

MAWANA SUGARS LIMITED

CIN: L74100DL1961PLC003413

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Statement of Standalone and Consolidated Audited Financial Results for the fifteen months period ended March 31, 2016

(₹ in Lacs)

Sl. No.	Particulars	Standalone					Consolidated	
		Quarter Ended			Audited		Audited	
		Audited (Refer Note 7) March 31, 2016 1	Unaudited		Fifteen Months ended March 31, 2016 4	Fifteen Months ended December 31, 2014 5	Fifteen Months ended March 31, 2016 6	Fifteen Months ended December 31, 2014 7
			December 31, 2015 2	March 31, 2015 3				
1	Income from operations							
	(a) Net sales/ Income from operations (net of excise duty)	46138	17636	36476	148302	139773	148302	139773
	(b) Other operating income	48	29	32	162	293	162	293
	Total Income from operations (net) (a+b)	46186	17665	36508	148464	140066	148464	140066
2	Expenses							
	(a) Cost of materials consumed	40231	25490	46573	110500	111428	110500	111428
	(b) Purchase of stock in trade	-	-	-	-	-	183	34
	(c) Changes in inventories of finished goods and work-in-progress	(13843)	(17157)	(14107)	(12751)	(5219)	(12934)	(5253)
	(d) Employee benefits expense	1932	1931	2012	8986	9388	8986	9403
	(e) Depreciation and amortisation expenses	1132	665	678	3793	6096	3793	6096
	(f) Power and fuel	3212	3057	3338	16308	16557	16308	16557
	(g) Stores, spares and components	1670	1337	1192	6084	6324	6084	6324
	(h) Other expenses	4036	1736	2257	8600	6736	8771	6822
	Total Expenses (a to h)	38370	17059	41943	141520	151310	141690	151411
3	Profit/ (Loss) from operations before other income, finance costs, exceptional items and prior period adjustments (1-2)	7816	606	(5435)	6944	(11244)	6774	(11345)
4	Other income	192	91	95	955	873	984	897
5	Profit/ (Loss) from ordinary activities before finance costs, exceptional items and prior period adjustments (3+4)	8008	697	(5340)	7899	(10371)	7758	(10448)
6	Finance costs	1516	1600	1502	7678	7689	7678	7689
7	Profit/ (Loss) from ordinary activities after finance costs but before exceptional items and prior period adjustments (5-6)	6492	(903)	(6842)	221	(18060)	80	(18137)
8	Exceptional items expense/(income)	-	-	-	-	-	-	-
9	Profit/ (Loss) from ordinary activities before prior period adjustments and tax (7-8)	6492	(903)	(6842)	221	(18060)	80	(18137)
10	Prior period adjustment expense/(income)	-	-	-	-	-	-	-
11	Profit/ (Loss) from ordinary activities before tax (9-10)	6492	(903)	(6842)	221	(18060)	80	(18137)
12	Tax expenses							
	Relating to earlier years	-	-	-	-	-	-	1
	Provision for tax written back relating to earlier years	-	-	-	-	-	-	-
13	Net Profit/ (Loss) from ordinary activities after tax (11-12)	6492	(903)	(6842)	221	(18060)	80	(18138)
14	Extraordinary items (net of tax)	-	-	-	-	-	-	-
15	Net Profit/ (Loss) from ordinary activities (13+14)	6492	(903)	(6842)	221	(18060)	80	(18138)
16	Minority Interest	-	-	-	-	-	-	-
17	Net Profit/(Loss) for the period after minority interest (15-16)	6492	(903)	(6842)	221	(18060)	80	(18138)
18	Paid-up equity share capital (Face value of each share Rs. 10/-)	3912	3912	3912	3912	3912	3912	3912
19	Reserve excluding Revaluation Reserve as per balance sheet				(42,041)	(42262)	(42574)	(42653)
20	Earning per share (of Rs. 10 each) (Not annualised) Basic/Diluted)	16.60	(2.31)	(17.49)	0.57	(46.17)	0.20	(46.37)

Segment wise Revenue Results and Capital Employed under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (₹ in Lacs)

Sl. No.	Particulars	Standalone				Consolidated		
		Quarter Ended		Audited		Audited		
		Audited (Refer Note 7)	Unaudited		Fifteen Months ended March 31, 2016	Fifteen Months ended December 31, 2014	Fifteen Months ended March 31, 2016	Fifteen Months ended December 31, 2014
1	2	3	4	5	6	7		
1.	Segment Revenue							
	a Sugar	47519	15968	37029	134746	124941	134746	
	b Power	13831	8163	15294	39412	32791	32791	
	c Chemical	5475	4773	5206	25785	26838	26838	
	d Distillery	2804	1630	1985	11911	8768	8768	
	Total	69629	30534	59514	211854	193338	211854	
	Less: Inter-Segment revenue	23443	12869	23006	63390	53272	63390	
	Net Sales / Income from Operations	46186	17665	36508	148464	140066	148464	
2.	Segment Results							
	Profit / (Loss) (before tax, finance cost and exceptional items) from Segment							
	a Sugar	3347	(1896)	(10430)	(5738)	(17369)	(5738)	
	b Power	5025	2422	5337	12593	7909	12593	
	c Chemical	(469)	(196)	(230)	(1247)	(1125)	(1125)	
	d Distillery	1030	512	301	3883	1830	3883	
	Total	8934	842	(5022)	9491	(8755)	9491	
	Less: i) Finance costs	1516	1600	1,502	7678	7689	7678	
	ii) Other un-allocable expenditure net off un-allocable income/expenditure"	926	145	318	1592	1616	1733	
	Total Profit/(Loss) before Tax	6492	(903)	(6842)	221	(18060)	80	
3.	Segment Capital employed							
	a Sugar	(10346)	(32640)	(35574)	(10346)	(16846)	(10346)	
	b Power	19755	17456	16707	19755	18078	19755	
	c Chemical	4899	6273	5756	4899	7128	4899	
	d Distillery	8337	8692	8441	8337	7823	8337	
	e Unallocated	(12747)	3244	8862	(12747)	(4263)	(13123)	
	Total Segment Capital Employed	9898	3025	4192	9898	11921	9522	

Statement of Assets and Liabilities

(₹ in Lacs)

Sl. No.	Particulars	Standalone Audited		Consolidated Audited	
		As at March 31, 2016	As at December 31, 2014	As at March 31, 2016	As at December 31, 2014
		1	2	3	4
A	EQUITY AND LIABILITIES				
1	Shareholders' funds				
	(a) Share capital	3912	3912	3912	3912
	(b) Reserves and surplus	(42041)	(42262)	(42574)	(42653)
	Sub-total - Shareholders' funds	(38129)	(38350)	(38662)	(38741)
2	Non-current liabilities				
	(a) Long-term borrowings	24557	9094	24557	9094
	(b) Other long-term liabilities	6800	1583	6800	1583
	(c) Long-term provisions	1013	1110	1013	1110
	Sub-total - Non-current liabilities	32370	11787	32370	11787
3	Current liabilities				
	(a) Short-term borrowings	4684	19613	4841	19770
	(b) Trade payables	71638	65549	71638	65549
	(c) Other current liabilities	34679	34613	34689	34622
	(d) Short-term provisions	441	456	441	455
	Sub-total - Current liabilities	111442	120231	111609	120396
	TOTAL - EQUITY AND LIABILITIES	105683	93668	105317	93442
B	ASSETS				
1	Non-current assets				
	(a) Fixed assets	44364	47479	44370	47484
	(b) Non-current investments	3328	2928	0	-
	(c) Long-term loans and advances	2361	1799	2507	1948
	(d) Other non current assets	129	97	131	98
	Sub-total - Non-current assets	50182	52303	47008	49530
2	Current assets				
	(a) Inventories	41681	29055	44144	31335
	(b) Trade receivables	7249	5135	7249	5135
	(c) Cash and bank balance	4309	4140	4645	4400
	(d) Short-term loans and advances	2181	2828	2183	2829
	(e) Other current assets	81	207	88	213
	Sub-total Current assets	55501	41365	58309	43912
	TOTAL - ASSETS	105683	93668	105317	93442

Notes:

- The above results have been taken on record by the Board of Directors in its meeting held on May 10, 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 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, 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.
During the current period, 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 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, and 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 Government of Uttar Pradesh had announced subsidy on sugar cane purchased during the sugar season 2014-15 linked to average selling price of sugar and its by-products during the period 1st October, 2014 to 31st May, 2015. As such, the Company had recognized the full subsidy of Rs. 28.60 per qtl, aggregating to Rs. 7662 lacs which had been netted off from the cost of material consumed for the Fifteen months ended March 31, 2016.
- Pursuant to Companies Act, 2013 ('the Act') being effective from January 1, 2015, the Company has revised depreciation rates on fixed assets as per the useful life specified in Part 'C' of schedule II of the Act. As a result of this change, the depreciation charge for the quarter ended and the period ended March 31, 2016 is lower by Rs. 498 lacs and Rs. 2435 lacs. In respect of the assets whose useful life had already exhausted as at December 31, 2014 depreciation of Rs. 491 lacs has been adjusted in the statement of profit and loss in accordance with the requirement of the Schedule II of the Act.
- a. 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.
b. 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.
c. Remuneration amounting to Rs10.84 lacs paid to Whole Time Director (WTD) up to March 31, 2016 is subject to the approval of shareholders and Central Government under the provision of the Companies Act, 2013.
- The figures of the last quarter are the balancing figures between audited figures in respect of full fifteen month financial period and the published period to date figures up to the fourth quarter of the respective financial periods.
- Figures for the previous corresponding period have been regrouped wherever necessary.

For Mawana Sugars Limited

Sd/-

Dharam Pal Sharma

Whole Time Director

DIN : 07259344

Place : New Delhi

Date : May 10, 2016

24cm x 34cm