



MAWANA SUGARS LIMITED

5th Floor, Kirti Mahal, 19 Rajendra Place, New Delhi 110 008

Q1 FY2010 Net Sales at Rs. 2434 million

Q1 FY2010 Sugar contribution 73%

Q1 FY2010 Net Profits at Rs. 141 million

Sugar realisations to drive performance

Company prioritising debt management

New Delhi, January 28, 2010

Mawana Sugars Limited – a producer of sugar/co-generated power and ethanol in Uttar Pradesh, India – announced its results for the quarter ended December 31, 2010.

Q1 FY2010 Performance review

Sales

Net Sales were at Rs. 2434 million in Q1 FY2010 as compared to Rs. 1401 million. In Sugar the Net Revenues in the first quarter of the new season were at Rs. 2066 million against a total cane crush of 81 lakh quintals thus far. The average realisation worked out to a strong Rs. 31.7/Kg as compared to Rs. 18.1/Kg last year. The results benefited from both an uptick in sugar volumes and the increase in prices.

Contribution from the allied businesses is looking strong, with Distillery revenues at Rs. 19 million in Q1 FY2010 from Rs. 2 million last year. Similarly revenues from export of power were at Rs. 91 million. There has been an enhancement in co-generation realisations by 17% which contributed to the performance along with an increase in the number of units sold to the grid. In Q1 FY2010 24.8 million units were sold to the grid as compared to 23.8 million units.

Revenues in the Chemicals business stood at Rs. 290 million from Rs. 399 million in Q1 FY2009 given the peculiar operating conditions.

Operating Cost

Raw material cost saw considerable increase at Rs. 1961million in Q1 FY2010 from Rs. 1493 million last year. The average cost of cane has moved up across the sector and the Company had to incur additional expenditure to secure its required quantum of cane. The increase in Employee Cost to Rs. 182 million in Q1 FY2010 from Rs. 168 million last year was on account of normal wage/salary increments. Power and Fuel consumption was lower at Rs. 205 million from Rs. 220 million. Total expenditure was therefore at Rs. 2199 million from Rs. 1506 million last year.

EBITDA

EBITDA saw robust increase of 780% to Rs. 414 million from Rs. 47 million given the strong results in the sugar business and the Company's focus on cost reduction.

Other Income, Interest Cost & Depreciation

Other income saw robust improvement at Rs. 37 million from Rs. 11 million mainly driven by rental income and forex gains. The Interest cost for the Company was at Rs. 139 million from Rs. 154 million, as the Company focused on debt management and has started looking at opportunities at early retirement of debt. Whereas the Depreciation charged stood at Rs. 134 million from Rs. 130 million in Q1 FY2009.

PBT

The PBT was at Rs. 141 million in Q1 FY2010 given the good operating performance. The comparable figure in Q1 FY2009 was a loss of Rs. 238 million.

PAT

Net Profits saw a strong improvement at Rs. 141 million in Q1 FY2010 from a loss of Rs. 240 million previously. EPS was at Rs. 4.02 & Rs. (7.86)

Commenting on Mawana Sugars' results Mr. Sunil Kakria, Managing Director – Mawana Sugars said:

"I am pleased to report a healthy increment in profitability this quarter given the positive contribution from sugar. I see a progressive improvement in the operating performance going forward on account of the following factors: given the constrained availability of sugar globally the average realisations of sugar are expected to remain better than those last year and secondly we are very aggressively targeting cost at all levels to optimise our earnings.

We had a delayed start to the new crushing season this year and have stepped up crushing activity since then. Given the trends we are seeing we expect to see higher production of sugar since last year. In addition we had imported certain quantum of raw sugar that had been imported a few months back. We expect to be in a better position therefore to meet demand for sugar from our key customers.

In our Chemicals business we are expecting stabilisation of the performance given the good trends visible in demand. Further the safeguard duty applied by the Govt. on imports of caustic soda is likely to protect and benefit the domestic industry."

Key highlight/developments:

- The average Sugar realisation in Q1 FY2010 was at Rs. 31.7/Kg.
- Sale of sugar stood at 6.16 lakh quintals in Q1 FY2010 as compared to 4.9 lakh quintals previously.
- Quantities of molasses and industrial alcohol sold in Q1 FY2010 and Q1 FY2009 were 2.85 lakh quintals (molasses), 4.42 lakh BL (industrial alcohol) and 0.82 lakh quintal (molasses), 0.2 lakh BL (industrial alcohol) respectively.
- The sales of Caustic soda were 11716 MT in Q1 FY2010 as against 14020 MT in the corresponding Qtr last year.

Strengthening balance sheet

Mawana Sugars is actively pursuing measures to reduce the incidence of debt on books. As on December 31, 2009 the Net Debt (net of Cash and Cash Equivalents) was at Rs. 6 billion. The comparable figure on December 31, 2008 was at Rs. 7 billion. The management is committed to balancing the Interest Cost through revenue optimisation measures –including rationalising assets & fresh promoter equity infusion. The cash flows from operation are expected to improve inline with higher realisations of sugar and its allied products and will further support the strengthening of the balance sheet.

Sugar outlook

Sugar output for season 2009-10 has been variously cited at 15.1 M.T. Against annual demand of 22.9 M.T., there is thus a shortfall of 7.8 M.T. Thus far the country has maintained availability of sugar through imports. Sugar companies across the country, and particularly those in U.P. have contracted upto 4.5 million M.T. of raw sugar this season and those with adequate stocks of refined and saleable sugar are likely to benefit. The sector remains influenced by policy decisions which are aimed at balancing the benefit to the cane grower on one hand and to ease the pressure of high sugar prices to the consumer. As of now there is a restriction on transferring imported sugar from the ports to the mills in U.P. –the resolution of this situation is expected to increase the quantum of saleable sugar by the millers.

Cane crush is expected to be similar to last sugar season level. The recovery is expected to be better by 0.2% - 0.3% as compared to last sugar season. The company is likely to have higher availability of sugar due to better recoveries and processing of sugar from Raw sugar of 23000 MT imported last year.

Included: Details to the announcement**About Mawana Sugars Limited**

Mawana Sugars is a multi-product company with business interests in Sugar, Power, Chemicals and Edible Oils. Formed as a result of the amalgamation of MSL – one of India’s largest sugar manufacturers with SIEL Ltd., the Company has operations spread across the following locations:

Mawana, U.P.: (13,000 TCD sugar & 15 MW co-gen.)

Titawi, U.P.: (10,500 TCD sugar & 17 MW co-gen.)

Nanglamal, U.P.: (6,000 TCD sugar, 11 MW co-gen. & 120 Kltrs. per day distillery)

Rajpura, Punjab: (250 TPD caustic soda, 200 MT/day HCl, 222 MT/day Chlorine.)

At its integrated chemicals complex situated at Rajpura, Punjab, the Company makes use of environmentally-sound ‘Membrane Cell’ process to produce Caustic Soda, Liquid Chlorine, Hydrochloric Acid, Sodium Hypochlorite, Hydrogen, SHRIRAM Stable Bleaching Power and STB.

Operational Subsidiary Companies***Siel Industrial Estate Limited***

This company owns about 455 acres of land in Rajpura for development of Industrial Estate.

Siel Edible Oils Limited

This company is a wholly owned subsidiary engaged in the business of marketing Vanaspati, Edible Oils and Soap on third party manufacturing basis. This company owns some strong brands in Northern India: Panghat in Vanaspati and Ruby, Sunbeam, Cornola, Kohinoor in Refined Oils segment. It also distributes consumer pack “Mawana “sugar.

To learn more about Mawana Sugars Limited and its products log on to: www.mawanasugars.com

Contacts for further information:

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Note: Some of the statements made in this document may be forward-looking. These statements remain subject to various contingencies and risks. Mawana Sugars would not in any way be responsible for action taken based on these forward-looking statements. Moreover, the Company does not undertake to update them publicly to reflect changed eventualities.

New Delhi, January 28, 2010

Details to the announcement

- Results table
- Segmental table
- Operational overview table

Q1 FY2010 Results table:

Rs. Million	Qtr ended Dec 31, 2009	Qtr ended Dec 31, 2008
Net Sales	2434	1401
EBITDA	414	47
Depreciation	134	130
Interest	139	154
PBT	141	(238)
Tax – Current		
– Deferred		
– FBT	-	3
PAT	141	(240)
EPS –Basic & Diluted (Rs.)	4.02	(7.86)
Equity Share Capital (face value of each share - Rs.10/-)	350	306

Q1 FY2010 Net Segment Revenue / Results

Rs. Million	Qtr ended Dec 31, 2009
Sales	
<u>Sugar</u>	2066
<u>Power</u>	91
<u>Chemicals</u>	290
<u>Other</u>	19
EBIDTA	
<u>Sugar</u>	421
<u>Power</u>	29
<u>Chemicals</u>	(31)
<u>Other</u>	(5)

Q1 FY2010 Operational overview table (Sugar):

Mawana Sugars Ltd.	Qtr ended Dec 31, 2009	Qtr ended Dec 31, 2008
Cane crushed (Lakh/Qtl.)	81	93
Sugar production (M.T.)	75651	82262
Average recoveries (%)	8.84	8.83
Average realisations (Rs./Qtl.)	3174	1810

Mawana Sugars Limited

Regd. Office : 5th Floor, Kirti Mahal, 19 Rajendra Place, New Delhi - 110125

Unaudited Financial Results for the Quarter ended December 31, 2009



(Rs. in Lacs)

S.No.	Particulars	UNAUDITED		AUDITED
		Quarter ended December 31, 2009	Quarter ended December 31, 2008	Year ended September 30, 2009
		(1)	(2)	(3)
1 (a)	Net sales/ Income from operations	24335	14014	67632
(b)	Other Operating Income	83	114	304
2	Expenditure			
(a)	(Increase) / decrease in stock in trade and work in progress	(5287)	(8699)	(2810)
(b)	Consumption of raw materials	19607	14928	39564
(c)	Employees cost	1817	1681	6373
(d)	Depreciation	1344	1300	5250
(e)	Power and fuel	2047	2200	8738
(f)	Stores , spares and components	1483	1732	5573
(g)	Other expenditure	983	1924	5227
	Total	21994	15066	67915
3	Profit/ (Loss) from operations before other income, interest and exceptional items (1-2)	2424	(938)	21
4	Other Income	370	105	1359
5	Profit/ (Loss) before interest and exceptional items (3+4)	2794	(833)	1380
6	Interest	1389	1544	7063
7	Profit/ (Loss) after Interest but before exceptional items (5-6)	1405	(2377)	(5683)
8	Exceptional Items	-	-	-
9	Profit/ (Loss) from ordinary activities before tax (7+8)	1405	(2377)	(5683)
10	Tax Expenses			
	: Fringe Benefit Tax	-	25	39
11	Net Profit/ (Loss) from ordinary activities (9-10)	1405	(2402)	(5722)
12	Extraordinary items (net of tax)	-	-	-
13	Net Profit/(Loss) for the period (11-12)	1405	(2402)	(5722)
14	Paid-up equity share capital (face value of each share - Rs.10/-)	3496	3057	3496
15	Reserves excluding revaluation reserve as per balance sheet			25916
16	Earning per share (Rs.) - Basic and Diluted	4.02	(7.86)	(18.68)
17	Public Shareholding			
	Number of shares	11620737	11620737	11620737
	Percentage of shareholding	33.24%	38.01%	33.24%
18	Promoters and promoter group share holding			
(a)	Pledged/ Encumbered			
	- Number of shares	NIL	NIL	NIL
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL
	- Percentage of shares (as a % of the total shareholding of promoter and promoter company)	NIL	NIL	NIL
(b)	Non-encumbered			
	- Number of shares	23060923	18677362	23060923
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%
	- Percentage of shares (as a % of the total shareholding of promoter and promoter company)	65.97%	61.09%	65.97%

**Segment wise Revenue, Results and Capital Employed
under clause 41 of the Listing Agreement**

(Rs. in Lacs)

SI. NO.	Particulars	UNAUDITED		AUDITED
		Quarter ended December 31, 2009	Quarter ended December 31, 2008	Year ended September 30, 2009
1.	Segment Revenue			
	a Sugar	25,576	13,463	61,608
	b Power	6,504	5,538	15,558
	c Chemical	2,902	3,992	15,455
	d Other	190	17	780
	Total	35,172	23,010	93,401
	Less: Inter-Segment revenue	10,754	8,882	25,465
Net Sales / Income from Operations	24,418	14,128	67,936	
2.	Segment Results			
	Profit / (Loss) (before tax and interest) from each Segment			
	a Sugar	3,151	(687)	1,278
	b Power	772	1,050	2,215
	c Chemical	(546)	(87)	(7)
	d Other	(116)	(90)	8
	Total	3,261	186	3,494
Less: i) Interest	1,389	1,544	7,063	
ii) Other unallocable expenditure net off other unallocable income	467	1,019	2,114	
Total Profit/(Loss) before Tax	1,405	(2,377)	(5,683)	
3.	Segment Capital employed			
	a Sugar	34,512	40,370	43,283
	b Power	21,979	26,012	21,375
	c Chemical	11,729	13,083	11,622
	d Other	7,492	6,215	7,717
	e Unallocated	9,006	7,687	7,437
	Total Segment Capital Employed	84,718	93,367	91,434

Notes:

1. The above results have been taken on record by the Board of Directors in its meeting held on January 28, 2010.
2. The Company, inter-alia, manufactures Sugar, which is a seasonal industry. As such, the performance in any quarter may not be representative of the annual performance of the Company.
3. The accounts for the eighteen months ended September 30, 2008 were prepared after considering the sugar cane purchase price @ Rs. 110 per quintal for sugar season 2007-08 as an interim measure in accordance with the Order of Hon'ble Supreme Court dated September 8, 2008. Necessary adjustments will be made by the Company in accordance with the final order of the Hon'ble Court in this matter.
4. The above results should be read together with the observations of the Auditors in their Report on the accounts for the year ended September 30, 2009. No provision has been considered in respect of the matter covered in Note 14 to the accounts for the reasons stated therein.
5. During the quarter ended December 31, 2009, six shareholders complaints were received and were attended to. No complaint was pending at the beginning or at the end of the quarter.
6. Figures for the previous corresponding period have been regrouped wherever necessary.

For Mawana Sugars Limited

Place: New Delhi
Date: January 28, 2010

Sd. SUNIL KAKRIA
MANAGING DIRECTOR

Per our report attached
For A.F.Ferguson & Co.
Chartered Accountants

Place: New Delhi
Date: January 28, 2010