

# **48th ANNUAL REPORT**

**2009-2011**  
**(18 Months)**



**MAWANA SUGARS LIMITED**

# Mawana Sugars Limited

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## 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.

Prof. Mohan Dinesh

Mr. Shriram Siddharth

– *Managing Director*

– *Whole-time Director*

– *Chairman and Managing Director*

## AUDITORS

A.F. Ferguson & Co.

Chartered Accountants

9, Scindia House,

Kasturba Gandhi Marg,

New Delhi - 110 001

## BANKERS

State Bank of India

Punjab National Bank

State Bank of Hyderabad

State Bank of Travancore

State Bank of Mysore

Axis Bank Ltd.

U.P./District Co-operative Banks

## REGISTERED OFFICE

5th Floor, Kirti Mahal,

19, Rajendra Place,

New Delhi-110 125

## CORPORATE OFFICE

Plot No. 15, Institutional Area

Sector - 32

Gurgaon -122001, Haryana

## 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](http://www.masserv.com)

E-mail :- [info@masserv.com](mailto:info@masserv.com)

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## NOTICE

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Notice is hereby given that the 48<sup>th</sup> Annual General Meeting of the members of Mawana Sugars Limited will be held as scheduled below:

Day : Wednesday

Date : 24.08.2011

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 31<sup>st</sup> March, 2011 (18 months) and the Profit and Loss Account of the Company for the financial period ended on that date together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. A.K. Mehra, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Prof. Dinesh Mohan, who retires by rotation and being eligible, offers himself for reappointment.
4. 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:

5. 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 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 payment of the following remuneration to Mr. Sunil Kakria, Managing Director of the Company for the remaining period of his term of appointment i.e. from 1.10.2010 to 7.1.2013:

- |                              |  |
|------------------------------|--|
| 1. Basic Salary              | : Rs.5,07,480/- per month  |
| 2. Special Allowance         | : Rs.3,42,710/- per month  |
| 3. Housing                   | : House Rent allowance of Rs.1,00,000/- per month.   |
| 4. Medical Reimbursement     | : Expenses incurred for self and family upto Rs.27,000/- p.m. as per the rules of the Company.   |
| 5. Contribution to P.F. etc. | : Contribution to Provident Fund and Superannuation Fund as per the rules of the Company.  |
| 6. Gratuity                  | : As per the rules of the Company.   |
| 7. Encashment of Leave       | : Encashment of leave as per the rules of the Company.   |
| 8. Leave Travel Allowance    | : Rs.52,500/- p.m. as per the rules of the Company.  |
| 9. Use of Car                | : The Company shall provide a Car with running and maintenance expenses on actuals.  |
| 10. Telephone                | : Actual expenses for one telephone at residence and mobile phone shall be borne by the Company. However, all the long distance personal calls shall be paid by the Managing Director. |
| 11. Minimum Salary           | : In the event of inadequacy or absence of profits, Mr. Sunil Kakria shall be entitled to the normal salary and perquisites as stated herein as minimum salary.                        |

Resolved further that in addition to the remuneration as stated above, a performance based incentive varying from 0 (zero) to Rs.1,00,00,000/- (Rupees One Crore only) per annum 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 during his remaining term of appointment on annual basis.

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 payment of the following remuneration to Mr. A.K. Mehra, Whole Time Director of the Company for the remaining period of his term of appointment i.e. from 1.10.2010 to 15.10.2012:

# Mawana Sugars Limited

## NOTICE (Contd.)

- |                              |   |
|------------------------------|---|
| 1. Basic Salary              | : Rs.2,55,300/- per month   |
| 2. Special Allowance         | : Rs.3,03,038/- per month   |
| 3. Housing                   | : House Rent allowance of Rs.40,000/- per month.  |
| 4. Medical Reimbursement     | : Expenses incurred for self and family upto Rs.3000/- per month as per rules of the Company.   |
| 5. Contribution to P.F. etc. | : Contribution to Provident Fund and Superannuation Fund as per the rules of the Company.   |
| 6. Gratuity                  | : As per the rules of the Company.  |
| 7. Encashment of Leave       | : Encashment of leave as per the rules of the Company.  |
| 8. Use of Car                | : The expenses on running shall be paid on actuals and expenses for maintenance shall not exceed Rs.5000/- p.m. or Rs.60,000/- per annum.   |
| 9. Telephone                 | : Actual expenses for telephones at residence and mobile phone shall be borne by the Company. However, all the long distance personal calls shall be paid by the Whole Time Director. |
| 10. Minimum Salary           | : In the event of inadequacy or absence of profits, Mr. A K Mehra shall be entitled to the normal salary and perquisites as stated herein as minimum salary.                          |

Resolved further that in addition to the remuneration as stated above, a performance based incentive varying from 0 (zero) to Rs.15,00,000/- (Rupees Fifteen lacs only) per annum 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 during his remaining term of appointment on annual basis.

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

Place : New Delhi  
Dated : 30.5.2011

(**SUNIL KAKRIA**)  
Managing Director

### 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 23.8.2011 to 24.8.2011 (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, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase-II  
New Delhi - 110020  
Phone No. : 011-26387281-83  
Fax No. : 011-26387384  
Website : [www.masserv.com](http://www.masserv.com)  
E-mail : [info@masserv.com](mailto: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:

10. The Ministry of Corporate Affairs, vide its Circular No.18/2011 dated 29th April, 2011, clarify that as a measure of "Green initiative in Corporate Governance" it will be in compliance, if the Annual Report (i.e. documents listed in section 219(1) of the Companies Act, 1956) is sent through e-mail. To support this green initiative, members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company's RTA, M/s Mas Services Limited by filling the form available on the Company's website and also update the e-mail address as and when there is any change.

## NOTICE (Contd.)

### 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. A.K. Mehra  
**Age** : 62 years  
**Qualifications** : M.Sc. (Chemical Engineering)  
**No. of Shares held in the Company** : 21794 Equity Shares  
**Expertise** : Mr. A.K. Mehra holds a Masters degree in Chemical Engineering from Illinois Institute of Technology, Chicago (USA) and has been associated with the Chemical business of the Company for last 32 years. Mr. A.K. Mehra has made significant contributions in the growth of Chemical business of the Company and lead the establishment of the Company's relocated Chemical Complex at Rajpura, Punjab. Mr. Mehra is presently incharge of manufacturing operations of Chemical and Sugar business of Mawana Sugars Limited.  
**Outside Directorships** : **Director**  
  - SIEL Edible Oils Ltd.
  - SIEL Financial Services Ltd.
  - SIEL Industrial Estate Ltd.
  - Ceratizit India Pvt. Ltd.
  - Alkali Manufactures Association of India**Chairmanship/ Membership of the Board Committees:**  
Mawana Sugars Ltd.
  - Shareholders/Investors Grievance/ Share Transfer Committee - Member
  - Legal Sub-Committee - Member
  - To negotiate and finalize the terms and conditions for proposed partial sale of SIEL Industrial Estate Ltd. - Member
  - HR Committee - Member
  - Disposal of Company's Undertaking of the Chemical Business – SIEL Chemical Complex - Member
  - To explore and analyze various options with regard to development of land of SIEL Industrial Estate Ltd. - Member
SIEL Financial Services Ltd.
  - Audit Sub-Committee - Member
  - Shareholders Grievance/Share Transfers Committee - Member
SIEL Edible Oils Ltd.
  - Audit Sub-Committee - Member
2. **Name** : Prof. Dinesh Mohan  
**Age** : 66 years  
**Qualifications** : Ph.D. and M.S. in Bioengineering, M.S. in Mechanical and Aerospace Engineering, B.Tech (Hons.) in Mechanical Engineering.  
**No. of Shares held in the Company** : Nil  
**Expertise** : Prof. Dinesh Mohan is Henry Ford Professor for Biomechanics and Transportation Safety and Co-ordinator of the Transportation Research and Injury Prevention Programme at the Indian Institute of Technology (IIT), Delhi.  
He is member of the WHO Advisory panel on Accident Prevention. He serves on the editorial board of an international journal. Professor Mohan has been a consultant on safety related matters to government departments in India, Nepal, Indonesia, Thailand, Bangladesh, Iraq and Libya and many automotive industrial houses.  
He is also a recipient of many prestigious awards.  
**Outside Directorships** : **Director**  
  - EG Gas Limited**Chairmanship/Membership of the Board Committees**  
Mawana Sugars Limited
  - Audit Sub-Committee - Chairman
  - Shareholders/Investors Grievance/Share Transfers Committee - Chairman
  - Remuneration Committee - Member

# Mawana Sugars Limited

## NOTICE (Contd.)

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

#### ITEM NO. 5

Mr. Sunil Kakria was appointed as Managing Director (MD) of the Company w.e.f. 7.1.2008 for a period of 5 years on the terms, conditions and remuneration approved by the Board, Remuneration Committee and shareholders of the Company, subject to the approval of the Central Govt.

Though the appointment of MD was approved by the Central Govt. for a period of 5 years, the remuneration payable to him was approved for a period of 3 years only w.e.f. 7.1.2008.

The remuneration of MD has been revised from time to time after giving effect of annual increments.

The Central Govt. vide its last letter dated 26.11.2010 has communicated that the last increased remuneration for the period from 1.10.2009 to 30.9.2010 has not been acceded to and only the earlier approved remuneration of Rs.12,48,773/- per month can be paid to him for the said period resulting in MD receiving excess remuneration as per the GOI permission.

The Company has filed representation with Central Government for reconsideration of the application filed for the increase in remuneration of Mr. Sunil Kakria, MD as earlier presented to the GOI.

Response from GOI is awaited.

It is now proposed to fix the remuneration payable to Mr. Sunil Kakria, Managing Director upto the remaining period of his term of appointment i.e. from 1.10.2010 to 7.1.2013 as stated in Item No.5 of the Notice.

The Remuneration Committee of Directors and Board of Directors in their respective meetings held on 11.2.2011 have subject to the approval of shareholders and Central Government and such other approvals as may be necessary in this regard, approved the proposed remuneration of Mr. Sunil Kakria, Managing Director.

Your Directors recommends the resolution for your approval.

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

#### ITEM NO. 6

Mr. A.K. Mehra was appointed as Whole Time Director (WTD) of the Company w.e.f. 15.10.2007 for a period of 5 years on the terms, conditions and remuneration approved by the Board, Remuneration

Committee and shareholders of the Company, subject to the approval of the Central Govt.

The terms of appointment and remuneration of WTD was approved by the Central Govt. for a period of 5 years w.e.f. 15.10.2007.

The remuneration of WTD has been revised from time to time after giving effect of annual increments.

The Central Govt. vide its letter dated 16.11.2010 has communicated that the increased remuneration for the period from 1.10.2009 to 30.9.2010 has not been acceded to and the earlier approved remuneration of Rs.75,00,000/- per annum can be paid to him resulting in WTD receiving excess remuneration as per the GOI permission.

The Company has filed representation with Central Government for reconsideration of the application filed for the increase in remuneration of Mr. A.K. Mehra, WTD as earlier presented to the GOI.

Response from GOI is awaited.

It is now proposed to fix the remuneration payable to Mr. A.K. Mehra, Whole Time Director upto the remaining period of his term of appointment i.e. from 1.10.2010 to 15.10.2012 as stated in Item No.6 of the Notice.

The Remuneration Committee of Directors and Board of Directors in their respective meetings held on 11.2.2011 have subject to the approval of shareholders and Central Government and such other approvals as may be necessary in this regard, approved the proposed remuneration of Mr. A.K. Mehra, Whole Time Director.

Your Directors recommends the resolution for your approval.

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

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

Place : New Delhi  
Dated : 30.5.2011

(**SUNIL KAKRIA**)  
Managing Director

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 48<sup>th</sup> Annual Report along with Audited Accounts of the Company for the 18 months financial period ended March 31, 2011.

### FINANCIAL RESULTS

(Rs. Lacs)

Sl. No.	Particulars	Amount	
		31.03.2011 (18 months)	30.09.2009 (12 months)
1.	Profit/(Loss) before interest, depreciation, exceptional items and tax	13131.9	6630.4
2.	Interest	11064.2	7062.9
3.	Depreciation	7929.8	5250.4
4.	Profit/(Loss) before tax	(5862.1)	(5682.9)
5.	Provision for taxation:		
	- Current tax	-	-
	- Fringe benefit tax	-	38.9
6.	Profit/(Loss) after tax	(5862.1)	(5721.8)

### DIVIDEND

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

### OPERATIONS

A review of operations of the major businesses of the Company for the 18 months financial period ended March 31, 2011 is detailed as under:

#### 1. SUGAR DIVISION

The period ended 18 months March 2011 witnessed a huge swing in sugar prices due to volatility in production estimates. Because of lower production and stock estimates, sugar price touched all time high price in January 2010 and then plummeted as the Government of India took stringent measures to control prices. Tracking the rising sugar prices, the cane prices had also been bid up, which did not decline with sugar prices.

The key operational figures are as follows:

Particulars	Unit	Sugar season		18 months Ended 31.03.2011
		2009-10	2010-11	
Cane Crush	Lac MT	30.35	28.58	58.21
Recovery	%	9.26	9.11	9.17
Sugar Production*	Lac MT	3.03	2.64	5.52

\*Includes sugar produced from imported raw sugar

The company had contracted for import of raw sugar 60,000 MT during the period to utilize production capacity. However, the domestic prices fell so sharply that we settled, the contracts at a loss. Cane availability in the seasons 2009-10 and 2010-11 was lower than heretofore.

The surplus power generated by the Cogen was exported to the State Grid under the Power Purchase Agreement.

The Company entered into a first time contract with the Oil Marketing Companies (OMC) to supply Ethanol. The distillery making Ethanol was stream lined and the Company is supplying Ethanol steadily to the OMC.

#### 2. CHLOR ALKALI DIVISION

The business performed satisfactorily during the period Oct 09 – March, 11, the plant capacity utilization was matched as per market requirement.

The prices, of caustic soda were volatile through out the period leading to swings in monthly contributions.

Power contributes a major portion of the input cost for producing Caustic Soda, and was sourced from the Punjab State Power Corporation Limited and through the Indian Energy exchange.

### JOINT VENTURE

**CERATIZIT INDIA PVT. LTD** (Formerly Siel Tizit Limited). During the financial year ended February 2011, Ceratizit recorded a turnover of 883.48 Mio INR which is 56% higher than that of the previous year (566.68 Mio INR). PAT was 104.24 Mio INR during the year which is 60% higher than that of the previous year (65.17 Mio INR).

### HOLDING COMPANY

In pursuance of a Scheme of Arrangement of amalgamation sanctioned by the Hon'ble High Court of Delhi vide its order dated 19.7.2010, the equity stake held by Usha International Limited (UIL) in Mawana Sugars Limited (MSL) has increased to 62.67%

Consequent to the above, MSL has become a subsidiary of UIL in terms of Section 4 (1)(b)(ii) of the Companies Act, 1956 w.e.f. 26.7.2010.

### 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.

Transiel India Limited has exercised the option to exit under the "Easy Exit Scheme, 2011" of Govt. of India on 27.1.2011 and SFSL Investments Limited has ceased to be a subsidiary of the Company w.e.f. 31.1.2011.

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

In terms of the General Circular No. 2/2011 dated 8.2.2011 issued by Central Government relating to directions under Section 212(8) of the Companies Act, 1956, the Board of Directors of the Company has granted its consent by way of a resolution for not attaching the copy of the Balance Sheet, Profit and Loss Account, Reports of the Board of Directors and Auditors of the subsidiaries 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 RETIRING BY ROTATION

Mr. A.K. Mehra and Prof. Dinesh Mohan, Directors retire by rotation and being eligible, offer themselves for re-appointment.



# Mawana Sugars Limited

## DIRECTORS' REPORT

### DEMISE OF A DIRECTOR

Mr. K.P. Singh, Whole Time Director of the Company regrettably expired on 20<sup>th</sup> April 2011 after a prolonged illness. The Company lost a visionary and a leader who had helped the company greatly in times of trouble.

Mr. K. P. Singh joined the company on 20<sup>th</sup> September 1982 as Project Adviser and rose to the level of Whole Time Director in 1992. He made immense contributions to the company particularly in times of acute crisis through his excellent net working and PR skills. He had held the image of the company always very high in the eyes of all concerned.

The Company express its thanks to Mr. Singh for all the needful contribution made to the Company over the years and pray for his departed soul to rest in peace.

### 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 at its Registered Office.

### 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 period and of the loss of the company for that period;
- (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 March 31, 2011, a total of 3,41,05,377 equity shares of the Company, which form 97.56% of the equity share capital, stand dematerialized.

#### 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 listing fee for the year 2011-2012 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 & on behalf of the Board of Directors

Place : New Delhi  
Dated : 16.06.2011

(SIDDHARTH SHRIRAM)  
Chairman



## 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

- a) Converting one set of quadruple effect evaporator to quintuple effect to reduce steam consumption
- b) Modification in power distribution system to utilize maximum live steam for power generation and reduce live steam bleeding to process
- c) Installation of mass flow meter.
- d) Installation of VFDs on F.D. Fans of 42 bar boilers
- e) Installation of VFD on mix juice pump.
- f) Installation of VFDs at cane conveying system, mixed juice pumps, deccated juice pupms, clear juice pumps and auxiliaries of 32 bar boilers
- g) Installation of temperature controller at cooling tower fans
- h) Installation of Thermo compressor at evaporator
- i) Replaced one no of 40 H.P. motor with 20 H.P. motor of HCL plant cooling tower fan.
- j) Replaced 100 H.P. cooling tower supply pump motor with 50 H.P motor of Evaporator house.

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

- a) Installation of VFDs at cane carriers and syrup pump to reduce power demand & improving plant automation & efficiencies as recommended by Confederation of Indian industries ( CII ) in energy audit
- b) Replacement of gland sealing rings & modifications in 3 MW power turbines to improve efficienciencies
- c) Installation of VFDs on dedicated juice pump, clear juice pump and rotary drier ID Fan
- d) Installation of Air Handling System (AHS) for mill DC drive control room and cogen VFD pannel room for effective temperature control and energy conservation
- e) Installation of separate lighting panel
- f) Modification in existing evaporator configuration for converting from quadruple to qunituple effect to have better efficiency in steam consumption

- g) Replacement of mill house juice pumps and motors by required capacity "energy efficient pumps and motors"
- h) Proposal of New Energy efficient screw compressor for chlorine liquefaction system.
- i) To install centrifuge for cleaning of furnace oil for boiler.
- j) To install solar water heater for canteen.

#### 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

- a) Decrease in specific steam consumption of 3 MW turbines by 0.5 Kg/kwh
- b) Reduction in process steam consumption
- c) Reduction in captive power consumption

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

- Energy Consumption
  - Sugar Production
  - Energy Consumption per MT Sugar.
- 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 exported Sugar of value Rs.316.11 Mn during last 18 months ended on 31 March, 2011.
- International market conditions were not favourable for export of caustic soda during the period and hence no export of caustic soda was done by the company.

#### b) Total foreign exchange used and earned

The information is given in notes to accounts.

# Mawana Sugars Limited

## 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	Period ended 31.03.2011 (18 months)	Year ended 30.09.2009 (12 months)
1.	<b>ELECTRICITY</b>		
	<b>A) Purchased</b>		
	• Unit (KWH Lacs)	2,701.58	1,836.57
	• Total Amount (Rs. Million)	1,205.28	842.08
	• Rate / Unit (Rs.)	4.46	4.59
	<b>B) Own generation</b>		
	<b>(i) Through Diesel Generator</b>		
	• Unit (KWH Lacs)	3.12	3.69
	• Units per litre of Diesel Oil	2.90	2.90
	• Cost / Unit (Rs.)	13.53	12.10
	<b>(ii) Through steam turbine generator units (KWH Lacs) own generation by burning bagasse</b>	2,189.41	846.87
2.	<b>COAL</b>		
	<b>Used for steam/power generation</b>		
	• Quantity (MT)	Nil	Nil
	• Total Cost (Rs. Million)	Nil	Nil
	• Average Rate (Rs./MT)	Nil	Nil
3	<b>FURNACE OIL</b>		
	• Quantity (MT)	6,032	4,846
	• Total Cost (Rs. Million)	161.85	94.90
	• Average Rate (Rs./MT)	26,832	19,590
4	<b>OTHERS/INTERNAL GENERATION</b>	Nil	Nil

#### B. CONSUMPTION PER UNIT OF PRODUCTION

1.	<b>ELECTRICITY (KWH / MT)</b>		
	• Caustic Soda	2,672	2,613
	• Sugar	409	391