

49th ANNUAL REPORT

2011-2012
(18 Months)



MAWANA SUGARS LIMITED

Mawana Sugars Limited

BOARD OF DIRECTORS

Mr. Bedi R.S.
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*

COMPANY SECRETARY

Mr.Naveen Jain

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
E-mail :- info@masserv.com

NOTICE

Notice is hereby given that the 49th Annual General Meeting of the members of Mawana Sugars Limited will be held as scheduled below:

Day : Wednesday
 Date : 19.12.2012
 Time : 10.30 A.M.
 Place : FICCI Auditorium,
 Federation House,
 Tansen Marg,
 New Delhi - 110001

to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 30th September, 2012 (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. Ravi Vira Gupta, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. N.K. Goila, 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, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or modification thereof and subject to such other approvals and sanctions as may be necessary in this regard, consent of the Company be and is hereby accorded for the ratification/approval of the following remuneration paid/to be paid to Mr. Sunil Kakria, Managing Director of the Company during the period from 1.7.2011 to 7.1.2013:

- | | |
|---------------------------------|---|
| 1. Basic Salary | : Rs.5,67,621/- per month |
| 2. Special Allowance | : Rs.3,92,878/- 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.77,500/- p.m. as per the rules of the Company. |
| 9. Use of Car | : The Company shall provide a Company leased Honda CR-V(2.4AT) Car upto a lease value of Rs.69,543/- per month. If the incumbent goes in for a higher model Car, the difference between the lease value of Honda CR-V Car and the higher model Car shall be adjusted against the Special Allowance. |
| 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. Performance Based Incentive | : Performance Based Incentive varying from 0 (zero) to Rs.1,00,00,000/- (Rupees One Crore only) per annum payable to Managing Director based on the achievement of such performance parameters as may be laid down by the Board of Directors or any Committee thereof. |

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, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or modification thereof and subject to such other approvals and sanctions as may be necessary in this regard, consent of the Company be and is hereby accorded for the ratification/approval of the following remuneration paid to Mr. A.K. Mehra, Whole Time Director of the Company during the previous period from 1.7.2011 to 14.10.2012:

Mawana Sugars Limited

NOTICE (Contd.)

1. Basic Salary : Rs.2,91,015/- per month
 2. Special Allowance : Rs.3,47,682/- per month
 3. Housing Electricity and Water : 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. Performance Based Incentive : Performance Based Incentive varying from 0 (zero) to Rs.15,00,000/- (Rupees Fifteen lacs only) per annum payable to Whole Time Director 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, 269, 309, 310 read with 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 re-appointment of Mr. Siddharth Shriram, Managing Director of the Company for a period of 5 years and payment of the remuneration for a period of 3 years w.e.f. 15.10.2012 as under:
1. Basic Salary : Rs.3,00,000/- per month.
 2. Provident Fund : As per the rules of the Company.
 3. Gratuity : As per the rules of the Company.
 4. Superannuation : As per the rules of the Company.
 5. Medical Reimbursement : Rs.37,500/- per month incurred for self and family as per the rules of the Company.
 6. House Rent Allowance : Rs.1,00,000/- per month.
 7. Leave Travel Allowance : Rs.25,000/- per month as per the rules of the Company.
- Other Benefits:**
1. Commission : 1% of net profits of the Company per annum, calculated in accordance with Section 349 & 350 of the Companies Act, 1956.
 2. Club Fee : Membership fee of two clubs subject to a maximum of Rs.3500/- p.m. Entry Fee and monthly subscription to be borne by the company.
 3. Personal Accident Insurance : Premium not exceeding Rs. 10,000/- per annum.
 4. Telephone : Actual expenses for telephones at residence and mobile phone. All personal long distance calls is borne by the employee.
 5. Gas/Electricity/Water : On actual, subject to a maximum of Rs. 40,000/- per month.
 6. Facility of Company car : All the running and maintenance expenses including drivers' salary shall be borne by the Company subject to a maximum of Rs. 25,000/- per month. A sum of Rs. 1000/- per month will be recovered from Mr. Siddharth Shriram for personal use of car.
 7. Entertainment expenses : Reimbursement of actual entertainment expenses incurred for the business purposes.
 8. Leave Encashment : Leave and Leave encashment as per leave rules of the company.
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 Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or modification thereof and subject to such other approvals and sanctions as may be necessary in this regard, consent of the Company be and is hereby accorded to the re-appointment of Mr. A.K. Mehra, Whole Time Director of the Company for a period of 5 years and payment of the remuneration for a period of 3 years w.e.f. 15.10.2012 as under:
1. Basic Salary : Rs.3,40,000/- per month.
 2. Provident Fund : As per the rules of the Company.
 3. Gratuity : As per the rules of the Company.
 4. Superannuation Fund : As per the rules of the Company.
 5. Medical Reimbursement : Rs.3,000/- per month incurred for self and family as per the rules of the Company.
 6. House Rent allowance : Rs.40,000/- per month.
 7. Special Allowance : Rs.3,91,451/- per month

NOTICE (Contd.)

Other Benefits:

1. Leave and encashment : As per the leave rules of the Company.
2. Telephone : Actual expenses for one landline and one mobile phone shall be borne by the Company. However, all the personal STD/ISD call charges are not reimbursable.
3. Use of Car : Fully maintained company leased car (Honda CRV or equivalent) with actual running expenses. In the event of Mr. A.K. Mehra opting for a higher value car, the differential monthly lease rental will be adjusted from his special allowance.
4. Performance Based Incentive : 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.

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

(Naveen Jain)
Company Secretary

Place: New Delhi

Dated: 23.11.2012

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 17.12.2012 to 19.12.2012 (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/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.

Mawana Sugars Limited

NOTICE (Contd.)

INFORMATION PURSUANT TO SCHEDULE XIII OF THE COMPANIES ACT, 1956

I. GENERAL INFORMATION

1. *Nature of Industry:* The Company is engaged in the business of manufacturing and selling of Chlor-Caustic at its unit Siel Chemical Complex, Rajpura, Punjab, producing Sugar and related by products from Sugar Cane at its units situated at Mawana Sugar Works, Titawi Sugar Complex, Nanglamal Sugar Complex and co-generation of Power and production of Ethanol.

2. *Date or expected date of commencement of commercial production:* -

The Company is an existing company and is into manufacturing operations since long.

3. *In case of new companies, expected date of commencement of activities as per the project approved by financial institutions appearing in the prospectus:* Not Applicable

4. *Financial performance based on given indicators:*

As per the Audited Accounts of the Company for the financial period ended September 30, 2012, the performance of the Company is as under:

Financial performance

| Particulars | Amount (Rs./Lacs) |
|---------------------|-------------------|
| - Turnover | 169787 |
| - Net Profit (PAT) | (8033) |
| - Effective Capital | 29412 |

5. *Export performance and net foreign exchange collaborations:*

- The Company exported 600 MT Caustic Soda Flakes to Nepal during the financial period ended 30.9.2012.
- The Company exported 26802 Tons of Refined Sugar to various countries during the financial period ended 30.9.2012.

6. *Foreign investments or collaborators, if any:* None

II. INFORMATION ABOUT THE APPOINTEE

1. *Background details:* Detailed information about Mr. Siddharth Shriram, Managing Director and Mr. A.K. Mehra, Whole Time Director are same as mentioned in Sl.No.4 below.

2. *Past Remuneration:*

- i) Mr. Siddharth Shriram - Rs.96,67,217/- (18 months)
- ii) Mr. A.K. Mehra - Rs1,31,52,868/- (18 months)

3. *Recognition or awards:* None

4. *Job profile and their suitability:*

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. He is overall responsible for the operations and affairs of the Company under the superintendence, control and direction of the Board of Directors.

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 39 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 Sugar and Chemical business of Mawana Sugars Limited.

5. *Remuneration proposed:* Given in respective Item No. 7 & 8 of the Notice of AGM.

6. *Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:* The remuneration proposed to be paid is commensurate with the remuneration package paid to similar senior level personnel in other companies and the size of the Company and the responsibilities of Mr. Siddharth Shriram and Mr. A.K. Mehra.

7. *Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:* Besides the remuneration proposed the Managing Director and Whole Time Director does not have any other pecuniary relationship with the Company and its managerial personnel.

III. OTHER INFORMATION

1. *Reasons of loss or inadequate profits :*

During the current period, the Company's financials were adversely affected by low sugar prices, lower than expected recoveries of sugar from cane, high sugar cane prices and consequential under recovery of cost of production, which has significantly affected the entire Sugar Industry

NOTICE (Contd.)

in Uttar Pradesh. Higher finance costs were also added to the significant operating/ cash losses.

2. Steps taken or proposed to be taken for improvement :

The Company has already initiated various steps including Corporate Debt Restructuring etc. The State/Central Governments are seized of the problems of the sugar industry and are considering long term solutions including decontrol of the Sugar Industry.

3. Expected increase in productivity and profits in measurable terms :

Decontrol of the sugar sector will lead to a 50 per cent increase in the profitability of sugar mills and the cane growers would be stable income due to higher share of realization from sugar and by-products, accordingly to a study by CRISIL.

Sugar decontrol would also improve Companies' cash flows, reduce their working capital requirements and thereby strengthen their credit risk profiles.

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. Ravi Vira Gupta
Age : 75 years
Qualifications : IAS (Retired)
No. of shares held in the Company : Nil
Expertise : Mr. Ravi Vira Gupta is a retired IAS Officer and has held various positions at various levels in Govt. of Madhya Pradesh as well as Government of India. He was Secretary to the Govt. of India in the Ministry of Food as well as Secretary, Banking in the Ministry of Finance. He also served as Dy. Governor with the Reserve Bank of India. Mr. Ravi Vira Gupta is Director on the Board of some Companies and is also actively connected with various institutions promoting education and culture.

Outside Directorships

- : **Director**
- Goodyear India Limited
 - DCM Engineering Limited
 - Delhi Safe Deposit Co. Limited
 - Honda Siel Power Products Ltd.
 - Seshasayee Paper & Board Ltd.
 - Rana Holdings Ltd.

Chairmanship/Membership of the Board Committees:

| | | |
|--------------------------------|--|------------|
| Mawana Sugars Limited | - Audit Sub-Committee | - Member |
| | - Remuneration Committee | - Member |
| | - Banking, Finance and Investment Committee | - Member |
| | - Disposal of Company's Undertaking of its Chemical Business-SCC | - Member |
| | - To explore and analyze various options with regard to development of land of Siel Industrial Estate Ltd. | - Member |
| Seshasayee Paper & Board Ltd. | - Audit Committee | - Chairman |
| Goodyear India Limited | - Audit Committee | - Chairman |
| | - Investors Grievance Committee | - Member |
| DCM Engineering Ltd. | - Audit Committee | - Member |
| Honda Siel Power Products Ltd. | - Audit Committee | - Member |

2. **Name** : Mr. N. K. Goila
Age : 66 years
Qualifications : - B. Tech (Mechanical Engg.) from IIT Delhi (with Distinction)
- MBA from Faculty of Management Studies, University of Delhi
No. of shares held in the Company : Nil

Mawana Sugars Limited

NOTICE (Contd.)

| | | | |
|---|---|---|----------|
| Expertise | : Mr. N. K. Goila is associated with the group for more than 44 years. He has worked in various areas of management and has made significant contribution to a Japanes joint ventures of the company. Presently he is Director of Mawana Sugar Ltd. | | |
| Outside Directorships | : Director - Mawana Sugars Limited - Usha International Limited - Siel Industrial Estate Limited | | |
| Chairmanship/Membership of the Board Committees | : | | |
| Usha International Limited | - Audit committee | - | Member |
| Mawana Sugars Limited | - Remuneration Committee | - | Chairman |
| | - Audit Sub-Committee | - | Member |
| | - Banking, Finance and Investments Committee | - | Member |
| 3. Name | : Mr. Siddharth Shriram | | |
| Age | : 67 years | | |
| Qualifications | : Graduate from St. Stephens College, Delhi University. M.Sc. in Management from MIT USA as a Sloan Fellow | | |
| No. of shares held in the Company | : 25,224 equity shares | | |
| Expertise/Employment Record | : | | |
| 1967-1968 | : Management Trainee | | |
| 1968-1977 | : Various positions culminating in Managing Director of Shriram Refrigeration Industries Ltd. | | |
| 1978-1984 | : Employed with Citibank in various capacities. | | |
| 1984-2012 (Chairman) | : Business in India by managing and controlling of various companies in the capacity of Chairman/Managing Director/Director such as : - Mawana Sugars Limited and its subsidiaries - Honda Siel Power Products Ltd. - Daikin Shriram Airconditioning Pvt. Ltd. (since resigned) - Usha International Ltd. (Co-Chairman) - Ceratizit India Private Limited - Honda Siel Cars India Ltd. (since resigned) | | |
| Outside Directorships | : Director - Honda Siel Power Products Limited - Usha International Limited - Siel Industrial Estate Limited - Siel Infrastructure & Estate Developers Pvt. Ltd. - Mawana Foods Limited - Ceratizit India Private Limited - V.V. Servotech Pvt. Ltd. | | |
| Chairmanship/Membership of Board Committees | : | | |
| Usha International Ltd. | - Finance and Banking Committee | - | Chairman |
| | - HR Committee | - | Member |
| | - IT Committee | - | Member |
| | - Business Operations Committee | - | Member |
| | - Advertising and Publicity Committee | - | Member |
| Honda Siel Power Products Ltd. | - Remuneration Committee | - | Member |
| | - Shareholders/Investors Relation Committee | - | Member |
| | - Board Committee on Financial Matters | - | Member |
| Mawana Sugars Limited | - Banking, Financing and Investment Committee | - | Chairman |
| | - To finalize and approve the terms and conditions for availment of Internet Banking facility from PNB for Siel Chemical Complex | - | Chairman |

NOTICE (Contd.)

| | | |
|--|---|--|
| | <ul style="list-style-type: none"> - To negotiate and finalize the terms and conditions for proposed partial sale of Siel Industrial Estate Ltd. - HR Committee - Disposal of Company's undertaking of the Chemical Business- Siel Chemical Complex - To explore and analyze various options with regard to development of land of Siel Industrial Estate Ltd. - Audit Sub-Committee - Audit Sub-Committee | <ul style="list-style-type: none"> - Chairman - Chairman - Chairman - Chairman - Chairman - Chairman |
| Mawana Foods Limited | | |
| Siel Industrial Estate Limited | | |
| 4. Name | : Mr. A.K. Mehra | |
| Age | : 63 years | |
| Qualifications | : M.Sc. (Chemical Engineering) | |
| No. of Shares held in the Company | : 21,794 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 39 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 Sugar and chemical business of the Company. | |
| Outside Directorships | : Director | |
| | <ul style="list-style-type: none"> - Mawana Foods Limited (<i>formerly Siel Edible Oils Ltd.</i>) - Siel Financial Services Limited - Siel Industrial Estate Limited - Siel Infrastructure & Estate Developers Pvt. Ltd. (<i>formerly Avro Sales Pvt. Ltd.</i>) - Ceratizit India Private Limited - Alkali Manufactures Association of India | |
| Chairmanship/Membership of Board Committees | | |
| Mawana Sugars Limited | <ul style="list-style-type: none"> - Shareholders/Investors Grievance/Share Transfer Committee - Legal Sub-Committee - To negotiate and finalize the terms and conditions for proposed partial sale of Siel Industrial Estate Ltd. - HR Committee - Disposal of Company's undertaking of the Chemical Business - Siel Chemical Complex - To explore and analyze various options with regard to development of land of Siel Industrial Estate Ltd. | <ul style="list-style-type: none"> - Member - Member - Member - Member - Member - Member |
| Siel Financial Services Limited | <ul style="list-style-type: none"> - Audit Sub-Committee - Shareholders Grievance/Share Transfers Committee | <ul style="list-style-type: none"> - Member - Member |
| Mawana Foods Limited | <ul style="list-style-type: none"> - Audit Sub-Committee | <ul style="list-style-type: none"> - Member |

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

ITEM NO. 5

The Remuneration Committee and the Board of Directors in their respective meetings held on 1.11.2011 and 23.12.2011 have subject to the approval of the shareholders of the Company approved the remuneration package of Mr. Sunil Kakria, Managing Director of the Company as stated in Item No.5 of the Notice of AGM for the term 1.7.2011 to 7.1.2013.

The remuneration paid/to be paid to Mr. Sunil Kakria for the term 1.7.2011 to 7.1.2013 is required approval by the shareholders.

Your Directors recommends the resolution for your approval/ratification.

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

ITEM NO. 6

The Remuneration Committee and the Board of Directors of the Company in their respective meetings held on 1.11.2011 have subject to the approval of the shareholders of the Company approved the remuneration package of Mr. A.K. Mehra, Whole Time Director of the Company as stated in Item No.6 of the Notice of AGM for the period from 1.7.2011 to 14.10.2012.

Mawana Sugars Limited

NOTICE (Contd.)

Mr. A.K. Mehra has been reappointed for a further period of 5 years with the remuneration package for 3 years w.e.f. 15.10.2012 by the Remuneration Committee and the Board of Directors. The respective resolution is proposed to the shareholders under Item No.8 of the Notice of AGM.

The remuneration for the previous term i.e. 1.7.2011 to 14.10.2012 already paid to Mr. A.K. Mehra is required the approval by the shareholders.

Your Directors recommends the resolution for your approval/ratification.

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

ITEM NO. 7

The Board of Directors of the Company in its meeting held on 10.10.2012 on the recommendation of the Remuneration Committee of Directors has re-appointed Mr. Siddharth Shriram, Managing Director of the Company for a period of 5 years and payment of the remuneration for a period of 3 years w.e.f. 15.10.2012.

The reappointment and remuneration of Mr. Siddharth Shriram as stated in item No.7 of the Notice of AGM is subject to the approvals of the shareholders by way of a Special Resolution and the Central Government.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company except Mr. Siddharth Shriram is concerned or interested in the said resolution.

ITEM NO. 8

The Board of Directors of the Company in its meeting held on 10.10.2012 on the recommendation of the Remuneration Committee of Directors has re-appointed Mr. A.K. Mehra, Whole Time Director of the Company for a period of 5 years and payment of the remuneration for a period of 3 years w.e.f. 15.10.2012.

The reappointment and remuneration of Mr. A.K. Mehra as stated in item No.8 of the Notice of AGM is subject to the approval of the shareholders by way of a Special Resolution.

Your Directors recommends the resolution for your approval.

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

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

(Naveen Jain)
Company Secretary

Place : New Delhi
Dated: 23.11.2012