

Mawana Sugars Limited

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



Statement of Standalone Unaudited Financial Results for the quarter and six months ended March 31, 2014

(Rs. in Lacs)

S.No.	Particulars	Unaudited					Audited
		Quarter ended			Six Months ended March 31, 2014	Six Months ended March 31, 2013	Year ended September 30, 2013
		March 31, 2014	December 31, 2013	March 31, 2013			
		1	2	3	4	5	6
PART I							
1	Income from operations						
	(a) Net sales/ Income from operations (net of excise duty)	34887	25039	32909	59926	56440	128438
	(b) Other operating income	67	145	77	212	185	282
	Total income from operations (net) (a+b)	34954	25184	32986	60138	56625	128720
2	Expenses						
	(a) Cost of materials consumed	56672	14290	62866	70962	93038	106223
	(b) Changes in inventories of finished goods and work-in-progress	(34727)	5709	(40956)	(29018)	(55432)	(6032)
	(c) Employee benefits expense	2085	1889	2286	3974	4340	8070
	(d) Depreciation and amortisation expenses	1239	1268	1240	2507	2518	5043
	(e) Power and fuel	3452	3080	3186	6532	6773	13347
	(f) Stores, spares and components	1617	1417	1810	3034	3792	6198
	(g) Other expenses	2968	1001	3365	3969	5344	6258
	Total Expenses (a to g)	33306	28654	33617	61960	60373	139107
3	Profit/(Loss) from operations before other income, finance costs, exceptional items and prior period adjustments (1-2)	1648	(3470)	(831)	(1822)	(3748)	(10387)
4	Other income	69	70	66	139	518	904
5	Profit/(Loss) from ordinary activities before finance costs, exceptional items and prior period adjustments (3+4)	1717	(3400)	(765)	(1683)	(3230)	(9483)
6	Finance costs	1547	1957	2327	3204	4186	9024
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items and prior period adjustments (5-6)	170	(5057)	(3092)	(4887)	(7416)	(18507)
8	Exceptional items expense/(income) (Refer Note 5)	-	-	-	-	-	(1875)
9	Profit/(Loss) from ordinary activities before prior period adjustments and tax (7-8)	170	(5057)	(3092)	(4887)	(7416)	(16632)
10	Prior period adjustment expense/(income) (Refer Note 6)	-	-	-	-	-	12154
11	Profit/(Loss) from ordinary activities before tax (9-10)	170	(5057)	(3092)	(4887)	(7416)	(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)	170	(5057)	(3092)	(4887)	(7445)	(28805)
14	Extraordinary items (net of tax)	-	-	-	-	-	-
15	Net Profit/(Loss) from ordinary activities (13+14)	170	(5057)	(3092)	(4887)	(7445)	(28805)
16	Paid-up equity share capital (Face value of each share Rs. 10/-)	3912	3912	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	0.44	(12.93)	(7.84)	(12.49)	(19.40)	(74.33)
PART II							
A PARTICULARS OF SHAREHOLDING							
1	Public shareholding						
	- Number of shares	12780888	12780888	11895888	12780888	11895888	12780888
	- Percentage of shareholding	32.67%	32.67%	30.41%	32.67%	30.41%	32.67%
2	Promoters and Promoter Group Shareholding						
a)	Pledged/Encumbered*						
	- Number of shares	26117959	26117959	26066794	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%	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%	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	1154182	218017
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.83%	0.83%	4.24%	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%	2.95%	0.56%
Particulars		3 months ended 31.03.2014					
B INVESTOR COMPLAINTS							
	Pending at the beginning of the quarter			0			
	Received during the quarter			7			
	Disposed of during the quarter			7			
	Remaining unresolved at the end of the quarter			0			

Handwritten signatures and initials at the bottom left of the page.

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



(Rs. in Lacs)

S. No	Particulars	Unaudited				Audited	
		Quarter ended			Six Months ended March 31, 2014	Six Months ended March 31, 2013	Year ended September 30, 2013
		March 31, 2014	December 31, 2013	March 31, 2013			
	1	2	3	4	5	6	
1.	Segment Revenue						
	a Sugar	36408	19875	32870	56283	52427	114921
	b Power	16155	3984	15835	20139	23273	27619
	c Chemical	6060	5098	5717	11158	11711	21811
	d Distillery	1206	2956	77	4162	525	2644
	Total	59829	31913	54499	91742	87936	166995
	Less: Inter-Segment revenue	24875	6729	21513	31604	31311	38275
	Net Sales / Income from Operations	34954	25184	32986	60138	56625	128720
2.	Segment Results						
	Profit / (Loss) (before tax, finance cost and exceptional items) from Segment						
	a Sugar	(3002)	(4151)	(6485)	(7153)	(11378)	(17185)
	b Power	4926	445	6445	5371	9049	9420
	c Chemical	(6)	(123)	118	(129)	157	(447)
	d Distillery	212	856	(103)	1068	(76)	588
	Total	2130	(2973)	(25)	(843)	(2248)	(7646)
	Less: i) Finance costs	1547	1657	2327	3204	4188	9024
	ii) Other un-allocable expenditure net off un-allocable income/expenditure	413	427	740	840	984	1837
	iii) Exceptional items expense/(income) (Refer Note 5)	-	-	-	-	-	(1875)
	iv) Prior period adjustment expense/(income) (Refer Note 6)	-	-	-	-	-	12154
	Total Profit/(Loss) before Tax	170	(5057)	(3092)	(4887)	(7416)	(28786)
3.	Segment Capital employed						
	a Sugar	(4973)	(368)	40777	(4973)	40777	14472
	b Power	18686	18946	22537	18686	22537	19545
	c Chemical	6910	6927	8444	6910	8444	8472
	d Distillery	6557	6156	5271	6557	5271	6899
	e Unallocated	(14)	375	17344	(14)	17344	370
	Total Segment Capital Employed	27166	32036	94373	27166	94373	49758

Handwritten signatures and initials.

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,	As at September 30,
		2014	2013
		1	2
A	EQUITY AND LIABILITIES		
	1 Shareholders' funds		
	(a) Share capital	3912	3912
	(b) Reserves and surplus	(29087)	(24200)
	Sub-total - Shareholders' funds	(25175)	(20288)
	2 Non-current liabilities		
	(a) Long-term borrowings	12016	14384
	(b) Other long-term liabilities	1577	1572
	(c) Long-term provisions	1122	1127
	Sub-total - Non-current liabilities	14715	17083
	3 Current liabilities		
	(a) Short-term borrowings	20755	37185
	(b) Trade payables	78655	30870
	(c) Other current liabilities	28539	23743
	(d) Short-term provisions	547	561
	Sub-total - Current liabilities	128496	92359
	TOTAL - EQUITY AND LIABILITIES	118036	89154
B	ASSETS		
	1 Non-current assets		
	(a) Fixed assets	50719	53043
	(b) Non-current investments	2928	2928
	(c) Long-term loans and advances	1814	1956
	(d) Other non current assets	89	85
	Sub-total - Non-current assets	55550	58012
	2 Current assets		
	(a) Inventories	53023	23857
	(b) Trade receivables	4375	4135
	(c) Cash and bank balance	1965	1522
	(d) Short-term loans and advances	3009	1563
	(e) Other current assets	114	65
	Sub-total Current assets	62486	31142
	TOTAL - ASSETS	118036	89154

(Handwritten signatures and initials)



Notes:

1. The above results have been taken on record by the Board of Directors in its meeting held on May 14, 2014.
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. The Company over the last few years has been incurring cash losses due to which its net worth has been completely eroded and its current liabilities are far in excess of its current assets. The Indian sugar industry, particularly in the State of Uttar Pradesh, has faced difficulties on account of increasing sugar cane prices and corresponding lower than expected recovery of sugar from cane, lower sugar prices and consequential under recovery of cost of production. These factors have adversely affected the Company's operations and financial performance. Higher finance costs have also added to the cash 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 Government has provided various reliefs like waiver of purchase, entry tax, and society commission. Further, Central Government 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 various steps initiated for cane development activities, enhancing plant efficiencies and cost reduction etc. to improve the performance of the Company are underway.

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, rescheduling 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

OK
e
S
A

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 demands 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. Exceptional items represent profit on sale of investment in Mawana Foods Limited (MFL) and Ceratizit India Private Limited (CIPL) of Rs. 505 lacs and Rs. 1370 lacs respectively during the previous year ended on September 30, 2013.
6. Prior period adjustment represents elimination of profit from the value of the investments held by the Company in Siel Infrastructure and Estate Developers Private Limited to give effect to the Statutory Auditor's qualification on the Company's financial statements for the period ended September 30, 2012.
7. The Central Government has approved the Chairman and Managing Director remuneration (w.e.f. October 15, 2012) vide letter dated April 21, 2014 at an amount lower than that approved by the shareholders in their general meeting. Consequent thereto, the Company is in the process of making a fresh representation to the Central Government for approving remuneration at the amount approved by the shareholders. Pending outcome thereof, refund of excess remuneration amounting to Rs. 67 lacs paid in terms of shareholders approval has not been obtained by the Company.
8. The remuneration amounting to Rs. 15 lacs paid to Whole Time Director (WTD) up to March 31st, 2014 is subject to Shareholders' approval under the provision of Schedule XIII of the Companies Act, 1956. Upon notification of Companies Act, 2013 w.e.f April 1, 2014, it is also required to take approval from Central Government for payment of remuneration to WTD.
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 March 31, 2014 which needs to be explained, except in respect of matters explained in note 4.

For Mawana Sugars Limited


Rajendra Khanna
(Whole Time Director)

Place : New Delhi

Date : May 14, 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 and six months ended March 31, 2014 ("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 September 13, 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 7 of the statement which sets out the position regarding remuneration paid in excess of remuneration approved by the Central Government to the chairman and managing director for which a refund of Rs. 67 lacs required in terms of Section 197(9) of the Companies Act, 2013 has not been obtained by the Company.
c. Attention is invited to note 8 of the statement. As stated in the note, remuneration paid to whole time director amounting to Rs. 15 lacs is subject to the approval of the Central Government.

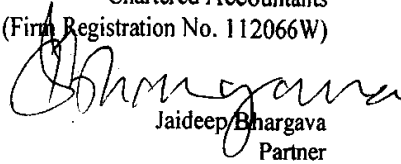
Our conclusion is not qualified in respect of these matters.

TELEPHONES : 91-11-2331 5884, 2331 5885, 2331 5704

BANGALORE • CHENNAI • HYDERABAD • JAMSHEDPUR • KOLKATA • MUMBAI • PUNE • VADODARA

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 and six months ended March 31, 2014 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 14, 2014

