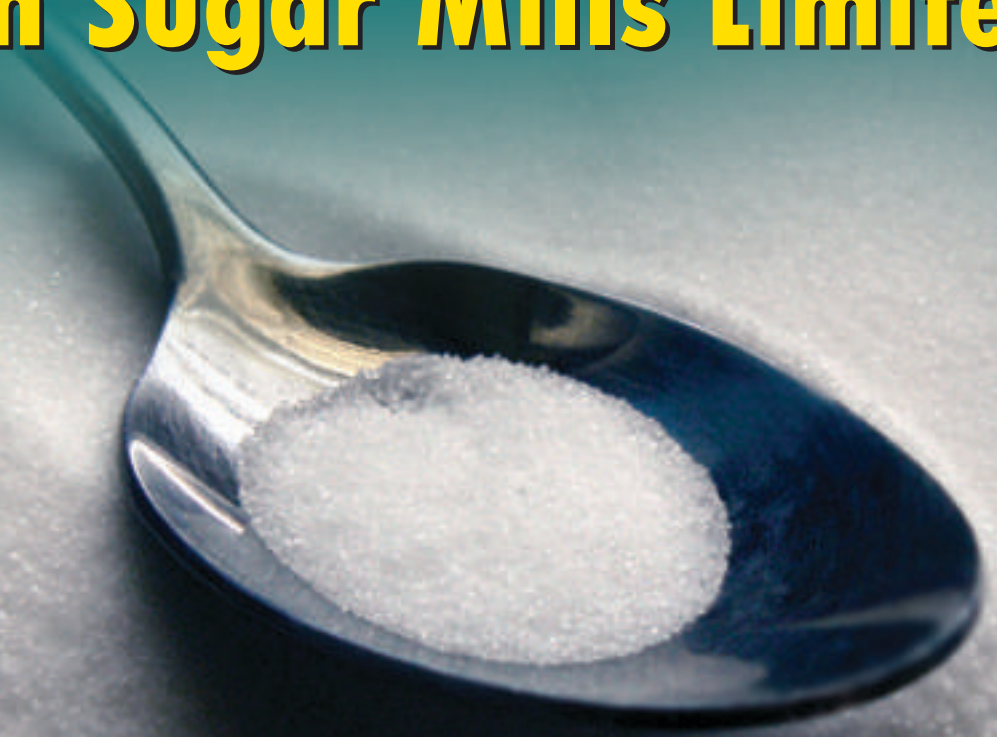




# Uttam Sugar Mills Limited



**The Desire**



**To Excel**



**The Determination**



**To Deliver**



## 16<sup>th</sup> Annual Report 2010-11

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## CORPORATE INFORMATION

### DIRECTORS

<b>Raj Kumar Adlakha</b>	Managing Director
<b>Rajan Adlakha</b>	Director
<b>Ranjan Adlakha</b>	Director
<b>Pasha Biswas</b>	Whole Time Director
<b>V.S. Tandon</b>	Independent Director
<b>R. Vasudevan</b>	Independent Director
<b>G. S. Matta</b>	Independent Director
<b>P.S. Lalli</b>	Independent Director (Ceased w.e.f. 18.02.2011)
<b>Satish Chandra</b>	Nominee Director-IDBI Bank Ltd.
<b>K.G. Sharma</b>	Nominee Director-PNB (Ceased w.e.f. 27.05.2011)
<b>Kamal Prasad</b>	Nominee Director-PNB (Appointed w.e.f. 27.05.2011)

### REGISTERED OFFICE

Village Libberheri, Tehsil Roorkee,  
District Haridwar, Uttarakhand – 247667  
Tel. : 01332 - 229445  
Fax : 01332 – 229194

### CORPORATE OFFICE

A-2E, 3<sup>rd</sup> Floor, C.M.A. Tower, Sector – 24,  
Noida – 201 301 (U.P.)  
Tel. : 0120 –4525000  
Fax : 0120 – 4525015  
E-mail : [uttamsugarnoida@gmail.com](mailto:uttamsugarnoida@gmail.com)  
[uttamnoida@gmail.com](mailto:uttamnoida@gmail.com)

### AUDITORS

**B.K. Kapur & Co.**  
Chartered Accountants

### CHIEF – LEGAL AND CORPORATE AFFAIRS & COMPANY SECRETARY

G. Ramarathnam

### BANKERS

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

### FACTORIES

#### **Unit - 1 :**

Village Libberheri, Tehsil Roorkee,  
District Haridwar, Uttarakhand - 247667

#### **Unit – 2 :**

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

#### **Unit – 3 :**

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

#### **Unit – 4 :**

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

## NOTICE OF 16TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 16<sup>th</sup> 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 Thursday the 11<sup>th</sup> day of August, 2011 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 March, 2011, 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. Ranjan Adlakha, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Ramasamy 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 modification(s), the following resolution as an **ORDINARY RESOLUTION:-**

“RESOLVED THAT Mr. Kamal Prasad, 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. 27<sup>th</sup> May, 2011 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.”

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

“RESOLVED that pursuant to section 198,269,309 and 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 and subject to the Approval of Central Government, Ministry of Corporate Affairs, the consent of the Company be and is hereby accorded for re-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, 2011 as recommended by the Remuneration Committee on the terms, conditions and remuneration as detailed below:

- a) He will be designated as **Whole Time Director**.
- b) **Salary :**
  - (i) Salary : Rs. 42,000/- p.m. (Rupees Forty Two Thousands Only).
  - (ii) Special Allowance : Rs. 8,153/- p.m. (Rupees Eight Thousands One Hundred Fifty Three Only).
  - (iii) Other Allowance : Rs. 1,200/- p.m. (Rupees One Thousand Two Hundred Only).
- c) **Perquisites :** The Whole Time Director shall be entitled to the following perquisites classified into Categories ‘A’ & ‘B’.

#### **Category - ‘A’ :**

- (i) House Rent Allowance : Rs. 25,200/- p.m. (Rupees Twenty Five Thousands Two Hundred Only). As and when Company accommodation is provided HRA will be withdrawn.
- (ii) Medical Reimbursement : Medical Expenses incurred for self, spouse and dependent children/parents - Rs.15,000/- per annum (Rupees Fifteen Thousands Only).
- (iii) Leave Travel Allowance : Rs.39,000/- per annum (Rupees Thirty Nine Thousands Only).
- (iv) Conveyance Allowance : Rs.1,500/- p.m. (Rupees One Thousand Five Hundred Only).
- (v) Car : Free use of Company’s car for official purpose.
- (vi) Telephone : Mobile Phone facility however personal STD/ISD calls shall be billed to him.
- (vii) Other benefits/reimbursements : as per the Company’s policy.

#### **Category - ‘B’ :**

- (i) Company’s contribution to provident fund, as per Rules of the Company.
- (ii) Gratuity, as per Rules of the Company.
- (iii) Encashment of Leave, as per Rules of the Company.

- d) **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.

e) **Sitting Fee**

He shall not be paid any sitting fee for attending the Meeting of Board or Committee thereof.

f) His period of office shall 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".

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

**(G. RAMARATHNAM)**

Chief - Legal and Corporate Affairs & Company Secretary

**Place : Noida**

**Date : 23<sup>rd</sup> June, 2011**

**NOTES:**

1. Explanatory Statement setting out all material facts relating to special businesses contained in item Nos. 5 & 6 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 10<sup>th</sup> August, 2011 to 11<sup>th</sup> August, 2011 (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, 2<sup>nd</sup> 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. Ranjan Adlakha**

- (a) **Mr. Ranjan Adlakha**, aged 48 years, has an overall experience of about 27 years in managerial capacity. He is the Managing Director in Uttam Industrial Engineering Ltd., one of the Promoter Company

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

- 1) Uttam Industrial Engineering Limited
- 2) Uttam Sucrotech Limited
- 3) Uttam Distilleries Limited
- 4) Uttam Luxury Hotel & Resorts Limited
- 5) Shubham Sugars Limited
- 6) Uttam Elite Hotels Private Limited
- 7) Uttam Lifestyle Hotels Private Limited
- 8) Uttam Car Wash Private Limited
- 9) Uttam Properties Private Limited
- 10) Shree Uttam Colonisers Private Limited
- 11) The Standard Type Foundry Private Limited
- 12) Idea Engineering Private Limited
- 13) Deepjyoti Electronics Private Limited
- 14) Autocare Mart Private Limited
- 15) JPC Apparels Private Limited
- 16) JPC Mercantile Private Limited
- 17) Strok Engineering Private Limited
- 18) Idea Pacific Pty. Limited (an Australian Company)

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

Nil

**(d) Shareholding in the Company**

14,92,550 Equity Shares

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

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

**2. Dr. R. Vasudevan**

- (a)** Dr. Ramasamy Vasudevan aged 73 Years, is a Doctorate and Qualified Ph.D (Hons). He has an overall experience of over 49 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

**(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**

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

**3. Mr. Kamal Prasad**

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

Mr. Kamal Prasad, aged 57 years, is B. Sc. (Hons), JAIIB. He is having 34 years of experience with Punjab National Bank. He has worked as Incharge of Inspection & Audit, Head of Merchant Banking Division at Head Office of the Bank. Presently, he is working as Circle Head, Punjab National Bank, Meerut. He has been appointed as Nominee Director on the Board of the Company as Nominee of Punjab National Bank w.e.f.27.05.2011.



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

Magnum Ventures Ltd.

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

Nil

**(d) Shareholding in the Company**

Nil

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

Mr. Kamal Prasad 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**

As per CDR terms and conditions, Punjab National Bank is authorized to nominate Director on the Board of our Company. During the previous year, PNB had nominated Mr. Krishan Gopal Sharma as Nominee Director w.e.f. 15.04.2010. Consequent upon retirement of Mr. K.G. Sharma from Bank services, PNB has nominated Mr. Kamal Prasad (Circle Head, Punjab National Bank, Meerut) in place of Mr. Krishan Gopal Sharma. He has been appointed as a Nominee Director on the Board of our Company w.e.f. 27.05.2011 as an Additional cum Nominee Director under the provisions of 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. Kamal Prasad as Director cum Nominee Director on the Board of the Company.

None of the Directors except Mr. Kamal Prasad is concerned or interested in this resolution.

**Item No. 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 Whole-Time Director for a period of three years w.e.f. 31.10.2008. The Board of Directors of the company at its meeting held on 23.06.2011 decided to re-appoint him as Whole Time Director of the Company for a further period of 3 years w.e.f. 31.10.2011 on a remuneration set out in the proposed Resolution and approved by Remuneration Committee.

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 Directors except Mr. Pasha Biswas is concerned or interested in this resolution.

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

**(G. RAMARATHNAM)**

Chief – Legal and Corporate Affairs & Company Secretary

**Place : Noida**

**Date : 23<sup>rd</sup> June, 2011**

**Registered Office:**

**Village Libberheri, Tehsil Roorkee,**

**Distt. Haridwar, Uttarakhand**

## DIRECTORS' REPORT

### The Shareholders of the Company,

Your Directors take pleasure in presenting their Sixteenth Annual Report together with the audited accounts for the period ended 31<sup>st</sup> March 2011.

### FINANCIAL RESULTS

The financial results of the Company for the period ended on 31st March 2011 are as under:-

Details	(Rs. in Lacs)	
	Year ended	Period ended
	31.03.2011 (12 Months)	31.03.2010 (15 Months)
Net Sales	68,156.41	49,169.31
Profit/ (Loss) before Depreciation and Tax	2,018.54	(1,021.66)
Less:		
Depreciation	2,697.21	3,182.44
Prior period items (Net)	61.00	60.51
Profit/ (Loss) before Tax	(739.67)	(4,264.61)
Less: Provision for taxation		
Current Tax	1.28	6.49
MAT credit	–	(4.38)
Deferred Tax (Credit) / Charge	716.73	136.33
Fringe Benefit Tax	–	3.94
<b>Profit/ (Loss) after taxation</b>	<b>(1,457.68)</b>	<b>(4,406.99)</b>
<b>Add: Balance brought forward from Previous Year</b>	<b>(6,069.58)</b>	<b>(1,662.59)</b>
<b>Deficit transferred to Balance Sheet</b>	<b>(7,527.26)</b>	<b>(6,069.58)</b>

### REVIEW OF OPERATIONS

The financial results for the year 2010-11 are for a period of 12 months compared to previous year period of 15 months. During the period under review, your Company crushed 200.22 lacs quintals of sugarcane and produced 20.47 lacs quintals of Sugar (including raw sugar processed) at an average recovery rate of 9.38% as compared to 252.51 lacs quintals of sugarcane crushed and 24.34 lacs quintals of sugar (including raw sugar processed) produced at an average recovery rate of 9.41% in 2009-10. The production of molasses during 2010-11 was 10.42 lacs quintals as compared to 13.01 lacs quintals produced in 2009-10.

Your Company produced 1317.68 lacs KWH units of power as compared to 1246.47 lacs KWH units of power in the year 2009-10. Out of total production, your company exported 519.26 lacs KWH units to UPPCL/UPCL for a total amount of Rs. 2086.68 lacs against 316.79 Lacs KWH for amount of Rs. 1176.94 lacs.

### 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

During Sugar Season 2010-11, sugarcane supply increased on account of expansion of cane acreage by more than 20% owing to government's favourable pricing policies by way of upward revision in both State Advised Price (SAP) as well as Fair & Remunerative Price (FRP). In Sugar Season 2009-10, on account of short supply of cane, mill owners generally paid premium ranging about Rs. 85-100/quintal over SAP of about Rs. 165/ quintal; however, in Sugar Season 2010-11, on the back of increased sugarcane supply, the mill owners have been paying as per SAP ranging about Rs. 205-210/quintal.

The sugar price recovered during the quarter ending December, 2010 to about Rs. 28- 29/Kg from a low of Rs. 25/Kg in August, 2010 due to the improved demand scenario on account of festive season along-with various government measures



like reinstating levy sugar quota back to the earlier level of 10% (from 20%) and reintroduction of monthly release system from fortnightly system. Despite increase in sugar production, the price is expected to be steady around Rs. 28-29/Kg level in the next two quarters on the back of stable stock position.

On the export front, delay in notification of exports, allowed by the government aggregating 5 lakh tonne, and allowance of further exports may lead to sugar exports becoming an unattractive proposition to the domestic sugar mills fetching them only marginal profits due to softening of global prices on the back of expected arrival of sugar supply from Brazil in the international market.

## AUDIT COMMITTEE

The Audit Committee of the Company comprises the following Directors viz. Mr. V. S. Tandon as Chairman, Dr. R. Vasudevan, Mr. G.S. Matta and Mr. Ranjan Adlakha are Members. The Audit Committee satisfy the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges.

## ISSUE OF FURTHER CAPITAL

During the period under review, the Company has allotted the following Preference Shares to entities forming part of Promoter group:

- (a) Under Preference Shares (Series-I) – 8,40,000 6.50% Preference Shares of Rs.100/- each at par.
- (b) Under Preference Shares (Series-II) – 18,42,500 10% Preference Shares of Rs.100/- each at a premium of Rs.100/- per share.

Consequent upon the above allotment, the present Preference Share paid up Capital of the Company is Rs. 68,42,50,000/-

## RIGHTS ISSUE

SEBI approval for the Rights Issue was received by the Company on 08.12.2010. As per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the issue should be opened within one year from the date of issuance of SEBI Observation letter (23.12.2009). Accordingly the issue should be opened before 23<sup>rd</sup> of December, 2010 and atleast 4 weeks time is required to complete the Statutory compliances. Hence, the proposed Rights Issue could not materialize. However, to meet the urgent financial requirements Preference Shares were issued and allotted to the promoter group entities.

## DIRECTORS

Mr. Ranjan Adlakha and Mr. Ramaswamy Vasudevan, Directors of the Company are retiring by rotation at this forthcoming Annual General Meeting of the Company and are eligible for re-appointment.

In terms of CDR package, PNB had nominated Mr. Krishan Gopal Sharma as Nominee Director w.e.f.15.04.2010. Consequent upon retirement of Mr. K.G. Sharma from Bank services, PNB has nominated Mr. Kamal Prasad (Circle Head, Punjab National Bank, Meerut) in place of Mr. Krishan Gopal Sharma. Mr. Kamal Prasad has been appointed as Nominee cum Additional Director w.e.f. 27.05.2011 on the Board of the Company and will hold office upto the date of ensuing Annual General Meeting. However, the Company has received requisite notices u/s 257 of the Companies Act, 1956 from one Shareholder proposing their candidature for the office of Director.

The Board of Directors have proposed to re-appoint Mr. Pasha Biswas as Whole-Time Director of the Company for a further period of three years w.e.f. 31<sup>st</sup> October, 2011 subject to necessary approvals. A resolution to this effect is being placed before the members for approval.

During the year under review, Mr. Prabhakaran Singh Lalli, Director of the Company has resigned from Directorship of the Company w.e.f. 18.02.2011. The Board places on record its appreciation for the services rendered and valuable guidance provided by him during his tenure.

## DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956

The Directors confirm that:-

- (i) in the preparation of annual accounts, the applicable accounting standards have been followed;
- (ii) they have, in the selection of the accounting policies consulted the Statutory Auditors and have applied them consistently, and, made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the losses of the Company for that period;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with

the provisions of the Companies Act, 1956 for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis.

## **CORPORATE GOVERNANCE**

As per clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance together with Certificate from a Practising Company Secretary forms part of the Annual report.

The Company's shares are listed on National Stock Exchange and Bombay Stock Exchange. The Company has already paid the Listing fees for the Financial Year 2010-11 and 2011-12 to both the Stock Exchanges.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENT COST AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Particulars in respect of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and out-go u/s 217(1)(e) of the Companies Act, 1956 are given in a separate Annexure "A" attached hereto and form a part of this Report.

## **EMPLOYEES**

Particulars of employees as required u/s 217(2A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules 1975 and Amendment Rules, 2011 may be taken as NIL since no employee of the Company was in receipt of remuneration in terms of limits specified under said Rules.

## **AUDITORS**

M/s B.K. Kapur & Co., Chartered Accountants, Ghaziabad Auditors of the Company will retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received a certificate from Auditors to the effect that their appointment if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956.

## **AUDITORS' OBSERVATIONS**

Your Directors wish to clarify the various points/observations reported by the Statutory Auditors, as under: -

- a) Observation in Para 9(a) of annexure to report on statutory dues of Income Tax outstanding, it is clarified that the liability arose consequent to retrospective amendment relating to MAT provisions of Income Tax Act, 1961. During the previous financial years viz. 2006-07, 2007-08 and 2009-10, the Company incurred cash losses. Although in the last Financial Year 2010-11 the company has earned cash profit but it was not sufficient to meet out all financial needs of the Company. However, the company will clear this outstanding dues at the earliest.
- b) Observation in para 11 of annexure to the report relating to delays in the repayment of installment/ interest to the Banks, there has been liquidity problems due to losses incurred by the company during the previous financial years as explained under point (a) above, which resulted in the delays. However, the Company has since paid all the Bank dues.
- c) Observation in para 17 of the annexure to the report that short term funds have been used for long term investment viz. capital expenditure and repayment of loans, these are temporary phenomenon due to losses incurred by the company during the previous financial years as explained under point (a) above.

## **COST AUDIT**

Your Board of Directors has appointed M/s M. K. Singhal & Company, Cost Accountants, to audit the cost accounting records relating to Sugar Units for financial year 2011-2012.

## **INDUSTRIAL RELATIONS**

Industrial relations continued to remain cordial throughout the period under review.

## **PUBLIC DEPOSITS**

The Company has not accepted any public deposits during the period under review.

## **ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation for the support received from the Shareholders, Government Authorities, IDBI Bank Ltd., Indian Overseas Bank, Punjab National Bank, State Bank of India, Oriental Bank of Commerce, customers, vendors and cane growers for their support and co-operation. Finally, your Directors acknowledge the dedicated services rendered by all the employees of the Company.

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

Place: Noida  
Date : 23<sup>rd</sup> June, 2011

(**RAJ KUMAR ADLAKHA**)  
Chairman of the Board