THE UGAR SUGAR WORKS LIMITED











71st ANNUAL REPORT 2010-2011



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 Sugar Technologists' Association of India

New Delhi

Presents

Life Time Achievement

Award

to Shri R.V. Shirgaokar

for his outstanding contribution to growth of Indian Sugar Industry
as
"Entrepreneur"

Awarded during the 10th Joint Convention of
STAI & DSTA
held at Marriott Hotel, Pune from 2nd to 5th July, 2011

Secretary

President



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

Place: Panhala
Date: 20-05-2011

B. G. Kulkarni
Company Secretary

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 from, 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	01st April, 2011	01st 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.

I] 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.