

MAWANA SUGARS LIMITED



CIN: L74100DL1961PLC003413

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Statement of Standalone Unaudited Financial Results for the quarter and six months ended September 30, 2016

(Rs. in Lacs except earning per share)

Sl. No.	Particulars	Standalone					
		Unaudited					Audited
		Quarter ended			Six Months ended	Nine Months ended	Fifteen Months ended
		September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	March 31, 2016
		1	2	3	4	5	6
1	Income from operations						
	(a) Net sales/ Income from operations (net of excise duty)	17952	31613	16031	49565	84528	148302
	(b) Other operating income	766	38	16	804	85	162
	Total Income from operations (net) (a+b)	18718	31651	16047	50369	84613	148464
2	Expenses						
	(a) Cost of materials consumed	1520	1650	(6494)	3170	44779	110500
	(b) Purchase of stock in trade	-	-	-	-	-	-
	(c) Changes in inventories of finished goods and work-in-progress	9986	22792	9790	32778	18249	(12751)
	(d) Employee benefits expense	2692	1570	1570	4262	5123	8986
	(e) Depreciation and amortisation expenses	641	637	655	1278	1996	3793
	(f) Power and fuel	3153	3290	3212	6443	10039	16308
	(g) Stores, spares and components	827	487	1099	1314	3077	6084
	(h) Other expenses	650	(360)	473	290	2828	8600
	Total Expenses (a to h)	19469	30066	10305	49535	86091	141520
3	Profit/ (Loss) from operations before other income, finance costs, exceptional items and prior period adjustments (1-2)	(751)	1585	5742	834	(1478)	6944
4	Other income	875	163	330	1038	672	955
5	Profit/ (Loss) from ordinary activities before finance costs, exceptional items and prior period adjustments (3+4)	124	1748	6072	1872	(806)	7899
6	Finance costs	895	883	1563	1778	4562	7678
7	Profit/ (Loss) from ordinary activities after finance costs but before exceptional items and prior period adjustments (5-6)	(771)	865	4509	94	(5368)	221
8	Exceptional items expense/(income)	-	-	-	-	-	-
9	Profit/ (Loss) from ordinary activities before prior period adjustments and tax (7-8)	(771)	865	4509	94	(5368)	221
10	Prior period adjustment expense/(income)	-	-	-	-	-	-
11	Profit/ (Loss) from ordinary activities before tax (9-10)	(771)	865	4509	94	(5368)	221
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)	(771)	865	4509	94	(5368)	221
14	Extraordinary items (net of tax)	-	-	-	-	-	-
15	Net Profit/ (Loss) from ordinary activities (13+14)	(771)	865	4509	94	(5368)	221
16	Minority Interest	-	-	-	-	-	-
17	Net Profit/(Loss) for the period after minority interest (15-16)	(771)	865	4509	94	(5368)	221
18	Paid-up equity share capital (Face value of each share Rs. 10/-)	3912	3912	3912	3912	3912	3912
19	Reserve excluding Revaluation Reserve as per balance sheet						(42,041)
20	Earning per share (of Rs. 10 each) (Not annualised)						
	- Basic/Diluted	(1.97)	2.21	11.53	0.24	(13.72)	0.57

Unaudited Segment-wise Revenue, Results, Assets and Liabilities for the quarter and six months ended September 30, 2016

(₹ in Lacs)

Sl. No.	Particulars	Standalone					
		Unaudited					Audited
		Quarter ended			Six Months ended	Nine Months ended	Fifteen Months ended
		September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	March 31, 2016
		1	2	3	4	5	6
1.	Segment Revenue						
	a Sugar	11838	25345	9093	37183	71259	134746
	b Power	67	625	78	692	17418	39412
	c Chemical	4900	5269	4762	10169	15537	25785
	d Distillery	1999	2292	2216	4251	7477	11911
	Total	18804	33491	16149	52295	111691	211854
	Less: Inter-Segment revenue	86	1840	102	1926	27078	63390
	Net Sales / Income from Operations	18718	31651	16047	50369	84613	148464
2.	Segment Results						
	Profit / (Loss) (before tax, finance cost and exceptional items) from Segment						
	a Sugar	(1193)	829	6263	(364)	(7189)	(5738)
	b Power	(557)	14	(634)	(543)	5146	12593
	c Chemical	180	535	(350)	715	(583)	(1247)
	d Distillery	571	685	788	1256	2341	3883
	Total	(999)	2063	6067	1064	(285)	9491
	Less: i) Finance costs	895	883	1,563	1,778	4,562	7678
	ii) Other un-allocable expenditure net off un-allocable income/expenditure	(1123)	315	(5)	(808)	521	1592
	Total Profit/(Loss) before Tax	(771)	865	4509	94	(5368)	221
3.	Segment Assets						
	a Sugar	30667	41124	33161	30667	33161	62697
	b Power	17043	17765	15875	17043	15875	19870
	c Chemical	8684	8204	8683	8684	8683	8000
	d Distillery	7559	9247	6316	7559	6316	8714
	e Unallocated	6848	6724	4990	6848	4990	6402
	Total	70801	83064	69025	70801	69025	105683
4.	Segment Liabilities						
	a Sugar	39290	50838	51293	39290	51293	73043
	b Power	159	82	147	159	147	116
	c Chemical	3398	2629	2867	3398	2867	3100
	d Distillery	317	200	214	317	214	377
	e Unallocated	65672	66578	58744	65672	58744	67176
	Total	108836	120327	113265	108836	113265	143812

Statement of Assets and Liabilities

(₹ in Lacs)

Sl. No.	Particulars	Standalone	
		Unaudited	Audited
		As at September 30, 2016	As at March 31, 2016
1	2		
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	3912	3912
	(b) Reserves and surplus	(41947)	(42041)
	Sub-total - Shareholders' funds	(38035)	(38129)
2	Non-current liabilities		
	(a) Long-term borrowings	22394	24557
	(b) Other long-term liabilities	6801	6800
	(c) Long-term provisions	1042	1013
	Sub-total - Non-current liabilities	30237	32370
3	Current liabilities		
	(a) Short-term borrowings	4584	4684
	(b) Trade payables	38675	71638
	(c) Other current liabilities	34892	34679
	(d) Short-term provisions	448	441
	Sub-total - Current liabilities	78599	111442
	TOTAL - EQUITY AND LIABILITIES	70801	105683
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	43866	44364
	(b) Non-current investments	3328	3328
	(c) Long-term loans and advances	3009	2361
	(d) Other non current assets	132	129
	Sub-total - Non-current assets	50335	50182
2	Current assets		
	(a) Inventories	8393	41681
	(b) Trade receivables	4395	7249
	(c) Cash and bank balance	3890	4309
	(d) Short-term loans and advances	3655	2181
	(e) Other current assets	133	81
	Sub-total Current assets	20466	55501
	TOTAL - ASSETS	70801	105683

Notes:

- The above results have been taken on record by the Board of Directors in its meeting held on November 11, 2016.
- The Company, inter-alia, manufactures Sugar which is produced during the season and sold throughout the period. As such, the performance in any quarter may not be representative of the annual performance of the Company.
- The Company over the last few years has been incurring cash losses due to which its net worth has been eroded and its current liabilities are 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 Board for Industrial and Financial Reconstruction (BIFR) on 10th September 2013 as sick industrial company (in terms of Section 3(1)(o)) 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, subsidy of Rs 28.60 per qtl on sugar cane purchase during the sugar season 2014-15 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, reschedule 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.
During the current season, the industry has witnessed a steady increase in sugar prices and improved cane recoveries. This has resulted in the Company generating profits including cash profits during the current six months period. The industry outlook is also positive in the short and long term with sugar prices expected to hold.
Pursuant to the assignment of all rights, titles and interests in the financial assistance granted by two term lenders to the Company with an asset reconstruction company, a major portion of the outstanding debts has been restructured for repayment.
During the current quarter, the Company has entered into the one time settlement agreement with one of the lender for settling an agreed sum to be paid in installments upto 25.03.2017. Also the Company is in the process of negotiation with the remaining lenders. Further, the business restructuring plan as mentioned in the rehabilitation scheme is being pursued by the Company.
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 statements have been prepared on a going concern basis.
- The Central Government had approved the erstwhile Chairman and Managing Director's 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 Chairman and Managing Director (ceased to be Managing Director w.e.f. July 31, 2014). Pending outcome thereof, refund of excess remuneration amounting to Rs. 70 lacs paid in terms of shareholders' approval has not been obtained by the Company.
 - The Central Government had approved the former Whole time Director (WTD) Mr. Rajendra Khanna's remuneration (w.e.f. February 01, 2014) vide letter dated June 30, 2015 at an amount lower than that approved by the Shareholders. Consequent thereto, the Company had made a representation to the Central Government for waiver of excess remuneration paid to Mr. Rajendra Khanna, Whole Time Director. Pending outcome thereof, refund of excess remuneration amounting to Rs. 66 lacs paid in terms of shareholders' approval has not been obtained by the Company.
 - Remuneration amounting to Rs 19.19 lacs paid to Whole Time Director (WTD) up to September 30, 2016 is subject to the approval of Central Government under the provision of the Companies Act, 2013.
- Government of Uttar Pradesh has revised the wage rates of sugar wage board retrospectively from October 1, 2013. The Company has estimated the impact of the incidence consequent upon such revision, and accordingly charged an amount aggregating to Rs. 1066.22 lacs in employee benefits expense for the quarter and period ended September 30, 2016.
- The year to date figures (mentioned in column 4) for current period ended September 30, 2016 are not comparable with the year to date figures (mentioned in column 5) for the previous period ended September 30, 2015 as it includes results of 2 quarters of the current financial year as against 3 quarters of last financial year.
- Figures for the previous corresponding period have been regrouped wherever necessary.

Limited Review

The Limited Review, as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed and related Report forwarded to the Stock Exchanges. This Report does not have any impact on the above 'Results and Notes' for the quarter and six months ended September 30, 2016 which need to be explained.

For Mawana Sugars Limited

Sd/-

Dharam Pal Sharma

Whole Time Director

DIN : 07259344

Place : New Delhi

Date : November 11, 2016