MAWANA SUGARS LIMITED

CIN: L74100DL1961PLC003413

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

(₹ in Lacs)

Sl. No.	Particulars	Unaudited					Audited
		Quarter Ended			Six Months Ended	Six Months Ended	Year Ended
		March 31, 2014	December 31, 2013	March 31, 2013	March 31, 2014	March 31, 2013	Sept. 30, 2013
PART - I		1	2	3	4	5	6
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	62886	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**	**33817**	**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	1657	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 activites (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 sharehoding.						
	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

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

(₹ in Lacs)

Sl. No.	Particulars	Unaudited					Audited
		Quarter Ended			Six Months Ended	Six Months Ended	Year Ended
		March 31, 2014	December 31, 2013	March 31, 2013	March 31, 2014	March 31, 2013	Sept. 30, 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)	(11376)	(17185)
	b Power	4926	445	6445	5371	9049	9420
	c Chemical	(6)	(123)	118	(129)	157	(447)
	d Distillery	212	856	(103)	1068	(76)	566
	Total	**2130**	**(2973)**	**(25)**	**(843)**	**(2246)**	**(7646)**
	Less: i) Finance costs	1547	1657	2327	3204	4186	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**

Statement of Assets and Liabilities

(₹ in Lacs)

Sl. No.	Particulars	Unaudited	Audited
		As at March 31, 2014	As at September 30, 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**

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, 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 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
Sd/-
Rajendra Khanna
(Whole Time Director)

Place : New Delhi
Date : May 14, 2014