



UTTAM SUGAR MILLS LIMITED



**THE DESIRE
TO EXCEL
THE DETERMINATION
TO DELIVER**



15th Annual Report 2009-10



C O N T E N T S

Notice	1-6
Directors' Report	7-12
Corporate Governance Report	13-22
Management Discussion and Analysis	23-28
Auditors' Report	29-32
Balance Sheet	33
Profit & Loss Account	34
Schedules	35-50
Balance Sheet Abstract	51
Cash Flow Statement	52
Attendance Slip and Proxy Form	53



Uttam Sugar Mills Limited

CORPORATE INFORMATION

BOARD OF DIRECTORS

Raj Kumar Adlakha	<i>(Managing Director)</i>
Rajan Adlakha	
Ranjan Adlakha	
Pasha Biswas	<i>(Whole time Director)</i>
V.S. Tandon	
R. Vasudevan	
P.S. Lalli	
G. S. Matta	
K. G. Sharma	<i>(Nominee Director-PNB)</i>
Satish Chandra	<i>(Nominee Director-IDBI Bank Ltd.)</i>

REGISTERED OFFICE

Village Libberheri, Tehsil Roorkee,
District Haridwar, Uttarakhand - 247667
Tel. : 01332 - 229445
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 - 4525000
Fax : 0120 - 4525015
E-mail : uttamsugarnoida@gmail.com
uttamnoida@gmail.com

Unit - 2 :

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

AUDITORS

B.K. Kapur & Co.
Chartered Accountants

Unit - 3 :

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

CHIEF - LEGAL AND CORPORATE AFFAIRS & COMPANY SECRETARY

G. Ramarathnam

Unit - 4 :

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

BANKERS

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



Uttam Sugar Mills Limited

NOTICE OF 15TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 15th 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 Wednesday, the 18th day of August, 2010 at 11.30 a.m. to transact the following business(s):-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010, 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. Vikram Singh Tandon, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Prabhakaran Singh Lalli, 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 modification(s), the following resolution as an **ORDINARY RESOLUTION:-**

"RESOLVED THAT Mr. Gurbachan Singh Matta, who was appointed under Section 260 of the Companies Act, 1956 as an additional director of the Company w.e.f. 12th September, 2009 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 modification(s), the following resolution as an **ORDINARY RESOLUTION:-**

"RESOLVED THAT Mr. Satish Chandra, who was appointed under Section 260 of the Companies Act, 1956 as an additional cum Nominee Director of IDBI Bank Limited on the Board of the Company w.e.f. 15th April, 2010 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 not liable to retire by rotation."

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

"RESOLVED THAT Mr. Krishan Gopal Sharma, who was appointed under Section 260 of the Companies Act, 1956 as an Additional cum Nominee Director of Punjab National Bank on the Board of the Company w.e.f. 15th April, 2010 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 not liable to retire by rotation."

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

"RESOLVED THAT pursuant to section 255 of the Companies Act, 1956 the period of office of Mr. Pasha Biswas, Whole Time Director will be rotational and shall be liable to retire by rotation."

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

"RESOLVED THAT pursuant to section 94 and all other applicable provisions, if any, of the Companies Act, 1956, and Articles of Association of the Company, the Authorised Share Capital of the Company be increased from Rs. 90,00,00,000 (Rupees Ninety Crores Only) to Rs. 1,15,00,00,000 (Rupees One hundred Fifteen Crores only) divided into:

- (a) 4,00,00,000 (Four Crores) Equity Shares of Rs. 10/- (Rupees Ten) each; and
- (b) 75,00,000 (Seventy Five Lacs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each, by creation of 25,00,000 Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each."

"RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company be substituted by the following clause:-

Uttam Sugar Mills Limited



'V. The Authorised Share Capital of the Company is Rs. 1,15,00,00,000/- (Rupees One Hundred Fifteen Crores only) divided into 4,00,00,000 (Four Crores) Equity Share of Rs. 10/- (Rupees Ten) each and 75,00,000 (Seventy Five Lacs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each.'

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:-**

"RESOLVED THAT pursuant to section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, and in accordance with the provisions of Memorandum and Articles of Association of the Company, the Board of Directors of the Company be and is hereby authorised to offer, issue and allot, in parts or in full 25,00,000 (Twenty Five Lacs) Redeemable Preference Shares of Rs. 100/- each, either in one or more tranches for cash at par or premium, on such terms and conditions and to such persons, whether shareholders of the Company or not, as may be determined by the Board in its absolute discretion."

"FURTHER RESOLVED that for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things and accept any alteration(s) or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to the issue and allotment of the said preference shares, in such manner as may appear to the Board of Directors to be most beneficial to the Company."

11. 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 previous resolution dated 22nd March, 2002 , 18th October, 2004, 8th July 2005 and 29th February, 2008 passed in this behalf, consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 for mortgaging and/or charging by the Board of Directors of the Company (hereinafter called "The Board" and which term shall be deemed to include any committee, which the Board may constitute to exercise its power) of all the immovable and/or movable properties of the Company, wheresoever situate both present and future and/or whole or substantially the whole of the undertaking(s) of the Company to or in favour of any public financial institutions, Banks, Central Government, State Government or any other Lending Institutions participating in extending financial assistance, to secure any term loans, working capital facilities, debentures or any other type of financial assistance, not exceeding Rs. 1500 Crores (Rupees One Thousand Five Hundred Crores Only) lent and advanced/agreed to be lent and advanced by them, together with interest, compound interest, additional interest, liquidated damages, premia on pre-payment or on redemption, costs, charges, expenses or monies payable by the Company to them under loan agreements/letters of sanction/debenture trust deed etc".

"RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank pari passu with the mortgages and/or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the company and the Lending Institutions/ Banks."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to finalize and execute any and all agreements and documents, necessary for creating mortgages and/or charges as aforesaid and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing this resolution and to resolve any question or doubt relating thereto, or otherwise considered by the Board to be in the best interests of the Company".

12. 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 earlier resolutions passed by the Company in its Extraordinary General Meetings of the Members of the Company held on 7th November, 2000, 1st September, 2001, 18th October 2004, 8th July 2005 and 29th February, 2008 consent of the company be and is hereby accorded to the Board of Directors of the company (hereinafter called "The Board" and which term shall be deemed to include any committee, which the Board may constitute to exercise its power) pursuant to Sec. 293(1)(d) of the Companies Act, 1956 to borrow any sum or sums of money, from time to time, at its discretion either from the Company's Bank or any other Banks, Financial Institution, Central Government, State Government, Body Corporate, Person, or any other Lending Institution, Public Deposits and/ or other deposits on such terms and conditions as may be considered suitable by the Board, notwithstanding that the money(s) to be borrowed together with the moneys already borrowed by the company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purposes provided however, the total amount so borrowed shall not exceed Rs. 1250 Crores (Rupees One Thousand Two Hundred Fifty Crores Only)."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as



Uttam Sugar Mills Limited

may be considered necessary, desirable or expedient for implementing this resolution and to resolve any question or doubt relating thereto, or otherwise considered by the Board to be in the best interests of the Company”.

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

(G. RAMARATHNAM)

Chief – Legal and Corporate Affairs & Company Secretary

Place : Noida

Date : 29th June, 2010

NOTES:

1. Explanatory Statement setting out all material facts relating to special businesses contained in item Nos. 5, 6, 7, 8, 9, 10, 11 & 12 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.
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 17th August, 2010 to 18th August, 2010 (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 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.
10. 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.
11. 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

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

1. Mr. Vikram Singh Tandon

(a) Brief Resume and Nature of Expertise

Mr. Vikram Singh Tandon, aged 56 years, is a Chartered Accountant. He has an overall experience of over 26 years in the field of Finance, Accounts and Taxation. His core strengths are financial analysis and management and statutory and internal audit. He has worked on several financial feasibility reports for Sugar Development Fund



Uttam Sugar Mills Limited

and Sugar Technology Mission. He was a member of Expert Committee constituted by the Government of India for rehabilitation of sick sugar units of Bihar State co-operative mills in 1997 and a member of the Expert Committee constituted by STM for rehabilitation of Khalilabad Sugar Mill in Uttar Pradesh in 2002. He has visited Fiji in January 2004 as a member of the expert team sent by GOI for revival of sugar industry in that country.

(b) Directorship held in other Companies

(i) Mukul Computer Services Private Limited

(c) Membership in committees in other Companies

Nil

(d) Shareholding in the Company

NIL

(e) Relationships between Directors Inter-Se

Mr. Vikram Singh Tandon is not related to any other directors of the Company.

2. Mr. Prabhkaran Singh Lalli

(a) Brief Resume and Nature of Expertise

Mr. Prabhkaran Singh Lalli aged 30 Years, is a partner in Lalli and Kakkar, Solicitors & Advocates, a legal firm based in New Delhi. He pursued Masters in Law at Oxford University with specialization in areas like Competition Law, Banking and Finance, International dispute settlement, WTO Dispute settlement etc. He is practicing in various Courts including High Court and appears in the Supreme Court of India and other Quasi - Judicial Bodies / tribunals like D.R.T., B.I.F.R., A.A.I.F.R., C.A.T. etc.

(b) Directorship held in other Companies

Nil

(c) Membership in committees in other Companies

Nil

(d) Shareholding in the Company

Nil

(e) Relationships between Directors Inter-Se

Mr. Prabhkaran Singh Lalli is not related to any other directors of the Company.

3. Mr. Gurbachan Singh Matta

(a) Brief Resume and Nature of Expertise

Mr. Gurbachan Singh Matta aged 62 years, is B.Sc (Hons.) and CAIIB. He is an ex-banker with over 39 years of experience. He was associated with Indian Overseas Bank since 1968 till 2005. In August 2005, he joined Punjab and Sind Bank and was promoted as Executive Director of the Bank in March 2006. He has also headed various committees for implementation of Basel II, Core Banking Solutions and Risk Management. He is also a visiting faculty at NIBSCOM (National Institute of Bank Studies and Corporate Management), Noida for lectures on various topics on the Banking Industry like Risk Management, Corporate Governance, Basel II norms, etc.

(b) Directorship held in other Companies

Solitaire Capital Trustees Private Limited

(c) Membership in committees in other Companies

Nil

(d) Shareholding in the Company

Nil

(e) Relationships between Directors Inter-Se

Mr. Gurbachan Singh Matta is not related to any other directors of the Company.

4. Mr. Satish Chandra

(a) Brief Resume and Nature of Expertise

Mr. Satish Chandra, aged 52 years, is B.Com. He is working with IDBI Bank Limited w.e.f. 05.02.1979 and presently designated as General Manager of IDBI Bank Limited. He has been appointed as Nominee Director on the Board of the Company as Nominee of IDBI Bank Ltd w.e.f. 15.04.2010.

(b) Directorship held in other Companies

Nil



Uttam Sugar Mills Limited

(c) **Membership in committees in other Companies**

Nil

(d) **Shareholding in the Company**

Nil

(e) **Relationships between Directors Inter-Se**

Mr. Satish Chandra is not related to any other directors of the Company.

5. **Mr. Krishan Gopal Sharma**

(a) **Brief Resume and Nature of Expertise**

Mr. Krishan Gopal Sharma, aged 59 years, is B.Com (Hons), LL.B. & CA IIB. He started his carrier with Punjab National Bank in 1971 and he has worked in various branches and administrative office prominently as (i) Chief Manager of Industrial Finance Branch, Mumbai, (ii) Sr. Regional Manager, Bangalore and (iii) Chief Representative of Shanghai office of PNB. He has handled credit portfolio in Branches, Credit offices, Head office for more than 25 years. He is presently working as General Manager of Punjab National Bank. He has been appointed as Nominee Director on the Board of the Company as Nominee of Punjab National Bank w.e.f.15.04.2010.

(b) **Directorship held in other Companies**

Nil

(c) **Membership in committees in other Companies**

Nil

(d) **Shareholding in the Company**

Nil

(e) **Relationships between Directors Inter-Se**

Mr. Krishan Gopal Sharma 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

Mr. Gurbachan Singh Matta was appointed on 12.09.2009 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. Gurbachan Singh Matta as Director of the Company.

None of the Director except Mr. Gurbachan Singh Matta is concerned or interested in this resolution.

Item No. 6

Mr. Satish Chandra has been nominated by IDBI Bank Ltd. as a Nominee Director on the Board as per CDR terms and conditions and has been appointed w.e.f. 15.04.2010 as an Additional cum Nominee Director of IDBI Bank Limited on the Board 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. Satish Chandra as Director cum Nominee Director on the board of the Company.

None of the Director except Mr. Satish Chandra is concerned or interested in this resolution.

Item No. 7

Mr. Krishan Gopal Sharma has been nominated by Punjab National Bank as a Nominee Director on the Board as per CDR terms and conditions and has been appointed w.e.f. 15.04.2010 as an Additional cum Nominee Director of Punjab National Bank on the Board 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. Krishan Gopal Sharma as Director cum Nominee Director on the board of the Company.

None of the Director except Mr. Krishan Gopal Sharma is concerned or interested in this resolution.

Item No. 8

As per section 255 of the Companies Act, 1956, not less than two-third of the total number of the Directors of the Company shall be persons whose period of office is liable to determination by retirement of Directors by rotation. Consequent upon appointment of Nominee Directors on the Board of the Company it has become necessary to change the period of office of Mr. Pasha Biswas, Whole Time Director of the Company from Non-rotational to Rotational Director of the Company in compliance of the section 255 of the Companies Act, 1956.



Uttam Sugar Mills Limited

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.

None of the Director is concerned or interested in this resolution.

Item No. 9 & 10

In view of the cash losses incurred by the Company during the last three financial years, there will be fund requirement not only to finance the cash losses but also for other corporate needs of the company including redemption of existing Preference Shares. In order to meet this situation the Board is proposing to increase the Authorised Capital by creation of 25 Lacs Redeemable Preference Shares of Rs. 100/- each. These Redeemable Preference Shares will be issued to Promoter Group entities including their associates as and when required.

Accordingly, in the Item No. 9 it is proposed to increase the authorized share capital by creation of 25,00,000 (Twenty Five Lacs) Redeemable Preference Shares of Rs. 100/- each and in the Item No. 10 authorization to Board of Directors of the Company to issue and allot Redeemable Preference Shares.

Mr. Raj Kumar Adlakha, Mr. Rajan Adlakha and Mr. Ranjan Adlakha, Directors of the Company may be deemed to be concerned or interested in the said resolutions to the extent of Redeemable Preference Shares issued/allotted to them or their relatives/ other entities in which they are interested. No other Director of the Company is, in any way, concerned or interested the said resolutions.

Item No. 11

The shareholders of the Company have already authorised the Board of Directors under section 293(1)(a) of the Companies Act, 1956 to mortgage and/or charge the assets for various credit facilities upto limit of Rs. 1250 Crores. In view of the likely increase of the borrowings from the Banks/ Financial Institutions/ Sugar Development Fund and other lenders which would be required to be secured by way or mortgaging / charging in favour of the lenders over the Company's movable and immovable properties, present and future, the said limits need to be increased to Rs. 1500 Crores (Rupees One Thousand Five Hundred Crores Only). The consent of the members is, therefore, required by way of an Ordinary Resolution under section 293(1)(a) for mortgaging/ charges the assets of the Company.

None of the Directors of the Company is concerned or interested in the said resolution.

Item No. 12

The shareholders of the Company have already authorised the Board of Directors under section 293(1)(d) of the Companies Act, 1956 to borrow monies upto Rs. 1000 Crores. In view of the cash losses incurred by the Company during the last three Financial Years and fund requirement for on going expansion/ diversification plan in respect ethanol project, co-generation of power it is felt that the total borrowings of the Company could exceed the limit fixed by the shareholders. The consent of the members is, therefore, required by way of an Ordinary Resolution under section 293(1)(d) of the Companies Act, 1956 to modify the authorisation to borrow monies to the extent of Rs. 1250 Crores (Rupees One Thousand Two Hundred Fifty Crores Only).

None of the Directors of the Company is concerned or interested in the said resolution.

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

(G. RAMARATHNAM)

Chief – Legal and Corporate Affairs & Company Secretary

Place : Noida

Date : 29th June, 2010

Registered Office:

Village Libberheri, Tehsil Roorkee,

Distt. Haridwar, Uttarakhand



Uttam Sugar Mills Limited

DIRECTORS' REPORT

The Shareholders of the Company,

Your Directors take pleasure in presenting their Fifteenth Annual Report together with the audited accounts for the period ended 31st March 2010.

FINANCIAL RESULTS

The financial results of the Company for the period ended on 31st March 2010 are as under:-

Details	(Rs. in Lacs)	
	Period ended	
	31.03.2010 (15 Months)	31.12.2008 (15 Months)
Net Sales	49,169.31	37,508.21
Profit/ (Loss) before Depreciation and Tax	(1,021.66)	(786.09)
Less:		
Depreciation	3,182.44	2,962.27
Prior period items (Net)	60.51	5.11
Exceptional Items	-	2,556.51
Profit/ (Loss) before Tax	(4,264.61)	(6,309.98)
Less: Provision for taxation		
Current Tax	6.49	167.07
MAT credit	(4.38)	(137.27)
Deferred Tax (Credit) / Charge	136.33	(1,999.35)
Fringe Benefit Tax	3.94	35.31
Profit/ (Loss) after taxation	(4,406.99)	(4,375.74)
Add: Balance brought forward from Previous Year	(1,662.59)	2,713.15
Deficit transferred to Balance Sheet	(6,069.58)	(1,662.59)

REVIEW OF OPERATIONS

The financial results for the year 2009-10 and for the year 2007-08 are for a period of 15 months. During the period under review, your Company crushed 252.51 lacs quintals of sugarcane and produced 24.34 lacs quintals of Sugar at an average recovery rate of 9.64% as compared to 260.82 lacs quintals of sugarcane crushed and 24.87 lacs quintals of sugar produced at an average recovery rate of 9.54% in 2007-08. The production of molasses during 2009-10 was 13.01 lacs quintals as compared to 11.92 lacs quintals produced in 2007-08.

Your Company produced 1246.47 lacs KWH units of power. Out of total production your company exported 316.79 lacs KWH units to UPPCL/UPCL for a total amount of Rs. 1176.94 lacs.

CORPORATE DEBT RESTRUCTURING

As already mentioned in the last Annual Report, your company had approached the Banks for re-scheduling/ re-structuring of loans on account of losses suffered during the previous years. The re-structuring proposal under CDR Mechanism was referred to CDR Empowered Group and the same was approved. The restructuring package has been given effect in accordance with the approvals / sanctions received.

DIVIDEND

In the absence of profits during the current financial year, your Directors are unable to recommend any dividend for the period under review.

SUGAR SCENARIO

Sugarcane and sugar production in India follow a 6 to 8 year cycle, wherein 3 to 4 years of higher production are followed by 2 to 3 years of lower production.