



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 Member(s),

Notice is hereby given to the members 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 Members of the Company by passing resolutions by way of Postal Ballot, for following **SPECIAL BUSINESS:-**

Item No. 1

Re-classification of the Authorised Share Capital of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 13 and 61 of the Companies Act, 2013 read with rules made thereunder and all other applicable provisions, if any, the existing Authorised Share Capital of the Company be and is hereby reclassified from Rs. 1,60,00,00,000/- (Rupees One Hundred Sixty Crores only) divided into 6,00,00,000 (Six Crores) Equity Share of Rs.10/- (Rupees Ten) each and 1,00,00,000 (One Crore) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each to Rs. 1,60,00,00,000/- (Rupees One Hundred Sixty Crores only) comprising of 4,00,00,000 (Four Crores) Equity Share of Rs.10/- (Rupees Ten) each and 1,20,00,000 (One Crore Twenty Lacs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each."

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

V. The Authorised Share Capital of the Company is Rs. 1,60,00,00,000/- (Rupees One Hundred Sixty Crores only) comprising of 4,00,00,000 (Four Crores) Equity Share of Rs.10/- (Rupees Ten) each and 1,20,00,000 (One Crore Twenty Lacs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each."

Item No. 2

Increase in the Authorized Share Capital & Alteration of Memorandum of Association of the Company

To consider and if thought fit, to give **ASSENT/DISSENT** to the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 13 and 61 of the Companies Act, 2013 read with rules made thereunder and all other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the provisions of the Articles of Association of the Company, the existing Authorised Share Capital of the Company be and is hereby increased from Rs. 1,60,00,00,000/- (Rupees One Hundred Sixty Crores only) comprising of 4,00,00,000 (Four Crores) Equity Share of Rs.10/- (Rupees Ten) each and 1,20,00,000 (One Crore Twenty Lacs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) to Rs. 2,05,00,00,000/- (Rupees Two Hundred Five Crores only) divided into:

a) 4,00,00,000 (Four Crores) Equity Share of Rs.10/- (Rupees Ten) each; and

b) 1,65,00,000 (One Crore Sixty Five Lacs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each, by creation of 45,00,000 (Forty Five Lacs) 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 altered and substituted by the following clause V:

V. The Authorised Share Capital of the Company is Rs. 2,05,00,00,000/- (Rupees Two Hundred Five Crores only) divided into 4,00,00,000 (Four Crores) Equity Shares of Rs. 10/- (Rupees Ten) each and 1,65,00,000 (One Crore Sixty Five Lacs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each."

Item No. 3

Issue of Preference Shares of the Company

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

"RESOLVED THAT pursuant to section 42 and 55 of the Companies Act, 2013 read with rules made thereunder and all other applicable provisions, if any (including any amendment thereto or re-enactment thereof for the time being in force read with the provisions of Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchanges and regulations/rules/guidelines issued by Securities and Exchange Board of India (hereinafter referred to as "SEBI"), Reserve Bank of India, Stock Exchanges and/or such approvals, permissions, sanctions and consent as may be necessary and required under applicable laws, rules, regulations and contracts, and on such terms, conditions, alterations, modifications, approvals, permissions, sanctions and consents, which may be accepted by the Board of Directors of the Company, as the case may be, the consent of the Company be and is hereby accorded to the Board of Directors (which term shall include any duly constituted and authorized committee thereof) to create, offer, invite to subscribe, issue, allot and deliver, in parts or in full either in one or more tranches on a private placement and /or preferential basis for cash at par or premium, not exceeding 90,00,000 (Ninety Lacs) Redeemable Preference Shares of Rs. 100/- each of an aggregate nominal amount not exceeding Rs.90,00,00,000/- (Rupees Ninety Crores) in the aggregate out of the Authorized Capital of the Company, on such terms and conditions and to such persons, whether shareholders of the Company or not, as may be determined by the Board of Directors in its absolute discretion."

"RESOLVED FURTHER THAT subject to the relevant provisions contained in the Articles of Association of the Company, aforesaid preference shares shall be issued on the terms and conditions contained herein below:

- i. The Preference Shareholder(s) shall have priority with respect to payment of dividend or repayment of capital vis-a-vis equity shares.
- ii. The Preference Shareholder(s) shall not participate in the surplus fund.
- iii. The Preference Shareholder(s) shall not participate in any surplus which may remain after the entire capital has been repaid.
- iv. The payment of dividend shall be on cumulative basis.
- v. The preference shares shall not be eligible for any conversion into equity shares.
- vi. The voting rights of the persons holding the said Preference Shares shall be in accordance with the provisions of Section 47 of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force).
- vii. The Preference Shares shall be redeemed after completion of twelfth year but not later than fifteenth year from the date of allotment, on the call of the Company."

"RESOLVED FURTHER 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 and perform 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."

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

Date : 14th February, 2015

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 Members, whose names appear on the Register of Members/List of Beneficial Owners as received from Depositories viz. National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) on Friday, March 06, 2015.
3. The Postal Ballot form for voting by you as shareholder of the company 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. Shareholders who have registered their e-mail IDs for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs are being sent notice of Postal Ballot along with Postal Ballot Form by e-mail and to others are being sent by Registered Post.
6. Resolutions passed by the members through Postal Ballot are deemed to have been passed effectively at a general meeting of the members convened in that behalf. The Ordinary Resolution shall be declared as passed if the number of votes cast in favour of the resolution is more than the votes cast against the Resolution and 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.
7. Voting rights of the Members shall be in proportion to their shares in the total paid up equity capital of the Company as on Friday, March 06, 2015.
8. 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.
9. In compliance with the provisions of Section 108 & 110 of the Companies Act, 2013 read with the Rules and Clause 35B of the Equity Listing Agreement, the Company is pleased to offer e-voting facility for its members to enable them to cast their votes electronically. **Members have option to vote either through e-voting or through the physical Postal Ballot Form. If a member has opted for e-voting, then he/she should not vote by physical Postal Ballot also and vice-versa. However, in case members cast their vote both via physical Postal Ballot and e-voting, then voting through e-voting shall prevail and voting done by Postal Ballot shall be treated as invalid.** For this purpose, the Company has signed an agreement with the Central Depository Services (India) Limited ("CDSL") for facilitating e-voting.

10. Instructions for voting are as under:-

A. Voting through Physical Postal Ballot Form

Members desiring to exercise their vote by Postal Ballot are requested to read carefully the instructions printed on the Postal Ballot Form and return the Form duly completed, in the attached Self-addressed Business Reply Envelop, so as to reach the Scrutinizer on or before Tuesday, 21st April, 2015. Please Note that any Postal Ballot Form(s) received after the said date will be treated as not having been received. No other form or photocopy thereof is permitted.

B. E-voting facility

- (I) Log on to the e-voting website : www.evotingindia.com
- (II) Click on "Shareholders" tab.
- (III) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (IV) Next enter the Image Verification as displayed and Click on Login.
- (V) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (VI) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. * In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter ' RA00000001 ' in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company's records for the said demat account or folio in dd/mm/yyyy format.
BANK DETAILS#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	# Please enter the DOB or Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/folio number in the Bank details field as mentioned in instruction (III)

- (VII) After entering these details appropriately, click on "**SUBMIT**" tab.
- (VIII) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach at 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (IX) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (X) Now, select "**Electronic Voting Sequence Number (EVSN)**" alongwith "**Uttam Sugar Mills Limited**" from the drop down.
- (XI) On the voting page, you will see "**RESOLUTION DESCRIPTION**" and against the same the option "**YES/NO**" for voting. Select the option "**YES**" or "**NO**" as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (XII) Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.
- (XIII) After selecting the resolution you have decided to vote on, click on "**SUBMIT**". A confirmation box will be displayed. If you wish to confirm your vote, click on "**OK**", else to change your vote, click on "**CANCEL**" and accordingly "**MODIFY**" your vote.
- (XIV) Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote.
- (XV) You can also take out print of the voting done by you by clicking on "**Click here to print**" option on the Voting page.
- (XVI) If Demat account holder has forgotten the changed/same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (XVII) Note for Non-Individual Shareholders & Custodians:
- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (XVIII) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

11. The voting period commences on Monday, 23rd March, 2015 at 10:00 a.m. and shall end on Tuesday, 21st April, 2015 at 5:00 p.m. The e-voting module will be disabled by CDSL for voting thereafter.
12. Voting can be exercised only by the shareholder or his/her duly constituted attorney or in case of bodies corporate, the duly authorized person.
13. Shareholders holding shares either in physical form or in dematerialized form may cast their vote electronically.

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

Item no. 1 & 2

In view of the cash losses incurred by the Company during the previous financial year and also in the current financial year, there is a need for fund inflow to improve the net-worth besides working capital requirement. In this situation, the Board has proposed to increase the Authorised Capital (Redeemable Preference Shares) of the Company. These Redeemable Preference Shares will be issued to Promoter Group entities including their associates as and when required.

Your Board of Directors are of the view that for increasing the Authorised Share Capital of the Company, it is prudent to reclassify a part of the existing unissued Equity Shares Capital into Preference Shares Capital of the Company i.e. 2,00,00,000 Equity share of Rs. 10/- each into 20,00,000 Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each. Accordingly approval of the members by way of Special Resolution is sought in the **Item No. 1**.

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It is proposed to further increase the Authorized Share Capital by Rs. 45,00,00,000 (Forty Five Crores) by creation of 45,00,000 (Forty Five Lacs) Redeemable Preference Shares of Rs.100/- (Rupees One Hundred) each. Hence, approval of the members by way of Ordinary Resolution is sought in the **Item No. 2**.

The Board of Directors recommends the resolutions as set forth in Item No. 1 and 2 for the approval of Members by way of Special and Ordinary Resolutions respectively.

None of the Directors and Key Managerial Personnel of the Company including their relatives is concerned or interested, financially or otherwise in the resolutions.

Item No. 3

This item relates to the authorization to Board of Directors of the Company to issue and allot above said Redeemable Preference Shares as a Non-Convertible, Cumulative Redeemable Preference Shares (NCCRPS) at the discretion of the Board. In terms of Rule 9 (3) of the Companies (Share Capital and Debentures) Rules 2014 the following disclosures of material facts are needed to be made in the Explanatory Statement to the Notice:

Issue Size	90,00,000 Redeemable Preference Shares at a nominal amount of Rs. 100/- each aggregating to Rs. 90 Crores.		
Nature of preference shares	The shares will be Non-Convertible, Cumulative, Non Participating Redeemable Preference Shares.		
Objectives of Issue	The object of the issue is to improve the Net Worth of the Company and to meet working capital needs.		
Manner of Issue	The NCCRPS will be issued on private placement basis in accordance of the provisions of Section 42 the Companies Act, 2013 and rules made thereunder.		
Price of Issue	NCCRPS will be issued at par.		
Basis of Price	Since the Company is in arrears of Cumulative Preference Dividend relating to existing Preference Shares, due to losses incurred in the previous financial years, it is proposed to issue the Preference Shares at Par.		
Terms of Issue	The Preference shareholder will have no voting rights except as provided in the Companies Act, 2013 and rules made thereunder.		
Rate of Dividend	The Fixed Rate of Dividend on preference shares issued and allotted will be determined by the Board at the time of issue.		
Terms of Redemption	The Cumulative Redeemable Preference Shares having face value of Rs.100/- each shall be redeemed after completion of twelfth year but not later than fifteenth year from the date of allotment, on the call of the Company.		
Manner & Mode of Redemption	The NCCRPS shall be redeemed on the call of the Company and out of profits available for distribution as dividend or out of proceeds of a fresh issue.		
Shareholding Pattern as on date	Equity Shares		
	Category	No. of equity shares held	% of holding
	Promoters		
	Promoters & Promoter Group	28603585	75.00
	Public		
	FIs/ Mutual Funds/UTI/Banks/FIs	560723	1.47
	NRI's/OCBs	49790	0.13
	Body Corporates	2064473	5.41
	Others / Public	6859549	17.99
	Total	38138120	100.00
	Preference Shares (6.50% Pref.-'I')		
	Category	No. of Preference shares held	% of holding
	Promoters & Promoter Group	5000000	100.00
	Public	Nil	Nil
	Total	5000000	100.00

	Preference Shares (10.00% Pref.-II)		
	Category	No. of Preference shares held	% of holding
	Promoters & Promoter Group	2165000	100.00
	Public	Nil	Nil
	Total	2165000	100.00
Expected dilution in equity capital upon conversion of preference shares	Nil, since the NCCRPS are non-convertible		

The Board of Directors recommends the resolutions as set forth in Item No. 3 for the approval of Members by way of Special Resolution.

Mr. Raj Kumar Adlakha, Managing Director 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 him or his relatives/other entities in which he may be interested. 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 : 14th February, 2015
Place : Noida**

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