

THE UGAR SUGAR WORKS LIMITED

CIN: L15421PN1939PLC006738

78TH ANNUAL REPORT 2017-18

Name	Designation
Shri. R. V. Shirgaokar	Chairman Emeritus

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

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

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

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

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Registered Office:

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

Administrative Office:

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

Registrar & Transfer Agent:

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

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

Plants: Ugar Khurd and Malli (Jewargi)

Bankers

Central Bank of India
Bank of Baroda

Bank of India
Union Bank of India

ANNUAL GENERAL MEETING

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

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

NOTICE

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

Ordinary Business:

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

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

Special Business:

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

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

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

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

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

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

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

B. G. Kulkarni
GM Corporate Affairs & Company Secretary
(F-2805)

Place : Pune
Date : 25-05-2018

Regd. Office: Mahaveer Nagar,
Sangli – 416416.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain Closed from 30th July, 2018 to 10th August, 2018 (both days inclusive).
3. The relevant explanatory statement pursuant to section 102 of the Companies Act, 2013 in respect of Special Business specified under item No. 5, 6, and 7 of the Notice is annexed hereto.
4. Members are requested to notify promptly any change in their addresses to the RTA/Company.
5. The members are requested to bring their copies of Annual Report along with them to the Annual General Meeting.
6.
 - i) The members who have not yet encashed their dividend warrants for the years 2011-12, 2012-13, 2015-16 and 2016-17 are advised to forward such warrants / request to the Registered Office of the Company for obtaining cheques in lieu thereof. (The Company has not declared any dividend for the year 2009-10, 2010-11, 2013-14 and 2014-15.)
 - ii) Pursuant to the provisions of section 205-A and 205C, of the Companies Act 1956 any dividend remaining unclaimed for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund created by Government of India for the benefit of investors. The unclaimed dividend for the financial year ended 2008-09 has already been transferred on 18/10/2016. No dividend was declared during the year 2010-11.
 - iii) Pursuant to provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, Company was required to transfer the Shares in respect of which Dividend has not been paid / claimed for seven consecutive years or more to IEPF Authority upto the financial year ended 2008-09. Accordingly Company has transferred 302,531 equity shares to IEPF Authorities Demat Account.
7. Members are requested to quote their folio number/s or Client ID in all correspondence with the Company.
8. SEBI, vide its Circular dated 20th May, 2009, has clarified that, it shall be mandatory for the transferee (s) of shares of the Listed Companies, in physical form, to furnish copy of PAN Card to the Company/ RTA for registration of transfer of shares, for securities market transactions and off market / private transactions involving shares.
9. In response to the Green Environment Initiative taken by the Ministry of Corporate Affairs, Members who have not registered their e-mail addresses so far are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register their email addresses with M/s. Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agents of the Company.

10. E-voting

Voting through electronic means

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

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

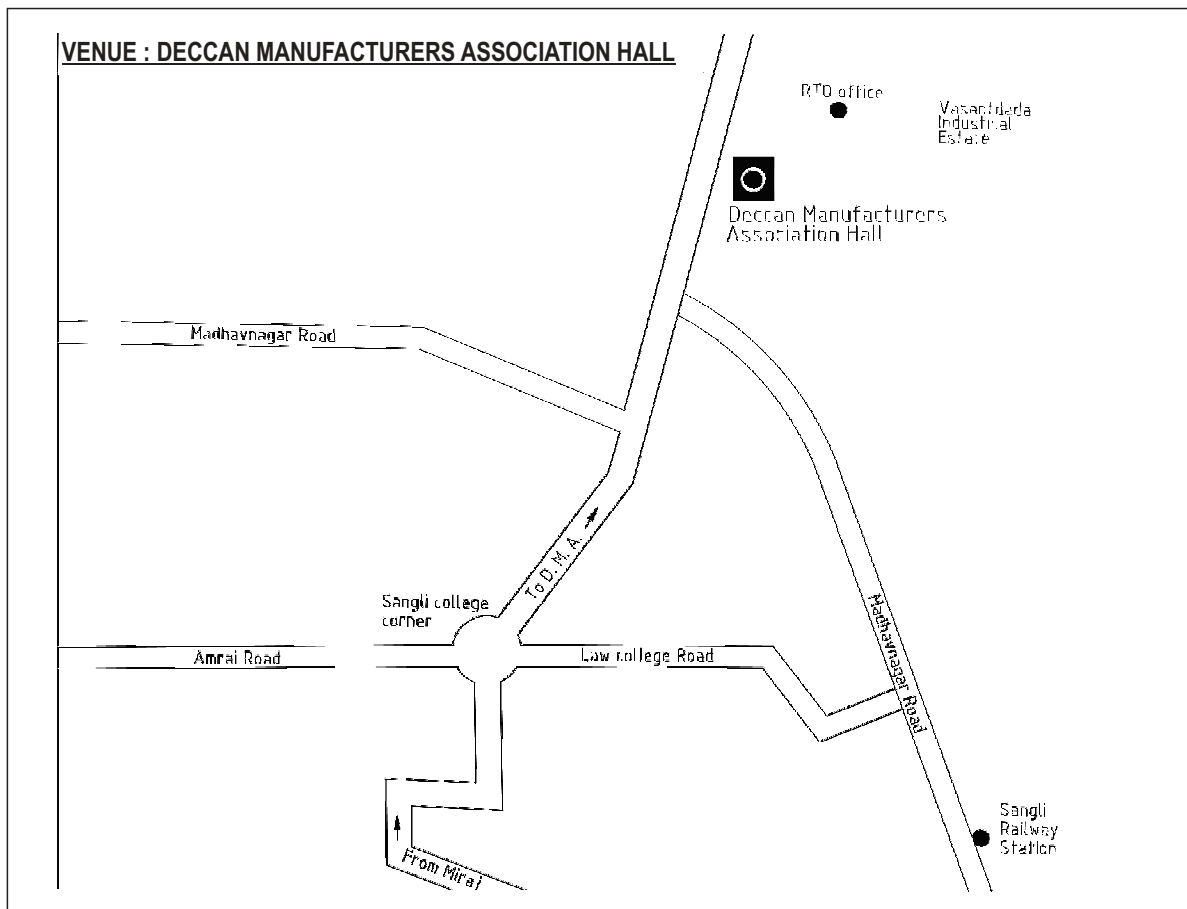
The instructions for e-voting are as under:

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

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

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

ROAD MAP TO AGM VENUE



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

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

Item Nos. 05 & 06:

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

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

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

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

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

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

A] Salary :

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

B] Incentive based on the EBT :

Five percent (5%) of EBT.

C] Allowance:

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

Variable Allowances:

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

D] Perquisites:**Part A :**

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

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

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

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

Explanation :

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

Part B :

- Minimum Remuneration: In case of absence or inadequacy of profits (including the case of loss) for any year, the Company shall pay to the Managing Directors the minimum remuneration of Rs. 3,50,000/- p.m. and the allowance and perquisites and in case of profit incentives of 5% of EBT not exceeding as per provisions of schedule V and any amendments thereof.
- The net profit of the Company shall be determined as provided for in section 198 and any other provision/s of The Companies Act, 2013, applicable thereto.
- The termination of services for the purpose of reappointment will not be treated as discontinuation of services for the purposes of gratuity and other benefits accruing to them. Their services will be treated as continuous services for the purpose of Gratuity and other benefits.
- The agreement may be terminated by either party giving three months' notice or the Company or by paying three months' salary in lieu thereof.

- e) If at any time the Managing Directors cease to be a Director of the Company for any cause whatsoever, they shall cease to hold their respective positions, as the case may be.

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

I. General Information:

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

(Rs. In Lakh)

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

5. Export performance and net foreign exchange collaborations : NA

6. Foreign investments or collaborators, if any : NA

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

2. Past Remuneration	Financial Year	Amount (In Rs. Lakh)	Financial Year	Amount (In Rs. Lakh)
	2016-2017	84.08*	2016-2017	77.45*
	2015-2016	37.27 *	2015-2016	33.96 *
	2014-2015	45.76 *	2014-2015	41.60 *
	* excluding the retirement benefits and Commission		* excluding the retirement benefits and Commission	
3. Job profile and his suitability	Mr. Niraj Shirgaokar, Managing Director has been entrusted with substantial powers of the management of business and affairs of Jewargi Unit of the Company. He has over 23 years of overall experience in professional IT & ITES companies along with Sugar & co generation businesses of the Company and its associate companies. The Company has been substantially benefitted by his vision, professional knowledge and managerial expertise.		Mr. Chandan Shirgaokar, Managing Director has been entrusted with substantial powers of the management of business and affairs Ugar Unit of the Company. He has over 18 years of experience in Sugar & co generation businesses of the Company and its associate companies. The Company has been substantially benefitted by his vision, professional knowledge and managerial expertise.	
4. Remuneration Proposed	As stated in the explanatory statement to Special Resolution at Item No. 5 of the Notice		As stated in the explanatory statement to Special Resolution at Item No. 6 of the Notice.	
5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):	Remuneration of Mr. Niraj Shirgaokar is in tune with his peers and is commensurate with his qualification, experience, and the size of the Company and diverse nature of its businesses.		Remuneration of Mr. Chandan Shirgaokar is in tune with his peers and is commensurate with his qualification, experience, and the size of the Company and diverse nature of its businesses.	
6. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	Mr. Niraj Shirgaokar is a Promoter-Director, holding 219214 equity shares of Re.1/- each representing about 0.19% of the total paid-up capital of the Company. He is son of Mr. Shishir Shirgaokar (Non Executive Director)		Mr. Chandan Shirgaokar is a Promoter-Director, holding 495104 equity shares of Re.1/- each representing about 0.44% of the total paid-up capital of the Company. He is brother of (Non Executive Director) Mr. Sohan Shirgaokar.	

III. Other information: Nil**IV. Disclosures:**

1. Remuneration package of the managerial person: Fully described in the respective explanatory statement as stated above.
2. Disclosures in the Board of Directors' report under the heading 'Corporate Governance' attached to the Annual Report: The requisite details of remuneration etc. of Directors is included in the Corporate Governance Report, forming part of the Annual Report of the Company.

The resolutions Nos 5 and 6 are recommended to the members for their approval as the Special Resolutions.

Memorandum of Interest:

None of the Directors except Shri. Shishir Suresh Shirgaokar and Shri. Niraj Shishir Shirgaokar, are interested in the Resolution No. 05 being father and son. None of the Directors except Shri. Chandan Sanjeev Shirgaokar and Shri Sohan Sanjeev Shirgaokar are interested in the Resolution No. 06 being brothers.

Item No. 07:

- Approval / ratification of Remuneration to Cost Auditor:

The Audit Committee & the Board of Directors in their meeting held on 25th May, 2018, have approved the appointment of Cost Auditor Mr. Vikas V. Deodhar, for the Financial Year 2018-19 on a remuneration of Rs. 2.30 Lakhs (Rupees Two Lakh Thirty thousand only) plus reimbursement of out of pocket expenses plus Taxes as applicable, subject to the ratification by the shareholders in the ensuing annual general meeting. Accordingly the remuneration is proposed for your approval.

Memorandum of Interest :

None of the Directors are deemed to be interested in the resolution No.7

The Directors recommends the resolution for members' approval as an Ordinary Resolution.

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

B. G. Kulkarni
GM Corporate Affairs & Company Secretary
(F-2805)

Place : Pune
Date : 25-05-2018

Regd. Office: Mahaveer Nagar,
Sangli – 416416.

DIRECTORS' REPORT

DEAR SHAREHOLDERS,

Your Directors have pleasure in presenting their 78th Annual Report together with the Audited Financial Statements for the period ended 31st March, 2018.

GENERAL:

All India Production of Sugar for the Season 2017-18 is expected to reach 315 Lakh tonnes, as compared to the previous year's production of 203 Lakh tonnes. The Government of India has continued with the decontrol mechanism.

Our total crushing of sugar cane at Ugar and Jewargi, during the season 2017-18 was 21.29 Lakh MT, bagging of Sugar 23.96 Lakh Qtls., and recovery of 11.25% and 10.01% respectively.

FINANCIAL RESULTS:

The brief financial results of the Company are as shown below:

Particulars	31.03.2018 Rs. in Lakh	31.03.2017 Rs. in Lakh
Total Revenue	80191.41	76166.85
Total Expenditure (excluding Depreciation & Amortisation)	(84876.50)	(71902.66)
Profit before Depreciation & Amortisation	(4685.09)	4264.19
Depreciation & Amortisation	1947.92	1468.39
Profit Before Tax / (Loss) & Exceptional items	(6633.00)	2795.81
Provision for Tax, (including deferred tax adjustment, short provision for tax) / MAT Credit entitlement	186.08	198.62
Profit after Tax / Net Profit / (Loss)	(6819.08)	2597.19
Other Comprehensive Income	254.85	(254.51)
Total Comprehensive Income for the period (Comprising Profit (Loss) and other Comprehensive Income for the period)	(6564.23)	2342.68
Earnings Per Share (EPS)	(6.06)	2.31

Although this year Company has done Maximum Crushing with good recovery, due to steep fall in Sugar Prices there is a loss of Rs. (6819.08) Lakh. The Central Government is taking various measures to stabilise the sugar price, like Export of Sugar providing 20 Lakh MT minimum indicative export quotas (MIEQ), Ethanol policy. We are also expecting the following incentives from Central/State Government: 1. Buffer Stock 30 Lakh MT, 2. Increase in Ethanol Price, 3. Sugar MSP (Minimum selling price) Rs.30 +.

Transfer to Reserve: - No amount has been transferred to Reserve for the financial year 2017-18.

DIVIDEND :

Due to the losses incurred during the year, the Board has not recommended any Dividend for the Financial Year 2017-18. (Previous year 2016-17 Dividend @20% (i.e. Re 0.20 per share of Re 1/- each).

OPERATIONS:**SUGAR AT UGAR:**

Particulars	Sugar Season 2017-18	<i>Sugar Season 2016-17</i>
Date of beginning of crushing season	27-10-2017	10-11-2016
Date of ending of crushing season	06-03-2018	30-01-2017
Number of Working Days	131	82
Sugar Cane Crushed (Lakh MT)	17.84	8.51
Recovery	11.25%	10.53%
Sugar Produced (Lakh Qtls.)	20.50	9.25

SUGAR AT JEWARGI :

Particulars	Sugar Season 2017-18	<i>Sugar Season 2016-17</i>
Date of beginning of crushing season	08-11-2017	10-11-2016
Date of ending of crushing season	15-03-2018	18-01-2017
Number of Working Days	128	70
Sugar Cane Crushed (Lakh MT)	3.45	1.42
Recovery	10.01	8.91%
Sugar Produced (Lakh Qtls.)	3.46	1.27

DISTILLERY, IML PRODUCTION & ELECTRICITY GENERATION :

Particulars	Unit	Financial Year 2017-18	<i>Financial Year 2016-17</i>
Rectified Spirit Produced (Lakh BL)	Ugar	106.48	87.43
Denatured Spirit Produced (Lakh BL)	Ugar	28.10	37.03
Potable Alcohol Produced (Lakh BL)	Ugar	64.42	70.45
Electricity Generated (Lakh KW)	Ugar	1307.88	646.94
Electricity Exported (Lakh KW)	Ugar	685.00	320.86
Electricity Generated (Lakh KW)	Jewargi	316.70	140.98
Electricity Exported (Lakh KW)	Jewargi	204.09	72.58

Your Directors expect to procure about 20 to 22 Lakh MT sugarcane at Ugar and Jewargi Units during 2018-19 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 Company has not accepted fresh deposits from public pursuant to Section 73 or 76 of the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014. However, 2 (Two) Depositors, who have not claimed their deposits after maturity as on 31st March, 2018 and the amount outstanding as on that date, was Rs.2.92 Lakh. These amounts are lying with the Company as there is litigation amongst the heirs about the true ownership of the deposits. As and when court order is received, amounts will be paid.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Company has not advanced any loans pursuant to Section 186 of the Companies Act, 2013. The Guarantees given to the financial institutions amounting to Rs. 50 Cr. to Union Bank of India, and Rs. 66.55 Cr. to Bank of India. The investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements at Note No. A-03.

DIRECTORS RETIRE BY ROTATION:

- Shri. P. V. Shirgaokar, age 79 years, is liable to retire by rotation at this AGM & being eligible offers himself for reappointment. Being a fit and proper person Board intends to reappoint him as a Director.
- Shri. Shishir Shirgaokar aged 73 years, is liable to retire by rotation at this AGM & being eligible offers himself for reappointment. Being a fit and proper person Board intends to reappoint him as a Director.
- Declaration is given by all Independent Directors:
- All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 46 of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015. The details of appointment of independent Directors are disclosed on Company's website with following link

http://web.ugarsugar.com/Investor_Relations/Corporate_Announcements.asp?child=3&parent=7

- **Board Evaluation:-**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees.

- **Nomination & Remuneration Policy:**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration and includes other matters as prescribed under the provisions of Section 178 of Companies Act and Regulation 19 of SEBI (LODR) 2015. The Nomination & Remuneration Policy is available on the website of the Company on the following link.....

http://web.ugarsugar.com/Investor_Relations/Corporate_Announcements.asp?child=3&parent=7

- **Meetings:**

During the year, Seven Board Meetings and Four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, we confirm that-

- i] That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii] The directors had 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 and loss of the Company for that period;
- iii] The directors had 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] The directors had prepared the annual accounts on a going concern basis;
- v] The directors, in case of listed company had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and;
- vi] The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

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. Company has paid the Annual Listed Fees for the Financial Year 2017-18. As required by SEBI Guidelines, a Corporate Governance Report is annexed.

CO-GENERATION AT UGAR & JEWARGI:

During this year electricity generated was 1624.58 Lakh KW of which we have exported 889.09 Lakh KW through Tata Power Trading Company, HESCOM, BESCOM, CESCO, MESCOM and GESCOM by consuming 5.44 Lakh MT of Bagasse.

DISTILLERY:

The production of Rectified Spirit was 106.48 Lakh BL as compared to 87.43 Lakh BL during the previous year. During the year under review, we have supplied 28.10 Lakh BL to the Oil Companies. The production at distillery has improved during the year.

INDIAN MADE LIQUOR (IML) AT UGAR:

The Company has manufactured 7.34 Lakh cases at Ugar during this year as against 7.93 Lakh cases during the previous year. The sales have substantially come down due to non working of IML Section for 2 months, which has effected on our sales. Company has continued bottling of its products at M/s. K. S. Distilleries and M/s. SDF Industries.

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 9,18,64,682. Equity shares have been dematerialised by the shareholders, i.e.81.66% of total shareholding as on 31st March, 2018. The annual fees of depositories for the FY 2017-18 have been paid by the Company.

CONSERVATION OF ENERGY AND PARTICULARS OF EMPLOYEES:

Particulars pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo have been given under Annexure I. The disclosures as required under Section 134(3) (m) of the Companies Act, 2013, read with Rule, 8 of The Companies (Accounts) Rules, 2014 have been given under Annexure II. Both the annexures form part of this report.

ASSOCIATE COMPANIES:**UGAR THEATRE PVT. LTD.**

Ugar Theatre Pvt Ltd, has again become our Associate Company during the year. It was incorporated on 29-11-1977, with an intention to exhibit films for the Ugar people. With increased media facilities, the film exhibition has become un-remunerative, hence the activity of film exhibition was stopped w.e.f. 30th January, 2004 and the machinery was sold. The Company is presently engaged in providing warehousing facility to others. As the transactions are not material in nature, the financials have not been consolidated as per the relevant Accounting Standards.

Brief Financials of the Company:

Particulars	31.3.2018 Rs. in Lakh	31.03.2017 Rs. in Lakh
Total Revenue	378,600	375,503
Total Expenditure	458,272	208,506
Profit Before Tax / (Loss)	(79,672)	166,997

QUALIFYING REMARKS IN AUDITORS' REPORT:

There are no qualifying remarks in the Statutory Auditors Report.

The Secretarial Auditor has made following observations in his Report,

- i) Company has received a letter levying penalty from Bombay Stock Exchange for delay in submission of PDF scan copy of the financial results for the Quarter ended September, 2017 under Regulation 33 of SEBI (LODR) 2015.
 - **Reply:-** Company has submitted the Financial Results for September, 2017 quarter in XBRL Format within the stipulated time however, there was delay in forwarding the PDF Scan copies due to the technical issues with the system. The Company has given a letter for waiver of penalty to BSE which is under consideration.
- i) There has been delay in payment of Fair and Remunerative Price of Sugar cane for the sugar season 2017-18.
 - **Reply:-** Due to sudden fall in Sugar Prices there are financial crisis for the entire Sugar Industry and efforts are on for completing the obligation.

AUDITORS:**Statutory Auditors**

The Company's Auditors, M/s. Kirtane & Pandit LLP, Chartered Accountants, having FRN - 105215W were appointed for a term of five years subject to ratification every year. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company for financial year 2018-19. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records are maintained by the Company in respect of its Cost Audit of Sugar and Electrical Energy. Your Directors have appointed Mr. V. V. Deodhar, Cost Accountant, Mumbai (Membership No. 3813) on the

recommendation of the Audit Committee, to audit the cost accounts of the Company for the financial year 2018-19 on a remuneration of Rs.2,30,000/- subject to the ratification by General Body.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed CS Abhay Gulavani, Company Secretaries in Practice, Miraj (Membership No A28983) to undertake the Secretarial Audit of the Company who has consented to the same. The Report of the Secretarial Audit Report is annexed herewith as “**Annexure III**”.

CORPORATE SOCIAL RESPONSIBILITY

In order to fulfill the Social Commitments of the Company, it has carried out CSR activity and the eligible amount has been spent for various CSR activities. The Report of the CSR is annexed herewith as “**Annexure IV**”.

INTERNAL FINANCIAL CONTROL:

The Company has Internal Financial Controls with proper checks and balances to ensure that transactions are properly authorized, recorded and reported apart from safeguarding its assets. These systems are reviewed and improved on a regular basis.

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. The transactions entered into by the Company during the year were within the limits of the Powers of the Board as prescribed in Section 188 read with Companies (Meetings of Board & its Powers) Rules, 2014. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel, other designated persons or other related parties which may have a potential conflict with the interest of the Company at large.

The Company has taken Omnibus approval of Audit Committee for the Related Party Transaction. All Related Party Transactions were placed before the Audit Committee and the Board for their approval.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

Details relating to Related Party Transactions are shown in Form No. AOC-2: (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) is attached as **Annexure V**.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERNS STATUS AND COMPANY'S OPERATION IN FUTURE:

There are no significant and material orders passed by any regulatory authority, court or tribunal which shall impact the going concern status and company's operations in future.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as “**Annexure VI**”.

DETAILS OF REMUNERATION AS REQUIRED UNDER SECTION 178 & 197 (12):

Details of Remuneration as required under Section 178 and 197 (12) of the Companies Act, 2013 Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as “**Annexure VII.**”

WHISTLE BLOWER POLICY / VIGIL MECHANISM:

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 22 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company has adopted a Whistle Blower Policy / Vigil Mechanism that encourages and supports its Directors & employees to report instances of unethical behaviour, actual or suspected frauds or violation of Company's Code of Conduct. It also provides adequate safeguards against victimisation of persons who use this mechanism and direct access to the Chairman of Audit Committee in exceptional cases. The Whistle Blower Policy / Vigil Mechanism policy has been posted on web site of company on the link

http://web.ugarsugar.com/Investor_Relations/Corporate_Announcements.asp?child=3&parent=7

PREVENTION, PROHIBITION & REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE:

The Company has in place a policy on prevention, prohibition & redressal of sexual harassment of women at work place and an Internal Complaints Committee has been constituted. No complaints are received during the year.

RISK MANAGEMENT POLICY

Details of Risk Management Policy as required under the provisions of Companies Act 2013 is placed on the Company's website www.ugarsugar.com.

CHANGE IN NATURE OF BUSINESS, IF ANY

There is no change in nature of Business of the company during the year.

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 and Bank of India for providing working capital finance and Central Bank of India, Bank of Baroda, Sugar Development Fund, for providing long term finance for Capital Investments, Tata Power Trading Co. Ltd., and Electricity Supply Company (ESCOMS), for transmission of energy.

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

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

B. G. Kulkarni

GM Corporate Affairs & Company Secretary
(F-2805)

Place : Pune

Date : 25-05-2018

Regd. Office: Mahaveer Nagar,
Sangli – 416416.

ANNEXURE I TO THE DIRECTORS' REPORT

Information pursuant to Section 134(3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the period ended 31st March, 2018.

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:

S.N.	DESCRIPTION	LOCATION	Qty x Rating	KW
1	INSTALLED SIEMENS AC VFD DRIVES WITH ENERGY EFFICIENT MOTORS	42X84 GRPF ZERO & MILL-1	4 NOS X 200 KW	800 KW
2	INSTALLED SIEMENS AC VFD DRIVES WITH ENERGY EFFICIENT MOTORS	42X84 GRPF MILL -2, MILL-3	4 NOS X 150 KW	600 KW
3	INSTALLED SCHNEIDER AC VFD DRIVES WITH ENERGY EFFICIENT MOTORS	EVAPORATION LIME DOSING	3 NOS X 7.5 KW	22.5 KW
4	INSTALLED SCHNEIDER AC VFD DRIVES WITH ENERGY EFFICIENT MOTOR	A PAN Nos. 18 ,19 & 16	2 NOS X 55 KW 1 NO. X 45 KW	110 KW 45 KW
5	40 W TUBE LIGHT REPLACED BY 23 W CFL LAMPS	ETP STREET LIGHTS	15 NOS X 23 W	0.345 KW
6	40 W INCANDISENT LAMPS REPLACED BY 23 W CFL LAMPS	AL MANDIR BWALK WAY	10 NOS X 23 W	0.230 KW
7	INSTALLED SCHNEIDER AC VFD DRIVES WITH ENERGY EFFICIENT MOTOR	SULPHUR HOUSE	2 NOS X 2.2 KW	4.4 KW
			TOTAL	1582.48 KW

ANNEXURE II : TECHNOLOGY ABSORPTION FORM – B

Research & Development Department of The Ugar Sugar Works Ltd; is recognized by Ministry of Science & Technology New Delhi since 24th July,1978 till to date is in force. All the government institutes like Agricultural University, Agricultural Research Stations, private organizations are giving trials of new varieties and their products on our R & D Farm.

For adopting new technology continuous research is required.

On our R & D Farm new varieties are being tested for yield and quality with respect to the soil & environment conditions, which has helped our area and entire peninsular zone for propagating the new varieties, new ideas and new techniques.

Sugarcane:

CoC-671(Q63xCo775) cane variety was brought around 1985 which is a high yielding high sucrose variety. This variety was popular amongst the cane growers up to 2005. Because of some unique features it is still existing. We are trying to improve area under this variety by giving seedlings & seeds. To start the season with high recovery, cane seedlings plantation is important and hence seedlings are distributed last two years & this will be continued in future also. We are also trying to identify such type of variety.

Co-86032 (Co62198 xCoC671) cane variety belongs to early midlate group occupied 40 to 45 % area, becoming susceptible for disease & loosing its hybrid vigour. Co 86032 will be replaced by Co-9268 & Co-9057. This year seed material will be given on large scale.

CoM-0265(GS87044) cane variety is late sugar accumulating variety. Because of its high yielding & salinity tolerant character it became popular amongst the farmers. Sugar accumulation is late, profuse flowering; leaf spots are the undesirable characters in this variety. Since last two years SNK 09293 is distributed from our R & D farm. VSI 08005 variety will be tested on our R & D Farm for this season.

We are also providing Macro and Micronutrients to the farmers in the command area.

We are hopeful that Co 86032 & CoM 0265 will be replaced within the span of 3 to 4 years.

Agricultural Research Station, Sankeshwar which comes under University of Agricultural Sciences, Dharwad, Sugarcane Breeding Institute, Coimbatore & S. Nijalingappa Sugar Institute, Belgaum are supplying us the new clones for continuous evaluation.

To reclaim saline soil Sub Surface Drainage with the help of perforated PVC pipes is made popular in our command area and One Hundred acres already done on Company managed Lift Irrigation Schemes.

Research on Short Duration Crops:

Short duration crops are necessary for crop rotation which will maintain the soil health.

Wheat:

We are conducting trials on Wheat under the guidance of University of Agricultural Sciences, Dharwad, ICAR, Indian Institute of Wheat & Barley Research, Karnal, MACS, Pune, CYMMYT Mexico, ICARDA.UAS. Wheat variety No.304 is identified on our R & D Farm. Seed will be given to the farmers in the month of October 2018 on large scale.

Soybean

Trials are conducted with the help of University of Agricultural Sciences, Dharwad, and ICAR, Indian Institute of Soybean Research, Indore. We found Dsb 21 is rust resistant & high yielding variety.

Future Plan of action:

1. Selection of high yielding, high sucrose and disease resistant varieties.
2. Saline Soil reclamation by utilizing Porous pipes in command area.
3. Increasing cane yield with the help of Integrated Nutrient Management practice.
4. Wide Row Spacing Plantation Program
5. Selection of suitable variety for Mechanical Cane Harvester.
6. To promote the area under Drip Irrigation.
7. Distribution of genetically pure seed & seedlings of popular varieties.

Details of Foreign Exchange Earnings & Outgo are as under:

Sr. No.	Particulars	Rs. in Lakh
1.	Foreign Exchange Earnings	–
2.	Foreign Exchange Outgo	
	a. Travelling	5.62
	b. Raw Sugar	1471.60
	c. Machinery Parts	71.48
	d. Subscriptions	0.00

ANNEXURE III - FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
The Ugar Sugar Works Limited,
Mahaveernagar,
Sangli – 416416.
(CIN – L15421PN1939PLC006738)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Ugar Sugar Works Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of The Ugar Sugar Works Limited, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the financial year from 1st April, 2017 to 31st March, 2018 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements, LODR) Regulations, 2015; and
- v) Company has complied with the other applicable laws as applicable specifically to the company as identified by the management, as mentioned below:
 - i) Sugar Cess Act, 1982
 - ii) Food Safety And Standards Act, 2006

- iii) Essential Commodities Act, 1955
 - iv) Sugar Development Fund Act, 1982
 - v) The Karnataka Sugarcane (Regulation on Purchase and Supply) Act, 2013,
 - vi) Export (Quality Control and Inspection) Act, 1963
 - vii) Indian Boilers Act, 1923
 - viii) The Electricity Act, 2003
 - ix) National Tariff Policy
- vi. I have also examined compliance with the applicable clauses of the following:
- a Secretarial Standards issued by The Institute of Company Secretaries of India from time to time.
 - b. The uniform Listing Agreements entered into by the Company with BSE Limited & National Stock Exchange of India Limited, the Stock Exchange(s).
- vii. I am informed that, during the year, Company was not required to comply with the following laws / regulations / agreements / guidelines and consequently not required to maintain any books, papers, records or file any forms, returns under:
- a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - f) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

During the period under review the Company has adequately complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable, except following:

- i) Company has received a letter levying penalty from Bombay Stock Exchange for delay in submission of PDF scan copy of the financial results for the Quarter ended September, 2017 under Regulation 33 of SEBI (LODR) 2015.
- ii) There has been delay in payment of Fair and Remunerative Price of Sugar cane for the sugar season 2017-18.

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through. As informed, there were no dissenting views from any Board member that were required to be captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the audit period, there are no specific event / action having a major bearing on the Companies affairs.

Place : Pune
Date : 25-05-2018

Abhay R. Gulavani
Practising Company Secretary
ACS: 28983; CP: 10741

Annexure - A to Secretarial Audit Report of even date

To,
The Member,
The Ugar Sugar Works Limited,
Mahaveernagar,
Sangli- 416 416
(CIN - L15421PN1939PLC006738)

My Secretarial Audit Report dated 25th May, 2018 for the financial year ended on 31st March, 2018, is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on the secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is a part of financial audit.
4. I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required. Details of the directorships in other companies, their status, disclosures made by the Directors, have been taken from Director master data and Form MBP-1.
5. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. This Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Pune
Date : 25-05-2018

Abhay R. Gulavani
Practising Company Secretary
(ACS : 28983; CP : 10741)

ANNEXURE IV
TO THE DIRECTORS REPORT
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES
2017-18

Purpose :

In terms of the Companies Act, 2013, every listed company has to have a Corporate Social Responsibility (CSR) Committee of the Board of Directors which will help the Company to frame, monitor and execute the CSR activities of the Company under its CSR scope.

The CSR Committee is also entrusted with implementing the CSR Policy of the Company as approved by its Board of Directors. Web link for CSR Policy is

http://web.ugarsugar.com/Investor_Relations/Corporate_Governance/CSR_Committee.asp?child=8&parent=9

Scope :

The CSR Policy will cover the following focus areas which the Company will undertake through its various initiatives in the areas of 1. Health, 2. Education, 3. Community Development, 4. Natural Calamities and 5. Sports Development and Cultural Activities.

2. Composition of CSR Committee

Following are members of the Corporate Social Responsibility Committee of the Board :

- o Dr. M.R.Desai - Chairman.
- o Mr. D.B.Shah
- o Mr. Sachin Shirgaokar.
- o Mr. Sohan Shirgaokar.

		(Rs. in Lakhs)
3	Average net profit/ loss of the Company for last three financial years	1048.66
4	Prescribed CSR Expenditure (In Lakhs) (two per cent., of the amount as in item 3 above)	20.97
5	Details of CSR spent during the financial year.	
	a. The Company has spent as CSR Activities during the financial year	22.50
	b. Amount unspent, if any;	NIL

(c) Manner in which the amount spent during the financial year is details below:

S.No	CSR Project of Activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or Others (2) Specify the state and district where projects or programs was undertaken	Amount spent on the projects or programs wise	Amount spent on the project or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative Expenditure upto to the reporting period	Amount Spent: Direct or through implementing agency
1.	Education	Education	Area : Kolhapur State : Maharashtra Dist : Kolhapure	10 Lakh	10 Lakh	–	Direct
2.	Education	Education	Area : Miraj State : Maharashtra Dist : Sangli	1 Lakh	1 Lakh	–	Direct
3.	Education	Education	Area : Ugar Khurd (Local Area) Dist : Belagavi	3 Lakh	3 Lakh	–	Direct

4.	Education	Education	Area:Kolhapur State- Maharashtra, Dist: Kolhapur	5 Lakh	5 Lakh	-	Direct
5.	Sports Activities	Sports Activities	Area:Sangli State- Maharashtra Dist: Sangli	0.5 Lakh	0.5 Lakh	-	Direct
6.	Sports Activities	Sports Activities	Area: Chandigarh State- Uttar Pradesh, Dist : Chandigarh	2 Lakh	2 Lakh	-	Direct
7.	Social Activities	Social Activities	Area:Ugar Khurd (Local Area) Dist: Belagavi	1 Lakh	1 Lakh	-	Direct
	Total=			22.50 Lakh	22.50 Lakh		

CSR Committee confirms that, the implementation & monitoring of CSR Policy is in compliance with CSR objectives & policy of Company.

Mr. Niraj S. Shirgaokar Managing Director (DIN - 00254525) The Ugar Sugar Works Ltd	Dr. M. R. Desai Chairman CSR Committee (DIN - 01625500) The Ugar Sugar Works Ltd
Mr. Chandan S. Shirgaokar Managing Director (DIN - 00208200) The Ugar Sugar Works Ltd	

ANNEXURE V TO THE DIRECTORS' REPORT.

Form No. AOC-2 : (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) for the year 2017-18

Details of material contracts or arrangement or transactions not at arm's length basis: Nil.

Details of material contracts or arrangement or transactions at arm's length basis

(a)	Name(s) of the related party	<ol style="list-style-type: none"> 1. S. B. Reshellers Pvt Ltd. 2. Radhika Shirgaokar 3. Gyanshree Enterprises 4. Sanjeev Suresh Shirgaokar (HUF) 										
	Nature of relationship	Group Companies.										
(b)	Nature of contracts /arrangements / transactions	Purchase of Machinery, Spare Parts, Repairs & Maintenance, Sale of Scrap / Machinery Parts etc.										
(c)	Duration of the contracts / arrangements / transactions	01-04-2017 to 31-03-2018										
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	<p>Related party transactions are finalized based on following procedure :</p> <ol style="list-style-type: none"> a) Comparison of Quotations received from similar parties in market b) Earlier performance of the party, quality of supply & services. c) Recommendations by Technical Team <p>All the transactions are done at fair market value and at arm's length basis.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Party names & Values of Transaction.</th> <th style="text-align: right;">Rs.</th> </tr> </thead> <tbody> <tr> <td>1. S. B. Reshellers Pvt Ltd.</td> <td style="text-align: right;">5,83,11,068/-</td> </tr> <tr> <td>2. Radhika Shirgaokar</td> <td style="text-align: right;">12,14,000/-</td> </tr> <tr> <td>3. Gyanshree Enterprises</td> <td style="text-align: right;">8,80,000/-</td> </tr> <tr> <td>4. Sanjeev Suresh Shirgaokar (HUF)</td> <td style="text-align: right;">23,22,000/-</td> </tr> </tbody> </table>	Party names & Values of Transaction.	Rs.	1. S. B. Reshellers Pvt Ltd.	5,83,11,068/-	2. Radhika Shirgaokar	12,14,000/-	3. Gyanshree Enterprises	8,80,000/-	4. Sanjeev Suresh Shirgaokar (HUF)	23,22,000/-
Party names & Values of Transaction.	Rs.											
1. S. B. Reshellers Pvt Ltd.	5,83,11,068/-											
2. Radhika Shirgaokar	12,14,000/-											
3. Gyanshree Enterprises	8,80,000/-											
4. Sanjeev Suresh Shirgaokar (HUF)	23,22,000/-											
(e)	Date(s) of approval by the Board	(Omnibus Approval for all Related Party Transaction has been obtained in Audit Committee Meeting held on 29/05/2017.										
(f)	Amount paid as advances, if any:	Nil										

Annexure VI EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2018
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]
FORM NO. MGT – 9

I. REGISTRATION AND OTHER DETAILS

i) CIN:-	L15421PN1939PLC006738
ii) Registration Date	11/09/1939
iii) Name of the Company	The Ugar Sugar Works Ltd.
iv) Category / Sub-Category of the Company	Company Limited By Shares / Indian Non Government Company.
v) Address of the Registered Office and contact details	MAHAVEER NAGAR, SANGLI, Maharashtra, 416416 +91 233 2623717, usw.sangli@ugarsugar.com.
vi) Whether listed Company Yes / No	Listed on BSE & NSE (530363 & UGARSUGAR)
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	BIGSHARE SERVICES PVT. LTD. (Unit : The Ugar Sugar Works Ltd.,) 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road Marol, Andheri East Mumbai-400059 Maharashtra Tel: 022 62638200 Fax: 022 62638299

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

S1 No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Sugar	2060	62.16
2	Potable Alcohol	2200	23.56

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S1 No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Ugar Theatre Pvt Ltd	U33205KA1977PTC003250	1096	48.19	Sec 2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) as on 31st March, 2018.**I) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	12884297	370704	13255001	11.78	13049071	223653	13272724	11.80	0.02
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	36304393	0	36304393	32.27	36304393	0	36304393	32.27	0
e) Banks / FI		0		0		0		0	0
f) Any Other....	1011447	0	1011447	0.90	1011447	0	1011447	.90	0
Sub-total (A) (1):-	50200137	370704	50570841	44.95	50364911	223653	50588564	44.97	0.02
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	50200137	370704	50570841	44.95	50364911	223653	50588564	44.97	0.02
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	700	2880	3580	0	86322	2880	89202	0.08	0.08
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	700	2880	3580	0.01	86322	2880	89202	0.08	0.08
2. Central/ State Govt./ President of India	0	0	0	0	302531	0	302531	0.27	0.27
3. Non-Institutions									
a) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	35694554	21095585	56790139	50.48	34509443	20380817	54890260	48.79	(1.69)

ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	964342	0	964342	0.86	850000	0	850000	0.76	0.1
c) Others (specify)	4132130	37968	4171098	3.71	5751475	27968	5779443	5.13	1.42
1) Body Corporate	--	--	--	--	--	--	--	--	--
2) Clearing Member	--	--	--	--	--	--	--	--	--
3) NRI	--	--	--	--	--	--	--	--	--
4) Trust	--	--	--	--	--	--	--	--	--
Sub-total (B)(3):-	40791026	21133553	61925579	55.04	41110918	20408785	61519703	54.69	(0.34)
Total Public Shareholding (B)=(B)(1)+(B)(2)+ (B)(3)	40792726	21136433	61929159	55.05	41499771	20411665	61911436	55.03	(0.02)
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	90992863	21507137	112500000	100	91864682	20635320	112500000	100	0

* amounts maintained as Reg 31(b).

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in Share holding During the year
1.	Rajendra V. Shirgaokar	125882	0.11	00	125882	0.11	00	0.00
2.	Prafulla V Shirgaokar	823929	0.73	00	823929	0.73	00	0.00
3.	Shishir S Shirgaokar	382255	0.34	00	382255	0.34	00	0.00
4.	Shilpa N Kumar	152600	0.14	00	152600	0.14	00	0.00
5.	Savita S Shirgaokar	108972	0.11	00	108972	0.11	00	0.00
6.	Niraj S Shirgaokar	219214	0.19	00	219214	0.19	00	0.00
7.	Arjun Niraj Shirgaokar	172052	0.15	00	172052	0.15	00	0.00
8.	Asawari Niraj Shirgaokar	473140	0.42	00	473140	0.42	00	0.00
9.	Sindhu V Dalvi	103020	0.09	00	103020	0.09	00	0.00
10.	Sachin R Shirgaokar	1481133	1.32	00	1500056	1.33	00	0.01
11.	Laxmi S Shirgaokar	395659	0.35	00	395659	0.35	00	0.00
12.	Radhika S Shirgaokar	2037978	1.81	00	2037978	1.81	00	0.00
13.	Smita P Shirgaokar	270000	0.24	00	270000	0.24	00	0.00
14.	Dinkar Madhusudan Shirgaokar	111827	0.10	00	111827	0.10	00	0.00
15.	Shradha D Shirgaokar	159480	0.14	00	159480	0.14	00	0.00
16.	Rishabh Sanat Shirgaokar	25203	0.02	00	25203	0.02	00	0.00
17.	Kunda K Shirgaokar	616544	0.55	00	616544	0.55	00	0.00
18.	Tarini S Shirgaokar	1556366	1.38	00	1579974	1.40	00	0.24
19.	Puja H. Pusalkar	8000	0.01	00	8000	0.01	00	0.00
20.	Jeevan V Shirgaokar	84311	0.07	00	84311	0.07	00	0.00
21.	Anuja J Shirgaokar	18200	0.02	00	34200	0.03	00	0.01
22.	Avinash V Shirgaokar	131840	0.12	00	139840	0.12	00	0.00
23.	Aniket J Shirgaokar	15700	0.01	00	15700	0.01	00	0.00

24.	Chandan S Shirgaokar	495104	0.44	00	495104	0.44	00	0.00
25.	Sohan S Shirgaokar	304032	0.27	00	305032	0.27	00	0.00
26.	Rekha R Khedekar	17264	0.02	00	17264	0.02	00	0.00
27.	Babasaheb N Kalyani	1583880	1.41	00	1583880	1.41	00	0.00
28.	Mohan P Shirgaokar (Huf)	55913	0.05	00	55913	0.05	00	0.00
29.	Sunita B Kalyani	1500000	1.33	00	1514800	1.35	00	0.02
30.	Madhavi Dalvi	281000	0.25	00	281000	0.25	00	0.00
31.	Rajeev V Dalvi	273000	0.24	00	273000	0.24	00	0.14
32.	Sumit R Khedekar	12000	0.01	00	12000	0.01	00	0.00
33.	Harshada A Shirgaokar	500	0.00	00	500	0.00	00	0.00
34.	Sukhada A Shirgaokar	9449	0.01	00	17449	0.02	00	0.01
35.	Kumar Prabhakar Shirgaokar (Huf)	55913	0.05	00	55913	0.05	00	0.00
36.	Sandhya Ashok Kumar Gupta	132480	0.12	00	132480	0.12	00	0.00
37.	Tara Tiles Pvt Ltd	1011200	0.90	00	1011200	0.90	00	0
38.	Sangli Fabricators Pvt Ltd	12608	0.01	00	12608	0.01	00	0
39.	Vinayak Shirgaokar Inv Pvt Ltd	3192694	2.84	00	3192694	2.84	00	0.00
40.	Suresh Shirgaokar Inv Pvt Ltd	1466920	1.30	00	1466920	1.30	00	0.00
41.	D.M. Shirgaokar Inv Pvt Ltd	2165888	1.93	00	2165888	1.93	00	0.00
42.	Prafulla Shirgaokar Inv Pvt Ltd	1833836	1.63	00	1833836	1.63	00	0.00
43.	Shishir Shirgaokar Inv Pvt Ltd	2025662	1.80	00	2025662	1.80	00	0.00
44.	Sanjiv Shirgaokar Inv Pvt Ltd	1752950	1.56	00	1752950	1.56	00	0.00
45.	Prabhakar Shirgaokar Inv Pvt Ltd	3351121	2.98	00	3351121	2.98	00	0.00
46.	S. B. Reshellers Pvt Ltd	19491514	17.32	00	19491514	17.32	00	2.58
	TOTAL	50570841	44.95	00	50588564	44.97	00	0.02

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Share holding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the company
1	Sachin R Shirgaokar	1481133	1.32	18923	0.01	Purchase of shares 23-03-2018	1500056	1.33
2	Tarini S Shirgaokar	1556366	1.38	23608	0.02	Transmission of shares 19-03-2018	1579974	1.40
3	Anuja J Shirgaokar	18200	0.02	16000	0.01	Purchase of shares 12-05-2017	34200	0.03
4	Avinash V Shirgaokar	131840	0.12	8000	0.00	Purchase of shares 12--52017	139840	0.12
5	Sohan S Shirgaokar	304032	0.27	1000	0.00	Purchase of shares 13-11-2017	305032	0.27
6	Sunita B Kalyani	1500000	1.33	14800	0.02	Purchase of shares 31-03-2018	1514800	1.35
7	Sukhada A Shirgaokar	9449	0.01	8000	0.01	Purchase of shares 12-05-2017	17449	0.02

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Name	No. of Shares at the beginning/ End of the year	Date	Increase/ Decrease in share-holding	Cumulative Increase/ Decrease in share-holding	Percentage of total shares of the company
1	FAMOUS DEVELOPERS PRIVATE LIMITED					
	At the beginning of the year	0	01-Apr-17	0	0	0
			24-Nov-17	140000	1,40,000	0.12
			1-Dec-17	460000	6,00,000	0.53
			8-Dec-17	269000	8,69,000	0.77
			15-Dec-17	481000	13,50,000	1.20
			22-Dec-17	150000	15,00,000	1.33
			29-Dec-17	70000	15,70,000	1.40
			19-Jan-18	80000	16,50,000	1.47
	At the end of the year	16,50,000	31-Mar-18	0	16,50,000	1.47
2	ITHOUGHTWEALTH ANALYTICS LLP					
	At the beginning of the year	0	01-Apr-17	0	0	0.00
			15-Sep-17	93673	93,673	0.08
			18-Sep-17	68787	1,62,460	0.14
			22-Sep-17	219705	3,82,165	0.34
			25-Sep-17	175079	5,57,244	0.50
			29-Sep-17	129203	6,86,447	0.61
			6-Oct-17	14191	7,00,638	0.62
			24-Nov-17	33634	7,34,272	0.65
			1-Dec-17	220728	9,55,000	0.85
			8-Dec-17	45000	10,00,000	0.89
	At the end of the year	10,00,000	31-Mar-18	0	10,00,000	0.89
3	R V RAGHUNANDHAN					
	At the beginning of the year	5,14,342	01-Apr-17	0	5,14,342	0.46
			7-Apr-17	-30273	4,84,069	0.43
			14-Apr-17	-46320	4,37,749	0.39
			21-Apr-17	-22100	4,15,649	0.37
			12-May-17	-57225	3,58,424	0.32
			19-May-17	-242455	1,15,969	0.10
			26-May-17	-93000	22,969	0.02
			2-Jun-17	-22969	0	0.00
	At the end of the year		31-Mar-18	0	0	0.00
4	HITESH RAMJI JAVERI					
	At the beginning of the year	4,50,000	01-Apr-17	0	4,50,000	0.40
	At the end of the year	4,50,000	31-Mar-18	0	4,50,000	0.40
5	AJAY SHIVNARAIN UPADHYAYA					
	At the beginning of the year	0	01-Apr-17		0	0.00
			8-Dec-17	250000	2,50,000	0.22
			15-Dec-17	275000	5,25,000	0.47
			29-Dec-17	25000	5,50,000	0.49
			16-Feb-18	16340	5,66,340	0.50

			23-Feb-18	-93500	4,72,840	0.42
			2-Mar-18	-5150	4,67,690	0.42
			9-Mar-18	-56554	4,11,136	0.37
			16-Mar-18	-411136	0	0.00
			23-Mar-18	100000	1,00,000	0.09
			30-Mar-18	300000	4,00,000	0.36
	At the end of the year	4,00,000	31-Mar-18	0	4,00,000	0.36
6	UNIVERSAL CINE TRADES					
	At the beginning of the year	50,000	01-Apr-17	0	50,000	0.04
			9-Jun-17	-15000	35,000	0.03
			16-Jun-17	-25000	10,000	0.01
			10-Nov-17	100000	1,10,000	0.10
			17-Nov-17	39997	1,49,997	0.13
			24-Nov-17	10003	1,60,000	0.14
			1-Dec-17	-10000	1,50,000	0.13
			26-Jan-18	20000	1,70,000	0.15
			9-Feb-18	25000	1,95,000	0.17
			2-Mar-18	35000	2,30,000	0.20
	At the end of the year	2,30,000	31-Mar-18	0	2,30,000	0.20
7	RAJ KUMAR MALHOTRA					
	At the beginning of the year	1,02,000	01-Apr-17	0	1,02,000	0.09
			5-May-17	60050	1,62,050	0.14
			19-May-17	10000	1,72,050	0.15
			26-May-17	2900	1,74,950	0.16
			15-Sep-17	50	1,75,000	0.16
	At the end of the year	1,75,000	31-Mar-18	0	1,75,000	0.16
8	JAYESH U. KALA					
	At the beginning of the year	1,35,000	01-Apr-17	0	1,35,000	0.12
	At the end of the year	1,35,000	31-Mar-18	0	1,35,000	0.12
9	MAHENDRA GIRDHARILAL					
	At the beginning of the year	1,19,832	01-Apr-17	0	1,19,832	0.11
	At the end of the year	1,19,832	31-Mar-18	0	1,19,832	0.11
10	DWARAMPUDI PADMAVATHI					
	At the beginning of the year	1,10,000	01-Apr-17	0	1,10,000	0.10
			16-Jun-17	-10000	1,00,000	0.09
			7-Jul-17	-100000	0	0.00
	At the end of the year		31-Mar-18	0	0	0.00
11	KEJRIWAL SUGAR AGENCIES PRIVATE LIMITED					
	At the beginning of the year	1,10,000	01-Apr-17	0	1,10,000	0.10
			7-Apr-17	-10000	1,00,000	0.09
			14-Apr-17	-10000	90,000	0.08
			28-Apr-17	-15000	75,000	0.07
			15-Sep-17	-15000	60,000	0.05
			19-Jan-18	-10000	50,000	0.04
	At the end of the year	50,000	31-Mar-18	0	50,000	0.04

(V) Shareholding of Directors and Key Managerial personnel:

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Shareholding at the End of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Sachin R Shirgaokar	1481133	1.32	18923	0.016	Purchase of Share	1500056	1.32
2	Sohan Shirgaokar	304032	0.27	1000	0.001		305032	0.27
3	Mr. Rakesh V. Kapoor	6000	0.00	1000	0.001	Sale of Share	5000	0.00
4	Mr. D. B. Shah	30000	0.03	00	0.000	No Change in Holdings	30000	0.03
5	Hari Y Athawale **	58240	0.03	00	0.000		58240	0.03
6	Shishir Shirgaokar	382255	0.31	00	0.000		382255	0.31
7	Mr. Niraj S. Shirgaokar	219214	0.19	00	0.000		219214	0.19
8	Mr. Chandan S. shirgaokar	495104	0.44	00	0.000		495104	0.44
9	Mrs. Shilpa Kumar	152600	0.14	00	0.000		152600	0.14
10	Prafulla V Shirgaokar	823929	0.73	00	0.000		823929	0.73
11	Mr. V. Balasubramanian	11200	0.01	00	0.000		11200	0.01
12	Mr. M. G. Joshi	21000	0.02	00	0.000		21000	0.02
13	Dr. M. R. Desai	69608	0.06	00	0.000		69608	0.06
14	Mr. Deepak Ghaisas	5000	0.00	00	0.000	5000	0.00	

VI. INDEBTEDNESSIndebtedness of the Company including interest outstanding/accrued but not due for payment Rs. In Lakh

	Secured Loans excluding deposits	Unsecured Loans	Deposits *	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	35,979.28	165.08	2.92	36,147.28
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	237.05	1.46	-	238.51
Total (i+ii+iii)	36,216.33	166.54	2.92	36,385.79
Change in Indebtedness during the financial year				
• Addition	2,89,967.01	3,542.29	-	2,93,509.30
• Reduction	2,91,994.93	35.82	-	2,91,980.75
Net Change	(1,977.92)	3,506.47	-	1,528.55
Indebtedness at the end of the financial year				
i) Principal Amount	33,988.67	3,642.06	2.92	37,633.65
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	249.74	30.95	-	280.69
Total (i+ii+iii)	34,238.41	3,673.01	2.92	37,914.34

* Amount of Unclaimed Deposit.

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and/or Manager

Rs. In Lakh

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Niraj S. Shirgaokar (MD)	Chandan S. Shirgaokar (MD)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	64.41	68.61	133.02
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 © Profits in lieu of salary under section 17(3) Income-tax Act, 1961	22.60	1.45	24.05
2.	Stock Option	00	00	00
3.	Sweat Equity	00	00	00
4.	Commission - as % of profit - others, specify...	00	00	00
5.	Others, please specify(Retirement Benefits)	9.24	9.24	18.48
	Total (A)	96.25	79.30	175.55
	Ceiling as per the Act			

B. Remuneration to other directors:

Rs. In Lakh

Particulars of Remuneration	Name of Directors												Total Amount
	1	2	3	4	5	6	7	8	9	10	11	12	
	V Bala subramanian	M G Joshi	M R Desai	D B Shah	Rakesh Kapoor	Deepak Ghaisas	Hari Y Atha wale	P V Shirgao kar	Sachin R Shirgao kar	Sohan S Shirgao kar	Shilpa Kumar	Shishir Shirgao kar	
1 Independent Director													
Fee for attending board / committee meetings	0.50	2.50	2.50	1.70	2.00	1.30	1.30	00	00	00	00	00	11.80
Commission		00	00	00	00	00	00	00	00	00	00	00	00
Others, please specify		00	00	00	00	00	00	00	00	00	00	00	00
Total (1)	0.50	2.50	2.50	1.70	2.00	1.30	1.30	00	00	00	00	00	11.80
2 Other Non-Executive Director													
Fee for attending board / committee meetings	00	00	00	00	00	00	00	1.40	2.20	2.30	0.20	1.00	
Commission	00	00	00	00	00	00	00	00	00	00	00	00	
Others, please specify	00	00	00	00	00	00	00	00	00	00	00	00	
Total (2)	00	00	00	00	00	00	00	1.40	2.20	2.30	0.20	1.00	7.10
Total (B)=(1+2)	0.50	2.50	2.50	1.70	2.00	1.30	1.30	1.40	2.20	2.30	0.20	1.00	18.90
Remuneration Overall Ceiling as per the Act	1% Net of Profit as a Commission. Rs.100,000/- Per Meeting (Meeting of Board or Committee)												

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

Rs. In Lakh

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Rajan V. Desurkar CFO	B. G. Kulkarni Company Secretary	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	30.55	26.28	56.83
2.	Stock Option	00	00	00
3.	Sweat Equity	00	00	00
4.	Commission - as % of profit - Others, specify...	00	00	00
5.	Others, please specify	00	00	00
	Total	30.55	26.28	56.83

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
C. OTHER OFFICERS IN DEFAULT					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–

Annexure VII

Details of Remuneration as required under section 197 (12) of the Companies Act , 2013 Read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014.

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S r . No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2017-18 (Rs. in Lakh)	% Increase/Decrease in Remuneration in the Financial Year 2017-18	Ratio of Remuneration of each Director /to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1)	Niraj Shirgaokar Managing Director	96.25	5.39	25.40	Decrease in the profit of the company from Rs. 2597.19 Lakh to Rs. (6819.08) Lakh.
2)	Chandan Shirgaokar Managing Director.	79.30	(9.90)	20.92	
3)	R V Desurkar GM Finance & Chief Financial Officer	30.55	(7.45)	NA	
4)	B G Kulkarni GM Corporate Affairs & Company Secretary	26.28	(9.60)	NA	

- ii) The median remuneration of employees of the company during the financial year was Rs. 3.79 Lakh.
- iii) In the financial year, there was an increase of 2.81% in the median remuneration of employees;
- iv) There were 1,780 permanent employees on the rolls of company as on March 31, 2018;
- v) Relationship between average in the remuneration and company performance:- Decrease in the profit of the company from Rs. 2597.19 Lakh to Rs.(6819.08) Lakh.

The average increase in median remuneration was in line with the performance of the company.

- vii) Comparison of Remuneration of the Key Managerial Personnel against the performance of the Company:

The total remuneration of Key Managerial Personnel decrease of 3.74% form Rs. 241.42 Lakh in 2016-17 to Rs. 232.38 Lakh in 2017-18 whereas the profit decrease from Rs. 2597.19 Lakh in 2016-17 to Rs. (6819.08) in 2017-18

- vii) a) Variations in the market capitalization of the company : The Market capitalization as on March 31, 2018 was Rs. 178.88 Crore (Rs. 363.91 Crore as on March 31, 2017)
- b) Price Earnings ratio of the Company was 15.90 as at March 31, 2018 and was 32.35 as at March 31, 2017.
- c) Percent increase over/ decrease In the market quotations of the shares of the company as compared to the rate at which the company come out with the last public offer in the year- The Company had come out with initial public offer (IPO) in 1950. An amount of Rs. 1000 invested in the said IPO would be worth Rs. 38,160

as on March 31, 2018 indicating a Compounded Annual Growth Rate of 5.50% This is excluding the dividend accrued thereon and other benefits.

- viii) Average percentage increase made in the salaries of employees other than the Key Managerial Personnel in the last financial year i.e. 2017-18 was 2.81% whereas the decrease in the managerial remuneration for the same financial year was 3.74%.
- ix) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employee.
- xii) Details of top ten employees remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of Rules are available at the Registered Office of the Company during working hours, 21 days before the Annual General Meeting and shall be made available to any shareholder on request. Such details are also available on our Company's website : www.ugarsugar.com.

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 39% 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 502 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 sugar production in the country during the year will be around 315 Lakh tonne compared to 203 Lakh tonne in the previous year. The sugar production during the year 2018-19 is likely to remain at par with current year due to expected good monsoons and increase in plantation area.

The long term outlook for sugar looks to be bearish on account of excess production and low demand position

Opportunities and Threats:

Opportunities:

- 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 promoting Ethanol blending up to 10% and the oil Companies have issued tenders for Ethanol supply and have also revised the ethanol prices.

- The interest rates have started coming down.
- The Government of India has approved National Bio-fuel Policy Last Week

Threats:

The sugar industry presently is coming across the following threats:

- Falling sugar prices and no demand for the sugar due to bumper production of sugar. The Central Government has announced 20 Lakh MT minimum indicative export quotas (MIEQ) to stabilise the Sugar price. Export is not remuneration and happened.
- Shortage in availability of farm labour for harvesting and transportation, loading and unloading of sugarcane.
- Continuous increase in FRP for the last 3 to 4 years has resulted in increase in cane procurement price. Sugar Price has gone Much below of Cost Of Production.
- Increase in number of sugar factories in surrounding area and also increase in their crushing capacity.

Segment wise Performance:

Sugar:

During the Current Year the Company has crushed 21.29 Lakh MT of sugar cane from both Ugar and Jewargi unit (as against 10.25 Lakh MT during previous year) and produced 24.17 lakh Qtls of sugar (as against 10.52 Qtls of sugar during previous year) at the recovery of 11.25% and 10.01% respectively for Ugar and Jewargi unit. The crushing during the year has increased substantially almost double as compared to last year. This is mainly because of good rain during October last year which has also resulted in increase in recovery and output per acre.

Industrial and Potable Alcohol:

The Company has produced 198.00 Lakh BLS of Industrial and Potable Alcohol during the year (against the last year production of 194.91 Lakh.) Overall production has remained stable.

Co-generation (Ugar & Jewargi):

We have generated 1624.582 Lakh KW power during the year at Ugar and Jewargi Unit (as against 787.92 lakh during previous year) and have exported 889.90 Lakh KW of power during the year (as against 393.44 Lakh KW during previous year). The power generation and export of power have improved substantially due to increase in crushing at both units We have supplied power to the exchange through M/s Tata Power Trading Company Ltd and we have entered into Power Purchase Agreement for supply of power to Electric Supply Companies (ESCOMS).

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 Cooperative Society, Hospital, School and College for the benefit of the workers and general public.

The Company has a dedicated workforce of 1491 people (including Jewargi unit) comprising of 1101 permanent, 342 seasonal and Honorarium 48 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 Seven Promoter Directors (Non-Executive Chairman, two Managing Directors and four Non-executive Directors including a Woman Director) and Seven Non-Executive Independent Directors as on 31st March, 2018.

During the year, 7 (Seven) Board Meetings were held on 29th May, 11th August, 25nd September, 10th October, 12th December, 2017, 09th February and 27th March, 2018.

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

Name of Directors	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM	No. of other Directorship #	Other Committee Membership/ Chairmanship \$	
					Member	Chairman
1. Mr. P. V. Shirgaokar	Chairman	7	Yes	7	-	-
2. Mr. Shishir S. Shirgaokar	NED	5	Yes	11	1	1
3. Mr. Niraj S. Shirgaokar	MD	7	Yes	4	-	-
4. Mr. Chandan S. Shirgaokar	MD	7	Yes	7	-	-
5. Mr. Sachin R. Shirgaokar	NED	6	Yes	10	-	-
6. Mr. Sohan S. Shirgaokar	NED	6	Yes	7	-	-
7. Mrs. Shilpa Kumar	NWD	1	NO	3	1	-
8. Mr. V. Balasubramanian	NEID	1	NO	5	-	-
9. Mr. M. G. Joshi	NEID	7	Yes	1	-	-
10. Dr. M. R. Desai	NEID	7	Yes	5	-	-
11. Mr. D. B. Shah	NEID	7	Yes	-	-	-
12. Mr. Rakesh V. Kapoor	NEID	6	Yes	2	-	1
13. Mr. Deepak Ghaisas	NEID	4	Yes	11	-	-
14. Mr. Hari Y. Athawale	NEID	6	Yes	-	-	-

Excluding Directorships held in Foreign Companies and Section 8 Companies.

\$ Committees considered are Audit Committee, Stakeholders' Relationship Committee & Nomination & Remuneration Committee.

NEC-Non- Executive Chairman, MD – Managing Director, NED - Non-Executive Director NEID - Non-Executive Independent Director, NWD - Non-Executive Woman 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.

Inter se Relationship between Directors.

Mr. P. V. Shirgaokar (Chairman) is the father of Non-Executive Woman Director Mrs. Shilpa Kumar. Mr. Shishir S. Shirgaokar (NED) is father of Managing Director Mr. Niraj Shirgaokar. Mr. Sohan S. Shirgaokar (NED) is brother of Managing Director Mr. Chandan Shirgaokar.

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 is as under:

- Shri. P. V. Shirgaokar, age 79 years, was appointed on the Board on 05.08.1994. He served as an Executive Director, Managing Director and Executive Vice Chairman. He is liable to retire by rotation at this AGM & being eligible offers himself for reappointment. He has vast experience of sugar industry. He is also associated with various social and cultural organizations. He holds 823,929 shares of the Company as on 31.03.2018. His directorship & committee membership in other companies is given below.

Sr. No.	Directorship in other Companies	Audit Committee	Shareholders / Investor Grievances Committee
1	The Ugar Sugar Works Ltd.	–	–
2	S B Reshellers Pvt. Ltd	–	–
3	Tara Tiles Pvt. Ltd	–	–
4	Ugar Theatre Pvt. Ltd	–	–
5	Ugar Pipe Industries Pvt. Ltd	–	–
6	BSJ Engineering Pvt. Ltd	–	–
7	Synergy Green Industries Ltd	–	–

- Mr. Shishir. S. Shirgaokar, age 73 years, Science graduate from the Fergusson College, University of Pune, was appointed on the Board on 05.08.1994. He served as Whole-time Director, Executive Director, Managing Director and Executive Vice Chairman. He is liable to retire by rotation at this AGM & being eligible offers himself for reappointment. He has vast experience of sugar industry. He is also associated with various social and cultural organizations. He holds 352255 shares of the Company as on 31.03.2018. His directorship & committee membership in other companies is given below.

Sr. No.	Directorship in other Companies	Audit Committee	Shareholders / Investor Grievances Committee
1	Synergy Green Industries Ltd.	–	–
2	Ugar Quality Packaging Pvt. Ltd.	–	–
3	Sangli Fabricators Pvt. Ltd.	–	–
4	Ugar Pipe Industries Pvt. Ltd.	–	–
5	Tara Tiles Pvt. Ltd.	–	–
6	Prabhakar Shirgaokar Enterprises Pvt. Ltd.	–	–
7	Indo Schottle Auto Parts Pvt. Ltd.	–	–
8	Kulkarni Power Tools Ltd.	Chairman	--
9	S.B. Reshellers Pvt. Ltd.	–	–
10	SLK Software Services Pvt. Ltd.	–	–
11	BSJ Engineering Pvt. Ltd.	–	–

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. Further Company has devised the Code of Conduct for the Independent Directors as prescribed in the Companies. Act. 2013.

III. Audit Committee:

- The Audit Committee comprises of Seven (7) Non-Executive Directors out of which Five (5) are Independent Directors. All the members of the Audit Committee possess financial management expertise and knowledge. During the year, Four (4) Audit Committee Meetings were held on 29th May, 11th August, 10th November, 2017 and 9th February 2018.
- Composition and attendance record of Audit Committee members is given below:

Name of the Directors	Status	No. of Meetings	
		Held	Attended
1. Mr. Rakesh Kapoor	Chairman	4	4
2. Mr. V. Balasubramanian	Member	4	1
3. Mr. M.G. Joshi	Member	4	4
4. Dr. M. R. Desai	Member	4	4
5. Mr. Deepak Ghaisas	Member	4	3
6. Mr. Sachin R. Shirgaokar	Member	4	4
7. Mr. Sohan S. Shirgaokar	Member	4	4

Committee comprises of majority of Independent Directors with its Chairman as an Independent Director. The Company Secretary Mr. B G Kulkarni is Secretary of the Committee.

• **The Role of the Audit Committee is as under:-**

The role of the Audit Committee shall include the following:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement of the Board's report in terms of sub-section 5 of section 134 of the Companies Act, 2013.
 - 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.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. 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;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditor's adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. 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;

16. 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;
17. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. 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 and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Review of Information by Audit Committee

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses,

WHISTLE BLOWER POLICY / VIGIL MECHANISM:

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 22 of the SEBI (LODR) Regulations 2015, the Company has adopted a Whistle Blower Policy / Vigil Mechanism that encourages and supports its Directors & employees to report instances of unethical behaviour, actual or suspected frauds or violation of Company's Code of Conduct. It also provides adequate safeguards against victimization of persons who use this mechanism and direct access to the Chairman of Audit Committee in exceptional cases. The Whistle Blower Policy / Vigil Mechanism Policy has been posted on web site of Company on the link

http://web.ugarsugar.com/Investor_Relations/Corporate_Announcements.asp?child=3&parent=7

IV. Nomination and Remuneration Committee:

- The Nomination & Remuneration Committee comprises of Four (4) directors out of which Three (3) are independent.
- During the year, One (1) meeting of Nomination & Remuneration Committee was held on 09th February, 2018,
- Composition and attendance record of Nomination & Remuneration Committee is given below:

Name of the Directors	Status	No. of Meetings	
		Held	Attended
1. Mr. Deepak Ghaisas	Chairman	1	1
2. Mr. Sohan Shirgaokar	Member	1	1
3. Mr. M. G. Joshi, Member	Member	1	1
4. Dr. M. R. Desai, Member	Member	1	1

• **Terms of Reference:**

- ❖ Succession planning of the Board of Directors and Senior Management Employees;
- ❖ Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- ❖ Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- ❖ Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Employees and their remuneration;
- ❖ Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management Employees, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees.

- Remuneration paid / payable to Managing Directors (MD's) for the year ended 31st March, 2018.

(Rs. In Lakh)

Particulars	Salary	Commission	Perquisites	Retirement Benefits	Total
Mr. Niraj S. Shirgaokar (MD)	64.41	–	22.60	9.24	96.25
Mr. Chandan S. Shirgaokar (MD)	68.61	–	1.45	9.24	79.30

V. Stakeholders' Relationship and Grievance Committee:

- The Stakeholders' Relationship and Grievance Committee comprises of two Independent Directors and two Non-Executive Directors, Mr. M. G. Joshi is Chairman of the Committee.
- During the year under review One (1) Meeting of Stakeholders' Relationship and Grievance Committee was held on 08th February, 2018.
- ❖ **Composition:** The composition and attendance record of Stakeholders' Relationship and Grievance Committee members is given below:

Name of the Directors	Status	No. of Meetings	
		Held	Attended
1. Mr. M. G. Joshi	Chairman	1	1
2. Mr. D. B. Shah	Member	1	1
3. Mr. Sachin R. Shirgaokar	Member	1	1
4. Mr. Sohan S. Shirgaokar	Member	1	1

- **Terms of Reference:**

- ❖ To look into the redressal of grievances of shareholders and other security holders.
- ❖ 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.
- ❖ Mr. B G Kulkarni, GM Corporate Affairs and Company Secretary has been designated as the Compliance Officer.
- During the year 8 complaints were received from investors which were replied/ resolved to the satisfaction of the investors and as on 31st March, 2018, no complaints were pending.
- 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 (4) Independent Directors and two (2) Non Executive Directors.
- During the year, Four (4) meetings of the Operation Committee were held on 29th May, 25th September, 2017 and 08th February, 22nd March, 2018.
- The Composition & attendance record of the Operation Committee is given below:

Name of the Directors	Status	No. of Meetings	
		Held	Attended
1. Mr. M.G.Joshi	Chairman	4	4
2. Mr. V. Balasubramanian	Member	4	0
3. Dr. M.R. Desai	Member	4	4
4. Mr. Rakesh Kapoor	Member	4	3
5. Mr. Sachin R. Shirgaokar	Member	4	4
6. Mr. Sohan S. Shirgaokar	Member	4	4

- **Terms of Reference:**

The Operation Committee is empowered to analyse and evaluate the overall performance of the Company. Problems and remedies with respect to the technical issues in the production area and to discuss and resolve the grievances of the employees of the Company.

VII. Corporate Social Responsibility (CSR) Committee:

- The CSR Committee comprises of Four (4) Directors out of which two (2) are Independent.
- During the year, One (1) meeting of the CSR Committee was held on 25th September, 2017.
- The Composition & attendance record of the CSR Committee is given below:

Name of the Directors	Status	No. of Meetings	
		Held	Attended
1. Dr. M.R. Desai	Chairman	1	1
2. Mr. D. B. Shah	Member	1	1
3. Mr. Sachin Shirgaokar	Member	1	1
4. Mr. Sohan Shirgaokar	Member	1	1

• **Terms of Reference:**

The CSR Committee is empowered to formulate and recommend to the Board, the CSR Policy which shall indicate the activities to be undertaken by the Company, its implementation and monitoring of the CSR Policy and initiatives taken by the Company.

The CSR Policy will cover the following focus area which the Company will undertake through its various initiatives:

1. Health
2. Education
3. Community Development
4. Natural Calamities
5. Sport Development

The following parameters should be observed while considering the activities of the Company:

1. Social impact
2. Visibility to the Company
3. Employee Engagement
4. Duration of the project / activity

VIII. Separate Meeting of Independent Directors:

During the year under review, the Independent Directors met on 09th February, 2018 inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors & the Board of Directors as a whole.
- Evaluation of the performance of Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

IX. General Body Meetings:

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

Financial Year	AGM	Location	Date	Time
2014-15	AGM	Deccan Manufacturers Associations, Madhav Nagar Road, Sangli - 416 416.	25-09-2015	11.00 a.m.
2015-16	AGM	Deccan Manufacturers Associations, Madhav Nagar Road, Sangli - 416 416.	23-09-2016	11.00 a.m.
2016-17	AGM	Deccan Manufacturers Associations, Madhav Nagar Road, Sangli - 416 416.	25-09-2017	11.00 a.m.

- Special Resolutions passed at the Annual / Extra Ordinary General Meetings in past 3 years: There are no proposed resolutions to be passed through Postal ballot during this year.

77th Annual General Meeting:

All the special resolutions were passed through E-voting & Poll conducted at the 77th AGM. The combined results of E-voting and Poll are as under:

Sr. No	Type of Resolution	Summary of Business transacted at the Annual General Meeting	No of Shares & %age in Favour		No of Shares & % age Against	
			No of shares	% age	No of shares	% age
1	Special	To consider and pay a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act commission payable to Non Executive Directors, other than the Managing Directors	1,61,66,318	99.79	26946	0.17
2	Special	To consider accepting Fixed Deposit from Members & Public pursuant to section 73 & 76 of Companies Act, 2013	1,61,82,764	99.89	12936	0.08

All the Resolutions stands passed under e-voting and poll with requisite majority.

76th Annual General Meeting:

All the special resolutions were passed through E-voting & Poll conducted at the 76th AGM. The combined results of E-voting and Poll are as under,

Sr. No	Type of Resolution	Summary of Business Transacted Through Postal Ballot	No of Shares & %age in Favour		No of Shares & % age Against	
			No of shares	% age	No of shares	% age
1	Special	To revision in the remuneration payable to Mr. Niraj S. Shirgaokar, Managing Director.	1,92,72,797	99.99	200	0.00
2	Special	To revision in the remuneration payable to Mr Chandan S. Shirgaokar, Managing Director.	1,92,67,797	99.97	5200	0.03
3	Special	To consider giving donation in excess of limits as per the provisions of Companies Act 2013.	1,92,53,142	99.88	22155	0.12
4	Special	To consider inviting and accepting Unsecured Deposits from Public including Directors and Members of the Company as per Companies Act 2013.	1,92,72,996	100	1	0.00

All the Resolutions stands passed under e-voting and poll with requisite majority.

75th Annual General Meeting:

No Special Resolution was passed at 75th Annual General Meeting.

Following resolutions were passed through Postal Ballot during the Year.

Mr. Abhay R. Gulavani, Practising Company Secretary (CoP – 10741) from Sangli has been appointed as a Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The results were declared on 22nd August, 2015.

Sr. No	Type of Resolution	Summary of Business transacted at the Annual General Meeting	No of Shares & %age in Favour		No of Shares & % age Against	
			No of shares	% age	No of shares	% age
1	Special	Adoption of new set of Articles of Association of the Company	2,63,04,833	99.94	14,399	0.06
2	Special	Maintenance of the Register of Members and related books at a place other than the Registered Office of the Company	2,62,85,399	99.94	17,482	0.06
3	Special	Approval for giving Loans / Guarantees for providing securities	2,62,66,128	99.84	43,846	0.16
4	Special	Approval for continuation of service of Executive Vice Chairman Mr. Shishir S. Shirgaokar beyond 70 years	2,53,18,558	99.50	1,26,270	0.50
5	Special	Appointment & approval of remuneration of Mr. Shishir S. Shirgaokar as Executive Vice Chairman	2,53,73,417	99.74	67,071	0.26
6	Special	Appointment & approval of remuneration of Mr. Niraj Shishir Shirgaokar as Managing Director	2,53,79,438	99.76	61,233	0.24
7	Special	Appointment & approval of remuneration of Mr. Chandan Sanjeev Shirgaokar as Managing Director	2,62,80,046	99.83	43,661	0.17

All the Resolutions stands passed under e-voting and poll with requisite majority.

X. 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 31/03/2018
1. Mr. P V Shirgaokar	-	1.40	—	14.96	1.65	7.66	8,23,929
2. Mr. V. Balasubramanian	-	0.50	—	—	0.02	—	11,200
3. Mr. Shishir S Shirgaokar	-	1.00	—	—	0.76	2.70	3,82,255
4. Mr. M. G. Joshi	-	2.50	—	—	0.04	5.44	21,000
5. Dr. M. R. Desai	-	2.50	—	—	0.14	—	69,608
6. Mr. D.B.Shah	-	1.70	—	2.56	0.06	—	30,000
7. Mr. Rakesh Kapoor	-	2.00	—	—	0.01	—	5,000
8. Mr. Sachin R. Shirgaokar	-	2.20	—	—	2.96	—	15,00,056
9. Mr. Sohan S. Shirgaokar	-	2.30	—	—	0.61	—	3,05,032
10. Mrs. Shilpa Kumar	-	0.20	—	—	0.31	—	1,52,600
11. Shri Deepak Ghaisas	-	1.30	—	—	0.01	—	5,000
12. Mr. Hari Y. Athawale	-	1.30	—	—	0.12	—	58,240

Disclosure of Related Party Transactions:

Note:- The transactions executed with the Non- Executive Directors as well as the Related Parties referred above are not material transactions and do not conflict with the interest of the Company.

A. Other Compliance.

- ❖ 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 except delay in submission of PDF scan copy of the financial results for the Quarter ended September, 2017 under Regulation 33 of SEBI (LODR) 2015 for which Bombay stock exchange has levied a penalty.
- ❖ All the mandatory requirements of Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied.
- ❖ The Compliance Reports of all laws applicable to the Company are periodically reviewed by the Board. Further the entire quarterly / half yearly / yearly results, compliance reports and returns are filed with Stock Exchanges within the prescribed time.
- ❖ The Securities of companies are listed on BSE & NSE. Company confirms that it has paid the annual listing fees for the year 2017-18.

C. 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 are at an arm's length basis and in the ordinary course of business. All the transactions with the related parties are not material in nature. The policy on related party transactions is placed on the web site of the Company which can be viewed through

http://web.ugarsugar.com/Investor_Relations/Corporate_Announcements.asp?child=3&parent=7

D. 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.

E. Risk Management:

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a risk management framework to identify, monitor and minimize risks as also identify business opportunities.

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. Company has formed a committee named as "Risk Management Committee". The Policy on Risk Management is placed on the web site of the Company.

The objectives and scope of the Risk Management Committee broadly comprises:

- ❖ Oversight of risk management performed by the executive management;
- ❖ Reviewing the Risk Management Policy and framework in line with local legal requirements and SEBI Guidelines;
- ❖ Reviewing risks and evaluate measures including initiating mitigation actions and ownership as per a pre-defined cycle;
- ❖ Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

- ❖ Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, and potential impact analysis and mitigation plan.

The composition of the committee is as under-

Niraj S. Shirgaokar	-	Member
Chandan S. Shirgaokar	-	Member
R V Desurkar	-	Member (from Oct 2017)
N C Maiti	-	Member (Up to 30 th November)*
B. N. Akiwate	-	Member
B.G. Kulkarni	-	Coordinator

* Mr. N. C. Maiti expired on 30th Nov 2017

F. Subsidiary Companies:

There are no subsidiary Companies as on 31st March, 2018.

XI. Means of Communication:

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

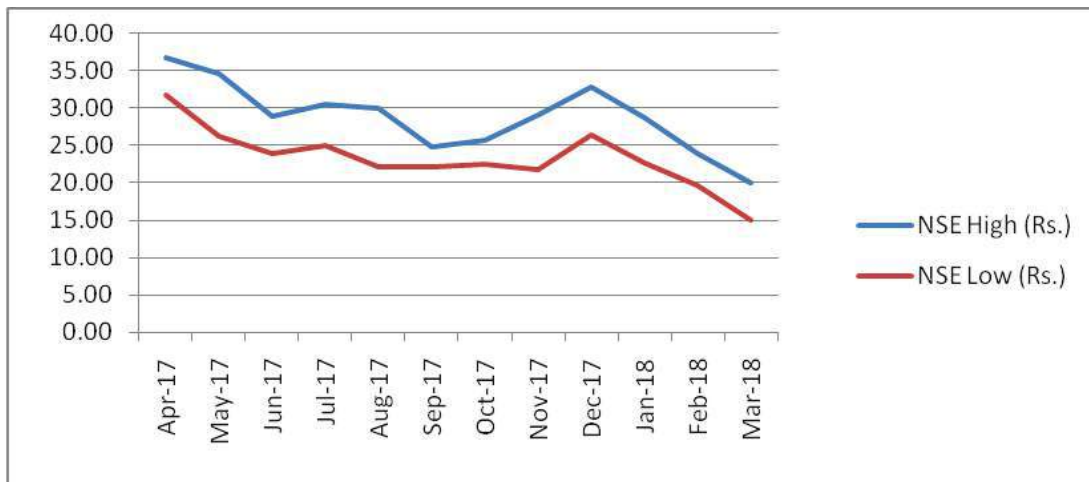
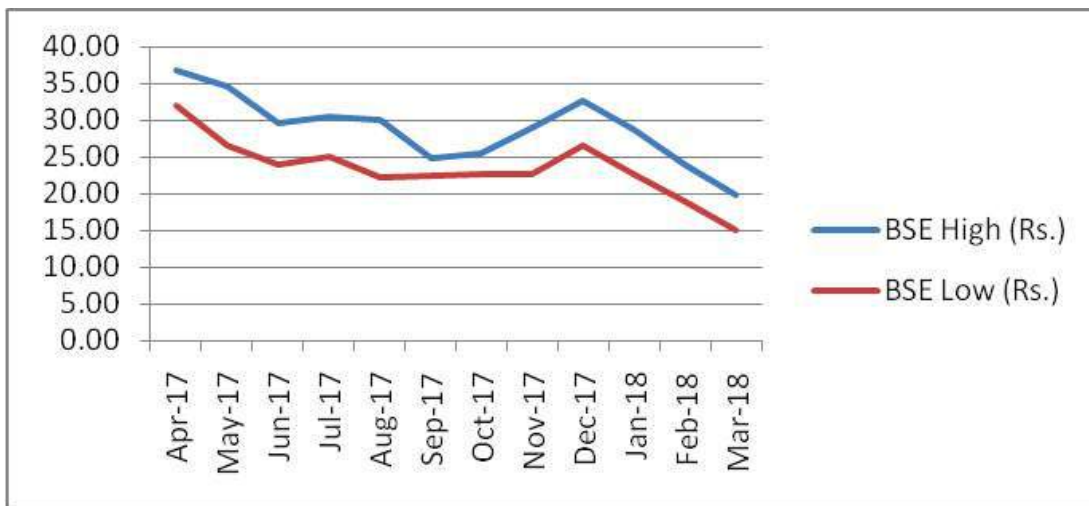
Company has not issued any news releases nor given any presentation to institutional investors or the analysts.

XII. General Shareholders Information:

i. AGM Date, Time and Venue	10 th August, 2018 at 11:00 a.m. at Deccan Manufacturers Associations, Madhav Nagar Road, Sangli - 416 416
ii. Financial Calendar 2018-19	Probable Dates:
First quarterly un-audited results	Before 15 th of August, 2018
Second quarterly un-audited results	Before 15 th of November, 2018
Third quarterly un-audited results	Before 15 th February, 2019
Fourth & Final quarterly audited results	Before end of May, 2019
iii. Book Closure Date	30 th July 2018, to 10 th August, 2018
iv. Dividend payment date	--
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. Payment of Listing Fees	Annual listing fee for the year 2017-18 has been paid by the Company to BSE and NSE.
viii. Payment of Depository Fees	Annual Custody / Issuer fee for the year 2017-18 has been paid by the Company to NSDL and CDSL.

ix. Market Price Data High/ Low during each month of Financial Year 2017-18 at BSE & NSE

NSE			BSE		
Months	High (Rs.)	Low (Rs.)	Months	High (Rs.)	Low (Rs.)
Apr-17	36.75	31.80	Apr-17	36.80	31.95
May-17	34.65	26.30	May-17	34.60	26.55
Jun-17	28.90	23.90	Jun-17	29.50	24.00
Jul-17	30.45	25.00	Jul-17	30.45	25.00
Aug-17	29.90	22.25	Aug-17	29.95	22.20
Sep-17	24.90	22.25	Sep-17	24.85	22.40
Oct-17	25.70	22.60	Oct-17	25.40	22.70
Nov-17	29.10	21.80	Nov-17	29.00	22.70
Dec-17	32.80	26.50	Dec-17	32.65	26.65
Jan-18	28.65	22.75	Jan-18	28.75	22.75
Feb-18	24.00	19.75	Feb-18	23.90	19.00
Mar-18	20.00	15.05	Mar-18	19.80	15.10



Although the company is listed, our scrip is not included in the index hence there cannot be comparison of Performance on broad-based indices such as BSE Sensex, CRISIL index etc.

x. 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.

xi. Distribution of Shareholding as on 31st March, 2018

No. of equity shares held	No. of Folios / Shareholders	No. of Shares held	% of Share holding
Upto 5,000	28960	2,78,00,458	24.71
5,001 to 10,000	1588	1,16,72,132	10.37
10,001 to 20,000	625	86,82,012	7.72
20,001 to 30,000	138	34,12,272	3.03
30,001 to 40,000	42	14,69,942	1.31
40,001 to 50,000	33	15,11,853	1.34
50,001 to 1,00,000	51	35,77,039	3.18
More than 1,00,000	51	54,374,292	48.33
Total	32,411	11,25,00,000	100

xii. Shareholding Pattern as on 31st March, 2018.

Category	No. of Share held	% of Total Share holding
Promoter Group	5,05,88,562	44.98
Banks, Financial Institutions, Insurance Companies,	89,202	0.08
Foreign Financial Institutions	0	0.00
Indian Public	5,60,32,793	49.80
Other (incl. N. R. I., Private Corporate Bodies and Trust, Clearing Member)	57,89,443	5.14
G. D. R. / A. D. R.	0	0.00
Total	11,25,00,000	100.00

xiii. Other Information:

Dematerialization of shares	Nearly 81.66% of total equity share capital (9,18,64,682 eq. shares) is held in dematerialized form with NSDL and CDSL as on 31 st March, 2018.
Registrar and Share Transfer Agent:	Bigshare Services Pvt. Limited. 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, MUMBAI – 400 059. (MAH) Ph. No. 022-62638200, Fax No. 022-62638299
Plant Locations: Sugar, Distillery, Co-Generation Jewargi Unit –Sugar & Co-generation:	Ugar Khurd – 591 316. Tal. Athani Dist. Belgaum, Karnataka. Malli, Taluka – Jewargi, Dist- Gulbarga, Karnataka.
Address for correspondence Registered Office: Factory (Administrative Office)	<u>The Ugar Sugar Works Limited.</u> Mahaveernagar (Wakharbhag), Sangli 416416, Maharashtra State. Ph. No. 0233-2623717 Fax: 2623617 Email: usw.sangli@ugarsugar.com <u>The Ugar Sugar Works Limited.</u> Ugarkhurd – 591 316. Tal. Athani, Dist. Belgaum, Karnataka State. Ph. No. 08339-274000 Fax: 272232 Email: helpdesk@ugarsugar.com Company Website: www.ugarsugar.com

As per our separate report attached.

Niraj S. Shirgaokar
Managing Director
(DIN: : 00254525)

Chandan S. Shirgaokar
Managing Director
(DIN: 00208200)

B. G. Kulkarni
GM Corp. Affairs &
Company Secretary
(FCS-2805)

R. V. Desurkar
GM- Finance
(ACA-23771)

Place : Pune

Date : 25-05-2018

XII. CEO/CFO Certificate:

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

We, Mr. Niraj S. Shirgaokar and Mr. Chandan S. Shirgaokar, Managing Directors and R. V. Desurkar, General Manager Finance (CFO) of The Ugar Sugar Works Ltd. (As required under Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015), to the best of our knowledge and belief, hereby certify that:

- (A) We have reviewed the Financial Statements and the Cash flow Statements for the year and that to the best of our knowledge and belief;
- 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) There are to the best of our knowledge and belief, 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 accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- (D) We have indicated to the auditors and the Audit Committee:
- 1. Significant changes in internal control over financial reporting during the year;
 - 2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3. Instances of significant fraud of which we 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.

Niraj S. Shirgaokar
Managing Director
(DIN: 00254525)

Chandan S. Shirgaokar
Managing Director
(DIN: 00208200)

R. V. Desurkar
General Manager Finance
(ACA-23771)

Place : Pune

Date : 25-05-2018

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 in Regulation and 34(3) of Security Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 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, 2018.

Place : Pune
Date : 25-05-2018

Niraj S. Shirgaokar
Managing Director
(DIN: 00254525)

Chandan S. Shirgaokar
Managing Director
(DIN: 00208200)

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Members,
The Ugar Sugar Works Limited,
Mahaveernagar (Wakharbhag),
Sangli (MH) – 416 416

Independent Auditors' Certificate on Compliance of conditions of Corporate Governance

We have examined the compliance of conditions of Corporate Governance by The Ugar Sugar Works Limited ('the Company') for the year ended 31st March, 2018 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI.

Based on our examination of the relevant records and according to the best of our information and explanations provided to us, we certify that the Company has complied with the conditions of regulations of Corporate Governance as stipulated in the above mentioned Listing Regulations during the year ended 31st March 2018 except delay in submission of PDF scan copy of the financial results for the Quarter ended September, 2017 under Regulation 33 of SEBI (LODR) 2015 for which Bombay stock exchange has levied a penalty.

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.

The certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations.

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No.105215W/W100057

Place : Pune
Date : 25-05-2018

Parag Pansare
Partner
Membership No. 117309

Independent Auditors' Report

To the members of

The Ugar Sugar Works Limited

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of The Ugar Sugar Works Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statement

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, of the state of affairs of the Company as at 31st March, 2018 and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
 - a. We have sought and 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, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - I. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note D-1 to Ind AS financial statements;
- II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Reg. No. 105215W / W100057

Parag Pansare
Partner
Membership No: 117309

Place : Pune
Date : 25-05-2018

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a program of verification of property, plant and equipment to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified at reasonable intervals by the Management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable and adequate, considering the size of the Company and the nature of its business.
- (iii) The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security.
- (v) According to information and explanation given to us, the Company has not accepted any deposits from public. Accordingly the reporting under Clause 3(v) of the Companies (Auditor’s Report) Order, 2016, is not applicable.

However, 2 (Two) public depositors have not claimed their deposits after maturity as on 31st March 2018 and the amount outstanding as on that date was Rs.2.62 Lakhs. These amounts are lying with the Company as there is litigation amongst the heirs about the true ownership of the deposits. As informed to us they will be paid as soon as the court order is received.

- (vi) The Central Government has specified maintenance of cost records under Sub-Section (1) of Section 148 of the Act and we are of the opinion that prima facie such accounts and records are made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Value Added Tax, Duty of Customs, Duty of Excise, Service Tax, Goods & Service Tax, Cess and any other material statutory dues have been generally regular depositing during the year by the Company with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.

Details of dues of Income-tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31st March, 2018 on account of disputes are given below:

Sl	Name of Statute	Nature of Dues	Amount Rs. Lakh	Period to which the amount relates	Forum where dispute is pending
1	Central Excise Act	Central Excise	14.61	2006-07	CESTAT, Bangalore
2	Central Excise Act	Central Excise	45.84	2007-08	CESTAT, Bangalore
3	Central Excise Act	Central Excise	15.36	2008-09	CESTAT, Bangalore
4	Central Excise Act	Central Excise	3.03	2010-11	CESTAT, Bangalore
5	Central Excise Act	Central Excise	151.34	2008-13	CESTAT, Bangalore
6	Central Excise Act	Central Excise	26.65	2012-13	Asst. Commissioner of Central Excise, Belagavi
7	Central Excise Act	Central Excise	4.92	2010-12	Commissioner of Central Excise (Appeals), Mysore
8	Central Excise Act	Central Excise	16.38	2014	Commissioner of Central Excise (Appeals), Mysore
9	Central Excise Act	Central Excise	19.14	2014-15	Commissioner of Central Excise (Appeals), Mysore
10	Central Excise Act	Central Excise	159.07	2015	Commissioner of Central Excise (Appeals), Mysore
11	Central Excise Act	Central Excise	0.96	2015	Commissioner of Central Excise (Appeals), Mysore
12	Central Excise Act	Central Excise	30.09	2015	Commissioner of Central Excise (Appeals), Mysore
13	Central Excise Act	Central Excise	1.30	2015	Commissioner of Central Excise (Appeals), Mysore
14	Central Excise Act	Central Excise	2.45	2016	Superintendent of CGST and Central Excise(Tech) Belgaum Rural Division, Belgaum
15	Central Excise Act	Central Excise	0.18	2016	Superintendent of Central Excise Range-II Nippani
16	Income Tax Act 1961	Income Tax	189.53	AY 2012-13	Income Tax Appellate Authority, Pune
17	Income Tax Act 1961	Income Tax	9.27	AY 2014-15	Income Tax Appellate Authority, Pune
18	Karnataka Tax on Entry of Goods Act 1979	Commercial Tax	20.14	FY 2011-12	Commissioner of Commercial Taxes (Appeals) Belagavi

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised money by way of further public offer (including debt instruments) during the year.

- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company and hence not commented upon.

For Kirtane & Pandit LLP
Chartered Accountants
Firm Reg. No. 105215W / W100057

Parag Pansare
Partner
Membership No: 117309

Place : Pune
Date : 25-05-2018

“Annexure - B” to the Independant Auditors' Report

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of The Ugar Sugar Works Limited (“the Company”) as of 31st March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide

reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion the company has, in all material aspects, an adequate financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 except that there is scope for improvement in certain areas which require strengthening of controls established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. We have considered these weaknesses identified in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2018 standalone financial statements of the Company, and these weaknesses do not affect our opinion on the financial statements of the company.

For Kirtane & Pandit LLP
Chartered Accountants
Firm Reg. No. 105215W / W100057

Parag Pansare
Partner
Membership No: 117309

Place : Pune
Date : 25-05-2018

Balance Sheet as at 31-03-2018

(Amount in Rs. Lakh)

Particulars	Ref. to Notes	As At 31-03-2018	As At 31-03-2017	As At 01-04-2016
I. ASSETS				
1. Non-Current Assets				
a Property Plant & Equipment	A-1	16,306.17	16,369.29	15,748.07
b Capital Work - in - Progress	A-2	107.95	371.98	307.02
c Investment Property	A-1	9.12	9.74	10.41
d Other Intangible Assets	A-1	19.90	0.72	1.44
e Financial Assets				
i. Investments	A-3	446.89	591.25	589.03
ii. Others	A-4	92.15	110.89	100.74
		539.04	702.14	689.77
f Other Non-current Assets	A-5	378.64	554.08	445.35
		17,360.82	18,007.95	17,202.06
2. Current Assets				
a Inventories	A-6	59,014.56	40,204.56	41,947.88
b Financial Assets				
i. Trade Receivables	A-7	4,454.53	1,065.29	14,251.81
ii. Cash & Cash Equivalents	A-8	2,152.95	1,456.51	355.29
iii. Bank Balances other than ii above	A-9	129.96	67.74	389.04
iv. Others	A-10	6.87	0.69	63.54
		6,744.31	2,590.23	15,059.68
c Current Tax Assets (Net)	A-11	353.06	325.86	–
d Other Current Assets	A-12	393.69	608.16	1,679.65
		66,505.62	43,728.81	58,687.21
Total Assets		83,866.44	61,736.76	75,889.27
II. EQUITY AND LIABILITIES				
1. Equity				
a Equity Share Capital	A-13	1,125.00	1,125.00	1,125.00
b Other Equity	A-14	3,408.38	10,244.65	8,240.48
		4,533.38	11,369.65	9,365.48
2. Liabilities				
1. Non-current Liabilities				
a Financial Liabilities				
i. Borrowings	A-15	1,056.95	4,968.91	9,016.10
b Provisions	A-16	1,242.64	1,668.25	1,338.51
c Deferred Tax Liabilities (Net)	A-17	944.92	644.88	1,082.82
		3,244.51	7,282.04	11,437.43

Balance Sheet as at 31-03-2018

(Amount in Rs. Lakh)

Particulars	Ref. to Notes	As At 31-03-2018	As At 31-03-2017	As At 01-04-2016
II. EQUITY AND LIABILITIES				
2. Current Liabilities				
a Financial Liabilities				
i. Borrowings	A-18	33,018.97	27,460.12	15,622.09
ii. Trade Payables	A-19	24,683.51	835.26	17,872.03
iii. Other Financial Liabilities	A-20	14,157.66	10,003.29	16,483.44
		<u>71,860.14</u>	<u>38,298.67</u>	<u>49,977.56</u>
b Other Current Liabilities	A-21	3,710.72	4,404.94	4,461.85
c Provisions	A-22	517.69	381.46	410.80
d Current Tax Liabilities (Net)	A-23	–	–	236.15
		<u>76,088.55</u>	<u>43,085.07</u>	<u>55,086.36</u>
Total Liabilities		<u>79,333.06</u>	<u>50,367.11</u>	<u>66,523.79</u>
Total Equity & Liabilities		<u>83,866.44</u>	<u>61,736.76</u>	<u>75,889.27</u>

See accompanying notes forming part of the financial statements A to D

As per our separate report of even date.
For **M/s Kirtane & Pandit LLP**
Chartered Accountants
Firm Regn. No. 105215W/W100057

Parag Pansare
Partner
Memb. No. 117309

Niraj S. Shirgaokar
MD (DIN-00254525)

R. V. Desurkar
GM Finance
(ACA-23771)

Chandan S. Shirgaokar
MD (DIN-00208200)

B. G. Kulkarni
GM-Corp. Aff. & Co. Sec.
(FCS-2805)

Place : Pune
Date : 25-05-2018

Statement of Changes in Equity for the period ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	Share Capital	Reserve and Surplus			Other Comprehensive Income	Total
		General Reserve	Securities Premium	Retained Earnings		
As on 01-04-2016						
As per published accounts For Year Ended 31-03-2016 before profit for the year	1,125.00	8,351.31	1,575.00	(1,966.16)	–	9,085.15
Appropriation for Dividend and Corporate Dividend Tax to be done when dividend is actually declared i.e. FY 2016-17	–	281.25	–	57.26	–	338.51
Adjustment on Account of Valuation of Investment in preference shares of Synergy Green Industries Ltd.	–	–	–	(58.18)	–	(58.18)
Balance as on 01-04-2016	<u>1,125.00</u>	<u>8,632.56</u>	<u>1,575.00</u>	<u>(1,967.08)</u>	<u>–</u>	<u>9,365.48</u>
FY 2016-17						
Add/(Less) Adjustments for the year						
Add: Profit / (Loss) for the year	–	–	–	2,597.19	–	2,597.19
Less: Dividend for FY 2015-16 paid	–	(281.25)	–	–	–	(281.25)
Less: Corporate Dividend Tax	–	–	–	(57.26)	–	(57.26)
Actuarial Gain / (Loss) - Net of Tax	–	–	–	–	(254.51)	(254.51)
Balances as on 31-03-2017	<u>1,125.00</u>	<u>8,351.31</u>	<u>1,575.00</u>	<u>572.84</u>	<u>(254.51)</u>	<u>11,369.65</u>
FY 2017-18						
Profit / Loss for the Year	–	–	–	(6,819.08)	–	(6,819.08)
Less: Dividend for FY 2016-17 paid during the year	–	–	–	–	–	–
Less: Corporata Dividend Tax	–	–	–	(225.00)	–	(225.00)
Less: Corporata Dividend Tax	–	–	–	(47.03)	–	(47.03)
Actuarial Gain / (Loss) - Net of Tax	–	–	–	–	254.85	254.85
Balances as on 31-03-2018	<u>1,125.00</u>	<u>8,351.31</u>	<u>1,575.00</u>	<u>(6,518.27)</u>	<u>0.34</u>	<u>4,533.39</u>

As per our separate report of even date.
For **M/s Kirtane & Pandit LLP**
Chartered Accountants
Firm Regn. No. 105215W/W100057

Niraj S. Shirgaokar
MD (DIN-00254525)

Chandan S. Shirgaokar
MD (DIN-00208200)

Parag Pansare
Partner
Memb. No. 117309

R. V. Desurkar
GM Finance
(ACA-23771)

B. G. Kulkarni
GM-Corp. Aff. & Co. Sec.
(FCS-2805)

Place : Pune
Date : 25-05-2018

Statement of Profit & Loss for the year ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	Ref. to Notes	Financial Year 2017-18	Financial Year 2016-17
I Revenue from Operations	B-24	79,850.15	75,321.56
II Other Income	B-25	341.26	845.29
III Total Income (I + II)		80,191.41	76,166.85
IV Expenses			
a Cost of Material Consumed	B-26	74,535.67	36,452.38
b Other Manufacturing Expenses	B-27	2,222.12	2,503.18
c Purchase of Stock in trade	B-28	3,012.61	2,714.29
d Changes in inventories of finished goods, stock-in-trade and work-in-progress	B-29	(21,297.94)	1,714.12
e Employee Benefit Expenses	B-30	6,523.33	6,444.16
f Finance Costs	B-31	2,909.20	3,039.59
g Excise Duty on Goods Sold	--	14,861.78	16,785.06
h Depreciation & Amortisation Expense	A-1	1,947.92	1,468.38
i Other Expenses	B-32	2,109.73	2,249.88
Total Expenses (IV)		86,824.42	73,371.04
V Profit / (Loss) before Exceptional and Extraordinary Items (III - IV)		(6,633.01)	2,795.81
VI Exceptional and Extraordinary Items		--	--
VII Profit / (Loss) before Tax (V - VI)		(6,633.01)	2,795.81
VIII Tax Expense			
a Current Tax		--	670.00
b MAT Credit Entitlement		--	(147.25)
c Deferred Tax		186.08	(324.13)
		186.08	198.62
IX Profit / (Loss) for the period after Tax (VII - VIII)		(6,819.09)	2,597.19
X Other Comprehensive Income			
A i. Items that will not be reclassified to Profit & Loss		368.82	(368.32)
ii. Income tax relating to items that will not be reclassified to profit or loss		(113.96)	113.81
		254.86	(254.51)
X Other Comprehensive Income			
B i. Items that will be reclassified to Profit & Loss		--	--
ii. Income tax relating to items that will be reclassified to profit or loss		--	--
		--	--
		254.86	(254.51)
XI Total Comprehensive Income for the period (IX + X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(6,564.23)	2,342.68
XII Earnings per Equity Share - Refer Note No. D-5			
i. Basic		(6.06)	2.31
ii. Diluted		(6.06)	2.31
See accompanying notes forming part of the financial statements	A to D		

As per our separate report of even date.
For **M/s Kirtane & Pandit LLP**
Chartered Accountants
Firm Regn. No. 105215W/W100057

Niraj S. Shirgaokar
MD (DIN-00254525)

Chandan S. Shirgaokar
MD (DIN-00208200)

Place : Pune
Date : 25-05-2018

Parag Pansare
Partner
Memb. No. 117309

R. V. Desurkar
GM Finance
(ACA-23771)

B. G. Kulkarni
GM-Corp. Aff. & Co. Sec.
(FCS-2805)

Cash Flow Statement for the year ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	Financial Year 31-03-2018	Financial Year 31-03-2017
Cash Flow from Operating Activities		
Net profit before tax and extraordinary items	(6,633.00)	2,795.81
Adjustment for:		
Depreciation and Amortisation	1,944.70	1,467.66
Amortisation of Intangible Assets	3.21	0.72
Assets written off	–	28.81
Impairment Loss	–	(99.03)
Profit on sale of Assets	(6.95)	(8.49)
Interest and Finance charges	2,909.20	3,039.59
Investment Income	(7.65)	(15.75)
	4,842.51	4,413.51
Operating profit before working capital changes	(1,790.49)	7,209.32
Decrease (Increase) in trade and other receivable	(3,156.84)	14,533.44
Decrease (Increase) in Inventories	(18,810.00)	1,743.32
Increase (Decrease) in trade payables	27,350.84	(23,662.61)
	5,384.00	(7,385.85)
Cash Generated from operations	3,593.51	(176.53)
Direct Tax	(27.20)	(1,084.76)
Cash flow before extraordinary items	3,566.31	(1,261.29)
Extraordinary items	–	–
NET CASH FROM OPERATING ACTIVITIES	3,566.31	(1,261.29)
Cash flow from investing activities		
Purchase of Assets	(1,497.39)	(2,074.84)
Proceeds from sale of Assets	7.25	8.50
Purchase / Sale of Investments	144.37	(2.22)
Interest and Dividend received	4.03	76.09
NET CASH FROM INVESTING ACTIVITIES	(1,341.74)	(1,992.47)
Cash flow from financing activities		
Interest paid	(2,902.99)	(3,097.35)
Proceeds from borrowings	1,646.89	7,790.84
Dividend paid inclusive of Corporate Dividend Tax	(272.03)	(338.51)
NET CASH FROM FINANCING ACTIVITIES	(1,528.13)	4,354.98
Net increase/(decrease) in cash and cash equivalents	696.44	1,101.22
Opening cash and cash equivalents	1,456.51	355.29
Closing cash and cash equivalents	2,152.95	1,456.51

Notes to Cash Flow Statement

- 1 Cash Flow Statement has been prepared under indirect method as set out in Ind AS 7.
- 2 Purchase of fixed assets includes movement in Capital Work in Progress.
- 3 Figures for the previous year have been regrouped where necessary.

As per our separate report of even date.

For **M/s Kirtane & Pandit LLP**
Chartered Accountants
Firm Regn. No. 105215W/W100057

Niraj S. Shirgaokar
MD (DIN-00254525)

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R. V. Desurkar
GM Finance
(ACA-23771)

B. G. Kulkarni
GM-Corp. Aff. & Co. Sec.
(FCS-2805)

Place : Pune

Memb. No. 117309

Date : 25-05-2018

Notes to Financial Statements for the Financial Year Ended 31-03-2018

Note No. A-1 - Property, Plant & Equipment, Investment Property, Intangible Assets, Depreciation, Impairment & Amortisation.

PARTICULARS	TANGIBLE ASSETS								Investment Property	INTANGIBLE ASSETS	
	Land	Buildings	Plant & Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Total	Buildings			
											Computer Software
GROSS CARRYING VALUE											
Balance as on 01-04-2016	433.50	3,259.27	43,211.90	0.46	223.91	646.44	47,960.00	29.82	180.64		
Additions during year 2016-17	-	224.94	1,759.63	8.29	7.60	17.55	2,018.01	-	-		
Deletions during year 2016-17	-	-	(509.11)	-	-	(1.21)	(510.32)	-	-		
Balance as on 31-03-2017	433.50	3,484.21	44,462.42	193.27	231.51	662.78	49,467.69	29.82	180.64		
Additions during year 2017-18	-	12.58	1,626.93	0.29	12.13	255.72	1,907.65	-	22.39		
Deletions during year 2017-18	-	-	(552.76)	-	-	(0.41)	(553.17)	-	-		
Balance as on 31-03-2018	433.50	3,496.79	45,536.59	193.56	243.64	918.09	50,822.17	29.82	203.03		
ACCUMULATED DEPRECIATION / AMORTISATION											
Balance as on 01-04-2016	-	1,822.65	28,894.43	151.84	213.07	534.05	31,616.04	19.41	179.20		
Adjustment on Deletion - 2016-17	-	-	(480.29)	-	-	(1.20)	(481.49)	-	-		
For the year 2016-17	-	114.70	1,296.40	9.41	10.60	35.88	1,466.99	0.67	0.72		
Balance as on 31-03-2017	-	1,937.35	29,710.54	161.25	223.67	568.73	32,601.54	20.08	179.92		
Adjustment on Deletion - 2017-18	-	-	(526.08)	-	-	(0.41)	(526.49)	-	-		
For the year 2017-18	-	101.51	1,726.17	7.78	7.83	100.80	1,944.09	0.62	3.21		
Balance as on 31-03-2018	-	2,038.86	30,910.63	169.03	231.50	669.12	34,019.14	20.70	183.13		
IMPAIRMENT LOSS											
Balance as on 01-04-2016	-	-	595.89	-	-	-	595.89	-	-		
Change for the year 2016-17	-	-	(99.03)	-	-	-	(99.03)	-	-		
Balance as on 31-03-2017	-	-	496.86	-	-	-	496.86	-	-		
Change for the year 2017-18	-	-	-	-	-	-	-	-	-		
Balance as on 31-03-2018	-	-	496.86	-	-	-	496.86	-	-		
NET CARRYING VALUE											
As on 01-04-2016	433.50	1,436.62	13,721.58	33.14	10.84	112.39	15,748.07	10.41	1.44		
As on 31-03-2017	433.50	1,546.86	14,255.02	32.02	7.84	94.05	16,369.29	9.74	0.72		
As on 31-03-2018	433.50	1,457.93	14,129.10	24.53	12.14	248.97	16,306.17	9.12	19.90		
Note No. A-2 - Capital Work in Progress											
As on 01-04-2016							307.02				
As on 31-03-2017							371.98				
As on 31-03-2018							107.95				

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	As At 31-03-2018	As At 31-03-2017	As At 01-04-2016
Note No. A-3 - INVESTMENTS			
[Non-Trade, Fully paid, Other than Government]			
a. Investment in Mutual Funds at Fair Value Through Profit and Loss(FVTPL)			
i. 35,201.263 (31,290.939) Units of Rs. 10 each of UTI Balanced Fund (At NAV)	10.26	5.15	3.13
b. Investment in Shares			
1 Investment in Equity Shares			
i. 0 (0) Equity Shares of Rs. 10 each of Ugar Consultancy Ltd. [Liquidated] (At Cost)	—	—	2.43
ii. 1,096 (1,096) Equity Shares of Rs. 100 each of Ugar Theatres Pvt. Ltd. (At Cost)	3.91	3.91	1.28
iii. 36,659 (36,659) Equity Shares of Rs. 10 each, of Shakti Alloy Steels Ltd. (Under Liquidation) (At Cost)	3.67	3.67	3.67
iv. 2,27,500 (2,27,500) Equity Shares of Rs. 10 each of Ugar Quality Packaging Pvt. Ltd. (At Cost)	22.75	22.75	22.75
v. 3,750 (3,750) Shares of Rs. 10 each of Sangli Urban Co-operative Bank Ltd. (At Cost)	0.38	0.38	0.38
	<u>30.71</u>	<u>30.71</u>	<u>30.51</u>
2 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. (At Cost)	100.00	100.00	100.00
ii. 4,75,000 (6,40,000) 10% Non-cumulative Redeemable Preference Shares of Rs. 100 each of Synergy Green Industries Ltd. (At FVTPL)	392.56	581.81	581.81
	<u>492.56</u>	<u>681.81</u>	<u>681.81</u>
	<u>523.27</u>	<u>712.52</u>	<u>712.32</u>
c. Advance against purchase of shares			
i. Sangli Urban Co-op. Bank Ltd. Sangli	4.63	—	—
ii. Ugar Theatres Pvt. Ltd.	35.15	—	—
	<u>39.78</u>	<u>—</u>	<u>—</u>
	<u>573.31</u>	<u>717.67</u>	<u>715.45</u>
d. Provision for diminution in value of investments	126.42	126.42	126.42
	<u>446.89</u>	<u>591.25</u>	<u>589.03</u>

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	As At 31-03-2018	As At 31-03-2017	As At 01-04-2016
Note No. A-4 - OTHERS			
1 Security Deposits	92.15	74.25	100.51
2 Non-current portion in term deposits with banks with original maturity for more than 12 months	–	36.64	0.23
	<u>92.15</u>	<u>110.89</u>	<u>100.74</u>
Note No. A-5 - OTHER NON-CURRENT ASSETS			
1 Long Term Receivables (Unsecured, Considered Good)			
Interest Accrued on NSCs & Bank Deposits	–	2.55	0.05
VAT & Excise (Appeal), etc receivable	56.08	52.04	38.35
	<u>56.08</u>	<u>54.59</u>	<u>38.40</u>
2 Capital Advances paid to Others	265.36	413.50	350.01
3 Security Deposits with Government Authorities	57.20	85.99	56.94
Total	<u>378.64</u>	<u>554.08</u>	<u>445.35</u>
Note A-6: INVENTORIES			
1 Stock of Raw Material			
a. Crops in Progress	46.71	48.86	7.32
b. Other Raw Material	138.62	134.77	103.61
2 Finished Goods			
a. Sugar, Molasses, Spirit, etc.	57,240.80	38,379.53	39,599.69
b. Bagasse - Own	516.44	399.94	1,021.75
	<u>57,757.24</u>	<u>38,779.47</u>	<u>40,621.44</u>
3 Stock in Trade (Petroleum Products/ Cane Development Material)	46.65	39.26	32.47
4 Stores, Spares, Fuel, etc.			
a. Stores, Spare Parts and Others	1,025.34	1,196.89	1,183.04
b. Bagasse (Purchased), Firewood & Coal	–	5.31	–
	<u>1,025.34</u>	<u>1,202.20</u>	<u>1,183.04</u>
	<u>59,014.56</u>	<u>40,204.56</u>	<u>41,947.88</u>
Note A-7: TRADE RECEIVABLES			
[Unsecured]			
1 Outstanding for a period exceeding six months from the date they are due for payment			
Considered Good	127.97	89.47	132.73
Considered Doubtful	68.04	24.15	33.70
	<u>196.01</u>	<u>113.62</u>	<u>166.43</u>
Less: Provision for Doubtful Debts	(68.04)	(24.15)	(33.70)
	<u>127.97</u>	<u>89.47</u>	<u>132.73</u>
2 Others	4,326.56	975.82	14,119.08
Total	<u>4,454.53</u>	<u>1,065.29</u>	<u>14,251.81</u>

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	As At 31-03-2018	As At 31-03-2017	As At 01-04-2016
Note A-8: CASH AND CASH EQUIVALENTS			
1 Cash on Hand	16.41	16.27	11.25
2 Balances with Banks in Current Accounts	2,136.54	1,440.24	344.04
Total	<u>2,152.95</u>	<u>1,456.51</u>	<u>355.29</u>
Note A-9: BANK BALANCES			
1 Balances with Banks in Current Accounts			
Earmarked for Unpaid Dividends	35.68	25.39	18.38
2 In Term Deposit Accounts			
(With original maturity for more than 12 months)			
i. For Issue of bank guarantees	81.55	78.99	137.13
ii. As liquid assets for fixed deposits	–	–	233.76
iii. Others	12.73	–	–
	<u>94.28</u>	<u>78.99</u>	<u>370.89</u>
Less: Non-current portion in above, disclosed under Non-current Assets	–	(36.64)	(0.23)
	<u>94.28</u>	<u>42.35</u>	<u>370.66</u>
Total	<u>129.96</u>	<u>67.74</u>	<u>389.04</u>
Note A-10: OTHERS			
Accrued Interest On Bank Deposits	6.87	0.69	63.54
Note A-11: CURRENT TAX ASSETS(NET)			
1 Advance Payment of Taxes	2,309.81	2,282.61	1,197.85
MAT Credit Receivable	407.25	407.25	260.00
	<u>2,717.06</u>	<u>2,689.86</u>	<u>1,457.85</u>
Less: Tax Provision	(2,364.00)	(2,364.00)	(1,457.85)
	<u>353.06</u>	<u>325.86</u>	<u>–</u>
Note A-12: OTHER CURRENT ASSETS			
1 Unsecured, Considered Good			
a. Advances to Related Parties			
i. Advances to private limited companies in which directors of the Company are directors / members	–	–	5.79
ii. Others	–	2.52	–
	<u>–</u>	<u>2.52</u>	<u>5.79</u>
b. Cenvat Credits, Service Tax Receivable, etc.	11.49	269.03	647.66
c. Prepaid Expenses	87.19	75.78	65.71
d. Excess Interest Recovered by banks - Receivable	5.58	68.54	180.30
e. Incentive / Subsidy Receivable from Government	–	–	37.71
f. Assets Held for Sale	26.38	–	–
	<u>130.64</u>	<u>415.87</u>	<u>937.17</u>

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	As At 31-03-2018	As At 31-03-2017	As At 01-04-2016
Note A-12: OTHER CURRENT ASSETS			
2 Unsecured			
a. Advances to Cultivators and Contractors			
Considered Good	116.09	84.07	136.37
Considered Doubtful	288.45	295.07	248.39
	404.54	379.14	384.76
Less: Provision for Doubtful Advances	(288.45)	(295.07)	(248.39)
	116.09	84.07	136.37
b. Advances to Suppliers of Machinery Spares, etc.			
Considered Good	146.96	108.22	606.11
Considered Doubtful	2.75	2.75	2.75
	149.71	110.97	608.86
Less: Provision for Doubtful Advances	(2.75)	(2.75)	(2.75)
	146.96	108.22	606.11
	263.05	192.29	742.48
Total	393.69	608.16	1,679.65

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	As At 31-03-2018	As At 31-03-2017	As At 31-04-2016
Note A-13: SHARE CAPITAL			
1 Authorised:			
20,00,00,000 Equity Shares of Re. 1 each	2,000.00	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	1,125.00
3 Reconciliation of No. of Shares			
i. No. of Shares at the beginning of the Accounting Year	112,500,000	112,500,000	112,500,000
ii. Add: Increase in No. of Shares	—	—	—
	112,500,000	112,500,000	112,500,000
iii. Less: Decrease in No. of shares	—	—	—
iv. No. of Shares at the end of the Accounting Year	112,500,000	112,500,000	112,500,000
4 Terms / Rights attached to Equity Shares			
i. 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.			
ii. 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			
1 SB Reshellers Pvt. Ltd.	19,491,514	19,491,514	16,585,419
Note A-14: OTHER EQUITY			
1 General Reserve			
As per last Balance Sheet	8,351.31	8,632.56	8,632.56
Appropriation for the year	—	(281.25)	—
	8,351.31	8,351.31	8,632.56
2 Securities Premium			
As per last Balance Sheet	1,575.00	1,575.00	1,575.00

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	As At 31-03-2018	As At 31-03-2017	As At 01-04-2016
Note A-14: OTHER EQUITY			
3 Profit & Loss Account			
a As per last Balance Sheet	572.85	(1,967.08)	(1,967.08)
b Profit / (Loss) carried from Statement of P&L	(6,819.09)	2,597.19	–
Less: Dividend for FY 2016-17 paid during the year	(225.00)	–	–
Less: Corporate Dividend Tax	(47.04)	(57.26)	–
c Balance of Profit after adjustments under Item (b)	(7,091.13)	2,539.93	–
d Balance of Profit carried forward (a+c)	(6,518.28)	572.85	(1,967.08)
4 Other Comprehensive Income (Net of Tax)	0.35	(254.51)	–
Total	3,408.38	10,244.65	8,240.48

Note A-15: BORROWINGS - NON CURRENT

1 Term Loans from Banks - Secured			
i. Central Bank of India - Expansion	990.00	1,470.00	2,000.00
Obtained for expansion of crushing capacity of sugar plant at Ugar. The rate of interest is presently 1 year MCLR + 3.15%. The loan is secured by hypothecation of the said Machinery. The loan is repayable in quarterly instalments of Rs. 120.53 Lakhs. The last instalment is due in June 2020.			
ii. Central Bank of India - Under SEFASU 2014	1,064.00	2,132.00	3,200.00
Obtained under "Scheme for Extending Financial Assistance to Sugar Undertakings - 2014" [SEFASU-2014] for payment of cane dues relating to FRP fixed by the Central Government. The loan is secured by 1st pari passu charge on all assets at Ugar and at Jewargi. The rate of interest is 1 year MCLR + 3.70% p.a. Interest on loan shall be subvented upto 12% p.a. by the Government to the Bank. The loan is repayable in 36 monthly instalments of Rs. 88.89 Lakhs each. The last instalment is due in March 2019.			

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	As At 31-03-2018	As At 31-03-2017	As At 01-04-2016
Note A-15: BORROWINGS - NON CURRENT			
1 Term Loans from Banks - Secured			
iii. Bank of Baroda - Under SEFASU 2014 <i>Obtained under "Scheme for Extending Financial Assistance to Sugar Undertakings - 2014" [SEFASU-2014] for payment of cane dues relating to FRP fixed by the Central Government. The loan is secured by 1st pari passu charge on all assets at Ugar and at Jewargi. The rate of interest is 12% p.a. (fixed). Interest on loan shall be subvented upto 12% p.a. by the Government to the Bank. The loan is repayable in 12 quarterly instalments of Rs. 115.25 lakh each. The last instalment is due in March 2019.</i>	460.75	922.00	1,383.00
iv. Union Bank of India - Under SEFASU 2014 <i>Obtained under "Scheme for Extending Financial Assistance to Sugar Undertakings - 2014" [SEFASU-2014] for payment of cane dues relating to FRP fixed by the Central Government. The loan is secured by 1st pari passu charge on all assets at Ugar and at Jewargi. The rate of interest is BR + 1.75% p.a. Interest on loan shall be subvented upto 12% p.a. by the Government to the Bank. The loan is repayable in 36 monthly instalments of Rs. 23.78 lakh each. The last instalment is due in March 2019.</i>	285.28	570.64	856.00
v. Central Bank of India - Soft Loan for Payment of FRP <i>Obtained for payment of cane price arrears for the season 2014-15 relating to the Fair & Remunerative Price (FRP). The loan is secured by Extension of 1st pari passu charge on all assets at Ugar and at Jewargi. The rate of Interest is 1 year MCLR + 2.70% (Minimum 11%) per annum. Interest on loan is subvented by the Government at 10% to the Bank for a period of one year upto September 2016. The loan is repayable in 36 monthly instalments of Rs. 68.39 Lakhs each. The last instalment is due in September 2019.</i>	1,150.00	2,047.08	2,462.00

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	As At 31-03-2018	As At 31-03-2017	As At 01-04-2016
Note A-15: BORROWINGS - NON CURRENT			
1 Term Loans from Banks - Secured			
vi. Bank of Baroda - Soft Loan for Payment of FRP Obtained for payment of cane price arrears for the season 2014-15 relating to the Fair & Remunerative Price (FRP). The loan is secured by 1st pari passu charge on the immovable properties by way of mortgage and fixed assets at Ugar and at Jewargi, by way of hypothecation. The rate of Interest is BR+1.10% (Minimum 11%) per annum. Interest on loan is subvented by the Government at 10% to the Bank for a period of one year upto September 2016. The loan is repayable in 36 monthly instalments of Rs. 30.06 lakh each. The last instalment is due in August 2019.	480.00	867.60	1,082.00
vii. Union Bank of India - Soft Loan for payment of Payment of FRP Obtained for payment of cane price arrears for the season 2014-15 relating to the Fair & Remunerative Price (FRP). The loan is secured by Extension of 1st pari passu charge on all assets at Ugar and at Jewargi. The rate of Interest is BR+1% (Minimum 11%) per annum. Interest on loan is subvented by the Government to the Bank at 10% for a period of one year upto September 2016. The loan is repayable in 36 monthly instalments of Rs. 17.47 lakh each. The last instalment is due in September 2019.	310.11	524.16	629.00
	4,740.14	8,533.48	11,612.00
Less: Current Maturities in respect of above loans disclosed separately under Current Liabilities	3,683.19	3,686.16	2,960.66
	1,056.95	4,847.32	8,651.34
2 Term Loans - Others - Secured			
viii. Sugar Development Fund Obtained for Jewargi unit for setting up power project. The rate of interest at 2% p.a below the bank rate prevailing on the date of disbursement of instalment of loan. 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 Lakhs. The last instalment is due in June 2018.	121.59	364.76	607.93
Less: Current Maturities in respect of above loan disclosed separately under Current Liabilities	121.59	243.17	243.17
	-	121.59	364.76
	1,056.95	4,968.91	9,016.10

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	As At 31-03-2018	As At 31-03-2017	As At 01-04-2016
Note A-15: BORROWINGS - NON CURRENT			
3 There has been no continuing default as on the balance sheet date in repayment of any of the above borrowings and interest thereon.			
Note A-16: PROVISIONS - NON CURRENT			
1 Provisions for Employee Benefits			
a. Provision for Gratuity	846.56	1,193.72	934.51
b. Provision for Leave Salary	396.08	474.53	404.00
	<u>1,242.64</u>	<u>1,668.25</u>	<u>1,338.51</u>
Note A-17: DEFERRED TAX LIABILITIES (NET)			
1 Deferred Tax Liabilities			
On account of timing differences in -			
a. Depreciation	1,706.09	1,991.27	1,786.80
2 Less: Deferred Tax Assets			
On account of timing differences in -			
a. Provision for doubtful debts & advances	111.01	114.41	98.58
b. Disallowances under the Income Tax Act	650.16	1,231.98	605.40
	<u>761.17</u>	<u>1,346.39</u>	<u>703.98</u>
	<u>944.92</u>	<u>644.88</u>	<u>1,082.82</u>
Note A-18: BORROWINGS			
1 Secured			
a. Working Capital Loans - from Banks			
i. Cash Credit Hypothecation	1,530.12	3,367.39	659.54
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 MCLR+1.20%.			
ii. Cash Credit Pledge	27,817.64	23,927.65	14,877.05
Cash credit pledge is secured by pledge of stock of sugar. The cash credit is repayable on demand and carries rate of interest at MCLR + 0.90%/MCLR+1.05%			
	<u>29,347.76</u>	<u>27,295.04</u>	<u>15,536.59</u>
2 Unsecured			
a. Off Season Expenses Loan - from Banks	3,496.77	—	—
Off-season Expenses Loan is sanctioned by a Bank to meet the Off-season Expenses. The Loan is unsecured and is repayable in six months. The rate of interest is Six-Months MCLR + 1.95%			

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	As At 31-03-2018	As At 31-03-2017	As At 01-04-2016
Note A-18: BORROWINGS			
2 Unsecured			
b. Loans from Directors	174.44	165.08	85.50
Loans from Directors are unsecured and are accepted for a period of one year. The rate of interest is 9.50% p.a. for senior citizens and 9% p.a. for others.			
	<u>33,018.97</u>	<u>27,460.12</u>	<u>15,622.09</u>
3 There has been no continuing default as on the balance sheet date in repayment of any of the above borrowings and interest thereon.			
Note A-19: TRADE PAYABLES			
1 Creditors for Supplies	24,256.72	549.88	17,640.86
2 Others	426.79	285.38	231.17
	<u>24,683.51</u>	<u>835.26</u>	<u>17,872.03</u>
Note A-20: OTHER FINANCIAL LIABILITIES			
1 Current Maturities of Long Term Debts - Secured			
a. From Banks	3,683.19	3,686.16	2,960.66
b. Others	121.59	243.17	243.17
	<u>3,804.78</u>	<u>3,929.33</u>	<u>3,203.83</u>
2 Interest Accrued but not due on borrowings	3.05	5.08	6.99
3 Interest Accrued and due on borrowings	27.68	19.43	75.29
4 Investor Education and Protections Fund (Amounts to be credited to the said Fund, when due)			
Unpaid Dividend	35.68	25.39	18.38
Unpaid Matured Deposits & Interest Accrued	2.92	2.92	3.18
	<u>38.60</u>	<u>28.31</u>	<u>21.56</u>
5 Trade Deposits and Advances	118.99	54.95	75.60
6 Payable to Banks for loans granted to Cane Growers and Harvesting & Transport Contractors	9,518.08	5,288.74	12,338.32
7 Salaries, Wages, Bonus & Commission Payable	564.76	641.59	645.32
8 Land Rent, Contractors' Retention, etc.	46.69	35.72	34.60
9 Other Payables	35.03	0.14	81.93
	<u>14,157.66</u>	<u>10,003.29</u>	<u>16,483.44</u>

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	As At 31-03-2018	As At 31-03-2017	As At 01-04-2016
Note A-21: OTHER CURRENT LIABILITIES			
1 Creditors for Machinery Supplies	109.99	89.52	17.89
2 Provision for Excise Duty on Finished Goods	654.24	2,755.43	3,125.61
3 Outstanding Expenses	2,277.54	1,074.78	950.89
4 Advances from Customers	309.39	338.48	184.60
5 Amounts refundable to Cultivators & Contractors	15.51	19.64	21.03
6 Statutory Dues Payable	344.05	127.09	161.83
	3,710.72	4,404.94	4,461.85
Note A-22: PROVISIONS			
1 Provisions for Employee Benefits			
Provision for Gratuity	321.86	245.04	260.84
Provision for Leave Salary	195.83	136.42	149.96
	517.69	381.46	410.80
Note A-23: CURRENT TAX LIABILITIES (NET)			
a. Provision for Taxation	2,364.00	2,364.00	1,694.00
Less: Deducted from Advance Payment of Taxes	(2,364.00)	(2,364.00)	(1,457.85)
	-	-	236.15

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	Financial Year 2017-18	Financial Year 2016-17
Note B-24: REVENUE FROM OPERATIONS		
1 Sales		
a. Finished Goods		
Sugar / Sugar Sachets	49,634.92	48,561.88
Rectified Spirit	1,384.86	976.48
Denatured Spirit	1,892.49	1,748.10
Potable Alcohol	18,813.98	17,606.73
Electricity	2,662.55	927.61
	74,388.80	69,820.80
b. Traded Goods		
Sugar / Sugar Sachets	—	531.07
Cane Development Material	91.62	—
Petroleum Products	3,049.04	2,351.53
	3,140.66	2,882.60
c. By-products & Others	2,320.69	2,518.76
	79,850.15	75,222.16
2 Other Operating Income		
Export Incentive on Raw Sugar	—	99.40
Total	79,850.15	75,321.56
Note B-25: OTHER INCOME		
1 Dividend on Non Trade Investments	1.42	8.07
2 Interest on Loans, Bank Deposits and Others	54.69	37.69
3 Sale of Scrap	137.82	274.41
4 Non-operating Revenues		
a. Sale of Services		
Machinery / Bullock Cart Hire Charges	2.59	3.03
b. Bad Debts / Advances written off, Recovered	4.00	—
c. Insurance Claims Received	7.51	1.34
d. Profit on sale of fixed assets	6.95	8.49
e. Excess Provisions & Unclaimed Credit		
Balances Written back	10.00	346.01
f. Excess Provision for Doubtful Debts & Advances	6.62	—
g. Provision for Impairment written back	—	99.03
h. Unrealised Gains on Units	1.94	—
i. Miscellaneous Receipts	107.72	67.22
	147.33	525.12
Total	341.26	845.29
Note B-26: COST OF MATERIAL CONSUMED		
A. Raw Material		
1 Sugarcane		
Purchased	58,009.58	28,090.46
Harvesting and Transport	12,266.63	5,452.02
Cane Purchase and Development	57.75	86.99
Research and Development	274.85	232.87
	70,608.81	33,862.34

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	Financial Year 2017-18	Financial Year 2016-17
Note B-26: COST OF MATERIAL CONSUMED		
2 Other Raw Material		
Molasses	2,351.21	2,385.47
Malt	25.56	28.15
Rectified Spirit	1,561.72	1,311.95
Others	37.14	46.79
	3,975.63	3,772.36
Less: Intersegment transfers	(3,559.11)	(3,590.54)
	416.52	181.82
	71,025.33	34,044.16
B. Stores, Spares, etc.		
Stores, Spares, Chemicals & Others	3,510.34	2,408.22
Total	74,535.67	36,452.38
Note B-27: OTHER MANUFACTURING EXPENSES		
1 Power, Fuel and Water	568.13	545.36
2 Repairs and Maintenance of Plant & Machinery	1,653.99	1,957.82
	2,222.12	2,503.18
Note B-28: PURCHASE OF STOCK IN TRADE		
1 Sugar / Sugar Sachets	—	442.67
2 Petroleum Products	2,909.24	2,271.62
3 Others	103.37	—
	3,012.61	2,714.29
Note B-29: 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	34,236.09	35,047.34
Rectified Spirit	409.88	409.71
Potable Alcohol	1,964.28	1,186.74
Molasses	1,695.52	2,640.93
Others	73.76	314.97
	38,379.53	39,599.69
ii. Bagasse - Own	399.94	1,021.75
	38,779.47	40,621.44
b. Stock in Trade - Petroleum Products	39.26	32.47
	38,818.73	40,653.91
Less: Excise Duty on Opening Stock	3,642.95	3,764.01
Value of Opening Stock net of Excise Duty	35,175.78	36,889.90

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	Financial Year 2017-18	Financial Year 2016-17
Note B-29: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
2 Closing Stock		
a. Finished Goods		
i. Sugar, Molasses, Spirit, etc.		
Sugar	53,498.14	34,236.09
Rectified Spirit	415.69	409.88
Potable Alcohol	1,572.49	1,964.28
Molasses	1,599.88	1,695.52
Others	154.60	73.76
	57,240.80	38,379.53
ii. Bagasse - Own	516.44	399.94
	57,757.24	38,779.47
b. Stock in Trade		
i. Cane Development Goods	11.10	-
ii. Petroleum Products	35.54	39.26
	46.64	39.26
	57,803.88	38,818.73
Less: Excise Duty on Closing Stock	1,330.16	3,642.95
Value of Closing Stock net of Excise Duty	56,473.72	35,175.78
Net (Increase) / Decrease in Stocks	(21,297.94)	1,714.12
Note B-30: EMPLOYEE BENEFIT EXPENSE		
1 Salaries, Bonus and Commission	4,563.12	4,758.05
2 Remuneration to employees employed by contractors	1,201.13	917.30
3 Contribution to Provident, Gratuity and other funds	721.46	734.76
4 Workmen and Staff Welfare	37.62	34.05
Total	6,523.33	6,444.16
Note B-31: FINANCE COSTS		
1 Interest	2,759.05	2,901.56
2 Finance Charges	150.15	138.03
	2,909.20	3,039.59
Note B-32: OTHER EXPENSES		
1 Administrative Expenses		
a. Repairs to & Maintenance of Buildings	96.91	141.96
b. General Repairs & Maintenance	348.52	375.65
c. Insurance	66.63	58.67
d. Rent	41.62	42.56
e. Rates and Taxes	238.03	231.28
f. Bank Charges	7.83	2.48
g. Printing and Stationery	16.50	21.14
h. Travelling	107.31	102.51
i. Motor Car / Other Vehicle Expenses	103.68	81.26
j. Donations	57.05	19.90

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	Financial Year 2017-18	Financial Year 2016-17
Note B-32: OTHER EXPENSES		
k. Bad Debts & Sundry Advance Written Off	3.50	11.36
Less: Provision	—	(9.54)
	3.50	1.82
l. Assets Written Off	—	28.81
m. Provision for Doubtful Debts and Advances	43.89	46.68
n. Directors' Sitting Fees	18.92	12.60
o. Commission to Non-Executive Directors	—	27.97
p. Payment to Auditors		
a. Statutory Auditors		
i. As Auditors	7.37	8.57
ii. For Taxation Matters	0.25	0.25
iii. For Company Law Matters	0.03	0.05
iv. Certification & Other Services	2.82	3.32
iii. For Reimbursement of Expenses	0.91	0.69
	11.38	12.88
b. Cost Auditors		
i. As Auditors	2.00	2.00
ii. For Reimbursement of Expenses	—	0.03
	2.00	2.03
c. Secretarial Auditors		
i. As Auditors	1.50	1.50
ii. Certification & Other Services	—	0.32
	1.50	1.82
	14.88	16.73
q. Miscellaneous	304.08	276.21
	1,469.35	1,488.23
2 Selling & Distribution Expenses		
a. Freight, Insurance, etc. on outward consignments	330.60	437.15
b. Commission to selling agents & representatives	251.70	272.33
c. Advertisements	58.08	52.17
	640.38	761.65
Total	2,109.73	2,249.88

Notes to Financial Statements for the year ended 31-03-2018

NOTE C: CORPORATE INFORMATION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

Incorporated on 11-09-1939, The Ugar Sugar Works Ltd. (CIN-L15421PN1939PLC006738) 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 Belagavi District and at Malli-Nagarhalli Village in Kalburgi District in the state of Karnataka.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) COMPLIANCE WITH IND AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

Up to the year ended 31 March 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles in India ("Indian GAAP"), which includes standards notified under the Companies (Accounting Standards) Rules, 2014. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016 (transition date). The details of first time adoption exemptions availed by the Company are given in Note C-3.

(b) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative financial instruments) that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the considerations given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Notes to Financial Statements for the year ended 31-03-2018

NOTE C: CORPORATE INFORMATION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(c) CURRENT AND NON-CURRENT CLASSIFICATION

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(d) ROUNDING OF AMOUNTS

The financial statements including notes thereon are presented in Indian Rupees ("Rupees" or "Rs."), which is the Company's functional and presentation currency. All amounts disclosed in the financial statements including notes thereon have been rounded off to the nearest lakhs as per the requirement of Schedule III to the Act, unless stated otherwise.

(e) USE OF ESTIMATES

In preparing the Company's financial statements in conformity with Ind AS, the Company's management is required to make estimates, judgements and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period, the actual results could differ from those estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialized and if material, their effects are disclosed in the notes to the financial statements.

(f) PROPERTY, PLANT AND EQUIPMENT (PPE) AND OTHER INTANGIBLE ASSETS:

Property, plant and equipment

Property, plant and equipment held for use in production or supply of goods or services or for administrative purposes are stated at cost less accumulated depreciation/amortization less accumulated impairment, if any. The cost of fixed assets comprises its purchase price / manufacturing cost (in case of self-constructed asset), net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use.

Depreciation is provided (other than on capital work-in-progress) using Written Down Value method over the estimated useful lives of assets. Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement. The estimated useful lives of assets are stated below:

Notes to Financial Statements for the year ended 31-03-2018

NOTE C: CORPORATE INFORMATION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Particulars	Useful Life (in years)
Building	3 to 60
Plant and Equipment	10 to 40
Furniture and Fixtures	10
Vehicles	8 to 10
Office Equipment	3 to 6
Investment Property – Building	3 to 60

The economic useful lives of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

Freehold land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit or Loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost as of the transition date.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization. Amortization is recognized on straight line method over their estimated useful life of 3 years, which reflects the pattern in which the asset's economic benefits are consumed. The estimated useful life, the amortization method and the amortization period are reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the profit or loss when the asset is derecognized.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost as of the transition date.

Notes to Financial Statements for the year ended 31-03-2018

NOTE C: CORPORATE INFORMATION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

Depreciation on buildings is provided over its useful life using the written down value method as per the provisions of Schedule II to the Companies Act, 2013.

(g) LEASES

Operating Lease

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is as a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(h) IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

At the end of each reporting period, the Company reviews the carrying amounts of tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash generating unit to which an individual asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing, value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit or Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying

Notes to Financial Statements for the year ended 31-03-2018

NOTE C: CORPORATE INFORMATION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

amount does not exceed the carrying amount that would have determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognized immediately in the Statement of Profit or Loss.

(i) INVENTORIES

Inventories are valued as follows:

Raw materials, stores and spares, Material in transit, packing materials, crops in progress and Petroleum products

Valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on Moving Weighted Average basis.

Cost comprises costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Molasses, molasses in process, own bagasse and scrap are valued at net realisable value.

Finished goods

Valued at lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods excludes excise duty. Excise duty is provided on manufacture of goods, which are not exempt from the payment of duty.

Work-in-process

Valued at lower of cost up to estimated stage of process and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

By-products

By-products are valued at net realisable value. Inter-unit transfers of by- products also include the cost of transportation, duties, etc.

(j) REVENUE RECOGNITION

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of trade discounts, sales returns.

Based on Ind AS 18, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

Notes to Financial Statements for the year ended 31-03-2018

NOTE C: CORPORATE INFORMATION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

However, sales tax/ value added tax (VAT) and Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Revenue from sale of power is recognised when the units generated are transmitted to the pooling station, in accordance with the terms and conditions of the power purchase agreement entered into by the Company with the purchasing parties.

Income from services is recognised as they are rendered (based on agreement/arrangement with the concerned customers).

Revenue in respect of insurance / other claims, interest, subsidy, incentive, etc. is recognized only when it is reasonably certain that the ultimate collection will be made.

Interest income

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

(k) INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Investments in subsidiaries, joint ventures and associates are recognised at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

(l) GOVERNMENT GRANTS AND ASSISTANCE

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are reduced from the gross book value of property, plant and equipment.

(m) FOREIGN CURRENCIES

The financial statements are presented in Indian rupees, which is the functional currency of the Company.

Transactions in currencies other than the Company's functional currency are recognized at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date. Non-monetary assets and liabilities denominated in a foreign currency are translated using the exchange rate prevailing at the date of initial recognition (in case measured at historical cost) or at the rate prevailing at the date when the fair value is determined (in case measured at fair value).

Foreign exchange differences are recognized in profit or loss in the period in which they arise except for exchange difference on foreign currency borrowings relating to assets under construction for future

Notes to Financial Statements for the year ended 31-03-2018

NOTE C: CORPORATE INFORMATION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

(n) INVESTMENTS

The Company has measured its investments at Cost except for following:

- (i) Investments in Mutual Fund are valued at fair market value using NAV as on 31st March 2018.
- (ii) Investment in Preference shares of Synergy Green Industries Ltd is valued at fair market value using discounted cash flows.

(o) EMPLOYEE BENEFITS

Short Term Employee Benefits

Short-term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

Other Long Term Employee Benefits

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave for availment as well as encashment subject to the rules. As per the regular past practice followed by the employees, it is not expected that the entire accumulated leave shall be encashed or availed by the employees during the next twelve months and accordingly the benefit is treated as long-term defined benefit. The liability is provided for based on the number of days of unutilised leave at the Balance Sheet date on the basis of an independent actuarial valuation.

Post Employment Benefits

(i) Defined Contribution Plans

The eligible employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The Company is maintaining separate trust for Provident Fund and recognises such contributions made to the trust as expense of the year in which the liability is incurred.

(ii) Defined Benefit Plans

The Company has an obligation towards Gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The plan is managed by a trust and the fund is invested with Life Insurance Corporation of India under its Group Gratuity Scheme. The Company makes annual contributions to Gratuity Fund and the Company recognises the liability for Gratuity benefits payable in future based on an independent actuarial valuation.

Notes to Financial Statements for the year ended 31-03-2018

NOTE C: CORPORATE INFORMATION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(p) BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(q) INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are accepted to apply when the related deferred and income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(r) PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Notes to Financial Statements for the year ended 31-03-2018

NOTE C: CORPORATE INFORMATION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

(s) FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Classification and subsequent measurement

Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Impairment

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, other contractual right to receive cash or other financial assets or other financial assets not designated at fair value through profit or loss. The loss allowance for a financial instrument is equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

For trade receivables or any contractual right to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses wherever it experiences. The Company has used a practical expedient permitted by Ind AS 109 and determines the expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

De-recognition

The Company derecognizes financial asset when the contractual right to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Notes to Financial Statements for the year ended 31-03-2018

NOTE C: CORPORATE INFORMATION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income, if any, is recognized in the Statement of Profit or Loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of the financial asset.

Financial liabilities

Classification

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Subsequent measurement

Financial liabilities (that are not held for trading or not designated at fair value through profit or loss) are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based in the effective interest method, if material.

Effective interest method is a method of calculating amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

Financial liabilities denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in the Statement of Profit or Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognized in the Statement of Profit and Loss.

De-recognition

Financial liabilities are derecognized when, and only when, the obligations are discharged, cancelled or have expired. An exchange with a lender of a debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability derecognized and the consideration paid or payable is recognized in the Statement of Profit or Loss.

Notes to Financial Statements for the year ended 31-03-2018

NOTE C: CORPORATE INFORMATION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(t) NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised while they are classified as held for sale.

(u) DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

(v) CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(w) EARNINGS PER SHARE

The Company reports basic and diluted earnings per share (EPS) in accordance with Indian Accounting Standard 33 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit or loss attributable to ordinary equity holders of the parent entity by weighted average number of equity shares outstanding during the year as adjusted for the effects of the effects of all dilutive potential ordinary shares dilutive potential equity shares (except where the results are anti-dilutive).

(x) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The accounting policies adopted for segment reporting are in line with the accounting policies adopted by the Company, with the following additional policies for segment reporting:

- (i) Inter segment revenue has been accounted for based on the transaction price agreed to between segments which is primarily market led.
- (ii) Revenue, Expenses, Assets and Liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.
- (iii) Gains/losses from transactions in commodity futures, which are ultimately settled net, with/without taking delivery, are recorded as 'Other revenues' under the Sugar segment.
- (iv) Revenue, Expenses, Assets and Liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated".

Notes to Financial Statements for the year ended 31-03-2018

NOTE C: CORPORATE INFORMATION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(y) RESEARCH AND DEVELOPMENT

Expenditure on Research and Development is considered as cost for valuation of inventory and expenditure related to capital asset is grouped with property plant and equipment under appropriate head and depreciation is provided at the applicable rate.

(z) SUBSIDIES RECEIVED

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

(aa) CONSOLIDATION OF ACCOUNTS

Ugar Theatre Pvt. Ltd. is an associate company. However, The Company has no control over the management or over the operations of Ugar Theatre Pvt. Ltd. and hence consolidation of accounts as per the provisions of Ind AS 110 and other relevant provisions of the Companies Act, is not considered necessary.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note No. C-2, the Management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the Management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the cash-generating unit. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. When the actual future cash flows are less than expected, a material impairment loss may arise.

Notes to Financial Statements for the year ended 31-03-2018

NOTE C: CORPORATE INFORMATION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the management has determined that no changes are required to the useful lives of assets.

4. FIRST TIME ADOPTION OF IND AS – MANDATORY EXCEPTIONS AND OPTIONAL EXEMPTIONS

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the company as detailed below:

Classification of debt instruments

The Company has determined that classification of debt instruments in terms of whether they meet the amortized cost criteria or the fair value through profit or loss criteria based on facts and circumstances that existed as of the transition date.

Deemed cost for property, plant and equipment and intangible assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there has been significant increase in credit risk since the initial recognition, as permitted by Ind AS 101.

Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make an assessment on basis of facts and circumstances existing at the date of transition to Ind AS, except where impact is expected not to be material. The company has elected to apply this exemption for such contracts under Para D9A of Ind AS 101.

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	Financial Year 31-03-2018	Financial Year 31-03-2017
Note D: Other Information		
1	Contingent Liabilities not provided for	
a.	Claims against the Company not acknowledged as debts	
	–	–
b.	Excise Duty / Service Tax, Liability Disputed	
	491.35	457.81
c.	Income Tax, Liability Disputed	
	198.80	263.34
d.	Sales Tax, Liability Disputed	
	20.14	20.14
e.	Corporate Guarantees given to the Bankers	
	11,655.00	5,000.00
	For loans given to the Harvesting & Transport Contractors The Company has filed appeals before appropriate appellate authorities. Future cash outflow, if any, in respect of the following matters are determinable only on receipt of judgments/decisions pending at various stages before the appellate authorities. The matters in which the management is not certain that same would be resolved in favor of the Company, has been adequately provided.	
2	Commitments	
a.	Estimated amounts of contracts remaining to be executed on capital account	
	–	397.24
3	Value of imports calculated on CIF basis	
	Machinery Spares	
	71.49	–
4	Expenditure in foreign currency	
a.	Travelling	
	5.62	5.93
b.	Raw Sugar	
	1,471.60	–
5	Earning per share	
a.	Profit after tax as per the Profit & Loss Account	
	(6,819.09)	2,597.19
b.	Weighted average of No. of Shares	
	1,125.00	1,125.00
c.	Earnings per share of Re.1/-	
	(6.06)	2.31
6	Future Minimum Lease Rentals in respect of Buildings	
a.	Given on operating lease	
i.	Receivable within one year	
	10.09	10.80
ii.	Receivable between one year and five years	
	18.56	29.02
iii.	Receivable after five years	
	3.66	3.66
b.	Taken on operating lease	
i.	Payable within one year	
	36.56	37.12
ii.	Payable between one year and five years	
	27.23	33.04
iii.	Payable after five years	
	–	–

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	Financial Year 31-03-2018	Financial Year 31-03-2017
Note D: Other Information (Contd...)		
7	Value of Imported and Indigenous Raw Material Consumed and percentage thereof to total consumption	
a.	Value	
	Imported	1,471.60
	Indigenous	69,553.73
b.	Percentage	
	Imported	2.07%
	Indigenous	97.93%
8	Value of Raw Material Consumed in Note B-26 includes additional cane price relating to earlier season/s	
		2,902.88
9	Segment Reporting	
I.	Primary Segment Information (Business Segments)	
	Revenue	
	External Sales	
	Sugar	55,071.38
	Electricity	2,662.61
	Industrial Alcohol	3,296.90
	Potable Alcohol	18,819.26
	Total	<u>79,850.15</u>
	Other Operating Income	
	Sugar	–
		<u>99.40</u>
		<u>79,850.15</u>
	Inter-segment Sales	
	Sugar	12,267.14
	Electricity	10,399.81
	Industrial Alcohol	2,409.26
	Total	<u>25,076.21</u>
	Total Revenue	
	Sugar	67,338.52
	Electricity	13,062.42
	Industrial Alcohol	5,706.16
	Potable Alcohol	18,819.26
	Total	<u>104,926.36</u>
		<u>62,774.12</u>
		<u>8,116.10</u>
		<u>4,484.92</u>
		<u>17,606.73</u>
		<u>92,981.87</u>
9	Segment Reporting	
II.	Primary Segment Information (Business Segments)	
	Segment Results (Gross)	
	Sugar	(2,482.74)
	Electricity	1,110.01
	Industrial Alcohol	807.11
	Potable Alcohol	113.57
	Total	<u>(452.05)</u>
		<u>9,504.02</u>
		<u>(856.74)</u>
		<u>(0.04)</u>
		<u>156.03</u>
		<u>8,803.27</u>

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	Financial Year 31-03-2018	Financial Year 31-03-2017
Note D: Other Information (Contd...)		
II. Primary Segment Information (Business Segments)		
Segment Results (Gross)		
Unallocated Corporate Expenses	3,613.01	3,813.15
Operating Profit	(4,065.06)	4,990.12
Finance Costs	2,909.20	3,039.59
Other Income	341.26	845.29
Profit from Ordinary Activities	(6,633.00)	2,795.82
Exceptional Items	—	—
Profit before tax	(6,633.00)	2,795.82
Segment Assets		
Sugar	68,934.20	47,813.42
Electricity	6,217.29	5,404.79
Industrial Alcohol	2,282.40	1,728.68
Potable Alcohol	2,904.29	3,343.30
Total	80,338.18	58,290.19
Add: Unallocated Corporate Assets	3,528.25	3,446.58
	83,866.43	61,736.77
Segment Liabilities		
Sugar	36,293.80	3,792.95
Electricity	233.42	174.93
Industrial Alcohol	91.09	33.03
Potable Alcohol	881.03	915.99
Total	37,499.34	4,916.90
Add: Unallocated Corporate Liabilities	41,833.70	45,450.20
	79,333.04	50,367.10
Capital Expenditure		
Sugar	927.29	1,763.82
Electricity	416.40	166.83
Industrial Alcohol	0.78	57.18
Potable Alcohol	0.70	0.91
Total	1,345.17	1,988.74
9 Segment Reporting		
III. Primary Segment Information (Business Segments)		
Depreciation and Amortisation		
Sugar	1,267.18	905.25
Electricity	361.95	317.13
Industrial Alcohol	123.33	110.51
Potable Alcohol	10.90	12.79
Total	1,763.36	1,345.68
Non-cash expenses other than depreciation		
Sugar	1.03	24.50
Electricity	—	11.80
Industrial Alcohol	—	—
Potable Alcohol	1.50	3.54
Total	2.53	39.84

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	Financial Year 31-03-2018	<i>Financial Year</i> 31-03-2017
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Note D: Other Information (Contd...)

- IV. The Company does not have any Secondary Reportable Segments.
- V. Significant Accounting Policies relating to Segment Reporting
 - a. Business Segments are determined on the basis of the goods manufactured and in accordance with IndAS 108.
 - 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.
 - d. Sugar Segment figures are inclusive of Petrol Pump figures.
 - e. "Information about major customers
Revenues for the year ended 31-03-2018 includes revenues aggregating to approximately Rs. 26,621.52 Lakhs (March 31, 2017 – Rs. 23,471.39 Lakhs) from Company's 5 largest customers, of which only 1 customer, individually, contributes 10% or more revenues during the both years ended March 31-03-2018 and 31-03-2017."

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	Financial Year 31-03-2018	Financial Year 31-03-2017
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Note D: Other Information (Contd...)**10 Disclosure with respect to IND AS-19**

The Company has implemented Revised Accounting Standard - IND AS 19 on Employee Benefits and made the provisions accordingly. The disclosure as per revised INDAS-19 are produced below:

a. Gratuity

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

Defined Contribution Plan:

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

Employer's contribution to Superannuation Fund	29.42	36.54
Employer's contribution to Pension Scheme	189.65	192.84

Defined Benefit Plan:

The Employees' Gratuity Fund Scheme managed by Life Insurance Corporation of India is a defined benefit plan.

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

PVO at the beginning of the period	2,990.34	2,639.95
Interest Cost	199.23	184.15
Current Service Cost	148.10	129.76
Past Service Cost (non vested cost)	-	-
Past Service Cost (vested cost)	43.35	-
Benefits Paid	(24.62)	(20.00)
Benefit Directly Paid By Company	(188.85)	(323.00)
Actuarial (gain) / loss on obligation	(352.39)	379.48
PVO at the end of the period	2,815.16	2,990.34

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	Financial Year 31-03-2018	Financial Year 31-03-2017
Note D: Other Information (Contd...)		
II Interest Expenses		
Interest Cost	199.23	184.15
Defined Benefit Plan:		
III Fair Value of Plan Assets		
Fair value of Plan Assets at the beginning	1,551.57	1,444.60
Interest Income	102.99	107.34
IV Net Liability		
PVO at beginning of period	2,990.34	2,639.95
Fair Value of the Assets at beginning report	1,551.57	1,444.60
Net Liability	1,438.77	1,195.35
V Net Interest		
Interest Expenses	199.23	184.15
Interest Income	102.99	107.34
Net Interest	96.24	76.81
VI Actual Return on Plan Assets	119.41	118.50
Interest income included above	102.99	107.34
Return on plan assets excluding interest income	16.42	11.16
VII Actuarial (Gain)/Loss on obligation		
Due to Demographic Assumption	—	—
Due to Financial Assumption	(227.37)	185.17
Due to Experience	(125.02)	194.31
Total Actuarial (Gain)/Loss	(352.39)	379.48
VIII Fair Value of Plan Assets		
Opening Fair Value of Plan Asset	1,551.59	1,444.60
Return on Plan Assets excl. interest income	16.42	11.17
Interest Income	102.99	107.34
Contributions by Employer	0.38	8.48
Contributions by Employee	—	—
Benefits Paid	(24.62)	(20.00)
Fair Value of Plan Assets at end	1,646.76	1,551.59
IX Past Service Cost Recognised		
Past Service Cost-(non vested benefits)	—	—
Past Service Cost-(vested benefits)	43.35	—
Average remaining future service till vesting of the benefit.	—	—
Recognised past service cost -non vested benefits	—	—
Recognised past service cost - vested benefits	43.35	—
Unrecognised Past Service Cost-non vested benefits	—	—

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	Financial Year 31-03-2018	Financial Year 31-03-2017	
Note D: Other Information (Contd...)			
Defined Benefit Plan:			
X	Amount to be recognised in the Balance Sheet and Profit and Loss Account.		
	PVO at end of period	2,815.16	2,990.34
	Fair Value of Plan Assets at end of period	1,646.75	1,551.57
	Funded Status	(1,168.41)	(1,438.77)
	Net Asset/(Liability) recognised in the Balance Sheet	(1,168.41)	(1,438.77)
XI	Expense recognised in the statement of P & L A/c.		
	Current Service Cost	148.10	129.76
	Net Interest	96.24	76.81
	Past Service Cost-(non vested benefits)	—	—
	Past Service Cost-(vested benefits)	43.35	—
	Curtailement Effect	—	—
	Settlement Effect	—	—
	Unrecognised Past Service Cost -non vested benefits	—	—
	Expense recognised in the statement of P & L A/c.	287.69	206.57
XII	Other Comprehensive Income (OCI)		
	Actuarial (Gain)/Loss recognised for the period	(352.39)	379.48
	Asset limit effect	—	—
	Return on Plan Assets excluding net interest	(16.42)	(11.17)
	Unrecognised Actuarial (Gain)/Loss from previous period	—	—
	Total Actuarial (Gain)/Loss recognised in (OCI)	(368.81)	368.31
XIII	Movements in the Liability recognized in Balance Sheet.		
	Opening Net Liability	1,438.77	1,195.36
	Adjustment to opening balance	—	—
	Expenses as above	287.69	206.57
	Benefits Paid by Company	(188.85)	(323.00)
	Contribution paid	(0.38)	(8.48)
	Other Comprehensive Income(OCI)	(368.82)	368.32
	Closing Net Liability	1,168.41	1,438.77
XIV	Schedule III of The Companies Act 2013		
	Current Liability	290.68	260.68
	Non Current Liability	2,524.48	2,729.66
XV	Projected Service Cost 31 March 2019		
	Unrecognised Actuarial (Gain)/Loss from previous period	139.72	—
	Average remaining future service till vesting of the benefit		

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	Financial Year 31-03-2018	Financial Year 31-03-2017
Note D: Other Information (Contd...)		
Defined Benefit Plan:		
XVI Asset Information	Total Amount	Target allocation
Cash and Cash Equivalents		
Gratuity Fund(LIC of India)	1,646.75	100%
Debt Security(Govt. Bond)	—	—
Equity Securities -Corporate debt securities	—	—
Other Insurance contracts	—	—
Property	—	—
Total itemized Assets	1,646.75	100%
XVII Assumptions as at:		
Mortality		
Interest / Discount Rate	7.72%	6.69%
Rate of increase in compensation	6.00%	6.00%
Rate of return (expected) on plan assets	0.00%	8.25%
Expected average remaining service	11.23	12.39
<p>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.</p>		
b. Provident Fund		
a. The decrement adjusted remaining term of the obligations or such shorter period as the Actuary may consider to be appropriate [referred to as "appropriate term" hereafter]	17.39	18.03
b. The current Government of India (Gol) Bond Yield for the appropriate term (a)	7.68%	7.38%
c. The average historic yield on the investment portfolio backing the PF obligations	9.04%	9.08%
d. The current Gol Bond Yield for a term equal to the remaining term to maturity of the above investment portfolio	7.51%	6.68%
e. The difference between the average historic yield and the Gol Bond Yield. This difference represents the yield spread on the investment portfolio	1.53%	2.40%
f. Add the yield spread to the Gol Bond Yield determined in (b) to determine the expected investment return	9.21%	9.78%
g. Interest rate guarantee as per Base Case Scenario The present value of interest rate guarantee as per Base Case Scenario	9.21%	9.78%

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	Financial Year 31-03-2018	Financial Year 31-03-2017
Note D: Other Information (Contd...)		
b. Provident Fund		
h. Interest rate guarantee as per Rising Interest Rate Scenario		
Present value of the interest rate guarantee as per Rising Interest Rate Scenario	10.21%	10.78%
i. Interest rate guarantee as per Falling Interest Rate Scenario		
Present value of the interest rate guarantee as per Falling Interest Rate Scenario	8.21%	8.78%
	277.61	-
j. The discount rate used for the determining the present value in steps (g), (h) and (i)	7.72%	6.69%
k. The PVO of the interest rate guarantee will be equal to the average of the present values determined in (g), (h) and (i) provided the PF trust retains the surplus interest earning for funding future interest	92.54	-
l. The PVO of the interest rate guarantee will be equal to the average of the present values determined in (g) and (i) provided the PF trust does not retain the surplus interest earning for funding future		
m. If the PF Trust retains the amount earned in excess of the guaranteed rate in a separate account (which may be called "Surplus Account") to finance the future shortfalls, then the additional liability would be the PVO as determined in step (k) less the fair value of the Surplus Account. In case the fair value of the Surplus Account is higher than the PVO calculated as above, the additional liability may taken as Nil	9.98)	(68.83)
n. The company maintains a Surplus account and balance in same as on the date of valuation	102.52	68.83
i. Changes in present value of obligations		
PVO at beginning of period	-	-
Interest cost	-	-
Current Service Cost	-	-
Actuarial (Gain)/Loss on obligation	-	-
PVO at end of period	-	-
ii. Fair Value of Plan Assets: Defined Contribution PF Scheme		
Fair Value of Plan Assets at beginning of period	6,275.32	5,954.55
	99.67	-
Actual Return on Plan Assets	548.29	499.11
Contributions	622.68	647.75
Benefit Paid	(792.11)	(826.09)
Fair Value of Plan Assets at end of period	6,753.85	6,275.32

Notes to Financial Statements for the Financial Year Ended 31-03-2018

(Amount in Rs. Lakh)

Particulars	Financial Year 31-03-2018	Financial Year 31-03-2017
Note D: Other Information (Contd...)		
b. Provident Fund		
iii. Experience History		
(Gain)/Loss on obligation due to change in Assumption	—	—
Experience (Gain)/ Loss on obligation	—	—
iv. Amounts to be recognized in the balance sheet and statement of profit & loss account		
PVO at end of period	—	—
Fair Value of Plan Assets at end of period	6,753.85	6,275.32
Funded Status	—	—
Net Asset/(Liability) recognized in the balance sheet	—	—
v. Expense recognized in the statement of P & L A/C		
Current Service Cost	—	—
Interest cost	—	—
Net Actuarial (Gain)/Loss recognized for the period	—	—
Expense recognized in the statement of P & L A/C	—	—
vi. Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	—	—
Expenses as above	—	—
Contribution paid	—	—
Closing Net Liability	—	—
vii. Schedule III of The Companies Act 2013		
Current Liability	—	—
Non-Current Liability	—	—

Notes to Financial Statements for the year ended 31-03-2018

Note D: Other Information (Contd...)

11 Disclosure of Related Parties and Related Party Transactions

I. <u>Name of the Related Party over which significant influence exists</u>	<u>Nature of Relationship</u>
i. Ugar Theatres Pvt.	Associate Company
II. Names of the Related Parties with whom transactions were carried out during the year and description of relationship	
1. Key Management Personnel (KMP)	Designation
i. Shri Niraj Shishir Shirgaokar	Managing Director (MD)
ii. Shri Chandan Sanjeev Shirgaokar	Managing Director (MD)
2. Relatives of Key Management Personnel	
Names of the transacting parties	Nature of Relationship
i. Shri. Shishir Suresh Shirgaokar	Father of MD- Shri Niraj Shirgaokar
ii. Sou. Savita Shishir Shirgaokar	Mother of MD- Shri Niraj Shirgaokar
iii. Sou. Asawari Niraj Shirgaokar	Wife of MD -Shri Niraj Shirgaokar
iv. Shri. Arjun Niraj Shirgaokar	Son of MD -Shri Niraj Shirgaokar
v. Kum. Anjini Niraj Shirgaokar	Daughter of MD -Shri Niraj Shirgaokar
vi. Smt. Radhika Sanjeev Shirgaokar	Mother of MD-Shri Chandan Shirgaokar
vii. Sou. Geetali Chandan Shirgaokar	Wife of MD-Shri Chandan Shirgaokar
viii. Kum. Swara Chandan Shirgaokar	Daughter of MD-Shir Chandan Shirgaokar
ix. Shri. Sohan Sanjeev Shirgaokar	Director and Brother of MD-Shri. Chandan Sanjeev Shirgaokar
x. Sou. Gouri Sohan Shirgaokar	Wife of Director-Sohan S. Shirgaokar
xi. Sanjeev Suresh Shirgaokar - HUF	Smt. Radhika S. Shirgaokar, mother of MD Shri Chandan S. Shirgaokar is the Karta
xii. Gyanashree Enterprises	Smt. Radhika S. Shirgaokar the mother of MD Shri Chandan S. Shirgaokar is the proprietor.

Notes to Financial Statements for the year ended 31-03-2018

Note D: Other Information (Contd...)

3. Enterprises over which KMP or Relatives of KMP are able to exercise significant influence

Name of the transacting related party	Nature of Relationship
i. S. B. Reshellers Pvt. Ltd.	Shri.R.V.Shirgaokar-Brother of Chairman, P.V.Shirgaokar - Chairman, Shri. Shishir Shirgaokar- Director, Shri.Niraj Shirgaokar-MD, Shri.Chandan Shirgaokar-MD, Shri.Sachin Shirgaokar and Shri. Shohan Shirgaokar are the Directors.
ii. Sangli Fabricators Pvt Ltd	MD- Shri Chandan Shirgaokar, Directors Shri.Shishir Shirgaokar & Shri Sachin Shirgaokar are Directors
iii. Tara Tiles Pvt Ltd.	Chairman Shri. P.V.Shirgaokar, Director Shri.Shishir Shirgaokar & Sachin Shirgaokar are Directors
iv. Ugar Pipe Industries Pvt. Ltd.	MD- Chandan S. Shirgaokar, Chairman Shri. P.V.Shirgaokar and Director Shri. Shishir Shirgaokar are Directors
v. D.M. Shirgaokar Enterprises Pvt. Ltd.	MD-Shri.Chandan S. Shirgaokar, Director Shri. Shishir S. Shirgaokar, Shri.Sohan Shirgaokar and Mother of MD- Shri.Chandan S. Shirgaokar are the Directors.
vi. Shishir Shirgaokar Enterprises Pvt. Ltd.	Father Shri. Shishir S. Shirgaokar, Mother Mrs. Savita Shishir Shirgaokar and wife of MD-Niraj S. Shirgaokar Mrs. Asawari N. Shirgaokar are Directors.
vii. Suresh Shirgaokar Enterprises Pvt. Ltd.	MD-Niraj S. Shirgaokar, Shri. Shishir S. Shirgaokar, Shri.Sohan S. Shirgaokar, Mother of Sohan Shirgaokar Smt.Radhika S. Shirgaokar and Mrs. Geetali C. Shirgaokar wife of MD-Shri. Chandan S. Shirgaokar are the Directors.
viii. Sanjeev Shirgaokar Enterprises Pvt. Ltd.	MD - Shri Chandan S. Shirgaokar, Director - Shir Sohan S. Shirgaokar and Mother of Both - Smt. Radhika S. Shirgaokar, are Directors
ix. Synergy Green Industries Pvt. Ltd.	Shri. Niraj S. Shirgaokar-MD, Shri.Chandan S. Shirgaokar-MD, Chairman Shri. P.V.Shirgaokar, Director Shri.Sachin R. Shirgaokar, Shri.Sohan S. Shirgaokar, Brother of Chairman Shri. R.V. Shirgaokar and Dr. M.R.Desai are Directors

Notes to Financial Statements for the year ended 31-03-2018

NOTE D: Other Information (contd...)
11. Disclosure of Related Parties and Related Party Transactions

(Amount in Rs. Lakh)

Sr. No.	Nature of Transaction	Associate Companies		Key Management Personnel		Relatives of KMP		Related parties referred to in 3 above		Total	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1	Remuneration Paid / Commission	—	—	336.30	279.72	4.30	4.30	-	-	340.60	284.02
2	Sitting Fees	—	—	—	—	3.30	2.20	-	-	3.30	2.20
3	Purchase of Sugarcane	—	—	—	—	—	0.42	-	-	-	0.42
4	Purchase of Plant and Machinery	—	—	—	—	—	—	329.23	480.18	329.23	480.18
5	Sales - Others / Consultancy	—	—	—	—	—	—	8.56	16.77	8.56	16.77
6	Exempt Deposits from Directors	—	—	—	—	28.02	28.02	—	—	28.02	28.02
7	Deposits Refunded	—	—	—	—	28.02	28.02	—	—	28.02	28.02
8	Interest Paid	—	—	—	—	2.70	2.88	—	—	2.70	2.88
9	Dividend Received	0.22	0.22	—	—	—	—	—	—	0.22	0.22
10	Dividend Paid	—	—	1.45	1.79	6.99	8.50	55.85	90.76	64.29	101.05
11	Redemption of Pref. Share	—	—	—	—	—	—	165.00	—	165.00	—
12	Consultancy / Repairs / Others	—	—	—	—	—	—	247.61	173.43	247.61	173.43
13	Warehousing Charges/ Rent Paid	3.14	3.73	—	—	44.16	44.16	—	—	47.30	47.89
14	Advance Given	0.38	—	46.94	14.35	0.86	4.30	—	—	48.18	18.65
15	Advance Returned/ Repaid	0.28	—	49.30	13.55	—	4.30	—	—	49.58	17.85
16	Outstanding Balances as on 31-03-2018										
	Payables	1.36	2.93	1.71	108.73	0.20	32.32	41.64	7.82	44.91	151.80
	Receivables	—	—	0.29	2.52	0.86	—	1.08	—	2.23	2.52
	Total	5.38	6.88	435.99	420.66	119.41	159.42	848.97	768.96	1,409.75	1,355.92

Notes to Financial Statements for the year ended 31-03-2018

NOTE D: Other Information (contd...)

12 The amount due to Micro and Small Enterprises as defined in "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small enterprises as at 31-03-2018:

Description	31/03/2018 Rs. Lakh	31/03/2017 Rs. Lakh
i. Principal amount remaining unpaid to such suppliers as at the year end	9.97	12.17
ii. Interest due thereon remaining unpaid to the suppliers as at the year end	–	0.17
iii. Amount of interest due and payable for the period of delay in making payment (which have been paid, but beyond the appointed day, during the year), but without adding the interest specified under the Act	–	–
iv. Amount of interest accrued during the year and remaining unpaid at the year end	–	–

13 Disclosure required as per clause 32 of the Listing Agreement:

Name of the Company	Loans & Advances		Investments	
	Amount Outstanding as at 31/03/2018 Rs.Lakh	Maximum Balance Outstanding during the year Rs.Lakh	(in Equity Shares) Amount Outstanding as at 31/03/2018 Rs.Lakh	(in Preference Shares) Amount Outstanding Rs.Lakh
Associates				
i. Ugar Theatres Pvt. Ltd.	1.36	7.15	3.91	–

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

ii. Advance amount of Rs.35.15 Lakhs is paid for Purchase of Ugar Theatres Pvt. Ltd. Shares.

14. FINANCIAL INSTRUMENTS

14.1 Capital Management:

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt. The capital structure of the Company consists of debt and total equity of the Company.

Notes to Financial Statements for the year ended 31-03-2018

NOTE D: Other Information (contd...)

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

(Rs. Lakh)

Particulars	Carrying Amount			Fair Value		
	31-03-2018	31-03-2017	01-04-2016	31-03-2018	31-03-2017	01-04-2016
FINANCIAL ASSETS						
Fair value through Profit and Loss Account (FVTPL)						
Investments	402.82	586.97	584.95	402.82	586.97	584.95
Amortised cost						
Non-Current Assets						
Investments	44.06	4.29	4.09	4.29	4.29	4.09
Security Deposit	92.14	74.24	100.52	92.15	74.24	100.52
Deposit with Banks	–	36.64	0.22	–	36.64	0.23
Current Assets						
Trade receivable	4,454.53	1,065.29	1,4251.81	4454.53	1,065.29	14,251.81
Cash in hand	16.41	16.27	11.25	16.41	16.27	11.25
Balance with banks in current account	2,172.22	1,465.62	362.41	2172.22	1,465.62	362.41
Balance with banks in deposit account – original maturity upto 12 months	94.27	42.35	370.66	94.27	42.34	370.66
Accrued Interest On Bank Deposits	6.86	0.70	63.54	6.86	0.70	63.54
FINANCIAL LIABILITIES						
Amortised cost						
Non-Current Liabilities						
Borrowing	1,056.95	4,968.91	9,016.10	1,056.95	4,968.91	9,017.00
Current liabilities						
Short-term Borrowing	33,018.97	27,460.12	15,622.09	33,018.97	27,460.11	15,622.09
Trade Payable	24,683.51	835.26	17,872.03	24,683.51	835.26	17,872.03
Other Financial Liabilities	14,157.66	1,0003.30	16,483.43	14,157.66	10,003.30	16,483.43

The following methods and assumptions were used to estimate the fair values:

The fair value of Trade Payables, Trade Receivables, Cash and Cash Equivalents, Other Bank Balances, Accrued interest and short term borrowings are reasonable approximation of fair value due to the short-term maturities of these instruments.

Notes to Financial Statements for the year ended 31-03-2018

NOTE D: Other Information (contd...)

14.3 Fair Value Measurement

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the IndAS 113 – Fair Value Measurement. An explanation of each level is as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018, March 31, 2017 and April 1, 2016:

(Rs. Lakh)

Particulars	Rs Lakh	Fair value measurement of		
		Level 1	Level 2	Level 3
Financial Assets at fair value				
Investments				
March 31, 2018	539.04	10.26	396.48	132.30
March 31, 2017	702.13	5.15	585.73	111.25
April 1, 2016	689.77	3.13	583.10	103.55

Valuation Technique –

Level 1:

Fair value of Mutual Funds is computed using NAV as on 31.03.2018 as per Mutual Fund Statement.

Level 2:

Fair Value of preference shares of Synergy Green Industries Ltd is computed using discounted cash flows

Fair Value of equity shares of Ugar Theatres Pvt Ltd is computed using net asset method.

Level 3:

Where fair valuation was not possible on account of unobservable inputs for the assets, carrying cost is considered as fair value.

14.4 Financial Risk management framework

The Company is exposed primarily to market risk, credit risk and liquidity risk which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

Notes to Financial Statements for the year ended 31-03-2018

NOTE D: Other Information (contd...)

Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Inventory Price Risk

The Company is exposed to the movement in price of principle finished product i.e. Sugar. Price of sugarcane is fixed by government. Generally, sugar production is carried out during sugarcane harvesting period from November to March. Sugar is sold throughout the year which exposes the sugar inventory to the movement in price. Company monitors the sugar price on daily basis and formulates the sales strategy to achieve maximum realisation.

Interest Rate Risk

Fluctuation in fair value or future cash flows of a financial instrument because of changes in market interest rate gives rise to interest rate risk. Almost all borrowings of the Company have fixed interest rate and therefore the risk of interest rate change is not material to the Company.

Credit Risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Outstanding customer receivables are regularly monitored. The Company maintains its cash and cash equivalents and deposits with banks having good reputation and high quality credit ratings.

In addition, the Company is exposed to credit risk in relation to deposits related to lease premises. These deposits are not past due or impaired.

Liquidity Risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity of financial assets and liabilities:

The following tables analyses the Company's financial liabilities with agreed repayment periods and companies expected maturity for its financial assets. In case of financial liabilities, the amount disclosed in the tables below are contractual undiscounted cash flows based on the earliest date on which the Company can be required to pay and in case of financial assets, the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets:

Notes to Financial Statements for the year ended 31-03-2018

NOTE D: Other Information (contd...)

(Rs. Lakh)

Particulars	31-03-2018					Total Mar 18
	Less than 3 months	3 to 6 months	6 month to 1 year	Between 1 and 2 year	More than 2 years	
Financial Assets						
Non – derivative						
Non-Current Assets						
Investments	–	–	–	–	44.06	44.06
Security Deposit	–	–	4.09	4.11	83.94	92.14
Deposit with Banks	–	–				–
Current Assets						
Trade receivable	4,454.53	–	–	–	–	4454.53
Cash in hand	16.41	–	–	–	–	16.41
Balance with banks in current account	2,172.22	–	–	–	–	2,172.22
Balance with banks in deposit account – original maturity upto 12 months	40.00	14.85	39.42	–	–	94.27
Accrued Interest On Bank Deposits	5.39	0.68	0.79	–	–	
	6.85					
Financial Liabilities						
Non-Current Liabilities						
Borrowing				1,056.95		1,056.95
Current liabilities						
Short-term Borrowing	33,018.97	–	–	–	–	33,018.97
Trade Payable	24,683.51	–	–	–	–	24,683.51
Other Financial Liabilities	14,157.66	–	–	–	–	14,157.66

(Rs. Lakh)

Particulars	31-03-2017					Total Mar 18
	Less than 3 months	3 to 6 months	6 month to 1 year	Between 1 and 2 year	More than 2 years	
Financial Assets						
Non – derivative						
Non-Current Assets						
Investments	–	–	–	–	4.29	4.29
Security Deposit	–	–	6.00	10.18	58.06	74.24
Deposit with Banks	–	–	36.64	–	–	36.64
Current Assets						
Trade receivable	1,065.29	–	–	–	–	1,065.29
Cash in hand	16.27	–	–	–	–	16.27
Balance with banks in current account	1,465.62	–	–	–	–	1,465.62

Notes to Financial Statements for the year ended 31-03-2018

NOTE D: Other Information (contd...)

Particulars	31-03-2017					Total Mar 18
	Less than 3 months	3 to 6 months	6 month to 1 year	Between 1 and 2 year	More than 2 years	
Balance with banks in deposit account – original maturity upto 12 months	–	–	42.35	–	–	42.35
Accrued Interest On						
Bank Deposits	0.70	–	–	–	–	0.70
Financial Liabilities	–	–	–	–	–	–
Non-Current Liabilities	–	–	–	–	–	–
Borrowing	–	–	–	3,911.96	1,056.95	4,968.91
Current liabilities	–	–	–	–	–	–
Short-term Borrowing	27,460.12	–	–	–	–	27,460.12
Trade Payable	835.26	–	–	–	–	835.26
Other Financial Liabilities	10,003.30					10,003.30
Financial Assets						
Non – derivative						
Non-Current Assets						

(Rs. Lakh)

Particulars	31-03-2016					Total Mar 18
	Less than 3 months	3 to 6 months	6 month to 1 year	Between 1 and 2 year	More than 2 years	
Financial Assets						
Non – derivative						
Non-Current Assets						
Investments	–	–	–	–	4.09	4.09
Security Deposit	5.83	5.00	17.08	12.14	60.51	100.56
Deposit with Banks	0.22	–	–	–	–	0.22
Current Assets						
Trade receivable	14,251.81	–	–	–	–	14,251.81
Cash in hand	11.25	–	–	–	–	11.25
Balance with banks in current account	362.41	–	–	–	–	362.41
Balance with banks in deposit account – original maturity upto 12 months			370.66			370.66
Accrued Interest On Bank Deposits	63.54					63.54
Financial Liabilities						
Non-Current Liabilities						
Borrowing	–	–	–	4047.18	4,968.91	9,016.10
Current liabilities						
Short-term Borrowing	15,622.09	–	–	–	–	15,622.09
Trade Payable	17,872.03	–	–	–	–	17,872.03
Other Financial Liabilities	1,6,483.43	–	–	–	–	1,6,483.43

Notes to Financial Statements for the year ended 31-03-2018

NOTE D: Other Information (contd...)

14.5 Taxes on income

The major components of Income Tax Expense for the year ended March 2018 and March 2017 are:

(i) Statement of Profit or Loss (Rs. Lakh)

Particulars	31-03-2018	31-03-2017
Current Tax	–	670.00
Short/(Excess) provision of tax for earlier years	–	(147.24)
Deferred Tax	186.07	(324.13)
Total Income Tax Expense	186.07	198.62

(ii) Other Comprehensive Income (Rs. Lakh)

Particulars	31-03-2018	31-03-2017
Deferred Tax relating to Net Gain/(Loss) on re-measurement of defined benefit plans	113.96	(113.81)

(iii) Movement of deferred tax

Particulars	31-03-2018			
	Opening Balance	Recognised in profit and (Loss)	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	(1,991.27)	285.18	–	(1706.09)
	(1,991.27)	285.18	–	(1706.09)
Tax effect of items constituting deferred tax assets				
Provisions	114.41	(3.41)	–	111.00
Other Items	1,231.98	(467.85)	(113.96)	650.16
	1,346.39	(471.26)	(113.96)	761.17
Net Tax Asset (Liabilities)	(644.88)	(186.08)	(113.96)	(944.92)

Particulars	31-03-2017			
	Opening Balance	Recognised in profit and (Loss)	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	(1,786.80)	(204.47)		(1,991.27)
				(1991.27)
Tax effect of items constituting deferred tax assets				
Provisions	98,57,796	15.84		114.41
Other Items	6,05,40,291	626.58		1231.98
	703.98	642.41		1346.39
Net Tax Asset (Liabilities)	(1082.82)	437.94		(644.88)

Notes to Financial Statements for the year ended 31-03-2018

NOTE D: Other Information (contd...)

14.6 The company formed CSR committee as constituted pursuant to Companies Act 2013. During the year under review, the Company has spent Rs.22.50 Lakh (March 31, 2017 – Rs. 15.00 Lakh). The Company spent the CSR amount towards community development in line with its CSR policy.

14.7 First time Ind AS adoption reconciliations:

a. Effect of Ind AS Adoption on balance sheet as at 31-03- 2017 and 01-04-2016:

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(Rs.Lakhs)

Particulars	Notes	As at 31-03- 2017 (End of the last period Presented under previous GAAP)			As at 01-04-2016 (date of transition)		
		Previous GAAP*	Effect of Transition to Ind AS	Ind AS	Previous GAAP*	Effect of Transition to Ind AS	Ind AS
A ASSETS							
1. Non-current assets							
(a) Property, Plant and Equipment	A-1	16,369.29	–	16,369.29	15,748.07	–	15,748.07
(b) Capital work-in-progress	A-2	371.98	–	371.98	307.02	–	307.02
(c) Investment Property	A-1	9.74	–	9.74	10.41	–	10.41
(c) Other Intangible assets	A-1	0.72	–	0.72	1.45	–	1.45
(d) Financial Assets		–	–	–	–	–	–
- Investments	A-3	591.26	–	591.26	647.21	(58.18)	589.03
- Others	A-4	110.88	–	110.88	100.74	–	100.74
(e) Other non-current assets	A-5	554.09	–	554.09	445.35	–	445.35
Total Non - Current Assets		18,007.96	–	18,007.96	17,260.24	(58.18)	17,202.06
2. Current assets							
(a) Inventories	A-6	40,204.56	–	40,204.56	41,947.88	–	41,947.88
(b) Financial Assets		–	–	–	–	–	–
(i) Trade receivables	A-7	1,065.29	–	1,065.29	14,251.81	–	14,251.81
(ii) Cash and cash equivalents	A-8	1,456.51	–	1,456.51	355.29	–	355.29
(iii) Bank balances other than (ii) above	A-9	67.74	–	67.74	389.04	–	389.04
(iv) Others financial assets	A-10	0.70	–	0.70	63.54	–	63.54
(c) Current tax assets	A-11	325.86	–	325.86	–	–	–
(d) Other Current Assets	A-12	608.15	–	608.15	1,679.65	–	1,679.65
Total Current Assets		43,728.81	–	43,728.81	58,687.20	–	58,687.20
Total Assets (1+2)		61,736.77	–	61,736.77	75,947.44	(58.18)	75,889.26

Notes to Financial Statements for the year ended 31-03-2018

NOTE D: Other Information (contd...)

(Rs.Lakhs)

Particulars	Notes	As at 31-03- 2017 (End of the last period Presented under previous GAAP)			As at 01-04-2016 (date of transition)		
		Previous GAAP*	Effect of Transition to Ind AS	Ind AS	Previous GAAP*	Effect of Transition to Ind AS	Ind AS
B EQUITY AND LIABILITIES							
1. Equity							
(a) Equity Share capital	A-13	1,125.00	–	1,125.00	1,125.00	–	1,125.00
(b) Other Equity	A-14	10,244.65	–	10,244.65	8,298.66	(58.18)	8,240.48
		11,369.65	–	11,369.65	9,423.66	(58.18)	9,365.48
LIABILITIES							
2. Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings	A-15	4,968.91	–	4,968.91	9,016.10	–	9,016.10
(b) Provisions	A-16	1,668.25	–	1,668.25	1,338.51	–	1,338.51
(C) Deferred Tax Liabilities (Net)	A-17	644.88	–	644.88	1,082.82	–	1,082.82
Total Non - Current Liabilities		7,282.04	–	7,282.04	11,437.43	–	11,437.43
3. Current liabilities							
(a) Financial Liabilities							
(i) Borrowings	A-18	27,460.12	–	27,460.12	15,622.09	–	15,622.09
(ii) Trade payables	A-19	835.26	–	835.26	17,872.03	–	17,872.03
(iii) Other financial liabilities	A-20	10,003.30	–	10,003.30	16,483.43	–	16,483.43
(b) Other Current Liabilities	A-21	4,404.94	–	4,404.94	4,461.85	–	4,461.85
(b) Provisions	A-22	381.46	–	381.46	410.80	–	410.80
(c) Current Tax Liabilities (Net)	A-23	–	–	–	236.15	–	236.15
Total Current Liabilities		43,085.07	–	43,085.07	55,086.35	–	55,086.35
Total Equity and Liabilities (1+2+3)		61,736.77	–	61,736.77	75,947.44	(58.18)	75,889.26

b. Reconciliation of Total Equity as at 31-03-2017 and 01-04-2016

Total Equity (shareholders' fund) under previous GAAP	11,369.65	9,423.66
Fair value gains/(loss) of Investments	–	(58.18)
Total adjustments to Equity	–	(58.18)
Total Equity under Ind AS	11,369.65	9,365.48

Notes to Financial Statements for the year ended 31-03-2018

NOTE D: Other Information (contd...)

c. Effect of Ind AS adoption on Statement of Profit and Loss for the year ended 31-03-2017:

Particulars	Notes	Year ended 31-03-2017 (Latest period presented under previous GAAP)		
		Previous GAAP	Effect of Transition to Ind AS	Ind AS
I Revenue from operations	B-25	75,321.56	–	75,321.56
II Other Income	B-26	845.29	–	845.29
III Total Revenue (I + II)		76,166.84	–	76,166.84
IV EXPENSES				
(a) Cost of materials consumed	B-27	36,452.38	–	36,452.38
(b) Other Manufacturing Expenses	B-28	2,503.18	–	2,503.18
(c) Purchases of Stock-in-trade	B-29	2,714.29	–	2,714.29
(d) Changes in stock of finished goods, work-in-progress and stock-in-trade	B-30	1,714.12	–	1,714.12
(e) Employee benefit expense	B-31	6,812.48	(368.32)	6,444.16
(f) Finance costs	B-32	3,039.59	–	3,039.59
(g) Excise Duty on Goods Sold	--	16,785.05	–	16,785.05
(h) Depreciation and amortisation expense	A-1	1,468.39	–	1,468.39
(i) Other expenses	B-33	2,249.88	–	2,249.88
Total Expenses		73,739.35	–	73,371.03
V Profit/(loss) before tax (III - IV)		2,427.49	–	2,795.81
VI Tax Expense		–	–	–
(a) Current tax		670.00	–	670.00
(b) MAT credit entitlement		(147.24)	–	(147.24)
(b) Deferred tax		(437.94)	(113.81)	(324.13)
Total tax expense		84.81	–	198.62
VII Profit/(loss) after tax (V - VI)		2,342.68	–	2,597.19
VIII Other comprehensive income				
(i) Items that will not be recycled to profit or loss				
(a) Re-measurements of the defined benefit liabilities / (asset)	VI	–	368.32	(368.32)
(b) Income tax relating to items that will not be reclassified to profit or loss		–	113.81	(113.81)
Total comprehensive income for the period (VII + VIII)		2,342.68	–	2,342.68

15. Figures of the previous year have been regrouped / rearranged / recast where necessary.

16. Figures in the brackets pertain to previous year.

As per our separate report of even date.
For **M/s Kirtane & Pandit LLP**
Chartered Accountants
Firm Regn. No. 105215W/W100057

Niraj S. Shirgaokar
MD (DIN-00254525)

Chandan S. Shirgaokar
MD (DIN-00208200)

Parag Pansare
Partner
Memb. No. 117309

R. V. Desurkar
GM Finance
(ACA-23771)

B. G. Kulkarni
GM-Corp. Aff. & Co. Sec.
(FCS-2805)

Place : Pune
Date : 25-05-2018

CIN: L15421PN1939PLC006738

Name of the company: The Ugar Sugar Works Limited

Registered office: Mahaveer Nagar (Wakhar Bhag), Sangli – 416 416.

ATTENDANCE SLIP FOR 78th ANNUAL GENERAL MEETING

To be Held on Friday, the 10th August, 2018 at 11.00 a.m. at Deccan Manufacturers Association, Madhav Nagar Road, Sangli 416 416.

Ledger Folio 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 78th Annual General Meeting of the Company to be held on Friday, the 10th August, 2018 at 11.00 a.m. at Deccan Manufactures Association, Madhav Nagar Road, Sangli 416 416 and at any adjournment thereof.

Shareholder/ Proxy's Signature: _____



Form No. MGT-11 Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L15421PN1939PLC006738

Name of the company: The Ugar Sugar Works Limited

Registered office: Mahaveer Nagar (Wakhar Bhag), Sangli – 416 416.

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :.....

Address:.....

E.mail ID:.....Signature:..... or
failing him

2. Name :.....

Address:.....

E.mail ID:.....Signature:..... or
failing him

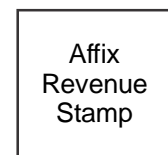
3. Name :
 Address:.....
 E.mail ID:Signature:.....
 as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 78th Annual general meeting of the company, to be held on Friday, the 10th day of August, 2018 at 11.00 a.m. at Deccan Manufacturers Association, Madhav Nagar Road, Sangli 416 416 at any adjournment thereof in respect of such resolutions as are indicated below: Resolution No.

Item No. of Notice	Summary of Business to be transacted at an Annual General Meeting
Ordinary Business	
1.	To receive, consider and adopt the audited Balance Sheet as on 31 st March, 2018 and the Statement of Profit and Loss Account, Cash Flow Statement for the year ended as on that date and the Reports of the Directors, Report on Corporate Governance and Auditors thereon
2.	To appoint a Director in place of Mr. P. V. Shirgaokar (DIN NO- 00151114) who retires by rotation and being eligible, offers himself for re-appointment.
3.	To appoint a Director in place of Mr. Shishir S Shirgaokar (DIN NO- 01512497) who retires by rotation and being eligible, offers himself for re-appointment
4.	To ratify the appoint of Auditors M/s. Kirtane & Pandit LLP, Chartered Accountants, and to fix their remuneration and if thought fit to pass with or without modification(s),the following resolution as an ordinary resolution:
Special Business	
5.	To consider the Appointment of Shri. Niraj S Shirgaokar as Managing Director of the company pursuant to section 197 & 198 & Schedule V.
6.	To consider the Appointment of Shri. Chandan S Shirgaokar as Managing Director of the company pursuant to section 197 & 198 & Schedule V.
7.	To consider and ratify the remuneration payable to Cost Auditor

Signed this..... day of..... 20.....

Signature of shareholder

Signature of Proxy holder(s)



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.