



Uttam Sugar Mills Limited

26th Annual Report 2020-21

The best sugar you can buy.

C O N T E N T S

Notice	1-22
Directors' Report	23-38
Corporate Social Responsibility	39-42
Business Responsibility Report	43-50
Corporate Governance Report	51-66
Management Discussion & Analysis	67-78
Auditors' Report	79-87
Balance Sheet	88-88
Profit and Loss Statement	89-89
Cash Flow Statement	90-90
Notes to Accounts	91-134

CORPORATE INFORMATION

[CORPORATE IDENTITY NO. (CIN) : L99999UR1993PLC032518]

BOARD OF DIRECTORS

♦ Mr. Raj Kumar Adlakha	Managing Director
♦ Mr. Shankar Lal Sharma (Appointed w.e.f. 07.01.2021)	Executive Director
♦ Mr. Ashok Kumar Agarwal (Resigned w.e.f. 07.01.2021)	Executive Director
♦ Mr. G. S. Matta	Non-Executive Director
♦ Mr. Narendra Kumar Sawhney	Independent Director
♦ Mrs. Rutuja Rajendra More	Independent Director
♦ Mr. Amir Singh Yadav (Ceased w.e.f. 24.07.2020)	Nominee Director – PNB
♦ Dr. R. Vasudevan (Ceased w.e.f. 25.09.2020)	Independent Director

REGISTERED OFFICE

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

CORPORATE OFFICE

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

FACTORIES

Unit - 1 :

(Sugar, Co-generation & Distillery)

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

Unit – 2 :

(Sugar, Co-generation & Distillery)

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

Unit - 3 :

(Sugar & Co-generation)

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

Unit – 4 :

(Sugar & Co-generation)

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

JOINT COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Rajesh Garg
(Appointed w.e.f 07.01.2021)

BANKERS

Punjab National Bank
IDBI Bank Ltd.
Indian Overseas Bank
State Bank of India
Uttarakhand State Co-operative Bank Ltd.
Zila Sahkari Bank Limited
District Co-operative Bank Ltd. (Muzaffarnagar)
District Co-operative Bank Ltd. (Saharanpur)



**Notice of
26th Annual
General Meeting
2020-21**



Usage

- It does not crystallize, making it an excellent choice for cakes and brownies
 - It dissolves instantly
 - Ideal to be used in all beverages
- It can also be used as readymade Chaasni to be used for sweets
 - Easy to pour cap make the usage convenient

Uttam Sugar Mills Limited

NOTICE OF 26TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 26th Annual General Meeting of the Members of Company will be held on Friday, 17th September, 2021 at 12.00 Noon through Video Conferencing / Other Audio Visual Means 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 31st March, 2021 including the audited Balance Sheet as at 31st March, 2021, Profit & Loss Statement for the financial year ended on that date together with the Reports of the Board of Directors and Auditors thereon.

2. Re-appointment of Mr. Raj Kumar Adlakha (DIN: 00133256) as a Director liable to Retire by Rotation

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

SPECIAL BUSINESS(ES):

3. Appointment of Mr. Shankar Lal Sharma (DIN: 09018381) as Director

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 Sections 149 and 152 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and all other applicable provisions of the Companies Act, 2013 and subject to the provisions of Articles of Association of the Company, Mr. Shankar Lal Sharma (DIN: 09018381) who was appointed as an Additional Director w.e.f. 07th January, 2021 in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose the candidature of Mr. Shankar Lal Sharma for the office of Director of the Company, be and is hereby appointed as Director of the Company and whose period of office shall be liable to retire by rotation.

4. Appointment of Mr. Shankar Lal Sharma (DIN: 09018381) as Whole Time Director and approval of Remuneration

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

"RESOLVED THAT pursuant to Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of Articles of Association of the Company, the consent of the Company be and is hereby accorded for the appointment and payment of remuneration to Mr. Shankar Lal Sharma (DIN: 09018381) as a Whole Time Director of the Company, designated as "Executive Director", for a period commencing from 07th January, 2021 to 31st December, 2023 as recommended by the Nomination and Remuneration Committee of the Directors and approved by the Board of Directors on 07th January, 2021 on the terms and conditions including remuneration as minimum remuneration in the case of loss or inadequacy of profits in any financial year as set out in the explanatory statement, which shall be deemed to form part thereof."

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

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

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

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment

Uttam Sugar Mills Limited

and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of Articles of Association of the Company, the consent of the Company be and is hereby accorded for the re-appointment and payment of remuneration to Mr. Raj Kumar Adlakha (DIN : 00133256) as Managing Director of the Company for a further period of three years commencing from 01st April, 2021 to 31st March, 2024 as recommended by the Nomination and Remuneration Committee of the Directors and approved by the Board of Directors on 07th January, 2021 on the terms and conditions including remuneration as minimum remuneration in the case of loss or inadequacy of profits in any financial year as set out in the explanatory statement, which shall be deemed to form part thereof."

"RESOLVED FURTHER THAT in addition to remuneration (Salary and Perquisites), 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."

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

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

6. Appointment of Mr. Gurbachan Singh Matta (DIN: 02612602) as Non-Executive 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, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the provisions of Articles of Association of the Company, Mr. Gurbachan Singh Matta (DIN: 02612602), who was appointed as an Additional Director w.e.f. 30th September, 2020 in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose the candidature of Mr. Gurbachan Singh Matta for the office of Director of the Company, be and is hereby appointed as Non-Executive Director of the Company for the period of five years commencing from 30th September, 2020 to 29th September, 2025 and whose period of office shall be liable to retire by rotation."

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

7. Appointment of Mr. Jasbir Singh (DIN: 08897793) 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, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the provisions of Articles of Association of the Company, Mr. Jasbir Singh (DIN: 08897793), who was appointed as an Additional Director w.e.f. 30th September, 2020 in terms of Section 161 (1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose the candidature of Mr. Jasbir Singh for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for the period of five years commencing from 30th September, 2020 to 29th September, 2025 and whose period of office shall not be liable to retire by rotation."

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

8. Payment of remuneration to Non-Executive Directors including Independent Directors

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

Uttam Sugar Mills Limited

"RESOLVED THAT pursuant to the provisions of Sections 197 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 Articles of Association of the Company, consent of the Company be and is hereby given to pay remuneration with effect from 1st April, 2021 to the Non-Executive Directors including Independent Directors of the Company upto the permissible limits as laid down in Schedule V of the Companies Act, 2013, as the Board of Directors may from time to time, determine and such remuneration shall be paid in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committees thereof, and same shall be payable to all of the existing Non-Executive Directors or Non-Executive Directors to be appointed in future, as recommended by the Nomination and Remuneration Committee of the Directors and approved by the Board of Directors."

"RESOLVED FURTHER THAT the above remuneration will be payable to each such Non-Executive Director including Independent Director 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 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."

9. Further Issue of Securities

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

"RESOLVED THAT in accordance with the provisions of Section 42, 62, 55, 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/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

Uttam Sugar Mills Limited

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 paripassu 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, 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."

Uttam Sugar Mills Limited

10. Remuneration of Cost Auditor

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 3,00,000/- (Rupees Three Lakhs only) plus applicable taxes and reimbursement of out of pocket expenses for the Financial Year 2021-22 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**

**(RAJESH GARG)
JOINT COMPANY SECRETARY & COMPLIANCE OFFICER
Membership No. FCS5841**

Place : Noida

Date : 13th August, 2021

NOTES:

1. An Explanatory Statement setting out all material facts relating to special businesses contained in item No. 3 to 10 as required under Section 102 of the Companies Act, 2013, Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, is annexed thereto.
2. In view of COVID-19 pandemic outbreak, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed with the requirement of personal presence of the members at the meeting. Accordingly, 26th Annual General Meeting (AGM) of the members will be held through VC/OAVM as allowed by the Ministry of Corporate Affairs through various circulars viz Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular no. 02/2021 dated January 13, 2021, prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM.
3. Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 23 and also available at the Company's website at www.uttamsugar.in.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
6. Corporate Members intending to allow their authorised representatives to attend the Meeting through VC/OAVM are requested to send to the Company certified true copy of the Board Resolution authorizing their authorized signatory(ies) to attend and vote on their behalf at this Annual General Meeting by e-mail to investorrelation@uttamsugar.in.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

Uttam Sugar Mills Limited

8. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 11th September, 2021 to Friday, 17th September, 2021 (both days inclusive).
9. Any information relating to Accounts and/or matters to be placed at AGM must be sent to Company's email id i.e. investorrelation@uttamsugar.in.
10. The Company has paid the Annual Listing Fees for the year 2021-22 to the following Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited on which the Company's Securities are presently listed.
11. 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.
12. 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.
13. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address/bank details 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.

PROCEDURE FOR DISPATCH OF ANNUAL REPORT AND REGISTRATION OF EMAIL ID

14. Pursuant to the circulars issued by Ministry of Corporate Affairs (MCA), the Notice of AGM alongwith Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Please take note that Notice and Annual Report 2020-21 has been uploaded on the website of the Company i.e. www.uttamsugar.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the e-Voting facility) i.e. www.evoting.nsdl.com.
15. As per the green initiative of Ministry of Corporate Affairs (MCA), members are requested to register/update their email address with depository if they are holding shares in demat mode or to the Registrar & Share Transfer Agent of the Company viz. Link Intime India Private Limited, if they are holding shares in physical mode in order to receive the various Notices and other Notifications from the Company in electronic form.

DETAILS ABOUT REMOTE E-VOTING AND VC/OAVM ARE AS UNDER:-

16. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended upto date and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, the Company is pleased to provide facility of voting through electronic means i.e. remote e-voting in respect of the business(es) to be transacted at the 26th Annual General Meeting (AGM) as well as e-voting system on the date of the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
17. The remote e-voting period commences on Monday, 13th September, 2021 (9.00 am) and ends on Thursday, 16th September, 2021 (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, 10th September, 2021 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.
18. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date/record date i.e. Friday, 10th September, 2021. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.

Uttam Sugar Mills Limited

19. The facility for voting through e-voting system shall also be made available at the Meeting & Members attending the meeting who has not already cast their vote by remote e-voting shall be able to vote at the meeting through e-voting.
20. Further, the company has engaged NIVIS CORPSEERVE LLP for providing video conferencing system through cisco webex and e-voting services through NSDL. In case any member required any assistance in respect of e-voting or joining of Meeting through VC/OAVM can contact at following:-
 - Ms. Swapnil at info@nivis.co.in,
 - Nivis Corpserve LLP,
 - Contact No. 011-45201005
21. Mr. Naveen Kumar Rastogi, Practicing Company Secretary (Membership No. 3685) has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.
22. The results of voting will be declared within two working days 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 i.e. www.uttamsugar.in under the section 'Investors Lounge' and on the website of NSDL i.e. www.evoting.nsdl.com. Such results will also be forwarded to the National Stock Exchange of India Limited & BSE Limited.

PROCESS AND MANNER OF REMOTE E-VOTING AND EVOTING DURING THE AGM

23. The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

Details on Step 1 are mentioned below

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with their respective Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>A. NSDL IDeAS facility</p> <p>If you are already registered, follow the following steps:-</p> <ol style="list-style-type: none"> 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. 5. Click on options available against company name or e-Voting service provider – NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-voting period or joining virtual meeting & e-voting during the meeting.

	<p>If you are not registered, follow the following steps:-</p> <ol style="list-style-type: none"> Option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Please follow steps given in 1 to 5 at point A. <p>B. E-voting website of NSDL</p> <ol style="list-style-type: none"> Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & e-voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of ESP i.e. NSDL portal. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Uttam Sugar Mills Limited

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 or NIVIS CORP SERVE LLP at info@nivis.co.in or at 01145201005.
Securities held with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 or NIVIS CORP SERVE LLP at info@nivis.co.in or at 011-45201005.

B) Login Method for e-voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID. For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example, if EVEN is 101456 and folio number is 001*** then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

Uttam Sugar Mills Limited

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are mentioned below

(How to Cast your vote electronically and join General Meeting on NSDL e-Voting system)

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page open.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose e-mail ids are not registered with the depositories / Company for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

Shareholders/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-Voting by providing below mentioned documents:-

1. In case shares are held in physical mode, please send duly signed request with scanned copy of any one share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investorrelation@uttamsugar.in with subject line "LOGIN DETAIL REQUIRED FOR AGM OF FOLIO NUMBER :- MENTION FOLIO NUMBER";.
2. In case shares are held in demat mode, please update/register your email id with your depository participant and send updated copy of client master report at investorrelation@uttamsugar.in with subject line "LOGIN DETAIL REQUIRED FOR AGM OF DPID-CLID MENTION DPID-CLID";.

If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

24. GENERAL GUIDELINES FOR SHAREHOLDERS

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to naveen@nkrassociate.com with a copy marked to evoting@nsdl.co.in.

Uttam Sugar Mills Limited

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-1020-990 and 1800-22-44-30 or send a request at evoting@nsdl.co.in or contact Nivis Corpserve LLP, Ms. Swapnil at info@nivis.co.in, or may call at 011-45201005.
 4. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as on the cut-off date i.e. Friday, 10th September, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to the Company at investorrelation@uttamsugar.in. However, if any shareholder are holding shares in demat mode and becomes member of the Company after the notice is send through e-mail and holding shares as on the cut-off date i.e. Friday, 10th September, 2021, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
 5. Members are encouraged to join the Meeting through Laptops or desktops for better experience.
 6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop or desktop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 7. Statutory records/registers (as may be applicable) 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.
- 25. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**
1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
 2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
 3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- 26. PROCEDURE TO RAISE QUESTIONS/SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT AT THE 26TH AGM**
1. Shareholders who would like to speak during the meeting must register their request mentioning their name, demat account number/folio number, email id, mobile number and number of shares held on or before 14th September, 2021 with the Company at investorrelation@uttamsugar.in with subject line **"REGISTRATION FOR SPEAKER SHAREHOLDER (MENTION FOLIO/DPID-CLID)"**.
 2. Shareholders will be allowed to speak only when moderator of the meeting/ management will announce the name for speaking.
 3. Shareholders will get confirmation on first cum first basis depending upon the provision made by the Company.
 4. Other shareholders may ask questions to the panelist, via question answer box which will be available during the meeting in right side corner.
- 27. 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 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, 1st 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

APPOINTMENT / RE-APPOINTMENT OF DIRECTORS (ANNEXURE TO NOTICE)
(A brief resume/particulars in respect of the proposed appointment/re-appointment of Director is given below in terms of Regulation 36(3) of SEBI (LODR), 2015 and Secretarial Standard on General Meeting)

Name	Mr. Shankar Lal Sharma	Mr. Raj Kumar Adlakha	Mr. G. S. Matta	Mr. Jasbir Singh
DIN	09018381	00133256	02612602	08897793
Date of Birth	10 th August, 1973	22 nd January, 1956	24 th March, 1948	20 th August, 1947
Date of first Appointment on the Board	07 th January, 2021	28 th July, 1998	30 th September, 2020*	30 th September, 2020
Qualifications	FCA, B.Com	B.E.(Mech.)	B.Sc.(Hons.) & CAIIB	B.E (Mech), A.N.S.I (Sugar Engg.) F.S.T.A., M.I.E (India)
Experience	Mr. Shankar Lal Sharma is a Chartered Accountant and also holds degree in Bachelor of Commerce. Mr. Sharma is having overall 24 years of experience in different areas like commercial, Accounting, Administration, Production planning, Internal control, Legal, Marketing, Plant operation, Project management, Cost control, Cane management etc. He has a vast experience in various industries viz. Oil, Cement, Paper, Steel and Sugar.	Mr. Adlakha is having more than 42 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 two Distillery Unit under his leadership.	Mr. Matta is an ex-banker with over 49 years of experience. He was associated with Indian Overseas Bank since 1968 till 2005. In August 2005, he joined Punjab and Sind Bank and was promoted as Executive Director of the Bank in March 2006. He has also headed various committees for implementation of Basel II, Core Banking Solutions and Risk Management. He is also a visiting faculty at NIBSCOM (National Institute of Bank Studies and Corporate Management), Noida for lectures on various topics on the Banking Industry like Risk Management, Corporate Governance, Basel II norms, etc.	Mr. Jasbir Singh aged 73 years, holds degree in B.E (Mech), A.N.S.I (Sugar Engg.) F.S.T.A., M.I.E (India). Mr. Singh is having around 50 years of vast experience with various industries. He is also Director (Technical) with National Forum of Sugar Consultants, New Delhi.
Directorship held in other Listed Companies	NIL	NIL	➤ Chamak Holdings Ltd.	NIL

Chairmanship/Membership in Committee across other Listed Companies	NIL	NIL	NIL	NIL
Number of Shares held in the Company	NIL	16,24,610 Equity Shares	NIL	NIL
Terms and conditions of appointment / re-appointment along with details of remuneration sought to be paid	Refer explanatory statement (Item No. 3 & 4)	Refer explanatory statement (Item No. 5)	Refer explanatory statement (Item No. 6)	Refer explanatory statement (Item No. 7)
Remuneration last drawn	Rs. 14.33 Lakhs	Rs. 533.79 Lakhs	Rs. 1.40 Lakhs	Rs. 0.70 Lakhs
The number of Meetings of the Board attended	1	4	4**	2
Relationship with other Directors, KMP and Manager	None	None	None	None

Note:

* Mr. Gurbachan Singh Matta has first appointed on the Board on 12th September, 2009 as an Independent Director and continued to act as such and served for more than 10 years on the Board of the Company as an Independent Director. He ceased to be Independent Director w.e.f 25th September, 2020 due to expiration of his second tenure. However, being eligible he was afresh appointed as an Additional cum Non-Executive Director in Non-Independent category with effect from 30th September, 2020.

** Mr. Gurbachan Singh Matta has attended four meeting during the financial year (two meetings as an Independent Director and other two meetings as Non-Executive Non-Independent Director).

Uttam Sugar Mills Limited

Details of Shareholding of Non-Executive Directors of the Company

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

Sl. No.	Name of Directors	No. of Equity Shares held	No. of Equity Shares held as beneficial owner
1	Mr. G. S. Matta	Nil	Nil
2	Mr. N. K. Sawhney	Nil	Nil
3	Mrs. Rutuja Rajendra More	Nil	Nil
4	Mr. Jasbir Singh	Nil	Nil

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

Item No. 3 & 4

Mr. Shankar Lal Sharma is associated with the Company w.e.f. 04th July, 2013. He has joined the Company as Head (Accounts & Commercial) and had been promoted to Chief Operating Officer on 18th April, 2019 due to his considerable contribution in the improvement of the Company. In view of his experience, knowledge and contribution made in the effective operations of the Company, Mr. Shankar Lal Sharma was appointed as an Additional cum Whole-Time Director w.e.f. 07th January, 2021 as per the provisions of the Companies Act, 2013 and Articles of Association of the Company. The Board recommends the confirmation of appointment of Mr. Shankar Lal Sharma as Whole-Time Director.

The terms and conditions of appointment of Mr. Shankar Lal Sharma are detailed below:

1. Effective date of Appointment:

The appointment will be effective from 07th January, 2021 to 31st December, 2023.

2. Remuneration:

(a) Salary:

- (i) Salary: Rs. 2,58,334/- p.m. (Rupees Two Lakh Fifty Eight Thousand Three Hundred and Thirty Four Only).
- (ii) Special Allowance: Rs. 80,983/- p.m. (Rupees Eighty Thousand Nine Hundred and Eighty Three Only).

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

Category - 'A':

- (i) House Rent Allowance: Rs. 1,55,000/- p.m. (Rupees One Lakh and Fifty Five Thousand Only).
- (ii) Conveyance Allowance: Rs.1,600/- p.m. (Rupees One Thousand and Six Hundred Only).
- (iii) Children Education Allowance : Rs. 200/- p.m. (Rupees Two Hundred Only).
- (iv) Other Allowance : Rs. 1,200/- p.m. (Rupees One Thousand and Two Hundred Only).
- (v) Leave Travel Allowance: Rs. 2,10,600/- p.a. (Rupees Two Lakh Ten Thousand and Six Hundred Only).
- (vi) Car: Free use of Company's car for official purpose.
- (vii) Other benefits/reimbursements: As per the Company's policy.

Category - 'B':

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

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

Uttam Sugar Mills Limited

4. Functions

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

5. Sitting Fee

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

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

INFORMATION PURSUANT TO PROVISIO (iv) TO CLAUSE (A & B) OF SECTION II OF PART II OF SCHEDULE V OF 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 Lakh)

Financial Parameters	Financial Years		
	2020-21	2019-20	2018-19
Turnover	181,859.03	164,482.61	122,813.51
Net Profit/(Loss) (before Tax)	10,998.93	8,442.20	7,371.58

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

Nil

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:-

Mr. Shankar Lal Sharma is a Chartered Accountant and also holds degree in Bachelor of Commerce. Mr. Sharma is having overall 24 years of experience in different areas like commercial, Accounting, Administration, Production planning, Internal control, Legal, Marketing, Plant operation, Project management, Cost control, Cane management etc. He has a vast experience in various industries viz. Oil, Cement, Paper, Steel and Sugar.

(2) Past remuneration/Recognition or Awards:-

During the financial year 2020-21, he has drawn Rs. 14,33,334/- (Rupees Fourteen Lakhs Thirty Three Thousand Three Hundred and Thirty Four Only) including perquisites as Director's remuneration from the Company.

(3) Job profile and his suitability:-

Subject to the superintendence, control and direction of the Board of Directors of the Company, the Whole-Time Director 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/ Committees of Directors from time to time.

(4) Remuneration proposed:-

Salary of Rs. 61,78,404/- p.a. (including perquisites) and as per the terms and conditions as mentioned in Explanatory Statement herein above.

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

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

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

Apart from remuneration, Mr. Shankar Lal Sharma does not have any other pecuniary relationship with the Company. Mr. Shankar Lal Sharma is not related with any other managerial personnel of the Company.

Uttam Sugar Mills Limited

III. OTHER INFORMATION:

(1) Reasons for loss/inadequate profit:-

The Company has earned profits during the current financial year. However, the Company has incurred losses in the past. The reasons for 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:-

- 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 has been increased gradually and is expected to further improve in the coming seasons. Apart from these activities, company is further strengthening the cane development activities by way of development of in-house agri research centre, integrated pest management programme, soil testing facilities, encouraging use of Bio-fertilizers and Bio-pesticides and training facilities for the farmers & cane development staff.
- To improve the financial viability of sugar manufacturing units, Company is providing the baggasse based Co-generation Capacity of 103 MW (55.5 MW 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 its Distillery plant from 75 KLPD to 150 KLPD at Barkatpur Unit. The Company has also successfully installed and implemented the incineration boiler at Barkatpur unit to enhance the Distillery capacity of the Company from 450 Lakh BL p.a. to 540 Lakh BL p.a.
- Besides this, Company has also established Distillery at Libberheri Unit of the Company with the capacity of 50 KLPD.

(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 financial year under review. These measures are expected to go a long way in improving the performance of the Company.

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

The Board of Directors recommends the resolution as set out in Item No.3&4 of the Notice for approval of Members.

None of the Directors and Key Managerial Personnel of the Company including their relatives except Mr. Shankar Lal Sharma is concerned or interested in the proposed resolution.

Item No. 5

Being the promoter of the Company, Mr. Raj Kumar Adlakha is associated with the Company w.e.f. 28th July, 1998 and has made considerable contribution in the growth of the Company. His efforts, knowledge and experience have been instrumental in the progress of the Company over the years.

As per the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Raj Kumar Adlakha was appointed as Managing Director w.e.f 01.09.2001 and continued to hold the position of Managing Director in the Company. He was last re-appointed as Managing Director of the Company w.e.f. 01st April, 2018 to 31st March, 2021.

Now, the Board of Directors of the Company, at its meeting held on 07th January, 2021 has, subject to the approval of members, re-appointed Mr. Raj Kumar Adlakha as Managing Director for a further period commencing from 01st April, 2021 to 31st March, 2024.

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

1. Effective date of Appointment:

The appointment will be effective from 01st April, 2021 to 31st March, 2024.

Uttam Sugar Mills Limited

2. Remuneration:

- a. **Salary:** Rs. 4,08,00,000/- (Rupees Four Crores 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 as may be decided by the Board of Directors of the Company.

3. Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the 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 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.

5. Sitting Fee

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

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

INFORMATION PURSUANT TO PROVISIO (iv) TO CLAUSE (A & B) OF SECTION II OF PART II OF SCHEDULE V OF 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.

Uttam Sugar Mills Limited

(4) Financial performance based on given indicators:-

(Rs. in Lakh)

Financial Parameters	Financial Years		
	2020-21	2019-20	2018-19
Turnover	181,859.03	164,482.61	122,813.51
Net Profit/(Loss) (before Tax)	10,998.93	8,442.20	7,371.58

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

Nil

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:-

Mr. Raj Kumar Adlakha, aged 65 years holds Engineering Degree B.E. (Mech.) and has more than 42 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 2020-21, he has drawn Rs. 5,33,78,895/- (Rupees Five Crore Thirty Three Lakh Seventy Eight Thousand Eight Hundred and Ninety Five Only) including perquisites and commission as remuneration from the Company.

(3) Recognition or awards:-

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

(4) Job profile and his suitability:-

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

(5) Remuneration proposed:-

Salary of Rs. 34,00,000/- p.m. and perquisites upto Rs. 2,00,000/- p.m. alongwith commission not exceeding 4% of net profits of the Company.

(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 or other Director, if any:-

Apart from remuneration, Managing Director will be receiving dividends, if any, declared by the Company in respect of Shares held by him. Mr. Raj Kumar Adlakha is not related to any other managerial personnel of the Company.

III. OTHER INFORMATION:

(1) Reasons for loss/inadequate profit:-

The Company has earned profits during the current financial year. However, the Company has incurred losses in the past. The reasons for 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.

Uttam Sugar Mills Limited

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

- a) 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 has been increased gradually and is expected to further improve in the coming seasons. Apart from these activities, company is further strengthening the cane development activities by way of development of in-house agri research centre, integrated pest management programme, soil testing facilities, encouraging use of Bio-fertilizers and Bio-pesticides and training facilities for the farmers & cane development staff.
- b) To improve the financial viability of sugar manufacturing units, Company is providing the baggasse based Co-generation Capacity of 103 MW (55.5 MW 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.
- c) Further, the Company has increased the capacity of its Distillery plant from 75 KLPD to 150 KLPD at Barkatpur Unit. The Company has also successfully installed and implemented the incineration boiler at Barkatpur unit to enhance the Distillery capacity of the Company from 450 Lakh BL p.a. to 540 Lakh BL p.a.
- d) Besides this, Company has also established Distillery at Libberheri Unit of the Company with the capacity of 50 KLPD.

(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 financial year under review. These measures are expected to go a long way in improving the performance of the Company.

The above explanatory statement may be treated as a written memorandum setting out the terms of contract of service of Mr. Raj Kumar Adlakha under Section 190 of the Companies Act, 2013. The Board of Directors recommends the resolution as set out in Item No.5 of the Notice for approval of Members by way of Special Resolution.

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

Item No. 6

Pursuant to the provisions of Section 149 and all other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended time to time and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed company is required to have an optimum combination of Directors on the Board of the Company.

Mr. Gurbachan Singh Matta has already served to the Company for more than 10 years as an Independent Director. However, he ceased to be Independent Director w.e.f. 25th September, 2020 due to expiration of his second tenure. However, he was eligible to be appointed as Non-Executive Director in the Non Independent Category. Accordingly, as per the provisions of Section 161 of the Companies Act, 2013, Mr. Gurbachan Singh Matta has been appointed as an Additional cum Non-Executive Director with effect from 30th September, 2020. He holds office as an Additional Director till the conclusion of this Annual General Meeting. A notice under Section 160(1) of the Act has been received from a Member, signifying his intention to propose the candidature of Mr. Gurbachan Singh Matta as a Director.

The Board recommended the confirmation of appointment of Mr. Gurbachan Singh Matta stating that it will be of immense benefit to the Company and it is desirable to avail his services and proposed his appointment for a period of five years commencing from 30th September, 2020 to 29th September, 2025. A copy of the letter of appointment of Mr. Gurbachan Singh Matta as Non-Executive Director setting out the terms and conditions is available for inspection

Uttam Sugar Mills Limited

without any fee at the Company's registered office during the normal business hours on any working day up to the date of the AGM.

Further, as per the provisions of 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"), 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 Director. As the proposed appointment is to be made for 5 years and during this tenure, age of Mr. Gurbachan Singh Matta will become more than 75 years, hence, this resolution is proposed to be approved by way of Special Resolution in terms of said Regulations.

Accordingly, the Board of Directors on the recommendation of Nomination and Remuneration Committee of the Directors and 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. 6 for approval of Members by way of Special Resolutions. A brief profile of Mr. Gurbachan Singh Matta has already been provided under the heading "Details of Appointment / Re-Appointment of Directors at the forthcoming AGM (Annexure to the Notice)".

None of the Directors and Key Managerial Personnel of the Company including their relatives except Mr. Gurbachan Singh Matta is concerned or interested in the proposed resolution.

Item No. 7

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended time to time and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed company is required to have an optimum combination of Directors on the Board of the Company. Due to expiration of tenure of Dr. Ramasamy Vasudevan and Mr. Gurbachan Singh Matta from the Independent Directorship it has become necessary to appoint one Independent Director on the Board of the Company.

Therefore, as per the provisions of Section 161 of the Companies Act, 2013, Mr. Jasbir Singh was appointed as an Additional cum Independent Director with effect from 30th September, 2020. He holds office as an Additional Director till the conclusion of this Annual General Meeting. A notice under Section 160(1) of the Act has been received from a Member, signifying his intention to propose the candidature of Mr. Jasbir Singh as a Director.

The Board recommended the confirmation of appointment of Mr. Jasbir Singh stating that it will be immense benefit to the Company to have him on the Board and proposed his appointment for a period of five years commencing from 30th September, 2020 to 29th September, 2025. A copy of the letter of appointment of Mr. Jasbir Singh as an independent director setting out the terms and conditions is available for inspection without any fee at the Company's registered office during the normal business hours on any working day up to the date of the AGM.

Further, as per the provisions of 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"), 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. As the proposed appointment is to be made for 5 years and during this tenure, age of Mr. Jasbir Singh will become more than 75 years, hence, this resolution is proposed to be approved by way of Special Resolution in terms of said Regulations.

Accordingly, the Board of Directors on the recommendation of Nomination and Remuneration Committee of the Directors and 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. 7 for approval of Members by way of Special Resolutions. A brief profile of Mr. Jasbir Singh has already been provided under the heading "Details of Appointment / Re-Appointment of Directors at the forthcoming AGM (Annexure to the Notice)".

Uttam Sugar Mills Limited

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

Item No. 8

The Ministry of Corporate Affairs vide its notification dt. 18th March, 2021 allowed the remuneration to Non-Executive Directors including Independent Directors. By virtue of this notification, companies can pay minimum remuneration to Non-Executive Directors including Independent Directors even in case of losses/ inadequate profits subject to the approval of shareholders.

Therefore, the Board recommended to pay monthly remuneration to each Non-Executive Director including Independent Director of the Company for their active guidance and participation in steering the company's affairs for its sustained / expected growth and in view of the new roles, duties & liabilities w.r.t. corporate governance, risk management, Internal financial controls, etc. introduced under the Companies Act, 2013 and other legislatures.

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

All the Non-Executive Directors including Independent Directors viz Mr. Gurbachan Singh Matta, Mr. Narendra Kumar Sawhney, Mrs. Rutuja Rajendra More and Mr. Jasbir Singh are concerned or interested, financially or otherwise in the resolutions. 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. 9

It is 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 resolutions 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

The Board on the recommendation of the Audit Committee, has approved the re-appointment and remuneration of M/s M.K. Singhal & Co., the Cost Accountants as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year 2021-22 as per the following details:

Product	Factory
Sugar	Libberheri Unit, Barkatpur Unit, Khaikheri Unit & Shermau Unit
Power	Libberheri Unit, Barkatpur Unit, Khaikheri Unit & Shermau Unit
Ethanol Distillery	Barkatpur Unit & Libberheri 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 2021-22 is to be ratified by the shareholders by way of an Ordinary Resolution.

Uttam Sugar Mills Limited

The Board of Directors recommends the resolutions as set out in the Item No. 10 for approval of Members by way of Ordinary Resolutions.

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**

**(RAJESH GARG)
JOINT COMPANY SECRETARY &
COMPLIANCE OFFICER
Membership No. FCS-5841**

Place : Noida

Date : 13th August, 2021

Registered Office:

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



Directors' Report



- It contains more minerals than any other loose or packed sugar

- Goodness of Sugarcane
- Rich in minerals
- No added colors



- Healthier alternative to White Sugar
- Boost Your Energy naturally

Uttam Sugar Mills Limited

DIRECTORS' REPORT

To
The Shareholders of the Company,

Your Directors take pleasure in presenting this Twenty Sixth Annual Report together with the Audited Annual Financial Statements for the year ended 31st March, 2021.

FINANCIAL RESULTS

The financial results of the Company for the year ended on 31st March, 2021 are as under:-

DETAILS	(Rs. in Lakhs)	
	Year ended 31.03.2021	Year ended 31.03.2020
Revenue from Operations	1,81,859.03	1,64,482.61
Profit/(Loss) before Depreciation & Tax	13,851.05	11,365.76
Less:		
Depreciation	2,852.12	2,923.56
Profit/(Loss) before Tax & Exceptional Items	10,998.93	8,442.20
Exceptional Items	-	-
Less: Provision for Taxation	-	-
Current Tax	-	1,497.50
Deferred Tax (Credit) / Charge- Net of MAT Credit Entitlements	3,606.55	1,586.93
Income Tax for Earlier Years	(1,497.50)	195.21
Tax Impact on account of New Tax Regime	2,914.11	-
Profit/(Loss) after Tax	5,975.77	5,162.56
Total Other Comprehensive Income	(4.86)	(66.18)
Profit/(Loss) for the period	5,970.91	5,096.38
Add: Balance brought forward from Previous Year	9,449.69	4,353.31
Less: Amount transferred to Capital Redemption Reserve on redemption during the year		
i) 1451550 6.50% Non-Cumulative Redeemable Preference Shares	1,451.55	-
ii) 225000 10% Non-Cumulative Redeemable Preference Shares	225.00	-
Less : Impact of redemption of Preference Shares out of opening retained earning	692.10	-
Surplus/(Deficit) transferred to Balance Sheet	13,051.95	9,449.69

PERFORMANCE OF THE COMPANY

During the year under review, your Company's Revenue from Operations was Rs. 1,81,859.03 Lakhs as compared to 1,64,482.61 Lakhs in the previous financial year. Company's Profit after comprehensive income was Rs. 5,970.91 Lakhs as compared to Rs. 5,096.38 Lakhs in the previous financial year.

REVIEW OF OPERATIONS

Sugar Division

Operational data of the Company for the financial year 2020-21 and 2019-20 are as under:

Financial Year	Cane crushed (In Lakhs Qtls.)	Sugar produced (In Lakhs Qtls.)	Recovery %
2020-21	396.16	45.60	11.51
2019-20	340.64	40.40	11.86

Uttam Sugar Mills Limited

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

Crushing Season	Cane crushed (In Lakhs Qtls.)	Sugar produced (In Lakhs Qtls.)	Recovery %
2020-21	366.10	41.88	11.44
2019-20	383.02	45.00	11.75

Recovery Equivalent to C Heavy Molasses -12.03% in Sugar Season (SS) 2020-21 & 12.18% in SS 2019-20.

Note: During the Sugar Season 2020-21, Company's Barkatpur unit was operated with B heavy Molasses throughout the season. However, the Khaikheri unit of the Company was operated for few days on C heavy molasses and subsequently shifted to B heavy molasses for throughout the season.

The Company registered a gross turnover of Sugar of Rs. 1,49,656.56/- Lakhs for the year ended 31st March, 2021 against Rs. 1,30,497.75/- Lakhs for the year ended 31st March, 2020– an increase of gross turnover by 14.68%. The net sales realization at Rs. 3152 per qtl for Current year ending 31st March, 2021 was higher as compared to Rs. 3038 per qtl for the previous year ended 31st March, 2020 besides sales qty of sugar higher by 10.18%.

Net Sales Realisation for Domestic sales were Rs. 3314/- qtl as against Rs. 3356/- qtl and in case of Export sales net Realisation during 2020-21 were Rs. 2520/- qtl as against 1969/- qtl in previous financial year. During the year export sales were 20% of total sales while during previous year it was 23% of total sales.

During the financial year, the Company commenced its crushing in all units i.e. Libberheri, Barkatpur, Khaikheri & Shermau in 2nd week of November 2020. The results were slightly on lower side as compared to previous season in terms of recovery mainly due to climatic changes specifically in the state of U.P. However, recovery was better as compared to other units/whole state reduction in recovery.

The Company's aggregate sugar cane crushing were 366.10 Lakhs qtls during the season 2020-21 as against 383.02 Lakhs qtls in 2019-20. The Company had a recovery of 11.44% (Equivalent to C Heavy 12.03%) as against 11.75% (Equivalent to C Heavy 12.18%) in previous season.

The recovery was on lower side mainly due to climatic changes. 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 & 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 2020-21.

Co-generation Division

During the period under review, your company produced 3,011 Lakhs KWH of power as compared to 2,680.70 Lakhs KWH of power in the year 2019-20. Out of total production, your company exported 1,446.20 Lakhs KWH to UPPCL/UPCL for a total amount of Rs.5,367 Lakhs against 1,399.13 Lakhs KWH for an amount of Rs.4,955 Lakhs in the previous year. The main reason of increase in power revenue is due to higher cane crush as compared to previous financial year.

REC is an additional source of Revenue to your company. During the year 2020-21 Company traded 644 units of REC for Rs. 6.44 Lakhs. REC have not been traded since the Appellate Tribunal for Electricity's (APTEL) order postponing the trading of REC's.

Distillery Division

Your company has a Distillery with an installed capacity of 150 KLPD at Barkatpur (Distt. Bijnor) in the State of Uttar Pradesh. During the year under review 299.25 Lakhs bulk litres (BL) of industrial alcohol produced as compared to 293.56 Lakhs bulk litres in the year 2019-20 and your company sold 276.92 Lakhs bulk litres industrial alcohol (including Ethanol) as compared to 296.55 Lakhs bulk litres in the previous year.

During the financial year, your company commissioned Incineration Boiler (60TPH) in Barkatpur Distillery division and started commercial production.

Uttam Sugar Mills Limited

CO₂ gas produced and sold of 22.71 Lakhs kg amounting to Rs 53 Lakhs during the Year as compared to production and sales of 24.09 Lakhs kg amounting to Rs 61 Lakhs in the previous year ending 31st March, 2020.

During the year under review 7.41 Lakhs Liter of Sanitizer produced and your company sold 7.22 Lakhs Liter sanitizer amounting to Rs 801 Lakhs.

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 were stable during the year because of monthly quota system introduced by the Government of India w.e.f. June 2018 onwards.

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

- MAXIMUM ADMISSIBLE EXPORT QUANTITY (MAEQ)- In view of the inventory levels with the sugar industry and to facilitate achievement of financial liquidity, Maximum Admissible Export Quantity (MAEQ) have been fixed for sugar season 2020-21-(60 Lakhs M.T.) and for sugar season 2019-20 – (60 Lakhs M.T.) by Government of India.
- The Central Government with a view to facilitate export of sugar during the season 2020-21 thereby improving the liquidity position of sugar mills enabling them to clear the cane dues of farmers of sugar season 2020-21, hereby notifies the scheme for providing assistance to sugar mills for expense on marketing cost including handling, upgrading and other processing cost which details are as under:-
 - a) For marketing including handling & processing cost - Rs. 1,600/- M.T.
 - b) Internal Transport & Freight charges including loading & unloading - Rs. 2,400/- M.T.
 - c) Ocean Freight - Rs. 2,000/- M.T.

Total - Rs. 6,000/- M.T.

Above amended w.e.f. 20/05/2021 are as under

- a) Internal Transport & Freight charges including loading & unloading - Rs. 2,400/- M.T.
- b) Ocean Freight - Rs. 1,600/- M.T.

Total - Rs. 4,000/- M.T.

- Quantity restriction (On monthly basis) imposed on sale of sugar from June 2018 onwards and this is being continued.
- Minimum Selling Price (MSP) of sugar was first fixed at Rs. 29 per kg in June 2018 and later increased to Rs. 31 per kg in February 2019. MSP is the ex-factory price (excluding GST and transportation charges) below which no mill can sell sugar in India. Owing to India becoming a surplus sugar producer, the MSP environment is expected to continue.

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

Ethanol Sector

Achieving energy security and the transitioning to a thriving low carbon economy is critical for a growing nation like India. Blending locally produced ethanol with petrol will help India strengthen its energy security, enable local enterprises and farmers to participate in the energy economy and reduce vehicular emissions. The Government of India notified the National Policy on Biofuels – 2018 (NPB-2018) on 04.06.2018 wherein, under the Ethanol Blended Petrol (EBP) Program, an indicative target of 20% blending of ethanol in petrol by 2025 was laid out.

Ethanol is one of the principal biofuels, which is naturally produced by the fermentation of sugars by yeasts or via petrochemical processes such as ethylene hydration. It has medical applications as an antiseptic and disinfectant. It is used as a chemical solvent and in the synthesis of organic compounds, apart from being an alternative fuel source.

During the year, CCEA has approved the following for the sugar season 2020-21 (December 2020 to November 2021) during ethanol supply period from various feeds:-

Uttam Sugar Mills Limited

- Price of Ethanol from C hy Molasses increased from Rs.43.75 to Rs. 45.69 Per Litre.
- Price of Ethanol from B hy Molasses increased from Rs.54.27 to Rs. 57.61 Per Litre.
- Price of Ethanol from Sugar cane Juice/Sugar/Sugar Syrup increased from Rs. 59.48 to Rs. 62.65.
- Damaged food grain at Rs. 51.55 from Rs. 50.36 Per Litre.
- Additionally, GST and transportation charges will also be payable.

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.

In view of Covid-19 Pandemic, Central & State Government allows distilleries for manufacturing of hand sanitizer.

PRODUCTION OF HAND SANITIZER/CAPACITY ADDITION/EXPANSION

On account of COVID-19 pandemic, your company has started manufacturing of Hand sanitizer & other related products at Barkatpur and Libberheri unit of the company after obtaining necessary approvals from the statutory authorities and the same is now continuously being manufactured and sold.

Further, the company has commissioned incineration Boiler of 60 TPH Capacity along with MEE (Multi effect Evaporator) and 10 MW Turbine at Barkatpur (Distillery) Unit of the company. This will enable the company to produce ethanol throughout the year as against 270 days and will lead to higher production of ethanol by 33% approx.

Your company has also commissioned a Distillery with a capacity of 50 KLPD at Libberheri unit along with incineration Boiler of 20 TPH Capacity. From commissioning, the production of ethanol/ENA increased by 180 Lakh BL in a year.

DIVIDEND

With a view to conserve the resources, your directors do not recommend any dividend for the year ending 31st March 2021.

SHARE CAPITAL

The paid-up equity share capital of the Company as at 31st March, 2021 stood as Rs. 38.14 Crores. During the year under review, the Company has not issued any Shares including shares with Differential Voting Rights/ Stock Options/Sweat Equity etc. Further, during the year under review the Company has redeemed 14,51,550 6.50% Non-Cumulative Redeemable Preference shares and 2,25,000 10.00% Non-Cumulative Redeemable Preference shares.

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. 31st March, 2021.

DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP)

Retirement by Rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Raj Kumar Adlakha, Managing Director (DIN: 00133256) of the Company is liable to retire by rotation and being eligible, offers himself for re-appointment. The Board recommends the re-appointment of Mr. Raj Kumar Adlakha as Director in the ensuing AGM of the Company.

The Board also recommends the re-appointment of Mr. Raj Kumar Adlakha as Managing Director of the Company for a further period of 3 years w.e.f 01st April, 2021 to 31st March, 2024 for the approval of members in the ensuing AGM of the Company.

Changes in the Board/KMP (Appointment and Resignation)

During the year under review, Mr. Amir Singh Yadav ceased to be Nominee Director of the company w.e.f. 24th July, 2020 on account of withdrawal of nomination by Punjab National Bank.

The tenure of Independent Directors viz Dr. R. Vasudevan and Mr. G. S. Matta has been completed during the year under review and accordingly, Dr. R. Vasudevan and Mr. G. S. Matta have ceased to be an Independent Directors of the Company w.e.f. 25th September, 2020. However, being eligible, Mr. G. S. Matta has been afresh appointed as an

Uttam Sugar Mills Limited

Additional-cum Non-Executive Director in the Non-Independent category w.e.f. 30th September, 2020. In compliance of Section 160 of the Companies Act, 2013 it is proposed to regularize the appointment of Mr. G. S. Matta as Non-Executive Director in the Non-Independent category to hold office for a period of five years commencing from 30th September, 2020 to 29th September, 2025.

Further, Mr. Jasbir Singh has been appointed as an Additional-cum Independent Director on the Board of the Company w.e.f. 30th September, 2020. In compliance of Section 149 and 160 of the Companies Act, 2013, it is proposed to regularize the appointment of Mr. Jasbir Singh as an Independent Director to hold office for a period of five years commencing from 30th September, 2020 to 29th September, 2025. Mr. Jasbir Singh has given declarations confirming that he meet the criteria of Independence as prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Company has also received the confirmation from Mr. Jasbir Singh that he has enrolled/registered himself in the databank of persons offering to become Independent Directors.

During the year under review, Mr. S. L. Sharma has been appointed as an Additional cum Whole-Time Director on the Board of the Company w.e.f. 07th January, 2021. In compliance of Section 160 of the Companies Act, 2013 it is proposed to regularize the appointment of Mr. S. L. Sharma as Whole Time Director to hold office for a period commencing from 07th January, 2021 to 31st December, 2023.

During the year under review, Mr. Rajesh Garg, a fellow member of The Institute of Company Secretaries of India, has been appointed as Joint Company Secretary and Compliance Officer of the Company w.e.f. 07th January, 2021.

Declaration/Disclosures of Directors proposed to be appointed / re-appointed

None of the directors of the company are disqualified under the provisions of the Companies Act, 2013 or under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

Brief profile of the Directors proposed to be appointed / re-appointed and their Qualification, Experience alongwith the name of Companies in which they hold the Directorship and Listed Companies in which they hold Chairmanship/ membership of the Committees of the Board, as stipulated under Regulations 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings is given as Annexure to the Notice convening the Annual General Meeting.

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 31st March, 2021, the applicable Accounting Standards have been followed along with proper explanation relating to material departures; if any;
- ii. they have selected appropriate accounting policies and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 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

In accordance with the applicable provisions of the Act, the members of the Company at their 22nd AGM held in the year 2017 had appointed M/s SSVS & Co., Chartered Accountants, (Firm Registration No. 021648C), as the Statutory Auditors of the Company to hold office from 22nd AGM till the conclusion of 27th AGM to be held in the calendar year 2022.

Uttam Sugar Mills Limited

Further, the Auditors of the Company have not reported any fraud in terms of the second proviso to Section 143(12) of the Companies Act, 2013 and therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Companies Act, 2013.

Clarification on 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 one case, 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.

COST AUDITORS

As per the requirements of the Section 148 of the Companies Act, 2013 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, Co-generation and Ethanol Distillery for the Financial Year 2021-22.

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 has conducted the Secretarial Audit of the Company for the Financial Year 2020-21. The Secretarial Audit Report for the financial year ended 31st March, 2021 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

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rules made thereunder and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place Audit Committee. The details of terms of reference, composition of the Audit Committee, number and dates of meetings held, attendance of members and other details are given separately in the attached Corporate Governance Report. The Audit Committee satisfies the requirements of Act and SEBI (LODR) Regulations, 2015. All recommendations made by the Audit Committee during the year were accepted by the Board.

ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rules made thereunder, the draft Annual Return of the Company for the Financial Year 31st March, 2021 is uploaded on the website of the Company and can be accessed at http://uttamsugar.in/adminpanel/product_image/4146c1694e1d093b451df4dae605364bANNUAL_RETURN_2021.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

Uttam Sugar Mills Limited

them from any kind of discrimination or harassment. The aforesaid policy can be accessed on the Company's website i.e. www.uttamsugar.in and weblink of the same is http://uttamsugar.in/adminpanel/product_image/6cc3d4c19cf1ab275a3848390e5611c1Whistle_Blower%20&%20Vigil%20Mechanism.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 meetings 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 i.e. www.uttamsugar.in and weblink of the same is http://uttamsugar.in/adminpanel/product_image/a696f4dd281eb69487bbf38876bc2c56Policy_Nomination%20&%20Remuneration.pdf.

BOARD EVALUATION

As per the provisions of the Companies Act, 2013 a formal annual evaluation needs to be done by the Board of its own performance and of its committees and other individual directors. Pursuant to the provisions of the Act and the Listing 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. The evaluation of Non-Independent Directors, Chairman and the Board as a whole was done at a separate meeting by the Independent Directors.

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 the Corporate Governance Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not given any loan or provided guarantee during the year under review in terms of Section 186 of the Companies Act, 2013. However, the Company has made investment during the year under review in pursuance of applicable provisions 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 entered by the Company with the promoters, directors and key managerial personnel of the Company. 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 Transactions is available on Company's website i.e. www.uttamsugar.in and weblink of the same is http://uttamsugar.in/adminpanel/product_image/db061eede812bddd35e81e5a3164cfaPolicy_Related%20Party%20Transaction.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-II**". 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-III**".

Uttam Sugar Mills Limited

COMPLIANCE OF SECRETARIAL STANDARDS OF ICSI

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

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 i.e. www.uttamsugar.in and weblink of the same is [http://uttamsugar.in/adminpanel/product_image/0fe80304b5df11cc35569799b8d1445bCorporate Social Responsibility Policy.pdf](http://uttamsugar.in/adminpanel/product_image/0fe80304b5df11cc35569799b8d1445bCorporate%20Social%20Responsibility%20Policy.pdf).

Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as **"Annexure-IV"** 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. 31st March, 2021 and the date of this Report.

CHANGE IN THE NATURE OF BUSINESS

During the year, there was no material change in the nature of business of the Company.

BUSINESS RESPONSIBILITY POLICY

Pursuant to the provisions of Regulation 34(2)(f) of the Listing Regulations, inter alia, provides that the annual reports of the top 1000 listed entities based on market capitalisation (calculated as on March 31st of every financial year), shall include a Business Responsibility Report (BRR). Your Company comes under the same and therefore the Company has formulated a Policy on Business Responsibility ("Policy"), which lays down the broad principles to guide the Company in delivering its various responsibilities to its stakeholders. Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective forms part of this Report and marked as **"Annexure-V"**.

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.

Uttam Sugar Mills Limited

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"**.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Not applicable as the Company has not made or received any application under the provisions of IBC during the financial year.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

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

**For and on behalf of the Board
For UTTAM SUGAR MILLS LIMITED**

Place : Noida

Date : 13th August, 2021

(SHANKAR LAL SHARMA)
EXECUTIVE DIRECTOR
(DIN : 09018381)

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

Uttam Sugar Mills Limited

(Annexure – I)

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

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

9 of the Companies (Appointment and Remuneration of Managerial 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 31st, 2021 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 31st, 2021 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 ;
 - (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);**
 - (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) ;**

Uttam Sugar Mills Limited

- (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) The Export (Quality Control and Inspection) Act, 1963;
- g) The Cost Accounting Records (Sugar Industry) Rules, 2011; and
- h) The Legal Metrology Act, 2009.

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.

Decisions at the Board Meetings and Committee Meetings were taken unanimously and are captured and recorded as part of the minutes.

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

We further report that During the audit period Company has redeemed 14,51,550 6.50% Non-Cumulative Redeemable Preference shares and 2,25,000 10.00% Non-Cumulative Redeemable Preference shares. Besides, company has not undertaken any other major activities like;

Uttam Sugar Mills Limited

- (i) Public/Right/Preferential issue of shares/debentures/ borrowing/sweat equity/ESOP etc.
- (ii) 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 : 13th August, 2021

UDIN: F003685C000772145

Annexure – A

[Annexure to the Secretarial Audit Report of M/s. Uttam Sugar Mills Limited for the Financial Year ended 31st March, 2021]

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. Wherever 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 : 13th August, 2021

UDIN: F003685C000772145

Uttam Sugar Mills Limited

(Annexure – II)

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. 3.21 Lakhs. The ratio of the remuneration of each Director to the Median Remuneration of the employees of the Company for the financial year 2020-21 are as under:

Directors	Designation	Remuneration of Directors in Financial Year 2020-21 (Rs. In Lakhs)	Ratio of Remuneration to Median Remuneration of Employees
Mr. Raj Kumar Adlakha	Managing Director	533.79	166.503
Mr. Ashok Kumar Aggarwal ¹	Whole-Time Director	59.27	18.487
Mr. Shankar Lal Sharma ²	Whole-Time Director	14.33	4.471
Mr. G. S. Matta	Non-Executive & Non-Independent Director	1.40	0.437
Mr. N. K. Sawhney	Independent Director	1.40	0.437
Mrs. Rutuja Rajendra More	Independent Director	1.00	0.312
Mr. Jasbir Singh ³	Independent Director	0.70	0.218
Dr. R. Vasudevan ⁴	Independent Director	0.70	0.218
Mr. Amir Singh Yadav ⁵	Nominee Director -PNB	0.25	0.078

¹Mr. Ashok Kumar Aggarwal ceased to be Whole-Time Director w.e.f. 31st December, 2020 and subsequently resigned from Board w.e.f. 07th January, 2021.

²Mr. Shankar Lal Sharma has been appointed as Whole-Time Director w.e.f. 07th January, 2021.

³Mr. Jasbir Singh has been appointed as an Independent Director w.e.f. 30th September, 2020.

⁴Dr. R. Vasudevan ceased to be Director w.e.f. 25th September, 2020 due to expiry of his tenure as Director.

⁵Mr. Amir Singh Yadav ceased to be Nominee Director due to withdrawal of nomination by PNB w.e.f. 24th July, 2020.

- (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 2019-20	Remuneration of KMP in Financial Year 2020-21	% Increase/ (Decrease) in remuneration
Mr. Raj Kumar Adlakha (MD)	525.01	533.79	1.671
Mr. Ashok Kumar Aggarwal ¹ (WTD)	53.54	59.27	10.704
Mr. Shankar Lal Sharma ² (WTD)	-	14.33	N.A.
Mr. Sanjay Bhandari (CFO)	54.30	59.30	9.208
Mr. Gopalaiyer Ramarathnam (CS)	32.64	35.76	9.558
Mr. Rajesh Garg ³ (CS)	-	7.74	N.A.

¹Mr. Ashok Kumar Aggarwal ceased to be Whole-Time Director w.e.f. 31st December, 2020 and resigned from Board w.e.f. 07th January, 2021.

²Mr. Shankar Lal Sharma has been appointed as Whole-Time Director w.e.f. 07th January, 2021.

³Mr. Rajesh Garg has been appointed as Joint Company Secretary & Compliance Officer w.e.f. 07th January, 2021.

*Only sitting fee paid to Non- Executive Directors, hence, details of Non-Executive Directors is not included in the above table.

Uttam Sugar Mills Limited

- (c) The percentage increase in the Median Remuneration of employees in the financial year was 13.47%.
- (d) The number of permanent employees on the rolls of Company: The number of permanent employees on the rolls of Company as on 31st March, 2021 was 732 (Other than Seasonal employees and Contractual Labour).
- (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 2020-21 was 16.80%. Percentage increase in the Managerial Remuneration for the year was 5.00%. The increase in the remuneration of 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. The increase in the remuneration of employees was also in line with the 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.

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	533.79	Managing Director	Permanent	B.E. (Mech.)	42	65	N.A.	N.A.	1624610 (4.26%)
2	Mr. Sanjay Bhandari	59.30	CFO	Permanent	C.A.	35	55	27.01.2007	Willard India Ltd.	Nil
3	Mr. Ashok Kumar Aggarwal	59.27	Executive Director	Permanent	B.Com. (Hons.), C.A	38	62	02.01.2012	Empee Sugar	Nil
4	Mr. Shankar Lal Sharma	58.00	Executive Director	Permanent	B.Com, C.A.	24	47	04.07.2013	Bhushan Steel Limited	Nil
5	Mr. Narpat Singh	49.62	Joint President – Barkatpur Unit	Permanent	B.A	36	60	04.06.2018	Oudh Sugar Mills Ltd.	Nil
6	Mr. Anil Kumar Sharma	46.50	Sr. Vice President – Shermau Unit	Permanent	B.Sc, LL.B	27	63	14.08.2017	Simbhaoli Sugars Limited	Nil
7	Mr. Lokendra Singh Lamba	39.00	Sr. Vice President-Libberheri Unit	Permanent	B. Sc. (Ag.), Dip. In Comp. Application	28	53	11.10.2014	Bajaj Hindusthan Ltd.	Nil
8	Mr. Pushkar Mishra	37.50	Sr. Vice President-Khaikheri Unit	Permanent	B.Sc, ANSI (S.T)	28	51	20.08.2019	IPL Sugar & Chemicals (Sakoti Tanda)	Nil
9	Mr. J. P. Tripathi	36.50	Vice President (Distillery)	Permanent	B.Sc, P.G DIFAT	43	66	13.03.2013	Sir Shadi-lal Dist. & Chem. Works	Nil
10	Mr. G. Ramarathnam	35.76	Chief-Legal and Corp. Affairs & Company Secretary	Permanent	B.Com, LL.B, FCA, FCS, ACMA	55	79	01.06.2001	Oriental Carbon & Chemicals Limited	Nil

Uttam Sugar Mills Limited

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

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

Uttam Sugar Mills Limited

(Annexure III)

Conservation Of Energy, Research And Development, Technology Absorption, Foreign Exchange Earnings and Outgo

[Particulars pursuant to the Companies (Accounts) Rules, 2014]

(A) Conservation of Energy:-

i) The steps taken or impact on conservation of energy:

- Use of LED Lights being encouraged replacing of mercury/ sodium vapor lamps heating resulting saving in energy. Some of the high power consuming 250 Watt mercury/sodium vapor lamps were replaced by low power consuming 100 Watt LED lights for energy conservation.
- Installation of Variable Frequency Drive (VFD) of 250 & 200 KW for saving in energy in Injection water pumps and Boiler feed water pumps.
- Installation of HT and LT power capacitors to improve power factor, which helped in reducing power losses in the plants.
- Modification in Cane Fibrizer was carried out, which improved service life of domite tips, save on energy consumption and also the operating cost.
- Plant automation through DCS was upgraded to save energy as well as to reduce Milling and Process losses.

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

- All the four sugar factories have bagasse based co-generation power plants, partly used for captive consumption and balance being exported to U.P. / Uttarakhand Power Corporation Ltd.
- During the year, the company has also used other alternative fuels like Kohlu Baggase and Mustard husk resulting in increase in power export.
- Recycling of process water to conserve natural resources.

iii) The capital investment on energy conservation equipments : Rs. 77.98 Crore

(B) Technology Absorption:-

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

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

- Expenditure incurred on Research & Development - NIL

(C) Foreign Exchange Earnings and Outgo

(Rs. in Lakhs)

PARTICULARS	Period Ended	
	31.03.2021	31.03.2020
Earnings:- Export Sales (F.O.B Value)	34.24	12.00
Advance received for export sales of finished goods	-	-
Outgo:- a) Travelling Expenditure	-	12.27
b) Professional Charges	-	-
c) Repair & Maintenance	-	-
d) Purchase of Fixed Assets	-	-
	-	39.83

Uttam Sugar Mills Limited

(Annexure IV)

Annual Report on Corporate Social Responsibility

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

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 neighbouring 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 Board of Directors (Board) adopted the CSR Policy which is available on the Company's website.

2. The composition of CSR Committee :-

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Raj Kumar Adlakha	Managing Director	1	1
2.	Mr. Ashok Kumar Aggarwal*	Whole-Time Director	1	1
3.	Mr. Shankar Lal Sharma#	Whole-Time Director	1	N.A.
4.	Mr. Narendra Kumar Sawhney	Non-Executive & Independent Director	1	1

*Ceased to be member w.e.f. 07th January, 2021.

#Inducted as member w.e.f. 07th January, 2021.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

The CSR policy of the Company has been displayed on the website of the Company and is available at the following web link:

http://uttamsugar.in/adminpanel/product_image/0fe80304b5df11cc35569799b8d1445bCorporate_Social_Responsibility_Policy.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Not Applicable**

S. No.	Financial Year	Amount available for set-off from preceding financial years (Rs in Lakhs)	Amount required to be set-off for the financial year, if any (Rs in Lakhs)
1.	2018-19	-	-
2.	2019-20	-	-
3.	2020-21	-	-
	Total		

Uttam Sugar Mills Limited

6. Average net profit of the Company for last three financial years : Rs. 6379.07 Lakhs
7. (a) Two percent of average net profit of the company as per section 135(5) : Rs. 127.58 Lakhs
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 (c) Amount required to be set off for the financial year, if any: Nil
 (d) Total CSR obligation for the financial year (7a+7b- 7c): Rs. 127.58 Lakhs
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. in Lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 135.53 Lakhs	Nil	-	-	Nil	-

(b) Details of CSR amount spent against ongoing projects for the financial year: **Not Applicable**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (Rs. in Lakhs)	Mode of implementation- Direct (Yes/ No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
1.	Providing health care and safe drinking water	Items (i) of Sch.VII of the Companies Act, 2013	Yes	Uttarakhand Uttar Pradesh	- District Haridwar, Uttarakhand - District Bijnore, U.P. - District Muzaffarnagar, U.P. - District Saharanpur, U.P.	66.56	Direct	-	-
2.	Promoting Rural Sports	Items (vii) of Sch.VII of the Companies Act, 2013	Yes	Uttar Pradesh	- District Muzaffarnagar, U.P. - District Saharanpur, U.P.	1.00	Direct	-	-

Uttam Sugar Mills Limited

3.	Rural Development Projects	Items (x) of Sch.VII of the Companies Act, 2013	Yes	Uttarakhand Uttar Pradesh	- District Haridwar, Uttarakhand - District Bijnore, U.P. - District Muzaffarnagar, U.P. - District Saharanpur, U.P.	67.97	Direct	-	-
	TOTAL					135.53			

- (d) Amount spent in Administrative Overheads : Nil
(e) Amount spent on Impact Assessment, if applicable : Not Applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 135.53 Lakhs
(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs. in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	127.58
(ii)	Total amount spent for the Financial Year	135.53
(iii)	Excess amount spent for the financial year [(ii)-(i)]	7.95
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	7.95

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1.							
2.							
3.							
	TOTAL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed /Ongoing
1.								
2.								
3.								
	TOTAL							

Uttam Sugar Mills Limited

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **Not Applicable**
- (a) ~~Date of creation or acquisition of the capital asset(s):~~
 - (b) ~~Amount of CSR spent for creation or acquisition of capital asset:~~
 - (c) ~~Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc:~~
 - (d) ~~Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):~~
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable.**

A responsibility statement of the CSR Committee:

The Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**For and on behalf of the Board
For UTTAM SUGAR MILLS LIMITED**

Place : Noida

Date : 13th August, 2021

(SHANKAR LAL SHARMA)
EXECUTIVE DIRECTOR
(DIN : 09018381)

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

Uttam Sugar Mills Limited

(Annexure V) Business Responsibility Report

About this report:

Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("the Listing Regulations"), prescribe that the Top 1000 companies based on market capitalization as on March 31st of every financial year, are required to have "Business Responsibility Report" as part of their Annual Report. Since the Company is one of the Top 1000 companies based on market capitalization, following is the Business Responsibility Report ("the Report") of the Company for the financial year 2020-21.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company:	L99999UR1993PLC032518	
2.	Name of the Company:	Uttam Sugar Mills Limited	
3.	Registered address:	Village Libberheri, Tehsil Roorkee, District Haridwar Uttarakhand-247667	
4.	Website:	www.uttamsugar.in	
5.	E-mail id:	investorrelation@uttamsugar.in	
6.	Financial Year reported:	2020-21	
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	Manufacturing of Sugar	10721
		Production of Industrial Alcohol	1101
		Generation of Power	35106
8.	List three key products/services that the Company manufactures/provides (as in balance sheet):	1. Sugar 2. Industrial Alcohol 3. Power (Co-generation)	
9.	Total number of locations where business activity is undertaken by the Company:	Number of International Locations (Provide details of major 5)	Not Applicable
		Number of National Locations	The Company carries out its operations through its registered office at Libberheri (Roorkee) and its corporate office at Noida Manufacturing Units Libberheri-(Uttarakhand) Barkatpur-(Uttar Pradesh) Khaikheri-(Uttar Pradesh) Shermau-(Uttar Pradesh).
10.	Markets served by the Company – Local/State/National/International:	We serve all 4 areas (Local/State/National/International).	

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	38,13,81,200
2.	Total Turnover (INR)	1,81,859.03 Lakhs
3.	Total Profit after taxes (INR)	5,975.77 Lakhs
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2% of average net profit of last three financial years (i.e. Rs. 135.53 Lakhs)
5.	List of activities in which expenditure in 4 above has been incurred:-	Please refer to Annexure IV to the Board's Report forming part of this Annual Report.

Uttam Sugar Mills Limited

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies	No
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

DIN	Name of Director (s)	Designation
00133256	Mr. Raj Kumar Adlakha	Managing Director
09018381	Mr. Shankar Lal Sharma	Whole Time Director
02612602	Mr. G. S. Matta	Non-Executive Non-Independent Director
00109853	Mr. N. K. Sawhney	Non-Executive Independent Director
07201928	Mrs. Rutuja Rajendra More	Non-Executive Independent Director
08897793	Mr. Jasbir Singh	Non-Executive Independent Director

(b) Details of the BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	00133256
2.	Name	Mr. Raj Kumar Adlakha
3.	Designation	Managing Director
4.	Telephone number	0120-4525000
5.	e-mail id	investorrelation@uttamsugar.in

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the wellbeing of all employees.

P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect, protect, and make efforts to restore the environment.

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Uttam Sugar Mills Limited

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any National/ International Standards? If yes, specify? (50 words)	Yes, the Company's Business Responsibility Policy is based on the "National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business" released by the Ministry of Corporate Affairs, Government of India. Apart from this, the policies on the principles are based on the generally accepted practices for the respective principles.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, the Board of Directors of the Company has approved the Policy at their meeting and it has been signed by the Company Secretary, pursuant to the authorization by the Board.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	http://uttamsugar.in/adminpanel/product_image/3d6a3aa94f8cd17371be0775d8321944BRR_Policy%20-%20USML.pdf								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Policy has been posted on the Company's website for information of all stakeholders. For internal stakeholders, appropriate communication means like Notice Boards, etc., are used.								
8.	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The implementation of the Business Responsibility Policy was evaluated by the Internal Auditors of the Company.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	Not Applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

Uttam Sugar Mills Limited

3. Governance related to BR

- (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

The Board of Directors has reviewed the BR performance of the Company for the year ended on 31.03.2021 at their meeting held on 04th May, 2021 on annual basis.

- (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Being statutory requirement, this report has been compiled and annexed to the duly approved report of the Board of Directors for the Financial Year 2020-21. The report can be viewed at the website of the Company at www.uttamsugar.in

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No.**

The Company's policies on Ethics, Transparency and Accountability along with the Company's Code of Conduct and Business Ethics ("the Code") are applicable to all directors and employees of the Company. The directors and employees of the Company are expected to read and understand the Code, uphold the standards mentioned thereunder in their day-to-day activities and comply with all applicable laws, rules and regulations. The Company also has in place a Whistle Blower Policy.

2. **Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

There is no group structure or joint venture of the Company. The Company does not have any subsidiary. The Company is gradually encouraging parties associated with it like vendors, suppliers, contractors, etc., to follow the principles envisaged in the Policy.

3. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

In Financial Year 2020-21, no concerns from stakeholder were received.

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

a) **SUGAR:-** The Company is engaged in manufacturing of sugar including of Sulphur-less Refined Sugar, Double Refined, packed in small packaging, Natural Brown Sugar etc. Our sugar which being produced are regularly matched with NSI standard and norms. Similarly, we are complying and following up all the rules and regulations of FSSAI and our sugar being packed in very hygienic conditions.

b) **ETHANOL AND INDUSTRIAL ALCOHOL:-** Molasses is generated as by- product during the manufacturing of Sugar. It is the raw material for manufacture of Industrial Alcohol and Ethanol. The production of Alcohol and Ethanol is being done at Distillery where the company has ensured Zero Liquid Discharge (ZLD) by the latest process of concentration of Spent wash through Multi Effect Evaporators and incineration of concentrated Spent Wash through slop Boilers. Ethanol being supplied to Oil manufacturing Company for blending with Petrol under the Policy of Central Government of India. Ethanol is ECO Friendly fuel and helps to save foreign exchange also by reducing import of crude oil.

c) **POWER:-** Company is having the facility of Bagasse based Co-generation of Power which is a great alternative to Fossil Fuels and reduces the gas emission to safeguard the environment. The Power generation based on Bagasse is a renewal source of Energy. The said power is used for captive consumption as well as surplus power is being exported to Uttar Pradesh Power Corporation Ltd (UPPCL) under the Power Purchase Agreement with them.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

(a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

Uttam Sugar Mills Limited

The Company continued its efforts to utilize their available resources as by-product like Molasses, being used for manufacturing of Ethanol, Bagasse for generation of Power and Press mud being used for Bio fertilizer / Bio Manure. All Plants of the Company have installed Effluent Treatment Plants (ETP) to utilize and reuse of water.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Such type of details is not available with the Company.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company is procuring Sugar Cane (basic raw material) from farmers around to 50-60% is delivered at Mill Gate and brought by farmers by their own transport arrangements. The balance Sugar Cane being collected at a common place called "CENTRE" and the farmers bring their cane at Centre by their own transport arrangements and the Company arranges the transportation of Sugar Cane from these Centres to Mills through Company's transport arrangements.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company procures all of its raw materials i.e Sugar Cane from the farmers including small and medium level farmers from the nearby area of the Sugar Mill.

Following steps taken by the Company to improve the capability and capacity of the farmers:

- (i) Varietal replacement with proven high recovery/higher yield varieties.
- (ii) Ratoon Management.
- (iii) Development of Agri Research Centre.
- (iv) Integrated Pest Management program.
- (v) Soil Testing Facilities.
- (vi) Encouraging use of Bio Fertilizer and Bio Pesticides.
- (vii) Training facilities to the Farmer.
- (viii) Introduction of latest techniques of farming and use of various mechanical equipment for cultivation.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Our Company utilize the by- products generated during sugar / distillery manufacturing operation.

- Molasses is being utilized for manufacturing of Ethanol and Industrial Alcohol.
- Bagasse being used as Bio fuel.
- Waste generated (Spent wash) during distillery operation is also used as a Fuel.
- Press Mud is used as Bio Manure.
- CO₂ generated in Distillery operation is use for Industrial use.
- Ash is being used for Bio Fertilization having high potash generated from the use of spent wash.

Therefore, we are using / recycling of all the products / waste.

Uttam Sugar Mills Limited

Principle 3

1.	Please indicate the Total number of employees	2792
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis	1466
3.	Please indicate the Number of permanent women employees	6
4.	Please indicate the Number of permanent employees with disabilities	Nil
5.	Do you have an employee association that is recognized by management	No
6.	What percentage of your permanent employees is members of this recognized employee association	Not Applicable
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	Nil
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	Not Applicable
a.	Permanent Employees	-
b.	Permanent Women Employees	-
c.	Casual/Temporary/Contractual Employees	-
d.	Employees with Disabilities	-

Principle 4

- Has the company mapped its internal and external stakeholders? Yes/No**
Yes
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**
The Company identifies the small farmers with very small land holdings around its units as disadvantaged, vulnerable & marginalized stakeholders. The Company continuously engages with majority of them for identifying their needs & priorities and provides need based resolution to their problems. We are committed towards proactively engaging with our farmers particularly small farmers, our employees, communities, and take various initiatives, like carrying out CSR activities for them.
- Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**
Developmental activities are carried out by the Company by providing necessary guidance to the small and marginalized cane growers towards selection of right variety of seed and agri-inputs, etc.

Principle 5

- Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**
The Company's policy on Respecting and Promoting Human Rights is applicable to all directors and employees of the Company. There is no group structure or joint venture of the Company. The Company doesn't have any subsidiary. The vendors, suppliers, contractors, etc., associated with the Company are always encouraged to maintain ethical standards in all their practices.
- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
No complaint was received pertaining to human rights violation during the financial year.

Principle 6

- Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ others**
The Company's policies on Respecting, Promoting and Restoring the Environment and in relation to Environment, Health & Safety (EHS) are applicable to all directors and employees of the Company. There is no group structure or joint venture of the Company. The Company doesn't have any subsidiary. The vendors, suppliers, contractors,

Uttam Sugar Mills Limited

etc., associated with the Company are always encouraged to maintain ethical standards envisaged in the Policy. The EHS Policy also covers the contractors engaged by the Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Global environment issues such as climate change, global warming, GHG emissions pose challenges to all. The Company is totally committed to reduce their impact. At the captive power plants, Bagasses (waste generated) is used as fuel for generating power. At the Distillery, Spent Wash (effluent generated) is mixed with Bagasse and used as fuel in boilers to generate clean energy with minimal carbon footprint by incineration process.

There is no usage of non-renewal resources except in case of power outages/emergency. The Company has installed ESP and wet scrubbers at the boilers to arrest / control air pollution.

3. Does the company identify and assess potential environmental risks? Y/N

Yes.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, the Company has undertaken several initiatives on clean technology, energy efficiency, renewable energy, etc. The Company has achieved spectacular results in utilization of hazardous and pollutant industrial waste namely Spent Wash. This waste is used as a fuel at the incineration boilers of the Company for generating clean energy. Further details relating to conservation of energy can be found in Annexure III forming part of the Board's Report.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

All the emissions/waste generated by the Company are within the permissible limits given by CPCB / SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause/ legal notices from CPCB/SPCB are pending as on 31st March, 2021.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Indian Sugar Mills Association,
UP Sugar Mills Association,
UP Sugar Mills Co Gen Association,

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

No

Principle 8

1. Does the company have specified programmes / initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof. CSR activities are carried on by the Company through:

The details of programmes/ initiatives/ projects in pursuit of the CSR policy are also provided in the CSR Report forming part of the Board's Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

The Company uses all kinds of modes, whichever is suitable time to time.

3. Have you done any impact assessment of your initiative?

Yes

Uttam Sugar Mills Limited

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The Company has spent an amount of Rs. 135.53 Lakhs in various CSR activities during the year 2020-21. The details of the amount incurred and areas covered are given in Annexure - V (Annual Report on Corporate Social Responsibility Activities) forming part of the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Apart from CSR expenditure under eligible programs under the prescribed law, various community development initiatives are also undertaken by the Company after identifying the needs of the communities requiring development. The Company also interacts with the stakeholders to ensure that its projects are being implemented effectively. Apart from this, the Company also procures details of utilization / certificates of utilization from the implementing agencies to which the Company has contributed for community development.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

The Company has not received any complaint during the financial year ended 31st March, 2021 and no complaint is pending.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)

Yes, the applicable product information, wherever it is sold in packed condition (i.e. Sugar), is displayed on the bags. Besides, the Company complies with the applicable regulations as provided in Legal Metrology Act, Food Safety and Standards Act and the relevant rules prescribed therein.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

The Company never indulges in any unfair trade practices, irresponsible advertising and/or anti-competitive behavior, however, CCI has ordered investigation against the Oil Marketing Companies (OMCs), ISMA and various Sugar Mills (including the Company) on the basis of a complaint made in this behalf in respect of anti-competitive behavior in the tender floated by OMCs in 2012-13 for procurement of Ethanol under the Ethanol Blending with Petrol programme of the Government of India. The said allegation has been contested by the Company. In this regard, CCI has passed an Order dated 18th September, 2018, inter alia, imposing a penalty of 78.14 Lakhs on the Company. The CCI Order has been challenged by the Company before the Hon'ble NCLAT and the said Tribunal has stayed the CCI Order so far as it relates to the penalty amount subject to deposit of 10% of the penalty amount, which has been complied by the Company. The outcome of the said appeal before the Hon'ble NCLAT is pending at the end of the financial year under report.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, The Company has carried out informal consumer survey/ consumer satisfaction trends.

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

Place : Noida

Date : 13th August, 2021

(SHANKAR LAL SHARMA)
EXECUTIVE DIRECTOR
(DIN : 09018381)

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



Corporate Governance Report



YOUR HANDS DESERVE UTTAM PROTECTION

Presenting Hand Sanitizer range from Uttam Health. Based on WHO (World Health Organisation) recommended formula, it makes for best hand-care against any spread of germs and eliminates cross-infection. That leaves your hands feeling soft, refreshed and well protected.

Ethanol 80.00% v/v

Glycerol IP 1.45% v/v

Hydrogen Peroxide 0.125% v/v



SAFE FOR HANDS

CORPORATE GOVERNANCE REPORT 2020-21**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 disclosures as required in para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:-

2. BOARD OF DIRECTORS**A. Composition of the Board:-**

The Board of Directors of the Company comprises of 6 (Six) Directors at present. Out of them two are Executive Directors and four 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 during the year are as follows:

Name of Director(s)	Designation	Category
Mr. Raj Kumar Adlakha	Managing Director	Promoter & Executive
Mr. Ashok Kumar Aggarwal ¹	Whole-Time Director	Non-Promoter & Executive
Mr. Shankar Lal Sharma ²	Whole-Time Director	Non-Promoter & Executive
Mr. G. S. Matta ³	Director	Non-Executive & Non-Independent
Mr. N. K. Sawhney	Director	Non-Executive & Independent
Mrs. Rutuja Rajendra More	Director	Non-Executive & Independent
Mr. Jasbir Singh ⁴	Director	Non-Executive & Independent
Dr. R. Vasudevan ⁵	Director	Non-Executive & Independent
Mr. Amir Singh Yadav ⁶	Nominee Director-PNB	Non-Executive

¹Mr. Ashok Kumar Aggarwal ceased to be Whole-Time Director w.e.f. 31st December, 2020 and subsequently resigned from Board w.e.f. 07th January, 2021.

²Mr. Shankar Lal Sharma has been appointed as Whole-Time Director w.e.f. 07th January, 2021.

³Mr. G. S. Matta ceased to be an Independent Director w.e.f. 25th September, 2020 due to expiration of his second tenure. However, being eligible he was afresh appointed as an Additional cum Non-Executive Director in Non-Independent category w.e.f. 30th September, 2020.

⁴Mr. Jasbir Singh has been appointed as an Independent Director w.e.f. 30th September, 2020.

⁵Dr. R. Vasudevan ceased to be Director w.e.f. 25th September, 2020 due to expiry of his tenure as an Independent Director.

⁶Mr. Amir Singh Yadav ceased to be Nominee Director due to withdrawal of nomination by PNB w.e.f. 24th July, 2020.

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 Directors.

Uttam Sugar Mills Limited

B. Attendance of each Director at Board Meetings and last AGM: -

During the Financial Year 2020-21, 4 (Four) 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 meetings and in the Last AGM is as follows:-

Name of Director(s)	No. of Board Meetings Attended	Attendance at Last AGM held on 25 th September, 2020
Mr. Raj Kumar Adlakha	4	Yes
Mr. Ashok Kumar Aggarwal	3	Yes
Mr. Shankar Lal Sharma	1	NA
Mr. G. S. Matta	4	Yes
Mr. N. K. Sawhney	4	Yes
Mrs. Rutuja Rajendra More	4	Yes
Mr. Jasbir Singh	2	NA
Dr. R. Vasudevan	2	Yes
Mr. Amir Singh Yadav	1	NA

C. Number of other companies in which any director of the Company is a director and Membership/Chairmanship of committees:

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

Name of Director(s)	No. of Other Directorships and Committee Memberships/Chairmanships			
	Directorship in Other Listed Company	Other Directorships	Membership (s) of Committees [#] of other Companies	Chairmanship(s) of Committees [#] of other Companies
Mr. Raj Kumar Adlakha	-	14	-	-
Mr. Shankar Lal Sharma	-	-	-	-
Mr. G. S. Matta	1*	-	-	-
Mr. N. K. Sawhney	-	1	-	-
Mrs. Rutuja Rajendra More	-	-	-	-
Mr. Jasbir Singh	-	-	-	-

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

[#]Represents Audit Committee and Stakeholders Relationship Committee.

D. Details of Board Meetings held during the year ended 31st March, 2021:

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.	20.06.2020	7
2.	14.08.2020	6
3.	28.10.2020	6
4.	07.01.2021	6

- All the Board meeting were duly convened within the time gap as allowed by MCA/SEBI.

E. Relationships Between Directors:

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

Uttam Sugar Mills Limited

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. Shankar Lal Sharma	Nil
3.	Mr. G. S. Matta	Nil
4.	Mr. N. K. Sawhney	Nil
5.	Mrs. Rutuja Rajendra More	Nil
6.	Mr. Jasbir Singh	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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 and business model of the company etc. In terms of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), one such familiarization programme was conducted during the year on the date of the Board Meeting. Details of Familiarization Programme for Independent Directors is also placed on the website i.e. www.uttamsugar.in and can be accessed at this weblink http://uttamsugar.in/adminpanel/product_image/20a110a46a87df1c1f81bce18cb2de6fDetails%20of%20Familiarization%20Programme%202020-21.pdf

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

S. No.	Name of Directors	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 42 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 two Distillery Unit under his leadership.
2.	Mr. Shankar Lal Sharma	Mr. Shankar Lal Sharma is a Chartered Accountant and also holds degree in Bachelor of Commerce. Mr. Sharma is having overall 24 years of experience in different areas like commercial, Accounting, Administration, Production planning, Internal control, Legal, Marketing, Plant operation, Project management, Cost control and Cane management etc. He has a vast experience in various industries viz. Oil, Cement, Paper, Steel and Sugar.
3.	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 over 49 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.
4.	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 50 years with various industries on senior positions. Mr. Sawhney is also a corporate advisor to various Sugar companies.

Uttam Sugar Mills Limited

5.	Mrs. Rutuja Rajendra More	Mrs. Rutuja Rajendra More has a degree in Master of Science (Microbiology). Mrs. More is having 27 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.
6.	Mr. Jasbir Singh	Mr. Jasbir Singh aged 73 years, holds degree in B.E (Mech), A.N.S.I (Sugar Engg.) F.S.T.A., M.I.E (India). Mr. Singh is having around 50 years of vast experience with various industries. He is also Director (Technical) with National Forum of Sugar Consultants, New Delhi.

- I. The Board is of the opinion that all Independent Directors fulfill the conditions specified in the Companies Act, 2013 and 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 before the expiry of their term.

3. AUDIT COMMITTEE

A. Terms of Reference:-

The Audit Committee has been constituted pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company's Audit Committee is entrusted with the matters as specified in Section 177 of the Companies Act, 2013 and Part C of schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

B. Composition, Name of Members and Chairman:-

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

S. No.	Name	Designation	Category
1.	Mr. Narendra Kumar Sawhney	Chairman	Non-Executive & Independent
2.	Mr. Jasbir Singh	Member	Non-Executive & Independent
3.	Mr. G.S. Matta	Member	Non-Executive & Non Independent

All the Members are financially literate and possess sound knowledge of accounts, audit and finance etc.

C. Meetings and Attendance:-

During the Financial Year 2020-21, 4 (Four) Audit Committee Meetings were held on 20.06.2020, 14.08.2020, 28.10.2020 & 07.01.2021. The attendance of the members is as follows:-

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

¹inducted as member w.e.f. 30.09.2020.

²ceased to be Member w.e.f. 25.09.2020.

³ceased to be member w.e.f 01.10.2020.

Uttam Sugar Mills Limited

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 alongwith other executives.

Mr. G. Ramarathnam, Chief – Legal and Corporate Affairs & Company Secretary and Mr. Rajesh Garg, Joint Company Secretary & Compliance Officer 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 Section 178 of the Companies Act, 2013 and para A of Part D of schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

B. Composition, Name of Members and Chairman:-

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

S. No.	Name	Designation	Category
1.	Mr. Narendra Kumar Sawhney	Chairman	Non-Executive & Independent
2.	Mr. G.S. Matta	Member	Non-Executive & Non Independent
3.	Mr. Jasbir Singh	Member	Non-Executive & Independent

C. Meetings and attendance:-

During the Financial Year 2020-21, 2 (Two) Nomination and Remuneration Committee meetings were held on 21.09.2020 and 07.01.2021. The attendance of the members is as follows:-

S. No.	Name	Attendance
1.	Mr. Narendra Kumar Sawhney	2
2.	Mr. G.S. Matta	2
3.	Mr. Jasbir Singh ¹	1
4.	Dr. R. Vasudevan ²	1

¹inducted as member w.e.f. 30.09.2020.

²ceased to be Member w.e.f 25.09.2020.

D. Performance evaluation:-

The criteria for performance evaluation was determined by Nomination and Remuneration Committee and 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 level of engagement, independence of judgment, competition challenges and meeting the risk management compliances, due diligence, financial controls, safeguarding the interest of the company and its minority shareholders. The Criteria framed by Nomination and Remuneration Committee was also duly adopted by the Board.

In view of the above criteria, the Nomination and Remuneration Committee during the year has done the annual performance evaluation of the Board, Independent Directors, Non-executive Directors, Executive Directors, Committees and the Chairman of the Board. The committee also reviewed the declaration received from the 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.

Uttam Sugar Mills Limited

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 Executive Directors for any Board / Committee Meetings attended by them. All Non-Executive Directors were paid sitting fees for the Board / Audit Committee Meetings attended by them during the Financial Year 2020-21. Apart from sitting fee they don't have any pecuniary relationship or transactions with the Company. However, the Board recommended to pay monthly remuneration to each Non-Executive Director including Independent Director of the Company for their active guidance and participation in steering the company's affairs for its sustained / expected growth and in view of the new roles, duties & liabilities w.r.t. corporate governance, risk management and Internal financial controls etc. introduced under the Companies Act 2013 and other legislature. The same is subject to approval of members in this Annual General Meeting.

Details of remuneration and Sitting fee paid to the Directors for the year ended 31st March, 2021 are as under:-

The remuneration paid to Managing Director, Whole-Time Director and all other Non - Executive Directors of the Company for the financial year ended on 31st March, 2021 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	408.00	10.79	115.00	-	533.79	Re-appointed as Managing Director upto 31.03.2024 subject to approval of shareholders in ensuing AGM.
2.	Mr. Shankar Lal Sharma ¹	9.45	4.88	-	-	14.33	Appointed as Additional cum Executive Director subject to approval of shareholders in ensuing AGM.
3.	Mr. Ashok Kumar Aggarwal ²	29.10	30.17	-	-	59.27	Ceased to be Executive Director w.e.f. 31.12.2020 due to expiration of tenure.
4.	Mr. G. S. Matta	-	-	-	1.40	1.40	Appointed as Non-Executive Non-Independent Director subject to approval of shareholders in ensuing AGM.
5.	Mr. N. K. Sawhney	-	-	-	1.40	1.40	Re-appointed as an Independent Director in 24 th AGM upto 19 th September, 2024.
6.	Mrs. Rutuja Rajendra More	-	-	-	1.00	1.00	Re-appointed as an Independent Director in 24 th AGM upto 19 th September, 2024.
7.	Mr. Jasbir Singh ³	-	-	-	0.70	0.70	Appointed as Non-Executive Independent Director subject to approval of shareholders in ensuing AGM.
8.	Dr. R. Vasudevan ⁴	-	-	-	0.70	0.70	Ceased to be Independent Director w.e.f. 25.09.2020 due to expiration of tenure.
9.	Mr. Amir Singh Yadav ⁵	-	-	-	0.25	0.25	Ceased w.e.f. 24.07.2020 due to withdrawal of nomination by PNB.

¹Appointed w.e.f. 07.01.2021.

²Ceased w.e.f. 07.01.2021.

³Appointed w.e.f. 30.09.2020.

⁴Ceased w.e.f. 25.09.2020.

⁵Ceased w.e.f. 24.07.2020.

Uttam Sugar Mills Limited

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 is no notice period and severance fees payable to the Directors.
- The Company has not issued any stock options during the financial year under review.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

A. Terms of Reference:-

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Rules made thereunder and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place Stakeholders Relationship Committee.

B. Composition, Name of Members and Chairman:-

The following are the present members of committee and attendance of the members in the meeting as follows:-

S. No.	Name	Designation	Category
1.	Mr. G.S. Matta	Chairman	Non-Executive & Non Independent
2.	Mr. Narendra Kumar Sawhney	Member	Non-Executive & Independent
3.	Mr. Jasbir Singh	Member	Non-Executive & Independent

C. Meetings and attendance:-

During the Financial Year 2020-21, 4 (Four) Stakeholders Relationship Committee Meetings were held on 20.06.2020, 14.08.2020, 28.10.2020 & 07.01.2021.

S. No.	Name	Designation	Category	Attendance
1.	Mr. G.S. Matta	Chairman	Non-Executive & Non-Independent	4
2.	Mr. Narendra Kumar Sawhney	Member	Non-Executive & Independent	4
3.	Mr. Jasbir Singh ¹	Member	Non-Executive & Independent	2
4.	Dr. R. Vasudevan ²	Member	Non-Executive & Independent	2

¹inducted as member w.e.f. 30.09.2020.

²ceased to be Member w.e.f. 25.09.2020.

D. Shareholders Complaints:-

During the year 2020-21, no complaint was received from Shareholders and there were no pending complaints as on 31st March, 2021. Other details pertaining to the Stakeholders Relationship Committee are given below:

a)	Name of Chairman heading the Committee	Mr. G.S. Matta (Non-Executive & Non-Independent Director)
b)	Name & Designation of Compliance Officer	Mr. G. Ramarathnam (Chief – Legal and Corporate Affairs & Company Secretary) Mr. Rajesh Garg (Joint Company Secretary and Compliance Officer)
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

Uttam Sugar Mills Limited

7. RISK MANAGEMENT COMMITTEE

The constitution of Risk Management committee is not applicable on the Company as the company does not fall within the purview of applicability of the requirement to form committee. However, company has in place Risk management policy to identify the risk at appropriate time and necessary steps to be taken to mitigate the risk.

8. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

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

Name	Designation	Category
Mr. Raj Kumar Adlakha	Chairman	Promoter & Executive
Mr. Shankar Lal Sharma*	Member	Non-Promoter & Executive
Mr. Narendra Kumar Sawhney [#]	Member	Non-Executive Independent Director

*inducted as member w.e.f 07.01.2021

[#]inducted as member w.e.f 30.09.2020

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 20th June, 2020. Mr. Raj Kumar Adlakha, Mr. Ashok Kumar Aggarwal (Ceased to be member w.e.f. 07.01.2021) and Mr. G. S. Matta (Ceased to be member w.e.f. 25.09.2020) attended the Meeting.

9. GENERAL BODY MEETINGS

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

Meeting	Date	Venue of AGM	Time	Special Resolutions Passed
23 rd AGM	17.08.2018	Village Libberheri, Tehsil Roorkee, Distt. Haridwar Uttarakhand-247667	12.00 Noon	<ul style="list-style-type: none"> ➤ Re-appointment of Mr. Ashok Kumar Aggarwal (DIN: 05199585), Whole Time Director from 01st January, 2018 to 31st December, 2020. ➤ Re-appointment of Mr. Raj Kumar Adlakha (DIN: 00133256), Managing Director from 01st April, 2018 to 31st March, 2021. ➤ Re-classification of the Authorised Share Capital of the Company. ➤ Further Issue of Securities.
24 th AGM	20.09.2019	Village Libberheri, Tehsil Roorkee, Distt. Haridwar Uttarakhand - 247667	12.00 Noon	<ul style="list-style-type: none"> ➤ Confirmation of Continuation of Directorship of Mr. N. K. Sawhney (DIN: 00109853) as an Independent Director. ➤ Re-appointment of Mr. N. K. Sawhney (DIN: 00109853) as an Independent Director. ➤ Re-appointment of Mrs. Rutuja Rajendra More (DIN: 07201928) as an Independent Director.

Uttam Sugar Mills Limited

				<ul style="list-style-type: none"> ➤ Amendment in the terms and conditions of Remuneration of Mr. Raj Kumar Adlakha (DIN: 00133256), Managing Director w.e.f 01.08.2019. ➤ Alteration of Memorandum of Association of the Company. ➤ Further Issue of Securities.
25 th AGM	25.09.2020	Through video conferencing/Other Audio Visual Means	12.00 Noon	<ul style="list-style-type: none"> ➤ Further Issue of Securities.

b) Resolution passed through Postal Ballot

During the current financial year i.e. 2020-21, the Company has not passed any Special Resolution through Postal Ballot. No resolution is proposed to be passed in the ensuing AGM through postal ballot.

10. Means of Communication

The Company is publishing financial results (unaudited/ audited), 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 i.e. www.uttamsugar.in.

11. General Shareholder Information

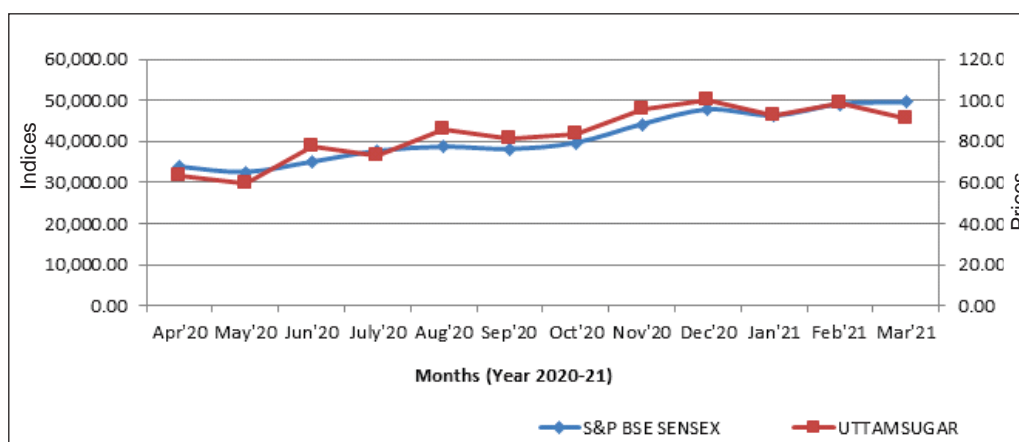
a)	AGM Date, time and venue	Friday, 17 th September, 2021 at 12.00 Noon through Video Conferencing/ Other Audio Video Means
b)	Financial Year	1 st April, 2020 to 31 st March, 2021
	Financial Calendar 2021-22 (Tentative Schedule) Results for quarter ending : i. 30 th June, 2021 ii. 30 th September, 2021 iii. 31 st December, 2021 iv. 31 st March, 2022	On or before 14 th day of August, 2021 On or before 14 th day of November, 2021 On or before 14 th day of February, 2022 On or before 30 th day of May, 2022
	Book Closure Date	Saturday, 11 th September, 2021 to Friday, 17 th September, 2021 (both days inclusive).
(c)	Dividend Payment Date	N. A.
(d)	Listing on Stock Exchange	National Stock Exchange of India Ltd. Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai – 400 051
		BSE Limited 1 st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Note : Your Company has already paid the Listing fees to both the Stock Exchanges for the F.Y. 2020-21 & F.Y. 2021-22
(e)	<u>Stock Code</u> National Stock Exchange of India Ltd BSE Limited	UTTAMSUGAR 532729

Uttam Sugar Mills Limited

f) Market Price Data High/ Low during each month of the Financial Year 2020-21:
(BSE Limited)

Month	High (Rs.)	Low (Rs.)
April'20	68.90	54.10
May'20	65.00	53.00
June'20	85.45	60.10
July'20	82.20	71.10
August'20	98.30	72.00
September'20	94.90	77.25
October' 20	92.00	75.00
November' 20	101.40	79.50
December' 20	115.45	89.00
January'21	114.05	88.00
February'21	103.75	90.70
March'21	111.80	88.60

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



h)	Suspension from trading	There was no suspension of trading of equity shares of the Company ordered by BSE & NSE.
i)	Registrars and Share Transfer Agents (for physical & demat shares)	Link Intime India Private Limited Noble Heights, 1 st 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
j)	Share transfer system	Trading in equity shares of the Company is permitted only in dematerialised form. All valid share transfer requests/ demat requests are processed within a period of 15 days from the date of receipt.

Uttam Sugar Mills Limited

k) Distribution of Equity Shareholding as on 31st March, 2021

(i) Category of Equity Shareholders as on 31.03.2021

S. No	Category of Shareholder	Total Number of Equity Shares	% of Shares
(A)	Shareholding of Promoters and Promoters Group		
(1)	Indian		
(a)	Individuals/Hindu Undivided Family	52,72,204	13.82
(b)	Bodies Corporate	2,33,31,381	61.18
(2)	Foreign	-	-
	Total Shareholding of Promoters and Promoters Group (A)	2,86,03,585	75.00
(B)	Public Shareholding		
(1)	Institutions		
(a)	Financial Institutions/Banks	2,492	0.00
(b)	Foreign Portfolio/Venture Capital Investors	-	-
	Sub-Total (B)(1)	2,492	0.00
(B)(2)	Non-Institutions		
(a)	Bodies Corporate	9,66,558	2.53
(b)	NBFCs registered with RBI	-	-
(c)	Individuals :		
(i)	Individual Shareholders holding nominal share capital up to Rs. 2 lakhs	33,55,114	8.80
(ii)	Individual Shareholders holding nominal share capital in excess of Rs. 2 lakhs	44,57,421	11.69
(d)	Any others:		
(i)	Trust	-	-
(ii)	Foreign Nationals (Non-Resident Indians)	1,23,389	0.32
(iii)	Clearing Members	53,679	0.14
(iv)	HUF	5,75,882	1.51
	Sub-Total (B)(2)	95,32,043	24.99
	Total Public Shareholding (B) = (B)(1) + (B)(2)	95,34,535	25.00
	TOTAL (A) + (B)	3,81,38,120	100.00

(ii) Distribution of Equity Shareholding as on the 31.03.2021.

S. 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.	%		
1.	1 to 500	16123	92.7142	1400830	3.6730
2.	501 to 1,000	632	3.6343	502301	1.3171
3.	1,001 to 2,000	291	1.6734	449758	1.1793
4.	2,001 to 3,000	109	0.6268	278946	0.7314
5.	3,001 to 4,000	56	0.3220	203678	0.5341
6.	4,001 to 5,000	40	0.2300	185143	0.4855
7.	5,001 to 10,000	72	0.4140	514641	1.3494
8.	10,001 to above	67	0.3853	34602823	90.7303
	TOTAL	17,390	100.00	38138120	100.00

Uttam Sugar Mills Limited

l) Dematerialization of shares and liquidity	As on March 31 st , 2021, 3,80,995 Equity Shares of the Company (1.00% of the total issued Equity Capital) were held in physical form and 3,77,57,125 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>Unit - I Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand</p> <p>Unit - II Village Barkatpur, Tehsil Nazibabad, District Bijnor, U.P.</p> <p>Unit - III Village Khaikheri, Tehsil & District Muzzaffarnagar, U.P.</p> <p>Unit - IV Village Shermau, Tehsil Nakur, Distt: Saharanpur, U.P.</p>
p) Address for correspondence	<p>Registrar & Share Transfer Agent (For Dematerialisation and Share Transfer related query) Link Intime India Private Limited Noble Heights, 1st 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</p> <p>Company (For Annual Report and any other related matters) Company Secretary, Uttam Sugar Mills Ltd. A-2E, IIIrd Floor, C.M.A. Tower, Sector – 24, Noida-201301 (U.P.)</p>
q) List of Credit Ratings Obtained from Rating Agencies	<p>There is no change in the Ratings already given by the Rating agencies during the year under review. However, During the year under review Brickwork Ratings India Pvt. Ltd. had assigned following Ratings:-</p> <p>a) <u>Rating on Long Term Bank Facilities:</u> <u>Term Loan/Fund based</u> BWR BBB – Stable</p> <p>b) <u>Rating on Short Term Bank Facilities:</u> <u>Non Fund Based</u> BWR A3</p>

12. Other Disclosure

- There have been no materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the directors or the management or relatives etc. which may have potential conflict with the interests of the Company at large.

Uttam Sugar Mills Limited

- b) There have been no instances of non-compliance with any of the legal provisions of law made by the Company or 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/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 and weblink of the same is http://uttamsugar.in/adminpanel/product_image/db061eede812bddd35e81e5a3164cffaPolicy_Related%20Party%20Transaction.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.15.26 Lakhs.
- 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.

12. Non-Compliance of Any Requirement of Corporate Governance Report of Sub-Paras (2) To (10) - Nil

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

Uttam Sugar Mills Limited

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 3 (Three) Independent Directors:

- i) Mr. N. K. Sawhney
- ii) Mrs. Rutuja Rajendra More
- iii) Mr. Jasbir Singh

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 20th March, 2021 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, Executive Director and Mr. Sanjay Bhandari, Chief Financial Officer, have furnished a certificate relating to financial statements and internal control systems as per the format prescribed under 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' Lounge" on the website of the company i.e. www.uttamsugar.in.

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Uttam Sugar Mills Limited

We have examined the compliance of the conditions of Corporate Governance by Uttam Sugar Mills Ltd. for the financial year ended on 31st March, 2021 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C&D of Schedule V of the Securities and Exchange Board of India (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 : 13th August, 2021

UDIN : F003685C000775601

Uttam Sugar Mills Limited

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 2020-21.

Place : Noida

Date : 13th August, 2021

(RAJ KUMAR ADLAKHA)

MANAGING DIRECTOR

(DIN : 00133256)

CEO/CFO CERTIFICATION – FINANCIAL YEAR ENDED 31.03.2021

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

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

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

For UTTAM SUGAR MILLS LIMITED

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

(S. L. SHARMA)
EXECUTIVE DIRECTOR
(DIN: 09018381)

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

Place : Noida

Date : 13th August, 2021

Uttam Sugar Mills Limited

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to regulation 34(3) and Schedule V para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

As required by item 10(i) of para 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 : 13th August, 2021

UDIN : F003685C000775181



Management Discussion and Analysis

Uttam Sugar Mills Limited

(Annexure – VII)

MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors are pleased to present its Management Discussion and Analysis Report as per Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SUGAR INDUSTRY IN INDIA

Sugarcane and sugar play significant role in economy of India, trade and livelihood. Sugar is country's second largest agro-based industry, next to cotton. Sugarcane and sugar industry together impact the livelihood of over 5 crore farmers and their dependents involved in cultivating sugarcane in an area of almost 50 lakh hectares. India is the largest consumer and the second-largest producer of sugar in the world. Average annual production of sugarcane is around 35.5 crore tonnes which is used to produce around 3 crore tonnes of sugar. The domestic consumption is estimated to be around 2.60 crore in a year.

A. INDUSTRY STRUCTURE & DEVELOPMENTS

Global Sugar Industry Scenario:

Global Sugar production in sugar season 2020-21 is estimated at 169.01 Million MT with a decrease of 1.24% as compared to sugar production of 171.16 Million MT in sugar season 2019-20.

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's sugar production 2020-21 is forecast to drop 5 percent to 39.90 million tons due to a reduced volume of sugarcane for crushing.
- India produced 30.57 million tons of sugar between 1st October 2020 and 31st May 2021. This is 3.57 million tons higher than 27.00 million tons produced at the same time last year.
- 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's share in World Sugar Production was approx 18 % in 2020-21.
- India is the 3rd largest exporter in sugar after Brazil and Thailand.
- Global exports are better at 64.28 Million MT against 66.55 Million MT in 2019-20.

Production, Consumptions and End Stocks:

The Global Sugar industry production in 2020-21 is 169.04 Million MT with a decrease of 1.24% as compared to sugar production of 171.66 Million MT in sugar season 2019-20. However, in consumption there is a increase by 2.08% to 173.82 Millions MT in 2020-21 as compared to 170.27 Millions MT in 2019-20, resulting into inventory levels for the 2020-21 and 2019-20 at 50.85 Million MT and 55.68 Million MT respectively. There is a decrease in the closing stock to consumption ratio in 2020-21 at 29.25% as against 32.70% at the end of 2019-20.

World Sugar Balances (October to September)

(In Million MT, Raw Value)

Particulars	2020-21 (Estimates)	2019-20	2018-19	Change in 2020-21 over 2019-20	
				(Million MT)	(%)
Production	169.04	171.16	179.66	(2.12)	(1.24%)
Consumption	173.82	170.27	172.62	3.55	2.08%
Surplus/(Deficit)	(4.78)	0.89	7.04	(5.67)	(637%)
Import demand	62.13	66.54	51.53	(4.42)	(6.64%)
Export availability	62.18	66.55	56.01	(4.37)	(6.57%)
End Stocks	50.85	55.68	54.79	(4.83)	(8.67%)
Stock/Consumption Ratio in %	29.25%	32.70%	31.74%		

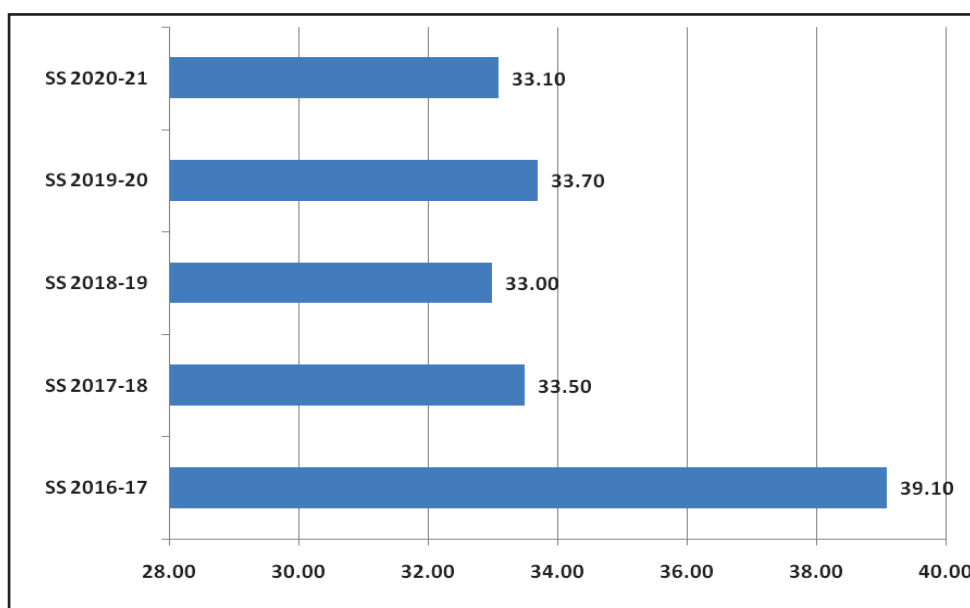
(Source: ISO –Report Feb 2021)

Uttam Sugar Mills Limited

- Agroconsult has forecasted a deficit of 1 million mt in 2021-22, up from 2 lac mt deficit in 2020-21.
- Projecting an increase in sugar production in Thailand and India in 2021-22 SS, Tropical Research Services (TRS) forecast a sugar surplus of 5.18 mln tonnes for 2021-22, with output rising 5% to 191.51 mln tonnes raw value while consumption increases by 1% to 186.33 mln tonnes.
- Higher diversion of sugar in ethanol is expected because of higher consumption of Petrol.

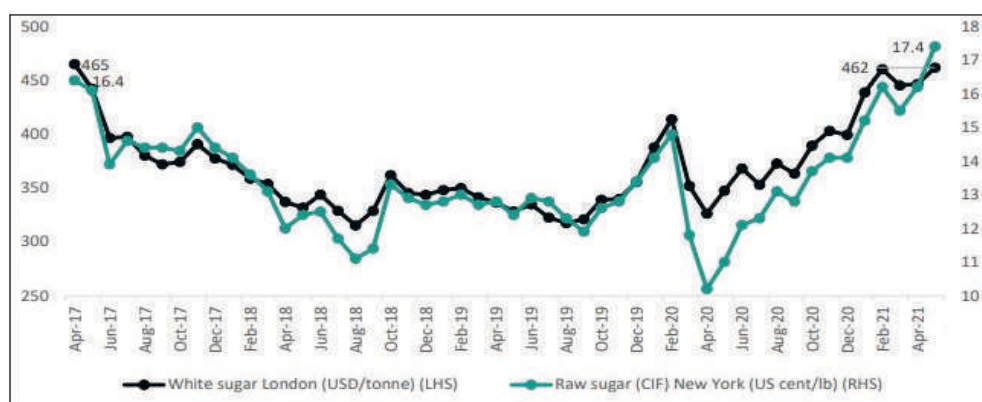
Domestic sugar prices continue to remain range-bound

The wholesale sugar prices in India continued to average in the range of Rs.33 per kg - Rs.34 per kg for more than the past 3 years [SS 2017-18 to SS 2020-21 (up to 20 May 2021)]. Sugar price that had averaged at Rs.39 per kg during SS 2016-17 declined by 14.3% to Rs.34 per kg in SS 2017-18 primarily due to bumper sugar output of 32.5 million tonnes (growth of 60.1% y-o-y) and minimal sugar exports during the year. Following this, India had an opening stock of more than 10 million tonnes of sugar in each of the next 3 consecutive years, which is much more than the normative stock requirement of 4-6 million tonnes for a year. India started SS 2018-19, SS 2019-20 and SS 2020-21 with an opening stock of 10.7 million tonnes, 14.6 million tonnes and about 10.5 million tonnes respectively. Such high carryover stocks have been restricting any major increase in domestic sugar prices since SS 2017-18 (refer Chart given below):-



International sugar prices touch 4 year high in May 2021

In May 2021 (up to 19 May), international sugar prices touched 4 year high as the white sugar prices in London and the raw sugar prices in New York averaged at USD 461.8 per tonne and US cent 17.4 per lb, respectively. Such high price levels for both these varieties were witnessed earlier 4 years back in the initial months of 2017. The price of white sugar in London and that of raw sugar in New York had averaged at USD 465.1 per tonne and US cent 16.4 per lb in April 2017.



Uttam Sugar Mills Limited

INDIAN PERSPECTIVE OF SUGAR & ETHANOL INDUSTRY

- Sugar mills across the country have produced 306.84 lacs tons of sugar between 1st October 2020 and 30th June 2021. This is 35.52 lacs tons higher than 271.32 lacs tons produced at the same time last year.
- U.P. sugar mills have produced 110.61 lacs tons of sugar as on 30th June 2021, which is 15.77 lacs tons lower than the production of 126.38 lacs tons produced by them last year on the corresponding date.
- In Maharashtra, crushing season has concluded and the mills of the State have produced 106.28 lacs tons of sugar, which is about 44.59 lacs tons higher as compared to 61.69 lacs tons produced in 2019-20 SS.
- In Karnataka, all the operating mills had closed their crushing operations and have produced 41.74 lacs tons of sugar as compared to 33.80 lacs tons produced last year same period.
- As compared to previous Sugar Season the production was lower in UP by around 12.48%.
- As compared to previous Sugar Season the production was higher in Maharashtra & Karnataka by around 72.28% & 23.28% respectively.
- The Following chart depicts State Wise Sugar Production in Sugar Season 2020-21 :

S. No	State	Production (In Lakh Tons) 2020-21 (upto 30 th June)	Production (In Lakh Tons) 2019-20 (upto 30 th June)
1	Uttar Pradesh	110.61	126.38
2	Maharashtra	106.28	61.69
3	Karnataka	41.74	33.80
4	Tamil Nadu	6.80	6.25
5	Gujarat	10.50	9.32
6	Andhra Pradesh + Telangana	3.23	4.24
7	Bihar	4.73	7.28
8	Punjab	5.47	5.38
9	Haryana	7.66	7.43
10	Madhya Pradesh+ Chattisgarh	5.32	4.60
11	Uttarakhand	4.16	4.58
12	Others	0.34	0.37
	All India	306.84	271.32

Source: ISMA

Inventory Level:

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

(In Million MT)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21*
Opening stock (A)	7.70	4.00	10.68	14.54	10.74
Sugar Production (B)	20.30	32.50	33.16	27.13	30.68
Imports (C)	0.70	0.18	0.00	0.00	0.00
Total Availability (D=A+B+C)	28.70	36.68	43.84	41.67	41.42
Internal Consumption (E)	24.60	24.50	25.50	25.73	26.00
Exports (F)	0.10	0.50	3.80	5.20	6.00
Total off-take (G=E+F)	24.70	26.00	29.30	30.93	32.00
Closing Stock (D-G)	4.00	10.68	14.54	10.74	9.42
Stock as % of consumption	16.26%	43.59%	57.01%	41.42%	36.23%
Surplus (B-E)	-4.3	8.00	7.66	1.40	4.68

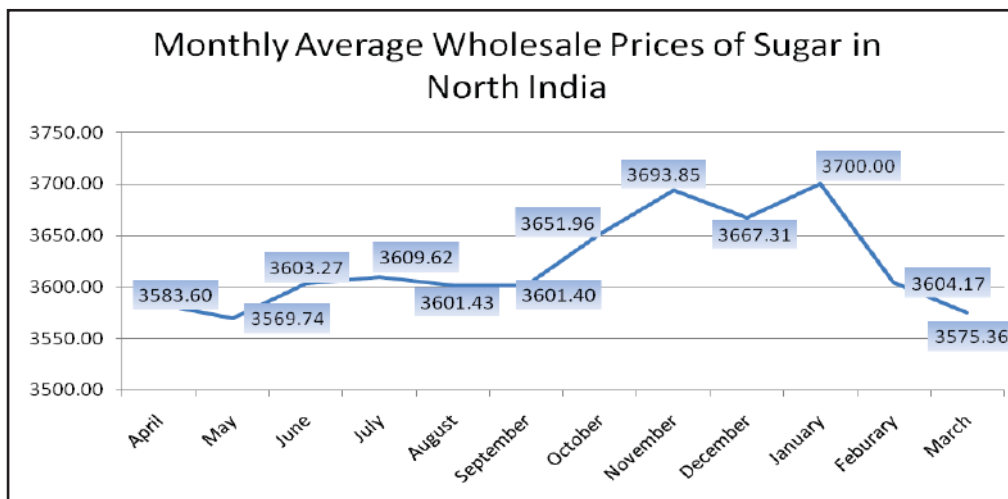
Source: (ISMA)

*Provisional

Uttam Sugar Mills Limited

Prices:

- The following chart explains price trend during the period from April 2020 to March 2021:-



Source: Department of Consumer Affairs

Trade:

Due to higher production and higher stocks, the prices were depressed in the market. Due to reduction in price and higher stocks, cane dues were higher resulting which government has taken certain steps to keep the price stable.

- Export Quotas (MAEQ) of 60 Lakh tonnes of all grades of sugar were fixed along with assistance of Rs.6000/- MT for sugar season 2020-21 so the extra sugar can be exported.
- Further, Minimum price Rs.29/- kg of sugar have been fixed by the government and later on increased at Rs. 31/- kg fixed by the government during Feb.2019, quota of sales fixed from June 2018 onwards.
- 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.

Uttam Sugar Mills Limited

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 increase the fair and remunerative price for sugarcane at Rs 285 per quintal for the Sugar season 2020-21.

Given below is a chart depicting the difference in the State Advised Cane Price (SAP) during 2016-17 to 2020-21 in the major sugar producing states :

State	2016-17 (SAP)	2017-18 (SAP)	2018-19 (SAP)	2019-20 (SAP)	2020-21 (SAP)	2020-21 FRP
Bihar	280	300	300	300	315	285
Uttar Pradesh	305	315	315	315	315	285
Punjab	300	300	300	300	310	285
Haryana	315	325	325	340	350	285
Maharashtra	-	-	-	-	-	285
Karnataka	230	-	-	-	-	285
Andhra Pradesh	-	-	-	-	-	285
Tamil Nadu	285	-	-	-	-	285
Uttarakhand	307	316	317	317	317	285

Source: ASTA/ISMA

Note:-

1. Fair and Remunerative Price (FRP) for sugar season 2020-21 declared at Rs. 285 per quintal linked to a basic recovery rate of 10%; providing a premium of Rs. 2.85 per quintal for every 0.1% increase in recovery above that level. To reduce the FRP proportionately by Rs.2.85/- qtl for every 0.10% decrease in recovery below 10% but above 9.50%. Minimum FRP Rs.270.75/- qtl for 9.50% Recovery or less.
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 2019-20.

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.

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, 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.

Uttam Sugar Mills Limited

In case of B heavy molasses, 60 Kg of Molasses is produced from 1 ton of Cane from which about 18 litre of ethanol can be obtained.

In India, now ethanol manufacturing started from grain also.

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 457 crore litre in 2020-21.

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/Sugar syrup/Sugar 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/syrup 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 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%.

During the year, CCEA has approved the following for the sugar season 2020-21 during ethanol supply period from various feeds:-

- Price of Ethanol from C hy Molasses increased from Rs.43.75 to Rs. 45.69 Per Litre.
- Price of Ethanol from B hy Molasses increased from Rs.54.27 to Rs. 57.61 Per Litre.
- Price of Ethanol from Sugar cane Juice/Sugar/Sugar Syrup increased from Rs. 59.48 to Rs. 62.65.
- Damaged food grain at Rs. 51.55 from Rs. 50.36 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 the following:-
 - 1) 100 % sugarcane juice/Syrup/sugar,
 - 2) B heavy molasses,
 - 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 / sugarcane juice and 100% sugarcane juice.
- 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.

Uttam Sugar Mills Limited

Ethanol Blending in INDIA:

- The Government is giving high importance to the ethanol blending programme, and emphasized the need to encourage more ethanol production, especially from B-molasses and cane juice, to serve the twin purposes of achieving Government's target level of blending as well as of reducing some more surplus sugar production in next year.
- Government has allowed ethanol production/ procurement from sugarcane-based raw materials viz. C & B heavy molasses, sugarcane juice / sugar / sugar syrup and surplus rice lying with Food Corporation of India (FCI).
- Supply of ethanol under the EBP Programme has increased from 38 crore litres during ESY 2013-14 to 173 crore litres during ESY 2019-20 resulting in increase in blend percentage from 1.53% to 5.00% respectively. Further, the allocation for the ongoing ESY (2020-21) has surged to 357 crore litres, which is 106% more in comparison to the ethanol supplies received during preceding ESY (2019-20).

Ethanol Supply Year	Qty Supplied (Crore Lit)	Blending %age PSU OMCs
2013-14	38.00	1.53%
2014-15	67.40	2.33%
2015-16	111.40	3.51%
2016-17	66.50	2.07%
2017-18	150.50	4.22%
2018-19	188.60	5.00%
2019-20	173.00	5.00%
2020-21	357.00**	8.50%

Source: NITI Ayog ** Allocated qty

- Out of the 3577 million litres finalised by the OMCs for the ethanol supply year 2020-21 (Dec.-Nov.) against total requirement of 4576 million litres, contracts for 3335 millions litres have been executed till 5th July 2021.
- Against the above, 1832 millions litres have been lifted by the OMCs.
- The total lifted quantity is 55% of the contracted quantity and 51% of the finalised quantity.
- The average blending % is 7.88% till date.

Key Government initiatives for Ethanol Manufacturing /Dispatches and Hand Sanitizer

Central Government has taken various actions/initiatives for Ethanol Blending programme which are as under:

- 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, Juice, sugar among other sugar containing crops.
- Allowed Manufacturing of Ethanol from B Heavy Molasses and from Sugar Cane Juice/syrup/sugar.
- Ethanol from B heavy and Sugar Cane Juice will result in diversion of Sugar to Ethanol.
- 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.
- Reduction of GST rates on ethanol from 18 % to 5 %.
- Bio enriched organic manure which is being manufacture by 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.
- 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. Most of the states have implemented the same.
- The Central and State Government has allowed Distilleries for manufacturing of Hand Sanitizer.

Uttam Sugar Mills Limited

Key Government initiatives in Sugar Sector

By Central Government

- a) For the sugar session 2020-21, the FRP has been declared by the Central Government at Rs. 285 per quintal.
- b) The Central government with a view to facilitate export of sugar during the season 2020-21 hereby improving the liquidity position of sugar mills enabling them to clear the cane dues of the farmers for the season 2020-21, hereby notify the scheme for providing assistance to sugar mills for expenses on marketing cost including handling , upgrading and processing cost, which as under:-
- | | |
|--|---------------------------|
| - For marketing including handling & processing cost | - Rs. 1,600/- M.T. |
| - Internal Transport & Freight charges including loading & unloading | - Rs. 2,400/- M.T. |
| - Ocean Freight | - Rs. 2,000/- M.T. |
| - Total | - Rs. 6,000/- M.T. |
- Above amended w.e.f. 20/05/2021 are as under:-
- | | |
|--|--------------------------|
| - Internal Transport & Freight charges including loading & unloading | - Rs. 2,400/- M.T. |
| - Ocean Freight | - Rs. 1,600/- M.T. |
| - Total | -Rs. 4,000/- M.T. |
- c) Minimum Selling Price (MSP) of sugar was first fixed at Rs. 29 per kg in June 2018 and later increased to Rs. 31 per kg in February 2019. MSP is the ex-factory price (excluding GST and transportation charges) below which no mill can sell sugar in India. Owing to India becoming a surplus sugar producer, the MSP environment is expected to continue.
- d) Quantity restriction imposed on sale of sugar from June 2018 onwards and same will be reviewed from time to time by the GOI. This will help to maintain the sugar Prices.

By State Government for the season 2020-21 (U.P./Uttarakhand)

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 2020-21.

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.
- Potential for sale of Hand sanitizer.

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.
- Government policies regarding fixation of price of ethanol and power.

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.

Uttam Sugar Mills Limited

- a) **Raw material risk** - Sugarcane is the principal raw material used for sugar production. Its availability, quality, growth and cost are affecting factors. These are in turn impacted by uncontrollable factors such as:-
- the area under sugarcane cultivation;
 - availability of water;
 - Adverse weather conditions and crop disease;
 - Availability of better and higher yielding seeds;
 - Shifting of farmers' preference to other crops;
 - Diversion of sugarcane to other industries like Gur, khandsari etc.;
 - Adequacy of harvesting and seasonal unskilled labour;
 - Un-remunerative cane procurement price;
 - High Local and State level taxes;
 - Short crop cycle;
 - Fragmented land holding – low yields at farm level; and
 - 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.

Uttam Sugar Mills Limited

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

Branded Sugar

Uttam Sugar Mills Limited produces one of the finest quality sugars in India. The Sugar that we are currently packing is from our sugar plant situated at Libberheri, Roorkee. The quality/purity of sugar is one of the best in the country as we are packing the quality of sugar accepted by European Union Standard. From last three year onwards your company has entered into a very speciality products of Sugar in the aforesaid plant, these speciality product include Bura, Brown Sugar, Table Sugar, Sachets (Both in institutional and retail trade), icing sugar, superfine, pharma sugar, cube sugar, invert syrup etc and sugar in the different packaging i.e. 80 gm /1Kg /2 kg/ 5Kg / 10Kg.

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 Basket, Grofers, Big Bazaar, Kendriya Bhandar, Easy Day, Mother Dairy, Bikanerwala, Britannia, CCD, Rasna, Amazon, Vestige 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 branded sugar sale at Libberheri unit from 3% in 2011-12, 53% in 2019-20 and 54 % in 2020-21.

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.

Uttam Sugar Mills Limited

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)

Particulars	SEASON 2020-21					SEASON 2019-20					SEASON 2018-19				
	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL
Capacity (TCD)	6250	7000	4500	6000	23750	6250	7000	4500	6000	23750	6250	7000	4500	6000	23750
Cane Crushing	72.86	143.09	64.39	85.76	366.10	83.31	141.36	68.97	89.38	383.02	73.28	112.87	61.70	83.01	330.86
Recovery (%)	11.85	11.24	11.18	11.63	11.44	12.16	11.28	12.18	11.78	11.75	11.74	12.52	11.57	11.28	11.86
Production															
Sugar	8.63	16.08	7.20	9.97	41.88	10.13	15.94	8.40	10.53	45.00	8.60	14.13	7.14	9.37	39.24
Molasses	3.04	7.25	3.53	3.70	17.52	3.33	7.08	2.87	3.66	16.94	3.06	4.38	2.77	3.40	13.61
Working Days	162	204	176	178	-	186	209	200	186	-	162	176	173	170	-

b) Figures for Power Export for last three Financial Years

(In Lakh Kwh)

	F.Y. 2020-21 (12 Months)					F.Y. 2019-20 (12 Months)					F.Y. 2018-19 (12 Months)				
	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL
Power Export	356.69	488.78	282.12	318.81	1446.20	324.41	403.97	258.41	412.34	1399.13	264.15	501.52	263.66	413.70	1443.03

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.

Uttam Sugar Mills Limited

G. THE KEY FINANCIAL RATIOS ARE GIVEN BELOW WITH COMPARATIVE FIGURES FOR THE PREVIOUS YEAR:

Sl. No.	Particulars	Method of Calculations	2020-21	2019-20	Explanation for Significant Changes
1	Debtors Turnover ratio (Times)	Revenue / Debtors	37.66	32.62	Due to higher sales in FY 2020-21 and better realization of debtors, the ratio has improved.
2	Inventory Turnover ratio (Times)	Revenue / Inventory	1.96	1.77	Due to higher sales in FY 2020-21 and lower inventory, the ratio has improved.
3	Interest Coverage ratio (Times)	EBIDTA / Finance Cost	2.61	2.44	Due to higher earnings before interest and taxes (EBIT),ratio has improved.
4	Current Ratio (Times)	Current Assets / Current Liabilities	0.95	0.95	There is no significant change.
5	Debt Equity Ratio (Times)	Long Term Debts / Shareholder's Equity	0.52	0.81	Due to profit earned, reserve and surplus increased and regular payment of Loans, ratio has improved.
6	Operating profit margin (%)	EBIT % / Revenue	12.35%	11.71%	Due to higher sales realization of Sugar & by-product ratio has improved as compared to last year.
7	Net Profit margin (%)	PAT % / Revenue	3.29%	3.14%	Due to higher sales realization of Sugar & by-product ratio has improved as compared to last year.
8	Return on Net worth (%)	PAT / Shareholder's Equity	17.68%	18.10%	There is no significant change.

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)



Audited Financial Statements for the Financial Year 2020-21

UTTAM SUGAR



icing sugar
Double Refined Sulphurfree Process
1kg

SPECIAL ICING SUGAR TO MAKE YOUR CAKES MORE DELICIOUS

www.uttamsugar.in | www.facebook.com/uttamsugar

FSSC 22000
CERTIFIED FOR FOOD SAFETY

UTTAM SUGAR

SULPHUR KO KAHO GOODBYE



Sulphur



www.uttamsugar.in | www.facebook.com/uttamsugar

FSSC 22000
CERTIFIED FOR FOOD SAFETY



Enhance the taste of life

Rediscover
Your Sweet Spot

Sweetness. Truth. Loyalty.



The three flavours of Love
Available Now
In-store | Online




sulphurfree sugar
Double Refined Sulphurfree Process
1kg

What's Your Sweet Spot?

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, 2021, 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, 2021, 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.	<p>Revenue recognition</p> <p>Refer to note no. 2.5 to the financial statements.</p> <p>The Company principally generates revenue from sale of Sugar (domestic and Export) and sale of its By-products, sale of distillery products, sale of Hand sanitizer, sale of jaggery and sale of Power in domestic market.</p> <p>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.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> • 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; • Assessing the appropriateness of the Company's accounting policy for recording of sales and compliance of the policy with applicable accounting standards; • Comparing a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents; • Comparing a sample of sale transactions recorded near the year end with the sales orders, sales invoices, delivery challans and other relevant underlying documentation to assess if the sale was recorded in the appropriate accounting period; • Comparing a sample of electricity sales transactions with energy invoices duly verified

		<p>by Central Power Purchasing Agency (Guarantee) Limited ("CPPA-G") and assessed whether the sale was recorded in the appropriate accounting period;</p> <ul style="list-style-type: none"> 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 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.
2.	<p>Capitalization of property, plant and equipment Refer note no. 3 to the financial statements. The Company has made significant capital expenditure on New Plant, 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"> Obtaining an understanding of and testing the design, implementation and operating effectiveness of management's key internal control over capital expenditure; Comparing, on sample basis, the costs incurred on projects with supporting documentation and contracts; 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; 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.
3.	<p>Valuation of Inventories Refer note no. 9 to the financial statements. We identified valuation of inventories as a key audit matter as it involves significant management judgments in determining the carrying value of stock.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> 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; Obtaining an understanding of internal controls over valuation of stock and testing, on a sample basis, their design, implementation and operating effectiveness; 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 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.

Uttam Sugar Mills Limited

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 Report and Shareholder's Information, but does not include the 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 Indian accounting standards (Ind AS) 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 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

Uttam Sugar Mills Limited

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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with 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:

Uttam Sugar Mills Limited

- 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
Membership No. 74437**

**Place : Noida
Dated : 14th June, 2021
UDIN No. : 21074437AAAACF7994**

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 31st March, 2021)

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-122	0.11

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. On the basis of information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of investment made during the year. Further, no Loan, Guarantee and Security has been made by the Company.
5. On the basis of information and explanations given to us and our scrutiny of Company's records, in our opinion, the Company has not accepted any public deposits within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules frames there under. The directives issued by the Reserve Bank of India are not applicable to the Company.
6. We have broadly reviewed the books of account maintained by the Company in respect of products pursuant to the order made by the Central Government for the maintenance of the cost records under section 148(1) of the Act and are of the opinion that, prima-facie, the prescribed account and records have been maintained and are being made up. We however as not required have not made a detailed examination of such records with a view to determine whether these are accurate or complete.
7. (a) According to the information and explanations given to us the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Income Tax, 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 31st March, 2021 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. 51.37 Lakhs that have not been deposited are given below: -

Name of Statute	Nature of Dues	Amount (Rs. In Lakhs)	Forum where dispute is pending
Sales Tax Laws	Sales Tax/ Entry Tax	7.45	High Court
Central Excise Act, 1944	Excise Duty/Service tax	9.11	Commissioner (Appeal)
Goods and Service Tax	GST	4.03	High Court
		1.91	Addl. Commissioner (Appeal)
Income Tax Act, 1961	Income Tax	28.87	Commissioner (Appeal)
Total		51.37	

Further, in respect of Custom Duty, Value added Tax and Cess, Good 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 were no delay in repayment of dues to Banks/others except Uttarakhand State Govt. Soft Loan amounting to 1081.51 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 3 (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
Membership No. 74437

Place : Noida

Dated : 14th June, 2021

UDIN No. : 21074437AAAACF7994

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 31st March, 2021 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 31st March, 2021, 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
Membership No. 74437**

**Place : Noida
Dated : 14th June, 2021
UDIN No. : 21074437AAAACF7994**

Uttam Sugar Mills Limited

BALANCE SHEET AS AT 31ST MARCH, 2021

(Rs. in Lakhs)

Particulars	Note No.	As at 31 st March, 2021	As at 31 st March, 2020
I. ASSETS			
(1) Non-Current Assets			
(a) Property, plant and equipment	3A	55,247.00	56,930.52
(b) Capital work in progress	3B	12,674.78	4,461.39
(c) Other intangible assets	3C	71.97	101.19
(d) Financial assets			
(i) Investments	4	251.21	-
(ii) Other financial assets	6	40.46	36.74
(e) Other Non-current assets	8	674.77	1,373.18
Total (1)		68,960.19	62,903.02
(2) Current assets			
(a) Inventories	9	92,813.69	93,025.26
(b) Financial assets			
(i) Trade and other receivables	5	4,829.34	5,042.14
(ii) Cash and cash equivalents	10	501.10	573.42
(iii) Bank balance other than cash and cash equivalents	11	393.17	405.71
(iv) Other financial assets	6	9,248.45	10,470.32
(v) Current Tax Assets (Net)	22	8.70	-
(c) Other current assets	12	585.89	615.70
Total (2)		108,380.34	110,132.55
(3) Non Current Assets classified as held for sale	13	678.76	620.27
Total Assets (1+2+3)		178,019.29	173,655.84
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	14	3,813.81	3,813.81
(b) Other Equity	15	29,981.32	24,702.51
Total (1)		33,795.13	28,516.32
(2) Liabilities			
Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	16	17,716.98	23,132.72
(ii) Other financial liabilities	17	4,649.05	5,278.30
(b) Deferred revenue (including Government grant)	18	1,538.78	1,918.62
(c) Provisions	19	1,451.74	1,229.44
(d) Deferred tax liabilities / (Assets) (net)	7	3,578.29	(2,940.73)
Total (2)		28,934.84	28,618.35
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	16	50,285.74	45,729.39
(ii) Trade and others payable	20		
Total Outstanding dues of Micro and Small Enterprises		706.00	220.49
Total Outstanding dues Other than Micro and Small Enterprises		44,688.46	50,615.89
(iii) Other financial liabilities	17	16,127.62	15,668.01
(b) Deferred revenue (including Government grant)	18	748.23	550.64
(c) Other current liabilities	21	1,820.69	1,327.04
(d) Provisions	19	219.89	217.47
(e) Current tax liabilities (net)	22	-	1,490.39
Total (3)		114,596.63	115,819.32
Liabilities for Non Current Assets classified held for sale		692.69	701.85
Total Equity & Liabilities (1+2+3)		178,019.29	173,655.84
Corporate information	1		
Significant accounting policies and estimates	2-2 A		
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

(FCA VIPUL SHARMA)

Partner

Membership No.074437

Place : Noida

Date : 14th June, 2021

for and on behalf of Board of Directors

(RAJ KUMAR ADLAKHA)
Managing Director(S.L.SHARMA)
Executive Director(SANJAY BHANDARI)
Chief Financial Officer(G.RAMARATHNAM)
Chief-Legal and Corporate
Affairs & Company Secretary

Uttam Sugar Mills Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(Rs. in Lakhs)

Particulars	Note No.	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
I. Revenue from Operations	25	181,859.03	164,482.61
II. Other Income	26	860.67	1,043.19
Total Income (I+II)		182,719.70	165,525.80
III. Expenses			
Cost of material consumed	27	134,297.11	116,461.76
Purchases of Stock-in-trade		24.81	73.31
Change in inventories of finished goods, by-products, work in progress & Stock in Trade	28	143.35	5,839.91
Employees benefits expenses	29	8,080.45	7,135.65
Finance cost	30	8,611.41	7,897.07
Depreciation and amortisation expense	3	2,852.12	2,923.56
Other expenses	31	17,711.52	16,752.34
Total Expenses		171,720.77	157,083.60
V. Profit before tax (III-IV)		10,998.93	8,442.20
VI. Tax expense (refer note no. 32)			
Current tax		-	1,497.50
Deferred tax (Net of MAT credit entitlement) (refer note no.7)		3,606.55	1,586.93
Tax Impact on account of New Tax Regime (refer Note No.34 t)		2,914.11	-
Income Tax reversed/paid for earlier year		(1,497.50)	195.21
Total Tax Expenses		5,023.16	3,279.64
VII. Profit for the year (V-VI)		5,975.77	5,162.56
VIII. Other Comprehensive income (Refer note no. 33)			
(i) Items that will not be reclassified to profit or loss		(6.50)	(103.68)
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.64	37.50
Total Other Comprehensive Loss		(4.86)	(66.18)
IX. Total comprehensive income for the year (VII+VIII)		5,970.91	5,096.38
(Comprising of profit and other comprehensive income for the year)			
X. Earnings per equity share (Nominal value per share Rs.10/-) (refer note no.34 r)			
- Basic (Rs.)		15.67	13.53
- Diluted (Rs.)		15.67	13.53
Number of shares used in computing earning per share			
- Basic (Nos.)		38138120	38138120
- Diluted (Nos.)		38138120	38138120
Corporate information	1		
Significant accounting policies and estimates	2-2 A		
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

(FCA VIPUL SHARMA)

Partner

Membership No.074437

Place : Noida

Date : 14th June, 2021

for and on behalf of Board of Directors

(RAJ KUMAR ADLAKHA)

Managing Director

(S.L.SHARMA)

Executive Director

(SANJAY BHANDARI)

Chief Financial Officer

(G.RAMARATHNAM)

Chief-Legal and Corporate
Affairs & Company Secretary

Uttam Sugar Mills Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(Rs. in Lakhs)

Particulars	Year Ended 31 st March 2021	Year Ended 31 st March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	10998.93	8442.20
Adjustments for:		
Other comprehensive income	(6.50)	(103.68)
Depreciation and amortisation expenses	2852.12	2923.56
Finance cost	7370.96	6807.26
Interest expense based on effective interest rate	1191.66	1089.81
Loss on fair value of Investment adjustment	48.79	-
Loss on sale/discard of assets	162.36	-
Profit on sale of assets	(71.67)	(121.71)
Interest income based on effective interest rate	(572.50)	(527.64)
Income recognized under EPCG Scheme	-	(97.46)
Interest Income	(46.21)	(29.45)
Operating Profit before Working Capital Changes	21927.94	18382.89
Working Capital Adjustment		
Decrease/(Increase) in inventory	211.57	5847.40
Decrease/(Increase) in trade receivables	212.80	258.90
Decrease/(Increase) in other financial assets	1236.50	(8386.43)
Decrease/(Increase) in other assets	29.81	(197.03)
Decrease/(Increase) in other bank balances	8.82	(40.98)
(Decrease)/Increase in other financial liabilities	(566.08)	976.03
(Decrease)/Increase in trade payable	(6045.73)	(14027.72)
(Decrease)/Increase in provisions	224.73	316.76
(Decrease)/Increase in other liabilities	493.65	67.69
	(4193.93)	(15185.38)
Cash generated from operations	17734.01	3197.51
Direct taxes refund received / (Paid)	132.75	(1744.58)
Net Cash flow from Operating Activities	17866.76	1452.93
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9178.89)	(5112.25)
Sale Proceeds/Addition/Advance of Fixed assets held for Disposal	(85.30)	216.35
Sale Proceeds of Fixed Assets	757.85	228.90
Purchase of investments	(300.00)	0.00
Redemption of Preference Shares	(1901.55)	0.00
Interest received	46.21	29.45
Net Cash used in Investing Activities	(10661.68)	(4637.55)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost paid	(7351.44)	(6986.27)
Proceeds from borrowings (Term loans)	8241.71	9208.12
Repayments of borrowings (Term loans)	(11829.50)	(13352.74)
Proceeds from borrowings (Working capital)	4556.35	13003.71
Repayments of unsecured loans	-	(17.94)
Net Cash flow from Financing Activities	(6382.88)	1854.88
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	822.21	(1329.74)
Cash and cash equivalents as at beginning	(577.01)	752.73
Cash and cash equivalents as at closing	245.19	(577.01)
Reconciliation of Cash and cash equivalents as per the cash flow statements		
Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Balance with banks on current accounts	481.99	552.26
b) Cash on hand	19.11	21.16
Closing cash and cash equivalents (Refer Note no.10)	501.10	573.42
c) Less: Book overdraft balance (Refer note no.17 ii B)	255.91	1150.43
Closing Cash and cash equivalents for the purpose of cash flow statement	245.19	(577.01)

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

(FCA VIPUL SHARMA)

Partner

Membership No.074437

Place : Noida

Date : 14th June, 2021

for and on behalf of Board of Directors

(RAJ KUMAR ADLAKHA)

Managing Director

(S.L.SHARMA)

Executive Director

(SANJAY BHANDARI)

Chief Financial Officer

(G.RAMARATHNAM)

Chief-Legal and Corporate
Affairs & Company Secretary

Uttam Sugar Mills Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

(a) Equity Share Capital:

(Rs. in Lakhs)

Particulars	For the year ended 31 st March, 2021			For the year ended 31 st March, 2020		
	Balance as at 01.04.2020	Changes in equity share capital during the year	Balance as at 31.03.2021	Balance as at 01.04.2019	Changes in equity share capital during the year	Balance as at 31.03.2020
38138120 Equity Shares of Rs.10/- each fully paid up	3,813.81	-	3,813.81	3,813.81	-	3,813.81

(b) Other Equity

Balance as at 31st March, 2021

Particulars	Securities premium	Surplus			
		Capital Redemption Reserve	Retained earnings	Other comprehensive income	Total other equity
Balance as at 01.04.2020	15,252.82	-	9,449.69	-	24,702.51
Less:- Transfer to Capital Redemption Reserve on redemption during the year of					
a. 1451550 6.50% Non-Cumulative Redeemable Preference Shares	-	1,451.55	(1,451.55)	-	-
b. 225000 10% Non-Cumulative Redeemable Preference Shares	-	225.00	(225.00)	-	-
Less:- Impact of redemption of Preference Shares out of opening retained earnings	-	-	(692.10)	-	(692.10)
Profit for the year	-	-	5,975.77	(4.86)	5,970.91
Changes in equity during the year ended 31 st March, 2021	-	-	-	-	-
Transfer from/to other comprehensive income/retained earnings	-	-	(4.86)	4.86	-
Balance as at 31 st March, 2021	15,252.82	1,676.55	13,051.95	-	29,981.32

Balance as at 31st March, 2020

Particulars	Securities premium	Surplus		
		Retained earnings	Other comprehensive income	Total other equity
Balance as at 01.04.2019	15,252.82	4,353.31	-	19,606.13
Profit for the year	-	5,162.56	(66.18)	5,096.38
Changes in equity during the year ended 31 st March, 2020	-	-	-	-
Transfer from/to other comprehensive income/retained earnings	-	(66.18)	66.18	-
Balance as at 31 st March, 2020	15,252.82	9,449.69	-	24,702.51

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

(FCA VIPUL SHARMA)

Partner

Membership No.074437

Place : Noida

Date : 14th June, 2021

for and on behalf of Board of Directors

(RAJ KUMAR ADLAKHA)

Managing Director

(S.L.SHARMA)

Executive Director

(SANJAY BHANDARI)

Chief Financial Officer

(G.RAMARATHNAM)

Chief-Legal and Corporate Affairs & Company Secretary

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

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 31st March, 2021 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 31st March, 2021 was approved for issue by the Board of Directors of the Company on 14th June 2021 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 1st 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 31st March, 2021

2.4 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021. MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosure required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

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" that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's gross carrying amount.

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

All other incomes are accounted for on accrual basis.

2.6 Expenses

All expenses are accounted for on accrual basis.

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

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

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

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

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

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

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

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 of 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.

Inventories on stock in trade 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 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

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In assessing whether the company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The company revises the lease term if there is a change in the non-cancellable period of a lease.

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

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 out flow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that can't be recognized because it can't be measured reliably.

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

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

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

2.15 Dividend payable

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

2.16 Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currencies at the year ended translated at the year ended rates which is likely to be realized from, or required to disburse at the balance sheet date. Exchange differences arising on settlement of monetary items at rates different from those at which they were initially recorded / reported in financial statements are recognized as income or expense in the year in which they arise.

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

2.17 Employee benefits

a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement Profit & Loss Account of the period in which the related service is rendered.

b) Long-term employee benefits are recognized as an expense in the Statement Profit & Loss Account for the year in which the employee has rendered services.

i) Compensated absences

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

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

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.

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

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

borrowing including bank over drafts, financial guarantee contracts and derivative financial instruments. Fees of recurring nature are directly recognized in statement of profit and loss as finance cost.

b. Subsequent measurement

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

i) Loans and borrowings

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

ii) Compound financial instruments

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

c. De-recognition of financial instruments

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

d. Offsetting of financial instruments

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

e. Fair value measurement

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

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

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

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.

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

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 at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment loss previously recognized is reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment loss had not been recognized.

2.20 Taxes

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

Current tax

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

Deferred tax

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

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 losses can be utilized. .

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

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.

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/loss before other comprehensive income/loss for the year 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/loss before other comprehensive income/loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

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

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

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

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

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

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

- d) Non-current assets (including assets of a disposal group) classified as held for sale are presented separately from the other assets in the Balance sheet. The liabilities of a disposal group classified as held for sale/ distribution are presented separately from other liabilities in the Balance sheet.

- 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".

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

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

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

2.24 Cash and cash equivalents

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

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

2.25 Cash Flow Statement

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

Note No. : 2 A Significant Accounting Judgement, 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 judgement and make certain assumptions in applying the Company accounting policies and preparation of financial statements.

The use of such estimates, judgements 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 judgements 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) **Estimations of uncertainties relating to the global health pandemic from COVID-19:** The Company has considered the possible impact of internal and external factors that may result from the pandemic relating to COVID-19 known to the management up to date of approval of these accounts, to assess and finalize the carrying amount of assets and liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these condensed financial statements.
- ii) **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

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

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.

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

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

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.

- x) **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 31st March, 2021

Note No. 3 : Property, Plant and Equipments, Intangible Assets and Capital Work in Progress for Year Ended as on 31.03.2021

(Rs. In Lakhs)

Nature of Assets	G R O S S B L O C K				D E P R E C I A T I O N / A M O R T I S A T I O N				N E T B L O C K	
	As on 01.04.2020	Additions during the Year	Sold/ Adjustment during the Year	As on 31.03.2021	Upto 31.03.2020	For the Year	On Sale/ Adjustment	Upto 31.03.2021	As on 31.03.2021	As on 31.03.2020
A. Tangible Assets										
Freehold Land (Factory)	10,360.40	18.47	8.09	10,370.78	-	-	-	-	10,370.78	10,360.40
Freehold Land (Others)	14.12	-	14.12	-	-	-	-	-	-	14.12
Building	5,138.15	405.77	-	5,543.92	740.09	195.27	-	935.36	4,608.56	4,398.06
Leasehold Building Developments	72.02	-	-	72.02	4.46	1.19	-	5.65	66.37	67.56
Plant and Machinery	49,608.53	538.85	-	50,147.38	8,857.81	2,418.13	-	11,275.94	38,871.44	40,750.72
Furniture and Fixtures	192.14	5.82	-	197.96	71.88	13.73	-	85.61	112.35	120.26
Office Equipments	381.85	63.40	-	445.25	210.04	63.62	-	273.66	171.59	171.81
Weigh Bridges	541.33	59.28	-	600.61	145.06	37.44	-	182.50	418.11	396.27
Vehicles & Tractors	846.29	70.58	2.89	913.98	199.32	93.52	2.31	290.53	623.45	646.97
Live Stock	4.35	-	-	4.35	-	-	-	-	4.35	4.35
Total (A)	67,159.18	1,162.17	25.10	68,296.25	10,228.66	2,822.90	2.31	13,049.25	55,247.00	56,930.52
B. Capital Work in Progress										
Building, Plant & Equipment									12,674.78	4,461.39
Total (B)									12,674.78	4,461.39
C. Other Intangible Assets										
Computer Software	20.10	-	-	20.10	11.50	1.81	-	13.31	6.79	8.60
Right to use Assets (refer note no. 34 i)	120.00	-	-	120.00	27.41	27.41	-	54.82	65.18	92.59
Total (C)	140.10	-	-	140.10	38.91	29.22	-	68.13	71.97	101.19
Grand Total (A+B+C)	67,299.28	1,162.17	25.10	68,436.35	10,267.57	2,852.12	2.31	13,117.38	67,993.75	61,493.10
Previous Year	65,546.34	1,876.65	123.71	67,299.28	7,360.53	2,923.56	16.52	10,267.58	61,493.10	59,320.18

Notes :

1. Vehicles includes Motor Cars having gross book value of Rs.416.03 Lakhs (Previous Year Rs.458.58 lakhs) which are purchased on Hire Purchases Basis.
2. Freehold Land aggregating to Rs.0.11 lakhs (Previous Year Rs.0.11 lakhs) are pending for registration in name of Company.

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

(Rs. in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Note No. 4 : Investment		
(i) Investments in Preference Shares instruments-unquoted: Shubham Sugars Limited:-At Amortised Cost (300000 6% Non Cumulative Redeemable Preference Shares at Face Value of Rs.100 each at par)	251.21	-
Total	251.21	-
Aggregate carrying value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	251.21	-
Note No. 5 : Trade and Other Receivables (Carried at Amortized Cost)		
(i) Current (Unsecured, considered good)		
Trade receivables	4,829.34	5,042.14
Considered doubtful	-	-
Total (i)	4,829.34	5,042.14
(ii) Current (Unsecured, considered Doubtful)		
Trade receivables (Considered doubtful)	9.97	9.97
Less : Provision for doubtful debts	9.97	9.97
Total (ii)	-	-
Total (i+ii)	4,829.34	5,042.14
Note No. 6 : Other Financial Assets (Unsecured, considered good, unless stated otherwise)		
(i) Non-Current (Unsecured, considered good)		
Carried at amortized cost		
Security deposits with Govt. department (including interest)	-	-
Security deposits with others	9.63	8.00
Fixed deposits with banks and other Govt. deptt. (Bank deposits with more than 12 months maturity)		
For Molasses storage fund (earmarked) (including interest)	30.83	28.74
Pledged with bank & other Govt. deptt. (including interest)	-	-
Total (i)	40.46	36.74
(ii) Current (Unsecured, considered good) Carried at amortized cost		
Advances to employees	100.32	72.84
Security deposits with Govt. Department (Including Interest)	-	-
Security deposits with others	42.98	71.26
Claim receivable	8,026.16	10,326.22
Other Receivables	1,078.99	-
Total (ii)	9,248.45	10,470.32
Total (i+ii)	9,288.91	10,507.06

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

(Rs. in Lakhs)

Particulars	As at 01.04.2020	During the year	As at 31.03.2021
Note No. 7 : Deferred Tax Assets/Liabilities (Net)			
DEFERRED TAX LIABILITY			
Deferred tax liability on comprehensive income	(37.00)	(1.64)	(38.64)
Difference between book & tax depreciation	10,133.55	(3,545.23)	6,588.32
Deferred tax liability on land revaluation reserve	1,250.00	-	1,250.00
Deferred tax liability on term loan expense amortised	1.61	(1.61)	-
Total (i)	11,348.16	(3,548.48)	7,799.68
DEFERRED TAX ASSETS			
MAT credit entitlement	1,998.09	(1,998.09)	-
MAT credit provision	1,497.50	(1,497.50)	-
Expenses allowed u/s 43-B on paid basis	529.50	(126.91)	402.59
Unabsorbed business losses & depreciation (refer note no. 34 u)	10,263.80	(6,445.00)	3,818.80
Total (ii)	14,288.89	(10,067.50)	4,221.39
NET DEFERRED TAX ASSETS	2,940.73	(6,519.02)	(3,578.29)
Total	2,940.73	(6,519.02)	(3,578.29)

Note:- Rs.6519.02 lakhs includes Tax impact of Rs.2914.11 lakhs on account of new tax regime. (Refer note no. 34 t)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Note No. 8 : Other Non-Current Assets (Unsecured, Considered good unless stated otherwise)		
Capital Advances		
To Others	327.25	549.17
To Related parties (refer note no. 34 o)	237.81	565.33
Balance with Income Tax department (under protest)	4.00	4.00
Tax Deducted at Sources	50.98	185.32
Security deposits with Government authorities (including interest)	54.73	56.34
Prepaid expenses	-	13.02
Total	674.77	1,373.18
Note No. 9 : Inventories (Valued at cost or net realisable value, whichever is lower unless stated otherwise)		
(a) Raw material	132.69	279.17
(b) Work-in-progress	1,385.20	1,103.70
(c) Finished Goods		
Sugar	80,632.19	84,493.71
Industrial alcohol	1,474.33	325.43
Sanitizer	90.14	1.98
Banked power	435.31	68.95
Renewal Energy Certificates (REC)	191.76	-
Stock in Trade	16.21	64.64
(d) By-products	6,793.67	5,103.75
(e) Stores, Spare Parts and Packing Materials	1,662.19	1,583.93
Total	92,813.69	93,025.26
Carrying amount of inventories pledged as security for Borrowings	50,285.74	36,507.50

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

(Rs. In Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Note No. 10 : Cash and Cash Equivalents		
Balances with banks		
On current accounts	481.99	552.26
Cash on hand	19.11	21.16
Total	501.10	573.42
Note No. 11 : Bank balances other than Cash and Cash Equivalents		
Earmarked balances		
Fixed deposits for molasses storage fund		
Current portion of original maturity period more than 12 months (Including Interest)	0.56	0.53
Original maturity period upto 12 months (Including Interest)	6.38	3.60
Fixed deposits pledged with bank and other Govt. deptt.		
Current portion of original maturity period more than 12 months	-	-
Original maturity period upto 12 months	386.23	401.58
Total	393.17	405.71
Note No. 12 : Other Current Assets (Unsecured, considered good)		
Advances other than capital advances		
To Suppliers and others	123.05	79.22
To Related parties (refer not no. 34 o)	-	5.48
Balance with Government authorities	31.23	40.85
GST Receivable	113.53	186.16
Security deposits with Government authorities	14.29	11.31
Prepaid expenses	203.07	191.96
Other advances	100.72	100.72
Total	585.89	615.70
Note No. 13 : Non Current Assets Classified as Held for Sale		
Assets held for disposal	678.76	620.27
Total	678.76	620.27
Particulars of Assets held for disposal		
Land	544.81	595.62
Capital Work in Progress (Plant and Machinery)	133.95	24.65
Total	678.76	620.27
Note:- The Company had taken the necessary actions to complete the sale and expected the sale to take place within one year.		

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

(Rs. in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Note No. 14 : Share Capital		
(a) Authorised		
Equity Share Capital		
70000000 Equity Shares of Rs. 10/- each	7,000.00	7,000.00
Preference Share Capital		
13500000 Preference Shares of Rs.100/- each	13,500.00	13,500.00
Total (a)	20,500.00	20,500.00
(b) Issued, Subscribed and Paid-up Capital		
38138120 Equity Shares of Rs.10/- each fully paid up	3,813.81	3,813.81
Total (b)	3,813.81	3,813.81

a) Terms & Conditions of Equity Shares

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

b) The Company does not have any holding company/subsidiary company and associate company.

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

Name of Equity Shareholders	As at 31 st March 2021		As at 31 st March 2020	
	No. of Shares held	Percentage (%)	No. of Shares held	Percentage (%)
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 nil) convertible into Equity Shares

g) The Company's shares are fully paid up.

h) Reconciliation of No. of Shares Outstanding:

Particulars	31.03.2021	31.03.2020
Equity Shares		
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 31st March, 2021

(Rs. in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Note No. 15 : Other Equity		
Other Reserves		
(a) Security Premium		
As per last Balance Sheet	15,252.82	15,252.82
(b) Capital Redemption reserve		
Amount transferred during the year	1,676.55	-
(c) Retained Earnings		
Balance as per Last Balance Sheet	9,449.69	4,353.31
Less: Transfer to Capital Redemption Reserve on redemption during the year of		
(i) 1451550 6.50% Non-Cumulative Redemable Preference Shares	1,451.55	-
(ii) 225000 10% Non-Cumulative Redemable Preference Shares	225.00	-
Less : Impact of redemption of Preference Shares out of opening retained earning	692.10	-
Add : Profit for the Year	5,975.77	5,162.56
Add : Other comprehensive loss for the year	(4.86)	(66.18)
Total (c)	13,051.95	9,449.69
Total (a+b+c)	29,981.32	24,702.51
Note No. 16 : Borrowings		
(i) Non-current		
Carried at amortized Cost		
(A) Secured Loan		
Term Loans - from Banks	13,473.50	12,741.05
Zila Sahkari Bank Ltd., Ghaziabad	6,482.48	6,653.91
Zila Sahkari Bank Ltd., Bulandshahr	-	690.08
Uttarakhand State Co-Op. Bank Limited	6,384.36	5,397.06
Punjab National Bank	606.66	-
From entities other than banks		
- From Govt. of India, Sugar Development Fund (SDF)	50.31	216.99
CC Under Repayment from Banks	4,119.24	10,030.94
Punjab National Bank	2,764.00	7,189.00
IDBI Bank Limited	502.24	932.74
State Bank of India	-	680.20
Indian Overseas Bank	853.00	1,229.00
Vehicle Loans		
- From Banks	37.78	94.62
- From Non banking finance company	8.84	21.81
(B) Unsecured Loans		
- Loan from related parties (refer note no.34 o)	27.31	27.31
Total (i)	17,716.98	23,132.72

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

(Rs. in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
(ii) Current		
Secured Loans		
(A) Loan repayable on demand		
Cash Credit from Banks		
Punjab National Bank	8,683.85	16,792.14
State Bank of India	12,873.57	13,055.88
Uttarakhand State Co-Op. Bank Limited	4,966.54	5,456.86
Zila Sahkari Bank Limited, Bijnore	4,934.75	-
Zila Sahkari Bank Limited, Ghaziabad	4,999.34	4,500.92
Zila Sahkari Bank Limited, Bulandshahr	2,981.04	1,976.26
Zila Sahkari Bank Limited, Muzaffarnagar	9,846.65	3,947.33
Zila Sahkari Bank Limited, Saharanpur	1,000.00	-
Total (ii)	50,285.74	45,729.39
Total (i + ii)	68,002.72	68,862.11

I) Terms & Conditions of Secured Loans

a) Security Clauses:

1. CC Under Repayment from Banks:

- 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.
- 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.
- CC Under repayment from Banks 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.
- CC Under repayment from Banks are also guaranteed by Mr. Raj Kumar Adlakha, Managing Director 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 Housinginfra Limited and Uttam Adlakha & Sons Holdings Private Limited.
- CC Under Repayment from Banks are also secured by way of Joint Equitable Mortgage on the immovable properties situated at H-2, Kaushambi, Ghaziabad owned by a group company, M/s Uttam Housinginfra Limited.

2. Term Loan [COVID-19 Emergency Credit Facility (PNB-CECF)] from Punjab National Bank.:

- Term Loan PNB-CECF is secured by pledge of warehouse receipt covering sugar stocks in possession of collateral managers appointed by bank.
- Term Loan PNB-CECF is also secured on first pari passu charge over entire current assets of the Company (both present & future).
- Term Loan PNB-CECF is also secured on third Pari passu charge on entire Block of assets of the company.
- Term Loan PNB-CECF is also guaranteed by Mr. Raj Kumar Adlakha, Managing Director 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 Housinginfra Limited and Uttam Adlakha & Sons Holdings Private Limited.
- Term Loan PNB-CECF 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.

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

3. 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.

4. Term Loan from Uttarakhand State Co-Operative Bank Limited for cane payment and Libberheri (Distillery) and Soft Loan:

Term Loan from Uttarakhand State Co-Operative Bank Limited is secured by First 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 First Charge basis, created/to be created and also guaranteed by Managing Director.

5. Term Loan from Zila Sahkari Bank Limited, Ghaziabad:

a) 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.

b) 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.

c) Term Loan for Incineration Boiler installation at Barkatpur Unit

Term Loans from Zila Sahkari Bank Limited, Ghaziabad for installation of Incineration Boiler at Barkatpur Unit is secured on First charge basis on all Fixed assets of the sugar factory at Barkatpur Unit of the Company, both present & future on pari-passu basis, including assets created/to be created out of the said Term Loan and also guaranteed by Managing Director.

6. 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 first charge basis on the assets created out of the said loan, and also guaranteed by Managing Director and further secured by corporate guarantee of M/s Lipi Boilers Pvt. Ltd.

7. Vehicle loans:

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

II) Terms & Conditions of Unsecured Loans

Unsecured Loans from Related parties shall be repayable after a period of twelve years from the date of disbursement/renewal of loan. Interest will be accrued annually on 31st March every year but is payable on maturity or date of repayment of loan, whichever is earlier.

III) 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. Mr. Raj Kumar Adlakha, Mr. Rajan Adlakha and Mr. Ranjan Adlakha.
- Working Capital Limits from Banks are also guaranteed by Managing Director and two other promoters of the Company viz. Mr. Rajan Adlakha & Mr. Ranjan Adlakha and corporate guarantees of three Promoter Companies viz. Uttam Industrial Engineering Private Limited, Uttam Sucrotech Limited and Lipi Boilers Private Limited.

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year Ended 31st March, 2021

- d) Non-Fund based Cash Credit Facilities from Punjab National Bank is additionally secured by:
- (i) 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.
 - (ii) Joint Equitable Mortgage on the immovable properties situated at H-2, Kaushambi, Ghaziabad owned by a group company viz. M/s Uttam Housinginfra Limited.
 - (iii) Also Guaranteed by two Group Companies viz. M/s Uttam Adlakha & Sons Holdings Private Limited and M/s Uttam Housinginfra Limited.

2. Working Capital Demand Loan from State Bank of India:

Working Capital Demand Loan from State Bank of India are secured by Exclusive Charge by way of pledge of stocks kept under commodity backed warehouse receipt finance scheme of SBI and also guaranteed by Sh. Raj Kumar Adlakha, Sh. Ranjan Adlakha and Sh. Rajan Adlakha.

3. Cash Credit (Pledge) Limit from Punjab National Bank:

- a) Cash Credit (Pledge) Limit 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) Limit from Punjab National Bank is also guaranteed by Mr. Raj Kumar Adlakha, Managing Director 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 Housinginfra Limited and Uttam Adlakha & Sons Holdings Private Limited.
- c) Cash Credit (Pledge) Limit 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.

4. 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.

5. Cash Credit (Pledge) facility from Zila Sahkari Bank Limited Muzaffarnagar:

Cash Credit facility from Zila Sahkari Bank Ltd. Muzaffarnagar is secured by Pledge on stocks of sugar at Company's godown situated at Village Khaikheri, Tehsil & District Muzaffarnagar, Uttar Pradesh and also guaranteed by Managing Director.

6. Cash Credit facility from Zila Sahkari Bank Limited, Ghaziabad:

a) 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.

b) 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 and also guaranteed by Managing Director of the company.

7. Cash Credit facility from Zila Sahkari Bank Limited, Bulandshahr 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 and also guaranteed by Managing Director of the company.

8. Cash Credit facility from Zila Sahkari Bank Limited, Bijnor for Barkatpur Unit:

Cash Credit facility for Barkatpur Unit from Zila Sahkari Bank Limited, Bijnor is secured by Pledge of Stocks of Sugar at Company's Godown situated at Village Barkatpur Tehsil Najibabad District Bijnor, Uttar Pradesh and also guaranteed by Managing Director of the company.

9. Cash Credit facility from Zila Sahkari Bank Ltd. Saharanpur for Shermau Unit:

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

Notes on Financial Statements for the Year Ended 31st March, 2021

(Rs. in Lakhs)

MATURITY PROFILE AS ON 31ST MARCH, 2021

Bank Name	ROI	Long Term						Total
		2022-23		2023-24		2024-25		
		No of Inst.	Rs. in Lakhs	No of Inst.	Rs. in Lakhs	No of Inst.	Rs. in Lakhs	
Punjab National Bank (CC Under repayment)	11.5%-11.65%	2	2764.00					2,764.00
Punjab National Bank (CECF)	8.10%	6	606.66					606.66
IDBI Bank Ltd (CC under repayment)	12.75%	3	502.24					502.24
Indian Overseas Bank (CC under repayment)	11.55%	4	853.00					853.00
USCBL (New Soft Loan)	11.00%	12	709.42 ⁺	12	803.39 ⁺	2	185.89 ⁺	1,698.70
USCBL (Distillery)	11.00%	12	949.29 [#]	12	1075.66 [#]	9	923.68 [#]	2,948.63
USCBL (Cane Loan)	11.00%	12	533.35	12	595.88	11	607.80	1,737.03
ZSBL Ghaziabad- R&M	11.00%	12	900.00					900.00
ZSBL Ghaziabad- Soft Cane Loan	11.00%	12	1,736.43 [*]	12	1736.43 ^{&}	2	265.24 ^{&}	3,738.10
ZSBL, Ghaziabad - Incineration Boiler	11.00%	12	691.64 [^]	12	691.64 [^]	8	461.10 [^]	1,844.38
SDF	5.75%	1	50.31 [@]					50.31
Toyota Financial Services India Limited	9.04%	6	1.68					1.68
Toyota Financial Services India Limited	8.98%	12	4.87	4	2.29			7.16
Punjab National Bank	7.40%	11	37.78					37.78
Total			10,340.67		4905.29		2443.71	17,689.67

⁺including Rs. 222.49 Lakhs on account of effective rate of interest adjustment.

[#]including Rs. 360.67 Lakhs on account of effective rate of interest adjustment.

[&]including Rs. 652.35 Lakhs on account of effective rate of interest adjustment.

[^]including Rs. 294.53 Lakhs on account of effective rate of interest adjustment.

[@]including Rs. 8.74 Lakhs on account of effective rate of interest adjustment.

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

(Rs. in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Note No. 17 : Other Financial Liabilities		
(i) Non-current		
Reclassification of Preference shares capital as financial liabilities	4,609.27	5,218.58
Other Financial Liabilities - Lease Liabilities (refer note no.34 i)	39.78	59.72
Total	4,649.05	5,278.30
(ii) Current		
Carried at amortized Cost		
Current maturities of long term debt (refer note no.16)		
(A) Secured Loans		
Term Loans from Banks	7,101.64	4,919.33
Zila Sahkari Bank Ltd., Ghaziabad	3,327.98	2,925.19
Zila Sahkari Bank Ltd., Bulandshahr	689.61	691.79
Uttarakhand State Co-Op. Bank Limited	1,941.08	1,302.35
Punjab National Bank	1,142.97	-
Term Loans from Banks Soft Loans	-	512.22
Punjab National Bank	-	286.13
IDBI Bank Limited	-	64.19
State Bank of India	-	69.43
Indian Overseas Bank	-	49.28
Uttarakhand State Co-Op. Bank Limited	-	43.19
From entities other than banks		
- From Govt. of India, Sugar Development Fund (SDF)	166.68	232.73
CC Under Repayment from Banks	5,969.25	5,687.66
Punjab National Bank	4,312.23	3,892.03
IDBI Bank Limited	525.85	543.66
State Bank of India	579.19	529.05
Indian Overseas Bank	551.98	722.92
Vehicle Loans		
- From Banks	53.45	68.21
- From Non banking finance Company	24.72	23.21

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

(Rs. in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
(B) Unsecured Loans		
- Soft Loan from Uttarakhand State Government	656.68	656.68
Interest accrued but not due on borrowings	20.07	18.44
Interest accrued and due on borrowings	424.83	398.57
Security deposits	501.54	604.08
Due to directors	19.30	3.46
Due to scheduled bank (book overdraft)	255.91	1,150.43
Other Financial Liabilities - Lease Liabilities (refer note no.34 i)	20.55	32.44
Other Liabilities	913.00	1,360.55
Total (ii)	16,127.62	15,668.01
Total (i + ii)	20,776.67	20,946.31

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 before 31st March, 2026.
4. The Preference shareholders will have no voting rights except as provided in the Companies Act, 2013.

Series 2 : 10.00% Non-Cumulative Redeemable Preference Shares

1. Rate of dividend on these Preference shares is 10.00%.
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 before 31st March, 2026.
4. The Preference shareholders will have no voting rights except as provided in the Companies Act, 2013.

Terms & Conditions of Unsecured Loan from Uttarakhand State Government

Unsecured Soft Loan from Uttarakhand State Government amounting to Rs.656.68 lakhs and interest accrued & due thereon of Rs.424.83 lakhs was repayable in three years in quarterly instalments w.e.f. January 2008 however the same continues to unpaid. An application for waiver of such loan is pending with the Government of Uttarakhand.

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

(Rs. in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Note No. 18 : Deferred Revenue (including Government grant)		
Opening Balance	2,469.26	2,143.47
Add: Received during the year	462.69	950.89
Less : Released to statement of profit and loss account	644.94	625.10
Closing Balance	2,287.01	2,469.26
Current	748.23	550.64
Non Current	1,538.78	1,918.62
Note No. 19 : Provisions		
(i) Non-current		
Provision for employee benefits	1,451.74	1,229.44
(ii) Current		
Provision for employee benefits	219.89	217.47
Total	1,671.63	1,446.91
Note No. 20 : Trade and Other Payables		
(A) Trade Payables		
Total outstanding dues of micro and small enterprises {Refer Note No.34 a}	658.92	219.20
Total outstanding dues of creditors other than micro and small enterprises	43,657.16	50,142.61
Total (A)	44,316.08	50,361.81
(B) Other Payables		
Total outstanding dues of micro and small enterprises {Refer Note No.34 a} (Capital Goods)	47.08	1.29
Total outstanding dues of creditors other than micro and small enterprises (Capital Goods)	1,031.30	473.28
Total (B)	1,078.38	474.57
Total (A+B)	45,394.46	50,836.38
Note No. 21 : Other Current liabilities		
Other Payables		
Statutory liabilities	543.24	342.98
Advance from customers	831.53	554.44
Other liabilities	445.92	429.62
Total	1,820.69	1,327.04

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

(Rs. in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Note No. 22 : Current Tax Assets/Liabilities (Net)		
Provision for taxation	-	1,497.50
Less : Advance tax	8.70	7.11
Total	8.70	1,490.39
Note No. 23 : Contingent liabilities		
(i) Claims against the Company not acknowledged as debts :		
a) Excise duty/service tax/GST	116.72	120.65
b) Sales Tax/VAT	7.45	7.45
c) Income Tax	28.87	28.87
d) Cane Purchase Tax	94.78	94.78
e) In respect of pending court cases by/against ex-employees amount not ascertainable at this stage		
<u>Note:-</u> The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore can not be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimates can not be made. Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes.		
(ii) Guarantees excluding financial liabilities		
i) Bank guarantees issued	970.46	1,368.57
(iii) Other money for which the Company is contingently liable		
i) Letter of credit in favour of suppliers	26.46	1,083.31
Total	1,244.74	2,703.63
Note No. 24 : Capital Commitments		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	1,102.85	2,253.29
ii) The Company has imported goods under the Export Promotion Capital Goods Scheme of the Govt. of India, at concessional rates of duty on an undertaking to fulfill quantified reports in the future years	-	890.99
Total	1,102.85	3,144.28

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

(Rs. in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Note No. 25 : Revenue from Operations		
(a) Sale of products	173,825.52	150,575.43
(b) Other operating revenues	8,033.51	13,907.18
Gross Sales	181,859.03	164,482.61
Particulars of Sale of Products		
Sugar	149,656.56	130,497.75
Molasses	2,428.36	1,683.08
Power	5,367.22	4,955.46
Distillery	15,961.43	13,364.37
Others	411.95	74.77
Total	173,825.52	150,575.43
Particulars of Other operating revenues		
Subsidy under Maximum Admissible Export Quota (MAEQ)	6,745.58	12,082.47
Sale of Pesticides, cane seeds etc.	1,135.62	1,072.09
Others	152.31	752.62
	8,033.51	13,907.18
Note No. 26 : Other Income		
Interest income on financial assets carried at amortized cost		
(a) Interest income	46.21	29.45
(b) Interest income based on effective interest rate	572.50	527.64
(c) Income recognized under EPCG scheme	-	97.46
(d) Profit on sale of assets	71.67	121.71
(e) Miscellaneous income	170.29	266.93
Total	860.67	1,043.19
Note No. 27 : Cost of Raw Materials Consumed		
Opening Stocks	279.17	164.88
Purchases	134,150.63	116,576.05
	134,429.80	116,740.93
Less : Closing Stocks	132.69	279.17
Material Consumed	134,297.11	116,461.76
Note No. 28 : Changes in Inventories of Finished Goods, By-Products, Work-In-Progress and Stock in Trade		
Opening Stocks		
Finished goods	84,890.07	93,965.36
Work-in-progress	1,103.70	1,415.96
By-products	5,103.75	1,620.75
Stock in Trade	64.64	-
Total	91,162.16	97,002.07
Closing Stocks		
Finished goods	82,823.73	84,890.07
Work-in-progress	1,385.20	1,103.70
By-products	6,793.67	5,103.75
Stock in Trade	16.21	64.64
Total	91,018.81	91,162.16
Decrease/(increase) in Stocks	143.35	5,839.91

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

(Rs. in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Note No. 29 : Employee Benefits Expenses		
Salaries and wages	7,613.09	6,710.54
Contribution to provident and other funds	214.07	212.01
Staff welfare expenses	253.29	213.10
Total	8,080.45	7,135.65
Note No. 30 : Finance Costs		
Interest expenses based on effective interest rate	1,191.66	1,089.81
Loss on fair value of Investment adjustment	48.79	-
Interest expenses	6,955.96	6,524.22
Other borrowing cost	415.00	283.04
Total	8,611.41	7,897.07
Note No. 31 : Other Expenses		
(A) Manufacturing Expenses		
Packing materials consumed	2,860.74	2,132.80
Consumption of stores, spares	1,477.36	1,437.49
Power and fuel	915.67	1,361.82
Other manufacturing expenses	876.71	857.78
Repairs to :		
Plant and Machinery	2,948.66	2,928.15
Buildings	89.13	53.51
Others	133.56	115.46
Total (A)	9,301.83	8,887.01
(B) Administrative and Other Expenses		
Rent	346.37	294.55
Rates and taxes	446.38	240.30
Printing and stationery	51.43	48.91
Postage, courier and telephones	48.16	45.03
Travelling and Conveyance	185.93	293.07
Fees and subscription	130.27	131.67
Legal and professional charges	270.62	250.06
Auditors' remuneration	15.26	15.10
Vehicle running and maintenance	217.97	234.82
Insurance	243.98	148.50
Cane development expenses	1,201.40	1,123.51
Charity & donation	34.10	25.00
Loss on sale/damage of fixed sssets	162.36	-
Corporate social responsibility expenses (refer note no. 34 q)	135.53	111.94
Environment Expenses	76.50	27.70
Office & Other administration expenses	78.74	68.25
Total (B)	3,645.00	3,058.41

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

(Rs. in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
(C) Selling & Distribution Expenses		
Business promotion	1.72	21.87
Sugar handling expenses	409.52	142.50
Commission on sales	973.17	2,137.29
Freight outward	2,955.26	2,347.15
Other selling expenses	190.60	142.40
Compensation paid	234.42	15.71
Total (C)	4,764.69	4,806.92
Total (A+B+C)	17,711.52	16,752.34
Note No. 32 : Tax expense		
Current tax	-	1,497.50
Deferred tax	3,606.55	1,586.93
Tax Impact on account of New Tax Regime (refer Note No.34 t)	2,914.11	-
Income Tax reversed/paid for earlier year	(1,497.50)	195.21
Total	5,023.16	3,279.64
Reconciliation of tax expenses		
Profit before tax	10,998.93	8,442.20
Applicable tax rate 25.168% (P.Y. 34.608%)	2,768.21	2,921.68
Computed tax expenses	2,768.21	2,921.68
Adjustments for :		
Effect of tax expenses not allowed for tax purpose	42.69	33.48
Effect of tax on profit on sale of fixed assets	22.83	(42.33)
Effect of tax on Renewable energy certificate	(1.18)	(122.87)
Effect of MAT reversed excess provide in earlier years	1,998.09	-
Effect of deferred tax on comprehensive income and term loan expenses	(3.25)	(41.33)
Effect of deferred tax liabilities not recognized for earlier years	-	152.91
Adjustments recognised in the current year in relation to prior years	27.18	195.21
Effect of tax on Ind AS adjustments	168.59	182.89
Net adjustments	2,254.95	357.96
Tax expenses	5,023.16	3,279.64
Note No. 33 : Other comprehensive income		
Items that will not be reclassified to profit or loss		
Re-measurements of defined benefit plans	(6.50)	(103.68)
Less: Income tax relating to items that will not be reclassified to profit or loss	1.64	37.50
Total	(4.86)	(66.18)

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

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 st March, 2021		
i) Principal amount	706.00	220.49
ii) Interest due on above	3.47	2.21
(b) i) Principal amount paid after due date or appointed day during the period	NIL	NIL
ii) Interest paid / reversed during the period on (i) above	NIL	15.35
(c) Interest due & payable (but not paid) on principal amounts paid during the period after the due date or appointed day	1.32	9.06
(d) Total interest accrued and remaining unpaid as on	18.06	14.59
(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 petitions were allowed vide common Judgment dated 12.02.2019 of Hon'ble Allahabad High court (Lucknow Bench) 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 there under 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. However, the State Government has challenged the order of the Hon'ble Allahabad High court (Lucknow Bench) in Supreme Court where their petition has been admitted, and now the matter is pending in Supreme Court. However, the Company have submitted the claim on 4th September 2020 with Cane Commissioner of Uttar Pradesh (Appropriate Authority) for an amount of Rs.3847 lakhs as Capital Subsidy and for remission / exemption / reimbursement of taxes, duties and other charges aggregating of Rs.5489 lakhs. Claim is being processed by the department. The claim will be accounted for when it will be approved by the appropriate authority.
- d. The Central Government notifies the scheme for creation and maintenance of Buffer Stock vide Notification No. 1(8)/2019-SP-1 dated 31st July 2019 (applicable up to July 2020 and thereafter discontinued). Under the above scheme interest of Rs. 516.17 lakhs (previous year Rs. 1338.67 Lakhs) and insurance including handling charges of Rs.90.67 lakhs (previous year Rs. 232.70Lakhs) were recoverable from Ministry of Consumer Affairs, Food and Public Distribution. Out of which interest of Rs.140.55 lakhs (previous year Rs. 512.58 Lakhs) and insurance including handling charges of Rs.22.90 (previous year Rs. 90.08 Lakhs) recovered during the financial year and balance amount of interest of Rs.375.62 Lakhs (previous year Rs. 826.09 Lakhs) and insurance including handling charges of Rs.67.77 lakhs (previous year Rs.142.69 Lakhs) are recoverable. The above amount has been reduced from relevant expenses.
- e. During the year ended March 31, 2021, an amount of Rs. 3095.86 lakhs (Previous year Rs.8157.38 lakhs) has been recognized as financial assistance in Revenue from operations pertaining to export made under Maximum Admissible Export Quota (MAEQ) allotted to the company as per the notification no.1(14)/2019-SP-1 dated

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

12.09.2019 issued by Ministry of Consumer affairs and Food & Public Distribution for improving of liquidity position of sugar mills enabling them to clear cane price dues of farmers for sugar season 2019-2020, and for providing assistance to sugar mills for expenses on marketing cost including handling, upgrading and other procuring cost and cost of international and internal transport and freight charges on export of sugar.

- f. During the year ended March 31, 2021, an amount of Rs. 3649.73 lakhs has been recognized as financial assistance in Revenue from operations pertaining to export made under Maximum Admissible Export Quota (MAEQ) allotted to the company as per the notification no.1(6)/2020-SP-1 dated 29.12.2020 issued by Ministry of Consumer affairs and Food & Public Distribution for improving of liquidity position of sugar mills enabling them to clear cane price dues of farmers for sugar season 2020-21 and cane price arrears of previous sugar season, and for providing assistance to sugar mills for expenses on marketing cost including handling, upgrading and other procuring cost and cost of international and internal transport and freight charges on export of sugar.
- g. The Pradeshia Industrial & Investment Corporation of Uttar Pradesh Limited (PICUP) had issued letter of comfort on 12.01.2020 for grant facilities / relief under Industrial Investment and Employment Promotion policy-2017 (IIEPP-2017) in respect of which company has submitted claim up to 31.03.2020 on 19.02.2021 with PICUP to approve interest subsidy of Rs.92.69 lakhs and Rs.16.06 lakhs for GST/VAT refund. Rs.16.06 lakhs booked in other income and Rs.108.75 lakhs (Previous year Rs.93.15 lakhs) amount recoverable from PICUP is appearing in claims receivable Note no.6.
- h. The code on Social security, 2020 (code) relating to employee benefits during employment and post-employment benefits received Presidential assents in September 2020. The code has been published in the Gazette of India. The code would impact the contributions by the Company towards provident fund and Gratuity. However, the date on which code will come into effect has not been notified. The Company will complete its evaluation and will give appropriate impact in the financial statements in the period in which, the code becomes effective and the related rules to determine the financial impact are published.

i. Lease

- a. The Company's lease assets primarily consist of building for offices having the various lease terms. The Company also has certain leases of with lease terms of 12 months or less. Such lease applies the 'short term lease' recognition exemptions for those lease.

- b. Following is carrying value of right of use assets and the movement there of :- (Rs. in Lakhs)

Particulars	Current year	Previous year
Opening Balance	92.59	-
Transition impact on account of adoption of Ind As 116 as on 01.04.2019	-	120.00
Additions during the year	-	-
Deletion during the year	-	-
Depreciation of Right to use assets (refer note no.3)	27.41	27.41
Closing Balance (refer note no.3)	65.18	92.59

- c. Following is carrying value of liabilities and movement there of :-

Particulars	Current year	Previous year
Opening Balance	92.16	-
Additions during the year	-	120.00
Finance Cost accrued during the year	8.37	12.36
Deletion during the year	-	-
Payment of lease liabilities including interest	40.20	40.20
Closing Balance	60.33	92.16
Current Maturities of Lease liabilities (refer note no.17)	20.55	32.44
Non-Current Maturities of Lease liabilities (refer note no.17)	39.78	59.72

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

d. Impact on Statement of Profit and Loss account for the year ended March 31, 2021- (Rs. in Lakhs)

Particulars	Current year	Previous year
- Decrease in rent expenses (included in other expenses)	40.20	40.20
- Increase in finance cost	8.37	12.36
- Increase in depreciation and amortization expenses	27.41	27.41
Net increase in Profit before tax	4.42	0.43

- j. 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.
- k. During the financial year borrowing cost of Rs. 320.42 lakhs (Previous Year Rs.53.32 lakhs) capitalized to capital work in progress/ fixed assets.
- l. The Company has successfully set-up 60 TPH incineration boiler along with 9.85 MW Turbine and 420 TPD Multi effect evaporator (MEE) at unit Barkatpur, Bijnore, Uttar Pradesh. From this set up, number of operational working days will be increased from 270 to 360 days consequently production capacity has been increase at 540 lakhs BL from 450 lakhs BL. Trial run of these equipment has been started on 15th January 2021. Date of commencement of incineration Boiler was 1st May 2021. For commissioning, certificate has been issued by the Chartered Engineer. This project is under capital work in progress as on 31.03.2021 and capitalized on 01.05.2021. All Expenses incurred before and up to the Trial Run period have been allocated and amortized to capital work in progress as on 31.03.2021. Detail of Trial run expenses is as under: -

Particulars	Current year
Bagasse	239.01
Salary & Wages	1.51
Depreciation for incineration boiler during Trial Run	13.49
Total	254.01
Less:- Value of Steam Produced during Trial run	157.69
Net Impact of Trial run transfer to Capital Work in Progress	96.32

m. **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: -

S.No.	Particulars	Current Year	Previous Year
1	Segment Revenue		
	a) Sugar	181674.63	161557.96
	b) Cogeneration	11240.67	9624.70
	c) Distillery	16009.98	13364.37
	Total	208925.28	184547.03
	Less: Inter Segment Revenue	27066.25	20064.42
	Net Segment Revenue	181859.03	164482.61
2	Segment Results - Profit before Tax and Finance Cost and Exceptional Items		
	a) Sugar	14926.01	12093.11
	b) Cogeneration	3812.63	2984.09
	c) Distillery	3085.88	3445.52
	Total	21824.52	18522.72

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

	Add/Less: i) Finance Cost	8611.41	7897.07
	ii) Other Un-allocable Expenses net off	2214.18	2184.45
	Profit before Tax	10998.93	8442.20
3	Segment Assets		
	a) Sugar	137375.15	142812.91
	b) Cogeneration	9690.31	10969.88
	c) Distillery	29627.83	18249.04
	d) Un allocable	1326.00	1624.01
	Total Assets	178019.29	173655.84
4	Segment Liabilities		
	a) Sugar	49418.18	56459.88
	b) Cogeneration	17.82	17.74
	c) Distillery	1461.09	693.53
	d) Un allocable	837.63	2200.41
	Total Liabilities	51734.73	59370.56
5	Capital Expenditure		
	a) Sugar	161.81	1304.48
	b) Cogeneration	–	32.87
	c) Distillery	9011.57	3558.08
	d) Un allocable	5.51	216.82
	Total Capital Expenditure	9178.89	5112.25
6	Depreciation and amortization		
	a) Sugar	1957.25	1923.88
	b) Cogeneration	309.28	421.57
	c) Distillery	519.51	516.36
	d) Un allocable	66.08	61.75
	Total Depreciation and Amortization	2852.12	2923.56

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: (Rs. In lakhs)

Particulars	Current Year	Previous Year
Employer's contribution to provident fund	63.17	62.13
Employer's contribution to pension fund	134.91	135.33
Other administrative expenses	15.99	14.55
Total	214.07	212.01

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

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

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 31st March 2021. The details are given below: (Rs. In lakhs)

Particulars	Gratuity Unfunded	Leave Encashment Unfunded
A) Change in the Present Value of obligation		
a) Present Value of obligation as at 1 st April 2020	1156.30 (893.46)	290.61 (236.69)
(b) Interest Cost	78.63 (68.44)	19.76 (18.13)
(c) Current Service Cost	124.63 (115.88)	47.01 (45.78)
(d) Benefits Paid	(34.30) (-21.72)	(17.50) (-13.43)
(e) Actuarial Loss/(Gain)	22.77 (100.24)	(16.27) (3.44)
(f) Present Value of Obligation as at 31 st March 2021	1348.03 (1156.30)	323.61 (290.61)
Current Liability	157.88 (154.06)	62.01 (63.41)
Non - Current Liability	1190.14 (1002.25)	261.60 (227.19)
(B) Amount recognized in Balance Sheet (A-B)	1348.03 (1156.30)	323.61 (290.61)
(C) Expenses recognized in the Profit & Loss Account		
(a) Current Service Cost	124.63 (115.88)	47.01 (45.78)
(b) Interest Cost	78.63 (68.44)	19.76 (18.13)
(D) Expenses recognized in Other Comprehensive Income		
(a) Actuarial Loss/(Gain)	22.77 (100.24)	(16.27) (3.44)
(b) Net Cost	226.03 (284.56)	50.50 (67.35)
Actuarial Assumptions		
(a) Discount Rate		6.80%
(b) Rate of escalation in Salary (Per Annum)		5.50%
(c) Mortality Table		100% of IALM (2012 - 14)
(d) Retirement Age (Years)		58

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

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 till 31.12.2020
Sh. Shankar Lal Sharma	- Executive Director w.e.f 07.01.2021
Sh. G.Ramarathnam	- Chief-Legal & Corporate affairs & Co. Secretary
Sh. Sanjay Bhandari	- Chief Financial Officer
Sh. Rajesh Garg	- Jt. Co. Secretary & Comp.officer w.e.f 07.01.2021

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.
- Adharshila Capital Services Ltd,
- Uttamenergy Ltd.
- Uttam Housinginfra Limited
- Uttam Sunna Charitable trust
- Uttam Sucrotech International (P) Limited
- Uttam Distilleries Limited
- Uttam Beverages Pvt. Ltd.
- Uttamenergy Philanthropic Foundation

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

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

(Rs. in Lakhs)

Name of related parties	Nature of Transactions	Amount of Transactions (Rs. in Lakhs)		Nature of Transactions	Outstanding Balances (Rs. in Lakhs)	
		Year ended 31.03.2021	Year ended 31.03.2020		As at 31.03.2021	As at 31.03.2020
Key Management Personnel (KMP)						
Raj Kumar Adlakha	Remuneration (including Commission & Perquisites)	533.79	525.01	Remuneration Payable	9.99	0.24
	Lease Rent payment	41.50	15.00	Lease Rent	4.83	0.04
	Security deposit given	-	3.75	Security Deposit given	3.75	3.75
Ashok Kumar Aggarwal	Remuneration & Perquisites	59.27	53.54	Remuneration Payable	-	3.18
Shankar Lal Sharma	Remuneration & Perquisites	14.34	-	Remuneration Payable	3.96	-
G. Ramarathnam	Remuneration & Perquisites	35.76	32.64	Remuneration Payable	2.51	2.85
Rajesh Garg	Remuneration & Perquisites	7.74	-	Remuneration Payable	2.11	-
Sanjay Bhandari	Remuneration & Perquisites	59.30	57.80	Remuneration Payable	-	-
	Advance Salary	-	-	Advance Salary	5.07	5.27
Relative of KMP						
Amita Adlakha	Lease Rent payment	10.62	10.62	Office Rent	0.99	0.39
		-	-	Security Deposit given	3.60	3.60
Enterprises where Significant Influence exists						
Uttam Sucrotech Ltd.	Redemption of Preference Shares	1361.32	-			
	Guarantee satisfied / received (Net)	(13918.31)	(8484.38)	Guarantee	21518.87	35437.18
	Interest on Unsecured Loan	-	1.01			
	Payment of Unsecured Loan / interest	-	20.46			
Uttam Sucrotech International (P) Ltd.	Receiving of Services (Machinery)	28.99	78.67	Advance for Purchase of Goods/Service	-	5.48
	Purchase of Fixed Assets	292.61	87.01	Receivable against Sale	2.56	-
	Sugar and sanitizer sales made	2.59	2.28	Creditors	0.49	45.73
				Capital Advances	188.20	280.66

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

Uttam Industrial Engg. (P) Ltd.	Purchase of Fixed Assets	-	49.05	Receivable against Sale	0.15	-
	Receiving of Services (Machinery)	38.78	74.71	Creditors	0.01	14.70
	Sugar and sanitizer sales made	4.09	2.53	Unsecured Loan	27.31	27.31
	Interest on Unsecured Loan	2.73	2.73	Interest for Unsecured Loan	19.61	17.08
	Guarantee satisfied / received (Net)	(13918.31)	(8484.38)	Guarantee	21518.87	35437.18
The Standard Type Foundry (P) Ltd.	Purchase of Fixed Assets	43.26	23.09	Creditors	70.05	61.16
	Receiving of Services (Machinery & Vehicles)	29.71	91.64			
	Sugar and sanitizer sales made	2.69	6.99			
Lipi Boilers Pvt. Ltd.	Guarantee satisfied / received (Net)	(15874.20)	(10716.61)	Guarantee	22283.36	38157.56
				Capital Advances	49.61	49.61
Shubham Sugars Ltd.	Purchase of Agriculture Products	69.50	46.28	Creditors	-	15.99
	Investment in Preference Shares	300.00		Amount receivable against sale	3.76	-
	Redemption of Preference Shares	240.00	-			
	Sale of Bio Compost	4.52	0.60			
Uttam Adlakha & Sons Holdings Pvt. Ltd.	Professional Fees for Legal Consultancy	-	5.00	Creditors	-	4.50
	Guarantee satisfied / received (Net)	(13425.79)	(7183.63)	Guarantee	21518.87	34944.66
Adharshila Capital Services Ltd.	Professional Fees	10.00	-			
Uttamenergy Ltd.	Purchase of Fixed Assets	2479.22	2931.51	Creditors	267.63	118.36
	Receiving of Services (Machinery & Vehicles)	-	1.17	Receivable against sale of assets	490.78	235.06
	Sales of Assets	744.78	136.59			
	Sugar and sanitizer sales made	0.84	-			

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

Uttamenergy Philanthropic Foundation	Sanitizer sales made	3.24	-			
Uttam Housinginfra Ltd.	Guarantee satisfied / received (Net)	(13900.35)	(8461.11)	Guarantee	21518.87	35419.22
Uttam Sunna Charitable Trust	Sugar and sanitizer sales made	0.48	0.38			
	Purchase of fixed assets	8.60	-			
Uttam Beverages Private Limited	Advance received against sale of land	20.00	-	Advance received against sale of land	20.00	-
Uttam Distilleries Limited	Sale of Land	-	223.69			

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

Particulars	Current Year	Previous Year
(a) As Statutory Auditors	12.00	12.00
(b) For other Matters	3.26	3.10
Total	15.26	15.10

q. Expenditure on Corporate Social Responsibility (CSR) activities:

(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	127.58	91.66
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	135.53	111.94
	- yet to be paid in cash		

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

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	66.56	18.13
b)	Clause (ii)	Promoting education, including special education and employment enhancing vocational training and livelihood enhancement projects	-	7.67
c)	Clause (vii)	To promote rural sports	1.00	-
d)	Clause (x)	Rural Development Projects	67.97	86.14
Total			135.53	111.94

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

r. Earnings per share (EPS) (Rs. in Lakhs)

Particulars	Current Year	Previous Year
(a) Profit for the year attributable to the equity shareholders (Rs. in lakhs)	5975.77	5162.56
(b) Weighted average number of equity shares outstanding		
(i) <u>Basic:</u> Weighted average number of equity shares at the end	38138120	38138120
(c) ii) <u>Diluted</u> Weighted average number of shares as in b(i)	38138120	38138120
(d) Paid up value of share	Rs.10/-	Rs.10/-
(e) Basic Earnings per share(Rs)(a/bi)	15.67	13.53
(f) Diluted Earnings per share (Rs.) (a/bii)	15.67	13.53

s. Foreign Currency Inflow & outflow

i. Expenditures: (Rs. in Lakhs)

Particulars	Current Year	Previous Year
Travelling Expenditure	-	12.27
Purchase of Fixed Assets	-	39.83

ii. Earnings:

Particulars	Current Year	Previous Year
Export Sales (F.O.B. Value)	34.24	12.00

- t. Pursuant to The Taxation Laws (Amendment) Act, 2019 dated September 20, 2019 the Government of India inserted section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax reduced rates effective from April 01, 2019 subject to certain conditions. The Company has during the year, re-evaluated and made an assessment of its impact and finally decided to opt for reduced rates as per Section 115 BAA of the Income Tax Act, 1961. The Company re-measured its deferred tax balances at reduced tax rates and consequentially deferred tax expenses of Rs.916.02 lakhs for the year has been charged to Statement of Profit and Loss and MAT assets of Rs.1998.09 has been written off during the year.
- u. The realization of deferred tax assets in respect of unabsorbed depreciation 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, distillery working 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.
- v. Due to COVID-19 outbreak globally in 2020 and continued in 2021, to control the same the Central Government announced national lockdown as well as lock down announced by the State Government from time to time, which caused disruption of supply of goods across business and industries. However, sugar business continued without significant disruption being classified as essential product except reduction of demand from institutional buyer like beverages, restaurant etc.

The Company has considered the possible effects that may result for the pandemic relating to COVID 19 on its business operations and financial position using internal & external factors known to the management up to the approval of financial statement. There is no significant impact on the carrying amount of its assets and financial result as on 31st March, 2021 and management concludes that no material uncertainty exists about the company's ability to continue as a going concern and accordingly financial statements have been prepared using going concern assumption.

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

The impact of COVID-19 on the company's financial statements may differ from that estimated as at the date of approval of these financial statements due to uncertainty associated with COVID-19 nature and duration. The company will continue to monitor any material change in future economic conditions.

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.

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 31.03.2021	As at 31.03.2020
Variable rate Borrowings	33486.77	45314.11
Fixed rate Borrowings	48461.06	35620.73

Sensitivity

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit and loss by the amount shown below. This analysis assumes all other variables held constant.

Particulars	Increase /decrease in Basic Points		Impact on Profit before Tax (Rs in Lakhs)		Impact on Equity (Rs in Lakhs)	
	2021	2020	2021	2020	2021	2020
Increase in Basis Point	50	50	167.43	226.57	167.43	226.57
Decrease in Basis Point	50	50	167.43	(226.57)	167.43	(226.57)

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 compared 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 governments policies and factors such as State Advised Price (SAP) and Fair and Remunerative Price (FRP) of sugar cane affects the sugar industry and the company's operations and profitability.

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

Distillery business is also dependent on the Government policy as the price of ethanol decided by the Government. Similarly sugar prices are also effected by the Government Policies like restriction on sale, import of sugar, export of sugar and import duty / export duty detrement 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 representation through the body of industry like ISMA, UPSMA and UPDA submitted to Government to come out solutions regarding above risks.

Power business is also dependent on the regulations prescribed by Central/State regulatory commissions. They fix power purchase rates and other guidelines for supply based on cost of bagasse and other inputs.

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 competitor's availability of substitutes for the sugar products and international demand and supply position. The company has mitigated this risk by adding more value added products by diversifying into co- generation and distillation, thereby utilizing the by- products. Similarly, in sugar product also the company's products are diversifying in specialty sugar segments like brown sugar, sachet, pharma sugar, icing sugar, liquid sugar etc.

B. Credit Risk

Credit risk is the risk that counter party will default on its obligations under a Contractual arrangement leading to a financial loss. The company's sugar sales are mostly on advance payment basis. Power and ethanol are sold to state government companies and petroleum companies; thereby the credit default risk is significantly mitigated. Company has also taken advances and security deposits from its customers / agents, which mitigate the credit risk to an 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 31.03.2021	4828.51	0.83	9.97
b)	Gross carrying Amount			
b)	Expected Credit Loss @			
a)	As at 31.03.2020	4136.09	903.00	13.02
b)	Gross carrying Amount			
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.

Particulars	ECL for Trade Receivables
31.03.2021	
Provision /Reversal during the year	-
31.03.2020	
Provision /Reversal during the year	-

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.

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

The Company's maximum exposure to credit risk for the components of the balance sheet as at 31st March, 2021 and 31st March, 2020 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.

Non derivative financial instruments

(Rs. in Lakhs)

Particulars	As at 31.03.2021 Carrying Amount	On Demand	Less than One year	More than one year and less than three years	More than three years	Total
Borrowings	82399.98	51367.25	13315.73	15273.28	2443.71	82399.98
Trade payable	45394.46		45394.46			45394.46
Other financial Liabilities	2155.20		2155.20			2155.20

Particulars	As at 31.03.2020 Carrying Amount	On Demand	Less than One year	More than one year and less than three years	More than three years	Total
Borrowings	81360.72	46784.64	11443.36	18141.09	4991.63	81362.72
Trade payable	50836.39		50836.39			50836.39
Other financial Liabilities	3169.41		3169.41			3169.41

iii. Financial Arrangements

The Company has following undrawn borrowing facilities at the end of reporting period.

Particulars	31.03.2021	31.03.2020
Undrawn Borrowing Facilities	13314.26	2420.61

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

Uttam Sugar Mills Limited

Notes on Financial Statements for the Year ended 31st March, 2021

The company monitors capital on the basis of following gearing ratio :-

(Rs in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Long Term Debts (Including Unsecured Loans)	31689.40	35232.76
Cash & Bank balances	501.10	573.42
Net Debts (i)	31188.30	34659.34
Total Equity (ii)	33795.13	28516.32
Net debts / Equity Ratio (i / ii)	0.92	1.22

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 31st March 2021 and 31st March, 2020.

Note No. 37 :

Financial instruments-Accounting, Classification and fair Value measurements

A. Financial instruments by category

Particulars	Refer Note No.	Total Fair Value	Cost	Deemed Cost	Carrying Value			Total
					Amortized Cost	FVTOCI	FVTPL	
As at 31st March 2021								
Financial assets								
(i) Trade and other receivable	5	4,829.34			4,829.34			4,829.34
(ii) cash and cash equivalents	10	501.10			501.10			501.10
(iii) Bank balance other than cash and cash equivalents	11	393.17			393.17			393.17
(iv) Other financial assets	6	9,288.91			9,288.91			9,288.91
Total		15,012.52	-	-	15,012.52	-	-	15,012.52
Financial liabilities								
(i) Borrowings	16	68,002.72			68,002.72			68,002.72
(ii) Trade and others payable	20	45,394.46			45,394.46			45,394.46
(iii) Other financial liabilities	17	20,776.66			20,776.66			20,776.66
Total		134,173.85	-	-	134,173.85	-	-	134,173.85

Uttam Sugar Mills Limited

Particulars	Refer Note No.	Total Fair Value	Cost	Deemed Cost	Carrying Value			Total
					Amortized Cost	FVTOCI	FVTPL	
As at 31st March 2020								
Financial assets								
(i) Trade and other receivable	5	5,042.14			5,042.14			5,042.14
(ii) cash and cash equivalents	10	573.42			573.42			573.42
(iii) Bank balance other than cash and cash equivalents	11	405.71			405.71			405.71
(iv) Other financial assets	6	10,507.06			10,507.06			10,507.06
Total		16,528.33	-	-	16,528.33	-	-	16,528.33
Financial liabilities								
(i) Borrowings	16	68,862.11			68,862.11			68,862.11
(ii) Trade and others payable	20	50,836.38			50,836.38			50,836.38
(iii) Other financial liabilities	17	20,946.31			20,946.31			20,946.31
Total		140,644.80	-	-	140,644.80	-	-	140,644.80

Note:- Fair Value hierarchy

The fair value of the financial assets and financial liabilities are included at the amount at which the instrument could not be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade and other receivables, loans and other current financial assets, short term borrowings from banks and financial institutions, trade and other payables and other current financial liabilities approximate their carrying amounts due to the short term maturities of these instruments.

Note No. 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

(FCA VIPUL SHARMA)

Partner

Membership No.074437

Place : Noida

Date : 14th June, 2021

for and on behalf of Board of Directors

(RAJ KUMAR ADLAKHA)

Managing Director

(S.L.SHARMA)

Executive Director

(SANJAY BHANDARI)

Chief Financial Officer

(G.RAMARATHNAM)

Chief-Legal and Corporate
Affairs & Company Secretary

NOTES

[illegible]

[illegible]



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, 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 Naziabad, 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