

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, e-mail id : investorrelation@uttamsugar.in

NOTICE OF POSTAL BALLOT

(Pursuant to Section 110 of the Companies Act, 2013 and Rules made thereunder)

To,

The holders of

**6.50% Cumulative Redeemable Preference Shareholders ; &
10.00% Cumulative Redeemable Preference Shares**

Notice is hereby given to the holders of **6.50% Cumulative Redeemable Preference Shareholders and 10% Cumulative Redeemable Preference Shares** of Uttam Sugar Mills Limited (the "Company") pursuant to the Section 110 of the Companies Act, 2013 (which shall include any statutory modifications, amendments or re-enactments thereto) read with the Companies (Management and Administration) Rules, 2014 (which shall include any statutory modifications, amendments or re-enactments thereto), for seeking consent of Preference shareholders of the Company by passing of resolutions by way of Postal Ballot, for under mentioned **SPECIAL BUSINESS (ES)**.

You are requested to read the instructions printed in the Postal Ballot Form and return the Form duly completed in all respects in the self addressed postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours on Monday the 09th Day of October, 2017.

The Company has appointed M/s N. K. Rastogi & Associates, Company Secretaries, as Scrutinizer for conducting the postal ballot process in a fair and transparent manner. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the results of the postal ballot will be announced by the Chairman on or before 15th day of October, 2017.

1. Amendment in the terms & conditions of 6.50% Cumulative Redeemable Preference Shares.

To consider and if thought fit, to give **ASSENT/DISSENT** to the following resolution as a **SPECIAL RESOLUTION**:-

"RESOLVED THAT consent of the 6.50% Cumulative Redeemable Preference Shareholders of the Company be and is hereby accorded pursuant to the provisions of Section 48 and other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company (hereinafter called "The Board" and which terms shall be deemed to include any committee, which the Board may be constituted to exercise its power) for change in the terms & conditions of 6.5% Cumulative Redeemable Preference Shares of Rs. 100/- each to the extent and manner given herein :

- a) Waiver of arrears of preference dividend on 50,00,000 6.50% Cumulative Redeemable Preference Shares of Rs. 100/- each till 31st March, 2017 amounted to Rs. 23.46 Crore.
- b) Changing the nomenclature of Preference Shares from 6.50% Cumulative Redeemable Preference Shares of Rs. 100/- each to 6.5% Non - Cumulative Redeemable Preference Shares of Rs. 100/- each w.e.f 01st April, 2017.
- c) The 6.50% Cumulative Redeemable Preference Shares of Rs. 100/- each will be redeemed on the call of the Company on or after 01st April, 2023 but not later than 31st March, 2026 by giving 30 days notice.
- a) Save as mentioned hereinabove, all other terms and conditions of the said Preference shares shall remain the same.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds & things as may be necessary, expedite and incidental thereto to give effect to this Resolution."

2. Amendment in the terms & conditions of 10.00% Cumulative Redeemable Preference Shares.

To consider and if thought fit, to give **ASSENT/DISSENT** to the following resolution as a **SPECIAL RESOLUTION**:-

"RESOLVED THAT consent of the 10.00% Cumulative Redeemable Preference Shareholders of the Company be and is hereby accorded pursuant to the provisions of Section 48 and other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company (hereinafter called "The Board" and which terms shall be deemed to include any committee, which the Board may be constituted to exercise its power) for change in the terms & conditions of 10.00% Cumulative Redeemable Preference Shares of Rs. 100/- each to the extent and manner given herein :

- a) Waiver of arrears of preference dividend on 21,65,000 10.00% Cumulative Redeemable Preference Shares of Rs. 100/- each till 31st March, 2017 amounted to Rs. 12.48 Crore.
- b) Changing the nomenclature of Preference Shares from 10.00% Cumulative Redeemable Preference Shares of Rs. 100/- each to 10.00% Non - Cumulative Redeemable Preference Shares of Rs. 100/- each w.e.f 01st April, 2017.
- c) The 10.00% Cumulative Redeemable Preference Shares of Rs. 100/- each will be redeemed on the call of the Company on or after 01st April, 2023 but not later than 31st March, 2026 by giving 30 days notice.
- d) Save as mentioned hereinabove, all other terms and conditions of the said Preference shares shall remain the same.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds & things as may be necessary, expedite and incidental thereto to give effect to this Resolution."

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

**Date : 07th September, 2017
Place : Noida**

**Sd/-
(G. RAMARATHNAM)
Chief – Legal and Corporate Affairs & Company Secretary
(Membership No. FCS-1021)**

Notes:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out material facts is attached herewith.
2. The Notice of Postal Ballot is being sent to all the Preference Shareholders, whose names appear on the Register of Preference shareholders as on Thursday, September, 07, 2017.
3. The Postal Ballot form for voting is also enclosed.
4. The Company has appointed M/s N.K. Rastogi & Associates, Practicing Company Secretaries, Delhi to act as Scrutinizer for conducting Postal Ballot in a fair and transparent manner.
5. The Special Resolution(s) shall be declared as passed if the number of votes cast in favour of the Resolution is not less than three times the number of votes cast against the Resolution.
6. The Scrutinizer will submit his report to the Company within seven days after completion of the scrutiny of the Postal Ballot Forms and the result of Postal Ballot along with the Scrutinizer's Report will be displayed on the Company's website www.uttamsugar.in and shall be communicated to the stock exchanges where the Company's Equity Shares are listed.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE
COMPANIES ACT, 2013**

Item No. 1 & 2:

The Company had issued Redeemable preference shares in two series i.e. 'Series I' & 'Series II' in various tranches during the year from 2009 to 2014 to meet the Promoters contribution requirements as per CDR Terms and also to finance the cash losses incurred by the Company and for the purpose of working capital requirements. The 'Series I' Redeemable Preference Shares were issued at par at the face value of Rs. 100/- per share with 6.5% Dividend on cumulative basis and 'Series II' Redeemable preference Shares were issued at Rs. 200/- per shares (including premium of Rs. 100/- per share) with 10.00% Dividend on cumulative basis. The Dividend on these preferences shares are accumulating since the date of allotment and the same could not be paid as the Company was not in the position to pay the same due to accumulated losses in the Company.

The Company has generated the profits in last two financial years but the same is not enough to wipe out the losses accumulated in the past. Hence, the Board recommended for the variation in the terms and conditions of Redeemable Preference Shares as described in the Resolution No. 1 & 2. The Board is of the opinion that it would be most beneficial for the Company if variation described in the Special Resolution approved by the Redeemable Preference Shareholders.

The Board of Directors recommends the resolutions as set out in Item No. 1 & 2 for the approval of Preference Shareholders by way of Special Resolutions.

Mr. Raj Kumar Adlakha, Managing Director of the Company is also Director/ Promoter of some of the entities holding Preference Shares and hence may be deemed to be concerned or interested in the said Resolution as set out above. None of the other Directors and Key Managerial Personnel of the Company including their relatives is concerned or interested, financially or otherwise in the resolutions.

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

**Date : 07th September, 2017
Place : Noida**

**Sd/-
(G. RAMARATHNAM)
Chief – Legal and Corporate Affairs & Company Secretary
(Membership No. FCS-1021)**