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

MAWANA SUGARS

Statement of Standalone Unaudited Financial Results for the quarter ended December 31, 2013

(Rs. in Lacs)

S.No.	Particulars	Unaudited Quarter ended December 31, 2013	Unaudited Quarter ended September 30, 2013	Unaudited Quarter ended December 31, 2012	Audited Year ended September 30, 2013
		1	2	3	4
PART I					
1	**Income from operations**				
	(a) Net sales/ income from operations (net of excise duty)	25039	27937	23531	128438
	(b) Other operating income	145	42	108	282
	Total Income from operations (net) (a+b)	25184	27979	23639	128720
2	**Expenses**				
	(a) Cost of materials consumed	14290	907	30152	106223
	(b) Changes in inventories of finished goods and work-in-progress	5709	22888	(14476)	(6032)
	(c) Employee benefits expense	1880	1828	2054	8070
	(d) Depreciation and amortisation expenses	1268	1267	1278	5043
	(e) Power and fuel	3080	3593	3587	13347
	(f) Stores, spares and components	1417	1523	1982	6198
	(g) Other expenses	1001	321	1979	6258
	Total Expenses (a to g)	28654	32327	26556	139107
3	**Profit/ (Loss) from operations before other income, finance costs, exceptional items and prior period adjustments (1-2)**	(3470)	(4348)	(2917)	(10387)
4	Other income	70	44	452	904
5	**Profit/ (Loss) from ordinary activities before finance costs, exceptional items and prior period adjustments (3+4)**	(3400)	(4304)	(2465)	(9483)
6	Finance costs	1657	2234	1859	9024
7	**Profit/ (Loss) from ordinary activities after finance costs but before exceptional items and prior period adjustments (5-6)**	(5057)	(6538)	(4324)	(18507)
8	Exceptional items expense/(income) (Refer Note 6)	-	(1370)	-	(1875)
9	**Profit/(Loss) from ordinary activities before prior period adjustments and tax (7-8)**	(5057)	(5168)	(4324)	(16632)
10	Prior period adjustment expense/(income) (Refer Note 5)	-	12154	-	12154
11	**Profit/(Loss) from ordinary activities before tax (9-10)**	(5057)	(17322)	(4324)	(28786)
12	**Tax expenses**				
	Relating to earlier years	-	-	29	29
	Provision for tax written back relating to earlier years	-	-	-	(10)
13	**Net Profit/ (Loss) from ordinary activities after tax (11-12)**	(5057)	(17322)	(4353)	(28805)
14	Extraordinary items (net of tax)	-	-	-	-
15	**Net Profit/ (Loss) from ordinary activites (13+14)**	(5057)	(17322)	(4353)	(28805)
16	**Paid-up equity share capital (Face value of each share Rs. 10/-)**	3912	3912	3912	3912
17	Reserve excluding Revaluation Reserve as per balance sheet				(24200)
18	**Earning per share (of Rs. 10 each) (Not annualised)**				
	- **Basic/Diluted**	(12.93)	(44.60)	(11.56)	(74.33)
PART II					
A	PARTICULARS OF SHAREHOLDING				
1	**Public shareholding**				
	- Number of shares	12780888	12780888	11895888	12780888
	- Percentage of shareholding	32.67%	32.67%	30.41%	32.67%
2	**Promoters and Promoter Group Shareholding**				
	a) Pledged/Encumbered*				
	- Number of shares	26117959	26117959	26066794	26117959
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	99.17%	99.17%	95.76%	99.17%
	- Percentage of shares (as a % of the total share capital of the Company)	66.77%	66.77%	66.64%	66.77%
	* The Promoter of the Company has signed Non-disposal undertaking with the lender for its entire shareholding				
	b) Non - encumbered				
	- Number of shares	218017	218017	1154182	218017
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.83%	0.83%	4.24%	0.83%
	- Percentage of shares (as a % of the total share capital of the Company)	0.56%	0.56%	2.95%	0.56%

	Particulars	3 months ended 31.12.2013
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	0
	Received during the quarter	10
	Disposed of during the quarter	10
	Remaining unresolved at the end of the quarter	0

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

(Rs. in Lacs)

S. No	Particulars	Unaudited			Audited
		Quarter ended			Year ended
		December 31, 2013	September 30, 2013	December 31, 2012	September 30, 2013
		1	2	3	4
1.	**Segment Revenue**				
	a Sugar	19875	21130	19557	114921
	b Power	3984	82	7438	27619
	c Chemical	5098	5604	5994	21811
	d Distillery	2956	1710	448	2644
	Total	31913	28526	33437	166995
	Less: Inter-Segment revenue	6729	547	9798	38275
	Net Sales / Income from Operations	**25184**	**27979**	**23639**	**128720**
2.	**Segment Results** **Profit / (Loss) (before tax, finance cost and exceptional items) from Segment**				
	a Sugar	(4151)	(3118)	(4891)	(17185)
	b Power	445	(907)	2604	9420
	c Chemical	(123)	(299)	39	(447)
	d Distillery	856	613	27	566
	Total	**(2973)**	**(3711)**	**(2221)**	**(7646)**
	Less: i) Finance costs	1657	2234	1859	9024
	ii) Other un-allocable expenditure net off un-allocable income/expenditure	427	593	244	1837
	iii) Exceptional items expense/(income) (Refer Note 6)	-	(1370)	-	(1875)
	iv) Prior period adjustment expense/(income) (Refer Note 5)	-	12154	-	12154
	Total Profit/(Loss) before Tax	**(5057)**	**(17322)**	**(4324)**	**(28786)**
3.	**Segment Capital employed**				
	a Sugar	(368)	14472	17619	14472
	b Power	18946	19545	21019	19545
	c Chemical	6927	8472	8205	8472
	d Distillery	6156	6899	4958	6899
	f Unallocated	375	370	17958	370
	Total Segment Capital Employed	**32036**	**49758**	**69759**	**49758**

losses.

The Company became a Sick Industrial Company and filed a reference under section 15(1) of SICA in Form 'A' with BIFR on August 01, 2013. The Company got registered with the BIFR on 10th September 2013. The process for revival/rehabilitation of the Company is under way in line with the prescribed procedure and rules under SICA.

The State and Central Government have initiated various steps to support the sugar industry viz. no hike in State Advisory Price (SAP) of cane for the current season by the State Government and it also announced the setting up of a high-level committee under the Chief Secretary to look into all aspects of setting the cane price, including linkage with sugar prices. In addition to the above, for the current season, State Govt. has provided various reliefs like waiver of purchase, entry tax, and society commission. Further, Central Govt. has also notified Scheme for Extending Financial Assistance to Sugar Undertakings, 2014 for improving the liquidity position of sugar industry by giving interest free loan, subsidy on export of Raw Sugar and Increase in Ethanol blending from 5% to 10%. All the aforesaid measures are expected to support the industry and also the operations of the Company in the near future. The Company has also initiated various steps including cane development activities, enhancing plant efficiencies, costs reduction etc. to improve the performance of the Company.

As such, the Company is confident that BIFR will approve a rehabilitation scheme which would entail part sale of its surplus/non-core assets to discharge some of its financial obligations and improve cash flow, reschedulement of the outstanding debt/payables (including overdue debt/payables), and other requisite financial restructuring in consultation with various stakeholders to improve its financial position including net worth. Based on an internal assessment and valuation done by an independent valuer, the Management is confident that the current fair market value of the aforesaid assets it proposes to dispose as part of the rehabilitation scheme would be sufficient to discharge its financial obligations as envisaged in the scheme.

In view of the above, the Board of Directors of the Company is confident that the Company would be in a position to realize its assets and discharge its liabilities by successfully implementing the rehabilitation scheme and in the normal course of its business. Accordingly, these financial results have been prepared on a going concern basis.

4. There are various issues relating to sales tax, income tax etc. arisen/arising out of reorganization arrangement of DCM Limited which will be settled and accounted for in terms of the Scheme of Arrangement of DCM Limited and memorandum of understanding between all the companies involved as and when liabilities/benefits are fully determined.

In the opinion of the management, having regard to the current status of the assessment proceedings at various stages and since no demand have been received by the Company on this account, the effect of these matters on the accounts, though not determinable at this stage, are not expected to be significant.

5. A Memorandum of Understanding (MOU) was signed between the Company and Government of Punjab in 1993 for setting up an Industrial Estate in Punjab. Siel Industrial Estate Limited (Siel – IE) was incorporated in an earlier year as a wholly owned subsidiary of the Company for setting up the Industrial Estate. The clear and un-encumbered title and possession of the land for the aforesaid Industrial Estate came to Siel IE in October, 2011 and now Siel – IE holds approximately 455 acres of land at Rajpura, Punjab.

The Company, Siel - IE and Siel Infrastructure and Estate Developers Private Limited (Siel - IED), which was acquired and consequently, became a wholly owned Development Agreement for the development of the Industrial Estate. During the financial year 2011-12, the Company had sold 13,475,000 equity shares of Rs. 10/- each of Siel – IE to Siel - IED for a consideration aggregating to Rs. 13502 lacs, as determined through an independent valuation of Siel – IE. The consideration was received by the Company in the form of 13,501,950 equity shares of Rs. 100/- each fully paid up of Siel - IED. Accordingly, the Company had recognized a profit of Rs. 12154 lacs in the Statement of Profit and Loss as an exceptional item. In the Auditors' report on the Company's financial statements for the period ended September 30, 2012, the Auditors' had qualified their report regarding the recognition of a profit of Rs. 12154 lacs by the Company on the non-monetary transfer of shares held in Siel - IE on the grounds that the profit represents surplus arising out of recognition of the fair value of Siel – IE shares exchanged for the additional shares acquired in Siel - IED without dilution in the Company's control over Siel – IE, as both entities were under common control of the Company.

During the year ended September 30, 2013, in order to give effect to the Statutory Auditors' qualification as stated above, the profit of Rs. 12154 lacs had been eliminated from the value of the investments held by the Company in Siel-IED and the corresponding loss of Rs. 12154 lacs had been charged as a prior period adjustment in the Statement of Profit and Loss.

6. a. Year ended September 30, 2013: The Company had sold 3,130,000 equity shares of Rs. 10/- fully paid up (65.03% of paid up capital) held by it in Mawana Foods Limited (MFL), a subsidiary of the Company at a price of Rs. 26.12 per share to Usha International Limited (UIL) for a total consideration of Rs. 818 lacs. Consequently, MFL ceased to be subsidiary of the Company w.e.f. June 29, 2013 and the Company had recognized a profit of Rs. 505 lacs.

b. Quarter and year ended on September 30, 2013: The Company had sold its entire investment in Ceratizit India Private Limited (CIPL) i.e. 2,300,000 equity shares of Rs. 5/- each (5% paid up capital) for a total consideration of Rs. 1600 lacs and recognised a profit of Rs. 1370 lacs.

7. The figures of the quarter ended September 30, 2013 are the balancing figures between audited figures in respect of the full accounting year and the year to date unaudited figures upto nine months of the previous accounting year.

8. The remuneration amounting to Rs. 76 lacs (including Rs. 60 lacs relating to financial year ended September 30, 2013) paid to Chairman and Managing Director requires approval of Central Government under the provision of Schedule XIII of the Companies Act, 1956. The Company has filed an application with the Central Government to obtain necessary approval and is confident of receiving the same in due course.

9. Figures for the previous corresponding period have been regrouped wherever necessary.

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 ended December 31, 2013 which needs to be explained, except in respect of matters explained in note 4.

For Mawana Sugars Limited

Rajendra Khanna
Director

Place : New Delhi
Date : February 13, 2014

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

**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
MAWANA SUGARS LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **MAWANA SUGARS LIMITED** ("the Company") for the quarter ended December 31, 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 6 below. 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 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.

3. Various matters arisen/arising out of the reorganisation arrangement of DCM Limited will be settled and accounted for as and when the liabilities/benefits are finally determined as stated in note 4 of the Statement. The effect of these on the results has not been determined by the Company.

4. Based on our review conducted as stated above, except for the matters referred to in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) 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.

5. a. Attention is invited to note 3 of the statement regarding the Company being registered with Board for Industrial and Financial Reconstruction in September 2013 consequent to it becoming a "Sick Industrial Company" in terms of the provisions of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions), Act, 1985, as the Company's net worth has been fully eroded and the Company has incurred cash losses during the current and prior periods and its current liabilities are far in excess of current assets. However, the financial results have been prepared by the Management of the Company on a going concern basis for the reasons stated in the said note.

   b. Attention is invited to note 8 of the statement. As stated in the note, remuneration paid to chairman and managing director includes Rs. 76 lacs in excess of the limit specified under Section 198 read with Section 309 and Schedule XIII to the Companies Act, 1956 which is subject to the approval of the Central Government.

Our conclusion is not qualified in respect of these matters.

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 investor complaints disclosed in Part II - Select Information for the quarter ended December 31, 2013 of the Statement, from the details furnished by the Management/Registrars.

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

Jaideep Bhargava
Partner
(Membership No. 090295)

New Delhi, February 13, 2014