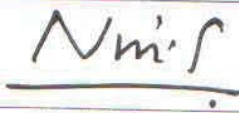
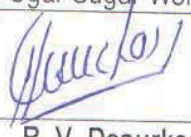
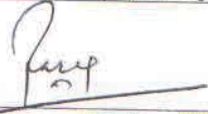


**FORM A**  
**(Clause 33 (3) (d) of the Listing Regulations)**

Format of covering letter of the annual audit report to be filed with the Stock Exchange

|    |                                                |                              |
|----|------------------------------------------------|------------------------------|
| 1. | Name of the company                            | The Ugar Sugar Works Ltd.    |
| 2. | Annual financial statements for the year ended | 31 <sup>st</sup> March, 2019 |
| 3. | Type of Audit observation                      | Un-qualified Audit Report    |
| 4. | Frequency of observation                       | Not Applicable               |

|                                                                                     |                                                                                                                                     |                                                                                       |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| 5. To be signed by-                                                                 |                                                                                                                                     |                                                                                       |
|    |                                                   |    |
| <b>Niraj Shirgaokar</b><br>(DIN: 00254525)                                          | <b>Chandan Shirgaokar</b><br>(DIN: 00208200)                                                                                        | <b>Rakesh Kapoor</b><br>(DIN: 00015358)                                               |
| Managing Director<br>The Ugar Sugar Works Ltd.                                      | Managing Director<br>The Ugar Sugar Works Ltd.                                                                                      | Audit Committee Chairman<br>The Ugar Sugar Works Ltd.                                 |
|  |                                                 |  |
| <b>R. V. Desurkar</b><br>General Manager Finance<br>The Ugar Sugar Works Ltd.       | <b>Parag Pansare (M. No. 117309)</b><br>Chartered Accountants,<br>Partner,<br>For M/s Kirtane & Pandit LLP<br>FRN – 105215W/W100057 |                                                                                       |



**THE UGAR SUGAR WORKS LIMITED**

CIN: L15421PN1939PLC006738

**79<sup>TH</sup> ANNUAL REPORT 2018-19**

| Name                          | Designation       |
|-------------------------------|-------------------|
| <b>Shri. R. V. Shirgaokar</b> | Chairman Emeritus |

| <b>BOARD OF DIRECTORS</b><br>(As on 22 <sup>th</sup> May, 2019) |                                                |                              |
|-----------------------------------------------------------------|------------------------------------------------|------------------------------|
| <b>Sr. No.</b>                                                  | <b>Name</b>                                    | <b>Designation</b>           |
| 1                                                               | <b>Mr. P. V. Shirgaokar</b>                    | Chairman                     |
| 2                                                               | <b>Mr. Shishir S. Shirgaokar</b>               | Non Executive Director       |
| 3                                                               | <b>Mr. V. Balasubramanian</b> (I.A.S. Retired) | Independent Director         |
| 4                                                               | <b>Dr. M. R. Desai</b>                         | Independent Director         |
| 5                                                               | <b>Mr. M. G. Joshi</b>                         | Independent Director         |
| 6                                                               | <b>Mr. D. B. Shah</b>                          | Independent Director         |
| 7                                                               | <b>Mr. Rakesh Kapoor</b>                       | Independent Director         |
| 8                                                               | <b>Mr. Deepak Ghaisas</b>                      | Independent Director         |
| 9                                                               | <b>Mr. Hari Y. Athawale</b>                    | Independent Director         |
| 10                                                              | <b>Mr. Sachin R. Shirgaokar</b>                | Non Executive Director       |
| 11                                                              | <b>Mr. Sohan S. Shirgaokar</b>                 | Non Executive Director       |
| 12                                                              | <b>Mrs. Shilpa Kumar</b>                       | Non Executive Woman Director |
| 13                                                              | <b>Mr. Niraj S. Shirgaokar</b>                 | Managing Director            |
| 14                                                              | <b>Mr. Chandan S. Shirgaokar</b>               | 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  
 5<sup>th</sup> Floor, Wing A, Gopal House,  
 S No.127/1B/1, Plot A1,  
 Pune - 411029  
 Phone: 020-67295100

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**Registered Office:**

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

**Registrar & Transfer Agent:**

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

**Administrative Office:**

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

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

**Plants: Ugar Khurd and Malli (Jewargi)**

**Bankers**

Central Bank of India  
 Bank of Baroda

Bank of India  
 Union Bank of India

### ANNUAL GENERAL MEETING

**WEDNESDAY, THE 14<sup>TH</sup> DAY OF AUGUST, 2019 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 Ninth Annual General Meeting of THE UGAR SUGAR WORKS LIMITED will be held on Wednesday the 14<sup>th</sup> August, 2019 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 31<sup>st</sup> March, 2019 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. Sachin R. Shirgaokar (DIN NO- 00254442) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sohan S. Shirgaokar (DIN NO- 00217631) who retires by rotation and being eligible, offers himself for re-appointment.

**Special Business:**

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

“RESOLVED that pursuant to Sections 149 and 152 read with schedule IV and other applicable provisions if any of the Companies Act, 2013 and rules made there under including any statutory medication(s) or re-enactment thereof, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Mr. Rakesh Kapoor (DIN: 00015358) who was appointed as an Independent Directors and who holds office up to this AGM and being eligible be and is hereby re-appointed as an independent Director of the Company for second term for the period of 3 (three) year to hold office on the board of Directors of the company up to AGM to be held in 2022, not liable to retire by rotation.

Resolved further that the board of Directors and /or Company Secretary be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such Acts deeds and things as may be necessary , expedient and desirable for the purpose of giving effect to this resolution.

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

“RESOLVED that pursuant to Sections 149 and 152 read with schedule IV and other applicable provisions if any of the Companies Act, 2013 and rules made there under including any statutory medication(s) or re-enactment thereof, and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Dr.M R Desai (DIN: 01625500) who was appointed as an Independent Directors and who holds office up to this AGM and being eligible be and is hereby re-appointed as an independent Director of the Company for second term for the period of 3 (three) year to hold office on the board of Directors of the company up to AGM to be held in 2022, not liable to retire by rotation.

Resolved further that the board of Directors and /or Company Secretary be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

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

“RESOLVED that pursuant to Sections 149 and 152 read with schedule IV and other applicable provisions if any of the Companies Act, 2013 and rules made there under including any statutory medication(s) or re-enactment thereof, and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Mr. V Balasubramanian (DIN: 00026561) who was appointed as an Independent Directors and who holds office up to this AGM and being eligible be and is hereby re-appointed as an independent Director of the Company for second term for the period of 3 (three) year to hold office on the board of Directors of the company up to AGM to be held in 2022, not liable to retire by rotation.

Resolved further that the board of Directors and /or Company Secretary be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

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

“RESOLVED that pursuant to Sections 149 and 152 read with schedule IV and other applicable provisions if any of the Companies Act, 2013 and rules made there under including any statutory medication(s) or re-enactment thereof, and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Mr. D B Shah (DIN: 01822411) who was appointed as an Independent Directors and who holds office up to this AGM and being eligible be and is hereby re-appointed as an independent Director of the Company for second term for the period of 3 (three) year to hold office on the board of Directors of the company up to AGM to be held in 2022, not liable to retire by rotation.

Resolved further that the board of Directors and /or Company Secretary be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

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

“RESOLVED that pursuant to Sections 149 and 152 read with schedule IV and other applicable provisions if any of the Companies Act, 2013 and the Companies (Appointment and qualification of Directors) Rules 2014 made there under including any statutory medication(s) or re-enactment thereof, and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, **Mr. S. S. Gangavati** (DIN: 06470675), proposed to be appointed as an independent Director as on the Board and in respect of whom Company has received notice under section 160 of the said Act from the member proposing his candidature for the office of Director of the Company be and is hereby appointed as an independent Director of the Company for the period of three(3) year with effect from this AGM, up to AGM to be held in 2022, not liable to retire by rotation,

Resolved further that the board of Directors and /or Company Secretary be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts ,deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

**9. To consider and if thought fit, to pass, with or without modifications, following resolution as a ORDINARY RESOLUTION:**

“**RESOLVED** that pursuant to Sections 149 and 152 read with schedule IV and other applicable provisions if any of the Companies Act, 2013 and and the Companies (Appointment and qualification of Directors) Rules 2014 made there under including any statutory medication(s) or re-enactment thereof, and Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, **Mrs Suneeta Thakur** (DIN: 06864894), proposed to be appointed as an independent Director on the Board and in respect of whom Company has received notice under section 160 of the said Act from the member proposing her candidature for the office of Director of the Company be and is hereby appointed as an independent Director of the Company for the period of three(3) year with effect from this AGM, up to AGM to be held in 2022, not liable to retire by rotation,

Resolved further that the board of Directors and /or Company Secretary be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

**10. 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 22<sup>nd</sup> May, 2019 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 2019-20 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 : 22-05-2019

Regd. Office: Mahaveer Nagar,  
Sangli – 416416.

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT 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 02<sup>nd</sup> August 2019 to 14<sup>th</sup> August 2019 (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. 4, 5, 6, 7, 8, 9, and 10 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, 2014-15 and 2017-18.)
  - 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 has made mandatory dematerialisation of shares for transfer w.e.f. 01-04-2019, except transmission.
9. In response to the Green Environment Initiative taken by the Ministry of Corporate Affairs, Members who have not registered their e-mail addresses so far are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register their email addresses with M/s. Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agents of the Company.

### 10. E-voting

#### Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote at the 79<sup>th</sup> Annual General Meeting (AGM) by electronic means

also and the business may be transacted through e-Voting ('remote e-voting') Services provided by National Securities Depository Limited (NSDL). For conducting this e-voting activity in a fair and transparent manner, the Board of Directors have appointed M/s. Abhay R. Gulavani, Practising Company Secretary (ACS 28983) as Scrutinizer.

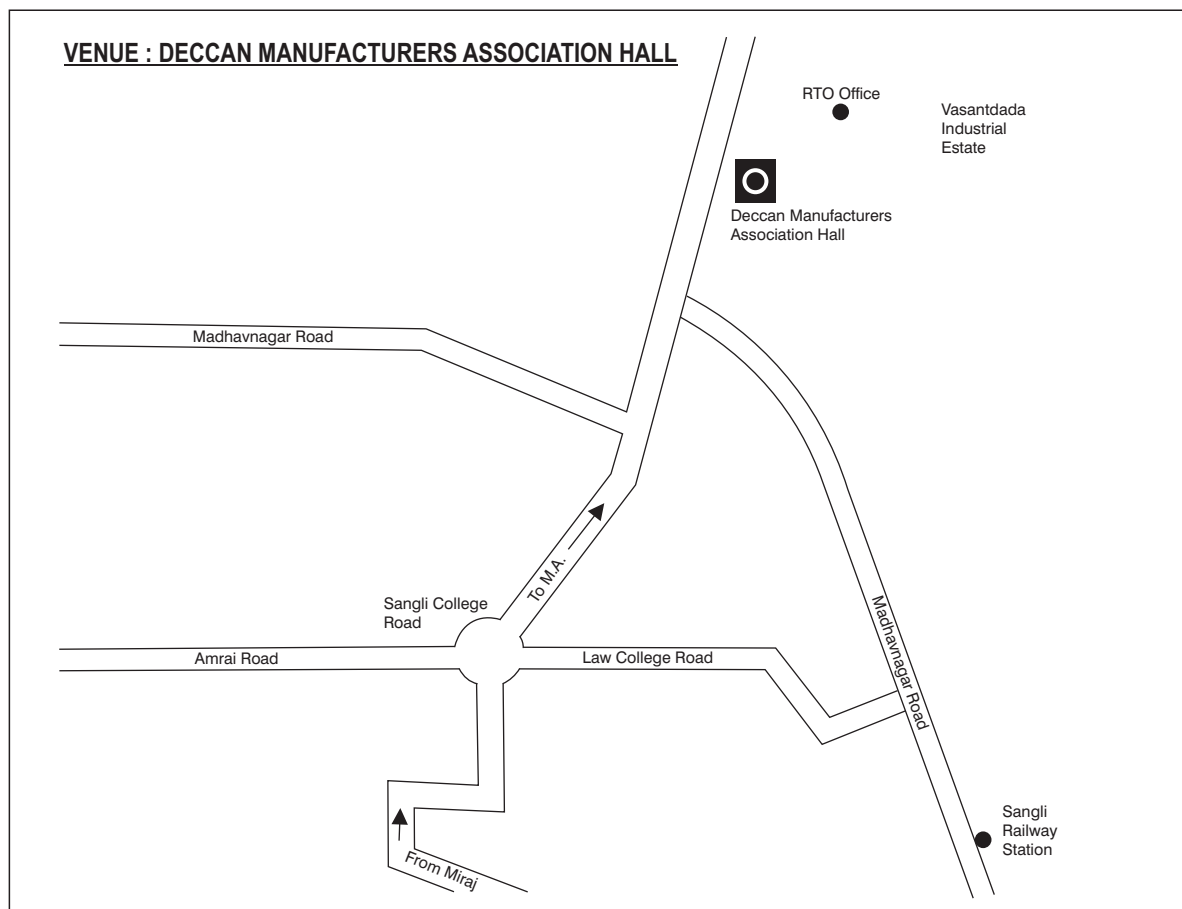
The instructions for e-voting are as under:

- (i) Launch internet browser by typing the URL: <https://www.evoting.nsdl.com>
  - (ii) Click on "Shareholder-Login".
  - (iii) Click on the PDF file "Ugar Sugar e-voting.pdf" sent to you in the email by NSDL. The file will prompt for a Password. Kindly input your Client ID or Folio No. as may be applicable in the box prompted for Password. The said PDF file contains your user ID and password/PIN for e-Voting. Please note that this password is an initial password and needs to be changed while doing first time login for security purpose.
  - (iv) In case you are an existing user, please put your existing User ID and password.
  - (v) Put User ID and password as initial password noted above and Click Login.
  - (vi) Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
  - (vii) Home page of "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
  - (viii) Select "EVEN" of The Ugar Sugar Works Ltd.
  - (ix) Now you are ready for e-Voting as Cast Vote page opens
  - (x) Cast your vote by selecting appropriate option (Assent / Dissent) and click on "Submit" and also "Confirm" when prompted.
  - (xi) Upon confirmation, the message "Vote cast successfully" will be displayed
  - (xii) Once you have voted on the resolution, you will not be allowed to modify your vote
  - (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail [abhaygulavani@rediffmail.com](mailto:abhaygulavani@rediffmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Or contact NSDL at the following toll free no: 1800-222-990.
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 11<sup>th</sup> August 2019 (10.00 am) and ends on 13<sup>th</sup> August 2019 (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 05<sup>th</sup> August 2019 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 05<sup>th</sup> August 2019.
- 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 05<sup>th</sup> August 2019 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](http://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 79<sup>th</sup> 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. 4 to 10 mentioned in the accompanying Notice dated 21<sup>st</sup> May, 2019 and should be taken as forming part of it.

Further As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, with effect from 1<sup>st</sup> April, 2019, no listed Company shall appoint or continue the Directorship of a Non-Executive Director who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

#### Item Nos. 04:

Mr. Rakesh Kapoor (DIN: 00015358), was appointed as Non-Executive Independent Director of the Company by the member in the AGM held on 26.09.2014 for the period of five year, be and hereby re-appointed as Non-Executive Independent Director of the Company under Section 149 and 152 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under and by the members in this AGM held on 14<sup>th</sup> August, 2019 for a period of three years to hold office up to AGM to be held in 2022,, not liable to retire by rotation.

Mr. Rakesh Kapoor (DIN: 00015358), He is a B Sc. (Hons. Chemistry) from Hinduja Collage, University of Delhi, Post graduate Diploma in Sugar Technology from National Sugar Institute, Kanpure. He has working with various Government Finance Authorities and A dynamic Techno- Finance Professional with strong experience of 31 year in financial service and 15 year in corporate sector.

The Company has received notice in writing under the prevision of section 160 of this Act, from a member proposing the candidature of Mr. Rakesh Kapoor for the office of the Independent Director, to be appointed as such under the prevision of Section 149 of the Act. Since his appointment as an Independent Director has been recommended by the Nomination and Remuneration Committee, there is no need to deposit ₹ 100,000 under section 160 of the Act.

In items of Section 164 of the Act, Mr. Rakesh Kapoor is not disqualified from being appointed as a Director and has given his consent to act as a Director. Further as per Section 149(6) of the Act and Regulation 16 (1) (b) of the Listing Regulations, Mr. Rakesh Kapoor submitted a declaration to the Company that he meets the criteria of Independence.

#### Item Nos. 05:

Dr. M R Desai (DIN:01625500) was appointed as Non-Executive Independent Director of the Company by the member in the AGM held on 25.09.2015 for the period of four year, be and hereby re-appointed as Non-Executive Independent Director of the Company under Section 149 and 152 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under and pursuant to Regulation 17 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 and by the members in this AGM to be held on 14<sup>th</sup> August, 2019 for a period of three years to hold office up to AGM to be held in 2022, not liable to retire by rotation.

Dr. M R Desai (DIN: 01625500) a qualified doctor, he retires at this meeting and is eligible for re-appointment as on Independent Director. He has rich experience in the working of sugar industry. He was a chairman of National Federation for Co-operative Sugar Industries.

The Company has received notice in writing under the prevision of section 160 of this Act, from a member proposing the candidature of Dr. M R Desai for the office of the Independent Director, to be appointed as such under the prevision of Section 149 of the Act. Since his appointment as an Independent Director has been

recommended by the Nomination and Remuneration Committee, there is no need to deposit ₹ 100,000 under section 160 of the Act.

In items of Section 164 of the Act, Dr. M R Desai is not disqualified from being appointed as a Director and has given his consent to act as a Director. Further as per Section 149(6) of the Act and Regulation 16 (1) (b) of the Listing Regulations, Dr. M R Desai submitted a declaration to the Company that he meets the criteria of Independence.

**Item Nos. 06:**

Mr. V Balasubramanian (DIN: 00026561), was appointed as Non-Executive Independent Director of the Company by the member in the AGM held on 25.09.2015 for the period of four year, be and hereby re-appointed as Non-Executive Independent Director of the Company under Section 149 and 152 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under and pursuant to Regulation 17 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 by the members in the AGM for a period of three years hold office up to AGM to be held in 2022, not liable to retire by rotation.

Mr. V Balasubramanian (DIN: 00026561), (Retd.IAS) He is retired Principal Secretary, Government of Karnataka He is a Knowledgeable person having vast experience in Administration & many other fields.

The Company has received notice in writing under the prevision of section 160 of this Act, from a member proposing the candidature of Mr. V Balasubramanian for the office of the Independent Director, to be appointed as such under the prevision of Section 149 of the Act. Since his appointment as an Independent Director has been recommended by the Nomination and Remuneration Committee, there is no need to deposit ₹ 100,000 under section 160 of the Act.

In items of Section 164 of the Act, Mr. V Balasubramanian is not disqualified from being appointed as a Director and has given his consent to act as a Director. Further as per Section 149(6) of the Act and Regulation 16 (1) (b) of the Listing Regulations, Mr. V Balasubramanian submitted a declaration to the Company that he meets the criteria of Independence.

**Item Nos.07**

Mr. D B Shah (DIN: 01822411) was appointed as Non-Executive Independent Director of the Company by the member in the AGM held on 25.09.2015 for the period of four year, be and hereby re-appointed as Non-Executive Independent Director of the Company under Section 149 and 152 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under and pursuant to Regulation 17 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 and by the members in this AGM held on 14<sup>th</sup> August, 2019 for a period of three years to hold office up to 13<sup>th</sup> August 2022,, not liable to retire by rotation.

He Is expertise in specific functional areas;- Overall functioning of the Sugar Industry

The Company has received notice in writing under the prevision of section 160 of this Act, from a member proposing the candidature of Mr. D B Shah for the office of the Independent Director, to be appointed as such under the prevision of Section 149 of the Act. Since his appointment as an Independent Director has been recommended by the Nomination and Remuneration Committee, there is no need to deposit ₹ 100,000 under section 160 of the Act.

In items of Section 164 of the Act, Mr. Mr. D.B. Shah is not disqualified from being appointed as a Director and has given his consent to act as a Director. Further as per Section 149(6) of the Act and Regulation 16 (1) (b) of the Listing Regulations, Mr. D.B. Shah submitted a declaration to the Company that he meets the criteria of Independence.

**Item Nos. 08:**

Mr. S. S. Gangavati (DIN: 06470675), be and hereby appointed as Non-Executive Independent Director of the Company under Section 149 and 152 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under and pursuant to Regulation 17 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 by the members in this AGM for a period of three years to hold office up to AGM to be held in 2022, not liable to retire by rotation.

Mr. S. S. Gangavati, BE Mach., and 2<sup>nd</sup> Rank in the HSC Board of Karnataka, Membership of various Sugar Associations, also he has received various Awards and more than 17 Technical Papers was published, having vast experience is proposed for appointment. The Nomination and Remuneration Committee has recommended, his appointment and the board has approved the appointment as Independent Director from this Annual General Meeting held on 14<sup>th</sup> August 2019.

Mr. S.S.Gangavati will be appointed as an Independent Director in the AGM for a period of 3 years to meet the criteria of Independent Director.

The Company has received notice in writing under the provision of section 160 of this Act, from a member proposing the candidature of Mr. S.S.Gangavati for the office of the Independent Director, to be appointed as such under the provision of Section 149 of the Act. Since his appointment as an Independent Director has been recommended by the Nomination and Remuneration Committee, there is no need to deposit ₹ 100,000 under section 160 of the Act.

In items of Section 164 of the Act, Mr. S.S.Gangavati is not disqualified from being appointed as a Director and has given his consent to act as a Director. Further as per Section 149(6) of the Act and Regulation 16 (1) (b) of the Listing Regulations, Mr. S.S.Gangavati submitted a declaration to the Company that he meets the criteria of Independence.

**Item Nos. 09:**

Mrs. Suneeta Thakur (DIN: 06470675), be and hereby appointed as Non-Executive Woman Independent Director of the Company under Section 149 and 152 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under and by the members in this AGM for a period of three years to hold office up to AGM to be held in 2022, not liable to retire by rotation.

Mrs. Suneeta Thakur, Ex-Deputy Managing Director of Saraswat Bank Ltd., Pune, having vast experience in various area is proposed for appointment. The Nomination and Remuneration Committee has recommended, his appointment and the board has approved the appointment as Independent Director from this Annual General Meeting held on 14<sup>th</sup> August 2019.

Mrs. Suneeta Thakur will be appointed as an Additional (Independent) Woman Director in the AGM for a period of 3 years to meet the criteria of Independent Director.

The Company has received notice in writing under the provision of section 160 of this Act, from a member proposing the candidature of Mrs. Suneeta Thakur for the office of the Independent Director, to be appointed as such under the provision of Section 149 of the Act. Since her appointment as an Independent Director has been recommended by the Nomination and Remuneration Committee, there is no need to deposit ₹ 100,000 under section 160 of the Act.

In items of Section 164 of the Act, Mrs. Suneeta Thakur is not disqualified from being appointed as an Director and has given her consent to act as a Director. Farther as per Section 149(6) of the Act and Regulation 16 (1) (b) of the Listing Regulations, Mrs. Suneeta Thakur submitted a declaration to the Company that she meets the criteria of Independence.

**Item No. 10:**

- Approval / ratification of Remuneration to Cost Auditor:

The Audit Committee & the Board of Directors in their meeting held on 22<sup>nd</sup> May, 2019, have approved the appointment of Cost Auditor Mr. Vikas V. Deodhar, for the Financial Year 2019-20 on a remuneration of Rs. 2.30 Lakh (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.09

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 : 22-05-2019

Regd. Office: Mahaveer Nagar,  
Sangli – 416416.

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT OF NEW /REAPPOINTMENT OF INDEPENDENT DIRECTORS IN TERMS OF REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

| <b>Name of the Directors</b>                                                                   | <b>Mr. Rakesh Kapoor</b>                                                                                                                                                                                                                                                  | <b>Dr. M.R. Desai</b>                                                                                                                                           | <b>Mr. V. Balasubramanian</b>                                                                                                                        | <b>Mr. D.B. Shah</b>                                                  | <b>Mr. S.S. Gangavati</b>                                                                                                                                                 | <b>Mrs. Suneeta Thakur</b>                                                                       |
|------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| DIN                                                                                            | 0001535                                                                                                                                                                                                                                                                   | 01625500                                                                                                                                                        | 00026561                                                                                                                                             | 01822411                                                              | 06470675                                                                                                                                                                  | 06470675                                                                                         |
| Date of Birth                                                                                  | 23-07-1955                                                                                                                                                                                                                                                                | 28-07-1946                                                                                                                                                      | 13-04-1941                                                                                                                                           | 11-11-1940                                                            | 10-12-1944                                                                                                                                                                | 26-05-1955                                                                                       |
| Date of appointment/<br>last appointment                                                       | 26-09-2014                                                                                                                                                                                                                                                                | 25-09-2015                                                                                                                                                      | 25-09-2015                                                                                                                                           | 23-09-2016                                                            | 14-08-2019                                                                                                                                                                | 14-08-2019                                                                                       |
| Expertise in specific functional area                                                          | He has working with various Government Finance Authorities and A dynamic Techno-Finance Professional with strong experience of 31 year in financial service and 15 year in corporate sector<br>He has rich and varied experience Sugar industry from last number of years | He has rich experience in the working of sugar industry from last number of year.<br>He was a chairman of National Federation for Co-operative Sugar Industries | He is retired Principal Secretary, Government of Karnataka He is a Knowledgeable person having vast experience in Administration & many other fields | He is an agriculturist and he has good experience in Sugar Industries | He was Member of various Sugar Associations, also he has received various Awards and more than 17 Technical Papers was published, having vast experience in various area. | Ex-Deputy Managing Director of Saraswat Bank Ltd., Pune, having vast experience in various area. |
| Qualification                                                                                  | B.Sc. (Hons. Chemistry), Diploma (Sugar.Tech.)                                                                                                                                                                                                                            | M.B.B.S                                                                                                                                                         | I.A.S (Retired)                                                                                                                                      | Agriculturist                                                         | BE Mach                                                                                                                                                                   | B.Sc (Microbiology)                                                                              |
| Shareholding in the Company (including HUF)                                                    | 5000                                                                                                                                                                                                                                                                      | 69608                                                                                                                                                           | 11200                                                                                                                                                | 30000                                                                 | 00                                                                                                                                                                        | 00                                                                                               |
| Directorship held in the Public/Private Companies (excluding Section 8 Co & foreign companies) | 1. Racl Geartech Ltd<br>2. New Habitat Housing Finance and Development Limited                                                                                                                                                                                            | 1.Bsj Engineering Pvt Ltd<br>2.Shri Chamundeshari Sugar Ltd.<br>3..Nigilamidita Farmers Procucer Co. Ltd<br>5.Synergy Green Indu Ltd                            | 1.The Sandur Manganese And Iron Ores Limited<br>2. Gem Sugars Limited<br>3. Nirani Sugars Limited<br>4. International Sericulture Alliance           | --                                                                    | 1. Geriexpert Senior Health Clinic Pvt Ltd                                                                                                                                | --                                                                                               |
| Disclosure of Relationship between Director inter-se                                           | No Inter-se relationship being a independent Director                                                                                                                                                                                                                     | No Inter-se relationship being a independent Director                                                                                                           | No Inter-se relationship being a independent Director                                                                                                | No Inter-se relationship being a independent Director                 | No Inter-se relationship being a independent Director                                                                                                                     | No Inter-se relationship being a independent Director                                            |

## DIRECTORS' REPORT

### DEAR SHAREHOLDERS,

Your Directors have pleasure in presenting their 79<sup>th</sup> Annual Report together with the Audited Financial Statements for the period ended 31<sup>st</sup> March, 2019.

### GENERAL:

All India Production of Sugar for the Season 2018-19 is expected to reach 330 Lakh tonnes, as compared to the previous year's production of 315 Lakh tonnes. The Government of India in order to control the falling sugar prices has re-introduced release mechanism for sell of Sugar and has also presentaly it is declared minimum selling price at Rs.31/- per kg.

Our total crushing of sugar cane at Ugar and Jewargi, during the season 2018-19 was 19.30 Lakh MT, bagging 22.76 Lakh Qtls Sugars.

### FINANCIAL RESULTS:

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

| Particulars                                                                                                        | 31.03.2019<br>Rs. in Lakh | 31.03.2018<br>Rs. in Lakh |
|--------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| Total Revenue                                                                                                      | 91216.69                  | 80191.41                  |
| Total Expenditure (excluding Depreciation & Amortisation)                                                          | 89123.92                  | (84876.50)                |
| Profit before Depreciation & Amortisation                                                                          | 2092.77                   | (4685.09)                 |
| Depreciation & Amortisation                                                                                        | 1545.39                   | 1947.92                   |
| Profit Before Tax / (Loss) & Exceptional items                                                                     | 547.38                    | (6633.00)                 |
| Provision for Tax, (including deferred tax adjustment, short provision for tax) / MAT Credit entitlement           | 112.84                    | 186.08                    |
| Profit after Tax / Net Profit / (Loss)                                                                             | 434.54                    | (6819.08)                 |
| Other Comprehensive Income                                                                                         | 145.34                    | 254.85                    |
| Total Comprehensive Income for the period (Comprising Profit (Loss) and other Comprehensive Income for the period) | 579.88                    | (6564.23)                 |
| Earnings Per Share (EPS)                                                                                           | 0.39                      | (6.06)                    |

During this year Company has achieved recovery of 12% at Ugar and 10.45% at Jewargi. The Company has also achieved highest distillery production of 153.04 Lakh liters. With better price realization and increase in minimum selling price from Rs.29 to Rs.31 during the year, the Company has shown a net profit of Rs. 434.54 Crore. [Central Government is taking various measures to stabilize the sugar price, like Export of Sugar providing 20 Lakh MT minimum indicative export quotas (MIEQ), Ethanol policy.]

**Transfer to Reserve: - No amount has been transferred to Reserve for the financial year 2018-19**

### DIVIDEND :

Although the company has made profit during the year, however, due to carry forward losses of last year, the Board has not recommended any Dividend for the Financial Year 2018-19. (No Dividend was declared for the previous year 2017-18).

**OPERATIONS:****SUGAR AT UGAR:**

| <b>Particulars</b>                   | <b>Sugar Season<br/>2018-19</b> | <i>Sugar Season<br/>2017-18</i> |
|--------------------------------------|---------------------------------|---------------------------------|
| Date of beginning of crushing season | <b>23-11-2018</b>               | 27-10-2017                      |
| Date of ending of crushing season    | <b>09-03-2019</b>               | 06-03-2018                      |
| Number of Working Days               | <b>107</b>                      | 131                             |
| Sugar Cane Crushed (Lakh MT)         | <b>15.98</b>                    | 17.84                           |
| Recovery                             | <b>12%</b>                      | 11.25%                          |
| Sugar Produced (Lakh Qtls.)          | <b>19.25</b>                    | 20.50                           |

**SUGAR AT JEWARGI :**

| <b>Particulars</b>                   | <b>Sugar Season<br/>2018-19</b> | <i>Sugar Season<br/>2017-18</i> |
|--------------------------------------|---------------------------------|---------------------------------|
| Date of beginning of crushing season | <b>14-11-2018</b>               | 08-11-2017                      |
| Date of ending of crushing season    | <b>27-02-2019</b>               | 15-03-2018                      |
| Number of Working Days               | <b>105</b>                      | 128                             |
| Sugar Cane Crushed (Lakh MT)         | <b>3.32</b>                     | 3.45                            |
| Recovery                             | <b>10.45%</b>                   | 10.01%                          |
| Sugar Produced (Lakh Qtls.)          | <b>3.51</b>                     | 3.60                            |

**DISTILLERY, IML PRODUCTION & ELECTRICITY GENERATION :**

| <b>Particulars</b>                  | <b>Unit</b> | <b>Financial Year<br/>2018-19</b> | <i>Financial Year<br/>2017-18</i> |
|-------------------------------------|-------------|-----------------------------------|-----------------------------------|
| Rectified Spirit Produced (Lakh BL) | Ugar        | <b>153.04</b>                     | 106.48                            |
| Denatured Spirit Produced (Lakh BL) | Ugar        | <b>74.07</b>                      | 28.10                             |
| Potable Alcohol Produced (Lakh BL)  | Ugar        | <b>61.99</b>                      | 64.42                             |
| Electricity Generated (Lakh KW)     | Ugar        | <b>1149.15</b>                    | 1307.88                           |
| Electricity Exported (Lakh KW )     | Ugar        | <b>610.30</b>                     | 685.00                            |
| Electricity Generated (Lakh KW )    | Jewargi     | <b>279.90</b>                     | 316.70                            |
| Electricity Exported (Lakh KW )     | Jewargi     | <b>168.58</b>                     | 204.09                            |

Your Directors expect to procure about 18 to 20 Lakh MT sugarcane at Ugar and Jewargi Units during 2019-20 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, 1 (one) Depositors, who have not claimed his deposit after maturity as on 31<sup>st</sup> March, 2019 and the amount outstanding as on that date, was Rs.2.55 Lakh. These amounts are lying with the Company as there is litigation in Sangli Civil Court amongst the heirs about the true ownership of the deposit. 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.75 Cr. to Canara Bank and Rs.25 Cr. to Bank of Baroda. 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.C.

**DIRECTORS RETIRE BY ROTATION:**

- Shri. Sachin R. Shirgaokar, age 53 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. Sohan S. Shirgaokar aged 37 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.
- 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 [www.ugarsugar.com](http://www.ugarsugar.com)
- Re-appointment of Independent Directors for second term.
- Mr. Rakesh Kapoor, Dr. M. R. Desai, Mr. V. Balasubramanian and Mr. Deepchand Shah will be re-appointed for 2<sup>nd</sup> term for a period of 3 years.
- Mr. M. G. Joshi and Mr. Deepak Ghaisas after completion of term of 5 years, retire at the this Annual General Meeting (AGM), the Board places on record appreciation of services rendered and advice given by them during their tenure.
- The Following two(2) Independent Directors are proposed to be appointed.

**Mr. S. S. Gangavati**, BE Mach., and Sugar Technologist having vast experience is proposed for appointment as an Independent Director. The Nomination and Remuneration Committee has recommended, his appointment and the board has approved the appointment as Independent Director from this Annual General Meeting to be held on 14<sup>th</sup> August 2019, a notice proposing his candidature is received from a member.

Mr. S. S. Gangavati will be appointed as an Independent Director in the AGM for a period of 3 years, he meets the criteria of Independent Director.

**Mrs. Suneeta Thakur**, Ex-Deputy Managing Director of Saraswat Bank Ltd., Pune, having vast experience is proposed for appointment as an Independent Director. The Nomination and Remuneration Committee has recommended, her appointment and the board has approved the appointment as an Independent Director from this Annual General Meeting to be held on 14<sup>th</sup> August 2019, a notice regarding her candidature is received from a member.

Mrs. Suneeta Thakur will be appointed as an Independent Director in the AGM for a period of 3 years, she meets the criteria of Independent Directors.

[http://web.ugarsugar.com/Investor\\_Relations/Corporate\\_Announcements.asp?child=3&parent=7](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 independent directors have evaluated the performance of working Directors. 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 Committees and 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](http://web.ugarsugar.com/Investor_Relations/Corporate_Announcements.asp?child=3&parent=7)

- **Meetings:**

During the year, Four 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 2018-19. As required by SEBI Guidelines, a Corporate Governance Report is annexed.

#### **CO-GENERATION AT UGAR & JEWARGI:**

During this year electricity generated was 1429.05 Lakh KW of which we have exported 778.88 Lakh KW through, HESCOM, BESCOM, CESCO, MESCOM and GESCOM by consuming 4.72 Lakh MT of Bagasse.

#### **DISTILLERY:**

The production of Rectified Spirit was 153.04 Lakh BL, which is one of the highest productions so far as compared to 106.48 Lakh BL during the previous year. During the year under review, we have supplied 74.07 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 7.16 Lakh cases at Ugar during this year as against 7.34 Lakh cases during the previous year. The demand for tetra Pack has increased as compared to pet bottles. We are planning to shift to tetra pack from pet bottle in phased manner. 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 9,32,62,351. Equity shares have been dematerialised by the shareholders, i.e.82.90% of total shareholding as on 31<sup>st</sup> March, 2019. The annual fees of depositories for the FY 2018-19 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 annexure form part of this report.

#### **ASSOCIATE COMPANIES:**

##### **UGAR THEATRE PVT. LTD.**

Ugar Theatre Pvt Ltd, 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. 30<sup>th</sup> 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                | 31.3.2019<br>(Rs.) | 31.03.2018<br>(Rs.) |
|----------------------------|--------------------|---------------------|
| Total Revenue              | 381,910            | 378,600             |
| Total Expenditure          | 267,686            | 458,272             |
| Profit Before Tax / (Loss) | 114,224            | (79,672)            |

**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 paid Fine of Rs. 3,39,250/- to 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 had given a letter for waiver of penalty to BSE and BSE has waived Rs.1,77,000/- out of Rs. 5,16,250/- and the Company has paid the balance amount as penalty. During the year the Company has complied with all the requirements of SEBI.

**AUDITORS:****Statutory Auditors**

The Company's Auditors, M/s. Kirtane & Pandit LLP, Chartered Accountants, having FRN-105215W were appointed in 77<sup>th</sup> Annual General Meeting for a term of five years no ratification is required every year. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 for financial year 2019-20. 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, Industrial Alcohol 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 2019-20 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 view of the loss incurred during the year 2017-18, there was no eligible amount for 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 behavior, 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](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](http://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, Dombivali Nagari Sahakari Bank and Sangli Urban Co-operative Bank Ltd, 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**,

**P. V. Shirgaonkar**  
Chairman

Place : Pune  
Date : 22-05-2019

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 31<sup>st</sup> March, 2019.

### 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 for the period ended 31<sup>st</sup> March, 2019.

| S.N. | DESCRIPTION                                       | LOCATION      | Qty x Rating  | KW              |
|------|---------------------------------------------------|---------------|---------------|-----------------|
| 1    | 40 W FLOURSCENT TUBES REPLACED BY 20 W LED TUBES. | TURBINE HOUSE | 5 NOS X 20 W  | 0.10 KW         |
| 2    | 100 W FLOOD LIGHT FITTINGS                        | BAGASSE YARD  | 4 NOS X 100W  | 0.40 KW         |
| 3    | 100 W FLOOD LIGHT FITTINGS                        | SUGAR GODOWN  | 2 NOS X 100W  | 0.20 KW         |
| 4    | 23 W LED LIGHTS                                   | GUEST HOUSE   | 25 NOS X 23 W | 0.575 KW        |
|      |                                                   |               | <b>TOTAL</b>  | <b>1.635 KW</b> |

## ANNEXURE II : TECHNOLOGY ABSORPTION FORM – B

Research & Development Depart68 & Co-9057. This year seed material will be given on large scale.

Research & Development Department of The Ugar Sugar Works Ltd; is recognized by Ministry of Science & Technology New Delhi since 24<sup>th</sup> July, 1978 till to date it 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 the period ended 31<sup>st</sup> March, 2019

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):** This is high Sucrose and high yielding variety which was introduced in 1985. Because of this variety sugar recovery reached to a high plateau in our crushing from 1991 to 1996 but because of some diseases and poor ratoonability its percentage in total crushing has gone down. High Sucrose variety is necessary to start the season with good recovery. S.B.I. Coimbatore has released the variety Co-09004 (Amrita) is high yielding high Sucrose early maturing variety. We are promoting this variety on large scale.

**Co- 86032 (Co62198xCoC 671):** This variety was released in 2000 still occupied 40% to 42% share in the crushing. This variety showing some diseases and needed to be replaced by suitable variety. This variety will be

replaced by Co Snk 9268 which was released by Agri Research Station, Sankeshwar. We are promoting this variety on large scale VSI 08005 (Co 0310 x Co86011). Early variety suitable for Nim, Adasali and Suru plantation released by Vasantadada Sugar Institute, Pune. We are promoting this variety on large scale.

**CoM 0265 (Co 87044 GC):** Released by Agri Research Station Padegao in 2007. This variety is a late sugar accumulating variety. Because of its high yield and salinity tolerance it has gained popularity amongst the farmers. This variety has drawback of bud sprouting, profuse flowering, and Rust disease. Farmers are in need of new variety Co Snk 09293 is a non flowering, disease free, good ratooning variety released by Agri Research Station, Sankeshwar which is also having early sugar accumulation characters has been identified and promoted by R&D Department becoming popular amongst the farmers.

**MS 10001:** This variety is released by CRS Padegao which is high yielding rust resistant salinity tolerant variety, sucrose accumulation is early than COM 265 is being given to the farmers.

Within the span of Three years High Sucrose variety Co 09004(Amrita) will be introduced in place of CoC 671. Co 86032 early midlate maturing variety will be replaced by Co Snk 09268 and VSI 08005. Late maturing variety CoM 0265 will be replaced by Co Snk 09293 and MS 10001.

In future there will be a good combination of Early Midlate and Late varieties which will keep the recovery at the high plateau.

Since last two years we are providing chemical fertilizers along with Macro and Micro nutrients to the farmers keeping in mind that at the time of the balance dose of fertilizers farmers should be benefited.

Agricultural Research Station, Sankeshwar which comes under University of Agricultural Sciences, Dharwad, Sugarcane Breeding Institute, Coimbatore & S. Nijalingappa Sugar Institute, Belagavi 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 Two Hundred acres already completed 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, CYMMIT Mexico, ICARDA.UAS Dharwad. Wheat variety UAS.304 is identified on our R & D Farm. Already seed is distributed since 2018 and it has become popular amongst cultivators.

#### **Soybean**

Trials are conducted with the help of University of Agricultural Sciences, Dharwad, and ICAR, Indian Institute of Soybean Research, Indore. We found Dsb 28 is rust resistant & high yielding variety.

#### **Future Plan of action:**

- a) Selection of high yielding, high sucrose and disease resistant varieties.
- b) Saline Soil reclamation by utilizing Porous pipes in command area.
- c) Increasing cane yield with the help of Integrated Nutrient Management practice.

- d) Wide Row Spacing Plantation Program.
- e) Selection of suitable variety for Mechanical Cane Harvester.
- f) To promote the area under Drip Irrigation.
- g) Utilization of Organic Distillery Powder, a product of SSP Plant of concentration, evaporation and drying system for zero pollution as rich Potash source.
- h) Utilization of Bio Methanated Spent Wash in Muruam Soils of the command area on large scale as One Time Controlled Land Application due to its high nutrient values.
- i) Practice of Trash Mulching in sugarcane crop.
- j) 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             | 1.30        |
|         | b. Raw Sugar              | Nil         |
|         | c. Machinery Parts        | 1.69        |
|         | d. Subscriptions          | 0.70        |

## ANNEXURE III - FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2019

[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 31<sup>st</sup> March, 2019 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 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 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 as amended upto 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

k) I have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India from time to time.
2. The uniform Listing Agreements entered into by the Company with BSE Limited & National Stock Exchange of India Limited, the Stock Exchange(s).

l) 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 paid Fine of Rs. 3,39,250/- to 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.

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 : 22-05-2019

**Abhay R. Gulavani**  
Practicing Company Secretary

ACS: 28983; CP: 10741

## **CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

**(In Terms of Regulation 34(3) read with Schedule V Para C (10)(i) to the Securities and Exchange Board of India**

**(Listing Obligation and Disclosure Requirements) Regulations, 2015**

To,  
The Members,  
The Ugar Sugar Works Limited,  
Mahaveer Nagar,  
Sangli 416 416.

I hereby certify that, none of the directors on the Board of The Ugar Sugar Works Limited ("The Company") as on 31<sup>st</sup> March 2019, have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry Of Corporate Affairs, Government Of India (MCA).

We are issuing a certificate based on the following, which to the best of our knowledge and belief were considered necessary in this regard:

1. Our verification of the information relating to the directors available in the official web sites of MCA ;
2. Our verification of the disclosures/ declaration / confirmations provided by the directors to the Company; and
3. Information, explanation and representation provided by the Company, its directors/ officers .

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the corporate governance processes followed by the Company.

Place : Pune  
Date : 22-05-2019

**Abhay R. Gulavani**  
Practicing Company Secretary

ACS: 28983; CP: 10741

## ANNEXURE IV

### TO THE DIRECTORS REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

#### 2018-19

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](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                     | (14,441.00)    |
| 4 | Prescribed CSR Expenditure (In Lakhs)<br>(two per cent., of the amount as in item 3 above) | –              |
| 5 | Details of CSR spent during the financial year.                                            |                |
|   | a. The Company has spent as CSR Activities during the financial year                       | –              |
|   | 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<br>(1) Local area or Others<br>(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<br>Sub-heads:<br>(1) Direct expenditure on projects or programs<br>(2) Overheads | Cumulative Expenditure upto to the reporting period | Amount Spent: Direct or through implementing agency |
|------|------------------------------------|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| 1.   | –                                  | –                                      | –                                                                                                                                | –                                             | –                                                                                                                        | –                                                   | –                                                   |
|      | Total                              | –                                      | –                                                                                                                                | –                                             | –                                                                                                                        | –                                                   | –                                                   |

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

|                                                                                                             |                                                                                                        |
|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| <p><b>Mr. Niraj S. Shirgaokar</b><br/>Managing Director (DIN - 00254525)<br/>The Ugar Sugar Works Ltd</p>   | <p><b>Dr. M. R. Desai</b><br/>Chairman CSR Committee (DIN - 01625500)<br/>The Ugar Sugar Works Ltd</p> |
| <p><b>Mr. Chandan S. Shirgaokar</b><br/>Managing Director (DIN - 00208200)<br/>The Ugar Sugar Works Ltd</p> |                                                                                                        |

**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 2018-19**

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                                                               | <b>Body Corporate</b><br>1. S. B. Reshellers Pvt Ltd.<br>2. Gyanshree Enterprises<br>3. Sanjeev Suresh Shirgaokar (HUF)<br>4. Synergy Green Ind Ltd<br>5. Ugar Pipe Ind Pvt Ltd                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>KMP's</b><br>1. Shri. Niraj S Shirgaokar<br>2. Shri. Chandan S Shirgaokar<br>3. Shri. R V Desurkar<br>4. Shri. B G Kulkarni |
|     | Nature of relationship                                                                     | Group Companies.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                |
| (b) | Nature of contracts / arrangements / transactions                                          | Purchase of Machinery, Spare Parts, Repairs & Maintenance, Sale of Scrap / Machinery Parts and Rent and Salaries etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                |
| (c) | Duration of the contracts / arrangements / transactions                                    | 01-04-2018 to 31-03-2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Related party transactions are finalized based on following procedure :<br>a) Comparison of Quotations received from similar parties in market<br>b) Earlier performance of the party, quality of supply & services.<br>c) Recommendations by Technical Team<br>All the transactions are done at fair market value and at arm's length basis.<br>Party names & Values of Transaction. <span style="float: right;">Rs.</span><br>1. S. B. Reshellers Pvt Ltd. <span style="float: right;">2,20,23,834/-</span><br>2. Gyanshree Enterprises <span style="float: right;">13,20,000/-</span><br>3. Sanjeev Suresh Shirgaokar (HUF) <span style="float: right;">30,96,000/-</span><br>4. Synergy Green Ind Ltd <span style="float: right;">1,27,890/-</span><br>5. Ugar Pipe Ind Pvt Ltd <span style="float: right;">15,73,675/-</span><br><b>KMP's</b><br>1. Shri. Niraj S Shirgaokar <span style="float: right;">1,11,89,319/-</span><br>2. Shri. Chandan S Shirgaokar <span style="float: right;">91,84,000/-</span><br>3. Shri. R V Desurkar <span style="float: right;">33,12,767/-</span><br>4. Shri. B G Kulkarni <span style="float: right;">28,80,035/-</span> |                                                                                                                                |
| (e) | Date(s) of approval by the Board                                                           | (Omnibus Approval for all Related Party Transaction has been obtained in Audit Committee Meeting held on 25/05/2018.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                |
| (f) | Amount paid as advances, if any:                                                           | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                |

## Annexure VI EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2019  
[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,<br>Maharashtra, 416416<br>+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.<br>(Unit : The Ugar Sugar Works Ltd.,)<br>1 <sup>st</sup> Floor, Bharat Tin Works Building,<br>Opp. Vasant Oasis, Makwana Road<br>Marol, Andheri East Mumbai-400059<br>Maharashtra<br>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 | 2274                           | 48.20            | Sec 2(6)           |

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) as on 31<sup>st</sup> March, 2019.****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 |                          |
| <b>A. Promoters</b>                                       |                                                 |               |                 |                   |                                           |             |                 |                   |                          |
| (1) Indian                                                |                                                 |               |                 |                   |                                           |             |                 |                   |                          |
| a) Individual/HUF                                         | 13049071                                        | 223653        | 13272724        | 11.80             | 13156560                                  | 0           | 13156560        | 11.69             | -0.11                    |
| 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           | 36306393        | 32.27             | 0                        |
| e) Banks / FI                                             |                                                 | 0             |                 | 0                 |                                           | 0           |                 | 0                 | 0                        |
| f) Any Other....                                          | 1011447                                         | 0             | 1011447         | .90               | 1178821                                   | 0           | 1178821         | 1.05              | 0.14                     |
| <b>Sub-total (A) (1):-</b>                                | <b>50364911</b>                                 | <b>223653</b> | <b>50588564</b> | <b>44.97</b>      | <b>50641774</b>                           | <b>0</b>    | <b>50641774</b> | <b>45.01</b>      | <b>0.04</b>              |
| (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                        |
| <b>Sub-total (A) (2):-</b>                                | <b>0</b>                                        | <b>0</b>      | <b>0</b>        | <b>0</b>          | <b>0</b>                                  | <b>0</b>    | <b>0</b>        | <b>0</b>          | <b>0</b>                 |
| <b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b> | <b>50364911</b>                                 | <b>223653</b> | <b>50588564</b> | <b>44.97</b>      | <b>50641774</b>                           | <b>0</b>    | <b>50641774</b> | <b>45.01</b>      | <b>0.04</b>              |
| <b>B. Public Shareholding</b>                             |                                                 |               |                 |                   |                                           |             |                 |                   |                          |
| 1. Institutions                                           |                                                 |               |                 |                   |                                           |             |                 |                   |                          |
| a) Mutual Funds                                           | 0                                               | 0             | 0               | 0                 | 0                                         | 0           | 0               | 0                 | 0                        |
| b) Banks / FI                                             | 86322                                           | 2880          | 89202           | 0.08              | 2700                                      | 2880        | 5580            | 0.00              | 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                        |
| <b>Sub-total (B)(1):-</b>                                 | <b>86322</b>                                    | <b>2880</b>   | <b>89202</b>    | <b>0.08</b>       | <b>2700</b>                               | <b>2880</b> | <b>5580</b>     | <b>0.00</b>       | <b>0.08</b>              |

|                                                                                  |                 |                 |                  |              |                 |                 |                  |              |             |
|----------------------------------------------------------------------------------|-----------------|-----------------|------------------|--------------|-----------------|-----------------|------------------|--------------|-------------|
| 2. Central/ State Govt./ President of India                                      | 302531          | 0               | 302531           | 0.27         |                 |                 |                  |              |             |
| 3. Non-Institutions                                                              | 0               | 0               | 0                | 0            | 0               | 0               | 0                | 0            | 0           |
| a) Individuals                                                                   | 0               | 0               | 0                | 0            | 0               | 0               | 0                | 0            | 0           |
| i) Individual shareholders holding nominal share capital upto Rs. 2 lakh         | 34499443        | 20380817        | 54880260         | 48.78        | 36255650        | 18894270        | 55149920         | 48.75        | 0.04        |
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 850000          | 0               | 850000           | 0.76         | 1405646         | 0               | 1405646          | 1.25         | 0.49        |
| c) Others (specify)                                                              | 5751475         | 37968           | 5789443          | 5.13         | 5259112         | 37968           | 5297080          | 4.71         | -0.42       |
| 1. IEPF                                                                          | --              | --              | --               | --           | 302531          | --              | 302531           | 0.27         | 0.27        |
| 1) Body Corporate                                                                | 4579470         | 37968           | 4617438          | 4.10         | 4069308         | 37968           | 4107276          | 3.66         | -0.44       |
| 2) Clearing Member                                                               | 516747          | --              | 516747           | 0.46         | 207632          | --              | 207632           | 0.18         | -0.28       |
| 3) NRI --                                                                        | 645258          | --              | 645258           | 0.57         | 669641          | --              | 669641           | 0.59         | 0.02        |
| 4) Trust --                                                                      | 10000           | --              | 10000            | 0.01         | 10000           | --              | 10000            | 0.01         | -           |
| <b>Sub-total (B)(3):-</b>                                                        | <b>41100918</b> | <b>20418785</b> | <b>61519703</b>  | <b>54.68</b> | <b>42920408</b> | <b>18932238</b> | <b>61852646</b>  | <b>54.71</b> | <b>0.03</b> |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)+ (B)(3)</b>                       | <b>41489771</b> | <b>20421665</b> | <b>61911436</b>  | <b>55.03</b> | <b>42923108</b> | <b>18935118</b> | <b>61858226</b>  | <b>54.99</b> | <b>0.04</b> |
| C. Shares held by Custodian for GDRs & ADRs                                      |                 |                 |                  |              |                 |                 |                  |              |             |
| <b>Grand Total (A+B+C)</b>                                                       | <b>91854682</b> | <b>20645318</b> | <b>112500000</b> | <b>100</b>   | <b>93564882</b> | <b>18935118</b> | <b>112500000</b> | <b>100</b>   | <b>0</b>    |

\* 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                                               | 132882                               | 0.12                             | 00                                               | +0.01                                     |
| 2.     | Prafulla V. Shirgaokar   | 823929                                    | 0.73                             | 00                                               | 823929                               | 0.73                             | 00                                               | 0.00                                      |
| 3.     | Shishir S. Shirgaokar    | 382255                                    | 0.34                             | 00                                               | 394255                               | 0.35                             | 00                                               | +0.01                                     |
| 4.     | Shilpa N. Kumar          | 152600                                    | 0.14                             | 00                                               | 152600                               | 0.14                             | 00                                               | 0.00                                      |
| 5.     | Savita S. Shirgaokar     | 108972                                    | 0.10                             | 00                                               | 108972                               | 0.10                             | 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              | 1500056         | 1.33         | 00        | 1500133         | 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        | 00              | 00           | 00        | -0.10       |
| 15. | Shradha D. Shirgaokar             | 159480          | 0.14         | 00        | 271307          | 0.24         | 00        | +0.10       |
| 16. | Rishabh Sanat Shirgaokar          | 25203           | 0.02         | 00        | 34639           | 0.03         | 00        | +0.01       |
| 17. | Kunda K. Shirgaokar               | 616544          | 0.55         | 00        | 636463          | 0.57         | 00        | +0.02       |
| 18. | Tarini S. Shirgaokar              | 1579974         | 1.40         | 00        | 1648467         | 1.47         | 00        | +0.08       |
| 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               | 34200           | 0.03         | 00        | 34200           | 0.03         | 00        | 0.00        |
| 22. | Avinash V. Shirgaokar             | 139840          | 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               | 305032          | 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        | 00              | 00           | 00        | -0.05       |
| 29. | Sunita B. Kalyani                 | 1514800         | 1.35         | 00        | 1514800         | 1.35         | 00        | 0.00        |
| 30. | Madhavi Dalvi                     | 281000          | 0.25         | 00        | 281000          | 0.25         | 00        | 0.00        |
| 31. | Rajeev V. Dalvi                   | 273000          | 0.24         | 00        | 319111          | 0.28         | 00        | +0.04       |
| 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             | 17449           | 0.02         | 00        | 17449           | 0.00         | 00        | 0.00        |
| 35. | Kumar Prabhakar Shirgaokar (Huf)  | 55913           | 0.05         | 00        | 00              | 0.00         | 00        | -0.05       |
| 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        | 0.00        |
| 38. | Sangli Fabricators Pvt Ltd.       | 12608           | 0.01         | 00        | 12608           | 0.01         | 00        | 0.00        |
| 39. | Vinayak Shirgaokar Inv Pvt Ltd.   | 3192694         | 2.84         | 00        | 3193194         | 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        | 1834336         | 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        | 1753450         | 1.56         | 00        | 0.00        |
| 45. | Prabhakar Shirgaokar Inv Pvt Ltd. | 3351121         | 2.98         | 00        | 3351621         | 2.98         | 00        | 0.00        |
| 46. | S. B. Reshellers Pvt Ltd.         | 19491514        | 17.32        | 00        | 19491514        | 17.32        | 00        | 0.00        |
|     | <b>TOTAL</b>                      | <b>50588564</b> | <b>44.97</b> | <b>00</b> | <b>50641774</b> | <b>45.01</b> | <b>00</b> | <b>0.04</b> |

**(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      | Rajendra V. Shirgaokar            | 125882                                    | 0.11                             | 7000                                    | 0.00                             | Purchase of shares 09-07-2018                                                                                                                                                | 132882                               | 0.12                             |
| 2      | Shishir S. Shirgaokar             | 382255                                    | 0.34                             | 12000                                   | 0.01                             | Purchase of shares 13-03-2018                                                                                                                                                | 394255                               | 0.35                             |
| 3      | Sachin R. Shirgaokar              | 1500056                                   | 1.33                             | 77                                      | 0.00                             | Purchase of shares 09-07-2018                                                                                                                                                | 1500133                              | 1.33                             |
| 4      | Dinkar Madhusudan Shirgaokar(huf) | 111827                                    | 0.10                             | 111827                                  | 0.10                             | Transmission of shares 15-01-2019                                                                                                                                            | 0.00                                 | 0.00                             |
| 5      | Shradha D. Shirgaokar             | 159480                                    | 0.14                             | 111827                                  | 0.00                             | Transmission of shares 15-01-2019                                                                                                                                            | 271307                               | 0.24                             |
| 6      | Tarini S. Shirgaokar              | 1579974                                   | 1.40                             | 68493                                   | 0.06                             | Transmission of shares 02-07-2018                                                                                                                                            | 1648467                              | 1.47                             |
| 7      | Mohan P. Shirgaokar (huf)         | 55913                                     | 0.05                             | 55913                                   | 0.05                             | Transmission of shares 02-07-2018                                                                                                                                            | 0.00                                 | 0.00                             |
| 8      | Rajeev V. Dalvi                   | 273000                                    | 0.24                             | 46111                                   | 0.04                             | Purchase of shares 13-03-2019                                                                                                                                                | 319111                               | 0.28                             |
| 9      | Kumar P. Shirgaokar (huf)         | 55913                                     | 0.05                             | 55913                                   | 0.05                             | Transmission of shares 02-07-2018                                                                                                                                            | 0.00                                 | 0.00                             |
| 10     | Kunda K. Shirgaokar               | 616544                                    | 0.55                             | 19919                                   | 0.02                             | Transmission of shares 02-07-2018                                                                                                                                            | 636463                               | 0.57                             |

**(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 | Month/Year  | Increase/ Decrease in share-holding No. of Shares at the beginning/ End of the year | Number of Shares | Percentage of total shares of the company |
|--------|-----------------------------------|-------------------------------------------------|-------------|-------------------------------------------------------------------------------------|------------------|-------------------------------------------|
| 1      | FAMOUS DEVELOPERS PRIVATE LIMITED | 16,50,000                                       | 01-April-18 | 0                                                                                   | 16,50,000        | 1.47                                      |
|        |                                   |                                                 | 16-Nov-18   | 1,00,000                                                                            | 17,50,000        | 1.56                                      |
|        |                                   |                                                 | 8-Feb-19    | 45,520                                                                              | 17,95,520        | 1.60                                      |
|        |                                   |                                                 | 15-Feb-19   | 9480                                                                                | 18,05,000        | 1.60                                      |
|        |                                   |                                                 | 22-Feb-19   | 174323                                                                              | 19,79,323        | 1.76                                      |
|        |                                   |                                                 | 1-Mar-19    | 677                                                                                 | 19,80,000        | 1.76                                      |
|        |                                   | 19,80,000                                       | 30-Mar-19   | 0                                                                                   | 19,80,000        | 1.76                                      |

|   |                                                           |           |             |         |           |      |
|---|-----------------------------------------------------------|-----------|-------------|---------|-----------|------|
| 2 | ITHOUGHTWEALTH ANALYTICS LLP                              | 10,00,000 | 01-April-18 | 0       | 10,00,000 | 0.89 |
|   |                                                           |           | 20-Jul-18   | -58702  | 9,41,298  | 0.84 |
|   |                                                           |           | 27-Jul-18   | -192970 | 7,48,328  | 0.67 |
|   |                                                           |           | 21-Sep-18   | -100000 | 6,48,328  | 0.58 |
|   |                                                           |           | 26-Oct-18   | -11523  | 6,36,805  | 0.57 |
|   |                                                           |           | 2-Nov-18    | -58010  | 5,78,795  | 0.51 |
|   |                                                           |           | 9-Nov-18    | -41274  | 5,37,521  | 0.48 |
|   |                                                           |           | 16-Nov-18   | -260307 | 2,77,214  | 0.25 |
|   |                                                           |           | 23-Nov-18   | -103885 | 1,73,329  | 0.15 |
|   |                                                           |           | 30-Nov-18   | -50558  | 1,22,771  | 0.11 |
|   |                                                           |           | 7-Dec-18    | -30930  | 91,841    | 0.08 |
|   |                                                           |           | 21-Dec-18   | -3058   | 88,783    | 0.08 |
|   |                                                           |           | 28-Dec-18   | -9      | 88,774    | 0.08 |
|   |                                                           |           | 4-Jan-19    | -46958  | 41,816    | 0.04 |
|   |                                                           |           | 11-Jan-19   | -41816  | 0         | 0.00 |
|   |                                                           | 0         | 30-Mar-19   | 0       | 0         | 0.00 |
| 3 | UNIVERSAL CINE TRADES                                     | 2,30,000  | 01-April-18 | 0       | 2,30,000  | 0.20 |
|   |                                                           |           | 30-Nov-18   | 5000    | 2,35,000  | 0.21 |
|   |                                                           |           | 4-Jan-19    | 20000   | 2,55,000  | 0.23 |
|   |                                                           |           | 11-Jan-19   | 75999   | 3,30,999  | 0.29 |
|   |                                                           |           | 18-Jan-19   | 60000   | 3,90,999  | 0.35 |
|   |                                                           |           | 25-Jan-19   | 10000   | 4,00,999  | 0.36 |
|   |                                                           |           | 1-Feb-19    | 35001   | 4,36,000  | 0.39 |
|   |                                                           |           | 15-Feb-19   | 59000   | 4,95,000  | 0.44 |
|   |                                                           |           | 22-Feb-19   | 95395   | 5,90,395  | 0.52 |
|   |                                                           |           | 1-Mar-19    | 229605  | 8,20,000  | 0.73 |
|   |                                                           | 8,20,000  | 30-Mar-19   | 0       | 8,20,000  | 0.73 |
| 4 | HITESH RAMJI JAVERI                                       | 4,50,000  | 01-April-18 | 0       | 4,50,000  | 0.40 |
|   |                                                           | 4,50,000  | 30-Mar-19   | 0       | 4,50,000  | 0.40 |
| 5 | AJAY SHIVNARAIN UPADHYAYA                                 | 4,00,000  | 01-April-18 | 0       | 4,00,000  | 0.36 |
|   |                                                           |           | 20-Apr-18   | -98807  | 3,01,193  | 0.27 |
|   |                                                           |           | 27-Apr-18   | -30462  | 2,70,731  | 0.24 |
|   |                                                           |           | 4-May-18    | -67925  | 2,02,806  | 0.18 |
|   |                                                           |           | 11-May-18   | -77529  | 1,25,277  | 0.11 |
|   |                                                           |           | 18-May-18   | -61234  | 64,043    | 0.06 |
|   |                                                           |           | 25-May-18   | -14043  | 50,000    | 0.04 |
|   |                                                           |           | 8-Jun-18    | -25000  | 25,000    | 0.02 |
|   |                                                           |           | 21-Sep-18   | -25000  | 0         | 0.00 |
|   |                                                           | 0         | 30-Mar-19   | 0       | 0         | 0.00 |
| 6 | MOTILAL OSWAL FINANCIAL SERVICES LTD - COLLATERAL ACCOUNT | 2,62,315  | 01-April-18 | 0       | 2,62,315  | 0.23 |
|   |                                                           |           | 6-Apr-18    | -3455   | 2,58,860  | 0.23 |
|   |                                                           |           | 13-Apr-18   | -7238   | 2,51,622  | 0.22 |
|   |                                                           |           | 20-Apr-18   | 3860    | 2,55,482  | 0.23 |

|  |  |  |           |         |          |      |
|--|--|--|-----------|---------|----------|------|
|  |  |  | 27-Apr-18 | -2081   | 2,53,401 | 0.23 |
|  |  |  | 4-May-18  | 15027   | 2,68,428 | 0.24 |
|  |  |  | 11-May-18 | -539    | 2,67,889 | 0.24 |
|  |  |  | 18-May-18 | -247291 | 20,598   | 0.02 |
|  |  |  | 25-May-18 | 677     | 21,275   | 0.02 |
|  |  |  | 1-Jun-18  | 256457  | 2,77,732 | 0.25 |
|  |  |  | 8-Jun-18  | -3532   | 2,74,200 | 0.24 |
|  |  |  | 15-Jun-18 | -3584   | 2,70,616 | 0.24 |
|  |  |  | 22-Jun-18 | -252184 | 18,432   | 0.02 |
|  |  |  | 29-Jun-18 | 12114   | 30,546   | 0.03 |
|  |  |  | 6-Jul-18  | -198    | 30,348   | 0.03 |
|  |  |  | 13-Jul-18 | -11893  | 18,455   | 0.02 |
|  |  |  | 20-Jul-18 | 9535    | 27,990   | 0.02 |
|  |  |  | 27-Jul-18 | 413     | 28,403   | 0.03 |
|  |  |  | 3-Aug-18  | 52641   | 81,044   | 0.07 |
|  |  |  | 10-Aug-18 | -5678   | 75,366   | 0.07 |
|  |  |  | 17-Aug-18 | 158     | 75,524   | 0.07 |
|  |  |  | 24-Aug-18 | -2956   | 72,568   | 0.06 |
|  |  |  | 31-Aug-18 | 116     | 72,684   | 0.06 |
|  |  |  | 7-Sep-18  | -291    | 72,393   | 0.06 |
|  |  |  | 14-Sep-18 | -1146   | 71,247   | 0.06 |
|  |  |  | 21-Sep-18 | 6789    | 78,036   | 0.07 |
|  |  |  | 28-Sep-18 | 1181    | 79,217   | 0.07 |
|  |  |  | 5-Oct-18  | -5133   | 74,084   | 0.07 |
|  |  |  | 12-Oct-18 | 8818    | 82,902   | 0.07 |
|  |  |  | 19-Oct-18 | -15309  | 67,593   | 0.06 |
|  |  |  | 26-Oct-18 | -425    | 67,168   | 0.06 |
|  |  |  | 2-Nov-18  | 3515    | 70,683   | 0.06 |
|  |  |  | 9-Nov-18  | -6234   | 64,449   | 0.06 |
|  |  |  | 16-Nov-18 | 119697  | 1,84,146 | 0.16 |
|  |  |  | 23-Nov-18 | -112397 | 71,749   | 0.06 |
|  |  |  | 30-Nov-18 | -3844   | 67,905   | 0.06 |
|  |  |  | 7-Dec-18  | -4903   | 63,002   | 0.06 |
|  |  |  | 14-Dec-18 | 8065    | 71,067   | 0.06 |
|  |  |  | 21-Dec-18 | -9320   | 61,747   | 0.05 |
|  |  |  | 28-Dec-18 | -2443   | 59,304   | 0.05 |
|  |  |  | 31-Dec-18 | -578    | 58,726   | 0.05 |
|  |  |  | 4-Jan-19  | -3539   | 55,187   | 0.05 |
|  |  |  | 11-Jan-19 | -577    | 54,610   | 0.05 |
|  |  |  | 18-Jan-19 | 411     | 55,021   | 0.05 |
|  |  |  | 25-Jan-19 | -687    | 54,334   | 0.05 |
|  |  |  | 1-Feb-19  | 2327    | 56,661   | 0.05 |
|  |  |  | 8-Feb-19  | -3829   | 52,832   | 0.05 |
|  |  |  | 15-Feb-19 | -1534   | 51,298   | 0.05 |

|   |                                |          |             |        |          |      |
|---|--------------------------------|----------|-------------|--------|----------|------|
|   |                                |          | 22-Feb-19   | 8200   | 59,498   | 0.05 |
|   |                                |          | 1-Mar-19    | -2650  | 56,848   | 0.05 |
|   |                                |          | 8-Mar-19    | -8050  | 48,798   | 0.04 |
|   |                                |          | 15-Mar-19   | 897    | 49,695   | 0.04 |
|   |                                |          | 22-Mar-19   | -1907  | 47,788   | 0.04 |
|   |                                |          | 29-Mar-19   | 775    | 48,563   | 0.04 |
|   |                                |          | 30-Mar-19   | -773   | 47,790   | 0.04 |
|   |                                | 47,790   | 30-Mar-19   | 0      | 47,790   | 0.04 |
| 7 | VARDHAMAN JAYCHAND OSWAL (HUF) | 0        | 01-April-18 | 0      | 0        | 0.00 |
|   |                                |          | 29-Jun-18   | 3443   | 3,443    | 0.00 |
|   |                                |          | 6-Jul-18    | 27012  | 30,455   | 0.03 |
|   |                                |          | 20-Jul-18   | 10431  | 40,886   | 0.04 |
|   |                                |          | 27-Jul-18   | 16719  | 57,605   | 0.05 |
|   |                                |          | 3-Aug-18    | 2000   | 59,605   | 0.05 |
|   |                                |          | 24-Aug-18   | 2603   | 62,208   | 0.06 |
|   |                                |          | 28-Sep-18   | 57303  | 1,19,511 | 0.11 |
|   |                                |          | 5-Oct-18    | 6031   | 1,25,542 | 0.11 |
|   |                                |          | 12-Oct-18   | 10967  | 1,36,509 | 0.12 |
|   |                                |          | 26-Oct-18   | 4967   | 1,41,476 | 0.13 |
|   |                                |          | 9-Nov-18    | 17746  | 1,59,222 | 0.14 |
|   |                                |          | 16-Nov-18   | 1684   | 1,60,906 | 0.14 |
|   |                                |          | 23-Nov-18   | 15000  | 1,75,906 | 0.16 |
|   |                                |          | 30-Nov-18   | 2000   | 1,77,906 | 0.16 |
|   |                                |          | 7-Dec-18    | 10040  | 1,87,946 | 0.17 |
|   |                                |          | 21-Dec-18   | 6293   | 1,94,239 | 0.17 |
|   |                                |          | 4-Jan-19    | 24920  | 2,19,159 | 0.19 |
|   |                                |          | 11-Jan-19   | 808    | 2,19,967 | 0.20 |
|   |                                |          | 1-Feb-19    | 683    | 2,20,650 | 0.20 |
|   |                                | 2,20,650 | 30-Mar-19   | 0      | 2,20,650 | 0.20 |
| 8 | SANJAY KASHIRAM ADIVAREKAR     | 0        | 01-April-18 |        | 0        | 0.00 |
|   |                                |          | 27-Jul-18   | 214077 | 2,14,077 | 0.19 |
|   |                                | 2,14,077 | 30-Mar-19   | 0      | 2,14,077 | 0.19 |
| 9 | VARDHMAN JAICHAND OSWAL        | 0        | 01-April-18 |        | 0        | 0.00 |
|   |                                |          | 5-Oct-18    | 12077  | 12,077   | 0.01 |
|   |                                |          | 12-Oct-18   | 3695   | 15,772   | 0.01 |
|   |                                |          | 19-Oct-18   | 14637  | 30,409   | 0.03 |
|   |                                |          | 9-Nov-18    | 7776   | 38,185   | 0.03 |
|   |                                |          | 16-Nov-18   | 3435   | 41,620   | 0.04 |
|   |                                |          | 23-Nov-18   | 124877 | 1,66,497 | 0.15 |
|   |                                |          | 30-Nov-18   | 13598  | 1,80,095 | 0.16 |
|   |                                |          | 7-Dec-18    | 837    | 1,80,932 | 0.16 |
|   |                                |          | 14-Dec-18   | 836    | 1,81,768 | 0.16 |
|   |                                |          | 21-Dec-18   | 5650   | 1,87,418 | 0.17 |
|   |                                |          | 31-Dec-18   | 12     | 1,87,430 | 0.17 |

|    |                        |          |             |        |          |      |
|----|------------------------|----------|-------------|--------|----------|------|
|    |                        |          | 4-Jan-19    | 2874   | 1,90,304 | 0.17 |
|    |                        |          | 11-Jan-19   | 19     | 1,90,323 | 0.17 |
|    |                        |          | 25-Jan-19   | 340    | 1,90,663 | 0.17 |
|    |                        |          | 1-Mar-19    | 10655  | 2,01,318 | 0.18 |
|    |                        |          | 8-Mar-19    | 490    | 2,01,808 | 0.18 |
|    |                        | 2,01,808 | 30-Mar-19   | 0      | 2,01,808 | 0.18 |
| 10 | DEEPALI AJIT BEDKEHALE | 0        | 01-April-18 | 0      | 0        | 0.00 |
|    |                        |          | 12-Oct-18   | 50     | 50       | 0.00 |
|    |                        |          | 15-Feb-19   | -50    | 0        | 0.00 |
|    |                        |          | 29-Mar-19   | 199600 | 1,99,600 | 0.18 |
|    |                        | 1,99,600 | 30-Mar-19   | 0      | 1,99,600 | 0.18 |

**(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 | 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      | 1500056                                   | 1.32                             | 77                                      | 0.000                            | Purchase of Share                      | *1500133                            | 1.32                             |
| 2      | Sohan Shirgaokar          | 305032                                    | 0.27                             | 00                                      | 0.000                            | No changes in holding during the year  | 305032                              | 0.27                             |
| 3      | Mr. Rakesh V. Kapoor      | 5000                                      | 0.00                             | 00                                      | 0.000                            |                                        | 5000                                | 0.00                             |
| 4      | Mr. D. B. Shah            | 30000                                     | 0.03                             | 00                                      | 0.000                            |                                        | 30000                               | 0.03                             |
| 5      | Hari Y. Athawale          | 58240                                     | 0.03                             | 00                                      | 0.000                            |                                        | 58240                               | 0.03                             |
| 6      | Shishir Shirgaokar        | 382255                                    | 0.31                             | 12000                                   | 0.011                            | Purchase of Share                      | *394255                             | 0.31                             |
| 7      | Mr. Niraj S. Shirgaokar   | 219214                                    | 0.19                             | 00                                      | 0.000                            | No changes in holding during the year  | 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. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. In Lakh)

|                                                     | Secured Loans<br>excluding deposits | Unsecured<br>Loans | Deposits * | Total Indebtedness |
|-----------------------------------------------------|-------------------------------------|--------------------|------------|--------------------|
| Indebtedness at the beginning 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                              | 1.79               | –          | 251.53             |
| Total (i+ii+iii)                                    | 34,238.41                           | 3,643.85           | 2.92       | 37,885.18          |
| Change in Indebtedness during the financial year    |                                     |                    |            |                    |
| • Addition                                          | 3,69,595.75                         | 7.53               | –          | 3,69,603.28        |
| • Reduction                                         | 3,65,544.10                         | 3,470.94           | 0.37       | 3,69,015.41        |
| Net Change                                          | 4,051.65                            | (3,463.41)         | (0.37)     | 587.87             |
| Indebtedness at the end of the financial year       |                                     |                    |            |                    |
| i) Principal Amount                                 | 37,999.35                           | 178.62             | 2.55       | 38,180.52          |
| ii) Interest due but not paid                       | –                                   | –                  | –          | –                  |
| iii) Interest accrued but not due                   | 290.71                              | 1.82               | –          | 292.53             |
| Total (i+ii+iii)                                    | 38,290.06                           | 180.44             | 2.55       | 38,473.05          |

\* 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 | 78.40                    | 78.40                      | 156.80       |
|         | (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                | 24.25                    | 4.20                       | 28.45        |
| 2.      | Stock Option                                                                        | 00                       | 00                         | 00           |
| 3.      | Sweat Equity                                                                        | 00                       | 00                         | 00           |
| 4.      | Commission                                                                          |                          |                            |              |
|         | - as % of profit                                                                    | 00                       | 00                         | 00           |
|         | - others, specify...                                                                | 00                       | 00                         | 00           |
| 5.      | Others, please specify( Retirement Benefits)                                        | 9.24                     | 9.24                       | 18.48        |
|         | Total (A)                                                                           | 111.89                   | 91.84                      | 203.73       |
|         | 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 subra manian                                                                           | 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 | 1.00                                                                                          | 0.90      | 1.10      | 1.10     | 1.30          | 1.30           | 0.90             | 00              | 00                   | 00                  | 00           | 00                  | 7.60         |
| Commission                                   |                                                                                               | 00        | 00        | 00       | 00            | 00             | 00               | 00              | 00                   | 00                  | 00           | 00                  | 00           |
| thers, please specify                        |                                                                                               | 00        | 00        | 00       | 00            | 00             | 00               | 00              | 00                   | 00                  | 00           | 00                  | 00           |
| Total (1)                                    | 1.00                                                                                          | 0.90      | 1.10      | 1.10     | 1.30          | 1.30           | 0.90             | 00              | 00                   | 00                  | 00           | 00                  | 7.60         |
| 2 Other Non-Executive Director               |                                                                                               |           |           |          |               |                |                  |                 |                      |                     |              |                     |              |
| Fee for attending board / committee meetings | 00                                                                                            | 00        | 00        | 00       | 00            | 00             | 00               | 0.80            | 1.40                 | 0.90                | 0.40         | 0.80                |              |
| 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 (2)                                    | 00                                                                                            | 00        | 00        | 00       | 00            | 00             | 00               | 0.80            | 1.40                 | 0.90                | 0.40         | 0.80                | 4.30         |
| Total (B)=(1+2)                              | 1.00                                                                                          | 0.90      | 1.10      | 1.10     | 1.30          | 1.30           | 0.90             | 0.80            | 1.40                 | 0.90                | 0.40         | 0.80                | 11.90        |
| Remuneration Overall Ceiling as per the Act  | 1% Net of Profit as a Commission.<br>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<br>CFO | B. G. Kulkarni<br>Company Secretary |       |
| 1.      | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961 | 29.26                    | 25.46                               | 54.72 |
| 2.      | Stock Option                                                                                                                                                                                                                             | 00                       | 00                                  | 00    |
| 3.      | Sweat Equity                                                                                                                                                                                                                             | 00                       | 00                                  | 00    |
| 4.      | Commission<br>- as % of profit<br>- Others, specify...                                                                                                                                                                                   | 00                       | 00                                  | 00    |
| 5.      | Others, please specify<br>(Retirement Benefit)                                                                                                                                                                                           | 3.87                     | 3.34                                | 7.21  |
|         | Total                                                                                                                                                                                                                                    | 33.13                    | 28.80                               | 61.93 |

**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                          | —                            | —                 | —                                                         | —                            | —                                  |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |                                                           |                              |                                    |
| 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 Personnel) Rules, 2014.

- I. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under

| S r .<br>No. | Name of Director/KMP<br>and Designation                     | Remuneration<br>of Director/KMP<br>for financial year<br>2018-19<br>(Rs. in Lakh) | % Increase/Decrease<br>in Remuneration<br>in the<br>Financial Year<br>2018-19 | Ratio of<br>Remuneration of each<br>Director /to median<br>remuneration<br>of employees | Comparison of the<br>Remuneration of<br>the KMP against the<br>performance of the<br>Company    |
|--------------|-------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| 1)           | Niraj Shirgaokar<br>Managing Director                       | 111.89                                                                            | 16.25                                                                         | 31.16                                                                                   | Increase in the<br>profit of the<br>company from<br>Rs. (6819.08)<br>Lakh to<br>Rs.434.54 lakh. |
| 2)           | Chandan Shirgaokar<br>Managing Director.                    | 91.84                                                                             | 15.81                                                                         | 25.58                                                                                   |                                                                                                 |
| 3)           | R V Desurkar<br>GM Finance &<br>Chief Financial Officer     | 33.13                                                                             | 8.44                                                                          | NA                                                                                      |                                                                                                 |
| 4)           | B G Kulkarni<br>GM Corporate Affairs &<br>Company Secretary | 28.80                                                                             | 9.59                                                                          | NA                                                                                      |                                                                                                 |

- ii) The median remuneration of employees of the company during the financial year was Rs. 3.59 Lakh.
- iii) In the financial year, there was an decrease of 1.02% in the median remuneration of employees;
- iv) There were 1368 permanent employees on the rolls of company as on March 31, 2019;
- v) Relationship between average in the remuneration and company performance:- Decrease in the profit of the company from Rs. (6819.08) Lakh to Rs. 434.54 lakh
- vi) 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 Increase of 14.32% form Rs. 232.38 Lakh in 2017-18 to Rs. 265.66 Lakh in 2018-19 whereas the profit increase from Rs. (6819.08) Lakh in 2017-18 to Rs. 434.54 Lakh in 2018-19
- vii) a) Variations in the market capitalization of the company : The Market capitalization as on March 31, 2019 was Rs. 177.75 Crore (Rs. 178.88 Crore as on March 31, 2018)
- b) Price Earnings ratio of the Company was 15.80 as at March 31, 2019 and was 15.90 as at March 31, 2018.
- 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. 37,920 as on March 31, 2019 indicating a Compounded Annual Growth Rate of 5.41% This is excluding the dividend accrued there on and other benefits.

- viii) Average percentage decrease made in the salaries of employees other than the Key Managerial Personnel in the last financial year i.e. 2018-19 was 1.02% whereas the Increase in the managerial remuneration for the same financial year was 14.32%.
- 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](http://www.ugarsugar.com).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industrial Structure and Development:

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 330 Lakh tonne compared to 315 Lakh tonne in the previous year. The sugar production during the year 2019-20 is likely to come down in the current year due to draught condition in Maharashtra and Karnataka and decrease 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:

- To control falling prices, the government has introduced release mechanism and has also declared minimum selling price( A buffer stock of 3 (three) lakh tone sugar created.
- 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% in 1st phase and further 10% in 2<sup>nd</sup> phase and the oil Companies have issued tenders for Ethanol supply and have also revised the ethanol prices

Ethanol from C Heavy Molasses Rs. 43.46 per Ltr, Ethanol from B Heavy Molasses Rs. 52.43/- per ltr, Cane Juice to Ethanol Rs. 59.19/- per ltr and Ethanol produced from Damage Food Grains Rs. 47.13 Per Ltr.

- The interest rates have started coming down.

**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. The Government is giving subsidy for sugar export.
- Shortage in availability of farm labor for harvesting and transportation, loading and unloading of sugar cane.
- Continuous increase in FRP for the last 3 to 4 years has resulted in increase in cane procurement price.
- 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 19.30 Lakh MT of sugar cane from both Ugar and Jewargi unit (as against 21.29 Lakh MT during previous year) and produced 22.76 lakh Qtls of sugar (as against 24.17 Qtls of sugar during previous year) at the recovery of 12% and 10.45% respectively for Ugar and Jewargi unit. The crushing during the year has decreased due to minimum rainfall as compared to last year. This year recovery increased as compared to last year.

**Industrial and Potable Alcohol:**

The Company has produced 289.12 Lakh BLS of Industrial and Potable Alcohol during the year (against the last year production of 199.00 Lakh.) Overall production has increased substantially.

**Co-generation (Ugar & Jewargi):**

We have generated 1429.06 Lakh KW power during the year at Ugar and Jewargi Unit (as against 1624.58 lakh during previous year) and have exported 778.88 Lakh KW of power during the year (as against 889.90 Lakh KW during previous year). We have supplied power to the exchange through 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 1368 people (including Jewargi unit) comprising of 1,096 permanent, 272 seasonal and Honorarium 32 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 31<sup>st</sup> March, 2019.

During the year, 4 (Four) Board Meeting were held on 25<sup>th</sup> May, 10<sup>th</sup> August, 02<sup>nd</sup> November 2018 and 09<sup>th</sup> February 2019

- 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                 | 4                              | Yes                    | 6                           | –                                           | –        |
| 2. Mr. Shishir S. Shirgaokar | NED                      | 4                              | Yes                    | 10                          | 1                                           | 1        |
| 3. Mr. Niraj S. Shirgaokar   | MD                       | 4                              | Yes                    | 5                           | –                                           | –        |
| 4. Mr. Chandan S. Shirgaokar | MD                       | 4                              | Yes                    | 4                           | –                                           | –        |
| 5. Mr. Sachin R. Shirgaokar  | NED                      | 4                              | Yes                    | 4                           | –                                           | –        |
| 6. Mr. Sohan S. Shirgaokar   | NED                      | 3                              | Yes                    | 3                           | –                                           | –        |
| 7. Mrs. Shilpa Kumar         | NWD                      | 2                              | NO                     | 2                           | 1                                           | –        |
| 8. Mr. V. Balasubramanian    | NEID                     | 3                              | NO                     | 4                           | –                                           | –        |
| 9. Mr. M. G. Joshi           | NEID                     | 3                              | Yes                    | –                           | –                                           | –        |
| 10. Dr. M. R. Desai          | NEID                     | 3                              | Yes                    | 3                           | –                                           | –        |
| 11. Mr. D. B. Shah           | NEID                     | 4                              | Yes                    | –                           | –                                           | –        |
| 12. Mr. Rakesh V. Kapoor     | NEID                     | 4                              | Yes                    | 1                           | –                                           | 1        |
| 13. Mr. Deepak Ghaisas       | NEID                     | 4                              | Yes                    | 11                          | –                                           | –        |
| 14. Mr. Hari Y. Athawale     | NEID                     | 4                              | 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, NEWD - 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. Sachin Rajendra Shirgaokar, age 53 years, was appointed as a Non Executive Director on the Board from 2014. He is liable to retire at the ensuing Annual General meeting. Being eligible he offered himself for appointment as a Director.

He will be appointed as a Non Executive Director, and liable to retire by rotation. He has a Bachelor's Degree in Mechanical Engineering from the College of Engineering, Bijapur, Karnataka University. This was followed by a Masters Degree in Business Administration from the University of New Hampshire, USA in 1990. He holds 15,00,133 shares of the Company as on 31.03.2019. His directorship & committee membership in other public companies is given below.

| Sr. No. | Directorship in other Companies          | Audit Committee | Shareholders / Investor Grievances Committee |
|---------|------------------------------------------|-----------------|----------------------------------------------|
| 1       | S.B. Reshellers Private Limited          | —               | —                                            |
| 2       | Tara Tiles Pvt Ltd                       | —               | —                                            |
| 3       | Sangli Fabricators P Ltd                 | —               | —                                            |
| 4       | Synergy Green Industries Private Limited | —               | —                                            |

- Shri. Sohan Sanjeev Shirgaokar, age 37 years, is on the Board from 2014. He is liable to retire at the ensuing Annual General meeting. Being eligible he offered himself for appointment as a Director Board

Shri. Sohan Shirgaokar is a Commerce graduate from the Chintamanrao Commerce College, Sangli (Shivaji University Kolhapur). He has completed his M.B.A in Finance & Marketing from the Institute of Management Development & Research Sangli, a unit of the Deccan Education Society, Pune. He holds 305032 shares of the Company as on 31.03.2019.

Shri. Sohan Sanjeev Shirgaokar is the Jt. MD of S B Reshellers Pvt. Ltd., They are world's largest Sugar- Mill Roller Manufacturers, he joined M/s.S. B. Reshellers Pvt. Ltd. in 2005. He successfully managed to expand the company's exports to more than 22 Countries across the world. He also serves as Jt. MD, in Synergy Green Industries Ltd, which specializes in castings for Wind Mill and Mining Industry. Mr. Shirgaokar competently handles operation and overall process with domain expertise in legal and financial matters related to Companies Act and Income Tax Act.

Mr. Shirgaokar is co-opted Director of the Kolhapur Engineering Association, which is the oldest industrial association in Kolhapur is also a co-opted Director of "SMAK" i.e. Shirolu Manufacturer's Association, Kolhapur, which is the biggest Industrial Association in Kolhapur.

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 Private Limited  | —               | —                                            |
| 3       | Tara Tiles Private Limited       | —               | —                                            |
| 4       | Synergy Green Industries Limited | —               | —                                            |

Re- appointment of Independent Directors whose existing terms has expired for a period of 3 years ,

- Dr. M. R. Desai age 72 years, a qualified doctor, is on the Board as an Independent Director since 2000. He retires at this meeting and is eligible for re-appointment as an Independent Director. The Board and Nomination and Remuneration Committee has approved his re-appointment for the period of 3 years till 2022. He has a rich experience in the working of sugar industry. He was a chairman of National Federation for Co-operative Sugar Industries. He holds 69,608 equity shares in the Company as on 31.03.2019. His directorship & committee membership in other companies is given below.

| Sr. No. | Directorship in other Companies               | Audit Committee | Shareholders / Investor Grievances Committee |
|---------|-----------------------------------------------|-----------------|----------------------------------------------|
| 1       | Bsj Engineering Private Limited               | —               | —                                            |
| 2       | Sri Chamundeswari Sugars Limited              | —               | —                                            |
| 3       | Negilamidita Farmers Producer Company Limited | —               | —                                            |
| 4       | Synergy Green Industries Limited              | —               | —                                            |

- Shri. V. Balasubramanian, (Retd. IAS), age 78 years, is on the Board of the Company as an Independent Director since 1997. He retires at this meeting and is eligible for re-appointment as an Independent Director. The Board and Nomination and Remuneration Committee has approved his re-appointment for the period of 3 years till 2022, He is a retired Principal Secretary, Government of Karnataka. He is a knowledgeable person having vast experience in Administration & many other fields. He holds 11,200 equity shares in the Company as on 31.03.2019. His directorship & committee membership in other companies is given below.

| Sr. No. | Directorship in other Companies            | Audit Committee | Shareholders / Investor Grievances Committee |
|---------|--------------------------------------------|-----------------|----------------------------------------------|
| 1       | The Sandur Manganese And Iron Ores Limited | —               | —                                            |
| 2       | Gem Sugars Limited                         | —               | —                                            |
| 3       | Nirani Sugars Limited                      | —               | —                                            |
| 4       | International Sericulture Alliance         | —               | —                                            |
| 5       | Star Metallics And Power Private Limited   | —               | —                                            |

- Shri. Rakesh Kapoor, age 58 years, is on the Board of the Company as an Independent Director since 2014. He is completed his 1<sup>st</sup> term of five years he retires at this meeting and eligible for re-appointment as an Independent Director. The Board and Nomination and Remuneration Committee has approved his re-appointment for the period of 3 years till 2022, He will be appointed as an Independent Director, not liable to retire by rotation.

He is a dynamic Techno-Finance Professional with strong experience of 31 years in financial service sector and 15 years in corporate sector. He is a B.Sc. (Hons. Chemistry) from Hinduja College, University of Delhi, Post Graduate Diploma in Sugar Technology from National Sugar Institute, Kanpur. He has worked with various Government Finance Authorities, Committees including IFCI LTD, IFCI Factors Ltd. He was holding the post of Managing Director of IFCI Factors Ltd., at the time of his retirement. He holds 5000 Shares in the Company as on 31-03-2019. His directorship & committee membership in other public companies is given below.

| Sr. No. | Directorship in other Companies                     | Audit Committee | Shareholders / Investor Grievances Committee |
|---------|-----------------------------------------------------|-----------------|----------------------------------------------|
| 1.      | Racl Geartech Limited                               | –               | –                                            |
| 2.      | New Habitat Housing Finance And Development Limited | –               | –                                            |

- Mr. D. B. Shah, age 78 years, is on the Board of the Company as an Independent Director since 2014. He has completed his 1<sup>st</sup> term of five years he retires at this meeting and eligible for re-appointment as an Independent Director. The Board and Nomination and Remuneration Committee has approved his re-appointment for the period of 3 years till 2022

Mr. D. B. Shah, aged 78 years, joined the Board of the Company on 28 March, 2005. He is an agriculturist and a social worker. He holds 30,000 shares of the Company as on 31.03.2019. His directorship & committee membership in other public companies is given below.

| Sr. No. | Directorship in other Companies | Audit Committee | Shareholders / Investor Grievances Committee |
|---------|---------------------------------|-----------------|----------------------------------------------|
| 1.      | –                               | –               | –                                            |

**Mr. M.G.Joshi** and **Mr. Deepak Ghaisas** retire at the Annual General Meeting on completion of 5 years term. The Board places on record appreciation of their valuable guidance and cooperation during there tenure.

In their place Mr. S.S.Gangavati of Pune and Mrs. Suneeta Thakur of Mumbai are being appointed as an Independent Directors.

**Mr. S. S. Gangavati**, BE Mach., and Sugar Technologist having vast experience is proposed for appointment as an Independent Director. The Nomination and Remuneration Committee has recommended, his appointment and the board has approved the appointment as Independent Director to be appointed in this Annual General Meeting to be held on 14<sup>th</sup> August 2019. For the period of 3 years i.e till the 13<sup>th</sup> August 2022.

His directorship & committee membership in other companies is given below

| Sr. No. | Directorship in other Companies            | Audit Committee | Shareholders / Investor Grievances Committee |
|---------|--------------------------------------------|-----------------|----------------------------------------------|
| 1.      | Gerixpert-Senior Health Clinic Private Ltd | –               | –                                            |

**Mrs. Suneeta Thakur**, Ex-Deputy Managing Director of Saraswat Bank Ltd., Pune, having vast experience is proposed for appointment as an Independent Director. The Nomination and Remuneration Committee has recommended, her appointment has approved the appointment as Independent Director from this Annual General Meeting to be held on 14<sup>th</sup> August 2019 for the period of 3 years i.e up to 13<sup>th</sup> August 2022.

His directorship & committee membership in other public companies is given below

| Sr. No. | Directorship in other Companies | Audit Committee | Shareholders / Investor Grievances Committee |
|---------|---------------------------------|-----------------|----------------------------------------------|
| 1.      | –                               | –               | –                                            |

**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](http://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 25<sup>th</sup> May, 10<sup>th</sup> August, 02<sup>nd</sup> November 2018 and 09<sup>th</sup> February 2019.

- 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               | 3        |
| 3. Mr. M.G. Joshi           | Member   | 4               | 3        |
| 4. Dr. M. R. Desai          | Member   | 4               | 3        |
| 5. Mr. Deepak Ghaisas       | Member   | 4               | 4        |
| 6. Mr. Sachin R. Shirgaokar | Member   | 4               | 4        |
| 7. Mr. Sohan S. Shirgaokar  | Member   | 4               | 3        |

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:
  - 4.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.
  - 4.b. Changes, if any, in accounting policies and practices and reasons for the same.
  - 4.c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - 4.d. Significant adjustments made in the financial statements arising out of audit findings.
  - 4.e. Compliance with listing and other legal requirements relating to financial statements.

- 4.f. Disclosure of any related party transactions.
- 4.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 behavior, 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](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, no meeting of Nomination & Remuneration Committee was held.
- 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 | –               | –        |
| 2. Mr. Sohan Shirgaokar    | Member   | –               | –        |
| 3. Mr. M. G. Joshi, Member | Member   | –               | –        |
| 4. Dr. M. R. Desai, Member | Member   | –               | –        |

#### • 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 committee and Nomination and Remuneration Committee.

- Remuneration paid / payable to Managing Directors (MD's) for the year ended 31<sup>st</sup> March, 2019.

(Rs. In Lakh)

| Particulars                    | Salary | Commission | Perquisites | Retirement Benefits | Total  |
|--------------------------------|--------|------------|-------------|---------------------|--------|
| Mr. Niraj S. Shirgaokar (MD)   | 78.40  | –          | 24.25       | 9.24                | 111.89 |
| Mr. Chandan S. Shirgaokar (MD) | 78.40  | –          | 4.20        | 9.24                | 91.84  |

**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, 2019.
- ❖ **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               | –        |
| 2. Mr. D. B. Shah           | Member   | 1               | 1        |
| 3. Mr. Sachin R. Shirgaokar | Member   | 1               | 1        |
| 4. Mr. Sohan S. Shirgaokar  | Member   | 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 31<sup>st</sup> March, 2019, 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, No meeting of the Operation Committee was held.
- 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 | —               | —        |
| 2. Mr. V. Balasubramanian   | Member   | —               | —        |
| 3. Dr. M.R. Desai           | Member   | —               | —        |
| 4. Mr. Rakesh Kapoor        | Member   | —               | —        |
| 5. Mr. Sachin R. Shirgaokar | Member   | —               | —        |
| 6. Mr. Sohan S. Shirgaokar  | Member   | —               | —        |

- **Terms of Reference:**

The Operation Committee is empowered to analyses 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 08<sup>th</sup> February, 2019.
- 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               | —        |

- **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 08<sup>th</sup> 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       |
|----------------|-----|-------------------------------------------------------------------------|------------|------------|
| 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. |
| 2017-18        | AGM | Deccan Manufacturers Associations, Madhav Nagar Road, Sangli - 416 416. | 10-08-2018 | 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.

#### 78<sup>th</sup> Annual General Meeting:

All the special resolutions were passed through E-voting & Poll conducted at the 78<sup>th</sup> 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 the reappointment of Mr. Niraj S. Shirgaokar as a Managing Director of the Company for the period of three year from 01.04.2018 to 31.03.2021 and to approve their remuneration pursuant to section 197 & 198 and Schedule V.   | 2,11,31,908                   | 99.80 | 34,258                       | 0.16  |
| 2      | Special            | To consider the reappointment of Mr. Chandan S. Shirgaokar as a Managing Director of the Company for the period of three year from 01.04.2018 to 31.03.2021 and to approve their remuneration pursuant to section 197 & 198 and Schedule V. | 2,11,36,908                   | 99.83 | 36,258                       | 0.17  |

**77<sup>th</sup> Annual General Meeting:**

All the special resolutions were passed through E-voting & Poll conducted at the 77<sup>th</sup> 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.

**76<sup>th</sup> Annual General Meeting:**

All the special resolutions were passed through E-voting & Poll conducted at the 76<sup>th</sup> 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 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.

**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 31/03/2019 |
|------------------------------|-------------------------------|---------------------------------|--------------------------------------|---------------------------------------------|-----------------------------|-----------------------------------------------|-------------------------------------|
| 1. Mr. P V Shirgaokar        | —                             | 0.80                            | —                                    | 16.01                                       | —                           | 7.60                                          | 8,23,929                            |
| 2. Mr. V. Balasubramanian    | —                             | 1.00                            | —                                    | —                                           | —                           | —                                             | 11,200                              |
| 3. Mr. Shishir S. Shirgaokar | —                             | 0.80                            | —                                    | —                                           | —                           | 2.67                                          | 3,94,255                            |
| 4. Mr. M. G. Joshi           | —                             | 0.90                            | —                                    | —                                           | —                           | 6.31                                          | 21,000                              |
| 5. Dr. M. R. Desai           | —                             | 1.10                            | —                                    | —                                           | —                           | —                                             | 69,608                              |
| 6. Mr. D.B.Shah              | —                             | 1.10                            | —                                    | 1.74                                        | —                           | —                                             | 30,000                              |
| 7. Mr. Rakesh Kapoor         | —                             | 1.30                            | —                                    | —                                           | —                           | —                                             | 5,000                               |
| 8. Mr. Sachin R. Shirgaokar  | —                             | 1.40                            | —                                    | —                                           | —                           | —                                             | 15,00,133                           |
| 9. Mr. Sohan S. Shirgaokar   | —                             | 0.90                            | —                                    | —                                           | —                           | —                                             | 3,05,032                            |
| 10. Mrs. Shilpa Kumar        | —                             | 0.40                            | —                                    | —                                           | —                           | —                                             | 1,52,600                            |
| 11. Shri Deepak Ghaisas      | —                             | 1.30                            | —                                    | —                                           | —                           | —                                             | 5,000                               |
| 12. Mr. Hari Y. Athawale     | —                             | 0.90                            | —                                    | —                                           | —                           | —                                             | 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 2018-19.

**B. 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](http://web.ugarsugar.com/Investor_Relations/Corporate_Announcements.asp?child=3&parent=7)

**C. 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.

**D. 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      |
| B. N. Akiwate         | - Member      |
| B.G. Kulkarni         | - Coordinator |

#### E. Subsidiary Companies:

There is No Subsidiary Company during the year 2018-19.

#### F. Associate Companies:

Ugar Theatre Pvt Ltd is an Associate Company during the year 2018-19

#### 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, Kesari in Marathi, regularly. Additionally the results and other important information are also periodically updated on the Company's Website, viz. [www.ugarsugar.com](http://www.ugarsugar.com)

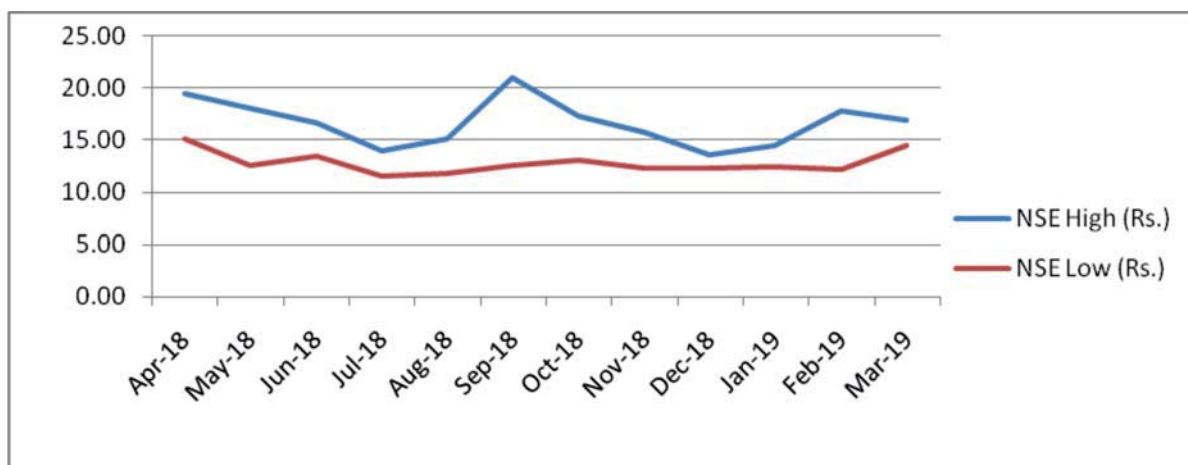
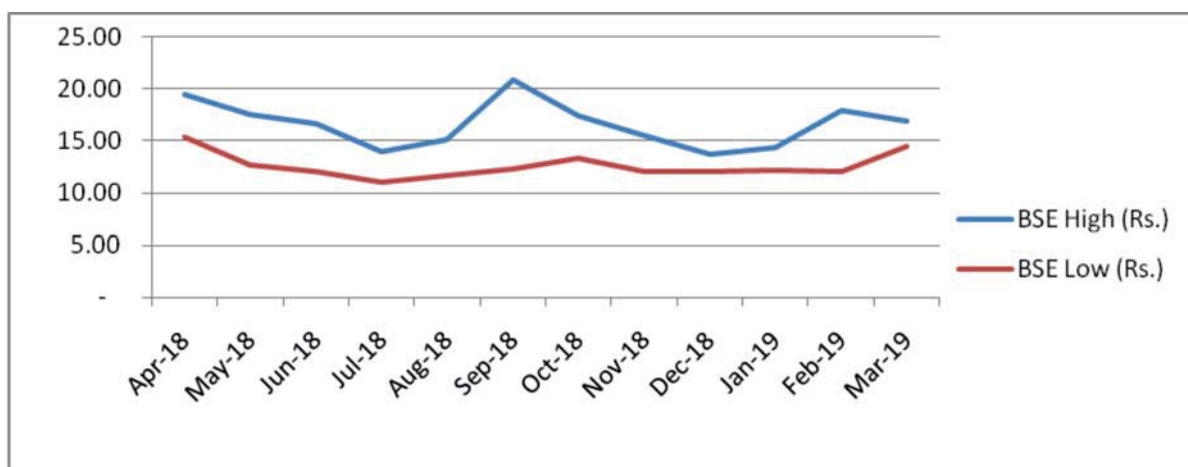
Company has not issued any news releases nor given any presentation to institutional investors or the analysts.

#### XII. General Shareholders Information.

|                                          |                                                                                                                       |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| i. AGM Date, Time and Venue              | 14 <sup>th</sup> August, 2019 at 11:00 a.m. at Deccan Manufacturers Associations, Madhav Nagar Road, Sangli - 416 416 |
| ii. Financial Calendar 2019-20           | Probable Dates:                                                                                                       |
| First quarterly un-audited results       | Before 15 <sup>th</sup> of August, 2019                                                                               |
| Second quarterly un-audited results      | Before 15 <sup>th</sup> of November, 2019                                                                             |
| Third quarterly un-audited results       | Before 15 <sup>th</sup> February, 2020                                                                                |
| Fourth & Final quarterly audited results | Before end of May, 2020                                                                                               |
| iii. Book Closure Date                   | 02 <sup>nd</sup> August 2019, to 14 <sup>th</sup> August, 2019                                                        |
| iv. Dividend payment date                | —                                                                                                                     |
| v. Listing on Stock Exchange.            | Bombay Stock Exchange Ltd.(BSE), National Stock Exchange of India Ltd. (NSE)                                          |
| vi. Stock Code:                          | BSE-530363, NSE- UGARSUGAR-EQ                                                                                         |
| Dematerialization ISIN No.               | INE-071E01023.                                                                                                        |
| vii. Payment of Listing Fees             | Annual listing fee for the year 2018-19 has been paid by the Company to BSE and NSE.                                  |
| viii. Payment of Depository Fees         | Annual Custody / Issuer fee for the year 2018-19 has been paid by the Company to NSDL and CDSL                        |

## ix. Market Price Data High/ Low during each month of Financial Year 2018-19 at BSE &amp; NSE

| NSE    |            |           | BSE    |            |           |
|--------|------------|-----------|--------|------------|-----------|
| Months | High (Rs.) | Low (Rs.) | Months | High (Rs.) | Low (Rs.) |
| Apr-18 | 19.50      | 15.15     | Apr-18 | 19.50      | 15.40     |
| May-18 | 18.10      | 12.50     | May-18 | 17.50      | 12.75     |
| Jun-18 | 16.70      | 13.40     | Jun-18 | 16.60      | 12.10     |
| Jul-18 | 13.95      | 11.50     | Jul-18 | 14.00      | 11.08     |
| Aug-18 | 15.15      | 11.75     | Aug-18 | 15.14      | 11.73     |
| Sep-18 | 21.00      | 12.50     | Sep-18 | 20.85      | 12.31     |
| Oct-18 | 17.30      | 13.00     | Oct-18 | 17.40      | 13.35     |
| Nov-18 | 15.75      | 12.30     | Nov-18 | 15.45      | 12.14     |
| Dec-18 | 13.60      | 12.30     | Dec-18 | 13.70      | 12.10     |
| Jan-19 | 14.45      | 12.40     | Jan-19 | 14.30      | 12.25     |
| Feb-19 | 17.80      | 12.10     | Feb-19 | 17.86      | 12.10     |
| Mar-19 | 16.90      | 14.50     | Mar-19 | 16.95      | 14.50     |



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 31<sup>st</sup> March, 2019**

| No. of equity shares held | No. of Folios / Shareholders | No. of Shares held  | % of Share holding |
|---------------------------|------------------------------|---------------------|--------------------|
| Upto 5,000                | 27808                        | 2,70,81,500         | 24.07              |
| 5,001 to 10,000           | 1625                         | 1,19,77,152         | 10.65              |
| 10,001 to 20,000          | 625                          | 86,86,227           | 7.73               |
| 20,001 to 30,000          | 129                          | 31,69,637           | 2.82               |
| 30,001 to 40,000          | 43                           | 14,94,935           | 1.32               |
| 40,001 to 50,000          | 29                           | 13,25,876           | 1.18               |
| 50,001 to 1,00,000        | 52                           | 36,82,491           | 3.27               |
| More than 1,00,000        | 55                           | 55,082,182          | 48.96              |
| <b>Total</b>              | <b>30,366</b>                | <b>11,25,00,000</b> | <b>100</b>         |

**xii. Shareholding Pattern as on 31<sup>st</sup> March, 2019.**

| Category                                                                    | No. of Share held   | % of Total Share holding |
|-----------------------------------------------------------------------------|---------------------|--------------------------|
| Promoter Group                                                              | 5,06,41,774         | 45.01                    |
| Banks, Financial Institutions, Insurance Companies,                         | 5,580               | 0.00                     |
| Foreign Financial Institutions                                              | 0.00                | 0.00                     |
| IEPF                                                                        | 3,02,531            | 0.27                     |
| Indian Public                                                               | 5,65,55,566         | 50.27                    |
| Other (incl. N. R. I., Private Corporate Bodies and Trust, Clearing Member) | 49,94,549           | 4.44                     |
| G. D. R. / A. D. R.                                                         | 0.00                | 0.00                     |
| <b>Total</b>                                                                | <b>11,25,00,000</b> | <b>100.00</b>            |

## xiii. Other Information:

|                                                             |                                                                                                                                                                                                                                |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Dematerialization of shares</b>                          | Nearly 82.90% of total equity share capital (9,32,62,351 eq. shares) is held in dematerialized form with NSDL and CDSL as on 31st March, 2019.                                                                                 |
| <b>Registrar and Share Transfer Agent:</b>                  | Bigshare Services Pvt. Limited.<br>1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis,<br>Makwana Road,<br>Marol, Andheri East, MUMBAI – 400 059. (MAH)<br>Ph. No. 022-62638200, Fax No. 022-62638299         |
| <b>Plant Locations:</b><br>Sugar, Distillery, Co-Generation | Ugar Khurd – 591 316.<br>Tal. Athani Dist. Belgaum, Karnataka.                                                                                                                                                                 |
| <b>Jewargi Unit –Sugar &amp; Co-generation:</b>             | Malli, Taluka – Jewargi, Dist- Gulbarga, Karnataka.                                                                                                                                                                            |
| <b>Address for correspondence<br/>Registered Office:</b>    | <b><u>The Ugar Sugar Works Limited.</u></b><br>Mahaveernagar (Wakharbhag), Sangli 416416,<br>Maharashtra State.<br>Ph. No. 0233-2623717 Fax: 2623617<br>Email: usw.sangli@ugarsugar.com                                        |
| Factory (Administrative Office)                             | <b><u>The Ugar Sugar Works Limited.</u></b><br>Ugarkhurd – 591 316.<br>Tal. Athani, Dist. Belgaum, Karnataka State.<br>Ph. No. 08339-274000 Fax: 272232<br>Email: helpdesk@ugarsugar.com<br>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 : 22-05-2019

**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;
  - A.i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that may be misleading,
  - A.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 : 22-05-2019

## 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 31<sup>st</sup> March, 2019.

Place : Pune

Date : 22-05-2019

**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 31<sup>st</sup> March, 2019 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 31<sup>st</sup> March 2019. Company has paid fine of Rs. 3,39,250.00 to Bombay Stock Exchange for delay in submission PDF Scan Copy of the financial results for quarter ended September 2017 under Regulation 33 of SEBI (LODR) 2015.

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 : 22-05-2019

**Parag Pansare**  
Partner  
Membership No. 117309

## Independent Auditors' Report

To  
**The Members of  
The Ugar Sugar Works Limited**  
**Report on the Audit of the Financial Statements**

### Opinion

We have audited the accompanying financial statements of The Ugar Sugar Works Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter                                                                                                                                                                                                                                                                                                                                              | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | <p><b>Accuracy of Cost of Goods Sold</b></p> <p>We identified Cost of Goods Sold area as a key audit matter for the Company because it is the most significant cost of the company, which comprise cost of sugarcane and other direct materials &amp; direct costs of production and the same has significant impact on the profitability of the Company.</p> | <p>We assessed the Company's process to verify the Cost of Goods Sold incurred during the year.</p> <p>Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• Overall evaluation and testing of controls related to corresponding business processes, viz. 'Procurement of Sugarcane, Production of Sugar, Molasses, Industrial Alcohol, Potable Alcohol, Generation of Electricity, Purchase of Petroleum Products.</li> <li>• Reconciliation of reports pertaining to Cane Purchases, Cane Purchases Advance, Harvesting and Transportation Advance, Cane Crushing Report as per Cane Management System (CMS) with SAP (ERP).</li> <li>• Review of overall operations and production / conversion process of materials into finished products.</li> <li>• Review of Internal Audit reports and internal management reports relating to COGS.</li> <li>• Review of captively consumed Steam, Molasses and Bagasse costs.</li> <li>• Review of cost estimates and current net realizable values for Valuation of Steam, Sugar, Spirits, IML and Electricity.</li> <li>• Review of Physical Inventory verification reports with reference to book inventory for accuracy and controls including review of internal period-end inventory procedures and reconciliations.</li> <li>• Reviewing completeness and overall accuracy of system generated material consumption and reconciling with General Ledger, including manual accounting entries relating to material consumption.</li> <li>• Review of inventory valuation, material consumption in accordance with applicable Indian Accounting Standards.</li> </ul> |

| Sr. No. | Key Audit Matter                                                                                                                                                                                                                                                                                     | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.      | <p><b>Accuracy of Revenue</b></p> <p>Revenue has been considered as a key audit matter in view of its peculiar nature of business and segment wise variation in criteria for revenue recognition. The subject area is significant &amp; has a direct impact on the profitability of the Company.</p> | <p>We assessed the Company's process to verify the sales revenues process during the year.</p> <p>Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing relating to revenue cycle, viz. 'Order To Collection' as follows:</p> <ul style="list-style-type: none"> <li>• Review of sales of Sugar, Indian Made Liquor, Spirit, Co-Generation and Petroleum Sale process, flow of documents/information and their respective controls effectiveness.</li> <li>• Substantive Tests on random sampling for all the major sale transactions across all segments and end to end verification of all documents involved in the sample sale transactions verified.</li> <li>• Scrutiny of relevant general ledger accounts to assess if the sales have been correctly accounted for to respective accounts.</li> <li>• Review of payment terms associated with the segment wise sale arrangements, identification of significant financing components and terms of rebate.</li> <li>• Review of any changes to sales contracts and the underlying accounting impacts.</li> <li>• Review of underlying commercial terms associated with the contract in order to assess point of transfer of ownership of goods.</li> <li>• In case of revenue from sale of sugar, ensuring the recovery as per Minimum Support Price (MSP) fixed by the Government.</li> <li>• Review of terms of agreement with electricity supply companies pertaining to supply of electricity and agreements and purchase orders with Petroleum companies regarding sale of ethanol.</li> <li>• Review of compliance done with respect to State GST Act for segmental sales and State Excise Act particularly for sale of Indian made liquor.</li> <li>• Review of revenue recognition in compliance with IndAS – 115 'Revenue from Contracts with customers' and the requisite disclosures as mandated by the Accounting Standard.</li> </ul> |

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### 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 B**", 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, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 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 A”. 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by Company to its directors during the year is in accordance with the provision of section 197 of the Act.

- h. 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 – Reference for the same is given in Ind AS notes to 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 : 22-05-2019

## Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **THE UGAR SUGAR WORKS LIMITED** 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 March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company 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 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 respective 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 internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 internal financial controls system over financial reporting of the Company.

#### **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.

#### **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 2019 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, 2019 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 : 22-05-2019

## **“Annexure - B” to the Independant Auditors' 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.
- (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) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing 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 other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Value Added Tax, Duty of Customs, Duty of Excise, Service Tax, Goods & Service Tax, Cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Excise Duty and Value Added Tax which have not been deposited as on 31<sup>st</sup> March, 2019 on account of disputes are given below

| Name of the Statute                      | Nature of the Dues                                      | Amount Under Dispute | Period(s) to which the amount relate | Forum where such dispute is pending                |
|------------------------------------------|---------------------------------------------------------|----------------------|--------------------------------------|----------------------------------------------------|
| Central Excise Act 1944                  | Cenvat Credit demand issues                             | 14.61                | 2006-07                              | CESTAT, Bangalore                                  |
| Central Excise Act 1944                  | Cenvat Credit demand issues                             | 45.84                | 2007-08                              | CESTAT, Bangalore                                  |
| Central Excise Act 1944                  | Cenvat Credit demand issues                             | 15.36                | 2008-09                              | CESTAT, Bangalore                                  |
| Central Excise Act 1944                  | Cenvat Credit demand issues                             | 3.03                 | 2010-11                              | CESTAT, Bangalore                                  |
| Central Excise Act 1944                  | Reversal on Rectified Spirit Sold or transferred to IML | 151.34               | 2008-13                              | CESTAT, Bangalore                                  |
| Central Excise Act 1944                  | Cenvat Credit demand issues                             | 43.18                | 2015-16                              | CESTAT, Bangalore                                  |
| Central Excise Act 1944                  | Cenvat Credit demand issues                             | 26.65                | 2012-13                              | Assistant Commissioner of Central Excise, Belagavi |
| Central Excise Act 1944                  | Cenvat Credit demand issues                             | 4.92                 | 2010-12                              | Commissioner of Central Excise (Appeals), Mysore   |
| Central Excise Act 1944                  | Cenvat Credit demand issues                             | 16.38                | 2014                                 | Commissioner of Central Excise (Appeals), Mysore   |
| Central Excise Act 1944                  | Cenvat Credit demand issues                             | 19.14                | 2014-15                              | Commissioner of Central Excise (Appeals), Mysore   |
| Central Excise Act 1944                  | Cenvat Credit demand issues                             | 0.96                 | 2015                                 | Commissioner of Central Excise (Appeals), Mysore   |
| Central Excise Act 1944                  | Cenvat Credit demand issues                             | 1.30                 | 2015                                 | Commissioner of Central Excise (Appeals), Mysore   |
| Central Excise Act 1944                  | Cenvat Credit demand issues                             | 14.08                | 2016-17                              | Commissioner of Central Excise (Appeals), Mysore   |
| Income Tax Act 1961                      | Dispute of tax u/s 115JB                                | 189.53               | AY 2012-13                           | Income Tax Appellate Authority, Pune               |
| Income Tax Act 1961                      | Dispute of tax u/s 115JB                                | 9.27                 | AY 2014-15                           | Income Tax Appellate Authority, Pune               |
| Income Tax Act 1961                      | Dispute of tax u/s 115JB                                | 0.79                 | AY 2013-14                           | Income Tax Appellate Authority, Pune               |
| Karnataka Tax on Entry of Goods Act 1979 | Entry tax issues Commercial Taxes                       | 20.14                | FY 2011-12                           | Commissioner of (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 and dues to the debenture holders.
- (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 : 22-05-2019

**Balance Sheet as at 31<sup>st</sup> March 2019**

(Amount in Rs. Lakh)

| Particulars                          | Ref. to Notes | As At<br>31 March 2019 | As At<br>31 March 2018 |
|--------------------------------------|---------------|------------------------|------------------------|
| <b>ASSETS</b>                        |               |                        |                        |
| <b>Non-current Assets</b>            |               |                        |                        |
| Tangible Assets                      |               |                        |                        |
| Property, plant and equipment        | 1A.           | 15,158.25              | 16,306.17              |
| Capital work in progress             | 1A.           | 42.11                  | 107.94                 |
| Investment property                  | 1B.           | 8.56                   | 9.12                   |
| Intangible Assets                    |               |                        |                        |
| Other Intangible assets              | 2             | 18.14                  | 19.90                  |
| Financial assets                     |               |                        |                        |
| Non - Current Investments            | 3A.           | 421.03                 | 446.89                 |
| Non - Current Loans & Advances       | 4A.           | 3.50                   | 3.50                   |
| Other Non - Current Financial Assets | 5A.           | 91.95                  | 92.15                  |
| Other non-current assets             | 6             | 375.87                 | 378.66                 |
| <b>Current Assets</b>                |               |                        |                        |
| Inventories                          | 7             | 65,717.54              | 59,014.56              |
| Financial Assets                     |               |                        |                        |
| Trade receivables                    | 8             | 2,831.35               | 4,454.53               |
| Cash and cash equivalents            | 9             | 345.36                 | 2,282.91               |
| Others                               | 5B            | 3.90                   | 9.81                   |
| Assets Classified as Held For Sale   | 10            | —                      | 26.38                  |
| Current Tax Assets (net)             | 11            | 456.59                 | 353.06                 |
| Other current assets                 | 12            | 2,815.23               | 2,515.84               |
| <b>Total</b>                         |               | <b>88,289.38</b>       | <b>86,021.41</b>       |
| <b>EQUITY AND LIABILITIES</b>        |               |                        |                        |
| <b>Equity</b>                        |               |                        |                        |
| Equity Share Capital                 | 13            | 1,125.00               | 1,125.00               |
| Other Equity                         | 14            |                        |                        |
| Share Premium                        | 14A           | 1,575.00               | 1,575.00               |
| Retained Earnings                    | 14A           | (6,083.73)             | (6,518.27)             |
| Other Reserves                       | 14A           | 8,351.31               | 8,351.31               |
| Other Comprehensive Income           | 14B           | 145.69                 | 0.34                   |
| <b>Non-current Liabilities</b>       |               |                        |                        |
| Financial Liabilities                |               |                        |                        |
| Long Term Borrowings                 | 15A           | —                      | 1,056.95               |
| Long Term Provisions                 | 16A           | 922.05                 | 1,242.63               |
| Deferred tax liabilities (Net)       | 17B           | 1,130.27               | 944.92                 |

**Balance Sheet as at 31<sup>st</sup> March 2019**

(Amount in Rs. Lakh)

| Particulars                                                    | Ref. to Notes | As At<br>31 March 2019 | As At<br>31 March 2018 |
|----------------------------------------------------------------|---------------|------------------------|------------------------|
| <b>EQUITY AND LIABILITIES</b>                                  |               |                        |                        |
| Current Liabilities                                            |               |                        |                        |
| Financial Liabilities                                          |               |                        |                        |
| Borrowings                                                     | 15B           | 40,854.43              | 33,023.96              |
| Trade payables                                                 | 18(i)         |                        |                        |
| Total Outstanding Dues of Micro & Small Enterprises            |               | 42.98                  | —                      |
| Total Outstanding Dues of other than Micro & Small Enterprises |               | 20,264.79              | 26,311.19              |
| Other payables                                                 | 18(ii)        |                        |                        |
| Total Outstanding Dues of Micro & Small Enterprises            |               | —                      | —                      |
| Total Outstanding Dues of other than Micro & Small Enterprises |               | 331.95                 | 536.78                 |
| Other financial liabilities                                    | 19            | 15,387.26              | 14,104.65              |
| Provisions                                                     | 16B           | 497.33                 | 517.69                 |
| Other current liabilities                                      | 20            | 3,745.05               | 3,749.27               |
| <b>Total</b>                                                   |               | <b>88,289.38</b>       | <b>86,021.41</b>       |

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)

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

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

Place : Pune  
Date : 22-05-2019

**Parag Pansare**  
Partner  
Memb. No. 117309

**Statement of Changes in Other Equity For the year ended 31<sup>st</sup> March 2019**

(Amount in Rs. Lakh)

| Particulars                       | Equity<br>Share<br>Capital | Reserve and Surplus |                    |                      | Items of OCI<br>Others | Total          |
|-----------------------------------|----------------------------|---------------------|--------------------|----------------------|------------------------|----------------|
|                                   |                            | Share<br>Premium    | General<br>Reserve | Retained<br>Earnings |                        |                |
| As at 1 <sup>st</sup> April 2017  | 1125.00                    | 1575.00             | 8351.31            | 572.85               | (254.51)               | 11369.65       |
| Profit/ Loss for the period       |                            |                     |                    | (6819.08)            |                        | (6819.08)      |
| Less : Dividend for the year      |                            |                     |                    |                      |                        |                |
| F.Y. 2016-17 paid during the year |                            |                     |                    | (225.00)             |                        | (225.00)       |
| Less : Corporate dividend Tax     |                            |                     |                    | (47.03)              |                        | (47.03)        |
| Acturial Gain / (Loss) Net of Tax |                            |                     |                    |                      | 254.85                 | 254.85         |
| <b>As at 31st March 2018</b>      | <b>1125.00</b>             | <b>1575.00</b>      | <b>8351.31</b>     | <b>(6518.26)</b>     | <b>0.34</b>            | <b>4533.39</b> |
| As at 1 <sup>st</sup> April 2018  |                            |                     |                    |                      |                        | —              |
| Profit / Loss for the period      |                            |                     |                    | 434.54               |                        | 434.54         |
| Acturial Gain / (Loss) Net of Tax |                            |                     |                    |                      | 145.34                 | 145.35         |
| <b>As at 31st March 2019</b>      | <b>1125.00</b>             | <b>1575.00</b>      | <b>8351.31</b>     | <b>(6083.73)</b>     | <b>145.69</b>          | <b>5113.28</b> |

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)

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

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

**Parag Pansare**  
Partner  
Memb. No. 117309

Place : Pune  
Date : 22-05-2019

**Statement of Profit and Loss Account as at 31<sup>st</sup> March 2019**

(Amount in Rs. Lakh)

| Particulars                                                                               | Ref. to Notes | As At<br>31 March 2019 | As At<br>31 March 2018 |
|-------------------------------------------------------------------------------------------|---------------|------------------------|------------------------|
| <b>Continuing Operations</b>                                                              |               |                        |                        |
| Revenue From Operations                                                                   | 21            | 90,292.69              | 79,850.15              |
| Other Income                                                                              | 22            | 924.60                 | 341.26                 |
| <b>Total Income (I+II)</b>                                                                |               | <b>91,217.29</b>       | <b>80,191.41</b>       |
| <b>Expenses</b>                                                                           |               |                        |                        |
| Cost of Materials Consumed                                                                | 23A           | 62,589.55              | 74,535.67              |
| Other Manufacturing Expenses                                                              | 23B           | 2,347.16               | 2,222.12               |
| Purchases of Stock-in-Trade                                                               | 24            | 3,478.28               | 3,012.61               |
| Changes in Inventories of Finished Goods,<br>Stock-in-Trade and Work-in-Progress          | 25            | (7,100.77)             | (21,297.94)            |
| Employee Benefits Expenses                                                                | 26            | 6,354.69               | 6,523.33               |
| Finance Costs                                                                             | 27            | 3,806.17               | 2,909.20               |
| Excise Duty on Goods Sold                                                                 |               | 15,268.42              | 14,861.78              |
| Depreciation and Amortization Expense                                                     | 28            | 1,545.39               | 1,947.92               |
| Other Expenses                                                                            | 29            | 2,381.02               | 2,109.73               |
| <b>Total Expenses (IV)</b>                                                                |               | <b>90,669.91</b>       | <b>86,824.42</b>       |
| <b>Profit/(loss) before exceptional items and tax from continuing operations</b>          |               | 547.38                 | (6,633.01)             |
| Exceptional Items                                                                         |               | —                      | —                      |
| Profit/(loss) before tax from continuing operations                                       |               | 547.38                 | (6,633.01)             |
| Tax expense:                                                                              |               |                        |                        |
| Current tax                                                                               |               | —                      | —                      |
| Deferred tax                                                                              | 17 B          | 112.51                 | 186.08                 |
| Short/(Excess) Provision for earlier years                                                |               | 0.33                   | —                      |
| Profit (Loss) for the period from continuing operations                                   |               | 112.84                 | 186.08                 |
| <b>Discontinued Operations</b>                                                            |               |                        |                        |
| Profit/(loss) from discontinued operations                                                |               |                        |                        |
| Tax expense of discontinued operations                                                    |               |                        |                        |
| Profit/(loss) from Discontinued operations (after tax)                                    |               | —                      | —                      |
| Profit/(loss) for the year                                                                |               | 434.54                 | (6,819.08)             |
| <b>Other Comprehensive Income</b>                                                         |               |                        |                        |
| A. Other Comprehensive Income to be reclassified to profit or loss in subsequent periods  |               |                        | —                      |
| (i) Items that will not be reclassified to profit or loss                                 |               | 218.18                 | 368.82                 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss         |               | 72.84                  | (113.96)               |
| Net Other Comprehensive Income to be reclassified to profit or loss in subsequent periods |               | 145.34                 | 254.85                 |

**Statement of Profit and Loss Account as at 31<sup>st</sup> March 2019**

(Amount in Rs. Lakh)

| Particulars                                                                                   | Ref. to Notes | As At<br>31 March 2019 | As At<br>31 March 2018 |
|-----------------------------------------------------------------------------------------------|---------------|------------------------|------------------------|
| B. Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods  |               | —                      | —                      |
| (ii) Income tax relating to items that will be reclassified to profit or loss                 |               | —                      | —                      |
| Net Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods |               |                        |                        |
| <b>Other Comprehensive Income (net of tax)</b>                                                |               |                        |                        |
| <b>Total Comprehensive Income for the year (net of tax)</b>                                   |               | <b>579.88</b>          | <b>(6,564.23)</b>      |
| Earnings per share for Continuing Operations                                                  |               |                        |                        |
| Basic computed on the basis of profit from Continuing Operations                              |               | 0.39                   | (6.06)                 |
| Diluted computed on the basis of profit from Continuing Operations                            |               | 0.39                   | (6.06)                 |
| Earnings per share for Discontinued Operations                                                |               |                        |                        |
| Basic computed on the basis of profit from Discontinued Operations                            |               | —                      | —                      |
| Basic computed on the basis of profit from Discontinued Operations                            |               | —                      | —                      |
| Earnings per share for Continuing and Discontinued Operations                                 |               |                        |                        |
| Basic computed on the basis of profit for the year                                            |               | 0.39                   | (6.06)                 |
| Diluted computed on the basis of profit for the year                                          |               | 0.39                   | (6.06)                 |

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 : 22-05-2019

**Cash Flow Statement for the year ended 31-03-2019**

(Amount in Rs. Lakh)

| Particulars                                                     | Financial Year<br>31-03-2019 | Financial Year<br>31-03-2018 |
|-----------------------------------------------------------------|------------------------------|------------------------------|
| Cash Flow from Operating Activities                             |                              |                              |
| A. Net profit before tax and extraordinary items                | 547.38                       | (6,633.01)                   |
| Adjustment for:                                                 |                              |                              |
| Depreciation                                                    | 1,541.58                     | 1,944.70                     |
| Amortisation of Intangible Assets                               | 3.81                         | 3.21                         |
| Excess Depreciation provided during earlier years               | (59.97)                      | —                            |
| Profit on sale of Assets                                        | —                            | (6.95)                       |
| Interest and Finance charges                                    | 3,806.17                     | 2,909.20                     |
| Investment Income                                               | (9.93)                       | (7.65)                       |
|                                                                 | 5,281.66                     | 4,842.52                     |
| Operating profit before working capital changes                 | 5,829.04                     | (1,790.49)                   |
| Decrease (Increase) in trade and other receivable               | 1,330.42                     | (5,215.81)                   |
| Decrease (Increase) in Inventories                              | (6,702.98)                   | (18,810.00)                  |
| Increase (Decrease) in trade payables                           | (4,961.16)                   | 29,536.51                    |
|                                                                 | (10,333.72)                  | 5,510.70                     |
| Cash Generated from operations                                  | (4,504.68)                   | 3,720.22                     |
| Direct Tax                                                      | (103.87)                     | (27.20)                      |
| Cash flow before extraordinary items                            | (4,608.55)                   | 3,693.02                     |
| Extraordinary items                                             | —                            | —                            |
| NET CASH FROM OPERATING ACTIVITIES                              | (4,608.55)                   | 3,693.02                     |
| B. Cash flow from investing activities                          |                              |                              |
| Purchase of Assets                                              | (293.03)                     | (1,497.39)                   |
| Proceeds from sale of Assets                                    | —                            | 7.25                         |
| Purchase / Sale of Investments                                  | 29.52                        | 144.37                       |
| Interest and Dividend received                                  | 10.58                        | 7.28                         |
| Net cash from investing activities                              | (252.93)                     | (1,338.49)                   |
| C. Cash flow from financing activities                          |                              |                              |
| Interest paid                                                   | (3,849.61)                   | (2,902.99)                   |
| Proceeds from borrowings                                        | 6,773.52                     | 1,646.89                     |
| Dividend paid inclusive of Corporate Dividend Tax               | —                            | (272.03)                     |
| NET CASH FROM INVESTING ACTIVITIES                              | 2,923.91                     | (1,528.13)                   |
| D. Net increase/(decrease) in cash and cash equivalents (A+B+C) | (1,937.55)                   | 826.40                       |
| E. Opening cash and cash equivalents                            | 2,282.91                     | 1,456.51                     |
| F. Closing cash and cash equivalents                            | 345.36                       | 2,282.91                     |

**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)

**Chandan S. Shirgaokar**  
MD (DIN-00208200)

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

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

Place : Pune

Date : 22-05-2019

**Parag Pansare**  
Partner  
Memb. No. 117309

## Notes to Financial Statements for the Financial Year Ended March 31 2019

Note No. 1 Tangible Assets  
1A. Property Plant and Equipment

| Particulars                                                   | Free hold Land | Building        | Plant and Equipments (owned) | Office Equipments | Vehicles      | Total Property Plant & Equipments | Capital Work in Progress |
|---------------------------------------------------------------|----------------|-----------------|------------------------------|-------------------|---------------|-----------------------------------|--------------------------|
| <b>Cost or Valuation</b>                                      |                |                 |                              |                   |               |                                   |                          |
| Balance as on 01 April 2017                                   | 433.50         | 3,484.21        | 44,462.41                    | 424.78            | 662.79        | 49,467.69                         | 371.98                   |
| Additions during 01 April 2017 to 31 March 2018               | —              | 12.58           | 1,626.95                     | 12.42             | 255.71        | 1,907.65                          | 101.51                   |
| Disposals during 01 April 2017 to 31 March 2018               | 0.00           | —               | (552.76)                     | —                 | (0.41)        | (553.17)                          | (365.55)                 |
| Balance as on 31 March 2018                                   | 433.50         | 3,496.79        | 45,536.59                    | 437.19            | 918.09        | 50,822.17                         | 107.94                   |
| Additions during 01 April 2018 to 31 March 2019               | —              | 17.73           | 211.80                       | 44.33             | 35.25         | 309.11                            | 31.98                    |
| Reclassification of Non Current Assets Held for Sale          | —              | —               | 527.66                       | —                 | —             | 527.66                            | —                        |
| Disposals during 01 April 2018 to 31 March 2019               | —              | —               | —                            | (0.83)            | —             | (0.83)                            | (97.81)                  |
| <b>Balance as on 31 March 2019</b>                            | <b>433.50</b>  | <b>3,514.52</b> | <b>46,276.05</b>             | <b>480.70</b>     | <b>953.34</b> | <b>51,658.11</b>                  | <b>42.11</b>             |
| <b>Accumulated Depreciation</b>                               |                |                 |                              |                   |               |                                   |                          |
| Balance as on 01 April 2017                                   | —              | 1,937.35        | 29,710.54                    | 384.92            | 568.74        | 32,601.54                         | —                        |
| Depreciation charge for the year ended 31 March 2018          | —              | 101.51          | 1,726.17                     | 15.61             | 100.80        | 1,944.09                          | —                        |
| Adjustment on Disposals during 01 April 2017 to 31 March 2018 | —              | —               | (526.08)                     | —                 | (0.41)        | (526.49)                          | —                        |
| Balance as on 31 March 2018                                   | —              | 2,038.86        | 30,910.63                    | 400.53            | 669.13        | 34,019.14                         | —                        |
| Depreciation charge for the year ended 31 March 2019          | —              | 91.04           | 1,352.74                     | 19.07             | 78.16         | 1,541.01                          | —                        |
| Adjustment on account restatement                             | —              | (1.20)          | (56.75)                      | (0.56)            | 0.09          | (58.42)                           | —                        |
| Reclassification of Non Current Assets Held for Sale          | —              | —               | 501.28                       | —                 | —             | 501.28                            | —                        |
| Balance as on 31 March 2019                                   | —              | 2,128.70        | 32,707.89                    | 419.04            | 747.37        | 36,003.01                         | —                        |
| <b>Impairment of Assets</b>                                   |                |                 |                              |                   |               |                                   |                          |
| Balance as on 01 April 2017                                   | —              | —               | 496.86                       | —                 | —             | 496.86                            | —                        |
| Change for the Year 2017-18                                   | —              | —               | —                            | —                 | —             | —                                 | —                        |
| Balance as on 31 March 2018                                   | —              | —               | 496.86                       | —                 | —             | 496.86                            | —                        |
| Change for the Year 2018-19                                   | —              | —               | —                            | —                 | —             | —                                 | —                        |
| Balance as on 31 March 2019                                   | —              | —               | 496.86                       | —                 | —             | 496.86                            | —                        |
| <b>Net Book Value</b>                                         |                |                 |                              |                   |               |                                   |                          |
| As on 01.04.2017                                              | 433.50         | 1,546.86        | 14,255.02                    | 39.86             | 94.05         | 16,369.29                         | 371.98                   |
| As on 31.03.2018                                              | 433.50         | 1,457.93        | 14,129.11                    | 36.66             | 248.96        | 16,306.17                         | 107.94                   |
| As on 31.03.2019                                              | 433.50         | 1,385.82        | 13,071.30                    | 61.66             | 205.97        | 15,158.25                         | 42.11                    |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

| <b>1B. Investment Property</b> (Amount in Rs. Lakh)                      |               |
|--------------------------------------------------------------------------|---------------|
| <b>Particulars</b>                                                       | <b>Amount</b> |
| <b>Cost</b>                                                              |               |
| <b>Balance as on 01 April 2017</b>                                       | <b>29.82</b>  |
| Additions (subsequent expenditure) during 01 April 2017 to 31 March 2018 | —             |
| Balance as on 31 March 2018                                              | 29.82         |
| Additions (subsequent expenditure) during 01 April 2018 to 31 March 2019 | —             |
| <b>Balance as on 31 March 2019</b>                                       | <b>29.82</b>  |
| <b>Accumulated Depreciation</b>                                          |               |
| <b>Balance as on 01 April 2017</b>                                       | <b>20.08</b>  |
| Depreciation charge for the year ended 31 March 2018                     | 0.62          |
| Impairment for the year ended 31 March 2018                              | —             |
| Balance as on 31 March 2018                                              | 20.69         |
| Depreciation charge for the year ended 31 March 2019                     | 0.57          |
| Impairment for the year ended 31 March 2019                              | —             |
| <b>Balance as on 31 March 2019</b>                                       | <b>21.26</b>  |
| <b>Net Book Value</b>                                                    |               |
| <b>As on 01.04.2017</b>                                                  | <b>9.74</b>   |
| <b>As on 31.03.2018</b>                                                  | <b>9.12</b>   |
| <b>As on 31.03.2019</b>                                                  | <b>8.56</b>   |

| <b>Note No. 2 Intangible Assets</b> (Amount in Rs. Lakh) |                          |
|----------------------------------------------------------|--------------------------|
| <b>Particulars</b>                                       | <b>Computer Software</b> |
| <b>Cost</b>                                              |                          |
| Balance as on 1 April 2017                               | 180.64                   |
| Additions during 01 April 2017 to 31 March 2018          | 22.39                    |
| Disposals during 01 April 2017 to 31 March 2018          | —                        |
| Balance as on 31 March 2018                              | 203.03                   |
| Additions during 01 April 2018 to 31 March 2019          | 0.50                     |
| Disposals during 01 April 2018 to 31 March 2019          | —                        |
| Discontinued Operations                                  | —                        |
| Balance as on 31 March 2019                              | 203.53                   |
| <b>Accumulated Amortisation and impairment</b>           |                          |
| <b>Balance as on 1 April 2017</b>                        | <b>179.92</b>            |
| Amortisation during 1 April 2017 to 31 March 2018        | 3.21                     |
| Impairment during 1 April 2017 to 31 March 2018          | —                        |
| Balance as on 31 March 2018                              | 183.13                   |
| Amortisation during 1 April 2017 to 31 March 2018        | 3.81                     |
| Adjustment on account restatement                        | (1.55)                   |
| Impairment during 1 April 2017 to 31 March 2018          | —                        |
| <b>Balance as on 31 March 2019</b>                       | <b>185.39</b>            |
| <b>Net Book Value</b>                                    |                          |
| <b>As at 1 April 2017</b>                                | <b>0.72</b>              |
| <b>As at 31 March 2018</b>                               | <b>19.90</b>             |
| <b>As at 31 March 2019</b>                               | <b>18.14</b>             |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

| <b>Note No. 3A : Non Current Investments</b>                                                                                                     |                                | <b>(Amount in Rs. Lakh)</b>    |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|--|
| <b>Particulars</b>                                                                                                                               | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |  |
| <b>1. Investments at Fair Value through Profit and Loss (FVTPL)</b>                                                                              |                                |                                |  |
| a. Investment in Mutual Funds                                                                                                                    |                                |                                |  |
| (i) 37,979.28 (35201.263) Units of Rs. 10 each of UTI<br>Balanced Fund (At NAV)                                                                  | 10.47                          | 10.26                          |  |
| b. Investment in Preference Shares                                                                                                               |                                |                                |  |
| (ii) 4,75,000 (6,40,000) 10% Non- cumulative<br>Redeemable Preference Shares of Rs. 100 each<br>of Synergy Green Industries Ltd. (At Fair Value) | 356.87                         | 392.56                         |  |
| <b>2. Investments at Cost</b>                                                                                                                    |                                |                                |  |
| a. Investment in Unquoted Preference Shares                                                                                                      |                                |                                |  |
| (i) 10,00,000 (10,00,000) 8% Cumulative Redeemable<br>Preference Shares of Rs. 10 each of Ugar Quality<br>Packaging Ltd.                         | 100.00                         | 100.00                         |  |
| b. Investment in Unquoted Equity Shares                                                                                                          |                                |                                |  |
| (i) 1,096 (1,096) Equity Shares of Rs. 100 each<br>of Ugar Theatres Pvt. Ltd.                                                                    | 3.91                           | 3.91                           |  |
| (ii) 0 (36,659) Equity Shares of Rs. 10 each of<br>Shakti Alloy Steels Ltd. (Under Liquidation)                                                  | —                              | 3.67                           |  |
| (iii) 2,27,500 (2,27,500) Equity Shares of Rs. 10 each of<br>Ugar Quality Packaging Pvt. Ltd.                                                    | 22.75                          | 22.75                          |  |
| (iv) 50,000 (3,750) Shares of Rs. 10 each of Sangli Urban<br>Co-operative Bank Ltd.                                                              | 5.00                           | 0.38                           |  |
| (V) 30 (0) Shares of Rs. 50 each of Dombivali Nagari<br>Sahakari Bank (At Cost)                                                                  | 0.02                           | —                              |  |
| <b>Sub-Total</b>                                                                                                                                 | <b>31.68</b>                   | <b>30.71</b>                   |  |
| <b>3. Advance against Purchase of Shares</b>                                                                                                     |                                |                                |  |
| (i) Sangli Urban Co-op. Bank Ltd., Sangli                                                                                                        | —                              | 4.63                           |  |
| (ii) Ugar Theatres Pvt. Ltd.                                                                                                                     | 44.76                          | 35.15                          |  |
| <b>Sub-Total</b>                                                                                                                                 | <b>44.76</b>                   | <b>39.78</b>                   |  |
| <b>4. Provision for diminution in value of investments</b>                                                                                       | <b>(122.75)</b>                | <b>(126.42)</b>                |  |
| <b>Total</b>                                                                                                                                     | <b>421.03</b>                  | <b>446.89</b>                  |  |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

| <b>Note No. 4A : Non Current Loans &amp; Advances</b> (Amount in Rs. Lakh) |                                |                                |
|----------------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Particulars</b>                                                         | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |
| Advance to Trusts - Babukaka Shirgaokar Tech. Edu. Trust                   | 3.50                           | 3.50                           |
| <b>Total</b>                                                               | <b>3.50</b>                    | <b>3.50</b>                    |

| <b>Note No. 5A : Other Non Current Financial Assets</b> (Amount in Rs. Lakh)                   |                                |                                |
|------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Particulars</b>                                                                             | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |
| 1. Security Deposits                                                                           | 91.95                          | 92.15                          |
| Non-Current portion in term deposits with banks with original maturity for more than 12 months | —                              | —                              |
| <b>Total</b>                                                                                   | <b>91.95</b>                   | <b>92.15</b>                   |

| <b>Note No. 5B : Other Current Financial Assets</b> (Amount in Rs. Lakh) |                                |                                |
|--------------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Particulars</b>                                                       | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |
| Accrued Interest on Bank Deposits                                        | 3.90                           | 6.86                           |
| Accrued Interest on Advances to Cultivators                              | —                              | 2.95                           |
| <b>Total</b>                                                             | <b>3.90</b>                    | <b>9.81</b>                    |

| <b>Note No. 6 - Other Non Current Assets</b> (Amount in Rs. Lakh) |                                |                                |
|-------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Particulars</b>                                                | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |
| 1. Long Term Receivables (Unsecured, Considered Good)             |                                |                                |
| Interest Accrued on NSC and Bank Deposits                         |                                |                                |
| VAT & Excise (Appeal) Receivable                                  | 57.10                          | 56.10                          |
| 2. Capital Advance Paid to Others                                 | 263.76                         | 265.36                         |
| 3. Security deposits with Government Authorities                  | 55.01                          | 57.20                          |
| <b>Total</b>                                                      | <b>375.87</b>                  | <b>378.66</b>                  |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

| <b>Note No. 7 - Inventories</b> (Amount in Rs. Lakh)              |                                |                                |
|-------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Particulars</b>                                                | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |
| <b>Raw material (at cost)</b>                                     |                                |                                |
| Crop in Progress                                                  | 46.71                          | 46.71                          |
| Other Raw Material                                                | 86.52                          | 138.62                         |
| <b>Finished Goods (at lower of cost and net realisable value)</b> |                                |                                |
| Sugar, Molasses and Spirit                                        | 63,731.81                      | 57,240.80                      |
| Bagasse- Own                                                      | 726.86                         | 516.44                         |
| <b>Stock in Trade</b>                                             |                                |                                |
| Petroleum Products, Cane Development Material                     | 43.67                          | 46.65                          |
| Stores, Spares, Fuel                                              |                                |                                |
| Stores, Spare Parts and Others                                    | 1,081.97                       | 1,025.34                       |
| Bagasse (Purchased), Firewood and Charcoal                        | —                              | —                              |
| <b>Total</b>                                                      | <b>65,717.54</b>               | <b>59,014.56</b>               |

| <b>Note No. 8 : Current Trade Receivables</b> (Amount in Rs. Lakh)  |                                |                                |
|---------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Particulars</b>                                                  | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |
| <b>Trade Receivable</b>                                             |                                |                                |
| Outstanding for more than 6 months (Considered Goods)               | 305.47                         | 127.97                         |
| Others                                                              | 2,525.88                       | 4,326.56                       |
| <b>Total</b>                                                        | <b>2,831.35</b>                | <b>4,454.53</b>                |
| <b>Impairment Allowance ( allowance for bad and doubtful debts)</b> | 75.56                          | 68.04                          |
| Unsecured, considered good                                          |                                |                                |
| Doubtful                                                            | 75.56                          | 68.04                          |
| <b>Total</b>                                                        | <b>—</b>                       | <b>—</b>                       |
| <b>Total Trade Receivables</b>                                      | <b>2,831.35</b>                | <b>4,454.53</b>                |

| <b>Note No. 9 : Cash &amp; Cash Equivalents</b> (Amount in Rs. Lakh)    |                                |                                |
|-------------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Particulars</b>                                                      | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |
| Cash in Hand                                                            | 18.24                          | 16.41                          |
| Balances with Bank :                                                    |                                |                                |
| - Balances with banks in Current Accounts :                             | 182.53                         | 2,136.54                       |
| - Earmarked for Unpaid dividends                                        | 40.27                          | 35.68                          |
|                                                                         | <b>222.80</b>                  | <b>2,172.22</b>                |
| <b>Balances in Term Deposits :</b>                                      |                                |                                |
| (With Original Maturity for more than 12 months)                        |                                |                                |
| - For Issue of bank guarantees                                          | 87.12                          | 81.54                          |
| - Others                                                                | 17.20                          | 12.73                          |
|                                                                         | <b>104.32</b>                  | <b>94.27</b>                   |
| Less : Non Current Portion in the above disclosed as Non-Current Assets | —                              | —                              |
| <b>GRAND TOTAL</b>                                                      | <b>345.36</b>                  | <b>2,282.91</b>                |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

| <b>Note No. 10 : Assets Held For Sale</b> (Amount in Rs. Lakh) |                                |                                |
|----------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Particulars</b>                                             | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |
| Assets Held For Sale                                           | –                              | 26.38                          |
| <b>Total</b>                                                   | <b>–</b>                       | <b>26.38</b>                   |

| <b>Note No. 11 : Current Tax Assets (Net)</b> (Amount in Rs. Lakh) |                                |                                |
|--------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Particulars</b>                                                 | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |
| Advance Payment of Taxes                                           | 2,413.35                       | 2,309.82                       |
| MAT Credit Receivable                                              | 407.24                         | 407.24                         |
| <b>Sub-Total</b>                                                   | <b>2,820.59</b>                | <b>2,717.06</b>                |
| Less : Tax Provision                                               | 2,364.00                       | 2,364.00                       |
| <b>Total</b>                                                       | <b>456.59</b>                  | <b>353.06</b>                  |

| <b>Note No. 12 : Other Current Assets</b> (Amount in Rs. Lakh) |                                |                                |
|----------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Particulars</b>                                             | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |
| Balances with Government Authorities                           | 149.50                         | 11.49                          |
| Advances to Cultivators and Cane-Growers                       |                                |                                |
| Considered Good                                                | 1,823.24                       | 2,167.62                       |
| Considered Doubtful                                            | 305.15                         | 288.45                         |
| <b>Sub-Total</b>                                               | <b>2,128.39</b>                | <b>2,456.07</b>                |
| Less: Provision for Doubtful Advances                          | (305.15)                       | (288.45)                       |
| <b>Sub-Total</b>                                               | <b>1,823.24</b>                | <b>2,167.62</b>                |
| Advances to Employees                                          | 42.63                          | 48.13                          |
| Advances for Capital Goods & Spares                            | 12.34                          | 28.92                          |
| Advances for Materials & Services                              | 67.30                          | 47.45                          |
| Advances for Others                                            | 113.51                         | 18.97                          |
| <b>Sub-Total</b>                                               | <b>235.78</b>                  | <b>143.46</b>                  |
| Buffer Stock Subsidy Receivable from Government                | 458.06                         | –                              |
| Prepaid expenses                                               | 76.73                          | 87.19                          |
| Excess Interest Recovered by Banks - Receivable                | 5.57                           | 5.57                           |
| Transport Subsidy Receivable                                   | 66.35                          | 100.51                         |
| <b>Total</b>                                                   | <b>2,815.23</b>                | <b>2,515.84</b>                |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

| <b>Note No. 13 : Share Capital</b> |                              |                      |
|------------------------------------|------------------------------|----------------------|
| <b>Authorised Share Capital</b>    |                              | (Figures in Lakhs)   |
| <b>Particulars</b>                 | <b>Equity Shares<br/>No.</b> | <b>Amount in Rs.</b> |
| <b>At 31 March 2018</b>            | <b>2,000.00</b>              | <b>2,000.00</b>      |
| Increase during the year           | —                            | —                    |
| (Decrease) during the year         | —                            | —                    |
| <b>At 31 March 2019</b>            | <b>2,000.00</b>              | <b>2,000.00</b>      |

During the year there has not been any change in the Authorised Share Capital of Equity Shares during the year

**Terms / Rights attached to the Equity Shares**

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

| <b>Issued Equity Capital</b>                                             |                 |                      |
|--------------------------------------------------------------------------|-----------------|----------------------|
|                                                                          |                 | (Figures in Lakhs)   |
| <b>Particulars</b>                                                       | <b>No.</b>      | <b>Amount in Rs.</b> |
| <b>Equity shares of INR 1 each issued , subscribed and fully paid up</b> |                 |                      |
| <b>At 31 March 2018</b>                                                  | 1,125.00        | 1,125.00             |
| Increase during the period                                               | —               | —                    |
| (Decrease) during the year                                               | —               | —                    |
| <b>At 31 March 2019</b>                                                  | <b>1,125.00</b> | <b>1,125.00</b>      |

| <b>Details of shareholders holding more than 5% shares in the company</b> |               |                    |
|---------------------------------------------------------------------------|---------------|--------------------|
|                                                                           |               | (Figures in Lakhs) |
| SB Reshellers Private Limited                                             |               |                    |
| <b>No. of Shares</b>                                                      | 194.92        | 194.92             |
| <b>Percentage Holding in the class</b>                                    | 17.33         | 17.33              |
| <b>Total No. of Shares</b>                                                | <b>194.92</b> | <b>194.92</b>      |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

| <b>Note No. 14: Other Equity</b>                        |                                |                                |
|---------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Note No. 14 (A): Reserves and Surplus</b>            |                                |                                |
|                                                         | (Amount in Rs. Lakh)           |                                |
| <b>Particulars</b>                                      | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |
| <b>Securities Premium</b>                               |                                |                                |
| As per last Balance Sheet                               | 1,575.00                       | 1,575.00                       |
| Appropriation for the year                              |                                |                                |
|                                                         | <b>1,575.00</b>                | <b>1,575.00</b>                |
| <b>General Reserve</b>                                  |                                |                                |
| As per last Balance Sheet                               | 8,351.31                       | 8,351.31                       |
| Appropriation for the year                              | —                              | —                              |
|                                                         | <b>8,351.31</b>                | <b>8,351.31</b>                |
| <b>Retained Earnings</b>                                |                                |                                |
| As per last Balance Sheet                               | (6,518.27)                     | 572.84                         |
| Profit/(Loss) carried from Statement of Profit and Loss | 434.54                         | (6,819.08)                     |
| Less : Dividend for F.Y. 2016-17 paid during the year   | —                              | (225.00)                       |
| Less : Corporate Dividend Tax                           | —                              | (47.03)                        |
| Balance of Profit after adjustments                     | 434.54                         | (7,091.11)                     |
| Balance Carried forward                                 | <b>(6,083.73)</b>              | <b>(6,518.27)</b>              |
| Other Comprehensive Income (Net of Tax)                 | 145.69                         | 0.34                           |
| <b>Total</b>                                            | <b>3,987.93</b>                | <b>3,408.38</b>                |

| <b>Note No. 14 (B): Other Comprehensive Income</b> |                                |                                |
|----------------------------------------------------|--------------------------------|--------------------------------|
|                                                    | (Amount in Rs. Lakh)           |                                |
| <b>Particulars</b>                                 | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |
| As per last Balance Sheet                          | 0.34                           | (254.51)                       |
| For the Year                                       | 145.35                         | 254.85                         |
| <b>Total</b>                                       | <b>145.69</b>                  | <b>0.34</b>                    |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

| <b>Note No. 15A : Long Term Borrowings</b>                                                        |                                                                         |                      | <b>(Amount in Rs. Lakh)</b> |                            |
|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------|-----------------------------|----------------------------|
| <b>Particulars</b>                                                                                | <b>Interest Rate</b>                                                    | <b>Maturity Date</b> | <b>As on 31 March 2019</b>  | <b>As on 31 March 2018</b> |
| <b>Term Loans</b>                                                                                 |                                                                         |                      |                             |                            |
| <b>From Bank</b>                                                                                  |                                                                         |                      |                             |                            |
| (i) Central Bank of India - Expansion (Secured)                                                   | 1Year MCLR + 3.15%                                                      | Jun-20               | 505.00                      | 990.00                     |
| (ii) Central Bank of India - Under SEFASU 2014 (Secured)                                          | 1Year MCLR + 3.70%                                                      | Mar-19               | —                           | 1,064.00                   |
| (iii) Bank of Baroda - Under SEFASU 2014 (Secured)                                                | 12% p. a.                                                               | Mar-19 (fixed)       | —                           | 460.75                     |
| (iv) Union Bank of India - Under SEFASU 2014 (Secured)                                            | BR+ 1%                                                                  | Mar-19               | —                           | 285.28                     |
| (v) Central Bank of India - Soft Loan for Payment of FRP (Secured)                                | 1Year MCLR + 2.70% (Minimum 11%)                                        | Sep-19               | 329.20                      | 1,150.00                   |
| (vi) Bank of Baroda - Soft Loan for Payment of FRP (Secured)                                      | BR+1.10% (Minimum 11%)                                                  | Aug-19               | 119.44                      | 480.00                     |
| (vii) Union Bank of India - Soft Loan for Payment of FRP (Secured)                                | BR+1.00% (Minimum 11%)                                                  | Sep-19               | 98.50                       | 310.11                     |
|                                                                                                   |                                                                         |                      | <u>1,052.14</u>             | <u>4,740.14</u>            |
| Less: Current maturities in respect of above loans disclosed seperately under Current Liabilities |                                                                         |                      | 1,052.14                    | 3,683.19                   |
| <b>Total</b>                                                                                      |                                                                         |                      | <b>—</b>                    | <b>1,056.95</b>            |
| <b>Others</b>                                                                                     |                                                                         |                      |                             |                            |
| (i) Sugar Development Fund (Secured)                                                              | 2% p.a. below BR prevailing on date of disbursement of loan installment | Jun-18               | —                           | 121.59                     |
| Less: Current maturities in respect of above loans disclosed seperately under Current Liabilities |                                                                         |                      | —                           | 121.59                     |
| <b>Sub Total</b>                                                                                  |                                                                         |                      | <u>—</u>                    | <u>—</u>                   |
| Total Long Term Borrowings                                                                        |                                                                         |                      | <u>—</u>                    | <u>1,056.95</u>            |
| <b>Aggregate Secured Loans</b>                                                                    |                                                                         |                      | <b>—</b>                    | <b>1,056.95</b>            |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

| <b>Note No. 15B : Borrowings</b>                              |                                | <b>(Amount in Rs. Lakh)</b>    |  |
|---------------------------------------------------------------|--------------------------------|--------------------------------|--|
| <b>Particulars</b>                                            | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |  |
| <b>Working Capital Loans</b>                                  |                                |                                |  |
| <b>From Bank</b>                                              |                                |                                |  |
| Cash Credit Hypothecation - (Central Bank Of India) (Secured) |                                |                                |  |
| — Hypothecation of Stores                                     | 1,407.49                       | 523.83                         |  |
| — ODBD                                                        | 990.48                         | 1,006.29                       |  |
| <b>Cash Credit Pledge (Secured)</b>                           |                                |                                |  |
| Bank Of Baroda                                                | 8,351.64                       | 8,412.30                       |  |
| Central Bank of India                                         | 14,016.06                      | 12,987.93                      |  |
| Union Bank of India                                           | 7,492.39                       | 3,070.86                       |  |
| Bank of India                                                 | —                              | 2,496.34                       |  |
| Sangali Urban Bank                                            | 1,001.68                       | 850.21                         |  |
| Dombivali Nagari Sahakari Bank                                | 3,963.66                       | —                              |  |
| <b>- Balances with banks in Current Accounts :</b>            | <b>3,452.41</b>                | <b>4.99</b>                    |  |
| Off Seasons Expenses Loan (Unsecured)                         | —                              | 3,496.77                       |  |
| Loan from Directors                                           | 178.62                         | 174.44                         |  |
| <b>Total</b>                                                  | <b>40,854.43</b>               | <b>33,023.96</b>               |  |

**Details of Secured Term Loans****(i) Central Bank of India - Expansion (Secured)**

This loan was obtained for expansion of crushing capacity of the Sugar Plant at Ugar. The loan is secured by hypothecation of the said machinery for crushing. The loan is repayable in quarterly installments of Rs. 120.53 Lakhs. The Last installment of the loan being due in June 2020

**(ii) Central Bank of India - Under SEFASU 2014 (Secured)**

The loan was obtained for expansion of crushing under the ' 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 1<sup>st</sup> pari passu charge on all assets at Ugar and Jewargi. Interest on loan shall be subvented upto 12% p.a. by the Government to the Bank. The loan is repayable in 36 monthly installments of Rs. 88.89 lakhs each. The last instalment is due on March 2019

**(iii) Bank of Baroda - Under SEFASU 2014 (Secured)**

The loan was obtained for expansion of crushing under the ' 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 Jewargi. Interest on loan shall be subvented upto 12% p.a. by the Government to the Bank. The loan is repayable in 12 quarterly installments of Rs. 115.25 lakhs each. The last instalment is due on March 2019

**(iv) Union Bank of India - Under SEFASU 2014 (Secured)**

The loan was obtained for expansion of crushing under the ' 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 Jewargi. Interest on loan shall be subvented upto 12% p.a. by the Government to the Bank. The loan is repayable in 36 monthly installments of Rs. 23.78 lakhs each. The last instalment is due on March 2019

**(v) Central Bank of India - Soft Loan for Payment of FRP (Secured)**

The loan was 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 Jewargi. 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 installments of Rs. 68.39 lakhs each. The last installment is due in September 2019

**(vi) Bank of Baroda - Soft Loan for Payment of FRP (Secured)**

The loan was 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 1<sup>st</sup> pari passu charge on all assets at Ugar and Jewargi. 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 installments of Rs. 30.06 lakhs each. The last installment is due in August 2019

**(vii) Union Bank of India - Soft Loan for Payment of FRP (Secured)**

The loan was 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 Jewargi. 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 installments of Rs. 17.47 lakhs each. The last installment is due in September 2019

**(viii) Sugar Development Fund (Secured)**

The loan was obtained for Jewargi unit for setting up power project. 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 installments of Rs. 121.59 lakhs. The last installment is due in June 2018.

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

| <b>Note No. 16A : Long Term Provisions</b> (Amount in Rs. Lakh) |                                |                                |
|-----------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Particulars</b>                                              | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |
| <b>Provisions for Employee Benefits</b>                         |                                |                                |
| Provision for Gratuity                                          | 586.12                         | 846.55                         |
| Provision for Leave Salary                                      | 335.93                         | 396.08                         |
|                                                                 | <b>922.05</b>                  | <b>1,242.63</b>                |

| <b>Note No. 16B : Short Term Provisions</b> (Amount in Rs. Lakh) |                                |                                |
|------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Particulars</b>                                               | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |
| <b>Provisions for Employee Benefits</b>                          |                                |                                |
| Provision for Gratuity                                           | 460.81                         | 321.86                         |
| Provision for Leave Salary                                       | 36.52                          | 195.83                         |
|                                                                  | <b>497.33</b>                  | <b>517.69</b>                  |

**Note No. 17 - Income Taxes**

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

| <b>Note No. 17A. Statement of Profit and Loss</b>              |                                |                                |
|----------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>(i) Profit and Loss Section</b> (Amount in Rs. Lakh)        |                                |                                |
| <b>Particulars</b>                                             | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |
| <b>Current Income Tax :</b>                                    |                                |                                |
| Current income tax charge                                      | —                              | —                              |
| Adjustment in respect of current income tax of previous year   | —                              | —                              |
|                                                                | —                              | —                              |
| <b>Deferred Tax :</b>                                          |                                |                                |
| Relating to origination and reversal of temporary differences  | 112.51                         | 186.08                         |
| Income Tax expense reported in the statement of profit or loss | —                              | —                              |

| <b>(ii) OCI Section</b> (Amount in Rs. Lakh)                         |                                |                                |
|----------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Particulars</b>                                                   | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |
| Deferred Tax related to items recognised in the OCI during the year: |                                |                                |
| Net (gain)/loss on remeasurement of defined benefit plans            | 72.84                          | 113.96                         |
| Income Tax charged to OCI                                            | 72.84                          | 113.96                         |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

| <b>Note No. 17B. Deferred Tax</b>                                  |                                                                                           |                                             |
|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------|---------------------------------------------|
| <b>Deferred Tax Liability / (Asset) relates to the following :</b> |                                                                                           | (Amount in Rs. Lakh)                        |
| <b>Particulars</b>                                                 | <b>As on<br/>31 March 2019</b>                                                            | <b>As on<br/>31 March 2018</b>              |
| <b>Deferred Tax Liabilities</b>                                    |                                                                                           |                                             |
| On account of timing differences in -                              |                                                                                           |                                             |
| Depreciation                                                       | 1,867.96                                                                                  | 1,706.09                                    |
| Less: Deferred Tax Assets                                          |                                                                                           |                                             |
| On account of timing differences in -                              |                                                                                           |                                             |
| a. Provision for doubtful debts & advances                         | (128.01)                                                                                  | (111.01)                                    |
| b. Disallowances under the Income Tax Act                          | (609.68)                                                                                  | (650.16)                                    |
|                                                                    | <u>(737.69)</u>                                                                           | <u>(761.17)</u>                             |
| <b>Total</b>                                                       | <b>1,130.27</b>                                                                           | <b>944.92</b>                               |
| <b>Particulars</b>                                                 | <b>Impact on Statement of<br/>Profit and Loss and OCI<br/>(Deferred Tax / (Reversal))</b> |                                             |
|                                                                    | <b>For the Year Ended<br/>31 March 2019</b>                                               | <b>For the Year Ended<br/>31 March 2018</b> |
| <b>Deferred Tax Liabilities</b>                                    |                                                                                           |                                             |
| On account of timing differences in -                              |                                                                                           |                                             |
| Depreciation                                                       | 161.87                                                                                    | (285.18)                                    |
| Less: Deferred Tax Assets                                          |                                                                                           |                                             |
| On account of timing differences in -                              |                                                                                           |                                             |
| a. Provision for doubtful debts & advances                         | (17.01)                                                                                   | 3.41                                        |
| b. Disallowances under the Income Tax Act                          | 40.49                                                                                     | 581.81                                      |
|                                                                    | <u>23.48</u>                                                                              | <u>585.22</u>                               |
| <b>Total</b>                                                       | <b>185.35</b>                                                                             | <b>300.04</b>                               |

| <b>Reflected in the Balancesheet as follows :</b> |                                |                                |
|---------------------------------------------------|--------------------------------|--------------------------------|
|                                                   |                                | (Amount in Rs. Lakh)           |
| <b>Particulars</b>                                | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |
| Deferred Tax Assets (Continuing Operation)        | (737.69)                       | (761.17)                       |
| Deferred Tax Liabilities :                        |                                |                                |
| Continuing operations                             | 1,867.96                       | 1,706.09                       |
| Discontinued operations                           |                                |                                |
| <b>Deferred Tax Liabilities (net)</b>             | <b>1,130.27</b>                | <b>944.92</b>                  |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

| <b>Note No. 18 (i) : Current Trade Payables</b> (Amount in Rs. Lakh)  |                                |                                |
|-----------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Particulars</b>                                                    | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |
| Total Outstanding Dues of Micro & Small Enterprises                   | 42.98                          | –                              |
| Total Outstanding Dues of other than Micro & Small Enterprises        | 20,264.79                      | 26,311.19                      |
| <b>Total</b>                                                          | <b>20,307.76</b>               | <b>26,311.19</b>               |
| <b>Note No. 18 (ii) : Current Other Payables</b> (Amount in Rs. Lakh) |                                |                                |
| Other Payables                                                        | 273.64                         | 426.79                         |
| Payable for capital goods                                             | 58.31                          | 109.99                         |
| <b>Total</b>                                                          | <b>331.95</b>                  | <b>536.78</b>                  |

| <b>Note No. 19 : Other Current Financial Liabilities</b> (Amount in Rs. Lakh)                  |                                |                                |
|------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Particulars</b>                                                                             | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |
| Current Maturities of Long Term Debts - Secured                                                |                                |                                |
| From Banks                                                                                     | 1,052.14                       | 3,683.19                       |
| From Others                                                                                    | –                              | 121.59                         |
| Harvesters & Transporters Loan                                                                 |                                |                                |
| Bank of Baroda                                                                                 | 566.85                         | –                              |
| Canara Bank                                                                                    | 7,847.83                       | –                              |
| Bank of India                                                                                  | –                              | 7,028.51                       |
| Crop Loan - Union Bank of India                                                                | 5,094.06                       | 2,489.57                       |
| Interest accrued but not due on borrowings                                                     | 1.82                           | 3.05                           |
| Interest accrued and due on borrowings                                                         | 14.53                          | 27.68                          |
| Investors Education and Protections Fund<br>(Amounts to be credited to the said Fund when due) |                                |                                |
| Unpaid Dividend                                                                                | 40.27                          | 35.68                          |
| Unpaid Matured Deposits & Interest Accrued                                                     | 2.55                           | 2.92                           |
| Trade Deposits and Advances                                                                    | 169.66                         | 124.08                         |
| Salaries, Wages, Bonus & Commission Payable                                                    | 580.50                         | 564.76                         |
| Land Rent Contractors Retention                                                                | 2.57                           | 10.83                          |
| Other Payables                                                                                 | 14.48                          | 12.79                          |
| <b>Total</b>                                                                                   | <b>15,387.26</b>               | <b>14,104.65</b>               |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

| <b>Note No. 20 : Other Current Liabilities</b> (Amount in Rs. Lakh) |                                |                                |
|---------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Particulars</b>                                                  | <b>As on<br/>31 March 2019</b> | <b>As on<br/>31 March 2018</b> |
| Provision for Excise Duty on Finished Goods                         | 205.19                         | 654.24                         |
| Outstanding Expenses                                                | 2,467.13                       | 2,386.42                       |
| Advances from Customers                                             | 288.33                         | 309.39                         |
| Rent Payable                                                        | 29.67                          | 27.49                          |
| Freight Payable                                                     | 18.26                          | 0.53                           |
| Amounts refundable to Cultivators & Contractors                     | 37.87                          | 15.51                          |
| Statutory Dues Payable                                              | 531.49                         | 344.06                         |
| Other Payable - Kerala Operations                                   | 167.12                         | 11.63                          |
| <b>Total</b>                                                        | <b>3,745.05</b>                | <b>3,749.27</b>                |

| <b>Note No. 21 : Revenue from Operations</b> (Amount in Rs. Lakh) |                                             |                                             |
|-------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| <b>Particulars</b>                                                | <b>For the year ended<br/>31 March 2019</b> | <b>For the year ended<br/>31 March 2018</b> |
| <b>Continuing Operations</b>                                      |                                             |                                             |
| <b>Sale of Product (gross)</b>                                    |                                             |                                             |
| a. Finished Goods                                                 |                                             |                                             |
| Sugar/ Sugar Sachet*                                              | 57,547.13                                   | 49,634.92                                   |
| Rectified Spirit                                                  | 2,138.04                                    | 1,384.86                                    |
| Denatured Spirit*                                                 | 3,105.02                                    | 1,892.49                                    |
| Potable Alcohol (including Excise Duty)                           | 19,361.25                                   | 18,813.98                                   |
| Electricity                                                       | 3,373.13                                    | 2,662.55                                    |
| b. Traded Goods                                                   |                                             |                                             |
| Cane Development Material                                         | 21.14                                       | 91.62                                       |
| Petroleum Products                                                | 3,572.98                                    | 3,049.04                                    |
| c. Bye Products & Others                                          | 1,174.00                                    | 2,320.69                                    |
| <b>Total</b>                                                      | <b>90,292.69</b>                            | <b>79,850.15</b>                            |
| * Previous year figures includes excise duty for April-June 2017  |                                             |                                             |

| <b>Note No. 22A : Other Income</b> (Amount in Rs. Lakh) |                                             |                                             |
|---------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| <b>Particulars</b>                                      | <b>For the year ended<br/>31 March 2019</b> | <b>For the year ended<br/>31 March 2018</b> |
| <b>Non Operating Revenues</b>                           |                                             |                                             |
| <b>Sale of Services</b>                                 |                                             |                                             |
| Machinery & Bullock Cart Hire Charges                   | 0.36                                        | 2.59                                        |
| <b>Excess Provisions &amp; Unclaimed Credit</b>         |                                             |                                             |
| Balances Written Back                                   | 458.79                                      | 10.00                                       |
| <b>Others</b>                                           |                                             |                                             |
| Excess Provisions for Doubtful Debts & Advances         | —                                           | 6.62                                        |
| Bad Debts / Advances Written Off/Recovered              | —                                           | 4.00                                        |
| Insurance Claims Received                               | —                                           | 7.51                                        |
| Profit on Sale of Fixed Assets                          | —                                           | 6.95                                        |
| Sale of Scrap                                           | 302.51                                      | 137.82                                      |
| Miscellaneous Receipts                                  | 37.97                                       | 107.72                                      |
| <b>Total</b>                                            | <b>799.63</b>                               | <b>283.21</b>                               |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

| <b>Note No. 22B : Other Income</b> (Amount in Rs. Lakh) |                                             |                                             |
|---------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| <b>Particulars</b>                                      | <b>For the year ended<br/>31 March 2019</b> | <b>For the year ended<br/>31 March 2018</b> |
| <b>Finance Income</b>                                   |                                             |                                             |
| Dividend on Non - Trade Investments                     | 3.15                                        | 1.42                                        |
| Interest on Loans and Bank Deposits and Others          | 121.82                                      | 54.69                                       |
| Unrealised Gains on Units                               | —                                           | 1.94                                        |
| <b>Total</b>                                            | <b>124.97</b>                               | <b>58.05</b>                                |
| <b>Total Other Income 22 (A+B)</b>                      | <b>924.60</b>                               | <b>341.26</b>                               |

| <b>Note No. 23 A : Cost of Material Consumed</b> (Amount in Rs. Lakh) |                                             |                                             |
|-----------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| <b>Particulars</b>                                                    | <b>For the year ended<br/>31 March 2019</b> | <b>For the year ended<br/>31 March 2018</b> |
| <b>A. Cost of Raw Material and Components</b>                         |                                             |                                             |
| <b>01. Sugarcane</b>                                                  |                                             |                                             |
| Purchased                                                             | 47,075.50                                   | 58,009.58                                   |
| Harvesting and Transport                                              | 11,498.97                                   | 12,266.63                                   |
| Cane Purchase and Development                                         | 92.62                                       | 57.75                                       |
| Research and Development                                              | 230.92                                      | 274.85                                      |
| <b>Sub-Total</b>                                                      | <b>58,898.01</b>                            | <b>70,608.81</b>                            |
| <b>02. Other Raw Material</b>                                         |                                             |                                             |
| Molasses                                                              | 2,770.51                                    | 2,351.21                                    |
| Malt                                                                  | 8.28                                        | 25.56                                       |
| Rectified Spirit                                                      | 1,090.68                                    | 1,561.72                                    |
| Others                                                                | 16.98                                       | 37.14                                       |
| <b>Sub-Total</b>                                                      | <b>3,886.45</b>                             | <b>3,975.63</b>                             |
| Less : Inter-segment transfers                                        | (3,651.55)                                  | (3,559.11)                                  |
| <b>Sub-Total</b>                                                      | <b>234.90</b>                               | <b>416.52</b>                               |
| <b>B. Stores Spares Chemicals and Others</b>                          | <b>3,456.64</b>                             | <b>3,510.34</b>                             |
| <b>Total</b>                                                          | <b>62,589.55</b>                            | <b>74,535.67</b>                            |

| <b>Note No. 23 B : Other Manufacturing Expenses</b> (Amount in Rs. Lakh) |                                             |                                             |
|--------------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| <b>Particulars</b>                                                       | <b>For the year ended<br/>31 March 2019</b> | <b>For the year ended<br/>31 March 2018</b> |
| Power Fuel and Water                                                     | 858.66                                      | 568.13                                      |
| Repairs and Maintenance Plant and Machinery                              | 1,488.50                                    | 1,653.99                                    |
| <b>Total</b>                                                             | <b>2,347.16</b>                             | <b>2,222.12</b>                             |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

| <b>Note No. 24 : Purchase of Stock in Trade</b> (Amount in Rs. Lakh) |                                             |                                             |
|----------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| <b>Particulars</b>                                                   | <b>For the year ended<br/>31 March 2019</b> | <b>For the year ended<br/>31 March 2018</b> |
| Petroleum Products                                                   | 3,467.91                                    | 2909.24                                     |
| Others                                                               | 10.37                                       | 103.37                                      |
| <b>Total</b>                                                         | <b>3,478.28</b>                             | <b>3,012.61</b>                             |

| <b>Note No. 25 : Changes in Inventories of finished goods, Stock and Trade and Work-in-Progress</b> (Amount in Rs. Lakh) |                                             |                                             |
|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| <b>Particulars</b>                                                                                                       | <b>For the year ended<br/>31 March 2019</b> | <b>For the year ended<br/>31 March 2018</b> |
| <b>1. Inventory at the beginning of the year</b>                                                                         |                                             |                                             |
| <b>a. Finished goods</b>                                                                                                 |                                             |                                             |
| 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                                       |
|                                                                                                                          | <u>57,240.80</u>                            | <u>38,379.53</u>                            |
| ii. Bagasse -own                                                                                                         | 516.44                                      | 399.94                                      |
| <b>Total</b>                                                                                                             | <b>57,757.24</b>                            | <b>38,779.47</b>                            |
| <b>b. Stock in Trade at the beginning of the year</b>                                                                    |                                             |                                             |
| Cane Development Goods                                                                                                   | 11.10                                       | —                                           |
| Petroleum Products                                                                                                       | 35.55                                       | 39.26                                       |
|                                                                                                                          | <u>57,803.89</u>                            | <u>38,818.73</u>                            |
| Less : Excise duty on Opening inventory                                                                                  | 1,330.16                                    | 3,642.95                                    |
| Value of Opening Inventory (net of Excise duty)                                                                          | <u>56,473.73</u>                            | <u>35,175.78</u>                            |
| <b>2. Inventory at the end of the year</b>                                                                               |                                             |                                             |
| <b>a) Finished goods</b>                                                                                                 |                                             |                                             |
| i. Sugar, Molasses, Spirit etc                                                                                           |                                             |                                             |
| Sugar                                                                                                                    | 60,177.70                                   | 53,498.14                                   |
| Rectified Spirit                                                                                                         | 647.80                                      | 415.69                                      |
| Potable Alcohol                                                                                                          | 1,093.74                                    | 1,572.49                                    |
| Molasses                                                                                                                 | 1,638.22                                    | 1,599.88                                    |
| Others                                                                                                                   | 174.35                                      | 154.60                                      |
|                                                                                                                          | <u>63,731.81</u>                            | <u>57,240.80</u>                            |
| ii. Bagasse - own                                                                                                        | 726.86                                      | 516.44                                      |
| <b>Total</b>                                                                                                             | <b>64,458.67</b>                            | <b>57,757.24</b>                            |
| <b>b) Stock in Trade at the end of the year</b>                                                                          |                                             |                                             |
| Cane Development Goods                                                                                                   | —                                           | 11.10                                       |
| Petroleum Products                                                                                                       | 43.67                                       | 35.54                                       |
|                                                                                                                          | <u>64,502.34</u>                            | <u>57,803.88</u>                            |
| Less : Excise duty on Closing Inventory                                                                                  | 927.84                                      | 1,330.16                                    |
| Value of Year Closing Inventory (net of Excise duty)                                                                     | <u>63,574.50</u>                            | <u>56,473.72</u>                            |
| <b>Net (Increase)/Decrease in Inventories</b>                                                                            | <b>(7,100.77)</b>                           | <b>(21,297.94)</b>                          |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

| <b>Note No. 26 : Employee Benefit Expenses</b>    |                                             | (Amount in Rs. Lakh)                        |  |
|---------------------------------------------------|---------------------------------------------|---------------------------------------------|--|
| <b>Particulars</b>                                | <b>For the year ended<br/>31 March 2019</b> | <b>For the year ended<br/>31 March 2018</b> |  |
| Salaries, Bonus and Commission                    | 4,309.85                                    | 4,563.12                                    |  |
| Remuneration to Employees employed by contractors | 1,357.53                                    | 1,201.13                                    |  |
| Contribution to Provident and Other Funds         | 413.58                                      | 433.77                                      |  |
| Gratuity Expense                                  | 237.69                                      | 287.69                                      |  |
| Workmen and Staff Welfare                         | 36.04                                       | 37.62                                       |  |
| <b>Total</b>                                      | <b>6,354.69</b>                             | <b>6,523.33</b>                             |  |

| <b>Note No. 27 : Finance Costs</b> |                                             | (Amount in Rs. Lakh)                        |  |
|------------------------------------|---------------------------------------------|---------------------------------------------|--|
| <b>Particulars</b>                 | <b>For the year ended<br/>31 March 2019</b> | <b>For the year ended<br/>31 March 2018</b> |  |
| Interest on debts and borrowings   | 3,677.94                                    | 2,759.05                                    |  |
| Other Finance Charges              | 128.24                                      | 150.15                                      |  |
| <b>Total</b>                       | <b>3,806.17</b>                             | <b>2,909.20</b>                             |  |

| <b>Note No. 28 : Depreciation , Amortization and Impairment</b> |                                             | (Amount in Rs. Lakh)                        |  |
|-----------------------------------------------------------------|---------------------------------------------|---------------------------------------------|--|
| <b>Particulars</b>                                              | <b>For the year ended<br/>31 March 2019</b> | <b>For the year ended<br/>31 March 2018</b> |  |
| Depreciation of Tangible Assets                                 | 1,541.01                                    | 1,944.09                                    |  |
| Amortization of Intangible Assets                               | 3.81                                        | 3.21                                        |  |
| Depreciation of Investment Properties                           | 0.57                                        | 0.62                                        |  |
| <b>Total</b>                                                    | <b>1,545.39</b>                             | <b>1,947.92</b>                             |  |

| <b>Note No. 29 : Other Expenses</b>  |                                             | (Amount in Rs. Lakh)                        |  |
|--------------------------------------|---------------------------------------------|---------------------------------------------|--|
| <b>Particulars</b>                   | <b>For the year ended<br/>31 March 2019</b> | <b>For the year ended<br/>31 March 2018</b> |  |
| <b>Administrative Expenses</b>       |                                             |                                             |  |
| Repairs and Maintenance of Buildings | 75.61                                       | 96.91                                       |  |
| General Repairs and Maintenance      | 539.87                                      | 348.52                                      |  |
| Loss By Flood (Kerala)               | 21.77                                       | —                                           |  |
| Insurance                            | 68.82                                       | 66.63                                       |  |
| Rent                                 | 41.12                                       | 41.62                                       |  |
| Rates and Taxes                      | 226.22                                      | 238.03                                      |  |
| Bank Charges                         | 9.12                                        | 7.83                                        |  |
| Printing and Stationery              | 17.95                                       | 16.50                                       |  |
| Travelling and Conveyance            | 95.52                                       | 107.31                                      |  |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

| <b>Note No. 29 : Other Expenses</b>                 |                                             | (Amount in Rs. Lakh)                        |  |
|-----------------------------------------------------|---------------------------------------------|---------------------------------------------|--|
| <b>Particulars</b>                                  | <b>For the year ended<br/>31 March 2019</b> | <b>For the year ended<br/>31 March 2018</b> |  |
| <b>Administrative Expenses</b>                      |                                             |                                             |  |
| Motor Car/ Other Vehicle Expenses                   | 98.86                                       | 103.68                                      |  |
| Donations                                           | 2.60                                        | 57.05                                       |  |
| Directors Sitting Fees                              | 11.00                                       | 18.92                                       |  |
| Payment to Auditors                                 | 15.48                                       | 14.88                                       |  |
| Bad debts and Sundry Advance Written off            | 4.53                                        | 3.50                                        |  |
| Less: Provision                                     | —                                           | —                                           |  |
| Provision for Doubtful Debts and Advances           | 24.21                                       | 43.89                                       |  |
| Unrealised Loss on Units                            | 0.61                                        |                                             |  |
| Miscellaneous                                       | 293.62                                      | 304.08                                      |  |
|                                                     | <b>1,546.91</b>                             | <b>1,469.35</b>                             |  |
| <b>Selling and Distribution Expenses</b>            |                                             |                                             |  |
| Freight and Insurance, etc. on Outward Consignments | 523.69                                      | 330.60                                      |  |
| Commission to Selling Agents and representatives    | 272.25                                      | 251.70                                      |  |
| Advertisements                                      | 38.17                                       | 58.08                                       |  |
|                                                     | <b>834.11</b>                               | <b>640.38</b>                               |  |
| <b>Total</b>                                        | <b>2,381.02</b>                             | <b>2,109.73</b>                             |  |

| <b>Payment to Auditors</b>          |                                             | (Amount in Rs. Lakh)                        |  |
|-------------------------------------|---------------------------------------------|---------------------------------------------|--|
| <b>Particulars</b>                  | <b>For the year ended<br/>31 March 2019</b> | <b>For the year ended<br/>31 March 2018</b> |  |
| <b>Statutory Auditors :</b>         |                                             |                                             |  |
| <b>As Auditors:</b>                 |                                             |                                             |  |
| Audit Fees                          | 7.20                                        | 7.37                                        |  |
| Tax Audit Fees                      | 0.34                                        | 0.25                                        |  |
| Limited Review Fees                 |                                             |                                             |  |
| <b>In other capacity:</b>           |                                             |                                             |  |
| Taxation Matters                    |                                             |                                             |  |
| Company Law Matters                 | 0.05                                        | 0.03                                        |  |
| Other services (Certification Fees) | 2.58                                        | 2.82                                        |  |
| Re-imbursement Expenses             | 1.04                                        | 0.91                                        |  |
|                                     | <b>11.21</b>                                | <b>11.38</b>                                |  |
| <b>Cost Auditors :</b>              |                                             |                                             |  |
| <b>As Auditors:</b>                 |                                             |                                             |  |
| Audit fee                           | 2.60                                        | 2.00                                        |  |
| <b>In Other Capacity:</b>           |                                             |                                             |  |
| Re-imbursement Expenses             | 0.02                                        | —                                           |  |
|                                     | <b>2.62</b>                                 | <b>2.00</b>                                 |  |
| <b>Secretarial Auditors :</b>       |                                             |                                             |  |
| <b>As Auditors:</b>                 |                                             |                                             |  |
| Audit Fee                           | 1.50                                        | 1.50                                        |  |
| <b>In Other Capacity:</b>           |                                             |                                             |  |
| Certification Fees                  | 0.15                                        | —                                           |  |
| Re-imbursement Expenses             | —                                           | —                                           |  |
|                                     | <b>1.65</b>                                 | <b>1.50</b>                                 |  |
| <b>Total</b>                        | <b>15.48</b>                                | <b>14.88</b>                                |  |

**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 two stock exchanges BSE and NSE. The registered office of the company is located at Mahaveernagar, Sangli. 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.

**(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 measurement**

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. The principle or the most advantageous market must be accessible by the company. 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.

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefits by using the asset in its highest and the best use. The company uses its valuation techniques that are approximate in the circumstances and for which data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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;

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

- 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.

For assets and liabilities that are recognised in the financial statements on recurring basis the company determines whether transfers have occurred between the levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company management determines the policies and procedures for recurring and non-recurring fair value measurement. Involvement of external valuers is decided upon annually by the company management.

At each reporting date the Company's management analyses the movements in the values of the assets and liabilities which are required to be re-measured or re-assessed as per the Company's 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. An asset is treated current when it is :

- Expected to be realized or intended to be sold or consumed in normal operating cycle. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months (12 months) after reporting date.
- Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non – current.

A liability is current when:

- It is expected be settled in a normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settle within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non - current assets and liabilities.

The company classifies all other liabilities as non - current. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

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

| 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                |

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

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 life 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.

The residual values, useful lives and methods of depreciation of property plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**INTANGIBLE ASSETS**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired, if any, in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment loss if any. Internally generated intangibles excluding capitalized development costs are not capitalized and the related expenditure is reflected in statement of profit and loss in the year in which expenditure is incurred.

Amortization is recognized on written down value basis 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.

As summary of amortization policies applied to the Company's acquired intangible assets is given as under.

**INVESTMENT PROPERTIES**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss if any.

The cost includes the cost of replacing parts and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of the investment properties are required to be

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

replaced at intervals, the company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the profit or loss as incurred.

The company depreciates building component of investment property over years from the date of original purchase / date of capitalisation.

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 properties are derecognised either when they have been disposed or when they are permanently withdrawn from the use and no future economic benefit is expected from their disposal. The difference between net disposal proceeds and carrying amount of the asset is recognised in the profit or loss in the period of de-recognition.

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

**ASSETS HELD FOR SALE**

The items previously classified as Assets Held for Sale no longer meet the criteria for being classified as Held for Sale in accordance with Ind AS 105 and have been re-classified as Non-Current Assets. Working regarding the Gross Value, Accumulated depreciation have to be provided for. The fact that these assets are fully depreciated and are being carried at residual value needs mention.

**(g) LEASES**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of specific asset or assets and the arrangement conveys a right to use the asset, even if the right is not explicitly specified in the arrangement. The company has classified its leases as operating based on its nature.

**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 recognized 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 NON-FINANCIAL ASSETS (TANGIBLE AND INTANGIBLE)**

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

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

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 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.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. Impairment losses of continuing operations including impairment on inventories are recognised in the statement of profit and loss except for properties previously revalued with revaluation surplus taken to OCI. For such properties the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

**(i) INVENTORIES****Inventories are valued as follows:**

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

The 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.

**NOTE C : CORPORATE INFORMATION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES:****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 realizable value. Inter-unit transfers of by- products also include the cost of transportation, duties, etc.

**(j) REVENUE RECOGNITION**

With effect from 1<sup>st</sup> April 2018 Ind AS 115 pertaining to Revenue from Contracts with Customers has replaced the earlier revenue recognition standard Ind AS 18 revenue recognition. Ind AS 115 applies to contract with customer and establishes principles on reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from such contracts with customer. The Company has adopted modified retrospective approach. As per the approach entities will recognise cumulative effect initially applying Ind AS 115 as an adjustment to the opening balance of equity at the date of initial application. Since the impact of the same was immaterial same has not been considered in the books of the company. This Ind AS does not deal with revenue from lease contracts, insurance contracts, financial instruments and other contractual rights and obligations. It also scopes out non – monetary exchanges between entities in similar business to facilitate sale to customers or potential customers. Revenue recognition is based on the five step revenue recognition model.

- Identifying the contract with customer.
- Identifying the performance obligations in the contract.
- Determining the transaction price.
- Allocation of transaction price.
- Recognition of revenue when (or as) a performance obligation is satisfied.

Each distinct goods or service that an entity promises to transfer is a performance obligation.

The Company adjusts the promised amount of consideration for the effects of time value of money if payment by the customer occurs either significantly before or significantly after the performance. The interest income or interest expense resulting from a significant financing component is presented separately from revenue, unless interest income represents ordinary activity.

Considering the nature of business of the entity, accounting for warranties prescribed by the standard is not applicable to the Company.

Contract modifications are accounted for as either separate or as a part of the existing contract depending on the nature of the modification.

Costs to obtain contracts and fulfil the contracts are recognised as assets. Such recognized assets are amortised over the period that the performance obligation is satisfied and are periodically reviewed for impairment. Costs. Recognition is subject to the following clause fulfilment:

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

- Costs are directly related to a contract or specific contract and;
- Costs generate or enhance resources used in satisfying performance obligation and;
- Entity expects to recover the costs.

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 and subsidies from Government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them and (ii) the grant/subsidy will be received.

When the grant subsidy relates to revenue, it is recognized as income on a systematic basis on the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are reduced from the gross book value of property, plant and equipment.

When company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as government grant. The loan or assistance is initially recognized and measured at fair value and government grant is measured as the difference between initial carrying value of the loan and proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. Currently the Company does not have any grant/assistance that qualifies for such accounting treatment.

**(m) FOREIGN CURRENCIES**

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

**NOTE C : CORPORATE INFORMATION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES:****Transactions and Balances**

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. Exchange rate differences arising on settlement or translation of monetary items are recognized in profit and loss statement.

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). The gain/loss on the change of fair value of item (i.e. translation differences on items whose fair value or loss is recognized on OCI (other comprehensive income) or profit or loss are also recognized in OCI or profit or loss, respectively).

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 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 31<sup>st</sup> March 2019.
- (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

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

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.

**(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****Current income Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or statement of profit and loss.

**Deferred 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 recognized 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.

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

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**

Provisions are recognized 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 pretax 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 recognized as interest expense.

**CONTINGENT LIABILITIES**

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**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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.

**NOTE C : CORPORATE INFORMATION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES:****Financial assets****Initial Recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset

**Classification and subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified in four categories :

- Debt instruments at amortized cost.
- Debt instruments at fair value through other comprehensive income (FVTOCI).
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

**Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

**Debt instruments at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the P & L.

**Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations applies are classified as at FVTPL. For all other equity

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

instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Investment in equity shares, compulsorily convertible debentures and compulsory convertible preference shares of subsidiaries, associates and joint ventures have been measured at cost less impairment allowance, if any.

**De- recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either:
  - a) the Company has transferred substantially all the risks and rewards of the asset, or
  - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI

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

- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 Revenue from Contracts with Customers.
- d) Loan commitments which are not measured as at FVTPL
- e) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivables balance and historical experience. Individual trade receivables are written off when management deems them not to be collectable.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost and contractual revenue receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

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

- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**Financial liabilities****Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

**Gains or losses on liabilities held for trading are recognised in the profit or loss.**

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risk are recognized in OCI. These gains / losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

**NOTE C : CORPORATE INFORMATION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES:****Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss or allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

The Company on a contract by contract basis, elects to account for financial guarantee contracts, as a financial instrument or as an insurance contract, as specified in Ind AS 109 of Financial Instrument and IndAS 104 on Insurance Contracts. For insurance contract, the Company performs a liability adequacy test (i.e. assesses the likelihood of any pay-out based on current discounted estimates of future cash flows), and any deficiency is recognised in statement of profit and loss.

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.

**De-recognition**

A financial liability is de -recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Foreign exchange gains and losses**

Financial liabilities denominated in a foreign currency 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.

**Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in away similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

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

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

**Reclassification of financial assets and liabilities**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

**Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

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

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

**i) Fair value hedges**

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs. For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

**ii) Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. The forward currency contracts are used as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses. Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts

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

recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

**iii) Foreign exchange forward contract**

While the Company entered into other foreign exchange forwards contract with the intention of reducing the foreign exchange risk of expected sales and purchases, these other contract.

**(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 risk 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 / (LOSS) PER SHARE**

Basic earnings / (loss) per share is calculated by dividing the net profit / (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for any bonus shares, share splits or reverse splits issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors. For the purpose of calculating diluted earnings / (loss) per share, the net profit / (loss) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, share splits or reverse splits as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date.

**NOTE C : CORPORATE INFORMATION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES:****(x) SEGMENT REPORTING**

The Company's Segment predominantly based on Sugarcane based produce and allied activities. The Operational Segments constitute of Sugar, Industrial Alcohol, Potable Alcohol, Co – Generation and Petroleum products Sale. As regards to Geographical Segments, the segments are located at UgarKhurd and Jewargi. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

The Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance management. Segment performance is evaluated based on profit or loss and is measured consistently with the profit and loss of standalone statements.

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) Segment Revenue, Segment Expenses, Segment Assets and Segment Liabilities have been identified to segments on reasonable basis of their relationship to the operating activities of the segment from the internal reporting system.
- (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".

**(y) RESEARCH AND DEVELOPMENT**

Research Costs are expensed as incurred. Expenditure on Research 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. The Company will recognize development expenditure as intangible assets when the company can demonstrate :

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life. Amortisation is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

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

**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.

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

(Amount in Rs. Lakh)

| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                            | Financial Year<br>31-03-2019 | Financial Year<br>31-03-2018 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Note D: Other Information</b>                                                                                                                                                                                                                                                                                                                                                                                                       |                              |                              |
| 1 Contingent Liabilities not provided for                                                                                                                                                                                                                                                                                                                                                                                              |                              |                              |
| a. Claims against the Company not acknowledged as debts                                                                                                                                                                                                                                                                                                                                                                                | —                            | —                            |
| b. Excise Duty / Service Tax, Liability Disputed                                                                                                                                                                                                                                                                                                                                                                                       | 356.81                       | 491.35                       |
| c. Income Tax, Liability Disputed                                                                                                                                                                                                                                                                                                                                                                                                      | 199.59                       | 198.80                       |
| d. Sales Tax, Liability Disputed                                                                                                                                                                                                                                                                                                                                                                                                       | 20.14                        | 20.14                        |
| d. Corporate Guarantees given to the Bankers                                                                                                                                                                                                                                                                                                                                                                                           | —                            | —                            |
| For loans given to the Harvesting & Transport Contractors                                                                                                                                                                                                                                                                                                                                                                              | 10,000.00                    | 11,655.00                    |
| 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.                                     |                              |                              |
| <b>Note regarding Provident Fund :</b>                                                                                                                                                                                                                                                                                                                                                                                                 |                              |                              |
| On 28 <sup>th</sup> February 2019 the Supreme Court has passed a judgment on inclusion of certain allowances in basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. Due to ambiguity and the divergent views on the application of the said judgment, the company has not made any provision. The Company will take necessary steps, on receiving further clarity on the subject. |                              |                              |
| 2 <b>Commitments</b>                                                                                                                                                                                                                                                                                                                                                                                                                   |                              |                              |
| a. Estimated amounts of contracts remaining to be executed on capital account                                                                                                                                                                                                                                                                                                                                                          | 45.54                        | —                            |
| 3 Value of imports calculated on CIF basis                                                                                                                                                                                                                                                                                                                                                                                             |                              |                              |
| Machinery Spares                                                                                                                                                                                                                                                                                                                                                                                                                       | 1.69                         | 71.49                        |
| 4 Expenditure in foreign currency                                                                                                                                                                                                                                                                                                                                                                                                      |                              |                              |
| a. Travelling                                                                                                                                                                                                                                                                                                                                                                                                                          | 1.31                         | 5.62                         |
| b. Raw Sugar                                                                                                                                                                                                                                                                                                                                                                                                                           | —                            | 1,471.60                     |
| c. Subscription                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.71                         | —                            |
| 5 Earning per share                                                                                                                                                                                                                                                                                                                                                                                                                    |                              |                              |
| a. Profit after tax as per the Profit & Loss Account                                                                                                                                                                                                                                                                                                                                                                                   | 434.54                       | (6,819.08)                   |
| b. Weighted average of No. of Shares                                                                                                                                                                                                                                                                                                                                                                                                   | 1,125.00                     | 1,125.00                     |
| c. Earnings per share of Re.1/-                                                                                                                                                                                                                                                                                                                                                                                                        | 0.39                         | -6.06                        |
| 6 Future Minimum Lease Rentals in respect of Buildings                                                                                                                                                                                                                                                                                                                                                                                 |                              |                              |
| a. Given on operating lease                                                                                                                                                                                                                                                                                                                                                                                                            |                              |                              |
| i. Receivable within one year                                                                                                                                                                                                                                                                                                                                                                                                          | 8.04                         | 10.09                        |
| ii. Receivable between one year and five years                                                                                                                                                                                                                                                                                                                                                                                         | 11.01                        | 18.56                        |
| iii. Receivable after five years                                                                                                                                                                                                                                                                                                                                                                                                       | 3.66                         | 3.66                         |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

(Amount in Rs. Lakh)

| Particulars                                                                                               | Financial Year<br>31-03-2019 | Financial Year<br>31-03-2018 |
|-----------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Note D: Other Information (Contd...)</b>                                                               |                              |                              |
| b. Taken on operating lease                                                                               |                              |                              |
| i. Payable within one year                                                                                | 21.03                        | 36.56                        |
| ii. Payable between one year and five years                                                               | 7.34                         | 27.23                        |
| iii. Payable after five years                                                                             | —                            | —                            |
| 7 Value of Imported and Indigenous Raw Material Consumed and percentage thereof to total consumption      |                              |                              |
| a. Value                                                                                                  |                              |                              |
| Imported                                                                                                  | —                            | 1,471.60                     |
| Indigenous                                                                                                | 59,132.91                    | 69,553.73                    |
| b. Percentage                                                                                             |                              |                              |
| Imported                                                                                                  | —                            | 2.07%                        |
| Indigenous                                                                                                | 100%                         | 97.93%                       |
| 8 Value of Raw Material Consumed in Note B-27 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                                                                                                     | 58,719.95                    | 54,766.44                    |
| Electricity                                                                                               | 3,373.13                     | 2,662.61                     |
| Petrol Pump                                                                                               | 3,572.98                     | 304.94                       |
| Industrial Alcohol                                                                                        | 5,265.38                     | 3,296.90                     |
| Potable Alcohol                                                                                           | 19,361.25                    | 18,819.26                    |
| <b>Total</b>                                                                                              | <b>90,292.69</b>             | <b>79,850.15</b>             |
| Other Operating Income                                                                                    |                              |                              |
| Sugar                                                                                                     | —                            | —                            |
| Inter-segment Sales                                                                                       |                              |                              |
| Sugar                                                                                                     | 9,955.96                     | 12,267.14                    |
| Electricity                                                                                               | 7,824.86                     | 10,399.81                    |
| Industrial Alcohol                                                                                        | 1,720.13                     | 2,409.26                     |
| <b>Total</b>                                                                                              | <b>19,500.94</b>             | <b>25,076.21</b>             |
| Total Revenue                                                                                             |                              |                              |
| Sugar                                                                                                     | 68,675.91                    | 67,033.58                    |
| Electricity                                                                                               | 11,197.99                    | 13,062.42                    |
| Petrol Pump                                                                                               | 3,572.98                     | 304.94                       |
| Industrial Alcohol                                                                                        | 6,985.51                     | 5,706.16                     |
| Potable Alcohol                                                                                           | 19,361.25                    | 18,819.26                    |
| <b>Total</b>                                                                                              | <b>1,09,793.64</b>           | <b>1,04,926.36</b>           |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

(Amount in Rs. Lakh)

| Particulars                                       | Financial Year<br>31-03-2019 | Financial Year<br>31-03-2018 |
|---------------------------------------------------|------------------------------|------------------------------|
| <b>Note D: Other Information (Contd...)</b>       |                              |                              |
| 9. Segment Reporting                              |                              |                              |
| II Primary Segment Information(Business Segments) |                              |                              |
| Segment Results (Gross)                           |                              |                              |
| Sugar                                             | 2,932.37                     | (2,559.01)                   |
| Electricity                                       | 2,004.23                     | 1,110.01                     |
| Petrol Pump                                       | 81.11                        | 76.27                        |
| Industrial Alcohol                                | 1,863.29                     | 807.11                       |
| Potable Alcohol                                   | 206.08                       | 113.57                       |
| <b>Total</b>                                      | <b>7,087.08</b>              | <b>(452.05)</b>              |
| Unallocated Corporate Expenses                    | 3,638.13                     | 3,606.40                     |
| Operating Profit                                  | 3,429.55                     | (4,058.44)                   |
| Finance Costs                                     | 3,806.17                     | 2,909.20                     |
| Other Income                                      | 924.60                       | 703.46                       |
| Profit from Ordinary Activities                   | 547.38                       | (6,264.19)                   |
| Exceptional Items                                 | —                            | —                            |
| Profit before tax                                 | 547.38                       | (6,264.19)                   |
| Segment Assets                                    |                              |                              |
| Sugar                                             | 74,618.41                    | 68,897.59                    |
| Electricity                                       | 6,232.99                     | 6,217.29                     |
| Petrol Pump                                       | 46.66                        | 36.61                        |
| Industrial Alcohol                                | 1,613.51                     | 2,282.40                     |
| Potable Alcohol                                   | 2,238.28                     | 2,904.29                     |
|                                                   | <b>84,749.85</b>             | <b>80,338.18</b>             |
| Add: Unallocated Corporate Assets                 | 3,395.53                     | 3,528.25                     |
|                                                   | <b>88,289.38</b>             | <b>83,866.43</b>             |
| Segment Liabilities                               |                              |                              |
| Sugar                                             | 37,000.41                    | 36,290.50                    |
| Electricity                                       | 274.59                       | 233.43                       |
| Petrol Pump                                       | 0.81                         | 3.30                         |
| Industrial Alcohol                                | 154.37                       | 91.09                        |
| Potable Alcohol                                   | 462.76                       | 881.03                       |
| <b>Total</b>                                      | <b>37,892.94</b>             | <b>37,499.35</b>             |
| Add: Unallocated Corporate Liabilities            | 45,283.17                    | 41,833.70                    |
|                                                   | <b>83,176.11</b>             | <b>79,333.05</b>             |
| Capital Expenditure                               |                              |                              |
| Sugar                                             | 139.20                       | 927.29                       |
| Electricity                                       | 60.03                        | 416.40                       |
| Industrial Alcohol                                | 25.70                        | 0.78                         |
| Potable Alcohol                                   | 0.78                         | 0.70                         |
|                                                   | <b>225.71</b>                | <b>1,345.17</b>              |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

(Amount in Rs. Lakh)

| Particulars                                         | Financial Year<br>31-03-2019 | Financial Year<br>31-03-2018 |
|-----------------------------------------------------|------------------------------|------------------------------|
| <b>Note D: Other Information (Contd...)</b>         |                              |                              |
| Segment Reporting                                   |                              |                              |
| III Primary Segment Information (Business Segments) |                              |                              |
| Depreciation and Amortisation                       |                              |                              |
| Sugar                                               | 946.80                       | 1,267.15                     |
| Electricity                                         | 340.66                       | 361.95                       |
| Petrol Pump                                         | 0.01                         | 0.03                         |
| Industrial Alcohol                                  | 92.67                        | 123.33                       |
| Potable Alcohol                                     | 9.03                         | 10.90                        |
| <b>Total</b>                                        | <b>1,389.17</b>              | <b>1,763.36</b>              |
| Non-cash expenses other than depreciation           |                              |                              |
| Sugar                                               | —                            | 1.03                         |
| Electricity                                         | —                            | —                            |
| Petrol Pump                                         | —                            | —                            |
| Industrial Alcohol                                  | —                            | —                            |
| Potable Alcohol                                     | —                            | 1.50                         |
| <b>Total</b>                                        | <b>—</b>                     | <b>2.53</b>                  |

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. "Information about major customers  
Revenues for the year ended March 31, 2019 includes revenues aggregating to approximately Rs.29329.12 Lakhs (March 31, 2018 – Rs. 26621.51 Laks) from Company's 5 largest customers

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

(Amount in Rs. Lakh)

| Particulars | Financial Year<br>31-03-2019 | Financial Year<br>31-03-2018 |
|-------------|------------------------------|------------------------------|
|-------------|------------------------------|------------------------------|

**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 | 28.23  | 29.42  |
| Employer's contribution to Pension Scheme      | 178.58 | 189.65 |

**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    | 2,815.16 | 2,990.34 |
| Interest Cost                         | 209.28   | 199.23   |
| Current Service Cost                  | 150.51   | 148.10   |
| Past Service Cost ( non vested cost ) | —        | —        |
| Past Service Cost ( vested cost )     | —        | 43.35    |
| Benefits Paid                         | 208.44   | (24.62)  |
| Benefit Directly Paid By Company      | (66.10)  | (188.85) |
| Actuarial (gain) / loss on obligation | 218.12   | (352.39) |
| PVO at the end of the period          | 2,748.39 | 2,815.16 |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

(Amount in Rs. Lakh)

| Particulars                                                   | Financial Year<br>31-03-2019 | Financial Year<br>31-03-2018 |
|---------------------------------------------------------------|------------------------------|------------------------------|
| <b>Note D: Other Information (Contd...)</b>                   |                              |                              |
| II Interest Expenses                                          |                              |                              |
| Interest Cost                                                 | 209.28                       | 199.23                       |
| III Fair Value of Plan Assets                                 |                              |                              |
| Fair value of Plan Assets at the beginning                    | 1,646.75                     | 1,551.57                     |
| Interest Income                                               | 123.94                       | 102.99                       |
| IV Net Liability                                              |                              |                              |
| PVO at beginning of period                                    | 2,815.16                     | 2,990.34                     |
| Fair Value of the Assets at beginning report                  | 1,646.75                     | 1,551.57                     |
| Net Liability                                                 | 1,168.41                     | 1,438.77                     |
| V Net Interest                                                |                              |                              |
| Interest Expenses                                             | 209.28                       | 199.23                       |
| Interest Income                                               | (123.94)                     | (102.99)                     |
| Net Interest                                                  | 85.34                        | 96.24                        |
| VI Actual Return on Plan Assets                               | 124.01                       | 119.41                       |
| Interest income included above                                | 123.94                       | 102.99                       |
| Return on plan assets excluding interest income               | 0.06                         | 16.42                        |
| VII Actuarial (Gain)/Loss on obligation                       |                              |                              |
| Due to Demographic Assumption                                 | 0.81                         | —                            |
| Due to Financial Assumption                                   | 22.77                        | (227.37)                     |
| Due to Experience                                             | (241.70)                     | (125.02)                     |
| Total Actuarial (Gain)/Loss                                   | (218.12)                     | (352.39)                     |
| VIII Fair Value of Plan Assets                                |                              |                              |
| Opening Fair Value of Plan Asset                              | 1,646.75                     | 1,551.57                     |
| Adjustment to the opening fund                                | 13.20                        | —                            |
| Return on Plan Assets excl.interest income                    | 0.06                         | 16.42                        |
| Interest Income                                               | 123.94                       | 102.99                       |
| Contributions by Employer                                     | 59.84                        | 0.38                         |
| Contributions by Employee                                     | —                            | —                            |
| Benefits Paid                                                 | (142.34)                     | (24.62)                      |
| Fair Value of Plan Assets at end                              | 1,701.46                     | 1,646.75                     |
| 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 31-03-2019**

(Amount in Rs. Lakh)

| Particulars                                                                 | Financial Year<br>31-03-2019 | Financial Year<br>31-03-2018 |
|-----------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Note D: Other Information (Contd...)</b>                                 |                              |                              |
| X Amount to be recognised in the Balance Sheet and Profit and Loss Account. |                              |                              |
| PVO at end of period                                                        | 2,748.39                     | 2,815.16                     |
| Fair Value of Plan Assets at end of period                                  | 1,701.46                     | 1,646.75                     |
| Funded Status                                                               | (1,046.93)                   | (1,168.41)                   |
| Net Asset/(Liability) recognised in the Balance Sheet                       | (1,046.93)                   | (1,168.41)                   |
| XI Expense recognised in the statement of P & L A/c.                        |                              |                              |
| Current Service Cost                                                        | 150.51                       | 148.10                       |
| Net Interest                                                                | 85.34                        | 96.24                        |
| Past Service Cost-(non vested benefits)                                     |                              |                              |
| Past Service Cost-( vested benefits)                                        | —                            | 43.35                        |
| Curtailment Effect                                                          |                              |                              |
| Settlement Effect                                                           |                              |                              |
| Unrecognised Past Service Cost -non vested benefits                         |                              |                              |
| Expense recognised in the statement of P & L A/c.                           | 235.85                       | 287.69                       |
| XII Other Comprehensive Income (OCI)                                        |                              |                              |
| Actuarial (Gain)/Loss recognised for the period                             | (218.12)                     | (352.39)                     |
| Asset limit effect                                                          |                              |                              |
| Return on Plan Assets excluding net interest                                | (0.06)                       | (16.42)                      |
| Unrecognised Actuarial (Gain)/Loss from previous period                     |                              |                              |
| Total Actuarial (Gain)/Loss recognised in (OCI)                             | (218.18)                     | (368.82)                     |
| XIII Movements in the Liability recognised in Balance Sheet.                |                              |                              |
| Opening Net Liability                                                       | (1,168.41)                   | (1,438.77)                   |
| Adjustment to opening balance                                               | 13.20                        | —                            |
| Expenses as above                                                           | (235.85)                     | (287.69)                     |
| Benefits Paid by Company                                                    | 66.10                        | 188.85                       |
| Contribution paid                                                           | 59.84                        | 0.38                         |
| Other Comprehensive Income(OCI)                                             | 218.18                       | 368.82                       |
| Closing Net Liability                                                       | (1,046.93)                   | (1,168.41)                   |
| XIV Schedule III of The Companies Act 2013                                  |                              |                              |
| Current Liability                                                           | 1,046.93                     | 290.68                       |
| Non Current Liability                                                       | 1,701.46                     | 2,524.48                     |
| XV Projected Service Cost 31 March 2020                                     | 171.05                       | 139.72                       |
| Unrecognised Actuarial (Gain)/Loss from previous period                     |                              |                              |
| Average remaining future service till vesting of the benefit                |                              |                              |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

(Amount in Rs. Lakh)

| Particulars                                                                                                                                                                                                                                                     | Financial Year<br>31-03-2019 | Financial Year<br>31-03-2018 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Note D: Other Information (Contd...)</b>                                                                                                                                                                                                                     |                              |                              |
| XVI Asset Information                                                                                                                                                                                                                                           | Total Amount                 | Total Amount                 |
| Cash and Cash Equivalents                                                                                                                                                                                                                                       |                              |                              |
| Gratuity Fund(LIC of India)                                                                                                                                                                                                                                     | 1,701.46                     | 1,646.75                     |
| Debt Security(Gvt.Bond)                                                                                                                                                                                                                                         | —                            | —                            |
| Equity Securities -Corporate debt securities                                                                                                                                                                                                                    | —                            | —                            |
| Other Insurance contracts                                                                                                                                                                                                                                       | —                            | —                            |
| Property                                                                                                                                                                                                                                                        | —                            | —                            |
| Total itemized Assets                                                                                                                                                                                                                                           | 1,701.46                     | 1,646.75                     |
| XVII Assumptions as at:                                                                                                                                                                                                                                         |                              |                              |
| Mortality                                                                                                                                                                                                                                                       |                              |                              |
| Interest / Discount Rate                                                                                                                                                                                                                                        | 0.08                         | 0.08                         |
| Rate of increase in compensation                                                                                                                                                                                                                                | 0.06                         | 0.06                         |
| Rate of return (expected) on plan assets                                                                                                                                                                                                                        | 0.08                         | —                            |
| Expected average remaining service                                                                                                                                                                                                                              | 11.25                        | 11.23                        |
| 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. |                              |                              |
| <b>b. Provident Fund</b>                                                                                                                                                                                                                                        |                              |                              |
| I. Changes in Present Value of expected interest rate short fall.                                                                                                                                                                                               |                              |                              |
| Present value of expected interest rate shortfall as at the beginning of the period                                                                                                                                                                             | —                            | —                            |
| Acquisition Adjustment                                                                                                                                                                                                                                          | —                            | —                            |
| Interest Cost                                                                                                                                                                                                                                                   | —                            | —                            |
| Past Service Cost                                                                                                                                                                                                                                               | —                            | —                            |
| Current Service Cost                                                                                                                                                                                                                                            | 1.65                         |                              |
| Curtailment Cost/(Credit)                                                                                                                                                                                                                                       |                              |                              |
| Settlement Cost/(Credit)                                                                                                                                                                                                                                        |                              |                              |
| Benefits Paid                                                                                                                                                                                                                                                   |                              |                              |
| Actuarial (Gain)/Loss on obligations.                                                                                                                                                                                                                           | 25.64                        |                              |
| Present value of expected interest rate shortfall as at the end of the period.                                                                                                                                                                                  | 27.29                        |                              |
| II Changes in Fair Value of plan assets.                                                                                                                                                                                                                        |                              |                              |
| Fair value of plan assets at the beginning of the period.                                                                                                                                                                                                       | 102.52                       | 68.83                        |
| Acquisition Adjustment.                                                                                                                                                                                                                                         | —                            |                              |
| Interest Income                                                                                                                                                                                                                                                 | 7.91                         | 4.60                         |
| Contributions                                                                                                                                                                                                                                                   | —                            |                              |
| Amount transferred to cover shortfall                                                                                                                                                                                                                           | —                            |                              |
| Amount paid on settlement                                                                                                                                                                                                                                       | —                            |                              |
| Actuarial Gain/(Loss) on plan assets                                                                                                                                                                                                                            | 33.38                        | 29.07                        |
| Fair value of plan assets at the end of the period.                                                                                                                                                                                                             | 143.81                       | 102.51                       |

**Notes to Financial Statements for the Financial Year Ended 31-03-2019**

(Amount in Rs. Lakh)

| Particulars                                                                                                 | Financial Year<br>31-03-2019 | Financial Year<br>31-03-2018 |
|-------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Note D: Other Information (Contd...)</b>                                                                 |                              |                              |
| III Actuarial Gain/Loss recognised.                                                                         |                              |                              |
| Actuarial (Gain)/Loss for the period-obligation                                                             | 25.64                        |                              |
| Actuarial (Gain)/Loss for the period-plan assets                                                            | (33.38)                      | (29.07)                      |
| Total (Gain)/Loss for the period                                                                            | (7.73)                       | (29.07)                      |
| Actuarial (Gain)/Loss recognised in the period.                                                             | (7.73)                       | (29.07)                      |
| Unrecognised actuarial Gain/Loss at the of preiod.                                                          | —                            |                              |
| IV The amount to be recognised in the Balance Sheet.                                                        |                              |                              |
| Present value of expected interest rate shortfall as at the end of the period.                              | 27.29                        |                              |
| Fair value of the plan assets at the end of the period.(Surplus Account)                                    | 143.81                       | 102.51                       |
| Surplus/(Deficit)                                                                                           | 116.51                       | 102.51                       |
| Unrecognised actuarial (Gain)/Loss                                                                          | —                            | —                            |
| Net asset/(liability) recognised in the Balance Sheet.                                                      | 116.51                       | 102.51                       |
| V Amount recognised in Statement of Other Comprehensive Income                                              |                              |                              |
| Opening amount recognised in OCI outside profit & loss account                                              | 29.07                        | —                            |
| Remeasurement for the period -Obligation (Gain)/Loss                                                        | 25.64                        | —                            |
| Remeasurement for the period -Plan Assets(Gain)/Loss                                                        | (33.38)                      | (29.07)                      |
| Total remeasurement cost/(credit) for the period recognised in OCI                                          | (7.73)                       | (29.07)                      |
| Closing amount recognised in OCI outside profit & loss account                                              | (36.81)                      | (29.07)                      |
| VI Expenses recognised in the statement of profit & loss                                                    |                              |                              |
| Current Service Cost                                                                                        | 1.65                         | —                            |
| Acquisition (Gain)/Loss                                                                                     | —                            | —                            |
| Past service cost                                                                                           | —                            | —                            |
| Net Interest (Income) /Expense                                                                              | (7.91)                       | (4.60)                       |
| Curtailment (Gain)/Loss                                                                                     | —                            | —                            |
| Settlement (Gain)/Loss                                                                                      | —                            | —                            |
| Net periodic benefit cost recognised in the statement of profit & loss at the end of the period.            | (6.26)                       | (4.60)                       |
| VII Total Expenses recognised in the Statement Of Profit & Loss                                             |                              |                              |
| Expenses recognised in the statement of Profit & Loss with with respect to expected interest rate shortfall | (6.26)                       | (4.60)                       |
| Expense relating to the contributions made by the employer                                                  | 197.87                       | 186.99                       |
| Total expense at the end of period.                                                                         | 191.60                       | 182.38                       |
| VIII Assumptions as at:                                                                                     |                              |                              |
| Mortality                                                                                                   |                              |                              |
| Interest/Discount Rate                                                                                      | 7.60%                        | 7.72%                        |
| Interest rate declared by EPFO for the period.                                                              | 8.65%                        | 8.65%                        |
| Yield Spread                                                                                                | 1.00%                        | 1.53%                        |
| Expected average remaining working lives of employees (in years)                                            | 15.98                        | 17.39                        |

## Notes to Financial Statements for the year ended 31-03-2019

### Note D: Other Information (Contd...)

#### 11 Disclosure of Related Parties & Related Party Transactions :

|   |                                         |                        |
|---|-----------------------------------------|------------------------|
| I | Related party over which control exists | Nature of relationship |
| i | Ugar Theatres Pvt. Ltd., .....          | Associate              |

|    |                                                                                                                      |
|----|----------------------------------------------------------------------------------------------------------------------|
| 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)            |
| iii | Shri. R. V. Desurkar             | ..... | General Manager Finance           |
| iv  | Shri. B. G. Kulkarni             | ..... | General Manager Corp. Affair & CS |

#### 2 Relatives of Key Management Personnel

#### Name of the transacting related party

#### Nature of relationship

|      |                                 |       |                                                                                          |
|------|---------------------------------|-------|------------------------------------------------------------------------------------------|
| I    | Shri. Shishir Suresh Shirgaokar | ..... | Father of MD-Niraj S. Shirgaokar                                                         |
| II   | Sou. Savita Shishir Shirgaokar  | ..... | Mother of MD-Niraj S. Shirgaokar                                                         |
| iii  | Sou. Asawari Niraj Shirgaokar   | ..... | Wife of MD-Shri. Niraj S. Shirgaokar                                                     |
| iv   | Shri. Arjun Niraj Shirgaokar    | ..... | Son of MD-Shri. Niraj S. Shirgaokar                                                      |
| v    | Kum. Anjini Niraj Shirgaokar    | ..... | Daughter of MD-Shri. Niraj S. Shirgaokar                                                 |
| vi   | Smt. Radhika Sanjeev Shirgaokar | ..... | Mother of MD-Shri. Chandan S. Shirgaokar                                                 |
| vii  | Sou. Geetali Chandan Shirgaokar | ..... | Wife of MD-Shri. Chandan S. Shirgaokar                                                   |
| viii | Kum. Swara Chandan Shirgaokar   | ..... | Daughter of MD-Shri. Chandan S. Shirgaokar                                               |
| ix   | Shri. Sohan Sanjeev Shirgaokar  | ..... | Director & Brother of MD-Chandan S. Shirgaokar                                           |
| x    | Sou. Gouri Sohan Shirgaokar     | ..... | Wife of Director-Sohan S. Shirgaokar.                                                    |
| xi   | Sanjeev Suresh Shirgaokar-HUF   | ..... | Smt.Radhika S. Shirgaokar is the Mother of MD Shri. Chandan S. Shirgaokar                |
| xii  | Gyanshree Enterpreises          | ..... | Smt.Radhika S. Shirgaokar is the Properitor and Mother of MD Shri. Chandan S. Shirgaokar |
| xiii | Sou. Bharati Rajan Desurkar     | ..... | Wife of Shri.R.V.Desurkar-General Manager Finance                                        |
| xiv  | Mr. Abhijit Rajan Desurkar      | ..... | Son of Shri. R.V.Desurkar-General Manager Finance                                        |
| xv   | Sou. Renu Kulkarni              | ..... | Wife of Shri. B.G.Kulkarni, General Manager Corp. Affairs and CS.                        |

## Notes to Financial Statements for the year ended 31-03-2019

### Note D: Other Information (Contd...)

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

| Name of the 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. Sohan Shirgaokar are the Directors.                                         |
| ii Sangli Fabricators Pvt Ltd ....                       | MD- Shri. Chandan S. Shirgaokar, Director Shri.Shishir Shirgaokar & 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 (LLP) Pvt. Ltd. ....       | MD-Shri.Chandan S. Shirgaokar, Director Shri. Shishir S. Shirgaokar, Shri.Sohan Shirgaokar, Radhika Shirgaokar Mother of MD- Shri.Chandan S. Shirgaokar are the Directors.                                                                                              |
| vi Shishir Shirgaokar Enterprises (LLP) 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 (LLP) 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 and Gauri Sohan Shirgaokar are the Directors.                 |
| viii Sanjeev Shirgaokar Enterprises (LLP) Pvt. Ltd. .... | MD-Shri.Chandan S. Shirgaokar, Director Shri. Sohan S. Shirgaokar and Mother of both Smt. Radhika S. Shirgaokar are Directors.                                                                                                                                          |
| ix Synergy Green Industries Ltd. ....                    | Shri. Niraj S. Shirgaokar-MD, Shri.Chandan S. Shirgaokar-MD, Chairman Shri. P.V.Shirgaokar, Director Shri. Shishir S. Shirgaokar, Shri.Sachin R. Shirgaokar and Shri.Sohan S. Shirgaokar, are Brother of Chairman Shri. R.V. Shirgaokar and Dr. M.R.Desai are Directors |

## Notes to Financial Statements for the year ended 31-03-2019

**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 KMPs |               | Related parties referred to in 3 above |               | Total         |                 |
|---------|------------------------------------------------|---------------------|-------------|--------------------------|---------------|-------------------|---------------|----------------------------------------|---------------|---------------|-----------------|
|         |                                                | 2018-19             | 2017-18     | 2018-19                  | 2017-18       | 2018-19           | 2017-18       | 2018-19                                | 2017-18       | 2018-19       | 2017-18         |
| 1       | Remuneration Paid / Commission                 | —                   | —           | 265.66                   | 336.30        | —                 | 4.30          | —                                      | —             | 265.66        | 340.60          |
| 2       | Sitting Fees                                   | —                   | —           | —                        | —             | 1.70              | 3.30          | —                                      | —             | 1.70          | 3.30            |
| 3       | Purchase of Sugarcane                          | —                   | —           | —                        | —             | —                 | —             | —                                      | —             | —             | —               |
| 4       | Purchase of Plant and Machinery                | —                   | —           | —                        | —             | —                 | —             | 233.38                                 | 329.23        | 233.38        | 329.23          |
| 5       | Purchase of Other Items                        | —                   | —           | —                        | —             | —                 | —             | —                                      | —             | —             | —               |
| 6       | Sales - Others / Consultancy                   | —                   | —           | —                        | —             | —                 | —             | 3.87                                   | 8.56          | 3.87          | 8.56            |
| 7       | Exempt Deposits from Directors                 | —                   | —           | —                        | —             | 28.02             | 28.02         | —                                      | —             | 28.02         | 28.02           |
| 8       | Deposits Refunded                              | —                   | —           | —                        | —             | 28.02             | 28.02         | —                                      | —             | 28.02         | 28.02           |
| 9       | Interest Paid                                  | —                   | —           | —                        | —             | 2.67              | 2.70          | —                                      | —             | 2.67          | 2.70            |
| 10      | Dividend Received                              | —                   | 0.22        | —                        | —             | —                 | —             | —                                      | —             | —             | 0.22            |
| 11      | Dividend Paid                                  | —                   | —           | —                        | 1.45          | —                 | 6.99          | —                                      | 55.85         | —             | 64.30           |
| 12      | Redemption of Pref. Share                      | —                   | —           | —                        | —             | —                 | —             | —                                      | 165.00        | —             | 165.00          |
| 13      | Consultancy / Repairs / Others                 | —                   | —           | —                        | —             | —                 | —             | —                                      | 247.61        | —             | 247.61          |
| 14      | Warehousing Charges/ Rent Paid                 | 2.50                | 3.15        | —                        | —             | 44.16             | 44.16         | —                                      | —             | 46.66         | 47.31           |
| 15      | Advance in the nature of reimbursement         | —                   | 0.38        | 3.76                     | 46.94         | —                 | 0.86          | —                                      | —             | 3.76          | 48.18           |
| 16      | Advance not in the nature of reimbursement     | —                   | 0.28        | 12.84                    | 49.30         | —                 | —             | —                                      | —             | 12.84         | 49.58           |
| 17      | Advance adjusted against reimbursement/ Repaid | —                   | —           | 16.35                    | —             | —                 | —             | —                                      | —             | 16.35         | —               |
| 18      | Outstanding Balances as on 31-03-2019          | —                   | —           | —                        | —             | —                 | —             | —                                      | —             | —             | —               |
|         | Payables                                       | 2.28                | 1.36        | 0.25                     | 1.71          | 0.25              | 0.20          | 1.40                                   | 41.64         | 4.18          | 44.91           |
|         | Receivables                                    | —                   | —           | —                        | 0.29          | 0.86              | 0.86          | —                                      | 1.08          | 0.86          | 2.23            |
|         | <b>Total</b>                                   | <b>4.78</b>         | <b>5.38</b> | <b>298.86</b>            | <b>435.99</b> | <b>105.68</b>     | <b>119.43</b> | <b>238.66</b>                          | <b>848.97</b> | <b>647.98</b> | <b>1,409.77</b> |

## Notes to Financial Statements for the year ended 31-03-2019

### 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 31-03-2019:

| Description                                                                                                                                                                                                      | 31/03/2019<br>Rs. Lakh | 31/03/2018<br>Rs. Lakh |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| i. Principal amount remaining unpaid to such suppliers as at the year end                                                                                                                                        |                        |                        |
| i. Principal amount remaining unpaid to such suppliers as at the year end                                                                                                                                        | 42.98                  | 9.97                   |
| ii. Interest due thereon remaining unpaid to the suppliers as at the year end                                                                                                                                    | —                      | —                      |
| 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 |                        |                        |

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

| Name of the Company        | Loans & Advances                                        |                                                                 | Investments                                                                |                                                                                |
|----------------------------|---------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------|
|                            | Amount<br>Outstanding<br>as at<br>31/03/2019<br>Rs.Lakh | Maximum<br>Balance<br>Outstanding<br>during the year<br>Rs.Lakh | (in Equity<br>Shares)<br>Amount Outstanding<br>as at 31/03/2019<br>Rs.Lakh | (in Preference<br>Shares)<br>Amount Outstanding<br>as at 31/03/2019<br>Rs.Lakh |
| <b>Associates</b>          |                                                         |                                                                 |                                                                            |                                                                                |
| i. Ugar Theatres Pvt. Ltd. | 2.28                                                    | 2.28                                                            | 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.
- Advance amount of Rs. 44.76/- Lakhs is paid for Purchase of shares of Ugar Theatres Pvt. Ltd.

## 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 31-03-2019

### 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.

### 14.1 Categories of financial instruments:

(Rs. Lakh)

| Particulars                                                              | Carrying Amount |                | Fair Value     |                |
|--------------------------------------------------------------------------|-----------------|----------------|----------------|----------------|
|                                                                          | March 31, 2019  | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| <b>FINANCIAL ASSETS</b>                                                  |                 |                |                |                |
| Fair value through Profit and Loss Account (FVTPL) Investments           | 371.98          | 402.82         | 421.03         | 402.82         |
| Amortised cost                                                           |                 |                |                |                |
| Non-Current Assets                                                       |                 |                |                |                |
| Investments                                                              | 49.05           | 44.06          | 4.29           | 4.29           |
| Security Deposit                                                         | 91.95           | 92.15          | 91.95          | 92.1           |
| Deposit with Banks                                                       | –               | –              | –              | –              |
| <b>Current Assets</b>                                                    |                 |                |                |                |
| Trade receivable                                                         | 2,831.35        | 4,454.53       | 2,831.35       | 4,454.53       |
| Cash in hand                                                             | 18.24           | 16.41          | 18.24          | 16.41          |
| Balance with banks in current account                                    | 182.53          | 2,136.54       | 182.53         | 2,136.54       |
| Balance with banks in deposit account – original maturity upto 12 months | 104.32          | 94.27          | 104.32         | 94.27          |
| Accrued Interest On Bank Deposits                                        | 3.90            | 6.86           | 3.90           | 6.86           |
| <b>FINANCIAL LIABILITIES</b>                                             |                 |                |                |                |
| Amortised cost                                                           |                 |                |                |                |
| Non-Current Liabilities                                                  |                 |                |                |                |
| Borrowing                                                                | 0.00            | 1,056.95       | 0.00           | 1,056.95       |
| Current liabilities                                                      |                 |                |                |                |
| Short-term Borrowing                                                     | 40,854.43       | 33,023.96      | 40,854.43      | 33,023.9       |
| Trade Payable                                                            | 20,639.72       | 26,847.96      | 20,639.72      | 26,847.96      |
| Other Financial Liabilities                                              | 15,387.26       | 14,104.65      | 15,387.26      | 14,104.65      |

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.

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## Notes to Financial Statements for the year ended 31-03-2019

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### Note D: Other Information (Contd...)

#### 14.2 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 Ind AS 113 – Fair Value Measurement.

#### 14.3 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.

##### **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.

## Notes to Financial Statements for the year ended 31-03-2019

### Note D: Other Information (Contd...)

#### 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:

(Amount in Rs. Lakh)

| Particulars                                                              | March 31, 2019     |               |                   |                      |                   |              |
|--------------------------------------------------------------------------|--------------------|---------------|-------------------|----------------------|-------------------|--------------|
|                                                                          | Less than 3 months | 3 to 6 months | 6 month to 1 year | Between 1 and 2 year | More than 2 years | Total Mar 19 |
| Financial Assets                                                         |                    |               |                   |                      |                   |              |
| Non – derivative                                                         |                    |               |                   |                      |                   |              |
| Non-Current Assets                                                       |                    |               |                   |                      |                   |              |
| Investments                                                              |                    |               |                   |                      | 49.05             | 49.05        |
| Security Deposit                                                         |                    |               | –                 | 0.40                 | 91.54             | 91.94        |
| Deposit with Banks                                                       |                    |               |                   |                      |                   | -            |
| Current Assets                                                           |                    |               |                   |                      |                   |              |
| Trade receivable                                                         | 2,831.35           |               |                   |                      |                   | 2,831.35     |
| Cash in hand                                                             | 18.24              |               |                   |                      |                   | 18.24        |
| Balance with banks in current account                                    | 182.53             |               |                   |                      |                   | 182.53       |
| Balance with banks in deposit account – original maturity upto 12 months | –                  | –             | –                 | 104.32               |                   | 104.32       |
| Accrued Interest On Bank Deposits                                        | 3.90               | –             | –                 | –                    | 3.90              |              |
| Financial Liabilities                                                    |                    |               |                   |                      |                   |              |
| Non-Current Liabilities                                                  |                    |               |                   |                      |                   |              |
| Borrowing                                                                |                    |               |                   |                      |                   |              |
| Current liabilities                                                      |                    |               |                   |                      |                   |              |
| Short-term Borrowing                                                     | 40,854.43          |               |                   |                      |                   | 40,854.43    |
| Trade Payable                                                            | 20,639.72          |               |                   |                      |                   | 20,639.72    |
| Other Financial Liabilities                                              | 15,387.26          |               |                   |                      |                   | 15,387.26    |

## Notes to Financial Statements for the year ended 31-03-2019

### Note D: Other Information (Contd...)

(Amount in Rs. Lakh)

| Particulars                                                              | March 31, 2018     |               |                   |                      |                   | Total Mar 19 |
|--------------------------------------------------------------------------|--------------------|---------------|-------------------|----------------------|-------------------|--------------|
|                                                                          | 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              | 4.12                 | 83.94             | 92.15        |
| Deposit with Banks                                                       |                    |               |                   |                      |                   |              |
| Current Assets                                                           |                    |               |                   |                      |                   |              |
| Trade receivable                                                         | 4454.53            |               |                   |                      |                   | 4454.53      |
| Cash in hand                                                             | 16.41              |               |                   |                      |                   | 16.41        |
| Balance with banks in current account                                    | 2136.54            |               |                   |                      |                   | 2136.54      |
| Balance with banks in deposit account – original maturity upto 12 months | 40                 | 14.85         | 39.42             |                      |                   | 94.27        |
| Accrued Interest On Bank Deposits                                        | 5.39               | 0.68          | 0.79              |                      |                   | 6.86         |
| Financial Liabilities                                                    |                    |               |                   |                      |                   |              |
| Non-Current Liabilities                                                  |                    |               |                   |                      |                   |              |
| Borrowing                                                                |                    |               |                   | 1,056.95             |                   | 1,056.95     |
| Current liabilities                                                      |                    |               |                   |                      |                   |              |
| Short-term Borrowing                                                     | 33,023.96          |               |                   |                      |                   | 33,023.96    |
| Trade Payable                                                            | 26,847.96          |               |                   |                      |                   | 26,847.96    |
| Other Financial Liabilities                                              | 14,104.65          |               |                   |                      |                   | 14,104.65    |

### 13.4 Taxes on income

The major components of Income Tax Expense for the year ended March 2019 and March 2018 are:

(i) Statement of Profit or Loss

| Particulars                                       | March 31, 2019 | March 31, 2018 |
|---------------------------------------------------|----------------|----------------|
| Current Tax                                       | –              | –              |
| Short/(Excess) provision of tax for earlier years | 0.33           |                |
| Deferred Tax                                      | 112.51         | 186.07         |
| Total Income Tax Expense                          | 112.84         | 186.07         |

(ii) Other Comprehensive Income

(Amount in Rs. Lakh.)

| Particulars                                                                         | March 31, 2019 | March 31, 2018 |
|-------------------------------------------------------------------------------------|----------------|----------------|
| Deferred Tax relating to Net Gain/(Loss) on re-measurement of defined benefit plans | 72.84          | (113.81)       |

## Notes to Financial Statements for the year ended 31-03-2019

**Note D: Other Information (Contd...)**

(iii) Movement of deferred tax

(Amount in Rs. Lakh)

| Particulars                                                                                | 31-03-2019      |                                 |                   |                 |
|--------------------------------------------------------------------------------------------|-----------------|---------------------------------|-------------------|-----------------|
|                                                                                            | Opening Balance | Recognised in profit and (Loss) | Recognised in OCI | Closing Balance |
| Tax effect of items constituting deferred tax liabilities<br>Property, Plant and Equipment | (1706.09)       | (161.87)                        | –                 | (1867.96)       |
|                                                                                            | (1706.09)       | (161.87)                        | –                 | (1867.96)       |
| Tax effect of items constituting deferred tax assets                                       |                 |                                 |                   |                 |
| Provisions                                                                                 | 111.01          | ( 17.00)                        | –                 | 128.01          |
| Other Items                                                                                | 650.16          | (32.36)                         | 72.84             | 609.68          |
|                                                                                            | 761.17          | (49.36)                         | 72.84             | 737.69          |
| Net Tax Asset (Liabilities)                                                                | (944.92)        | (112.51)                        | (72.84)           | (1130.27)       |

(Amount in Rs. Lakh)

| Particulars                                                                                | 31-03-2018      |                                 |                   |                 |
|--------------------------------------------------------------------------------------------|-----------------|---------------------------------|-------------------|-----------------|
|                                                                                            | Opening Balance | Recognised in profit and (Loss) | Recognised in OCI | Closing Balance |
| Tax effect of items constituting deferred tax liabilities<br>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)        |

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**Notes to Financial Statements for the year ended 31-03-2019**

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**Note D: Other Information (Contd...)**

- 13.5 The company formed CSR committee as constituted pursuant to Companies Act 2013. During the year under review, the Company has not spent, since last 3 years average Profit/(Loss) is negative (March 31, 2018 – Rs.22.50 Lakhs/-).
14. Figures of the previous year have been regrouped / rearranged / recast where necessary.
15. Figures in the brackets pertain to previous year.
- 

**Signatures to Notes 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 : 22-05-2019

CIN: L15421PN1939PLC006738

Name of the company: The Ugar Sugar Works Limited

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

**ATTENDANCE SLIP FOR 79<sup>th</sup> ANNUAL GENERAL MEETING**

To be Held on Wednesday day, the 14<sup>th</sup> August, 2019 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 79<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, the 14<sup>th</sup> August, 2019 at 11.00 a.m. at Deccan Manufactures Association, Madhav Nagar Road, Sangli 416 416 and at any adjournment thereof.

Shareholder/ Proxy's Signature: \_\_\_\_\_



Cut here

**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 79<sup>th</sup> Annual general meeting of the company, to be held on Wednesday, the 14<sup>th</sup> day of August, 2019 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                                                                                                                                                                                                                                                                     |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Ordinary Business</b> |                                                                                                                                                                                                                                                                                                                                       |
| 1.                       | To receive, consider and adopt the audited Balance Sheet as on 31 <sup>st</sup> March, 2019 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. Sachin. R. Shirgaokar (DIN NO- 00254442) who retires by rotation and being eligible, offers himself for re-appointment.                                                                                                                                                                         |
| 3.                       | To appoint a Director in place of Mr. Sohan. S. Shirgaokar (DIN NO- 00217631) who retires by rotation and being eligible, offers himself for re-appointment                                                                                                                                                                           |
| <b>Special Business</b>  |                                                                                                                                                                                                                                                                                                                                       |
| 4.                       | To re-appointment of Mr. Rakesh Kapoor (DIN: 00015358) who was appointed as an Independent Directors and who holds office up to this AGM and being eligible be and is hereby re-appointed as an independent Director of the Company for second term for the period of 3 (three) year, to hold office up to AGM to be held in 2022     |
| 5.                       | To re-appointment of Dr. M R Desai (DIN: 01625500) who was appointed as an Independent Directors and who holds office up to this AGM and being eligible be and is hereby re-appointed as an independent Director of the Company for second term for the period of 3 (three) year, to hold office up to AGM to be held in 2022         |
| 6.                       | To re-appointment of Mr. V Balasubramanian (DIN: 00026561) who was appointed as an Independent Directors and who holds office up to this AGM and being eligible be and is hereby re-appointed as an independent Director of the Company for second term for the period of 3 (three) year, to hold office up to AGM to be held in 2022 |
| 7.                       | To re-appointment of Mr. D B Shah (DIN: 01822411) who was appointed as an Independent Directors and who holds office up to this AGM and being eligible be and is hereby re-appointed as an independent Director of the Company for second term for the period of 3 (three) year, to hold office up to AGM to be held in 2022          |
| 8.                       | To appointment of Mr. S. S. Gangavati (DIN: 06470675), as an independent Director of the Company in the place of retiring Director in this AGM for the period of three(3) year with effect from this AGM, up to AGM to be held in 2022                                                                                                |
| 9.                       | To appointment of Mrs Suneeta Thakur (DIN: 06864894), as an independent Director of the Company in the place of retiring Director in this AGM for the period of three(3) year with effect from this AGM, up to AGM to be held in 2022                                                                                                 |
| 10.                      | To consider and ratify the remuneration payable to Cost Auditor.                                                                                                                                                                                                                                                                      |

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

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

**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.

### The Progress of Your Company for last 25 Years

| Year Ending           | Total Income | Reserves and Surplus | Fixed Assets | Rate of Dividend | Cane Crushed | Sugar Produced |
|-----------------------|--------------|----------------------|--------------|------------------|--------------|----------------|
|                       | Rs. Lakh     | Rs. Lakh             | Rs. Lakh     | %                | MT           | Qtls           |
| <b>30th September</b> |              |                      |              |                  |              |                |
| 1995                  | 19,870.41    | 631.03               | 1,578.93     | 30%              | 11,78,846    | 14,46,350      |
| 1996                  | 18,768.07    | 1,079.24             | 1,579.08     | 22.5%            | 13,93,790    | 15,37,975      |
| 1997                  | 16,651.47    | 1,308.91             | 2,477.41     | 22.5%            | 9,47,340     | 11,05,039      |
| 1998                  | 20,254.77    | 1,476.68             | 5,351.66     | 22.5%            | 11,30,355    | 13,10,645      |
| 1999                  | 22,895.62    | 1,931.81             | 6,064.17     | 25%              | 13,99,603    | 15,51,260      |
| 2000                  | 26,681.52    | 2,714.81             | 6,519.12     | 30%              | 14,25,023    | 17,16,100      |
| 2001                  | 25,464.73    | 4,113.77             | 5,818.56     | 35%              | 11,89,443    | 14,82,057      |
| 2002                  | 23,511.06    | 3,609.39             | 8,666.63     | 10%              | 12,22,416    | 14,32,455      |
| 2003                  | 24,575.99    | 3,489.30             | 7,968.82     | Nil              | 14,67,798    | 17,24,490      |
| 2004                  | 20,287.75    | 4,201.60             | 8,043.91     | 30%              | 8,37,383     | 8,76,430       |
| 2005                  | 29,822.75    | 4,815.51             | 7,402.30     | 20%              | 10,46,480    | 11,63,180      |
| 2006                  | 48,197.14    | 5,402.95             | 10,664.00    | 20%              | 18,76,166    | 21,87,595      |
| <b>31st March</b>     |              |                      |              |                  |              |                |
| 2007                  | 30,569.86    | 5,579.49             | 16,762.13    | Nil              | 16,68,394    | 19,40,351      |
| 2008                  | 38,257.74    | 6,513.81             | 21,241.75    | 20%              | 19,49,390    | 22,11,445      |
| 2009                  | 41,556.72    | 9,246.67             | 21,581.40    | 25%              | 13,19,427    | 14,68,445      |
| 2010                  | 56,651.44    | 7,243.02             | 19,615.01    | Nil              | 15,75,618    | 17,86,430      |
| 2011                  | 63,331.97    | 7,644.60             | 17,524.51    | Nil              | 17,16,325    | 19,40,680      |
| 2012                  | 66,306.29    | 9,026.96             | 15,721.77    | 25%              | 19,43,592    | 22,51,160      |
| 2013                  | 72,331.18    | 10,508.73            | 17,603.82    | 20%              | 15,03,593    | 15,83,700      |
| 2014                  | 65,221.14    | 7,532.86             | 15,990.48    | Nil              | 17,24,930    | 19,56,070      |
| 2015                  | 65,553.46    | 7,170.38             | 17,146.16    | Nil              | 20,07,570    | 23,09,560      |
| 2016                  | 84,612.92    | 7,960.15             | 16,066.94    | 25%              | 20,66,671    | 23,23,030      |
| 2017                  | 59,381.80    | 10,302.83            | 16,751.73    | 20%              | 9,92,467     | 10,51,815      |
| 2018                  | 80,191.41    | 3,408.38             | 16,443.14    | Nil              | 21,29,061    | 24,02,026      |
| 2019                  | 91,217.29    | 3988.27              | 15,227.05    | Nil              | 19,30,754    | 22,76,090      |

#### Notes:

- Bonus shares of the value of Rs. 7.47 lakh, Rs. 10.65 lakh, Rs. 16.82 lakh, Rs. 50.00 lakh, Rs. 75.00 lakh and Rs. 337.50 lakh were issued as fully paid bonus shares, respectively in the years 1950-51, 1966-67, 1973-74, 1994-95, 1997-98 and 2004-05, by capitalization of reserves.
- The Accounting year those ended on 30-09-1995 comprised of 18 months and those ended on 31-03-2007 comprised of 6 months only.
- Dividend for the year ended 30-09-1995 includes interim dividend.
- Total Income includes value of sales, income from bye-products and other income.
- Figures relating to FY ended 2005-06, 2006-07 includes figures of Tasgaon and Phaltan and 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 includes figures of Jewargi unit.