



KPND & Co.

(Chartered Accountants)

Review Report to
The Board of Directors
Mandhana Industries Limited
205/214, Peninsula Centre,
Dr. S. S. Rao Road, Parel,
Mumbai – 400 012

Dear Sirs,

We have reviewed the accompanying statement of unaudited financial results of **MANDHANA INDUSTRIES LIMITED (the company)**, for the quarter ended **30th June, 2017** (the statement), being submitted by the company pursuant to the requirements of Regulations 33 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015. 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 these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, engagements to Review Financial Statements 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 financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5th July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Attention is invited to the following:

- a) The Company has not made provision against doubtful debts amounting Rs. 30501.29 lacs. Though the Company is under negotiation with customer to recover the same. Had this provision been made the profit would have been reduced to the extent and the current assets would also be reduced to the extent of non-provision of the doubtful debts.

- b) The Company has not made any provision against non-recoverable advances to vendors amounting Rs. 6533.42 lacs. Though the Company is under negotiation with vendor to recover the same. Had this provision been made the profit would have been reduced to the extent and the current assets would also be reduced to the extent of non-provision of the non-recoverable advance.
- c) Note No. 4 on an application to NCLT under section 131 of Companies Act 2013.

Our Report is not qualified in respect of the above matters.

For KPND & Co.
CHARTERED ACCOUNTANTS

Dhamecha
NILESH J. DHAMECHA
Partner
Membership No: 143172
FRN : 133861W
Date : 09th August, 2017
Place : Mumbai





MANDHANA

MANDHANA INDUSTRIES LIMITED
STATEMENT OF PROFIT & LOSS FOR THE QUARTER ENDED 30TH JUNE,2017

Sr. No	Particulars	(Rs. In Lacs)			
		For the Quarter ended		For the Year ended	
		UnAudited 30.06.2017	Audited 31.03.2017	UnAudited 30.06.2016	Audited 31.03.2017
	PART I				
I	Revenue from Operations	8,644.20	11,224.01	15,816.73	51,671.16
II	Other Income	121.39	44.52	(90.03)	355.52
III	Total Revenue (I+II)	8,765.59	11,268.53	15,726.70	52,026.68
IV	Expenses :				
	(a) Cost of materials consumed	4,789.39	12,082.42	20,522.36	41,456.57
	(b) Purchase of Stock in Trade	-	0.74	10,954.27	16,550.64
	(c) Changes in inventories of Finished Goods, Work in Progress and Stock-	1,619.51	(5,089.91)	14,814.37	24,573.76
	(d) Employee Benefit expense	1,678.01	1,976.86	2,709.04	8,906.07
	(e) Manufacturing Cost	2,451.63	3,027.74	3,532.66	12,086.94
	(f) Finance Costs	3,792.32	4,457.39	2,653.31	13,805.06
	(g) Depreciation and amortisation expenses	1,003.81	1,014.72	1,017.36	4,084.66
	(h) Impairment of Property,Plant and Equipment	-	1,122.80	-	1,122.80
	(i) Other expenses	860.29	1,154.47	1,075.73	4,286.07
	Total Expenses	16,194.97	19,747.23	57,279.09	126,872.57
V	Profit (+) / Loss (-) before exceptional and extraordinary item and tax (III-IV)	(7,429.38)	(8,478.70)	(41,552.39)	(74,845.89)
VI	Exceptional items	-	-	-	-
VII	Profit (+) / Loss (-) before extraordinary item and tax (III-IV)	(7,429.38)	(8,478.70)	(41,552.39)	(74,845.89)
VIII	Extraordinary items	-	-	-	-
IX	Profit Before Tax (VII-VIII)	(7,429.38)	(8,478.70)	(41,552.39)	(74,845.89)
X	Tax Expenses - Current Tax	-	-	-	-
	- Deferred Tax (Assets)/Liability	204.05	(708.21)	(199.71)	(1,000.61)
XI	Profit/(Loss) for the period from continuing operations (IX-X)	(7,633.42)	(7,770.49)	(41,352.69)	(73,845.28)
XII	Income Tax paid of Earlier Year	-	(997.15)	-	(997.15)
XIII	Net Profit (+)/Loss (-) (XI-XII)	(7,633.42)	(6,773.34)	(41,352.69)	(72,848.14)
XIV	Other Comprehensive Income	-	98.26	-	98.26
XV	Total Comprehensive Income for the period (XIII+XIV)	(7,633.42)	(6,675.08)	(41,352.69)	(72,749.88)
XVI	Profit/(Loss) for the period from discontinuing operations	-	-	-	-
XVII	Tax Expenses of discontinuing operations	-	-	-	-
XVIII	Profit/(Loss) from discontinuing Operations (after Tax) (XVI-XVII)	-	-	-	-
XIX	Profit/(Loss) for the period (XV+XVIII)	(7,633.42)	(6,675.08)	(41,352.69)	(72,749.88)
XX	Paid up equity share capital (Face value of Re. 10/- each)	3,312.39	3,312.39	3,312.39	3,312.39
XXI	Reserves (excluding revaluation reserves & DRR)	(23,449.94)	(15,816.53)	15,580.66	(15,816.53)
XXII	Revaluation Reserve	15,803.42	15,803.42	15,803.42	15,803.42
XXIII	Debenture Redemption Reserve (DRR)	1,425.00	1,425.00	1,425.00	1,425.00
XXIV	Earning Per Share of Rs. 10/- each: Basis & Diluted (Rs.)	(23.05)	(20.45)	(124.84)	(219.63)
XXV	Debt Equity Ratio	(10.80)	6.67	0.90	6.67
XXVI	Debt Service Coverage Ratio(DSCR)	(0.23)	(0.41)	(2.61)	(2.47)
XXVII	Interest Service Coverage Ratio (ISCR)	(0.96)	(0.90)	(14.66)	(4.42)
	Notes				
	Formula For Computation of Ratios:				
	Debt Equity Ratio :- Long Term loan / Networth				
	Debt Service Coverage Ratio(DSCR) :- Earning before Interest and Tax				
	Interest Service Coverage Ratio (ISCR) :- Earning before Interest and Tax /				





MANDHANA
MANDHANA INDUSTRIES LIMITED

SEGMENT-WISE REVENUE, RESULTS, SEGMENT ASSETS AND SEGMENT LIABILITIES

Sr No.	Particulars	For the Quarter Ended			For the Year ended
		UnAudited	Audited	UnAudited	Audited
		30.06.2017	31.03.2017	30.06.2016	31.03.2017
1	Segment Revenue				
	[a] Textiles	5,987.45	7,196.06	10,095.47	34,773.70
	[b] Garment	2,656.75	4,027.95	5,721.26	16,897.46
	Total	8,644.20	11,224.01	15,816.73	51,671.16
	Less: Inter-segment Revenue	-	-	-	-
	Total Revenue	8,644.20	11,224.01	15,816.73	51,671.16
2	Segment Profit / (Loss) Before Tax & Interest				
	[a] Textiles	(2,928.22)	(1,439.16)	(38,694.14)	(55,415.58)
	[b] Garment	(830.22)	(2,626.65)	(114.92)	(5,980.76)
	Total	(3,758.43)	(4,065.82)	(38,809.06)	(61,396.34)
	Less: Interest	3,792.32	4,457.39	2,653.31	13,805.06
		(7,550.76)	(8,523.21)	(41,462.36)	(75,201.40)
	Add: Unallocable Income	121.39	44.52	(90.03)	355.52
	Profit Before Tax	(7,429.37)	(8,478.69)	(41,552.39)	(74,845.88)
3	Segment Assets				
	[a] Textiles	112,019.90	115,488.97	149,689.93	115,488.97
	[b] Garment	19,155.96	19,508.90	23,348.67	19,508.90
	[c] Other unallocable	0.25	0.25	0.25	0.25
		131,176.12	134,998.12	173,038.85	134,998.12
4	Segment Liabilities				
	[a] Textiles	102,588.97	106,598.98	142,700.80	106,598.98
	[b] Garment	16,571.90	16,534.79	16,636.56	16,534.79
	[c] Other unallocable	12,015.25	11,864.35	13,701.48	11,864.35
		131,176.12	134,998.12	173,038.85	134,998.12



09/11/17

Note:

1. The results were reviewed by the Audit Committee and thereafter approved subject to note no.4 below by the Board of Directors at their meeting held on 9th August, 2017.
2. The Statutory Auditors have carried out a Limited Review of the results for the quarter ended 30th June, 2017.
3. The Company is in default of repayment of certain of its principal obligations as well as interest to its lenders. The Company is in discussions with its lenders for evaluating a suitable restructuring plan.
4. During the Quarter Ended 30th June, 2016 , the cost of material consumed and change in inventories includes a write off of Rs. 36375.79 lacs on account of old nonmoving /slow moving stock obsolescence which has been part of the closing stock for FY 2015 & FY 2016. Since the said stock has been liquidated in current/previous quarter at a value which is significantly lower than the book value, there are reasons to believe that the valuation as reflected in FY 2015 & FY 2016 could have been presented at cost instead of Market Realisable Value. In view of the above, the Board of Directors find it prudent to refer the matter to the National Company Law Tribunal (NCLT) and seek revision of Financial Statements for FY 2015 & FY 2016 under Section 131 "Voluntary revision of financial statements or Board's Report" of Companies Act, 2013. The above results including those of FY 2015 and FY 2016 may undergo change consequent to the order passed by National Company Law Tribunal (NCLT) pursuant to our application.
5. Previous period figures have been regrouped/rearranged, wherever necessary.

For MANDHANA INDUSTRIES LIMITED


Purushottam C. Mandhana
Chairman & Managing Director



Date : 9th August ,2017

Place : Mumbai