

**REPORT ON LIMITED REVIEW OF UNAUDITED FINANCIAL RESULTS
OF THE UGAR SUGAR WORKS LIMITED**

We have reviewed the accompanying statement of unaudited financial results of The Ugar Sugar Works Ltd. for the quarter ended 30-09-2014. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, "Engagements to Review Financial Statements" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Nikhil M. Shevade

Partner

Membership No. 217379

Place: Bengaluru
Date: 07-11-2014

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)

STATEMENT OF ASSETS AND LIABILITIES

(Amount in Rs. Lakh)

Particulars	As at 30th September, 2014 (Unaudited)	As at 31st March 2014 (Audited)
A EQUITY & LIABILITIES		
1. Shareholders' fund		
(a) Share capital	1,125.00	1,125.00
(b) Reserves & Surplus	6,325.23	7,532.86
Sub-total - Shareholders' Funds	7,450.23	8,657.86
2. Non-current liabilities		
(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	1,044.59	1,090.18
Sub-total Non-current liabilities	11,044.65	6,296.43
3. Current liabilities		
(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	638.66	615.82
Sub-total Current liabilities	10,778.71	46,044.57
TOTAL - EQUITY & LIABILITIES	29,273.59	60,998.86
B ASSETS		
1. Non-current assets		
(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	395.87	86.54
Sub-total Non-current assets	18,324.55	17,348.33
2. Current Assets		
(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	381.22	888.67
Sub-total Current assets	10,949.04	43,650.53
TOTAL - ASSETS	29,273.59	60,998.86

As per report of even date
 For M/s P. G. Bhagwat
 Chartered Accountants
 Firm Regn. No. 101118W

For The Ugar Sugar
 Works Limited

Place: Bengaluru

Date: 07-11-2014

Nikhil M. Shevade

Nikhil M. Shevade
 Partner
 Membership No. 217379

Shishir S. Shirgaokar

Shishir S. Shirgaokar
 Managing Director

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

(Amount in Rs. Lakh)

	<-- Quarter Ended -->			<-- Six Months Ended -->		Year Ended
	30/09/2014 (Unaudited)	30/06/2014 (Unaudited)	30/09/2013 (Unaudited)	30/09/2014 (Unaudited)	30/09/2013 (Unaudited)	31/03/2014 (Audited)
1. Segment Revenue						
a. Sugar	11,573.64	26,733.25	11,740.88	38,306.89	22,713.73	61,985.21
b. Co-generation	11.20	789.66	115.82	800.86	115.82	10,753.94
c. Industrial Alcohol	1,466.79	982.08	832.55	2,448.87	1,422.04	3,607.92
d. Potable Alcohol	1,221.14	1,238.13	1,255.48	2,459.27	2,582.75	5,060.49
Total	14,272.77	29,743.12	13,944.73	44,015.89	26,834.34	81,407.56
Less: Intersegment Revenue	942.33	1,793.99	984.97	2,736.32	1,432.79	17,181.53
Net Sales / Income from Operations	13,330.44	27,949.13	12,959.76	41,279.57	25,401.55	64,226.03
2. Segment Results						
Profit / (Loss) before interest & tax						
a. Sugar	(0.25)	870.34	(2,298.53)	870.09	(3,154.52)	99.08
b. Co-generation	(486.86)	(28.59)	(552.87)	(515.45)	(1,057.50)	1,789.64
c. Industrial Alcohol	210.80	(1.95)	(52.41)	208.85	(201.81)	(384.29)
d. Potable Alcohol	143.00	221.75	210.64	364.75	580.25	1,029.73
Total	(133.31)	1,061.55	(2,693.17)	928.24	(3,833.58)	2,534.16
Less:						
i. Finance Cost	315.70	527.66	889.73	843.36	1,932.74	3,332.50
ii. Other Unallocable Expenditure net of Unallocable Income	723.58	607.62	467.72	1,331.20	993.62	1,956.71
	1,039.28	1,135.28	1,357.45	2,174.56	2,926.36	5,289.61
Profit / (Loss) before tax	(1,172.59)	(73.73)	(4,050.62)	(1,246.32)	(6,759.94)	(2,755.45)
3. Capital Employed (Segment Assets minus Segment Liabilities)						
a. Sugar	14,410.06	18,640.72	28,092.08	14,410.06	28,092.08	28,387.18
b. Co-generation	5,506.67	5,424.34	5,878.97	5,506.67	5,878.97	6,022.00
c. Industrial Alcohol	1,520.91	1,906.01	1,869.55	1,520.91	1,869.55	2,018.45
d. Potable Alcohol	2,247.31	2,046.27	1,945.59	2,247.31	1,945.59	2,274.26
e. Others (Unallocated)	947.23	862.30	383.62	947.23	383.62	1,279.44
Total	24,632.18	28,879.72	38,169.81	24,632.18	38,169.81	39,981.33



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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 31/03/2014 (Audited)
	30/09/2014 (Unaudited)	30/06/2014 (Unaudited)	30/09/2013 (Unaudited)	30/09/2014 (Unaudited)	30/09/2013 (Unaudited)	
1. Income from Operations						
(a) Net Sales / Income from operations (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	-	-	-	-	-	-
Total income from Operations (Net)	13,330.44	27,949.13	12,959.76	41,279.57	25,401.55	64,226.03
2. Expenses						
(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, 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
Total Expenses	14,227.13	27,548.16	16,322.55	41,775.29	30,543.00	64,643.69
3. Profit from operations before other income, finance costs and exceptional items (1 - 2)	(896.69)	400.97	(3,362.79)	(495.72)	(5,141.45)	(417.66)
4. Other Income	39.80	52.96	201.90	92.76	314.25	995.11
5. Profit from operations before finance costs and exceptional items (1 - 2)	(856.89)	453.93	(3,160.89)	(402.96)	(4,827.20)	577.45
6. Finance costs	315.70	527.66	889.73	843.36	1,932.74	3,332.90
7. Profit from operations after finance costs but before exceptional items (1 - 2)	(1,172.59)	(73.73)	(4,050.62)	(1,246.32)	(6,759.94)	(2,755.45)
8. Exceptional Items	-	-	-	-	-	-
9. Profit from ordinary activities before tax (7 ± 8)	(1,172.59)	(73.73)	(4,050.62)	(1,246.32)	(6,759.94)	(2,755.45)
10. Tax expense	(99.17)	(0.25)	(220.97)	(99.42)	(393.36)	220.42
11. Profit from ordinary activities after tax (9 ± 10)	(1,073.42)	(73.48)	(3,829.65)	(1,146.90)	(6,366.58)	(2,975.87)
12. Extraordinary items (net of tax expense)	-	-	-	-	-	-
13. Net Profit for the period (11 ± 12)	(1,073.42)	(73.48)	(3,829.65)	(1,146.90)	(6,366.58)	(2,975.87)
14. Paid-up equity share capital (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 the balance sheet of the previous accounting year	-	-	-	-	-	7,532.86
16.i Earnings per share (before extraordinary items) of Re. 1 (not annualised)	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(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)
16.ii Earnings per share (after extraordinary items) of Re. 1 (not annualised)	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(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)

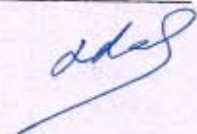
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PART II

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

	← Quarter Ended →			← Six Months Ended →		Year Ended 31/03/2014
	30/09/2014	30/06/2014	30/09/2013	30/09/2014	30/09/2013	
A PARTICULARS OF SHAREHOLDING						
1. Public Shareholding						
- Number of shares	6,02,34,971	6,01,42,691	6,00,45,147	6,02,34,971	6,00,45,147	5,99,90,451
- Percentage of shareholding	53.54%	53.46%	53.37%	53.54%	53.37%	53.32%
2. Promoters & Promoter Group Shareholding						
a) Pledged / Encumbered						
- Number of shares	Nil	Nil	10,00,000	Nil	10,00,000	Nil
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Not Applicable	Not Applicable	1.91%	Not Applicable	1.91%	Not Applicable
- Percentage of shares (as a % of the total share capital of the company)	Not Applicable	Not Applicable	0.89%	Not Applicable	0.89%	Not Applicable
b) Non-encumbered						
- Number of shares	5,22,65,029	5,23,57,309	5,14,54,853	5,22,65,029	5,14,54,853	5,25,09,549
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	98.09%	100%	98.09%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	46.46%	46.54%	45.74%	46%	45.74%	46.68%
B INVESTOR COMPLAINTS						
	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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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.

