

**53rd
ANNUAL
REPORT**

2016-2017



MAWANA SUGARS LIMITED

Mawana Sugars Limited

BOARD OF DIRECTORS

Prof. Dinesh Mohan
Mrs. Parmjit Kaur
Mr. Piar Chand Jaswal
Mr. Ravinder Singh Bedi
Mr. Dharam Pal Sharma - Whole Time Director

COMPANY SECRETARY

Mr. Ashok Kumar Shukla

CHIEF FINANCIAL OFFICER

Dr. Anil Arora

AUDITORS

A.F. Ferguson & Co.
Chartered Accountants
9, Scindia House, Kasturba Gandhi Marg
New Delhi – 110001

BANKERS

Punjab National Bank
State Bank of India

REGISTERED OFFICE

5th Floor, Kirti Mahal, 19, Rajendra Place
New Delhi – 110125
Phone No: 91-11-25739103
Fax No: 91-11-25743659
CIN: L74100DL1961PLC003413
E-mail: corporate@mawanasugars.com
Website: www.mawanasugars.com

CORPORATE OFFICE

Plot No. 3, Institutional Area,
Sector-32, Gurgaon - 122001, Haryana
Phone No: 91-124-4298000
Fax No: 91-124-4298300

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 Limited
T-34, Okhla Industrial Area, Phase-II, New Delhi - 110020
Phone No. : 011-26387281-83, Fax: 011-26387384
E-mail : info@masserv.com, Website : www.masserv.com

NOTICE

Notice is hereby given that the 53rd Annual General Meeting of the members of Mawana Sugars Limited will be held as scheduled below:

Day : Thursday
Date : 27.07.2017
Time : 11.00 A.M.
Place : Kamani Auditorium 1, Copernicus Marg
New Delhi - 110001

to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - (a) the audited financial statements of the Company for the financial year ended 31st March, 2017 and the reports of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial statements of the Company for the financial year ended 31st March, 2017 and the report of Auditors thereon.
2. To appoint a Director in place of Mr. Dharam Pal Sharma (DIN-07259344) who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:

RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No:301003E/ E300005), be appointed as statutory auditors of the Company, in place of retiring auditors M/s A.F. Ferguson & Co., Chartered Accountants (ICAI Registration Number 112066W), to hold office from the conclusion of this 53rd Annual General Meeting (AGM) until the conclusion of the 58th AGM, subject to ratification by members every year, as applicable, at such remuneration and out-of-pocket expenses, as may be decided by the Board of Directors of the Company.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs.2,40,000/- (Rupees Two Lacs Forty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses for the financial year 2017-18, as approved by the Board of Directors on the recommendation of Audit Committee, to be paid to M/s Bahadur Murao & Co., Cost Accountants (Firm Registration No.4941) to conduct the audit of the cost records of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”
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 Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and including the provisions of previous Company Law and Rules made there under to the extent applicable and subject to the approval of Central Government and such other approvals, if any, as may be required, the approval of the members of the Company be and is hereby accorded to waive the recovery of excess managerial remuneration of Rs.70,39,214/- (Rupees Seventy Lacs Thirty Nine Thousand Two Hundred Fourteen) paid to Mr. Siddharth Shriram (DIN:00027750), Chairman and Managing Director of the Company during the period from 15th October, 2012 to 31st July, 2014.

RESOLVED FURTHER THAT the Company do file an application to the Central Government (Ministry of Corporate Affairs) for approval and accept any amendment, alteration, addition, deletion or modification to any of the terms and conditions relating to the waiver of excess remuneration paid to Mr. Siddharth Shriram (DIN:00027750), Chairman and Managing Director of the Company, as may be suggested or advised or directed by the Central Government.

Notice (Contd.)

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Dharam Pal Sharma, Whole Time Director and Mr. Ashok Kumar Shukla, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in their absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard and to appear, represent the Company before the appropriate authority and to sign, verify, execute, submit, collect, amend on behalf of the company any document, application, affidavit, undertaking, power of attorney and other person to represent the Company and to do all such acts, things, deeds, as may be incidental and necessary thereto."

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 Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and including the provisions of previous Company Law and Rules made there under to the extent applicable and subject to the approval of Central Government and such other approvals, if any, as may be required, the approval of the members of the Company be and is hereby accorded to waive the recovery of excess managerial remuneration of Rs.1,73,32,166/- (Rupees One Crore Seventy Three Lacs Thirty Two Thousand One Hundred Sixty Six) paid to Mr. Sunil Kakria (DIN: 01975775), Managing Director of the Company during the period from 01st October, 2012 to 31st July, 2013.

RESOLVED FURTHER THAT the Company do file an application to the Central Government (Ministry of Corporate Affairs) for approval and accept any amendment, alteration, deletion or modification to any of the terms and conditions relating to the waiver of excess remuneration paid to Mr. Sunil Kakria (DIN: 01975775), Managing Director of the Company, as may be suggested or advised or directed by the Central Government.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Dharam Pal Sharma, Whole Time Director and Mr. Ashok Kumar Shukla, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in their absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard and to appear, represent the Company before the appropriate authority and to sign, verify, execute, submit, collect, amend on behalf of the company any document, application, affidavit, undertaking, power of attorney and other person to represent the Company and to do all such acts, things, deeds, as may be incidental and necessary thereto."

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 Section 197 read with chedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and including the provisions of previous Company Law and Rules made there under to the extent applicable and subject to the approval of the Central Government and such other approvals, if any, as may be required, the approval of the members of the Company be and is hereby accorded to waive the recovery of excess managerial remuneration of Rs. 1,85,57,960/- (Rupees One Crore Eighty Five Lacs Fifty Seven Thousand Nine Hundred Sixty) paid to Mr. Ashwani Kumar Mehra (DIN:00060254), Whole Time Director of the Company during the period from 01st October, 2012 to 31st July, 2014.

RESOLVED FURTHER THAT the Company do file an application to the Central Government (Ministry of Corporate Affairs) for approval and accept any amendment, alteration, deletion or modification to any of the terms and conditions relating to the waiver of excess remuneration paid to Mr. Ashwani Kumar Mehra (DIN:00060254), Whole Time Director of the Company, as may be suggested or advised or directed by the Central Government.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Dharam Pal Sharma, Whole Time Director and Mr. Ashok Kumar Shukla, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in their absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard and to appear, represent the Company before the appropriate authority and to sign, verify, execute, submit, collect, amend on behalf of the company any document, application, affidavit, undertaking, power of attorney and other person to represent the Company and to do all such acts, things, deeds, as may be incidental and necessary thereto."

8. 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 Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and including the provisions of previous Company Law and Rules made there under to the extent applicable and subject to the approval of

Notice (Contd.)

the Central Government and such other approvals, if any, as may be required, the approval of the members of the Company be and is hereby accorded to waive the recovery of excess managerial remuneration of Rs. 66,12,760/- (Rupees Sixty Six Lacs Twelve Thousand Seven Hundred Sixty) paid to Mr. Rajendra Khanna (DIN: 00112534), Whole Time Director of the Company during the period from 01st February, 2014 to 31st December, 2014.

RESOLVED FURTHER THAT the Company do file an application to the Central Government (Ministry of Corporate Affairs) for approval and accept any amendment, alteration, addition, deletion or modification to any of the terms and conditions relating to the waiver of excess remuneration paid to Mr. Rajendra Khanna (DIN: 00112534), Whole Time Director of the Company, as may be suggested or advised or directed by the Central Government.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Dharam Pal Sharma, Whole Time Director and Mr. Ashok Kumar Shukla, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard and to appear, represent the Company before the appropriate authority and to sign, verify, execute, submit, collect, amend on behalf of the company any document, application, affidavit, undertaking, power of attorney and other person to represent the Company and to do all such acts, things, deeds, as may be incidental and necessary thereto."

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

Place : New Delhi
Dated : 09.06.2017

(Ashok Kumar Shukla)
Company Secretary
ACS-29673

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. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Businesses to be transacted at the AGM as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 21.07.2017 to 27.07.2017 (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 Limited
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.
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 72 of the Companies Act, 2013 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).

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Shareholders are requested to avail this facility and get their shareholding converted into dematerialized form by sending the Dematerialization Request Form (DRF) along with the share certificates to their Depository Participant (DP).

10. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members a facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through such voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited. E-Voting is optional.

Shareholders are requested to please read the instructions/procedures on remote E-Voting carefully which is given on the back side of the Attendance Slip.

11. **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.**

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3

Though not mandatory, this statement is provided for reference.

M/s A.F. Ferguson & Co., Chartered Accountants (ICAI Registration Number 112066W) are statutory auditors of the Company since last 30 years.

As per Section 139(2) of the Companies Act, 2013 ('the Act'), a transition period of three years from the commencement of the Act is provided to appoint a new auditor when the existing auditor's firm has completed two terms of five consecutive years.

Accordingly, M/s A.F. Ferguson & Co. is holding office of the auditors up to the conclusion of the 53rd AGM of the Company.

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No:301003E/ E300005) are proposed to be appointed as auditors for a period of 5 years, commencing from the conclusion of 53rd AGM till the conclusion of the 58th AGM, subject to ratification by members every year, as may be applicable.

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 3 of the notice.

The Board recommends the resolution set forth in item No. 3 of the notice for approval of the members.

ITEM NO. 4

The Board of Directors has appointed M/s Bahadur Murao & Co., Cost Auditor (Membership No. 4941), as the Cost Auditor for audit of the cost accounting records of the Company pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under for the financial year 2017-18. It is proposed to pay Rs.2,40,000/- as the remuneration, plus out of pocket expenses and applicable tax incurred/to be incurred by the auditors during the course of audit.

Accordingly, resolution set out under Item No.4 is recommended for approval of the members of the Company as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel or their relatives is concerned or interested in the said Resolution.

Notice (Contd.)

ITEM NO. 5

The members of the Company in their general meeting held on 19.12.2012 unanimously approved the re-appointment of Mr. Siddharth Shriram as the Managing Director (MD) of the Company for a period of five years and payment of remuneration for a period three years commencing from 15th October, 2012 till 14th October, 2015 and also approved his remuneration as recommended by the Nomination and Remuneration Committee and Board of Directors of MSL.

The Company has made default in repayment of debts to the lenders in the preceding year of the appointment/re-appointment of MD, approval of the Central Government is required in this regard.

Accordingly, the Company filed an application dated 11.1.2013 with Ministry of Corporate Affairs (MCA) seeking its approval for payment of Rs.70,39,214/- to MD by way of remuneration for the period 15th October, 2012 till 14th October, 2015.

MCA vide its letter dated 21st April, 2014 approved the remuneration of MD in the sum of Rs.18,00,000/- per annum only for a period from 15th October, 2012 till 14th October, 2015 on the ground that "Company has not submitted No Objection Certificate (NOC) from all of its lenders to whom it had defaulted in repayment of debts.

Mr. Siddharth Shriram has resigned as Chairman and Managing Director of the Company w.e.f. 31.7.2014.

The Company vide its letter dated 4th November, 2014 made a representation to MCA for waiver of excess remuneration paid to MD during the above said period.

MCA vide its letter dated 16th November, 2016 informed the Company that application made by the Company has been rejected, closed and directed the Company to recover the entire excess remuneration paid to MD on the following grounds:

- i) The Company did not filed prescribed E-Form for making application for waiver of recovery of excess remuneration.
- ii) The Company has made default in repayment of debts in the preceding years of appointment/reappointment of MD.

The Nomination and Remuneration Committee and the Board of Directors of the Company after having considered the contribution made by Mr. Siddharth Shriram during his tenure as MD, subject to necessary statutory approvals, have approved the waiver of recovery of excess remuneration as state above.

The waiver of the recovery of excess remuneration paid to Mr. Siddharth Shriram, as Managing Director of the Company is for the approval of the members of the Company by way of special resolution.

None of the Directors, Key Managerial Personnel or their relatives is concerned or interested in the said Resolution, Except Mr. Siddharth Shriram and his relatives, if any, in the Company.

Accordingly, the Board recommends the Special Resolution as set out at Item No.5 of this Notice for approval of the members of the Company.

Additional disclosures as required under part II Section II of the Schedule V of the Companies Act, 2013 is attached at the end of this notice after item no. 8

ITEM NO. 6

The members of the Company in their general meeting held on 16.12.2013 unanimously approved the re-appointment of Mr. Sunil Kakria as the Managing Director (MD) of the Company for the period from 7.1.2013 to 24.06.2017 (his retirement date) and remuneration package for a period of 3 years with 5% increase in his remuneration every year w.e.f. 7.1.2013 subject to the approval of the MCA.

Central Government vide its notification dated 14.7.2011, granted exemption for appointment of managerial person who is not having any interest in the capital of the or its holding company, directly or indirectly or through any other statutory structures and not having any direct or indirect interest or related to the directors or promoters of the company or its holding company at any time during last two years before or on the date of appointment and is having a graduate level qualification with expert and specialization knowledge in the field of his profession.

Mr. Sunil Kakria was appointed as Managing Director of the Company under the professional category. In view of the above circular issued by the MCA, the Company did not filed application for the approval of the Central Government.

Ministry of Corporate Affairs (MCA) vide its letter No. SRN C69460301/3/2015-CL-VII dated 16th November, 2016 has informed the Company that the Company has made default in repayment of debts in the preceding year of the appointment/re-appointment of Mr. Sunil Kakria, MD. Therefore, Central Government approval was required before making payment to Mr. Sunil Kakria. The MCA has directed the Company to recover the entire excess remuneration paid to Mr. Sunil Kakria during the period from 01.10.2012 to 31.07.2013.

Mr. Sunil Kakria has resigned as Managing Director of the Company w.e.f. 31.7.2013.

The Nomination and Remuneration Committee and the Board of Directors of the Company after having considered the contribution made by Mr. Sunil Kakria during his tenure as MD, subject to necessary statutory approvals, have approved the waiver of recovery of excess remuneration as state above.

Mawana Sugars Limited

Notice (Contd.)

The waiver of the recovery of excess remuneration paid to Mr. Sunil Kakria, as Managing Director of the Company is for the approval of the members of the Company by way of special resolution.

None of the Directors, Key Managerial Personnel or their relatives is concerned or interested in the said Resolution, Except Mr. Sunil Kakria and his relatives, if any, in the Company.

Accordingly, the Board recommends the Special Resolution as set out at Item No.6 of this Notice for approval of the members of the Company.

Additional disclosures as required under part II Section II of the Schedule V of the Companies Act, 2013 is attached at the end of this notice after item no. 8.

ITEM NO. 7

The members of the Company in their general meeting held on 19.12.2012 unanimously approved the re-appointment of Mr. Ashwani Kumar Mehra as the Whole Time Director (WTD) of the Company for a period of five years and payment of remuneration for a period of three years w.e.f. 15th October, 2012 and also approved his remuneration as recommended by the Nomination and Remuneration Committee and Board of Directors of MSL.

Central Government vide its notification dated 14.7.2011, granted exemption for appointment of managerial person who is not having any interest in the capital of the or its holding company, directly or indirectly or through any other statutory structures and not having any direct or indirect interest or related to the directors or promoters of the company or its holding company at any time during last two years before or on the date of appointment and is having a graduate level qualification with expert and specialization knowledge in the field of his profession.

Mr. Ashwani Kumar Mehra was appointed as Whole-Time Director of the Company under the professional category. In view of the above circular issued by the MCA, the Company did not filed application for the approval of the Central Government.

Ministry of Corporate Affairs (MCA) vide its letter No. SRN C69460301/3/2015-CL-VII dated 16th November, 2016 has informed the Company that the Company has made default in repayment of debts in the preceding year of the appointment/re-appointment of Mr. Ashwani Kumar Mehra, WTD. Therefore, Central Government approval was required before making payment to Mr. Ashwani Kumar Mehra, WTD. The MCA has directed the Company to recover the entire excess remuneration paid to Mr. Ashwani Kumar Mehra during the period from 1.10.2012 to 31.7.2014.

Mr. Ashwani Kumar Mehra has resigned as Whole Time Director of the Company w.e.f. 31.7.2014.

The Nomination and Remuneration Committee and the Board of Directors of the Company after having considered the contribution made by Mr. Ashwani Kumar Mehra during his tenure as WTD, subject to necessary statutory approvals, have approved the waiver of recovery of excess remuneration as state above.

The waiver of the recovery of excess remuneration paid to Mr. Ashwani Kumar Mehra, as Whole Time Director of the Company is for the approval of the members of the Company by way of special resolution.

None of the Directors, Key Managerial Personnel or their relatives is concerned or interested in the said Resolution, Except Mr. Ashwani Kumar Mehra and his relatives, if any, in the Company.

Accordingly, the Board recommends the Special Resolution as set out at Item No.7 of this Notice for approval of the members of the Company.

Additional disclosures as required under part II Section II of the Schedule V of the Companies Act, 2013 is attached at the end of this notice after item no. 8.

ITEM NO. 8

The members of the Company in their meeting held on 27.11.2014 (through Postal Ballot) approved the appointment of Mr. Rajendra Khanna as the Whole Time Director (WTD) of the Company for a period of five years and payment of remuneration for a period three years commencing from 1st February, 2014 till 31st January, 2017 and also approved his remuneration as recommended by the Nomination and Remuneration Committee and Board of Directors of MSL.

The Company has made default in repayment of debts to the lenders in the preceding year of the appointment/re-appointment of WTD, approval of the Central Government is required in this regard.

Accordingly, the Company filed an application dated 15.01.2015 with Ministry of Corporate Affairs (MCA) seeking its approval for payment of Rs. 7.50 lacs per month to WTD by way of remuneration for the period 01st February, 2014 till 31st January, 2017.

MCA vide its letter dated 30th June, 2015 approved the remuneration of WTD in the sum of Rs.18,00,000/- per annum only for a period from 01st February, 2014 till 31st January, 2017.

Mr. Rajendra Khanna has resigned as Whole Time Director of the Company w.e.f. 31.12.2014.

The Company vide its letter dated 21st July, 2015 made a representation to MCA for waiver of excess remuneration paid to WTD during the period from 1st February, 2014 to 31st December, 2014.

Notice (Contd.)

MCA vide its letter dated 16th November, 2016 informed the Company that application made by the Company has been closed and directed the Company to recover the entire excess remuneration paid to WTD on the following grounds:

- iii) The Company did not filed prescribed E-Form for making application for waiver of recovery of excess remuneration.
- iv) The Company has made default in repayment of debts in the preceding years of appointment/reappointment of WTD.

The Nomination and Remuneration Committee and the Board of Directors of the Company after having considered the contribution made by Mr. Rajendra Khanna during his tenure as WTD, subject to necessary statutory approvals, have approved the waiver of recovery of excess remuneration as state above.

The waiver of the recovery of excess remuneration paid to Mr. Rajendra Khanna, as Whole Time Director of the Company is for the approval of the members of the Company by way of special resolution.

None of the Directors, Key Managerial Personnel or their relatives is concerned or interested in the said Resolution, Except Mr. Rajendra Khanna and his relatives, if any, in the Company.

Accordingly, the Board recommends the Special Resolution as set out at Item No.8 of this Notice for approval of the members of the Company.

Additional disclosures as required under part II Section II of the Schedule V of the Companies Act, 2013 is attached at the end of this notice after item no. 8.

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

(Ashok Kumar Shukla)
Company Secretary
ACS-29673

Place : New Delhi
Dated : 09.06.2017

ATTACHMENT TO THE EXPLANATORY STATEMENT FOR ITEM NO.5, 6, 7 & 8

The following information pertaining to Mr. Siddharth Shriram, Mr. Sunil Kakria, Mr. Ashwani Kumar Mehra and Mr. Rajendra Khanna are furnished pursuant to the provisions of Schedule V to the Companies Act, 2013:

I. GENERAL INFORMATION:

(i) Nature of Industry:

The Company is engaged in the manufacture and marketing of Sugar and related by products from Sugar Cane at its units at Mawana Sugar Works, Titawi Sugar Complex and Nanglamal Sugar Complex and Co-generation of Power and production of Ethanol. Producing and marketing Chlor Caustic at its Unit Siel Chemical Complex, Rajpura, Punjab.

(ii) Date or expected date of commencement of commercial production:

The Company is an existing Company and is into manufacturing operation since long.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable.

(iv) Financial performance based on given indicators

Figure of Total Revenue, net Profit/(Loss) and Effective Capital recorded during the last five financial years/periods (on basis of Audited Balance Sheet of the Company) are as follows:

| Particulars | Amount (Rs./Million) | | | | |
|---------------------|-----------------------------------|-----------------------------------|------------------------------------|-----------------------------------|-----------------------------------|
| | As on 30.9.2012 (18 months) | As on 30.9.2013 (12 months) | As on 31.12.2014 (15 months) | As on 31.3.2016 (15 months) | As on 31.3.2017 (12 months) |
| - Total Revenue | 17183.88 | 12962.42 | 14093.86 | 14941.87 | 12095.55 |
| - Net Profit/(Loss) | (810.35) | (2880.55) | (1806.10) | 22.14 | 4566.79 |
| - Effective Capital | 2941.20 | 391.17 | (3218.32) | (1689.89) | 2084.94 |

(v) Export performance and net foreign exchange collaborations (as on 31.3.2017):

Nil

(vi) Foreign investments or collaborators, if any (as on 31.3.2017):

None

Mawana Sugars Limited

Notice (Contd.)

II. INFORMATION ABOUT THE APPOINTEES:

| S. No. | Particulars | Mr. Siddharth Shriram (Chairman and Managing Director) | Mr. Sunil Kakria (Managing Director) | Mr. Ashwani Kumar Mehra (Whole Time Director) | Mr. Rajendra Khanna (Whole Time Director) |
|--------|--|---|--|---|---|
| (i) | Background Details | Mr. Siddharth Shriram, is a renowned Industrialist of the Country. He hails from Shriram family. He has experience in the fields of Management, Business Planning, Finance etc. | Mr. Sunil Kakria is a Management Graduate from Faculty of Management Studies, University of Delhi with specialization in marketing and Operation Research. He has over 28 year of professional experience in the field of Strategy, operations, project and marketing (both domestic and International) in Samtel Group out of which the last 9 years have been served by him as CEO of Samtel Color Limited, the Flagship Company of the group. | Mr. A.K. Mehra, holds a Masters degree in Chemical Engineering from Illinois Institute of Technology, Chicago (USA). He is associated with the Company for the last 44 years in various capacities such as Executive Director, Whole Time Director etc. | Mr. Rajendra Khanna is a Chartered Accountant and is a sound finance professional who has, over the years, also developed various other management skills. His experience of around 35 years with companies like the DCM Limited, Chambal Fertilizers and Chemicals, Birla Home Finance Limited, Mawana Sugars Ltd and his last assignment with Arcelor Mittal at Kazakhstan as CFO with some CEO responsibilities. |
| (ii) | Recognition or Awards | None | None | None | Performance Bonus received Rs.30 Lacs approx in equivalent Indian Rupees, Officiating CEO (in the absence of CEO) and running Management Committee Meeting in the absence of CEO. |
| (iii) | Job Profile and his Suitability | He was overall responsible for the operations and affairs of the Company under the superintendence, control and direction of the Board of Directors. | Mr. Sunil Kakria was recruited by MSL to lead a traditional sugar commodity company into a diversified sugar company. | Mr. A.K. Mehra has made significant contributions in the growth of chemical business of the company and under his leadership the company has made huge investments in the sugar business of the company by way of setting up of a distillery plant expansion of capacity of sugar plants etc. | Mr. Rajendra Khanna was designated as Whole Time Director (i.e. on the Board of the Company) and shall have the task of taking the company out of its present condition through different approaches. He has particularly lead the sugar sales function, all cost and financial control functions, strategic formulation with stakeholders for success in an extremely difficult situation, and work for H.R. management and development and coordinating technical and commercial functions etc. |
| (iv) | Remuneration Proposed/paid | Rs.70,39,214/- for the period from 15th October, 2012 to 31st July, 2014. | Rs.1,73,32,166/- for the period from 01st October, 2012 to 31st July, 2013. | Rs.1,85,57,960/- for the period from 01st October, 2012 to 31st July, 2014. | Rs.66,12,760/- for the period from 01st February, 2014 to 31st December, 2014. |
| (v) | Comparative remuneration Profile with respect to , Industry size of the Company, profile of the position and person | The remuneration paid was much below the prevailing remuneration in the industry of similar size for similarly placed persons. | The remuneration paid was much below the prevailing remuneration in the industry of similar size for similarly placed persons. | The remuneration paid was much below the prevailing remuneration in the industry of similar size for similarly placed persons. | The remuneration paid was much below the prevailing remuneration in the industry of similar size for similarly placed persons. |
| (vi) | Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any. | Besides the remuneration paid to Mr. Siddharth Shriram as Chairman and Managing Director, he is presently a Promoter and Special Advisor of the Company. | Besides the remuneration paid to Mr. Sunil Kakria as Managing Director, does not have any other pecuniary relationship with the Company. | Besides the remuneration paid to Mr. Ashwani Kumar Mehra as Whole Time Director, he is presently a Special Advisor of the Company. | Besides the remuneration paid to Mr. Rajendra Khanna as Whole Time Director, does not have any other pecuniary relationship with the Company. |