

47th ANNUAL REPORT

ReportJunction.com 2008-2009



MAWANA SUGARS LIMITED

Mawana Sugars Limited

BOARD OF DIRECTORS

Mr. Bedi R.S.

Ms.Dutt Anuradha

Mr. Gupta Ravi Vira

Mr. Goila N.K.

Mr. Kakria Sunil

Mr. Mehra A.K.

Mr. Mittal D.C.

Prof. Mohan Dinesh

Mr. Shriram Siddharth

Mr. Singh K.P.

– *Managing Director*

– *Whole-time Director*

– *Chairman and Managing Director*

– *Whole-time Director*

COMPANY SECRETARY

Mr. Khurana Amit

AUDITORS

A.F. Ferguson & Co.

9, Scindia House,

Kasturba Gandhi Marg,

New Delhi - 110 001

BANKERS

State Bank of India

State Bank of Hyderabad

State Bank of Travancore

State Bank of Mysore

Punjab National Bank

Axis Bank Ltd.

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REGISTERED OFFICE

5th Floor, Kirti Mahal,

19, Rajendra Place,

New Delhi-110 125

WORKS

- Mawana Sugar Works, Mawana
Distt. Meerut - 250402 (U.P.)
- Titawi Sugar Complex
Village & P.O. Titawi
Distt. Muzaffarnagar - 251301 (U.P.)
- Nanglamal Sugar Complex
Garh Road, Village Nanglamal
Distt. Meerut - 250001 (U.P.)
- Siel Chemical Complex
Charatrapur, Vill. Khadauli/Sardargarh
P.O. Box. No. 52, Rajpura, Distt. Patiala
Punjab - 140401

REGISTRAR & SHARE TRANSFER AGENT

Mas Services Ltd.

T-34, Okhla Industrial Area, Phase - II

New Delhi – 110 020

Phone No. : 011-26387281-83, Fax: 011-26387384

Website : www.masserv.com

E-mail :- info@masserv.com

NOTICE

Notice is hereby given that the 47th Annual General Meeting of the members of Mawana Sugars Limited will be held as scheduled below:

Day : Thursday

Date : 25.02.2010

Time : 11.30 A.M.

Place : Kamani Auditorium,
1, Copernicus Marg,
New Delhi-110001

to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 30th September, 2009 and the Profit and Loss Account of the Company for the financial year ended on that date together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K.P. Singh, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. R.S.Bedi, who retires by rotation and being eligible, offers himself for reappointment.
4. Not to fill the vacancy in place of Mr. D.C. Mittal, who retires by rotation but does not offer himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

M/s. A.F. Ferguson & Co., Chartered Accountants are the retiring Auditors.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"Resolved that pursuant to the provisions of Sections 198, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or modification thereof and subject to the approval of Central Government and such other approvals and sanctions as may be necessary in this regard, consent of the Company be and is hereby accorded to the increase in the monthly remuneration (CTC) of Mr. A.K. Mehra, Whole Time Director of the Company from Rs.5,55,000/- p.m. to Rs.6,38,250/- p.m. w.e.f. 1.10.2009.

Resolved further that in addition to the remuneration (CTC) as stated above, a performance based incentive varying from zero to Rs. 15 lacs p.a. would be payable annually based on the achievement of such performance parameters as may be laid down by the Board of Directors or any Committee thereof."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"Resolved that pursuant to the provisions of Sections 198, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or modification thereof and subject to the approval of Central Government and such other approvals and sanctions as may be necessary in this regard, consent of the Company be and is hereby accorded to the increase in the monthly remuneration (CTC) of Mr. Sunil Kakria, Managing Director of the Company from Rs.9,57,806/- p.m. to Rs.11,01,486/- p.m. w.e.f. 1.10.2009.

Resolved further that in addition to the remuneration (CTC) as stated above, a performance based incentive varying from zero to Rs. 1 crore p.a. would be payable based on the achievement of such performance parameters as may be laid down by the Board of Directors or any Committee thereof."

By Order of the Board of Directors
For **Mawana Sugars Limited**

Place: New Delhi
Dated: 18.01.2010

(AMIT KHURANA)
COMPANY SECRETARY

Mawana Sugars Limited

NOTICE (Contd.)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.
2. The information as required to be provided under the Listing Agreement entered into with Stock Exchanges, regarding the Directors who are proposed to be appointed/re-appointed and the Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 are enclosed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24.02.2010 to 25.02.2010 (both days inclusive).
4. In compliance of SEBI requirements, Mas Services Limited has been appointed the Registrar and Share Transfer Agent of the Company, who handle share transfer work in Physical as well as in Electronic Form and other related activities at the following address:
Mas Services Ltd.
T-34, 2nd Floor, Okhla Industrial Area, Phase-II
New Delhi - 110020
Phone No. : 011-26387281-83
Fax No. : 011-26387384
Website : www.masserv.com
E-mail : info@masserv.com
5. Members are requested to notify immediately any change in their address to Mas Services Ltd., quoting their folio numbers/DP ID/Client ID etc.
6. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
7. Shareholders seeking any information with regard to accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.
8. In terms of Section 109 (A) of the Companies Act, 1956 the Shareholder of the Company may nominate a person to whom the shares held by him/her shall vest in the event of death.
In case any member wishes to avail the nomination facility in respect of shares held by him/her, please write to the Company to obtain the nomination form.
9. The equity shares of the Company have been notified for compulsory trading in demat form by all investors and are available for trading in demat form both on National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Shareholders are requested to avail this facility and get their shareholding converted into dematerialised form by sending the Dematerialisation Request Form (DRF) along with the share certificates through their Depository Participant (DP) to M/s Mas Services Limited at the address given under Sl.No.4 above:

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed/re-appointed are given below:

- | | | |
|--|---|--|
| 1. Name | : | Mr. K.P. Singh |
| Age | : | 73 years |
| Qualifications | : | M.A. in History and Political Science |
| No. of Shares held in the Company | : | Nil |
| Expertise | : | He has vast experience of working at senior position in various Companies like Zuari Agro Chemicals Ltd. (a Birla Group Company), ITC Limited and DCM Limited. He has been Instrumental in implementation of growth and diversification of these Companies. He is Director of the Company since 1992 and presently holds the position of Whole Time Director of the Company. |
| Outside Directorships | : | M/s Sowar Pvt. Ltd. |
| Chairmanship/Membership of the Board Committees | : | Nil |

NOTICE (Contd.)

2. Name	:	Mr. R.S. Bedi
Age	:	66 years
Qualifications	:	Graduate of the National Defence Academy
No. of Shares held in the Company	:	Nil
Expertise	:	Mr. R.S. Bedi has served in various capacities in the Government of India for 43 years.
Outside Directorships	:	Delhi Golf Club Ltd.
Chairmanship/Membership of the Board Committees:		
Mawana Sugars Ltd.	-	Remuneration Committee - Member

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

ITEM NO. 6

The appointment and remuneration of Mr. A.K. Mehra, Whole Time Director of the Company for a period of 5 years effective from 15.10.2007 was approved by the Board, Remuneration Committee of Directors, Shareholders and the Central Government.

The remuneration (CTC) payable to Mr. A.K. Mehra was revised from Rs.5,00,000/- p.m. to Rs.5,55,000/- p.m. w.e.f. 1.10.2008 by the Board, Remuneration Committee and the shareholders.

In addition to the remuneration (CTC) as stated above, a performance based incentive varying from zero to Rs. 15 lacs p.a. was payable based on the achievement of such performance parameters as may be laid down by the Board of Directors or any Committee thereof.

Approval from the Central Govt. for the revised remuneration is still awaited.

It is now proposed to further revise the remuneration payable to Mr. A.K. Mehra as stated in Item No. 6 of the notice.

The Remuneration Committee of Directors and the Board of Directors in their respective meetings held on 23.12.2009 has approved the increase in remuneration payable to Mr. A.K. Mehra w.e.f. 1.10.2009.

Such an increase in remuneration may amount to an increase in his remuneration as approved earlier and will therefore be subject to the approval of the Shareholders of the Company and the Central Government and such other approvals as may be necessary in this regard pursuant to the relevant and applicable provisions of the Companies Act, 1956.

Your Directors recommends the resolution for your approval.

This may also be treated as an abstract of the terms of increase in remuneration of Mr. A.K. Mehra, Whole Time Director of the Company as required under Section 302 of the Companies Act, 1956.

None of the Directors, except Mr. A.K. Mehra, is concerned or interested in the said resolution.

ITEM NO. 7

The appointment of Mr. Sunil Kakria, Managing Director of the Company for a period of 5 years effective from 7.1.2008 was approved

by the Board, Remuneration Committee of Directors, Shareholders and the Central Government.

The remuneration payable to Mr. Sunil Kakria as fixed by the Remuneration Committee, Board of Directors and Shareholders of the Company was approved by the Central Government for a period of only 3 years i.e. upto 6.1.2011.

The remuneration (CTC) payable to Mr. Sunil Kakria was revised from Rs.8,32,875/- p.m. to Rs.9,57,806/- p.m. w.e.f. 1.10.2008 by the Board, Remuneration Committee and the shareholders.

Approval from the Central Govt. for the revised remuneration is still awaited.

It is now proposed to further revise the remuneration payable to Mr. Sunil Kakria as stated in Item No. 7 of the notice.

The Remuneration Committee of Directors and the Board of Directors in their respective meetings held on 23.12.2009 has approved the increase in remuneration payable to Mr. Sunil Kakria w.e.f. 1.10.2009.

Such an increase in remuneration may amount to an increase in his remuneration as approved earlier and will therefore be subject to the approval of the Shareholders of the Company and the Central Government and such other approvals as may be necessary in this regard pursuant to the relevant and applicable provisions of the Companies Act, 1956.

Your Directors recommends the resolution for your approval.

This may also be treated as an abstract of the terms of increase in remuneration of Mr. Sunil Kakria, Managing Director of the Company as required under Section 302 of the Companies Act, 1956.

None of the Directors, except Mr. Sunil Kakria, is concerned or interested in the said resolution.

By Order of the Board of Directors
For **Mawana Sugars Limited**

Place : New Delhi
Dated : 18.01.2010

(AMIT KHURANA)
COMPANY SECRETARY

Mawana Sugars Limited

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 47th Annual Report along with Audited Accounts of the Company for the financial year ended September 30, 2009.

FINANCIAL RESULTS

(Rs. Lacs)

Sl. No.	Particulars	Amount	
		30.09.2009 (12 months)	30.09.2008 (18 months)
1.	Profit / (Loss) before interest, depreciation, exceptional items and tax	6630.4	212.6
2.	Interest	7062.9	9449.7
3.	Depreciation	5250.4	7533.6
4.	Profit / (Loss) before tax	(5682.9)	(16770.7)
5.	Provision for taxation:		
	- Deferred tax	-	(144.0)
	- Fringe benefit tax	38.9	65.1
6.	Profit / (Loss) after tax	(5721.8)	(16691.8)

DIVIDEND

In the absence of profits during the current financial year, your Directors are unable to recommend any dividend for the year under review.

OPERATIONS

A review of operations of the major businesses of the Company for the financial year ended September 30, 2009 is detailed as under:

1. SUGAR DIVISION

The year 2008-09 witnessed country wide cane shortages and consequential decrease in sugar production. The cane crush of Mawana Sugars Limited was 2.30 Mn Tons in 2008-09 as compared to 3.34 Mn Tons last year.

The cane availability in the 2009-10 season will also be low. In view of the above, all out efforts were made to give a thrust on cane development with the main focus being on increasing cane intensity and maintaining cane crop health. There are no arrears of cane payment.

Because of lower production and consequentially lower stocks in the country, sugar prices rose sharply from Rs.1750/Qtl in September 2008 to Rs.2950/Qtl in September 2009.

All the three sugar plants performed satisfactorily during the year. The sugar losses reduced from 2.16% in 2007-08 to 2.06% in 2008-09.

The surplus power generated by the Cogen was exported to the State grid.

The distillery operations were streamlined and rectified spirit was sold to various customers. As the Oil Marketing Companies had entered into three year contract for ethanol supply before our distillery was commissioned we did not manufacture any ethanol this year.

2. CHLOR ALKALI DIVISION

The business performed well during the period October '08 – March '09. However during the period April '09 – September '09 the plant operated at low capacity due to reduced availability of power from Punjab State Electricity Board. The sales during this period were low due to less production and low prices of caustic soda because of surge of imports in to the country at abysmally low prices.

The products and their quality were well accepted in the market during the entire year.

Power contributes towards major portion of the input cost and was sourced from the Punjab State Electricity Board. Power availability during the second half of the year was severely affected. The scanty rain fall and drought like conditions in northern India resulted into diversion of major portion of the power to agriculture sector and thus less availability to the industries.

At present, PSEB is sole supplier and other options including power purchase through Energy exchange and own captive power plants are being explored.

JOINT VENTURE

CERATIZIT INDIA PVT. LTD. (Formerly Siel Tizit Limited). During the financial year ended February 2009, Ceratizit recorded a total sales income of 482.45 Mio INR as against 524.65 Mio INR last year, a decrease of 8%. The net profit of 31.77 Mio INR was made during the year as against 82.77 Mio INR last year, a decrease of 62%.

SUBSIDIARY COMPANIES

The Company has five subsidiaries, viz. Siel Financial Services Limited, Transiel India Limited, SFSL Investments Limited, Siel Edible Oils Limited and Siel Industrial Estate Limited.

A statement pursuant to Section 212 of the Companies Act, 1956, relating to the subsidiaries is attached to the Accounts.

In terms of the approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, copy of the Balance Sheet, Profit and Loss Account, Reports of the Board of Directors and Auditors of the subsisting subsidiaries have not been attached with the Balance Sheet of the Company. These documents will be made available upon request by any member of the Company or of the subsidiaries interested in obtaining the same. The annual accounts of the subsidiary companies will also be available for inspection during business hours at the Registered Office of the Company. However, as directed by the Central Government, the financial data of the subsidiaries have been furnished under 'Details of Subsidiaries', forming part of the Annual Report. Further, pursuant to Accounting Standard (AS-21) issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report includes financial information of its subsidiaries.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the accounting standard (AS-21) on consolidated financial statements read with accounting standard (AS-23) on accounting for investments in associate, the consolidated financial statements are attached, which form part of the Annual Report.

DIRECTORS

Mr. K.P. Singh and Mr. R.S. Bedi, Directors retire by rotation and being eligible, offer themselves for re-appointment.

Mr. D.C. Mittal, who is also retiring by rotation, has expressed his inability to be reappointed on the Board. The Board has resolved not to fill this vacancy thus caused.

The Board places on record its deep appreciation for the timely caution and invaluable guidance provided by Mr. D.C. Mittal from time to time.

DIRECTORS' REPORT

AUDITORS

M/s. A.F. Ferguson & Co., Chartered Accountants, Auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and are recommended for reappointment. The Company has received a certificate from them to the effect that their reappointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

AUDITORS' REPORT

The observations of Auditors in their report read with the relevant notes to accounts are self-explanatory and therefore do not require further explanation.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS

A statement containing the necessary information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto as Annexure I and forms an integral part of this report.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, the particulars of employees are required to be furnished in statement to be annexed to this Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the report and accounts are being sent to all the Shareholders excluding the aforesaid Annexure.

The complete annual report including this statement shall be made available for inspection by any shareholder during working hours for a period of 21 days before the date of the Annual General Meeting. Any member interested in obtaining the copy of the statement may write to the Company Secretary at Registered Office of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your directors state:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that the accounting policies selected and applied are consistent and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that year;
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

A separate report on Corporate Governance is included/attached as part of the Annual Report and annexed hereto as Annexure II along with the Auditors' Certificate on its compliance.

The Management Discussion and Analysis Report forms part of this report and is annexed hereto as Annexure III.

SHARE REGISTRY ACTIVITIES

In terms of SEBI Circular No. D&CC/FITTC/CIR-15/2002 dated 27 December 2002, your Company has transferred the work related to share registry to Mas Services Ltd., a registrar and share transfer agent registered with SEBI.

INFORMATION UNDER LISTING AGREEMENT WITH STOCK EXCHANGES

DEMATERIALISATION OF SHARES

The shares of the Company are traded in dematerialized form and are available for trading under the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Ltd. (CDSL).

As on September 30, 2009, a total of 2,96,95,009 equity shares of the Company, which form 84.95% of the equity share capital, stand dematerialized.

ISSUE OF FURTHER CAPITAL

During the year under review, the Company had allotted 43,83,561 equity shares of Rs.10/- each at a price of Rs.36.50 per share (including a premium of Rs.26.50 per share) to M/s Usha International Limited, Promoter of the Company on preferential basis in terms of the package sanctioned by the Corporate Debt Restructuring (CDR) mechanism of RBI and in accordance with the Securities and Exchange Board of India Guidelines for preferential issues.

LISTING OF SECURITIES OF COMPANY

The equity shares of your Company are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, Mumbai.

The equity shares of the Company have been delisted w.e.f. 12.1.2009 from the Calcutta Stock Exchange Association Limited, Kolkata.

The listing fee for the year 2009-2010 has been paid to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, Mumbai.

INFORMATION UNDER LISTING AGREEMENT FOR GDRs

If the United Kingdom resident holders in the Company's shares or depository receipts representing the Company's shares wish to know whether they are able to obtain any relief from United Kingdom Taxation to which they are entitled in respect of their holdings of such securities, they should consult their tax advisors.

ACKNOWLEDGEMENTS

The Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended by Central Government, State Governments, Banks, Financial Institutions, Dealers, Vendors and Foreign Collaborators of the Company. The Directors also wish to place on record their appreciation for the all-round co-operation and contribution made by the employees at all levels.

For and on behalf of the Board of Directors

Place : New Delhi
Dated : 18.01.2010

(SIDDHARTH SHRIRAM)
Chairman

Mawana Sugars Limited

ANNEXURE - I TO DIRECTORS' REPORT

Information as required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

1. CONSERVATION OF ENERGY:

a) Energy conservation measures taken

- Implementation of Energy saving measures as recommended by CII audit
- Installation of VFDs on boiler fans, maceration pump, transfer pumps etc.
- Installation of Thermo compressor for flash steam recovery
- Modification of power distribution system to optimize load on more efficient Steam turbines
- Replaced fan blades of Cooling towers with energy efficient FRP blades.
- Replacement of old tube lights with energy efficient CFLs

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy

- Installation of VFDs
- Replacement of reciprocating air compressors with efficient screw compressors
- Replacement of 125W street light fittings with 50W CFL fittings

c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

- Saving in bagasse due to reduction in steam consumption
- Reduction in Power consumption

d) Total energy consumption and energy consumption per unit of production

As per Form – A

2. TECHNOLOGY ABSORPTION:

a) Efforts made in technology absorption

As per Form – B

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Activities relating to export initiatives taken to increase exports, development of new export markets for productions and services.

- The Company could not export Sugar due to sizeable gap in Sugar production and demand leading to shortage of Sugar in the country.
- International market conditions were not conducive for export of Caustic Soda in the last year and hence no export of Caustic Soda was undertaken by the Company.

b) Total foreign exchange used and earned

The information is given in notes to accounts.

ANNEXURE - I TO DIRECTORS' REPORT (Contd.)

FORM-A (See Rule 2)

Form for disclosure of particulars with respect to Conservation of Energy

A. POWER AND FUEL CONSUMPTION

Sl. No.	PARTICULARS	Year ended 30.09.2009 (12 months)	Period ended 30.09.2008 (18 months)
1.	ELECTRICITY		
	A) Purchased		
	• Unit (KWH Lacs)	1836.57	3260.01
	• Total Amount (Rs Million)	842.08	1377.54
	• Rate / Unit (Rs)	4.59	4.23
	B) Own generation		
	(i) Through Diesel generator		
	• Units (KWH Lacs)	3.69	4.88
	• Units per litre of diesel oil	2.90	3.27
	• Cost / Unit (Rs)	12.10	9.26
	(ii) Through steam turbine generator units (KWH Lacs) own generation by burning bagasse.	846.87	1424.87
2.	COAL		
	Used for steam/power generation		
	• Quantity (MT)	Nil	Nil
	• Total cost (Rs Million)	Nil	Nil
	• Average Rate (Rs/MT)	Nil	Nil
3.	FURNACE OIL		
	• Quantity (MT)	4846	7636
	• Total cost (Rs Million)	94.9	178.07
	• Average Rate (Rs/MT)	19590	23320
4.	OTHERS/INTERNAL GENERATION	Nil	Nil

B. CONSUMPTION PER UNIT OF PRODUCTION

1.	ELECTRICITY (KWH/MT)		
	• CAUSTIC SODA	2613	2641
	• SUGAR	391	369

Mawana Sugars Limited

ANNEXURE - I TO DIRECTORS' REPORT (Contd.)

FORM-B

[See Rule 2]

Form for disclosure of particulars with respect to Research & Development and Absorption

RESEARCH AND DEVELOPMENT

1	Specific areas in which R & D carried out by the Company	Mawana Sugars Limited has collaborated with Massachusetts Institute of Technology (MIT) USA and set up practice school at Mawana. The following projects were undertaken – - Selective Crystallization of sugar crystals - Sugar Losses in manufacturing process - Efficient Energy Utilization	
2	Benefits derived as a result of above R&D	- Optimization of process parameters - Improvement in process control - Improvement in quality of sugar - Improvement in energy efficiency	
3	Future plan of action	- Improvement in process efficiencies - Manufacturing of specialty sugars	
4	Expenditure on R&D	Current Year 01.10.08 – 30.09.09 (12 Months)	Previous Period 01.04.07 – 30.09.08 (18 Months)
	• Capital (Rs. Lacs)	00.00	00.00
	• Recurring (Rs. Lacs)	142.20	43.60
	• Total (Rs. Lacs)	142.20	43.60
	• Total R&D expenditure as a percentage of total turnover	0.20%	0.04%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1	Efforts, in brief, made towards technology absorption, adaptation and innovation	- Provision of quintuple effect evaporator operation at reduced crush - Provision of heating clear juice by 1st vapour - Provision of boiling B-Masseccuite by 2nd vapour - Increasing capacity at B-Masseccuite conditioning - Installation of Caustic soda re-circulation system - Load balancer at cane cutter for improved cane preparation and power saving	
2	Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	The overall advantages are as follows: - Reduction in molasses purity. - Reduction in Steam consumption - Reduction in Chemical cost	
3	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished • Technology imported • Year of import • Has technology been fully absorbed? • If not fully absorbed, areas where this has not been taken place, reasons thereof and future plans of action.	NIL Not Applicable Not Applicable Not Applicable	