



Uttam Sugar Mills Limited

Fill Sweetness in your life

The Desire

To Excel

The Determination

To Deliver

DOUBLE REFINED
SULPHURLESS SUGAR

21st
Annual Report 2015-16

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CORPORATE INFORMATION

[CORPORATE IDENTITY NO. (CIN) : L99999UR1993PLC032518]

BOARD OF DIRECTORS

Mr. Raj Kumar Adlakha	Managing Director
Mr. Ashok Kumar Agarwal	Executive Director
Mr. R. Vasudevan	Independent Director
Mr. G. S. Matta	Independent Director
Mr. Narendra Kumar Sawhney	Independent Director
Mrs. Rutuja Rajendra More	Independent Director
Mr. Lohit Kumar Neel	Nominee Director-IDBI Bank Ltd.
Mr. Bikash Narayan Mishra (Ceased w.e.f. 13.02.2016)	Nominee Director-PNB
Mr. Binod Kumar (Appointed w.e.f. 13.02.2016)	Nominee Director-PNB.

REGISTERED OFFICE

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

CORPORATE OFFICE

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

STATUTORY AUDITORS

B.K. Kapur & Co.
Chartered Accountants

CHIEF – LEGAL AND CORPORATE AFFAIRS & COMPANY SECRETARY

G. Ramarathnam

BANKERS

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

FACTORIES

Unit - 1 :

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

Unit – 2 :

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

Unit - 3 :

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

Unit – 4 :

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

Notice of 21st Annual General Meeting

NOTICE is hereby given that the 21st Annual General Meeting of the Members of Company will be held at the Registered Office of the Company at Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand on Friday, 16th September, 2016 at 12.00 Noon to transact the following business(es):-

ORDINARY BUSINESS:

1. Adoption of Financial Statements

To receive, consider and adopt the financial statements of the Company for the financial year ended 31st March, 2016 including the audited Balance Sheet as at 31st March, 2016, Profit & Loss Statement for the Financial Year ended on that date together with the Reports of Board of Directors and Auditors thereon.

2. Re-appointment of Mr. Kumar Neel Lohit (DIN: 06504417) as a Director liable to Retire by Rotation

To appoint a Director in place of Mr. Kumar Neel Lohit (DIN: 06504417), who retires by rotation and is eligible for re-appointment.

3. Ratification of Appointment of Statutory Auditors

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

“RESOLVED THAT pursuant to the provisions of section 139 and all other applicable provisions of the Companies Act, 2013, if any, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the continuance of appointment of M/s B. K. Kapur & Company, Chartered Accountants (Firm Registration No.000852C) as Statutory Auditors of the Company, be and is hereby ratified till the conclusion of the Twenty Second AGM of the Company to be held in the year 2017 at a remuneration to be fixed by the Board of Directors on the recommendation of Audit Committee plus service tax payable thereon and reimbursement expenses, if any, incurred by them in connection with the Audit.”

SPECIAL BUSINESS:

4. Payment of Remuneration to Mr. Raj Kumar Adlakha, Managing Director of the Company

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

“RESOLVED THAT pursuant to Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the Articles of Association of the Company and subject to Approval of Central Government, if required, the consent of the Company be and is hereby accorded for the payment of remuneration of Rs. 1,08,00,000/- per annum (including perquisites) and commission upto 4% of net profits of the Company, subject to the overall ceiling stipulated in Section 197 of the Companies Act, 2013 to Mr. Raj Kumar Adlakha (DIN : 00133256) as a Managing Director of the Company for the period from 1st July, 2016 to the remaining tenure upto 31st March, 2018 as recommended by the Nomination and Remuneration Committee of the Directors and approved by the Board of Directors on 11th August, 2016.

“RESOLVED FURTHER THAT the above remuneration of Rs. 1,08,00,000/- per annum (including perquisites) will be payable to him as minimum remuneration in case of absence or inadequacy of profits in any financial year as permissible under Section II of Part II of Schedule V of the Companies Act, 2013 including such amendment(s), modification(s) and/or revision(s) as may be made by the Central Government in the said limits from time to time.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to decide the actual amount of commission payable in any financial year to Mr. Raj Kumar Adlakha upto 4% of the net profits of the Company, subject to the overall ceiling stipulated in Section 197 of the Companies Act, 2013 and to do all such acts, deeds and things as may be necessary to give effect to the above resolutions.”

5. Approval of Remuneration of Cost Auditor

To consider and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION (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. 2,50,000/- (Rupees Two Lacs and Fifty Thousand only) plus service tax as applicable and reimbursement of out of pocket expenses for the Financial Year 2016-17, 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 of Directors of the Company
For Uttam Sugar Mills Limited**

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

Place : Noida

Date : 11th August, 2016

NOTES:

1. Explanatory Statement setting out all material facts relating to special businesses contained in item No. 4 & 5 as required under Section 102 of the Companies Act, 2013 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing a proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of this meeting. A proxy shall not vote except on a poll. A proxy form is appended with the admission slip.
3. Corporate Members intending to send their authorized representatives to attend this General Meeting are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at this Annual General Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 09th September, 2016 to Friday, 16th September, 2016 (both days inclusive).
5. Members are requested to bring their copies of Annual Report to the Meeting.
6. Any query relating to Accounts must be sent to Company's Corporate Office: A-2E IIIrd Floor, C.M.A. Tower Sector –24, Noida (U.P.) at least 10 days before the date of the meeting.
7. Members are informed that in the case of joint holders attending the meeting; only such joint holder whose name appears first in the order will be entitled to vote.
8. Members / Proxies are requested to bring the attendance slip sent with Annual Report duly filled in for attending the meeting.
9. The Company has paid the Annual Listing Fees for the year 2016-17 to the following Stock Exchanges, viz. BSE Limited and National Stock Exchange of India Limited on which the Company's Securities are presently listed.
10. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities Market. Members holding shares in electronic form are,

therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Company's RTA.

11. Members who hold shares in physical form in multiple folios in identical name or joint holding in the same order of names are requested to send their share certificates to our RTA, for consolidation into a single folio.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
13. Notice of the Annual General Meeting along with the Annual Report 2015-16 of the Company is being sent to all the members in the electronic mode, whose email address are registered with the Depository Participant, unless any member has requested for a hard copy of the same and for members who have not registered their email address, hard copy of above documents is being sent.
14. As per the green initiative of Ministry of Corporate Affairs (MCA), members are requested to provide their e-mail addresses to the Registrar & Share Transfer Agent of the Company namely M/s Link Intime India Private Limited, in order to receive the various Notices and other Notifications from the Company, in electronic form.
15. Members may also note that the Notice of this Annual General Meeting and the Annual Report for the financial year 2015-16 are also be available on Company's website: www.uttamsugar.in.

16. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to members to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

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

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

The instructions for shareholders voting electronically are as under:

- (i) The e-voting period commences on Tuesday, 13th September, 2016 (9.00 am) and ends on Thursday, 15th September, 2016 (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, 09th September, 2016 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Annual Report.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for “**UTTAM SUGAR MILLS LIMITED**”
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

17. Mr. Naveen Kumar Rastogi, Practicing Company Secretary (Membership No. 3685) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Results of e-voting shall be declared on or after the AGM of the Company and the Results declared with Scrutinizer Report shall be placed on the website of the Company viz. www.uttamsugar.in and also on the website of CDSL viz. www.cdslindia.com within two days of passing of Resolution in the AGM of the Company.

18. The Chairman shall, at the Annual General Meeting, at the end of discussion on the Resolutions on which voting is to be held, allow voting, with the assistance of Scrutinizer, by use of "ballot paper" for all those Members who are present at the annual general meeting but have not cast their votes by availing the remote e-voting facility.
19. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall make not later than three days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the result of voting forthwith.
20. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.
21. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date/record date i.e. Friday, 09th September, 2016.
22. Members are requested to always quote their Folio No. / Client ID & DP ID in all correspondence with the Company's Registrars and the Company. Members are also requested to notify any change of address to their Depository Participants. Members are requested to send all communications relating to shares to the Registrar and Share Transfer Agent of the Company at the following address :-

Link Intime India Private Limited

44, Community Center, 2nd Floor,
Naraina Industrial Area, Phase I,
New Delhi – 110028
Tel.:- 011-41410592-93



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

(A brief resume in respect of the proposed re-appointment/appointment of Directors is given below in terms of Regulation 36(3) of SEBI (LODR), 2015)

Particulars	Mr. Kumar Neel Lohit
DIN	06504417
Date of Birth	15 th December, 1968
Date of Appointment in the Board	16 th April, 2014
Qualifications	MA, M. Phil, MFM, MBA (UK)
Experience	Mr. Kumar Neel Lohit is the Nominee Director of the Company nominated by IDBI Bank Limited. He is having more than 25 years of industry experience. A Postgraduate in Economics and Financial Management, Mr. Lohit is also an MBA in Global Banking and Finance from Birmingham Business School. He joined IDBI Bank in 1996 and since then has had a wide ranging exposure to the broad field of Strategic Planning & Research, Recovery, Corporate Finance, Financial Inclusion and Retail Banking. Presently he is designated as General Manager - Business (Retail Banking Group), North I Zone with IDBI Bank Ltd.
Directorship held in other Companies	NIL
Membership / Chairmanships of Committee across other Public Limited Companies	NIL
Number of Shares held in the Company	NIL
Relationship with other Directors	None

Details of Shareholding/other convertible instruments of Non-Executive Directors of the Company
(Pursuant to Regulation 36(3) of SEBI (LODR), 2015)

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

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

Item No. 4

Mr. Raj Kumar Adlakha, Managing Director was re-appointed as Managing Director of the Company w.e.f. 01st September, 2015 to 31st March, 2018 on the recommendation of Nomination and Remuneration Committee duly approved by Board of Directors and confirmed by shareholders in AGM held on 15th December, 2014 on the remuneration of Rs. 3,75,000/- per month. However, Mr. Raj Kumar Adlakha, Managing Director of the Company did not draw his remuneration in view of the loss incurred by the Company. Accordingly, Remuneration to Mr. Raj Kumar Adlakha was not paid for the period from 1st September, 2015 to 30th June, 2016.

Now, in the context of improvement in the performance of the Company, the Nomination and Remuneration Committee, in its meeting held on 11th August, 2016 recommended and the Board of Directors, in its meeting held on 11th August, 2016, approved the payment of remuneration of 8,00,000/- per month (excluding perquisites) to Mr. Raj Kumar Adlakha (DIN : 00133256), as Managing Director of the Company w.e.f 1st July, 2016 to 31st March, 2018 subject to the approval of the shareholders in the General Meeting and the Central Government.

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

1. Effective date of remuneration :

The remuneration will be effective from 01st July, 2016 to the remaining tenure upto 31st March, 2018.

2. Overall Remuneration:

Subject to the provisions of Section 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, the remuneration payable to the Managing Director shall not exceed overall ceiling stipulated in Section 197 of the Companies Act, 2013 or such other limits as may be specified under the relevant legislation prevailing from time to time. Within the aforesaid ceiling, the remuneration payable to him shall be as follows:

a. Salary

Rs. 96,00,000/- per annum consisting of monthly payment of Rs. 8,00,000/- per month.

b. Perquisites: In addition to above remuneration the Managing Director shall also be entitled to perquisites like gas, electricity, water and furnishings, medical reimbursement, club fees, medical insurance etc. in accordance with the rules of the Company subject to maximum of Rs.1,00,000/- (Rupees One Lac 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.
- ii) **Gratuity:** One half month's salary for each completed year of service in accordance with the rules of the Company
- iii) Encashment of leave at the end of the tenure as per the policy of the Company.
- iv) Provision of car for use on Company's business and telephone at residence will also not be considered as perquisites. Personal long distance calls and use of car for private purpose shall however be billed by the Company to the Managing Director.

Explanation:

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

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

3. Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified in Section II of Part II of Schedule V of the Companies Act, 2013 @ Rs. 9,00,000/- per month (including perquisites) which is the present limit of remuneration payable or as may be amended from time to time.

4. Functions

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

5. Sitting Fee

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

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

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

I. GENERAL INFORMATION:

(1) Nature of industry:-

Manufacturer of Sugar and other allied products.

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

Company commenced commercial production from January 2001.

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

Not applicable.

(4) Financial performance based on given indicators:-

(Rs. in lacs)

Financial Parameter	Financial Years		
	2013-14 (15 Months)	2014-15 (12 Months)	2015-16 (9 Months)
Turnover	89,249.96	75,744.48	84,257.43
Net Profit/(Loss) (before Tax)	(9,014.55)	(11,166.85)	1,785.87

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

Nil

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:-

Mr. Raj Kumar Adlakha, aged 60 years holds Engineering Degree B.E. (Mach.) and has more than 37 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:-

Rs. 4,00,000/- per month including perquisites.

(3) Recognition or awards:-

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

(4) Job profile and his suitability:-

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

(5) Remuneration proposed:-

Salary of Rs. 8,00,000/- and perquisites upto Rs.1,00,000/- per month alongwith commission not exceeding 4% of net profits of the Company subject to the overall ceiling stipulated in Sections 197 of the Companies Act, 2013 and as per the terms and conditions as mentioned in Explanatory Statement of the notice of this Annual General Meeting.

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

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

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

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

III. OTHER INFORMATION:

(1) Reasons for loss:-

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

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

To improve the financial viability of sugar manufacturing units, Company is providing the baggasse based Co-generation Capacity by 103 MW (55.5MW Exportable) by installation of Power Co-Generation facility at all four Sugar Factories. The power produced by our cogeneration plants utilized for running sugar mills and the surplus power have been exported. Further, the Company has installed a Distillery plant with capacity of 75 KLPD at Barkatpur Unit.

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

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

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

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

The Board of Directors recommends the resolution as set out in Item No.4 of the Notice for approval of Members by way of Special Resolution.

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

Uttam Sugar Mills Limited

Item No. 5

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 2016-17 as per the following details:

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

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 as amended upto date, the remuneration payable to the Cost Auditors is to be ratified by the shareholders for the Financial Year 2016-17 by way of an Ordinary Resolution.

The Board of Directors recommends the resolution as set out in Item No.5 of the Notice for approval of Members. None of the Directors and Key Managerial Personnel of the Company including their relatives are concerned or interested, financially or otherwise in the resolutions.

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

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

**Place : Noida
Date : 11th August, 2016**

Registered Office:

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

Directors' Report

To

The Shareholders of the Company,

Your Directors take pleasure in presenting this Twenty First Annual Report together with the Audited Accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS

The financial results of the Company for the period/year ended on 31st March, 2016 are as under:-

DETAILS	(Rs. in Lacs)	
	Period ended	Period ended
	31.03.2016 (9 months)	30.06.2015 (12 months)
Revenue from Operations	81,024.95	75,961.24
Profit/(Loss) before Depreciation, Tax & Prior Period Items	3,302.82	(8,728.99)
Less:		
Depreciation	1,687.78	2,329.20
Prior period items (Net)	(170.83)	10.49
Profit/(Loss) before Tax & Exceptional Items	1,785.87	(11,068.68)
Exceptional Items	-	98.17
Less: Provision for Taxation		
Current Tax	-	-
Deferred Tax (Credit) / Charge	75.78	(2,347.36)
Income Tax for Earlier Years	163.52	-
Profit/(Loss) after Taxation	1,546.57	(8,819.49)
Add: Balance brought forward from Previous Year	(28,289.93)	(19,470.44)
Deficit transferred to Balance Sheet	(26,743.36)	(28,289.93)

PERFORMANCE OF THE COMPANY

During the year under review, your Company's Revenue from Operations was Rs. 81,024.95 Lacs as compared to Rs. 75,961.24 Lacs in the previous financial year. Company's Profit after tax (PAT) was Rs. 1,546.57 Lacs as compared to Rs. (8,819.49) Lacs in the previous financial year.

REVIEW OF OPERATIONS

The Financial Results for the year 2015-16 are for a period of 9 months and are not comparable with the results of 2014-15 which were for a period of 12 months.

Sugar Division

Operational data of the Company for the financial year 2015-2016 and 2014-2015 are as under:

Financial Year	Cane crushed (In Lakhs Qtls.)	Sugar produced (In Lakhs Qtls.)	Recovery %
2015-2016	185.93	19.79	10.64
2014-2015	234.33	22.81	9.73

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 %
2015-2016	201.12	21.64	10.76
2014-2015	234.33	22.81	9.73

The Company registered a gross turnover of Sugar of Rs.73,679 lacs for the 9 months ended 31st March, 2016 against Rs. 65,090 lacs for the 12 months ended 30th June, 2015 (Gross turnover of Sugar of Rs 49,351 lacs for the 9 months ended 31st March, 2015) – an increase of gross turnover of 49.30 % on Pro rata Basis. The sales

Uttam Sugar Mills Limited

realization at Rs.2,882 per qtls was higher as compared to Rs.2,854 per qtls for the previous year 12 months ended 30th June, 2015.

During the current season, company commenced its crushing season in last week of November 2015. The results were better as compared to previous season in terms of recovery mainly due to optimum mix of better cane varieties. However, the crushing was lower as compared to last season mainly due to reduced area of sugar cane crop as compared to last season.

Sugar: The Company's aggregate sugar cane crushing was lower at 201.12 lakhs qtls during the season 2015-16 as against 234.33 lakhs qtls in 2014-15 season due to lower cane availability. The Company had a higher recovery of 10.76% as against 9.73% in previous season. The increased recovery was mainly due to optimum mix of better cane varieties and varietal replacement. The Company continued to focus on cane development activities, comprising of varietal replacement with proven high sugared varieties, change in pattern of sowing, ratoon management, encouraging use of Bio - fertilizers and Bio-pesticides etc. and modern agricultural practices due to which the recovery and crushing is expected to improve in the coming season.

The Uttar Pradesh and Uttarakhand Government have announced State Advised Price (SAP) for sugarcane at Rs.280 per quintal for season 2015-16. The State Governments retained the same State Advised Price (SAP) for the current sugar season 2015-16 also. Some subsidies/ reliefs have also been announced by both the governments, details of which are given below :-

- i. The cane price of Rs.280 per quintal would be paid to farmers in two installments. In case of Uttar Pradesh the first installment of Rs.230 per quintal (Rs.240 per quintal in Uttarakhand) would be paid as per normal practice and the remaining Rs.50 per quintal (Rs.40 per quintal in Uttarakhand) would be paid within three months after the end of the crushing season.
- ii. State Govt. of U.P. / Uttarakhand had announced financial assistance of Rs. 23.30/- per quintal of cane for the sugar season 2015-16 linked to average selling price of sugar and it's by-products and the average overall net revenue which is to be recommended by the Committee constituted by the Government of Uttar Pradesh / Uttarakhand.

In case of Uttarakhand the same has already been approved by the Committee and first installment @ Rs. 13.30/- qtl has already been released by the Government.

- iii. U.P. and Uttarakhand Government also granted additional concessions/ reliefs of Rs.11.70 per quintal of cane to the millers for the season 2015-16 covering the following heads:

	Rs. (Per Qtls)
Waiver of Entry Tax on sugar	Rs. 2.80
Waiver of cane purchase tax	Rs. 2.00
Waiver/ reimbursement of Society Commission	Rs. 6.90
Total	Rs. 11.70

- iv. Central government has notified a production subsidy @ Rs 4.50/-qtl on cane based on completion of Export Quota and production of Ethanol of 80% of target. However this subsidy was later on discontinued in the month of June 2016.

Apart from the Cane Development Activities like varietal replacement, change in pattern of sowing, ratoon management etc. company is further strengthening the cane development activities by way of development of in house agri research centre, integrated pest management programme, Soil testing facilities, encouraging use of Bio fertilizers and Bio pesticides and training facilities for the farmers and the cane development staff. These efforts will produce the desired result in the form of improved recovery and higher crush during the coming Sugar season 2016-17.

From the month of March 2016 onwards, the price of Sugar has stabilised as compared to previous season.

Co-generation Division

During the period under review, your company produced 1,460.60 lakhs KWH units of power as compared to 1,842.64 lakhs units of power in the year 2014-2015 (12 M). Out of total production, your company exported 742.82 lakhs KWH units to UPPCL/UPCL for a total amount of Rs. 3,676.96 lakhs against 992.49 lakhs KWH for an amount of Rs. 4,532.27 lakhs in the previous year.

The company has been awarded 32,009 units of REC for all its four units and these REC units are tradeable and an additional source of revenue to your company. During the F.Y.15-16 Company traded 29,805 units of REC for Rs. 447.07 lacs.

Uttam Sugar Mills Limited

Company has installed Bagasse Dryer at Barkatpur unit and successful trial has been completed by the company. With the installation of Bagasse Dryer, Power Export and Bagasse saving will increase and hence, higher revenue is expected.

Distillery Division

Your company has a Distillery with an installed capacity of 75 KLPD at Barkatpur (Distt. Bijnor) in the State of Uttar Pradesh. During the year under review 135.76 lakhs bulk litres (BL) of industrial alcohol produced as compared to 120.42 lakhs bulk litres in the year 2014-15 (12 M) and your company sold 137.59 lakhs bulk litres industrial alcohol (including Ethanol) as compared to 90.87 lakhs bulk litres in the previous year.

During the year CO₂ extraction plant was installed at Distillery with the collaboration of third party. CO₂ gas produced and sold of 20.79 lakh kg amounting to Rs 52 lakh during the year.

Future Outlook

Sugar industry association has requested the State Government for fixing of cane price based on the revenue sharing of realisation from sugar and by-products. For the last few months the price of Sugar has stabilised both at International and Domestic level.

The Central Government is considering to increase the blending % of Ethanol in Petrol from 5% to 10%. This will improve the demand of Ethanol. Excise exemption on Ethanol will further increase the realization of Ethanol.

DIVIDEND

In view of the losses incurred during the previous financial years and carried forward losses, your Directors are unable to recommend any dividend.

The Dividend on Cumulative Redeemable Preference Shares (Series I - 6.5% and Series II - 10%) are being accumulated and will be paid when adequate profits will be generated to wipe off the carried forward losses.

FIXED 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, 2016.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Kumar Neel Lohit, Nominee Director (DIN: 06504417) of the Company retire by rotation and being eligible, offers himself for reappointment. The Board recommends the re-appointment of Mr. Kumar Neel Lohit as Director in the ensuing AGM of the Company. Brief profile of Mr. Kumar Neel Lohit and his Qualification, Experience alongwith the name of Companies in which he hold the Directorship and Public Companies in which he hold Chairmanship/membership of the Committees of the Board, as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given as Annexure to the Notice convening the Annual General Meeting.

During the year under review, Mr. Binod Kumar has been appointed as Nominee Director of Punjab National Bank w.e.f 13th February, 2016 in place of Mr. Bikash Narayan Mishra.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. in the preparation of Annual Accounts for the year ended 31st March, 2016, the applicable accounting standards had been followed with proper explanation relating to material departures;
- ii. we have selected appropriate accounting policies and have applied them consistently and, made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profits of the Company for the year ended on that date;
- iii. we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. we have prepared the annual accounts on a 'going concern' basis;

- v. we have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS

M/s B. K. Kapur & Co., Chartered Accountants, Ghaziabad, Statutory Auditors of the Company will retire at the forthcoming Annual General Meeting and are eligible for re-appointment. M/s B. K. Kapur & Co., was appointed as Statutory Auditors for a tenure of three years, i.e. till the conclusion of 22nd Annual General Meeting to be held in the year 2017. In view of due compliance of the provisions of Section 139(1), their continuance of appointment is required to be ratified by the members of the Company in the ensuing Annual General Meeting. Therefore, your Directors recommend ratification of appointment of M/s B. K. Kapur & Co., Chartered Accountants as Statutory Auditors in the ensuing Annual General Meeting.

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

Auditors' Observations

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

1. Emphasis of Matter

- In respect of observation under Emphasis of Matter in the Auditors Report your Directors wish to state that the company has continued recognition of Deferred Tax Assets of Rs. 14,104 Lacs on unabsorbed business losses and unabsorbed depreciation. Significant losses in last few years indicate uncertainty as regards realization of such Deferred Tax Assets. The Company's Management is of the view that due to improved sugar recovery supported by cane development activities, increase in sugar prices and initiatives taken by the government, it has become reasonable that sufficient taxable income will be available against which such deferred tax assets can be realized.
 - In respect of observation under Emphasis of Matter in the Auditors Report, regarding preparation of account ongoing concern basis despite substantial erosion of net worth of the company, your Directors wish to state that the company has generated profits during the third quarter and for year ended on 31st March, 2016.
2. Observation in Para 1 of Annexure to the Report relating to the title deeds of the immovable property not in the name of the Company in few cases, your Directors wish to state that the necessary action is being taken by the Company.
 3. Observation in Para 8 of Annexure to the Report relating to delays in the repayment of installment/ interest to the Banks, there has been liquidity problems due to losses incurred by the company during the previous financial years.
 4. Observation in Para 11 of Annexure to the Report relating to approval of managerial remuneration amounting to Rs.1.50 lacs to Executive director of the Company, your Directors wish to state that the Company has applied for the approval of Central Government and the same has already been obtained vide Central Government's approval letter no. SRN C76928472/3/2016-CL.VII dated 24th May, 2016.

COST AUDITORS

The Board on the recommendation of the Audit Committee has re-appointed M/s M. K. Singhal & Company (Firm Regn. No. 00074), Cost Accountants, to audit the Cost Accounting records relating to Sugar, Cogeneration and Industrial Alcohol for Financial Year 2016-17.

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

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, amended upto date and other applicable provisions, if any, the Company has appointed M/s N K Rastogi & Associates (Firm Regn. No. 3785), Practicing Company

Uttam Sugar Mills Limited

Secretaries, to do Secretarial Audit of the Company for the Financial Year 2015-16. The Secretarial Audit Report for the financial year ended 31st March, 2016 is attached and marked as “**Annexure-I**” and forms part of the Board’s Reports. The observation made by the Secretarial Auditors in their report are self explanatory and therefore do not call for any further explanations/comments. The Secretarial Auditors’ Report does not contain any qualification, reservation or adverse remark.

MEETINGS

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

AUDIT COMMITTEE

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

EXTRACT OF ANNUAL RETURN

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

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

NOMINATION & REMUNERATION COMMITTEE

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

BOARD EVALUATION

As per the provisions of the Companies Act, 2013 a formal annual evaluation needs to be made by the Board of its own performance and of its committees and other individual directors. Performance evaluation of independent directors shall be done by the entire Board of Directors and criteria for performance evaluation is required to be framed by Nomination and Remuneration Committee. Accordingly, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of its committees comprising of audit, nomination & remuneration and other committees. The detailed analysis of performance evaluation is incorporated under Nomination and Remuneration head in Corporate Governance Report.

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

The Company has not given any loan or made any investment during the period under review in terms of section 186 of the Companies Act, 2013. However, the Company has provided guarantee in favour of IDBI Bank Ltd. for the Crop Loan given to cane growers under Corporate Tie-up Scheme, the details whereof are given in the accompanying Financial Statement under Note. No. 29.

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

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

PARTICULARS OF EMPLOYEES

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

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

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

INTERNAL FINANCIAL CONTROLS

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

EROSION OF NETWORTH OF THE COMPANY

As per the Audited Accounts of the Company for the financial year ended 30th June, 2015 the accumulated losses of your Company amounting to Rs 282.90 crores has resulted in erosion of more than 50% of its peak net worth during the four financial years immediately preceding the previous financial year. Hence, the Company has become a 'Potential Sick Company' as per the provisions of Sick Industrial Companies (Special Provisions) Act, 1985. Accordingly, such erosion and its causes were submitted before the shareholders of the Company in the Extra Ordinary General Meeting held on 26th February 2016. The same fact of erosion was also reported to Board for Industrial and Financial Reconstruction (BIFR).

We wish to inform you that we have taken various measures/steps for the improvement of Net Worth of the Company and impact of the same is also reflecting in the Audited accounts of the Company for the current financial year. These measures are expected to go a long way in improving the performance of the Company and we are committed to create long term value for the Shareholders.

LISTING AGREEMENT

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was issued by Securities and Exchange Board of India (SEBI), on 02nd September, 2015 and the same was applicable from 01st December, 2015. With the commencement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all the provisions of earlier Listing agreement was rescinded. Accordingly, all listed entities were required to enter into the new Listing Agreement within six months from the effective date. Accordingly, the Company entered into Listing Agreement with BSE Limited and the National Stock Exchange of India Limited.

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

With the enactment of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with various clarifications issued by the Ministry of Corporate Affairs, every Company having the net worth of Rs. 500 Crores or more or turnover of Rs. 1000 Crores or more or net profit of Rs. 5 Crores or more during any financial year have to spend at least 2% of the average net profit of the Company made during the three immediately preceding financial years.

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

Your Company has incurred losses for the financial year 2013-14, 2014-15 and meagre profit of Rs. 5.46 Crores for the financial year 2012-13. Since the aggregate of profit of previous three financial years is negative, your company was not required to spend any amount on Corporate Social Responsibility Activities during the financial year 2015-16.

RISK MANAGEMENT POLICY

The Company has a Risk Management policy to identify and evaluate Business Risk and opportunity of Risk Management to minimize the adverse impact on Business Objectives and enhancement the 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 have already been incorporated in the Management discussions and analysis report.

SUBSIDIARY COMPANIES

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

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

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

CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under regulation 34 (3) read with Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms an integral part of this Report. As per regulation 34 (3) read with Schedule V(E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Certificate from a Practicing Company Secretary forms part of the Annual report are attached hereto and forms part of this Report and marked as "Annexure-V".

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

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

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

**Place : Noida
Date : 11th August, 2016**

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

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

(Annexure – I)

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule
No.9 of the Companies (Appointment and Remuneration Personnel)

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

To,

The Members,

Uttam Sugar Mills Limited

Village Libberheri,

Tehsil Roorkee,

District Haridwar,

Uttarakhand – 247 667

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31st, 2016 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, 2016 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, 1992/2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period under review);**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the Audit Period under review);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period under review);**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the Company during the Audit Period under review);**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period under review);**

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- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period under review);** and
- (i) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,
- (vi) Laws specifically applicable to the industry to which the Company specifically belongs, as identified by the management are:-

Sugar Industry

- a) Uttar Pradesh Sugarcane (Regulation of Supply and Purchase) Rules, 1954;
- b) Uttar Pradesh Sheera Niyantran Adiniyam, 1964;
- c) Uttar Pradesh Sheera Niyantran Niyamavali 1974;
- d) Sugar Cess Act, 1982;
- e) Levy Sugar Price Equalization Fund Act, 1976;
- f) Food Safety And Standards Act, 2006;
- g) Essential Commodities Act, 1955;
- h) Sugar Development Fund Act, 1982;
- i) Export (Quality Control and Inspection) Act, 1963;
- j) Agricultural and Processed Food Products Export Act, 1985; and
- k) Cost Accounting Records (Sugar) Amended Rules, 1997.

Co-Generation of Power

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

Industrial Alcohol

Cost Accounting Records (Industrial Alcohol) Rules, 1997.

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

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

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

We further report that:

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

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

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

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

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

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

Uttam Sugar Mills Limited

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
(C. P. No. - 3785)

Naveen K. Rastogi
Proprietor
Membership No. – FCS-3685

Place : Delhi
Date : 08th August, 2016

Annexure – A

[Annexure to the Secretarial Audit Report of M/s. Uttam Sugar Mills Limited for the Financial Year ended 31st March, 2016]

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

For N.K. RASTOGI & ASSOCIATES
Company Secretaries
(C. P. No. - 3785)

Naveen K. Rastogi
Proprietor
Membership No. – FCS-3685

Place : Delhi
Date : 08th August, 2016

(Annexure – II)
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2016
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.]
I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No	Name & Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Sugar	10721	87.44

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES-

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

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

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	28,603,585	-	28,603,585	75.00	28,603,585	-	28,603,585	75.00	-
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	560,723	-	560,723	1.47	560,723	-	560,723	1.47	-
C) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	560,723	-	560,723	1.47	560,723	-	560,723	1.47	-
(2) Non Institutions									
a) Bodies corporates	-	-	-	-	-	-	-	-	-
i) Indian	966,561	1,060,087	2,026,648	5.31	1,447,204	721,087	2,168,291	5.69	0.37
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	4,079,325	27,668	4,106,993	10.77	3,913,606	17,668	3,931,274	10.31	(0.46)
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1,836,740	816,500	2,653,240	6.96	1,781,727	643,500	2,425,227	6.36	(0.60)
c) Others (specify)									
i) Clearing Member	40,533	-	40,533	0.11	148,468	-	148,468	0.39	0.28
ii) Non-Resident (Repat)	38,769	-	38,769	0.10	32,986	-	32,986	0.09	(0.02)
ii) Non-Resident (Non-Repat)	107,619	-	107,619	0.28	115,378	-	115,378	0.30	0.02
iii) Trust	10	-	10	0.00	31	-	31	0.00	0.00
iv) Huf	-	-	-	-	152,157	-	152,157	0.40	0.40
SUB TOTAL (B)(2):	7,069,557	1,904,255	8,973,812	23.53	7,591,557	1,382,255	8,973,812	23.53	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	7,630,280	1,904,255	9,534,535	25.00	8,152,280	1,382,255	9,534,535	25.00	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	36,233,865	1,904,255	38,138,120	100.00	36,755,865	1,382,255	38,138,120	100.00	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
(A) Promoters								
1	Raj Kumar Adlakha	1,624,610	4.26	4.26	1,624,610	4.26	4.26	-
2	Rajan Adlakha	367,010	0.96	0.96	367,010	0.96	0.96	-
3	Ranjan Adlakha	1,492,550	3.91	3.91	1,492,550	3.91	3.91	-
4	Uttam Industrial Engineering Pvt. Ltd	2,750,000	7.21	-	2,750,000	7.21	7.21	-
5	Uttam Sucrotech Limited	314,267	0.82	-	314,267	0.82	0.79	-
6	Lipi Boilers Private Limited	3,515,000	9.22	-	3,515,000	9.22	7.74	-
	Total (A)	10,063,437	26.39	9.14	10,063,437	26.39	24.87	-
(B) Promoter Group (Relatives & Associates)								
7	Sonia Adlakha	10	0.00	-	10	0.00	-	-
8	Shomna Adlakha	870,410	2.28	-	870,410	2.28	-	-
9	Ranjana Chopra	373,300	0.98	-	373,300	0.98	-	-
10	Balram Adlakha	3,100	0.01	-	3,100	0.01	-	-
11	Jai Adlakha	4,200	0.01	-	4,200	0.01	-	-
12	Bharat Adlakha	166,500	0.44	-	166,500	0.44	-	-
13	Saieesha Adlakha	166,500	0.44	-	166,500	0.44	-	-
14	Rajni Babbar	139,910	0.37	-	139,910	0.37	-	-
15	Shanta	60,000	0.16	-	60,000	0.16	-	-
16	Raj Kumar Adlakha Karta of Raj Kumar Adlakha (HUF)	4,104	0.01	-	4,104	0.01	-	-
17	Uttam Adlakha & Sons Holdings Pvt Ltd.	16,301,224	42.74	-	16,301,224	42.74	-	-
18	Shubham Sugars Limited	70,240	0.18	-	70,240	0.18	-	-
19	New Castle Finance and Leasing Pvt. Ltd.	380,650	1.00	-	380,650	1.00	-	-
	Total (B)	8,540,148	48.61	-	18,540,148	48.61	-	-
	Total (A + B)	28,603,585	75.00	9.14	28,603,585	75.00	24.87	-

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	28,603,585	75.00	28,603,585	75.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change		No Change	
	At the End of the year	28,603,585	75.00	28,603,585	75.00

(iv) **SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year					
1	Punjab National Bank	560,723	1.47	560,723	1.47
2	Vedicera Services Private Limited	565,620	1.48	565,620	1.48
3	NSM Consultants Private Limited	250,000	0.66	250,000	0.66
4	Lata Holdings Private Limited	247,444	0.65	247,444	0.65
5	Neoworth Vyapaar Private Limited	247,443	0.65	247,443	0.65
6	Yogesh Chopra	212,300	0.56	212,300	0.56
7	Jai Babbar	195,000	0.51	195,000	0.51
8	Virender Kumar	175,000	0.46	175,000	0.46
9	Rajat Dua	173,000	0.45	173,000	0.45
10	Rajesh Kakkar	170,000	0.45	170,000	0.45
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
1	Vedicera services Pvt. Ltd.(149,620 Equity Shares sold on : Date No. of shares sold 13.11.2015 25,000 16.11.2015 75,000 17.11.2015 49,620	149,620	0.39	149,620	0.39
At the End of the year (or on the date of separation, if separated during the year)					
1	Punjab National Bank	560,723	1.47	560,723	1.47
2	Vedicera Services Private Limited	416,000	1.09	416,000	1.09
3	NSM Consultants Private Limited	250,000	0.66	250,000	0.66
4	Lata Holdings Private Limited	247,444	0.65	247,444	0.65
5	Neoworth Vyapaar Private Limited	247,443	0.65	247,443	0.65
6	Yogesh Chopra	212,300	0.56	212,300	0.56
7	Jai Babbar	195,000	0.51	195,000	0.51
8	Virender Kumar	175,000	0.46	175,000	0.46
9	Rajesh Kakkar	170,000	0.45	170,000	0.45
10	Sohan Lal Arora	137,000	0.36	137,000	0.36

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Raj Kumar Adlakha, Managing Director	1,624,610	4.26	1,624,610	4.26
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change		No Change	
	At the End of the year				
	Raj Kumar Adlakha, Managing Director	1,624,610	4.26	1,624,610	4.26

V INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	66,041.50	809.49	-	66,850.99
ii) Interest due but not paid	555.96	273.80	-	829.76
iii) Interest accrued but not due	268.10	-	-	268.10
Total (i+ii+iii)	66,865.56	1,083.29	-	67,948.85
Change in Indebtedness during the financial year				
* Addition	11,092.60	19.70	-	11,112.30
* Reduction	(16,367.44)	-	-	(16,367.44)
Net Change	(5,274.84)	19.70	-	(5,255.14)
Indebtedness at the end of the financial year				
i) Principal Amount	61,292.05	809.49	-	62,101.54
ii) Interest due but not paid	194.31	293.50	-	487.81
iii) Interest accrued but not due	104.36	-	-	104.36
Total (i+ii+iii)	61,590.72	1,102.99	-	62,693.71

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1	Gross Salary	Raj Kumar Adlakha, MD	Ashok Kr Agarwal, WTD	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	6.50*	19.94	26.44
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0	10.15	10.15
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	6.50	30.09	36.59
	Ceiling as per the Act	Minimum Remuneration as per the Act		

* This represents remuneration of 2 (two) months, i.e. July and August, 2015.

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	R. Vasudevan	G. S. Matta	N.K. Sawhney	Rutuja Rajendra More	
	Fee for attending board & committee meetings	60,000	60,000	60,000	30,000	210,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	60,000	60,000	60,000	30,000	210,000
2	Other than Non-Executive Directors	Bikash Nayaran Mishra*	Binod Kumar**	Kumar Neel Lohit		
	Fee for attending board & committee meetings	20,000	10,000	20,000		50,000
	Commission	-	-	-		-
	Others, please specify	-	-	-		-
	Total (2)	20,000	10,000	20,000		50,000
	Total (B)=(1+2)					260,000
	Total Managerial Remuneration					
	Overall Ceiling as per the Act	Minimum Remuneration as per the Act				

* Resigned w.e.f. 13th February, 2016

** Appointed w.e.f. 13th February, 2016

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	13.50	17.33	30.83
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	2.88	9.35	12.23
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	16.38	26.68	43.06

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

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

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

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

Place: Noida

Date : 11th August, 2016

(Annexure – III)

PARTICULARS OF REMUNERATION

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

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

- (a) The median remuneration of employees of the Company during the financial year was Rs. 1.68 Lacs. The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company for the financial year 2015-16 are as under:

Directors	Designation	Remuneration of Directors in Financial Year 2015-16 (Rs. In Lacs)	Ratio of Remuneration to Median Remuneration of Employees
Mr. Raj Kumar Adlakha	Managing Director	6.50*	3.879
Mr. Ashok Kumar Agarwal	Whole-Time Director	30.09	17.957
Dr. R. Vasudevan	Independent Director	0.60	0.358
Mr. G. S. Matta	Independent Director	0.60	0.358
Mrs. Rutuja Rajendra More	Independent Director	0.30	0.179
Mr. N. K. Sawhney	Independent Director	0.60	0.358
Mr. Bikash Narayan Mishra	Nominee Director-PNB	0.20	0.119
Mr. Kumar Neel Lohit	Nominee Director-IDBI Bank	0.20	0.119
Mr. Binod Kumar	Nominee Director-PNB	0.10	0.060

* This represents remuneration of 2 (two) months, i.e. July and August, 2015.

- (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 2014-15 (9 Months*)	Remuneration of KMP in Financial Year 2015-16 (9 Months)	% Increase/ (Decrease) in remuneration
Mr. Raj Kumar Adlakha (MD)	34.25	6.50	(81.01)%
Mr. Ashok Kumar Agarwal (WTD)	28.57	30.09	5.32%
Mr. Sanjay Bhandari (CFO)	24.30	26.69	9.85%
Mr. Gopalaiyer Ramarathnam (CS)	15.39	16.38	6.43%

* The remuneration of KMP's for the last financial year 2014-15 has been taken proportionately for 9 months i.e. from 01st July 2014 to 31st March, 2015.

- (c) The percentage increase/(decrease) in the Median Remuneration of Employees in the financial year was (13.55)%.
- (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, 2016 was 586.
- (e) Average percentage increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:

The average increase/(decrease) in salaries of employees in 2015-16 was (2.53)%. Percentage increase/(decrease) in the Managerial Remuneration for the year was (41.80)%. Since there is a decrease in the remuneration of employees and Managerial Remuneration, justification is not required.

- (f) Affirmation that the Remuneration is as per the Remuneration Policy of the Company

The Company affirms that the Remuneration paid during the year were 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 the Employee	Remuneration Drawn (In lacs)
1	Mr. Ashok Kumar Agarwal	30.09
2	Mr. Sanjay Bhandari	26.85
3	Mr. Narpal Singh	24.48
4	Mr. Mahesh Chand Sharma	24.39
5	Mr. Pramod Kumar Awasthi	24.11
6	Mr. Shankar Lal Sharma	22.97
7	Mr. Asif Iqbal	22.50
8	Mr. J. P. Tripathi	18.07
9	Mr. I. Rajarathiraman	16.97
10	Mr. V. K. Gupta	16.53

- b) Name of employee employed throughout the financial year and was in receipt of remuneration One Crore Two Lacs rupees or more: **Nil**
- c) Name of employee employed for a part of the financial year and was in receipt of remuneration less than Eight Lacs 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**

(Annexure IV)

A) Conservation of Energy :-

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

- a) Installed 8 nos. VFDs in different Pumps for saving the Energy.
- b) Conversion of existing evaporator system (DEVIC + Quad) into quintuple effect evaporator system to reduce steam consumption.
- c) Installed additional LT capacitor in Boiling House and Drier House for improvement of Power factor so as to minimize power consumption.
- d) Automation of Raw melter brix control to avoid the lower brix of melt and save steam at pan boiling.
- e) Installed 1250 M² evaporator to avoid the lower crushing during cleaning for saving the steam and power.
- f) 01 no. PTHE is installed for super heated wash water heating by exhaust steam in place of 7 kg/cm² steam.
- g) All continuous machine washing and massecuite pump done by exhaust steam in place of 7 kg steam.
- h) 600 KVAR, 3 phase capacitor bank installed at various sections to improve the P.F./ efficiency of electrical machines and power saving.
- i) Two Nos. lighting high height towers installed with 04 nos. HPSV lamps 250 watt instead of approx 16 nos. street light of 250 watt HPSV.
- j) CBD flashing vapours used at De-superheating of feed water instead of exhaust steam due to this 2-3 ton exhaust steam is saved.
- k) We have in house developed Bagasse Dryer as per latest technology, as a part of our research and development program. This equipment will help us to generate and export higher amount of renewable energy out of same biomass fuel available with us.
- l) Upgrading our boiling house to handle higher sugar production upto 13% recovery on cane, as a result of our extensive cane development program.
- m) Changing the boiling scheme, in order to reduce steam consumption in our process house.

(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.

iii) The capital investment on energy conservation equipments : Rs. 4.65 Crore

B) Technology Absorption :-

i) The efforts made towards technology absorption.

- a) The Company is using well proved indigenous technology.

ii) The benefits derived.

- a) Our Company has carried out extensive sugar cane development activities during the Financial Year 2015-16 :-
 - Rearing of speed nurseries of new improved varieties for varietal replacement;
 - Pest control measures to protect cane from disease;
 - Distribution of fertilizers and measures for healthy development & growth of sugarcane.
- b) In addition to sugar cane development the company has also started to produce Pharma Grade Sugar.

iii) Details regarding imported technology (imported during last three years reckoned from the beginning of the financial year) :

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

iv) Expenditure incurred on Research & Development - Rs. NIL

(C) Foreign Exchange Earnings and outgo

(Rs. In Lacs)

PARTICULARS	Period Ended	
	31.03.2016	30.06.2015
Earnings Export Sales	75.26	Nil
Outgo:- Foreign Travelling and Legal & Professional charges	3.08	21.34



CORPORATE GOVERNANCE REPORT 2015-16

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 Companies act, 2013, Listing Regulations, and other applicable rules & bye laws. The details of compliances are as follows:-

2. BOARD OF DIRECTORS

A. Composition of the Board: -

The Board of Directors of the Company comprises of 8 (Eight) Directors. Out of them two are Executive Directors, four Non-Executive Independent Directors and two Non-Executive Nominee Directors. The Board of the Company is duly constituted as per the requirements of Companies Act, 2013 read with rule made thereunder and Listing Regulations. The composition and category of Directors of the Company are as follows:

Name of Director(s)	Designation	Category
Mr. Raj Kumar Adlakha	Managing Director	Promoter/ Executive
Mr. Ashok Kumar Agarwal	Whole Time Director	Non-Promoter/Executive
Dr. R. Vasudevan	Director	Non-Executive/Independent
Mr. G. S. Matta	Director	Non-Executive/Independent
Mr. Narendra Kumar Sawhney	Director	Non-Executive/Independent
Mrs. Rutuja Rajendra More	Director	Non-Executive/Independent
Mr. Binod Kumar*	Nominee-Director – PNB	Non-Executive
Mr. Kumar Neel Lohit	Nominee-Director – IDBI Bank Limited	Non-Executive

* Mr. Binod Kumar has been appointed as Nominee Director of Punjab National Bank w.e.f 13.02.2016 in place of Mr. Bikash Narayan Mishra (resigned w.e.f 13.02.2016).

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

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

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

During the Financial Year 2015-16, 3 (Three) Board Meeting were held and all the meeting of the Board were convened as per the requirements of Companies Act and other applicable laws. Director's attendance at the Board meeting and in the Last AGM along with Directorship in other Companies and chairmanship/membership in other Committees are as follows

Name of Director(s)	No. of Board Meetings Attended	Last AGM Attended
Mr. Raj Kumar Adlakha	3	Yes
Mr. Ashok Kumar Agarwal	3	Yes
Dr. R. Vasudevan	3	Yes
Mr. G. S. Matta	3	Yes

Name of Director(s)	No. of Board Meetings Attended	Last AGM Attended
Mr. Narendra Kumar Sawhney	3	Yes
Mrs. Rutuja Rajendra More	3	Yes
Mr. Bikash Narayan Mishra*	2	No
Mr. Binod Kumar**	1	NA
Mr. Kumar Neel Lohit	2	No

* Resigned w.e.f. 13.02.2016

** Appointed w.e.f. 13.02.2016

C. Number of other board of directors or committees in which director is a member or chairperson:

Name of Director(s)	No. of Other Directorships ¹ and Committee Memberships/Chairmanships		
	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Raj Kumar Adlakha	3	3	3
Mr. Ashok Kumar Agarwal	-	2	-
Dr. R. Vasudevan	-	3	2
Mr. G. S. Matta	1	5	1
Mr. Narendra Kumar Sawhney	1	1	-
Mrs. Rutuja Rajendra More	-	-	-
Mr. Bikash Narayan Mishra*	-	-	-
Mr. Binod Kumar**	1	2	-
Mr. Kumar Neel Lohit	-	1	-

¹ Excludes viz. Private / Overseas Companies.

* Resigned w.e.f. 13.02.2016

** Appointed w.e.f. 13.02.2016

D. Details of Board Meetings held during the year ended 31st March, 2016 :

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.	19.08.2015	8
2.	14.11.2015	7
3.	13.02.2016	8

- The time gap between any two meetings did not exceed 120 Days.
- The last AGM was held on 30th December, 2015.

E. Relationships Between Directors:-

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

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

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

S. No.	Name of Director(s)	Shareholding
1.	Mr. Raj Kumar Adlakha	16,24,610 Eq. Shares 51,000 Pref. Shares
2.	Mr. Ashok Kumar Agarwal	Nil
3.	Dr. R. Vasudevan	Nil

S. No.	Name of Director(s)	Shareholding
4.	Mr. G. S. Matta	Nil
5.	Mr. Narendra Kumar Sawhney	Nil
6.	Mrs. Rutuja Rajendra More	Nil
7.	Mr. Binod Kumar	Nil
8.	Mr. Kumar Neel Lohit	Nil

G. Familiarization Programme for Directors

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

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

3. AUDIT COMMITTEE

A. Terms of Reference:-

The scope of functions and terms of references of the Audit Committee are as prescribed under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

B. Composition, Name of Members and Chairman:-

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

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

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

C. Meeting and Attendance:-

During the Financial Year 2015-16, 3 (Three) Audit Committee Meetings were held on 19.08.2015, 14.11.2015 and 13.02.2016. The attendance of the members is as follows:-

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

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

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

4. NOMINATION & REMUNERATION COMMITTEE

A. Terms of Reference

The Nomination and Remuneration Committee has been constituted pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company's Nomination & Remuneration committee is constituted to look into the matter relating to payment/review/revision of remuneration to the Directors.

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

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

Name	Designation	Category of Directorship
Dr. R. Vasudevan	Chairman	Non-Executive & Independent
Mr. G. S. Matta	Member	Non-Executive & Independent
Mr. Bikash Narayan Mishra*	Member	Non-Executive & Nominee
Mr. Binod Kumar**	Member	Non-Executive & Nominee

* Resigned w.e.f 13.02.2016

** Appointed w.e.f 13.02.2016

C. Details of the Meeting and attendance of Members:

During the Financial Year 2015-16, 1 (One) committee meeting was held on 14th November, 2015 attendance thereof is given below:

Name of Member	Attendance
Dr. R. Vasudevan	Present
Mr. G. S. Matta	Present
Mr. Bikash Narayan Mishra*	Present
Mr. Binod Kumar**	NA

* Resigned w.e.f 13.02.2016

** Appointed w.e.f 13.02.2016

D. Performance evaluation criteria for independent directors:

The Nomination and remuneration committee during the year has done the performance evaluation of every Director on the Board, including the Executive and Independent Directors. During the financial year, the Board adopted a mechanism for evaluation of its performance and as well as that of its Committee and individual Directors, including Chairman of the Board. Separate exercise was carried out to evaluate the performance of individual Directors, including the Chairman of the Board, who were evaluated on the parameters such as attendance, level of engagement and contribution, independence of judgement, competition challenges and meeting the risk management compliances and due diligence, financial control, safe guarding the interest of the company and its minority share holders.

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

5. REMUNERATION OF DIRECTORS:

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

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

A. Details of remuneration paid / payable to the Directors for the year ended 31st March, 2016 are as under :-

The remuneration paid to Managing Director, Whole Time Director and all other Non - Executives Directors of the Company for the financial year ended on 31st March, 2016 are as :-

(Rs. in lacs)

S. No.	Name of the Directors	Salary	Perquisites / Benefits	Commission / Bonus	Sitting Fee	Total (Rs.)	Service Contracts
1.	Mr. Raj Kumar Adlakha	6.50 ¹	-	-	-	6.50	Appointed As Managing Director upto 31.03.2018
2.	Mr. Ashok Kumar Agarwal	19.94	10.15	-	-	30.09	Appointed As W.T.D upto 31.12.2017
3.	Dr. R. Vasudevan	-	-	-	0.60	0.60	Appointed As Independent Director upto the AGM to be held in the year 2020
4.	Mr. G. S. Matta	-	-	-	0.60	0.60	Appointed As Independent Director upto the AGM to be held in the year 2020
5.	Mr. Bikash Narayan Mishra*	-	-	-	0.20	0.20	N.A. (Ceased w.e.f 13.02.2016)
6.	Mr. Kumar Neel Lohit	-	-	-	0.20	0.20	Appointed As Nominee Director of IDBI
7.	Mr. N K Sawhney	-	-	-	0.60	0.60	Appointed As Independent Director upto the AGM to be held in the year 2019
8.	Mrs. Rutuja Rajendra More	-	-	-	0.30	0.30	Appointed As Independent Director upto the AGM to be held in the year 2019
9.	Mr. Binod Kumar**	-	-	-	0.10	0.10	Appointed As Nominee Director of PNB

¹ This represents remuneration of 2 (two) months, i.e. July and August, 2015.

* Resigned w.e.f 13.02.2016.

** Appointed w.e.f 13.02.2016.

B. Disclosures as required under Schedule V & SEBI (LODR) Regulations, 2015

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

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

During the Financial Year 2015-16, 4 (Four) committee meetings were held.

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

During the year 2015-16, 1 (One) complaint was received from Shareholders and the same has been resolved. There were no pending complaints as on 31st March, 2016. Other details pertaining to the Stakeholders Committee are given below:

a)	Name of Chairman heading the Committee	Dr. R. Vasudevan (Non Executive Independent Director)
b)	Name & Designation of Compliance Officer	Mr. G. Ramarathnam (Chief – Legal and Corporate Affairs & Company Secretary)
c)	Number of shareholders' complaints received so far	1
d)	Number not solved to the satisfaction of shareholders	NIL
e)	Number of pending complaints	NIL

7. GENERAL BODY MEETINGS

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

Meeting	Date	Venue of AGM	Time	Special Resolution Passed
18 th AGM	19.09.2013	Village Libberheri, Tehsil Roorkee, Distt. Haridwar Uttarakhand	12.00 Noon	➤ Increase in remuneration of Whole Time/Executive Director from 01.04.2013 to 13.02.2015.
19 th AGM	15.12.2014	Village Libberheri, Tehsil Roorkee, Distt. Haridwar Uttarakhand	12.30 Noon	➤ Re-appointment of Mr. Ashok Kumar Agarwal as a Executive/ Whole-time Director for a period w.e.f. 14 th February, 2015 to 31 st December, 2017. ➤ Re-appointment of Mr. Raj Kumar Adlakha as a Managing Director of for a period w.e.f. 01 st September, 2015 to 31 st March, 2018. ➤ Alteration in Articles of Association of the Company
20 th AGM	30.12.2015	Village Libberheri, Tehsil Roorkee, Distt. Haridwar Uttarakhand	12.00 Noon	➤ Appointment of Dr. Ramasamy Vasudevan (DIN: 00109908) as an Independent Director of the Company. ➤ Appointment of Mr. Gurbachan Singh Matta (DIN: 02612602) as an Independent Director of the Company. ➤ Adoption of new set of Articles of Association ➤ Revision/Increase in Remuneration of Mr. Ashok Kumar Agarwal (DIN: 05199585), Whole Time Director.

b) Resolution passed through Postal Ballot

During the current financial year i.e. 2015-16, the Company has not passed any Resolution through Postal Ballot. However Company has passed one Ordinary Resolution in the Extra Ordinary general Meeting held on 26th February, 2016 in respect of Erosion in the Net Worth of The Company.

No special resolution is proposed to be conducted through postal ballot at the forthcoming AGM to be held on 16th September, 2016.

8. Means of Communication

The Company is publishing quarterly unaudited / annual audited financial results, notice, advertisement and other official news in the “The Financial Express” and “Himachal Times” and “Naya India” (vernacular language) regularly. The results are also displayed/uploaded on the Company’s website: www.uttamsugar.in.

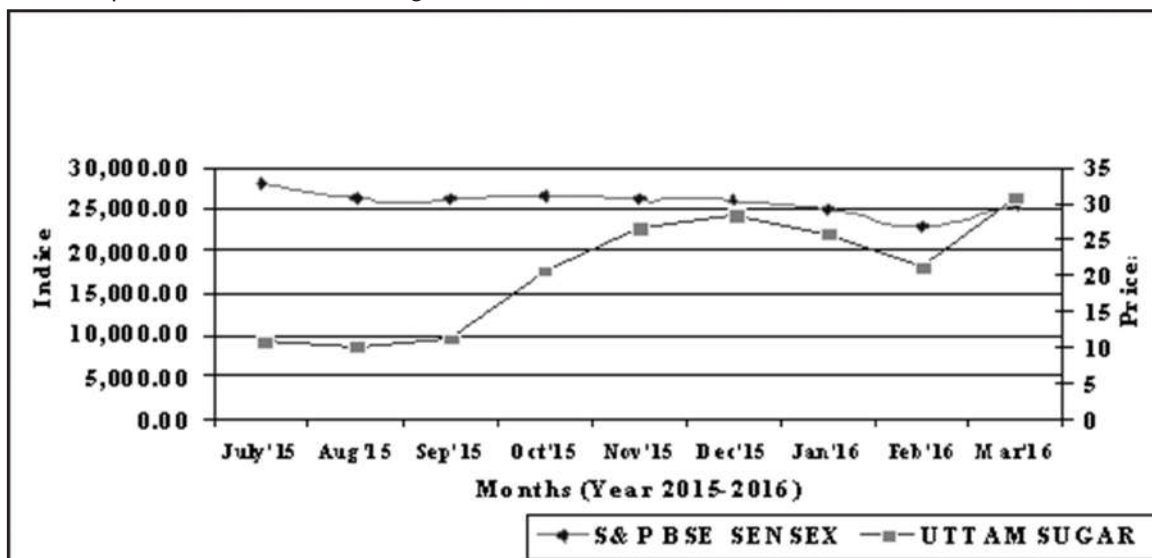
9. General Shareholder Information

a)	AGM Date, time and venue	Friday, 16 th September, 2016 at 12.00 Noon at Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand
b)	Financial Year	1 st July, 2015 to 31 st March, 2016
	Financial Calendar 2016-17 (Tentative Schedule) Results for quarter ending : i. 30 th June, 2016 ii. 30 th September 2016 iii. 31 st December 2016 iv. 31 st March 2017	On or before 14 th day of August, 2016 On or before 14 th day of November, 2016 On or before 14 th day of February, 2017 On or before 30 th day of May, 2017
	Book Closure Date	Friday, 09 th September, 2016 to Friday, 16 th September, 2016 (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. 2015-16 & F.Y. 2016-17
e)	Stock Code National Stock Exchange of India Ltd. BSE Limited	UTTAMSUGAR 532729

**f) Market Price Data High/ Low during each month of the Financial Year 2015-16:
(BSE Limited)**

Month	High (Rs.)	Low (Rs.)
July'15	12.42	9.51
August'15	12.00	9.41
September'15	12.29	9.62
October' 15	21.85	10.51
November' 15	34.40	18.05
December' 15	31.60	25.25
January'16	33.90	25.10
February'16	27.25	16.55
March'16	34.35	21.35

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



h) Suspension from trading	There was no suspension of trading of equity shares of the Company ordered by BSE & NSE.
i) Registrars and Share Transfer Agents (for physical & demat shares)	Link Intime India Private Limited 44 Community Center, 2nd Floor, Naraina Industrial Area, Phase I, New Delhi – 110 028. Tel. :- 011-4141 0592-94 Telefax :- 011-4141 0591 Email: delhi@linkintime.co.in
j) Share transfer system	Share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are complete in all respects.

k) Distribution of Equity Shareholding as on 31st March, 2016

(i) Category of Equity Shareholders as on 31.03.2016

S. No	Category of Shareholder	Total Number of Equity Shares	% of Shares
(A)	Shareholding of Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals/ Hindu Undivided Family	52,72,204	13.82
(b)	Bodies Corporate	2,33,31,381	61.18
(2)	Foreign	-	-
	Total Shareholding of Promoter and Promoter Group (A)	2,86,03,585	75.00
(B)(1)	Public Shareholding Institutions		
(a)	Financial Institutions/ Banks	560,723	1.47
(b)	Foreign Institutional Investors	-	-
	Sub-Total (B)(1)	560,723	1.47

(B)(2)	Non-Institutions		
(a)	Bodies Corporate	21,68,291	5.68
(b)	Individuals :		
(i)	Individual Shareholders holding nominal share capital up to Rs. 1 lakh	39,31,274	10.31
(ii)	Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	24,25,227	6.36
(c)	Any others :		
(i)	Trust	31	0.00
(ii)	Foreign Nationals (Non Resident Indians)	1,48,364	0.39
(iii)	Clearing Members	1,48,468	0.39
(iv)	HUF	1,52,157	0.40
	Sub-Total (B)(2)	89,73,812	23.53
	Total Public Shareholding (B) = (B)(1) + (B)(2)	95,34,535	25.00
	TOTAL (A) + (B)	3,81,38,120	100.00

(ii) Distribution of Equity Shareholding as on the 31.03.2016

Sl. No.	No. of Equity Shares held	Number of Shareholders holding shares in each category		No. of shares held in each category	% of Equity Capital held in each category
		No.	%		
01.	1 to 500	18,484	91.3738	17,32,563	4.5429
02.	501 to 1,000	903	4.4639	7,16,407	1.8785
03.	1,001 to 2,000	403	1.9922	5,97,534	1.5668
04.	2,001 to 3,000	132	0.6525	3,40,170	0.8919
05.	3,001 to 4,000	49	0.2422	1,69,147	0.4435
06.	4,001 to 5,000	63	0.3114	2,85,820	0.7494
07.	5,001 to 10,000	98	0.4845	6,92,778	1.8165
08.	10,001 to above	97	0.4795	3,36,03,701	88.1105
	TOTAL	20,229	100.000	3,81,38,120	100.000

l) Dematerialization of shareholding and liquidity	As on March 31, 2016, 13,82,255 Equity Shares of the Company (3.624% of the total issued Equity Capital) were held in physical form and 3,67,55,865 Equity Shares (96.376% of the total issued Equity Capital) were held in dematerialized form. Registrar and Transfer Agents are appointed for transfer of shares in physical mode.
m) Outstanding GDRs/ADRs/ Warrants or any Convertible instruments	Not Applicable
n) Commodity price risk or foreign exchange risk	Nil
o) Plant locations	Unit - I Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand Unit - II Village Barkatpur, Tehsil Nazibabad, District Bijnor, U.P. Unit - III Village Khaikheri, Tehsil & District Muzzaffarnagar, U.P. Unit - IV Village Shermau, Tehsil Nakur, Distt: Saharanpur, U.P.

p) Address for correspondence	<p><u>Registrar & Share Transfer Agent</u> (For Dematerialisation and Share Transfer related query) Link Intime India Private Limited 44 Community Center, 2nd Floor, Naraina Industrial Area, Phase I, New Delhi – 110 028. Tel. :- 011-4141 0592-94 Telefax :- 011-4141 0591</p> <p><u>Company</u> (For Annual Report and any other related matters) Company Secretary, Uttam Sugar Mills Ltd. A-2E, IIIrd Floor, C.M.A. Tower, Sector – 24, Noida (U.P.)</p>
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10. Disclosure

- There have been no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management or relatives etc. which may have potential conflict with the interests of the Company at large.
- There have been no instances of non-compliance with any of the legal provisions of law made by the Company nor any penalty or strictures imposed by the stock exchange or SEBI or any other statutory authority on any matter related to the capital markets during the last 3 years.
- The Company has in place vigil mechanism and whistle blower policy under which employees can report any violations of applicable laws and regulations and the Code of Conduct of the Company. Vigil Mechanism of the Company provides adequate safeguards against victimization of persons who use such mechanism and no personnel have been denied access to the Audit Committee.
- The Company has complied with all the mandatory requirements of Listing Regulations.
- The company does not have any Subsidiary Company. Therefore, policy for determining 'material' subsidiaries is not required to be framed.
- The Company has in place Policy for Related Party Transaction and the same is placed on Company's website i.e. www.uttamsugar.in and weblink of the same is <http://uttamsugar.in/pdf/PolicyonRelatedPartyTransaction.pdf>.
- Information pertaining to the disclosure of commodity price risks and commodity hedging activities is not applicable to the Company.
- A qualified Practicing Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Ltd, (NSDL) and Central Depository Services (India) Ltd, (CDSL) and the total issued and listed capital. The said Audit Report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

11. Non-compliance of any requirement of corporate governance report of sub - paras (2) to (10)

It is to confirm that the Company has not incurred any non compliance of any information contained in this Corporate Governance Report.

12. Adoption of Requirements as specified in Part E of Schedule II

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

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

13. 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.

14. Disclosure regarding Shares in Suspense Account

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

15. Independent Directors

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

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

Meeting of Independent Directors

As required by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a Meeting of the Independent Directors of the Company was convened on 13th February, 2016 to overlook and review the performance of Non Independent Directors and of the Board as a whole.

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.

16. Management Discussion and Analysis

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

17. CEO/CFO Certification

Mr. Raj Kumar Adlakha, Managing Director, Mr. S.L. Sharma, Head Accounts & Commercial and Mr. Sanjay Bhandari, Chief Financial Officer, have furnished a certificate relating to financial statements and internal control systems as per the format prescribed under Regulation 17(8) of the SEBI (LODR) Regulations, 2015 and the Board took the same on record.

18. Compliance Certification

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

19. CODE OF CONDUCTS

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

CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by Uttam Sugar Mills Ltd. for the financial year ended on 31st March, 2016 as stipulated in Regulation 27(1) & (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (earlier Clause 49 of the Listing Agreement).

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: 11.08.2016**

DECLARATION FOR COMPLIANCE OF CODE OF CONDUCT

The Shareholders,

I, Raj Kumar Adlakha, Managing Director, hereby declare that all the Board Members and Senior Management personnel have affirmed compliance with code of conduct of the Company during the financial year 2015-16.

**Place: Noida
Date : 11.08.2016**

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

CEO/CFO CERTIFICATION – FINANCIAL YEAR ENDED 31.03.2016**[Pursuant to Regulation 17(8) of the SEBI (LODR) Regulations, 2015]**

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

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

For UTTAM SUGAR MILLS LIMITED

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

(S. L. SHARMA)
HEAD ACCOUNTS & COMMERCIAL
(PAN: AGMPS8068E)

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

Place: Noida
Date: 11.08.2016

Annexure – VI

MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors are pleased to present its Management Discussion and Analysis Report as per Regulation 34 (2) (e) of the Disclosure guidelines for Corporate Governance.

A. INDUSTRY STRUCTURE & DEVELOPMENTS

Global Sugar Industry Scenario:

Global Sugar production in Sugar Season 2015/16 is 166.83 Million MT with a drop of 3.06% over 172.10 Million MT in Sugar Season 2014/15, largely led by the top two sugar producing countries i.e. Brazil and India.

Industry Facts:

- Sugar is one of the world's major agro-based 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 sugar beet.
- Brazil, India, EU, Thailand, China and U.S are the top global producers of Sugar.
- India, EU, China, Brazil & U.S are the major sugar consuming countries.
- India is the 2nd largest producer of sugar in the world after Brazil.
- ISO projects global deficit of over 5 million tons in 2015-16.
- India Share in World Sugar Production was approx 15 % in 2015-16.
- Brazil was largest exporter in sugar.
- Major export destinations for India in 2015-16 are Sudan, Somalia, UAE, and Myanmar.

Production, Consumptions and End Stocks:

The global sugar industry production is 166.83 Million MT in 2015/16 with a drop of 3.06% as compared to 2014/15. However in consumption there is slight increase by 0.20% to 171.85 Millions MT in 2015/16 as compared to 2014/15, resulting into inventory levels for the 2014/15 and 2015/16 at 76.74 Million MT and 71.85 Million MT respectively. There is a decrease in the closing stock to consumption ratio in 2015/16 at 41.81% as against 44.75% at the end of 2014/15.

World Sugar Balances (October/September)
(In Million MT, raw value)

Particulars	2015/16 (Estimates)	2014/15	2013/14	Change in 2015/16 over 2014/15	
				(Million MT)	(%)
Production	166.83	172.1	181.48	-5.27	-3.06
Consumption	171.85	171.5	176.75	0.35	0.20
Surplus/(Deficit)	-5.02	0.6	4.73	-5.62	-936.67
Import demand	56.73	56.4	52.87	0.33	0.59
Export availability	56.60	56.1	57.14	0.50	0.89
End Stocks	71.85	76.74	75.84	-4.89	-6.37
Stock/Consumption Ratio in %	41.81	44.75	42.91		

Source: International Sugar Organisation (ISO)

The global sugar market continues to under price Fluctuation. During last one year raw sugar price fluctuated immensely. In march 2015 the raw sugar price were 13.16 cents/lb which come down at lowest level of 11.5 cents/lb in September 2015 and thereafter increasing trend started and in March 2016 the Raw sugar price was 15.43 cents/lb. The main reasons for some price improvements are as under:

- Fall in the Sugar Production.
- Shortfall expected in coming season 2016-17.
- Some demand increased in African countries.

According to ISO, the world production is lower than the consumption which would reduce the pressure from Global Stock accumulated over last 4-5 seasons.

During the coming season 2016-17 a lower production is expected as compared to consumption. This will offset a part of quantity of shortfall in India, China etc. It is expected that Global sugar prices may remain at higher level during the current year.

INDIAN PERSPECTIVE OF SUGAR INDUSTRY

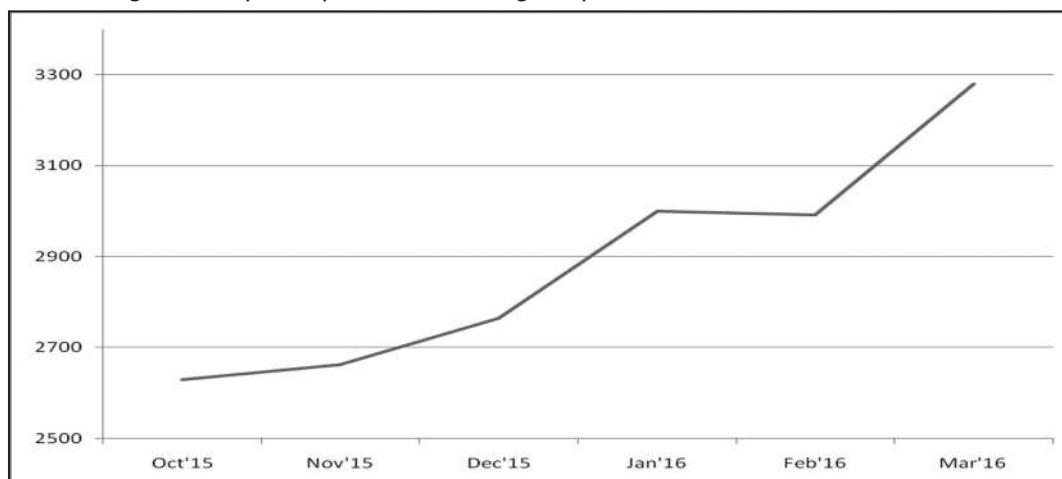
- As compared to about 280 lakh tons of Sugar Produced in Sugar Season 2014-15, the production is approx. 251 lakh tons in Sugar Season 2015-16.
- The Sugar Mill in Maharashtra produced 81 lakh ton of sugar, followed by UP at 66 lakh tons & Karnataka at 40 lakh tons upto March 2016.
- As compared to previous Sugar Season the production was higher in UP by around 4%, while in Maharashtra & Karnataka production was lower by 13 % & 6 % respectively.
- In case of Tamil Nadu being fourth largest state, the production is higher by 6 % as compared to previous season.
- Taking into the export & domestic consumption, the expected sugar stock as on 30th September, 2016 will be 70 lakh tons.
- Sugar prices remained low till end of December 2015. However it started improving from the first week of January 2016 but there were fluctuations till end of February 2016 but thereafter price is in increasing trend.
- The following chart depicts State Wise details of Cane crushed and sugar recovery thereof in 2015-16.

S. No.	STATE	CANE CRUSHED (In Lakh Tons) (Provisional)	RECOVERY %	PRODUCTION (In Lakh Tons)
1	Bihar	51.39	9.73	5.00
2	U.P.	622.85	10.59	65.96
3	Uttarakhand	27.34	9.51	2.60
4	Punjab	59.48	9.97	5.93
5	Haryana	46.84	10.44	4.89
6	Rajasthan	0.55	5.45	0.03
7	M.P & Chhattisgarh	38.02	9.60	3.65
8	Gujarat	106.27	10.36	11.01
9	Maharashtra	718.81	11.32	81.37
10	Karnataka	369.29	10.78	39.81
11	A.P & Telangana	78.17	10.08	7.88
12	Tamil Nadu	88.58	9.02	7.99
13	Goa	0.95	9.48	0.09
14	Odisha	4.86	9.25	0.45
15	West Bengal	0.08	5.03	0.01
	Total	2213.48	10.69	236.67

Source: ISO **Prices:**

- Ex-mill price of sugar started improving from the beginning of the season itself. In October, 2015, ex-mill price in U.P. was Rs.2630 / qtl. Which improved by Rs.400 per quintal in January 2016.
- Due to excess supply against the low demand, there was a slight drop in the month of February 2016. However, ex-mill price started improving in the later part of March, 2016.

The following chart explains price trend during the period from October 2015 to March, 2016.



SOURCE : ISMA

High inventory level:

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

(in mln MT)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16(E)
Opening stock (A)	5.7	6.7	9.2	8.3	9.1
Production (B)	26.3	25.1	24.4	28.1	25.1
Imports (C)	0	0.7	1.0	0.7	0
Total Availability (D = A+B+C)	32.1	32.5	34.6	37.1	34.2
Internal Consumption (E)	22	23	24.1	25.0	25.6
Exports (F)	3.4	0.3	2.2	3.0	1.5
Total Offtake (G = E+F)	25.4	23.3	26.3	28.0	27.1
Closing Stock (D-G)	6.7	9.2	8.3	9.1	7.1
Stock as % of consumption	30%	40%	34%	36%	28%
Surplus (B-E)	4.3	2.1	0.3	3.5	-0.5

Source: ISMA

Trade:

With the recent increase in Sugar Price, the export is viable specifically for Maharashtra, Karnataka & Tamil Nadu. Due to export of Sugar, the price is expected to remain stable.

At the start of sugar season 2015-16, Central Government has introduced a Scheme with allocation of Minimum Indicative Export Quota (MIEQ) with Incentive of fulfilment of the scheme. Due to improvement in the market, the Central Government has withdrawn the above scheme in the month of June 2016. Apart from above, in the month of June 2016 notification has also been issued for imposition of Export Duty @ 20% for Export. Due to these restrictions, now the Export would not be as viable proposition and this will effect the prices of Sugar.

Further, the Central Government also imposed stock holding limits on the sugar dealers in anticipation that the sugar is not reaching into retail market and was getting hoarded by few dealers, due to which the price has affected.

Due to above reasons the price of sugar was fluctuating in last 4-5 months. However it is expected that Sugar Price will be stable in coming months.

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.

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

The GOI establishes a fair and remunerative price system (FRP) for sugarcane on the basis of recommendations by the Commission for Agricultural Costs and Prices (CACP) and after consulting state governments and associations of the sugar industry and cane growers.

Following factors are considered for fixation of FRP:

- Cost of Production of Sugarcane.
- Recovery of Sugar from Sugarcane.
- Inter Crop Price parity.
- Price of Sugar Sold.
- Reasonable margins to Farmers.
- Realisation of by - products.

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.

Given below is a chart depicting the difference in the State Advised Cane Price (SAP) between 2014-15 and 2015-16 in the major sugar producing states:

State	2014-15 (SAP)	2015-16 (SAP)	2015-16 (FRP)*
Bihar	255	255	230
Uttar Pradesh	280	280	230
Punjab	285	285	230
Haryana	305	305	230
Maharashtra	-	-	230
Karnataka	250	250	230
Andhra Pradesh	-	-	230
Tamil Nadu	265	285	230
Uttarakhand	280	280	230
Source : ISMA/AGRIWATCH			

Note :-

1. *FRP linked with basic recovery rate at 9.50% subject to a premium of Rs. 2.42/- per qtl for every 0.1% point increase in recovery above that level.
2. In Maharashtra & Andhra Pradesh the SAP & FRP are same.

Sugar Production and Marketing Policy:

Sugar Development Fund:

The GOI levies a sugar cess of Rs. 240 per ton of sugar produced by mills for the Sugarcane Development Fund (SDF), which is used to support research, extension, and technological improvement in the sugar sector. The SDF is also often used to support sugar buffer-stocks operations, provide a transport subsidy for sugar exports, and provide subsidised loans for the installation of power generation, ethanol production plants, pollution control equipments, Cane Development activities and interest benefit on the loans given to sugar mills equivalent to excise duty or Soft Loan. In March 2008, the GOI enacted the Sugar Development Fund (Amendment) Bill, 2008, that enables the government to include the use of the fund for debt restructuring and granting soft loans to sugar mills. In the last season subsidy @ Rs 45/- ton on Cane also announced by Central Government subject to fulfilment of export under MIEQ. Funding was to be done by SDF for the subsidy. For funding the subsidy, sugar cess levy increased from Rs 240/ ton to Rs 1240/ ton on sugar w.ef 01/02/2016.

However, later on the MIEQ scheme was withdrawn by the Central Government in the context of improvement in price of sugar.

Ethanol Manufacture:

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

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

In India ethanol is produced mainly from molasses which is a by-product, extracted from the sugar cane during manufacture. 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.

Ethanol Blending Programme (EBP):

The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 22nd November, 2012 decided that:

- (i) 5% mandatory ethanol blending with petrol as already decided by CCEA in the past, should be implemented across the country;
- (ii) procurement price of ethanol will be decided henceforth between OMCs (Oil Manufacturing Companies) and suppliers of ethanol; and
- (iii) the 5% mandatory blending will be reckoned for the country as a whole and it be achieved by 30th June, 2013.

Accordingly, a Gazette Notification was issued directing OMCs to sell ethanol blended Petrol with percentage of ethanol upto 10%. Further, there are few constraints in implementation of EBP, possible solution to which is being provided by the Ministry.

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

The meeting held on August 24, 2015 under the Chairpersonship of Secretary (Food & Public Distribution), Ministry of Consumer Affairs, Food & Public Distribution, Government of India to discuss the issues relating to implementation of EBP at the scaled up blending target of 10%. Following issues were discussed:

1. Government has decided to scale up Blending target to 10% commencing from next Sugar Season 2015-16 as against the current target of 5%. This would require proper planning of Logistics involved & resolving various transaction barriers of licences & permits.

Uttam Sugar Mills Limited

2. Secretary highlighted the increasing of production of Ethanol & also offers opportunities of value addition which will help Industry to cope up with the present liquidity crisis.
3. Secretary requested the OMCs to plan for enhancing storage capacities in their depot.
4. A presentation was made by the government officials explaining the government strategy as under:
 - To achieve capacities to enable conversion of surplus molasses & sugar into ethanol for achieving 10% blending targets under EBP.
 - Projected state – wise ethanol demand profile for 2015-16 season at 10 % blending. The total requirement was 266 cr litres.
 - Scope of using B- Hy Molasses to make up the shortfall.
 - Requested all ethanol suppliers to come on grid, mills to upgrade & access SDF for the purpose, rationalise trade barriers.
 - A detailed description of the “grid” was given which networked the distilleries to the OMC depots and detailed the quantities to be supplied.
5. The secretary concluded that all distilleries which are presently only capable of producing alcohol, should upgrade their capacities for ethanol & access SDF funds. Secretary also asked to the State Government officials to facilitate creation of ethanol distillation capacities and avail of SDF financing for the purpose.

Last year the Government has fixed the price mechanism for Ethanol Blending based on the distance of the depots.

PESO Licences

The Distilleries which are having the ethanol storage required to get the licence from Petroleum & Explosive Safety Organisation (PESO) and the State Government are insisting to Distilleries for the same. Almost all the Distilleries have started the process of getting licences.

Key Government initiatives for Ethanol Manufacturing /Despatches

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

- a) Exemption on Central Excise duty were given on Ethanol produced from the molasses generated from Cane crushed in sugar season 2015-16 for supply to oil companies. This will increase the realisation of Ethanol.
- b) Bio enriched organic manure which being manufacture of mixing with press mud & effluent of Distillery are included in Fertilizer Control Order 1985. This move will be beneficial to Distillery and sugar mills for disposal of manure at good return.
- c) The Central Government amend the Industrial Development Regulation Act (IDR Act) 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.

Key Government initiatives in Sugar Sector

By Central Government

Compulsory export scheme has been announced by the Central Government to the extent of approx. 15% of the Sugar Production during the sugar season 2015-16 with a benefit of Cane Subsidy @ Rs 4.50/ qtl subject to completion of required export under the scheme. Benefits of the scheme taken by some units in Maharashtra. However, later on the scheme was withdrawn due to improvement in the sugar prices.

By State Government for the season 2015-16 (U.P./Uttarakhand)

The Uttar Pradesh and Uttarakhand Government have announced State Advised Price (SAP) for sugarcane at Rs.280 per quintal for season 2015-16. The State Governments retained the same State Advised Price (SAP) for the current sugar season. 2015-16 also. Some subsidies/ reliefs have also been announced by both the governments, details of which are given in the Director's Report.

Future Expectations/ Announcements

1. The states of Maharashtra and Karnataka are producing more than 50% of sugar production in country. These states have already implemented the Rangrajan Committee formula. In Uttar Pradesh the industry

Uttam Sugar Mills Limited

have also requested to State Government for fixing of cane price based on the sharing of realisation from sugar and by-products. The State Government has already constituted a committee under the chairmanship of Chief Secretary of the state to submit its recommendations. We expect positive outcome on the same. In U.P. /Uttarakhand also the cane prices were not increased and financial assistance announced on the basis of linking the Sugar/by product revenue and sugar cane price.

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

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 added incentive for REC (Renewal Energy Certificate) mechanism to addressing mis-match between availability of renewable sources in state and to meet the obligation.
- Potential for downstream production of Ethanol.
- Utilisation of waste of the distilleries in a productive manner.
- Potential for New Technology for Saving in Energy.

Threats:

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

C. RISKS AND CONCERNS

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

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

Risk Mitigation

This risk can be mitigated by steps taken by the company through its Cane Development Programme which has yielded results in terms of high yields and recoveries. Government programme of Improved

Infrastructure for roads and communication; Provision of better quality and higher yielding seeds as well as fertilizers and pesticides; Prompt clearance of the cane dues of farmers and steps to improve their goodwill by adoption of social development measures such as establishing schools and dispensaries in the command areas etc.; Diversifying into multiple locations etc.

b) Regulatory Risks –

i. Environmental Risks

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

ii. Government policy related Risks

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

- State Advised Price (SAP) and Fair and Remunerative Price (FRP) for sugarcane;
- Control on sale of Molasses; affect the agricultural sector and related industries and in turn our operations and profitability.

Risk Mitigation

The regulatory risks listed above are Government policy driven and beyond Company's control and cannot be alleviated unless the industry is completely decontrolled. Every effort is made to conform to regulatory requirements while judicial recourse is made when warranted. Various representations through the body of the industry like ISMA, UPSMA, and UPDA submitted to the government to come out with the solutions regarding above risks.

c) Sugar Price Risk -

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

Risk Mitigation

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

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

Branded Sugar

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

Our packaged sugar is already selling in J&K, Himachal Pradesh, Punjab, Haryana, Delhi, Uttarakhand, Uttar Pradesh, Gujarat, Chandigarh, Rajasthan, Bihar, Assam and Madhya Pradesh through our distributors in the respective areas. We have already covered Modern Retails like Big Bazaar, Kendriya Bhandar, Easy Day, Mother Dairy, Bikanerwala, Britannia etc.

Uttam Sugar is a very quality centric company and the same will be reflected in our products to come.

Our future plans are very ambitious and we want to push Packaged Sugar in Market very aggressively. We would like to inform you that very soon we will be introducing other products along with our existing products.

We have also increased our packaged sugar sale from 3% in 2011-12 to 5% in 2012-13 to 9% in 2013-14 to 16 % in 2014-15 to 19 % in 2015-16 and efforts are going on to increase it further.

d) Cyclical Risk –

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

Risk Mitigation

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

e) Finance Risk –

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

Risk Mitigation

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

D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

The comparative operational figures of the Company are given below:

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

(in lacs quintals)

	SEASON 2015-16					SEASON 2014-15					SEASON 2013-14				
	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	39.24	84.93	37.06	39.89	201.12	46.52	91.02	42.81	53.98	234.33	44.79	69.41	32.47	47.27	193.94
RECOVERY (%)	10.32	11.57	10.17	10.01	10.76	9.33	10.35	9.44	9.27	9.73	8.94	9.42	8.77	8.5	8.97
PRODUCTION															
SUGAR	4.05	9.83	3.77	3.99	21.64	4.34	9.42	4.04	5.00	22.81	4.00	6.53	2.84	4.02	17.39
MOLASSES	1.76	3.72	1.70	1.82	9.00	2.18	4.24	2.17	2.62	11.21	2.04	3.41	1.62	2.4	9.47
WORKING DAYS	143	145	134	120	-	131	153	138	125	--	116	131	120	119	--

b) Figures for Power Export for last three Financial Years

(In Lacs Kwh)

	F.Y. 2015-16 (9 Months)					F.Y. 2014-15 (12 Months)					F.Y. 2013-14 (15 Months)				
	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL	Libberheri	Barkatpur	Khaikheri	Shermau	TOTAL
POWER	108.82	294.50	160.05	202.55	765.92	143.44	395.3	201.85	251.9	992.49	185.24	367.66	168.27	234.55	955.72
EXPORT															193.94

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 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. The permanent employees on the Rolls of Company as on 31st March, 2016 were 586.

CAUTIONARY / FUTURISTIC STATEMENTS

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

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

Independent Auditor's Report

TO THE SHAREHOLDERS OF UTTAM SUGAR MILLS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **UTTAM SUGAR MILLS LIMITED** which comprise the Balance Sheet as at March 31, 2016, the Profit and Loss Statement and the Cash Flow Statement for the period i.e. 1st July 2015 to 31st March 2016 then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

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

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- In the case of the Profit and Loss Statement, of the Profit for the period ended on that date; and
- In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Emphasis of Matter

We draw attention to:-

- Note no 41, the company has continued recognition of Deferred Tax Assets of Rs 14104 Lacs on unabsorbed business losses and unabsorbed depreciation. Significant losses in last few years indicate uncertainty as regards realization of such Deferred Tax Assets. The Company's Management is of the view that due to rise in sugar recovery supported by cane development activities, increase in sugar prices and initiatives taken

by the government, it has become reasonable that sufficient taxable income will be available against which such deferred tax assets can be realized.

- Note no 42, regarding preparation of account ongoing concern basis despite substantial erosion of net worth of the company, however the company has generated profits during the current period and there is rise in sugar recovery and other mitigating factors as fully described therein.

Our opinion is not qualified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c. The Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ;
 - e. On the basis of written representations received from the directors as on March 31,2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2016 from being appointed as a director in terms of section 164(2) of the Act.
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed in note no 18 impact of pending litigations on financial positions in its financial statement
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Place : Noida
Dated : 14th May 2016**

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

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, 2016.)

1. A) The Company has maintained records showing particulars including quantitative details and situation of its principal fixed assets, accordingly the fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regards to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- B) The title deeds of the immovable property as disclosed in the fixed assets(Note No.10 to the financial statements) are held in the name of the company ,except for the following freehold land:

S.NO	Property Description	Balance Sheet Value(Rs in Lacs)
1.	At Village –Barkatpur,Pudrikhurd. Pargana-Kiratpur,Tehsil- Najibabad, Distt- Bijnor (U.P) Khasra No- 482/2,483,484,485,486,487/2,488,519,523,532,533,534,535,536/2 497/3,521, 21,43,64,66,79,80,359,384,529 51,53,54,59,74,78,99,100,105,119,124,125,126,142,144,145, 150,153,143, 165,166,167,122	10.58

2. (a) The physical verification of inventory has been conducted by the management at reasonable intervals.
- (b) On the basis of our examination, in our opinion, discrepancies noticed on such physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account
3. According to information made available to us , the company has not granted any loan or advance in the nature of Loan , secured or unsecured to companies, firm, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Act ,accordingly Para 3(iii)(a) to (c) of the Order are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, no loan ,investment ,guarantees and security stated under section 185 and 186 of the Companies Act ,2013 have been given /made by the company therefore, para 3(iv) of the order is not applicable.
5. On the basis of information and explanations given to us and our scrutiny of company's records, in our opinion, the company has not accepted any public deposits within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the company.
6. We have broadly reviewed the books of account maintained by the Company in respect of products pursuant to the order made by the Central Government for the maintenance of the cost records under section 148(1) of the Act and are of the opinion that, prima-facie, the prescribed account and records have been maintained and are being made up. We however as not required have not made a detailed examination of such records with a view to determine whether these are accurate or complete.
7. (a) According to the information and explanations given to us the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, , Service Tax, Customs Duty, Excise Duty, Value added Tax, Cess and other statutory dues applicable to it, As explained to us, the provisions of Employees State Insurance are not applicable to the Company. Further, there was no arrears of undisputed statutory dues outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the disputed statutory dues of income tax, Sales tax & Excise duty aggregating to Rs. 480.57 Lacs that have not been deposited are given below:-

Name of Statute	Nature of Dues	Amount (Rs. In Lacs)	Forum where dispute is pending
Sales Tax Laws	Sales Tax/ Entry Tax	18.20	Commissioner/ commissioner(Appeal)
		17.23	Tribunal
		7.45	High Court
Central Excise Act, 1944	Excise Duty	406.81	CESTAT
		5.83	High Court
Income Tax Act	TDS	25.05	Commissioner(Appeal)
TOTAL		480.57	

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

8. In our opinion and according to the information and explanations given to us, there has been delay in repayment of dues to Banks/others. The particulars of delays which relates to interest/ installment during the year ended 31st March, 2016 are as follows:-

Name of Bank	Period of Delays and Amount (Rs. In Lacs)			
	1-30 days	31-60 days	61-90 days	91days and above
Punjab National Bank	1342.09	497.22	540.15	0.00
State Bank of India	73.67	578.91	608.35	0.00
IDBI Bank	81.86	571.15	772.73	0.00
Indian Overseas Bank	131.12	156.21	356.29	0.00
Oriental Bank of Commerce	46.65	145.91	251.92	0.00
Uttarakhand State Cooperative Bank	402.66	461.08	203.70	0.00
Sugar Development Fund through IFCI Limited	176.98	0.00	0.00	0.00
Uttarakhand State Govt. Soft Loan	6.57	0.00	0.00	943.61
TOTAL	2261.60	2410.48	2733.14	943.61

Out of the above dues a sum of Rs.7398.65 lacs were paid during the period under audit.

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 it is taken except Rs. 472.39 lacs lying in bank account pending utilization.
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, *except, increase in managerial remuneration amounting to Rs.1.50 lacs to Executive director of the Company, in respect of which Company has made an application to Central Government and the same is pending for approval.*
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards (AS 18), Related Party Disclosures specified under section 133 of the Act, read with rule 7 of the companies (accounts) rules 2014.
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 B.K.KAPUR AND CO.,
Chartered Accountants,
Firm Registration No. 000852C

Place : Noida
Dated : 14th May 2016

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

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Uttam Sugar Mills Limited ("the Company") as at 31 March, 2016 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

Uttam Sugar Mills Limited

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, 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 B.K.KAPUR AND CO.,
Chartered Accountants,
Firm Registration No. 000852C**

**Place : Noida
Dated : 14th May 2016**

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

Balance Sheet as at 31st March 2016
(Rs.in Lacs)

Particulars	Note No.	Figures as at end of Current Reporting Period 31.03.2016	Figures as at end of Previous Reporting Period 30.06.2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	2	10,978.81	10,978.81
Reserves and Surplus	3	(1,085.06)	(2,631.63)
		<u>9,893.75</u>	<u>8,347.18</u>
2 Non Current Liabilities			
Long Term Borrowings	4	40,868.77	13,413.89
Long Term Provisions	5	591.59	546.63
		<u>41,460.36</u>	<u>13,960.52</u>
3 Current Liabilities			
Short Term Borrowings	6	12,835.29	44,634.54
Trade Payables	7	30,253.63	39,573.29
Other Current Liabilities	8	17,017.40	16,378.12
Short Term Provisions	9	103.71	77.13
		<u>60,210.03</u>	<u>100,663.08</u>
TOTAL (1+2+3)		<u>111,564.14</u>	<u>122,970.78</u>
II. ASSETS			
1 Non Current Assets			
Fixed Assets	10		
Tangible Assets		53,047.22	53,876.39
Intangible Assets		10.98	12.69
Capital Work-In-Progress		1,550.86	1,107.19
		<u>54,609.06</u>	<u>54,996.27</u>
Deferred Tax Assets (Net)	11	7,122.67	7,198.45
Long Term Loans and Advances	12	887.01	1,026.21
		<u>62,618.74</u>	<u>63,220.93</u>
2 Current Assets			
Inventories	13	37,680.35	46,491.62
Trade Receivables	14	5,684.81	2,552.05
Cash and Bank Balances	15	3,315.78	2,096.29
Short Term Loans and Advances	16	873.37	772.48
Other Current Assets	17	1,391.09	7,837.41
		<u>48,945.40</u>	<u>59,749.85</u>
TOTAL (1+2)		<u>111,564.14</u>	<u>122,970.78</u>
Contingent Liabilities & Commitments	18		
Significant Accounting Policies	1		
The accompanying Notes forming Integral Part of Financial Statements			

AS PER OUR REPORT OF EVEN DATE
Firm Registration No.000852C
(RAJ KUMAR ADLAKHA)
 Managing Director

(ASHOK KUMAR AGARWAL)
 Executive Director

FOR B.K.KAPUR & CO.
 Chartered Accountants

(SANJAY BHANDARI)
 Chief Financial Officer

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

(S.L.SHARMA)
 Head - A/C & Commercial

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

Place : Noida
Dated : 14th May 2016

Statement of Profit and Loss for the period ended 31st March 2016
(Rs. in Lacs)

Particulars	Note No	Figures for the Current Reporting Period 31.03.2016	Figures for the Previous Reporting Period 30.06.2015
I. Revenue from Operations	19	81,024.95	75,961.24
II. Other Income	20	250.12	275.43
III. Total Revenue (I+II)		81,275.07	76,236.67
IV. <u>Expenses</u>			
Cost of Material Consumed	21	54,266.69	61,168.48
Changes in Inventories of Finished Goods, Work-In-Progress	22	9,489.47	6,031.18
Employee Benefits Expenses	23	3,291.43	3,910.46
Finance Costs	24	5,046.91	7,540.62
Depreciation and Amortisation Expenses	10	1,687.78	2,329.20
Other Expenses	25	5,877.75	6,314.92
Total Expenses		79,660.03	87,294.86
V. Prior Period Items (Refer Note No.36)		(170.83)	10.49
VI. Profit/(Loss) before Exceptional Items and Tax (III-IV-V)		1,785.87	(11,068.68)
VII. Exceptional Items		-	98.17
VIII. Profit/(Loss) before Tax (VI-VII)		1,785.87	(11,166.85)
IX. Tax Expense :			
Deferred Tax (Credit)		75.78	(2,347.36)
Income Tax for Earlier Years		163.52	-
X. Profit/(Loss) for the period (VIII-IX)		1,546.57	(8,819.49)
XI. Earning per Share (Note No. 39)			
Nominal Value Rs. 10/-			
Basic		2.99	(24.54)
Diluted		2.99	(24.54)
Significant Accounting Policies	1		
The accompanying Notes forming Integral Part of Financial Statements			

AS PER OUR REPORT OF EVEN DATE
Firm Registration No.000852C
(RAJ KUMAR ADLAKHA)
 Managing Director

(ASHOK KUMAR AGARWAL)
 Executive Director

FOR B.K.KAPUR & CO.
 Chartered Accountants

(SANJAY BHANDARI)
 Chief Financial Officer

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

(S.L.SHARMA)
 Head - A/C & Commercial

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

Place : Noida
Dated : 14th May 2016

Cash Flow Statement for the period ended 31st March 2016
(Rs. in Lacs)

Particulars	Figures for the Current Reporting Period 31.03.2016	Figures for the Previous Reporting Period 30.06.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) / Profit before Tax	1,785.87	(11,166.86)
Adjustments for:		
Depreciation / Amortisation	1,687.78	2,329.22
Financial Cost	5,046.91	7,540.62
Excess Depreciation Written Back for earlier years	-	(75.98)
Exceptional Items	-	98.17
Profit on sale of Assets	-	(4.39)
Interest Income	(96.20)	(116.22)
Operating Profit before Working Capital Changes	8,424.36	(1,395.44)
Adjustments for:		
Trade & Other Receivables	3,015.84	(7,270.55)
Inventories	8,811.27	5,344.47
Trade Payables	(7,892.12)	16,631.90
	3,934.99	14,705.82
Cash generated from operations	12,359.35	13,310.38
Direct taxes (paid)	(12.11)	11.90
Net Cash flow from Operating Activities	12,347.24	13,322.28
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,118.91)	(750.53)
Sale/Adjustment of Fixed Assets	-	6.85
Sale of Assets held for Disposal	197.00	(325.00)
Interest Received	96.20	116.22
Net Cash used in Investing Activities	(825.71)	(952.46)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance Cost Paid	(5,552.60)	(7,184.05)
Proceeds from Borrowings (Term Loans)	5,065.39	3,134.58
Proceeds from Borrowings (Short Term Loans)	1,000.00	5,597.00
Repayments of Borrowings (Term Loans)	(6,411.60)	(9,990.10)
Proceeds/ (Repayment) of Borrowings (Working Capital & CC under repayment)	(4,403.24)	(6,132.85)
Net Cash flow from Financing Activities	(10,302.05)	(14,575.42)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	1,219.49	(2,205.60)
Cash and Cash Equivalents as at Beginning	2,096.29	4,301.89
Cash and Cash Equivalents as at Closing	3,315.78	2,096.29

Notes:

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

AS PER OUR REPORT OF EVEN DATE
Firm Registration No.000852C
(RAJ KUMAR ADLAKHA)
 Managing Director

(ASHOK KUMAR AGARWAL)
 Executive Director

FOR B.K.KAPUR & CO.
 Chartered Accountants

(SANJAY BHANDARI)
 Chief Financial Officer

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

(S.L.SHARMA)
 Head - A/C & Commercial

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

Place : Noida
Dated : 14th May 2016

Note: 1 SIGNIFICANT ACCOUNTING POLICIES:

i. Basis of Accounting:

The Company follows the Mercantile System of Accounting and recognizes Income and Expenditure on Accrual Basis. The financial statements are prepared under the historical cost convention and are in accordance with the requirements of Companies Act, 2013, applicable Accounting Standards and accepted accounting principles.

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

Tangible Assets are stated at cost, net of Cenvat and includes amount added on revaluation less accumulated Depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes and incidental expenses incurred during construction period.

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

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

iii. Depreciation/Amortization :

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

iv. Impairment of Assets:

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

v. Leases :

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

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

vi. Inventories:

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

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

Cost of inventories has been determined on current cost.

Cost of finished goods and Work in Progress has been worked out on absorption cost basis.

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

vii. Taxes on Income:

- Current tax is determined on the amount of tax payable in respect of taxable income for the year.
- Deferred tax assets/liabilities are provided on significant timing differences arising from the different treatments in accounting and taxation of relevant items. Deferred tax assets/liabilities shall be reviewed as at each Balance Sheet date, based on development during the year, to reassess realization/liabilities.
- Deferred Tax Assets in respect of unabsorbed brought forward Business Losses and Unabsorbed Depreciation are recognized and carried forward only if there is virtual certainty of its realization.
- Deferred Tax resulting from timing difference which originate during the tax holiday period but are expected to reverse after tax holiday period is recognized in the year in which the timing differences originate using the tax rates and laws enacted or substantively enacted by the balance sheet date.
- Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will be in a position to avail such credit under the provisions of the Income Tax Act, 1961.

viii. Revenue Recognition :

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

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

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

Interest Income is accounted on accrual basis.

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.

ix. Expenses:

All the expenses are accounted for on accrual basis.

x. Government grants:

- Grants and subsidies from the Government are recognized when there is reasonable assurance that the Company would comply with the conditions attached with them and the grant/subsidy would be received.
- Government grants related to specific fixed assets are adjusted with the value of the fixed asset.
- Government grants related to revenue items are adjusted with the related expenditure. If not related to a specific expenditure, it is taken as income.

xi. Borrowing Costs:

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

xii. Foreign Currency Transactions:

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

xiii. Provisions, Contingent Liabilities and Contingent Assets:

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

xiv. Employee Benefits :

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

xv. Segment Reporting :

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

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

Notes on Financial Statements for the Period ended 31st March 2016
(Rs.in Lacs)

Particulars	Figures as at end of Current Reporting Period 31.03.2016	Figures as at end of Previous Reporting Period 30.06.2015
NOTE - 2 : SHARE CAPITAL		
Authorised:		
<u>Equity Share Capital</u>		
40000000 Equity Shares of Rs.10/- each (Previous Year 40000000 Equity Shares of Rs.10/- each)	4,000.00	4,000.00
<u>Redeemable Preference Share Capital</u>		
16500000 Preference Shares of Rs.100/- each (Previous Year 16500000 Preference Shares of Rs.100/- each)	16,500.00	16,500.00
TOTAL	<u>20,500.00</u>	<u>20,500.00</u>
Issued, Subscribed & Paid-up Capital		
<u>Equity Share Capital</u>		
38138120 Equity Shares of Rs.10/- each fully paid up (Previous Period 38138120 Equity Shares of Rs.10/- each fully paid up)	3,813.81	3,813.81
<u>6.5% Cumulative Redeemable Preference Share Capital - Series I</u>		
5000000 Preference Shares of Rs.100/- each (Previous Year 5000000 Preference Shares of Rs.100/- each)	5,000.00	5,000.00
<u>10% Cumulative Redeemable Preference Share Capital - Series II</u>		
2165000 Preference Shares of Rs.100/- each (Previous Year 2165000 Preference Shares of Rs.100/- each)	2,165.00	2,165.00
TOTAL	<u>10,978.81</u>	<u>10,978.81</u>

a) Terms & Conditions of Equity Shares

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

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

- 1 Rate of Dividend on these Preference Shares is 6.5% p.a.
- 2 The Preference Shares are Cumulative with reference to the dividend.
- 3 The Preference Shares shall be redeemed after completion of 12 years but not later than 15 years from the date of allotment on the call of the Company
- 4 The Preference Shareholders will have no voting rights except as provided in the Companies Act, 2013

(Series - II)

- 1 Rate of Dividend on these Preference Shares is 10% p.a.
- 2 The Preference Shares are Cumulative with reference to the dividend.
- 3 The Preference Shares shall be redeemed after completion of 12 years but not later than 15 years from the date of allotment at a premium of Rs.100/-per Share on the call of the Company
- 4 The Preference Shareholders will have no voting rights except as provided in the Companies Act, 2013

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

Notes on Financial Statements for the Period ended 31st March 2016
d) Shares in the Company held by each shareholders holding more than 5% shares

Name of Equity Shareholders	As at 31st March 2016		As at 30th June 2015	
	No. of Shares held	Percentage (%)	No. of Shares held	Percentage (%)
Uttam Adlakha & Sons Holdings Pvt. Limited	16,301,224	42.74%	16,301,224	42.74%
Lipi Boilers (P) Limited	3,515,000	9.22%	3,515,000	9.22%
Uttam Industrial Engineering Limited	2,750,000	7.21%	2,750,000	7.21%
Name of Preference Shareholders (Series - I)	No. of Shares held	Percentage (%)	No. of Shares held	Percentage (%)
Uttam Sucrotech Limited	1,700,000	34.00%	1,700,000	34.00%
Uttam Industrial Engineering Limited	1,310,000	26.20%	1,310,000	26.20%
Lipi Boilers (P) Limited	259,500	5.19%	340,000	6.80%
Sekhri Finance and Investments Pvt. Limited	600,000	12.00%	600,000	12.00%
Uttam Properties Pvt. Ltd.	800,000	16.00%	800,000	16.00%
New Castle Finance & Leasing (P) Ltd.	250,000	5.00%	250,000	5.00%
Name of Preference Shareholders (Series - II)	No. of Shares held	Percentage (%)	No. of Shares held	Percentage (%)
Uttam Sucrotech Limited	225,000	10.39%	225,000	10.39%
Uttam Industrial Engineering Limited	850,500	39.28%	850,500	39.28%
Lipi Boilers (P) Limited	620,500	28.66%	620,500	28.66%
Sekhri Finance and Investments Pvt. Limited	167,500	7.74%	167,500	7.74%
Uttam Properties Pvt. Ltd.	120,000	5.54%	120,000	5.54%

- e) There are Nil number of shares (Previous Year Nil) reserved for issue under option and contracts/commitment for the sale of shares/disinvestment including the terms and amounts.
- f) For the period of five years immediately preceeding the date at which the balance sheet is prepared

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

- g) There are no securities (Previous Year no) convertible into Equity/Preferential shares.
- h) There are no calls unpaid (Previous Year no) including calls unpaid by Directors and Officers as on balance sheet date.
- i) **Reconciliation of No. of Shares Outstanding:**

Particulars		31.03.2016	30.06.2015
i)	Equity Shares		
	At the beginning of the year	38138120	38138120
	Change during the year	-	-
	At the end of the year	38138120	38138120
ii)	Preference Shares		
a)	6.5% Cumulative Redeemable Preference Shares - Series I		
	At the beginning of the year	5000000	5000000
	Change during the year	-	-
	At the end of the year	5000000	5000000
b)	10% Cumulative Redeemable Preference Share - Series II		
	At the beginning of the year	2165000	2165000
	Change during the year - Preference Shares allotted	-	-
	At the end of the year	2165000	2165000

Notes on Financial Statements for the Period ended 31st March 2016
(Rs.in Lacs)

Particulars	Figures as at end of Current Reporting Period 31.03.2016	Figures as at end of Previous Reporting Period 30.06.2015
NOTE - 3 : RESERVES AND SURPLUS		
a) Securities Premium Reserve		
As per Last Balance Sheet	17,417.82	17,417.82
	<u>17,417.82</u>	<u>17,417.82</u>
b) Revaluation Reserve		
Land Revaluation Reserve		
As per last Balance Sheet	8,240.48	8,240.48
c) Surplus		
Profit & Loss Statement		
As per Last Balance Sheet	(28,289.93)	(19,470.44)
Add: Profit/(Loss) during the year	1,546.57	(8,819.49)
	<u>(26,743.36)</u>	<u>(28,289.93)</u>
TOTAL	<u>(1,085.06)</u>	<u>(2,631.63)</u>
NOTE - 4 : LONG TERM BORROWINGS		
a) Secured Loans		
Term Loans		
- From Banks	3,492.88	6,522.99
- From Banks-SEFASU	3,624.03	4,970.78
- From Banks-Soft Loan	4,463.29	-
- From Govt. of India, Sugar Development Fund (SDF)	1,698.20	1,756.94
	<u>13,278.40</u>	<u>13,250.71</u>
CC Under Repayment		
- From Banks	27,430.15	-
	<u>27,430.15</u>	<u>-</u>
Vehicle Loans		
- From Banks	-	10.37
- From Non Banking Finance Company	7.41	-
	<u>7.41</u>	<u>10.37</u>
	<u>40,715.96</u>	<u>13,261.08</u>
b) Unsecured Loans		
Loans from Related Parties (Refer Note No.37)	152.81	152.81
	<u>152.81</u>	<u>152.81</u>
	<u>40,868.77</u>	<u>13,413.89</u>

Notes on Financial Statements for the Period ended 31st March 2016

i) Terms & Conditions of Secured Loans

a) Security Clauses:

1. WCTL, SEFASU Term Loan, Soft Loan and CC Under Repayment (except term loan from Co-Operative Banks):-

- i. Term Loans and CC under repayment from Banks are secured on first pari passu charge by way of Joint Equitable Mortgage on Company's immovable properties and first charge by way of hypothecation of all movable properties of the Company on pari passu basis, subject to prior charge created / to be created in favour of Company's Bankers (except Co-operative bank loan) for securing borrowings for cash credit facilities of the Company.
- ii. Term Loans and CC under repayment from Banks are secured on third pari-passu charge basis on whole of the current assets (stock, book debts etc.), both present and future.
- iii. Term Loans and CC under repayment from Banks are also guaranteed by Managing Director and two other promoters of the Company (viz. Mr. Rajan Adlakha & Mr. Ranjan Adlakha) and corporate guarantees of three Promoter Companies (viz. Uttam Industrial Engineering Limited, Uttam Sucrotech Limited and Lipi Boilers Private Limited).
- iv. Term Loans and CC under repayment from Banks are also secured by way of Pledge on pari-passu basis of 34,84,170 Equity Shares in the company held by individual Promoters of the Company viz. M/s. Raj Kumar Adlakha, Rajan Adlakha and Ranjan Adlakha.

v. CC Under Repayment is additionally secured by :-

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

vi. Soft Loan is additionally secured by :-

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

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

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

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

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

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

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

5. Vehicle loans:-

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

Notes on Financial Statements for the Period ended 31st March 2016

b) Terms of Repayment of Term Loan & Vehicle Loan :

(Rs. in Lacs)

Rate of Interest	2017-2018		2018-2019		2019-2020		2020-2021		2021-2022		2022-2023	
	No. of Inst.	Amount	No. of Inst.	Amount	No. of Inst.	Amount	No. of Inst.	Amount	No. of Inst.	Amount	No. of Inst.	Amount
5.75%	-	-	1	59.05	2	118.10	2	118.10	2	118.10	1	59.05
6.50%	1	75.95	2	151.90	2	151.90	2	151.90	1	75.95	-	-
7.00%	1	111.13	-	-	-	-	-	-	-	-	-	-
7.50%	1	151.47	-	-	-	-	-	-	-	-	-	-
	2	118.54	2	118.54	2	118.54	-	-	-	-	-	-
11.50%	3	1,152.95	-	-	-	-	-	-	-	-	-	-
11.60%	6	93.00	12	186.00	12	186.00	6	94.00	-	-	-	-
11.75%	7	75.25	12	129.00	12	129.00	5	53.75	-	-	-	-
12.00%	12	176.67	12	176.67	3	44.17	-	-	-	-	-	-
	12	352.33	12	352.33	2	58.72	-	-	-	-	-	-
	12	424.33	12	424.33	-	-	-	-	-	-	-	-
	12	842.33	11	772.14	-	-	-	-	-	-	-	-
12.00%	7	548.73	12	940.68	12	940.68	5	391.91	-	-	-	-
	12	203.50	12	203.50	12	203.50	5	84.79	-	-	-	-
12.50%	4	560.00	1	98.59	-	-	-	-	-	-	-	-
	12	399.47	12	399.47	12	399.47	8	261.91	-	-	-	-
12.62%	12	3.70	11	3.72	-	-	-	-	-	-	-	-
13.55%	3	221.00	-	-	-	-	-	-	-	-	-	-
		5,510.35	-	4,015.92	-	2,350.08	-	1,156.36	-	194.05	-	59.05

Terms of Reduction in CC Under Repayment

Rate of Interest	2017-2018		2018-2019		2019-2020		2020-2021		2021-2022		2022-2023	
	No. of Inst.	Amount	No. of Inst.	Amount	No. of Inst.	Amount	No. of Inst.	Amount	No. of Inst.	Amount	No. of Inst.	Amount
11.15%	4	510.15	4	510.15	4	680.20	4	680.20	4	680.20	-	-
11.25%	4	358.75	4	430.50	4	502.25	4	574.00	4	574.00	2	358.75
11.50%	4	188.00	4	2,728.00	4	3,872.00	4	4,425.00	4	4,425.00	2	2,764.00
13.25%	4	2,578.00	1	591.00	-	-	-	-	-	-	-	-
		3,634.90	-	4,259.65	-	5,054.45	-	5,679.20	-	5,679.20	-	3,122.75

ii) Terms & Conditions of Unsecured Loans

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

iii) Continuing Default as on 31st March 2016 : (Refer Note No. 8)

- Unsecured Soft Loan from Uttarakhand State Government Rs.656.68 lacs and interest accrued & due thereon of Rs.293.50 lacs appearing in Other Current Liabilities (Note No.8) of Unsecured Loan was repayable in three years in quarterly instalments w.e.f. January 2008 and the same is still to be repaid.

Notes on Financial Statements for the Period ended 31st March 2016
(Rs.in Lacs)

Particulars	Figures as at end of Current Reporting Period 31.03.2016	Figures as at end of Previous Reporting Period 30.06.2015
NOTE - 5 : LONG TERM PROVISIONS		
Provision for Employees Benefits	591.59	546.63
TOTAL	591.59	546.63
NOTE - 6 : SHORT TERM BORROWINGS		
a) Secured Loans		
Loan Repayable on Demand		
Cash Credit from Banks	12,835.29	41,253.54
Short Term Loans from Banks	-	3,381.00
TOTAL	12,835.29	44,634.54

Terms & Conditions of Secured Loans - Security Clause
For Short Term Borrowings :
1. Cash Credit Facilities [Non-Fund Based Working Capital Limits from Punjab National Bank & State Bank of India, and Fund Based Working Capital Limit from Indian Overseas Bank]

- Cash Credit Facilities 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.
- Cash Credit facilities 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 Limited, Uttam Sucrotech Limited and Lipi Boilers Private Limited).
- Cash Credit facilities from Banks are also secured by way of Pledge on pari-passu basis of 34,84,170 Equity Shares in the company held by individual Promoters of the Company viz. M/s. Raj Kumar Adlakha, Rajan Adlakha and Ranjan Adlakha.
- Non-Fund based Cash Credit Facilities from Punjab National Bank is additionally secured by :-**
 - Corporate Guarantee by two group Companies viz. M/s Uttam Adlakha & Sons Holdings Private Limited and M/s Uttam Housinginfra Limited.
 - Pledge on pari-passu basis of 60,00,000 Equity Shares held in the Company, by three promoter companies viz. Uttam Industrial Engineering Limited, Uttam Sucrotech Limited and Lipi Boilers Private Limited.
 - Joint Equitable Mortgage on the immovable properties situated at H-2, Kaushambi, Ghaziabad owned by group company viz. M/s Uttam Housinginfra Limited.

2. 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.

3. Cash credit facility from Zila Sahkari Bank Limited, Ghaziabad
a. Cash Credit facility for Shermau Unit

Cash Credit facility for Shermau Unit from Zila Sahkari Bank Limited, Ghaziabad is secured by pledge of stocks of sugar at Shermau Sugar Factory situated at Village Shermau, Tehsil Nakur, District Saharanpur, Uttar Pradesh

b. Cash Credit facility for Barkatpur Unit :

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

Notes on Financial Statements for the Period ended 31st March 2016
(Rs in Lacs)

Particulars	Figures as at end of Current Reporting Period 31.03.2016	Figures as at end of Previous Reporting Period 30.06.2015
NOTE - 7 : TRADE PAYABLES		
Micro, Small and Medium Enterprises (Refer Note No.26)	77.89	73.72
Others	30,175.74	39,499.57
TOTAL	30,253.63	39,573.29
NOTE - 8 : OTHER CURRENT LIABILITIES		
a) Current Maturities of Long Term Debt (Refer Note No.4)		
Secured Loans		
Term Loans		
- From Banks	4,153.33	6,889.63
- From Banks-SEFASU	1,692.78	416.22
- From Banks-Soft Loan	118.71	-
- From Govt. of India, Sugar Development Fund (SDF)	792.26	823.72
CC Under Repayment		
- From Banks	965.85	-
Vehicle Loans		
- From Banks	14.61	16.31
- From Non Banking Finance Company	3.26	-
Unsecured Loans		
- Soft Loan from Uttarakhand State Government	656.68	656.68
	8,397.48	8,802.56
b) Interest Accrued But Not due on Borrowings	104.36	268.10
c) Interest Accrued and due on Borrowings	487.81	829.76
d) Creditors for Capital Expenditure	610.98	415.41
e) Supplier's Credit Balance against Farmer Crop Loan (Refer Note No.29)	2496.38	2,353.18
f) Security Deposits	220.38	229.50
g) Due to Directors	11.44	6.54
h) Due to Scheduled Bank (Book Overdraft in reconciliation)	505.57	-
i) Other Payables		
Statutory Liabilities	2,398.75	2,157.42
Advance From Customers	753.47	768.52
Other Liabilities *	1,030.78	547.13
TOTAL	17,017.40	16,378.12
* Other Liabilities includes commission on sales, due to employees and employees benefits & Expenses Payable.		
NOTE - 9 : SHORT TERM PROVISIONS		
a) Provision for Employee Benefits	103.71	75.63
b) Provision for Wealth Tax	-	1.50
TOTAL	103.71	77.13

Note No.- 10 : FIXED ASSETS
Notes on Financial Statements for the Period ended 31st March 2016

(Rs. in Lacs)

Nature of Assets		GROSS BLOCK				DEPRECIATION/AMORTISATION					NET BLOCK	
		As on 01.07.2015	Additions during the Period	Sold/ Adjustment during the Period	As on 31.03.2016	Upto 30.06.2015	For the Period	on Assets where useful life Nil	On Sale/ Adjustment	UP TO 31.03.2016	As on 31.03.2016	As on 30.06.2015
A. Tangible Assets												
Freehold Land (Factory)	10,280.47	24.32	-	10,304.79	-	-	-	-	-	-	10,304.79	10,280.47
Freehold Land (Others)	644.40	-	-	644.40	-	-	-	-	-	-	644.40	644.40
Building	5,943.14	91.34	-	6,034.48	1,558.06	123.19	-	-	1,681.25	-	4,353.23	4,385.08
Leasehold Building Developments	80.71	30.64	-	111.35	38.80	0.53	-	-	39.33	-	72.02	41.91
Plant and Machinery	59,769.03	647.67	-	60,416.70	21,982.34	1,435.83	-	-	23,418.17	-	36,998.53	37,786.70
Furniture and Fixtures	323.02	2.51	-	325.53	208.04	31.17	-	-	239.21	-	86.32	114.98
Office Equipments	576.98	21.93	-	598.91	451.95	37.70	-	-	489.65	-	109.26	125.03
Weigh Bridges	611.13	12.10	-	623.23	252.44	30.01	-	-	282.45	-	340.78	358.68
Vehicles & Tractors	770.50	23.92	-	794.42	633.24	27.64	-	-	660.88	-	133.54	137.26
Live Stock	1.88	2.47	-	4.35	-	-	-	-	-	-	4.35	1.88
B. Intangible Assets									-	-	-	-
Software	23.08	-	-	23.08	10.39	1.71	-	-	12.10	-	10.98	12.69
	79,024.34	856.90	-	79,881.24	25,135.26	1,687.78	-	-	26,823.04	-	53,058.20	53,889.08
Previous Period	68,778.68	10,258.43	12.77	79,024.34	22,794.17	2,329.20	98.17	86.30	25,135.26			
Capital Work-in-Progress:												
Building, Plant & Machinery												
Expenditure during Construction Period (Pending Capitalisation) (Refer Note No.34)												
											Total	
											Previous Year	
											1,496.24	1,052.27
											54.62	54.62
											54,609.06	54,996.27
											54,996.27	48,544.26

Notes:
Vehicles includes Motor Cars having gross book value of Rs.60.73 Lacs (Previous year Rs.47.21 lacs) which are purchased on Hire Purchases Basis.
Freehold land aggregating to Rs. 10.58 lacs are pending for registration in name of the Company.

Notes:

Vehicles includes Motor Cars having gross book value of Rs.60.73 Lacs (Previous year Rs.47.21 lacs) which are purchased on Hire Purchases Basis. Freehold land aggregating to Rs. 10.58 lacs are pending for registration in name of the Company.

Notes on Financial Statements for the Period ended 31st March 2016

	As at 01.07.2015	During the Period	(Rs.in Lacs) As at 31.03.2016
Note-11 : DEFERRED TAX ASSETS (NET)			
DEFERRED TAX LIABILITY			
Difference between Book & Tax Depreciation	7,654.62	123.96	7,778.58
	<u>7,654.62</u>	<u>123.96</u>	<u>7,778.58</u>
DEFERRED TAX ASSETS			
Expenses Allowed U/s 43-B on paid basis	749.27	48.18	797.45
Unabsorbed Depreciation & Business Loss (Refer Note No.41)	14,103.80	-	14,103.80
	<u>14,853.07</u>	<u>48.18</u>	<u>14,901.25</u>
NET DEFERRED TAX ASSETS	<u>7,198.45</u>	<u>(75.78)</u>	<u>7,122.67</u>
Previous Year	<u>4,851.09</u>	<u>2,347.36</u>	<u>7,198.45</u>

Particulars	Figures as at end of Current Reporting Period 31.03.2016	Figures as at end of Previous Reporting Period 30.06.2015
NOTE - 12 : LONG TERM LOANS AND ADVANCES		
(Unsecured - Considered good)		
a) Capital Advances		
Advances to Related Parties (Refer Note. No.37)	65.56	65.56
Other Capital Advances	552.19	538.28
b) Security Deposits (incl. Interest Accrued thereon)	78.12	78.32
c) Other Loans and Advances		
Tax Deducted at Sources	69.78	59.17
Balance with Income Tax Department (Under Protest)	51.16	51.16
MAT Credit Entitlements	70.20	233.72
TOTAL	<u>887.01</u>	<u>1,026.21</u>

NOTE - 13 : INVENTORIES

(As taken, valued and certified by the Management)

a) Raw Material	49.47	6.38
b) Work-in-Progress	861.27	197.46
c) Finished Goods		
Sugar	30,954.04	40,297.28
Industrial Alcohol	1,182.64	1,378.42
Banked Power	83.36	73.33
Renewal Energy Certificates (RECs)	504.70	448.73
d) By-Products	2,769.96	3,124.61
e) Stores, Spare Parts and Packing Materials	1,274.91	965.41
TOTAL	<u>37,680.35</u>	<u>46,491.62</u>

Mode of Valuation of Inventories:

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

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

Notes on Financial Statements for the Period ended 31st March 2016
(Rs.in Lacs)

Particulars	Figures as at end of Current Reporting Period 31.03.2016	Figures as at end of Previous Reporting Period 30.06.2015
NOTE - 14 : TRADE RECEIVABLES		
(Unsecured - Considered good)		
a) Trade Receivables outstanding for a period exceeding six months	157.99	150.36
b) Others	5,526.82	2,401.69
TOTAL	5,684.81	2,552.05
NOTE - 15 : CASH AND BANK BALANCES		
i) Cash & Cash Equivalents		
a) Balance with Banks		
In Current Accounts	1,922.88	868.56
b) Cash in Hand	68.18	25.53
ii) Term Deposit having remaining maturity of more than 3 months but not more than one year	598.04	261.96
iii) Term Deposit having remaining maturity of more than 1 Year	726.68	940.24
(in Margin Money and interest accrued thereon)		
TOTAL	3,315.78	2,096.29
NOTE - 16 : SHORT TERM LOANS AND ADVANCES		
(Unsecured - Considered good)		
a) Advances to Related Parties for Supply of Goods & Services (Refer Note No.37)	1.12	19.70
b) Other Loans & Advances		
Advances for Supply of Goods & Services	205.70	192.58
Due from Employees	27.07	18.81
Prepaid Expenses	95.10	91.78
Balance with Excise Department	184.16	93.99
Cenvat Receivable	74.56	7.51
Security Deposits	79.68	82.74
Others Loans & Advances	205.98	265.37
TOTAL	873.37	772.48

Notes on Financial Statements for the Period ended 31st March 2016
(Rs.in Lacs)

Particulars	Figures as at end of Current Reporting Period 31.03.2016	Figures as at end of Previous Reporting Period 30.06.2015
NOTE - 17 : OTHER CURRENT ASSETS		
(Unsecured - Considered good)		
Fixed Assets Held for Disposal	158.00	355.00
* Claim Receivable	1,233.09	7,482.41
TOTAL	1,391.09	7,837.41
* includes Rs.483.63 lacs Interest subvention recoverable (Previous Year Rs.402.63 lacs) (Refer Note No.33)		
* includes cane subsidy amounting to NIL (Previous Year 6703.96 Lacs)		
* includes insurance claim of Rs. 297.45 Lacs (Previous Year NIL)		
NOTE - 18 : CONTINGENT LIABILITIES AND COMMITMENTS		
Contingent Liabilities		
i) Excise Duty / Sales Tax demands and show cause notices against which Company / Department has preferred appeals / filed replies.	3,345.82	2,680.10
ii) Preference Dividend payable on cumulative Redeemable Preference Shares	3,052.70	2,646.57
iii) In respect of pending court cases by/against ex-employees amount not ascertainable at this stage		
Capital Commitments		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	185.85	62.77
ii) Letter of Credit in favour of Suppliers and Bank Guarantees issued	2,359.99	1,432.06
TOTAL	8,944.36	6,821.50
Particulars	Figures for the Current Reporting Period 31.03.2016	Figures for the Previous Reporting Period 30.06.2015
NOTE - 19 : REVENUE FROM OPERATIONS		
a) Sale of Products	84,257.43	75,744.48
b) Other Operating Revenues	526.09	2,777.17
c) Less: Excise Duty	3,758.57	2,560.41
Net Sales	81,024.95	75,961.24
Particulars of Sale of Products		
Sugar	73,678.67	65,089.60
Molasses	637.94	2,012.97
Power	3,676.60	4,532.27
Distillery	6,205.85	3,815.09
Others	58.37	294.55
TOTAL	84,257.43	75,744.48

Notes on Financial Statements for the Period ended 31st March 2016
(Rs.in Lacs)

Particulars	Figures for the Current Reporting Period 31.03.2016	Figures for the Previous Reporting Period 30.06.2015
NOTE - 20 : OTHER INCOME		
a) Interest Income	96.20	116.22
b) Excess Provisions/Depreciation Written Back for earlier years	15.13	75.98
c) Other Non Operating Income		
Profit on Sale of Assets	-	4.39
Miscellaneous Income	138.79	78.84
TOTAL	250.12	275.43
NOTE - 21 : COST OF RAW MATERIAL CONSUMED (Indigenous)		
Opening Stocks	6.38	2.62
Purchases	54,309.78	61,172.24
	54,316.16	61,174.86
Less : Closing Stocks	49.47	6.38
TOTAL	54,266.69	61,168.48
NOTE - 22 : CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN PROGRESS		
Opening Stocks		
Finished Goods	42,197.76	48,479.92
Work-in-Progress	197.46	350.96
By-products	3,124.61	2,097.08
	45,519.83	50,927.96
Closing Stocks		
Finished Goods	32,724.74	42,197.76
Work-in-Progress	861.27	197.46
By-products	2,769.96	3,124.61
	36,355.97	45,519.83
Excise & Other Duties on Decrease of Stocks	325.61	623.05
Decrease in Stocks	9,489.47	6,031.18
NOTE - 23 : EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	3,029.25	3,614.23
Contribution to Provident and other funds	130.15	148.77
Staff Welfare	132.03	147.46
TOTAL	3,291.43	3,910.46

Notes on Financial Statements for the Period ended 31st March 2016
(Rs.in Lacs)

Particulars	Figures for the end of Current Reporting Period 31.03.2016	Figures for the end of Previous Reporting Period 30.06.2015
NOTE - 24 : FINANCE COSTS		
Interest Expenses	4,849.87	7,336.76
Other Borrowing Costs	197.04	203.86
TOTAL	5,046.91	7,540.62
NOTE - 25 : OTHER EXPENSES		
a) Manufacturing Expenses		
Packing Materials Consumed	738.20	1,020.09
Consumption of Stores, Spares	616.15	720.20
Power and Fuel	310.54	286.38
Other Manufacturing Expenses	440.87	369.54
Repairs to:		
Plant and Machinery	1,674.65	1,371.35
Buildings	73.16	40.13
Others	63.75	78.70
	1,811.56	78.70
	3,917.32	3,886.39
b) Administrative and Other Expenses		
Rent	54.35	66.20
Rates and Taxes	13.91	40.02
Printing and Stationery	31.57	32.76
Postage, Courier and Telephones	38.65	45.30
Travelling and Conveyance	129.82	194.27
Directors	10.88	
Others	118.94	
Fees and Subscription	48.12	92.53
Legal and Professional Charges	127.94	171.80
Auditors' Remuneration (Refer Note No.38)	16.86	21.44
Vehicle Running and Maintenance	111.72	156.02
Insurance	60.04	95.42
Cane Development Expenses	570.82	808.88
Office & Other Administration Expenses	31.40	38.13
	1,235.20	1,762.77
c) Selling & Distribution Expenses		
Business Promotion	10.49	26.81
Sugar Handling Expenses	60.70	60.22
Commission on Sales	242.17	234.90
Freight Outward	70.26	48.36
Other Selling Expenses	48.70	106.04
Rebate & Discount	292.91	189.43
	725.23	665.76
TOTAL	5,877.75	6,314.92

Notes on Financial Statements for the Period ended 31st March 2016

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

(Rs.in Lacs)

Particulars		Current Period	Previous Year
(a)	Amount due to Micro, Small and Medium Enterprises as on		
	i) Principal amount	77.89	73.72
	ii) Interest due on above	NIL	NIL
(b)	i) Principal amount paid after due date or appointed day	NIL	NIL
	ii) Interest paid during the period on (i) above	NIL	NIL
(c)	Interest due & payable (but not paid) on principal amounts paid during the period after the due date or appointed day	NIL	NIL
(d)	Total interest accrued and remaining unpaid as on	NIL	NIL
(e)	Further interest in respect of defaults of earlier years due and payable in current period upto the date when actually paid	NIL	NIL

27. 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.
28. The Company has made an investment of the requisite amount for setting up New Projects in the State of Uttar Pradesh in accordance with the UP Sugar Industry Promotion Policy, 2004 and has accordingly filed application for eligibility under the above policy. However, the State Government has later on terminated the Policy with effect from June 4, 2007 and based on that rejected the application. The Company had filed writ petition before Hon'ble Allahabad high court (Lucknow Bench) for enforcement of the scheme and settlement of incentive claims.

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

29. Supplier's Credit Balance against farmers crop loan appearing under Other Current Liabilities (Note No. 8) represent loan of Rs. 2496.38 lacs (Previous year 2353.18) from IDBI Bank Ltd to the cane growers under Corporate Tie up scheme for Crop loans , wherein the company is acting as 'Business Facilitator' and the same is backed by indemnity / guarantee of the company and Personal guarantee of the Managing Director.
30. **Disclosure in respect of Operating Lease:**

The Company has entered into non-cancelable Operating Lease for premises and lease rent amounting to Rs. 54.35 Lacs (Previous Year Rs. 66.20 Lacs) have been charged to Profit & Loss account. The future minimum lease payments are as under:-

(Rs.in Lacs)

Particulars		Current Period	Previous Year
(a)	Not later than one Year	15.31	47.27
(b)	Later than one year & not later than Five Years	-	6.09
(c)	Later than Five years	-	-

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

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

(Rs.in Lacs)

S.No.	Particulars	Current Period	Previous Year
1	Segment Revenue		
	a) Sugar	77246	74,079
	b) Cogeneration	5844	7,230
	c) Distillery	5768	3,470
	TOTAL	88858	84,779
	Less: Inter Segment Revenue	7833	8,818
	Net Segment Revenue	81025	75,961
2	Segment Results - Profit/(Loss) before Tax and Finance Cost and Exceptional Items		
	a) Sugar	3235	(6,369)
	b) Cogeneration	2502	2,720
	c) Distillery	1792	1136
	TOTAL	7529	(2,513)
	Add/Less: i) Finance Cost	5047	7,541
	ii) Other Un-allocable Expenses net off	696	1,014
	iii) Exceptional Items	-	98
	Profit/(Loss) before Tax	1786	(11,166)
3	Segment Assets		
	a) Sugar	82313	94,713
	b) Cogeneration	10817	9,561
	c) Distillery	10249	10,645
	d) Unallocable	1063	853
	Total Assets	104442	1,15,772
4	Segment Liabilities		
	a) Sugar	38493	46,162
	b) Cogeneration	36	248
	c) Distillery	527	644
	d) Unallocable	514	719
	Total Liabilities	39570	47,773
5	Capital Expenditure		
	a) Sugar	1069	522
	b) Cogeneration	14	-
	c) Distillery	160	481
	d) Unallocable	58	42
	Total Capital Expenditure	1301	1,046
6	Depreciation and amortization		
	a) Sugar	1200	1,685
	b) Cogeneration	216	289
	c) Distillery	248	312
	d) Unallocable	24	43
	Total Depreciation and Amortization	1688	2,329

33. Other Current Assets Note No '17' includes interest of Rs. Nil (Previous year Rs.59.54 Lacs) recoverable from Banks in respect of Scheme " Extending Financial Assistance to Sugar Undertakings 2007" for

clearance of cane dues wherein the company has availed term loan of Rs.3365 lacs which has been fully repaid in earlier years, and includes interest of Rs.372.79 Lacs (Previous year 343.09 Lacs) recoverable from Banks in respect of Scheme – “Extending Financial Assistance to Sugar Undertakings 2014” for clearance of cane dues wherein the Company has availed term Loan of Rs.5387 Lacs. Further it includes Rs.110.84 Lacs (Previous year Rs.Nil) recoverable from Banks in respect of Scheme – “ Soft Loan to Sugar Mills 2015” for clearance of cane dues wherein the Company has availed Term Loan of Rs.4582 Lacs.

34. Statement of Expenses during construction period related to Karnataka Project as on 31st March 2016 given is as under :-

(Rs. in Lacs)		
Particulars	Up to 01.07.15	Up to 31.03.16
Salary & Wages	28.18	28.18
Staff & Workers Welfare	1.60	1.60
Printing and Stationery	0.65	0.65
Postage, Telegram and Telephones	0.77	0.77
Travelling and Conveyance	10.42	10.42
Legal and Professional Charges	4.99	4.99
Auditors' Remuneration	0.06	0.06
Fringe Benefit Tax	0.47	0.47
Interest & Financial Charges	7.74	7.74
Office & Other Administration Expenses	18.51	18.51
TOTAL	73.39	73.39
Less: Interest Received	18.77	18.77
TOTAL	54.62	54.62

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

I) Defined Contribution Plan and amount recognized in Profit and Loss Account

(Rs. in Lacs)

Particulars	Current Period	Previous Year
-Employer's Contribution to provident fund	130.15	148.77

II) Defined Benefit plan

-Employee benefits in respect of Gratuity and Leave Encashment are based on Actuarial Valuation as on 31st March 2016. The details are given below:

(Rs. in Lacs)

Particulars	Gratuity Unfunded	Leave Encashment Unfunded
A) Change in the Present Value of obligation		
a) Present Value of obligation as at 1 st July 2015	480.88 (400.08)	141.37 (111.63)
b) Interest Cost	28.85 (35.14)	8.48 (10.05)
c) Past Service Cost	- -	- -
d) Current Service Cost	47.68 (63.34)	22.01 (27.99)
e) Benefits Paid	(5.62) (-27.41)	(2.17) (-16.78)
f) Actuarial Loss/(Gain)	(23.52) (9.73)	(2.67) (8.48)
g) Present Value of Obligation as at 31 st March 2016	528.27 (480.88)	167.02 (141.37)

	Gratuity Unfunded	Leave Encashment Unfunded
B) Change in Fair Value of Plan Assets	-	-
C) Amount recognized in Balance Sheet (A-B)	528.27 (480.88)	167.02 (141.37)
D) Expenses recognized in the Profit & Loss Account		
a) Current Service Cost	47.68 (63.34)	22.01 (27.99)
b) Past Service Cost	-	-
c) Interest Cost	28.85 (35.14)	8.48 (10.05)
d) Actuarial Loss/(Gain)	(23.52) (9.73)	(2.67) (8.48)
e) Net Cost	53.01 (108.21)	27.82 (46.52)
E) Details of Plan Assets	-	-
F) Actuarial Assumptions		
a) Discount Rate		8.00%
b) Rate of escalation in Salary (Per Annum)		5.50%
c) Mortality Table		IALM (2006 - 08)
d) Retirement Age (Years)		58

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

Particulars	Current Period	Previous Year
Expenditure		
Legal & Professional Charges	7.65	0.67
Repair - Plant & Machinery	0.02	3.22
Fees & Subscription	1.52	1.57
Staff Welfare Expenses	0.25	0.05
Travelling & Conveyance	0.34	0.98
Office Expenses	-	0.70
Rebate & Discount	21.20	3.79
Telephone & Communication	-	0.09
Reversal of interest receivable	59.54	-
Power & Fuel	0.84	-
Cane Development Exp.	1.65	-
Transportation Charges	4.26	-
Raw Material	0.23	0.34
Manufacturing Expenses	-	0.65
Total	97.50	12.06
Income		
Professional Charges	-	1.48
Commission on Sale of Sugar	-	0.09
Recovery from farmers pesticides and cane seeds	255.30	-
Repair & Maintenance	13.03	-
Total	268.33	1.57
Net Income	(170.83)	10.49

37. Related Party Disclosures:-

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

A. Parties where control exists
NIL
B. Other related parties where transaction have taken place during the period
i) Key Management Personnel (KMP) :

Sh.Raj Kumar Adlakha - Managing Director (MD)

Sh. Ashok Kumar Agarwal - Executive Director

Relative of Key Management Personnel and their Relationship:

Smt. Amita Adlakha (Wife of MD)

ii) Enterprises where Significant Influence exists :

- Uttam Industrial Engineering Limited
- Lipi Boilers Pvt. Ltd.
- The Standard Type Foundry Pvt.Ltd.
- Uttam Sucrotech Limited
- Shubham Sugars Limited
- Uttam Adlakha & Sons Holdings Pvt. Ltd.
- Sekhri Finance & Investment Pvt. Ltd.
- Uttam Energy System Ltd.
- Uttam Housinginfra Limited
- Uttam Sunna Charitable trust

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

Name of related Parties	Nature of Transactions	Amount of Transactions (Rs. in Lacs)		Outstanding Balances (Rs. in Lacs)		
		Period ended 31.03.16	Year ended 30.06.15		As at 31.03.16	As at 30.06.15
Key Management Personnel (KMP)						
Raj Kumar Adlakha	Remuneration & Perquisites	6.50	45.62	Remuneration Payable	3.59	3.02
	Lease Rent	10.80	13.40	Lease Rent	2.97	0.42
Ashok Kumar Agarwal	Remuneration & Perquisites	30.09	38.10	Remuneration Payable	4.68	3.10
Relative of KMP						
Amita Adlakha	Office Rent	6.48	8.04	Office Rent	1.73	1.34
Uttam Sucrotech Ltd.	Purchase of Fixed Assets	54.24	-			
	Receiving of Services (Machinery)	23.98	1.06	Creditors	15.43	49.61
	Sugar Sales made	0.42	0.57	Unsecured Loan	17.94	17.94
	Guarantee received/ (Satisfied) (Net)	(8040.28)	(4801.91)	Guarantee	43748.94	51789.22
Uttam Industrial Engg. Ltd.	Purchase of Fixed Assets	36.65	54.07	Advances for Purchase of Goods/ Services	-	18.50

	Receiving of Services (Machinery)	215.65	85.17	Creditors	39.80	1.85
	Sugar Sales made	0.90	0.79	Unsecured Loan	47.31	47.31
	Guarantee received/ (Satisfied) (Net)	(8040.28)	(4801.91)	Guarantee	43748.94	51789.22
The Standard Type Foundry P. Ltd.	Purchase of Fixed Assets	26.53	-	Advances for Purchase of Goods/ Services	-	0.07
	Receiving of Services (Machinery & Vehicles)	43.44	66.17	Creditors	48.85	46.32
	Sugar Sales made	1.47	1.78			
Lipi Boilers Pvt. Ltd.	Receiving of Services (Machinery)	4.59	1.12	Capital Advances	65.56	65.56
	Advance received against sale of assets	-	200.00	Advances for Purchase of Goods/ Services	1.12	1.12
	Sale of Fixed Assets	200.94	-	Advance Received	-	200.00
				Receivables	0.94	-
				Unsecured Loans	44.24	44.24
	Guarantee received/ (Satisfied) (Net)	(8040.28)	(4801.91)	Guarantee	43748.94	51789.22
Shubham Sugars Ltd.	Purchase of Agriculture Products	23.51	37.79	Creditors	71.92	89.79
Uttam Adlakha & Sons Holdings Pvt. Ltd.				Unsecured Loan	27.85	27.85
	Guarantee received	30950.30	-	Guarantee	30950.30	-
Sekhri Finance & Investment Pvt. Ltd.				Unsecured Loan	15.47	15.47
Uttam Energy System Ltd.	Reimburses of Expenses	-	0.03	Creditors	1.15	1.15
Uttam Housinginfra Ltd.	Guarantee received	31337.30	3381.00	Guarantee	34718.30	3381.00

38. Auditors' Remuneration

(Rs. in Lacs)

Particulars	Current Period	Previous Year
(a) As Statutory Auditors	12.00	12.00
(b) For Tax Audit	1.26	1.25
(c) For Taxation Matters	1.26	1.25
(c) For other Matters	2.34	6.94
TOTAL	16.86	21.44

39. Earnings per share (EPS)

(Rs. in Lacs)

Particulars	Period ended 31.03.2016	Year ended 30.06.2015
a) Profit / (Loss) attributable to the Equity Shareholders	1546.57	(8819.49)
Less: Preference Dividend as per Note No.17	406.13	541.50
Profit / (Loss) attributable to the Equity Shareholders	1140.44	(9360.99)

Particulars		Period ended 31.03.2016	Year ended 30.06.2015
b)	Weighted average number of equity shares outstanding		
	i) <u>Basic:</u>		
	Weighted average number of equity shares at the end	38138120	38138120
	ii) <u>Diluted</u>		
	Weighted average number of shares as in b(i)	38138120	38138120
c)	Paid up value of share	Rs.10/-	Rs.10/-
d)	Basic Earnings per share (Rs.) (a/bi)	2.99	(24.54)
e)	Diluted Earnings per share (Rs.) (a/bii)	2.99	(24.54)

40. Foreign Currency Inflow & outflow

A. Expenditures:-

(Rs. in Lacs)

Particulars	Current Period	Previous Year
Travelling Expenditure	3.08	19.27
Legal & professional Charges	-	2.07

B. Earnings:-

(Rs. in Lacs)

Particulars	Current Period	Previous Year
Export Sales (F.O.B. Value)	75.26	-

41. Deferred Tax Assets in respect of Unabsorbed Depreciation Losses & Unabsorbed Business Losses of Rs.14103.80 lacs has been recognized by the Company. The management is of the view that due to increased in sugar recovery supported by cane development activities and rise in sugar prices and initiatives taken by the Government, It has become reasonable that sufficient taxable income will be available against which such deferred tax assets can be realized.
42. In view of improvement in sugar recovery on account of cane development activities carries out by the Company and better sugar prices, which has also resulted in profit during the year, management is certain that the Company would be in a position to generate positive cash flow and profit in future and accordingly the financial result have been prepared on going concern assumption.
43. The company has identified certain fixed assets which are being retired from active use and are being held for disposal as on balance sheet date. Accordingly these assets have been written down to net realizable value, based on best estimates available with the Company and have been disclosed as Other Current Assets under the head 'Fixed assets held for disposal'.
44. The previous year figures have been re-arranged, regrouped and reclassified wherever necessary and the figures are rounded off to nearest rupee Lacs.
45. Current Financial period is of 9 months commencing from 01.07.2015 to 31.03.2016 while the previous year was for 12 months commenced from 01.07.2014 to 30.06.2015, therefore figures are not comparable.

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

(RAJ KUMAR ADLAKHA)
Managing Director

(ASHOK KUMAR AGARWAL)
Executive Director

FOR B.K.KAPUR & CO.
Chartered Accountants

(SANJAY BHANDARI)
Chief Financial Officer

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

(S.L.SHARMA)
Head - A/C & Commercial

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

Place : Noida
Dated : 14th May 2016



UTTAM SUGAR MILLS LIMITED

[Corporate Identity Number (CIN) : L99999UR1993PLC032518]

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

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

email id : investorrelation@uttamsugar.in

ATTENDANCE SLIP

Folio No. :
 DP ID :
 Client ID :
 Name & Address of the Member (s) :
 Name of the Proxy (in Block letters) :
 (to To be filled in if the Proxy attends instead of the member)

I hereby record my presence at the 21st Annual General Meeting held on 16th September, 2016 at 12.00 Noon at Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand - 247 667.

.....
Member/ Proxy's Signature

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

----- (TEAR HERE) -----



UTTAM SUGAR MILLS LIMITED

[Corporate Identity Number (CIN) : L99999UR1993PLC032518]

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

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

email id : investorrelation@uttamsugar.in

MGT-11

PROXY FORM

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

Name & Address of the Member (s) :
 E-mail. Id :
 DP ID :
 Folio No. / Client ID No. :

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

- Name: Address:
 E-mail Id: Signature..... or failing him
- Name: Address:
 E-mail Id: Signature..... or failing him
- Name: Address:
 E-mail Id: Signature..... or failing him

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

-----✂----- (TEAR HERE) -----✂-----
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company to be held on Friday, 16th September, 2016 at 12.00 Noon at Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand - 247667 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	Optional	
Ordinary Business		For	Against
1.	Adoption of Audited Financial Statements for the year ended 31 st March, 2016.		
2.	Re-appointment of Mr. Kumar Neel Lohit , (DIN : 06504417) who retires by rotation and being eligible, offers himself for re-appointment		
3.	Ratification of Continuance of Appointment of M/s. B. K. Kapur & Company, Chartered Accountants as Statutory Auditor and fixing their remuneration.		
Special Business			
4.	Approval of Remuneration to Mr. Raj Kumar Adlakha(DIN : 00133256), Managing Director of the Company		
5.	Approval of the Remuneration of the Cost Auditor for the financial year 2016-17.		

Signed this day of2016

Signature of the Member :

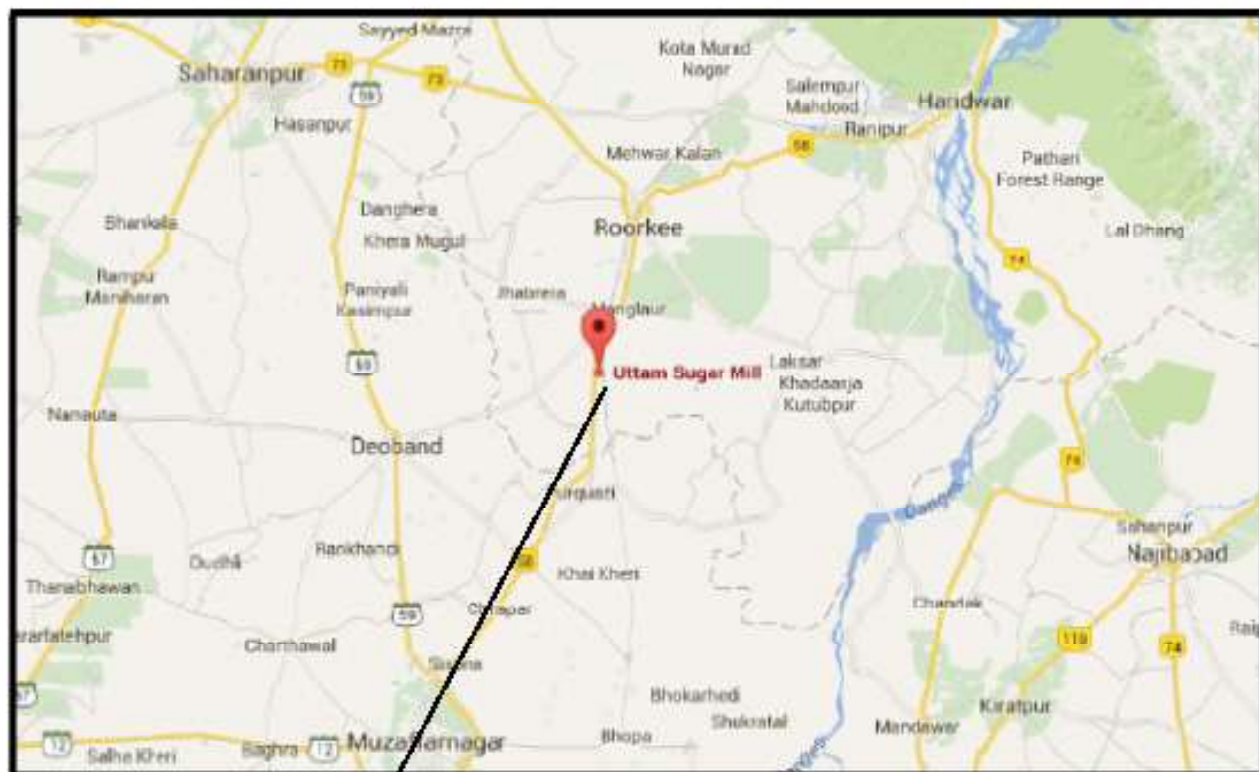
Signature of the proxy holder(s) :

**Affix a
Revenue
Stamp of
₹ 1/-**

Note :

1. This proxy form must be deposited at the Registered Office of the Company at Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand – 247667 or at Corporate Office of the Company at A-2E, IIIrd Floor, C.M.A. Building, Sector – 24, Noida (U.P.), not less than forty-eight hours before the time fixed for holding the aforesaid meeting. A proxy need not be a member of the Company.
2. For Resolutions, Explanatory Statements and Notes, please refer to the Notice of 21st Annual General Meeting of the Company.
3. It is Optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the, 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of Member(s) before submission.

**ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING ON FRIDAY,
THE 16TH SEPTEMBER, 2016 AT 12.00 NOON.**



VENUE OF ANNUAL GENERAL MEETING

UTTAM SUGAR MILLS LIMITED

VILLAGE - LIBBERHERI, TEHSIL ROORKEE,

DISTRICT HARIDWAR, UTTARAKHAND

OUR PRODUCTS



UTTAM SUGAR MILLS LIMITED

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