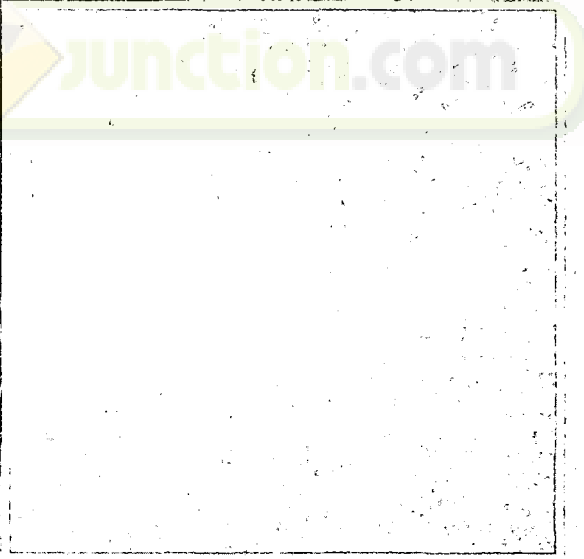


14th Annual Report 2007-2008



the **desire**
to excel
the determination
to **deliver**



Uttam Sugar Mills Limited



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Uttam Sugar Mills Limited

CORPORATE INFORMATION

BOARD OF DIRECTORS

Raj Kumar Adlakha *Managing Director*
Rajan Adlakha
Ranjan Adlakha
Pasha Biswas *Whole time Director*
V.S. Tandon
R. Vasudevan
P.S. Lalli

REGISTERED OFFICE

Village Libberheri, Tehsil Roorkee,
District Haridwar, Uttarakhand - 247667
Tel. : 01332 - 229193,
Fax : 01332 - 229194

FACTORIES

Unit - 1 :
Village Libberheri, Tehsil Roorkee,
District Haridwar, Uttarakhand - 247667

CORPORATE OFFICE

A-2E, 3rd Floor, C.M.A. Tower, Sector - 24,
Noida - 201 301 (U.P.)
Tel. : 0120 - 2412716 - 18, 4525000
Fax : 0120 - 4525015, 4525020
E-mail : uttamsugarnoida@gmail.com
uttamnoida@gmail.com

Unit - 2 :

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

Unit - 3 :

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

AUDITORS

B.K. Kapur & Co.
Chartered Accountants

Unit - 4 :

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

CHIEF - LEGAL AND CORPORATE AFFAIRS &

COMPANY SECRETARY

G. Ramarathnam

BANKERS

Punjab National Bank
IDBI Bank
Indian Overseas Bank
State Bank of India
Oriental Bank of Commerce



Uttam Sugar Mills Limited

NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the members of Company will be held at the registered office of the Company at Village Libberheri, Tehsil Roorkee, Distt. Haridwar, Uttarakhand on Monday the 25th day of May, 2009 at 12.00 Noon to transact the following business(s):-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st December, 2008, Profit & Loss Account for the financial year ended on that date together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajan Adlakha, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Dr. R. Vasudevan, who retires by rotation and is eligible for re-appointment.
4. To appoint M/s B. K. Kapur & Company, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION:-**

“**RESOLVED THAT** Mr. Pasha Biswas, who was appointed under Section 260 of the Companies Act, 1956 as an additional director of the Company w.e.f. 31st October, 2008 and who holds office till this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, whose period of office is liable to retire by rotation.”

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION:-**

“**RESOLVED THAT** pursuant to section 198,269,309 & other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act as amended upto date and subject to the Articles of Association of the Company, the consent of the Company be and is hereby accorded for appointment and payment of Remuneration to Mr. Pasha Biswas as a Whole Time Director of the Company for a period of Three Years with effect from 31st October, 2008 as recommended by the Remuneration Committee on the terms and conditions and remuneration as detailed below:

- a) He will be designated as **Whole Time Director**.
- b) He will be paid remuneration of Rs. 45,125/- p.m. (Rupees Forty Five Thousand One Hundred Twenty Five Only).
- c) He will be paid House Rent Allowance of Rs. 15,000/- p.m. (Rupees Fifteen Thousand Only). As and when Company accommodation is provided HRA will be withdrawn.
- d) He will be reimbursed Medical Reimbursement of Rs.15,000/- per annum (Rupees Fifteen Thousand Only).
- e) He will be paid Special Allowance of Rs. 1,618/- p.m. (Rupees One Thousand Six Hundred Eighteen Only).
- f) He will be reimbursed Leave Travel Allowance – One month basic salary per annum.
- g) He will be paid Conveyance expenses (reimbursement) / Allowance as per entitlement.
- h) Company's contribution to provident fund, as per Rules of the Company.
- i) Gratuity as per Rules of the Company.
- j) Leave with full pay and allowance, as per Rules of the Company.
- k) **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.
- l) **Sitting Fee:** He shall not be paid any sitting fee for attending the Meeting of Board or Committee thereof.
- m) His period of office shall not be subject to retirement by rotation whilst holding office of Whole Time Director.”

“**RESOLVED FURTHER THAT** the above remuneration 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 (A) of Part II of Schedule XIII of the Companies Act, 1956 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”.



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7. To consider and if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION**:-
- “**RESOLVED THAT** pursuant to Section 269,198,309 & other applicable provisions, if any, of the Companies Act,1956 read with Schedule XIII to the said Act amended up to date and subject to the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the re-appointment of and payment of remuneration to Mr. Raj Kumar Adlakha as a Managing Director of the Company for three years from 1st September 2009 to 31st August 2012 as recommended by the Remuneration Committee of the Directors and approved by the Board of Directors on 30.04.2009 on the terms and conditions including remuneration as minimum remuneration in the case of loss or inadequacy of profits in any financial year as set out in the explanatory statement, which shall be deemed to form part thereof.”

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

Place : Noida
Date : 30th April, 2009

(G. RAMARATHNAM)
Chief – Legal and Corporate Affairs & Company Secretary

Registered Office:
Village Libberheri, Tehsil Roorkee,
Distt. Haridwar, Uttarakhand

NOTES:

1. Explanatory Statement setting out all material facts relating to special business contained in item Nos. 5, 6 & 7 as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. **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.** 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.
Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
3. The Register of Members and the Share Transfer Books of the company will remain closed from 22nd May, 2009 to 25th May, 2009 (both days inclusive).
4. Members are requested to bring their copies of Annual Report to the Meeting.
5. Any query relating to Accounts must be sent to Company's Corporate Office at A-2E IIIrd Floor, C.M.A. Tower Sector -24, Noida (U.P.) at least 10 days before the date of the meeting.
6. 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.
7. Members / Proxies are requested to bring the attendance slip sent with Annual Report duly filled in for attending the meeting.
8. 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
(Formerly Intime Spectrum Registry Limited)
A-40, 2nd Floor, Naraina Industrial Area,
Phase – II, New Delhi – 110 028.
Tel.:- 011-41410592-93



Uttam Sugar Mills Limited

Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking re-appointment at the forthcoming Annual General Meeting

1. **Mr. Rajan Adlakha**

Mr. Rajan Adlakha, aged 49 years, is a B.B.A from Akron University, Ohio, United States of America. He joined the family business in 1986. He is the Managing Director of The Standard Type Foundry Pvt. Ltd. and Uttam Sucrotech International Pvt. Ltd. He is also a director on the board of other group companies.

Directorship held in other Companies

- 1) Uttam Industrial Engg. Ltd.
- 2) Uttam Sucrotech Ltd.
- 3) Uttam Distilleries Ltd.
- 4) Mansinghgroup Hotels & Resorts Ltd
- 5) The Standard Type Foundry Pvt. Ltd.
- 6) Uttam Lifestyle Hotels Pvt. Ltd.
- 7) Autocare Mart Pvt. Ltd.
- 8) Uttam Foma Techno Cast Pvt. Ltd.
- 9) Uttam Sucrotech International Pvt. Ltd.

Membership in committees in other Companies

Nil

Shareholding in the Company

367010 Equity Shares

Relationships between Directors Inter-Se

Mr. Rajan Adlakha is the brother of Mr. Raj Kumar Adlakha, Managing Director and Mr. Ranjan Adlakha, Director of the Company.

2. **Dr. R. Vasudevan**

Dr. Ramasamy Vasudevan aged 70 Years, is a Doctorate and Qualified Ph.D (Hons). He has an overall experience of over 47 years. He has served Bharat Heavy Electricals Limited for a total period of 31 years and retired as General Manager (Engineering). He is one of the founder Director in the School of Engineering Technology, Bharathidasan University, Tiruchirappalli. He has won various awards in the field on engineering such as Business leadership award in the field of bio-energy for the year 2003 by International Congress on Renewable Energy, World Environmental Congress Award for the manufacture of compost from the municipal waste for the Tiruchirappalli City Corporation etc. He has chaired various committees such as the R&D Committee, Ministry of Non-Conventional Energy Sources, Sugar, Cogeneration Projects and has also being a member of the Energy panel, Tamil Nadu Commission.

Directorship held in other Companies

Nil

Membership in committees in other Companies

Nil

Shareholding in the Company

Nil

Relationships between Directors Inter-Se

Dr. R. Vasudevan is not related to any other directors of the Company.

3. **Mr. Pasha Biswas**

Mr. Pasha Biswas aged 49 years, is a Graduate (B.A.) from JNU, Delhi. He joined the Indian Armed Forces in 1981 and held various positions and also worked at different locations. After serving the Army for about 23 years he took premature retirement. Thereafter, he joined the private sector and worked as Vice President of a Marketing Firm for about 3 years. During this period he got exposure in different areas like Marketing, Human Resources etc.

Directorship held in other Companies

Nil



Uttam Sugar Mills Limited

Membership in committees in other Companies

Nil

Shareholding in the Company

Nil

Relationships between Directors Inter-Se

Mr. Pasha Biswas is not related to any other directors of the Company.

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

Item No. 5 & 6

As per the provisions of the Companies Act, 1956 and the provisions of the Articles of Association of the Company, Mr. Pasha Biswas was appointed as an Additional cum Whole-Time Director on 31.10.2008 for a period of three years w.e.f. 31.10.2008. He holds office as an Additional Director 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 Pasha Biswas as Director of the Company.

The remuneration as proposed has already been approved by the Remuneration Committee of Board of Directors.

This Explanatory Statement together with the accompanying Notice may be regarded as an abstract of terms of contract or variations and memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The Board also considers that it would be in the interest of the Company to have Mr. Pasha Biswas on the Board of the Company for his valuable contribution. The Board of Directors recommends the resolution for approval of Members.

None of the Director except Mr. Pasha Biswas is concerned or interested in this resolution.

Item No. 7

Being the promoter of the Company, Mr. Raj Kumar Adlakha is associated as Director of the Company w.e.f. 28.07.1998 and has made considerable contribution in the growth of the Company. His efforts, knowledge and experience have been instrumental in the progress of the Company over the years.

The Board of Directors of the Company re-appointed Mr. Raj Kumar Adlakha, as Managing Director of the Company under Section 269 of the Companies Act, 1956 for a period of three years w.e.f. 01.09.2006 to 31.08.2009. Now, the Board of Directors of your Company recommend for re-appointment of Mr. Raj Kumar Adlakha as a Managing Director for a further period of three years from 01.09.2009 to 31.08.2012 on payment of remuneration to him as per the terms and conditions detailed below:

The terms and conditions of re-appointment of Mr. Raj Kumar Adlakha as Managing Director:-

1. Period:

The appointment is effective from 1st September, 2009 for a period of three years i.e. up to 31st August, 2012.

2. Overall Remuneration:

Subject to the provisions of Section 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956, the remuneration payable to the Managing Director in any financial year shall not exceed 5% (five percent of the net profit of the Company), 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. 3,25,000/- (Rupees Three Lacs Twenty Five Thousand Only) per month.
- b. **Perquisites:** In addition to above remuneration the Managing Director shall also be entitled to perquisites like furnished accommodation, gas, electricity, water and furnishings, medical reimbursement and leave travel assistance for self and family, club fees, medical insurance etc. in accordance with the rules of the Company.
- c. 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.
- d. **Gratuity:** One half months salary for each completed year of service in accordance with the rules of the Company.



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- e. Provision of car for use on Company's business and telephone at residence will 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.
- f. **Commission:** Such remuneration by way of commission, in addition to the above salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956. The commission payable to the Managing Director will be limited to 4% of the net profits of the Company as calculated in terms of the provisions of Section 349 of the Companies Act, 1956 to be determined at the end of each financial year.
- 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 XIII to the Companies Act, 1956 @ Rs. 4,00,000/- (Four Lacs) per month (including perquisites) which is the present limit 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. He shall not, so long as he functions as a Managing Director, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company.
7. His period of office shall not be subject to retirement by rotation whilst holding office of Managing Director."

INFORMATION PURSUANT TO CLAUSE 1 (B) (iv) OF SECTION II OF PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956.

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 | 2005-06
(12 months) | 2006-07
(12 months) | 2007-08
(15 months) |
|--------------------------------------|------------------------|------------------------|------------------------|
| Turnover (Rs.) | 22064.23 | 29640.57 | 39918.86 |
| Net Profit/(Loss) (before Tax) (Rs.) | 3140.68 | (3006.91) | (6312.35) |
- (5) **Export performance and net foreign exchange collaborations:-** Nil
- (6) **Foreign investments or collaborators, if any:-** Nil

II. INFORMATION ABOUT THE APPOINTEE:

(1) **Background details:-**

Mr. Raj Kumar Adlakha, aged 53 years holds Engineering Degree B.E. (Mach.) and has more than 30 years of

Uttam Sugar Mills Limited



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. 3.75 lacs per month (excluding perquisites) from 01st September 2006 and commission up to 4% of net profit and overall remuneration subject to maximum of 5% (five percent) of the net profit of the Company.

(3) Recognition or awards:-

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

(4) Job profile and his suitability:-

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

(5) Remuneration proposed:-

Rs. 3,25,000 per month (excluding perquisites) and commission 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. He is related to two Directors of the Company.

III. OTHER INFORMATION:

(1) Reasons for loss:-

The Company has incurred losses due to several external factors like (a) Irrational fixation of SAP for 2007-08 by the State Government, (b) Inadequate availability of sugarcane for season 2008-09 resulting in delayed start of production and (c) Poor quality of sugarcane resulting in lower sugar recovery etc.

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

To improve the financial viability of sugar manufacturing units, Company is in the process to increase the bagasse based Co-generation Capacity by 55 MW. The power produced by our cogeneration plants will be utilized for running sugar mills and the surplus power will be exported. Further, the Company is also in the process to set up an Ethanol plant with capacity of 75 KLPD at Barkatpur.

(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.

(4) Directorship held in other Companies:-

- a. Uttam Industrial Engineering Ltd.
- b. Lipi Boilers Ltd.
- c. Uttam Distilleries Ltd.
- d. Shubham Sugars Ltd.
- e. Mansinghgroup Hotels & Resorts Ltd.
- f. Telma Trading Private Limited
- g. Divine Grace Enterprises Pvt. Ltd.
- h. Lipi Consultants Pvt. Ltd.



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- i. Uttam Car Wash Pvt. Ltd.
- j. Uttam Properties Pvt. Ltd.
- k. Shree Uttam Colonisers Pvt. Ltd.
- l. Uttam Lifestyle Hotels Pvt. Ltd.
- m. Uttam Elite Hotels Private Limited

(5) Membership in committees in other Companies:-

Nil

(6) Shareholding in the Company:-

1624610 Equity Shares

(7) Relationships between Directors Inter-Se:-

Mr. Raj Kumar Adlakha is the brother of Mr. Rajan Adlakha and Mr. Ranjan Adlakha, Directors of the Company.

This Explanatory Statement together with the accompanying Notice may be regarded as an abstract of terms of contract or variations and memorandum of concern or interest under Section 302 of the Companies Act, 1956 and may also be regarded as disclosure as required under Clause 49 (IV) (G) (i) of the Listing Agreement entered with Stock Exchanges.

The Board of Directors recommends the resolution for approval of Members.

Apart from Mr. Raj Kumar Adlakha, Mr. Rajan Adlakha and Mr. Ranjan Adlakha may be deemed to be considered as interested in the resolution being related to each other.

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

Place : Noida
Date : 30th April, 2009

(G. RAMARATHNAM)
Chief – Legal and Corporate Affairs & Company Secretary