



MANDHANA

a whirlpool of ideas!

CIN : L17120MH1984PLC033553

Registered Office : Plot No. C-3, M.I.D.C., Tarapur Industrial, Area Boisar - 401 506.

14th November, 2018

To,

BSE Limited,

Corporate Relationship Department,

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai - 400 001

National Stock Exchange of India Limited

Listing Department,

Exchange Plaza, Plot No. C-1, G Block,

Bandra Kurla Complex,

Bandra (East), Mumbai - 400 051

Dear Sir/ Madam,

Sub: Unaudited Financial Results for the quarter and half year ended 30th September, 2018

Ref: BSE- 533204; NSE - MANDHANA

Pursuant to Regulation 33 and Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we hereby inform that the Resolution Professional has taken on record as of today i.e 14th November, 2018 the Unaudited Financial Results for the quarter and half year ended 30th September, 2018 and the Limited Review Report of the Auditors thereon.

Please find enclosed herewith the Unaudited Financial Results of the Company for the quarter and half year ended 30th September, 2018 alongwith the Limited Review Report thereon submitted by the Statutory Auditors of the Company.

Kindly take the same on your records and oblige.

Thanking You.

Yours truly,

for **MANDHANA INDUSTRIES LIMITED**

CHARU DESAI

IP Registration no. IBBI/IPA-001/IP-P00434/2017-18/10757

Resolution Professional

Mandhana Industries Limited

(A company under corporate insolvency resolution process by NCLT order no. C.P. No. 1399/I&BP/NCLT/MAH/2017)



Encl.: As above.



MANDHANA INDUSTRIES LTD.

Office: 205 - 214, Peninsula Center, Dr. S.S. Rao Road, Parel, Mumbai - 400 012, India.

Tel.: 91-22-43539191 • Fax: 91-22-43539216 / 17 / 18 • E-mail: info@mandhana.com • Website: www.mandhana.com



K P N D & C O .
(Chartered Accountants)

44, Ground floor, Shree Naman Plaza,
S.V Road, Kandivali (W), Mumbai - 400067.

Email id : tokpndandco@gmail.com
Telephone No : 022-28056291

Review Report to
The 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 **September 30, 2018** (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.



Attention is invited to the following:

- a) Note no 3 & 4 in the statement, which indicates that the Company incurred a net loss of Rs.11.53 Crore during the quarter ended 30th September, 2018 and as of that date, the Company's total liabilities exceeded its total assets by Rs. 798.91 Crore. These indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. However in view of the Corporate Insolvency Resolution Process (CIRP) the Company is in final stage of resolution process, the accounts have been prepared on a "going concern" basis.
- b) Note No. 10 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

Dhanraj N. J.
NILESH J. DHAMECHA

Partner

Membership No: 143172

FRN : 133861W

Date : 14th November, 2018

Place : Mumbai





MANDHANA
MANDHANA INDUSTRIES LIMITED

BALANCE SHEET AS ON 30TH SEPTEMBER, 2018

(Rs. In Lacs)

Particulars	AS AT 30.09.18	AS AT 30.09.17
ASSETS		
Non-Current Assets		
(a) Property, Plant and Equipment	54,434.70	60,233.09
(b) Intangible assets	30.09	6.97
(c) Financial Assets		
(i) Other Financial Assets	218.53	281.55
(d) Other non-current assets	-	816.33
Sub-Total - Non-Current Assets	54,683.32	61,337.92
Current Assets		
(a) Inventories	4,058.46	9,562.64
(b) Financial Assets		
(i) Trade Receivables	3,101.99	39,188.66
(ii) Cash and cash equivalents	7,636.72	533.37
(iii) Current Investments	0.25	0.25
(iv) Short Term Loans and Advances	103.85	7,178.49
(c) Other Current Assets	1,637.96	2,206.90
Sub-Total - Current Assets	16,539.23	58,670.31
TOTAL ASSETS	71,222.55	120,008.23
EQUITIES AND LIABILITIES		
Equity		
(a) Equity Share Capital	3,312.39	3,312.39
(b) Other Equity	(79,890.89)	(18,111.95)
Sub-Total-Equity	(76,578.50)	(14,799.56)
Non-Current Liabilities		
(a) Financial liabilities		
(i) Long Term Borrowings	-	7,136.05
(ii) Other Financial Liabilities	-	16.08
(b) Long Term Provisions	384.12	176.21
(c) Deferred Tax Liabilities (Net)	6,279.25	7,555.34
Sub-Total-Non-Current Liabilities	6,663.38	14,883.67
Current Liabilities		
(a) Financial liabilities		
(i) Short Term Borrowings	73,360.37	73,363.03
(ii) Trade Payables	3,631.60	4,403.36
(iii) Other Current Financial Liabilities	53,099.34	36,670.89
(b) Other Current Liabilities	6,531.17	1,211.89
(c) Short Term Provisions	4,515.20	4,274.95
Sub-Total-Current Liabilities	141,137.68	119,924.12
TOTAL EQUITY AND LIABILITIES	71,222.55	120,008.23

Charu Desai



MANDHANA
MANDHANA INDUSTRIES LIMITED

STATEMENT OF PROFIT & LOSS FOR THE QUARTER ENDED 30TH SEPTEMBER, 2018

Sr. No	Particulars	For the Quarter Ended			For the Half Year ended		(Rs. In Lacs)
		UnAudited	UnAudited	UnAudited	UnAudited	UnAudited	Audited
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.08.2018
	PART I						
I	Revenue from Operations	5825.38	6,693.39	7,966.95	12,518.77	16,611.15	32,783.87
II	Other Income	206.19	183.18	114.69	389.37	236.08	562.28
III	Total Revenue (I+II)	6031.57	6,876.57	8,081.64	12,908.14	16,847.23	33,346.15
IV	Expenses :						
	(a) Cost of materials consumed	1384.83	1,808.71	1,851.01	3,193.54	6,640.40	12,858.54
	(b) Purchase of Stock in Trade	0.00	-	-	-	-	-
	(c) Changes in inventories of Finished Goods, Work In Progress	126.96	(245.04)	7,521.50	(118.08)	9,141.01	13,572.33
	(d) Employee Benefit expense	1635.71	1,611.94	1,923.73	3,247.66	3,601.74	7,367.59
	(e) Manufacturing Cost:	2283.57	2,441.78	2,288.51	4,725.35	4,740.14	9,963.52
	(f) Finance Costs	0.00	52.40	3,811.89	52.40	7,604.21	16,806.69
	(g) Depreciation and amortisation expenses	999.58	991.55	998.40	1,991.13	2,002.21	4,772.98
	(h) Impairment of Property, Plant and Equipment	0.00	-	-	-	-	1,122.80
	(i) Provision for Doubtful Debts, Advances & Deposits	0.00	(50.00)	1,023.00	(50.00)	-	44,317.56
	(j) Other expenses	867.22	933.26	657.88	1,800.48	2,541.17	3,281.63
	Total Expenses	7297.87	7,544.62	20,075.92	14,842.49	36,270.87	114,063.63
V	Profit (+) / Loss (-) before exceptional and extraordinary item and tax (III-IV)	(1266.30)	(668.05)	(11,994.28)	(1,934.35)	(19,423.65)	(80,717.48)
VI	Exceptional Items	0.00	-	-	-	-	-
VII	Profit (+) / Loss (-) before extraordinary item and tax (III-IV)	(1266.30)	(668.05)	(11,994.28)	(1,934.35)	(19,423.65)	(80,717.48)
VIII	Extraordinary Items	0.00	-	-	-	-	-
IX	Profit Before Tax (VII-VIII)	(1266.30)	(668.05)	(11,994.28)	(1,934.35)	(19,423.65)	(80,717.48)
X	Tax Expenses - Current Tax	0.00	-	-	-	-	-
	- Deferred Tax (Assets)/Liability	(160.45)	(207.53)	(103.85)	(367.98)	100.20	(807.90)
XI	Profit/(Loss) for the period from continuing operations (IX-X)	(1105.85)	(460.51)	(11,890.43)	(1,566.37)	(19,523.85)	(79,909.57)
XII	Income Tax paid of Earlier Year	0.00	-	-	-	-	-
XIII	Net Profit (+)/Loss (-) (XI-XII)	(1105.85)	(460.51)	(11,890.43)	(1,566.37)	(19,523.85)	(79,909.57)
XIV	Other Comprehensive Income	(47.41)	-	-	(47.41)	-	-
XV	Total Comprehensive Income for the period (XIII+XIV)	(1153.26)	(460.51)	(11,890.43)	(1,613.78)	(19,523.85)	(79,909.57)
XVI	Profit/(Loss) for the period from discontinuing operations	0.00	-	-	-	-	-
XVII	Tax Expenses of discontinuing operations	0.00	-	-	-	-	-
XVIII	Profit/(Loss) from discontinuing Operations (after Tax) (XVI-XVII)	0.00	-	-	-	-	-
XIX	Profit/(Loss) for the period (XV+XVIII)	(1153.26)	(460.51)	(11,890.43)	(1,613.78)	(19,523.85)	(79,909.57)
XX	Paid up equity share capital (Face value of Re. 10/- each)	3312.39	3,312.39	3,312.39	3,312.39	3,312.39	3,312.39
XXI	Reserves (excluding revaluation reserves & DRR)	(9739.88)	(96,186.62)	(35,340.37)	(97,339.88)	(35,340.37)	(95,726.10)
XXII	Revaluation Reserve	16023.99	16,023.99	15,803.42	16,023.99	15,803.42	16,023.99
XXIII	Debenture Redemption Reserve (DRR)	1425.00	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.)	(3.48)	(1.39)	(35.90)	(4.87)	(58.94)	(241.24)
XXV	Debt Equity Ratio	(0.41)	(0.42)	(2.11)	(0.41)	(2.11)	(0.42)
XXVI	Debt Service Coverage Ratio(DSCR)	(0.16)	(0.03)	(0.67)	(0.12)	(0.55)	(1.68)
XXVII	Interest Service Coverage Ratio (ISCR)	0.00	(11.75)	(1.88)	(35.92)	(1.55)	(3.80)

Charu Desai

Interim Resolution Professional
Mandhana Industries Limited
(A Company under Corporate Insolvency
Process By NCLT Order, Dated 11th C



MANDHANA
MANDHANA INDUSTRIES LIMITED

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

Sr No.	Particulars	(Rs. In Lacs)					
		For the Quarter Ended			For the Half Year Ended		For the Year Ended
		UnAudited 30.09.2018	UnAudited 30.06.2018	UnAudited 30.09.2017	UnAudited 30.09.2018	UnAudited 30.09.2017	Audited 31.03.2018
1	Segment Revenue						
	[a] Textiles	3,045.60	3,411.19	6,161.42	6,456.79	12,148.87	22,931.51
	[b] Garment	2,779.78	3,282.20	1,805.53	6,061.98	4,462.28	9,852.37
	Total	5,825.38	6,693.39	7,966.95	12,518.77	16,611.15	32,783.88
	Less: Inter-segment Revenue	-	-	-	-	-	-
	Total Revenue	5,825.38	6,693.39	7,966.95	12,518.77	16,611.15	32,783.88
2	Segment Profit / (Loss) Before Tax & Interest						
	[a] Textiles	(1,486.13)	(938.59)	(8,518.83)	(2,424.72)	(11,447.05)	(61,423.55)
	[b] Garment	13.64	139.76	221.77	153.40	(608.45)	(3,049.52)
	Total	(1,472.49)	(798.83)	(8,297.06)	(2,271.32)	(12,055.50)	(64,473.07)
	Less: Interest	-	52.40	3,811.89	52.40	7,604.21	16,806.69
		(1,472.49)	(851.23)	(12,108.95)	(2,323.72)	(19,659.71)	(81,279.76)
	Add: Unallocable Income	206.19	183.18	114.69	389.37	236.08	562.28
	Profit Before Tax	(1,266.30)	(668.05)	(11,994.27)	(1,934.35)	(19,423.64)	(80,717.48)
3	Segment Assets						
	[a] Textiles	48,561.22	46,453.20	100,197.49	48,561.22	100,197.48	50,411.84
	[b] Garment	22,661.08	20,478.39	19,810.49	22,661.08	19,810.49	17,840.99
	[c] Other unallocable	0.25	0.25	0.25	0.25	0.25	0.25
		71,222.55	66,931.84	120,008.23	71,222.55	120,008.23	68,253.08
4	Segment Liabilities						
	[a] Textiles	46,758.56	43,294.16	88,842.81	46,758.56	88,842.81	38,938.36
	[b] Garment	13,285.41	12,381.78	19,158.93	13,285.41	19,158.93	17,840.99
	[c] Other unallocable	11,178.58	11,255.90	12,006.49	11,178.58	12,006.49	11,473.73
		71,222.55	66,931.84	120,008.23	71,222.55	120,008.23	68,253.08

Charu Desai

Interim Resolution Professional
Mandhana Industries Limited
(A Company under Corporate Insolvency Resolution
Process By NCLT Order, Dated 11th October, 2017)

Note:

1. On September 29, 2017 the Hon'ble National Company Law Tribunal (NCLT) had admitted the petition for initiating the Corporate Insolvency Resolution (CIR) Process under the provisions of the Insolvency Bankruptcy Code, 2016 (IBC). Further vide NCLT order copy dated October 11, 2017 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, Mrs. Charu Desai. Mrs. Desai's appointment was subsequently confirmed by the Committee of creditors (CoC) as the Resolution Professional (the "RP").
2. Mrs. Charu Desai in her capacity as RP took control and custody of the management and operations of the company from October 11, 2017.
3. During the quarter, the Company has incurred a net loss of Rs.11.53 Crore and as of September 30, 2018 the Company's accumulated losses amounted to Rs.1136.27 Crore. Total liabilities of the Company as on September 30, 2018 exceeded total assets by Rs. 798.91 Crore. In view of the CIR Process having commenced, the financial statements are presented on a "going concern" basis.
4. A resolution plan approved by the Committee of Creditors (COC) with the requisite majority as per Section 30(4) of the IBC, 2016, has been filed with Hon'ble National Company Law Tribunal, Mumbai Bench on July 9, 2018 for its approval in accordance with Section 30(6) of the IBC, 2016. Further on October 10, 2018 the Hon'ble National Company Law Tribunal has reserved the case for order. In view of the above as the Resolution Plan is already filed with the NCLT, the company has not provided liability towards interest for its creditors from 1st Apr, 2018. As the Company is under the final stage of resolution process, the financial statements have been presented on a "going concern" basis.
5. The Statutory Auditors have carried out a Limited Review of the results for the quarter ended September 30, 2018.
6. The objective of IND AS 36 is to ensure that the assets are carried at no more than their recoverable amount. However since the company is under CIR Process, estimation of recoverable amount can be done only after the approval of the Resolution Plan by the Hon'ble National Company Law Tribunal. In view of the same, the realisable economic value of the fixed assets cannot be determined pending completion of the CIRP.
7. As per the IBC the RP has to receive, collate and admit all the claims submitted by the creditors of the company. Such claims can be submitted to the RP during the CIR process, till the approval of a resolution plan by the COC. The RP has verified the claims received and has published a list of admitted claims on the Company website. Pending completion of the CIRP and approval of a resolution plan by the Honorable NCLT, the impact of claims that are not admitted, if any, have not been considered in the preparation of financial statements.


Charu Desai

Interim Resolution Professional
Mandhana Industries Limited
(A Company under Corporate Insolvency Resolution
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8. Other current liabilities includes an amount of Rs. 50.00 crore received from the successful resolution applicant in lieu of the performance bank guarantee as part of the resolution process in terms of the process memorandum.
9. Contingent Liability - The Company has taken benefit of Export Promotion Capital Goods (EPCG) scheme under the Foreign Trade Policy to the tune of Rs. 31.51 crore. This could result into a liability if the export obligations under the scheme are not fulfilled by the Company.
10. During the Quarter Ended June 30, 2016, the cost of material consumed and change in inventories included a write off of Rs. 363.76 crore on account of non-moving /slow moving stock obsolescence which was part of the closing stock for FY 2015 & FY 2016. Since the said stock has been liquidated in previous quarters 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 then Board of Directors (now suspended) found it prudent to refer the matter to the National Company Law Tribunal (NCLT) vide letter dated March 21, 2017 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 results for FY 2015, FY 2016 and FY 2017 may undergo change consequent to the order passed by National Company Law Tribunal (NCLT) pursuant to the Company's application.
11. Previous period figures have been regrouped/rearranged, wherever necessary.

For MANDHANA INDUSTRIES LIMITED



CHARU DESAI

IP Registration no. IBBI/IPA-001/IP-
P00434/2017-18/10757

Resolution Professional

Mandhana Industries Limited

(A company under corporate insolvency
resolution process by NCLT order no. C.P.
No. 1399/I&BP/NCLT/MAH/2017)

The affairs, business and property of Mandhana
Industries Limited are being managed by the
Resolution Professional who acts as agent of
the Company only without any personal
liability

Date: November 14, 2018

Place: Mumbai