – 24, Noida (U.P.)</p> |

|  |   |
|--|---|
| <p>q) List of Credit Ratings Obtained from Rating Agencies</p> | <p>There is no change in the Ratings already given by the Rating agencies during the year under review, However, ICRA has revised the Credit Rating in April, 2019. The same is given below.</p> <p>a) Fund Based – Term Loan<br/>ICRA BB+ Stable<br/>(Double B Plus; Outlook: Stable)</p> <p>b) Fund Based – Cash Credit<br/>ICRA BB+ Stable<br/>(Double B Plus; Outlook: Stable)</p> <p>c) Non-Fund based-Working Capital Facilities<br/>ICRA A4+ (A Four plus)</p> <p>d) Unallocated Limits<br/>ICRA BB+ Stable<br/>(Double B Plus; Outlook: Stable)</p> |
|--|---|

## 11. DISCLOSURES

- a) 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.
- b) 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.
- c) 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.
- d) The Company has complied with all the mandatory requirements of Listing Regulations.
- e) The company does not have any Subsidiary Company. Therefore, policy for determining 'material' subsidiaries is not required to be framed.
- f) The Company has in place Policy for Related Party Transactions 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/adminpanel/product\\_image/494aae23216ee62f6ad0a354f21aaca2PolicyonRelatedPartyTransaction.pdf](http://uttamsugar.in/adminpanel/product_image/494aae23216ee62f6ad0a354f21aaca2PolicyonRelatedPartyTransaction.pdf).
- g) Information pertaining to the disclosure of commodity price risks and commodity hedging activities is not applicable to the Company.
- h) The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).
- i) A certificate from a Company Secretary in practice that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board, Ministry of Corporate Affairs or any such statutory authority, forms part of this report.
- j) There were no instances where the Board has not accepted any recommendation of any committee of the board which was mandatorily required during the financial year in concern.
- k) Total fees for all services paid by the listed entity to the statutory auditor and all entities in the network of the statutory auditor is Rs.14.52 Lakh.
- l) There were no complaints filed/pending/disposed of in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the financial year in concern.
- m) A qualified Practicing Company Secretary has carried out the 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.

## Uttam Sugar Mills Limited

### 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 requirements has been adopted by the Company:

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

### 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,<br>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,<br>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 29<sup>th</sup> May, 2018 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, Chief Operating Officer 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 the conditions of Corporate Governance by Uttam Sugar Mills Ltd. for the financial year ended on 31<sup>st</sup> March, 2019 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> August, 2019**

### 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 2018-19.

**Place : Noida**

**Date : 10<sup>th</sup> August, 2019**

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

## Uttam Sugar Mills Limited

### CEO/CFO CERTIFICATION – FINANCIAL YEAR ENDED 31.03.2019

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

We, Raj Kumar Adlakha, Managing Director, Shankar Lal Sharma, Chief Operating Officer 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)**  
CHIEF OPERATING OFFICER  
(PAN: AGMPS8068E)

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

Place : Noida

Date : 10<sup>th</sup> August, 2019

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(As per clause C of Schedule V of the **Securities Exchange Board of India**  
**(Listing Obligations and Disclosure Requirement) Regulations, 2015** read with  
Regulation 34(3) of the said Listing Regulations)

To the Members of  
Uttam Sugar Mills Limited  
Uttarakhand

As required by item 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, we certify that none of the directors on the board of Uttam Sugar Mills Limited have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

#### 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> August, 2019

## 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 Obligations of Disclosure Requirement) Regulations, 2015.

#### A. INDUSTRY STRUCTURE & DEVELOPMENTS

##### Global Sugar Industry Scenario:

Global Sugar production in sugar season 2018-19 is 178.93 Million MT with a decrease of 8.00% as compared to sugar production of 194.50 Million MT in sugar season 2017-18.

##### 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 2nd largest producer of sugar in the world after Brazil. However, during 2018-19 India was the first position in sugar production of the world.
- India Share in World Sugar Production was approx 18 % in 2018-19.
- Brazil was largest exporter in sugar and India is at number 4.
- Major export destinations for India in 2018-19 were Sudan, Somalia, Kenya, UAE, Canada, Iran, African Countries 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.
- Indonesia is the largest importer in the world.
- Stocks are very higher at global level. India is having highest stock in the world over 17 Million MT and it is 32% of total stock of the world.
- Global imports are at lower side at 51.07 Million MT against 54.68 Million MT in 2017-18.
- Major dip in import in United States, Bangladesh, UAE, India and South Africa.
- Global export are also lower at 56.44 Million MT against 64.50 Million MT in 2017-18.
- Major Dip in the export of Brazil, EU, Pakistan Etc.

##### Production, Consumptions and End Stocks:

The Global Sugar industry production in 2018-19 is 178.93 Million MT with a decrease of 8.00% as compared to sugar production of 194.50 Million MT in sugar season 2017-18. However, in consumption there is an increase by 0.21% to 173.95 Millions MT in 2018-19 as compared to 173.58 Millions MT in 2017-18, resulting into inventory levels for the 2018-19 and 2017-18 at 53.85 Million MT and 53.46 Million MT respectively. There is a decrease in the closing stock to consumption ratio in 2018-19 at 30.73% as against 31.02% at the end of 2017-18.

#### World Sugar Balances (October to September)

(In Million MT, Raw Value)

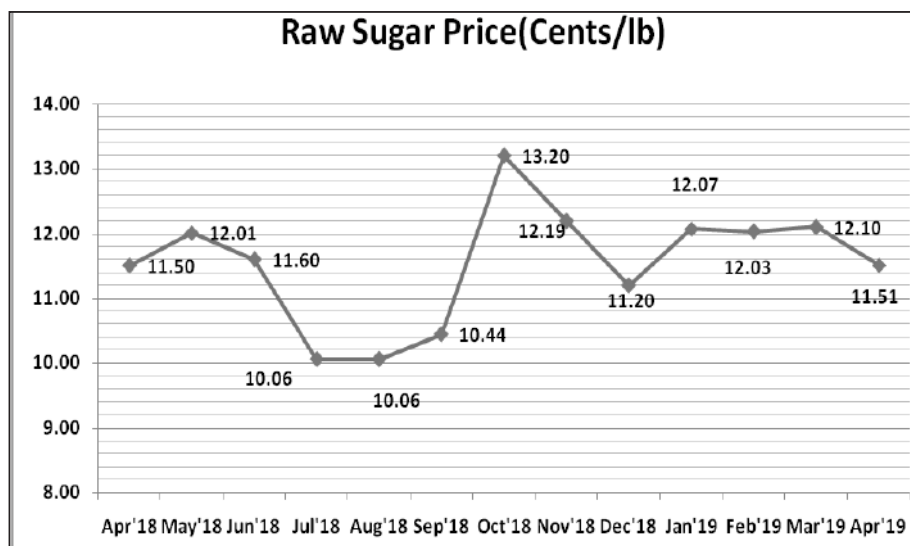
| Particulars                  | 2018-19<br>(Estimates) | 2017-18 | 2016-17 | Change in 2018-19 over<br>2017-18 |          |
|------------------------------|------------------------|---------|---------|-----------------------------------|----------|
|                              |                        |         |         | (Million MT)                      | (%)      |
| Production                   | 178.93                 | 194.50  | 173.98  | (15.57)                           | (8.00%)  |
| Consumption                  | 173.95                 | 173.58  | 170.77  | 0.37                              | 0.21%    |
| Surplus/(Deficit)            | 4.98                   | 20.92   | 3.21    | (15.94)                           | (76.19%) |
| Import demand                | 51.07                  | 54.68   | 54.17   | (3.61)                            | (6.60%)  |
| Export availability          | 56.44                  | 64.50   | 58.72   | (8.06)                            | (12.50%) |
| End Stocks                   | 53.46                  | 53.85   | 42.75   | (0.39)                            | (0.72%)  |
| Stock/Consumption Ratio in % | 30.73                  | 31.02   | 25.03   |                                   |          |

Source: United States department of agriculture (USDA)

## Uttam Sugar Mills Limited

- 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 approximately 62 percent of sugarcane crop to ethanol due to weak prices resulting from burdensome global supplies.
- India, Thailand etc. Production will be lower as compare to last year.
- Production of Brazil, EU & China will be higher as compare to last year.

The Global Sugar market continues to under price fluctuation. During the Financial year raw sugar price fluctuate up and down. In May 2018 raw sugar price was 12.01 cents/lb which come down at lowest level 10.06 cents/lb in August 2018 and then after increasing trend started till October 18 at the level of 13.2 cents/lb and in April 19 the raw sugar price further declined to 11.51 cents/lb.



Source: NASDAQ

The main reasons for decline in prices are:

- Global Sugar production was also high in sugar season 2018-19 specifically in India, EU & Thailand.
- Stock levels are still very high.
- It is expected to have higher sugar output in Sugar season 2019-20. In coming season also there are difference of Production and consumption over 4 Million. In view of this, price pressure will be there.

### INDIAN PERSPECTIVE OF SUGAR INDUSTRY

- As compared to about 325.00 Lakh ton of Sugar Produced in sugar season 2017-18, the production is approx. 330.00 Lakh ton in sugar season 2018-19.
- The Sugar mill in U.P. produced more than 118 Lakh tons of sugar, followed by Maharashtra at 107 Lakh tons & Karnataka at 43 Lakh tons.
- As compared to previous Sugar Season the production was lesser in UP by around 1.81%, in Karnataka the production was higher by 15.49% & in Maharashtra there is no major change in production.
- It is expected that in coming sugar season 2019-20, India's production is expected to decline 8.4 percent to 30.3 million tons due to lower area and yields.
- Due to high sugar output in India and higher carry over stocks, the price of sweetener is expected to depress.
- The Following chart depicts State Wise Sugar Production in Sugar Season 2018-19 (Upto June):

| S. No | STATE         | PRODUCTION (In Lakh Tons)<br>2018-19 | PRODUCTION<br>(In Lakh Tons) 2017-18 |
|-------|---------------|--------------------------------------|--------------------------------------|
| 1     | Uttar Pradesh | 118.23                               | 120.41                               |
| 2     | Maharashtra   | 107.19                               | 107.22                               |
| 3     | Karnataka     | 43.25                                | 36.55                                |
| 4     | Tamil Nadu    | 7.45                                 | 5.43                                 |

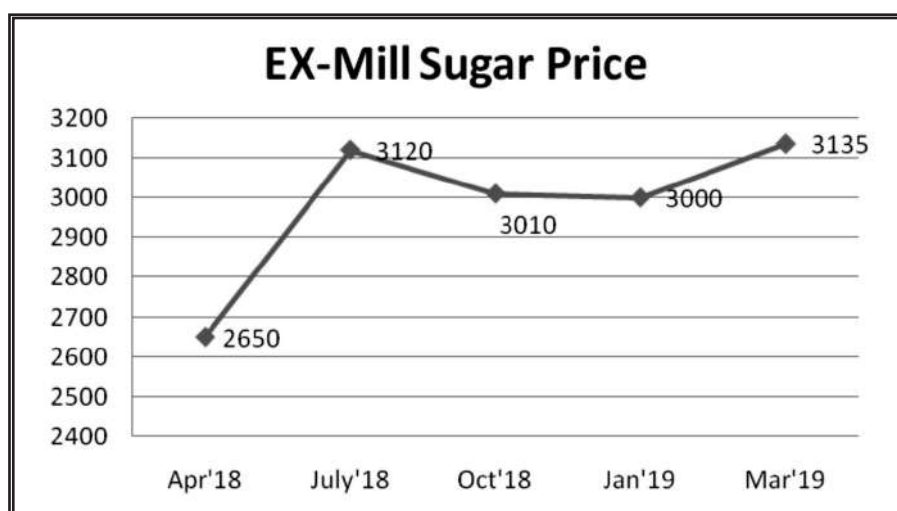
## Uttam Sugar Mills Limited

|    |                             |               |               |
|----|-----------------------------|---------------|---------------|
| 5  | Gujarat                     | 11.21         | 11.05         |
| 6  | Andhra Pradesh + Telangana  | 7.65          | 7.31          |
| 7  | Bihar                       | 8.42          | 7.16          |
| 8  | Punjab                      | 7.80          | 8.24          |
| 9  | Haryana                     | 6.90          | 8.43          |
| 10 | Madhya Pradesh+ Chattisgarh | 5.48          | 5.50          |
| 11 | Uttarakhand                 | 3.97          | 4.19          |
| 12 | Others*                     | 2.45          | 3.51          |
|    | <b>All India</b>            | <b>330.00</b> | <b>325.00</b> |

Source: ISMA

### Prices:

- The following chart explains price trend during the period from April 2018 to March 2019.



SOURCE : ISMA

### Inventory Level:

A Snapshot of the inventory position movement in the last four years is tabulated below:

(In Million MT)

| Particulars                  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19(E) |
|------------------------------|---------|---------|---------|---------|------------|
| Opening stock (A)            | 8.30    | 9.10    | 7.70    | 4.00    | 10.68      |
| Sugar Production (B)         | 28.10   | 25.10   | 20.30   | 32.50   | 33.00      |
| Imports (c)                  | 0.70    | 0.00    | 0.70    | 0.18    | 0.00       |
| Total Availability (D=A+B+C) | 37.10   | 34.20   | 28.70   | 36.68   | 43.68      |
| Internal Consumption (E)     | 25.00   | 24.80   | 24.60   | 24.50   | 26.00      |
| Exports (F)                  | 3.00    | 1.70    | 0.10    | 0.50    | 3.00       |
| Total off-take (G=E+F)       | 28.00   | 26.50   | 24.70   | 26.00   | 29.00      |
| Closing Stock (D-G)          | 9.10    | 7.70    | 4.00    | 10.68   | 14.68      |
| Stock as % of consumption    | 36%     | 31%     | 16.26%  | 43.59%  | 56.46%     |
| Surplus (B-E)                | 3.5     | 0.3     | -4.3    | 8.00    | 7.00       |

Source: ISMA

### Trade:

Due to higher production and higher stocks, the prices were depressed in the market. The prices were lowest level at Rs. 26.50/- Kg in the month of May 2018. Due to reduction in price and higher stocks, cane dues were higher resulting which government has taken certain steps to keep the price stable.

## Uttam Sugar Mills Limited

- 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.
- 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 and 50 Lakh tonnes for 2018-19.
- 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 and later on increased Rs. 31/- Kg fixed by the government during Feb. 2019, quota for sales fixed from June 2018 onwards & introduction of creation of buffer stock.
- Due to above steps, the sugar price remain stable from the month of June 2018 onwards.

### **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:

- Varietal Replacement with proven high recovery varieties.
- Ratoon management.
- Development of Agri Research Centres.
- Integrated Pest Management Programme.
- Soil testing facilities.
- Encouraging use of Bio-fertiliser & Bio-pesticides.
- Training facilities to the Farmers.
- 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.

The Commission for Agricultural Costs and Prices (CACP) has recommended the government to keep the fair and remunerative price for sugarcane at Rs. 275 per quintal for the Sugar season 2018-19.

## Uttam Sugar Mills Limited

Given below is a chart depicting the difference in the State Advised Cane Price (SAP) during 2014-15 to 2018-19 in the major sugar producing states:

| State          | 2015-16 (SAP) | 2016-17 (SAP) | 2017-18 (SAP) | 2018-19 (SAP) | 2018-19 FRP* |
|----------------|---------------|---------------|---------------|---------------|--------------|
| Bihar          | 255           | 280           | 300           | 300           | 275          |
| Uttar Pradesh  | 280           | 305           | 315           | 315           | 275          |
| Punjab         | 285           | 300           | 300           | 300           | 275          |
| Haryana        | 305           | 315           | 325           | 325           | 275          |
| Maharashtra    | -             | -             | -             | -             | 275          |
| Karnataka      | 250           | 230           | -             | -             | 275          |
| Andhra Pradesh | -             | -             | -             | -             | 275          |
| Tamil Nadu     | 285           | 285           | -             | -             | 275          |
| Uttarakhand    | 280           | 307           | 316           | 317           | 275          |

**Source: ASTA/ISMA**

**Note: -**

- 1.\* Fair and Remunerative Price (FRP) for sugar season 2018-19 declared at Rs. 275 per quintal linked to a basic recovery rate of 10%; providing a premium of Rs. 2.75 per quintal for every 0.1% increase in recovery above that level.
2. In Maharashtra, Andhra Pradesh, Tamil Nadu & Karnataka the SAP & FRP are same.
3. There is no change in SAP for U.P. for sugar season 2018-19.

### 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.

#### 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 2018-19 (Dec-Nov) floated by the OMCs on 10<sup>th</sup> Aug, 2018.
2. Out of 2687 million litres finalized by the OMCs, for which Letters of Intent (LOIs) have been issued by them, contracts for 2447 million litres have been executed till June, 2019 and 1319 million litres have been lifted by the OMCs till 24<sup>th</sup> June, 2019.
3. Out of the total supplied quantity, approx. 525 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. 54% of the contracted quantity & 49 % of finalised quantity.
5. First time Ethanol quantity of 508 Million Litres finalised from the production of B-Heavy Molasses/Juice.



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### Ethanol Blending Programme (EBP):

Ethanol Blended Petrol 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 environment friendly fuels. This intervention also seeks to reduce import dependence for energy requirements and give boost to agriculture sector.

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.

Consistent surplus of sugar production is depressing sugar price. Consequently, sugarcane farmer's dues have increased due to lower capability of sugar industry to pay the farmers. Government has taken many decisions for reduction of cane farmer's dues.

With a view to limit sugar production in the Country, Government has taken multiple steps including, allowing diversion of B heavy molasses / sugarcane juice for production of ethanol. As the ex-mill price of sugar has increased from the earlier estimated price, there is a need to revise price of B heavy molasses / partial sugarcane juice and 100% sugarcane juice for production of ethanol.

It is worth noting that as compared to ethanol derived from C heavy molasses route, diversion of B heavy molasses reduces the sugar by about 20% and increases ethanol availability by about 100%. On the other hand, diversion of sugarcane juice reduces sugar by 100% and increases ethanol availability by about 600%.

**The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi has given its approval to revise / fix the price of ethanol derived from B heavy molasses / partial sugarcane juice and fix a higher price for 100% sugarcane juice based ethanol for the sugar season 2018-19 during ethanol supply year from 1<sup>st</sup> December 2018 to 30<sup>th</sup> November 2019 as under:**

- To fix the ex-mill price of ethanol derived out of B heavy molasses / partial sugarcane juice to Rs.52.43 per litre (from prevailing price of Rs.47.13 per litre).
- To fix the ex-mill price of ethanol derived from 100% sugarcane juice at Rs.59.13 per litre (from prevailing price of Rs.47.13 per litre) for those mills who will divert 100% sugarcane juice for production of ethanol thereby not producing any sugar.
- To fix the ex-mill price of ethanol derived from C heavy molasses fixed at Rs.43.46 per litre
- To fix the ex-mill price of ethanol derived from damaged food grains/other sources at Rs.47.13 per litre.
- Additionally, GST and transportation charges will also be payable. OMCs have been advised to fix realistic transportation charges so that long distance transportation of ethanol is not disincentivised.
- OMCs are advised to prioritise ethanol from 1) 100 % sugarcane juice, 2) B heavy molasses / partial sugarcane juice, 3) C heavy molasses and 4) Damaged Food grains/other sources, in that order.

### Impact:

- The decision will serve multiple purposes of reducing excess sugar in the country, increasing liquidity with the sugar mills for settling cane farmer's dues and making higher ethanol available for Ethanol Blended Petrol (EBP) Programme.
- 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 being offered for procurement of ethanol from B heavy molasses / partial sugarcane juice and 100% 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.

### Key Government initiatives for Ethanol Manufacturing/Despatches

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

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- a) 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 B-Heavy molasses and sugar syrup, among other sugar containing crops.
- b) Allowed Manufacturing of Ethanol from B Heavy Molasses. Also allowed Manufacturing of Ethanol from Sugar Cane Juice.
- c) Ethanol from B heavy and Sugar Cane Juice will result in diversion of Sugar to Ethanol.
- d) Implementation of E -10 and Emphasis on implementation of E-20 progressively.
- e) Basic price of ethanol fixed at Rs. 43.46 per liter (ex mill) for supply period from 1st December 2018 to 30th November 2019, manufactured out of C heavy molasses.
- f) Basic price of ethanol fixed at Rs. 52.43 Per liter (ex mill) for the same period for manufactured out of B heavy molasses.
- g) Basic price of ethanol fixed at Rs. 59.13 Per litre (ex mill) for the same period for manufactured out of Sugar Cane Juice.
- h) For augmentation of ethanol production capacity by setting up of new distilleries attached with their sugar mills including capacity expansion of existing distillery and for increasing ethanol production capacity by way of installation of incineration boilers or by adoption of any other method approved by CPCB for zero liquid discharge. Government will provide interest subvention @ 6% per annum or 50% of rate of interest charged by bank whichever is lower on the loan sanctioned & disbursed by banks for 5 years. This scheme further extended.
- i) Reduction of GST rates on ethanol from 18 % to 5 %.
- j) 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.
- k) 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.
- l) 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.
- m) 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.

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 session 2018-19, the FRP has been declared by the Central Government at Rs. 275 per quintal.
- 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) 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 2018-19. Export Quotas of 50 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.
- e) Central government, with a view to offset the cost of cane and facilitate timely payment of cane price dues of farmers for season 2018-19, notifies the scheme for assistance to sugar mills @ Rs. 13.88/- per Qtl. relating to FRP subject to fulfilment of certain conditions.

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- f) Central Government with a view of offset the cost of transport of sugar for export for the quantity specified in MIEQ has notified as assistance up to Rs. 3000/- per ton depending on distance from sugar mills
- g) Central Government with a view to facilitate payment of cane dues of the farmers for S S 2018-19 notify the scheme for extending soft loan to Sugar Mills equivalent to 10.55% of their reported production in white Sugar 2017-18 at interest subvention 7%.
- h) 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. 31/- kg from February 2019 onwards.
- i) 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.
- j) Quantity restriction imposed on sale of sugar from June 2018 onwards and same will be reviewed from time to time by the GOI.

### **By State Government for the season 2018-19 (U.P./Uttarakhand)**

- k) The Uttar Pradesh & Uttarakhand Government have announced a State Advised Price(SAP) for sugarcane at Rs. 315 per quintal and Rs 317 per quintal respectively for season 2018-19.
- l) Government of U.P. notify the scheme for assistance to sugar mills @ Rs. 4.50/- per qtl. on cane for sugar season 2017-18 subject to fulfilment of certain conditions.
- m) Government of U.P. notify the scheme for assistance to sugar mills to provide loan at subsidised rate of interest @ 5% for clearance of cane dues for the season 2016-17 & 2017-18.
- n) Government of Uttarakhand also announced the same scheme in Line with U. P.

## **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;

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- 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.

### 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.

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### 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.

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, Grofers, Amazon 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 34 % in 2018-19 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 2018-19 |           |           |         |               | SEASON 2017-18 |           |           |         |               | SEASON 2016-17 |           |           |         |               |
|----------------|----------------|-----------|-----------|---------|---------------|----------------|-----------|-----------|---------|---------------|----------------|-----------|-----------|---------|---------------|
|                | Libberheri     | Barkatpur | Khaikheri | Shermau | TOTAL         | Libberheri     | Barkatpur | Khaikheri | Shermau | TOTAL         | Libberheri     | Barkatpur | Khaikheri | Shermau | TOTAL         |
| CAPACITY (TCD) | 6250           | 7000      | 4500      | 6000    | <b>23750</b>  | 6250           | 7000      | 4500      | 6000    | <b>23750</b>  | 6250           | 7000      | 4500      | 6000    | <b>23750</b>  |
| CANE CRUSHING  | 73.28          | 112.87    | 61.70     | 83.01   | <b>330.86</b> | 80.90          | 123.72    | 66.13     | 98.05   | <b>368.80</b> | 68.10          | 106.09    | 54.11     | 69.09   | <b>297.39</b> |
| RECOVERY (%)   | 11.74          | 12.52     | 11.57     | 11.28   | <b>11.86</b>  | 11.08          | 11.85     | 11.13     | 10.61   | <b>11.22</b>  | 10.56          | 11.95     | 10.47     | 10.06   | <b>10.92</b>  |
| PRODUCTION     |                |           |           |         |               |                |           |           |         |               |                |           |           |         |               |
| SUGAR          | 8.60           | 14.13     | 7.14      | 9.37    | <b>39.24</b>  | 8.96           | 14.66     | 7.36      | 10.40   | <b>41.38</b>  | 7.19           | 12.67     | 5.67      | 6.95    | <b>32.48</b>  |
| MOLASSES       | 3.06           | 4.38      | 2.77      | 3.40    | <b>13.61</b>  | 3.54           | 5.32      | 2.94      | 4.29    | <b>16.08</b>  | 3.12           | 4.59      | 2.61      | 3.35    | <b>13.67</b>  |
| WORKING DAYS   | 162            | 176       | 173       | 170     | –             | 176            | 202       | 180       | 196     | –             | 168            | 181       | 170       | 156     | –             |

b) Figures for Power Export for last three Financial Years

(In Lakh Kwh)

|              | F.Y. 2018-19 (12 Months) |           |           |         |                | F.Y. 2017-18 (12 Months) |           |           |         |                | F.Y. 2016-17 (9 Months) |           |           |         |                |
|--------------|--------------------------|-----------|-----------|---------|----------------|--------------------------|-----------|-----------|---------|----------------|-------------------------|-----------|-----------|---------|----------------|
|              | Libberheri               | Barkatpur | Khaikheri | Shermau | TOTAL          | Libberheri               | Barkatpur | Khaikheri | Shermau | TOTAL          | Libberheri              | Barkatpur | Khaikheri | Shermau | TOTAL          |
| POWER EXPORT | 264.15                   | 501.52    | 263.66    | 413.70  | <b>1443.03</b> | 377.28                   | 454.91    | 266.07    | 344.10  | <b>1442.36</b> | 255.71                  | 457.55    | 206.33    | 291.51  | <b>1211.10</b> |

## 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.

## G. KEY FINANCIAL RATIOS

The Company has identified the following ratios as key financial ratios:

| Sl. No. | Particulars                      | Method of Calculations | 2018-19 | 2017-18 | Explanation for Significant Changes   |
|---------|----------------------------------|------------------------|---------|---------|---|
| 1       | Debtors Turnover ratio (Times)   | Revenue /Debtors       | 22.91   | 25.65   | There is no significant change.   |
| 2       | Inventory Turnover ratio (Times) | Revenue / Inventory    | 1.23    | 1.75    | Sale of Sugar is regulated by Government of India wherein monthly release is defined, therefore it has reduced. |
| 3       | Interest Coverage ratio (Times)  | EBIDTA / Finance Cost  | 2.25    | 1.60    | Due to higher earnings before interest and taxes (EBIDTA), ratio has improved.                                  |



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| Sl. No. | Particulars                 | Method of Calculations                 | 2018-19 | 2017-18 | Explanation for Significant Changes   |
|---------|-----------------------------|--|---------|---------|---|
| 4       | Current Ratio (Times)       | Current Assets / Current Liabilities   | 0.94    | 0.85    | Due to better liquidity of funds, ratio has improved.   |
| 5       | Debt Equity Ratio (Times)   | Long Term Debts / Shareholder's Equity | 1.18    | 1.47    | Due to profit earned, reserve and surplus increased and regular payment of Loans, ratio has improved. |
| 6       | Operating profit margin (%) | EBIT % / Revenue                       | 14.88%  | 10.12%  | Due to Higher sugar recovery and better Distillery division performance, ratio has improved.          |
| 7       | Net Profit margin (%)       | PAT % / Revenue                        | 4.78%   | 1.34%   | Due to Higher sugar recovery and better Distillery division performance, ratio has improved.          |
| 8       | Return on Net worth (%)     | PAT / Shareholder's Equity             | 24.82%  | 9.66%   | Due to Higher sugar recovery and better Distillery division performance, ratio has improved.          |

### 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 Audit of the Ind AS Financial Statements

##### Opinion

We have audited the accompanying financial statements of **UTTAM SUGAR MILLS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to financial statement including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

| S.NO. | KEY AUDIT MATTERS  | AUDITOR'S RESPONSE  |
|-------|--|---|
| 1.    | <b>Claim Recoverable</b><br>In respect of Interest receivable on "Extending Financial Assistance to Sugar Undertaking, 2014" amounting to Rs. 176.25 Lakh. (Refer note no. 34 m)   | <b>Principal Audit Procedures:-</b><br>We have reviewed the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.   |
| 2.    | <b>Revenue recognition</b><br>Refer to note no. 2.5 to the financial statements.<br>The Company principally generates revenue from sale of Sugar(domestic and export) and sale of its By-products, sale of distillery products and sale of Power in domestic market.<br>We identified revenue recognition as a key audit matter because it is one of the key performance indicator of the Company and gives rise to an inherent risk of misstatement to meet expectations or targets | Our audit procedures, amongst others, included the following: <ul style="list-style-type: none"> <li>• Obtaining an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of relevant key internal controls over recording of sales;</li> <li>• Assessing the appropriateness of the Company's accounting policy for recording of sales and compliance of the policy with applicable accounting standards;</li> <li>• Comparing a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents;</li> <li>• Comparing a sample of sale transactions recorded near the year end with the sales orders, sales invoices, delivery challans and</li> </ul> |

|    |  |   |
|----|--|---|
|    |  | <p>other relevant underlying documentation to assess if the sale was recorded in the appropriate accounting period;</p> <ul style="list-style-type: none"> <li>• Comparing a sample of electricity sales transactions with energy invoices duly verified by Central Power Purchasing Agency (Guarantee) Limited ("CPPA-G") and assessed whether the sale was recorded in the appropriate accounting period;</li> <li>• Inspecting on a sample basis, credit notes issued near to and subsequent to year end to evaluate whether the adjustments to sales had been accurately recorded in the appropriate accounting period; and</li> <li>• Scanning for any manual journal entries relating to sales recorded during and near the year end which were considered to be material or other specific risk based criteria for inspecting underlying documentation.</li> </ul>   |
| 3. | <p><b>Capitalization of property, plant and equipment</b></p> <p>Refer note no. 4 to the financial statements. The Company has made significant capital expenditure on modernization and replacement of plant and equipment.</p> <p>We identified capitalization of property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on depreciation charge for the year.</p> | <p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of and testing the design, implementation and operating effectiveness of management's key internal control over capital expenditure;</li> <li>• Comparing, on sample basis, the costs incurred on projects with supporting documentation and contracts;</li> <li>• Assessing the nature of costs incurred for the capital projects for appropriateness by comparing, on sample basis, amounts recorded with underlying documentation and considering that the expenditure meets the criteria for capitalization as per the applicable accounting standards;</li> <li>• Inspecting supporting documents for the date of capitalization when project assets were ready for its intended use to assess that depreciation commenced and further capitalization of costs ceased from that date and to assess the useful life assigned by management including testing the calculation of related depreciation.</li> </ul> |
| 4. | <p><b>Valuation of Inventories</b></p> <p>Refer note no. 9 to the financial statements.</p> <p>We identified valuation of inventories as a key audit matter as it involves significant management judgments in determining the carrying value of stock.</p>  | <ul style="list-style-type: none"> <li>• Our audit procedures, amongst others, included the following:</li> <li>• Assessing the appropriateness of Company's accounting policy for valuation of stock and compliance of the policy with the requirements of the prevailing accounting standards;</li> <li>• Obtaining an understanding of internal controls over valuation of stock and testing, on a sample basis, their design, implementation and operating effectiveness;</li> </ul>  |

|  |  |  |
|--|--|--|
|  |  | <ul style="list-style-type: none"> <li>• Obtaining an understanding and assessing reasonableness of the management's determination of net realizable value (NRV) and the key estimates adopted, including future selling prices and costs necessary to make the sales and their basis; and</li> <li>• Comparing the NRV, on a sample basis, to the cost of stock-in-trade to assess whether any adjustments are required to the value of stock in trade in accordance with the accounting policy.</li> </ul> |
|--|--|--|

## Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the accounting standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to

## Uttam Sugar Mills Limited

provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### 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 Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit 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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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".

## Uttam Sugar Mills Limited

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) 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, as amended 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 financial statements. (Refer Note no. 23 & 24 to the financial statement).
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. The company was not required to transfer, any amount to the Investor Education and Protection Fund.

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

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

**Place : Noida  
Dated : 22<sup>nd</sup> May, 2019**

# 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, 2019)

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 Lakhs) |
|-------|--|-----------------------------------|
| 1.    | At Village–Barkatpur, Pudrikhurd, Pargana-Kiratpur, Tehsil-Najibabad, Distt- Bijnor (U.P.) Khasra No- 482/2,483,484,485, 486,487/2,488,519,523,532,533,534,535,536/2,21,43,64,66, 79, 80,359,384,529<br>51,53,54,59,74,78,99,100,105,119,124,125,126,142,144,145, 150,153,143, 122 | 6.49                              |

However, the Company is in process to register 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 framed 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 were no arrears of undisputed statutory dues outstanding as at 31<sup>st</sup> March, 2019 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. 65.76 Lakhs that have not been deposited are given below:-

| Name of Statute          | Nature of Dues          | Amount<br>(Rs. In Lakhs) | Forum where dispute is pending         |
|--------------------------|-------------------------|--------------------------|--|
| Sales Tax Laws           | Sales Tax/Entry Tax     | 7.43                     | Commissioner/<br>Commissioner (Appeal) |
|                          |                         | 7.45                     | High Court                             |
| Central Excise Act, 1944 | Excise Duty/Service tax | 22.01                    | Commissioner (Appeal)                  |
| Income Tax Act, 1961     | Income Tax              | 28.87                    | Commissioner (Appeal)                  |
| <b>Total</b>             |                         | <b>65.76</b>             |  |

Further, in respect of Custom Duty, Service Tax, Value added Tax and Cess, Goods and Service Tax, 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. 1028.98 Lakhs (Refer Note No 17(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 : 22<sup>nd</sup> May, 2019**



# 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, 2019 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, 2019, 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 : 22<sup>nd</sup> May, 2019**

## Uttam Sugar Mills Limited

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2019

(Rs. in Lakhs)

| Particulars   | Note No. | As at 31 <sup>st</sup> March, 2019 | As at 31 <sup>st</sup> March, 2018 |
|---|----------|------------------------------------|------------------------------------|
| <b>I. ASSETS</b>  |          |                                    |                                    |
| <b>(1) Non-Current Assets</b>                                       |          |                                    |                                    |
| (a) Property, plant and equipment                                   | 4A       | 58,175.73                          | 56,361.61                          |
| (b) Capital work in progress  | 4B       | 1,134.37                           | 1,728.95                           |
| (c) Other intangible assets   | 4C       | 10.08                              | 12.05                              |
| (d) Financial assets  |          |                                    |                                    |
| (i) Other financial assets  | 6        | 46.59                              | 101.51                             |
| (e) Deferred tax assets (net)                                       | 7        | 2,534.88                           | 4,049.82                           |
| (f) Other Non-current assets  | 8        | 3,247.98                           | 1,123.59                           |
| <b>Total (1)</b>  |          | <b>65,149.63</b>                   | <b>63,377.53</b>                   |
| <b>(2) Current Assets</b>   |          |                                    |                                    |
| (a) Inventories   | 9        | 98,872.66                          | 72,072.21                          |
| (b) Financial assets  |          |                                    |                                    |
| (i) Trade and other receivables                                     | 5        | 5,301.05                           | 4,930.57                           |
| (ii) Cash and cash equivalents                                      | 10       | 1,044.57                           | 1,917.34                           |
| (iii) Bank balance other than cash and cash equivalents             | 11       | 354.87                             | 394.10                             |
| (iv) Other financial assets   | 6        | 2,085.93                           | 428.22                             |
| (c) Other current assets  | 12       | 418.67                             | 456.92                             |
| <b>Total (2)</b>  |          | <b>108,077.75</b>                  | <b>80,199.36</b>                   |
| <b>(3) Assets classified as held for sale</b>                       | 13       | <b>736.62</b>                      | <b>219.71</b>                      |
| <b>Total Assets (1+2+3)</b>   |          | <b>173,964.00</b>                  | <b>143,796.60</b>                  |
| <b>II. EQUITY AND LIABILITIES</b>                                   |          |                                    |                                    |
| <b>(1) Equity</b>   |          |                                    |                                    |
| (a) Equity Share Capital  | 14       | 3,813.81                           | 3,813.81                           |
| (b) Other Equity  | 15       | 19,606.13                          | 13,782.90                          |
| <b>Total (1)</b>  |          | <b>23,419.94</b>                   | <b>17,596.71</b>                   |
| <b>(2) Non-Current Liabilities</b>                                  |          |                                    |                                    |
| (a) Financial liabilities   |          |                                    |                                    |
| (i) Borrowings  | 16       | 27,723.52                          | 25,824.49                          |
| (ii) Other financial liabilities                                    | 17       | 4,680.34                           | 4,197.60                           |
| (b) Deferred revenue (including Government grant)                   | 18       | 1,701.30                           | 422.84                             |
| (c) Provisions  | 19       | 956.90                             | 824.73                             |
| <b>Total (2)</b>  |          | <b>35,062.06</b>                   | <b>31,269.66</b>                   |
| <b>(3) Current Liabilities</b>                                      |          |                                    |                                    |
| (a) Financial liabilities   |          |                                    |                                    |
| (i) Borrowings  | 16       | 32,725.68                          | 41,971.24                          |
| (ii) Trade and others payable                                       |          |                                    |                                    |
| Total Outstanding dues of Micro and Small Enterprises               | 20       | 1,058.20                           | 293.94                             |
| Total Outstanding dues of other than of Micro and Small Enterprises | 20       | 63,636.52                          | 38,131.09                          |
| (iii) Other financial liabilities                                   | 17       | 14,043.23                          | 12,846.39                          |
| (b) Deferred revenue (including Government grant)                   | 18       | 442.17                             | 478.29                             |
| (c) Other current liabilities                                       | 21       | 1,259.34                           | 1,008.93                           |
| (d) Provisions  | 19       | 173.25                             | 138.33                             |
| (e) Current tax liabilities (net of advance tax)                    | 22       | 1,541.76                           | 32.86                              |
| <b>Total (3)</b>  |          | <b>114,880.15</b>                  | <b>94,901.07</b>                   |
| <b>(4) Liabilities for Assets classified held for sale</b>          |          | <b>601.85</b>                      | <b>29.16</b>                       |
| <b>Total Equity &amp; Liabilities (1+2+3+4)</b>                     |          | <b>173,964.00</b>                  | <b>143,796.60</b>                  |
| Corporate information   | 1        |                                    |                                    |
| Significant accounting policies and estimates                       | 2-3      |                                    |                                    |
| Contingent Liabilities  | 23       |                                    |                                    |
| Capital Commitments   | 24       |                                    |                                    |

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

(RAJ KUMAR ADLAKHA)  
Managing Director

for and on behalf of Board of Directors

(ASHOK KUMAR AGGARWAL)  
Executive Director(CA VIPUL SHARMA)  
Partner  
Membership No.074437(SANJAY BHANDARI)  
Chief Financial Officer(G.RAMARATHNAM)  
Chief-Legal and Corporate  
Affairs & Company Secretary(S. L. SHARMA)  
Chief Operating OfficerPlace : Noida  
Date : 22<sup>nd</sup> May, 2019

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(Rs. in Lakhs)

| Particulars  | Note No. | Year Ended<br>31 <sup>st</sup> March, 2019 | Year Ended<br>31 <sup>st</sup> March, 2018 |
|--|----------|--|--|
| I. Revenue from Operations   | 25       | 121,465.84                                 | 126,463.90                                 |
| II. Other Income   | 26       | 2,218.58                                   | 1,115.95                                   |
| <b>III. Total Income (I+II)</b>  |          | <b>123,684.42</b>                          | <b>127,579.85</b>                          |
| <b>IV. Expenses</b>  |          |  |  |
| Cost of material consumed  | 27       | 113,708.70                                 | 111,264.46                                 |
| Excise duty on sale of goods   |          | —  | 2,116.14                                   |
| Change in inventories of finished goods, by-products & work in progress                    | 28       | (26,611.72)                                | (14,694.90)                                |
| Employees benefits expenses  | 29       | 6,169.77                                   | 5,470.41                                   |
| Finance cost   | 30       | 8,035.85                                   | 8,006.35                                   |
| Depreciation and amortisation expense  | 4        | 2,663.22                                   | 2,415.55                                   |
| Other expenses   | 31       | 12,347.02                                  | 10,626.16                                  |
| <b>Total Expenses</b>  |          | <b>116,312.84</b>                          | <b>125,204.17</b>                          |
| <b>V. Profit Before Tax (III-IV)</b>   |          | <b>7,371.58</b>                            | <b>2,375.68</b>                            |
| <b>VI. Tax Expense (refer note no. 32)</b>   |          |  |  |
| Current tax  | 1646.00  |  |  |
| Less : Minimum Alternate Tax (MAT) credit available  | 1600.00  | 46.00                                      | 122.00                                     |
| Deferred tax   |          | 1,508.94                                   | 624.23                                     |
| Income tax for earlier year  |          | 4.73                                       | (70.20)                                    |
| <b>VII. Profit for the year (V-VI)</b>   |          | <b>5,811.91</b>                            | <b>1,699.65</b>                            |
| <b>VIII. Other Comprehensive income (Refer note no. 33)</b>                                |          |  |  |
| (i) Items that will not be reclassified to profit or loss                                  |          | 17.32                                      | 39.58                                      |
| (ii) Income tax relating to items that will not be reclassified to profit or loss          |          | (6.00)                                     | (13.70)                                    |
| <b>Total Other Comprehensive Income</b>  |          | <b>11.32</b>                               | <b>25.88</b>                               |
| <b>IX. Total Profit after comprehensive income for the year (VII+VIII)</b>                 |          | <b>5,823.23</b>                            | <b>1,725.53</b>                            |
| (Comprising of profit and loss comprehensive income for the year)                          |          |  |  |
| <b>X. Earnings per equity share (Nominal value per share Rs.10/-) (refer note no.34 r)</b> |          |  |  |
| - Basic (Rs.)  |          | 15.27                                      | 4.52                                       |
| - Diluted (Rs.)  |          | 15.27                                      | 4.52                                       |
| <b>Number of shares used in computing earnings per share</b>                               |          |  |  |
| - Basic (Nos.)   |          | 38138120                                   | 38138120                                   |
| - Diluted (Nos.)   |          | 38138120                                   | 38138120                                   |
| Corporate information  | 1        |  |  |
| Significant accounting policies and estimates  | 2-3      |  |  |
| Contingent Liabilities   | 23       |  |  |
| Capital Commitments  | 24       |  |  |
| 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

**Place :** Noida

**Date :** 22<sup>nd</sup> May, 2019

**(SANJAY BHANDARI)**

Chief Financial Officer

**(RAJ KUMAR ADLAKHA)**

Managing Director

**(G.RAMARATHNAM)**

Chief-Legal and Corporate  
Affairs & Company Secretary

**for and on behalf of Board of Directors**
**(ASHOK KUMAR AGGARWAL)**

Executive Director

**(S. L. SHARMA)**

Chief Operating Officer

## Uttam Sugar Mills Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

(Rs. in Lakhs)

| Particulars   | Year Ended<br>31 <sup>st</sup> March 2019 | Year Ended<br>31 <sup>st</sup> March 2018 |
|---|---|---|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                       |   |   |
| Net Profit before tax   | 7,371.58                                  | 2,375.68                                  |
| Adjustments for:  |   |   |
| Other comprehensive income  | 17.32                                     | 39.58                                     |
| Depreciation and Amortisation expenses                              | 2,663.22                                  | 2,415.55                                  |
| Finance cost  | 6,869.63                                  | 7,199.23                                  |
| Interest expense based on effective interest rate                   | 1,166.22                                  | 807.12                                    |
| Loss on sale/discard of assets                                      | 1.75                                      | —   |
| Profit on sale of assets  | (30.02)                                   | (292.90)                                  |
| Interest income based on effective interest rate                    | (660.69)                                  | (348.25)                                  |
| Income recognized under EPCG Scheme                                 | (26.24)                                   | (12.25)                                   |
| Interest Income   | (37.65)                                   | (33.95)                                   |
| <b>Operating Profit before Working Capital Changes</b>              | <b>17,335.12</b>                          | <b>12,149.81</b>                          |
| <b>Working Capital Adjustment</b>                                   |   |   |
| Decrease/(Increase) in inventory                                    | (26,800.45)                               | (10,949.31)                               |
| Decrease/(Increase) in trade receivables                            | (370.48)                                  | 407.80                                    |
| Decrease/(Increase) in other financial assets                       | (1,653.52)                                | (183.82)                                  |
| Decrease/(Increase) in other assets                                 | 38.25                                     | 513.89                                    |
| Decrease/(Increase) in other bank balances                          | 94.14                                     | (20.93)                                   |
| (Decrease)/Increase in other financial liabilities                  | (1,141.57)                                | (1,267.44)                                |
| (Decrease)/Increase in trade payable                                | 26,523.33                                 | 9,838.40                                  |
| (Decrease)/Increase in provisions                                   | 167.09                                    | 88.44                                     |
| (Decrease)/Increase in other liabilities                            | 250.41                                    | (4,989.52)                                |
| <b>Cash generated from operations</b>                               | <b>(2,892.79)</b>                         | <b>(6,562.49)</b>                         |
| Direct taxes (paid)/refund  | 14,442.32                                 | 5,587.32                                  |
|   | (131.24)                                  | (515.36)                                  |
| <b>Net Cash flow from Operating Activities</b>                      | <b>14,311.09</b>                          | <b>5,071.96</b>                           |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                       |   |   |
| Purchase of property plant and equipment                            | (5,238.70)                                | (5,222.51)                                |
| Sale Proceeds/Advance of Fixed assets held for Disposal             | 584.31                                    | 180.00                                    |
| Sale Proceeds of Fixed Assets                                       | 64.95                                     | 3.00                                      |
| Interest received   | 37.65                                     | 33.95                                     |
| <b>Net Cash used in Investing Activities</b>                        | <b>(4,551.79)</b>                         | <b>(5,005.56)</b>                         |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                       |   |   |
| Finance cost paid   | (6,692.17)                                | (7,181.67)                                |
| Proceeds from borrowings (Term loans)                               | 15,545.73                                 | 92.23                                     |
| Proceeds from borrowings (Short term loans)                         | —   | 1,500.00                                  |
| Repayments of borrowings (Term loans)                               | (9,646.32)                                | (9,849.82)                                |
| Repayments/Proceeds from borrowings (Working capital)               | (9,245.56)                                | 13,422.88                                 |
| Repayments of unsecured loans                                       | (3.26)                                    | (104.30)                                  |
| <b>Net Cash flow from Financing Activities</b>                      | <b>(10,041.58)</b>                        | <b>(2,120.68)</b>                         |
| <b>Net Increase/(Decrease) in Cash and cash equivalents (A+B+C)</b> | <b>(282.28)</b>                           | <b>(2,054.28)</b>                         |
| Cash and cash equivalents as at beginning                           | 1,035.01                                  | 3,089.30                                  |
| Cash and cash equivalents as at closing                             | 752.73                                    | 1,035.01                                  |

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

| Particulars   | As at<br>31 <sup>st</sup> March, 2019 | As at<br>31 <sup>st</sup> March, 2018 |
|---|---------------------------------------|---------------------------------------|
| a) Balance with banks on current accounts                                       | 1,021.05                              | 1,898.76                              |
| b) Cash on hand   | 23.52                                 | 18.58                                 |
| <b>Closing cash and cash equivalents (Refer Note no.10)</b>                     | <b>1,044.57</b>                       | <b>1,917.34</b>                       |
| c) Less: Book overdraft balance (Refer note no.17 ii B)                         | 291.84                                | 882.33                                |
| <b>Closing Cash and cash equivalents for the purpose of cash flow statement</b> | <b>752.73</b>                         | <b>1,035.01</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 &amp; Co.

Chartered Accountants

(CA VIPUL SHARMA)

Partner

Membership No.074437

Place : Noida

Date : 22<sup>nd</sup> May, 2019

(SANJAY BHANDARI)

Chief Financial Officer

(RAJ KUMAR ADLAKHA)

Managing Director

(G.RAMARATHNAM)

Chief-Legal and Corporate  
Affairs & Company Secretary

(ASHOK KUMAR AGGARWAL)

Executive Director

(S. L. SHARMA)

Chief Operating Officer

for and on behalf of Board of Directors

## Uttam Sugar Mills Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH'2019

## (a) Equity Share Capital:

(Rs. in Lakhs)

| Particulars  | For the year ended 31 <sup>st</sup> March, 2019 |   |                          | For the year ended 31 <sup>st</sup> March, 2018 |   |                          |
|--|---|---|--------------------------|---|---|--------------------------|
|  | Balance as at 01.04.2018                        | Changes in equity share capital during the year | Balance as at 31.03.2019 | Balance as at 01.04.2017                        | Changes in equity share capital during the year | Balance as at 31.03.2018 |
| 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, 2019

(Rs. in Lakhs)

| Particulars  | Surplus            |                   |                            |                    |
|--|--------------------|-------------------|----------------------------|--------------------|
|  | Securities premium | Retained earnings | Other comprehensive income | Total other equity |
| Balance as at 01.04.2018   | 15,252.82          | (1,469.92)        | –                          | 13,782.90          |
| Profit for the year  |                    | 5,811.91          | 11.32                      | 5,823.23           |
| Changes in equity during the year ended 31 <sup>st</sup> March, 2019 |                    |                   |                            |                    |
| Transfer from/to other comprehensive income/retained earnings        |                    | 11.32             | (11.32)                    | –                  |
| Balance as at 31 <sup>st</sup> March, 2019                           | 15,252.82          | 4,353.31          | –                          | 19,606.13          |

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) (ASHOK KUMAR AGGARWAL)  
Managing Director Executive Director

(CA VIPUL SHARMA)  
Partner  
Membership No. 074437

(SANJAY BHANDARI)  
Chief Financial Officer

(G. RAMARATHNAM)  
Chief-Legal and Corporate  
Affairs & Company Secretary

(S. L. SHARMA)  
Chief Operating Officer

Place : Noida

Date : 22<sup>nd</sup> May, 2019

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

### 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 BSE Limited 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, 2019 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, 2019 were approved for issue by the Board of Directors of the Company on 22<sup>nd</sup> May, 2019 and is subject to the adoption by the shareholders in the Annual General Meeting.

### Note No. 2 Significant Accounting Policies

#### 2.1 Statement of compliance 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.

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



# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

### 2.4 Recent accounting pronouncements

**Ind AS 116 Leases:** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

**Amendment to Ind AS 12 – Income taxes:** On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**Amendment to Ind AS 19 – plan amendment, curtailment or settlement:** On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

### 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.

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" w.e.f. 1<sup>st</sup> April 2018, and accordingly these financial statements are prepared in accordance with recognition and measurement principal of above Ind AS. There is no adjustments required to the retained earnings as at 1<sup>st</sup> April 2018. Also the application of Ind AS 115 did not have any significant impact of recognition and measurement of revenue and related items in the financial statements of the Company.

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.

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

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 upto 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 of time to get ready for its intended use. Interest income earned on the temporary investment of specific

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

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 Statements.

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

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

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.

## **Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019**

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 include trade and other payable, loans and borrowing including bank overdrafts, 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.



# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

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



# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

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.

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.

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## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

- 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.
- 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.

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

### 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 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

## **Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019**

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 2019

**Note No. - 4 : Property, Plant and Equipments, Intangible Assets and Capital Work in Progress for the Year Ended as on 31.03.2019**

(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<br>01.04.2018 | Additions<br>during the<br>Year | Sold/<br>Adjustment<br>during<br>the Year | As on<br>31.03.2019                               | Upto<br>31.03.2018 | For the<br>Year | On Sale/<br>Adjustment | Upto<br>31.03.2019 | As on<br>31.03.2019 | As on<br>31.03.2018 |
| A. Tangible Assets              |                     |                                 |   |   |                    |                 |                        |                    |                     |                     |
| Freehold Land (Factory)         | 10,465.79           | -                               | -   | 10,465.79   | -                  | -               | -                      | -                  | 10,465.79           | 10,465.79           |
| Freehold Land (Others)          | 531.80              | 33.19                           | 550.87                                    | 14.12   | -                  | -               | -                      | -                  | 14.12               | 531.80              |
| Building                        | 4,690.73            | 298.79                          | -   | 4,989.52  | 355.82             | 190.99          | -                      | 546.81             | 4,442.71            | 4,334.91            |
| Leasehold Building Developments | 72.02               | -                               | -   | 72.02   | 2.08               | 1.19            | -                      | 3.27               | 68.75               | 69.94               |
| Plant and Machinery             | 43,995.27           | 4,459.65                        | 9.44                                      | 48,445.48   | 4,042.26           | 2,300.39        | 0.09                   | 6,342.56           | 42,102.92           | 39,953.01           |
| Furniture and Fixtures          | 99.15               | 13.05                           | -   | 112.20  | 45.06              | 12.96           | -                      | 58.02              | 54.18               | 54.09               |
| Office Equipments               | 280.32              | 43.50                           | -   | 323.82  | 94.14              | 54.33           | -                      | 148.47             | 175.35              | 186.18              |
| Weigh Bridges                   | 470.70              | 27.41                           | -   | 498.11  | 71.16              | 37.45           | -                      | 108.61             | 389.50              | 399.54              |
| Vehicles & Tractors             | 444.30              | 163.85                          | 5.50                                      | 602.65  | 82.30              | 62.91           | 0.62                   | 144.59             | 458.06              | 362.00              |
| Live Stock                      | 4.35                | -                               | -   | 4.35  | -                  | -               | -                      | -                  | 4.35                | 4.35                |
| Total (A)                       | 61,054.43           | 5,039.44                        | 565.81                                    | 65,528.06   | 4,692.82           | 2,660.22        | 0.71                   | 7,352.33           | 58,175.73           | 56,361.61           |
| B. Capital Work in Progress     |                     |                                 |   |   |                    |                 |                        |                    |                     |                     |
| Building, Plant & Machinery     |                     |                                 |   |   |                    |                 |                        |                    | 1,134.37            | 1,728.95            |
| Total (B)                       |                     |                                 |   |   |                    |                 |                        |                    | 1,134.37            | 1,728.95            |
| C. Other Intangible Assets      |                     |                                 |   |   |                    |                 |                        |                    |                     |                     |
| Computer Software               | 17.25               | 1.03                            | -   | 18.28   | 5.20               | 3.00            | -                      | 8.20               | 10.08               | 12.05               |
| Total (C)                       | 17.25               | 1.03                            | -   | 18.28   | 5.20               | 3.00            | -                      | 8.20               | 10.08               | 12.05               |
| Grand Total (A+B+C)             | 61,071.68           | 5,040.47                        | 565.81                                    | 65,546.34   | 4,698.02           | 2,663.22        | 0.71                   | 7,360.53           | 59,320.18           | 58,102.61           |
| Previous Year                   | 57,141.38           | 5,026.60                        | 3.51                                      | 61,071.68   | 2,283.18           | 2,415.55        | 0.71                   | 4,698.02           | 58,102.61           | 54,858.20           |

Notes :

1. Vehicles includes Motor Cars having gross book value of Rs.87.37 Lakhs (Previous Period Rs.158.50 lakhs) which are purchased on Hire Purchases Basis.
2. Freehold Land aggregating to Rs.6.49 lakhs (Previous Period Rs.8.37 lakhs) are pending for registraion in name of Company.

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

(Rs. in Lakhs)

| Particulars  | As at<br>31 <sup>st</sup> March, 2019 | As at<br>31 <sup>st</sup> March, 2018 |
|--|---------------------------------------|---------------------------------------|
| <b>Note No. : 5 Trade And Other Receivables<br/>(Carried at Amortized Cost)</b>                  |                                       |                                       |
| <b>(i) Trade Receivable (Unsecured, considered good)</b>   |                                       |                                       |
| Trade receivables  | 5,301.05                              | 4,930.57                              |
| <b>Total</b>   | <b>5,301.05</b>                       | <b>4,930.57</b>                       |
| <b>(ii) Trade Receivable (Unsecured, considered Doubtful)</b>                                    |                                       |                                       |
| Trade receivables  | 9.97                                  | 9.97                                  |
| Less : Provision for doubtful debts  | 9.97                                  | 9.97                                  |
| <b>Total</b>   | <b>-</b>                              | <b>-</b>                              |
| <b>Note No. : 6 Other Financial Assets (Unsecured, considered good, unless stated otherwise)</b> |                                       |                                       |
| <b>(i) Non-Current (Unsecured, considered good)</b>  |                                       |                                       |
| <b>Carried at amortized cost</b>   |                                       |                                       |
| Security deposits with others  | 8.00                                  | 8.00                                  |
| <b>Fixed deposits with banks and other Govt. depts.</b>  |                                       |                                       |
| (Bank deposits with more than 12 months maturity)  |                                       |                                       |
| For Molasses storage fund (earmarked) (including interest)                                       | 38.59                                 | 27.24                                 |
| Pledged with bank & other Govt. depts. (including interest)                                      | -                                     | 66.27                                 |
| <b>Total (i)</b>   | <b>46.59</b>                          | <b>101.51</b>                         |
| <b>(ii) Current (Unsecured, considered good)</b>   |                                       |                                       |
| <b>Carried at amortized cost</b>   |                                       |                                       |
| Advances to employees  | 67.04                                 | 40.35                                 |
| Security deposits with others  | 10.33                                 | 12.84                                 |
| Claim receivable   | 2,008.56                              | 375.03                                |
| <b>Total (ii)</b>  | <b>2,085.93</b>                       | <b>428.22</b>                         |
| <b>Total (i+ii)</b>  | <b>2,132.52</b>                       | <b>529.73</b>                         |

## Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

(Rs. in Lakhs)

| Particulars  | As at<br>01.04.2018 | During the<br>year | As at<br>31.03.2019 |
|--|---------------------|--------------------|---------------------|
| <b>Note No. : 7 : Deferred Tax Assets (Net)</b>                    |                     |                    |                     |
| <b>DEFERRED TAX LIABILITY</b>                                      |                     |                    |                     |
| Deferred tax liability on comprehensive income                     | (5.50)              | 6.00               | <b>0.50</b>         |
| Difference between book & tax depreciation                         | 9,157.99            | 526.45             | <b>9,684.44</b>     |
| Deferred tax liability on land revaluation reserve                 | 1,250.00            | –                  | <b>1,250.00</b>     |
| Deferred tax liability on term loan expense amortised              | 12.98               | (7.54)             | <b>5.44</b>         |
| <b>Total</b>   | <b>10,415.47</b>    | <b>524.91</b>      | <b>10,940.38</b>    |
| <b>DEFERRED TAX ASSETS</b>   |                     |                    |                     |
| Expenses allowed u/s 43-B on paid basis                            | 361.49              | 59.97              | <b>421.46</b>       |
| Unabsorbed business losses & depreciation<br>(refer note no. 34 t) | 14,103.80           | (1,050.00)         | <b>13,053.80</b>    |
|  | <b>14,465.29</b>    | <b>(990.03)</b>    | <b>13,475.26</b>    |
| <b>DEFERRED TAX ASSETS (NET)</b>                                   | <b>4,049.82</b>     | <b>(1,514.94)</b>  | <b>2,534.88</b>     |
| <b>Total</b>   | <b>4,049.82</b>     | <b>(1,514.94)</b>  | <b>2,534.88</b>     |

| Particulars  | As at<br>31 <sup>st</sup> March, 2019 | As at<br>31 <sup>st</sup> March, 2018 |
|--|---------------------------------------|---------------------------------------|
| <b>Note No. : 8 Other Non-Current Assets<br/>(Unsecured, Considered good unless stated otherwise)</b>                    |                                       |                                       |
| <b>Capital Advances</b>  |                                       |                                       |
| To Others  | <b>387.15</b>                         | 447.76                                |
| To Related parties (refer note no. 34 o)   | <b>649.40</b>                         | 49.61                                 |
| Balance with Income Tax department (under protest)   | <b>4.00</b>                           | 4.00                                  |
| Tax Deducted at Sources  | <b>184.82</b>                         | 62.49                                 |
| MAT credit entitlement   | <b>1,955.28</b>                       | 488.20                                |
| Security deposits with Government authorities (including interest)   | <b>51.70</b>                          | 48.09                                 |
| Prepaid expenses   | <b>15.63</b>                          | 23.44                                 |
| <b>Total</b>   | <b>3,247.98</b>                       | 1,123.59                              |
| <b>Note No. : 9 Inventories (Valued at cost or net realisable value,<br/>whichever is lower unless stated otherwise)</b> |                                       |                                       |
| (a) Raw material   | <b>164.88</b>                         | 183.27                                |
| (b) Work-in-progress   | <b>1,415.96</b>                       | 1,014.22                              |
| <b>(c) Finished Goods</b>  |                                       |                                       |
| Sugar  | <b>93,603.83</b>                      | 68,213.41                             |
| Industrial alcohol   | <b>260.78</b>                         | 217.59                                |
| Banked power   | <b>92.71</b>                          | 89.87                                 |
| Renewal Energy Certificates (REC)  | <b>8.04</b>                           | 25.86                                 |
| (d) By-products  | <b>1,620.75</b>                       | 829.40                                |
| (e) Stores, Spare Parts and Packing Materials  | <b>1,705.71</b>                       | 1,498.59                              |
| <b>Total</b>   | <b>98,872.66</b>                      | 72,072.21                             |
| Carrying amount of inventories pledged as security for Borrowings  | <b>32,725.68</b>                      | 41,971.24                             |



# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

(Rs. in Lakhs)

| Particulars   | As at<br>31 <sup>st</sup> March, 2019 | As at<br>31 <sup>st</sup> March, 2018 |
|---|---------------------------------------|---------------------------------------|
| <b>Note No. : 10 Cash and Cash Equivalents</b>  |                                       |                                       |
| <b>Balances with banks</b>  |                                       |                                       |
| on current accounts   | 1,021.05                              | 1,898.76                              |
| Cash on hand  | 23.52                                 | 18.58                                 |
| <b>Total</b>  | <b>1,044.57</b>                       | <b>1,917.34</b>                       |
| <b>Note No. : 11 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<br>(Including Interest) | 13.74                                 | 18.03                                 |
| Original maturity period upto 12 months (Including Interest)                            | 25.44                                 | 20.24                                 |
| <b>Fixed deposits pledged with bank and other Govt. deptt.</b>                          |                                       |                                       |
| Current portion of original maturity period more than 12 months                         | -                                     | -                                     |
| Original maturity period upto 12 months   | 315.69                                | 355.83                                |
| <b>Total</b>  | <b>354.87</b>                         | <b>394.10</b>                         |
| <b>Note No. : 12 Other Current Assets (Unsecured,<br/>considered good)</b>              |                                       |                                       |
| <b>Advances other than capital advances</b>   |                                       |                                       |
| To Suppliers and others   | 37.05                                 | 86.77                                 |
| To Related parties (refer note no. 34 o)  | 0.05                                  | 0.35                                  |
| Balance with Government authorities   | 65.90                                 | 61.46                                 |
| GST Receivable  | 0.68                                  | 9.73                                  |
| Security deposits with Government authorities   | 23.37                                 | 24.30                                 |
| Prepaid expenses  | 144.63                                | 129.93                                |
| Other advances  | 146.99                                | 144.38                                |
| <b>Total</b>  | <b>418.67</b>                         | <b>456.92</b>                         |
| <b>Note No. : 13 Assets Classified as Held for Sale</b>                                 |                                       |                                       |
| Assets held for disposal  | 736.62                                | 219.71                                |
| <b>Total</b>  | <b>736.62</b>                         | <b>219.71</b>                         |

## Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

(Rs. in Lakhs)

| Particulars  | As at<br>31 <sup>st</sup> March, 2019 | As at<br>31 <sup>st</sup> March, 2018 |
|--|---------------------------------------|---------------------------------------|
| <b>Note No. : 14 Equity Share Capital</b>                  |                                       |                                       |
| <b>(a) Authorised</b>                                      |                                       |                                       |
| <b>Equity Share Capital</b>                                |                                       |                                       |
| 70000000 (P.Y. 40000000) Equity Shares of Rs. 10/- each    | 7,000.00                              | 4,000.00                              |
| <b>Redeemable Preference Share Capital</b>                 |                                       |                                       |
| 13500000 (P.Y.16500000) Preference Shares of Rs.100/- each | 13,500.00                             | 16,500.00                             |
| <b>Total (a)</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                              |
| <b>Total (b)</b>   | <b>3,813.81</b>                       | <b>3,813.81</b>                       |

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

- The Company has one class of Equity shares having a par value of Rs.10/- each.
  - Each shareholder is eligible for one vote per shares held.
  - 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.
  - 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<br>31 <sup>st</sup> March 2019 |                   | As at<br>31 <sup>st</sup> March 2018 |                   |
|--|--------------------------------------|-------------------|--------------------------------------|-------------------|
|  | No. of<br>Shares held                | Percentage<br>(%) | No. of<br>Shares held                | Percentage<br>(%) |
| Uttam Adlakha & Sons Holdings Pvt. Limited | 16301224                             | 42.74%            | 16301224                             | 42.74%            |
| Lipi Boilers (P) Limited                   | 3515000                              | 9.22%             | 3515000                              | 9.22%             |
| Uttam Industrial Engineering (P) Limited   | 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 preceeding the date at which the Balance Sheet is prepared**

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

- 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) Reconciliation of No. of Shares Outstanding:**

| Particulars                  | 31.03.2019 | 31.03.2018 |
|------------------------------|------------|------------|
| <b>Equity Shares</b>         |            |            |
| At the beginning of the year | 38138120   | 38138120   |
| Change during the year       | —          | —          |
| At the end of the year       | 38138120   | 38138120   |

## Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

(Rs. in Lakhs)

| Particulars                                       | As at<br>31 <sup>st</sup> March, 2019 | As at<br>31 <sup>st</sup> March, 2018 |
|---|---------------------------------------|---------------------------------------|
| <b>Note No. : 15: Other Equity</b>                |                                       |                                       |
| <b>Other Reserves</b>                             |                                       |                                       |
| <b>(a) Security Premium</b>                       |                                       |                                       |
| As per last Balance Sheet                         | 15,252.82                             | 15,252.82                             |
| <b>(b) Retained Earnings</b>                      |                                       |                                       |
| Balance as per Last Balance Sheet                 | (1,469.92)                            | (3,195.45)                            |
| Add : Profit for the Year                         | 5,811.91                              | 1,699.65                              |
| Add : Other comprehensive income for the year     | 11.32                                 | 25.88                                 |
| <b>Total (b)</b>                                  | <b>4,353.31</b>                       | <b>(1,469.92)</b>                     |
| <b>Total (a+b)</b>                                | <b>19,606.13</b>                      | <b>13,782.90</b>                      |
| <b>Note No. : 16 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>10,168.07</b>                      | <b>615.08</b>                         |
| Zila Sahkari Bank Ltd., Ghaziabad                 | 8,576.71                              | -                                     |
| Zila Sahkari Bank Ltd., Bulandshahr               | 1,381.99                              | -                                     |
| Uttarakhand State Co-Op. Bank Limited             | 209.37                                | 615.08                                |
| <b>Term Loans - from Banks SEFASU</b>             | <b>-</b>                              | <b>70.84</b>                          |
| Indian Overseas Bank                              | -                                     | 30.32                                 |
| Oriental Bank of Commerce                         | -                                     | 8.16                                  |
| Zila Sahkari Bank Limited, Ghaziabad              | -                                     | 32.36                                 |
| <b>Term Loans - from Banks Soft Loans</b>         | <b>536.43</b>                         | <b>2,067.76</b>                       |
| Punjab National Bank                              | 266.68                                | 1,000.54                              |
| IDBI Bank Limited                                 | 64.18                                 | 192.44                                |
| State Bank of India                               | 71.56                                 | 270.90                                |
| Indian Overseas Bank                              | 62.73                                 | 213.94                                |
| Oriental Bank of Commerce                         | 26.35                                 | 90.00                                 |
| Uttarakhand State Co-Op. Bank Limited             | 44.93                                 | 299.94                                |
| <b>From entities other than banks</b>             |                                       |                                       |
| From Govt. of India, Sugar Development Fund (SDF) | 449.72                                | 792.08                                |
| <b>CC Under Repayment from Banks</b>              | <b>16,466.14</b>                      | <b>22,182.59</b>                      |
| Punjab National Bank                              | 10,828.00                             | 14,437.00                             |
| IDBI Bank Limited                                 | 1,506.74                              | 2,008.99                              |
| State Bank of India                               | 1,360.40                              | 2,040.60                              |
| Indian Overseas Bank                              | 1,985.00                              | 2,647.00                              |
| Oriental Bank of Commerce                         | 786.00                                | 1,049.00                              |

## Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

(Rs. in Lakhs)

| Particulars                                      | As at<br>31 <sup>st</sup> March, 2019 | As at<br>31 <sup>st</sup> March, 2018 |
|--|---------------------------------------|---------------------------------------|
| <b>Vehicle Loans</b>                             |                                       |                                       |
| - From Banks                                     | 38.38                                 | 42.68                                 |
| - From Non banking finance company               | 19.53                                 | 4.95                                  |
| <b>(B) Unsecured Loans</b>                       |                                       |                                       |
| - Loan from related parties (refer note no.34 o) | 45.25                                 | 48.51                                 |
| <b>Total (i)</b>                                 | <b>27,723.52</b>                      | <b>25,824.49</b>                      |
| <b>(ii) Current</b>                              |                                       |                                       |
| <b>Secured Loans</b>                             |                                       |                                       |
| <b>(A) Loan repayable on demand</b>              |                                       |                                       |
| <b>Cash Credit from Banks</b>                    |                                       |                                       |
| Punjab National Bank                             | 17,524.55                             | 17,383.16                             |
| State Bank of India                              | -                                     | 9,428.95                              |
| Uttarakhand State Co-Op. Bank Limited            | 5,792.30                              | 5,483.69                              |
| Zila Sahkari Bank Limited, Ghaziabad             | 7,768.27                              | 5,794.21                              |
| Zila Sahkari Bank Limited, Bulandshahr           | 1,640.56                              | 3,881.23                              |
| <b>Total (ii)</b>                                | <b>32,725.68</b>                      | <b>41,971.24</b>                      |
| <b>Total (i + ii)</b>                            | <b>60,449.20</b>                      | <b>67,795.73</b>                      |

**i) Terms and Conditions of Secured Loans****a) Security Clauses:****1. SEFASU Term Loan, Soft Loan & 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.

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

### 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.

### 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:

#### a) For payment of cane price arrears of Sugar Season 2012-13 and/or cane price of Sugar Season 2013-14

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.

#### b) For off season expenses including repair and maintenance

Term Loans from Zila Sahkari Bank Limited, Ghaziabad for the sugar factories of the company situated at Village Shermau, Village Khaikheri and Village Barkatpur, are 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 the respective factories for which credit facility is availed and also guaranteed by Managing Director and further secured by corporate guarantee of M/s Lipi Boilers Pvt. Ltd.

#### c) For payment of cane price arrears of Sugar Season 2016-17 and 2017-18

Term Loans from Zila Sahkari Bank Limited, Ghaziabad for the sugar factories of the company situated at Village Shermau, Village Khaikheri and Village Barkatpur, are secured on First charge basis on all movable assets forming part of fixed/block assets, both present & future belonging to respective factories for which credit facility is availed and also guaranteed by Managing Director.

### 5. Term Loan from Zila Sahkari Bank Limited, Bulandshahr:-

Term Loan from Zila Sahkari Bank Limited, Bulandshahr is secured/to be secured on Residual charge basis on the block assets, both present & future, of the Company and also guaranteed by Managing Director and further secured by corporate guarantee of M/s Lipi Boilers Pvt. Ltd.

### 6. Vehicle loans:

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

#### (i) Term & Condition of Unsecured Loans

Unsecured Loans from Related parties shall be repayable after eight years from the date of disbursement/renewal 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.

#### For 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. M/s. Raj Kumar Adlakha, Rajan Adlakha and Ranjan Adlakha.

**Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019**

- c) 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 Housing infra 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**

- a) 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.
- b) 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).
- c) 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.
- d) 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. 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.

**4. 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.

**c) Cash Credit facility for Khaikheri Unit:**

Cash Credit facility for Khaikheri Unit from Zila Sahkari Bank Limited, Ghaziabad is secured by pledge of stocks of sugar at Khaikheri Sugar Factory situated at Village Khaikheri, Tehsil and District Muzaffarnagar, Uttar Pradesh and also guaranteed by Managing Director of the company.

**5. 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.

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year Ended 31<sup>st</sup> March 2019

### MATURITY PROFILE AS ON 31ST MARCH, 2019

(Rs. in Lakhs)

| Bank Name                                      | ROI    | 2020-21     |                       | 2021-22     |                       | 2022-23     |                       | 2023-24     |                      | 2024-25     |                     | 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         | No of Inst. | Rs. in Lakhs        |                  |
| PNB (CC Under repayment)                       | 11.50% | 4           | 4,125.00              | 4           | 4,125.00              | 2           | 2,578.00              |             |                      |             |                     | 10,828.00        |
| PNB (SOFT)                                     | 11.60% | 5           | 266.68 <sup>+</sup>   |             |                       |             |                       |             |                      |             |                     | 266.68           |
| IDBI Bank Ltd (CC under repayment)             | 12.75% | 4           | 574.00                | 4           | 574.00                | 2           | 358.74                |             |                      |             |                     | 1,506.74         |
| IDBI Bank Ltd (Soft)                           | 12.75% | 6           | 64.18 <sup>+</sup>    |             |                       |             |                       |             |                      |             |                     | 64.18            |
| State Bank of India (CC Under repayment)       | 12.50% | 4           | 680.20                | 4           | 680.20                |             |                       |             |                      |             |                     | 1,360.40         |
| State Bank of India (SOFT)                     | 12.50% | 5           | 71.56 <sup>+</sup>    |             |                       |             |                       |             |                      |             |                     | 71.56            |
| Indian Overseas Bank (CC under repayment)      | 11.50% | 4           | 756.00                | 4           | 756.00                | 2           | 473.00                |             |                      |             |                     | 1,985.00         |
| Indian Overseas Bank (SOFT)                    | 12.00% | 5           | 62.73 <sup>+</sup>    |             |                       |             |                       |             |                      |             |                     | 62.73            |
| Oriental Bank of Commerce (CC under repayment) | 11.50% | 4           | 300.00                | 4           | 300.00                | 2           | 186.00                |             |                      |             |                     | 786.00           |
| Oriental Bank of Commerce (SOFT)               | 12.00% | 5           | 26.35 <sup>+</sup>    |             |                       |             |                       |             |                      |             |                     | 26.35            |
| USCBL (Term Loan)                              | 12.50% | 8           | 209.37                |             |                       |             |                       |             |                      |             |                     | 209.37           |
| USCBL (SOFT)                                   | 12.00% | 3           | 44.93                 |             |                       |             |                       |             |                      |             |                     | 44.93            |
| ZSBL Ghaziabad-R&M                             | 11.00% | 9           | 1,196.88              |             |                       |             |                       |             |                      |             |                     | 1,196.88         |
| ZSBL Ghaziabad- soft cane Loan                 | 5.00%  | 12          | 1,736.43 <sup>*</sup> | 12          | 1,736.43 <sup>*</sup> | 12          | 1,736.43 <sup>*</sup> | 12          | 1736.43 <sup>*</sup> | 3           | 434.11 <sup>*</sup> | 7,379.83         |
| ZSBL BLD-Distillery Expansion                  | 11.00% | 4           | 691.79 <sup>^</sup>   | 4           | 690.20 <sup>^</sup>   |             |                       |             |                      |             |                     | 1,381.99         |
| SDF  | 5.75%  | 2           | 100.62 <sup>#</sup>   | 2           | 100.62 <sup>#</sup>   | 1           | 50.31 <sup>#</sup>    |             |                      |             |                     | 251.55           |
| SDF  | 6.50%  | 2           | 132.11 <sup>#</sup>   | 1           | 66.06 <sup>#</sup>    |             |                       |             |                      |             |                     | 198.17           |
| Toyota Financial Services India Limited        | 8.95%  | 12          | 11.86                 | 7           | 7.67                  |             |                       |             |                      |             |                     | 19.53            |
| Punjab National Bank                           | 8.70%  | 2           | 0.98                  |             |                       |             |                       |             |                      |             |                     | 0.98             |
| Punjab National Bank                           | 8.90%  | 1           | 0.22                  |             |                       |             |                       |             |                      |             |                     | 0.22             |
| Punjab National Bank                           | 9.05%  | 12          | 25.86                 |             | 11.32                 |             |                       |             |                      |             |                     | 37.18            |
| <b>Total</b>                                   |        |             | <b>11,077.75</b>      |             | <b>9,047.50</b>       |             | <b>5,382.48</b>       |             | <b>1736.43</b>       |             | <b>434.11</b>       | <b>27,678.27</b> |

<sup>+</sup> including Rs. 4.87 lakhs on account of effective rate of interest adjustment.

<sup>#</sup> including Rs. 73.38 lakhs on account of effective rate of interest adjustment.

<sup>\*</sup> including Rs. 1232.21 lakhs on account of effective rate of interest adjustment.

<sup>^</sup> including Rs. 149.75 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 2019

(Rs. in Lakhs)

| Particulars  | As at<br>31 <sup>st</sup> March, 2019 | As at<br>31 <sup>st</sup> March, 2018 |
|--|---------------------------------------|---------------------------------------|
| <b>Note No. : 17 Other Financial Liabilities</b>                       |                                       |                                       |
| <b>(i) Non-current</b>   |                                       |                                       |
| Reclassification of Preference shares capital as financial liabilities | 4,680.34                              | 4,197.60                              |
| <b>Total</b>   | <b>4,680.34</b>                       | <b>4,197.60</b>                       |
| <b>(ii) Current</b>  |                                       |                                       |
| <b>Carried at amortized Cost</b>                                       |                                       |                                       |
| <b>Current maturities of long term debt (refer note no.16)</b>         |                                       |                                       |
| <b>(A) Secured Loans</b>   |                                       |                                       |
| <b>Term Loans - from Banks</b>   | <b>3,778.42</b>                       | <b>1,149.48</b>                       |
| Punjab National Bank   | -                                     | 750.00                                |
| Zila Sahkari Bank Ltd., Ghaziabad                                      | 2,687.15                              | -                                     |
| Zila Sahkari Bank Ltd., Bulandshahr                                    | 691.79                                | -                                     |
| Uttarakhand State Co-Op. Bank Limited                                  | 399.48                                | 399.48                                |
| <b>Term Loans - from Banks SEFASU</b>                                  | <b>56.08</b>                          | <b>1,241.05</b>                       |
| Punjab National Bank   | -                                     | 544.09                                |
| Indian Overseas Bank   | 15.57                                 | 116.40                                |
| Oriental Bank of Commerce  | 8.15                                  | 55.47                                 |
| Uttarakhand State Co-Op. Bank Limited                                  | -                                     | 317.40                                |
| Zila Sahkari Bank Limited, Ghaziabad                                   | 32.36                                 | 207.69                                |
| <b>Term Loans - from Banks Soft Loans</b>                              | <b>1,500.14</b>                       | <b>1,437.15</b>                       |
| Punjab National Bank   | 717.80                                | 717.80                                |
| IDBI Bank Limited  | 128.26                                | 128.26                                |
| State Bank of India  | 183.67                                | 168.17                                |
| Indian Overseas Bank   | 151.16                                | 151.16                                |
| Oriental Bank of Commerce  | 63.57                                 | 63.57                                 |
| Uttarakhand State Co-Op. Bank Limited                                  | 255.68                                | 208.19                                |
| <b>From entities other than banks</b>                                  |                                       |                                       |
| From Govt. of India, Sugar Development Fund (SDF)                      | 342.36                                | 283.31                                |
| <b>CC Under Repayment from Banks</b>                                   | <b>5,690.87</b>                       | <b>4,521.06</b>                       |
| Punjab National Bank   | 3,685.25                              | 2,963.06                              |
| IDBI Bank Limited  | 488.43                                | 420.10                                |
| State Bank of India  | 685.90                                | 437.06                                |
| Indian Overseas Bank   | 640.23                                | 537.41                                |
| Oriental Bank of Commerce  | 191.06                                | 163.43                                |
| <b>Vehicle Loans</b>   |                                       |                                       |
| - From Banks   | 42.91                                 | 35.09                                 |
| - From Non banking finance Company                                     | 15.99                                 | 8.18                                  |

## Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

(Rs. in Lakhs)

| Particulars  | As at<br>31 <sup>st</sup> March, 2019 | As at<br>31 <sup>st</sup> March, 2018 |
|--|---------------------------------------|---------------------------------------|
| <b>(B) Unsecured Loans</b>   |                                       |                                       |
| - Soft Loan from Uttarakhand State Government                            | <b>656.68</b>                         | 656.68                                |
| Interest accrued but not due on borrowings                               | <b>211.36</b>                         | 60.17                                 |
| Interest accrued and due on borrowings                                   | <b>372.30</b>                         | 346.03                                |
| Security deposits  | <b>465.21</b>                         | 269.09                                |
| Due to directors   | <b>15.59</b>                          | 4.32                                  |
| Due to scheduled bank (book overdraft)                                   | <b>291.84</b>                         | 882.33                                |
| Supplier's credit balance against farmer crop loan (refer note no. 34 d) | –                                     | 1,346.42                              |
| Other Liabilities  | <b>603.48</b>                         | 606.03                                |
| <b>Total (ii)</b>  | <b>14,043.23</b>                      | 12,846.39                             |
| <b>Total (i + ii)</b>  | <b>18,723.57</b>                      | 17,043.99                             |

**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 Share holders 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 Share holders 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 lakhs and interest accrued & due thereon of Rs.372.30 lakhs was repayable in three years in quarterly instalments 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.

**Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019**

(Rs. in Lakhs)

| Particulars  | As at<br>31 <sup>st</sup> March, 2019 | As at<br>31 <sup>st</sup> March, 2018 |
|--|---------------------------------------|---------------------------------------|
| <b>Note No. : 18 Deferred Revenue (including Government grant)</b>                                     |                                       |                                       |
| <b>Opening Balance</b>   | <b>901.13</b>                         | 1,261.63                              |
| Add: Received during the year  | <b>1,929.17</b>                       | –                                     |
| Less : released to statement of profit and loss account  | <b>686.83</b>                         | 360.50                                |
| <b>Closing Balance</b>   | <b>2,143.47</b>                       | 901.13                                |
| <b>Current</b>   | <b>442.17</b>                         | 478.29                                |
| <b>Non Current</b>   | <b>1,701.30</b>                       | 422.84                                |
| <b>Note No. : 19 Provisions</b>  |                                       |                                       |
| <b>(i) Non-current</b>   |                                       |                                       |
| Provision for employee benefits  | <b>956.90</b>                         | 824.73                                |
| <b>(ii) Current</b>  |                                       |                                       |
| Provision for employee benefits  | <b>173.25</b>                         | 138.33                                |
| <b>Total</b>   | <b>1,130.15</b>                       | 963.06                                |
| <b>Note No. : 20 Trade and Other Payables</b>  |                                       |                                       |
| <b>(A) Trade Payables</b>  |                                       |                                       |
| Total outstanding dues of micro enterprises and small enterprises {Refer Note No.34 a}                 | <b>971.42</b>                         | 291.79                                |
| Total outstanding dues of creditors other than micro enterprises and small enterprises                 | <b>63,418.11</b>                      | 37,574.41                             |
| <b>Total (A)</b>   | <b>64,389.53</b>                      | 37,866.20                             |
| <b>(B) Other Payables</b>  |                                       |                                       |
| Total outstanding dues of micro enterprises and small enterprises {Refer Note No.34 a} (Capital Goods) | <b>86.78</b>                          | 2.15                                  |
| Total outstanding dues of creditors other than micro enterprises and small enterprises (Capital Goods) | <b>218.41</b>                         | 556.68                                |
| <b>Total (B)</b>   | <b>305.19</b>                         | 558.83                                |
| <b>Total (A+B)</b>   | <b>64,694.72</b>                      | 38,425.03                             |
| <b>Note No. : 21 Other Current Liabilities</b>   |                                       |                                       |
| <b>Other Payables</b>  |                                       |                                       |
| Statutory liabilities  | <b>582.00</b>                         | 560.84                                |
| Advance from customers   | <b>436.73</b>                         | 220.26                                |
| Other liabilities  | <b>240.61</b>                         | 227.83                                |
| <b>Total</b>   | <b>1,259.34</b>                       | 1,008.93                              |

**Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019**

(Rs. in Lakhs)

| Particulars  | As at<br>31 <sup>st</sup> March, 2019 | As at<br>31 <sup>st</sup> March, 2018 |
|--|---------------------------------------|---------------------------------------|
| <b>Note No. : 22 Current Tax Liabilities (Net of Advance tax)</b>  |                                       |                                       |
| Provision for taxation   | <b>1,646.00</b>                       | 540.00                                |
| Less : Advance tax   | <b>104.24</b>                         | 507.14                                |
| <b>Total</b>   | <b>1,541.76</b>                       | 32.86                                 |
| <b>Note No. : 23 Contingent Liabilities</b>  |                                       |                                       |
| <b>(i) Claims against the Company not acknowledged as debts :</b>  |                                       |                                       |
| a) Excise duty/service tax/GST   | <b>180.68</b>                         | 242.89                                |
| b) Sales Tax/VAT   | <b>14.88</b>                          | 26.21                                 |
| c) Income Tax  | <b>28.87</b>                          | 28.87                                 |
| d) In respect of pending court cases by/against<br>ex-employees amount not ascertainable at this stage   | <b>—</b>                              | —                                     |
| <b>(ii) Guarantees excluding financial liabilities</b>   |                                       |                                       |
| i) Bank guarantees issued  | <b>1,030.39</b>                       | 787.91                                |
| <b>(iii) Other money for which the Company is contingently liable</b>  |                                       |                                       |
| i) Letter of credit in favour of suppliers   | <b>1,416.34</b>                       | 1,444.62                              |
| <b>Total</b>   | <b>2,671.16</b>                       | 2,530.50                              |
| <b>Note No. : 24 Capital Commitments</b>   |                                       |                                       |
| i) Estimated amount of contracts remaining to be executed on<br>capital account and not provided for (Net of Advances)   | <b>4,437.81</b>                       | 164.77                                |
| ii) The Company has imported goods under the Export Promotion<br>Capital Goods Scheme of the Govt. Of India, at concessional<br>rates of duty on an undertaking to fulfill quantified reports in<br>the future years | <b>1,475.75</b>                       | 1,633.22                              |
| <b>Total</b>   | <b>5,913.56</b>                       | 1,797.99                              |

## Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

(Rs. in Lakhs)

| Particulars   | Year Ended<br>31 <sup>st</sup> March, 2019 | Year Ended<br>31 <sup>st</sup> March, 2018 |
|---|--|--|
| <b>Note No. : 25 Revenue from Operations</b>  |  |  |
| (a) Sale of products  | 120,218.75                                 | 124,792.74                                 |
| (b) Other operating revenues  | 1,247.09                                   | 1,671.16                                   |
| <b>Gross Sales</b>  | <b>121,465.84</b>                          | <b>126,463.90</b>                          |
| <b>Particulars of Sale of Products</b>  |  |  |
| Sugar   | 102,327.00                                 | 110,962.57                                 |
| Molasses  | 553.30                                     | 2,410.61                                   |
| Power   | 7,331.94                                   | 7,273.91                                   |
| Distillery  | 9,842.36                                   | 3,861.96                                   |
| Others  | 164.15                                     | 283.69                                     |
| <b>Total</b>  | <b>120,218.75</b>                          | <b>124,792.74</b>                          |
| <b>Note No. : 26 Other Income</b>   |  |  |
| <b>Interest income on financial assets carried at amortized cost</b>                            |  |  |
| (a) Interest income   | 37.65                                      | 33.95                                      |
| (b) Interest income based on effective interest rate  | 660.69                                     | 348.25                                     |
| (c) Income recognized under EPCG scheme   | 26.24                                      | 12.25                                      |
| (d) Sugar Cane Subsidy  | 1,346.14                                   | -  |
| (e) Profit on sale of assets  | 30.02                                      | 292.90                                     |
| (f) Miscellaneous income  | 117.84                                     | 428.60                                     |
| <b>Total</b>  | <b>2,218.58</b>                            | <b>1,115.95</b>                            |
| <b>Note No. : 27 Cost of Raw Materials Consumed</b>   |  |  |
| Opening Stocks  | 183.27                                     | 275.24                                     |
| Purchases   | 113,690.31                                 | 111,172.49                                 |
|   | 113,873.58                                 | 111,447.73                                 |
| Less : Closing Stocks   | 164.88                                     | 183.27                                     |
| <b>Material Consumed</b>  | <b>113,708.70</b>                          | <b>111,264.46</b>                          |
| <b>Note No. : 28 Changes in Inventories of Finished Goods, By-Products and Work-In-Progress</b> |  |  |
| <b>Opening 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                                   |
|   | 70,390.35                                  | 59,445.51                                  |
| <b>Closing Stocks</b>   |  |  |
| Finished goods  | 93,965.36                                  | 68,546.73                                  |
| Work-in-progress  | 1,415.96                                   | 1,014.22                                   |
| By-products   | 1,620.75                                   | 829.40                                     |
| <b>Total</b>  | <b>97,002.07</b>                           | <b>70,390.35</b>                           |
| <b>Excise &amp; other duties on (decrease)/increase of stocks</b>                               | -  | (3,750.06)                                 |
| <b>(Decrease)/increase in stocks</b>  | <b>(26,611.72)</b>                         | <b>(14,694.90)</b>                         |

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

(Rs. in Lakhs)

| Particulars  | Year Ended<br>31 <sup>st</sup> March, 2019 | Year Ended<br>31 <sup>st</sup> March, 2018 |
|--|--|--|
| <b>Note No. : 29 Employee Benefits Expenses</b>                |  |  |
| Salaries and wages   | 5,762.14                                   | 5,088.97                                   |
| Contribution to provident and other funds                      | 206.34                                     | 181.96                                     |
| Staff welfare expenses   | 201.29                                     | 199.48                                     |
| <b>Total</b>   | <b>6,169.77</b>                            | <b>5,470.41</b>                            |
| <b>Note No. : 30 Finance Costs</b>                             |  |  |
| Interest expenses based on effective interest rate             | 1,166.22                                   | 807.12                                     |
| Interest expenses  | 6,623.86                                   | 6,923.82                                   |
| Other borrowing cost   | 245.77                                     | 275.41                                     |
| <b>Total</b>   | <b>8,035.85</b>                            | <b>8,006.35</b>                            |
| <b>Note No. : 31 Other Expenses</b>                            |  |  |
| <b>(A) Manufacturing Expenses</b>                              |  |  |
| Packing materials consumed                                     | 1,994.86                                   | 1,715.37                                   |
| Consumption of stores, spares                                  | 1,603.16                                   | 1,110.32                                   |
| Power and fuel   | 912.12                                     | 505.97                                     |
| Other manufacturing expenses                                   | 773.90                                     | 591.70                                     |
| <b>Repairs to :</b>  |  |  |
| Plant and Machinery  | 2,823.50                                   | 2,581.05                                   |
| Buildings  | 62.42                                      | 65.12                                      |
| Others   | 88.09                                      | 129.15                                     |
| <b>Total (A)</b>   | <b>8,258.05</b>                            | <b>6,698.68</b>                            |
| <b>(B) Administrative and Other Expenses</b>                   |  |  |
| Rent   | 106.22                                     | 64.75                                      |
| Rates and taxes  | 237.78                                     | 209.83                                     |
| Printing and stationery  | 46.08                                      | 44.84                                      |
| Postage, courier and telephones                                | 46.48                                      | 53.77                                      |
| Travelling and Conveyance                                      |  |  |
| Directors  | 33.59                                      | 30.16                                      |
| Others   | 249.53                                     | 212.16                                     |
| Fees and subscription  | 127.99                                     | 113.72                                     |
| Legal and professional charges                                 | 250.06                                     | 219.19                                     |
| Auditors' remuneration   | 14.52                                      | 12.99                                      |
| Vehicle running and maintenance                                | 223.13                                     | 209.47                                     |
| Insurance  | 171.24                                     | 163.05                                     |
| Cane development expenses                                      | 889.29                                     | 1,053.83                                   |
| Provision for doubtful debts                                   | -  | 9.97                                       |
| Charity & donation   | -  | 10.00                                      |
| Loss on sale/damage of fixed assets                            | 1.75                                       | -  |
| Foreign currency fluctuation on sale                           | (0.02)                                     | (0.24)                                     |
| Corporate social responsibility expenses (refer note no. 34 q) | 40.83                                      | 23.03                                      |
| Office & Other administration expenses                         | 52.99                                      | 80.56                                      |
| <b>Total (B)</b>   | <b>2,491.46</b>                            | <b>2,511.08</b>                            |

**Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019**

(Rs. in Lakhs)

| Particulars  | Year Ended<br>31 <sup>st</sup> March, 2019 | Year Ended<br>31 <sup>st</sup> March, 2018 |
|--|--|--|
| <b>(C) Selling &amp; Distribution Expenses</b>                                     |  |  |
| Balance Non Recoverable  | 164.21                                     | -  |
| Business promotion   | 24.51                                      | 48.95                                      |
| Sugar handling expenses  | 164.52                                     | 131.93                                     |
| Commission on sales  | 299.16                                     | 352.29                                     |
| Freight outward  | 788.24                                     | 581.72                                     |
| Other selling expenses   | 121.74                                     | 104.86                                     |
| Compensation paid  | 35.13                                      | 196.65                                     |
| <b>Total (C)</b>   | <b>1,597.51</b>                            | <b>1,416.40</b>                            |
| <b>Total (A+B+C)</b>   | <b>12,347.02</b>                           | <b>10,626.16</b>                           |
| <b>Note No. : 32 Tax Expense</b>   |  |  |
| Current tax  | 1,646.00                                   | 540.00                                     |
| Deferred tax   | 1,508.94                                   | 624.23                                     |
| Minimum Alternate tax (MAT) Credit entitlement                                     | (1,600.00)                                 | (418.00)                                   |
| Income tax for earlier year  | 4.73                                       | (70.20)                                    |
| <b>Total</b>   | <b>1,559.67</b>                            | <b>676.03</b>                              |
| Reconciliation of tax expenses   |  |  |
| Profit before tax  | 7,371.58                                   | 2,375.68                                   |
| Applicable tax rate %  | 34.608                                     | 822.18                                     |
| <b>Computed tax expenses</b>   | <b>2,551.16</b>                            | <b>822.18</b>                              |
| <b>Adjustments for :</b>   |  |  |
| Effect of tax expenses not allowed for tax purpose                                 | 14.13                                      | 11.57                                      |
| Effect of tax on profit on sale of fixed assets                                    | (10.39)                                    | (101.36)                                   |
| Effect on deferred tax due to change in Tax Rate                                   | -  | 537.35                                     |
| Effect of tax on Renewable energy certificate                                      | (46.85)                                    | (80.70)                                    |
| Effect of deferred tax assets not recognized on loss                               | (816.65)                                   | (447.94)                                   |
| Effect of MAT reversed excess provide in earlier years                             | (134.92)                                   | -  |
| Effect of deferred tax on comprehensive income and term loan expenses              | (1.54)                                     | 5.13                                       |
| Adjustments recognised in the current year in relation to prior years              | 4.73                                       | (70.20)                                    |
| <b>Net adjustments</b>   | <b>(991.49)</b>                            | <b>(146.15)</b>                            |
| <b>Tax Expenses</b>  | <b>1,559.67</b>                            | <b>676.03</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   | 17.32                                      | 39.58                                      |
| Less: Income tax relating to items that will not be reclassified to profit or loss | (6.00)                                     | (13.70)                                    |
| <b>Total</b>   | <b>11.32</b>                               | <b>25.88</b>                               |



# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

### 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 and Small Enterprises as on 31 <sup>st</sup> March, 2019   |              |               |
| i) Principal amount  | 1058.20      | 293.94        |
| ii) Interest due on above  | 14.93        | 6.71          |
| (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        | 4.51         | 5.42          |
| (d) Total interest accrued and remaining unpaid as on  | 27.73        | 12.80         |
| (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. The writ petitioners are allowed vide common Judgment dated 12.02.2019 of Hon'ble High Court (Lucknow) that the petitioners are entitled for consideration of all the benefits in the form of exemptions/remission/reimbursements as per the Sugar Industry Promotion Policy – 2004 and various notifications issued thereunder from time to time for the entire period of the validity of the Policy. As per Hon'ble Court, since the matter has become quite old it will be appropriate that the cases may be examined and benefits may be given within a maximum period of two months from the date of order. 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. 5553 lakhs, which will be accounted for when claim will be approved by the Appropriate Authority.
- d. Supplier's credit balance against farmer's crop loan appearing under other financial liabilities (note no. 17) represent loan of Rs. NIL (Previous year Rs. 1346.42 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. For sugar season 2017-2018 financial assistance of Rs. 4.50/- per quintal was granted vide Govt. of Uttar Pradesh Order No. 13/2018/1697/46-3-18-3(37) /2018 Dated 01.10.2018 & Govt. of Uttarakhand Order dated 22.02.2019, the Company has accounted for an amount of Rs. 1660.40 lakhs. Out of this Rs. 314.26 lakhs have been reduced from Cost of Raw Material consumed pertaining to current year (Note No. 27) & Rs. 1346.14 Lakhs shown under other income pertaining to earlier year (Note No. 26).
- f. During the year the Central Government notifies the scheme for creation and maintenance of Buffer Stock vide Notification No. 1(6)/2018-SP-I dated 15<sup>th</sup> June 2018. Under the above scheme interest of Rs.834.98 lakhs and insurance including handling charges of Rs. 152.95 lakhs were recoverable from Ministry of Consumer Affairs, Food and Public Distribution. Out of which interest of Rs. 503.74 lakhs and insurance including handling charges of Rs.92.48 lakhs recovered during the financial year and balance amount of interest of Rs.331.24 lakhs and insurance including handling charges of Rs.60.47 lakhs are recoverable. The above amount has been reduced from relevant expenses.

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

- g. The Central Government, with a view to offset the cost of cane and facilitate timely payment of cane price dues of farmers for sugar season 2018-19, notifies the scheme for assistance to sugar mill vide Notification No. 1(14)/2018-SP-I dated 5<sup>th</sup> October 2018 issued by Ministry of Consumer Affairs, Food and Public Distribution. Accordingly, Rs. 1010.17 Lakhs has been adjusted as reduced from Cost of Raw Material consumed (Note No. 27) during the year ended 31<sup>st</sup> March 2019.
- h. The Central Government, with a view to facilitate export of sugar during sugar season 2018-19, thereby improving liquidity position of sugar mills enabling them to clear cane price dues of farmer for sugar season 2018-19, thereby notifies the scheme for defraying expenditure towards internal transport, freight, handling charges in export, vide notification no. 1(14) 2018-SP-1 dated 5<sup>th</sup> October 2018 issued by Ministry of Consumer Affairs, Food and Public Distribution. Accordingly Rs. 334.32 Lakhs reduced from freight outward (Note No. 31) during the year ended 31<sup>st</sup> March 2019.
- i. The cost of Inventory of Sugar, held towards export obligation in terms of Minimum Indicative Export Quota (MIEQ), fixed by the Central Government, vide notification no. 1(4) 2018-SP-1 dated 28<sup>th</sup> September 2018 issued by Ministry of Consumer Affairs, Food and Public Distribution is written down by Rs. 312.84 lakhs as on 31<sup>st</sup> March 2019 due to lower realizable value.

**j. Disclosure in respect of Operating Lease:**

The Company has entered into non-cancelable Operating Lease for premises and lease rent amounting to Rs.106.22 Lakhs (Previous year Rs. 64.75 Lakhs) have been charged to Statement of Profit & Loss. The future minimum lease payments are as under: - (Rs. in Lakhs)

| Particulars   | Current year | Previous year |
|---|--------------|---------------|
| (a) Not later than one Year                         | 67.06        | 35.22         |
| (b) Later than one year & not later than five Years | -            | 12.60         |
| (c) Later than five years                           | -            | -             |

- k. 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.

**l. 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   | 116008        | 122755        |
|          | b) Cogeneration  | 14187         | 13752         |
|          | c) Distillery  | 9842          | 3883          |
|          | <b>Total</b>   | <b>140037</b> | <b>140390</b> |
|          | Less: Inter Segment Revenue  | 18571         | 13926         |
|          | Net Segment Revenue  | 121466        | 126464        |
| <b>2</b> | <b>Segment Results-Profit/(Loss) before Tax and Finance Cost and Exceptional Items</b> |               |               |
|          | a) Sugar   | 6275          | 5251          |
|          | b) Cogeneration  | 5204          | 6247          |
|          | c) Distillery  | 5374          | 233           |
|          | <b>Total</b>   | <b>16853</b>  | <b>11731</b>  |

## Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

|          |  |               |               |
|----------|--|---------------|---------------|
|          | Add/Less: i) Finance Cost                  | 8036          | 8006          |
|          | ii) Other Un-allocable Expenses net off    | 1446          | 1349          |
|          | iii) Exceptional Items                     | –             | –             |
|          | <b>Profit/(Loss) before Tax</b>            | <b>7371</b>   | <b>2376</b>   |
| <b>3</b> | <b>Segment Assets</b>                      |               |               |
|          | a) Sugar                                   | 145092        | 117230        |
|          | b) Cogeneration                            | 9552          | 11570         |
|          | c) Distillery                              | 13772         | 9579          |
|          | d) Unallocable                             | 3013          | 1335          |
|          | <b>Total Assets</b>                        | <b>171429</b> | <b>139714</b> |
| <b>4</b> | <b>Segment Liabilities</b>                 |               |               |
|          | a) Sugar                                   | 68119         | 42885         |
|          | b) Cogeneration                            | 17            | 18            |
|          | c) Distillery                              | 862           | 454           |
|          | d) Unallocable                             | 2190          | 555           |
|          | <b>Total Liabilities</b>                   | <b>71188</b>  | <b>43912</b>  |
| <b>5</b> | <b>Capital Expenditure</b>                 |               |               |
|          | a) Sugar                                   | 1061          | 5116          |
|          | b) Cogeneration                            | 11            | -             |
|          | c) Distillery                              | 3353          | 525           |
|          | d) Unallocable                             | 21            | 22            |
|          | <b>Total Capital Expenditure</b>           | <b>4446</b>   | <b>5663</b>   |
| <b>6</b> | <b>Depreciation and amortization</b>       |               |               |
|          | a) Sugar                                   | 1862          | 1682          |
|          | b) Cogeneration                            | 350           | 336           |
|          | c) Distillery                              | 413           | 364           |
|          | d) Unallocable                             | 38            | 34            |
|          | <b>Total Depreciation and Amortization</b> | <b>2663</b>   | <b>2416</b>   |

- m. Other financial assets note no. 6 includes interest of Rs.176.25 Lakhs (Previous year Rs. 214.45 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.

**n. 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:

## Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

(Rs. in Lakhs)

| Particulars                               | Current Year  | Previous Year |
|---|---------------|---------------|
| Employer's contribution to provident fund | 60.52         | 52.15         |
| Employer's contribution to pension fund   | 129.79        | 114.45        |
| Other administrative expenses             | 16.03         | 15.36         |
| <b>Total</b>                              | <b>206.34</b> | <b>181.96</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 2019. The details are given below:

(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 2018  | 748.26<br>(668.24)  | 214.80<br>(206.38)        |
| (b) Interest Cost   | 57.84<br>(49.25)    | 16.60<br>(15.21)          |
| (c) Current Service Cost  | 91.98<br>(81.24)    | 38.00<br>(34.89)          |
| (d) Benefits Paid   | (11.87)<br>(-32.91) | (8.14)<br>(-19.66)        |
| (e) Actuarial Loss/(Gain)   | 7.25<br>(-17.57)    | (24.58)<br>(-22.01)       |
| (f) Present Value of Obligation as at 31 <sup>st</sup> March 2019 | 893.47<br>(748.25)  | 236.68<br>(214.81)        |
| Current Liability   | 120.78<br>(90.35)   | 52.47<br>(47.98)          |
| Non - Current Liability   | 772.69<br>(657.90)  | 184.21<br>(166.83)        |
| <b>(B) Amount recognized in Balance Sheet (A-B)</b>               | 893.47<br>(748.25)  | 236.68<br>(214.80)        |
| <b>(C) Expenses recognized in the Profit &amp; Loss Account</b>   |                     |                           |
| (a) Current Service Cost  | 91.98<br>(81.24)    | 38.00<br>(34.89)          |
| (b) Interest Cost   | 57.84<br>(49.26)    | 16.60<br>(15.21)          |
| <b>(D) Expenses recognized in Other Comprehensive Income</b>      |                     |                           |
| (a) Actuarial Loss/(Gain)   | 7.25<br>(-17.57)    | (24.57)<br>(-22.01)       |
| (b) Net Cost  | 157.07<br>(112.92)  | 30.02<br>(28.08)          |
| <b>Actuarial Assumptions</b>                                      |                     |                           |
| (a) Discount Rate   |                     | 7.66%                     |
| (b) Rate of escalation in Salary (Per Annum)                      |                     | 5.50%                     |
| (c) Mortality Table   |                     | 100% of IALM (2006 - 08)  |
| (d) Retirement Age (Years)  |                     | 58                        |

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

### o. 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 Aggarwal - Executive Director
- Sh. G. Ramarathnam - Chief-Legal & Corporate Affairs & Co. Secretary
- Sh. Sanjay Bhandari - Chief Financial Officer

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

- Smt. Amita Adlakha (Wife of MD)

##### b) 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 31.03.19                   | Year ended 31.03.18 |                                     | As at 31.03.19 | As at 31.03.18 |
| Key Management Personnel (KMP) |   |                                       |                     |                                     |                |                |
| Raj Kumar Adlakha              | Remuneration (including commission & perquisites) | 228.88                                | 210.70              | Remuneration Payable                | 10.69          | 1.55           |
|                                | Lease Rent  | 15.00                                 | 15.00               | Lease Rent                          | 2.97           | -              |
| Ashok Kumar Aggarwal           | Remuneration & Perquisites                        | 53.54                                 | 49.79               | Remuneration Payable                | 1.93           | 2.77           |
| G. Ramarathnam                 | Remuneration & Perquisites                        | 29.82                                 | 27.18               | Remuneration Payable                | 1.93           | 1.81           |
| Sanjay Bhandari                | Remuneration & Perquisites                        | 47.16                                 | 43.58               | Remuneration Payable                | -              | 3.34           |
|                                | Advance Salary                                    | 10.00                                 | 0                   | Advance Salary                      | 5.34           | -              |
| Relative of KMP                |   |                                       |                     |                                     |                |                |
| Amita Adlakha                  | Office Rent                                       | 10.62                                 | 10.56               | Office Rent                         | 6.82           | 1.11           |
| Uttam Sucrotech Ltd.           | Interest on Unsecured Loan                        | 1.79                                  | 1.79                | Unsecured Loan                      | 17.94          | 17.94          |
|                                |   |                                       |                     | Interest for Unsecured Loan         | 1.61           | -              |

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

|   |  |                  |          |                                       |                 |          |
|---|--|------------------|----------|---------------------------------------|-----------------|----------|
|   | Guarantee satisfied / received (Net)         | <b>(7537.20)</b> | 1125.60  | Guarantee                             | <b>43921.56</b> | 51458.76 |
| Uttam Sucrotech International (P) Ltd.  | Receiving of Services (Machinery)            | <b>25.11</b>     | 79.36    | Advance for Purchase of Goods/Service | -               | 0.35     |
|   | Purchase of Fixed Assets                     | <b>37.67</b>     | 139.57   | Creditors                             | <b>1.16</b>     | -        |
|   | Sugar Sales made                             | <b>4.29</b>      | 2.36     |                                       |                 |          |
|   | Advance given & Refund received back         | -                | 160.00   |                                       |                 |          |
| Uttam Industrial Engg. (P) Ltd.         | Purchase of Fixed Assets                     | <b>12.39</b>     | 300.72   | Advance for Purchase of Goods/Service | <b>0.05</b>     | -        |
|   | Receiving of Services (Machinery)            | <b>101.74</b>    | 168.93   | Creditors                             | -               | 38.02    |
|   | Sugar Sales made                             | <b>3.69</b>      | 3.82     |                                       |                 |          |
|   | Payment of Unsecured Loan                    | -                | 20.00    | Unsecured Loan                        | <b>27.31</b>    | 27.31    |
|   | Interest on Unsecured Loan                   | <b>2.73</b>      | 4.06     | Interest for Unsecured Loan           | <b>14.63</b>    | 12.16    |
|   | Guarantee satisfied / received (Net)         | <b>(7537.20)</b> | 1125.60  | Guarantee                             | <b>43921.56</b> | 51458.76 |
| The Standard Type Foundry (P) Ltd.      | Purchase of Fixed Assets                     | <b>65.84</b>     | -        | Creditors                             | <b>26.48</b>    | 59.52    |
|   | Receiving of Services (Machinery & Vehicles) | <b>48.74</b>     | 119.09   |                                       |                 |          |
|   | Sugar Sales made                             | <b>5.90</b>      | 4.04     |                                       |                 |          |
|   |  |                  |          |                                       |                 |          |
| Lipi Boilers Pvt. Ltd.                  | Payment of Unsecured Loan                    | -                | 44.24    | Capital Advances                      | <b>49.61</b>    | 49.61    |
|   | Interest on Unsecured Loan                   | -                | 4.15     |                                       |                 |          |
|   | Guarantee satisfied / received (Net)         | <b>(2584.59)</b> | 1125.60  | Guarantee                             | <b>48874.17</b> | 51458.76 |
| Shubham Sugars Ltd.                     | Purchase of Agriculture Products             | <b>60.04</b>     | 125.92   | Creditors                             | <b>0.36</b>     | 1.25     |
|   | Sale of Bio Compost                          | <b>5.97</b>      |          |                                       |                 |          |
| Uttam Adlakha & Sons Holdings Pvt. Ltd. | Interest on Unsecured Loan                   | -                | 2.72     | Interest for Unsecured Loan           | -               | -        |
|   | Payment of Unsecured Loan                    | -                | 27.85    | Unsecured Loan                        | -               | -        |
|   | Guarantee satisfied / received (Net)         | <b>(4191.06)</b> | 12823.72 | Guarantee                             | <b>42128.29</b> | 46319.35 |
| Sekhri Finance & Investment Pvt. Ltd.   | Interest on Unsecured Loan                   | <b>0.33</b>      | 1.24     | Interest for Unsecured Loan           | -               | 1.11     |

## Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

|                              |                                      |           |         |                  |          |          |
|------------------------------|--------------------------------------|-----------|---------|------------------|----------|----------|
|                              | Payment of Unsecured Loan            | 3.26      | 12.21   | Unsecured Loan   | -        | 3.26     |
| Uttamenergy Ltd.             | Purchase of Fixed Assets             | -         | 1151.86 | Creditors        | -        | 73.23    |
|                              | Sales of Assets                      | 8.26      | -       | Capital advances | 599.79   | -        |
| Uttam Housinginfra Ltd.      | Guarantee satisfied / received (Net) | (5463.11) | 2000.50 | Guarantee        | 43880.33 | 49343.44 |
| Uttam Sunna Charitable Trust | Purchase of Fixed Assets             | -         | 3.78    | Creditors        | -        | 3.78     |
|                              | Sugar Sales made                     | 0.35      | 0.16    |                  |          |          |

## p. Auditors' Remuneration: (Rs. in Lakhs)

| Particulars               | Current Year | Previous Year |
|---------------------------|--------------|---------------|
| (a) As Statutory Auditors | 12.00        | 12.00         |
| (b) For other Matters     | 2.52         | 0.99          |
| <b>Total</b>              | <b>14.52</b> | <b>12.99</b>  |

## q. Expenditure on Corporate Social Responsibility (CSR) activities: (Rs. in Lakhs)

## (i) Details of CSR Expenditure:

| Sl. No. | Particulars  | Current Year | Previous Year |
|---------|--|--------------|---------------|
| a)      | Gross amount required to be spent by the Company during the year | 39.50        | 22.64         |
| 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  | 40.83        | 23.03         |
|         | - yet to be paid in cash   |              |               |

## (ii) The various heads under which the CSR expenditure were incurred in cash as detailed as follows:

(Rs. in Lakhs)

| Sl. No.      | Relevant Clause of Schedule VII to the Act | Description of CSR activities   | Current Year | Previous Year |
|--------------|--|---|--------------|---------------|
| a)           | Clause (i)                                 | Eradicating hunger, poverty and malnutrition, promoting health care & providing safe drinking water                               | 14.64        | 13.77         |
| b)           | Clause (ii)                                | Promoting education, including special education and employment enhancing vocational training and livelihood enhancement projects | 2.38         | 1.50          |
| c)           | Clause (vii)                               | To promote rural sports   | -            | 0.23          |
| d)           | Clause (x)                                 | Rural Development Projects  | 23.81        | 7.53          |
| <b>Total</b> |  |   | <b>40.83</b> | <b>23.03</b>  |



# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

### r. Earnings Per Share (EPS)

| Particulars  | Current Year | Previous Year |
|--|--------------|---------------|
| (a) Profit / (Loss) attributable to the equity shareholders (Rs. in Lakhs) | 5823.23      | 1725.53       |
| (b) Weighted average number of equity shares outstanding                   |              |               |
| (i) <u>Basic:</u>  | 38138120     | 38138120      |
| Weighted average number of equity shares at the end                        |              |               |
| ii) <u>Diluted</u>   | 38138120     | 38138120      |
| Weighted average number of shares as in b(i)                               |              |               |
| c) Paid up value of share  | Rs.10/-      | Rs.10/-       |
| d) Basic Earnings per share (Rs) (a/bi)                                    | 15.27        | 4.52          |
| e) Diluted Earnings per share (Rs.) (a/bii)                                | 15.27        | 4.52          |

### s. Foreign Currency Inflow & outflow

#### i. Expenditures:

(Rs. in Lakhs)

| Particulars            | Current Year | Previous Year |
|------------------------|--------------|---------------|
| Travelling Expenditure | 17.36        | 24.06         |
| Professional Charges   | 2.78         | -             |
| Repair & Maintenance   | 0.54         | -             |

#### ii. Earnings:

(Rs. in Lakhs)

| Particulars  | Current Year | Previous Year |
|--|--------------|---------------|
| Export Sales (F.O.B. Value)                        | 63.72        | 30.63         |
| Advance received for Export Sale of finished goods | 0.85         | 32.24         |

- t. 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.

### 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.

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.

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

### 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 31.03.2019 | As at 31.03.2018 |
|--------------------------|------------------|------------------|
| Variable rate Borrowings | 40448.61         | 56657.83         |
| Fixed rate Borrowings    | 32038.79         | 20421.39         |

### Sensitivity

Almost 100% of the Company's variable 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.

| Particulars             | Impact on Profit before Tax |      |          |          |
|-------------------------|-----------------------------|------|----------|----------|
|                         | 2019                        | 2018 | 2019     | 2018     |
| Increase in Basis Point | 50                          | 50   | 202.24   | 283.29   |
| Decrease in Basis Point | 50                          | 50   | (202.24) | (283.29) |

### 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 determent 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 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.

**Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019**
**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 31.03.2019       |                |                    |                         |
|    | Gross carrying Amount  | 5297.07        | 0.23               | 13.72                   |
| b) | Expected Credit Loss @ |                |                    |                         |
| a) | As at 31.03.2018       |                |                    |                         |
|    | Gross carrying Amount  | 4924.70        | 2.12               | 13.72                   |
| b) | Expected Credit Loss @ |                |                    |                         |

(\*\*) includes provision for doubtful debts of Rs.9.97 Lakhs

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 |
|------------------------------------|---------------------------|
| 31.03.2019                         |                           |
| 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, 2019, 31<sup>st</sup> March, 2018 is the carrying amounts as stated under Note No. 11.

**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.

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

### Non derivative financial instruments

(Rs. in Lakhs)

| Particulars                 | As at 31.03.2019<br>Carrying Amount | On Demand | Less than One year | More than one year and less than three years | More than three years | Total    |
|-----------------------------|-------------------------------------|-----------|--------------------|--|-----------------------|----------|
| Borrowings                  | 72532.65                            | 33382.36  | 11472.02           | 20125.25                                     | 7553.02               | 72532.65 |
| Trade Payables              | 64694.72                            | -         | 64694.72           | -  | -                     | 64694.72 |
| Other Financial Liabilities | 1959.78                             | -         | 1959.78            | -  | -                     | 1959.78  |

| Particulars                 | As at 31.03.2018<br>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  |

### iii. Financial Arrangements

The Company has following undrawn borrowing facilities at the end of reporting period. (Rs. in Lakhs)

| Particulars                  | 31.03.2019 | 31.03.2018 |
|------------------------------|------------|------------|
| Undrawn Borrowing Facilities | 574.32     | 8928.76    |

## 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.

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 31.03.2019 | As at 31.03.2018 |
|-----------------------------------|------------------|------------------|
| Debts                             | 39806.97         | 35156.49         |
| Cash & Bank balances              | 1044.57          | 1917.34          |
| Net Debts (i)                     | 38762.40         | 33239.15         |
| Total Equity (ii)                 | 23419.94         | 17596.72         |
| Net debts / Equity Ratio (i / ii) | 1.66             | 1.89             |

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 2019 and 31<sup>st</sup> March, 2018.

## Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

## Note No. : 37

## 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 2019</b>                 |                |                   |      |             |                   |        |       |                   |
| <b>Financial Assets</b>                                 |                |                   |      |             |                   |        |       |                   |
| (i) Trade and other receivable                          | 5              | 5,301.05          |      |             | 5,301.05          |        |       | 5,301.05          |
| (ii) cash and cash equivalents                          | 10             | 1,044.57          |      |             | 1,044.57          |        |       | 1,044.57          |
| (iii) Bank balance other than cash and cash equivalents | 11             | 354.87            |      |             | 354.87            |        |       | 354.87            |
| (iv) Other financial assets                             | 6              | 2,132.52          |      |             | 2,132.52          |        |       | 2,132.52          |
| <b>Total</b>  |                | <b>8,833.01</b>   | -    | -           | <b>8,833.01</b>   | -      | -     | <b>8,833.01</b>   |
| <b>Financial Liabilities</b>                            |                |                   |      |             |                   |        |       |                   |
| (i) Borrowings  | 16             | 60,449.20         |      |             | 60,449.20         |        |       | 60,449.20         |
| (ii) Trade and others payable                           | 20             | 64,694.72         |      |             | 64,694.72         |        |       | 64,694.72         |
| (iii) Other financial liabilities                       | 17             | 18,723.57         |      |             | 18,723.57         |        |       | 18,723.57         |
| <b>Total</b>  |                | <b>143,867.49</b> | -    | -           | <b>143,867.49</b> | -      | -     | <b>143,867.49</b> |
| <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                          | 10             | 1,917.34          |      |             | 1,917.34          |        |       | 1,917.34          |
| (iii) Bank balance other than cash and cash equivalents | 11             | 394.10            |      |             | 394.10            |        |       | 394.10            |
| (v) 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  | 16             | 67,795.73         |      |             | 67,795.73         |        |       | 67,795.73         |
| (ii) Trade and others payable                           | 20             | 38,425.03         |      |             | 38,425.03         |        |       | 38,425.03         |
| (iii) Other financial liabilities                       | 17             | 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> |

## 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.

# Uttam Sugar Mills Limited

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March 2019

### Note No. 38

The previous year figures have been reworked, regrouped, rearranged and reclassified wherever necessary. The figures are rounded off to nearest rupee in lakhs up to two decimals.

**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)** **(ASHOK KUMAR AGGARWAL)**  
Managing Director Executive Director

**(CA VIPUL SHARMA)**  
Partner  
Membership No. 074437

**(SANJAY BHANDARI)**  
Chief Financial Officer

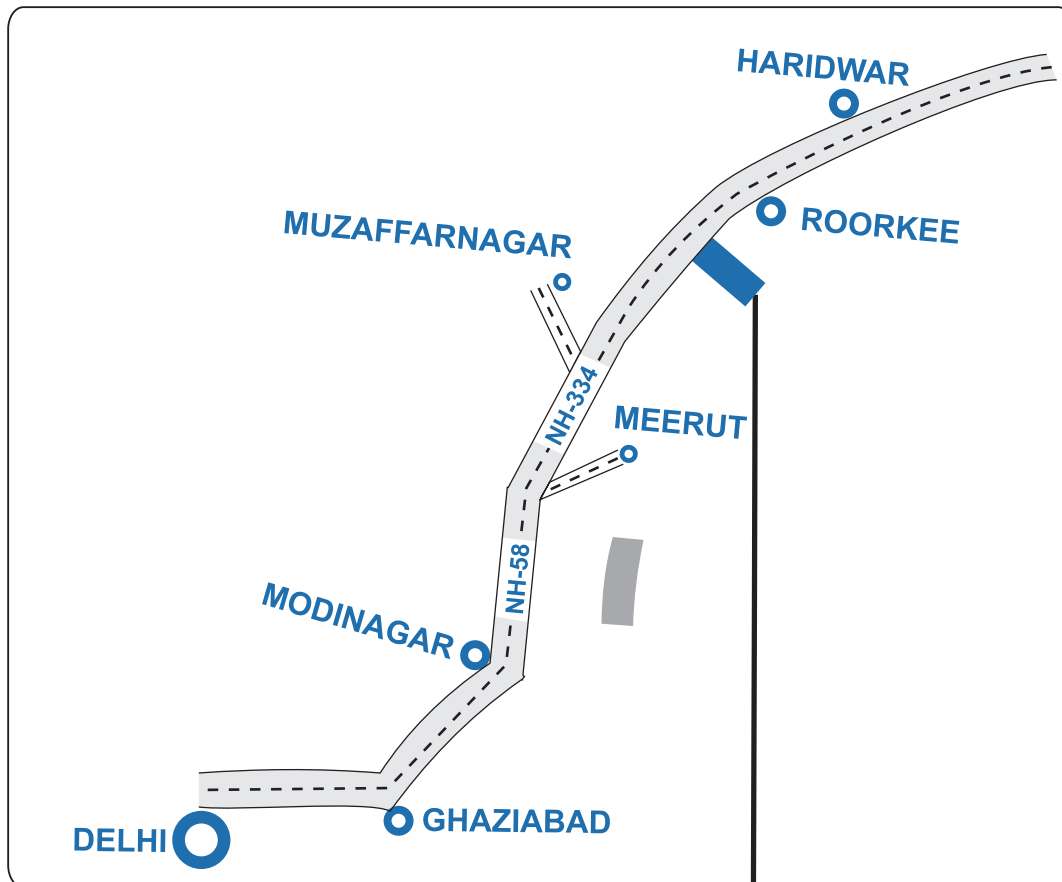
**(G. RAMARATHNAM)**  
Chief-Legal and Corporate  
Affairs & Company Secretary

**(S. L. SHARMA)**  
Chief Operating Officer

**Place :** Noida

**Date :** 22<sup>nd</sup> May, 2019

**ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING  
ON FRIDAY, THE 20<sup>TH</sup> SEPTEMBER, 2019 AT 12.00 NOON.**



**VENUE OF ANNUAL GENERAL  
MEETING**

**UTTAM SUGAR MILLS LIMITED**  
VILLAGE : LIBBERHERI, TEHSIL  
ROORKEE, DISTRICT HARIDWAR,  
UTTARAKHAND



**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 be filled in if the Proxy attends instead of the member)

I hereby record my presence at the 24<sup>th</sup> Annual General Meeting held on 20<sup>th</sup> September, 2019 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 HERE)-----✂

**UTTAM SUGAR MILLS LIMITED**

[Corporate Identity Number (CIN) : L99999UR1993PLC032518]

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

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

----- INTENTIONALLY LEFT BLANK -----

✂------(TEAR HEAR)-----✂

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 20<sup>th</sup> September, 2019 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, 2019.   |          |         |
| 2.                | Re-appointment of Mr. Ashok Kumar Aggarwal (DIN: 05199585) who retires by rotation and being eligible, offers himself for re-appointment. |          |         |
| 3.                | Approval to dispense with the requirement of ratification of appointment of Statutory Auditors.   |          |         |
| Special Business  |   |          |         |
| 4.                | Confirmation of Continuation of Directorship of Mr. N. K. Sawhney (DIN: 00109853) as an Independent Director.                             |          |         |
| 5.                | Re-appointment of Mr. N. K. Sawhney (DIN: 00109853) as an Independent Director.   |          |         |
| 6.                | Re-appointment of Mrs. Rutuja Rajendra More (DIN: 07201928) as an Independent Director.   |          |         |
| 7.                | Amendment in the terms and conditions of Remuneration of Mr. Raj Kumar Adlakha (DIN: 00133256), Managing Director w.e.f 01.08.2019.       |          |         |
| 8.                | Alteration of Memorandum of Association of the Company  |          |         |
| 9.                | Further Issue of Securities   |          |         |
| 10.               | Remuneration of the Cost Auditor for the financial year 2019-20.  |          |         |

Signed this ..... day of ..... 2019.

Signature of the Member : .....

Signature of the proxy holder(s) : .....

Affix a  
Revenue  
Stamp of  
₹1/-

**Note :**

1. This proxy form must be deposited at the Registered Office of the Company at Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand – 247667 or at Corporate Office of the Company at A-2E, IIIrd Floor, C.M.A. Building, Sector – 24, Noida (U.P.), not less than forty-eight hours before the time fixed for holding the aforesaid meeting. A proxy need not be a member of the Company.
2. For Resolutions, Explanatory Statements and Notes, please refer to the Notice of 24<sup>th</sup> Annual General Meeting of the Company.
3. 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.
4. Please complete all details including details of Member(s) before submission.





# Uttam Sugar Mills Limited



Corporate Office : A-2E, IIIrd Floor, CMA Tower, Sector-24, NOIDA-201 301 (U.P.)

Tel. : +91-120-4525000, Fax : +91-120-4525020

Web : [www.uttamsugar.in](http://www.uttamsugar.in), [www.uttamgroup.in](http://www.uttamgroup.in)

Registered Office :

Village Libberheri, Tehsil Roorkee, Distt. Haridwar, Uttarakhand, India.

Works

Unit-I: Village Libberheri, Tehsil Roorkee, Distt. Haridwar, Uttarakhand, India.

Unit-II: Village Barkatpur, Tehsil Nazibabad, Distt. Bijnore, Uttar Pradesh, India.

Unit-III: Village Khaikheri Tehsil & Distt.-Muzaffarnagar, Uttar Pradesh, India

Unit-IV : Village Shermau Tehsil Nakur, Distt. Saharanpur, Uttar Pradesh, India

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