



UTTAM SUGAR MILLS LIMITED

Notice of
Extra-Ordinary General Meeting
(Friday, 26th February 2016)



Uttam Sugar Mills Limited

Corporate Identity Number (CIN) : L99999UR1993PLC032518

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

Corporate Office: A-2E, IIIrd Floor, CMA Tower, Sector-24, Noida

Website: www.uttamsugar.in

Email id – investorrelation@uttamsugar.in

Contact No. :- 0120 – 4152766/ 4193799

NOTICE OF EXTRA – ORDINARY GENERAL MEETING

NOTICE is hereby given that an Extra-Ordinary 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, the 26th day of February, 2016 at 12.00 Noon to transact the following business:-

SPECIAL BUSINESS:

Item: Erosion in the Net Worth of the Company

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 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), the Report of Board of Directors of the Company to the shareholders on the erosion of more than 50% of the Net Worth of the Company as at the end of the Financial year ended 30th June, 2015 in relation to its peak net worth during the immediately preceding four financial years, be and is hereby considered, noted and approved.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary including reporting of the fact of such erosion to the Board for Industrial and Financial Reconstruction (BIFR) in the prescribed form and in accordance with the provisions of Section 23(1)(a)(i) of SICA and to do all such acts, deeds and things as may be considered necessary, proper or desirable or expedient to give effect to the above 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. FCS-1021**

Place: Noida

Date: 27th January, 2016

NOTES:

1. Explanatory Statement under Section 102 of the Companies Act relating to special businesses set out in the notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS EXTRA –ORDINARY GENERAL MEETING (EGM) 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. In terms of Sick Industrial Companies (Special Provisions) Act, 1985, the shareholders of the Company are required to take note of the Report of Board of Directors on erosion of the networth and causes for such erosion within sixty days of finalization of the audited accounts of the Company. The Audited accounts has been finalised by the members of the Company in 20th Annual General Meeting of the Company held on 30th December, 2015. The Annual Report had already been forwarded to all the shareholders at the time of 20th AGM and the same is also available on the Company's website www.uttamsugar.in.
4. Accordingly, this Extra – Ordinary General Meeting of the members of the company is scheduled to be held at 12.00 noon on Friday, 26th February, 2016.
5. As per the provisions of Section 101 of the Companies Act, 2013 read with rules made thereunder, Notice of the EGM is being sent to all the members in the electronic mode, whose email addresses are registered with the Depository Participant, unless any member has requested for a hard copy of the same and for members who have not registered their email addresses, physical copy of above documents is being sent.
6. 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.
7. Members may also note that the Notice of this EGM is also available on Company's website: www.uttamsugar.in.
8. **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 Obligation and Disclosure Requirement) 2015, the Company is pleased to provide the facility to members to exercise their right to vote at this EGM by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
That 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.



The instructions for shareholders voting electronically are as under:

- (i) The e-voting period commences on Tuesday, 23rd February, 2016 (9.00 am) and ends on Thursday, 25th February, 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, 19th February, 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 Postal Ballot / Attendance Slip indicated in the PAN field.
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.



Uttam Sugar Mills Limited

- (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.
9. Mr. Naveen Kumar Rastogi, Practicing Company Secretary (Membership No. FCS-3685) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Results of e-voting shall be declared on or after the EGM 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 the Resolution of the EGM of the Company.
10. The Chairman shall, at the Extra -Ordinary 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 EGM but have not cast their votes by availing the remote e-voting facility.

Uttam Sugar Mills Limited

11. The Scrutinizer shall after the conclusion of voting at the EGM, 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 EGM, 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.
12. 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 Extra -Ordinary General Meeting of the Company.
13. 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, 19th February, 2016.
14. 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

**ROUTE MAP TO THE VENUE OF THE EXTRA - ORDINARY GENERAL MEETING ON FRIDAY,
THE 26TH FEBRUARY, 2016 AT 12.00 NOON.**



VENUE OF EXTRA-ORDINARY GENERAL MEETING

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



Uttam Sugar Mills Limited

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

Item: Erosion in the Net Worth of the Company

As per Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 ('the Act'), if the accumulated losses of an Industrial Company as at the end of any financial year have resulted in erosion of fifty percent or more of its peak net worth during the immediately preceding four financial years, the said Company falls within the definition of "Potential Sick Company". In terms of requirement of Section 23 of the Act, such Company is required:

- 1) To report the fact of such erosion to the Board for Industrial and Financial Reconstruction and
- 2) To hold a general meeting of shareholders for considering such erosion within 60 (sixty) days from the date of adoption of Audited Financial Statement at the Annual General Meeting.

As per the Audited Accounts of the Company for the financial year ended 30th June, 2015, which was laid before the members at the Annual General Meeting held on 30th December, 2015 and duly approved and adopted by the members in the Annual General Meeting, the accumulated losses of your Company as at 30th June, 2015 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 financial year. Hence the Company has become a 'Potential Sick Company' as per the provisions of Sick Industrial Companies (Special Provisions) Act, 1985.

In terms of the provisions of section 23 a report on such erosion and its causes is required to be submitted before the shareholders for their consideration and approval within 60 days from the finalization of accounts. The said report is annexed herewith and is forming part of this notice. Accordingly, the said report of the Board of Directors on such erosion and revival measures being taken as per Section 23 of the Act is being placed before the members for their consideration and noting.

Therefore this EGM is scheduled in pursuance of Section 23 of Sick Industrial Companies (Special Provisions) Act, 1985 to consider such erosion in Net worth.

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

The Board recommends consideration of the proposed resolution for your approval as an Ordinary Resolution.

REPORT OF THE BOARD OF DIRECTORS OF UTTAM SUGAR MILLS LIMITED PURSUANT TO THE PROVISIONS OF SECTION 23 OF THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985, (SICA).

Dear Shareholders,

As per the duly finalized audited accounts at the end of the financial year on 30th June, 2015, the accumulated losses of the Company stood at Rs. 282.90 Crores, which eroded the peak net worth of the Company in the immediately preceding four financial years by more than 50%. As per the Provisions of the Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), a company is required to report the fact of such erosion to the Board for Industrial & Financial Reconstruction (BIFR) within a period of 60 days from the date of finalisation of the duly finalized audited accounts of the company for the relevant financial year. The Board of Directors of the company is also required to report to its shareholders the fact of such erosion with causes for such erosion by forwarding a report to that effect and holding a general meeting of the shareholders of the company for considering such erosion. Therefore, this report is being submitted to the Members of the Company along with notice of this Extra-Ordinary General Meeting.

Causes of Erosion of Net Worth

Uttam Sugar Mills Limited (USML) is engaged mainly in the manufacture and sale of sugar. The company has four sugar plants, which are located in northern India. The Company is incurring continuous losses due to fixation of unreasonable, unaffordable and irrational State Advised Price (SAP) by the State Governments over the last several years. There is no transparent formula for fixing SAP. The Indian Sugar Mills Association (ISMA) has already represented to Central/State Government to implement the long term mechanism for determination of viable sugar cane price as per the recommendations of Dr. C. Rangarajan Committee. Unless the cane price is linked to sugar price it will be impossible for the sugar industry to improve the performance.

We are summarizing below the main reasons:-

- a) **Higher Sugar cane Prices** – There is no relationship between sugar price and sugarcane price. Cane price fixed by the State Government of Uttar Pradesh/ Uttarakhand is substantially higher than the Fair and Remunerative Price (FRP) (an alternate to the Statutory Minimum Price) set by the Central Government, due to which cane cost increased year after year.
- b) **Higher Interest Cost** – Higher interest burden resulting due to additional debts taken for the investment of Rs 411 Crores made under the Sugar Industrial Promotion Policy as announced by Govt of Uttar Pradesh in 2004 and the cash losses suffered by the company during last two years. High debts resulted in higher interest burden on the Company which impacted the profitability severely for last few years.
- c) **Scraping of Sugar Industry Promotion Policy** – Pursuant to the Sugar Industry Promotion Policy as announced by the Government of Uttar Pradesh in the year 2004, the company made a capital investment of Rs 411 Crores during the period 01.04.2004 to 28.02.2007 with a view to avail of various benefits, concessions and incentives under the said policy.

After completion of projects the company submitted the application with the State Government. However in June 2007 the State Government abruptly scrapped the Incentive Policy. At present the matter is pending with the Lucknow Bench of Hon'ble Allahabad High Court.

As per above-mentioned Policy, your company is entitled to receive an amount of Rs 131 crores for the period ending 30th June, 2015 as various incentives under the Policy which would have made the company's financial health better.



Uttam Sugar Mills Limited

- d) **Lower Sugar Prices** - Lower sugar price in comparison to cost of production due to surplus production of sugar in the country for last five years is also caused erosion in the Net Worth. Your company incurred heavy losses continuously from last several years, which eroded substantial part of the Net Worth.

Steps taken for revival

The Company is taking various steps for improvement of operations some of which are as follows:-

- a) **Sugar Cane Development** : Our Company has undertaken extensive Sugar Cane development activities during the last few years with the support of the Sugar technical institute. The efforts in this direction have already started showing positive results in the form of increased recovery in this year. Needless to mention, increased recovery will have the effect of reducing the cost of production.
- b) **Sugar**: Your Company has started manufacturing of various specialty products which includes sugar in packaging of 1kg/5kg/10kg, Bura, Brown sugar, Sachets in different packaging, icing sugar, superfine, pharma sugar etc. The sale of specialty products will increase the net sales realization. Market share of the Company is also increasing with introduction of above said branded and specialty products. The Packaging Sugar sales has increased from 3% in year 2011-12 to 5% in 2012-13 to 9% in 2013-14 and to 16% in the last financial year 2014-15.
- c) **Cogeneration**: Company is focusing on increasing the power generation capacities for all the four units of the Company and exporting more Power to State grid. Increased power supply will automatically increase revenue from sale of power.
- d) **Ethanol**: The Central Government has increased mandatory mixing of ethanol with petrol from 5% to 10%. The Central government has also announced excise duty exemption on ethanol which will have the effect of increasing the average revenue realization of ethanol by Rs. 5/- per BL at Rs. 45/- per BL as against the present Rs. 40/- per BL. This will increase the revenue from sale of Ethanol.
- e) Recently State Government of Uttar Pradesh, Uttarakhand and Central Government have taken slew of measures with a view to improve Long Term Financial Viability of the Sugar Industry.

The above measures are expected to go a long way in improving the performance of the Company.

**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: 27th January, 2016

Registered Office:

Village Libberheri, Tehsil Roorkee,
Distt. Haridwar, Uttarakhand-247667.
CIN: L99999UR1993PLC032518
Website : www.uttamsugar.in



UTTAM SUGAR MILLS LIMITED

[Corporate Identity Number (CIN) : L99999UR1993PLC032518]

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

Tel.: 0120-4152766/4193799, 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 Extra - Ordinary General Meeting held on Friday, 26th February, 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.: 0120-4152766/4193799, 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 :

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

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

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

(TEAR HERE)

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extra-Ordinary General Meeting of the Company to be held on Friday, 26th February, 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:

Resolutions	Optional		
	No. of Shares	Assent (For)	Dissent (Against)
Erosion in the Net Worth of the Company			

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 Resolution, Explanatory Statements and Notes, please refer to the Notice of Extra - Ordinary General Meeting of the Company.
3. It is Optional to put '✓' 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.