

THE UGAR SUGAR WORKS LIMITED





The Sugar Technologists' Association of India, New Delhi presented the
"LIFE TIME ACHIEVEMENT AWARD"
to Shri. R.V. Shirgaokar, Chairman and Mentor of The Ugar Sugar Works Ltd.,
at the hands of Shri. Harshavardhan S. Patil, Hon'ble Minister for Cooperation and
Parliamentary Affairs, Government of Maharashtra, on 3rd July 2011 at Pune.



The Ugar Sugar Works Limited

71st ANNUAL REPORT 2010-11

BOARD OF DIRECTORS

(As on 20-05-2011)

Shri. R. V. Shirgaokar	Chairman & Mentor
Shri. A. B. Kage	Director
Shri. V. Balasubramanian (I.A.S. Retired)	Director
Dr. M. R. Desai	Director
Shri. S. N. Inamdar	Director
Shri. M. G. Joshi	Director
Shri. D. B. Shah	Director
Shri. Sanat K. Shirgaokar	Director
Shri. P. V. Shirgaokar	Executive Vice Chairman
Shri. Shishir S. Shirgaokar	Managing Director
Shri. Niraj S. Shirgaokar	Joint Managing Director
Shri. Chandan S. Shirgaokar	Joint Managing Director

Company Secretary & Compliance Officer

Shri. B. G. Kulkarni
Ugarkhurd 591 316 (Dist- Belgaum)
Phone: 08339-272230
Fax: 08339-272232
Email: bg.kulkarni@ugarsugar.com

Auditors

M/s. P. G. Bhagwat
Chartered Accountants
Manoj Arcade, Tilakwadi,
Belgaum: 590 006
Phone: 0831-2429306

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Registered Office:

Mahaveernagar, Sangli 416 416
 Phone: 0233-2623716, 2623717
 Fax: 0233-2623617.

Administrative Office:

Ugarkhurd 591 316 (Dist- Belgaum)
 Phone: 08339-272230
 Fax: 08339-272232

Registrar & Transfer Agent:

Bigshare Services Pvt. Ltd.
 E-2, Ansa Ind. Estate, Sakivihar Rd,
 Saki Naka, Andheri (E),
 MUMBAI – 400 072.

e-mail : helpdesk@ugarsugar.com
investor.helpdesk@ugarsugar.com

website : www.ugarsugar.com

Plants : Ugar Khurd, Malli (Jewargi)

Bankers

Central Bank of India	ICICI Bank Ltd.
Bank of Baroda	AXIS Bank Ltd.
The IDBI Bank Ltd.	Union Bank of India
Bank of India	

ANNUAL GENERAL MEETING

FRIDAY, THE 23RD SEPTEMBER, 2011 AT 11.00 A.M. AT RAJMATI BHAVAN,
 NEMINATH NAGAR, OPP GUEST HOUSE, SANGLI 416 416

THE UGAR SUGAR WORKS LIMITED

REGD. OFFICE: MAHAVEERNAGAR [WAKHAR BHAG], SANGLI- 416416.

NOTICE

NOTICE is hereby given that Seventy First Annual General Meeting of THE UGAR SUGAR WORKS LIMITED will be held on Friday, the 23rd day of September, 2011 at 11.00 a.m. at Rajmati Bhavan, Neminath Nagar, Sangli, 416 416 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2011 and the Profit and Loss Account for the period ended as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri. A. B. Kage, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. R. V. Shirgaokar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. D. B. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

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

“Resolved that, Shri. Niraj Shishir Shirgaokar, who was appointed by the Board of Directors of the Company as an Additional Director w.e.f. 01st April, 2011, holds office up to the date of this Annual General Meeting and in respect of whom, a notice in writing under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the candidature of Shri. Niraj S. Shirgaokar, for the office of Director, being eligible, be and is hereby appointed as a Director of the Company.”

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

“Resolved that, Shri. Chandan Sanjeev Shirgaokar, who was appointed by the Board of Directors of the Company as an Additional Director w.e.f. 01st April, 2011, holds office up to the date of this Annual General Meeting and in respect of whom, a notice in writing under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the candidature of Shri. Chandan S. Shirgaokar, for the office of Director, being eligible, be and is hereby appointed as a Director of the Company.”

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

“Resolved that, pursuant to the provisions of section 269, read together with Schedule XIII of the

Companies Act, 1956, section 309 (3), 193 (4), 310 and other applicable provisions of the said Act, the Company hereby accords its approval to the appointment of Shri. Prafulla Vinayak Shirgaokar as Executive Vice Chairman of the Company for a period of 2 (two) years from 01/04/2011 to 31/03/2013 on the terms and the conditions set out in the draft agreement, a copy thereof initialled by the Chairman for the purpose of identification and submitted to and produced at this meeting, which terms and conditions are hereby specifically sanctioned.”

9. To consider and if thought fit, to pass, with or without modification(s), following resolution as a SPECIAL RESOLUTION.

“Resolved that, pursuant to the provisions of section 269, read together with Schedule XIII of the Companies Act, 1956, section 309 (3), 193 (4), 310 and other applicable provisions of the said Act, the Company hereby accords its approval to the appointment of Shri. Shishir Suresh Shirgaokar as Managing Director of the Company for a period of 2 (two) years from 01/04/2011 to 31/03/2013 on the terms and the conditions set out in the draft agreement, a copy thereof initialled by the Chairman for the purpose of identification and submitted to and produced at this meeting, which terms and conditions are hereby specifically sanctioned.”

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

“Resolved that, pursuant to the provisions of section 269, read together with Schedule XIII of the Companies Act, 1956, section 309 (3), 193 (4), 310 and other applicable provisions of the said Act, the Company hereby accords its approval to the appointment of Shri. Niraj Shishir Shirgaokar as Joint Managing Director of the Company for a period of 2 (two) years from 01/04/2011 to 31/03/2013 on the terms and the conditions set out in the draft agreement, a copy thereof initialled by the Chairman for the purpose of identification and submitted to and produced at this meeting, which terms and conditions are hereby specifically sanctioned.”

11. To consider and if thought fit, to pass, with or without modification(s), following resolution as a SPECIAL RESOLUTION.

“Resolved that, pursuant to the provisions of section 269, read together with Schedule XIII of the Companies Act, 1956, section 309 (3), 193 (4), 310 and other applicable provisions of the said Act, the Company hereby accords its approval to the appointment of Shri. Chandan Sanjeev Shirgaokar as Joint Managing Director of the Company for a period of 2 (two) years from 01/04/2011 to 31/03/2013 on the terms and the conditions set out in the draft agreement, a copy thereof initialled by the Chairman for the purpose of identification and submitted to and produced at this meeting, which terms and conditions are hereby specifically sanctioned.”

By order of the Board of Directors,
For The Ugar Sugar Works Limited,

B. G. Kulkarni
Company Secretary

Place: Panhala
Date: 20-05-2011

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain Closed from 12th September, 2011 to 23rd September, 2011 (both days inclusive).
3. The relevant explanatory statement pursuant to section 173(2) of the Companies Act 1956, in respect of Special Business specified under item No. 06 to 11 of the Notice is annexed hereto.
4. Members are requested to notify promptly any change in their addresses to the RTA/Company.
5. The members are requested to bring their copies of Annual Report along with them to the Annual General Meeting.
6.
 - i) The members who have not yet encashed their dividend warrants for the years 2003-04, 2004-05, 2005-06, 2007-08, and 2008-09 are advised to forward such warrants/ request to the Registered Office of the Company for obtaining cheques in lieu thereof. (The Company has not declared any dividend for the year 2006-07 and 2009-10)
 - ii) Pursuant to the provisions of section 205-A and 205C, any dividend remaining unclaimed for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund. The unclaimed dividends for the financial year ended 2001-02 have been transferred to the Investor Education and Protection Fund.
7. Members are requested to quote their folio number/s or Client ID in all correspondence with the Company.
8. SEBI, vide its Circular dated 20th May, 2009, has clarified that, it shall be mandatory for the transferee (s) of shares of the Listed Companies, in physical form, to furnish copy of PAN Card to the Company/ RTA for registration of transfer of shares, for securities market transactions and off market / private transactions involving shares.
9. In response to the Green Environment Initiative taken by the Ministry of Corporate Affairs, Members who have not registered their e-mail addresses so far are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register their email addresses with M/s. Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agents of the Company.

ANNEXURE TO NOTICE**Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.**

As required by section 173(2) of The Companies Act, 1956 the following statement sets out all material facts relating to the Special Business under item No. 6 to 11 mentioned in the accompanying Notice dated 20th May, 2011 and should be taken as forming part of it.

Item No. 6 and 7

Shri. Niraj Shishir Shirgaokar and Shri. Chandan Sanjeev Shirgaokar were appointed as an Additional Directors w.e.f. 01st April, 2011 on the Board of the Company. They are liable to retire at the ensuing Annual General Meeting and being eligible offered themselves for reappointment. A notice in writing proposing the candidature of Shri. Niraj Shishir Shirgaokar and Shri. Chandan Sanjeev Shirgaokar for the office of director is received by the Company, hence this resolution is recommended to the members for their approval as an Ordinary Resolution.

Brief Particulars of the appointee are as under :-

Name of the Director	Niraj Shishir Shirgaokar	Chandan Sanjeev Shirgaokar
Qualification	BE (C. Engg.)	B.Sc, MCM
Date of Birth	25-05-1972	20-10-1977
Date of Appointment	01 st April, 2011	01 st April, 2011
Experience	17 years	11 years
	He was working with USW for last 6 years and was looking after IT, Sugar ship unit & other administrative work as Vice President. Previously he was associated with Siemens and Patni Computer Systems Ltd.	He was working with USW for last 7 years and was looking after IML, Distillery other administrative work as Vice President. Previously he was associated with S.B.Reshellers Pvt. Ltd.
Directorship in Other Public Companies	Nil	Nil
Number of shares held	147,526	110,311

Item No.8 to 11

The present arrangement with the working directors were valid upto 31/03/2011. The Board in its meeting held on 25th March, 2011 has decided to appoint Shri P.V.Shirgaokar, as Executive Vice Chairman and Shri. Shishir S. Shirgaokar, as Managing Director for a period of 2 years w.e.f 01st April, 2011 subject to the approval of the members in the General Meeting. After getting approval of the members, necessary agreement will be executed.

Further the Board in its meeting held on 25th March, 2011, has decided to appoint Shri. Niraj S. Shirgaokar and Shri. Chandan S. Shirgaokar as Joint Managing Director's for a period of 2 years w.e.f 01st April, 2011

subject to the approval of the members in the General Meeting. After getting approval of the members, necessary agreement will be executed.

The appointment of Shri. P. V. Shirgaokar as Executive Vice Chairman, Shri. Shishir S. Shirgaokar as Managing Director, Shri. Niraj S. Shirgaokar and Shri. Chandan S. Shirgaokar as Joint Managing Directors do not require approval of the Central Government since these are in accordance with the conditions specified in Schedule XIII to the Companies Act, 1956.

Subject to the superintendence, control and direction of the Board of Directors, Shri. P. V. Shirgaokar Executive Vice Chairman shall be responsible for the general conduct and management of the business affairs of the Company and shall exercise, subject to such restrictions as may be imposed by the board, the powers vested by the Board.

Subject to the superintendence, control and direction of the Board of Directors, Shri. Shishir S Shirgaokar Managing Director, shall be responsible for the general conduct and management of the business affairs of the Company and shall exercise, subject to such restrictions as may be imposed by the board, the powers vested by the Board and Executive Vice Chairman.

Subject to the superintendence, control and direction of the Board of Directors, Shri. Niraj S. Shirgaokar and Shri. Chandan S. Shirgaokar Joint Managing Directors, shall carry out such duties and responsibilities as shall from time to time be entrusted to them by the Board, Executive Vice Chairman and Managing Director.

The remuneration and the other terms and conditions have been embodied in draft agreements between the Company and Shri. P.V.Shirgaokar – Executive Vice Chairman, Shri. Shishir S. Shirgaokar Managing Director, Shri. Niraj S. Shirgaokar and Shri. Chandan S. Shirgaokar as Joint Managing Directors. Pursuant to Section 302 of the Companies Act, 1956, the following is the abstract of the material terms thereof.

A) Salary :

- a) Executive Vice Chairman (Exe. VC)
Rs. 2,50,000 per month.
- b) Managing Director (MD)
Rs. 2,50,000 per month.
- c) Joint Managing Director (Jt.MD)
Rs. 1,60,000 per month.
- d) Joint Managing Director (Jt.MD)
Rs. 1,60,000 per month.

B] Commission :

One percent (1%) commission on net profit computed in the manner laid down in Section 309(5) of the companies Act, 1956.

C] Perquisites :

Part A :

- I] Free Furnished Accommodation with facilities and amenities / House Rent Allowance ;

- a] Free Furnished Accommodation valued as per the Income Tax Rules, 1962, or alternatively house rent allowance 35% of salary Per Month.
- b] Provision of Gas, Electricity and Water and furnishings valued as per the Income Tax Rules, 1962, subject to a ceiling of 10% of salary.
- c] Medical Benefit for Self and Family :
Reimbursement of expenses incurred for self and family.
- d] Leave Travel Concession :

For self and family, once a year, to and from any place in India, subject to the condition that only actual fares and no hotel expenses will be allowed.
- e] Fees of Clubs :
Subject to a maximum of two clubs. However, no life membership or admission fee will be paid.
- f] Personal Accident Insurance :
of an amount, the Annual Premium of which does not exceed Rs.10,000 (Rupees ten thousand only).

The actual expenditure or liability incurred by the Company for perquisites in part A shall be restricted to Annual Salary.

Part B :

- g] Provident Fund, etc. :
The company's contribution to Provident Fund and Superannuation Fund or Annuity fund shall be as per the prevailing Rules of the Company.
- h] Gratuity:
Not exceeding one month's salary for each completed year of service. Their service is in continuation from earlier period.
- l] Other Perquisites:
Within the overall ceiling on the remuneration mentioned herein they may be given any other allowances and perquisites from time to time as per Rules of the Company.

Part C :

- J] Leave:
Not exceeding one month's leave for every eleven months of service, Encashment of leave as per the Rules of the Company or at the end of the tenure will not be included in the computation of ceiling on perquisites.
- k] Car and Telephone:
Personal long distance calls on telephone and use of car for private purpose shall be billed to concerned contracted party.

Explanation :

1. Wherever context demands family means the spouse, dependent children and dependent parents.

2. Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such rules, perquisites shall be evaluated at actual cost.
3. The aggregate of the consolidated salary, commission and perquisites payable to the Executive Vice Chairman, Managing Director and Joint Managing Directors shall not exceed 10% of the net profits of the Company calculated in accordance with the provisions of section 198 and 309 of the Companies Act, 1956.

Part D : Minimum Remuneration:

In case of absence or inadequacy of profits (including the case of loss) for any year, the Company shall pay to the Executive Vice Chairman and Managing Director the minimum remuneration of Rs. 2,50,000/- p. m., and to the Joint Managing Directors the minimum remuneration of Rs. 1,60,000/- p.m., and the perquisites as detailed above, except commission on net profit.

- a) The net profit of the Company shall be determined as provided for in section 349 and any other provision/s of the Companies Act, 1956, applicable thereto.
- b) The termination of services for the purpose of reappointment will not be treated as discontinuation of services for the purposes of gratuity and other benefits accruing to them. Their service will be treated as continuous services for the purpose of gratuity and other benefits.
- c) The agreement may be terminated by either party giving the other party three months' notice or the Company paying three months' salary in lieu thereof.
- d) If at any time the Executive Vice Chairman, Managing Director and Joint Managing Directors cease to be a Director of the Company for any cause whatsoever, they shall cease to hold their respective positions, as the case may be.

The resolutions are recommended to the members for their approval as a Special Resolution.

Memorandum of Interest:

None of the Directors except Shri. Niraj Shirgaokar and Shri. Shishir Shirgaokar is interested in the Resolution No. 6, 9 and 10.

None of the Directors except Shri. Chandan Shirgaokar is interested in the Resolution No. 7 and 11.

None of the Directors except Shri. Prafulla Shirgaokar and Shri. R.V.Shirgaokar, is interested in the Resolution No.8.

By order of the Board of Directors,
For The Ugar Sugar Works Limited,

Place: Panhala
Date: 20-05-2011

B. G. Kulkarni
Company Secretary

DIRECTORS' REPORT

DEAR SHAREHOLDERS,

Your Directors have pleasure in presenting their 71st Annual Report together with the Audited Financial Statements for the period ended 31st March, 2011.

GENERAL:

All India Production of Sugar for the Season 2010-11 is expected to reach 23 to 25 million tonnes as a result of good monsoon and increase in sugar plantation area, as compared to the previous years production of 18.8 million tonnes. The government permitted export of 4,50,000 tonnes of sugar during the year and also reduced the levy obligation from 20% to 10%.

Our total crushing at Ugar and Jewargi, during the season 2010-11 was 19.46 Lakh MT of sugar cane with bagging of 21.84 Lakh Qtls., of sugar at a recovery of 11.26% and 11.06% respectively.

FINANCIAL RESULTS:

The financial results of the Company are as shown below:

Particulars	31.03.2011 Rs. in Lakh	31.03.2010 Rs. in Lakh
Profit before Depreciation & Amortisation	3,251.89	636.11
Depreciation & Amortisation	(2,866.44)	(3,442.45)
Profit Before Tax	385.45	(2,806.34)
Provision for Tax, (including deferred tax adjustment, short/excess provision for tax and provision for FBT)	16.12	802.70
Profit after Tax / Net Profit	401.57	(2,003.64)
Balance of profit brought forward from previous year	(1,398.71)	604.93
Profit available for appropriation	(997.14)	(1,398.71)
Earning Per Share (EPS) for the year	0.36	(1.78)

DIVIDEND:

In view of inadequate profits, your directors have not recommended any dividend for the Financial Year 2010-11.

OPERATIONS:**SUGAR at UGAR:**

Particulars	Sugar Season 2010-11	<i>Sugar Season 2009-10</i>
Date of beginning of crushing season	04-11-2010	26-10-2009
Date of ending of crushing season	29-04-2011	03-04-2010
Number of Working Days	177	160
Sugar Cane Crushed (Lakh MT)	15.99	14.27
Recovery	11.26%	11.54%
Sugar Produced (Lakh Qtls.)	18.00	16.47

SUGAR at JEWARGI:

Particulars	Sugar Season 2010-11	<i>Sugar Season 2009-10</i>
Date of beginning of crushing season	10-11-2010	28-10-2009
Date of ending of crushing season	05-05-2011	21-04-2010
Number of Working Days	177	176
Sugar Cane Crushed (Lakh MT)	3.47	2.02
Recovery	11.06%	10.11%
Sugar Produced (Lakh Qtls.)	3.84	2.05

DISTILLERY, IML PRODUCED & ELECTRICITY GENERATED :

Particulars	Financial Year 2010-11	<i>Financial Year 2009-10</i>
Rectified Spirit Produced (Lakh BL)	94.08	85.94
Denatured Spirit Produced (Lakh BL)	30.99	16.95
Potable Alcohol Produced (Lakh BL)	89.38	82.25
Electricity Generated (Lakh KW)	1,479.58	1,358.60
Electricity Exported (Lakh KW)	855.56	772.57

Electricity includes generation & export at Ugar and Jewargi Units.

Your Directors expect to procure about 20 to 22 Lakh MT sugarcane at Ugar and Jewargi Units during 2011 - 12 crushing season.

ENVIRONMENTAL SAFETY:

Our Company continues to pursue its environmental friendly approach towards Industrial growth. Constant improvements are being made in the process and equipments, to minimize the discharge of effluents and emissions.

FIXED DEPOSITS:

The number of Depositors, who have not claimed their deposits after maturity as on 31st March, 2011 was 10 and the amount outstanding as on that date was Rs. 15.54 Lakh.

COST AUDIT:

Our Company has received the approval of Central Government for the appointment of Shri. V. V. Deodhar, Cost Auditor, Mumbai to conduct the Cost Audit of Sugar and Industrial Alcohol for the Financial Year 2010-11.

DIRECTORS:

Sarvashri. R.V. Shirgaokar, A. B. Kage and D. B. Shah retire by rotation and being eligible offer themselves for re-appointment.

Shri. Niraj S. Shirgaokar and Chandan S Shirgaokar were appointed as an Additional Directors w.e.f. 1st April, 2011, liable to retire at ensuing Annual General Meeting. Being eligible, offer themselves for re-appointment and a notice from a member proposing their candidature has been received under section 257 of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT:

We confirm:

- i] That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii] That the directors have selected such accounting policies and applied them consistently and made judgment 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 profit or loss of the Company for that period.
- iii] That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv] That the directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE:

Our Company has been following good Corporate Governance since its inception. The shares of our Company are listed on Bombay Stock Exchange Ltd., and National Stock Exchange of India Ltd., and we are regularly and timely complying with the filing requirements as per Listing Agreement. As required under SEBI Guidelines, a Corporate Governance Report is annexed.

CO-GENERATION AT UGAR & JEWARGI:

During this year electricity generated was 1,479.58 Lakh KW of which we have exported 855.56 Lakh KW through Tata Power Trading Company by consuming 4.92 Lakh MT of Bagasse. During the Financial Year 2010-11, the electricity export rates received till March, 2011 were quite reasonable and the average rate realised during the season was Rs 4.98 per unit at Ugar and Jewargi.

DISTILLERY:

The production of Rectified Spirit was 94.08 Lakh BL as compared to 85.94 Lakh BL during the previous year. During the year under review, the production of ethanol restarted and we have supplied 9.64 Lakh BL to the Oil Companies.

INDIAN MADE LIQUOR (IML) AT UGAR:

The Company manufactured 10.22 Lakh cases at Ugar during this year as against 9.39 Lakh cases during the previous year. Company has continued bottling its products at M/s. K. S. Distilleries, M/s. SDF Industries, M/s. Chamundi Distillery & Winery and Rana Sugar.

With exhaustive marketing efforts, we expect to substantially improve the performance during the next year.

100% EXPORT ORIENTED UNIT (SUGAR SHIP) :

During the year under review the EOU has exported sugar ships worth Rs. 231.46 Lakh as against Rs.260 Lakh in the previous year to M/s Frabies (GmbH), Germany. The export orders from M/s. Frabies have taken a good shape. Further negotiations are on for supply order from Edeka and Rowe (Germany) in addition to Netto.

The EOU has maintained the positive NFE status during the year. We are in talk with Café Coffee Day for introducing our product at their 1000 retail outlets all over India and the positive results are coming up.

SAP – SYSTEM, APPLICATIONS AND PRODUCT:

As reported in the last annual report, the SAP system is extended at Jewargi Unit w.e.f. 01st April, 2010 and we are getting good results.

DEMATERIALIZATION OF SHARES:

Our Company has provided connectivity with NSDL & CDSL for dematerialization of its shares for trading in electronic form under ISIN-No.INE071E01023. So far 8,15,24,542 shares have been dematerialised by the shareholders, i.e. 72.47% of total shareholding.

LISTING OF SHARES ON NSE:

Company has received the Listing and Trading permission from National Stock Exchange of India Ltd., on 23rd August, 2010 and the equity shares are traded regularly.

CONSERVATION OF ENERGY AND PARTICULARS OF EMPLOYEES:

Particulars pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo have been given under Annexure I. With the latest amendment to section 217(2A) of the Companies Act, 1956, none of our employees are falling within the revised salary limit prescribed under particulars of employees.

AUDITORS:

You are requested to appoint auditors for the ensuing year and to fix their remuneration. Present auditors M/s. P.G. Bhagwat, Chartered Accountants, having Firm Registration No: 101118W, are eligible for reappointment.

ACKNOWLEDGMENT:

Your Directors wish to place on record their sincere appreciation for the continued support received from Managements of Central Bank of India, Bank of Baroda, Union Bank of India, The IDBI Ltd., Bank of India, ICICI Bank Ltd., and IFCI Factors Ltd., for providing working capital finance and Central Bank of India, Bank of Baroda, Rabo International., Axis Bank Ltd., Technology Development Board, Sugar Technology Mission and Sugar Development Fund, for providing long term finance for capital Investments, Tata Power Trading Co. Ltd., and HESCOM, for transmission of energy.

Your Directors thank the Government of India, Government of Karnataka, Government of Maharashtra, Government Authorities, Shareholders, Cane suppliers, Workers and Staff for their co-operation and contribution to the overall progress of the Company.

By order of the Board of Directors,
For The Ugar Sugar Works Limited,

R. V. Shirgaokar
Chairman & Mentor

Place: Panhala
Date: 20-05-2011

ANNEXURE I TO THE DIRECTORS' REPORT

Information pursuant to Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the period ended 31st March, 2011.

A. CONSERVATION OF ENERGY :

All the energy conservation measures successfully implemented in past are giving satisfactory results. This year following steps are taken for Energy Conservation:

1. 132KW/200HP AC Variable Frequency Drive Installed for Sulfur Juice Pump No.4 & 5 at Sulfur House Clarification Section -2 Nos.
2. 20 CFL Lamps installed at various locations, office, bungalow and swimming pool.
3. 60 KVAR Capacitor Bank connected in old capacitor bank at Main LT Control room.

FORM- A

Disclosure of particulars with respect to Conservation of Energy (to the extent applicable)

Particulars	Units	31.03.2011 12 Months	31.03.2010 12 Months
A. Power and Fuel Consumption			
1. Electricity			
(a) Purchased Unit	Lakh KWH	2.07	1.07
Total Amount	Rs. Lakh	17.01	15.39
Rate / Unit	Rs./KWH	8.22	14.42
Import of Unit	Lakh KWH	64.98	59.48
(b) Own Generation			
i) Through Diesel Generator Units	Lakh KWH	3.62	4.30
Standard units /per Ltr. Of Diesel	KWH/Ltr	3.75	3.75
Actual units / per Ltr. Of Diesel	KWH/Ltr	3.70	3.67
ii) Through Steam Turbine / Generator Units	Lakh KWH	1,475.96	1,354.31
Standard kg Bagasse / KWH		3.00	3.00
Actual KG Bagasse / KWH		3.24	3.40
iii) Total units generated	Lakh KWH	1,479.58	1,358.61
Total Cost for Generation	Rs. Lakh	6,926.41	7,901.50
Cost Per Unit	Rs.	4.68	5.82
B. Consumption per unit of production			
Total available electricity(Generation+ Purchase)	Lakh KWH	1,546.63	1,419.15
Less : Exported to TATA Power/HESCOM	Lakh KWH	855.56	772.57
Total electricity available for Consumption	Lakh KWH	691.07	646.58
Less : Consumption of electricity for Distillery, IML, Co-Gen, ETP,FSS, Pumping Stn. And Colony	Lakh KWH	250.75	257.75
Consumption for Sugar Factory	Lakh KWH	440.32	388.84
Electricity - KWH / MT of Sugar		227	218

Note: Above data comprises of Ugar & Jewargi. As depreciation is more in Jewargi unit average power cost per unit is on higher side.

TECHNOLOGY ABSORPTION

FORM – B

Disclosure of particulars with respect to Technology Absorption (to the extent applicable).

Research and Development (R and D)

- 1) Efforts in brief made towards technology absorption, adoption and innovation.

The Company carries out Research and Development in Sugarcane, Process Modifications in the Sugar Production, Quality Liquor and Ethanol Production, improvement in Technology, Co.generation and Bio-methanation from pressmud and Zero effluent discharge system.

- 2) Benefit derived as a result of the above efforts – product improvement, cost reduction, product development, imports substitution etc.

Sugarcane

The main objective of the Research and Development wing is to make a continuous effort to identify more dual purpose sugarcane varieties with high sucrose, high yielding potential and reasonably high fiber content.

There are 40 odd new sugarcane varieties under trial in our Research and Development Farm Co-86032 (Co.62198 x CoC – 671) is right now playing the important role to stop the spread of the undesirable varieties such as Co.8011 (Co.740 x Co.6304) and Co.7704 (Co.740 x Co.6806) which are a good yielder of poor quality cane. Salinization is another vexatious issue and CoM -0265 (Co.87044 GC) shown the great promise in the saline soils.

Co.99004 (Damodar) Co.62175 x Co.86250), Co.99006, Co.2001-13 (Sulabh) – Selection from Co.7806 Poly Cross are in the pipe line and shown great promise both from the point of quality and quantity may gain popularity soon.

We are continuing our experiments with Bio-fertilizers Viz. Azotobactor, Acetobactor, Azospirillum, Phosphate Solublizing Microbial (PSB / PSM) Inoculants Viz-Vis chemical fertilizers and contribute significantly towards enhancing the productivity of land and application works out to be substantially less expensive.

We are actively involved in popularizing the land layout of 4' and 5' row width with 75 to 100 Meters of cross bunds.

This is the 7th year of conducting varietal trials under the guidance of Sugarcane Breeding Institute, Coimbatore and we earmarked 28 promising genotypes out of 5000 cultivators. 28 genotypes will be tested for 2 plant and 3 ratoons and the varieties showing highcane yield, good recovery, drought tolerance, sparse flowering etc will be released in the name of CoU (Coimbatore Ugar) cane varieties.

Short Duration Crops

The work with Wheat, Soybean, Sunflower and Bengalgram is reasonably successful as a rotation of crop to sugarcane reasonably and useful indications are likely to be obtained this year.

Wheat

our work on wheat is getting along well. Experiments under the guidance of (CIMMYT) (South America),

ICARDA (Middle east), MACS, Pune, U.A.S., Dharwad and ICAR, New Delhi are laid on a big scale and we are extremely proud to state that a team of CIMMYT highly appreciated our work on wheat. Vinayak (DWR-162) Wheat Variety identified by our R and D Wing is very popular in Indonesia and it is also released as Devata and Spreading like a wild fire. UAS 415 also found very high yielding variety on our R and D Farm.

Soybean

JS-335, JS-9305 and Dsb-6 are Soybean varieties doing well in our area inspite of incidence of 'rust'. Dsb-21 is earmarked as high yielding and rust resistance variety this year on our R and D Farm. It is gratifying to note that Directorate of Soybean Research, Indore sanctioned the Research grant of Rs.1,50,000 (Rs.One Lakh Fifty Thousand Only) for screening a large number of Soybean varieties against rust and FLDs as a best rotation crop to sugarcane.

Future Plan of Action :

- a) To popularize the technique of using Wormi-compost and Boiler ash.
- b) Replacement of Muriate of Potash by organic distillery powder, a product of SSP Plant of concentration, evaporation and drying system for zero pollution.
- c) To identify sugarcane varieties which can give more than 25% fibre for Co-generation plant.
- d) Replacing 50% chemical fertilizers with suitable combination of organic and bio-fertilizers to get the best cane both from the point of quality and quantity.
- e) To popularise the technique of fertiliser bricketing.
- f) Develope Sugarcane varieties for Mechanical Cane Harvester.
- g) Implementation of Sub Surface Drainage for reclamation of Saline Soils.

3) Expenditure on R & D:

Sr.	Description	Rs. In Lakh
a.	Capital	0.00
b.	Recurring	103.42
c.	Total	103.42
d.	Total R & D expenditure as a Percentage of total turnover	0.13%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Sr.	Description	Rs. In Lakh
1.	Foreign Exchange Earnings	146.10
2.	Foreign Exchange Outgo	
a.	Travelling	2.17
b.	Machinery Purchases/spares	11.88
c.	Interest on Loan	2.11
d.	Repayment of Term Loan	234.21
e.	Service Charges	0.34

MANAGEMENT DISCUSSION AND ANALYSIS

Industrial Structure and Development:

Currently the sugar industry in India is covered by public, co-operative and private sector companies. Co-operative Sector accounts for nearly 55% in terms of number of factories, installed capacity and production. India is the largest consumer and the second largest producer of sugar in the world. There are over 625 sugar factories of various capacities operated this year. The ownership of sugar industry is a combination of public, private and co-operative sectors. Sugar is produced in almost all the major Indian States. Maharashtra and U.P. contribute 70% of the country's total production. Tamilnadu, Karnataka, Andhra Pradesh, Bihar and Gujarat are the other major sugar producing States. The sugar prices are very sensitive from the common man's point of view. The Sector is therefore, highly regulated both by the Central and State Governments. The Government has reduced the levy, free sale sugar ratio @ 10:90 percent during the financial year.

The sugar production in the country during the year will be around 245.40 Lakh tonne compared to 188.03 Lakh tonne in the previous year. The sugar production is likely to remain stable during the year 2011-12.

Opportunities and Threats:

Opportunities:

The long term outlook for sugar looks to be promising on account of :

- ◆ Sugar prices may stabilise looking at the overall world output.
- ◆ Environmental friendly power generation from co-generation units equipped with high pressure boiler and turbines to get maximum energy output.
- ◆ Bio-composting processes and conversion of organic and in-organic matter into bio-manure to ensure zero discharge from distillery.
- ◆ Clean Development Mechanisms and expected flow of Carbon Credits.
- ◆ Ethanol blending programme of the Government of India thereby additional blending of ethanol is expected to come into play.
- ◆ Government announcing new policy of Renewable Energy Certificates for power generators.

Threats:

The sugar industry presently is coming across the following threats :

- ◆ Shortage in availability of farm labour for harvesting and transportation, loading and unloading of sugarcane.
- ◆ Trend of farmers switching over to more remunerative cash crops thereby adversely affecting availability of sugarcane.
- ◆ Sudden rise in cane procurement prices which has been very volatile for the last 3 or 4 years.
- ◆ Continuous pressure due to various controls and administrative measures by both State and Central Governments.

- ◆ Cyclical nature of the industry affecting sugar production.
- ◆ Number of sugar factorise coming up in the country particularly in States of Uttar Pradesh, Maharashtra and Karnataka.
- ◆ Probable increase in interest rates on carrying of sugar stocks.

Segment wise Performance:**Sugar:**

During the **Current Year** the Company has crushed 17.16 Lakh MT of sugar cane (**Previous Year** 15.76 Lakh MT) including Jewargi and **Current Year** sugar production was 19.41 Lakh Qtls. (**Previous Year** 17.86 Lakh Qtls.) including Jewargi at a recovery of 11.50% and 10.82% at Ugar and Jewargi respectively.

Industrial and Potable Alcohol:

The Company has produced Industrial and Potable Alcohol during the year 214.45 Lakh BLS (Previous Year 185.14 Lakh BLS). The sale of Potable Alcohol in Karnataka has increased due to the sales efforts put in by our sales team. The newly introduced Sandpiper Whisky was well received by the market and has helped in improving the sales. Sale of Potable Alcohol in Kerala through K.S. and S D F Distilleries is also satisfactory and we have also entered in the Andhra Pradesh and Delhi liquor market.

Co-generation:

The generation during this year at Ugar and Jewargi was 1,479.58 Lakh KW (Previous Year 1,358.61 Lakh KW) and export 855.56 Lakh KW (Previous year 772.57 Lakh KW). With the improvement in power rates we have made special efforts to maximize the generation and export. The overall performance has improved a lot. We have supplied power through open access and through the exchange to M/s Tata Power Trading Company Ltd. Company has made an application for Registration & Accreditation of Renewable Energy Certificates (REC) with State Load Despatch Centre which is the nodal agency in Karnataka appointed KERC.

Adequacy of Internal Control:

The Company has a proper and adequate system of internal control to ensure that all assets are safeguarded and protected. The Internal Auditor submits report covering almost all the areas of operations.

The company has received ISO 9000 and 14000 certification from RINA. We have also received ISO 22000 for 100% EOU.

Human Resources Development:

The Company provides regular training and all round exposure to the employees and staff. The Company has a well equipped township with recreational facilities such as club house, playground, swimming pool, gymnasium etc. The Company also operates a Cooperative Society, Hospital, School, and College for the benefit of the workers and general public.

The Company has a dedicated workforce of 1,786 people (including Jewargi unit) comprising of 1,285 permanent, 494 seasonal and 7 badali workers.

REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy on Corporate Governance:

The Ugar Sugar Works Limited believes that good Corporate Governance is essential to achieve long-term corporate goals, enhance shareholders' value and attain highest level of transparency. The Company is committed to achieve the highest standard of Corporate Governance, accountability and equity in all facets of its operations and in all interaction with stakeholders. The Company believes that all its operations and actions must serve the underlined goal of enhancing customers' satisfaction and shareholders' value over a sustained period of time.

II. Board of Directors:

- A.** The Board of Directors comprises of four Promoter Directors (Managing Director, Executive Director, Chairman and Non-executive Director) and six non-executive directors.

During the year, 8 (eight) Board Meetings were held on 28th May, 13th August, 25th September, 29th October, 2010, 04th January, 25th January, 18th February and 25th March, 2011.

- B.** The Composition of the Board of Directors, their attendance at the board meeting during the year and at the last Annual General Meeting along with number of directorships in other public limited companies, committee chairmanship/memberships is as follows :

Name of Directors	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM	No. of other Directorship	Other Committee Membership/ Chairmanship	
					Member	Chairman
1. Shri. R. V. Shirgaokar	C&M	6	Yes	1	—	—
2. Shri. P. V. Shirgaokar	MD	7	Yes	1	—	—
3. Shri. Shishir S. Shirgaokar	ED	8	Yes	3	1	—
4. Shri. V. Balasubramanian	NEID	8	Yes	7	1	—
5. Shri. Sanat K. Shirgaokar	NED	7	Yes	—	—	—
6. Shri. S. N. Inamdar	NEID	6	Yes	10	2	3
7. Shri. M. G. Joshi	NEID	8	Yes	1	—	—
8. Dr. M. R. Desai	NEID	6	No	2	—	—
9. Shri. A. B. Kage	NEID	8	Yes	—	—	—
10. Shri. D.B.Shah	NEID	8	Yes	—	—	—

C&M – Chairman & Mentor, **MD** - Managing Director, **ED** – Executive Director.

NED - Non-Executive Director, **NEID** - Non-Executive Independent Director.

Except sitting fees, commission, if applicable and professional fees no other remuneration is paid to Non-Executive Directors. Leave of absence is granted to the directors absent for meetings.

C. Appointment of Directors:

The brief particulars of the Directors of the Company retiring by rotation and proposed to be re-appointed at the ensuing Annual General Meeting are as under:

- ◆ Shri. A. B. Kage, aged about 92 years, has joined the Board on 26th March, 1987. He is an agriculturist and a social worker. He has received Vishweshwarayya Award from Government of Karnataka in recognition for his social service to the society. He holds 1,07,440 shares of the Company as on 31.03.2011. His directorship & committee membership in other public companies is given below.

Directorship in other Companies	Audit Committee	Shareholder's / Investor Grievances Committee
Nil	Nil	Nil

- ◆ Shri. D. B. Shah, aged about 70 years, has joined the Board on 28th March, 2005. He is an agriculturist and a social worker. He holds 35,000 shares of the Company as on 31.03.2011. His directorship & committee membership in other public companies is given below.

Directorship in other Companies	Audit Committee	Shareholder's / Investor Grievances Committee
Nil	Nil	Nil

- ◆ Shri. R. V. Shirgaokar, aged 75 years, retired as Managing Director on 31/03/2009 and thereafter he was appointed as Chairman and Mentor of the Company. He has vast experience of sugar industry and has played a key role in carrying out the developments in The Ugar Sugar Works Ltd. He was instrumental in implementing distillery and co-generation at Ugar. He is also associated with various social and cultural organisations. He holds 5,42,305 shares of the Company as on 31.03.2011. His directorship & committee membership in other public companies is given below.

Directorship in other Companies	Audit Committee	Shareholder's / Investor Grievances Committee
1. Ugar Consultancy Ltd.	Nil	Nil

D. Code of Conduct:

The Company has laid down a code of conduct for all Board Members and Senior Management Personnel of the Company. The code of conduct is available on the website of the Company at www.ugarsugar.com.

III. Audit Committee:

- ◆ The Audit Committee comprises of five Non-Executive Directors. All the members of the Audit Committee possess financial management expertise and knowledge.
- ◆ During the year, four Audit Committee Meetings were held on 28th May, 13th August, 29th October, 2010 and 25th January, 2011.

- ❖ Composition and attendance record of Audit Committee members is given below :

Name of the Directors	Status	No. of Meetings	
		Held	Attended
1. Shri. S. N. Inamdar	Chairman	4	3
2. Shri. V. Balasubramanian	Member	4	4
3. Shri. M.G. Joshi	Member	4	4
4. Shri. R. V. Shirgaokar	Member	4	3
5. Dr. M. R. Desai	Member	4	4

- ❖ This Committee comprises majority of Independent Directors.

◆ **The Audit Committee is responsible for:**

- ❖ Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ❖ Recommending the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- ❖ Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- ❖ Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
- ❖ Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- ❖ Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- ❖ Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

- ❖ Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ❖ Discussion with internal auditors any significant findings and follow up there on.
- ❖ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- ❖ Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- ❖ To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- ❖ To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- ❖ Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- ❖ Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

IV. Remuneration Committee:

- ◆ The Remuneration Committee comprises of four independent directors.
- ◆ During the year under review, four meetings of Remuneration Committee were held on 28th May, 2010, 25th January, 18th February and 25th March, 2011.
- ❖ Composition and attendance record of Remuneration Committee members is given below:

Name of the Directors	Status	No. of Meetings	
		Held	Attended
1. Shri. S. N. Inamdar	Chairman	4	3
2. Shri. V. Balasubramanian	Member	4	4
3. Shri. M.G. Joshi	Member	4	4
4. Dr. M. R. Desai	Member	4	3

◆ Terms of Reference:

The Remuneration Committee is empowered to determine the Company's policy on specific remuneration packages for Executive Directors and one level below the Executive Directors including pension and any other compensation related matters and issues within the framework of Company and on certain performance parameters.

◆ Recommendations of Remuneration Committee:

Meetings of Remuneration Committee were held to consider appointment, reappointment and revision in the remuneration of Executive Directors as their existing appointments were valid

upto 31st March, 2011. Shri. P.V. Shirgaokar was appointed as Executive Vice Chairman, Shri. Shishir S. Shirgaokar as Managing Director w.e.f. 01st April, 2011 on a remuneration of Rs. 2,50,000 p.m., each. Shri. Niraj Shishir Shirgaokar and Shri. Chandan Sanjeev Shirgaokar, Vice Presidents of the Company were co-opted on the Board as Joint Managing Directors w.e.f. 01st April, 2011 on a remuneration of Rs. 1,60,000 p.m., each. The remuneration to the executive directors is subject to approval of General Body.

◆ **Remuneration paid / payable to Managing Director / Executive Director for the year ended 31st March, 2011.**

(Rs. In Lakh)

Managing / Executive Director	Salary	Commission	Perquisites	Retirement Benefits	Stock Options	Total
Shri. P.V. Shirgaokar (MD)	25.20	0.00	0.58	5.58	0.00	31.36
Shri. Shishir S. Shirgaokar (ED)	25.20	0.00	6.62	5.58	0.00	37.40

V. Shareholders' / Investors' Grievance Committee:

◆ During the year under review Meeting of Shareholders'/ Investors' Grievance Committee was held on 30th November, 2010.

- ❖ **Composition:** The composition and attendance record of Shareholders'/ Investors' Grievance Committee members is given below :

Name of the Directors	Status	No. of Meetings	
		Held	Attended
1. Shri. M. G. Joshi	Chairman	1	1
2. Shri. D. B. Shah	Member	1	1
3. Shri. A. B. Kage	Member	1	1

◆ **Terms of Reference:**

- ❖ To look into all the complaints received from the shareholders regarding transfer and transmission of shares.
 - ❖ To look into all the complaints received from the shareholders regarding non- receipt of Balance Sheet, dividend/ interest/ payments on redemption of preference shares, debentures, bonds or such other instruments which are redeemable.
 - ❖ The Company Secretary has been designated as a Compliance Officer.
- ◆ During the year under review 7 complaints were received from investors out of which 6 were replied/ resolved to the satisfaction of the investors and as on 31st March, 2011, 1 complaint in respect of which the matter has gone to the court is pending at SEBI as the matter is sub-judice.
- ◆ There are no share transfers pending for registration for more than 30 days as on the said date.

VI. General Body Meetings:

- ◆ Location and time for the last three Annual General Meetings (AGM):

Financial Year	AGM	Location	Date	Time
2007-08	AGM	Khare Mangal Karyalay, Sangli-416415	29/08/2008	11.30 a.m.
2008-09	AGM	Rajmati Bhavan, Sangli 416416	19/09/2009	11.00 a.m.
2009-10	AGM	- do -	25/09/2010	11.00 a.m.

VII. Other Disclosures:

A. Transactions with Non-Executive Directors of Company during the year.

Name of the Directors	Sitting Fees Paid (Rs. In Lakh)	Consultation Fees Paid (Rs. In Lakh)	Payment against Cane supplied (Rs. In Lakh)	Dividend Paid (Rs. In Lakh)	Interest Paid on Fixed Deposits (Rs. In Lakh)	No. of Shares held as on 31/03/2011
Shri. R. V. Shirgaokar	0.90	0.00	0.00	0.00	10.18	5,42,305
Shri. S. N. Inamdar	1.20	0.00	0.00	0.00	0.00	18,750
Shri. A. B. Kage	0.90	0.00	7.78	0.00	0.00	1,07,440
Shri. V. Balasubramanian	1.60	0.00	0.00	0.00	0.00	11,200
Shri. M. G. Joshi	1.70	0.00	0.00	0.00	0.12	21,000
Dr. M. R. Desai	1.30	0.00	0.00	0.00	0.00	33,000
Shri. D. B. Shah	0.90	0.00	4.90	0.00	0.52	35,000
Shri. S. K. Shirgaokar	0.70	0.00	0.00	0.00	0.00	3,12,889

- ◆ No penalty or strictures have been imposed on the Company by Stock Exchanges, SEBI or any Statutory Authority on any matter during last 3 years.
- ◆ The Compliance Reports of all laws applicable to the Company are periodically reviewed by the Board. Further all the quarterly compliance related filings for results, shareholding pattern, clause 49, etc. are filed with stock exchanges within the prescribed time.
- ◆ **Special Resolutions passed at the Annual/ Extra Ordinary General Meetings in past 3 years:**
- 70th Annual General Meeting:**
- ❖ Amendment to the Articles of Association of the Company.

- ❖ Payment of remuneration by way of commission to non-executive directors as per sections 198,309,310,349, 350 and other applicable provisions of the Companies Act, 1956.

69th Annual General Meeting:

- ❖ Appointment of Managing Director pursuant to section 269, read with schedule XIII of the Companies Act, 1956.
- ❖ Appointment of Executive Director pursuant to section 269, read with schedule XIII of the Companies Act, 1956
- ❖ Revision in remuneration of a relative of Executive Director appointed under section 314(1) (b) of the Companies Act, 1956.
- ❖ Amendment to the Articles of Association of the Company.

68th Annual General Meeting:

- ❖ No special resolutions were passed during this meeting.

◆ Disclosure of Related Party Transactions:

All related party transactions have been entered into in the ordinary course of business and were placed periodically before the Audit Committee and the Board. All transactions with the related parties or others are on an arm's length basis.

B. Disclosure of Accounting Treatment:

All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.

C. Risk Management:

The Company has in place mechanism to inform the Board Members about the Risk Assessment and Minimization procedures and periodical reviews, to ensure that risk is controlled by the Executive Management through the means of a properly defined policy.

D. Subsidiary Companies:

There are no subsidiary Companies.

VIII. Means of Communication:

Company is publishing quarterly un-audited financial results and notice, advertisements in the Economic Times and/or Indian Express in English, Maharashtra Times and/or Kesari in Marathi, regularly. Additionally the results and other important information is also periodically updated on the Company's Website, viz. **www.ugarsugar.com**.

IX. General Shareholders Information:

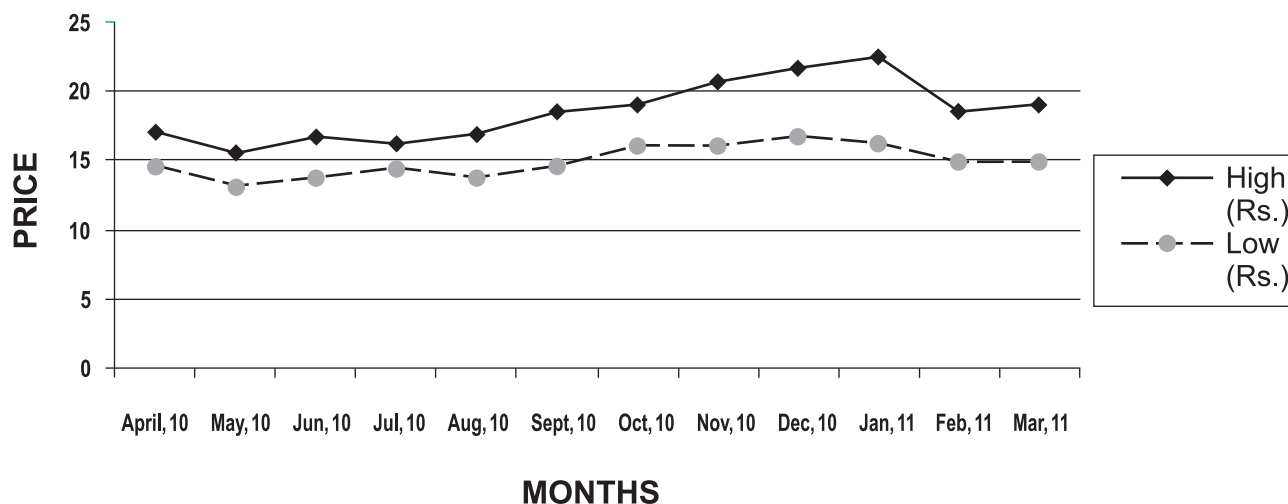
i. AGM Date, Time and Venue	Friday, the 23 rd September, 2011 at 11.00 a.m. at Rajmati Bhavan, Neminath Nagar, Sangli – 416 416
ii. Financial Calendar 2011-12	Probable Dates:
First quarterly un-audited results	Before 15 th of August, 2011
Second quarterly un-audited results	Before 15 th of November, 2011
Third quarterly un-audited results	Before 15 th February, 2012
Fourth & Final quarterly audited results	Before end of May, 2012
iii. Book Closure Date	12 th September, 2011 to 23 rd September, 2011 (both days inclusive)
iv. Dividend payment date	Not Applicable.
v. Listing on Stock Exchange.	Bombay Stock Exchange Ltd.(BSE), National Stock Exchange of India Ltd. (NSE)
vi. Stock Code:	530363, UGARSUGAR-EQ
Dematerialization ISIN No.	INE-071E01023.

vii. Market Price Data High/ Low during each month of Financial Year 2010 – 11 at BSE & NSE

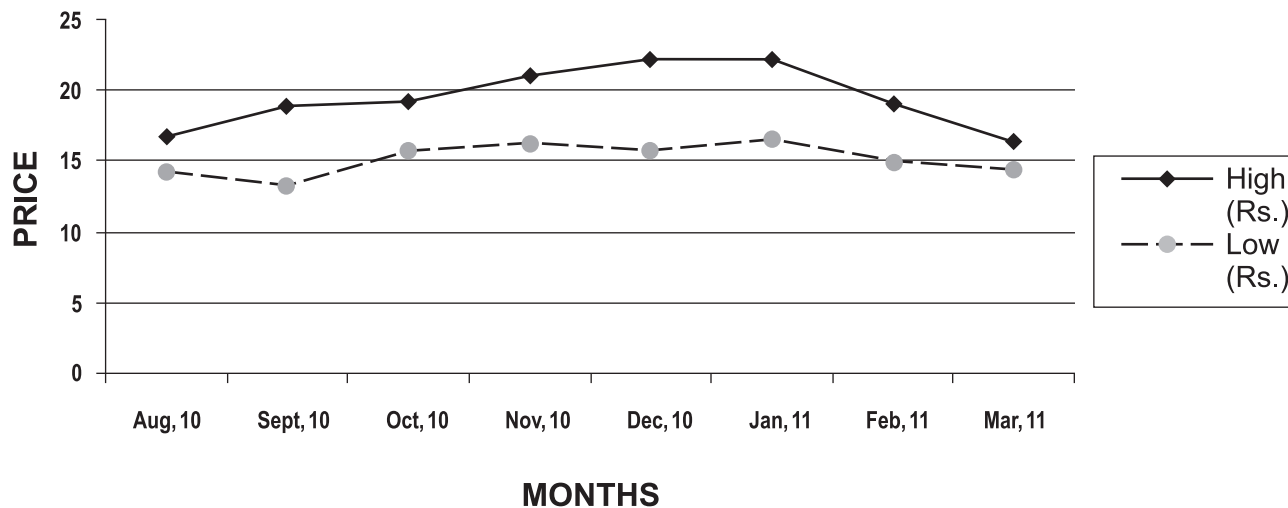
BSE			NSE *		
Months	High (Rs.)	Low (Rs.)	Months	High (Rs.)	Low (Rs.)
April,2010	17.00	14.55	April,2010	Not Listed	Not Listed
May, 2010	15.50	13.00	May, 2010	Not Listed	Not Listed
June, 2010	16.76	13.82	June, 2010	Not Listed	Not Listed
July, 2010	16.30	14.40	July, 2010	Not Listed	Not Listed
August, 2010	16.95	13.80	August, 2010	16.80	14.30
September, 2010	18.50	14.65	September, 2010	18.95	13.25
October, 2010	19.05	16.00	October, 2010	19.15	15.80
November, 2010	20.65	16.00	November, 2010	21.10	16.30
December, 2010	21.70	16.80	December, 2010	22.20	15.80
January, 2011	22.50	16.20	January, 2011	22.20	16.50
February, 2011	18.50	14.90	February, 2011	19.00	14.85
March, 2011	19.00	14.90	March, 2011	16.45	14.35

* Equity Shares of the Company were listed on National Stock Exchange on 23rd August,2010.

SHARE PRICE ANALYSIS - BSE



SHARE PRICE ANALYSIS - NSE



viii. Share Transfer System:

Share Transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respect through Company's Registrar & Transfer Agent M/s. Bigshare Services Pvt. Ltd., Mumbai. Share transfers are approved by Share Transfer Committee consisting of Managing Director and Company Secretary, fortnightly based upon the number of transfer applications received from Registrar & Share Transfers Agents.

ix. Distribution of Shareholding as on 31st March, 2011.

No. of equity shares held	No. of Folios / Shareholders	No. of Shares held	% of Share holding
Upto 5,000	23,530	2,35,89,896	20.97
5,001 to 10,000	1,467	1,07,73,935	9.58
10,001 to 20,000	565	78,77,527	7.00
20,001 to 30,000	142	34,85,630	3.10
30,001 to 40,000	47	16,41,829	1.46
40,001 to 50,000	34	15,47,738	1.38
50,001 to 1,00,000	56	39,97,942	3.55
More than 1,00,000	62	5,95,85,503	52.96
Total	25,903	11,25,00,000	100.00

x. Shareholding Pattern as on 31st March, 2011.

Category	No. of Share held	% of Share holding	* No. of Shares Pledged	% of Total Share holding
Promoters	5,25,03,126	46.67	10,00,000	1.89
Banks, Financial Institutions, Insurance Companies,	90,880	0.08	-	-
Foreign Financial Institutions	0.00	0.00	-	-
Private Corporate Bodies	95,07,005	8.45	-	-
Indian Public	5,00,61,505	44.50	-	-
N. R. I.	3,04,483	0.27	-	-
Trust, Clearing Member	33,001	0.03	-	-
G. D. R. / A. D. R.	-	-	-	-
Total	11,25,00,000	100.00	10,00,000	0.89

*10 Lakh shares pledged by the Promoters is towards collateral security for Term Loan of Rs. 1.80 Crore taken from Technology Development Board of India, New Delhi by the Company for the purpose of setting up of Effluent Treatment Plant within the Factory Premises at Ugar khurd.

xi. Other Information :

<u>Dematerialization of shares</u>	Nearly 72.47% of total equity share capital (8,15,24,542 shares) is held in dematerialized form with NSDL and CDSL as on 31 st March, 2011.
<u>Registrar and Share Transfer Agent:</u>	Big Share Services Pvt. Limited E-2, Ansa Ind. Estate, Sakivihar Rd, Saki Naka, Andheri (E), Mumbai – 400 072. Ph. No. 022-28470652
<u>Plant Locations:</u> Sugar, Distillery, Co-Generation & 100% EOU (Sugar Ship): Jewargi Unit –Sugar & Co-generation:	Ugarkhurd – 591 316. Tal. Athani Dist. Belgaum, Karnataka. Malli, Taluka – Jewargi, Dist- Gulbarga, Karnataka.
<u>Address for correspondence</u> Registered Office: Factory (Administrative Office)	The Ugar Sugar Works Limited. Mahaveernagar (Wakharbhag), Sangli 416416, Maharashtra State. Ph. No. 0233-2623717 Fax: 2623617 Email: usw.sangli@ugarsugar.com The Ugar Sugar Works Limited. Ugarkhurd – 591 316. Tal. Athani, Dist. Belgaum, Karnataka State. Ph. No. 08339-272230 Fax: 272232 Email: helpdesk@ugarsugar.com

As per report attached
For M/s. P. G. Bhagwat
Chartered Accountants

P. V. Shirgaokar
Exe. Vice Chairman

Shishir S. Shirgaokar
Managing Director

M. K. Shevade
(Partner)
Memb. No. 18651
Firm Registration No. 101118W

B. G. Kulkarni
Company Secretary

R. V. Desurkar
Manager- Finance

Place: Panhala
Date: 20-05-2011

V. CEO/ CFO Certificate:

To the Board of Directors of The Ugar Sugar Works Ltd.,

We, Shishir S. Shirgaokar, Managing Director and R. V. Desurkar, Manager Finance of The Ugar Sugar Works Ltd., to the best of our knowledge and belief, hereby certify that:

- (A) We have reviewed the Balance sheet as at 31st March, 2011 and Profit & Loss Account for the year ended as on that date along with all its schedules, notes to the accounts and also the Cash Flow statements for the year ended 31st March, 2011 and based on our knowledge and information, confirm that:
- i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that may be misleading,
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) Based on our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (C) We along with Company's other certifying officers, accept responsibility for establishing and maintaining internal controls and that we have:
- i) evaluated the effectiveness of internal control system of the Company, and
 - ii) disclosed to the Auditors and the Audit Committee, deficiencies, in the design or operations of internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (D) We along with Company's other certifying officers, have indicated to the Auditors and the Audit Committee:
- i) significant changes in the internal control during the year,
 - ii) significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements, and
 - iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Panhala
Date: 20-05-2011

Shishir S. Shirgaokar
Managing Director

R. V. Desurkar
Manager Finance

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To,

The Ugar Sugar Works Limited,

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges to further strengthen corporate governance practice in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non compliance thereof during the year ended 31st March, 2011.

Place: Panhala
Date: 20-05-2011

Shishir S. Shirgaokar
Managing Director

**CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF
CONDITIONS OF CORPORATE GOVERNANCE**

To The Shareholders of The Ugar Sugar Works Limited

We have examined the compliance of conditions of Corporate Governance by The Ugar Sugar Works Limited, for the year ended on 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s. P. G. Bhagwat
Chartered Accountants

Place: Panhala
Date: 20-05-2011

M. K. Shevade
(Partner)
Memb. No. 18651
Firm Registration No. 101118W

Auditors' Report

To the members of
The Ugar Sugar Works Limited

1. We have audited the attached Balance Sheet of The Ugar Sugar Works Limited as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 [as amended by the Companies (Auditors' Report) (Amendment) Order, 2004] issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
 - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
 - (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section 3C of section 211 of the Companies Act, 1956;
 - (v) on the basis of the written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) in our opinion and to the best of our information and according to the explanations given to us, the accounts, read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For M/s P. G. Bhagwat
Chartered Accountants,

M. K. Shevade
Partner

Membership No. 18651
Firm Registration No. 101118W

Place: Panhala
Date: 20-05-2011

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified during the year and reconciled with the book records. According to information and explanations given to us and records produced to us for our verification, discrepancies were not, in our opinion, material and the same have been properly dealt with in the books of account.
- (c) The fixed assets which were disposed off during the year do not form substantial part of the fixed assets owned by the Company.
- (ii) (a) The inventory was physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to /from companies, firms or other parties covered in the register maintained as per section 301 of the Companies Act, 1956. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(e), (iii)(f), (iii)(g) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there were adequate internal control systems commensurate with the size of the Company and nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. During the course of the audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section; and
- (b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to deposits accepted from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost, maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Service Tax, Excise Duty, Cess and other material statutory dues applicable to it except *for delays in remittance of Income Tax deducted at source*.
- (b) According to information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess, which have not been deposited on account of any dispute other than those mentioned below:

Nature of Dues	Name of Statute	Period to which the amount relates	Amount Rs. Lakh	Forum where dispute is pending
Central Excise	Central Excise Act	2000-01	0.94	Commissioner of Central Excise (Appeals)
Central Excise	Central Excise Act	2003-04	80.91	Commissioner of Central Excise, Belgaum
Central Excise	Central Excise Act	2006-07	26.31	CESTAT, Bangalore
Central Excise	Central Excise Act	2007-08	22.92	CESTAT, Bangalore
Central Excise	Central Excise Act	2008-09	13.36	Joint Commissioner of Central Excise, Belgaum
Central Excise	Central Excise Act	2009-10	2.76	Joint Commissioner of Central Excise, Belgaum
Central Excise	Central Excise Act	2010-11	8.82	Joint Commissioner of Central Excise, Belgaum
Central Excise	Central Excise Act	2009-10	2.78	Joint Commissioner of Central Excise, Belgaum
Service Tax	Central Excise Act	2008-09	21.11	Additional Commissioner of Central Excise, Belgaum

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

- (x) In our opinion, the accumulated losses of the Company are not more than fifty percent of its net worth. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank. The Company has no debenture-holders.
- (xii) According to information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Companies (Auditors' Report) Order, 2003, are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003, are not applicable to the Company.
- (xiv) According to information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003, are not applicable to the Company.
- (xv) In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- (xvi) In our opinion, term loans were applied for the purpose for which the loans were obtained.
- (xvii) The funds raised on short-term basis have not been utilised for long-term investment.
- (xviii) According to information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered under section 301 of the Companies Act, 1956.
- (xix) According to information and explanations given to us, the Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditors' Report) Order, 2003, are not applicable to the Company.
- (xx) According to information and explanations given to us, the Company has not made any public issue of its shares to raise money. Accordingly, the provisions of clause 4(xx) of the Companies (Auditors' Report) Order, 2003, are not applicable to the Company.
- (xxi) According to information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit

For M/s P. G. Bhagwat
Chartered Accountants,

M. K. Shevade
Partner

Place: Panhala
Date: 20-05-2011

Membership No. 18651
Firm Registration No. 101118W

BALANCE SHEET AS AT 31-03-2011

Particulars	Schedule		31-03-2011 Rs. Lakh	31-03-2010 Rs. Lakh
Sources of Funds				
1. Shareholders' Funds				
a. Share Capital	A	1,125.00		1,125.00
b. Reserves and Surplus	B	7,644.60		7,243.03
			8,769.60	8,368.03
2. Loan Funds				
a. Secured Loans	C	29,051.96		31,452.93
b. Unsecured Loans	D	2,311.35		3,399.06
			31,363.31	34,851.99
3. Deferred Taxation (Net)			824.35	782.37
			<u>40,957.26</u>	<u>44,002.39</u>
Application of Funds				
1. Fixed Assets				
a. Net Block	E.1	16,811.03		19,318.65
b. Capital Work in Progress		713.48		296.36
			17,524.51	19,615.01
2. Intangible Assets	E.2		33.54	82.23
3. Investments (net of provision)	F		138.98	138.53
4. Current Assets, Loans and Advances				
a. Inventories	G	34,860.43		32,022.25
b. Sundry Debtors	H	3,390.97		2,958.47
c. Cash and Bank Balances	I	2,612.91		2,665.18
d. Other Current Assets	J	1,288.10		2,067.28
e. Loans and Advances	K	1,107.67		1,632.38
		43,260.08		41,345.56
Less: Current Liabilities and Provisions				
a. Current Liabilities	L	18,887.29		16,305.45
b. Provisions	M	1,112.56		873.49
		<u>19,999.85</u>		<u>17,178.94</u>
Net Current Assets			<u>23,260.23</u>	<u>24,166.62</u>
			<u>40,957.26</u>	<u>44,002.39</u>
Significant Accounting Policies	S			
Notes forming part of the accounts	T			

Signed pursuant to the provisions of section 215 of the Companies Act, 1956, in authentication of this Balance Sheet and schedules referred to therein

As per our report attached
For M/s P. G. Bhagwat
Chartered Accountants

P. V. Shirgaokar
Executive Vice Chairman

Shishir S. Shirgaokar
Managing Director

M. K. Shevade
Partner

B. G. Kulkarni
Company Secretary

R. V. Desurkar
Manager Finance

Place: Panhala
Date: 20-05-2011

Membership No. 18651
Firm Registration No. 101118W

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2011

Particulars	Schedule	2010-11 Rs. Lakh	2009-10 Rs. Lakh
Income			
Sales		73,568.61	57,013.33
Less: Excise Duty		<u>14,124.29</u>	<u>12,550.13</u>
		59,444.32	44,463.20
Increase / (Decrease) in stocks	N	3,396.59	11,763.45
Other Income	O	491.06	424.80
	Total	<u>63,331.97</u>	<u>56,651.45</u>
Expenditure			
Cost of Raw Material Consumed & Purchase of Trading Goods	P	45,475.76	42,887.74
Manufacturing, Selling and Administration Expenses	Q	11,937.61	10,756.97
Interest and Finance Charges	R	2,666.71	2,370.63
Depreciation	E.1	2,816.29	3,392.94
Amortisation	E.2	50.15	49.51
	Total	<u>62,946.52</u>	<u>59,457.79</u>
Profit for the year before taxation		385.45	(2,806.34)
Less: Taxation			
Income Tax and Wealth Tax Current Year		80.00	0.00
Short / (Excess) Provision for earlier year/s		(135.96)	2.09
Deferred Tax Adjustment - Debit / (Credit)		<u>41.97</u> <u>(13.99)</u>	<u>(804.46)</u> <u>(802.37)</u>
Fringe Benefit Tax Short / (Excess) Provision for earlier year/s		<u>(2.13)</u> <u>(2.13)</u>	<u>(0.33)</u> <u>(0.33)</u>
	Total Tax	<u>(16.12)</u>	<u>(802.70)</u>
Net profit for the year after tax		401.57	(2,003.64)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2011

Particulars	Schedule	2010-11 Rs. Lakh	2009-10 Rs. Lakh
Net profit for the year after tax		401.57	(2,003.64)
Add: Profit brought forward from earlier year		<u>(1,398.71)</u>	<u>604.93</u>
Surplus / (Deficit) carried forward		<u>(997.14)</u>	<u>(1,398.71)</u>
Basic & Diluted Earnings per Equity Share of Re. 1 [Refer Note No. 19 of Notes forming part of the accounts]		0.36	(1.78)
Significant Accounting Policies	S		
Notes forming part of the accounts	T		

Signed pursuant to the provisions of section 215 of the Companies Act, 1956, in authentication of this Balance Sheet and schedules referred to therein

As per our report attached
For M/s P. G. Bhagwat
Chartered Accountants

P. V. Shirgaokar
Executive Vice Chairman

Shishir S. Shirgaokar
Managing Director

M. K. Shevade
Partner
Membership No. 18651
Firm Registration No. 101118W

B. G. Kulkarni
Company Secretary

R. V. Desurkar
Manager Finance

Place: Panhala
Date: 20-05-2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2011

	2010-11	2009-10
	Rs. Lakh	Rs. Lakh
	Rs. Lakh	Rs. Lakh
Cashflow from Operating Activities		
Net Profit before tax and extra-ordinary items	385.45	(2,806.34)
Adjustments for:		
Depreciation	2,816.29	3,392.94
Amortisation of Intangible Assets	50.15	49.51
Assets written off	25.99	4.20
Loss / (Profit) on sale of assets	(5.54)	18.12
Interest and Finance Charges	2,666.71	2,370.63
Investment Income	(48.34)	(40.18)
	<u>5,505.26</u>	<u>5,795.22</u>
Operating Profit before working capital changes	5,890.71	2,988.88
Decrease / (Increase) in trade and Other receivables	907.09	1,042.62
Decrease / (Increase) in Inventories	(2,838.17)	(12,850.87)
(Decrease) / Increase in trade payables	<u>2,850.64</u>	<u>5,095.02</u>
	<u>919.56</u>	<u>(6,713.23)</u>
Cash generated from operations	6,810.27	(3,724.35)
Direct Taxes	(8.22)	(249.87)
Cashflow before extra-ordinary items	<u>6,802.05</u>	<u>(3,974.22)</u>
Extra-ordinary items	0.00	0.00
Net cash from Operating Activities	6,802.05	(3,974.22)
Cashflow from Investing Activities		
Purchase of assets	(696.72)	(1,393.38)
Proceeds from sale of assets	6.05	77.98
Purchase / Sale of Investments	(0.45)	2,232.29
Advance against subscription to shares	0.00	0.00
Interest and Dividend Received	21.92	27.30
Capital Subsidy Received	0.00	0.00
Net cash from Investing Activities	(669.20)	944.19

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2011

	2010-11	2009-10
	Rs. Lakh	Rs. Lakh
Cashflow from Financing Activity		
Interest and Finance Charges	(2,693.84)	(2,350.60)
Proceeds from issuance of share capital	0.00	0.00
Proceeds from borrowings	(3,488.68)	6,441.39
Dividend paid	(2.60)	(323.66)
Net Cash from Financing Activities	(6,185.12)	3,767.13
Net Increase / (Decrease) in cash and Cash Equivalents	(52.27)	737.10
Opening cash and cash equivalents	2,665.18	1,928.08
Closing cash and cash equivalents	2,612.91	2,665.18

Notes to Cashflow Statement

- Cashflow Statement has been prepared under indirect method as set out in Accounting Standard 3 issued by ICAI.
- Purchase of fixed assets includes movement in capital work in progress.
- Direct taxes paid are treated as arising from Operating Activities and are not bifurcated between Investing and Financing Activities.
- Cash and cash equivalents are Cash and Bank Balances as per Schedule I in the Balance Sheet.

As per our report attached
For M/s P. G. Bhagwat
Chartered Accountants

P. V. Shirgaokar
Executive Vice Chairman

Shishir S. Shirgaokar
Managing Director

M. K. Shevade
Partner

B. G. Kulkarni
Company Secretary

R. V. Desurkar
Manager Finance

Place: Panhala
Date: 20-05-2011

Membership No. 18651
Firm Registration No. 101118W

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	31-03-2011 Rs. Lakh	31-03-2010 Rs. Lakh
Schedule A: SHARE CAPITAL		
<u>Authorised:</u>		
2,000 lakh Equity Shares of Re. 1 each	<u>2,000.00</u>	<u>2,000.00</u>
<u>Issued, Subscribed, Called up and Paid up:</u>		
1,125 lakh Equity Shares of Re. 1 each	<u>1,125.00</u>	<u>1,125.00</u>
[The above includes		
i. 497.44 lakh Equity Shares of Re. 1 each allotted as fully paid bonus shares and		
ii. 13.26 lakh Equity Shares of Re. 1 each allotted at the time of conversion of 340 Preference "A" Shares		
by capitalisation of Reserves.]		
Schedule Total	<u><u>1,125.00</u></u>	<u><u>1,125.00</u></u>
Schedule B: RESERVES AND SURPLUS		
General Reserve	7,066.74	7,066.74
Share Premium	1,575.00	1,575.00
Profit and Loss Account	(997.14)	(1,398.71)
Schedule Total	<u><u>7,644.60</u></u>	<u><u>7,243.03</u></u>
Schedule C: SECURED LOANS		
1. From Bankers secured by hypothecation of Stores and Spares and Stock in Trade	73.11	60.39
2. From Bankers secured by pledge of stock of sugar	19,921.28	18,283.67
3. From Industrial Development Bank of India Ltd. For Working Capital, secured by subsequent charge on Fixed Assets of the Company	1,462.71	2,932.71
4. From Technology Development Board For setting up Effluent Treatment Plant, secured by hypothecation of the said plant	83.20	90.00
5A. From Bank of Baroda	3,500.38	4,195.40
5B. From Central Bank of India For setting up a sugar factory with co-generation of power at Jewargi, secured by mortgage of Land and hypothecation of Plant & Machinery and Stores & Spares for the said project	1,622.79	1,986.44
Carried over	<u><u>26,663.47</u></u>	<u><u>27,548.61</u></u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	31-03-2011 Rs. Lakh	31-03-2010 Rs. Lakh
Schedule C: SECURED LOANS		
Brought over	26,663.47	27,548.61
6. From Axis Bank Ltd. Corporate Loan For funding long term requirements for project expansion, normal capital expenditure, augmenting long term working capital and general corporate purpose, secured by first pari passu charge on all fixed assets of the Company	0.00	230.76
7. From Rabo International, Singapore (Cooperative Centrale Raiffeisen Boerenleenbank B. A.) For purchase of Sugar Ships Manufacturing Machinery, secured by hypothecation of the said machinery	0.00	242.64
8. From Central Bank of India For installation of sugar machinery, secured by hypothecation of the said machinery	944.27	819.68
9. From Sugar Development Fund		
a. For Modernisation-cum-Expansion	228.36	342.53
b. For Cane Development	0.00	250.00
c. For Setting up Co-generation Power Project - Jewargi Secured by exclusive second charge on all movable assets of the Company	1,215.86	0.00
10. From Central Bank of India As Bridge Loan against Loan from SDF for Jewargi Unit to be received, secured by second charge on assets of the Jewargi Unit	0.00	2,018.71
Schedule Total	<u>29,051.96</u>	<u>31,452.93</u>
Schedule D: UNSECURED LOANS		
Fixed Deposits	2,076.41	2,697.82
Loan from IFCI Factors Ltd.	0.00	216.30
Loan from Government of Karnataka in the form of deferment of Cane Purchase Tax	234.94	484.94
Schedule Total	<u>2,311.35</u>	<u>3,399.06</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule E.1: FIXED ASSETS AND DEPRECIATION

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01-04-2010	Additions	Sale / Transfer	As on 31-03-2011	Upto 01-04-2010	Adjustment on sale / transfer	For the Year	Upto 31-03-2011	As on 31-03-2011	As on 31-03-2010
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Land (Freehold)	232.84	0.00	0.00	232.84	0.00	0.00	0.00	0.00	232.84	232.84
Buildings	2,825.91	21.06	0.00	2,846.97	992.42	0.00	141.48	1,133.90	1,713.07	1,833.49
Plant and Machinery Furniture and Fixtures	34,476.60	152.82	3.10	34,626.32	17,326.57	2.05	2,631.91	19,956.43	14,669.89	17,150.03
Vehicles	175.77	9.32	0.43	184.66	139.13	0.05	7.78	146.86	37.80	36.64
	362.83	127.45	13.59	476.69	297.18	13.04	35.12	319.26	157.43	65.65
Total	38,073.95	310.65	17.12	38,367.48	18,755.30	15.14	2,816.29	21,556.45	16,811.03	19,318.65
Previous Year	37,120.39	1,282.20	328.64	38,073.95	15,590.71	228.35	3,392.94	18,755.30	19,318.65	21,529.68

Schedule E.2: INTANGIBLE ASSETS AND AMORTISATION

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As on 01-04-2010	Additions	Deductions	As on 31-03-2011	Upto 01-04-2010	Recouped on deductions	For the Year	Upto 31-03-2011	As on 31-03-2011	As on 31-03-2010
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Intangible Assets Computer Software	157.88	1.46	0.00	159.34	75.65	0.00	50.15	125.80	33.54	82.23
Total	157.88	1.46	0.00	159.34	75.65	0.00	50.15	125.80	33.54	82.23
Previous Year	133.31	24.57	0.00	157.88	26.14	0.00	49.51	75.65	82.23	107.17

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	31-03-2011 Rs. Lakh	31-03-2010 Rs. Lakh
Schedule F: INVESTMENTS		
[At cost, fully paid, long term]		
A. Non-trade Investments		
a. <u>Quoted, Government</u>		
1. 21,945 (19,700) Units of Rs. 10 each of Unit Trust of India, issued under UTI Balanced Fund [NAV Rs. 5.02 lakh (Rs. 4.42 lakh)]	2.68	2.23
b. <u>Unquoted, Other than Government</u>		
2. 24,999 (24,999) Equity Shares of Rs. 10 each, of Shakti Alloy Steels Ltd., Miraj	2.50	2.50
3. 333 (333) 11% Redeemable Non-cumulative Preference Shares of Rs. 100 each, of Shakti Alloy Steels Ltd., Miraj	0.33	0.33
4. 833 (833) 14% Redeemable Cumulative Preference Shares of Rs. 100 each, of Shakti Alloy Steels Ltd., Miraj	0.84	0.84
5. 3,750 (3,750) Shares of Rs. 10 each of Sangli Urban Co-operative Bank Ltd. Sangli	0.37	0.37
b.	4.04	4.04
Total Non-trade Investments	6.72	6.27
B. Trade Investments		
<u>Unquoted, Other than Government</u>		
6. 24,300 (24,300) Equity Shares of Rs. 10 each of Ugar Consultancy Ltd., Sangli	2.43	2.43
7. 746 (746) Equity Shares of Rs. 100 each of Ugar Theatres Pvt. Ltd. Ugarkhurd	2.25	2.25
8. 3,12,500 (3,12,500) Equity Shares of Rs. 10 each of Ugar Quality Packaging Pvt. Ltd., Ratnagiri	31.25	31.25
9. 9,87,500 (9,87,500) 8% Redeemable Cumulative Preference Shares of Rs. 10 each of Ugar Quality Packaging Pvt. Ltd., Ratnagiri	98.75	98.75
	134.68	134.68
10. Ugar Quality Packaging Pvt. Ltd. Share Application Money	1.25	1.25
	135.93	135.93
	142.65	142.20
Less: Provision for diminution in the value of investments	3.67	3.67
Schedule Total	138.98	138.53

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	31-03-2011 Rs. Lakh	31-03-2010 Rs. Lakh
Schedule G: INVENTORIES		
[As taken, valued and certified by the Managing Director]		
Stores, Spare Parts and Others	648.43	899.51
Bagasse (Own)	273.00	219.94
Bagasse (Purchased), Firewood and Coal	33.22	120.08
Raw Materials	628.89	947.46
Crops in Progress	10.08	19.18
Sugar in Process	698.09	468.49
Molasses in process	56.70	62.10
Finished Goods	32,512.02	29,285.49
Schedule Total	<u>34,860.43</u>	<u>32,022.25</u>
Schedule H: SUNDRY DEBTORS		
[Unsecured]		
Outstanding for a period exceeding six months		
Considered Good	256.58	142.49
Considered Doubtful	65.39	67.63
	<u>321.97</u>	<u>210.12</u>
Others		
Considered Good	3,134.39	2,815.98
	3,456.36	3,026.10
Less: Provision for Doubtful Debts	65.39	67.63
Schedule Total	<u>3,390.97</u>	<u>2,958.47</u>
Schedule I: CASH AND BANK BALANCES		
Cash on hand	35.88	2.83
<u>With Scheduled Banks in:</u>		
Current Accounts	2,092.39	2,221.10
Cash Credit Hypothecation / Pledge Accounts	0.01	188.01
Term Deposits	473.30	233.28
	<u>2,565.70</u>	<u>2,642.39</u>
<u>With Non-Scheduled Banks in Current Accounts:</u>		
The Belgaum District Central Co-op. Bank Ltd.	0.00	0.00
[Maximum Balance outstanding at any time during the year Rs.484.42 lakh (Rs.457.14 lakh)]		
Shri Shantappaanna Mirji Urban Co-op. Bank Ltd.	5.49	8.28
[Maximum Balance outstanding at any time during the year Rs.27.18 lakh (Rs. 33.62 lakh)]		
Janata Co-op. Bank Ltd. Harugeri	5.84	11.68
[Maximum Balance outstanding at any time during the year Rs.251.71 lakh (Rs.256.38 lakh)]		
	<u>11.33</u>	<u>19.96</u>
Schedule Total	<u>2,612.91</u>	<u>2,665.18</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	31-03-2011 Rs. Lakh	31-03-2010 Rs. Lakh
Schedule J: OTHER CURRENT ASSETS		
Deposits with Excise, etc.	919.76	1,189.83
Prepaid Expenses	35.91	33.41
Claims and other recoverables	332.43	844.04
	<u>1,288.10</u>	<u>2,067.28</u>
Schedule K: LOANS AND ADVANCES		
[Unsecured]		
Advances to Cultivators and Contractors		
Considered Good	753.13	1,055.14
Considered Doubtful	159.41	108.77
Advances to Suppliers of Machinery, Stores, etc.		
Considered Good	282.62	571.64
Considered Doubtful	10.09	9.07
	<u>1,205.25</u>	<u>1,744.62</u>
Less: Provision for Doubtful Advances	<u>169.50</u>	<u>117.84</u>
	1,035.75	1,626.78
Advance Payment of Taxes including Fringe Benefit Tax	524.92	563.80
Less: Adjustment against Provision for Taxation as per contra	<u>453.00</u>	<u>558.20</u>
	71.92	5.60
Schedule Total	<u>1,107.67</u>	<u>1,632.38</u>
Schedule L: CURRENT LIABILITIES		
Sundry Creditors	18,622.77	16,144.21
Amounts to be credited to Investors Education and Protection Fund, on respective due dates:		
Unclaimed Dividends	27.78	30.39
Interest accrued but not due on loans	69.25	72.03
Trade Deposits and Advances	167.49	58.82
Schedule Total	<u>18,887.29</u>	<u>16,305.45</u>
Schedule M: PROVISIONS		
Taxation	453.00	558.20
Less: Adjustment against Advance Payment of Taxes as per contra	<u>453.00</u>	<u>558.20</u>
	0.00	0.00
Gratuity	780.80	580.15
Leave Salary	331.76	293.34
Schedule Total	<u>1,112.56</u>	<u>873.49</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

Particulars	2010-2011 Rs. Lakh	2009-2010 Rs. Lakh
Schedule N: INCREASE / (DECREASE) IN STOCKS		
Closing Stock		
Sugar in Process	698.09	468.49
Bagasse - Own	273.00	219.94
Molasses in process	56.70	62.10
Finished Goods	<u>32,512.02</u>	<u>29,285.49</u>
	33,539.81	30,036.02
Less: Opening Stock		
Sugar in Process	468.49	39.19
Bagasse - Own	219.94	46.51
Molasses in process	62.10	8.06
Finished Goods	<u>29,285.49</u>	<u>17,444.70</u>
	30,036.02	17,538.46
Increase / (Decrease) in value of Stocks of Finished Goods	3,503.79	12,497.56
Adjustment for Excise Duty Differentials*	<u>(107.20)</u>	<u>(734.11)</u>
	3,396.59	11,763.45
Schedule Total	3,396.59	11,763.45

* Excise Duty Differentials refer to difference in Excise Duty on Closing and Opening Stock of Finished Goods

Schedule O: OTHER INCOME

Dividend on Non-trade Investments	1.66	1.21
Interest on Loans, Bank Deposits and Others (Gross) [Tax deducted at source Rs. 14.91 lakh (Rs. 14.02 lakh)]	137.14	101.62
Machinery / Bullock Cart Hire Charges	1.09	1.70
Insurance Claims Received	3.12	0.32
Profit on sale of fixed assets	5.54	0.00
Excess Provisions & Unclaimed Credit Balances written back	196.58	66.10
Excess Provision for Doubtful Debts & Advances	1.95	0.00
Profit on sale of IML	43.56	0.00
Foreign Currency Fluctuations	6.81	16.12
Miscellaneous Receipts	93.61	237.73
Schedule Total	491.06	424.80

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

Particulars	2010-2011 Rs. Lakh	2009-2010 Rs. Lakh
Schedule P: COST OF RAW MATERIAL CONSUMED AND PURCHASE OF TRADING GOODS		
<i>Cost of Raw Material Consumed</i>		
Sugarcane		
Purchased	36,796.63	36,020.52
Harvesting and Transport	6,367.39	4,935.02
Cane Purchase and Development	71.86	46.71
Research and Development	103.42	69.94
	43,339.30	41,072.19
Other Raw Materials	135.11	201.45
	43,474.41	41,273.64
<i>Purchase of Trading Goods</i>		
Petroleum Products	2,001.35	1,614.10
Schedule Total	45,475.76	42,887.74

Schedule Q: MANUFACTURING, SELLING AND ADMINISTRATION EXPENSES

<i>Manufacturing and Administration Expenses</i>		
Consumption of Stores, Chemicals and Spare Parts	3,497.10	3,124.90
Power, Fuel and Water	1,409.98	1,639.29
Repairs and Maintenance		
Plant and Machinery	828.86	878.82
Buildings	111.79	84.45
General	114.41	74.09
	1,055.06	1,037.36
Insurance	20.12	23.81
Rent	5.39	7.22
Rates and Taxes	148.65	167.33
Printing and Stationery	23.39	26.50
Travelling	60.73	66.04
carried over	6,220.42	6,092.45

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

Particulars	2010-2011 Rs. Lakh	2009-2010 Rs. Lakh
Schedule Q: MANUFACTURING, SELLING AND ADMINISTRATION EXPENSES (contd)		
brought over	6,220.42	6,092.45
<i>Manufacturing and Administration Expenses (contd)</i>		
Motor Car Expenses	56.55	47.71
Donations	5.40	60.39
Loss on sale of IML & Others	0.00	15.61
Bad Debts & Sundry Advances Written Off	12.01	0.77
Assets Written Off	25.99	4.20
Loss on Sale / Transfer of Fixed Assets	0.00	18.12
Provision for Doubtful Debts and Advances	49.43	22.43
Miscellaneous	165.34	192.58
sub-total (a)	6,535.14	6,454.26
<i>Selling Expenses</i>		
Freight, Insurance, etc. on outward consignments	398.34	246.88
Commission to selling agents and representatives	50.63	87.58
Advertisements	132.70	135.42
sub-total (b)	581.67	469.88
<i>Salaries, Wages and other employee-benefits</i>		
Salaries, Wages, Bonus and Commission	3,994.23	3,345.84
Contribution to Provident, Gratuity and other funds	730.07	427.93
Workmen and Staff Welfare	80.43	47.44
sub-total (c)	4,804.73	3,821.21
Directors' Fees	9.20	4.85
Payment to Auditors	6.87	6.77
Schedule Total	11,937.61	10,756.97

Schedule R: INTEREST AND FINANCE CHARGES

Interest		
On Fixed Loans	1,031.58	1,114.85
Others	1,578.16	1,153.18
Finance Charges	56.97	102.60
Schedule Total	2,666.71	2,370.63

Schedule S: SIGNIFICANT ACCOUNTING POLICIES

A. Fixed Assets and Intangible Assets

1. Fixed Assets are carried at cost of acquisition or construction (inclusive of freight, duties, taxes and expenses related to acquisition and installation and commissioning) less accumulated depreciation.
2. Intangible Assets are recorded at the consideration paid for acquisition.

B. Depreciation and Amortisation

1. Depreciation on Fixed Assets is provided on "Written Down Value" Method, as per the provisions of Schedule XIV to the Companies Act, 1956.
2. Computer Software (Intangible Asset) is amortised over a period of three years.

C. Investments

Investments are carried at cost of acquisition. A provision for diminution is made to recognise decline other than temporary, in the value of investments.

D. Valuation of Inventories

<u>Category of Inventory</u>		<u>Basis of valuation</u>
1. Stores and Spares, Raw Material (other than Molasses), Purchased Bagasse, Molasses in process, Sugar in Process, Crops in progress, Petroleum Products and Finished Goods	}	At cost or net realisable value, whichever is less. Cost is generally arrived at on Weighted Average Method.
2. Molasses, Own Bagasse and Scrap	At net realisable value.

E. Retirement Benefits

Retirement benefits have been recognized in accordance with AS-15 (revised 2005) and accordingly,

- a. liability for balance of leave as on the last date of the year is fully provided on actuarial basis;
- b. liability on account of retirement benefits such as provident fund and superannuation fund are administered through separate funds. Contributions to provident fund and superannuation fund are accounted for at respective specified rates.
- c. gratuity is accounted on the basis of actuarial valuation and funded through a trust, which has taken out a policy with Life Insurance Corporation of India.

Schedule S: SIGNIFICANT ACCOUNTING POLICIES (contd)

F. *Revenue Recognition*

- a. Revenue in respect of insurance / other claims, interest, subsidy, Carbon Emission Reduction Units, etc. is recognised only when it is reasonably certain that the ultimate collection will be made.
- b. Sales Value is inclusive of Excise Duty and net of sales tax, where applicable.

G. *Foreign Currency Transactions*

All foreign currency transactions are accounted for at the rates prevailing on the date of the transaction. The exchange differences on settlement / conversion are adjusted to Profit & Loss Account.

In respect of amount payable in foreign currency covered by forward contracts, the premium is recognised over the period of contract.

H. *Subsidies Received*

1. Subsidies received towards fixed assets are reduced from gross book value of the concerned fixed assets.
2. Subsidies received relating to revenue expenditure are deducted from related expense.

I. *Borrowing Costs*

1. Borrowing costs that are attributable to acquisition, construction or erection of qualifying assets incurred during the period of acquisition or construction, are capitalised as part of the cost of the asset.
2. Other borrowing costs are recognised as expenditure in the period in which they are incurred.

J. *Taxation*

Tax on income for the current period is made in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax is recognised on timing differences between the accounting income and the taxable income for the period. The tax effect is calculated on the accumulated timing differences at the end of the accounting period based on the prevailing enacted regulations or those that may be subsequently enacted.

Particulars	31-03-2011 Rs. Lakh	31-03-2010 Rs. Lakh
Schedule T: NOTES FORMING PART OF THE ACCOUNTS		
1. Contingent Liabilities not provided for		
Claims against the Company not acknowledged as debts	41.00	41.00
Excise Duty, liability disputed	179.86	168.31
Cane Purchase Tax, Liability Disputed	72.84	72.84
Corporate Guarantees given to Bankers	3,761.00	3,618.00
2. Estimated amounts of contracts remaining to be executed on capital account	14.17	262.48
3. Remuneration to Directors (included under various heads of accounts)		
a. <u>Shri P. V. Shirgaokar, Managing Director</u>		
i) Salary / Allowances	25.20	25.20
ii) Commission on Profit	0.00	0.00
iii) Contribution to Provident Fund	2.88	2.88
iv) Contribution to Superannuation Fund	2.70	3.87
v) Electricity, insurance, reimbursement of medical expenses, leave travel, etc.	0.58	0.15
vi) Other perquisites	0.00	0.00
	<u>31.36</u>	<u>32.10</u>
b. <u>Shri S. S. Shirgaokar, Executive Director</u>		
i) Salary / Allowances	25.20	25.20
ii) Commission on Profit	0.00	0.00
iii) Contribution to Provident Fund	2.88	2.88
iv) Contribution to Superannuation Fund	2.70	3.60
v) Electricity, insurance, reimbursement of medical expenses, leave travel, etc.	6.56	6.16
vi) Other perquisites	0.06	0.49
	<u>37.40</u>	<u>38.33</u>
4. Details of Payments to Auditors, appearing in Schedule Q		
a. <u>Statutory Auditors</u>		
Audit Fees	3.50	3.50
In other capacity*	1.75	1.77
For Expenses	<u>0.43</u>	<u>0.44</u>
	5.68	5.71
b. <u>Cost Auditors</u>		
Audit Fees	1.15	0.95
For Expenses	<u>0.04</u>	<u>0.11</u>
	1.19	1.06
	<u>6.87</u>	<u>6.77</u>
* Tax Audit, Certification of Miscellaneous Statements, etc.		
5. Sundry Debtors in Schedule H include amount due from a private limited company in which directors of the Company are directors	0.14	0.25
6. Advances to suppliers, etc. in Schedule K include:		
i) Amount due from private limited companies in which directors of the Company are directors / members	28.70	20.76
ii) Advances on capital account	2.00	59.04

Particulars	31-03-2011 Rs. Lakh	31-03-2010 Rs. Lakh
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Schedule T: NOTES FORMING PART OF THE ACCOUNTS (contd)

7. Licensed and Installed Capacities and Production

a. Licensed & Installed Capacities	Unit	Licensed Capacity	Installed Capacity*	Licensed Capacity	Installed Capacity*
Product					
Sugar	TCD	@	12,500	@	12,500
Rectified Spirit	BL per year	**	24,369,000	**	24,369,000
Denatured Spirit	BL per year	**	Not Applicable	**	Not Applicable
Potable Alcohol	BL per year	**	9,600,000	**	9,600,000
Electricity	KW per day	1,416,000	1,416,000	1,416,000	1,416,000

*Installed Capacities - As certified by the Managing Director and accepted by the Auditors. @ Licence Not Required

** Licence from licensing authority (State Excise) obtained, but quantity to be produced is not restricted.

b. Production (Quantity)

Product	Unit	Quantity	Quantity
Sugar*	Quintals	1,940,680	1,786,430
Rectified Spirit	Bulk Litres	9,407,878	8,593,550
Denatured Spirit	Bulk Litres	3,099,400	1,695,330
Potable Alcohol	Bulk Litres	8,937,992	8,225,107
Electricity	KW	147,957,916	135,860,687

* Includes production from remelted sugar of earlier seasons

Quintals 4,580 7,730

8. Quantitative Breakup in respect of Opening and Closing Stock of each class of goods

	Unit	Quantity	Value	Quantity	Value
(a) Opening Stock					
a. Goods manufactured					
Sugar	Quintals	1,307,822	26,747.50	858,386	15,535.13
Rectified Spirit	Bulk Litres	1,425,906	355.91	1,273,132	297.38
Potable Alcohol	Bulk Litres	517,016	498.95	389,789	445.53
Molasses	MT	39,400	1,596.45	31,899	1,086.92
Others*	—	—	40.72	—	61.11
b. Goods Traded					
Petroleum Products*	—	—	45.96	—	18.63
*(Quantity cannot be ascertained due to variety of products)			29,285.49		17,444.70

8. Quantitative Breakup in respect of Opening and Closing Stock of each class of goods

(b) Closing Stock					
a. Goods manufactured					
Sugar	Quintals	1,374,260	30,699.66	1,307,822	26,747.50
Rectified Spirit	Bulk Litres	859,879	192.58	1,425,906	355.91
Potable Alcohol	Bulk Litres	270,827	286.59	517,016	498.95
Molasses	MT	32,584	1,259.29	39,400	1,596.45
Others*	—	—	27.67	—	40.72
b. Goods Traded					
Petroleum Products*	—	—	46.23	—	45.96
*(Quantity cannot be ascertained due to variety of products)			32,512.02		29,285.49

Particulars		31-03-2011 Rs. Lakh	31-03-2010 Rs. Lakh
Schedule T: NOTES FORMING PART OF THE ACCOUNTS (contd)			
9. Purchase of Trading Goods			
Petroleum Products*	—	2,001.35	1,614.10
*(Quantity cannot be ascertained due to variety of products)			
10. Consumption of Raw Material			
Sugarcane (Net)* @	MT	1,716,325	43,339.30
Molasses	MT	37,924	1,052.72
Malt	MT	55	12.63
Rectified Spirit	Bulk Litres	4,039,482	894.74
Others	—	51.48	—
		45,350.87	43,586.22
Less: Intersegment Transfers		1,876.46	2,312.58
		43,474.41	41,273.64
@ Value of sugarcane consumed			
includes additional cane price for an earlier year			
		3,059.16	3,458.67
11. Value of Imported and Indigenous Raw Material consumed and percentage thereof to the total consumption			
		Value	%age
a. Imported	Rs. Lakh	0.09	Negligible
b. Indigenous	Rs. Lakh	43,474.32	Nearly 100%
12. Turnover			
Sugar	Quintals	1,870,197	47,914.24
Rectified Spirit	Bulk Litres	6,450,858	654.68
Denatured Spirit	Bulk Litres	3,099,400	858.00
Potable Alcohol	Bulk Litres	9,065,085	16,114.91
Electricity	KW	85,556,000	4,264.70
Bye Products & Others*	—	1,723.92	—
Petroleum Products*	—	2,038.16	—
*(Quantity cannot be ascertained due to variety of products)			
		73,568.61	57,013.33
13. Captive Consumption (Quantity)			
Rectified Spirit	Bulk Litres	3,504,792	2,375,309
Electricity	KW	62,401,916	58,603,687
14. Value of imports calculated on CIF basis			
Machinery Spares		11.88	1.96
15. Expenditure in foreign currency			
Travelling		2.17	1.77
Service Charges		0.34	0.00
Sales Promotion		0.00	9.56
Interest on Loan		2.11	22.27
Repayment of Term Loan		234.21	536.66
16. Earnings in foreign currency			
FOB Value of Exports		146.10	193.66
17. Amount of borrowing costs capitalised during the period		24.36	13.04

Particulars	31-03-2011 Rs. Lakh	31-03-2010 Rs. Lakh
Schedule T: NOTES FORMING PART OF THE ACCOUNTS (contd)		
18. Fixed deposits accepted from directors	144.19	144.19
19. Earning per share		
a. Profit after tax as per the Profit & Loss Account	401.57	(2,003.64)
b. Weighted average of No. of Shares	112,500,000	112,500,000
c. Earnings per share of Re. 1	0.36	(1.78)
20. As required by Accounting Standard 22 on "Accounting of Taxes on Income", Deferred Taxes have been recognised in respect of the following items:		
Deferred Tax Liability		
On account of timing differences in depreciation	2,006.86	2,297.30
Deferred Tax Asset		
On account of timing difference in		
Provision for doubtful debts & advances	78.03	60.69
Provisions as per AS-15	369.56	296.90
Loss	734.92	1,157.34
	1,182.51	1,514.93
Net Amount of Deferred Taxation	824.35	782.37
21. Future Minimum Lease Rentals in respect of assets		
(a) Given on operating lease		
(i) Receivable within one year	2.15	0.87
(ii) Receivable between one year and five years	3.45	2.25
(iii) Receivable after five years	0.00	0.00
22. Segment Reporting		
I. Primary report under Business Segments		
Revenue		
<i>External Sales</i>		
Sugar	49,766.79	36,747.84
Electricity	4,264.70	2,989.09
Industrial Alcohol	1,446.87	1,155.96
Potable Alcohol	3,965.96	3,570.31
Total	59,444.32	44,463.20
<i>Inter Segment Sales</i>		
Sugar	5,184.55	5,329.23
Electricity	5,055.70	5,439.83
Industrial Alcohol	1,248.46	1,104.93
Total	11,488.71	11,873.99
<i>Total Revenue</i>		
Sugar	54,951.34	42,077.07
Electricity	9,320.40	8,428.92
Industrial Alcohol	2,695.33	2,260.89
Potable Alcohol	3,965.96	3,570.31
Total	70,933.03	56,337.19
Segment Results (Gross)		
Sugar	2,209.40	383.77
Electricity	1,143.90	(7.55)
Industrial Alcohol	1,218.41	380.40
Potable Alcohol	565.17	455.41
Total	5,136.88	1,212.03

Particulars	31-03-2011 Rs. Lakh	31-03-2010 Rs. Lakh
Schedule T: NOTES FORMING PART OF THE ACCOUNTS (contd)		
22. Segment Reporting		
Unallocated Corporate Expenses	2,575.78	2,072.54
Operating Profit	2,561.10	(860.51)
Interest and Finance Charges	2,666.71	2,370.63
Other Income	491.06	424.80
Profit from ordinary activities	385.45	(2,806.34)
Extra-ordinary items	0.00	0.00
Profit before tax	385.45	(2,806.34)
<i>Segment Assets</i>		
Sugar	47,451.81	45,220.25
Electricity	7,601.28	9,069.16
Industrial Alcohol	1,541.67	1,983.14
Potable Alcohol	1,914.06	2,108.14
Total	58,508.82	58,380.69
Add: Unallocated Corporate Assets	2,448.29	2,800.64
	60,957.11	61,181.33
<i>Segment Liabilities</i>		
Sugar	17,206.63	12,303.59
Electricity	789.80	870.23
Industrial Alcohol	28.86	30.53
Potable Alcohol	314.81	786.92
Total	18,340.10	13,991.27
Add: Unallocated Corporate Liabilities	33,847.41	38,822.03
	52,187.51	52,813.30
<i>Capital Expenditure</i>		
Sugar	259.02	889.76
Electricity	491.04	353.69
Industrial Alcohol	5.58	130.28
Potable Alcohol	0.92	71.80
Total	756.56	1,445.53
<i>Depreciation and Amortisation</i>		
Sugar	1,357.57	1,698.17
Electricity	1,181.14	1,373.12
Industrial Alcohol	134.99	165.57
Potable Alcohol	16.37	17.61
Total	2,690.07	3,254.47
<i>Non-cash expenses other than depreciation</i>		
Sugar	0.00	0.03
Electricity	0.00	0.00
Industrial Alcohol	0.00	0.13
Potable Alcohol	0.00	0.05
Total	0.00	0.21

II. The Company does not have any Secondary Business Segments

Significant Accounting Policies relating to Segment Reporting

1. Business Segments are determined on the basis of the goods manufactured and in accordance with Accounting Standard 17.
2. Inter-segment transfers are recorded at cost except for own generated Bagasse and Molasses, cost of which is unascertainable and which are recorded at prevalent purchase price.
3. Segment report is prepared in conformity with accounting policies adopted for preparing and presenting financial statements.

	2010-11 Rs. Lakh	2009-10 Rs. Lakh
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Schedule T: NOTES FORMING PART OF THE ACCOUNTS (contd)

23. Disclosure with respect to AS-15

The Company has implemented Revised Accounting Standard - 15 on Employee Benefits and made the provisions accordingly. The disclosure as per revised AS-15 are produced below:

Gratuity

In accordance with the applicable laws, the Company provides for gratuity, a defined retirement plan (Gratuity Plan) covering all staff, workers and officers. The Gratuity Plan provides for, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contributions to a Gratuity Trust which in turn mainly contributes to Life Insurance Corporation of India (LIC) for this purpose. Under this plan, the settlement obligation remains with the Gratuity Trust. LIC administers the plan and determines the contribution premium required to be paid by the Trust. The Company has also obtained an independent actuarial valuation of the Trust's Assets and Liabilities, and accordingly, the difference has been provided by the Company. The gratuity liability has been paid by the Company in case of employees, who left during the current period.

Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognised and charged off for the year as under:

Employer's contribution to Provident Fund	180.02	127.77
Employer's contribution to Superannuation Fund	30.52	40.00
Employer's contribution to Pension Scheme	123.58	105.13

Defined Benefit Plan:

The Employees' Gratuity Fund Scheme managed by Life Insurance Corporation of India is a defined benefit plan.
Mortality LIC (1994-96) Ult

I. Assumptions:

Interest / Discount Rate	8.17%	7.00%
Rate of increase in compensation	6.00%	6.00%
Rate of return (expected) on plan assets	9.30%	9.50%
Expected average remaining service	13.80	15.63

II. Changes in present value of obligations (PVO):

PVO at the beginning of the period	1,404.15	1,353.71
Interest Cost	108.26	90.38
Current Service Cost	176.44	168.89
Past Service Cost (non vested cost)	0.00	0.00
Past Service Cost (vested cost)	94.08	0.00
Benefits Paid	(101.69)	(125.12)
Actuarial (gain) / loss on obligation	13.55	83.72
PVO at the end of the period	1,694.80	1,404.15

	2010-11 Rs. Lakh	2009-10 Rs. Lakh
Schedule T: NOTES FORMING PART OF THE ACCOUNTS (contd)		
23. Disclosure with respect to AS-15 (contd)		
III. Change in fair value of plan assets		
Fair Value of Plan Assets at the beginning of the period	824.00	721.26
Adjustment to Opening Balance	(0.01)	(0.33)
Expected Return on Plan Assets	77.25	70.19
Contributions	114.94	160.95
Benefit Paid	(101.69)	(125.12)
Actuarial gain / (loss) on plan assets	(0.48)	(2.95)
Fair Value of Plan Assets at the end of the period	914.00	824.00
IV. Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the period	824.00	721.26
Adjustment to Opening Balance	(0.01)	(0.33)
Actual Return on Plan Assets	76.76	67.23
Contributions	114.94	160.95
Benefit Paid	(101.69)	(125.12)
Fair Value of Plan Assets at the end of the period	914.00	824.00
Funded Status	(780.80)	580.15
Excess of actual over estimated return on Plan Assets	(0.48)	(2.95)
V. Experience History		
(Gain) / Loss on obligation due to change in Assumption	(4.92)	0.00
Experience (Gain) / Loss on obligation	18.46	0.00
Actuarial Gain (Loss) on plan of assets	(0.48)	0.00
VI. Actuarial Gain / (Loss) Recognized		
Actuarial Gain / (Loss) for the period (Obligation)	(13.55)	83.72
Actuarial Gain / (Loss) for the period (Plan Assets)	(0.48)	(2.95)
Total Gain / (Loss) recognized for the period	(14.03)	80.76
Actuarial Gain / (Loss) recognized for the period	(14.03)	80.76
Unrecognized Gain / (Loss) at the end of the period	0.00	0.00
VII. Past Service Cost Recognised		
Past Service Cost (vested benefits)	94.09	0.00
Past Service Cost (non vested benefits)	0.00	0.00
Average remaining future service till vesting the benefit	0.00	0.00
Recognized Past Service Cost (non vested benefits)	0.00	0.00
Recognized Past Service Cost (vested benefits)	94.09	0.00
Unrecognized Past Service Cost (non vested benefits)	0.00	0.00

	2010-11 Rs. Lakh	2009-10 Rs. Lakh
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Schedule T: NOTES FORMING PART OF THE ACCOUNTS (contd)

23. Disclosure with respect to AS-15 (contd)

VIII. Amounts to be recognized in the balance sheet and statement of profit and loss

PVO at the end of the period	1,694.80	1,404.15
Fair Value of Plan Assets at the end of the period	914.00	824.00
Funded Status	(780.80)	(580.14)
Unrecognized Actuarial Gain / (Loss)	0.00	0.00
Unrecognized Past Service Cost (non vested benefits)	0.00	0.00
Net Asset / (Liability) recognized in the balance sheet	(780.80)	(580.14)

IX. Expense recognized in the statement of profit & loss

Current Service Cost	176.44	168.90
Interest Cost	108.26	90.38
Past Service Cost (non vested benefits)	0.00	0.00
Past Service Cost (vested benefits)	94.09	0.00
Unrecognized Past Service Cost (non vested benefits)	0.00	0.00
Expected Return on Plan Assets	(77.25)	(70.19)
Net Actuarial (Gain) / Loss recognized for the period	14.03	(80.76)
Expense recognized in the statement of profit and loss	315.58	108.32

X. Movements in the Liability recognized in Balance Sheet

Opening Net Liability	580.14	632.45
Adjustment to Opening Balance	0.01	0.33
Expenses as above	315.58	108.32
Contribution Paid	(114.94)	(160.95)
Closing Net Liability	780.80	580.15

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by the actuary.

Schedule T: NOTES FORMING PART OF THE ACCOUNTS (contd)

24. Disclosure of Related Parties and Related Party Transactions

I Name of the Related Party over which control exists		Nature of Relationship
i.	Ugar Consultancy Ltd.	Associate Company
ii.	Ugar Theatres Pvt. Ltd.	Associate Company
iii.	Ugar Quality Packaging Pvt. Ltd.	Associate Company
II. Names of the Related Parties with whom transactions were carried out during the year and description of relationship		
1. Key Management Personnel (KMP)		Designation
i.	Shri Prafulla Vinayak Shirgaokar	Managing Director (MD)
ii.	Shri Shishir Suresh Shirgaokar	Executive Director (ED)
2. Relatives of Key Management Personnel		
	<u>Name of the transacting related party</u>	<u>Nature of Relationship</u>
i.	Shri Rajendra Vinayak Shirgaokar	Chairman & Mentor (C&M) and Brother of MD
ii.	Sau. Smita Prafulla Shirgaokar	Wife of MD
iii.	Sau. Vinita Mahesh Samant	Daughter of MD
iv.	Sau. Shilpa Naval Kumar	Daughter of MD
v.	Sau. Savita Shishir Shirgaokar	Wife of ED
vi.	Shri Niraj Shishir Shirgaokar	Son of ED
vii.	Sau. Puja Hrishikesh Pusalkar	Daughter of ED
viii.	Sau. Sindhu Vijay Dalvi	Sister of C&M and MD
ix.	Sau. Rekha Rajanikant Khedekar	Sister of ED
x.	Sau. Chitra Arun Dalvi	Sister of ED
3. Enterprises over which KMP or Relatives of KMP are able to exercise significant influence		
	<u>Name of the transacting related party</u>	<u>Nature of Relationship</u>
i.	S. B. Reshellers Pvt. Ltd.	MD is a director
ii.	Shantaram Machineries Pvt. Ltd.	MD and ED are directors
iii.	Sangli Fabricators Pvt. Ltd.	ED is a director
iv.	Tara Tiles Pvt. Ltd.	MD and ED are directors
v.	Ugar Pipe Industries Pvt. Ltd.	MD and ED are directors
vi.	Vinayak Shirgaokar Investments Pvt. Ltd.	MD is a director
vii.	D. M. Shirgaokar Investments Pvt. Ltd.	MD and ED are directors
viii.	Prafulla Shirgaokar Investments Pvt. Ltd.	MD and Wife of MD are directors
ix.	Mohan Shirgaokar Investments Pvt. Ltd.	MD and ED are directors
x.	Shishir Shirgaokar Investments Pvt. Ltd.	ED, Wife of ED and ED's Son's Wife are directors
xi.	Prabhakar Shirgaokar Investments Pvt. Ltd.	MD and ED are directors
xii.	M/s Shirgaokar Brothers	MD, ED and Son of ED are partners

Schedule T: NOTES FORMING PART OF THE ACCOUNTS (contd)

24. Disclosure of Related Parties and Related Party Transactions (contd)

Sr. No.	Nature of Transaction	Associate Companies		Key Management Personnel		Relatives of KMP		Related Parties referred to in 3 above		Total	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
		Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
1	Remuneration Paid	0.00	0.00	68.76	70.42	18.43	17.69	0.00	0.00	87.19	88.11
2	Sitting Fees	0.00	0.00	0.00	0.00	0.90	0.66	0.00	0.00	0.90	0.66
3	Purchase of Sugarcane	0.00	0.00	8.89	9.49	0.00	0.00	0.00	0.00	8.89	9.49
4	Purchase of Plant and Machinery	0.00	0.00	0.00	0.00	0.00	0.00	76.15	126.75	76.15	126.75
5	Purchase of Other Items	47.26	88.88	0.00	0.00	0.00	0.00	0.00	0.09	47.26	88.97
6	Sales - Others / Consultancy	3.25	3.69	0.00	0.00	0.00	0.00	10.41	19.76	13.66	23.45
7	Deposits Received	0.00	0.00	33.02	33.02	150.83	134.90	1.30	17.30	185.15	185.22
8	Deposits Refunded	0.00	0.00	33.02	13.02	134.90	24.58	17.30	1.30	185.22	38.90
9	Interest Paid	0.00	0.00	3.57	1.43	13.30	12.48	0.97	0.14	17.84	14.05
10	Dividend Received	1.21	1.21	0.00	0.00	0.00	0.00	0.00	0.00	1.21	1.21
11	Dividend Paid	0.00	0.00	0.00	4.41	0.00	3.82	0.00	87.75	0.00	95.98
12	Consultancy / Repairs / Others	24.12	19.43	0.00	0.00	0.00	0.00	31.18	35.33	55.30	54.76
13	Rent Received	0.60	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.60	0.28
14	Warehousing Charges Paid	3.84	3.48	0.00	0.00	0.00	0.00	0.00	0.00	3.84	3.48
15	Corporate Guarantee	761.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	761.00	0.00
16	Outstanding Balances as on 31-03-2011										
	Payables	6.85	0.00	37.24	71.42	154.19	170.73	1.30	17.30	199.58	259.45
	Receivables	22.13	49.87	0.53	0.00	0.00	0.00	7.83	5.90	30.49	55.77

Schedule T: NOTES FORMING PART OF THE ACCOUNTS (contd)

25. Based on available information, presently, there are no amounts payable to parties mentioned in the Micro, Small and Medium Enterprises Development Act, 2006.

26. Disclosure required as per clause 32 of the Listing Agreement:

Name of the Company	Loans & Advances		Investments (in Equity Shares)	Investments (in Preference Shares)
	Amount Outstanding as at 31-03-2011 Rs. Lakh	Maximum Balance Outstanding during the year Rs. Lakh	Amount Outstanding as at 31-03-2011 Rs. Lakh	Amount Outstanding as at 31-03-2011 Rs. Lakh
<u>Associates</u>				
i. Ugar Theatres Pvt. Ltd.	1.16	2.26	2.24	0.00
ii. Ugar Consultancy Ltd.	4.89	8.94	2.43	0.00
iii. Ugar Quality Packaging Pvt. Ltd.	22.13	48.83	31.25	98.75

Note: There are no loans and advances in the nature of loans to firms / companies in which Directors of the Company are interested.

27. Figures for the previous year are regrouped / recast where necessary.

28. Working for the year has been done considering the current trend in the sugar prices.

29. Figures in the brackets pertain to previous year.

Signatures to Schedules A to T

As per our report attached
For M/s P. G. Bhagwat
Chartered Accountants

P. V. Shirgaokar
Executive Vice Chairman

Shishir S. Shirgaokar
Managing Director

M. K. Shevade
Partner
Membership No. 18651
Firm Registration No. 101118W

B. G. Kulkarni
Company Secretary

R. V. Desurkar
Manager Finance

Place: Panhala
Date: 20-05-2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. <i>Registration Details:</i>			
Registration No. / CIN	LI5421PN1939PLC006738	Balance Sheet Date:	31st March, 2011
State Code:	11		
	Rs. '000		Rs. '000
II. <i>Capital issued during the year:</i>			
Public Issue	0	Rights Issue	0
Bonus Issue	0	Private Placement	0
III. <i>Position of mobilisation and deployment of funds:</i>			
	Rs. '000		Rs. '000
Total Liabilities	4,095,726	Total Assets	4,095,726
Sources of Funds		Application of Funds	
Paid up Capital	112,500	Net Fixed Assets	1,755,805
Reserves and Surplus	764,460	Investments	13,898
Secured Loans	2,905,196	Net Current Assets	2,326,023
Unsecured Loans	231,135	Accumulated Losses	0
Deferred Tax Liability (Net)	82,435	Miscellaneous Expenditure	0
	4,095,726		4,095,726
IV. <i>Performance of the Company:</i>			
Turnover (net of excise duty)	6,333,197	Profit / (Loss) before tax	38,545
Total Expenditure	6,294,652	Profit / (Loss) after tax	40,157
Rate of Dividend	0%	Earning per share of Re.1	Rs. 0.36
V. <i>Generic names of principal products / services (as per monetary terms)</i>			
	<u>Item Code No.</u>	<u>Product</u>	
	<u>ITC Code</u>		
	170199.02	Cane sugar refined	
	220720.00	Industrial Alcohol	
	—	Potable Alcohol	
	—	Electricity	

As per our report attached
For M/s P. G. Bhagwat
Chartered Accountants

P. V. Shirgaokar
Executive Vice Chairman

Shishir S. Shirgaokar
Managing Director

M. K. Shevade
Partner
Membership No. 18651
Firm Registration No. 101118W

B. G. Kulkarni
Company Secretary

R. V. Desurkar
Manager Finance

Place: Panhala
Date: 20-05-2011

THE UGAR SUGAR WORKS LIMITED

Regd. Office: Mahaveernagar, Sangli-416 416

ATTENDANCE SLIP FOR 71st ANNUAL GENERAL MEETING

Held on Friday, the 23rd day of September, 2011 at 11.00 a. m.
at Rajmati Bhavan, Neminath Nagar, Sangli- 416 416.

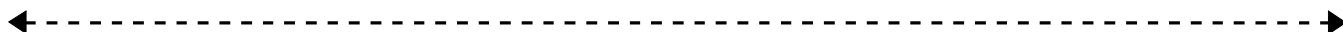
Ledger Folio/ Client ID No: _____

Full Name of the Shareholder/Proxy: _____
(in block letters)

I, certify that, I am a registered Shareholder/ Proxy for the registered Shareholder of the Company.

I, hereby record my presence at the 71st Annual General Meeting of the Company to be held on Friday, the 23rd day of September, 2011 at 11.00 a. m., at Rajmati Bhavan, Neminath Nagar, Sangli- 416 416.

Shareholder/ Proxy's Signature: _____



THE UGAR SUGAR WORKS LIMITED

Regd. Office: Mahaveernagar, Sangli- 416 416

PROXY FORM FOR 71st ANNUAL GENERAL MEETING

Held on Friday, the 23rd day of September, 2011 at 11.00 a. m.
at Rajmati Bhavan, Neminath Nagar, Sangli- 416 416.

Ledger Folio/ Client ID No: _____ No. of Shares held: _____ I/ We

_____ of _____ in

the District of _____ being the member/s of the abovementioned Company, hereby appoint

_____ of _____ in the District of _____ as

my/ our proxy _____ to vote for me/us on my/our behalf at the 71st Annual General Meeting of

the Company to be held on Friday, the 23rd day of September, 2011 at 11.00 a. m., at Rajmati Bhavan,

Neminath Nagar, Sangli- 416 416 and at any adjournment thereof.

Signed this _____ day of _____ 2011.

Revenue
Stamp of
Rs. 1/-
(Signature)

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. A Revenue Stamp of Rs. 1/- should be affixed to this form and then signed by the Member. In case of Joint Holders, the proxy form should be signed by all the Joint Holders.

THE PROGRESS OF YOUR COMPANY FOR LAST 25 YEARS

	Year Ending	Total Income	Reserves and Surplus	Fixed Assets	Rate of Dividend	Cane Crushed	Sugar Produced
		Rs. Lakh	Rs. Lakh	Rs. Lakh	%	MT	Qtls
	30th September						
1	1986	3,086.84	112.57	285.24	15.0%	430,315	486,690
2	1987	3,736.56	136.80	294.50	15.0%	566,521	629,375
3	1988	4,613.16	149.83	957.44	15.0%	682,555	733,310
	31st March						
4	1990	8,453.19	319.69	763.30	18.0%	1,040,925	1,161,910
5	1991	7,816.78	313.62	737.07	20.0%	898,218	1,038,510
6	1992	10,085.33	348.17	816.27	20.0%	1,017,008	1,231,045
7	1993	10,232.46	402.13	835.98	20.0%	876,537	1,087,222
8	1994	11,978.27	427.93	797.40	20.0%	761,186	956,730
	30th September						
9	1995	19,870.41	631.03	1,578.93	30.0%	1,178,846	1,446,350
10	1996	18,768.07	1,079.24	1,579.08	22.5%	1,393,790	1,537,975
11	1997	16,651.47	1,308.91	2,477.41	22.5%	947,340	1,105,039
12	1998	20,254.77	1,476.68	5,351.66	22.5%	1,130,355	1,310,645
13	1999	22,895.62	1,931.81	6,064.17	25.0%	1,399,603	1,551,260
14	2000	26,681.52	2,714.81	6,519.12	30.0%	1,425,023	1,716,100
15	2001	25,464.73	4,113.77	5,818.56	35.0%	1,189,443	1,482,057
16	2002	23,511.06	3,609.39	8,666.63	10.0%	1,222,416	1,432,455
17	2003	24,575.99	3,489.30	7,968.82	Nil	1,467,798	1,724,490
18	2004	20,287.75	4,201.60	8,043.91	30.0%	837,383	876,430
19	2005	29,822.75	4,815.51	7,402.30	20.0%	1,046,480	1,163,180
20	2006	48,197.14	5,402.95	10,664.00	20.0%	1,876,166	2,187,595
	31st March						
21	2007	30,569.86	5,579.49	16,762.13	Nil	1,668,394	1,940,351
22	2008	38,257.74	6,513.81	21,241.75	20.0%	1,949,390	2,211,445
23	2009	41,556.72	9,246.67	21,581.40	25.0%	1,319,427	1,468,445
24	2010	56,651.44	7,243.02	19,615.01	Nil	1,575,618	1,786,430
25	2011	63,331.97	7,644.60	17,524.51	Nil	1,716,325	1,940,680

NOTES:

- Bonus shares of the value of Rs. 7.47 lakh, Rs. 10.65 lakh, Rs. 16.82 lakh, Rs. 50.00 lakh, Rs. 75.00 lakh and Rs. 337.50 lakh were issued as fully paid bonus shares, respectively in the years 1950-51, 1966-67, 1973-74, 1994-95, 1997-98 and 2004-05, by capitalization of reserves.
- Accounting year ended 30-09-1985 comprised of 15 months and those ended on 31-03-1990, 30-09-1995 comprised of 18 months and those ended on 31-03-2007 comprised of 6 months only.
- Dividend for the year ended 30-09-1995 includes interim dividend.
- Total Income includes value of sales, income from by-products and other income, and adjustments in the value of opening and closing stocks of finished goods.
- Figures relating to FY ended 2005-06, 2006-07 includes figures of Tasgaon and Phaltan and 2008-09, 2009-10 and 2010-11 includes figures of Jewargi unit.

