



K P N D & CO.,

(Chartered Accountants)

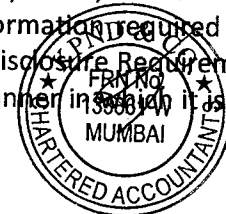
Review Report to
The Interim Resolution Professional
Mandhana Industries Limited
205/214, Peninsula Centre,
Dr. S. S. Rao Road, Parel,
Mumbai – 400 012

Dear Sirs/Madam,

We have reviewed the accompanying statement of unaudited financial results of **MANDHANA INDUSTRIES LIMITED** (the “Company”), for the quarter and half year ended **30th September, 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. As the Corporate Insolvency Resolution Process has been initiated in respect of the Company under the provisions of the Insolvency Bankruptcy Code, 2016 (IBC) by the Hon’ble National Company Law Tribunal, as per Section 17 of the IBC, the powers of the Board of Directors stand suspended, and such powers vest with the Interim Resolution Professional (the “IRP”) appointed for the Company. This statement is the responsibility of the Company’s Management. 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.





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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 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 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

Shamela N. J.
NILESH J. DHAMECHA

Partner

Membership No: 143172

FRN : 133861W

Date : 07th November, 2017

Place : Mumbai





MANDHANA

MANDHANA INDUSTRIES LIMITED

STATEMENT OF PROFIT & LOSS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2017

Sr. No	Particulars	For the Quarter ended			For the Half Year ended		(Rs. In Lacs)
		UnAudited	UnAudited	UnAudited	UnAudited	UnAudited	Audited
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
PART I							
I	Revenue from Operations	7,966.95	8,644.20	13,538.30	16,611.15	29,355.03	51,671.16
II	Other Income	114.69	121.39	249.17	236.08	159.14	355.52
III	Total Revenue (+I)	8,081.64	8,765.59	13,787.47	16,847.23	29,514.17	52,026.69
IV	Expenses :						
	(a) Cost of materials consumed	1,851.01	4,789.39	7,148.33	6,640.40	27,670.69	41,456.57
	(b) Purchase of Stock in Trade	-	-	5,595.62	-	16,549.89	16,550.64
	(c) Changes in inventories of Finished Goods, Work in Progress and Stock-	7,521.50	1,619.51	9,794.47	9,141.01	24,608.84	24,573.76
	(d) Employee Benefit expense	1,923.73	1,678.01	2,236.10	3,601.74	4,945.14	8,906.07
	(e) Manufacturing Cost	2,288.51	2,451.63	2,766.63	4,740.14	6,299.29	12,086.94
	(f) Finance Costs	3,811.89	3,792.32	3,437.60	7,604.21	6,090.91	13,805.06
	(g) Depreciation and amortisation expenses	998.40	1,003.81	1,026.62	2,002.21	2,043.98	4,084.66
	(h) Impairment of Property, Plant and Equipment	-	-	-	-	-	1,122.80
	(i) Other expenses	1,680.88	860.29	1,181.12	2,541.17	2,256.85	4,286.07
	Total Expenses	20,075.91	16,194.97	33,186.50	36,270.87	90,465.60	126,872.57
V	Profit (+) / Loss (-) before exceptional and extraordinary item and tax (III-IV)	(11,994.28)	(7,429.38)	(19,399.03)	(19,423.65)	(60,951.43)	(74,845.88)
VI	Exceptional items	-	-	-	-	-	-
VII	Profit (+) / Loss (-) before extraordinary item and tax (III-IV)	(11,994.28)	(7,429.38)	(19,399.03)	(19,423.65)	(60,951.43)	(74,845.88)
VIII	Extraordinary items	-	-	-	-	-	-
IX	Profit Before Tax (VII-VIII)	(11,994.28)	(7,429.38)	(19,399.03)	(19,423.65)	(60,951.43)	(74,845.88)
X	Tax Expenses - Current Tax	-	-	-	-	-	-
	- Deferred Tax (Assets)/Liability	(103.85)	204.05	(6.88)	100.20	(206.59)	(1,000.61)
XI	Profit /(Loss) for the period from continuing operations (IX-X)	(11,890.43)	(7,633.43)	(19,392.16)	(19,523.85)	(60,744.85)	(73,845.27)
XII	Income Tax paid of Earlier Year	-	-	-	-	-	(997.15)
XIII	Net Profit (+)/Loss (-) (XI-XII)	(11,890.43)	(7,633.43)	(19,392.16)	(19,523.85)	(60,744.85)	(72,848.13)
XIV	Other Comprehensive Income	-	-	-	-	-	98.26
XV	Total Comprehensive Income for the period (XIII+XIV)	(11,890.43)	(7,633.43)	(19,392.16)	(19,523.85)	(60,744.85)	(72,749.87)
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)	(11,890.43)	(7,633.43)	(19,392.16)	(19,523.85)	(60,744.85)	(72,749.87)
XX	Paid up equity share capital (Face value of Re. 10/- each)	3,312.39	3,312.39	3,312.39	3,312.39	3,312.39	3,312.39
XXI	Reserves (excluding revaluation reserves & DRR)	(35,340.37)	(23,449.94)	(3,811.50)	(35,340.37)	(3,811.50)	(15,816.53)
XXII	Revaluation Reserve	15,803.42	15,803.42	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	1,425.00	1,425.00
XXIV	Earning Per Share of Rs. 10/- each: Basis & Diluted (Rs.)	(35.90)	(23.05)	(58.54)	(58.94)	(183.39)	(219.63)
XXV	Debt Equity Ratio	(2.11)	(10.80)	1.89	(2.11)	1.89	6.67
XXVI	Debt Service Coverage Ratio(DSCR)	(0.67)	(0.23)	(2.64)	(0.55)	(3.33)	(2.47)
XXVII	Interest Service Coverage Ratio (ISCR)	(1.88)	(0.96)	(4.64)	(1.55)	(9.01)	(4.42)

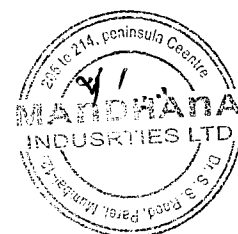




MANDHANA

MANDHANA INDUSTRIES LIMITED BALANCE SHEET AS ON 30TH SEPTEMBER,2017

Particulars	NOTE No.	AS AT 30.09.2017	AS AT 30.09.2016
ASSETS			
Non-Current Assets			
(a) Property,Plant and Equipment	1	60,233.09	66,650.13
(b) Intangible assets		6.97	(0.00)
(c) Financial Assets			
(i) Other Financial Assets	2 (A)	281.55	2,123.06
(d) Other non-current assets	2 (B)	1,839.33	1,023.00
Sub-Total - Non-Current Assets		62,360.93	69,796.19
Current Assets			
(a) Inventories	3	9,562.64	21,774.23
(b) Financial Assets			
(i) Trade Receivables	4	39,188.66	41,883.38
(ii) Cash and cash equivalents	5	533.37	659.18
(iii) Current Investments	6	0.25	0.25
(iv) Short Term Loans and Advances	7	7,178.49	11,698.31
(c) Other Current Assets	8	2,206.90	3,247.10
Sub-Total - Current Assets		58,670.31	79,262.45
TOTAL ASSETS		121,031.24	149,058.64
EQUITIES AND LIABILITIES			
Equity			
(a) Equity Share Capital	9	3,312.39	3,312.39
(b) Other Equity	10	(18,111.95)	13,416.92
Sub-Total-Equity		(14,799.56)	16,729.31
Non-Current Liabilities			
(a) Financial liabilities			
(i) Long Term Borrowings	11	7,136.05	17,764.80
(ii) Other Financial Liabilities	12	16.08	37.92
(b) Long Term Provisions	13	176.21	48.67
(c) Deferred Tax Liabilities (Net)	14	7,555.34	8,249.15
Sub-Total-Non-Current Liabilities		14,883.68	26,100.53
Current Liabilities			
(a) Financial liabilities			
(i) Short Term Borrowings	15	73,363.03	74,954.53
(ii) Trade Payables		4,403.36	9,078.36
(iii) Other Current Financial Liabilities	16 (A)	37,693.89	15,367.85
(b) Other Current Liabilities	16 (B)	1,211.89	1,452.79
(c) Short Term Provisions	17	4,274.95	5,375.27
Sub-Total-Current Liabilities		120,947.12	106,228.80
TOTAL EQUITY AND LIABILITIES		121,031.24	149,058.64





MANDHANA
MANDHANA INDUSTRIES LIMITED

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

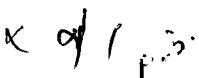
Sr No.	Particulars	For the Quarter Ended			For the Half Year Ended		For the Year ended
		UnAudited	UnAudited	UnAudited	UnAudited	UnAudited	Audited
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
1	Segment Revenue						
	[a] Textiles	6,161.42	5,987.45	9,299.61	12,148.87	19,395.08	34,773.70
	[b] Garment	1,805.53	2,656.75	4,238.69	4,462.28	9,959.95	16,897.46
	Total	7,966.95	8,644.20	13,538.30	16,611.15	29,355.03	51,671.16
	Less: Inter-segment Revenue	-	-	-	-	-	-
	Total Revenue	7,966.95	8,644.20	13,538.30	16,611.15	29,355.03	51,671.16
2	Segment Profit / (Loss) Before Tax & Interest						
	[a] Textiles	(8,518.83)	(2,928.22)	(12,871.93)	(11,447.05)	(51,566.07)	(55,415.58)
	[b] Garment	221.77	(830.22)	(3,338.66)	(608.45)	(3,453.58)	(5,980.76)
	Total	(8,297.06)	(3,758.44)	(16,210.59)	(12,055.50)	(55,019.65)	(61,396.34)
	Less: Interest	3,811.89	3,792.32	3,437.60	7,604.21	6,090.91	13,805.06
		(12,108.95)	(7,550.76)	(19,648.19)	(19,659.71)	(61,110.56)	(75,201.40)
	Add: Unallocable Income	114.69	121.39	249.17	236.08	159.14	355.52
	Profit Before Tax	(11,994.27)	(7,429.37)	(19,399.02)	(19,423.64)	(60,951.42)	(74,845.88)
3	Segment Assets						
	[a] Textiles	101,220.49	112,019.91	129,199.38	101,220.49	129,199.38	115,488.97
	[b] Garment	19,810.49	19,155.96	19,859.01	19,810.49	19,859.01	19,508.90
	[c] Other unallocable	0.25	0.25	0.25	0.25	0.25	0.25
		121,031.24	131,176.12	149,058.64	121,031.24	149,058.64	134,998.12
4	Segment Liabilities						
	[a] Textiles	89,865.81	102,588.97	126,365.71	89,865.81	126,365.71	106,598.98
	[b] Garment	19,158.93	16,571.90	9,003.02	19,158.93	9,003.02	16,534.79
	[c] Other unallocable	12,006.49	12,015.25	13,689.91	12,006.49	13,689.91	11,864.35
		121,031.24	131,176.12	149,058.64	121,031.24	149,058.64	134,998.12



Note:

1. The Corporate Insolvency Resolution Process has been initiated in respect of the Company under the provisions of the Insolvency Bankruptcy Code, 2016 (IBC) by the Hon'ble National Company Law Tribunal and thereby pursuant to Section 17 of the IBC, the powers of the Board of Directors stand suspended, and such powers vest with the Interim Resolution Professional (the "IRP") appointed for the Company. The results were prepared by the management and the same has been taken on record by the Interim Resolution Professional and Mr. Purushottam C. Mandhana has been authorized to sign and submit these results with the stock exchanges.
2. The Statutory Auditors have carried out a Limited Review of the results for the quarter and Half Year ended 30th September, 2017.
3. During the Quarter Ended 30th September, 2017, Company has made a provision of Rs 10.23 Crore ,on account of it long term non recoverable capital advances, given for its Baramati garment Unit-2.
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
(Authorised Signatory)



Date : 7th November ,2017

Place : Mumbai