



# ANNUAL REPORT 2002 - 2003

## THE UGAR SUGAR WORKS LIMITED

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# THE UGAR SUGAR WORKS LTD.,

## SIXTYTHIRD ANNUAL REPORT 2002-03

### BOARD OF DIRECTORS

(as on 14th December, 2003)

Shri. S. S. Shirgaokar	Chairman
Shri. V. Balsubramanian(Retd. IAS)	Director
Shri. M. G. Joshi	"
Dr. M. R. Desai	"
Shri. B. N. Kalyani	"
Shri. A. B. Kage	"
Shri. M. B. Karmarkar	"
Shri. S. N. Inamdar	"
Shri. K. P. Shirgaokar	"
Shri. R. V. Shirgaokar	Managing Director
Shri. P. V. Shirgaokar	Executive Director
Shri. Shishir S. Shirgaokar	Wholetime Director



## THE UGAR SUGAR WORKS LIMITED

## CONTENTS

	Page
1. Notice of the Annual General Meeting with Annexure.....	3
2. Report of the Directors together with Annexures.....	8
3. Management Discussion and Analysis.....	17
5. Certificate from Auditors Regarding Compliance of Conditions of Corporate Governance.....	19
4. Report on Corporate Governance.....	20
6. Report of the Auditors to the Shareholders with Annexure.....	25
7. Final Accounts for the year ended 30th September, 2003 together with Schedules and Notes forming part of the Accounts.....	28
8. Balance Sheet Abstract.....	50
9. Cash Flow Statement.....	51
10. Progress of the Company for last 25 years.....	52

**Registered Office :**

Mahaveernagar (Wakhar Bhag)  
Sangli 416 416.  
Phone : (0233) 2623716, Fax : (0233) 2623617  
email : ugarsugr@sancharnet.in  
website : www.ugarsugar.com

**Factory and Administrative Office :**

Ugar-Khurd 591 316  
Dist - Belgaum  
Phone : (08339) 272230,  
Fax : (08339) 272232

**Company Secretary & Compliance Officer :**

Shri. B. G. Kulkarni

**Auditors :**

Messrs P. G. Bhagwat,  
Chartered Accountants  
Manoj Arcade, Tilakwadi,  
Belgaum 590 006  
Phone : (0831) 2429306

**Bankers :**

Central Bank of India  
Bank of Baroda  
Union Bank of India  
The United Western Bank Ltd.  
The Sangli Bank Ltd.

**Annual General Meeting :**

Friday, 26th March, 2004 at 3.30 p.m.  
at Bhide Mangal Karyalaya, Timber Area, Sangli 416 416.

## THE UGAR SUGAR WORKS LIMITED

REGD. OFFICE : MAHAVEERNAGAR [ WAKHAR BHAG ], SANGLI 416 416.

### NOTICE

**NOTICE is hereby given that Sixty-third Annual General Meeting of THE UGAR SUGAR WORKS LIMITED will be held on Friday the 26<sup>th</sup> March, 2004 at 3.30 P. M. at BHIDE MANGAL KARYALAYA, TIMBER AREA, SANGLI to transact the following business.**

#### Ordinary Business :

1. To receive, consider and adopt the audited Balance Sheet as on 30th September, 2003 and the Profit and Loss Account for the period ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri. B. N. Kalyani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. M. G. Joshi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. M. R. Desai, 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 modifications, the following resolution as a Special Resolution.

"RESOLVED that, pursuant to provisions of section 269 read together with Schedule XIII to the Companies Act, 1956, section 309(3) , 193(4) 310 and other applicable provisions of the said Act, and subject to the approval of The Industrial Finance Corporation of India Ltd., the Company hereby accords its approval to the re-appointment of Shri. Rajendra Vinayak Shirgaokar, Managing Director of the Company for a period of Five years from 01.04.2004, on the terms and conditions set out in the draft agreement, a copy thereof initialled by the Chairman for the purpose of identification and submitted to and produced in this meeting, which terms and conditions are hereby specifically sanctioned."

7. To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution.

"RESOLVED that, pursuant to provision of section 269 read together with Schedule XIII to the Companies Act, 1956, section 309(3) , 193(4) 310 and other applicable provisions of the said Act, and subject to the approval of The Industrial Finance Corporation of India Ltd., the Company hereby accords its approval to the re-appointment of Shri. Prafulla Vinayak Shirgaokar , Executive Director of the Company for a period of Five years from 01.04.2004, on the terms and conditions set out in the draft agreement, a copy thereof initialled by the Chairman for the purpose of identification and submitted to and produced in this meeting, which terms and conditions are hereby specifically sanctioned."

## THE UGAR SUGAR WORKS LIMITED

8. To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution.

"RESOLVED that, pursuant to provision of section 269 read together with Schedule XIII to the Companies Act, 1956, section 309(3) , 193(4) 310 and other applicable provisions of the said Act, and subject to the approval of The Industrial Finance Corporation of India Ltd., the Company hereby accords its approval to the re-appointment of Shri. Shishir Suresh Shirgaokar , Wholetime Director of the Company for a period of Five years from 01.04.2004, on the terms and conditions set out in the draft agreement, a copy thereof initialled by the Chairman for the purpose of identification and submitted to and produced in this meeting, which terms and conditions are hereby specifically sanctioned."

9. To consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution.

"Resolved that, with the withdrawal of compulsory listing of shares on regional stock exchange the Company shall approach Pune Stock Exchange for delisting of its shares on Pune Stock Exchange, where the Company's shares are hardly traded and that Shri. Rajendra Vinayak Shirgaokar, Managing Director, Shri. Prafulla Vinayak Shirgaokar, Executive Director and Shri. Shishir S. Shirgaokar, Wholetime Director be and are hereby severally authorised to take necessary steps for delisting of shares.

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

UGARKHURD  
14<sup>th</sup> December, 2003.

**B. G. Kulkarni**  
Company Secretary

### NOTES :

1. The Register of Members and the Share Transfer Books of the Company will remain closed from **15<sup>th</sup> March, 2004 to 26<sup>th</sup> March 2004** (both days inclusive).
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY AND VOTE ON POLL INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The relative explanatory statement pursuant to section 173(2) of the Companies Act, 1956, in respect of Special Business specified under item No. 6 to 9 of the Notice is annexed hereto.
4. Members are requested to notify promptly any change in their addresses to the Company.
5. The members are requested to bring their copies of Annual Report along with them to the General meeting.
6. The members who have not yet encashed their dividend warrants for the years 1995-96, 1996-97, 1997-98, 1998-99, 1999-2000, 2000-2001 and 2001-2002 are advised to forward such warrants to the Registered Office for obtaining cheques in lieu thereof. Pursuant to the provisions of section 205-A of the Companies Act, 1956, dividend, which remains unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund of the Central Government.
7. Members are requested to quote their folio number/s or DPID/Clien ID in all correspondence with 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 9 mentioned in the accompanying Notice dated 14<sup>th</sup> December, 2003 and should be taken as forming part of it.

**Item No. 6 to 8.**

The present arrangement with these officers is valid upto 31<sup>st</sup> March, 2004. The Board decided to reappoint Managing Director, Executive Director and Whole-time Director of the Company for further period of 5 years with effect from 1<sup>st</sup> April, 2004 in its meeting held on 14<sup>th</sup> December, 2003 subject to the approval of the members in Annual General Meeting and The Industrial Finance Corporation of India Ltd. After getting the approvals necessary agreements will be executed by the Company.

The reappointment of Shri.R.V.Shirgaokar as Managing Director, Shri.P.V. Shirgaokar as Executive Director and Shri. Shishir S. Shirgaokar as Wholetime Director 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 R.V.Shirgaokar, Managing Director shall be responsible for the general conduct and management of the business and affairs of the Company and shall exercise, subject to such restrictions as may be imposed by the Board, all the powers vested in the Board.

Shri P.V.Shirgaokar, Executive Director and Shri Shishir S.Shirgaokar, Wholetime Director, shall carry out such duties as may be entrusted to them, subject to the supervision and control of the Board of Directors and they shall also perform such other duties and services as shall from time to time be entrusted to them by the Board of Directors and the Managing Director.

The remuneration and the other terms and conditions have been embodied in draft agreements between the Company and Shri R. V. Shirgaokar, Managing Director, Shri P. V. Shirgaokar, Executive Director and Shri Shishir S. Shirgaokar, Wholetime Director. Pursuant to Section 302 of The Companies Act, 1956, the following is the abstract of the material terms thereof.

- A) Salary :
- a) Managing Director  
Rs. 35,000 per month.
  - b) Executive Director  
Rs. 30,000 per month.
  - c) Wholetime Director  
Rs. 30,000 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.

**THE UGAR SUGAR WORKS LIMITED**

C) Perquisites :

**PART A**

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 of Rs.10,000 p.m. as being paid now or any increase as decided by Board.
- (b) Provision of Gas Electricity and Water and furnishings valued as per the Income Tax Rules, 1962, subject to ceiling of 10% of salary.
- (c) Medical Reimbursement :  
Reimbursement of Medical 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) Club Fees :  
Fees of Clubs whether in India or abroad, including admission and life membership fees for business purpose.
- (f) Personal Accident Insurance :  
Of an amount the annual premium of which does not exceed Rs. 5,000. 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 :  
Gratuity at a rate not exceeding one month's salary for each completed year of service.
- (i) Other Perquisites :  
Within the overall ceiling on the remuneration mentioned herein, the Managing Director, Executive Director and Wholetime Director may be given any other allowances and perquisites from time to time as per the Rules of the Company.

**PART C :**

- (j) Leave :  
Not exceeding one month's leave for every eleven months of service. Encashment of leave 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 them.

**Explanation :**

1. Wherever context demands, 'family means the spouse, dependent children and dependent parents of Managing Director, Executive Director and Wholetime Director.



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 Managing Director, Executive Director and Wholetime Director shall not exceed 10% of the net profit of the Company calculated in accordance with the provisions of section of 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 Managing Director, the Executive Director and the Wholetime Director the salary mentioned in clause A above and 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 services 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 Managing Director, the Executive Director or the Wholetime Director cease to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director, the Executive Director or the Wholetime Director, as the case may be.

##### **Memorandum of Interest :**

Shri. R.V.Shirgaokar is interested in Resolution under item No. 6 to the extent of remuneration proposed to be paid to him. He may be deemed to be interested in Resolution under item No. 7 as the person mentioned therein is his relative/partner, however, he has no pecuniary interest whatsoever.

Shri. P.V.Shirgaokar is interested in Resolution under item No. 7 to the extent of remuneration proposed to be paid to him. He may be deemed to be interested in Resolution under item No. 6 as the person mentioned therein are his relative/partner, however, he has no pecuniary interest whatsoever.

Shri. Shishir S. Shirgaokar is interested in Resolution under item No. 8 to the extent of remuneration proposed to be paid to him.

Shri. S.S.Shirgaokar may be deemed to be interested in Resolution No. 8 as the person mentioned therein is his relative, however, he has no pecuniary interest whatsoever.

None of the other Directors is interested in Resolution under item Nos. 6 to 8.

The copies of previous and proposed agreements with Sarvashri. R.V.Shirgaokar, P.V.Shirgaokar, and Shishir S. Shirgaokar are available for inspection of members at the Registered office of the Company between 11.00 a.m. and 1.00 p.m. on all working days from now onwards until the date of ensuing Annual General Meeting.

## THE UGAR SUGAR WORKS LIMITED

The Explanatory Statement relating to item Nos. 6, 7 and 8 together with the accompanying Notice, should be treated as an abstract under Section 302 of the Companies Act, 1956.

### Item No. 9 :

The shares of our Company are listed on Pune and Mumbai Stock Exchange, However, there is no trading of shares on Pune Stock Exchange. The condition of compulsory listing on Regional Stock Exchange has been withdrawn by the Government. Therefore, it is proposed to delist the shares of the Company on Pune Stock Exchange Ltd.

None of the Directors are interested in this resolution.

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

Place : Ugarkhurd  
Date : 14-12-2003

**B.G.Kulkarni**  
Company Secretary

