



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 September, 2016** (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 :

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 N.J.
NILESH J. DHAMECHA

Partner

Membership No: 143172

FRN : 133861W

Date : 07th March, 2017

Place : Mumbai





MANDHANA

MANDHANA INDUSTRIES LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2016

Sr. No	Particulars	For the Quarter Ended			For the Half Year ended		(Rs. In Lacs)
		UnAudited	UnAudited	UnAudited	UnAudited	Unaudited	Audited
		30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.03.2016
PART I							
1	Income from Operations						
	(a) Net Sales/Income from Operations	13,538.30	15,816.73	45,450.07	29,355.03	76,448.19	164,660.61
	Less : Excise Duty	-	-	-	-	-	-
	(b) Other Operating Income	-	-	-	-	-	-
	Total Income from Operations (Net)	13,538.30	15,816.73	45,450.07	29,355.03	76,448.19	164,660.61
2	Expenditure						
	(a) Cost of materials consumed	7,148.33	20,522.36	14,293.73	27,670.69	28,102.01	72,846.89
	(b) Purchase of Stock in Trade	5,595.62	10,954.27	10,872.76	16,549.89	15,045.22	35,712.60
	(c) Changes in inventories of Finished Goods, Work in Progress	9,794.47	14,814.37	5,464.69	24,608.84	6,865.23	808.15
	(d) Employee Benefit expense	2,236.11	2,709.04	2,332.00	4,945.14	4,567.59	10,182.56
	(e) Manufacturing Cost	2,766.63	3,532.66	3,982.31	6,299.29	7,393.62	16,047.28
	(f) Depreciation and amortisation expenses	1,026.62	1,017.36	1,016.67	2,043.98	2,009.26	4,013.60
	(g) Other expenses	1,180.76	1,042.87	1,177.09	2,223.63	2,152.98	4,801.84
	Total	29,748.53	54,592.92	39,139.26	84,341.46	66,135.91	144,412.92
3	Profit (+) / Loss (-) from Operations Before Other Income and Finance Costs (1-2)	(16,210.23)	(38,776.19)	6,310.81	(54,986.42)	10,312.28	20,247.68
4	Other Income	237.59	208.23	176.98	445.81	289.18	702.79
5	Profit (+) / Loss (-) from Ordinary Activities before Finance	(15,972.64)	(38,567.97)	6,487.79	(54,540.61)	10,601.45	20,950.49
6	Finance Costs	3,398.84	2,613.02	2,893.42	6,011.87	5,669.70	11,729.21
7	Profit (+)/Loss (-) from Ordinary Activities after Finance Costs (5-	(19,371.49)	(41,180.99)	3,594.36	(60,552.48)	4,931.75	9,221.28
8	Tax Expenses - Current Tax	-	-	1,101.42	-	1,606.67	3,218.28
	- Deferred Tax (Assets)/Liability	(36.81)	12.94	(27.31)	(23.88)	(66.07)	220.93
9	Net Profit (+)/Loss (-) from Ordinary Activities after Tax (7-8)	(19,334.68)	(41,193.93)	2,520.26	(60,528.60)	3,391.15	5,782.08
10	Income Tax paid of Earlier Year	-	-	69.07	-	69.07	69.07
11	Net Profit (+)/Loss (-)	(19,334.68)	(41,193.93)	2,451.18	(60,528.60)	3,322.08	5,713.01
12	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
13	Reserves (excluding revaluation reserves & DRR)	(4,898.21)	14,436.46	53,611.84	(4,898.21)	53,611.84	55,630.40
14	Debenture Redemption Reserve (DRR)	1,425.00	1,425.00	1,850.00	1,425.00	1,850.00	1,425.00
15	Earning Per Share of Rs. 10/- each: Basis & Diluted (Rs.)	(58.37)	(124.36)	7.40	(182.73)	10.03	17.25
16	Debt Equity Ratio	(197.51)	1.71	0.60	(197.51)	0.60	0.55
17	Debt Service Coverage Ratio(DSCR)	(2.66)	(7.23)	1.12	(4.87)	0.92	0.90
18	Interest Service Coverage Ratio (ISCR)	(4.70)	(14.76)	2.24	(9.07)	1.87	1.79
Notes							
Formula For Computation of Ratios:							
Debt Equity Ratio :- Long Term loan / Networth							
Debt Service Coverage Ratio(DSCR) :- Earning before Interest and Tax /(Interest + principal Repayment)							
Interest Service Coverage Ratio (ISCR) :- Earning before Interest and Tax / Interest Expenses							



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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
		30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.03.2016
1	Segment Revenue						
	(a) Textiles	9,299.61	10,095.47	40,850.53	19,395.08	67,551.62	143,740.96
	(b) Garment	4,238.70	5,721.26	4,599.53	9,959.95	8,896.57	20,919.65
	Total	13,538.30	15,816.73	45,450.06	29,355.03	76,448.18	164,660.61
	Less: Inter-segment Revenue						
	Total Revenue	13,538.30	15,816.73	45,450.06	29,355.03	76,448.18	164,660.61
2	Segment Profit / (Loss) Before Tax & Interest						
	(a) Textiles	(12,871.56)	(38,561.27)	4,868.25	(51,532.83)	7,836.95	16,141.26
	(b) Garment	(3,338.67)	(114.92)	1,442.57	(3,453.58)	2,475.33	4,106.43
	Total	(16,210.23)	(38,776.18)	6,310.82	(54,986.41)	10,312.28	20,247.68
	Less: Interest	3,398.84	2,613.02	2,893.42	6,011.87	5,669.70	11,729.21
		(19,609.07)	(41,389.21)	3,417.39	(60,998.28)	4,642.57	8,518.49
	Add: Unallocable Income	237.59	208.23	176.98	445.81	289.17	702.79
	Profit Before Tax	(19,371.49)	(41,180.98)	3,594.37	(60,552.47)	4,931.75	9,221.28
3	Segment Assets						
	(a) Textiles	115,766.22	136,256.75	147,899.23	115,766.22	147,899.23	161,351.94
	(b) Garment	17,505.57	21,122.96	29,764.01	17,505.57	29,764.01	21,893.68
	(c) Other unallocable	0.25	0.25	0.25	0.25	0.25	0.25
	Total	133,272.04	157,379.96	177,663.49	133,272.04	177,663.49	183,245.87
4	Segment Liabilities						
	(a) Textiles	112,853.04	129,312.04	144,419.16	112,853.04	144,419.16	142,589.00
	(b) Garment	5,846.30	13,436.86	20,429.71	5,846.30	20,429.71	23,823.65
	(c) Other unallocable	14,572.71	14,631.05	12,814.61	14,572.71	12,814.61	16,833.22
	Total	133,272.04	157,379.96	177,663.49	133,272.04	177,663.49	183,245.87



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MANDHANA

MANDHANA INDUSTRIES LIMITED

STATEMENT OF ASSETS & LIABILITIES AS ON 30TH SEPTEMBER, 2016

Particulars	AS AT
	30.09.2016
ASSETS	
Non-Current Assets	
(a) Property, Plant and Equipment	50,846.73
(b) Capital Work in Progress	690.00
(c) Other Intangible assets	-
(b) Other non-current assets	2,225.84
Sub-Total - Non-Current Assets	53,762.57
Current Assets	
(a) Inventories	21,774.23
(b) Financial Assets	
(i) Trade Receivables	42,078.38
(ii) Cash and cash equivalents	659.18
(iii) Investments	0.25
(iv) Loans and Advances	11,836.31
(c) Other Current Assets	3,161.12
Sub-Total - Current Assets	79,509.48
TOTAL ASSETS	133,272.05
EQUITIES AND LIABILITIES	
Equity	
(a) Equity Share Capital	3,312.39
(b) Reserves & Surplus	(3,473.21)
Sub-Total-Equity	(160.82)
Non-Current Liabilities	
(a) Financial liabilities	
(i) Borrowings	17,964.74
(b) Provisions	48.67
(c) Deferred Tax Liabilities (Net)	8,351.41
(d) Other Long Term Liabilities	37.92
Sub-Total-Non-Current Liabilities	26,402.75
Current Liabilities	
(a) Financial liabilities	
(i) Borrowings	74,954.53
(ii) Trade Payables	9,078.36
(b) Other Current Liabilities	16,824.59
(c) Provisions	6,172.63
Sub-Total-Current Liabilities	107,030.12
TOTAL EQUITY AND LIABILITIES	133,272.05



Note:

1. The above 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 7th March, 2017.
2. The Statutory Auditors have carried out a Limited Review of the results for the quarter ended 30th September, 2016.
3. The cost of Material Consumed and change in inventories in the current quarter includes loss of Rs.14200.83 lacs on account of old nonmoving /slow moving stock obsolescence.
4. The cost of material consumed and change in inventories in the quarter ended 30th June, 2016 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/subsequent 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. The Company is in the process of complying with the Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules thereunder, effective 1st April 2016 (transition date being 1st April, 2015). The effect of the same will be considered in the financial statements for the year ending 31st March, 2017.
6. 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.
7. Previous period figures have been regrouped/rearranged, wherever necessary.

For MANDHANA INDUSTRIES LIMITED


Purushottam C. Mandhana
Chairman & Managing Director

Date : 07th March, 2017
Place : Mumbai

