

THE UGAR SUGAR WORKS LIMITED

CIN: L15421PN1939PLC006738

78TH ANNUAL REPORT 2017-18

Name	Designation
Shri. R. V. Shirgaokar	Chairman Emeritus

BOARD OF DIRECTORS (As on 25 th May, 2018)		
Sr. No.	Name	Designation
1	Mr. P. V. Shirgaokar	Chairman
2	Mr. Shishir S. Shirgaokar	Non Executive Director
3	Mr. V. Balasubramanian (I.A.S. Retired)	Independent Director
4	Dr. M. R. Desai	Independent Director
5	Mr. M. G. Joshi	Independent Director
6	Mr. D. B. Shah	Independent Director
7	Mr. Rakesh Kapoor	Independent Director
8	Mr. Deepak Ghaisas	Independent Director
9	Mr. Hari Y. Athawale	Independent Director
10	Mr. Sachin R. Shirgaokar	Non Executive Director
11	Mr. Sohan S. Shirgaokar	Non Executive Director
12	Mrs. Shilpa Kumar	Non Executive Woman Director
13	Mr. Niraj S. Shirgaokar	Managing Director
14	Mr. Chandan S. Shirgaokar	Managing Director

GM Corporate Affairs & Company Secretary **Auditors**
Compliance Officer

Mr. B. G. Kulkarni
 Mahaveernagar, Sangli 416 416
 Phone: 0233-2623716, 2623717
 Fax: 0233-2623617.
 Email: usw.sangli@ugarsugar.com

M/s. Kirtane & Pandit LLP
 Chartered Accountants
 5th Floor, Wing A, Gopal House,
 S No.127/1B/1, Plot A1,
 Pune - 411029
 Phone: 020-67295100

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Registered Office:

Mahaveernagar, Sangli 416 416.
 Phone : 0233-2623716, 2623717
 Fax : 0233-2623617.
 Email: usw.sangli@ugarsugar.com

Registrar & Transfer Agent:

Bigshare Services Pvt. Ltd.
 1st Floor, Bharat Tin Works Building,
 Opp. Vasant Oasis, Makwana Road,
 Marol, Andheri East, MUMBAI – 400 059. (MAH)
 Ph. No. 022-62638200, Fax No. 022-62638299

Administrative Office:

Ugarkhurd 591 316 (Dist- Belagavi)
 Phone: 08339-274000
 Fax: 08339-272232

e-mail: helpdesk@ugarsugar.com
website: www.ugarsugar.com

Plants: Ugar Khurd and Malli (Jewargi)

Bankers

Central Bank of India
 Bank of Baroda

Bank of India
 Union Bank of India

ANNUAL GENERAL MEETING

**FRIDAY, THE 10TH DAY OF AUGUST, 2018 AT 11.00, A.M. AT
 DECCAN MANUFACTURERS ASSOCIATION,
 MADHAV NAGAR ROAD, SANGLI-416 416.**

THE UGAR SUGAR WORKS LIMITED
REGD. OFFICE: MAHAVEERNAGAR [WAKHAR BHAG], SANGLI- 416416.

NOTICE

NOTICE is hereby given that Seventy Eighth Annual General Meeting of THE UGAR SUGAR WORKS LIMITED will be held on Friday, the 10th August, 2018 at 11.00 a.m, at Deccan Manufacturers Association, Madhav Nagar Road, Sangli-416416 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2018 and the Statement of Profit and Loss Account, Cash Flow Statement for the year ended as on that date and the Reports of the Directors, Report on Corporate Governance and Auditors thereon.
2. To appoint a Director in place of Mr. P. V. Shirgaokar (DIN NO- 00151114) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Shishir S. Shirgaokar (DIN NO- 01512497) who retires by rotation and being eligible, offers himself for re-appointment.
4. **To ratify the appointment of Auditors M/s. Kirtane & Pandit LLP, Chartered Accountants, and to fix their remuneration and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution:**

Resolved that, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 25th September 2017, the appointment of **M/s. Kirtane & Pandit LLP** Character Accountants (Firm registration number : 105215W/W100057) as the auditors of the Company to hold office till the conclusion of the next AGM be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2019.

Special Business:

5. **To consider and if thought fit, to pass, with or without modifications, following resolution as a SPECIAL Resolution:**

“Resolved that, pursuant to Section 197, Section 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V and the applicable Rules thereto and subject to such other provisions, as may be applicable, the consent of the Company be and is hereby accorded to the appointment of Shri. Niraj S. Shirgaokar, Managing Director, with effect from 01-04-2018 for the period of three year i.e. up to 31-03-2021, with such remuneration and terms and conditions as embodied in draft agreements between the Company and Shri. Niraj S. Shirgaokar, Managing Director, the draft agreement whereof for the purpose of identification is placed before this meeting duly initialed by the Chairman and the agreement is hereby specifically approved with the liberty to the Board of Directors to vary and alter the terms and conditions in the agreement, provided, however, that the remuneration and perquisites payable to the said Shri. Niraj S. Shirgaokar, Managing Director, shall not exceed the limit specified in Schedule-V.”

6. **To consider and if thought fit, to pass, with or without modifications, following resolution as a SPECIAL Resolution:**

“Resolved that, pursuant to Section 197, Section 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V and the applicable Rules thereto and subject to such other provisions, as may be applicable, the consent of the Company be and is hereby accorded to the appointment of Shri. Chandan S. Shirgaokar, Managing Director, with effect from 01-04-2018 for the period of three year i.e. up to 31-03-2021, with such remuneration and terms and conditions as embodied in draft agreements between the Company and Shri. Chandan S. Shirgaokar, Managing Director, the draft agreement whereof for the purpose of identification is placed before this meeting duly initialed by the Chairman and the agreement is hereby specifically approved with the liberty to the Board of Directors to vary and alter the terms and conditions in the agreement, provided, however, that the remuneration and perquisites payable to the said Shri. Chandan S. Shirgaokar, Managing Director, shall not exceed the limit specified in Schedule-V.”

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

“Resolved that, pursuant to the provisions of section 148 of the Companies Act, 2013 and the relevant Rules, Mr. Vikas Vinayak Deodhar, Practising Cost Accountant, Mumbai, (M. No. 3813) who was appointed by the Board of Directors of the Company in their meeting held on 25th May, 2018 as a Cost Auditor, to audit the cost records, as may be ordered by the Central Government, on a remuneration of Rs. 2,30,000 (Rupees Two Lakh Thirty Thousand only) plus reimbursement of out of pocket expenses plus Taxes as applicable, for the Financial Year 2018-19 be and is hereby ratified.

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

B. G. Kulkarni

GM Corporate Affairs & Company Secretary
(F-2805)

Place : Pune

Date : 25-05-2018

Regd. Office: Mahaveer Nagar,
Sangli – 416416.

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 30th July, 2018 to 10th August, 2018 (both days inclusive).
3. The relevant explanatory statement pursuant to section 102 of the Companies Act, 2013 in respect of Special Business specified under item No. 5, 6, and 7 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 2011-12, 2012-13, 2015-16 and 2016-17 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 2009-10, 2010-11, 2013-14 and 2014-15.)
 - ii) Pursuant to the provisions of section 205-A and 205C, of the Companies Act 1956 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 created by Government of India for the benefit of investors. The unclaimed dividend for the financial year ended 2008-09 has already been transferred on 18/10/2016. No dividend was declared during the year 2010-11.
 - iii) Pursuant to provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, Company was required to transfer the Shares in respect of which Dividend has not been paid / claimed for seven consecutive years or more to IEPF Authority upto the financial year ended 2008-09. Accordingly Company has transferred 302,531 equity shares to IEPF Authorities Demat Account.
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.

10. E-voting

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote at the 78th Annual General Meeting (AGM) by electronic means also and the business may be transacted through e-Voting ('remote e-voting') Services provided by National Securities Depository Limited (NSDL). For conducting this e-voting activity in a fair and transparent manner, the Board of Directors have appointed M/s. Abhay R. Gulavani, Practising Company Secretary (ACS 28983) as Scrutinizer.

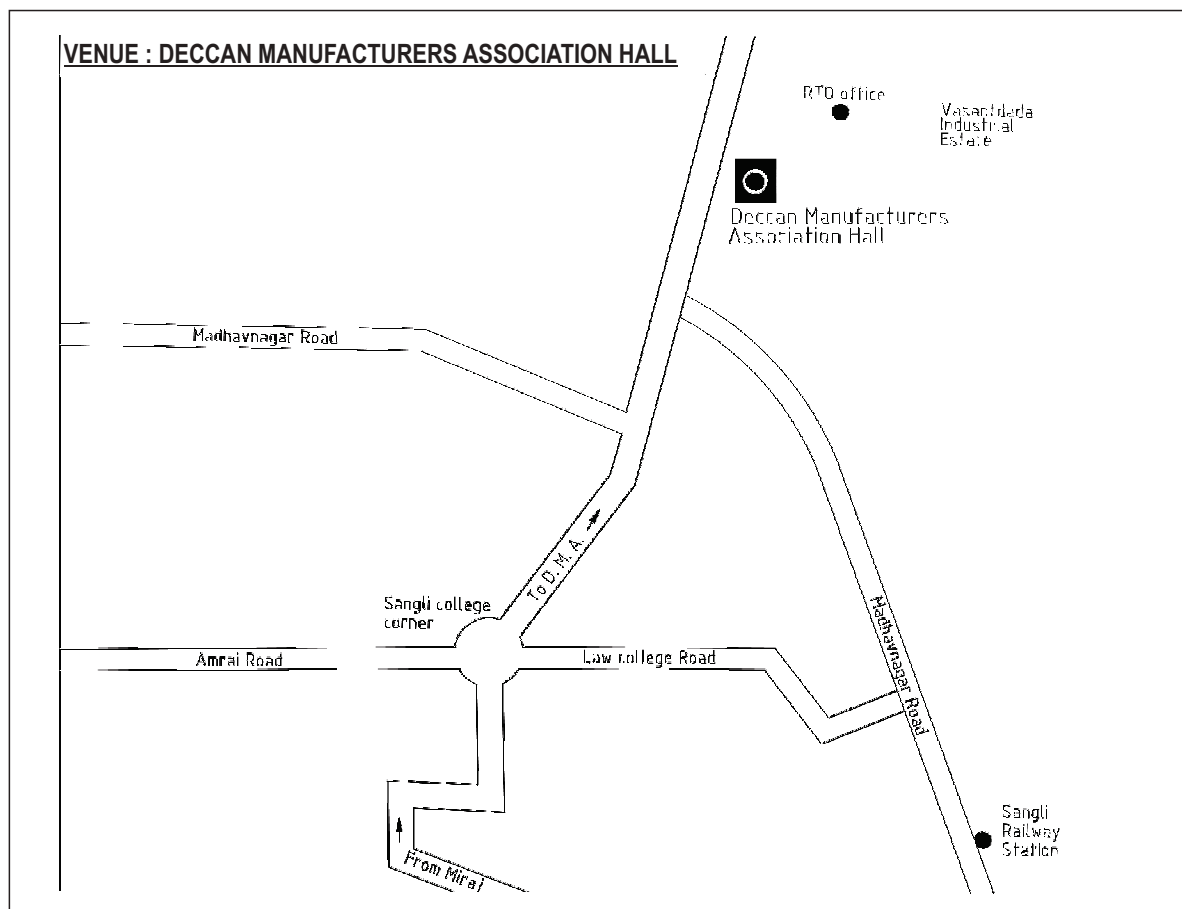
The instructions for e-voting are as under:

- (i) Launch internet browser by typing the URL: <https://www.evoting.nsdl.com>
 - (ii) Click on "Shareholder-Login".
 - (iii) Click on the PDF file "Ugar Sugar e-voting.pdf" sent to you in the email by NSDL. The file will prompt for a Password. Kindly input your Client ID or Folio No. as may be applicable in the box prompted for Password. The said PDF file contains your user ID and password/PIN for e-Voting. Please note that this password is an initial password and needs to be changed while doing first time login for security purpose.
 - (iv) In case you are an existing user, please put your existing User ID and password.
 - (v) Put User ID and password as initial password noted above and Click Login.
 - (vi) Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
 - (vii) Home page of "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
 - (viii) Select "EVEN" of The Ugar Sugar Works Ltd.
 - (ix) Now you are ready for e-Voting as Cast Vote page opens
 - (x) Cast your vote by selecting appropriate option (Assent / Dissent) and click on "Submit" and also "Confirm" when prompted.
 - (xi) Upon confirmation, the message "Vote cast successfully" will be displayed
 - (xii) Once you have voted on the resolution, you will not be allowed to modify your vote
 - (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail abhaygulavani@rediffmail.com with a copy marked to evoting@nsdl.co.in.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com. Or contact NSDL at the following toll free no: 1800-222-990.
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 07th August, 2018 (10.00 am) and ends on 9th August, 2018 (5:00 pm). During this period registered shareholder' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 3rd August, 2018 may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- VI. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 3rd August, 2018.
- VII. Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 3rd August, 2018 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- VIII. The Scrutinizer shall, immediately after the conclusion of voting at AGM, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidate Scrutinizer's Report of the total vote cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- IX. The result shall be declared after the AGM of the Company. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.ugarsugar.com and on the website of NSDL immediately after the result is declared. The company shall simultaneously forward the result to BSE & NSE, where the shares of the Company are listed.

All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Sunday and holiday between 11.00 a.m. to 4.00 p.m. up to the date of declaration of the result of the 78th Annual General Meeting of the Company.

ROAD MAP TO AGM VENUE



ANNEXURE TO NOTICE**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

As required under section 102 of the Companies Act, 2013 the following statement sets out all material facts relating to the Special Business under item Nos. 5 to 7 mentioned in the accompanying Notice dated 25th May, 2018 and should be taken as forming part of it.

Item Nos. 05 & 06:

The present arrangements with the Managing Directors were valid upto 31st March, 2018. As per the recommendations of the Nomination & Remuneration Committee, the Board of Directors in their meeting held on 09th February, 2018 has decided to Re-Appoint Shri. Niraj Shishir Shirgaokar and Shri. Chandan Sanjeev Shirgaokar as Managing Directors, w.e.f. 01st April, 2018 subject to the approval of the members in the General Meeting for a period of 3 years. After the approval of the general body, necessary agreements will be executed.

The remuneration of, Shri. Niraj Shishir Shirgaokar and Shri. Chandan Sanjeev Shirgaokar as Managing Director do not require the approval of the Central Government, since the appointment and remuneration are in accordance with the conditions stipulated in Schedule V to the Companies Act 2013.

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the details of the Managing Directors, seeking re-appointment are as under:

Name	Shri. Niraj S. Shirgaokar	Shri. Chandan S. Shirgaokar
Designation	Managing Director	Managing Director
Date of Birth	25- 05-1972	20 -10- 1977
Original Date of Appointment	01-04-2011	01-04-2011
No. of Shares held	2,19,214	4,95,104
Qualification	B.E. (Com. Engg.)	MCM
Experience	23 Years	18 Years
Directorship in other Companies	1) S B Reshellers P. Ltd. 2) Intellectual Research Services P. Ltd. 3) Synergy Green Ind Ltd. 4) Indian Sugar Exim Corporation Ltd.	1) Ugar Pipe Ind. Pvt Ltd. 2) Sangli Fabricators Pvt Ltd 3) S B Reshellers Pvt. Ltd. 4) Synergy Green Ind Ltd.

Subject to the superintendence, control and direction of the Board of Directors Shri. Niraj Shishir Shirgaokar and Shri Chandan Sanjeev Shirgaokar the Managing Directors, shall be responsible for the general conduct and management of the business of the Jewargi Unit & Ugar Unit of the Company respectively and shall exercise, subject to such restrictions as may be imposed by the Board, the powers vested by the Board.

The remuneration and other terms and conditions are embodied in draft agreements between the Company and Shri. Niraj Shishir Shirgaokar and Shri. Chandan Sanjeev Shirgaokar as Managing Director, pursuant to Section 196, 197 of the Companies Act, 2013 read with Schedule V and relevant Rules, abstract of the material terms of appointment are enumerated below:

A] Salary :

Basic Salary Rs. 3,50,000/- (Rupees Three Lakh Fifty Thousand Only) per month

B] Incentive based on the EBT :

Five percent (5%) of EBT.

C] Allowance:

- The Managing Directors will also be eligible for a Special Allowance of 50% of their basic salary.

Variable Allowances:

- The Managing Directors will also be eligible for a Bonus & Leave Encashment as per the company's policy.

D] Perquisites:

Part A :

- a. Fully furnished/unfurnished residential accommodation. Where no accommodation is provided by the Company, suitable House Rent Allowance in lieu thereof may be provided.

The expenses on furnishings, gas, electricity, water and other utilities and repairs, if any, shall be borne by the Company.

- b. Reimbursement of all medical expenses incurred for self and family.
- c. Leave Travel Assistance for self and family as per Company rules.
- d. Fees of clubs which will include admission and life membership fees.
- e. Personal accident insurance, premium whereof does not exceed Rs. 50, 000/- per annum.
- f. Provision of service staff at residence.
- g. Car with driver for official and personal purpose.
- h. Telephone including mobile and fax facilities at residence.
- i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund.
- j. Gratuity at the rate not exceeding 30 days salary for each completed year of service, and
- k. Leave at the rate of one month for every eleven months of service. Leave not availed of may be encashed.

Perquisites shall be valued as per the provisions of the Income Tax Rules or as may be provided as per schedule V.

Explanation :

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

Part B :

- a) 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 Directors the minimum remuneration of Rs. 3,50,000/- p.m. and the allowance and perquisites and in case of profit incentives of 5% of EBT not exceeding as per provisions of schedule V and any amendments thereof.
- b) The net profit of the Company shall be determined as provided for in section 198 and any other provision/s of The Companies Act, 2013, applicable thereto.
- c) 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.
- d) The agreement may be terminated by either party giving three months' notice or the Company or by paying three months' salary in lieu thereof.

- e) If at any time the 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.

Statement as required under Section 2, Part II of the Schedule V of the Companies Act, 2013 with reference to the Special Resolution at Item Nos. 5, 6 of the Notice:

I. General Information:

1. Nature of Industry: Manufacture of sugar integrated with cogeneration of power and distillery operations & IMFL.
2. Date or expected date of commencement of commercial production: Existing Company in operation since 1939.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
4. **Financial performance based on given indicators:**

(Rs. In Lakh)

Sr. No	Particulars	2016-2017	2015-2016	2014-2015
1	Turnover	75,222.16	102,518.87	84,108.75
2	Profit/(Loss) before tax	2,427.49	1,484.67	(586.36)
3	Net Profit/(Loss) after tax	2,342.68	1,128.28	(325.05)
4	Paid-up share capital	1125.00	1125.00	1125.00
5	Reserves & Surplus	10,303.00	7,960.00	7,170.00

5. Export performance and net foreign exchange collaborations : NA

6. Foreign investments or collaborators, if any : NA

II. Information about	Mr Niraj Shirgaokar Managing Director	Mr Chandan Shirgaokar Managing Director
1. Background details	<p>Mr. Niraj Shirgaokar has a Bachelor's Degree in Computer Engineering from the Bombay University. He has 13 years of experience in professional companies, after which he joined the family business.</p> <p>He has worked for Siemens Information Systems (SISL), Bombay in the sales function, selling SAP & mySAP.com to customers in India.</p> <p>After Siemens, Mr. Shirgaokar was associated with Patni Computer Systems Limited (now IGATE Patni). He worked at their San Francisco, California office, selling outsourcing jobs to customers in the United States. He joined the Ugar Sugar Works Limited in 2005. He has guided the organization in its IT transformation from a single email company to an high tech SAP enabled organization.. In 2011 he became Jt. Managing Director. Presently he is working as "Managing Director". And bearing responsibility of overall administration and management.</p>	<p>Mr. Chandan Shirgaokar having completed bachelor's degree in Science, pursued master's degree in Computer Management, has well over 18 years of experience in the field of management.</p> <p>After post-graduation, in order to acquire experience in various fields of management, took up an assignment with a renowned software company - M/s Business Integration Systems India Ltd., Pune</p> <p>In the year 2004 after joining The Ugar Sugar Works Ltd., accepted the first assignment of establishing IMFL section as a "Cost Centre" and converted the unit into a "Profit Centre". He is the key person in the launch of "Sandpiper" Brandy. In 2011 he became Jt. Managing Director. Presently he is working as "Managing Director" and bearing responsibility of overall administration and management.</p>