



11th Annual Report 2004-2005



The desire to excel.
The determination to deliver.

Uttam Sugar Mills Limited

UTTAM SUGAR MILLS LIMITED**CONTENTS**

Statutory Information	...	2
Notice of Annual General Meeting	...	3
Explanatory Statement	...	6
Directors' Report	...	9
Annexure to Directors' Report	...	14
Auditors' Report	...	17
Annexure to Auditors' Report	...	19
Balance Sheet as at 30th September, 2005	...	24
Profit and Loss Account for the year ended 30th September, 2005	...	25
Schedules 1-19	...	26
Notes to Accounts	...	34
Cash Flow Statement	...	47



BOARD OF DIRECTORS

Raj Kumar Adlakha
(Chairman & Managing Director)
U.R.K. Rao (Executive Director)
Rajan Adlakha
Ranjan Adlakha
V.K. Guliani
J.S. Dhikkar
V.V.R. Murty

AUDITORS

B.K. Kapur & Co.
Chartered Accountants

COMPANY SECRETARY

G. Ramarathnam

BANKERS

Punjab National Bank
Indian Overseas Bank
State Bank of India

REGISTERED OFFICE

7-C, 1st Floor, J-Block
Shopping Centre, Saket,
New Delhi-110017.

CORPORATE OFFICE

A-2E, 3rd Floor, C.M.A. Tower,
Sector-24, Noida(U.P.) 202131.
Tel.: 0120-2412716-18,
2412722-26
Fax : 0120-2412715
e-mail : usmlnoi@sanchar.net.in

WORKS

Village Libberheri,
Tehsil Roorkee
Distt. Haridwar, (Uttaranchal)
Tel.: 01332-229193, 229445
Fax : 01332-229194

UTTAM SUGAR MILLS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Eleventh Annual General Meeting of the members of the **UTTAM SUGAR MILLS LIMITED** will be held at the Registered Office of the Company at 7-C, First Floor, J-Block Shopping Centre, Saket, New Delhi on Monday the 14th November, 2005 at 10.00 A.M. to transact the following business: -

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 30th September, 2005, Profit & Loss Account for the financial year ended on that date, and the reports of the Auditors & Directors thereon.
2. To appoint a Director in place of Shri Ranjan Adlakha, retiring by rotation and offers himself for re-appointment.
3. To appoint a Director in place of Shri J.S. Dhikkar, retiring by rotation and offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration. The retiring auditors M/s B.K. Kapur & Company., Chartered Accountants are eligible for re-appointment.

SPECIAL BUSINESS :

5. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT Shri V.V.R. Murty who was appointed under Section 260 of the Companies Act, 1956 as an additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting and in respect of whom a notice u/s 257 of the Companies Act, 1956 has been received from a member signifying his intention of proposing Shri V.V.R.



Murty as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company."

6. 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 Sections 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956 and read with Schedule XIII thereto and subject to such approvals, if any, as may be necessary, consent of the Company be and is hereby accorded to the appointment of Shri V.V.R. Murty as a Whole Time Director designated as Director (Technical) for a period of 5 years w.e.f. 1st July, 2005 on the terms and conditions including remuneration and minimum remuneration in the event of loss or inadequate profits in any financial year as set out in the explanatory statement which shall be deemed to form part thereof."

"RESOLVED further that the Board of Directors be and is hereby authorised to vary and/or revise the remuneration of Shri V.V.R. Murty, Whole Time Director within the permissible limit under the provision of the Companies Act, 1956 or any statutory modification thereof from time to time, settle any question or difficulty in connection therewith incidental thereto."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that in partial modification of the resolution passed in the Ninth Annual General Meeting held on 31st December, 2003 of the Company and in accordance with provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 the Company hereby approves ex-gratia payment of

UTTAM SUGAR MILLS LIMITED

Mr. U.R.K. Rao, Whole Time Director of the Company in addition to the salary and perquisites. The ex-gratia payable to the Director will be subject to a limit of 20% of the annual basic salary.”

**By Order of the Board
for UTTAM SUGAR MILLS LTD.**

Place : Noida

(G. RAMARATHNAM)

Dated : 21st October, 2005

COMPANY SECRETARY

Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of this Annual General Meeting.
2. Members are requested to notify any change in their address immediately to the Registered Office of the Company.
3. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ANNEXED AND FORMING PART OF THE NOTICE DATED 21ST OCTOBER, 2005

Item No. 5

Mr. V.V.R. Murty was appointed on 01.07.2005 as an Additional Director of the Company under Section 260 of the Companies Act, 1956, he holds office till this Annual General Meeting. A notice u/s 257 of the Companies Act, 1956 along with a deposit of Rs. 500/- has been received from a member of the Company proposing the candidature of Mr. V.V.R. Murty as Director of the Company.

The Board also considers that it would be in the interest of the Company to have Mr. V.V.R. Murty on the Board of the Company for his valuable contribution and members are requested to pass the said resolution as an Ordinary Resolution.

None of the Directors except Mr. V.V.R. Murty is concerned or interested in this resolution.

Item No. 6

Pursuant to Section 269 of the Companies Act, 1956 the Board of the Company at its meeting held on 27th June, 2005 have appointed Mr. V.V.R. Murty as Whole Time Director designated as Director (Technical) of the Company w.e.f. 1st July, 2005 subject to approval of the members in the Annual General Meeting.

The terms and conditions of his appointment are as follows :

1. He will be paid salary Rs.50,000/- p.m. (Rupees Fifty thousand).
2. Provision of housing accommodation or House Rent Allowance in lieu thereof, subject to maximum of Rs. 20,000/- p.m.
3. Company's contribution to Provident Fund, as per Rules of the Company.

UTTAM SUGAR MILLS LIMITED

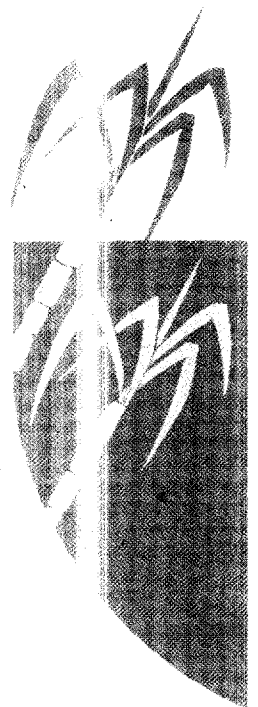
4. Gratuity, as per Rules of the Company.
5. Leave with full pay and allowance, as per Rules of the Company.
6. Provision of car with driver for use on Company's business purposes.
7. Provision of telephone at residence (payment for local calls and long distance office calls).
8. Provision of electricity at residence (payment on actual basis).
9. **Functions**
He shall exercise duties and functions as may be delegated/ assigned to him by the Board of Directors/Committee of Directors from time to time.
10. **Sitting Fee**
He shall not be paid any sitting fee for attending the Meeting of Board or Committee thereof.

The Board also considers that it would be in the interest of the Company to have Mr. V.V.R. Murty on the Board of the Company as Director (Technical) for his valuable contribution and members are requested to pass the said resolution as an Ordinary Resolution.

None of the Directors except Mr. V.V.R. Murty is concerned or interested in this resolution.

Item No. 7

Mr. U.R.K. Rao was appointed as a Whole Time Director of the Company in the Board meeting held on 16.01.2003 for a period of five years. This appointment was approved by the Company in the Ninth Annual General Meeting held on 31st December, 2003. Now the Board of Directors of the Company wish to pay remuneration by way of ex-gratia payment (in addition to the salary and perquisites) as may be determined by the Board of Directors at the end of each financial year based on performance of the Company. The ex-gratia





payable to the Director will be subject to a limit of 20% of the annual basic salary. The other terms and conditions remain unchanged.

Your Directors recommend the passing of the aforesaid Ordinary Resolution.

None of the Directors except Mr. U.R.K. Rao is concerned or interested in this resolution.

The above statement may be regarded as an abstract of the terms of contract or variations and memorandum of interest under Section 302 of the Companies Act, 1956.

**By Order of the Board
for UTTAM SUGAR MILLS LTD.**

Place : Noida

Dated : 21st October, 2005

(G. RAMARATHNAM)

COMPANY SECRETARY



UTTAM SUGAR MILLS LIMITED**DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors have pleasure in presenting the Eleventh Annual Report on the operations of your company, together with the Audited Accounts of the Company for the year ended 30th September, 2005.

1. FINANCIAL RESULTS

The Company has made Cash accruals of **Rs.3908 Lacs** during the Financial Year 2004-05. The financial results of the Company for the year ended on 30th September 2005 are as under:-

	(Rs. in Lacs)	
	Year Ended	
	<u>30.09.2005</u>	<u>30.09.2004</u>
Net Sales	18793.54	9784.23
Profit before Depreciation, Tax & Extra-Ordinary Items	4157.88	1567.22
Depreciation	532.91	315.51
Profit before Tax & Extra-Ordinary Items	3624.97	1251.71
Extra-Ordinary Items	--	656.68
Profit before Tax	3624.97	595.03
Provision for Taxation		
Current tax	245.50	47.02
Deferred tax	702.93	333.85
Fringe Benefit Tax	5.45	--
Profit after Tax	2671.09	214.16
Balance brought forward from previous year	503.68	289.52
Less: Income Tax for earlier year	29.77	--
Surplus transferred to Balance Sheet	3145.00	503.68
	2004-05	2003-04
Profitability		
Profit before Dep., Interest & Tax (PBDIT) / Net Sales	28.48%	24.14%