

The Ugar Sugar Works Limited

73RD ANNUAL REPORT 2012-13

BOARD OF DIRECTORS (As on 29th May, 2013)

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,
Ashirwad's Landmarks,
Roy Road, Tilakwadi,
Belgaum-590 006
Phone : 0831-2429306

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Registered Office:

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

Registrar & Transfer Agent:

Bigshare Services Pvt. Ltd.
E-2, Ansa Ind. Estate, Sakivihar Rd,
Saki Naka, Andheri (E),
MUMBAI – 400 072.
Phone : 022-40430200

Administrative Office:

Ugarkhurd 591 316 (Dist- Belgaum).
Phone : 08339-272230
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
The IDBI Bank Ltd.

Bank of India
AXIS Bank Ltd.
Union Bank of India

ANNUAL GENERAL MEETING

**THURSDAY, THE 19TH SEPTEMBER, 2013 AT 11.00 A.M. AT
MALI CHITRA MANDIR HALL, GULMOHAR COLONY, SANGLI 416 416.**

THE UGAR SUGAR WORKS LIMITED

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

NOTICE

NOTICE is hereby given that Seventy Third Annual General Meeting of THE UGAR SUGAR WORKS LIMITED will be held on, Thursday, the 19th day of September, 2013 at 11.00 a.m., at Mali Chitra Mandir Hall, Gulmohar Colony, Sangli – 416 416 to transact the following business :

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2013 and the Statement of Profit and Loss Account for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri. S. N. Inamdar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. M. G. Joshi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri. D. B. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
6. 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:

7. **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, 309 (3), 193 (4), 310 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, the Resolution No. 8 passed in the 71st AGM of the Company, held on Friday, the 23rd September, 2011, is partially modified to revise the basic salary of Shri. Prafulla Vinayak Shirgaokar, Executive Vice Chairman from Rs. 2,50,000/- p.m. to Rs. 2,75,000/- p.m. w.e.f. 01-04-2012 by way of an increment of 10%. All other terms and conditions of the original appointment remain unchanged."

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, 309 (3), 193 (4), 310 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, the Resolution No. 9 passed in the 71st AGM of the Company, held on 23rd September, 2011, is partially modified to revise the basic salary of Shri. Shishir Suresh Shirgaokar, Managing Director from Rs. 2,50,000/- p.m. to Rs. 2,75,000/- p.m. w.e.f. 01-04-2012 by way of an increment of 10%. All other terms and conditions of the original appointment remain unchanged."

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, 309 (3), 193 (4), 310 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, the Resolution No. 10 passed in the 71st AGM of the Company, held on 23rd September, 2011, is partially modified to revise the basic salary of Shri. Niraj Shishir Shirgaokar, Jt. Managing Director from Rs. 1,60,000/- p.m. to Rs. 1,76,000/- p.m. w.e.f. 01-04-2012 by way of an increment of 10%. All other terms and conditions of the original appointment remain unchanged."

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, 309 (3), 193 (4), 310 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, the Resolution No. 11 passed in the 71st AGM of the Company, held on 23rd September, 2011, is partially modified to revise the basic salary of Shri. Chandan Sanjeev Shirgaokar, Jt. Managing Director from Rs. 1,60,000/- p.m. to Rs. 1,76,000/- p.m. w.e.f. 01-04-2012 by way of an increment of 10%. All other terms and conditions of the original appointment remain unchanged."

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, 309 (3), 193 (4), 310 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, the Company hereby accords its approval to the reappointment of Shri. Prafulla Vinayak Shirgaokar as Executive Vice Chairman of the Company for a period of 2 (two) years from 01-04-2013 to 31-03-2015 on the terms and conditions as set out in the draft agreement, a copy thereof, initialled by the Chairman, for the purpose of identification is submitted to and produced at this meeting, which terms and conditions are hereby specifically sanctioned."

12. 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, 309 (3), 193 (4), 310 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, the Company hereby accords its approval to the reappointment of Shri. Shishir Suresh Shirgaokar as Managing Director of the Company for a period of 2 (two) years from 01-04-2013 to 31-03-2015 on the terms and conditions as set out in the draft agreement, a copy thereof, initialled by the Chairman, for the purpose of identification is submitted to and produced at this meeting, which terms and conditions are hereby specifically sanctioned."

13. 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, 309 (3), 193 (4), 310 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, the Company hereby accords its approval to the reappointment of Shri. Niraj Shishir Shirgaokar as Joint Managing Director of the Company for a period of 2 (two) years from 01-04-2013 to 31-03-2015 on the terms and conditions as set out in the draft agreement, a copy thereof, initialled by the Chairman, for the purpose of identification is submitted to and produced at this meeting, which terms and conditions are hereby specifically sanctioned."

14. 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, 309 (3), 193 (4), 310 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, the Company hereby accords its approval to the

reappointment of Shri. Chandan Sanjeev Shirgaokar as Joint Managing Director of the Company for a period of 2 (two) years from 01-04-2013 to 31-03-2015 on the terms and conditions as set out in the draft agreement, a copy thereof, initialled by the Chairman, for the purpose of identification is 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 : 29-05-2013

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 10th September, 2013 to 19th September, 2013 (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. 7 to 14 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 2005-06, 2007-08, 2008-09 and 2011-12 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, 2009-10 and 2010-11.)
 - ii) Pursuant to the provisions of section 205-A and 205-C, 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 dividends for the financial year ended 2004-05 have been transferred to the Investor Education and Protection Fund on 30th April, 2013.
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 Depositories 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 under section 173(2) of the Companies Act, 1956 the following statement sets out all material facts relating to the Special Businesses under item No. 7 to 14 mentioned in the accompanying Notice dated 29th May, 2013 and should be taken as forming part of it.

Item No. 7 to 10 :

The Board of Directors in their meeting held on 4th August, 2012, noted and approved the recommendations of the Remuneration Committee based on the performance of the Executive Directors, for the payment of annual increment of 10% w.e.f. 01st April, 2012, subject to the approval of the General Body.

Hence the Resolution No. 8 to 11 Passed in the 71st Annual General Meeting proposed for partial modification for giving effect to the above recommendation. Other terms and conditions of the original appointment of the Executive Directors remain unchanged.

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

Item No. 11 to 14 :

The present arrangement with the Executive Directors was valid upto 31st March, 2013. The Board in its meeting held on 07th February, 2013, has decided to reappoint Shri. Prafulla Vinayak Shirgaokar, as Executive Vice Chairman, Shri. Shishir Suresh Shirgaokar, as Managing Director, Shri. Niraj Shishir Shirgaokar and Shri. Chandan Sanjeev Shirgaokar as Joint Managing Director's for a period of 2 years w.e.f. 01st April, 2013 subject to the approval of the members in the General Meeting. After the approval of the general body, necessary agreements will be executed.

The reappointment of Shri. Prafulla Vinayak Shirgaokar as Executive Vice Chairman, Shri. Shishir Suresh Shirgaokar as Managing Director, Shri. Niraj Shishir Shirgaokar and Shri. Chandan Sanjeev Shirgaokar as Joint Managing Directors', do not require the approval of the Central Government since these are in accordance with the conditions stipulated in Schedule XIII to the Companies Act, 1956.

In pursuance of Clause 49 of the Listing Agreements, the details of the Executive Directors, seeking re-appointment are as under :

Name	Shri. Prafulla V. Shirgaokar	Shri. Shishir S. Shirgaokar	Shri. Niraj S. Shirgaokar	Shri. Chandan S. Shirgaokar
Designation	Exe. Vice Chairman	Managing Director	Jt. Managing Director	Jt. Managing Director
Date of Birth	11-09-1938	16-01-1945	25-05-1972	20-10-1977
Date of Appointment	05-08-1994	05-08-1994	01-04-2011	01-04-2011
No. of Shares held	7,79,849	3,49,255	2,19,214	4,76,466
Qualification	M.Sc.	B.Sc.	B.E. (Com. Engg.)	MCM
Experience	49 years	39 years	19 years	13 years
Directorship in other public Companies	1) Ugar Consultancy Ltd.	1) Ugar Consultancy Ltd. 2) Kulkarni Power Tools Ltd.	Nil	Nil

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

Shri. Shishir Suresh Shirgaokar- Managing Director, shall be responsible for the general conduct and management of the business 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.

Shri. Niraj Shishir Shirgaokar and Shri. Chandan Sanjeev Shirgaokar- Joint Managing Director's, 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 other terms and conditions are embodied in draft agreements between the Company and Shri. Prafulla Vinayak Shirgaokar – Executive Vice Chairman, Shri. Shishir Suresh Shirgaokar – Managing Director, Shri. Niraj Shishir Shirgaokar and Shri. Chandan Sanjeev Shirgaokar as Joint Managing Director. Pursuant to Section 302 of the Companies Act, 1956, abstract of the material terms of appointment are enumerated below:

A) Basic Salary :

- a) Executive Vice Chairman (Exe. VC)
Rs. 3,50,000 per month.
- b) Managing Director (MD)
Rs. 3,50,000 per month.
- c) Joint Managing Director (Jt.MD)
Rs. 2,50,000 per month.
- d) Joint Managing Director (Jt.MD)
Rs. 2,50,000 per month.

B] Commission :

One percent (1%) commission on net profit computed in the manner and in accordance with the provisions of the companies Act, 1956.

C] Allowance:

The Joint Managing Directors' will also be eligible for a Special Allowance of 25%, of their basic salary.

D] 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 @ 10% to the Exc. VC, MD and Jt. MD's.
 - b] Provision of Gas, Electricity and Water and furnishing 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 in a year, to and from any place in India, subject to the condition that only actual fare 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 :
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 :

- a] 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.
- b] Gratuity:
Not exceeding one month's salary for each completed year of service. Their service is in continuation from earlier period.
- c] 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 :

- a] 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.
- b] 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 Jt. 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 :

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 Executive Vice Chairman and Managing Director the minimum remuneration of Rs. 3,50,000/- p. m. and to the Joint Managing Directors the minimum remuneration of Rs. 2,50,000/- p.m. and the allowance and perquisites as detailed above, except commission on net profit.

b) The net profit of the Company shall be determined as provided in section 349 and any other provision/s of The Companies Act, 1956, 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 service will be treated as continuous services for the purpose of Gratuity and other benefits.

d) The agreement may be terminated by either party giving the three months' notice to the Company or by paying three months' salary in lieu thereof.

e) If at any time the Executive Vice Chairman, Managing Director and Jt. Managing Directors' cease to be a Director of the Company for any cause what so ever, 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. Prafulla Vinayak Shirgaokar and Shri. Rajendra Vinayak Shirgaokar, is interested in the Resolution No. 7 and 11 being brothers.

None of the Directors except Shri. Shishir Suresh Shirgaokar and Shri. Niraj Shishir Shirgaokar is interested in the Resolution No. 8,9,12 and 13 being father and son.

None of the Directors except Shri. Chandan Sanjeev Shirgaokar is interested in the Resolution No. 10 and 14.

Place : Panhala
Date : 29-05-2013

By order of the Board of Directors,
For **The Ugar Sugar Works Limited,**
B. G. Kulkarni
Company Secretary

DIRECTORS' REPORT

DEAR SHAREHOLDERS,

Your Directors have pleasure in presenting their 73rd Annual Report together with the Audited Financial Statements for the period ended 31st March, 2013.

GENERAL:

All India Production of Sugar for the Season 2012-13 is expected to reach 245 lakh tonnes, as compared to the previous year's production of 247 lakh tonnes. The Government of India, vide Gazette Notification dated 02/05/2013 has taken steps towards the decontrol of the Sugar Industry. The levy obligation has been removed from the production of 2012-13 season, so also the release mechanism has been done away.

Our total crushing at Ugar and Jewargi, during the season 2012-13 was 14.75 Lakh MT of sugar cane, bagging 15.28 Lakh Qtls. of sugar, with a recovery of 10.53% and 9.82% respectively.

FINANCIAL RESULTS:

The financial results of the Company are as shown below:

Particulars	31.03.2013 Rs. in Lakh	31.03.2012 Rs. in Lakh
Profit before Depreciation & Amortisation	4,412.51	5,694.04
Depreciation & Amortisation	(2,469.94)	(2,516.58)
Profit Before Tax & Exceptional items	1,942.57	3,177.46
Exceptional items	—	431.16
Provision for Tax, (including deferred tax adjustment, short provision for tax) / MAT Credit entitlement	197.56	1,037.06
Profit after Tax / Net Profit	1,745.01	1,709.24
Balance of profit brought forward from previous year	205.22	(997.14)
<u>Profit available for appropriation</u>	<u>1,950.23</u>	<u>712.10</u>
Appropriation to General Reserve	1,423.26	180.00
Proposed Dividend	225.00	281.25
Corporate Dividend Tax	38.24	45.63
Balance Carried in Profit and Loss Account	263.73	205.22
Earning Per Share (EPS)	1.55	1.52

DIVIDEND:

Your directors are pleased to recommend a dividend @ 20% (i.e. 20 paise per share) for the current financial year 2012-13.

OPERATIONS :**SUGAR AT UGAR :**

Particulars	Sugar Season 2012-13	<i>Sugar Season 2011-12</i>
Date of beginning of crushing season	19-10-2012	25-11-2011
Date of ending of crushing season	26-02-2013	04-04-2012
Number of Working Days	131	132
Sugar Cane Crushed (Lakh MT)	11.39	13.23
Recovery	10.53%	11.86%
Sugar Produced (Lakh Qtls.)	11.99	15.69

SUGAR AT JEWARGI :

Particulars	Sugar Season 2012-13	<i>Sugar Season 2011-12</i>
Date of beginning of crushing season	01-11-2012	11-11-2011
Date of ending of crushing season	26-03-2013	04-04-2012
Number of Working Days	146	146
Sugar Cane Crushed (Lakh MT)	3.36	3.66
Recovery	9.82%	10.86%
Sugar Produced (Lakh Qtls.)	3.29	3.97

DISTILLERY, IML PRODUCTION & ELECTRICITY GENERATION :

Particulars	Unit	Financial Year 2012-13	<i>Financial Year 2011-12</i>
Rectified Spirit Produced (Lakh BL)	Ugar	88.48	116.57
Denatured Spirit Produced (Lakh BL)	Ugar	23.83	46.26
Potable Alcohol Produced (Lakh BL)	Ugar	95.78	90.83
Electricity Generated (Lakh KW)	Ugar	1,030.70	1,317.39
Electricity Exported (Lakh KW)	Ugar	611.00	800.23
Electricity Generated (Lakh KW)	Jewargi	345.44	436.35
Electricity Exported (Lakh KW)	Jewargi	227.82	283.76

Your Directors expect to procure about 16 to 18 Lakh MT sugarcane at Ugar and Jewargi Units during 2013-14 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, 2013, was 7 and the amount outstanding as on that date was Rs. 6.06 Lakh.

COST AUDIT :

Our Company has received the approval of the Central Government for the appointment of Shri. V. V. Deodhar, Cost Auditor, Mumbai to conduct the Cost Audit of Sugar and Electrical Energy for the Financial Year 2012-13.

DIRECTORS :

Sarvashri. S.N. Inamdar, M. G. Joshi and D. B. Shah, retire by rotation and being eligible offer themselves for re-appointment. Their brief profile is given in the corporate Governance report.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to section 217 (2AA) of the Companies Act, 1956.

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., We are regularly and timely complying with the requirements as per the Listing Agreement. As required by SEBI Guidelines, a Corporate Governance Report is annexed.

CO-GENERATION AT UGAR & JEWARGI :

During this year electricity generated was 1,376.14 Lakh KW of which we have exported 838.82 Lakh KW through Tata Power Trading Company by consuming 4.39 Lakh MT of Bagasse & 0.02 Lakh MT of coal. During the Financial Year 2012-13, the electricity export rates received till March, 2013 were quite reasonable and the average rate realised during this year was Rs 4.88 per unit at Ugar and Jewargi.

DISTILLERY :

The production of Rectified Spirit was 88.48 Lakh BL as compared to 116.57 Lakh BL during the previous year. During the year under review, the supply of ethanol restarted and we have supplied 23.83 Lakh BL to the Oil Companies. The production during the year has come down as the distillery was closed for maintenance and expansion from 29th June, 2012 till 19th October, 2012.

We have commissioned 45 KLPD New Praj Distillery Unit at Ugar on 18th October, 2012. The commercial production has started in the new distillery w.e.f. 20th October, 2012.

INDIAN MADE LIQUOR (IML) AT UGAR :

The Company has manufactured 10.94 Lakh cases at Ugar during this year as against 10.34 Lakh cases during the previous year. Company has continued bottling its products at M/s. K. S. Distilleries and M/s. SDF Industries.

100% EXPORT ORIENTED UNIT (SUGAR SHIP) :

During the year under review EOU has exported sugar worth Rs.153.40 Lakh to maintain the positive Net Foreign Exchange status. We are receiving enquiries for providing the fondant mass and the response is positive.

UGAR QUALITY PACKAGING PVT. LTD., RATNAGIRI :

The Packaging Unit has incurred losses in the previous years and the bank has informed us to clear the outstanding loan of Rs. 599.00 Lakh, for which we have given Corporate Guarantee. As there was no possibility of revival of this unit, we have approached the Bank for one time settlement and as per Bank's approval we have made payment of Rs 352.00 Lakh during the current year 2012-13, and the balance amount is paid on 30th April, 2013. All the assets will be now transferred in our favour.

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 8,83,16,898 equity shares have been dematerialised by the shareholders, i.e. 78.50% of total shareholding as on 31st March, 2013.

CONSERVATION OF ENERGY AND PARTICULARS OF EMPLOYEES :

Particulars pertaining to conservation of energy, technology absorption and foreign exchange earnings and out go have been given under Annexure I. The disclosures as required under section 217(2A) of the Companies Act, 1956, has been given under Annexure II. Both the annexures form part of this report.

QUALIFYING REMARKS IN AUDITOR'S REPORT :

There are no qualifying remarks in the Auditors Report.

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 re-appointment.

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, IDBI Ltd., and Bank of India for providing working capital finance and Central Bank of India, Bank of Baroda, 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.

Place : Panhala
Date : 29-05-2013

By order of the Board of Directors
For **The Ugar Sugar Works Limited**
R. V. Shirgaokar
Chairman & Mentor

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, 2013.

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:

- 15 CFL Lamps installed at various locations, office, bungalow and swimming pool.
- 30 Fluorescent Tubes 40 W installed at various locations, like office, Factory premises, in place of 60 Watt Incandescent Lamps.

FORM- A

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

Particulars	Units	31.03.2013 (12 Months)	31.03.2012 (12 Months)
A. Power and Fuel Consumption			
1 Electricity			
(a) Purchased Unit	Lakh KWH	—	0.11
Total Amount	Rs. Lakh	—	0.74
Rate / Unit	Rs./KWH	—	6.45
Import of Unit	Lakh KWH	43.95	53.02
(b) Own Generation			
i) Through Diesel Generator Units	Lakh KWH	1.63	2.16
Standard units /per Ltr. of Diesel	KWH/Ltr	3.75	3.75
Actual units / per Ltr. of Diesel	KWH/Ltr	3.56	3.17
ii) Through Steam Turbine / Generator Units	Lakh KWH	1,374.51	1,751.58
Standard kg Bagasse / KWH		3.00	3.00
Actual KG Bagasse / KWH		3.24	2.98
iii) Total units generated	Lakh KWH	1,376.14	1,753.74
Total Cost for Generation	Rs. Lakh	8,894.39	7,304.84
Cost Per Unit	Rs.	6.46	4.17
B. Consumption per unit of production			
Total available electricity(Generation+ Purchase)	Lakh KWH	1,420.09	1,806.87
Less : Exported to TATA Power/HESCOM	Lakh KWH	812.69	1,068.36
Total electricity available for Consumption	Lakh KWH	607.40	738.51
Less : Consumption of electricity for Distillery, IML, Co-Gen, ETP,FSS, Pumping Stn. And Colony	Lakh KWH	251.44	291.88
Consumption for Sugar Factory	Lakh KWH	355.96	446.63
Electricity - KWH / MT of Sugar		226.00	198

Note: Above data is comprising of Ugar unit-1 & Ugar unit-II (Jewargi), average power generation cost per unit is more than previous year, due to higher depreciation amount at Jewargi unit and increased rate of baggase per MT.

TECHNOLOGY ABSORPTION

FORM – B

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

Research and Development (R and D)

Sugarcane :

Research is never ending process and there are no limits to the productivity of crops. Choosing the right variety and providing suitable environment is the key to success in agriculture. Our R and D Wing is working exactly in this direction. We are convinced that the “Early bird gets the worm” and have accordingly tried to be as innovative as possible.

CoC – 671 (Q.63 x Co.775) has rendered yeoman's service to sugar industry in general and to The Ugar Sugar Works Ltd., in particular for over two and half decades. CoC-671 seems to be suffering from dwindling popularity because of its drawback of poor ratoonnability especially in the Adsali crop and hence it will have to be replaced by an equally versatile variety / varieties.

Co.86032 (Co.62198 x CoC-671) is right now playing the important role in varietal blending. Co.99004 Damodar (Co.62175 x Co.86250) gaining popularity both from the point of quality and quantity and most suited for Mechanical Cane Harvester. Salinization is another vexatious issue and CoM.0265 (Co.87044 GC) shown the great promise in the saline soils. Sub Surface Drainage Technique found more useful in reclamation of problematic soils and spreading like a wild fire in the command area.

The fertilizer prices are skyrocketed and increased tremendously. Hence use of Bacterial Cultures is regarded as sine-qua-non to reduce the fertilizer cost. We are continuing our experiments with Bio-fertilizers Viz. Azotobacter, Acetobacter, Azospirillum, Phosphate Solubilizing 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 120 Cm and 150 Cm row width with 75 to 100 Meters of cross bunds for Mechanical Cane Harvesting to reduce the human drudgery and enhance the agricultural productivity.

This is the 8th year of conducting varietal trials under the guidance of Sugarcane Breeding Institute, Coimbatore and we earmarked 4 promising genotypes such as CoU 09178, 09083 09076 and 09098 out of 8000 cultivars. Four genotypes will be tested for 2 plant and 3 rations and the varieties showing high cane yield, good recovery, drought tolerance, sparse flowering etc will be released in the name of CoU (Coimbatore Ugar) cane varieties.

One Time Controlled Land Application of Bio-Methanated Spent wash showing very heavy demand in our area due to its rich K nutrient value as also it contains N, P, S, Fe, Zn, Mn etc under the guidance of Dr.S.K. Gali, Professor and Head, Department of Environmental Sciences, Principal Investigator, College of Agriculture, University of Agricultural Sciences, Dharwad.

Short Duration Crops :

The work with Wheat, Soyabean and Bengal-gram is reasonably successful as a rotation of crop to sugarcane 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.

Soyabean :

JS-335 and JS-9305 are Soyabean varieties doing well in our area in spite 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 Soyabean Research, Indore sanctioned the Research grant of Rs. 2,10,000 for screening a large number of Soyabean varieties against rust and FLDs as a best rotation crop to sugarcane.

Appreciation :

Our work in R and D is welcomed by -

1. The Indian Council of Agriculture Research, New Delhi.
2. Dr. N.Vijayan Nair, Director, Sugarcane Breeding Institute, Coimbatore.
3. Dr. S.Soloman, Director, Indian Institute of Sugarcane Research, Lucknow.
4. Dr. R.R.Hanchinal, Vice Chancellor, University of Agricultural Sciences, Dharwad.
5. Department of Agriculture, Government of Karnataka.
6. Dr. C.D. Mayee, Chairman of QRT.
7. The Sugar Technologists' Association of India, New Delhi.
8. The South Indian Sugarcane and Sugar Technologists' Association, Chennai.
9. Deccan Sugar Technologists' Association, Pune.
10. S. Nijalingappa Sugar Institute, Belgaum.
11. Dr. S.K. Srivastava, Director DSR, Indore.
12. And more importantly by Dr. S.A.Patil, the Chairman of Agricultural Mission, Karnataka.

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 popularize the technique of fertilizer bricketing.
- f) Develop Sugarcane varieties for Mechanical Cane Harvester.
- g) Implementation of Sub Surface Drainage for reclamation of Saline soils.
- h) Application of Bio-Methanated Spent wash on larger scale as One Time Controlled land application due to its high nutrient status.

- i) To popularize Low Grade Potash which contains more than 14% K₂O & micronutrients such as Fe, Mn, Zn etc. It is derived from Bio-Methanated Distillery Spent Wash followed by Evaporation & Spray Drying system. MOP is 100% imported & thus LGP found replacement in place of K- fertilizer & crop response to LGP found better to chemical source.

3) Expenditure on R & D:

Sr.	Description	Rs. In Lakh
a.	Capital	0.00
b.	Recurring	131.81
c.	Total	131.81
d.	Total R & D expenditure as a Percentage of total turnover	0.18%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Sr.	Description	Rs. In Lakh
1.	Foreign Exchange Earnings	324.88
2.	Foreign Exchange Outgo	
	a. Travelling	3.97
	b. Raw Material (IML Essences)	0.05
	c. Subscription	0.73

ANNEXURE II TO THE DIRECTORS REPORT

Information pursuant to section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors Report for the period ended on 31st March, 2013, is as under:

Sr. No.	Name	Age (Years)	Designation	Remuneration received (Rs. in Lakh)	Nature of Employment	Qualification (Experience in years)	Date of Commencement of Employment	Particulars of last employment held
1	Shri. Prafulla V. Shirgaokar	75	Executive Vice Chairman	62.65	Contractual	M.Sc. (49)	01.01.1970	Nil
2	Shri. Shishir S. Shirgaokar	69	Managing Director	64.47	Contractual	B.Sc. (39)	01.01.1970	Nil

Notes :

- Remuneration includes all the payments including commission on net profits, contribution to Provident Fund and monetary value of free perquisites calculated in accordance with the provisions of the Income Tax Act, 1961.
- Shri. Prafulla V. Shirgaokar and Shri. Shishir S. Shirgaokar are themselves Directors. Shri. Rajendra V. Shirgaokar, Chairman & Mentor of the Company and Shri. Prafulla V. Shirgaokar, Executive Vice Chairman of the Company are related to each other being brothers. Shri. Shishir S. Shirgaokar Managing Director and Shri. Niraj S. Shirgaokar Joint Managing Director of the Company are related to each other being father and son.

Nature of Duties :

- Executive Vice Chairman is entrusted with the overall office supervision and office administration.
- Managing Director is entrusted with the overall supervision and management.

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 522 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 Government of India, vide Gazette Notification dated 02/05/2013 has taken few bold steps towards decontrol of the Sugar Industry. The levy obligation has been removed from the production of 2012-13 season, so also the release mechanism has been liberalised.

The sugar production in the country during the year will be around 245 Lakh tonne compared to 247 Lakh tonne in the previous year. The sugar production is likely to remain stable during the year 2013-14.

Opportunities and Threats:

Opportunities:

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

- Liberalisation and decontrol measures taken by the Government.
- Environmental friendly power generation from co-generation units equipped with high pressure boiler and turbines is getting maximum energy output.
- Bio-composting processes and conversion of organic and in-organic matter into bio-manure to ensure zero discharge from distillery.
- The Government of India is pursuing Ethanol blending programme and the oil Companies have issued tenders for Ethanol supply and have also revised the ethanol prices.
- Restriction on exports of sugar is withdrawn by the Government.

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 to 4 years.
- Cyclical nature of the industry affecting sugar production.
- Sugar prices are not moving up as expected.

- Number of sugar factories are increasing particularly in the States of Uttar Pradesh, Maharashtra and Karnataka.
- Probable increase in interest rates on carrying of sugar stocks.
- Increase in sugar imports due to nominal import duty of 10% and reduced international prices as compared to local prices.

Segment wise Performance :

Sugar :

During the Current Year the Company has crushed 14.75 Lakh MT of sugar cane (Previous Year 16.89 Lakh MT) including Jewargi and Current Year sugar production is 15.28 Lakh Qtls. (Previous Year 19.66 Lakh Qtls.) including Jewargi at a recovery of 10.53% and 9.82% at Ugar and Jewargi respectively.

Industrial and Potable Alcohol :

The Company has produced Industrial and Potable Alcohol during the year 208.09 Lakh BLS (Previous Year 253.66 Lakh BLS). The sale of Potable Alcohol in Karnataka has increased due to the sales efforts of sales team.

Co-generation (Ugar & Jewargi):

The generation during this year at Ugar and Jewargi is 1,376.14 Lakh KW (Previous Year 1,753.74 Lakh KW) and exported 838.82 Lakh KW (Previous year 1,083.99 Lakh KW). With the improvement in power rates we have made special efforts to maximize the generation and export. We have supplied power to the exchange through 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. The clear guidelines are yet to be framed by the Nodal Agency in Karnataka.

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.

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 Co-operative Society, Hospital, School, and College for the benefit of the workers and general public.

The Company has a dedicated workforce of 1799 people (including Jewargi unit) comprising of 1216 permanent and 583 seasonal employees.

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 six Promoter Directors (Chairman & Mentor, Executive Vice Chairman, Managing Director, two Joint Managing Directors and a Non-executive Director) and six non-executive directors. During the year, 4 (Four) Board Meetings were held on 15th May, 4th August, 9th November, 2012 and 07th February, 2013.
- 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 Directorships	Other Committee Membership/ Chairmanship	
					Member	Chairman
1. Shri. R. V. Shirgaokar	C&M	4	Yes	2	—	—
2. Shri. P. V. Shirgaokar	Exc.VC	4	Yes	1	—	—
3. Shri. Shishir S. Shirgaokar	MD	4	Yes	2	—	—
4. Shri. Niraj S. Shirgaokar	Jt. MD	4	Yes	—	—	—
5. Shri. Chandan S. Shirgaokar	Jt. MD	4	Yes	—	—	—
6. Shri. Sanat K. Shirgaokar	NED	2	Yes	—	—	—
7. Shri. V. Balsubramanian	NEID	3	Yes	6	1	—
8. Shri. S. N. Inamdar	NEID	3	Yes	9	2	3
9. Shri. M. G. Joshi	NEID	4	Yes	1	—	—
10. Dr. M. R. Desai	NEID	4	Yes	2	—	—
11. Shri. A. B. Kage	NEID	2	Yes	—	—	—
12. Shri. D. B. Shah	NEID	4	Yes	—	—	—

C&M – Chairman & Mentor, **Exc.VC** – Executive Vice Chairman, **MD** – Managing Director, **Jt. MD** – Joint Managing 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. S. N. Inamdar, B. Com., LLB. (Spl.), is a qualified Lawyer aged 68 years has joined the Board of the Company on 21st March, 1997. He is a leading High Court Advocate and Income Tax Practitioner, having vast experience in his field. He holds 18,750 shares of the Company as on 31.03.2013. His directorship & committee membership in other public companies is given below.

Directorship in other Companies	Audit Committee	Shareholder's / Investor Grievances Committee
Finolex Industries Limited.	Chairman	Member
Kirloskar Brothers Limited.	Chairman	—
Sudarshan Chemicals Industries Limited.	Member	—
Kulkarni Power Tools Limited.	—	—
Kirloskar Ferrous Industries Limited.	Chairman	—
Kirloskar Proprietary Limited.	—	—
Finolex Infrastructure Limited.	—	—
Kirloskar Industries Limited.	—	—
Apple Hospital & Research Institute Limited.	—	—

- ✓ Shri. M. G. Joshi, aged 79 years, is on the Board of the Company since 30th December, 1997. Being a Sugar Technologist, he renders technical services to various sugar factories. He retired as Vice President of Walchandnagar Industries Ltd. He received the "Life Time Achievement Award" from DSTA in the year 2012. He holds 21,000 shares of the Company as on 31.03.2013. 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.	—	—

- ✓ Shri. D. B. Shah, aged 72 years, joined the Board of the Company on 28th March, 2005. He is an agriculturist and a social worker. He holds 35,000 shares of the Company as on 31.03.2013. His directorship & committee membership in other public companies is given below.

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

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, five Audit Committee Meetings were held on 18th April, 15th May, 3rd August, 9th November, 2012 and 7th February, 2013.
- ✓ 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	5	4
2. Shri. V. Balasubramanian	Member	5	4
3. Shri. M.G. Joshi	Member	5	5
4. Shri. R. V. Shirgaokar	Member	5	5
5. Dr. M. R. Desai	Member	5	5

- ✓ 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 being 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, two meetings of remuneration Committee were held on 3rd August, 2012 and 7th February, 2013.
- ✓ Composition of the Remuneration Committee is same as that of Audit Committee except Shri. R. V. Shirgaokar, who is not a member of Remuneration Committee.

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

✓ 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, giving an increment of 10% of the Basic Salary to the Executive Directors w.e.f. 01st April, 2012, appointment and revision in the remuneration of Executive Directors as their existing appointments were valid up to 31st March, 2013. Shri. P.V. Shirgaokar continued to be the Executive Vice Chairman, Shri. Shishir S. Shirgaokar as Managing Director w.e.f. 01st April, 2013 on a remuneration of Rs. 3,50,000/- p.m. each. Shri. Niraj Shishir Shirgaokar and Shri. Chandan Sanjeev Shirgaokar, continued as Joint Managing Directors of the Company w.e.f. 01st April, 2013 on a remuneration of Rs. 2,50,000/- p.m. each for a period of 2 years. The increments, remuneration & reappointments of the executive directors is subject to the approval of General Body.

✓ **Remuneration paid / payable to Executive Vice Chairman (Exc.VC)/ Managing Director (MD) / Joint Managing Directors (Jt.MD) for the year ended 31st March, 2013.**

(Rs. In Lakh)

Particulars	Salary	Commission	Perquisites	Retirement Benefits	Stock Options	Total
Shri. P.V. Shirgaokar (Exc.VC)	44.55	10.15	0.69	7.26	0.00	62.65
Shri. Shishir S. Shirgaokar (MD)	44.55	10.15	2.51	7.26	0.00	64.47
Shri. Niraj S. Shirgaokar (Jt.MD)	28.51	10.15	2.35	4.65	0.00	45.66
Shri. Chandan S. Shirgaokar (Jt.MD)	28.51	10.15	0.68	4.65	0.00	43.99

V. Shareholders' / Investors' Grievance Committee:

- ✓ The Shareholders'/ Investors' Grievance Committee comprises of three independent directors.
- ✓ During the year under review Meeting of Shareholders'/ Investors' Grievance Committee was held on 07th February, 2013.
- ✓ 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	—

✓ **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 11 complaints were received from investors out of which 11 were replied/ resolved to the satisfaction of the investors and as on 31st March, 2013. 1 (one) complaint pertaining to earlier year, in respect of which the matter has gone to the court, is pending at SEBI.
- ✓ There are no share transfers pending for registration for more than 15 days as on the said date.

VI. Operation Committee:

- ✓ The operation Committee comprises of four independent directors.
- ✓ During the year, one meeting of operation Committee was held on 13th March, 2013.
- ✓ The Composition & attendance record of the operation Committee is given below:

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

✓ Terms of Reference:

The Review Committee is empowered to analyse and evaluate the overall performance of the Company.

VII. General Body Meetings:

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

Financial Year	AGM	Location	Date	Time
2009- 10	AGM	Rajmati Bhavan, Sangli-416416	25-09-2010	11.00 a.m.
2010-11	AGM	- do -	23-09-2011	11.00 a.m.
2011-12	AGM	- do -	04-08-2012	11.00 a.m.

VIII. Other Disclosures:

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

Name of the Directors	Commission Paid (Rs. in Lakh)	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 31/03/2013
1. Shri. R. V. Shirgaokar	4.46	1.00	—	—	0.39	10.37	1,57,000
2. Shri. Sanat K. Shirgaokar	0.59	0.20	—	—	0.96	—	3,83,171
3. Shri. V. Balasubramanian	2.97	1.00	—	—	0.02	—	11,200
4. Shri. S. N. Inamdar	4.46	0.90	—	—	0.04	—	18,750
5. Shri. M. G. Joshi	4.16	1.30	0.10	—	0.05	0.11	21,000
6. Dr. M. R. Desai	3.57	1.20	—	—	0.17	—	69,608
7. Shri. A. B. Kage	0.59	0.20	—	10.36	0.27	—	1,07,440
8. Shri. D.B.Shah	1.49	0.50	—	9.98	0.08	0.51	35,000

- ✓ 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 / half yearly / yearly results, compliance reports and returns are filed with stock exchanges within the prescribed time.
- ✓ **Special Resolutions passed at the Annual/ Extra Ordinary General Meetings in past 3 years:**

71nd Annual General Meeting:

- ✓ Appointment and revision in remuneration of Executive Vice Chairman pursuant to section 269, read with schedule XIII of the Companies Act, 1956.
- ✓ Appointment and revision in remuneration of Managing Director pursuant to section 269, read with schedule XIII of the Companies Act, 1956.
- ✓ Appointment and revision in remuneration of Joint Managing Director pursuant to section 269, read with schedule XIII of the Companies Act, 1956.
- ✓ Appointment and revision in remuneration of Joint Managing Director pursuant to section 269, read with schedule XIII of the Companies Act, 1956.

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.

✓ **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.

D. Subsidiary Companies:

There are no subsidiary Companies.

IX. Means of Communication:

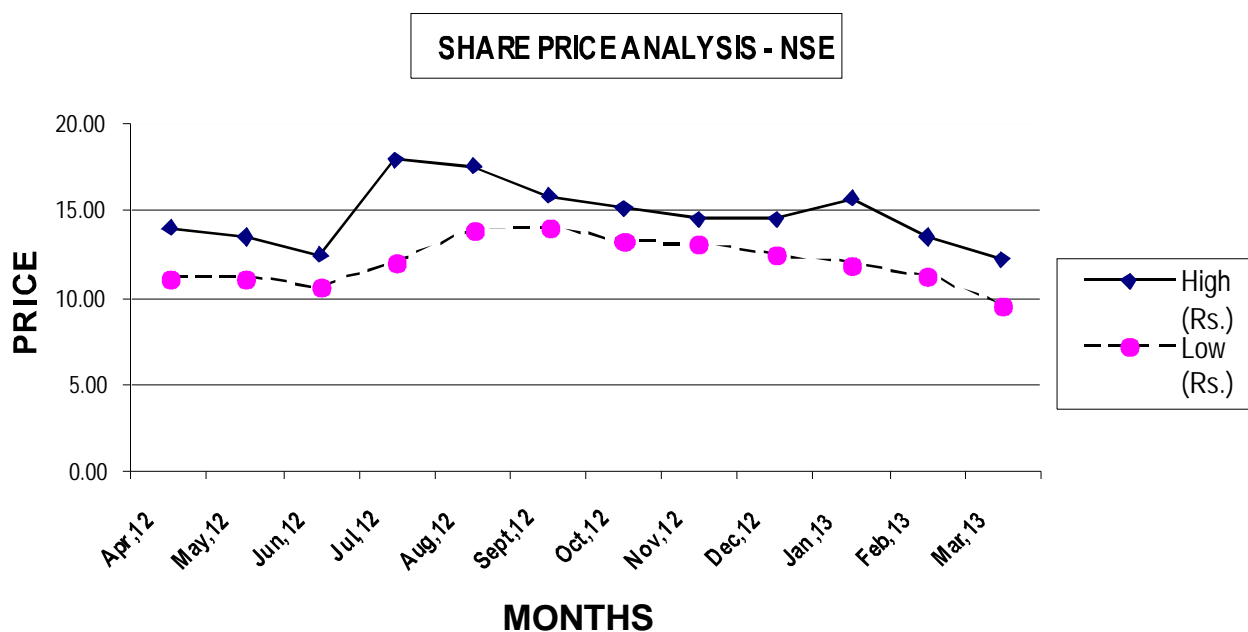
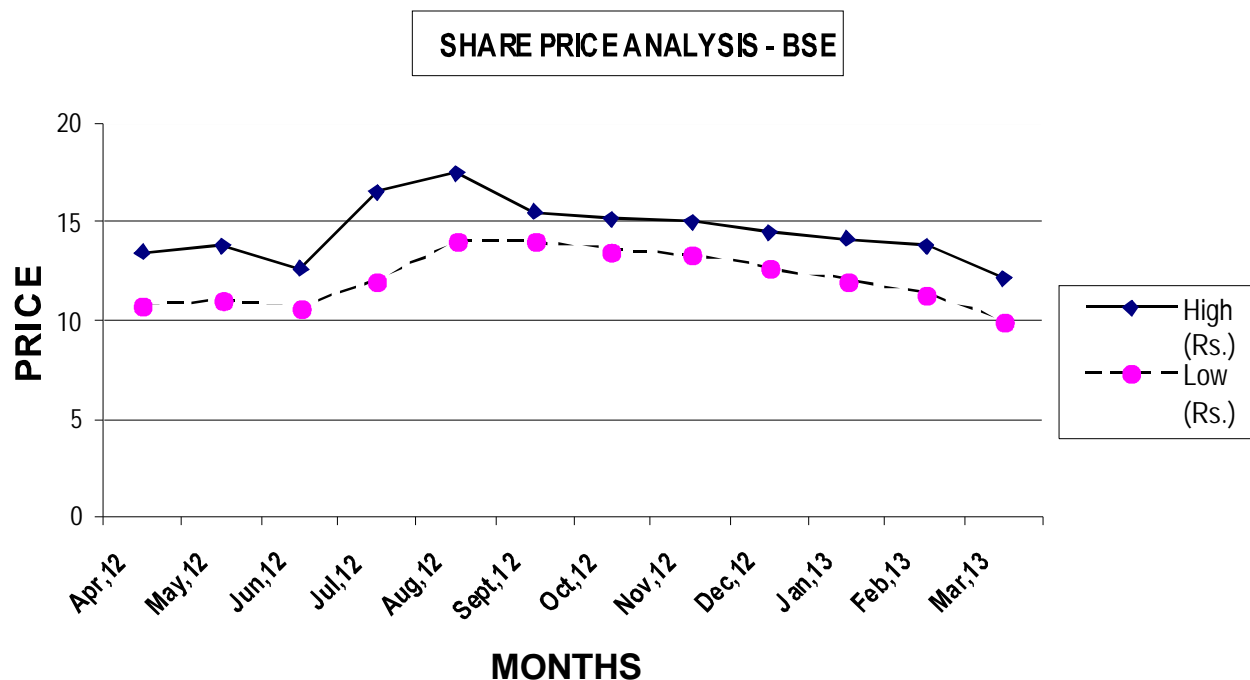
Company is publishing quarterly un-audited financial results and notice, advertisements in the Economic Times and/or Indian Express in English, Maharashtra Times and/or Kesari in Marathi, regularly. Additionally the results and other important information is also periodically updated on the Company's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

X. General Shareholders Information:

i. AGM Date, Time and Venue	Thursday, the 19th September, 2013 at 11.00. a.m. at Mali Chitra Mandir Hall, Mali Chitramandir Compound, Gulmohor Colony, Sangli – 416416.
ii. Financial Calendar 2013-14	Probable Dates :
First quarterly un-audited results	Before 15 th of August, 2013
Second quarterly un-audited results	Before 15 th of November, 2013
Third quarterly un-audited results	Before 15 th February, 2014
Fourth & Final quarterly audited results	Before end of May, 2014
iii. Book Closure Date	10 th September to 19th September, 2013 (both days inclusive)
iv. Dividend payment date	On or after 24 th September, 2013
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 2012-13 at BSE & NSE

BSE			NSE		
Months	High (Rs.)	Low (Rs.)	Months	High (Rs.)	Low (Rs.)
April,2012	14.00	11.05	April,2012	13.45	10.75
May, 2012	13.50	11.10	May, 2012	13.70	11.00
June, 2012	12.40	10.65	June, 2012	12.60	10.60
July, 2012	17.90	12.05	July, 2012	16.50	12.01
August, 2012	17.55	13.80	August, 2012	17.45	14.00
September, 2012	15.80	13.95	September, 2012	15.45	14.00
October, 2012	15.10	13.25	October, 2012	15.20	13.51
November, 2012	14.55	13.10	November, 2012	15.00	13.25
December, 2012	14.55	12.40	December, 2012	14.50	12.60
January, 2013	15.70	11.90	January, 2013	14.10	12.00
February, 2013	13.50	11.25	February, 2013	13.72	11.36
March, 2013	12.15	9.50	March, 2013	12.18	9.90



viii. Share Transfer System:

Share Transfers are registered and returned within a period of 15 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, 2013

No. of equity shares held	No. of Folios / Shareholders	No. of Shares held	% of Share holding
Upto 5,000	22,413	2,34,00,400	20.81
5,001 to 10,000	1,506	1,10,85,983	9.85
10,001 to 20,000	566	77,66,977	6.90
20,001 to 30,000	129	31,76,304	2.82
30,001 to 40,000	39	13,42,313	1.19
40,001 to 50,000	31	14,26,174	1.27
50,001 to 1,00,000	44	31,27,690	2.78
More than 1,00,000	63	6,11,74,159	54.38
Total	24,791	11,25,00,000	100

x. Shareholding Pattern as on 31st March, 2013.

Category	No. of Share held	% of Share holding	*No. of Shares Pledged	% of Total Share holding
Promoter Group.	5,24,54,853	46.63	10,00,000	1.91
Banks, Financial Institutions, Insurance Companies.	15,880	0.01	0	0.00
Foreign Financial Institutions.	0	0.00	0	0.00
Private Corporate Bodies.	94,98,481	8.44	0	0.00
Indian Public.	4,97,69,410	44.24	0	0.00
N. R. I.	7,12,890	0.64	0	0.00
Trust, Clearing Member.	48,486	0.04	0	0.00
G. D. R. / A. D. R.	0	0.00	0	0.00
Total	11,25,00,000	100.00	10,00,000	0.89

* 10 Lakh shares pledged by the Promoter Company 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 78.50% of total equity share capital (8,83,16,898 eq. shares) is held in dematerialized form with NSDL and CDSL as on 31 st March, 2013.
<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
Firm Registration No.101118W

P. V. Shirgaokar
Exe. Vice Chairman

Shishir S. Shirgaokar
Managing Director

Nikhil M. Shevade
(Partner)

B. G. Kulkarni
Company Secretary

R. V. Desurkar
Manager Finance

Membership No. 217379

Place : Panhala
Date : 29.05.2013

XI. 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, 2013 and Profit & Loss Account for the year ended as on that date along with all it's notes to the accounts and also the Cash Flow statements for the year ended 31st March, 2013 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.

Shishir S. Shirgaokar
Managing Director

R. V. Desurkar
Manager Finance

Place: Panhala
Date: 29.05.2013

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, 2013.

Place: Panhala
Date: 29.05.2013

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, 2013, 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
Firm Registration No.101118W

Place : Panhala
Date : 29.05.2013

Nikhil M. Shevade
(Partner)
Membership No. 217379

Auditors' Report

To the members of

The Ugar Sugar Works Limited

Report on the Financial Statements

We have audited the accompanying financial statements of The Ugar Sugar Works Ltd. ("the Company"), which comprise the Balance Sheet as at 31st March, 2013 the Statement of Profit and Loss for the period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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, 2013;
- b. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- c. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - e. On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **M/s P. G. Bhagwat**
Chartered Accountants,
Firm Registration No. 101118W

Nikhil M. Shevade
Partner
Membership No. 217379

Place : Panhala
Date : 29-05-2013

Annexure to the Auditors' Report

(Referred to in 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 required to be entered in the register referred to in section 301 of the Act have been so entered; 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 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. We have, however, not made a detailed examination of records with a view to determine whether they are accurate and complete.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Cane Purchase Tax, Wealth Tax, Custom Duty, Service Tax, Excise Duty, Cess and other material statutory dues applicable to it.
- (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 to 2005	80.91	Commissioner of Central Excise, Belgaum
Central Excise	Central Excise Act	2005 to 2009	19.57	CESTAT, Bangalore
Central Excise	Central Excise Act	2006-07	14.61	CESTAT, Bangalore
Central Excise	Central Excise Act	2007-08	45.84	CESTAT, Bangalore
Central Excise	Central Excise Act	2008-09	15.36	CESTAT, Bangalore
Central Excise	Central Excise Act	2009-10	2.76	Commissioner of Central Excise, Belgaum
Central Excise	Central Excise Act	2009-10	5.57	CESTAT, Bangalore
Central Excise	Central Excise Act	2010-11	3.23	Commissioner of Central Excise, Belgaum
Central Excise	Central Excise Act	2010-11	2.80	Commissioner of Central Excise, Belgaum
Central Excise	Central Excise Act	2010-11	3.03	CESTAT, Bangalore
Central Excise	Central Excise Act	2010-11	3.39	CESTAT, Bangalore
Central Excise	Central Excise Act	2011-12	1.86	CESTAT, Bangalore
Central Excise	Central Excise Act	2010 to 2012	194.66	Asst. Commissioner of Central Excise, Belgaum
Cane Purchase Tax	The Karnatak Sales Tax Ac	2002-03 2003-04	37.72 35.12	High Court of Karnataka, Dharwad Bench

- (x) The Company has no accumulated losses as on 31-03-2013. 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. However, as informed to us, in case of corporate guarantee given to Bank of India, Ratnagiri, the Bank has invoked the guarantee and the Company has fully discharged its obligation in April 2013.
- (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,
Firm Registration No. 101118W

Nikhil M. Shevade
Partner
Membership No. 217379

Place : Panhala
Date : 29-05-2013

Balance Sheet as at 31-03-2013

Particulars	Ref. to Notes	As at 31st March 2013 Rs.	As at 31st March 2012 Rs.
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	B - 1	1,125.00	1,125.00
b. Reserves & Surplus	B - 2	10,508.73	9,026.96
		11,633.73	10,151.96
2. Non-current Liabilities			
a. Long Term Borrowings	B - 3	5,198.33	4,104.94
b. Deferred Tax Liabilities (Net)	B - 4	1,041.81	1,306.08
c. Long Term Provisions	B - 5	1,071.02	844.95
		7,311.16	6,255.97
3. Current Liabilities			
a. Short Term Borrowings	B - 6	28,498.41	23,032.28
b. Trade Payables	B - 7	8,182.38	16,128.66
c. Other Current Liabilities	B - 8	8,896.55	9,999.56
d. Short Term Provisions	B - 9	849.15	839.94
		46,426.49	50,000.44
Total Equity & Liabilities		65,371.38	66,408.37
II. ASSETS			
1. Non-current Assets			
a. Fixed Assets			
i. Tangible Assets	B - 10	17,147.73	15,014.61
ii. Intangible Assets	B - 10	6.38	13.52
iii. Capital Work-in-progress	-	449.71	693.64
		17,603.82	15,721.77
b. Non-current Investments	B - 11	249.57	8.54
c. Long Term Loans & Advances	B - 12	566.65	465.54
d. Other Non-current Assets	B - 13	431.10	400.67
		18,851.14	16,596.52
2. Current Assets			
a. Inventories	B - 14	42,342.71	42,369.76
b. Trade Receivables	B - 15	1,306.74	3,118.74
c. Cash & Bank Balances	B - 16	1,580.58	2,693.69
d. Short Term Loans & Advances	B - 17	847.59	1,028.94
e. Other Current Assets	B - 18	442.62	600.72
		46,520.24	49,811.85
Total Assets		65,371.38	66,408.37
III. Corporate Information, Basis of Information and Significant Accounting Policies	A		
IV. Other Information and Disclosures	C		

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

As per our report attached
For **M/s P. G. Bhagwat**
Chartered Accountants
Firm Regn. No. 101118W

P. V. Shirgaokar
Executive Vice Chairman

Shishir S. Shirgaokar
Managing Director

Nikhil M. Shevade
Partner
Membership No. 217379

B. G. Kulkarni
Company Secretary

R. V. Desurkar
Manager Finance

Place : Panhala
Date : 29-05-2013

Statement of Profit & Loss for the year ended 31-03-2013

Particulars	Ref. to Notes	Financial Year 2012-13		Financial Year 2011-12	
		Rs.Lakh	Rs.Lakh	Rs. Lakh	Rs. Lakh
I. Revenue from Operations	B - 19	89,476.05		80,743.69	
Less: Excise Duty		17,719.09		15,051.40	
			71,756.96		65,692.29
II. Other Income	B - 20		574.22		627.18
III. Total Revenue (I + II)			72,331.18		66,319.47
IV. Expenses					
a. Cost of Materials Consumed					
i. Raw Materials	B - 21	48,888.95		48,990.93	
ii. Stores, Spares, Chemicals, Packing Material & Others	--	3,146.42		3,918.41	
			52,035.37		52,909.34
b. Other Manufacturing Expenses	B - 22		2,534.74		2,548.47
c. Purchase of Stock-in-Trade & Others	--		2,231.35		2,123.46
d. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	B - 23		381.73		(7,103.43)
e. Employee Benefit Expense	B - 24		5,597.01		4,901.20
f. Finance Costs	B - 25		2,882.01		2,965.09
g. Depreciation & Amortisation Expense					
i. Depreciation	B - 10	2,462.80		2,477.43	
ii. Amortisation	B - 10	7.14		39.15	
			2,469.94		2,516.58
h. Other Expenses	B - 26		2,256.46		2,281.30
Total Expenses (IV)			70,388.61		63,142.01
V. Profit before exceptional Items and Tax (III - IV)			1,942.57		3,177.46
VI. Exceptional Items	B - 27		—		(431.16)
VII. Profit before Tax (VII - VIII)			1,942.57		2,746.30
VIII. Tax Expense					
a. Current Tax					
Current Tax		714.00		650.00	
Less: MAT Credit Entitlement		(260.00)		—	
Net Current Tax		454.00		650.00	
b. Deferred Tax		(264.28)		481.74	
c. Short / (Excess) Provision for earlier years		7.84		(94.68)	
			197.56		1,037.06
IX. Profit for the period after Tax (IX - X)			1,745.01		1,709.24
X. Basic & Diluted Earnings per Equity Share of Re. 1/- (Refer Note No. C-7)			1.55		1.52
Corporate Information, Basis of Information and Significant Accounting Policies	A				
Other Information and Disclosures	C				

Signed pursuant to the provisions of section 215 of the Companies Act, 1956, in authentication of this Statement of Profit and Loss and Notes referred to therein

As per our report attached
For **M/s P. G. Bhagwat**
Chartered Accountants
Firm Regn. No. 101118W

P. V. Shirgaokar
Executive Vice Chairman

Shishir S. Shirgaokar
Managing Director

Nikhil M. Shevade
Partner

B. G. Kulkarni
Company Secretary

R. V. Desurkar
Manager Finance

Place : Panhala
Date : 29-05-2013

Membership No. 217379

Cash Flow Statement for the year ended 31-03-2013

Particulars	As at 31 st March 2013		As at 31 st March 2012	
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Cash Flow from Operating Activities				
Net Profit before tax and extra-ordinary items		1,942.57		2,746.30
Adjustments for:				
Depreciation	2,462.80		2,477.43	
Amortisation of intangible assets	7.14		39.15	
Assets Written Off	46.63		36.50	
Impairment Loss	270.12		325.77	
Profit on sale of assets	(8.82)		(182.62)	
Finance Charges	2,882.01		2,965.09	
Investment Income	(51.16)		(47.05)	
		5,608.72		5,614.27
Operating Profit before working capital changes		7,551.29		8,360.57
Decrease / (Increase) in Trade & Other Receivables	2,324.81		465.96	
Decrease / (Increase) in Inventories	27.04		(7,509.32)	
Increase / (Decrease) in Trade & Others Payables	(8,967.38)		4,260.95	
		(6,615.53)		(2,782.41)
Cash generated from operations		935.76		5,578.16
Direct Taxes		(434.06)		(293.68)
Cash Flow before extra-ordinary items		501.70		5,284.48
Extra-ordinary items		—		—
NET CASH FROM OPERATING ACTIVITIES		501.70		5,284.48
Cash Flow from Investing Activities				
Purchase of Fixed Assets	(4,573.54)		(1,261.21)	
Proceeds from Sale of Fixed Assets	11.71		189.75	
(Purchase) / Sale of Investments	(241.03)		(0.82)	
Interest & Dividend Received	41.77		59.89	
Capital Subsidy Received	31.45		—	
NET CASH FROM INVESTING ACTIVITIES		(4,729.64)		(1,012.39)
Cash Flow from Financing Activities				
Interest Paid	(2,957.65)		(2,989.76)	
Proceeds from Borrowings	6,559.53		(950.56)	
Dividend paid	(325.42)		(2.16)	
NET CASH FROM FINANCING ACTIVITY		3,276.46		(3,942.48)
Net Increase / (Decrease) in Cash & Cash Equivalents		(951.48)		329.61
Opening Cash & Cash Equivalents		2,469.21		2,139.60
Closing Cash & Cash Equivalents		1,517.73		2,469.21

Notes to Cash Flow Statement:

- Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3 of Companies (Accounting Standard) Rules, 2006.
- Purchase of Fixed Assets includes movement in Capital Work in Progress.
- Figures for the previous year have been regrouped where necessary.

As per our report attached
For **M/s P. G. Bhagwat**
Chartered Accountants
Firm Regn. No. 101118W

P. V. Shirgaokar
Executive Vice Chairman

Shishir S. Shirgaokar
Managing Director

Nikhil M. Shevade
Partner
Membership No. 217379

B. G. Kulkarni
Company Secretary

R. V. Desurkar
Manager Finance

Place : Panhala
Date : 29-05-2013

Notes to Financial Statements for the year ended 31-03-2013

NOTE A - 1: CORPORATE INFORMATION

Incorporated on 11-09-1939, The Ugar Sugar Works Ltd. is one of the leading sugar factories in Karnataka. Its shares are listed on BSE and NSE. The Company is engaged in manufacture and sale of sugar, industrial and potable alcohol, and generation and distribution of electricity. The Company's plants are located at Ugarkhurd in Belgaum District and at Malli-Nagarhalli Village in Gulbarga District in the state of Karnataka.

NOTE A - 2: BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, as amended, and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

NOTE B - 3: SIGNIFICANT ACCOUNTING POLICIES

1. Fixed Assets

- a. Tangible 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.
- b. Intangible Assets (Computer Software) are recorded at the consideration paid for acquisition.

2. Depreciation & Amortisation

- a. Depreciation on Tangible Assets is provided on "Written Down Value" Method, as per the provisions of Schedule XIV to the Companies Act, 1956.
- b. Intangible Assets are amortised over a period of three years.

3. Impairment of Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If an indication exists, the Company estimates the asset's recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's recoverable amount. A previously recognised impairment loss is changed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

4. Investments

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

5. Valuation of Inventories

- a. Stores and Spares, Raw Material, Purchased Bagasse, Sugar in Process, Crops in progress, Petroleum Products and Finished Goods are valued at cost or net realisable value, whichever is less. Cost is generally arrived at on Weighted Average Method.
- b. Molasses, Molasses in process, Own Bagasse and Scrap are valued at net realisable value.

Notes to Financial Statements for the year ended 31-03-2013

6. Research and Development

Revenue Expenditure on Research and Development is charged off as an expense in the year in which incurred and the Capital Expenditure is grouped with fixed assets under appropriate heads and depreciation is provided at the applicable rates.

7. Retirement Benefits

Retirement benefits have been recognised 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.

8. 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.

9. Foreign Currency Transactions

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

10. Subsidies Received

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

11. Borrowing Costs

- a. 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.
- b. Other borrowing costs are recognised as expenditure in the period in which they are incurred.

12. 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 substantively enacted by the Balance Sheet date.

Notes to Financial Statements for the year ended 31-03-2013

Particulars	As at 31 st March 2013		As at 31 st March 2012	
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Note B - 1: SHARE CAPITAL				
1. Authorised:				
20,00,00,000 Equity Shares of Re. 1 each		2,000.00		2,000.00

2. Issued, Subscribed, Called up & Paid up				
11,25,00,000 Equity Shares of Re. 1 each		1,125.00		1,125.00

3. Reconciliation of No. of Shares	No. Of Shares	Amount	No. Of Shares	Amount
1. No. of Shares at the beginning of the Accounting Year	112,500,000	1,125.00	112,500,000	1,125.00
2. Add: Increase in No. of Shares due to Rights issue	—	—	—	—
3. Add: Increase in No. of Shares due to Bonus issue	—	—	—	—
	112,500,000	1,125.00	112,500,000	1,125.00
4. Less: Decrease in No. of shares	—	—	—	—
5. No. of Shares at the end of the Accounting Year	112,500,000	1,125.00	112,500,000	1,125.00

4. Terms / Rights attached to Equity Shares

The Company has only one class of equity shares of face value of Re. 1/-. Each holder of equity share is entitled to one vote per share. Dividend recommended by the Board is subject to approval of the shareholders in the ensuing General Meeting.

For the year 2012-13, the Directors have recommended dividend @ 20% (i.e. Re. 0.20 per equity share of Re. 1/-)[Previous Year - 25% (i.e. Re. 0.25 per equity share of Re. 1/-)]. The amount of dividend including corporate dividend tax works out to Rs. 263.24 lakh [Previous Year - Rs. 326.88 lakh].

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion of number of equity shares held by the shareholders.

5. Particulars of Shareholders having shareholding of 5% or more

Name	No. Of Shares	%age of Holding	No. Of Shares	%age of Holding
1. SB Reshellers Pvt. Ltd. Kolhapur	14,896,659	13.24%	14,896,659	13.24%

Notes to Financial Statements for the year ended 31-03-2013

Particulars	As at 31 st March 2013		As at 31 st March 2012	
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Note B - 2: RESERVES & SURPLUS				
1. General Reserve				
As per last Balance Sheet	7,246.74		7,066.74	
Additions during the year	1,423.26		180.00	
		8,670.00		7,246.74
2. Share Premium				
As per last Balance Sheet		1,575.00		1,575.00
3. Profit & Loss Account				
a. As per last Balance Sheet	205.22		(997.14)	
b. Profit / (Loss) carried from Profit & Loss Account	1,745.01		1,709.24	
c. Profit available for Appropriation	1,950.23		712.10	
d. Less: Appropriations:				
i. General Reserve	1,423.26		180.00	
ii. Proposed Dividend	225.00		281.25	
iii. Corporate Dividend Tax	38.24		45.63	
	1,686.50		506.88	
		263.73		205.22
Total		10,508.73		9,026.96
Note B - 3: LONG TERM BORROWINGS				
	Non-Current Portion	Current Maturities	Non-Current Portion	Current Maturities
1. Term Loans				
a. From Banks				
Secured				
i. Bank of Baroda - Jewargi Project	679.10	928.00	1,604.55	696.00
ii. Central Bank of India - Jewargi Project	448.34	396.00	844.35	297.00
iii. Central Bank of India - Capital Expenditure	—	257.98	423.78	198.00
iv. Central Bank of India - Expansion	2,976.61	241.08	—	—
Total Long Term Loans from Banks	4,104.05	1,823.06	2,872.68	1,191.00

Notes to Financial Statements for the year ended 31-03-2013

Particulars	As at 31 st March 2013		As at 31 st March 2012	
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Note B - 3: LONG TERM BORROWINGS				
	Non-Current Portion	Current Maturities	Non-Current Portion	Current Maturities
1. Term Loans				
b. From Others				
Secured				
v. Technology Development Board	—	16.40	16.40	33.40
vi. Sugar Development Fund				
a. For Modernisation & Rehabilitation	—	—	—	114.18
b. For Setting up Cogeneration Power Project				
Jewargi Unit	1,094.28	121.59	1,215.86	—
Total Long Term Loans from Others	1,094.28	137.99	1,232.26	147.58
Total Long Term Loans	5,198.33	1,961.05	4,104.94	1,338.58
Less: Current Maturities shown under Note No. 12(1)	—	(1,961.05)	—	(1,338.58)
Long Term Borrowings	5,198.33	—	4,104.94	—
2. Principal terms, security and repayment schedule of long term secured loans				
i. Loan from Bank of Baroda is obtained for setting up sugar factory with cogeneration of power at Jewargi. The rate of interest is presently Base Rate (BR) + 2%, i.e. 12.75% p. a. The loan is secured by hypothecation of Plant & Machinery and Stores & Spares at the Jewargi Plant. The loan is repayable in quarterly instalments of Rs. 232.00 lakh, last instalment being due on 05-01-2015.				
ii. Loan from Central Bank of India is obtained for setting up sugar factory with cogeneration of power at Jewargi. The rate of interest is presently BR + 1.75% i.e. 12.5% p. a. The loan is secured by hypothecation of Plant & Machinery and Stores & Spares at the Jewargi Plant. The loan is repayable in monthly instalments of Rs. 33.00 lakh, last instalment being due on 01-05-2015.				
iii. Loan from Central Bank of India is obtained for installation of sugar machinery. The rate of interest is presently BR + 1.75% i.e. 12.5% p. a. The loan is secured by hypothecation of the said Machinery. The loan is repayable in monthly instalments of Rs. 22.00 lakh, last instalment being due on 16-03-2014.				
iv. Loan from Central Bank of India is obtained for expansion of crushing capacity of sugar plant at Ugar. The rate of interest is presently BR+1.25% i.e. 12% p. a. The loan is secured by hypothecation of the said Machinery. The loan is repayable in quarterly instalments of Rs. 120.54 lakh commencing from 31-12-2013, last instalment being due on 30-09-2020.				
v. Loan from Technology Development Board is obtained for Ugar unit for setting up Effluent Treatment Plant. The rate of interest is 5% p. a. The loan is secured by hypothecation of the said machinery. The last instalment of Rs. 16.40 lakh is due on 01-06-2013.				
vi. Loan from Sugar Development Fund is obtained for Ugar unit for Modernisation-cum-Expansion. The rate of interest is 4% p. a. The loan is secured by exclusive second charge on all movable assets of the Company. The Loan is fully repaid on 28-12-2012.				
vii. Loan from Sugar Development Fund is obtained for Jewargi unit for setting up power project. The rate of interest is 4% p. a. The loan is secured by exclusive second charge on all movable and immovable assets of the Company. The Loan is repayable in ten six monthly instalments of Rs. 121.59 lakh commencing from 31-12-2013; last instalment being due on 30-06-2018.				
3. There has been no continuing default as on the balance sheet date in repayment of any of the above borrowings and interest thereon.				

Notes to Financial Statements for the year ended 31-03-2013

Particulars	As at 31 st March 2013		As at 31 st March 2012	
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Note B - 4: DEFERRED TAX LIABILITIES (NET)				
1. Deferred Tax Liabilities				
On account of timing differences in -				
a. Depreciation		<u>1,555.71</u>		<u>1,717.65</u>
2. Less: Deferred Tax Assets				
On account of timing differences in -				
a. Provision for doubtful debts & advances	46.88		32.52	
b. Provisions as per AS-15	<u>467.02</u>		<u>379.05</u>	
		513.90		411.57
Total		<u>1,041.81</u>		<u>1,306.08</u>
NOTE B - 5: LONG TERM PROVISIONS				
1. Provisions for Employee Benefits				
a. Provision for Gratuity	925.85		717.46	
b. Provision for Leave Salary	<u>145.17</u>		<u>127.49</u>	
Total		<u>1,071.02</u>		<u>844.95</u>
Note B - 6: SHORT TERM BORROWINGS				
1. Secured				
Working Capital Loans - from Banks				
i. Cash Credit Hypothecation	2,009.88		1,305.06	
ii. Cash Credit Pledge	<u>24,138.50</u>		<u>19,954.10</u>	
		26,148.38		21,259.16
2. Unsecured				
Fixed Deposits (Other than unclaimed)		<u>2,350.03</u>		<u>1,773.12</u>
Total		<u>28,498.41</u>		<u>23,032.28</u>
3. i. Cash credit hypothecation is secured by hypothecation of stock of stores & spares, stock of molasses, stock in trade and book debts. The cash credit is repayable on demand and carries rate of interest at BR+1% i.e. 11.25% p.a.				
ii. Cash credit pledge is secured by pledge of stock of sugar. The cash credit is repayable on demand and carries rate of interest at BR + 1% i.e. 11.25% p.a.				
iii. Fixed Deposits are unsecured and are accepted from shareholders and public for a period of one year. The rate of interest for fixed deposits is 10.5% p.a. for senior citizens and 10% p.a. for others.				
4. There has been no continuing default as on the balance sheet date in repayment of any of the above borrowings and interest thereon.				
Note B - 7: TRADE PAYABLES				
1. Creditors for Supplies		<u>8,182.38</u>		<u>16,128.66</u>

Notes to Financial Statements for the year ended 31-03-2013

Particulars	As at 31 st March 2013		As at 31 st March 2012	
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Note B - 8: OTHER CURRENT LIABILITIES				
1. Current Maturities of Long Term Debts				
Secured				
a. From Banks	1,823.06		1,191.00	
b. Others	<u>137.99</u>		<u>147.58</u>	
		1,961.05		1,338.58
2. Interest Accrued but not due on Borrowings		72.28		61.30
3. Interest Accrued and due on Borrowings		67.97		45.32
4. Investor Education & Protection Fund				
(The following amounts will be credited to the said Fund, as and when due)				
Unpaid Dividend	27.09		25.63	
Unpaid Matured Deposits and Interest Accrued thereon	<u>6.06</u>		<u>4.28</u>	
		33.15		29.91
5. Trade Deposits and Advances		47.71		219.19
6. Creditors for Machinery Supplies		179.46		25.32
7. Provision for Corporate Guarantee Loss		—		299.91
8. Deferment of Cane Purchase Tax		234.94		234.94
9. Payable to Banks for loans granted to Cane Growers and H&T Contractors		3,327.97		3,637.53
10. Provision for Excise Duty on Finished Goods		1,601.88		1,756.31
11. Outstanding Expenses		217.06		233.84
12. Salaries, Wages, Bonus & Commission, payable		511.68		570.50
13. Amounts payable to Customers		145.04		1,336.93
14. Land Rent, Contractors' Retention, etc.		35.56		24.08
15. Contribution to employees' funds		55.67		59.09
16. Freight		1.89		23.06
17. Profession tax, etc. deducted from salary		15.75		14.71
18. Excise, Service Tax, Sales Tax, etc.		27.00		21.65
19. Tax deducted at source		26.63		41.32
20. Amounts payable to banks & other institutions		<u>333.86</u>		<u>26.07</u>
Total		<u><u>8,896.55</u></u>		<u><u>9,999.56</u></u>
Note B - 9: SHORT TERM PROVISIONS				
1. Provisions for Employee Benefits				
Provision for Gratuity	111.10		89.29	
Provision for Leave Salary	<u>257.31</u>		<u>234.04</u>	
		368.41		323.33
2. Others				
a. Provision for Taxation	1,444.00		730.00	
Less: Deducted from Advance Payment of Taxes, as per contra	<u>(1,226.50)</u>		<u>(540.27)</u>	
		217.50		189.73
b. Provision for Proposed Dividend		225.00		281.25
c. Provision for Corporate Dividend Tax		38.24		45.63
Total		<u><u>849.15</u></u>		<u><u>839.94</u></u>

Notes to Financial Statements for the year ended 31-03-2013

Note B - 10: Fixed Assets and Depreciation & Amortisation

PARTICULARS	TANGIBLE ASSETS						INTANGIBLE ASSETS
	Land Rs. Lakh	Buildings Rs. Lakh	Plant & Furniture Rs. Lakh	Machinery & Fixtures Rs. Lakh	Vehicles Rs. Lakh	Total Rs. Lakh	Computer Software
GROSS BLOCK							
Balance as on 01-04-2011	232.85	2,846.98	34,626.31	184.65	476.69	38,367.48	159.34
Additions during year 2011-12	53.11	—	855.73	12.01	129.55	1,050.40	19.13
Deletions during year 2011-12	(5.03)	(1.21)	(117.08)	(1.23)	(10.07)	(134.62)	—
Balance as on 31-03-2012	280.93	2,845.77	35,364.96	195.43	596.17	39,283.26	178.47
Additions during year 2012-13	-	289.27	4,589.12	17.58	51.02	4,946.99	—
Deletions during year 2012-13	(0.56)	—	(478.75)	(9.29)	(33.05)	(521.65)	—
Balance as on 31-03-2013	280.37	3,135.04	39,475.33	203.72	614.14	43,708.60	178.47
ACCUMULATED DEPRECIATION / AMORTISATION							
Balance as on 01-04-2011	—	1,133.91	19,956.43	146.85	319.26	21,556.45	125.80
Adjustment on Deletion - 2011-12	—	(1.09)	(82.55)	(0.72)	(6.64)	(91.00)	—
For the year 2011-12	—	130.23	2,290.11	7.32	49.77	2,477.43	39.15
Balance as on 31-03-2012	—	1,263.05	22,163.99	153.45	362.39	23,942.88	164.95
Adjustment on Deletion - 2012-13	—	—	(403.12)	(6.85)	(30.73)	(440.70)	—
For the year 2012-13	—	128.63	2,254.35	8.77	71.05	2,462.80	7.14
Balance as on 31-03-2013	—	1,391.68	24,015.22	155.37	402.71	25,964.98	172.09
IMPAIRMENT LOSS							
Balance as on 01-04-2011	—	—	—	—	—	—	—
Change for the year 2011-12	—	—	325.77	—	—	325.77	—
Balance as on 31-03-2012	—	—	325.77	—	—	325.77	—
Change for the year 2012-13	—	—	270.12	—	—	270.12	—
Balance as on 31-03-2013	—	—	595.89	—	—	595.89	—
NET BLOCK							
As on 31-03-2012	280.93	1,582.72	12,875.20	41.98	233.78	15,014.61	13.52
As on 31-03-2013	280.37	1,743.36	14,864.22	48.35	211.43	17,147.73	6.38

Note: Impairment loss of Rs. 270.12 lakh (Previous Year Rs. 325.77 lakh) represents the write-down of certain plant and machinery. The loss has been recognised in the statement of profit and loss under the head "Other Expenses".

Notes to Financial Statements for the year ended 31-03-2013

Particulars	As at 31 st March 2013		As at 31 st March 2012	
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Note B -11: NON-CURRENT INVESTMENTS				
[At Cost, Fully Paid, Long Term]				
1. Trade Investments				
(Unquoted, Other than Government)				
a. Investment in Equity Instruments				
i. 24,300 (24,300) Equity Shares of Rs. 10 each of Ugar Consultancy Ltd., Sangli (Associate)	2.43		2.43	
ii. 1,096 (896) Equity Shares of Rs. 100 each of Ugar Theatres Pvt. Ltd. Ugarkhurd (Associate)	3.64		2.84	
iii. 3,12,500 (3,12,500) Equity Shares of Rs. 10 each of Ugar Quality Packaging Pvt. Ltd. Ratnagiri (Associate)	31.25		31.25	
	<u>37.32</u>		<u>36.52</u>	
b. Investment in Preference Shares				
i. 10,00,000 (10,00,000) 8% Redeemable Cumulative Preference Shares of Rs. 10 each of Ugar Quality Packaging Pvt. Ltd. Ratnagiri (Associate)	100.00		100.00	
Total - Trade		137.32		136.52
2. Others				
a. Investment in Mutual Funds				
i. 24,117 (23,055) Units of Rs. 10 each of UTI Balanced Fund		3.13		2.90
b. Other than Mutual Funds				
Unquoted				
i. Investment in Equity Instruments				
1. 24,999 (24,999) Equity Shares of Rs. 10 each, of Shakti Alloy Steels Ltd., Miraj	2.50		2.50	
2. 3,750 (3,750) Shares of Rs. 10 each of Sangli Urban Co-operative Bank Ltd. Sangli	0.37		0.37	
	<u>2.87</u>		<u>2.87</u>	
ii. Investment in Preference Shares				
1. 333 (333) 11% Redeemable Non-cumulative Preference Shares of Rs. 100 each, of Shakti Alloy Steels Ltd., Miraj	0.33		0.33	
2. 833 (833) 14% Redeemable Cumulative Preference Shares of Rs. 100 each, of Shakti Alloy Steels Ltd., Miraj	0.84		0.84	
3. 1,50,000 (Nil) 10% Non- cumulative Redeemable Preference Shares of Rs. 100 each of Synergy Green Industries Pvt. Ltd., Kolhapur	150.00		—	
	<u>151.17</u>		<u>1.17</u>	
iii. Share Application Money - Synergy Green Industries Pvt. Ltd. Kolhapur	90.00		—	
Total - Other than Mutual Funds	<u>244.04</u>		<u>4.04</u>	
Total - Others		247.17		6.94
Total - Non-current Investments		384.49		143.46
3. Provision for diminution in value of investments		(134.92)		(134.92)
Total		<u>249.57</u>		<u>8.54</u>
a. Aggregate amount of Quoted Investments		—		—
Market Value thereof		Not Applicable		Not Applicable
b. Aggregate amount of Unquoted Investments		384.49		143.46
c. Aggregate Provision for diminution in value of investments		<u>134.92</u>		<u>134.92</u>

Notes to Financial Statements for the year ended 31-03-2013

Particulars	As at 31 st March 2013		As at 31 st March 2012	
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Note B - 12: LONG TERM LOANS & ADVANCES				
1. Unsecured, Considered Good				
a. Capital Advances paid to related parties	—		50.00	
b. Capital Advances Paid to others	393.72		209.84	
c. Security Deposits	172.93		205.70	
Total		566.65		465.54
2. Capital advances paid to related parties include amounts due from private limited companies in which directors of the Company are directors / members	—		50.00	
Note B - 13: OTHER NON-CURRENT ASSETS				
1. Long Term Receivables (Unsecured, Considered Good)				
Interest Accrued on NSCs & Bank Deposits	48.02		25.12	
VAT / Cane Purchase Tax, etc. receivable	103.43		106.25	
		151.45		131.37
2. Non-Current Trade Receivables (Unsecured, Considerable Doubtful)		7.50		7.50
Less: Provision for Doubtful Trade Receivables		(7.50)		(7.50)
		—		—
3. Non-Current Loans & Advances (Unsecured, Considerable Doubtful)				
Advances to Cultivators and Contractors		136.98		92.74
Less: Provision for Doubtful Advances		(136.98)		(92.74)
		—		—
4. Non-current portion in Term Deposit with Banks with original maturity for more than 12 months		279.65		269.30
Total		431.10		400.67
Note B - 14: INVENTORIES				
[As taken, valued and certified by the Managing Director]				
1. Stock of Raw Material				
a. Crops in Progress	10.56		10.08	
b. Other Raw Material	236.89		271.45	
2. Work in Progress				
a. Sugar in Process	46.40		492.34	
b. Molasses in process	—		52.49	
3. Finished Goods				
a. Sugar, Molasses, Spirit, etc.	40,037.99		39,703.25	
b. Bagasse - Own	183.84		333.26	
4. Stock in Trade (Petroleum Products)	45.37		44.17	
5. Stores, Spares, Fuel, etc.				
a. Stores, Spare Parts and Others	1,598.66		1,349.00	
b. Bagasse (Purchased), Firewood & Coal	183.00		113.72	
Total		42,342.71		42,369.76

Notes to Financial Statements for the year ended 31-03-2013

Particulars	As at 31 st March 2013		As at 31 st March 2012	
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Note B - 15: TRADE RECEIVABLES				
[Unsecured, Considered Good]				
1. Outstanding for a period exceeding six months from the date they are due for payment		140.45		178.76
2. Others		1,166.29		2,939.98
Total		<u>1,306.74</u>		<u>3,118.74</u>
Note B - 16: CASH & BANK BALANCES				
1. Cash or Cash Equivalents				
1. Balances with Banks				
a. In Current Accounts				
i. Earmarked for Unpaid Dividends	27.09		25.63	
ii. Others	1,482.54		2,289.92	
b. In Cash Credit Hypothecation / Pledge Accounts		1,509.63		2,315.55
		0.75		140.36
2. Cash on Hand		7.35		13.30
		<u>1,517.73</u>		<u>2,469.21</u>
2. In Term Deposit Accounts				
(With original maturity for more than 12 months)				
i. For issue of bank guarantees	16.56		68.73	
ii. As liquid asset for fixed deposits	325.94		415.28	
iii. Others	—		9.77	
	342.50		493.78	
Less: Non-current portion in above, disclosed under Non-current Assets	(279.65)		(269.30)	
		62.85		224.48
Total		<u>1,580.58</u>		<u>2,693.69</u>
Note B - 17: SHORT TERM LOANS & ADVANCES				
1. Unsecured, Considered Good				
a. Advances to Related Parties	132.37		43.16	
b. Advances to Cultivators and Contractors	448.43		657.53	
c. Advances to Suppliers of Machinery Spares, etc.	266.79		328.25	
		847.59		1,028.94
2. Advances paid to related parties include amounts due from private limited companies in which directors of the Company are directors / members	57.06		43.16	
3. Advance Payment of Taxes				
Advance Payment of Taxes	966.50		540.27	
MAT Credit Receivable	260.00		—	
	<u>1,226.50</u>		<u>540.27</u>	
Less: Tax Provision, deducted as per contra	(1,226.50)		(540.27)	
Total		<u>847.59</u>		<u>1,028.94</u>
Note B - 18: OTHER CURRENT ASSETS				
1. Cenvat Credits, Service Tax Receivable, etc.		388.04		541.59
2. Prepaid Expenses		48.93		39.96
3. Accrued Interest On Bank Deposits		5.65		19.17
Total		<u>442.62</u>		<u>600.72</u>

Notes to Financial Statements for the year ended 31-03-2013

Particulars	Financial Year 2012-13		Financial Year 2011-12	
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Note B - 19: REVENUE FROM OPERATIONS				
1. Sales of Finished Goods				
Sugar	58,809.08		52,066.46	
Rectified Spirit	515.75		598.97	
Denatured Spirit	882.66		1,437.10	
Potable Alcohol	20,364.51		17,162.06	
Electricity	<u>3,982.05</u>		<u>5,884.81</u>	
		84,554.05		77,149.40
2. Sale of Traded Goods				
Petroleum Products		2,269.52		2,159.95
3. Sale of Bye-products and others		<u>2,652.48</u>		<u>1,434.34</u>
Total		<u><u>89,476.05</u></u>		<u><u>80,743.69</u></u>
Note B - 20: OTHER INCOME				
1. Dividend on Non Trade Investments		0.72		0.58
2. Interest on Loans, Bank Deposits & Others		89.51		120.67
3. Sale of Scrap		312.00		163.20
4. Non-operating Revenues				
a. Sale of Services				
Machinery / Bullock Cart Hire Charges	2.59		—	
b. Bad Debts Recovered	5.57		2.63	
c. Insurance Claims Received	15.35		1.06	
d. Profit on sale of fixed assets	8.82		182.62	
e. Excess Provisions & Unclaimed				
Credit Balances written back	53.30		118.45	
f. Foreign Currency Fluctuations	0.97		—	
g. Miscellaneous Receipts	<u>85.39</u>		<u>37.97</u>	
		171.99		342.73
Total		<u><u>574.22</u></u>		<u><u>627.18</u></u>
Note B - 21: RAW MATERIAL CONSUMED				
1. Sugarcane				
Purchased	41,023.69		40,564.69	
Harvesting and Transport	7,292.82		8,020.34	
Cane Purchase and Development	70.02		127.98	
Research and Development	<u>131.81</u>		<u>120.70</u>	
		48,518.34		48,833.71
2. Other Raw Material				
Molasses	1,633.12		1,258.19	
Sugar (for repacking)	—		1,000.83	
Malt	12.67		2.08	
Rectified Spirit	1,458.27		981.97	
Absolute Alcohol	—		63.13	
Others	12.60		18.82	
	3,116.66		3,325.02	
Less: Intersegment transfers	<u>(2,746.05)</u>		<u>(3,167.80)</u>	
		370.61		157.22
Total		<u><u>48,888.95</u></u>		<u><u>48,990.93</u></u>

Notes to Financial Statements for the year ended 31-03-2013

Particulars	Financial Year 2012-13		Financial Year 2011-12	
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Note B - 22: OTHER MANUFACTURING EXPENSES				
1. Power, Fuel and Water	1,004.01		1,188.36	
2. Repairs and Maintenance of Plant & Machinery	<u>1,530.73</u>		<u>1,360.11</u>	
		<u>2,534.74</u>		<u>2,548.47</u>
Note B - 23: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE				
1. Opening Stock				
a. Finished Goods				
i. Sugar, Molasses, Spirit, etc.				
Sugar	37,732.80		30,699.66	
Rectified Spirit	183.01		192.58	
Potable Alcohol	188.65		286.59	
Molasses	1,368.66		1,259.29	
Others	<u>230.13</u>		<u>27.67</u>	
	39,703.25		32,465.79	
ii. Bagasse - Own	<u>333.26</u>		<u>273.00</u>	
		40,036.51		32,738.79
b. Work-in-progress				
i. Sugar in Process	492.34		698.09	
ii. Molasses in Process	<u>52.49</u>		<u>56.70</u>	
		544.83		754.79
c. Stock in Trade				
Petroleum Products		<u>44.17</u>		<u>46.23</u>
		40,625.51		33,539.81
2. Closing Stock				
a. Finished Goods				
i. Sugar, Molasses, Spirit, etc.				
Sugar	37,652.71		37,732.80	
Rectified Spirit	670.51		183.01	
Potable Alcohol	303.30		188.65	
Molasses	1,362.28		1,368.66	
Others	<u>49.19</u>		<u>230.13</u>	
	40,037.99		39,703.25	
ii. Bagasse - Own	<u>183.84</u>		<u>333.26</u>	
		40,221.83		40,036.51
b. Work-in-progress				
i. Sugar in Process	46.40		492.34	
ii. Molasses in Process	<u>—</u>		<u>52.49</u>	
		46.40		544.83
c. Stock in Trade				
Petroleum Products		<u>45.37</u>		<u>44.17</u>
		40,313.60		40,625.51
Changes in Inventory - (Increase) / Decrease		<u>311.91</u>		<u>(7,085.70)</u>
3. Adjustment for Excise Duty Differentials*				
* Excise Duty Differentials refer to Difference in Excise Duty on Opening and Closing Stock of Finished Goods		69.82		(17.73)
Total		<u>381.73</u>		<u>(7,103.43)</u>
		<u><u> </u></u>		<u><u> </u></u>

Notes to Financial Statements for the year ended 31-03-2013

Particulars	Financial Year 2012-13		Financial Year 2011-12	
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Note B - 24: EMPLOYEE BENEFIT EXPENSE				
1. Salaries, Bonus and Commission		3,927.75		3,742.04
2. Remuneration to employees employed by contractors		699.63		618.78
3. Contribution to Provident, Gratuity and other funds		891.88		489.35
4. Workmen and Staff Welfare		77.75		51.03
Total		<u>5,597.01</u>		<u>4,901.20</u>
Note B - 25: FINANCE COSTS				
1. Interest		2,823.05		2,920.87
2. Finance Charges		58.96		44.22
Total		<u>2,882.01</u>		<u>2,965.09</u>
Note B - 26: OTHER EXPENSES]				
1. Administrative Expenses				
1 Repairs to & Maintenance of Buildings		142.30		107.32
2 General Repairs & Maintenance		295.39		198.02
3 Insurance		33.00		28.22
4 Rent		25.51		18.26
5 Rates and Taxes		245.97		172.61
6 Bank Charges		5.75		6.16
7 Printing and Stationery		21.86		17.65
8 Travelling		88.63		74.10
9 Motor Car / Other Vehicle Expenses		67.25		63.06
10 Donations		4.15		2.69
11 Bad Debts & Sundry Advance Written Off	12.80		314.22	
Less: Provision therefor	<u>—</u>		<u>(176.49)</u>	
		12.80		137.73
12 Assets Written Off		46.63		36.50
13 Impairment Loss		270.12		325.77
14 Provision for Doubtful Debts and Advances		44.23		41.83
15 Foreign Currency Fluctuations		—		1.56
16 Directors' Fees		6.30		6.30

Notes to Financial Statements for the year ended 31-03-2013

Particulars	Financial Year 2012-13		Financial Year 2011-12	
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Note B - 26: OTHER EXPENSES				
1. Administrative Expenses				
17 Commission to Non-Executive Directors		22.31		27.38
18 Payment to Auditors				
a. Statutory Auditors				
i. As Auditors	5.00		3.50	
ii. Other Services (Such as Tax Audit, SAP Audit, Certification, etc.)	2.50		3.34	
iii. For Reimbursement of Expenses	0.55		0.68	
	8.05		7.52	
b. Cost Auditors				
i. As Auditors	1.20		1.38	
ii. For Reimbursement of Expenses	—		0.10	
	1.20		1.48	
		9.25		9.00
19 Miscellaneous		254.94		265.36
		1,596.39		1,539.52
2. Selling & Distribution Expenses				
1 Freight, Insurance, etc. on outward consignments	361.27		481.25	
2 Commission to selling agents & representatives	182.31		143.96	
3 Advertisements	116.49		116.57	
		660.07		741.78
Total		2,256.46		2,281.30

Note B - 27: EXCEPTIONAL ITEMS

1 Provision for loss on Investments	—	131.25
2 Provision for Corporate Guarantee Loss	—	299.91
	—	431.16

Notes to Financial Statements for the year ended 31-03-2013

Particulars	Financial Year 2012-13 Rs. Lakh	Financial Year 2011-12 Rs. Lakh
NOTE C: OTHER INFORMATION		
1. Contingent Liabilities not provided for		
a. Claims against the Company not acknowledged as debts	—	—
b. Excise Duty / Service Tax, Liability Disputed	394.55	207.22
c. Cane Purchase Tax, Liability Disputed	72.84	72.84
d. Corporate Guarantees given to the Bankers	3,577.56	4,063.77
2. Commitments		
a. Estimated amounts of contracts remaining to be executed on capital account	409.20	94.24
b. Customs Duty Liability against EPCG Licences for non-fulfilment of export obligation		
i. In respect of TG Set at Jewargi Unit	258.80	258.80
ii. In respect of Mechanical Harvester at Ugar	7.17	7.17
c. Excise Duty Liability in respect of 100% EOU for non-fulfilment of export obligation	101.21	123.80
3. Value of imports calculated on CIF basis		
Machinery Spares	—	7.86
4. Expenditure in foreign currency		
a. Travelling	3.97	5.58
b. IML Essences	0.05	0.07
c. Subscription	0.73	0.08
5. Earnings in foreign currency		
FOB Value of Exports	324.88	128.28
6. Amount of borrowing costs capitalised during the period	109.28	—
7. Earning per share		
a. Profit after tax as per the Profit & Loss Account	1,745.01	1,709.24
b. Weighted average of No. of Shares	112,500,000	112,500,000
c. Earnings per share of Re.1/-	1.55	1.52
8. Future Minimum Lease Rentals in respect of Buildings		
a. Given on operating lease		
i. Receivable within one year	8.30	3.50
ii. Receivable between one year and five years	17.93	10.21
iii. Receivable after five years	16.65	19.05
b. Taken on operating lease		
i. Payable within one year	11.36	6.22
ii. Payable between one year and five years	6.60	—
iii. Payable after five years	—	—

Notes to Financial Statements for the year ended 31-03-2013

Particulars	Financial Year 2012-13 Rs. Lakh	Financial Year 2011-12 Rs. Lakh
9. Value of Imported and Indigenous Raw Material Consumed and percentage thereof to total consumption		
a. Value		
Imported	0.05	0.07
Indigenous	48,888.90	48,990.86
b. Percentage of Imported and Indigenous Raw Material consumed to total consumption		
Imported	Negligible	Negligible
Indigenous	Nearly 100%	Nearly 100%
10. Value of Raw Material Consumed in Note B-21 includes additional cane price relating to earlier season/s	3,361.61	3,192.82
11. Segment Reporting		
I. Primary report under Business Segments Revenue		
External Sales		
Sugar	61,905.51	53,850.95
Electricity	3,982.05	5,886.72
Industrial Alcohol	1,316.89	1,900.60
Potable Alcohol	4,552.51	4,054.02
Total	71,756.96	65,692.29
Inter-segment Sales		
Sugar	7,554.15	6,868.33
Electricity	6,869.30	5,409.49
Industrial Alcohol	1,389.58	993.73
Total	15,813.03	13,271.55
Total Revenue		
Sugar	69,459.66	60,719.28
Electricity	10,851.35	11,296.21
Industrial Alcohol	2,706.47	2,894.33
Potable Alcohol	4,552.51	4,054.02
Total	87,569.99	78,963.84
Segment Results (Gross)		
Sugar	5,126.91	3,959.82
Electricity	1,880.41	3,917.40
Industrial Alcohol	22.22	106.18
Potable Alcohol	336.40	422.59
Total	7,365.94	8,405.99
Unallocated Corporate Expenses	3,115.58	2,890.62
Operating Profit	4,250.36	5,515.37
Finance Charges	2,882.01	2,965.09
Other Income	574.22	627.18
Profit from Ordinary Activities	1,942.57	3,177.46
Exceptional Items	—	(431.16)
Profit before tax	1,942.57	2,746.30

Notes to Financial Statements for the year ended 31-03-2013

Particulars	Financial Year 2012-13 Rs. Lakh	Financial Year 2011-12 Rs. Lakh
11. Segment Reporting		
Segment Assets		
Sugar	51,678.16	50,587.08
Electricity	6,971.34	8,377.07
Industrial Alcohol	2,117.82	1,746.41
Potable Alcohol	1,840.15	2,064.98
Total	62,607.47	62,775.54
Add: Unallocated Corporate Assets	4,200.29	3,104.94
	66,807.76	65,880.48
Segment Liabilities		
Sugar	9,806.48	18,129.20
Electricity	555.10	422.75
Industrial Alcohol	89.63	22.83
Potable Alcohol	383.69	276.45
Total	10,834.90	18,851.23
Add: Unallocated Corporate Liabilities	44,339.13	36,877.29
	55,174.03	55,728.52
Capital Expenditure		
Sugar	3,241.63	496.38
Electricity	887.32	297.54
Industrial Alcohol	458.69	190.59
Potable Alcohol	5.11	22.80
Total	4,592.75	1,007.31
Depreciation and Amortisation		
Sugar	1,151.88	1,182.00
Electricity	1,033.59	1,048.30
Industrial Alcohol	112.51	115.43
Potable Alcohol	15.14	16.08
Total	2,313.12	2,361.81
Non-cash expenses other than depreciation		
Sugar	277.64	342.00
Electricity	35.02	—
Industrial Alcohol	0.97	20.26
Potable Alcohol	3.12	—
Total	316.75	362.26
II. The Company does not have any Secondary Business Segments.		
III. Significant Accounting Policies relating to Segment Reporting		
a. Business Segments are determined on the basis of the goods manufactured and in accordance with Accounting Standard 17.		
b. Inter-segment transfers are recorded at cost except for own generated Bagasse and Molasses, cost of which is unascertainable and which are recorded at Net Realisable Value.		
c. Segment report is prepared in conformity with accounting policies adopted for preparing and presenting financial statements.		

Notes to Financial Statements for the year ended 31-03-2013

NOTE C: OTHER INFORMATION

12. Disclosure with respect to AS-15

The Company has implemented Revised Accounting Standard - 15 on Employee Benefits and made the provisions accordingly. The disclosures 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.

	2012-13	2011-12
	Rs. Lakh	Rs. Lakh
Defined Contribution Plan:		
Contribution to Defined Contribution Plan, recognised and charged off for the year are as under:		
Employer's contribution to Provident Fund	205.04	189.01
Employer's contribution to Superannuation Fund	29.30	31.52
Employer's contribution to Pension Scheme	106.00	101.78
Defined Benefit Plan:		
The Employees' Gratuity Fund Scheme managed by Life Insurance Corporation of India is a defined benefit plan.		
I. Assumptions as at:		
Mortality		
Interest / Discount Rate	8.06%	8.17%
Rate of increase in compensation	6.00%	6.00%
Rate of return (expected) on plan assets	9.30%	9.30%
Expected average remaining service	12.99	13.51
II. Changes in present value of obligations (PVO):		
PVO at the beginning of the period	1,761.32	1,694.80
Interest Cost	145.33	132.65
Current Service Cost	225.88	181.38
Past Service Cost (non vested cost)	—	—
Past Service Cost (vested cost)	—	—
Benefits Paid	(13.36)	(142.40)
Benefit Directly Paid By Company	(117.65)	
Actuarial (gain) / loss on obligation	236.45	(105.11)
PVO at the end of the period	2,237.97	1,761.32

Notes to Financial Statements for the year ended 31-03-2013

NOTE C: OTHER INFORMATION

12. Disclosure with respect to AS-15	2012-13 Rs. Lakh	2011-12 Rs. Lakh
III. Change in fair value of plan assets		
Fair Value of Plan Assets at the beginning of the period	954.57	914.00
Adjustment to Opening Balance	0.28	(0.01)
Expected Return on Plan Assets	95.85	83.04
Contributions	164.91	100.22
Benefit Paid	(13.36)	(142.40)
Actuarial gain / (loss) on plan assets	(1.23)	(0.28)
Fair Value of Plan Assets at the end of the period	1,201.02	954.57
IV. Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the period	954.57	914.00
Adjustment to Opening Balance	0.28	(0.01)
Actual Return on Plan Assets	94.62	82.76
Contributions	164.91	100.22
Benefit Paid	(13.36)	(142.40)
Fair Value of Plan Assets at the end of the period	1,201.02	954.57
Funded Status	(1,036.94)	(806.75)
Excess of actual over estimated return on Plan Assets	(1.23)	(0.28)
V. Experience History.		
(Gain) / Loss on obligation due to change in Assumption	77.99	(55.80)
Experience (Gain) / Loss on obligation	158.46	(49.31)
Actuarial Gain (Loss) on plan of assets	(1.23)	(0.28)
VI. Actuarial Gain / (Loss) Recognized		
Actuarial Gain / (Loss) for the period (Obligation)	(236.45)	105.11
Actuarial Gain / (Loss) for the period (Plan Assets)	(1.23)	(0.28)
Total Gain / (Loss) recognized for the period	(237.68)	104.83
Actuarial Gain / (Loss) recognized for the period	(237.68)	104.83
Unrecognized Gain / (Loss) at the end of the period	—	—

Notes to Financial Statements for the year ended 31-03-2013

NOTE C: OTHER INFORMATION

12. Disclosure with respect to AS-15	2012-13 Rs. Lakh	2011-12 Rs. Lakh
VII. Past Service Cost Recognised		
Past Service Cost (vested benefits)	—	—
Past Service Cost (non vested benefits)	—	—
Average remaining future service till vesting the benefit	—	—
Recognized Past Service Cost (non vested benefits)	—	—
Recognized Past Service Cost (vested benefits)	—	—
Unrecognized Past Service Cost (non vested benefits)	—	—
VIII. Amounts to be recognized in the balance sheet and statement of profit and loss		
PVO at the end of the period	2,237.97	1,761.32
Fair Value of Plan Assets at the end of the period	1,201.02	954.57
Funded Status	(1,036.94)	(806.75)
Unrecognized Actuarial Gain / (Loss)	—	—
Unrecognized Past Service Cost (non vested benefits)	—	—
Net Asset / (Liability) recognized in the balance sheet	(1,036.94)	(806.75)
VII. Expense recognized in the statement of profit & loss		
Current Service Cost	225.88	181.38
Interest Cost	145.33	132.65
Past Service Cost (non vested benefits)	—	—
Past Service Cost (vested benefits)	—	—
Unrecognized Past Service Cost (non vested benefits)	—	—
Expected Return on Plan Assets	(95.85)	(83.04)
Net Actuarial (Gain) / Loss recognized for the period	237.68	(104.83)
Expense recognized in the statement of profit and loss	513.04	126.16
VIII. Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	806.75	780.80
Adjustment to Opening Balance	(0.28)	0.01
Benefit Directly Paid By Company	513.04	126.16
Expenses as above	(117.65)	—
Contribution Paid	(164.91)	(100.22)
Closing Net Liability	1,036.95	806.75

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.

Notes to Financial Statements for the year ended 31-03-2013**NOTE C: OTHER INFORMATION****13. Disclosure of Related Parties and Related Party Transactions**

I. Name of the Related Party over which significant influence	Nature of Relationship
i. Ugar Consultancy Ltd.	Associate Company
ii. Ugar Theatres Private Limited	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

<u>1. Key Management Personnel (KMP)</u>	<u>Designation</u>
i. Shri Prafulla Vinayak Shirgaokar	Executive Vice Chairman (Exc. VC)
ii. Shri Shishir Suresh Shirgaokar	Managing Director (MD)
iii. Shir Niraj Shishir Shirgaokar	Joint Managing Director (Jt. MD)
iv. Shri Chandan Sanjeev Shirgaokar	Joint Managing Director (Jt. MD)

2. Relatives of Key Management Personnel

<u>Names of the transacting parties</u>	<u>Nature of Relationship</u>
i. Shri. Rajendra Vinayak Shirgaokar	Chairman & Mentor (C&M) & Brother of Exc. VC
ii. Sou. Smita Prafulla Shirgaokar	Wife of Exc. VC
iii. Sou. Vinita Mahesh Samant	Daughter of Exc.VC
iv. Sou. Shilpa Naval Kumar	Daughter of Exc.VC
v. Sou. Sindhu Vijay Dalvi	Sister of C&M & Exc.VC
vi. Sou. Savita Shishir Shirgaokar	Wife of MD
vii. Sou. Asawari Niraj Shirgaokar	Wife of Jt. MD -Shri. Niraj Shishir Shirgaokar
viii. Shri. Arjun Niraj Shirgaokar	Son of Jt. MD -Shri. Niraj Shishir Shirgaokar
ix. Sou. Puja Hrishikesh Pusalkar	Daughter of MD
x. Sou. Rekha Rajnikant Khedekar	Sister of MD
xi. Sou. Chitra Arun Dalvi	Sister of MD
xii. Smt. Radhika Sanjeev Shirgaokar	Mother of Jt.MD-Shri. Chandan Shirgaokar
xiii. Shri. Sohan Sanjeev Shirgaokar	Brother of Jt.MD-Shri. Chandan Shirgaokar
xiv. Sou. Geetali Chandan Shirgaokar	Wife of Jt.MD-Shri. Chandan Shirgaokar

Notes to Financial Statements for the year ended 31-03-2013**NOTE C: OTHER INFORMATION****13. Disclosure of Related Parties and Related Party Transactions****3. Enterprises over which KMP or Relatives of KMP are able to exercise significant influence**

	<u>Names of the transacting related party</u>	<u>Nature of Relationship</u>
i	S. B. Reshellers Pvt. Ltd.	C&M,Exc.VC,MD, Jt.MD's & Brother of Jt.MD (Chandan Shirgaokar) are Directors
ii	Shantaram Machineries Pvt. Ltd.	Exc.VC, MD & Brother of Jt.MD (Chandan Shirgaokar) are Directors
iii	Sangli Fabricators Pvt. Ltd.	MD & Jt.MD (Chandan Shirgaokar) are Directors
iv	Tara Tiles Pvt. Ltd.	Exc.VC & MD are Directors
v	Ugar Pipe Industries Pvt. Ltd.	Exc.VC,MD & Jt.MD (Chandan Shirgaokar) are Directors
vi	Vinayak Shirgaokar Investments Pvt. Ltd.	Exc.VC & Jt.MD (Chandan Shirgaokar) are Directors
vii	D.M. Shirgaokar Investments Pvt. Ltd.	Exc.VC, MD & Brother of Jt.MD (Chandan Shirgaokar) are Directors
viii	Prafulla Shirgaokar Investments Pvt. Ltd.	Exc.VC, Wife of Exc.VC & Brother of Jt.MD (Chandan Shirgaokar) are Directors
ix	Mohan Shirgaokar Investments Pvt. Ltd.	C&M, Exc.VC, MD, Wife of MD & Wife of Jt.MD(Niraj Shirgaokar) are Directors
x	Shishir Shirgaokar Investments Pvt. Ltd.	MD, Wife of MD and MD's son's wife are Directors
xi	Prabhakar Shirgaokar Investments Pvt. Ltd.	Exc.VC & MD are Directors
xii	Suresh Shirgaokar Investments Pvt. Ltd.	C&M, MD & Jt.MD (Chandan Shirgaokar) are Directors
xiii	Sanjeev Shirgaokar Investments Pvt. Ltd.	Jt.MD (Chandan Shirgaokar) & his Mother are Directors
xiv	Synergy Green Industries Pvt. Ltd.	C&M,Exc.VC, Jt.MD's & Brother of Jt.MD (Chandan Shirgaokar) are Directors
xv	M/s. Shirgaokar Brothers	MD, Exc.VC and Jt. MD (Niraj Shirgaokar) are Partners

Notes to Financial Statements for the year ended 31-03-2013

NOTE C: OTHER INFORMATION

13. Disclosure of Related Parties and Related Party Transactions

Sr. No.	Nature of Transaction	Associate Companies		Key Management Personnel		Relatives of KMP		Related parties referred to in 3 above		Total	
		2012-13 Rs. Lakh	2011-12 Rs. Lakh	2012-13 Rs. Lakh	2011-12 Rs. Lakh	2012-13 Rs. Lakh	2011-12 Rs. Lakh	2012-13 Rs. Lakh	2011-12 Rs. Lakh	2012-13 Rs. Lakh	2011-12 Rs. Lakh
1	Remuneration Paid / Commission	—	—	216.78	272.28	4.46	5.25	—	—	221.24	277.53
2	Sitting Fees	—	—	—	—	1.00	0.90	—	—	1.00	0.90
3	Purchase of Sugarcane	—	—	13.24	8.72	12.20	7.83	—	—	25.44	16.55
4	Purchase of Plant and Machinery	—	—	—	—	—	—	1,441.71	62.12	1,441.71	62.12
5	Purchase of Other Items	26.52	16.64	—	—	—	—	35.36	-	61.88	16.64
5	Sales - Others / Consultancy	2.71	3.02	—	—	—	—	52.35	43.37	55.06	46.39
6	Deposits Received	—	—	49.82	33.02	148.27	134.83	1.30	1.30	199.39	169.15
7	Deposits Refunded	—	—	33.02	33.02	134.83	134.83	1.30	1.30	169.15	169.15
8	Interest Paid	—	—	4.46	3.30	13.54	13.42	0.13	0.12	18.13	16.84
9	Dividend Received	0.46	0.36	—	—	—	—	—	—	0.46	0.36
10	Dividend Paid	—	—	4.56	—	9.67	—	90.10	—	104.33	—
11	Consultancy / Repairs / Others	—	20.27	—	—	—	—	18.01	87.23	18.01	107.50
12	Rent Received	0.60	0.60	—	—	—	—	—	—	0.60	0.60
13	Warehousing Charges/ Rent Paid	3.52	3.57	—	—	12.02	6.70	—	—	15.54	10.27
14	Provision for Corporate Guarantee	—	299.91	—	—	—	—	—	—	—	299.91
15	Advance against Capital Orders	—	—	—	—	—	—	—	50.00	—	50.00
16	Advances given Written off	—	38.10	—	—	—	—	—	—	—	38.10
17	Outstanding Balances as on 31-03-2013										
	Payables	2.95	8.48	112.59	154.38	152.84	140.69	24.46	1.30	292.84	304.85
	Receivables	75.22	—	—	—	0.09	—	57.06	93.16	132.37	93.16

Notes to Financial Statements for the year ended 31-03-2013**NOTE C: OTHER INFORMATION**

14. Based on available information, presently, there are no amounts payable to parties mentioned in the Micro, Small and Medium Enterprises Development Act, 2006.
15. Disclosure required as per clause 32 of the Listing Agreement:

Name of the Company	Loans & Advances		Investments	
	Amount Outstanding as at 31/03/2013 Rs. Lakh	Maximum Balance Outstanding during the year Rs. Lakh	(in Equity Shares) Amount Outstanding as at 31-03-2013 Rs. Lakh	(in Preference Shares) Amount Outstanding as at 31-03-2013 Rs. Lakh
Associates				
i. Ugar Theatres Private Limited	0.99	3.99	3.64	-
ii. Ugar Consultancy Ltd.	1.88	7.03	2.43	-
iii. Ugar Quality Packaging Pvt. Ltd.	75.14	226.89	31.25	100.00

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

16. Figures of the previous year have been regrouped / rearranged / recast where necessary.
17. Figures in the brackets pertain to previous year.

Signatures to Notes C-1 to C-17

As per our report attached
For **M/s P. G. Bhagwat**
Chartered Accountants
Firm Regn. No. 101118W

P. V. Shirgaokar
Executive Vice Chairman

Shishir S. Shirgaokar
Managing Director

Nikhil M. Shevade
Partner
Membership No. 217379

B. G. Kulkarni
Company Secretary

R. V. Desurkar
Manager Finance

Place : Panhala
Date : 29-05-2013

	2012-13	2011-12
KEY FINANCIAL RATIOS		
1. Debt Equity Ratio	1 : 0.44	1 : 0.39
2. Current Ratio	1 : 1.01	1 : 1
3. Revenue from Operations (Net of Excise) to Fixed Asset	1 : 1.62	1 : 1.64
4. Revenue from operations (Net of Excise) to Total Asset	1 : 0.78	1 : 0.73
5. PBIT to Revenue from Operations / Gross Income		
a. PBIT to Revenue from Operations	6.72%	5.69%
b. PBIT to Gross Income	6.67%	8.61%
6. PAT to Revenue from Operations / Gross Income		
a. PAT to Revenue from Operations	2.43%	2.60%
b. PAT to Gross Income	2.41%	2.58%
7. Interest to Revenue from Operations / Gross Income		
a. Interest to Revenue from Operations	4.02%	4.51%
b. Interest to Gross Income	3.98%	4.47%

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THE UGAR SUGAR WORKS LIMITED

Regd. Office: Mahaveernagar, Sangli-416 416

ATTENDANCE SLIP FOR 73RD ANNUAL GENERAL MEETING

Held on Thursday, the 19th day of September, 2013 at 11.00 a. m., at Mali Chitra Mandir Hall, 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 73rd Annual General Meeting of the Company to be held on Thursday, the 19th day of September, 2013 at 11.00 a. m., at Mali Chitra Mandir Hall, Gulmohar Colony, Sangli- 416 416.

Shareholder/ Proxy's Signature: _____



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THE UGAR SUGAR WORKS LIMITED

Regd. Office: Mahaveernagar, Sangli- 416 416

PROXY FORM FOR 73RD ANNUAL GENERAL MEETING

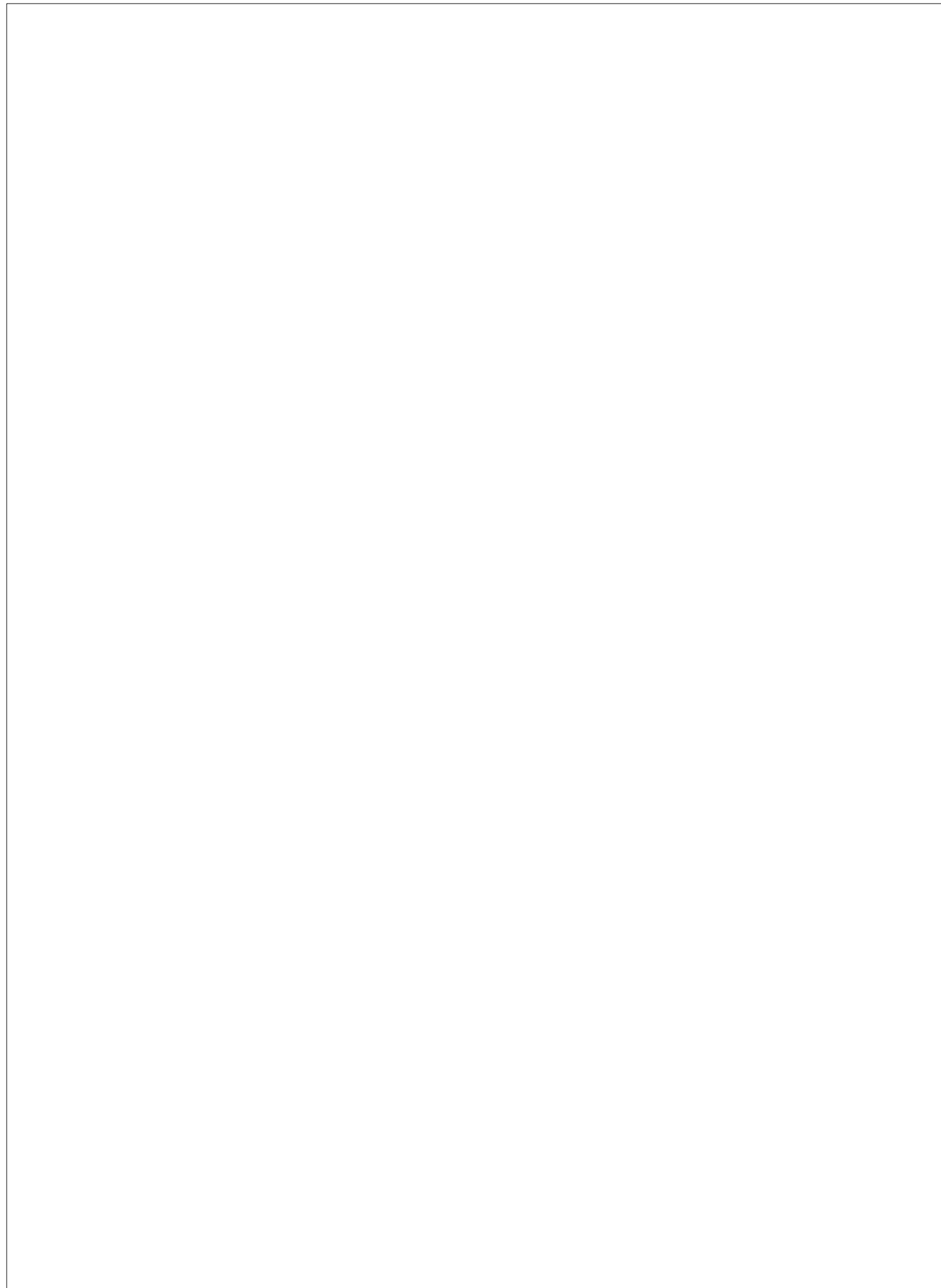
Held on Thursday, the 19th day of September, 2013 at 11.00 a. m., at Mali Chitra Mandir Hall, Sangli- 416 416.

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 73rd Annual General Meeting of the Company to be held on Thursday. the 19th day of September, 2013 at 11.00. a. m., at Mali Chitra Mandir Hall, Gulmohar Colony, Sangli- 416 416, and at any adjournment thereof.

Signed this _____ day of _____ 2013.

Revenue
Stamp of
Re. 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 Re. 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. 1988	4,613.16	149.83	957.44	15%	682,555	733,310
31st March						
2. 1990	8,453.19	319.69	763.30	18%	1,040,925	1,161,910
3. 1991	7,816.78	313.62	737.07	20%	898,218	1,038,51
4. 1992	10,085.33	348.17	816.27	20%	1,017,008	1,231,045
5. 1993	10,232.46	402.13	835.98	20%	876,537	1,087,222
6. 1994	11,978.27	427.93	797.40	20%	761,186	956,730
30th September						
7. 1995	19,870.41	631.03	1,578.93	30%	1,178,846	1,446,350
8. 1996	18,768.07	1,079.24	1,579.08	22.5%	1,393,790	1,537,975
9. 1997	16,651.47	1,308.91	2,477.41	22.5%	947,340	1,105,039
10. 1998	20,254.77	1,476.68	5,351.66	22.5%	1,130,355	1,310,645
11. 1999	22,895.62	1,931.81	6,064.17	25%	1,399,603	1,551,260
12. 2000	26,681.52	2,714.81	6,519.12	30%	1,425,023	1,716,100
13. 2001	25,464.73	4,113.77	5,818.56	35%	1,189,443	1,482,057
14. 2002	23,511.06	3,609.39	8,666.63	10%	1,222,416	1,432,455
15. 2003	24,575.99	3,489.30	7,968.82	Nil	1,467,798	1,724,490
16. 2004	20,287.75	4,201.60	8,043.91	30%	837,383	876,430
17. 2005	29,822.75	4,815.51	7,402.30	20%	1,046,480	1,163,180
18. 2006	48,197.14	5,402.95	10,664.00	20%	1,876,166	2,187,595
31st March						
19. 2007	30,569.86	5,579.49	16,762.13	Nil	1,668,394	1,940,351
20. 2008	38,257.74	6,513.81	21,241.75	20%	1,949,390	2,211,445
21. 2009	41,556.72	9,246.67	21,581.40	25%	1,319,427	1,468,445
22. 2010	56,651.44	7,243.02	19,615.01	Nil	1,575,618	1,786,430
23. 2011	59,933.43	7,644.60	17,558.05	Nil	1,716,325	1,940,680
24. 2012	66,306.29	9,026.96	15,721.77	25%	1,943,592	2,251,160
25. 2013	72,331.18	10,508.73	17,603.82	20%	1,503,593	1,583,700

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 bye-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, 2010-11, 2011-12 and 2012-13 includes figures of Jewargi unit.