

THE UGAR SUGAR WORKS LIMITED

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TIN No. : 29520007001

Dear Shareholders,

Notice pursuant to Section 192A(2) of the Companies Act, 1956.

According to section 293(1)(a) of the Companies Act, 1956 (the Act), a sale, lease or disposal of the whole or substantially whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking requires the approval of the shareholders by way of an Ordinary resolution.

The Company Proposes to :

Transfer by way of sale of its Sugar Plant (comprising of 2500 TCD Sugar manufacturing facility and 15 MW Co-Generation facility) in Nagarhalli-Malli, Tal:-Jewargi Gulbarga District, Karnataka, commonly known as **"The Ugar Sugar Works Ltd., Jewargi (Malli)"** and is, therefore, seeking your consent for such proposals as contained in the proposed Ordinary Resolution appended below, An Explanatory Statement pertaining to the Resolution setting out all material facts and the reasons for which such resolution is proposed is also annexed.

As per section 192A of the Act, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, consent of the shareholders for the above purpose is required to be obtained by means of a Postal Ballot. Accordingly the said proposed Ordinary Resolution and Explanatory Statement is being sent to you along with a Postal Ballot form for your consideration. You are requested to carefully read the instructions before filling the Postal Ballot Form and mail the duly completed, in the attached self addressed postage pre-paid envelope so as to reach the Scrutinizer before close of working hours on or **before Saturday the 12th February, 2011, at the Company's registered office at Mahaveer Nagar, Wakhar Bhag, Sangli-416416.**

The Company has appointed **Mr. Sachin Chaddawa, Practicing Company Secretary** as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The Scrutinizer will scrutinize the ballot and submit his report to the Chairman of the Board of directors not later than **Thursday the 17th February 2011, at 11.00 a.m.**

The Chairman or any other Director authorised by him shall announce the results of the postal ballot at the Registered office of the Company **at 3.00 p.m. on Thursday the 17th February, 2011.** The date of declaration of results of postal ballot shall be taken as the date of passing of the resolution.

ORDINARY RESOLUTION :

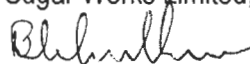
1. To consider and, if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

"Resolved that subject to the consent, approval and permission being obtained from appropriate authorities to the extent applicable or necessary, consent of the Company be and is hereby given pursuant to Section

293(1)(a) of the Companies Act, 1956, to the sale of the Company's undertaking (comprising 2500 TCD Sugar and 15 MW power generation facility) situated at Malli-nagarhalli Taluka Jewargi, Dist. Gulbarga, Karnataka State (commonly known as the Jewargi Unit) engaged in the business of manufacture and sale of Sugar and generation and export of 15MW power at such consideration, on such terms and conditions and with effect from such date as the Board of Directors of the Company may think fit and that the Board of Directors of the Company (which shall include a Committee of Directors constituted for this purpose) be and is hereby authorised to complete the sale of the said undertaking with such modifications as may be required by any of the concerned authorities or which it may deem to be in the interest of the Company and to do all such acts, deeds, matters and things as may be deemed necessary and / or expedient in the interest of the Company".

Ugarkhurd
04.01.2011

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



B. G. Kulkarni
Company Secretary

EXPLANATORY STATEMENT

(Pursuant to Section 173 of the Companies Act, 1956)

As required by section 173(2) of the Companies Act, 1956, the following statement sets out all material facts relating to the Ordinary Resolution under item No.1 mentioned in the accompanying notice dated 4th January, 2011 and should be taken as forming part of it.

Item No.1

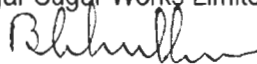
The board of directors feels that it is in the best interest of the company to sell the Jewargi unit in view of good potential price which will help the company to tide over its tight financial position.

The sell of Jewargi unit will be done in total conformity with the provisions of all applicable laws ensuring that the services of the employees would be transferred to the unit of purchaser with continuity of services and full protection of their existing terms and conditions. The price for transfer of unit will be decided by the board of directors in the best interest of the company,

None of the Directors of the Company is interested in the resolution.

The Board of Directors recommends the Ordinary resolution for your approval.

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



B. G. Kulkarni
Company Secretary

Ugarkhurd
Date : 04.01.2011

THE UGAR SUGAR WORKS LIMITED

Regd.Office : Mahaveer Nagar, Wakhar Bhag, Sangli – 416 416

POSTAL BALLOT FORM

(To be returned to the Company)

1. Name(s) of Shareholder(s) :
(in block letters) :
(including joint holders, if any) :
2. Registered address of the :
Sole/First named Shareholder :
3. Folio No./DP ID No./Client ID No. :
(*Applicable to investors holding :
shares in dematerialised form) :
4. Number of shares held :
5. I/We hereby exercise my/our vote in respect of the Ordinary/Special Resolution to be passed through Postal Ballot for the business stated in the notice of the Company by conveying my/our assent or dissent to the said Resolution by placing the tick (v) mark in the appropriate box below :

Item No.	Description	No.of shares	I/We assent to the Resolution	I/We dissent the Resolution
(1)	Ordinary Resolution pursuant to section 293(1)(a) of the Companies Act, 1956, authorising the Board to sale, lease or dispose the whole or substantially whole of the undertaking of the company.			

Place:

Date:

(Signature of the Shareholder)

INSTRUCTIONS

1. A shareholder desiring to exercise his vote by Postal Ballot may complete this postal ballot form and send it to the Scrutinizer in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots, if deposited in person or sent by courier at the expense of the shareholder will also be accepted.
2. The self-addressed envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Company.
3. This postal ballot form should be completed and signed by the shareholder. Unsigned postal ballot forms will be rejected.
4. Where the postal ballot form has been signed by an authorised representative of a body corporate, a certified copy of the relevant authorisation to vote on the Postal Ballot should accompany the postal ballot form. Where the form has been signed by a representative of the President of India or of the Governor of a State, a certified copy of the nomination should accompany the postal ballot form. A member may sign the form through an Attorney appointed specifically for this purpose, in which case an attested true copy of the Power of Attorney should be attached to the postal ballot form.
5. A shareholder need not use all his votes nor he needs to cast all his votes in the same way.
6. Duly completed postal ballot forms should reach the Scrutinizer not later than the close of working hours **on Saturday, the 12th February, 2011**. Any postal ballot form received after this date will be treated as if the reply from the shareholder has not been received.
7. A shareholder may request for a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer not later than the date specified at item 6 above.
8. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholder **on 7th January, 2011**

Shareholders are requested not to send any other paper along with the postal ballot form in the enclosed self-addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutiniser.