

**THE UGAR SUGAR WORKS LIMITED**

Regd. Office: Mahaveernagar, Sangli 416416  
 Administrative Offices: Ugarkhurd 591316 (Dist. Belgaum)  
 Factories: Ugarkhurd (Dist. Belgaum) and Nagarhalli-Malli Village (Dist. Gulbarga)

**PART I**

(Amount in Rs. Lakh)

**STATEMENT OF UNAUDITED FINANCIAL RESULTS  
 FOR THE QUARTER AND SIX MONTHS ENDED 30th SEPTEMBER, 2014**

|   | ← Quarter Ended →         |                           |                           | ← Six Months Ended →      |                           | Year Ended<br>31/03/2014<br>(Audited) |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------------------|
|   | 30/09/2014<br>(Unaudited) | 30/06/2014<br>(Unaudited) | 30/09/2013<br>(Unaudited) | 30/09/2014<br>(Unaudited) | 30/09/2013<br>(Unaudited) |                                       |
| <b>1. Income from Operations</b>  |                           |                           |                           |                           |                           |                                       |
| (a) Net Sales / Income from operations<br>(Net of excise duty)  | 13,330.44                 | 27,949.13                 | 12,959.76                 | 41,279.57                 | 25,401.55                 | 64,226.03                             |
| (b) Other Operating Income  | -                         | -                         | -                         | -                         | -                         | -                                     |
| <b>Total income from Operations (Net)</b>   | <b>13,330.44</b>          | <b>27,949.13</b>          | <b>12,959.76</b>          | <b>41,279.57</b>          | <b>25,401.55</b>          | <b>64,226.03</b>                      |
| <b>2. Expenses</b>  |                           |                           |                           |                           |                           |                                       |
| (a) Cost of materials consumed  | 752.72                    | 4,669.30                  | 541.90                    | 5,422.02                  | 1,081.51                  | 43,960.81                             |
| (b) Other Manufacturing Expenses  | 642.04                    | 354.42                    | 766.40                    | 996.46                    | 1,082.38                  | 2,288.87                              |
| (c) Purchase of Stock in trade  | 481.61                    | 645.90                    | 377.72                    | 1,127.51                  | 850.28                    | 2,535.42                              |
| (d) Change in inventories of finished goods,<br>work-in-progress and stock-in-trade                       | 10,012.71                 | 19,587.19                 | 12,373.29                 | 29,599.90                 | 23,234.29                 | 5,881.61                              |
| (e) Employee benefit expenses   | 1,343.23                  | 1,300.32                  | 1,190.44                  | 2,643.55                  | 2,316.19                  | 5,562.81                              |
| (f) Depreciation & amortisation expense   | 514.91                    | 516.33                    | 618.60                    | 1,031.24                  | 1,236.84                  | 2,560.60                              |
| (g) Other expenses  | 479.91                    | 474.70                    | 454.20                    | 954.61                    | 741.51                    | 1,853.57                              |
| <b>Total Expenses</b>   | <b>14,227.13</b>          | <b>27,548.16</b>          | <b>16,322.55</b>          | <b>41,775.29</b>          | <b>30,543.00</b>          | <b>64,643.69</b>                      |
| <b>3. Profit from operations before other income,<br/>finance costs and exceptional items (1 - 2)</b>     | <b>(896.69)</b>           | <b>400.97</b>             | <b>(3,362.79)</b>         | <b>(495.72)</b>           | <b>(5,141.45)</b>         | <b>(417.66)</b>                       |
| 4. Other Income   | 39.80                     | 52.96                     | 201.90                    | 92.76                     | 314.25                    | 995.11                                |
| <b>5. Profit from operations before finance costs<br/>and exceptional items (1 - 2)</b>                   | <b>(856.89)</b>           | <b>453.93</b>             | <b>(3,160.89)</b>         | <b>(402.96)</b>           | <b>(4,827.20)</b>         | <b>577.45</b>                         |
| 6. Finance costs  | 315.70                    | 527.66                    | 889.73                    | 843.36                    | 1,932.74                  | 3,332.90                              |
| <b>7. Profit from operations after finance costs but<br/>before exceptional items (1 - 2)</b>             | <b>(1,172.59)</b>         | <b>(73.73)</b>            | <b>(4,050.62)</b>         | <b>(1,246.32)</b>         | <b>(6,759.94)</b>         | <b>(2,755.45)</b>                     |
| 8. Exceptional Items  | -                         | -                         | -                         | -                         | -                         | -                                     |
| <b>9. Profit from ordinary activities before tax<br/>(7 ± 8)</b>  | <b>(1,172.59)</b>         | <b>(73.73)</b>            | <b>(4,050.62)</b>         | <b>(1,246.32)</b>         | <b>(6,759.94)</b>         | <b>(2,755.45)</b>                     |
| 10. Tax expense   | (99.17)                   | (0.25)                    | (220.97)                  | (99.42)                   | (393.36)                  | 220.42                                |
| <b>11. Profit from ordinary activities after tax<br/>(9 ± 10)</b>   | <b>(1,073.42)</b>         | <b>(73.48)</b>            | <b>(3,829.65)</b>         | <b>(1,146.90)</b>         | <b>(6,366.58)</b>         | <b>(2,975.87)</b>                     |
| 12. Extraordinary items (net of tax expense)  | -                         | -                         | -                         | -                         | -                         | -                                     |
| <b>13. Net Profit for the period (11 ± 12)</b>  | <b>(1,073.42)</b>         | <b>(73.48)</b>            | <b>(3,829.65)</b>         | <b>(1,146.90)</b>         | <b>(6,366.58)</b>         | <b>(2,975.87)</b>                     |
| 14. Paid-up equity share capital<br>(Face Value per Share - Re.1)   | 1,125.00                  | 1,125.00                  | 1,125.00                  | 1,125.00                  | 1,125.00                  | 1,125.00                              |
| 15. Reserves excluding Revaluation Reserve as per<br>the balance sheet of the previous accounting<br>year |                           |                           |                           |                           |                           | 7,532.86                              |
| <b>16.i Earnings per share (before extraordinary<br/>items) of Re. 1 (not annualised)</b>                 | <b>Rs.</b>                | <b>Rs.</b>                | <b>Rs.</b>                | <b>Rs.</b>                | <b>Rs.</b>                | <b>Rs.</b>                            |
| (a) Basic   | (0.95)                    | (0.07)                    | (3.40)                    | (1.02)                    | (5.66)                    | (2.65)                                |
| (b) Diluted   | (0.95)                    | (0.07)                    | (3.40)                    | (1.02)                    | (5.66)                    | (2.65)                                |
| <b>16.ii Earnings per share (after extraordinary items)<br/>of Re. 1 (not annualised)</b>                 | <b>Rs.</b>                | <b>Rs.</b>                | <b>Rs.</b>                | <b>Rs.</b>                | <b>Rs.</b>                | <b>Rs.</b>                            |
| (a) Basic   | (0.95)                    | (0.07)                    | (3.40)                    | (1.02)                    | (5.66)                    | (2.65)                                |
| (b) Diluted   | (0.95)                    | (0.07)                    | (3.40)                    | (1.02)                    | (5.66)                    | (2.65)                                |

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**PART II**

**SELECT INFORMATION  
 FOR THE QUARTER AND SIX MONTHS ENDED 30th SEPTEMBER, 2014**

|  | <-- Quarter Ended -->                   |                |                             | <-- Six Months Ended -->       |            | Year Ended                                     |
|--|---|----------------|-----------------------------|--------------------------------|------------|--|
|  | 30/09/2014                              | 30/06/2014     | 30/09/2013                  | 30/09/2014                     | 30/09/2013 | 31/03/2014                                     |
| <b>A PARTICULARS OF SHAREHOLDING</b>   |   |                |                             |                                |            |  |
| 1. Public Shareholding   |   |                |                             |                                |            |  |
| - Number of shares   | <b>60,234,971</b>                       | 60,142,691     | 60,045,147                  | <b>60,234,971</b>              | 60,045,147 | 59,990,451                                     |
| - Percentage of shareholding   | <b>53.54%</b>                           | 53.46%         | 53.37%                      | <b>53.54%</b>                  | 53.37%     | 53.32%   |
| 2. Promoters & Promoter Group Shareholding   |   |                |                             |                                |            |  |
| a) Pledged / Encumbered  |   |                |                             |                                |            |  |
| - Number of shares   | <b>Nil</b>                              | Nil            | 1,000,000                   | <b>Nil</b>                     | 1,000,000  | Nil  |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | <b>Not Applicable</b>                   | Not Applicable | 1.91%                       | <b>Not Applicable</b>          | 1.91%      | Not Applicable                                 |
| - Percentage of shares (as a % of the total share capital of the company)                | <b>Not Applicable</b>                   | Not Applicable | 0.89%                       | <b>Not Applicable</b>          | 0.89%      | Not Applicable                                 |
| b) Non-encumbered  |   |                |                             |                                |            |  |
| - Number of shares   | <b>52,265,029</b>                       | 52,357,309     | 51,454,853                  | <b>52,265,029</b>              | 51,454,853 | 52,509,549                                     |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | <b>100.00%</b>                          | 100.00%        | 98.09%                      | <b>100%</b>                    | 98.09%     | 100.00%  |
| - Percentage of shares (as a % of the total share capital of the company)                | <b>46.46%</b>                           | 46.54%         | 45.74%                      | <b>46%</b>                     | 45.74%     | 46.68%   |
| <b>B INVESTOR COMPLAINTS</b>   |   |                |                             |                                |            |  |
|  | Pending at the beginning of the quarter |                | Received during the quarter | Disposed of during the quarter |            | Remaining unresolved at the end of the quarter |
|  | NIL                                     |                | NIL                         | NIL                            |            | NIL  |

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(Amount in Rs. Lakh)

### UNAUDITED SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER AND SIX MONTHS ENDED 30th SEPTEMBER, 2014

|  | <-- Quarter Ended -->     |                           |                           | <-- Six Months Ended -->  |                           | Year Ended              |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
|  | 30/09/2014<br>(Unaudited) | 30/06/2014<br>(Unaudited) | 30/09/2013<br>(Unaudited) | 30/09/2014<br>(Unaudited) | 30/09/2013<br>(Unaudited) | 31/03/2014<br>(Audited) |
| <b>1. Segment Revenue</b>  |                           |                           |                           |                           |                           |                         |
| a. Sugar   | <b>11,573.64</b>          | 26,733.25                 | 11,740.88                 | <b>38,306.89</b>          | 22,713.73                 | 61,985.21               |
| b. Co-generation   | <b>11.20</b>              | 789.66                    | 115.82                    | <b>800.86</b>             | 115.82                    | 10,753.94               |
| c. Industrial Alcohol  | <b>1,466.79</b>           | 982.08                    | 832.55                    | <b>2,448.87</b>           | 1,422.04                  | 3,607.92                |
| d. Potable Alcohol   | <b><u>1,221.14</u></b>    | <u>1,238.13</u>           | <u>1,255.48</u>           | <b><u>2,459.27</u></b>    | <u>2,582.75</u>           | <u>5,060.49</u>         |
| Total  | <b>14,272.77</b>          | 29,743.12                 | 13,944.73                 | <b>44,015.89</b>          | 26,834.34                 | 81,407.56               |
| Less: Intersegment Revenue   | <b><u>942.33</u></b>      | <u>1,793.99</u>           | <u>984.97</u>             | <b><u>2,736.32</u></b>    | <u>1,432.79</u>           | <u>17,181.53</u>        |
| Net Sales / Income from Operations                                       | <b><u>13,330.44</u></b>   | <b><u>27,949.13</u></b>   | <b><u>12,959.76</u></b>   | <b><u>41,279.57</u></b>   | <b><u>25,401.55</u></b>   | <b><u>64,226.03</u></b> |
| <b>2. Segment Results</b>  |                           |                           |                           |                           |                           |                         |
| Profit / (Loss) before interest & tax                                    |                           |                           |                           |                           |                           |                         |
| a. Sugar   | <b>(0.25)</b>             | 870.34                    | (2,298.53)                | <b>870.09</b>             | (3,154.52)                | 99.08                   |
| b. Co-generation   | <b>(486.86)</b>           | (28.59)                   | (552.87)                  | <b>(515.45)</b>           | (1,057.50)                | 1,789.64                |
| c. Industrial Alcohol  | <b>210.80</b>             | (1.95)                    | (52.41)                   | <b>208.85</b>             | (201.81)                  | (384.29)                |
| d. Potable Alcohol   | <b><u>143.00</u></b>      | <u>221.75</u>             | <u>210.64</u>             | <b><u>364.75</u></b>      | <u>580.25</u>             | <u>1,029.73</u>         |
| Total  | <b>(133.31)</b>           | 1,061.55                  | (2,693.17)                | <b>928.24</b>             | (3,833.58)                | 2,534.16                |
| Less:  |                           |                           |                           |                           |                           |                         |
| i. Finance Cost  | <b>315.70</b>             | 527.66                    | 889.73                    | <b>843.36</b>             | 1,932.74                  | 3,332.90                |
| ii. Other Unallocable Expenditure net of Unallocable Income              | <b><u>723.58</u></b>      | <u>607.62</u>             | <u>467.72</u>             | <b><u>1,331.20</u></b>    | <u>993.62</u>             | <u>1,956.71</u>         |
|  | <b><u>1,039.28</u></b>    | <u>1,135.28</u>           | <u>1,357.45</u>           | <b><u>2,174.56</u></b>    | <u>2,926.36</u>           | <u>5,289.61</u>         |
| Profit / (Loss) before tax   | <b><u>(1,172.59)</u></b>  | <u>(73.73)</u>            | <u>(4,050.62)</u>         | <b><u>(1,246.32)</u></b>  | <u>(6,759.94)</u>         | <u>(2,755.45)</u>       |
| <b>3. Capital Employed</b><br>(Segment Assets minus Segment Liabilities) |                           |                           |                           |                           |                           |                         |
| a. Sugar   | <b>14,410.06</b>          | 18,640.72                 | 28,092.08                 | <b>14,410.06</b>          | 28,092.08                 | 28,387.18               |
| b. Co-generation   | <b>5,506.67</b>           | 5,424.38                  | 5,878.97                  | <b>5,506.67</b>           | 5,878.97                  | 6,022.00                |
| c. Industrial Alcohol  | <b>1,520.91</b>           | 1,906.05                  | 1,869.55                  | <b>1,520.91</b>           | 1,869.55                  | 2,018.45                |
| d. Potable Alcohol   | <b>2,247.31</b>           | 2,046.27                  | 1,945.59                  | <b>2,247.31</b>           | 1,945.59                  | 2,274.26                |
| e. Others (Unallocated)  | <b><u>947.23</u></b>      | <u>862.30</u>             | <u>383.62</u>             | <b><u>947.23</u></b>      | <u>383.62</u>             | <u>1,279.44</u>         |
| Total  | <b>24,632.18</b>          | 28,879.72                 | 38,169.81                 | <b>24,632.18</b>          | 38,169.81                 | 39,981.33               |

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### NOTES TO STATEMENTS OF UNAUDITED FINANCIAL RESULTS, SEGMENT-WISE REVENUE & RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER AND SIX MONTHS ENDED 30th SEPTEMBER, 2014

1. The main business of the Company being seasonal, the figures of the current period are not indicative of the annual results.
2. Inter-segment Transfers of Bagasse and Molasses, the cost of which is unascertainable, are recorded at prevalent market price. Inter-segment Transfers of other items are recorded at cost.
3. Attention is invited to Note No3 to the published statement of Audited Financial Statement for the year ended 31-03-2014 & quarter ended 30-06-2014 regarding litigation in respect of Notification under Karnataka Sugar cane (Regulation of Purchase & Supply) Act 2013. A Single Judge of the Honourable High Court of Karnataka has delivered a judgement on 6th November,2014 upholding the validity of the Notification in relation to fixing the cane price, though no certified copy of it has been received. The Company is advised to study the judgement when received & immediately file an appeal before the Division Bench and to treat, till then, the now disputed liability as contingent liability.
4. The Company has realigned its depreciation policy in accordance with Schedule II to the Companies Act, 2013. Consequently, with effect from 01-04-2014,
  - a) the carrying value of assets is now depreciated over their remaining useful lives;
  - b) where the remaining useful life of an asset is Nil as on 01-04-2014, carrying value has been adjusted against opening reserves amounting to Rs. 60.73 lakh (net of tax), in accordance with transitional provision of Schedule II; and
  - c) on account of the above change, depreciation expense for the six months ended 30-09-2014 is lower by Rs. 107.71 lakh.
5. Figures for the immediately preceding quarter, corresponding periods in the earlier year and for the Previous Accounting Year have been regrouped / recast, where necessary.
6. The Statutory Auditors of the Company have carried out limited review of the accounts for the Quarter.
7. The above results are reviewed by the Audit Committee and were approved and taken on record by the Board of Directors at its meeting held on 07-11-2014.

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(Amount in Rs. Lakh)

### STATEMENT OF ASSETS AND LIABILITIES

| Particulars                              | As at<br>30th September, 2014<br>(Unaudited) | As at<br>31st March 2014<br>(Audited) |
|--|--|---------------------------------------|
| <b>A EQUITY &amp; LIABILITIES</b>        |  |                                       |
| <b>1. Shareholders' fund</b>             |  |                                       |
| (a) Share capital                        | 1,125.00                                     | 1,125.00                              |
| (b) Reserves & Surplus                   | <u>6,325.23</u>                              | <u>7,532.86</u>                       |
| <b>Sub-total - Shareholders' Funds</b>   | <b>7,450.23</b>                              | 8,657.86                              |
| <b>2. Non-current liabilities</b>        |  |                                       |
| (a) Long term borrowings                 | 8,791.53                                     | 3,867.04                              |
| (b) Deferred tax liabilities (net)       | 1,208.53                                     | 1,339.21                              |
| (c) Long term provisions                 | <u>1,044.59</u>                              | <u>1,090.18</u>                       |
| <b>Sub-total Non-current liabilities</b> | <b>11,044.65</b>                             | 6,296.43                              |
| <b>3. Current liabilities</b>            |  |                                       |
| (a) Short term borrowings                | 3,844.75                                     | 18,827.78                             |
| (b) Trade payables                       | 1,126.64                                     | 13,887.28                             |
| (c) Other current liabilities            | 5,168.66                                     | 12,713.69                             |
| (d) Short term provisions                | <u>638.66</u>                                | <u>615.82</u>                         |
| <b>Sub-total Current liabilities</b>     | <b><u>10,778.71</u></b>                      | <u>46,044.57</u>                      |
| <b>TOTAL - EQUITY &amp; LIABILITIES</b>  | <b><u>29,273.59</u></b>                      | <u>60,998.86</u>                      |
| <b>B ASSETS</b>                          |  |                                       |
| <b>1. Non-current assets</b>             |  |                                       |
| (a) Fixed assets (including Capital WIP) | 16,569.88                                    | 15,990.48                             |
| (b) Non-current investments              | 649.58                                       | 649.58                                |
| (c) Long term loans & advances           | 709.22                                       | 621.73                                |
| (d) Other non-current assets             | <u>395.87</u>                                | <u>86.54</u>                          |
| <b>Sub-total Non-current assets</b>      | <b>18,324.55</b>                             | 17,348.33                             |
| <b>2. Current Assets</b>                 |  |                                       |
| (a) Inventories                          | 5,603.67                                     | 36,008.84                             |
| (b) Trade receivables                    | 1,289.99                                     | 3,668.11                              |
| (c) Cash & Bank Balances                 | 823.22                                       | 2,140.82                              |
| (d) Short term loans and advances        | 2,850.94                                     | 944.09                                |
| (e) Other current assets                 | <u>381.22</u>                                | <u>888.67</u>                         |
| <b>Sub-total Current assets</b>          | <b><u>10,949.04</u></b>                      | <u>43,650.53</u>                      |
| <b>TOTAL - ASSETS</b>                    | <b><u>29,273.59</u></b>                      | <u>60,998.86</u>                      |

For The Ugar Sugar  
Works Limited

Place: Bengaluru  
Date: 07-11-2014

**Shishir S. Shirgaokar**  
Managing Director