

Mawana Sugars Limited

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


Statement of Standalone Unaudited Financial Results for the quarter ended March 31, 2015

(Rs. in Lacs)

		(Rs. in Lacs)			
S.No.	Particulars	Unaudited			Audited
		Quarter ended			15 Months ended
		March 31, 2015	December 31, 2014	March 31, 2014	December 31, 2014
PART I		1	2	3	4
1	Income from operations				
	(a) Net sales/ Income from operations (net of excise duty)	36476	25672	34887	139773
	(b) Other operating income	32	16	67	293
	Total Income from operations (net) (a+b)	36508	25688	34954	140066
2	Expenses				
	(a) Cost of materials consumed	46573	31559	56672	111428
	(b) Changes in inventories of finished goods and work-in-progress	(14107)	(10825)	(34727)	(5219)
	(c) Employee benefits expense	2012	1747	2085	9388
	(d) Depreciation and amortisation expenses	678	1200	1239	6096
	(e) Power and fuel	3338	3104	3452	16557
	(f) Stores, spares and components	1192	1341	1617	6324
	(g) Other expenses	2257	1814	2968	6736
	Total Expenses (a to g)	41943	29940	33306	151310
3	Profit/ (Loss) from operations before other income, finance costs, exceptional items and prior period adjustments (1-2)	(5435)	(4252)	1648	(11244)
4	Other income	95	534	69	873
5	Profit/ (Loss) from ordinary activities before finance costs, exceptional items and prior period adjustments (3+4)	(5340)	(3718)	1717	(10371)
6	Finance costs	1502	1829	1547	7689
7	Profit/ (Loss) from ordinary activities after finance costs but before exceptional items and prior period adjustments (5-6)	(6842)	(5547)	170	(18060)
8	Exceptional items expense/(income)	-	-	-	-
9	Profit/ (Loss) from ordinary activities before prior period adjustments and tax (7-8)	(6842)	(5547)	170	(18060)
10	Prior period adjustment expense/(income)	-	-	-	-
11	Profit/ (Loss) from ordinary activities before tax (9-10)	(6842)	(5547)	170	(18060)
12	Tax expenses				
	Relating to earlier years	-	-	-	-
	Provision for tax written back relating to earlier years	-	-	-	-
13	Net Profit/ (Loss) from ordinary activities after tax (11-12)	(6842)	(5547)	170	(18060)
14	Extraordinary items (net of tax)	-	-	-	-
15	Net Profit/ (Loss) from ordinary activities (13+14)	(6842)	(5547)	170	(18060)
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				(42262)
18	Earning per share (of Rs. 10 each) (Not annualised)				
	- Basic/Diluted	(17.49)	(14.18)	0.44	(46.17)
PART II					
A	PARTICULARS OF SHAREHOLDING				
1	Public shareholding				
	- Number of shares	11780888	11780888	12780888	11780888
	- Percentage of shareholding	30.12%	30.12%	32.67%	30.12%
2	Promoters and Promoter Group Shareholding				
a)	Pledged/Encumbered*				
	- Number of shares	27117959	27117959	26117959	27117959
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	99.20%	99.20%	99.17%	99.20%
	- Percentage of shares (as a % of the total share capital of the Company)	69.32%	69.32%	66.77%	69.32%
	* 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	218017	218017
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.80%	0.80%	0.83%	0.80%
	- Percentage of shares (as a % of the total share capital of the Company)	0.56%	0.56%	0.56%	0.56%
	Particulars	3 months ended 31.03.2015			
B	INVESTOR COMPLAINTS				
	Pending at the beginning of the quarter	0			
	Received during the quarter	6			
	Disposed of during the quarter	6			
	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			15 Months ended December 31, 2014
		March 31, 2015	December 31, 2014	March 31, 2014	
1.	Segment Revenue	1	2	3	4
	a Sugar	37029	25020	36408	124941
	b Power	15294	9755	16155	32791
	c Chemical	5206	4689	6060	26838
	d Distillery	1985	1427	1206	8768
	Total	59514	40891	59829	193338
	Less: Inter-Segment revenue	23006	15203	24875	53272
	Net Sales / Income from Operations	36508	25688	34954	140066
2.	Segment Results				
	Profit / (Loss) (before tax, finance cost and exceptional items) from Segment				
	a Sugar	(10430)	(6568)	(3002)	(17369)
	b Power	5337	2933	4926	7909
	c Chemical	(230)	(406)	(6)	(1125)
	d Distillery	301	237	212	1830
	Total	(5022)	(3804)	2130	(8755)
	Less: i) Finance costs	1502	1829	1547	7689
	ii) Other un-allocable expenditure net off un-allocable income/expenditure	318	(86)	413	1616
	Total Profit/(Loss) before Tax	(6842)	(5547)	170	(18060)
3.	Segment Capital employed				
	a Sugar	(35574)	(16846)	(4973)	(16846)
	b Power	16707	18078	18686	18078
	c Chemical	5756	7128	6910	7128
	d Distillery	8441	7823	6557	7823
	e Unallocated	8862	(4263)	(14)	(4263)
	Total Segment Capital Employed	4192	11921	27166	11921

(Handwritten signatures)



Notes:

1. The above results have been taken on record by the Board of Directors in its meeting held on May 12, 2015.
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 got registered with the BIFR on September 10, 2013 under the provisions of Section 15(1) of the Sick Industrial Companies (Special Provisions), Act, 1985 (SICA). 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 like decontrol of free sale of sugar release mechanism, doing away with levy quota system and also considering linking the sugar cane price with sugar price. 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, 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 business. Accordingly, these financial results have been prepared on a going concern basis.

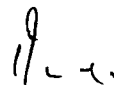
4. In view of financial position of the Company explained in note no. 3 above, the Company has not been able to attract qualified Non-Executive Directors and has also not been able to fill up certain Key positions despite its best efforts. Consequently, the Company is not in compliance with certain sections/ clauses of the Companies Act, 2013 and of the Listing Agreement.

5. With effect from January 1st, 2015, depreciation on fixed assets is computed in accordance with Schedule II of the Companies Act, 2013. Consequent thereto, Depreciation charged for the quarter is lower by Rs. 5.62 crs. and depreciation amounting to Rs. 5.23 crs. has been adjusted from the opening balance of the retained earnings.
6. The Central Government had approved the former 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 had made a representation to the Central Government on November 5, 2014 for waiver of excess remuneration paid to Mr. Siddharth Shriram, Managing Director. Pending outcome thereof, refund of excess remuneration amounting to Rs. 70.40 lacs paid in terms of shareholders approval has not been obtained by the Company.
7. The remuneration amounting to Rs. 82.52 lacs paid to Whole Time Director (WTD) up to December 31st, 2014 is subject to the approval of Central Government under the provision of the Companies Act, 2013. An application for approval of Central Government has been filed on January 15, 2015.
8. Figures for the previous corresponding period have been regrouped wherever necessary.

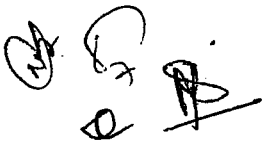
Limited Review

The Limited Review, as required under Clause 41 of the Listing Agreement has been completed and the related Report forwarded to the Stock Exchanges. The Report does not have any impact on the above 'Results and Notes' for the quarter ended March 31, 2015 which needs to be explained.

For Mawana Sugars Limited


(Authorised Signatory)

Place : New Delhi
Date : May 12, 2015



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 March 31, 2015 ("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 5 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. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, 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.
4. 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 5 of the statement which sets out the position regarding remuneration paid in excess of remuneration approved by the Central Government to the its former chairman and managing director for which a refund of Rs. 70 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 6 of the statement. As stated in the note, remuneration paid to whole time director amounting to Rs. 82.5 lacs is subject to the approval of the Central Government.

Our conclusion is not qualified in respect of these matters.



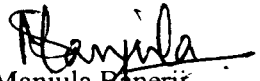
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5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered 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 March 31, 2015 of the Statement, from the details furnished by the Management/Registrars.

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


Manjula Banerji
Partner

(Membership No. 086423)

New Delhi,

