

A. F. FERGUSON & CO.
CHARTERED ACCOUNTANTS
9, SCINDIA HOUSE,
KASTURBA GANDHI MARG,
NEW DELHI - 110001.

AUDITORS' REPORT

**TO THE BOARD OF DIRECTORS OF
MAWANA SUGARS LIMITED**

1. We have reviewed the accompanying statement of Financial Results of **MAWANA SUGARS LIMITED** ("the Company") for the quarter and twelve months ended March 31, 2012 ("the Statement"). 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 the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", 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 Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an opinion.
3. Attention is invited to note 9 regarding preparation of the financial results of the Company on a going concern basis for the reasons stated therein. The appropriateness of assumption of going concern is dependent upon the Company's ability to raise requisite finance and generate cash flows from operations in future to meet its obligations.
4. a) As per the policy followed by the Company for preparation of quarterly results, the sugar off-season expenditure amounting to Rs. 3044 lacs up to December 31, 2011 has been charged off to cost of sugar production during the quarter ended March 31, 2012 as indicated in note 5. Had the Company charged expenditure so incurred to the accounting period in which such expenses were incurred, the change in inventories of finished goods, work-in-progress and stock-in-trade would have been higher by Rs. 3044 lacs and loss after tax would have been lower by Rs. 3044 lacs for the quarter ended March 31, 2012.
b) Our observation in our audit report dated May 30, 2011 on the accounts of the Company for the eighteen months period ended March 31, 2011, although not disclosed in the Statement (refer note 4 of the Statement) is summarized below :

Various matters arisen/arising out of the reorganization arrangement of DCM Limited will be settled and accounted for as and when the liabilities/benefits are finally determined. The effect of these on the results has not been determined by the Company.

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5. Further to our comment in paragraph 3 above and except for the matters referred to in paragraph 4 above, based on our review nothing has come to our attention that causes us to believe that the Accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to undisputed investor complaints from the details furnished by the Management/Registrars.

For A.F. Ferguson & Co.
Chartered Accountants
(Registration No. 112066W)


Manjula Banerji
Partner

(Membership No. 086423)

NEW DELHI, May 15, 2012



Mawana Sugars Limited
Regd. Office : 6th Floor, Kirti Mahal, 19 Rajendra Place, New Delhi - 110126



Statement of Standalone Unaudited Results for the quarter and twelve months ended on 31.03.2012

(Rs. In Lacs)

Particulars	Unaudited					Audited
	Quarter ended		Twelve months ended			Eighteen months ended
	March 31, 2012	December 31, 2011	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2011
	1	2	3	4	5	6
PART I						
1 Income from operations						
(a) Net sales/ Income from operations (net of excise duty)	33402	24110	28496	109085	114135	161809
(b) Other Operating Income	296	142	86	1083	297	994
Total Income from operations (net) (a+b)	33698	24252	28582	110168	114422	162803
2 Expenses						
(a) Cost of materials consumed	47405	36492	41828	87485	72557	151223
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(21983)	(18624)	(27563)	(6287)	12042	(36097)
(c) Employee benefits expense	1980	2211	1862	7644	6871	10787
(d) Depreciation and amortisation expenses	1248	1291	1280	5130	5276	7930
(e) Power and fuel	2648	2767	2380	10098	8338	12208
(f) Stores, spares and components	1529	1923	1546	5820	4613	6885
(g) Loss on cancellation of contracts					2238	2238
(h) Other expenses	2814	2342	2962	5942	4007	8842
Total Expenses	36639	28402	24293	115832	115942	164014
3 Profit/ (Loss) from operations before other income, finance costs and exceptional items (1-2)	(1941)	(4150)	2289	(5664)	(1620)	(1411)
4 Other income	536	171	1288	1420	5604	5961
5 Profit/ (Loss) from ordinary activities before finance cost and exceptional items (3+4)	(1405)	(3979)	3677	(4244)	4084	4650
6 Finance Costs	2145	1634	1748	7993	7939	10412
7 Profit/ (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(3550)	(5613)	1829	(12237)	(3855)	(5862)
8 Exceptional items (Refer Note 3)	-	4655	-	4655	-	-
9 Profit/ (Loss) from ordinary activities before tax (7-8)	(3550)	(10168)	1829	(16892)	(3855)	(5862)
10 Tax Expenses	-	-	-	-	-	-
11 Net Profit/ (Loss) from ordinary activities after tax (9-10)	(3550)	(10168)	1829	(16892)	(3855)	(5862)
12 Extraordinary items (net of tax)	-	-	-	-	-	-
13 Net Profit/ (Loss) for the period (11+12)	(3550)	(10168)	1829	(16892)	(3855)	(5862)
14 Paid-up equity share capital (Face value of each share Rs. 10/-)	3496	3496	3496	3496	3496	3496
15 Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	-	-	12495
16 Earning per share (of Rs. 10/- each) (Not annualised) - Basic / Diluted	(10.16)	(29.09)	5.23	(48.32)	(11.03)	(16.77)
PART II						
A PARTICULARS OF SHAREHOLDING						
1 Public shareholding						
- Number of shares	11,895,888	11,895,888	11,895,888	11,895,888	11,895,888	11,895,888
- Percentage of shareholding	34.03%	34.03%	34.03%	34.03%	34.03%	34.03%
2 Promoters and Promoter Group Shareholding						
a) Pledged/Encumbered						
- Number of shares	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares (as a % of the total share capital of the Company)	NIL	NIL	NIL	NIL	NIL	NIL
b) Non - encumbered						
- Number of shares	23,060,923	23,060,923	23,060,923	23,060,923	23,060,923	23,060,923
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
- Percentage of shares (as a % of the total share capital of the Company)	65.97%	65.97%	65.97%	65.97%	65.97%	65.97%
B INVESTOR COMPLAINTS						
Pending at the beginning of the quarter				0		
Received during the quarter				12		
Disposed of during the quarter				12		
Remaining unresolved at the end of the quarter				0		

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

(Rs. In Lac)

S. NO.	Particulars	Unaudited					Audited
		Quarter ended			Twelve months ended		Eighteen months ended March 31, 2011
		March 31, 2012	December 31, 2011	March 31, 2011	March 31, 2012	March 31, 2011	
	1	2	3	4	5	6	
1.	Segment Revenue						
	a Sugar	31,199	22,650	25,924	95,596	104,354	159,548
	b Power	13,807	8,644	13,122	23,820	24,760	48,163
	c Chemical	4,953	4,784	4,220	18,443	15,013	21,101
	d Other	1,401	53	1,588	3,982	6,026	6,625
	Total	51,360	36,131	44,854	141,841	150,153	235,435
	Less: Inter-Segment revenue	17,662	11,879	18,272	31,673	35,731	72,832
	Net Sales / Income from Operations	33,698	24,252	26,582	110,168	114,422	162,603
2.	Segment Results Profit / (Loss) (before tax and interest) from Segment						
	a Sugar	(7,877)	(5,486)	(1,573)	(11,977)	(7,024)	(9,387)
	b Power	5,613	2,604	4,087	8,104	7,593	12,357
	c Chemical	174	(45)	(224)	447	(183)	(1,112)
	d Other	461	(197)	583	909	910	806
	Total	(1,429)	(3,124)	2,873	(2,517)	1,296	2,664
	Less: i) Finance Cost	2,145	1,534	1,748	7,993	7,939	10,412
	ii) Other unallocable expenditure / (Income) net off other unallocable income / expenditure	(24)	855	(704)	1,727	(2,788)	(1,886)
	iii) Exceptional Item (Refer Note 3)	-	4,655	-	4,855	-	-
	Total Profit/(Loss) before Tax	(3,550)	(10,158)	1,829	(16,892)	(3,855)	(5,862)
3.	Segment Capital employed						
	a Sugar	36,830	26,914	55,167	36,830	55,167	55,167
	b Power	23,349	21,016	21,107	23,349	21,107	21,107
	c Chemical	9,339	9,536	10,859	9,339	10,859	10,859
	d Other	6,078	6,158	6,354	6,078	6,354	6,354
	e Unallocated	5,077	4,288	4,924	5,077	4,924	4,924
	Total Segment Capital Employed	80,673	66,912	98,411	80,673	98,411	98,411

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



Statement of Assets and Liabilities

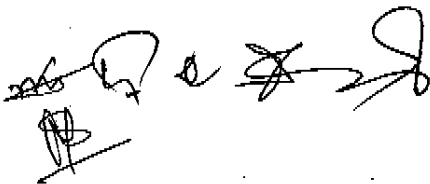
(Rs. in lacs)

	Particulars	Unaudited	Audited
		As at March 31,	
		2012	2011
		1	2
A	EQUITY AND LIABILITIES		
	1 Shareholders' funds		
	(a) Share capital	3,496	3,496
	(b) Reserves and surplus	(4,396)	12,495
	Sub-total - Shareholders' funds	(900)	15,991
	2 Non-current liabilities		
	(a) Long-term borrowings	28,265	33,994
	(b) Other long-term liabilities	3,036	3,583
	(c) Long-term provisions	1,151	1,062
	Sub-total - Non-current liabilities	32,452	38,639
	3 Current liabilities		
	(a) Short-term borrowings	42,822	38,517
	(b) Trade payables	45,940	21,931
	(c) Other current liabilities	18,009	16,790
	(d) Short-term provisions	518	608
	Sub-total - Current liabilities	107,289	77,846
	TOTAL - EQUITY AND LIABILITIES	138,841	132,476
B	ASSETS		
	1 Non-current assets		
	(a) Fixed assets	59,957	64,576
	(b) Non-current investments	3,175	3,175
	(c) Other non current assets	3,851	3,249
	(d) Long-term loans and advances	832	844
	Sub-total - Non-current assets	67,815	71,844
	2 Current assets		
	(a) Inventories	59,274	52,479
	(b) Trade receivables	7,857	3,746
	(c) Cash and bank balance	1,697	1,331
	(d) Short-term loans and advances	2,331	3,039
	(e) Other current assets	67	37
	Sub-total Current assets	71,026	60,632
	TOTAL - ASSETS	138,841	132,476

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Notes:

1. The above results have been taken on record by the Board of Directors in its meeting held on May 15, 2012.
2. The Company, inter-alia, manufactures Sugar which is produced during the season and sold throughout the year. As such the performance in any quarter may not be representative of the annual performance of the Company.
3. Exceptional item represents the differential cane price Rs. 46.55 crores for the sugar season 2007-08 accounted for in the quarter ended December 31, 2011 pursuant to the Hon'ble Supreme Court's order dated January 17, 2012. Subsequently, the amount has been paid on April 16, 2012.
4. The above results should be read together with the observation of the Auditors in their Report on the accounts for the eighteen months ended March 31, 2011. No provision has been considered in respect of the matter covered in Note 14 to the accounts for the reasons stated therein.
5. In accordance with accounting policy consistently followed by the Company, off season expenditure up to December 31, 2011 aggregating Rs. 3044 lacs (corresponding previous nine months Rs. 3643 lacs), which was incurred to prepare the plant for production during the later part of the year has been deferred for inclusion in the cost of sugar to be produced in the remainder of the year. Accordingly all the off season expenditure has been charged off to cost of sugar production during the quarter ended March 31, 2012.
6. The year to date figures for current period ended March 31, 2012 (mentioned in column 4) are not comparable with the year to date figures for the previous period ended March 31, 2011 (mentioned in column 6) as it includes results for the 4 quarters for the current financial year as against 6 quarters of last financial year. However, figures for the twelve months ended March 31, 2011 (mentioned in column 5) have been given for the purposes of comparison with current twelve months ended March 31, 2012.
7. The requisite approval for the extension and change of financial year has been received from Registrar of Companies, Delhi & Haryana, As such the financial year has been extended from March 31, 2012 to September 30, 2012.
8. In view of the Company's request for rework of Corporate Debt Restructuring (CDR) package which is under consideration of the lenders, the term loan installments of Rs. 584 lacs are due as on 31.03.2012.
9. During the current period, the Company's financials were adversely affected by low sugar prices, lower than expected recoveries of sugar from cane, high sugar cane prices and consequential under recovery of cost of production, which has significantly affected the entire Sugar Industry in Uttar Pradesh. Higher finance costs were also added to the significant operating/ cash losses and consequential erosion of net worth. The Company has already initiated various steps including corporate debt restructuring etc. which support preparing these financial results on going concern basis. Further, the State/Central Government are seized of the problems of the sugar industry and are considering long term solutions in this regard.
10. Pursuant to Circular CIR/CFD/DIL/4/2012 dated April 16, 2012 issued by Securities and Exchange Board of India, figures for the previous year/period have been regrouped wherever necessary to correspond with the current year/ period's figures.

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Limited Review

The Limited Review, as required under Clause 41 of the Listing Agreement has been completed and the related Report forwarded to the Stock Exchanges. This Report does not have any impact on the above 'Results and Notes' for the quarter and twelve months ended 31st March, 2012 which needs to be explained, except in respect of matters explained in notes 4 and 5 above.

For Mawana Sugars Limited


SUNIL KARRIA
MANAGING DIRECTOR

Place : New Delhi
Date : May 15, 2012

