

50th ANNUAL REPORT

2012-2013



MAWANA SUGARS LIMITED

Mawana Sugars Limited

BOARD OF DIRECTORS

Mr. Bedi R.S.

Mr. Gupta Ravi Vira

Mr. Mehra A.K.

Prof. Mohan Dinesh

Mr. Shriram Siddharth

- 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 – 110001

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 – 110125

CORPORATE OFFICE

Plot No.15, Institutional Area

Sector - 32,

Gurgaon - 122002, 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 Limited

T-34, Okhla Industrial Area, Phase-II, New Delhi - 110020

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

Websites : www.masserv.com

E-mail : info@masserv.com



NOTICE

Notice is hereby given that the 50th Annual General Meeting of the members of Mawana Sugars Limited will be held as scheduled below:

Day : Monday
Date : 16.12.2013
Time : 11.30 AM
Place : Kamani Auditorium
1, Copernicus Marg,
New Delhi – 110001

to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Financial Statements which comprises of the Balance Sheet as at 30th September, 2013, the Statement of Profit and Loss Account and the Cash Flow Statement for the year ended as on that date together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R.S. Bedi, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. A.K. Mehra, 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 having the ICAI Registration Number 112066W 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, 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 the approval of Shareholders of the Company and such other approvals and sanctions as may be necessary in this regard, consent of the Company be and is hereby accorded for re-appointment and payment of remuneration to Mr. Sunil Kakria, Managing Director of the Company for the period from 7.1.2013 to 31.7.2013 (his resignation date) as under:
 1. Basic Salary : Rs.5,93,759/- per month
 2. Special Allowance : Rs.4,25,551/- per month
 3. House Rent Allowance : 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. Provident Fund : As per the rules of the Company.
 6. Gratuity : As per the rules of the Company.
 7. Superannuation Fund : As per the rules of the Company.
 8. Encashment of Leave : As per the rules of the Company.
 9. Leave Travel Allowance : Rs.77,500/- p.m. as per the rules of the Company.
 10. Use of Car : Company leased car (Honda CRV or equivalent) with actual running and maintenance expenses. He was allowed to opt for Audi A-6 Car and the differential amount of Rs.61,266/- p.m. has to be adjusted from his special allowance.
 11. 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.
 12. Performance Based Incentive : 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.
 13. Increment : His salary (CTC) will be increased @ 5% every year for next three years effective from 1st October every year.

None of the Directors and Key Managerial Personnel's is interested in the resolution.

By Order of the Board of Directors
For Mawana Sugars Limited

(Naveen Jain)
Company Secretary

Place: New Delhi
Dated: 21.11.2013

Mawana Sugars Limited

Notice (Contd.)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.
2. The information as required to be provided under the Listing Agreement entered into with Stock Exchanges, regarding the Directors who are proposed to be appointed/re-appointed and the Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 are enclosed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 13.12.2013 to 16.12.2013 (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 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.

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 year ended September 30, 2013, the performance of the Company is as under:

Financial Performance

Particulars	Amount (Rs./Lacs)
- Turnover	128720
- Net Profit (PAT)	(28805)
- Effective Capital	3911.71

5. *Export performance and net foreign exchange collaborations:* The company exported 200 MT of Sugar to Nepal during the financial year ended 30.09.2013
6. *Foreign investments or collaborators, if any:* None

II. INFORMATION ABOUT THE APPOINTEE

1. *Background details :* Detailed information about Mr. Sunil Kakria, Managing Director as mentioned in Sl.No.4 below.
2. *Past Remuneration :* Rs.2,67,83,204/- (18 months)
3. *Recognition or awards :* None
4. *Job profile and their suitability :*
Mr. Sunil Kakria is a Management Graduate from FMS, New Delhi with specialization in marketing and Operation Research. Mr. Sunil Kakria was recruited by MSL to lead a traditional sugar commodity company into a diversified sugar company. He was appointed as Managing

Notice (Contd.)

Director (MD) of the Company w.e.f. 7.1.2008 for a period of 5 years and further for the period from 7.1.2013 to 24.06.2017 (his retirement date) on the terms, conditions and remuneration approved by the Board, Remuneration Committee and further subject to approval of the shareholders of the Company.

5. *Remuneration proposed:* Given in respective Item No. 5 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. Sunil Kakria.
7. *Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:* Besides the remuneration proposed the Managing Director does not have any other pecuniary relationship with the Company and its managerial personnel.

It may be noted that Mr. Sunil Kakria is no longer in the employment of the Company, having resigned w.e.f. 31.7.2013. This proposal relates to the period he was employed.

III. OTHER INFORMATION

1. *Reasons of loss or inadequate profits :*

During the current year, 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 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 :*

- a) The Company has implemented various actions to improve sugar recovery and has prepared a comprehensive action plan with the assistance of scientists of various sugar cane research institutes to address the adverse factors in a time bound manner. This is a three year program which will address the issue of absence of high sugared cane varieties, soil conditions etc.
- b) Pursuing U.P. Government to get the Sugar Industry Promotion Policy (Impact of Rs.105 crores) reinstated.
- c) Working through the Association (Indian Sugar Mills Association) to obtain certain reliefs from the Government of U.P. and Central Government.
- d) Working through the Association to reduce Government regulations.
- e) Normal rationalization and efficiency building in the Company.
- f) Investing in low investment but high return items allied to our existing business for which studies are being conducted.
- g) The Ethanol distillery environment management to allow for a longer running period of the factory. The Company has participated in ethanol tender which has improved the price of ethanol from Rs. 27/litre to Rs. 35/litre. The capacity of ETP of the distillery unit is being augmented to increase the production of ethanol and increasing the capacity utilization of the plant.
- h) Working through the Association to have the GOI set a higher price for Ethanol.

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

MSL is continuing its cane development program including distribution of cane seeds of new varieties, fertilizers and insecticides etc. These will help in long term improvements in cane quality and yield

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

The distillery unit continues to supply ethanol to the Oil Marketing Companies (OMC). The price of ethanol has improved from Rs. 27/litre to Rs. 35/litre. The ETP of distillery unit was augmented to streamline the production of ethanol and increasing capacity utilization.

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. R.S. Bedi
Age : 71 years
Qualifications : Graduate of the National Defence Academy
No. of Shares held in the Company : Nil
Expertise : Mr. R.S. Bedi has served in various capacities in the Government of India for 43 years.
Outside Directorships : Delhi Golf Club Ltd.
Chairmanship/ Membership of the Board Committee :
Mawana Sugars Ltd. - Audit Sub-Committee - Member
- Remuneration Committee - Member
2. **Name** : Mr. A.K. Mehra
Age : 64 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

Mawana Sugars Limited

		Complex at Rajpura, Punjab. Mr. Mehra is presently incharge of manufacturing operations of Sugar and chemical business of the Company.
Outside Directorships	:	Director
		- Mawana Foods Limited
		- Siel Financial Services Limited
		- Siel Industrial Estate Limited
		- Siel Infrastructure & Estate Developers Pvt. Ltd.
		- Ceratizit India Private Limited (upto 18.9.2013)
Chairmanship/Membership of Board Committee	:	
Mawana Sugars Limited		- 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 Limited		- Audit Sub-Committee - Member
		- Shareholders Grievance/Share Transfers Committee - Member
Mawana Foods Limited		- Audit Sub-Committee - Member
Siel Industrial Estate Limited		- Audit Sub-Committee - Member
3. Name	:	Mr. Sunil Kakria
Age	:	57 years
Qualifications	:	- Management Graduate from Faculty of Management Studies, University of Delhi.
		- Graduated in Physics (Hons) from University of Delhi
No. of shares held in the Company	:	Nil
Expertise	:	Mr. Sunil Kakria has worked with an advertising company, paint company and a semi-conductor company during early years of his career. He joined Samtel Group of Companies in 1981 and has been with them for about 27 years in various capacities. During his last 9 years in Samtel, he served as CEO of Samtel Color Limited, the flagship company of the Group with a sales turnover of approx. Rs.1000 Crores.
Outside Directorships	:	Director
		- Siel Industrial Estate Limited (upto 31.7.2013)
		- Mawana Foods Limited (upto 31.7.2013)
		- Siel Financial Services Limited (upto 31.7.2013)
Chairmanship/Membership of the Board Committees	:	
Mawana Sugars Limited		- Shareholders/Investors Grievance/ Share Transfer Committee* - Member
		- Legal Sub-Committee - Chairman
		- To negotiate and finalize the terms and conditions for proposed partial sale of Siel Industrial Estate Ltd. - Member
		- To finalize and approve the availment of Internet Banking facility from PNB to SCC. - Member
		- HR Committee - Member
Siel Industrial Estate Limited		- Audit Sub-Committee - Member
Mawana Foods Limited		- Audit Sub-Committee - Member
Siel Financial Services Limited		- Audit Sub-Committee - Member
		- Shareholders/Investors Grievance/ Share Transfer Committee - Member

*Ceased to be a Member of the Committee w.e.f. 15.07.2013

- Ceased to be the Member of the other Committees w.e.f. 31.07.2013

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

ITEM NO. 5

The Board of Directors in its meeting held on 13.2.2013 on the recommendation of the Remuneration Committee of Directors and subject to the approval of the shareholders of the Company, has approved the re-appointment of Mr. Sunil Kakria, Managing Director of the Company for the period from 7.1.2013 to 24.06.2017 (his retirement date) and payment of remuneration for a period of 3 years with 5% increase every year w.e.f. 7.1.2013.

Mr. Sunil Kakria has resigned from the services of the Company w.e.f. 31.7.2013. Hence, the reappointment and payment of remuneration of Mr. Kakria is mentioned in Item No.5 of the Notice of AGM upto 31.7.2013 for approval of the shareholders by way of a Special Resolution.

Your Directors recommends the resolution for your approval.

None of the Directors and Key Managerial Personnel's of the Company is concerned or interested in the resolution.

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

Place : New Delhi
Dated : 21.11.2013

(Naveen Jain)
Company Secretary

DIRECTORS' REPORT

Your Directors hereby present the 50th Annual Report along with Audited Accounts of the Company for the financial year ended September 30, 2013.

FINANCIAL RESULTS

(Rs. Lacs)

Sl. No.	Particulars	Amount	
		30.9.2013 (12 months)	30.9.2012 (18 months)
1.	Profit/(Loss) before interest, depreciation, exceptional items and tax	(4440)	4081
2.	Interest	9024	12292
3.	Depreciation	5043	7663
4.	Profit/(Loss) before tax	(28786)	(8375)
5.	Provision for taxation:		
	- Current tax	-	-
	- Provision relating to earlier year	29	-
	- Provision for tax written back relating to earlier year	(10)	(271)
6.	Profit/(Loss) after tax	(28805)	(8104)

DIVIDEND

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

OPERATIONS

1. SUGAR DIVISION

The year 2012-13 witnessed an increase in sugar production. The cane crush this season increased by 8% of cane crush during last season (2011-12). The cane crush this season was 34.06 lac MT as compared to 31.54 lac MT in the last season. The key operational figures are as follows:

Particulars	Unit	Sugar Season		
		2010-11	2011-12	2012-13
Cane Crush	Lac MT	28.58	31.54	34.06
Recovery	%	9.11	8.60	8.96
Sugar Production	Lac MT	2.64	2.74	3.07

The sugar recovery in the western UP remains a major concern mainly due to deterioration of sugarcane quality on account of varietal degeneration. The average sugar recovery for this season remained below the long term average recovery in line with trend in nearby sugar factories.

The sugar business during the season continued to be

under stress due to imbalance between cane costs, cost of production and sugar market prices.

MSL is continuing its cane development program including distribution of cane seeds of new varieties, fertilizers and insecticides etc. These will help in long term improvements in cane quality and yield

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

The distillery unit continues to supply ethanol to the Oil Marketing Companies (OMC). The price of ethanol has improved from Rs. 27/litre to Rs. 35/litre. The ETP of distillery unit was augmented to streamline the production of ethanol and increasing capacity utilization. However our capacity utilisation was severely hampered this year due to restrictions imposed by Central Pollution Control Board on all U.P. distilleries owing to the Kumbh Mela.

2. CHLOR ALKALI DIVISION

The business performed well during the Q1 (2012-13) amidst good demand of Caustic Soda but with weak demand of Chlorine. During Quarter Q2, the production was adversely effected as demand of Caustic Soda was hit badly with closure of Paper Mills in the North. Surplus availability of Caustic Soda from low priced imports from Pakistan and increase in Power Tariff by Punjab State Power Corporation Limited from 1st April, 2013 impacted the operations in Quarter Q3. With improvement in Caustic Soda and Chlorine prices due to weakening of Rupee, production was restored to normal levels in Quarter Q4.

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

Power contributes towards major portion of the input cost. The electricity requirement for the plant was met through Punjab State Power Corporation Limited and through Indian Energy Exchange under Open Access.

JOINT VENTURE

CERATIZIT INDIA PVT. LTD. During the year, the Company has ceased to be a Joint Venture Partner of Ceratizit India Private Limited (CIPL) with effect from 18.9.2013.

CHANGE IN STATUS OF PROMOTER

Usha International Limited has ceased to be Promoter of Mawana Sugars Limited w.e.f. 20.6.2013.

Mawana Sugars Limited

DIRECTORS' REPORT

STATUS OF SICKNESS UNDER BIFR

In terms of BIFR letter No.BIFR/Sec.23/2144/BC/2013 dated 13.5.2013, the Company has filed a reference in Form 'A' under Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 with Hon'ble BIFR on 1.8.2013 and the same has been registered as Case No.63/2013 as communicated by BIFR vide its letter No.3(M-5)/BC/2013 dated 10.9.2013.

SUBSIDIARY COMPANIES

The Company has three subsidiary companies viz. Siel Financial Services Limited, Siel Industrial Estate Limited and Siel Infrastructure & Estate Developers Pvt. Ltd.

Mawana Foods Limited has ceased to be a subsidiary of the Company w.e.f. 29.6.2013.

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, the consolidated financial statements are attached, which form part of the Annual Report.

DIRECTORS

Mr. R.S. Bedi and Mr. A.K. Mehra, Directors are liable to retire by rotation and being eligible, offer themselves for re-appointment.

Mr. N.K. Goila, Director has resigned from the Directorship of the Company w.e.f. 13.5.2013.

Mr. Sunil Kakria has resigned from the position of Managing Director and directorship of the Company w.e.f. 31.7.2013.

AUDITORS AND THEIR REPORT

M/s. A.F. Ferguson & Co., Chartered Accountants, Auditors of the Company (ICAI Registration Number 112066W) 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.

The Auditors have vide their letter dated 13.11.2013 also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the peer Review Board of the ICAI.

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

COST AUDITORS

M/s. Bahadur Murao & Co., Cost Accountants, were re-appointed as Cost Auditors for the financial year 2013-14 to conduct the cost audit of the accounts maintained by the Company, as prescribed under Cost Audit Rules, 2011.

The Cost Audit Reports for the financial period 2011-12 (18 months) was filed with Ministry of Corporate Affairs (MCA) on 26.3.2013, for its products Sugar and Caustic Soda, which were due to be filed by 31.3.2013.

The Cost Audit Report for the financial year 2012-13, in respect of the Sugar and Caustic Soda products prescribed under Cost Audit Rules, 2011, is due to be filed with MCA on or before 31.3.2014 (being within 180 days from the end of reporting year).



DIRECTORS' REPORT

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 along with proper explanation relating to material departures;
- (ii) that the accounting policies selected and applied are consistent and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that 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.

SIGNIFICANT TRANSACTIONS

During the financial year ended 30.9.2013, the following transactions were made:

- i) the Company has issued and allotted 41,60,053 equity shares of Rs.10/- each at a price of Rs.15.12 per equity share (including a premium of Rs.5.12 per equity share) to Usha International Limited under SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2009 for preferential issue on November 2, 2012 to Usha International Limited, the promoter of the Company.
- ii) the Company has sold its 31,30,000 equity shares of Rs.10/- each fully paid up (65.03% of the paid up capital) held by it in Mawana Foods Limited (MFL), a subsidiary of the Company at a price of Rs.26.12 per share to Usha International Limited (UIL) for a total consideration of Rs. 8,17,55,600/- for payment to the term lenders under CDR to reduce their debts. Accordingly, Mawana Foods Limited has ceased to be a subsidiary of the Company w.e.f. 29.6.2013.
- iii) the Company has sold its 23,00,000 equity shares of Rs.5/- each (5% of the paid up capital) held by it in Ceratizit India Pvt. Ltd. (CIPL), a joint venture Company to CERATIZIT S.A. Mamer, Luxembourg for a total consideration of Rs.16 crores for payment to the term lenders under CDR to reduce their debts. Accordingly, the Company has ceased to be a Joint Venture Partner of Ceratizit India Private Limited (CIPL) with effect from 18.9.2013.

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

(SIDDHARTH SHRIRAM)
Chairman

Place : New Delhi
Dated : 21.11.2013

Mawana Sugars Limited

ANNEXURE - I TO DIRECTORS' REPORT

Information as required under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (disclosure of Particulars in the Report of Board of Directors) Rules, 1998.

1. CONSERVATION OF ENERGY:

a) Energy conservation measures taken

- a) Installation of Electric melt heaters at sulphur furnace
- b) Plate type heat exchanger installed for Superheated wash water system
- c) Installation of VFD on Mix Juice pump
- d) Installation of 3.15 MVA transformer for increasing capacity utilization of the efficient TG set
- e) Replacement of 100 HP, 60 HP Conventional motor with EE motors
- f) Replacement of 120 HP motor for air compressor with 100 HP motor
- g) Energy Saving due to Cell Refurbishment
- h) Energy Efficient Lighting
- i) Replacement of steam ejectors with electric motor driven screw pumps

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

- a) Installation of VFD on Defecated Juice pump, Clear juice pump and Sulphited juice pump
- b) Installation of VFD on Hydrogen blower and Cooling Tower fan
- c) Replacement of Rota type magma and massecuite pumps with screw type pumps

- d) Replacement of old motors with energy efficient motors
- e) Use of energy efficient lighting

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

- Reduction in steam consumption
- Reduction in power consumption

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

As per Form – A

2. TECHNOLOGY ABSORPTION:

- a) Efforts made in technology absorption
As per Form – B

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

The company exported Sugar of value of Rs.69.50 Lacs during the financial year ended 30.09.2013

b) Total foreign exchange used and earned

The information is given in notes to accounts.

ANNEXURE - I TO DIRECTORS' REPORT (Contd.)
**FORM-A
(See Rule 2)**
Form for disclosure of particulars with respect to Conservation of Energy
A. POWER & FUEL CONSUMPTION

S. No.	PARTICULARS	Year ended 30.09.2013 (12 months)	Period ended 30.09.2012 (18 months)
1	ELECTRICITY		
	A) Purchased		
	• Unit (kWh Lacs)	2011.72	2,944.53
	• Total Amount (Rs Million)	1338.65	1,648.57
	• Rate / Unit (Rs)	6.65	5.60
	B) Own generation		
	(I) Through Diesel Generator		
	• Unit (kWh Lacs)	1.183	2.92
	• Units per litre of Diesel Oil	3.00	3.30
	• Cost / Unit (Rs.)	16.62	14.64
	(II) Through steam turbine generator units (kWh Lacs) own generation by burning bagasse	1344.90	1248.78
2	COAL Used for steam/power generation		
	• Quantity (MT)	0	0
	• Total Cost (Rs Million)	0	0
	• Average Rate	0	0
3	FURNACE OIL		
	• Quantity (MT)	3289	4,312
	• Total Cost (Rs Million)	137.38	170.55
	• Average Rate	41,767	39,554
4	OTHERS / INTERNAL GENERATION		

B. CONSUMPTION PER UNIT OF PRODUCTION

1	ELECTRICITY (kWh / MT)		
	Caustic Soda	2,626	2,698
	Sugar	460	472

Mawana Sugars Limited

ANNEXURE - I TO DIRECTORS' REPORT (Contd.)

FORM-B (See Rule 2)

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

1	Specific areas in which R & D carried out by the Company	R&D activities were carried out in the following areas –	
		<ul style="list-style-type: none"> - Cane varietal improvement, Seed development and Soil improvement - New harvesting practices and farm mechanization - Efficient utilization of process condensate and water conservation - Efficient utilization of energy 	
2	Benefits derived as a result of above R&D	<ul style="list-style-type: none"> - Development of new high yield and high sugar recovery varieties - Improvement in process control and efficiency - Improvement in quality of sugar - Improvement in energy efficiency 	
3	Future plan of action	<ul style="list-style-type: none"> - Improvement in process efficiencies - Reduction in sugar losses - Reduction in steam and power consumption 	
4	Expenditure on R&D	Current Year	Previous Period
		01-10-12 - 30-09-13	01-04-11 - 30.09.12
		(12 Months)	(18 Months)
	• Capital (Rs. Lacs)	5.08	6.50
	• Recurring (Rs. Lacs)	24.79	35.23
	• Total (Rs. Lacs)	29.87	41.73
	• Total R&D expenditure as a percentage of total turnover	0.02	0.02

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1	Efforts, in brief, made towards technology absorption, adaptation and innovation	<ul style="list-style-type: none"> - Installation of Efficient Sulphur furnace - Static filter arrangement at Mill House for screening of Mixed Juice - Arrangement for B massecuite boiling in pan with 2nd vapour instead of 1st vapour
2	Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	<p>The overall advantages are as follows:</p> <ul style="list-style-type: none"> - Improved sugar quality - Reduction in Steam consumption - Reduction in Chemical cost
3	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished	
	<ul style="list-style-type: none"> • Technology imported • Year of import • Has technology been fully absorbed? • If not fully absorbed, areas where this has not been taken place, reasons therefore and future plans of action. 	<p>NIL</p> <p>Not Applicable</p> <p>Not Applicable</p> <p>Not Applicable</p>

ANNEXURE - II TO DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2013

1. Company's Philosophy on Code of Corporate Governance

Good Corporate Governance is the adoption of best business practices which ensure that the Company operates within the regulatory framework. The adoption of such corporate practices ensures accountability of the persons in charge of the Company on one hand and brings benefits to investors, customers, creditors, employees and the society at large on the other. The Company believes in practicing good Corporate Governance and endeavours to improve on these aspects on an ongoing basis.

2. Board of Directors

(i) Composition

Presently the Company has a broad-based Board consisting of 5 members. The Board comprises of 2 Executive Directors and 3 Non-Executive Directors. All the Non-Executive Directors are Independent Directors. The Board members possess the skills, experience and expertise necessary to guide the Company.

During the year ended September 30, 2013, 11 Board Meetings were held on 10.10.2012, 23.11.2012, 19.12.2012, 21.1.2013, 13.2.2013, 25.3.2013, 13.5.2013, 3.6.2013, 25.6.2013, 15.7.2013 and 13.8.2013. The Company placed before the Board all statutory and other important items recommended by the SEBI committee on Corporate Governance.

The composition of Board of Directors and their attendance at the Board Meetings held during the year ended September 30, 2013 and at the last Annual General Meeting and also the number of other directorship and membership/ chairmanship of Board committees are as follows:

Director	Category	No. of Board Meetings Attended (Total meetings held 11)	Attended last AGM	No. of outside Directorship held (excluding Private & Foreign Companies)	Committee Membership*	
					Member (excluding the Chairmanship)	Chairman
1	2	3	4	5	6	7
■ Mr. Bedi R.S.	Independent Non-Executive	7	Yes	1	1	NIL
■ Ms. Dutt Anuradha**	Independent Non-Executive	NIL	NA	NIL	NIL	NIL
■ Mr. Goila N.K.***	Independent Non-Executive	5	Yes	2	2	NIL
■ Mr. Gupta Ravi Vira	Independent Non-Executive	10	Yes	7	4	2
■ Mr. Kakria Sunil**** (Managing Director)	Executive	10	Yes	3	5	NIL
■ Mr. Mehra A.K. (Whole Time Director)	Executive	10	Yes	4	5	NIL
■ Prof. Mohan Dinesh	Independent Non-Executive	5	Yes	1	NIL	2
■ Mr. Shriram Siddharth (Chairman and Managing Director)	Executive and Promoter	10	Yes	5	1	2

* Consists of Audit Committee and Shareholders/Investors Grievance/Share Transfer Committee.

** Resigned from the Directorship of the Company w.e.f. 23.11.2012.

*** Resigned from the Directorship of the Company w.e.f. 13.5.2013.

**** Resigned from position of Managing Director and directorship of the Company w.e.f. 31.7.2013.

Mawana Sugars Limited

ANNEXURE - II TO DIRECTORS' REPORT (Contd.)

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2013

3. Audit Committee

(i) Terms of Reference

The Company has an Audit Committee which was constituted in 1992 (thereafter reconstituted from time to time) and since then is dealing with the matters prescribed by the Board of Directors. The Committee deals with accounting matters, financial reporting and internal controls. The power, role, delegation, responsibilities and terms of reference of the Audit Committee are as prescribed under Section 292 A of the Companies Act, 1956 and also as provided in Clause 49 of the Listing Agreements.

(ii) Composition

As at the year end, the Audit Sub-Committee comprises of 3 Independent Non-Executive Directors. All the Committee members have sound knowledge of finance and accounting.

The Chairman of the Committee had attended the last Annual General Meeting.

The Company Secretary acts as the Secretary of the Committee. The Head of Finance, Internal Auditors and Statutory Auditors attend the meetings of the Committee on the invitation of the Company.

During the year ended September 30, 2013, the Audit Committee met 4 times on 23.11.2012, 13.2.2013, 13.5.2013 and 13.8.2013. The composition of the Committee and their attendance at the Committee meetings held during the year are as under:

Member Director	Executive/ Non-Executive	Independent/ Non-Independent	No. of Meetings Attended (Total meetings held 4)
▪ Mr. Bedi R.S.	Non-Executive	Independent	3
▪ Mr. Goila N.K.*	Non-Executive	Independent	3
▪ Mr. Gupta Ravi Vira	Non-Executive	Independent	4
▪ Prof. Mohan Dinesh (Chairman)	Non-Executive	Independent	2

* Ceased to be Member of the Committee w.e.f. 13.5.2013.

4. Remuneration Committee

(i) Terms of Reference

The Committee reviews and approves the salaries, commission, service agreements and other employment conditions of the Executive Directors. The Committee takes into consideration the remuneration practice followed by other companies in the Industry.

(ii) Composition

All the members of the Remuneration Committee are Non-Executive Independent Directors.

During the year ended September 30, 2013, only 2 meetings of the Committee were held on 10.10.2012 and 19.12.2012. The composition of the Remuneration Committee and their attendance at the Committee Meetings held during the year ended September 30, 2013 are as under:

Member Director	Executive/ Non-Executive	Independent/ Non-Independent	No. of Meetings Attended (Total meeting held 2)
▪ Mr. Bedi R.S.	Non-Executive	Independent	2
▪ Mr. Goila N.K. (Chairman)*	Non-Executive	Independent	1
▪ Mr. Gupta Ravi Vira (Chairman)**	Non-Executive	Independent	2
▪ Prof. Mohan Dinesh	Non-Executive	Independent	2

* Ceased to be Member and Chairman of the Committee w.e.f. 13.5.2013.

** Appointed Chairman of the Committee w.e.f. 13.5.2013.

The Chairman of the Remuneration Committee had attended the last Annual General Meeting.

ANNEXURE - II TO DIRECTORS' REPORT (Contd.)

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2013

(iii) Remuneration Policy

The Managing/Executive Directors are paid remuneration approved by the Board of Directors on the recommendation of Remuneration Committee. The remuneration so approved is subject to the approval by the shareholders and such other authorities as the case may be.

The Non-Executive Directors do not draw any remuneration from the Company except sitting fee of Rs.5,000/- for each meeting of the Board/ Committee thereof attended by them.

(iv) Details of Directors' Remuneration

The details of remuneration paid/provided to Directors are furnished below:

(A) The details of the remuneration to the Executive Directors provided as per accounts for the year ended September 30, 2013 is given below:

Sl. No.	Name	Salary and Allowances (Rs.)	Perquisites (Rs.)	Contribution to Provident and other Funds (Rs.)	Total (Rs.)
1.	Mr. Kakria Sunil	15204975*	956363	1170828	17332166
2.	Mr. Mehra A.K.	9482473**	242562	811578	10536613
3.	Mr. Shriram Siddharth	4800000	726362	720000	6246362

* including performance linked incentive of Rs.30 lacs.

** including performance linked incentive of Rs.8 lacs.

1. Refer Note 41 of the financial statement for managerial remuneration.
2. Mr. Sunil Kakria has resigned from the services of the Company w.e.f. 31.7.2013. Hence, the detail of his remuneration is mentioned at Sl.No.1 above is upto 31.7.2013.

(B) The details of the sitting fees to the Non-Executive Directors provided as per accounts for the year ended September 30, 2013 are given below:

Sl.No.	Name	Sitting Fees (Rs.)
1.	Mr. Bedi R.S.	60,000
2.	Mr. Goila N.K.*	45,000
3.	Mr. Gupta Ravi Vira	90,000
4.	Prof. Mohan Dinesh	1,00,000

*Resigned from the Directorship of the Company w.e.f. 13.5.2013.

The Company has not paid any fixed component and performance linked incentives to the Non-Executive Directors during the year.

The Company does not have any Stock Option Scheme.

5. Shareholders/Investors Grievance/Share Transfer Committee

(i) Terms of reference

The Company has a Board Committee namely 'Shareholders/Investors Grievance/ Share Transfer Committee' to look into various issues relating to shareholders including the redressal of shareholders complaints, share transfers/ transmission/issue of duplicate shares etc.

The meeting of this Committee is held frequently to ensure completion of share transfer work within the stipulated period. Besides this, Mr. A.K. Mehra, Whole Time Director and Mr. Naveen Jain, Company Secretary have been delegated the power to approve severally the registration of transfer of shares and other related matters upto

Mawana Sugars Limited

ANNEXURE - II TO DIRECTORS' REPORT (Contd.)

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2013

500 shares per case. The Company Secretary is also the Compliance Officer appointed under the relevant SEBI directions.

(ii) Composition

The Chairman of this Committee is a Non-Executive Independent Director.

During the year ended September 30, 2013, the Committee met 12 times on 25.10.2012, 30.11.2012, 27.12.2012, 31.1.2013, 28.2.2013, 28.3.2013, 29.4.2013, 24.5.2013, 26.6.2013, 26.7.2013, 30.8.2013 and 24.9.2013.

The composition of the Committee and their attendance at the Committee meetings held during the year ended September 30, 2013 are as under:

Member Director	Executive/ Non-Executive	Independent/ Non-Independent	No. of Meetings Attended (Total meetings held 12)
▪ Mr. Gupta Ravi Vira*	Non-Executive	Independent	2
▪ Mr. Kakria Sunil**	Executive	Non-Independent	8
▪ Mr. Mehra A.K.	Executive	Non-Independent	10
▪ Prof. Mohan Dinesh (Chairman)	Non-Executive	Independent	11

* Appointed as a Member of the Committee w.e.f. 15.7.2013.

** Ceased to be Member of the Committee w.e.f. 15.7.2013.

The minutes of meetings of the above Committee are placed at the Board meeting held after the committee meetings.

During the year, 52 complaints were received from the shareholders. All complaints were replied/resolved to the satisfaction of the shareholders. No complaints are pending as at the end of the financial year.

6. General Body Meetings

(i) The last three Annual General Meetings were held as under:

Financial Year	Location	Date	Time	Special Resolution Passed
2011-2012 (18 months)	FICCI Auditorium Federation House Tansen Marg New Delhi – 110001	19.12.2012	10.30 A.M.	- Ratification/approval of the remuneration paid/ to be paid to Mr. Sunil Kakria, Managing Director of the Company during the previous period from 1.7.2011 to 7.1.2013. - Ratification/approval of the 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. - 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. - 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.

ANNEXURE - II TO DIRECTORS' REPORT (Contd.)

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2013

2009-2011 (18 months)	Kamani Auditorium 1, Copernicus Marg New Delhi – 110001	24.8.2011	11.30 A.M.	<ul style="list-style-type: none"> - Increase in the monthly remuneration (CTC) of Mr. Sunil Kakria, Managing Director of the Company for the remaining period of his terms of appointment i.e. from 1.10.2010 to 7.1.2013. - Increase in the monthly remuneration (CTC) of Mr. A.K. Mehra, Whole Time Director of the Company for the remaining period of his terms of appointment i.e. from 1.10.2010 to 15.10.2012.
2008-2009	Kamani Auditorium 1, Copernicus Marg New Delhi – 110001	25.02.2010	11.30 A.M.	<ul style="list-style-type: none"> - Increase in the monthly remuneration (CTC) of Mr. Sunil Kakria, Managing Director of the Company w.e.f. 1.10.2009. - Increase in the monthly remuneration (CTC) of Mr. A.K. Mehra, Whole Time Director of the Company w.e.f. 1.10.2009.

- (ii) There is no item in the Notice for the forthcoming Annual General Meeting that is proposed to be passed through Postal Ballot.

7. Disclosures

(i) Related Party Transactions

In terms of the Accounting Standard (AS) 18, "Related Party Disclosures" notified in the Companies (Accounting Standards) Rules, 2006, (as amended and which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) the Company has identified the related parties covered therein and details of transactions with such related parties have been disclosed in the Note No.38 of the financial statements for the year ended September 30, 2013.

During the period, there were no transactions of material nature of the Company with the promoters, directors, management or their relatives, subsidiaries and other related parties covered under AS 18 that had potential conflict with the interest of the Company.

- (ii) There were no material instances of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange or SEBI or any statutory authority on any matter related to the capital markets, during the last three years.

(iii) Disclosure of Accounting Treatment

The financial statements have been prepared in accordance with applicable Accounting Standards and relevant presentational requirements of the Companies Act, 1956 and are based on the historical cost convention.

(iv) Insider Trading

The Company has adopted the Code of Internal Procedures and Conduct framed under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, to inter alia, prevent insider trading in the shares of the Company.

(v) Code of Conduct

The Company has adopted a Code of Conduct (Code) for the members of Board of Directors and Senior Management Personnel of the Company. The essence of the Code is to conduct the business of the Company in an honest and ethical manner, in compliance with applicable laws and in a way that excludes considerations of personal advantage.

The Code has also been posted on the Company's Website.

Mawana Sugars Limited

ANNEXURE - II TO DIRECTORS' REPORT (Contd.)

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2013

(vi) **Minutes of Subsidiary Companies**

Minutes of the Board Meetings of unlisted subsidiary companies are regularly placed before the Board.

(vii) **Risk Management**

The Company has laid down Risk Management Policy to inform Board members about the risk assessment and minimization procedures.

(viii) **Shareholding of the Non-Executive Directors**

The shareholding of the Non-Executive Directors of the Company as on September 30, 2013 are as under:

Sl. No.	Name of the Director	No. of Equity Shares
1.	Prof. Dinesh Mohan	Nil
2.	Mr. R.S. Bedi	Nil
3.	Mr. Ravi Vira Gupta	Nil

8. Means of Communication

- (i) Half yearly reports of the Company are not sent to the individual shareholders of the Company.
- (ii) Quarterly results and annual results are published in prominent daily newspapers viz. The Financial Express and Jansatta. The results are sent to the stock exchanges on which the Company is listed in the prescribed format so as to enable the respective stock exchanges to put the same on their own Website. The results are also displayed on the Company's Website. The Notice of AGM along with the Annual Report is sent to the shareholders well in advance of the AGM. The stock exchanges are notified of any important developments that may materially effect the working of the Company. Disclosures with regard to shareholding pattern, change in major shareholdings etc. are also sent to the stock exchanges as required under SEBI Takeover Regulations and SEBI Prohibition of (Insider Trading) Regulations.
- (iii) The Company has its own website namely – www.mawanasugars.com
- (iv) During the period no presentations were made to any institutional investors or analysts.
- (v) A Management Discussion and Analysis report, which forms a part of the Annual Report, is given by means of a separate Annexure and is attached to the Directors' Report.

9. General Shareholders' Information

- (i) Annual General Meeting is proposed to be held on 16.12.2013 at 11:30 A.M. at Kamani Auditorium 1, Copernicus Marg, New Delhi – 110001.
- (ii) **Financial Calendar for the year 2013-2014**

Accounting year	October 1, 2013 to September 30, 2014
First Quarter results	Upto 14 th February, 2014
Second Quarter results	Upto 15 th May, 2014
Third Quarter results	Upto 14 th August, 2014
Fourth Quarter results/ Annual Results	Upto 14 th November, 2014 (Unaudited) or 30 th November, 2014 (Audited)
- (iii) **Date of Book Closure:** 13.12.2013 to 16.12.2013 (both days inclusive)
- (iv) **Listing on Stock Exchanges:**

The equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE), Mumbai.
Stock Code at BSE: 523371 and NSE: MAWANASUG
Listing fees upto the year 2013-2014 has been paid to BSE & NSE.

ANNEXURE - II TO DIRECTORS' REPORT (Contd.)

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2013

(v) **Stock Market Data for the year ended September 30, 2013**

Monthly High and Low quotation and volume of Company's Share on BSE/NSE and BSE Sensex/NSE Nifty are as under:

Month & Year	BSE			SENSEX		NSE			NIFTY	
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High	Low	High (Rs.)	Low (Rs.)	Volume (Nos.)	High	Low
Oct-12	16.85	14.55	127815	19137.29	18393.42	17.00	14.70	151027	5815.35	4888.20
Nov-12	17.00	14.70	83614	19372.70	18255.69	17.00	13.70	128554	5885.25	5548.35
Dec-12	16.40	14.00	84686	19612.18	19149.03	16.35	14.00	89358	5965.15	5823.15
Jan-13	15.45	9.10	143868	20203.66	19508.93	15.80	9.15	214026	6111.80	5935.20
Feb-13	13.86	10.05	110043	19966.69	18793.97	12.50	10.10	190558	6052.95	5671.90
Mar-13	12.20	8.20	289506	19754.66	18568.43	12.10	8.00	564595	5971.20	5604.85
Apr-13	12.50	9.11	129214	19622.68	18144.22	12.50	9.15	378615	5962.30	5477.20
May-13	11.40	7.30	119435	20443.62	19451.26	10.90	7.55	284931	6229.45	5910.95
Jun-13	8.85	6.52	79099	19860.19	18467.16	8.75	6.20	84004	6011.00	5566.25
Jul-13	8.40	6.52	81559	20351.06	19126.82	8.00	6.30	72683	6093.35	5675.75
Aug-13	6.95	5.25	92736	19569.20	17448.71	6.95	5.10	331317	5808.50	5118.85
Sep-13	8.50	6.04	118651	20739.69	18166.17	7.95	6.05	159088	6142.50	5318.90
TOTAL			1460226					2648756		

(vi) **Registrar and Transfer Agent**

In compliance of SEBI requirements, Mas Services Limited has been appointed as the Registrar and Share Transfer Agent of the Company who handles 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

(vii) **Share Transfer System**

All valid share transfers are registered and duly transferred share certificates are despatched within a period of 15 days from the date of receipt.

(viii) **Investors' Service**

The Company has a system of attending and redressing all investors' grievances/ correspondence within a period of 10 days from the date of receipt of the same.

No complaints/grievances are pending as on date.

Mawana Sugars Limited

ANNEXURE - II TO DIRECTORS' REPORT (Contd.)

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2013

(ix) **Distribution of shareholding as on September 30, 2013**

No. of Equity Shares held	Folios		Shares	
	Numbers	%	Numbers	%
Up to 500	55349	95.70	2808473	7.18
501-1000	1169	2.02	911473	2.33
1001-2000	656	1.13	970398	2.48
2001-3000	221	0.38	553226	1.41
3001-4000	102	0.18	359509	0.92
4001-5000	88	0.15	407854	1.04
5001-10000	136	0.24	996599	2.55
10001 and above	117	0.20	32109332	82.09
TOTAL	57838	100.00	39116864	100.00

(x) **Categories of shareholders as on September 30, 2013**

Sl. No.	Category	No. of Shares held	% of shareholding
1	Promoters' Holding	26335976	67.33
2	Non-Promoter shareholding		
(a)	Mutual Funds/ UTI/ Financial Institutions/ Banks/ Insurance Companies/FIs etc.	927099	2.37
(b)	Bodies Corporate/Trust	3329316	8.51
(c)	Individuals	7994909	20.44
(d)	NRIs/OCBs/GDRs	529564	1.35
	Total	39116864	100.00

(xi) **Dematerialization of shares and liquidity**

The shares of the Company are compulsorily traded in dematerialized form and are available for trading on both the Depository Systems in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on September 30, 2013, a total of 3,82,98,988 equity shares of the Company, which forms 97.91% of the equity share capital, stand dematerialized.

Under the depository system, the ISIN allotted to the Company's equity shares is INE636A01039.

(xii) **Outstanding GDRs**

Pursuant to an offer of Global Depository Receipts (GDRs) made by the Company in 1994 – 2,63,519 GDRs representing 2,63,519 underlying equity shares of the Company were outstanding as on September 30, 2013.

(xiii) **Plant Location:**

Sugar Factories:

- | | |
|---|---|
| i) Mawana Sugar Works
Mawana
Distt. Meerut – 250402 (U.P.) | ii) Titawi Sugar Complex
Village & P.O. Titawi
Distt. Muzaffarnagar - 251301 (U.P.) |
| iii) Nanglamal Sugar Complex
Garh Road, Village Nanglamal
Distt. Meerut – 250001 (U.P.) | |



ANNEXURE - II TO DIRECTORS' REPORT (Contd.)

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2013

Chemical Factory:

Siel Chemical Complex
Charatrapur, Vill. Khadauli/Sardargarh
P.O. Box No.52
Rajpura, Distt. Patiala
Punjab –140401

(xiv)

Investors' correspondence may be addressed to:

Mr. N.K. Rastogi
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

10. Non-mandatory Clauses

The Company has not adopted any of the non-mandatory requirements except the remuneration committee as mentioned in Clause 2 of Annexure – 1D of Clause 49 of the Listing Agreement.

On behalf of the Board of Directors

Place : New Delhi
Dated : 21.11.2013

(**SIDDHARTH SHRIRAM**)
Chairman

DECLARATION

I, Siddharth Shriram, the designated Chief Executive Officer (CEO) hereby declare that the Code of Conduct adopted by Mawana Sugars Limited for its Board Members and Senior Management Personnel has been duly complied by all Board Members and Senior Management Personnel of the Company.

Siddharth Shriram
Chief Executive Officer

AUDITORS' CERTIFICATE

TO THE MEMBERS OF MAWANA SUGARS LIMITED

We have examined the compliance of conditions of Corporate Governance by Mawana Sugars Limited ("the Company") for the year ended September 30, 2013, as stipulated in Clause 49 of the Listing Agreements of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **A.F. Ferguson & Co.**
Chartered Accountants
(Registration No. 112066 W)

Jaideep Bhargava
Partner
(Membership No. 090295)

NEW DELHI
November 21, 2013

Mawana Sugars Limited

ANNEXURE - III TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

SUGAR BUSINESS

Sugar Season 2012-13 started with comfortable stocks of 8.0 Mn. tons (equivalent to 4 months consumption). Artificially rising Sugar prices provided an opportunity for imports & once the higher production estimates started coming, then sugar prices started declining steeply. About 0.8 Mn. tons sugar was imported (both Raws & Whites) despite production estimates of 25 Mn. tons. Import Duty was marginally raised from 10% to 15% in the month of July, 2013.

The Rangarajan Committee recommendations of 2012-13 were partially notified as under:

1. Removal of Monthly Free Sale quota system and 10% Levy obligation.
2. States to deregulate cane reservation area. However, pricing, cane reservation area and minimum distance between two mills were left to the State Govts.
3. Linking of Cane Price to Sugar Price was left to SAP States.

Sugar season 2012-13 was one of the worst year for UP sugar mills wherein mills could not even cover the cost of cane and entire sugar industry suffered a loss of around Rs. 3000 Crores and could not pay cane dues. U.P. cane arrears peaked at Rs. 7780 Crores and are at Rs. 2400 Crores at the end of the season.

In the World Sugar Market 2012-13 had another surplus year of 10 Mn. tons & sugar prices came down from 21.00 c/lb to 15.95 c/lb. Production was up 4% to 185 Mn. tons with consumption up by 2% to 175 Mn. tons. Major countries who added to surplus were Brazil, Thailand & India. Low world sugar prices help stand alone Refineries in India. Renuka was a major player with two Refineries one at Kandla for re-export and another at Haldia to pump into deficit State of West Bengal. Thus, imports happened and exports were not viable – hitting Indian sugar industry.

Sugar Season 2013-14

The Indian sugar outlook is very bleak. FRP went up from Rs. 170/qtl to Rs. 210/qtl. Maharashtra and Karnataka sugar mills want to pay FRP along with a formula for sharing of sugar prices, but the same is not getting a positive response from farmers. Similarly, in UP mills have aggressively represented to Government & public in general highlighting the most distressing situation of their financial performance where they cannot pay more than Rs.220/qtl. The farmers meanwhile are agitating for Rs.320/- per qtl. Cane price. Sugar prices can only be expected to decline. The performance of sugar mills will depend upon how UP Government responds to industry requests on cane pricing

2012 - 13 was a good and well spread monsoon season. Cane area was up by 5.78 % at 5.3 Mn. Hectares. All India Production is expected at 25 Mn. Tons. Major States like Maharashtra, U.P., Karnataka, and Tamil Nadu are expected to produce the same as last year.

With season starting with a stock of 8.6 Mn. Tons and with the All India Production estimates of 25 Mn. Tons & consumption at 23.5 Mn. Tons, a surplus of 1.5 Mn. Tons will get added to stock which will be highest ever in the history of India.

The World Sugar Balance for 2013-14 is expected to remain in surplus of around 4.5 Mn. Tons.

Distillery Operations

The Ethanol program is moving forward with the Government of India making five percent blending of ethanol with petrol mandatory for the Oil Marketing Companies (OMC).

The price of ethanol has improved from Rs. 27/litre to Rs. 35/litre. The capacity of ETP of the distillery unit is being augmented to increase the production of ethanol and increasing the capacity utilization of the plant.

CHLOR ALKALI DIVISION

Industry Structure and Development

A) Products

The Chlor-Alkali is a basic heavy Chemical Industry comprising products such as Caustic soda, Chlorine, Hydrogen and Hydrochloric acid. These products are basic building blocks in the Chemical processing industry and are used in diverse industrial sectors, either as raw materials or intermediate or auxiliary chemicals. Some of the major industries where the Chlor-Alkali products used are as under:

Chlor Alkali Products	Product Usage Industries
Caustic Soda	Aluminium, Pulp & Paper, Textile, Soap, Edible Oil Refineries, Dyes & Chemicals, Drugs & Drug Intermediates, Thermal Power Plants etc.
Chlorine	PVC, CPW, Pulp & Paper, Pesticides, Chloromethanes, Refrigerant Gases, Water purification, Stable Bleaching Powder, Aluminium Chloride, Chlorinated Solvents etc.
Hydrochloric Acid	Steel Pickling, Water Treatment, Effluent Treatment in Chemical Process industries, Thermal Power Plants
Hydrogen	Hydrogenated Vegetable Oils, Sorbitol, Stearic Acid, Pesticides, Filament Lamps, Picture tubes, Steel units, Power Plants (in Turbo cooling), etc.

ANNEXURE - III TO DIRECTORS' REPORT (Contd.)

The Chlor-Alkali sector plays an important role in the overall development of the economy. It contributes immensely to the manufacturing sector and to the external trade of the country. The Chlor-Alkali industry is thus a sector providing inputs to a large number of other end user industries and the demand of its products is linked to the performance of the end user products of these industries.

B) Industry Size

In India, as on 31.03.2013, there were a total of 33 Caustic Soda plants in operation. The installed capacity of Caustic Soda industry in the Country was 3.133 Million MT as on 31.03.2013, as compared to 3.126 Million MT on 31.03.2012. There was a marginal increase of 0.2% in the installed capacity during the year 2012-13 as compared to the previous year.

During the year, the domestic production was 2.54 Million MT Caustic Soda representing 81% utilization of the installed capacity. There was a decline in production of 0.016 Million MT during the year 2012-13 as compared to the previous year. The total demand of Caustic Soda was 2.81 Million MT, which grew by 4.4% over the previous year. The growth in demand for Caustic soda and Chlorine is linked to GDP growth.

The Caustic soda production and capacity utilization for last five years is as follows:

Year	2008-09	2009-10	2010-11	2011-12	2012-13
Capacity Utilisation %	76.9	74.3	76.3	81.8	81.1
Production (Million MT)	2.20	2.33	2.46	2.56	2.54

C) Market Scenario and Outlook

During the year 2012-13, Caustic Soda and Chlorine prices remained highly volatile. As a result of global recession, the demand of Chlorine in the Vinyl and PVC segments remained sluggish resulting in abysmally low prices for Chlorine during the beginning of the year. Caustic Soda prices, however, remained at reasonable levels. The trend changed in Quarter Q2 when demand of Caustic Soda came under severe pressure as several Paper Units in the North Zone closed down temporarily. The situation aggravated with inflow of low priced Caustic Soda from Middle East countries into West Zone and from Pakistan into the North zone.

The Chlorine prices improved as overall production was reduced so as to match the sudden drop in Caustic Soda demand. The demand of Chlorine also improved as imports of Chlorine derivatives were less because of

weaker rupee. During the second half of the year, prices of Caustic Soda were partially restored. The Industry witnessed a drop of nearly Rs 3000-4000 PMT in the ECU (Electrochemical Unit) realizations compared to the previous year.

In the year 2013-14, with a growth of around 5%, the domestic consumption of Caustic Soda is expected to reach 2.96 Million MT. Overall Production would be largely governed by the demand growth in Chlorine. The limitation in lower demand of Chlorine compared to Caustic Soda would require Caustic Soda demand to be partially met through imports.

The coming year on Indian market looks to be strong as prices of both Caustic Soda and Chlorine are likely to remain firm because of weak rupee and imports being more expensive. The demand for Caustic will be driven by higher consumption from the key consuming industries such as Aluminium, Paper and Pulp, Fibre, Soaps etc. Due to low prices of EDC in the international markets, PVC manufacturers in the country would continue to import EDC rather than manufacturing EDC by sourcing Chlorine from the domestic markets. Exports of CPW would have a good potential.

The Company is sourcing Power through Punjab State Power Corporation Limited and through Indian Energy Exchange under open access. With the commissioning of two Power Plants (Capacity addition around 1400 MW) one at Rajpura and another at Goindwal Sahib in Punjab, the power availability in the State will improve.

D) Risks and Concerns

The increasing energy cost will remain cause of concern for the industry in the coming year, which shall increase the cost of production. The Company will focus on reduction in Power consumption and raw material costs.

The increasing demand of the industries to draw power through open access shall limit the availability of power through this route.

The expansion of installed capacities of around 2.7 Million MT in the domestic caustic industry, cheaper imports of Caustic Soda, reduced demand of Caustic Soda with installation of Caustic Soda Recovery Plants in the Paper Units, replacement of Chlorine with Chlorine dioxide / ECF bleaching process and increase in Logistics costs shall be other areas of concern in the coming year.

Chlorine prices in the North will remain under pressure, as demand is limited, with CPW and Paper as the only major segments utilizing Chlorine.

The energy consumption of our Chlor-Caustic plant is

Mawana Sugars Limited

ANNEXURE - III TO DIRECTORS' REPORT (Contd.)

very high owing to the technology being 1st generation. Were we to switch the latest generation available technology to (5th generation) we would have to incur a capex of about Rs.100 crores, but the contribution would go up by around Rs.22 crores per annum for the same production volumes.

E) SWOT Analysis

Strengths

- Located in sugarcane rich belt of Western UP
- Integrated sugar plants producing ethanol, supplying green power to the State grid
- Multiple product range with specialty sugars catering to food and pharma industry

Weaknesses

- Strong governmental control on cane prices
- Deterioration of cane quality resulting in lower recoveries
- Soil deterioration following an overuse of fertilisers

Opportunities

- Higher value by-products
- Potential to increase cane productivity by varietal change to increase sugar recovery
- Technology up-gradation in sugar and by-product utilisation

Threats

- Unfavourable Government regulations towards cane pricing, raw sugar imports and sugar exports
- Rising cane payment arrears may force farmers shifting their preference to other crops resulting in lower cane availability
- Cane quality dependent upon factors not entirely within our control.
- Impact on domestic operations due to raw sugar imports

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Commensurate with the size and nature of its business, your company has proper systems of internal controls which ensure acceptable utilization of resources and reliable financial reporting. Your company has a well defined comprehensive organization structure, authority levels and internal rules and regulations.

Extensive use of SAP and other software systems have also resulted in strengthening the internal controls and accurate reporting of operational and financial data.

HUMAN RESOURCES

The HR vision of your company is committed to inspiring and developing the potential of people and providing them opportunities for growth. Training and learning initiatives aim at upgrading the competencies, taking early responsibility and fostering a climate of creativity and innovation is our aim. Your company continuously evolves policies and processes to attract and retain its pool of technical and management resources through a friendly work environment that encourages individual and learn initiatives.

Owing to BIFR registration, several aspects of HR are coming under strain and we are trying to manage the fall outs creatively.

Relations between the employees and management have remained cordial during the period of the report.

CAUTIONARY STATEMENT

Some of the statements in this Management Discussions & Analysis, describing the Company's objectives, projections, estimates, expectations and predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important developments that could alter your Company's performance include change in material costs, technology developments and significant changes in political and economic environment, tax laws and labour relations.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAWANA SUGARS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of MAWANA SUGARS LIMITED ("the Company"), which comprise the Balance Sheet as at September 30, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

1. Various matters arising out of the reorganization arrangement of DCM Limited will be settled and accounted for as and when the liabilities/benefits are finally determined as stated in note 36 of the financial statements. The effect of these on the accounts has not been determined by the Company.
2. The matter referred to in above was also subject matter of qualification in our audit report on the financial statements for the eighteen months ended September 30, 2012.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above**, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at September 30, 2013;

- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matters

1. Attention is invited to note 1(B) of the financial statements regarding the Company being registered with the Board for Industrial and Financial Reconstruction in September 2013 consequent to it becoming a "Sick Industrial Company" in terms of the provisions of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions), Act, 1985, as the Company's net worth has been fully eroded and the Company has incurred cash losses during the current year and prior periods and its current liabilities are far in excess of current assets. However, the financial statements have been prepared by the Management of the Company on a going concern basis for the reasons stated in the said note.
2. Attention is invited to note 41(ii) of the financial statements. As stated in the note, remuneration paid to the chairman and managing director includes Rs. 6.02 million in excess of the limit specified under Section 198 read with Section 309 and Schedule XIII to the Companies Act, 1956 which is subject to the approval of the Central Government.
3. Attention is invited to Note 44(b)(i) of the financial statements regarding de-recognition of profit amounting to Rs. 1215.45 million recognized in the previous financial period on the non-monetary transfer of shares held in a wholly owned subsidiary to another wholly owned subsidiary, for the reasons stated in the said Note.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. Proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs).
 - e. On the basis of written representations received from the directors as on September 30, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on September 30, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **A.F. Ferguson & Co.**
Chartered Accountants
(Firm Registration No. 112066 W)

Jaideep Bhargava
Partner

(Membership No. 090295)

Date : 21st November, 2013

Place : New Delhi

Mawana Sugars Limited

INDEPENDENT AUDITORS' REPORT

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Having regard to the nature of the Company's business/activities/results during the year, clauses (xiii) and (xiv) of paragraph 4 of the Order are not applicable to the Company.

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - As explained to us, the Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company. However, refer to our comments 1 of "Emphasis of Matters" section of our report of even date.
- (ii) In respect of its inventory:
- As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us the Company has during the year neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. There is no sale of services during the year. During the course of our audit we have not observed any major weakness in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are, *prima facie*, reasonable having regard to the prevailing market prices at the relevant time.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
- (vii) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at September 30, 2013 for a period of more than six months from the date they became payable.
 - There are no disputed dues of Wealth Tax, Cess and Customs Duty which have not been deposited on account of any dispute.

The details of dues of Sales Tax, Income-tax, Service Tax and Excise Duty which have not been deposited as at September 30, 2013 on account of disputes are given below:

S. No.	Name of the Statute	Nature of dues	Amount involved (Rs. Million)	Amount Paid under Protest (Rs. Million)	Period to which the amount relates (various years covering the period)#	Forum where dispute is pending
1	Sales Tax Laws	Sales tax	6.12 83.55	- 2.50	2009-10 to 2011-12 1976-77, 1977-78, 1983-84 to 1996-97, 1998-99 to 2000-01, 2003-04, 2004-05, 2006-07, 2009-10 and 2011-12.	High Court Appellate Authority upto Commissioner's level

INDEPENDENT AUDITORS' REPORT

S. No.	Name of the Statute	Nature of dues	Amount involved (Rs. Million)	Amount Paid under Protest (Rs. Million)	Period to which the amount relates (various years covering the period)#	Forum where dispute is pending
2	Income Tax Laws	Income Tax	30.28	30.28	1994-95 and 1998-99	High Court
3	Central Excise Laws	Excise Duty	9.92 124.08 77.06 2.43 7.99	- - 0.55 0.04 0.02	1999-00 to 2002-03, 2007-08 to 2012-13 2005-06 to 2011-12 1981-82 to 1984-85, 1994-95 to 2001-02, 2003-04, 2004-05 to 2012-13. 2006-07 and 2008-09 to 2010-11 2005-06 to 2009-10 and 2011-12	High Court Customs Excise and Service Tax Appellate Tribunal (CESTAT) Appellate Authority upto Commissioner's level Customs Excise and Service Tax Appellate Tribunal (CESTAT) Appellate Authority upto Commissioner's level

Period in respect of income tax represents assessment year.

The following matters which have been excluded from the above table have been decided in favour of the Company but the department has preferred appeal at higher level:

S. No.	Name of the Statute	Nature of dues	Amount involved (Rs. Million)	Period to which the amount relates #	Forum where dispute is pending
1	Central Excise Laws	Excise Duty	0.21	1996-97	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
2	Income Tax Laws	Income tax	306.42	2001-02	Income tax Appellate Tribunal (ITAT)

Period in respect of income tax represents assessment year.

- (x) The accumulated losses of the Company at the end of the financial year i.e September 30, 2013 are not less than fifty percent of its net worth and the Company has incurred cash losses during the financial year ended September 30, 2013 and the immediately preceding financial period ended September 30, 2012. Also refer to our comments 1 of "Emphasis of Matters" section of our report of even date.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, the Company, during the year, has not defaulted in repayment of dues to financial institutions and has not issued debentures.

During the year ended September 30, 2013, the Company has defaulted in repayment of following loans to banks:

Lender	Amount (Rs. Million)	Period of Delays upto September, 30, 2013 (in days)
Banks (including interest)	223.71	30-95 days*
	1,225.52	up to 61 days

*Not outstanding as at the year end

- (xii) As the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4 (xii) of the Order, is not applicable.
- (xiii) According to the information and explanations given to us, the Company has not given any guarantees during the year for loans taken by others from banks or financial institutions.
- (xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company

during the year for the purposes for which they were obtained.

- (xv) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that short term funds of Rs. 4,224.54 million have been used for long term purposes. Refer to our comments under paragraph 1 of "Emphasis of Matters" section of our report of even date.
- (xvi) According to the information and explanations given to us, the Company has made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 at a price which, in our opinion, is *prima facie* not prejudicial to the interest of the Company.
- (xvii) As the Company has not issued any debentures during the year, paragraph 4 (xix) of the Order, is not applicable.
- (xviii) As the Company has not raised any money by way of public issue during the year, paragraph 4(xx) of the Order, is not applicable.
- (xix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For A.F. Ferguson & Co.
Chartered Accountants
(Registration No.112066W)

Jaideep Bhargava
Partner

Date : 21st November, 2013
Place : New Delhi

(Membership No. 090295)

Mawana Sugars Limited

BALANCE SHEET AS AT SEPTEMBER 30, 2013

	Note No.	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	391.17	349.57
Reserves and surplus	3	(2420.05)	439.20
		(2028.88)	788.77
Share application money pending allotment		-	62.90
Non - current liabilities			
Long - term borrowings	4	1,438.43	1,975.93
Other long term liabilities	5	157.23	155.83
Long - term provisions	6	112.73	111.84
		1,708.39	2,243.60
Current liabilities			
Short - term borrowings	7	3,718.56	1,951.76
Trade payables	8	3,086.99	2,786.30
Other current liabilities	9	2,374.29	2,270.57
Short - term provisions	10	56.05	50.78
		9,235.89	7,059.41
TOTAL		8915.40	10,154.68
ASSETS			
Non - current assets			
Fixed assets	11		
- Tangible assets		5,292.87	5,738.05
- Capital work in progress		11.46	5.86
		5,304.33	5,743.91
Non - current investments	12	292.76	1,562.51
Long - term loans and advances	13	195.62	502.37
Other non - current assets	14	8.49	7.14
		5801.20	7815.93
Current assets			
Inventories	15	2,385.68	1,802.04
Trade receivables	16	413.53	283.22
Cash and cash equivalents	17	152.20	89.59
Short - term loans and advances	18	156.33	158.25
Other current assets	19	6.46	5.65
		3,114.20	2,338.75
TOTAL		8915.40	10,154.68

Accompanying notes 1 to 51 are an integral part of the financial statements

In terms of our report attached
For A.F.Ferguson & Co.
Chartered Accountants

SIDDHARTH SHRIRAM
Chairman and Managing Director

JAIDEEP BHARGAVA
Partner

A.K. MEHRA
Whole Time Director

Date : 21st November, 2013
Place : New Delhi

NAVEEN JAIN
Company Secretary

D.C. POPLI
Sr. General Manager (Accounts)

DINESH MOHAN
RAVI VIRA GUPTA
Directors



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Note No.	Year ended 30.09.2013 Rs. Million	18 Months ended 30.09.2012 Rs. Million
REVENUE			
Revenue from operations (Gross)	20	13,560.50	17,836.18
Less: Excise duty		688.47	857.35
Revenue from operations (Net)		12,872.03	16,978.83
Other income	21	90.39	205.05
TOTAL REVENUE		12,962.42	17,183.88
EXPENSES			
Cost of materials consumed	22	10,622.26	8,953.26
Changes in inventories of finished goods and work in progress	23	(603.20)	3,511.65
Employee benefits expense	24	807.02	1,124.09
Finance costs	25	902.37	1,229.25
Depreciation and amortization expense	11	504.33	766.29
Other expenses	26	2,580.32	3,186.70
TOTAL EXPENSES		14,813.10	18,771.24
(Loss) before exceptional items and prior period adjustments		(1,850.68)	(1,587.36)
Less: Exceptional items			
- Cane price difference	44(a)	-	465.53
- Loss/(Profit) on sale of non-current investments	44(b)	(187.46)	(1,215.45)
(Loss) before tax and prior period adjustment		(1,663.22)	(837.44)
Less : Prior period adjustment	44(b)(i)	1215.45	-
(Loss) before tax		(2878.67)	(837.44)
Tax expense:			
Current tax		-	-
Provision relating to earlier years		2.90	-
Provisions written back relating to earlier years		(1.02)	(27.09)
(Loss) after tax for the year/period		(2880.55)	(810.35)
Earnings per equity share - basic/diluted (Rs.) (Face value Rs. 10 per share)	37	(74.33)	(23.18)

Accompanying notes 1 to 51 are an integral part of the financial statements

In terms of our report attached
For A.F.Ferguson & Co.
Chartered Accountants

SIDDHARTH SHRIRAM
Chairman and Managing Director

JAIDEEP BHARGAVA
Partner

A.K. MEHRA
Whole Time Director

Date : 21st November, 2013
Place : New Delhi

NAVEEN JAIN
Company Secretary

D.C. POPLI
Sr. General Manager (Accounts)

DINESH MOHAN
RAVI VIRA GUPTA
Directors

Mawana Sugars Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Year ended 30.09.2013 Rs.Million	18 months ended 31.09.2012 Rs.Million
A. Cash flow from operating activities :		
Profit / (Loss) before tax	(2878.67)	(837.44)
Add: Depreciation and amortisation expense	504.33	766.29
Net unrealised exchange (gain)/loss	-	8.68
Finance costs	902.37	1,229.25
Provision for doubtful trade and other receivables, loans and advances	1.29	4.00
Prior period adjustment	1215.45	-
Loss on sale / write off of assets	0.64	0.11
Less: Interest income	75.82	104.10
Liabilities / provisions no longer required written back	9.82	54.40
Profit on sale of non - current investments	187.46	1,215.45
Profit on sale of fixed assets	0.06	0.30
Provision for diminution in value of long term trade investments written back	-	11.85
Operating profit/(loss) before working capital changes	(527.75)	(215.21)
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(583.64)	3,445.87
Trade receivables	(131.60)	87.06
Short-term loans and advances	(0.22)	136.14
Long-term loans and advances	4.67	(12.59)
Other non-current assets	(1.35)	2.27
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	300.69	517.25
Other current liabilities	(15.35)	(265.86)
Other long-term liabilities	1.40	(2.40)
Short-term provisions	5.27	14.80
Long-term provisions	0.89	5.66
Cash generated from operations	(946.99)	3,712.99
Direct taxes (paid)/refund received	357.69	(5.43)
Net cash flow from/(used in) operating activities (A)	(589.30)	3,707.56
B. Cash flow from investing activities:		
Capital expenditure on fixed assets, including capital advances	(66.52)	(61.82)
Proceeds from sale of fixed assets	0.50	18.58
Bank balances not considered as Cash and cash equivalents	(14.18)	23.68
Purchase of long term Investments		
- Subsidiaries	-	(17.76)
Proceeds from sale of long-term investments		
- Consideration pursuant to sale of investments in subsidiary	-	1,350.20
- Less: Consideration received in form of equity shares of subsidiary	-	(1,350.20)
Proceeds from sale of non-current investments	241.76	-
Interest received	20.35	22.44
Net cash flow from / (used in) investing activities (B)	181.91	(14.88)
C. Cash flow from financing activities:		
Share application money pending allotment	-	62.90
Proceeds from long term borrowings- secured	286.77	90.37
Repayment of long term borrowings- secured	(709.60)	(773.09)
Net increase / (decrease) in working capital borrowings	1,766.80	(1,898.14)
Finance costs paid	(888.15)	(1,192.79)
Net cash flow from / (used in) financing activities (C)	455.82	(3,710.75)
D. Net increase / (decrease) in Cash and cash equivalents (A+B+C)	48.43	(18.07)
E. Cash and cash equivalents at the beginning of the year/period¹	7.79	25.86
F. Cash and cash equivalents at the end of the year/period	56.22	7.79

¹Refer note 17

In terms of our report attached
For A.F.Ferguson & Co.
Chartered Accountants

JAIDEEP BHARGAVA
Partner

Date : 21st November, 2013
Place: New Delhi

NAVEEN JAIN
Company Secretary

D.C. POPLI
Sr. General Manager (Accounts)

SIDDHARTH SHRIRAM
Chairman and Managing Director

A.K. MEHRA
Whole Time Director

DINESH MOHAN
RAVI VIRI GUPTA
Directors

1. (A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting and preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended and which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous period.

b) Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management of the Company to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the financial year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c) Fixed assets:

Fixed assets are stated at cost of acquisition/ construction less accumulated depreciation. The cost includes all pre-operative expenses relating to construction period in the case of new projects and expansion of existing factories.

d) Depreciation and amortization:

- i. The Company follows the straight-line method of depreciation (SLM).
- ii. The rates of depreciation charged on all fixed assets are those specified in Schedule XIV to the Companies Act, 1956.
- iii. On assets sold/discarded during the financial year, depreciation is provided up to the date of sale/ discard.
- iv. Depreciation is calculated on a pro-rata basis from the date of acquisition/ installation of the asset and in case of assets costing up to Rs. 5,000 each such asset is fully depreciated in the financial year of purchase.

e) Investments:

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Costs of investments include acquisition charges such as brokerage, fees and duties.

f) Inventories:

Stores and spares are valued at cost or under.

Raw materials, components, work-in-progress and finished goods are valued at lower of cost and net realisable value.

Cost of inventory is ascertained on the 'weighted average' basis. Further, in respect of manufactured inventories i.e. process stocks and finished goods, an appropriate share of manufacturing expenses is included on absorption costing basis including excise duty.

g) Revenue recognition:

Sale of goods is recognised at the point of despatch of finished goods to customers. Sales are inclusive of excise duty and exclusive of sales tax.

Income from Certified Emission Reductions (CER) is recognized as income on sale of CER's.

h) Research and development expenditure:

Revenue expenditure on research and development is expensed out under the respective heads of account in the period in which it is incurred.

Mawana Sugars Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

i) Employee benefits:

Company's contribution paid/payable during the financial year to provident fund, superannuation fund and employees' state insurance corporation are recognised in the Statement of Profit and Loss. For the provident fund trusts administered by the Company, it is liable to meet the shortfall, if any, in payment of interest at the rates prescribed by the Central Government and is recognised in the financial year of actual payment. Provision for gratuity and compensated absences are determined on an actuarial basis at the end of financial year and are charged to revenue.

j) Income-tax:

Provision for current taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred asset can be realized.

k) Foreign exchange transactions:

Transactions in foreign currency are recorded on initial recognition at the exchange rates prevailing at the time of the transaction.

Monetary items (i.e. receivables, payables, loans etc) denominated in foreign currency are reported using the closing exchange rate on each balance sheet date.

The exchange differences arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded/reported in previous financial statements are recognised as income/expense in the financial year in which they arise.

In case of forward contracts, the premium or discount arising at the inception of such contracts is amortised as income or expense over the life of the contract. Further exchange difference on such contracts i.e. difference between the exchange rate at the reporting/settlement date and the exchange rate on the date of inception of contract / the last reporting date, is recognised as income/expense during the period.

l) Share/Debenture issue expenses and premium on redemption of debentures/ redeemable cumulative preference shares are written-off against share premium account.

m) Pre-operative expenses:

Pre-operative expenses, pending allocation represents indirect expenditure incurred during the construction period which are allocated to capital / revenue on commissioning of the project.

n) Operating Lease:

Operating Lease receipts and payments are recognized as income or expense in the Statement of Profit and Loss on a straight - line basis over the lease term.

o) Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

p) Earnings per share:

Basic earnings per share are computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the financial year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

q) Impairment of assets:

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

r) Provisions and contingencies:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

s) Operating cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

- 1. (B)** The Company over the last few years has been incurring cash losses due to which its net worth has been completely eroded and its current liabilities are far in excess of its current assets. The Indian sugar industry, particularly in the State of Uttar Pradesh, has faced difficulties on account of increasing sugar cane prices and corresponding lower than expected recovery of sugar from cane, lower sugar prices and consequential under recovery of cost of production. These factors have adversely affected the Company's operations and financial performance. Higher finance costs have also added to the cash losses.

During the current year, based on the Company's audited financial statements for the eighteen months ended September 30, 2012, the Company had filed Form 'C' with the Board for Industrial and Financial Reconstruction (BIFR), Government of India, about the "Potential Sickness" of the Company in line with the provisions of Section 23 of the Sick Industrial Companies (Special Provisions), Act, 1985 (SICA).

Subsequent to the aforesaid filing, as per communication received from BIFR vide its letter no. BIFR/Sec.23/2144/BC/2013 dated May 13, 2013, the Company became a Sick Industrial Company and filed a reference under section 15(1) of SICA in Form 'A' with BIFR on August 01, 2013. The Company got registered with the BIFR on 10th September 2013. The process for revival/rehabilitation of the Company is under way in line with the prescribed procedure and rules under SICA.

The State and Central Government have initiated various steps to support the sugar industry like decontrol of free sale of sugar release mechanism, doing away with levy quota system and also considering linking the sugar cane price with sugar price. All the aforesaid measures are expected to support the industry and also the operations of the Company in the near future. The Company has also initiated various steps including cane development activities, enhancing plant efficiencies, costs reduction etc. to improve the performance of the Company.

As such, the Company is confident that BIFR will approve a rehabilitation scheme which would entail part sale of its surplus/non-core assets to discharge some of its financial obligations and improve cash flow, reschedulement of the outstanding debt/payables (including overdue debt/payables), and other requisite financial restructuring in consultation with various stakeholders to improve its financial position including net worth. Based on an internal assessment and valuation done by an independent valuer, the Management is confident that the current fair market value of the aforesaid assets it proposes to dispose as part of the rehabilitation scheme would be sufficient to discharge its financial obligations as envisaged in the scheme.

Mawana Sugars Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

In view of the above, the Board of Directors of the Company is confident that the Company would be in a position to realize its assets and discharge its liabilities by successfully implementing the rehabilitation scheme and in the normal course of its business. Accordingly, these financial statements have been prepared on a going concern basis.

2. Share Capital

	As at 30.09.2013		As at 30.09.2012	
	Number of shares	Rs. Million	Number of shares	Rs. Million
Authorised				
- Equity shares of Rs. 10 each	175,000,000	1,750.00	175,000,000	1,750.00
	175,000,000	1,750.00	175,000,000	1,750.00
Issued, subscribed and fully paid up				
- Equity shares of Rs. 10 each fully paid up	39,116,864	391.17	34,956,811	349.57
	39,116,864	391.17	34,956,811	349.57
(i) Reconciliation of equity shares	Number of shares	Rs. Million	Number of shares	Rs. Million
Number of outstanding shares at the beginning of the year/period	34,956,811	349.57	34,956,811	349.57
Shares issued during the year/period	4,160,053	41.60	-	-
Number of outstanding shares as at the end of the year/period	39,116,864	391.17	34,956,811	349.57

(ii) During the year ended September 30, 2013 the Company has issued and allotted 4,160,053 equity shares of Rs. 10 each fully paid-up at a price of Rs. 15.12 per share (including premium of Rs. 5.12 per share) under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for preferential issue on November 02, 2012 to Usha International Limited (Promoter on the date of issue) pursuant to requirement of Corporate Debt Restructuring package.

(iii) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share except 1,192 equity shares held by Siel Infrastructure & Estate Developers Private Limited, a subsidiary which pursuant to second proviso of section 19(1) of the Companies Act, 2013, has no right to vote at meeting of the Company. Further, in respect of 263,519 equity shares (previous period 275,151 equity shares) held by the depositories on behalf of GDR holders, the depositories shall exercise voting rights in respect of deposited shares as per directions given by Board of Directors of the Company. Each holder of equity shares have a right to receive per share dividend declared by the Company. In event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Shares held by its holding company and their subsidiary:

	As at 30.09.2013	As at 30.09.2012
	No. of Shares held	No. of Shares held
Usha International Limited, holding company#		
shares of Rs. 10 each fully paid up	#	21,906,741
# Ceased to be holding company of the Company w.e.f. June 20, 2013.		

(v) Details of shareholders holding more than 5% equity shares in the Company:

Name of shareholders	As at 30.09.2013		As at 30.09.2012	
	No. of Shares held	%age of holding	No. of Shares held	%age of holding
Usha International Limited	1,000,000	2.56	21,906,741	62.67
Siddharth Shriram (including shares held as trustee of Enterprise Trust)	26,334,248	67.32	241,513	0.69

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(vi) **Aggregate number of equity shares allotted as fully paid up pursuant to Scheme without payment being received in cash:**

Pursuant to the Scheme indicated in note 27, on the record date i.e., October 31, 2007, after cancellation of the cross holding, the Company had allotted one new equity share of Rs. 10 each fully paid up to the shareholders of erstwhile Mawana Sugars Limited (MSL) for every two equity shares of Rs. 10 each fully paid up held in erstwhile MSL and one new equity share of Rs. 10 each fully paid up to the shareholders of the Company for every three equity shares of Rs. 10 each fully paid up held in the Company. Accordingly 21,217,657 and 3,438,434 equity shares were issued to the shareholders of erstwhile MSL and the Company respectively.

3. Reserves and surplus

Particulars	As at	As at
	30.09.2013	30.09.2012
	Rs. Million	Rs. Million
Capital reserves ¹	1,030.17	1,030.17
Capital redemption reserve	87.72	87.72
Share premium	1,495.04	1,473.74
Surplus/(deficit) in the Statement of Profit and Loss	(5032.98)	(2,152.43)
	(2420.05)	439.20

¹ Includes Rs. 991.46 million (previous period Rs. 991.46 million) representing the extinguishment of the debts of erstwhile Mawana Sugars Limited (MSL), which got discharged pursuant to the surplus arising on sale of shares of Shivajimarg Properties Limited.

Movement in reserves and surplus is as under:

(Deficit) in Statement of Profit and Loss

Opening balance	(2,152.43)	(1,342.08)
Add: (loss) for the year/period	(2880.55)	(810.35)
Closing balance	(5032.98)	(2,152.43)

Share premium:

Opening balance	1,473.74	1,473.74
Add: Premium on equity shares issued during the year/period*	21.30	-
Closing balance	1,495.04	1,473.74

* During the year ended September 30, 2013 the Company has issued and allotted 4,160,053 equity shares of Rs. 10 each fully paid-up at a price of Rs. 15.12 per share (including premium of Rs. 5.12 per share) under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for preferential issue on November 02, 2012 to Usha International Limited (Promoter on the date of issue) pursuant to requirement of Corporate Debt Restructuring package.

4. Long term borrowings¹

	As at	As at
	30.09.2013	30.09.2012
	Rs. Million	Rs. Million
Secured		
Term loans		
- From banks	2,065.64	2,609.46
- From others	1,124.36	1,002.37
Funded interest term loans		
- From banks	87.38	92.69
- From others	8.62	4.31
	3,286.00	3,708.83
Less : Current maturities of long term borrowings as disclosed under head "other current liabilities" (Note 9)²	1847.57	1,732.90
	1438.43	1,975.93

¹The period and amount of continuing default in repayment of borrowings as at the year/period end:

Mawana Sugars Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at 30.09.2013		As at 30.09.2012	
	Amount Rs. Million	Period of delay (in days) upto the year end	Amount Rs. Million	Period of delay (in days) upto the period end
Borrowings:				
Term loans				
- From banks	1,108.85	0-61	-	-
- From others	153.16	0-61	8.82	0-61*
Funded interest term loans				
- From banks	87.38	0-61	-	-
- From others	8.62	0-61	-	-
Interest accrued and due on borrowings:				
Term loans				
- From banks	29.33	0-61	-	-
- From others	5.10	0-61	-	-

* Paid subsequent to the period end.

² Details of current maturities of long term borrowings are as under:

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Secured		
Term loans		
- From banks	1392.34	1,384.28
- From others	359.23	251.62
Funded interest term loans		
- From banks	87.38	92.69
- From others	8.62	4.31
	1847.57	1,732.90

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Secured

Term loan and funded interest term loan

1. From Bank

	As at September 30, 2013 Rs. Million	As at September 30, 2012 Rs. Million	Rate of interest	Security clause
i.	2,036.79	2436.36	11%	(i) The loans are secured by first pari-passu charge on all movable and immovable fixed assets of the Company inclusive of equitable mortgage of land and buildings. The loans are further secured by second pari-passu charge on all current assets of the Company.
ii.	87.38	92.69	0% (Funded Interest Term Loan)	(ii) The loans are also secured by corporate guarantee issued by Siel Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajpura in the state of Punjab and personal guarantee of the Chairman and Managing Director of the Company.
iii.	28.85	173.10	0% (net of interest subvention)	Term loans, availed under the " Scheme for extending financial assistance to sugar undertakings,2007" of Government of India, are secured by residual charge on fixed assets of the sugar units both present and future. These loans are further secured by personal guarantee of the Chairman and Managing Director of the Company.

2. From others

i.	291.63	302.49	11%	(i) The loans are secured by first pari-passu charge on all movable and immovable fixed assets of the Company inclusive of equitable mortgage of land and buildings. The loans are further secured by second pari-passu charge on all current assets of the Company. (ii) The loans are also secured by corporate guarantee issued by Siel Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajpura in the state of Punjab and personal guarantee of the Chairman and Managing Director of the Company.
ii.	8.62	4.31	0% (Funded Interest Term Loan)	
iii.	67.94	107.45	4%	The loans, taken from Government of India under Sugar Development Fund (SDF), are secured by an exclusive second charge on all movable and immovable properties of the Company's unit Mawana Sugar Works, situated at Mawana District Meerut in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts).
iv.	42.74	42.74	4%	
v.	253.04	253.04	4%	The loan, taken from Government of India under Sugar Development Fund (SDF), is secured by an exclusive second charge on all movable and immovable properties of the Company's unit Titawi Sugar Complex, situated at Titawi District Muzaffarnagar in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts).
vi.	220.57	-	6.50%	(i) The loan, taken from Government of India under Sugar Development Fund (SDF), is secured by first pari-passu charge on all movable and immovable properties of the Company's unit Titawi Sugar Complex, situated at Titawi District Muzaffarnagar in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts). (ii) This loan is further secured by personal guarantee of Chairman and Managing Director of the Company.
vii.	77.56	119.70	4%	The loans, taken from Government of India under Sugar Development Fund (SDF), are secured by an exclusive second charge on all movable and immovable properties of the Company's unit Nanglamal Sugar Complex, situated at Nanglamal District Meerut in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts).
viii.	164.80	164.80	4%	
ix.	6.08	12.15	4%	The loans, taken from Government of India under Sugar Development Fund (SDF), are secured by bank guarantee issued in favour of Government of India.

Repayment Schedule of Long Term Borrowings

	Rs. million
12 month ending September 30, 2014	1847.57
12 month ending September 30, 2015	473.71
12 month ending September 30, 2016	274.85
12 month ending September 30, 2017	361.12
12 month ending September 30, 2018	92.12
October 1, 2018 onwards	236.63
	<u>3,286.00</u>

Mawana Sugars Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

5. Other long term liabilities

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Interest accrued but not due on borrowings	149.23	149.23
Others	8.00	6.60
	157.23	155.83

6. Long - term provisions

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Provision for employee benefits		
- Provision for gratuity ¹	85.65	82.47
- Provision for compensated absences ¹	27.08	29.37
	112.73	111.84

¹ Refer note 34

7. Short - term borrowings

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Secured		
Loans repayable on demand - Cash credit/overdrafts from banks	3,718.56	1,951.76
	3,718.56	1,951.76

- Cash credit / overdraft amounting to Rs. 2006.75 million (previous period Rs. 1212.60 million) are secured by first pari-passu charge on the current assets of the Company and third pari-passu charge on the fixed assets of sugar units of the Company. This limit is also secured by second pari-passu charge on the fixed assets of chemical division of the Company. Further, these loans are also secured by corporate guarantee issued by Siel Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajpura in the state of Punjab and personal guarantee of the Chairman and Managing Director of the Company.
- Cash credit amounting to Rs. 84.68 million (previous period Rs. 58.72 million) are secured by first pari-passu charge on the current assets of the Company and fixed assets of chemical division of the Company situated at Rajpura in the state of Punjab.
- Cash credit / overdraft amounting to Rs. 1627.13 million (previous period Rs. 680.44 million) are secured by pledge of sugar stocks with U.P. Co-operative Bank and District Co-operative Banks in the State of Uttar Pradesh.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

8. Trade payables

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Trade payables (including acceptances)		
- Dues to other than micro and small enterprises	3078.44	2,782.44
- Dues to micro and small enterprises	8.55	3.86
	3086.99	2,786.30

Dues to Micro and Small Enterprises

Based on the information available with the Company, the principal amount and interest due to Micro and Small Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)" are disclosed below:-

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Amount remaining unpaid to suppliers under MSMED as at the year/period end:		
- Principal amount	6.24	3.10
- Interest due thereon	2.31	0.76
	8.55	3.86

9. Other current liabilities

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Current maturities of long term borrowings	1847.57	1,732.90
Interest accrued but not due on borrowings	44.07	68.14
Interest accrued and due on borrowings	38.29	-
Unpaid dividend	0.80	1.64
Excess share application money	0.25	0.25
Other payables		
- Taxes and other statutory dues	254.09	220.92
- Advances from customers	20.37	69.58
- Security deposits	43.90	43.71
- Capital creditors	29.19	33.08
- Miscellaneous	95.76	100.35
	2,374.29	2,270.57

10. Short - term provisions

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Provision for employee benefits		
- Provision for gratuity ¹	30.33	25.54
- Provision for compensated absences ¹	4.58	4.10
Others		
- Provision for taxation	21.14	21.14
	56.05	50.78

¹Refer note 34

Mawana Sugars Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

11. FIXED ASSETS

Particulars	Gross Block (At Cost)			Depreciation			Net Block	
	As at 30.09.2012	Additions	Deductions	As at 30.09.2012	For the year	On deductions	As at 30.09.2013	As at 30.09.2012
	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million
TANGIBLE ASSETS - OWNED								
Land	262.99	4.64	-	-	-	-	267.63	262.99
Buildings	835.27	10.86	-	229.93	23.38	-	592.82	605.34
Plant and equipment	9,337.66	37.97	6.55	4,514.89	472.52	6.05	4,387.72	4,822.77
Office equipment	120.54	6.74	2.05	93.92	5.45	1.98	27.84	26.62
Furniture and fixtures	39.71	0.02	0.01	24.02	2.10	-	13.60	15.69
Vehicles	14.33	-	2.19	9.69	0.88	1.69	3.26	4.64
Current year	10,610.50	60.23	10.80	4,872.45	504.33	9.72	5,292.87	
Previous period	(10,569.22)	(75.17)	(33.89)	(4,121.67)	(766.29)	(15.51)	(4,872.45)	5,738.05
Capital work-in-progress							11.46	5.86

1. Rs. 1.07 million (previous period Rs. 1.07 million) received as advance against sale of land at Mawana will be adjusted after execution of conveyance deed.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

12. NON - CURRENT INVESTMENTS

		As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
VALUED AT COST UNLESS THERE IS DECLINE IN VALUE, OTHER THAN TEMPORARY			
TRADE INVESTMENTS			
Investment in Equity Instruments			
- Unquoted			
Cerazit India Private Limited	3	-	23.00
Nil (previous period 2,300,000) Equity shares of Rs.5 each fully paid-up			
Capaxil Agencies Limited	1	0.01	0.01
5 Equity shares of Rs.1,000 each fully paid-up			
Agro Pumpsets & Implements Limited	1	0.01	0.01
10 Equity shares of Rs. 500 each fully paid-up			
Mawana Co-operative Development Union Limited	1	#	#
2 Equity shares of Rs.10 each, Rs. 5 per share paid-up (# Rs. 10)			
Ramraj Co-operative Cane Development Union Limited	1	#	#
2 Equity shares of Rs.10 each, Rs. 5 per share paid-up (# Rs. 10)			
OTHER INVESTMENTS			
Investment in Equity Instruments			
Subsidiaries			
- Quoted			
Siel Financial Services Limited		203.13	203.13
10,613,382 Equity shares of Rs.10 each fully paid-up			
Less: Provision for diminution in value		(203.13)	-
- Unquoted			
Siel Industrial Estate Limited	2	140.25	140.25
14,025,000 Equity shares of Rs.10 each fully paid-up			
Mawana Foods Limited	3	-	31.30
Nil (previous period 3,130,000) Equity shares of Rs. 10 each fully paid up			
Siel Infrastructure & Estate Developers Private Limited (Formerly known as Avro Sales Private Limited)	2	1,367.94	1,367.94
13,761,617 Equity shares of Rs.100 each fully paid-up			
Less : Prior period adjustment	2	(1215.45)	-
Investment in Preference Shares			
Subsidiary			
- Unquoted			
Siel Financial Services Limited		73.00	73.00
730,000, 5 % Preference shares of Rs.100 each fully paid-up			
Less : Provision for diminution in value		(73.00)	-
		292.76	1,562.51
Aggregate value of investments			
Quoted		-	-
(Market value Rs. Nil (Previous period Rs. Nil))			
Unquoted		292.76	1,562.51
		292.76	1,562.51

¹Represent investments transferred from DCM Limited under the Scheme of Arrangement and are pending endorsement in the name of the Company.

²Refer note 44(b)(i)

³Refer note 44(b)(ii)

Mawana Sugars Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

13. Long - term loans and advances (Unsecured and considered good unless otherwise stated)

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Capital advances	2.07	1.38
Security deposits		
- Good ¹	80.49	76.49
- Doubtful	0.53	0.53
Loan and advances to related parties ²		
- Doubtful	36.59	36.59
Other loans and advances		
- Advance tax	49.58	352.35
- Excise, Service Tax, VAT and other balances with government authorities	7.26	6.98
- Dues from employees	0.04	0.04
- Prepaid expenses	7.23	16.18
- Advances recoverable in cash or in kind or for the value to be received		
- Good	48.95	48.95
- Doubtful	116.48	116.48
	349.22	655.97
Less : Provision for doubtful advances	153.60	153.60
	195.62	502.37

¹Includes deposit with related party Rs. 6.78 million (previous period Rs. 6.78 million)

²Refer note 38

14. Other non - current assets

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Fixed deposits with banks (Earmarked)	8.49	7.14
	8.49	7.14

15. Inventories¹

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Raw and packing materials	77.31	97.31
Work-in-progress ³	42.74	28.75
Finished goods ²	2,041.59	1,452.38
Stores and Spares	224.04	223.60
	2,385.68	1,802.04

¹Refer note 1 (A)(f)

²For product wise details refer note 50

³Details of Work - in - progress are as under:

Sugar	25.93	20.31
Molasses	0.50	0.16
Chemical	13.98	8.28
Others	2.33	-
	42.74	28.75

16. Trade receivables¹

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Receivables outstanding for a period exceeding six months from the due date		
Secured - good	-	0.20
Unsecured - considered good	11.12	6.86
- doubtful	66.46	101.19
	77.58	108.25
Less : Provision for doubtful debts	66.46	101.19
	(A) 11.12	7.06
Other Receivables		
Secured - good	17.63	46.36
Unsecured - considered good	384.78	229.80
	(B) 402.41	276.16
Total (A+B)	413.53	283.22

¹Refer note 38

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

17. Cash and cash equivalents

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Cash and cash equivalents		
Cash on hand	2.21	1.68
Cheques, drafts on hand	0.01	0.56
Balances with banks		
- On current accounts	54.00	5.55
Other bank balances		
Earmarked balances		
- Unpaid dividend	0.80	1.64
Balance held as margin money or security against borrowings and guarantees	95.18	80.16
	152.20	89.59

Of the above, the balances that meet the definition of Cash and cash equivalents as per Accounting Standard 3 - Cash Flow Statements

	56.22	7.79

18. Short - term loans and advances (Unsecured and considered good)

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Security deposits	9.15	6.72
Loans and advances to related parties ¹	4.23	0.89
Other loans and advances		
- Advance tax	3.01	5.15
- Excise, Service Tax, VAT and other balances with government authorities	38.26	28.74
- Dues from employees	6.58	9.16
- Prepaid expenses	26.99	50.49
- Advances to vendors	54.95	52.21
- Advances recoverable in cash or in kind or for the value to be received	13.16	4.89
	156.33	158.25

¹ Refer note 38

19. Other Current Assets

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Interest accrued on deposits	6.46	5.65
	6.46	5.65

20. Revenue from Operations

	Year ended 30.09.2013 Rs. Million	18 Months ended 30.09.2012 Rs. Million
Sale of products - finished goods ¹	13,532.25	17,708.01
Sale of services	-	11.25
Sub - Total (A)	13,532.25	17,719.26
Other Operating Revenues		
- Sale of scrap	22.51	34.85
- Duty draw back and other export benefits	-	32.46
- Other operating income	5.74	49.61
Sub - Total (B)	28.25	116.92
Total (A+B)	13,560.50	17,836.18

¹ For product wise particulars of sales refer note 50

Mawana Sugars Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

21. Other Income

	Year ended 30.09.2013 Rs. Million	18 Months ended 30.09.2012 Rs. Million
Interest income ¹	75.82	104.10
Profit on sale of fixed assets	0.06	0.30
Provision for diminution in value of long term trade investments written back	-	11.85
Provision / Liabilities no longer required written back ²	9.82	54.40
Rent received	1.08	2.23
Miscellaneous income	3.61	32.17
Total	90.39	205.05
¹ Interest income comprises of:		
- Interest from banks	10.51	13.09
- Interest on income tax refunds	54.66	77.82
- Interest from others	10.65	13.19
	75.82	104.10

² Includes Rs. 9.39 million (previous period Rs 0.80 million) provision for doubtful trade receivables/advances no longer required written back.

22. Cost of materials consumed

	Year ended 30.09.2013 Rs. Million	18 Months ended 30.09.2012 Rs. Million
Opening stock	97.31	57.92
Add : Purchases	10,602.26	8,992.65
	10,699.57	9,050.57
Less: Closing stock	77.31	97.31
Cost of materials consumed	10,622.26	8,953.26
Particulars of materials consumed are as under:		
Sugar cane	10,065.41	8,260.50
Salt	264.94	367.44
Quick lime	58.76	69.09
Packing Materials	222.30	228.48
Others	10.85	27.75
Total	10,622.26	8,953.26

23. Changes in inventories of finished goods and work in progress

	Year ended 30.09.2013 Rs. Million	18 Months ended 30.09.2012 Rs. Million
Inventories at the end of the year/period:		
Finished goods	2,041.59	1,452.38
Work-in-progress	42.74	28.75
Total (A)	2,084.33	1,481.13
Inventories at the beginning of the year/period :		
Finished goods	1,452.38	4,856.45
Work-in-progress	28.75	136.33
Total (B)	1,481.13	4,992.78
Net (increase)/decrease (B-A)	(603.20)	3,511.65

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

24. Employee benefits expense

	Year ended 30.09.2013 Rs. Million	18 Months ended 30.09.2012 Rs. Million
Salaries, wages etc	674.81	952.78
Contribution to provident and other funds	78.86	95.80
Staff welfare expenses	53.35	75.51
Total	807.02	1,124.09

25. Finance Costs

	Year ended 30.09.2013 Rs. Million	18 Months ended 30.09.2012 Rs. Million
Interest		
- On borrowings	811.23	1,054.88
- On others	52.96	146.34
Other borrowing costs	38.18	28.03
Total	902.37	1,229.25

26. Other expenses

	Year ended 30.09.2013 Rs. Million	18 Months ended 30.09.2012 Rs. Million
Consumption of stores and spare parts	619.84	847.59
Power, fuel, water etc.	1,334.67	1,650.59
Repairs		
- Building	19.64	21.71
- Plant and machinery	87.95	115.56
- Other repairs	26.72	25.54
Rent paid	54.07	63.17
Auditors remuneration		
As auditors		
- Audit fee	2.00	3.00
- Out -of-pocket expenses	0.11	0.05
In other capacity		
- For limited review of unaudited financial results	2.60	4.00
- For verification of statement and other reports	2.25	2.57
Insurance	11.90	15.55
Rates and taxes	9.83	20.60
Jobs on contract	119.15	145.36
Freight and transport	35.20	141.34
Cash discount	38.56	27.16
Increase/(decrease) in excise duty on finished goods	37.75	(166.36)
Net loss on foreign currency transactions	2.29	9.20
Legal and professional expenses	33.75	61.36
Bad debts written off	25.34	3.90
Less: Charged against provisions	(25.34)	(3.90)
Provision for doubtful debts and advances	1.29	4.00
Loss on sale/write off of fixed assets	0.64	0.11
Miscellaneous expenses	140.11	194.60
Total	2,580.32	3,186.70

Mawana Sugars Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

27. Pursuant to the Scheme of Arrangement for Amalgamation (the "Scheme") of the erstwhile Mawana Sugars Limited (MSL) with the Company under Sections 391 to 394 of the Companies Act, 1956 approved by the Hon'ble High Court of Delhi vide its Order dated September 11, 2007 which became effective on October 15, 2007 on filing of the certified copy of the Order of the High Court in the Office of Registrar of Companies, NCT Delhi & Haryana, all the properties, assets, both movable and immovable, liabilities including contingent liabilities and reserves of erstwhile MSL have without further act or deed, been transferred to and vested in the Company at their book values, as a going concern with effect from the appointed date i.e. October 1, 2006. Subsequently, the name of the Company has been changed to Mawana Sugars Limited w.e.f. January 4, 2008.

	As at September 30, 2013 Rs. Million	As at September 30, 2012 Rs. Million
28. Commitments		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Tangible assets (Net of advances)	6.32	13.43
b. Uncalled liability on shares and other investments partly paid (# Rs. 20)	#	#
29. Contingent liabilities:		
a) Claims against the Company not acknowledged as debt in respect of:		
- Income tax	336.70	336.70
- Sales tax	81.03	80.98
- Excise Duty/Service tax	221.69	176.55
- Others	357.74	235.48
*All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded, in the opinion of the management, will not have a material effect on the results of the operations or financial position of the Company.		
b) Guarantee given to bank for repayment of financial facilities provided to Mawana Foods Limited	70.00	70.00
Dues outstanding	33.61	34.51
c) The Company has provided bank guarantees aggregating Rs. 78.18 million (Previous period Rs. 78.18 million) to Tecumseh Products India Limited (TPIL), to whom it had sold the compressor business in a previous year, for any loss, damage, claim, action, suit etc., arising from various representations /breach of representations including for contingent liabilities existing as at March 31, 1997, or prior to March 31, 1997, which TPIL may eventually be liable to pay, against which demands in respect of sales tax, income tax and central excise matters aggregating Rs. 44.53 million (Previous period Rs. 44.53 million) have been received. These demands are presently under various stages of appeal.		
d) During a previous period, the Company had given a counter indemnity/guarantee in favour of existing directors of Transiel India Limited to protect their interest against any loss/ future liabilities that may arise after the name of the said subsidiary has been struck off under the Easy Exit Scheme, 2011.		
30. Research and development expenses included under relevant heads in the Statement of Profit and Loss amounting to Rs. 2.99 million (previous period Rs. 3.44 million).		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

31. Accounting for taxes on income:-

In accordance with the Accounting Standard (AS) 22 'Accounting for Taxes on Income' notified in the Companies (Accounting Standards) Rules, 2006, deferred tax assets and liabilities have been recognized on the basis of projections after considering unabsorbed depreciation and timing differences which will be reversed against future taxes in accordance with AS-22. Accordingly, deferred tax assets have been recognized only to the extent of deferred tax liability, the details of which are as under:

(Rs. Million)

Particulars	As at September 30, 2013	As at September 30, 2012
	(DTL)/DTA	(DTL) / DTA
Accelerated depreciation	(1026.46)	(1135.45)
Expenses deductible on payment	188.39	106.71
Unabsorbed depreciation only to the extent of Deferred tax liability	838.07	1028.74
Net Amount	-	-

32. Sales are net of commission of Rs. 36.60 million (previous period Rs. 39.54 million).

33. The Company had imported plant and machinery in previous years under EPCG scheme. An export obligation ('EO') amounting to USD 91.68 million was placed on the Company which was to be fulfilled in a period of 8 years starting from April 1997. Subsequently, the said EO was refixed at USD 73.74 million and the EO period was extended to 30.03.2007 in terms of the Foreign Trade Policy Handbook of procedure (HBP) 2002-2007.

By letter dated May 4, 2011 the DGFT had extended the EO period by 765 days w.e.f. April 19, 2011.

The Company has fulfilled the entire EO. The application for redemption of EPCG license was filed and had been redeemed by the licensing authority.

34. Employee Benefits:

Disclosures required under Accounting Standard (AS) - 15 "Employees Benefits" notified in the Companies (Accounting Standards) Rules, 2006 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs), are as under:

i) Defined Contribution Plan and amount recognized in the Statement of Profit and Loss.

	Year ended September 30, 2013 (Rs. Million)	18 Months ended September 30, 2012 (Rs. Million)
◆ Employers contribution to provident fund	46.96	58.59
◆ Employees State Insurance Corporation	0.17	1.51

Mawana Sugars Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

ii) Defined Benefits Plans

Gratuity and Compensated absences –In accordance with Accounting Standard 15 (Revised 2005), actuarial valuation was done and details of the same are given below:

(Rs. million)

	Gratuity (Funded) @		Compensated absences		
	Current Year	Previous Period	Current Year	Previous Period	
A.	Change in the Present value of obligation				
	Present value of obligation as at the beginning of the year/ period	163.25	142.89	33.47	26.32
	Current service cost	11.10	16.19	3.40	6.01
	Interest cost	13.06	17.15	2.68	3.16
	Benefits paid	(23.18)	(17.31)	(15.83)	(17.52)
	Actuarial loss/ (gain)	11.56	4.33	7.94	15.50
	Present value of obligation as at the end of the year/period	175.79	163.25	31.66	33.47
B.	Change in the fair value of plan assets				
	Fair value of plan assets as at the beginning of the year/period	55.24	48.19	-	-
	Expected return on plan assets	5.19	6.79	-	-
	Contribution by the Company	2.95	1.30	-	-
	Benefits paid	-	(1.27)	-	-
	Actuarial gain/(loss)	(3.57)	0.23	-	-
	Fair value of plan assets as at the end of the year/period #	59.81	55.24	-	-
C.	Amount recognised in the balance sheet (A - B)				
	Short - term provision	30.33	25.54	4.58	4.10
	Long - term provision	85.65	82.47	27.08	29.37
D.	Expenses recognized in the Statement of Profit and Loss				
	Current service cost	11.10	16.19	3.40	6.01
	Interest cost	13.06	17.15	2.68	3.16
	Expected Return on plan Assets	(5.19)	(6.79)	-	-
	Actuarial loss/ (gain)	15.13	4.10	7.94	15.50
	Net Cost	34.10	30.65	14.02	24.67
E.	Best estimate contribution during the next year				
		23.19	20.44		
F.	Actuarial Assumptions				
	Discount Rate (Per annum)	8.00%	8.00%	8.00%	8.00%
	Future Salary increase	5.00%	5.00%	5.00%	5.00%
	Expected Rate of return on plan assets	9.40%	9.40%	-	-
	Mortality table	IALM (2006-08)	LIC (1994-96) duly modified	IALM (2006-08)	LIC (1994-96) duly modified

@ Rs. 115.98 Million (Previous period Rs. 108.01 million) has not been funded

The plan assets are maintained with Life Insurance Corporation of India (LIC) Gratuity Scheme. The details of investments maintained by LIC are not made available to the Company and therefore has not been disclosed.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

G. Net Assets/(Liabilities) in respect of gratuity recognized in the Balance Sheet

As on	30.09.2013	30.09.2012	31.03.2011	30.09.2009	30.09.2008
Present Value of obligation	175.79	163.25	142.89	116.55	109.52
Fair value of plan assets	59.81	55.24	48.19	41.50	37.74
Net Assets/(liability)	(115.98)	(108.01)	(94.70)	(75.05)	(71.78)

Expenses on actuarial (gain)/loss for Benefit obligation and plan assets in respect of gratuity

Period ended	30.09.2013	30.09.2012	31.03.2011	30.09.2009	30.09.2008
On Present Value of obligation	11.56	4.33	5.17	(9.08)	(8.77)
On plan assets	3.57	(0.23)	-	-	-

35. Segment reporting
A. Business Segment

Based on the guiding principles given in Accounting Standard (AS) 17 "Segment Reporting" notified in the Companies (Accounting Standards) Rules, 2006 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs), - the Company's business Segment includes Sugar, Power, Chemical and Distillery.

B. Geographical Segment

Since the Company's activities/operations are primarily within the country and considering the nature of products/ services it deals in, the risk and returns are same and as such there is only one geographical segment.

C. Segment accounting policies:

In addition to the significant accounting policies applicable to the business segments as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

- a) **Segment revenue and expenses:**
Segment revenue and expenses are directly attributable to the segments.
- b) **Segment assets and liabilities:**
Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.
- c) **Inter segment revenues:**
Inter segment revenues between operating segments are accounted for at market price. These transactions are eliminated in consolidation.

Mawana Sugars Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

PARTICULARS		Sugar		Power		Chemicals		Distillery		Unallocated		Elimination		Total	
		This Year	Previous Period	This Year	Previous Period	This Year	Previous Period	This Year	Previous Period	This Year	Previous Period	This Year	Previous Period	This Year	Previous Period
D. Information about business segments															
SEGMENT REVENUE															
External Sales (Net of excise duty)	9,868.72	12,499.23	548.80	683.83	2,165.23	2,943.91	261.03	723.69	-	11.25	-	-	-	12,843.78	16,861.91
Inter segment revenue	1,599.65	1,525.55	2,213.05	1,888.14	11.75	6.70	2.85	5.10	-	-	-	(3,827.30)	(3,425.49)	28.25	116.92
Other Operating Revenues	23.68	102.64	-	-	4.07	14.28	0.50	-	-	205.05	-	-	-	90.39	205.05
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	11,492.05	14,127.42	2,761.85	2,571.97	2,181.05	2,964.89	264.38	728.79	216.30	216.30	(3,827.30)	(3,425.49)	12,962.42	17,183.88	
EBITRESULTS															
Segment results	(1,718.53)	(1,104.68)	942.03	785.81	(44.65)	87.50	56.58	183.16	-	-	(259.56)	(414.00)	-	(764.57)	(48.21)
Unallocated income/(expenses) (net of income/expenses)	(1,718.53)	(1,104.68)	942.03	785.81	(44.65)	87.50	56.58	183.16	-	-	(259.56)	(414.00)	-	(259.56)	(414.00)
Operating Profit/(loss)	(1,718.53)	(1,104.68)	942.03	785.81	(44.65)	87.50	56.58	183.16	-	-	(259.56)	(414.00)	-	(1,024.13)	(462.21)
Finance Cost	-	-	-	-	-	-	-	-	-	-	902.37	1,229.25	-	902.37	1,229.25
Interest income	-	-	-	-	-	-	-	-	-	75.82	104.10	-	-	75.82	104.10
Net Profit/(Loss) before tax and exceptional items and prior period adjustment	(1,718.53)	(1,104.68)	942.03	785.81	(44.65)	87.50	56.58	183.16	(1,086.11)	(1,539.15)	-	-	-	(1,850.68)	(1,587.36)
Exceptional item	-	-	-	-	-	-	-	-	-	-	(187.46)	(749.92)	-	(187.46)	(749.92)
Net Profit/(Loss) before tax and prior period adjustments	(1,718.53)	(1,104.68)	942.03	785.81	(44.65)	87.50	56.58	183.16	(898.65)	(789.23)	-	-	-	(1,663.22)	(837.44)
Less : Prior period adjustments	-	-	-	-	-	-	-	-	-	1,215.45	-	-	-	1215.45	-
Net Profit/(Loss) before tax	(1,718.53)	(1,104.68)	942.03	785.81	(44.65)	87.50	56.58	183.16	(2,114.10)	(789.23)	-	-	-	(2878.67)	(837.44)
Tax expenses	-	-	-	-	-	-	-	-	1.88	(27.09)	-	-	-	1.88	(27.09)
Net Profit/(Loss) after tax	(1,718.53)	(1,104.68)	942.03	785.81	(44.65)	87.50	56.58	183.16	(2,115.98)	(762.14)	-	-	-	(2,880.55)	(810.35)
OTHER INFORMATION															
A. ASSETS															
Segment assets	4,586.98	4,194.01	1,965.40	2,111.59	1,063.36	1,030.60	745.78	549.78	-	-	553.88	2,268.70	-	8,361.52	7,885.98
Unallocated assets	4,586.98	4,194.01	1,965.40	2,111.59	1,063.36	1,030.60	745.78	549.78	-	-	553.88	2,268.70	-	553.88	2,268.70
Total Assets	9,173.96	8,388.02	3,930.80	4,223.18	2,126.72	2,061.20	1,491.56	1,099.56	-	-	1,107.76	4,537.40	-	8,915.40	10,154.68
B. LIABILITIES															
Segment liabilities	3,139.78	2,765.13	10.90	45.17	216.20	174.09	55.89	33.62	-	-	(2,028.88)	788.77	-	3,422.77	3,018.01
Share capital/reserves and surplus	-	-	-	-	-	-	-	-	-	-	-	62.90	-	(2,028.88)	788.77
Share application money pending allotment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	62.90
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	3,139.78	2,765.13	10.90	45.17	216.20	174.09	55.89	33.62	-	-	5,492.63	7,136.67	-	8,915.40	10,154.68
C. OTHERS															
Capital expenditure	33.15	62.11	5.49	8.17	9.96	2.62	11.02	-	-	0.62	-	-	-	-	-
Depreciation	206.62	316.35	153.08	232.61	115.07	172.58	26.87	40.04	-	2.69	-	-	-	2.69	4.71

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

36. There are various issues relating to sales tax, income tax etc. arisen / arising out of the reorganisation arrangement of DCM Limited which will be settled and accounted for in terms of the Scheme of Arrangement of DCM Limited and memorandum of understanding between all the companies involved as and when the liabilities/benefits are fully determined.

In the opinion of the management, having regard to the current status of the assessment proceedings at various stages and since no demand has been received by the Company on this account, the effect of these matters on the financial statements, though not determinable at this stage, are not expected to be significant.

37. Earnings per share:

		Year ended September 30, 2013	18 months ended September 30, 2012
(Loss) after tax	Rs. Million	(2880.55)	(810.35)
Weighted average number of equity shares outstanding	No.	38,752,147	34,956,811
Basic and diluted earnings/(loss) per share in rupees (face value – Rs. 10 per share)	Rs.	(74.33)	(23.18)

38. Related party disclosures under Accounting Standard 18
Name of related party and nature of related party relationship

Subsidiaries:

Siel Financial Services Limited,

Siel Industrial Estate Limited,

Siel Infrastructure & Estate Developers Private Limited (Formerly known as Avro Sales Private Limited) (w.e.f. September 13, 2012)

Key Management Personnel:

Mr. Siddharth Shriram – Chairman and Managing Director

Mr. K.P. Singh – Whole Time Director (deceased on April 20, 2011)

Mr. A. K. Mehra – Whole Time Director

Mr. Sunil Kakria – Managing Director (resigned w.e.f. August 1, 2013)

Enterprises over which key management personnel have significant influence:

Usha International Limited (holding company upto June 20, 2013)

Mawana Foods Limited (subsidiary company upto June 28, 2013)

Details of Related Party Transactions:

	Year ended September 30, 2013 Rs. Million	18 Months ended September 30, 2012 Rs. Million
A) Subsidiaries		
Siel Financial Services Limited		
Expenses recovered	0.05	0.11
Balances outstanding included under :		
Loans and advances #	36.59	36.59
Siel Industrial Estate Limited		
Expenses recovered	0.44	-
Balances outstanding included under :		
Loans and advances	0.44	-

Mawana Sugars Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	Year ended September 30, 2013 Rs. Million	18 Months ended September 30, 2012 Rs. Million
Siel Infrastructure & Estate Developers Private Limited		
Sale of Nil (previous period 13,475,000) equity shares of Rs. 10 each fully paid of Siel Industrial Estate Limited @ Rs.100.20 per share	-	1350.20
Consideration of Nil (previous period 13,501,950) equity shares of Rs. 100 each fully paid up against sale of shares of Siel Industrial Estate Limited.	-	1350.20
Balances outstanding included under :		
Loans and advances	0.04	0.04
B) Key Management personnel and their relatives		
Remuneration to key management personnel:		
Mr. Siddharth Shriram	6.25	9.10
Mr. A.K. Mehra	10.54	15.10
Mr. K.P.Singh	-	0.38
Mr. Sunil Kakria	17.33	26.78
C) Enterprises over which key management personnel have significant influence		
Usha International Limited		
Expenses recovered	5.42	11.22
Expenses reimbursed	5.99	4.68
Reimbursement of ERP expenses	3.64	5.99
Miscellaneous purchases	1.01	17.70
Rent paid	21.31	33.06
Miscellaneous income	-	6.36
Royalty paid	9.15	13.28
Sale of 3,130,000 (previous period Nil) equity Mawana Foods Limited at a price of Rs. 26.12 per share	81.76	-
Purchase of Nil (previous period 259,667) equity shares of Rs. 100 each fully paid up of Siel Infrastructure & Estate Developers Private Limited at price of Rs. 68.35 per share	-	17.75
Share application money received for issue of Nil (previous period 4,160,053) equity shares of Rs. 10 each at a premium of Rs. 5.12 per share	-	62.90
Issue of 4,160,053 (previous period Nil) equity shares of Rs. 10 each fully paid up at a premium of Rs. 5.12 per share	62.90	-
Balances outstanding included under :		
Loans and advances	6.78	6.78
Trade payables/loans and advances taken	7.99	38.56
Share application money pending allotment	-	62.90
Mawana Foods Limited		
Sale of goods	341.21	526.88
Interest received	3.53	2.83
Expenses reimbursed	0.69	6.14
Expenses recovered	4.69	1.72
Miscellaneous purchases	0.18	0.13

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	Year ended September 30, 2013 Rs. Million	18 Months ended September 30, 2012 Rs. Million
Balances outstanding included under :		
Guarantee given by the Company	70.00	70.00
Loans and advances	3.75	0.85
Trade payables/ Loans and advance taken	-	0.08
Trade receivables	55.86	38.66

includes Rs. 36.59 Million (previous period Rs. 36.59 Million) provided for as doubtful advances.

39. The following are particulars of disputed dues on accounts of sales tax, income-tax, service tax and excise duty matters as at September 30, 2013 that have not been deposited by the Company:

S. No	Name of the Statute	Nature of dues	Amount involved (Rs. Million)	Amount Paid under Protest (Rs. Million)	Period to which the amount relates (various years covering the period) #	Forum where dispute is pending
1	Sales Tax Laws	Sales tax	6.12 83.55	- 2.50	2009-10 to 2011-12 1976-77, 1977-78, 1983-84 to 1996-97, 1998-99 to 2000-01, 2003-04, 2004-05, 2006-07, 2009-10 and 2011-12.	High Court Appellate Authority upto Commissioner's level
2	Income Tax Laws	Income Tax	30.28	30.28	1994-95 and 1998-99	High Court
3	Central Excise Laws	Excise Duty	9.92 124.08 77.06	- - 0.55	1999-00 to 2002-03, 2007-08 to 2012-13 2005-06 to 2011-12 1981-82 to 1984-85, 1994-95 to 2001-02, 2003-04, 2004-05 to 2012-13.	High Court Customs Excise and Service Tax Appellate Tribunal (CESTAT) Appellate Authority upto Commissioner's level
		Service Tax	2.43 7.99	0.04 0.02	2006-07 and 2008-09 to 2010-11 2005-06 to 2009-10 and 2011-12	Customs Excise and Service Tax Appellate Tribunal (CESTAT) Appellate Authority upto Commissioner's level

Period in respect of income tax represents assessment year.

Mawana Sugars Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

The following matters which have been excluded from the above table have been decided in favour of the Company but the department has preferred appeal at higher level:

S. No	Name of the Statute	Nature of dues	Amount involved (Rs. Million)	Period to which the amount relates #	Forum where dispute is pending
1	Central Excise Laws	Excise Duty	0.21	1996-97	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
2	Income tax Laws	Income tax	306.42	2001-02	Income tax Appellate Tribunal (ITAT)

Period in respect of income tax represents assessment year

40. Foreign currency exposures that are not hedged by derivative instruments or otherwise is as follows:

Particulars	As at September 30, 2013		As at September 30, 2012	
	Amount in foreign currency (million)	Amount in (Rs./ million)	Amount in foreign currency (million)	Amount in (Rs./ million)
Trade payables	-	-	0.04 GBP	3.43
Advance from customers	-	-	0.64 US \$	33.79

41. Directors' Remuneration*

(Rs. million)

	Year ended 30.09.2013	18 Months ended 30.09.2012
Salaries and allowances	29.49	44.94
Contribution to provident and other funds	2.70	4.12
Value of perquisites	1.93	2.30
Directors fees	0.29	0.43

*Does not include contribution to gratuity fund and provision for compensated absence, since the same are paid/determined for the Company as a whole.

Includes:

- (i) Rs.10.35 million, paid to ex-managing director, is subject to approval of the shareholders in the ensuing general meeting.
- (ii) The remuneration paid to chairman and managing director exceeds the limit prescribed under the Companies Act, 1956 by Rs.6.02 million. The Company has filed an application with the central government to obtain necessary approval and is confident of receiving the same in due course.

42. Operating lease:

- As lessee

Lease rentals charge to revenue for right to use the following assets:

(Rs. million)

	Current year	Previous Period
Chlorine cylinders	20.77	22.62
Office Premises, Residential Flats etc.	34.30	40.55

The agreements have been executed for a period upto 9 years with a renewal/termination clause.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Future minimum lease payable:

(Rs. million)

	Current year	Previous Period
Not later than one year	-	3.11
Later than one year and not later than five years	-	-

43. The Company has facilitated Agri loans from Punjab National Bank (Bank) to the farmers who supply sugarcane to the Company. These loans were distributed to the farmers through an Escrow Account operated by the Company. The Company has facilitated repayment of loans by the farmers to the Bank against the payments to be made to them against supply of sugarcane to the Company. A sum of Rs. Nil and Rs. 57.54 million has been lying in Escrow Account as on September 30, 2013 and September 30, 2012 respectively.

44. (a) The Company had in an earlier year accounted for cane purchases for crushing season 2007-08 at a price of Rs. 110 per quintal in terms of the interim order passed by the Hon'ble Supreme Court as against the State Advised Price of Rs. 125 per quintal. Pursuant to Hon'ble Supreme Court's order dated January 17, 2012 the differential cane liabilities of Rs. 465.53 million has been accounted for during the previous period as an exceptional item and the same have been paid on April 16, 2012.

(b)(i) A Memorandum of Understanding (MOU) was signed between the Company and Government of Punjab in 1993 for setting up an Industrial Estate in Punjab. Siel Industrial Estate Limited (Siel – IE) was incorporated in an earlier year as a wholly owned subsidiary of the Company for setting up the Industrial Estate. The clear and un-encumbered title and possession of the land for the aforesaid Industrial Estate came to Siel IE in October, 2011 and now Siel – IE holds approximately 455 acres of land at Rajpura, Punjab.

The Company, Siel - IE and Siel Infrastructure and Estate Developers Private Limited (Siel - IED), which was acquired, and consequently, became a wholly owned subsidiary of the Company during the financial year 2011-12, had entered into a Joint Development Agreement for the development of the Industrial Estate. During the financial year 2011-12, the Company had sold 13,475,000 equity shares of Rs. 10/- each of Siel – IE to Siel - IED for a consideration aggregating to Rs. 1350.20 million, as determined through an independent valuation of Siel – IE. The consideration was received by the Company in the form of 13,501,950 equity shares of Rs. 100/- each fully paid up of Siel - IED. Accordingly, the Company had recognized a profit of Rs. 1215.45 million in the Statement of Profit and Loss as an exceptional item. In the Auditors' report on the Company's financial statements for the period ended September 30, 2012, the Auditors' had qualified their report regarding the recognition of a profit of Rs. 1215.45 million by the Company on the non-monetary transfer of shares held in Siel - IE on the grounds that the profit represents surplus arising out of recognition of the fair value of Siel – IE shares exchanged for the additional shares acquired in Siel - IED without dilution in the Company's control over Siel – IE, as both entities were under common control of the Company.

During the current year ended September 30, 2013, in order to give effect to the Statutory Auditors' qualification as stated above, the profit of Rs. 1215.45 million has been eliminated from the value of the investments held by the Company in Siel-IED and the corresponding loss of Rs. 1215.45 million has been charged as a prior period adjustment in the Statement of Profit and Loss.

(b)(ii) During the current year the Company has sold 31,30,000 equity shares of Rs. 10/- fully paid up (65.03% of paid up capital) held by it in Mawana Foods Limited (MFL), a subsidiary of the Company at a price of Rs. 26.12 per share to Usha International Limited (UIL) for a total consideration of Rs. 81.76 million. Consequently, MFL ceased to be subsidiary of the Company w.e.f. June 29, 2013 and the Company has recognized a profit of Rs. 50.46 million. The Company has also sold its entire investments in Ceratizit India Private Limited (CIPL) i.e. 2,300,000 equity shares of Rs. 5/- each for a total consideration of Rs. 160 million and the Company has recognised a profit of Rs.137.00 million.

45. The Company had been legally advised that the "Capital reserve" to the extent of Rs. 991.46 million, as depicted under Note 3 - Reserves and Surplus, pertaining to the profits earned by formerly Siel Limited from sale of shares of Shivajimarg Properties Limited during the year ended March 31, 2006 which formed part of

Mawana Sugars Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

capital reserve in the books of account of the erstwhile Mawana Sugars Limited and subsequently, became a part of capital reserve in the books of the Company, pursuant to merger of erstwhile Mawana Sugars Limited with the Company, is to be considered as part of “free reserves” for the purposes of computing “net worth” under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (“SICA”).

46. Pursuant to judgment dated 10.5.1996 passed by the Hon'ble Supreme Court of India in a public interest litigation the Company surrendered 46.58 acres of land to the Delhi Development Authority ('DDA') and dedicated it exclusively for the development of green belt and open spaces. Consequently, the Company is no longer in physical possession of 46.58 acres owned by it.

The Company had filed a Review Petition in the Hon'ble Supreme Court of India challenging the order of surrender of land to the DDA. During the pendency of this Review Petition, the DDA leased out some portion of the land surrendered by the Company to Delhi Metro Rail Corporation ('DMRC'). The Company filed an application before the Hon'ble Supreme Court of India in the pending Review Petition against the leasing of land by DDA to DMRC as this was contrary to the purpose for which the Company has surrendered and dedicated the land.

Although the Hon'ble Supreme Court of India dismissed the aforesaid Review Petition by order dated 25.3.2010 but on the Company's application against the leasing of land by DDA to DMRC stated and directed as follows : “...the DDA which holds the surrendered and dedicated land in Trust cannot use it for any purpose other than as green belt or other spaces for the benefit of the community...In the event of any acquisition or development of surrendered land, the owner – dedicator will have the benefit of compensation on account of land ceasing to be 'land dedicated to the community purpose of lung/open space...' when such acquisition/ alienation takes place, DDA and the land owner will be entitled to share the compensation at 50% each.”

In view of the aforesaid judgment, benefits earned by DDA from the surrendered land are to be shared equally with the Company.

47. During the year ended on September 30, 2013, there has been an inter-se transfer of equity shares, wherein Usha International Limited (UIL) has transferred 2,59,77,735 equity shares of Rs. 10 each (66.41% of the paid up capital) at a price of Rs. 10 per share to Mr. Siddharth Shriram, promoter of the Company. Consequently the Company ceased to be the subsidiary of UIL w.e.f. June 20, 2013.

The Board of Directors in its meeting held on August 13, 2013 has taken cognizance that UIL ceased to be a Promoter of the Company.

48. The current financial year is for a period of twelve months from October 01, 2012 to September 30, 2013 whereas the corresponding previous period figures were for a period of eighteen months from April 01, 2011 to September 30, 2012.

Therefore, the corresponding figures of previous period are not directly comparable with those of current year.

49. Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

50. Particulars of stocks and sales

Description	Stocks				Sales	
	Opening		Closing			
	As at 01.10.2012 Rs Million	As at 01.04.2011 Rs. Million	As at 30.09.2013 Rs Million	As at 30.09.2012 Rs. Million	Year ended 30.09.2013 Rs Million	18 Months ended 30.09.2012 Rs. Million
Sugar	1,361.59	4570.76	1,816.23	1,361.59	9,512.88	12,493.59
Caustic Soda	5.04	1.82	4.61	5.04	1,860.72	2,666.69
Caustic Flakes	0.88	0.08	-	0.88	181.30	103.04
Chlorine (dry and liquid)	0.01	1.97	0.57	0.01	84.68	122.87
Hydrochloric acid	0.08	0.50	0.16	0.08	62.00	57.09
Hydrogen	-	-	-	-	66.60	103.04
Stable bleaching powder	1.02	0.51	3.29	1.02	154.76	183.64
Sodium hypochlorite	0.04	0.22	0.12	0.04	48.15	58.39
Industrial Alcohol	35.69	87.31	99.00	35.69	266.18	791.68
Others	48.03	193.28	117.61	48.03	1,294.98	1,127.98
Total	1,452.38	4856.45	2,041.59	1,452.38	13,532.25	17,708.01

51. Other Additional Information

Description	Year ended 30.09.2013		18 Months ended 30.09.2012	
	Rs. Million	%	Rs. Million	%
(a) Value of imports on CIF basis				
Stores, spares and components	54.84		115.56	
Capital goods	7.99		0.78	
(b) Expenditure in foreign currency				
Travel etc.	-		0.78	
Technical/Consultancy fees	0.71		0.69	
Others	0.12		2.79	
(c) Earnings in foreign exchange				
CER Receipt	92.56		196.53	
Exports on FOB basis	0.70		1,309.35	
Miscellaneous Receipts	-		1.90	
(d) Value of imported/indigenous raw materials, spare parts, components and stores consumed				
Imported	55.85	0.50	125.85	1.28
Indigenous	11,186.25	99.50	9,675.00	98.72
	11,242.10	100.00	9,800.85	100.00

Signatures to note 1 to 51

SIDDHARTH SHRIRAM
Chairman and Managing Director

A.K. MEHRA
Whole Time Director

Date : 21st November, 2013
Place : New Delhi

NAVEEN JAIN
Company Secretary

D.C. POPLI
Sr. General Manager (Accounts)

DINESH MOHAN
RAVI VIRA GUPTA
Directors

Mawana Sugars Limited

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF MAWANA SUGARS LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **MAWANA SUGARS LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at September 30, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Various matters arising out of the reorganization arrangement of DCM Limited will be settled and accounted for as and when the liabilities/benefits are finally determined as stated in note 38 of the consolidated financial statements. The effect of these on the accounts has not been determined by the Company.

The matter referred to in paragraph above were also subject matter of qualification in our audit report on the consolidated financial statements for the eighteen months period ended September 30, 2012.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above**, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, jointly controlled entities and associates referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at September 30, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matters

1. Attention is invited to note 2(B) of the consolidated financial statements regarding the Company being registered with the Board for Industrial and Financial Reconstruction in September 2013 consequent to it becoming a "Sick Industrial Company" in terms of the provisions of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions), Act, 1985, as the Company's net worth has been fully eroded and the Company has incurred cash losses during the current year and prior periods and its current liabilities are far in excess of current assets. However, the financial statements of the Parent Company have been prepared by the Management of the Company on a going concern basis for the reasons stated in the said note.
2. Attention is invited to note 42(ii) of the consolidated financial statements. As stated in the note, remuneration paid to Chairman and Managing Director includes Rs. 6.02 million in excess of the limit specified under Section 198 read with Section 309 and Schedule XIII to the Companies Act, 1956 which is subject to the approval of the Central Government

Our opinion is not qualified in respect of these matters.

Other Matter

We did not audit the financial statements of subsidiaries, viz., Siel Industrial Estate Limited, Siel Financial Services Limited, Mawana Foods Limited (subsidiary company upto June 28, 2013) and Siel Infrastructure & Estate Developers Private Limited, whose financial statements reflect total assets of Rs. 278.93 million as at September 30, 2013, total revenues of Rs. 597.09 million and net cash outflows amounting to Rs. 47.38 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For **A.F. Ferguson & Co.**
Chartered Accountants
(Firm Registration No. 112066W)

Jaideep Bhargava
Partner
(Membership No. 090295)

Place : NEW DELHI
Dated : 21st November, 2013



CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2013

	Note No.	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	391.16	349.56
Reserves and surplus	4	(2,451.41)	(787.88)
		<u>(2,060.25)</u>	<u>(438.32)</u>
Share application money pending allotment		-	62.90
Minority Interest		-	19.31
Non - current liabilities			
Long - term borrowings	5	1,438.43	1,975.93
Other long term liabilities	6	157.23	162.03
Long - term provisions	7	112.73	114.62
		<u>1,708.39</u>	<u>2,252.58</u>
Current liabilities			
Short - term borrowings	8	3,734.26	2,001.97
Trade payables	9	3,086.54	2,796.93
Other current liabilities	10	2,376.54	2,286.85
Short - term provisions	11	56.05	51.41
		<u>9,253.39</u>	<u>7,137.16</u>
		<u>8,901.53</u>	<u>9,033.63</u>
TOTAL			
ASSETS			
Non - current assets			
Fixed assets			
- Tangible assets	12	5,293.42	5,738.88
- Intangible assets	12	-	-
- Capital work in progress		11.46	5.86
		<u>5,304.88</u>	<u>5,744.74</u>
Non - current investments	13	0.02	23.02
Long - term loans and advances	14	210.50	537.10
Other non - current assets	15	8.60	7.24
		<u>5,524.00</u>	<u>6,312.10</u>
Current assets			
Inventories	16	2,610.29	2,060.74
Trade receivables	17	413.53	296.61
Cash and cash equivalents	18	176.98	161.91
Short - term loans and advances	19	169.20	195.98
Other current assets	20	7.53	6.29
		<u>3,377.53</u>	<u>2,721.53</u>
		<u>8,901.53</u>	<u>9,033.63</u>
TOTAL			

Accompanying notes 1 to 55 are an integral part of the consolidated financial statements

In terms of our report attached
For A.F.Ferguson & Co.
Chartered Accountants

JAIDEEP BHARGAVA
Partner

Date : 21st November, 2013
Place : New Delhi

NAVEEN JAIN
Company Secretary

D.C. Popli
Sr. General Manager (Accounts)

SIDDHATH SHRIRAM
Chairman and Managing Director

A.K. Mehra
Whole Time Director

DINESH MOHAN
RAVI VIRA GUPTA
Directors

Mawana Sugars Limited

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Note No.	Year ended 30.09.2013 Rs. Million	18 Months Ended 30.09.2012 Rs. Million
REVENUE			
Revenue from operations (Gross)	21	14,144.54	18,879.08
Less: excise duty		688.47	857.35
Revenue from operations (Net)		13,456.07	18,021.73
Other income	22	103.44	204.12
TOTAL REVENUE		13,559.51	18,225.85
EXPENSES			
Cost of materials consumed	23	10,622.26	8,953.25
Purchase of stock-in-trade	24	525.64	942.49
Changes in inventories of finished goods, work in progress and stock-in-trade	25	(609.83)	3,506.29
Employee benefits expense	26	831.71	1,155.31
Finance costs	27	908.02	1,238.49
Depreciation and amortization expense	12	504.47	766.46
Other expenses	28	2,653.10	3,256.26
TOTAL EXPENSES		15,435.37	19,818.55
(Loss) before exceptional item		(1,875.86)	(1,592.70)
Less: Exceptional item			
- Cane price difference	49 (a)	-	465.53
- Profit on sale of non current Investment	49 (b)	(198.99)	-
(Loss) before tax		(1,676.87)	(2,058.23)
Tax expense:			
Current tax		-	0.12
Relating to earlier years		20.59	7.98
Provisions written back relating to earlier years		(1.10)	(27.09)
(Loss) after tax (before minority interest)		(1,696.36)	(2,039.24)
Minority Interest		(8.68)	0.68
(Loss) after tax and minority interest		(1,687.68)	(2,039.92)
Earnings per equity share - basic/diluted (Rs.)	39	(43.55)	(58.36)
(Face value Rs. 10 per share)			

Accompanying notes 1 to 55 are an integral part of the consolidated financial statements

In terms of our report attached
For A.F.Ferguson & Co.
Chartered Accountants

JAIDEEP BHARGAVA
Partner

SIDDHATH SHRIRAM
Chairman and Managing Director

A.K. Mehra
Whole Time Director

Date : 21st November, 2013
Place : New Delhi

NAVEEN JAIN
Company Secretary

D.C. Popli
Sr. General Manager (Accounts)

DINESH MOHAN
RAVI VIRA GUPTA
Directors



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Year ended 30.09.2013 Rs.Million	18 months ended 30.09.2012 Rs.Million
A. Cash flow from operating activities :		
Profit / (Loss) before tax	(1,676.87)	(2,058.23)
Add : Depreciation and amortisation expense	504.47	766.46
Net unrealised exchange loss	-	8.68
Finance costs	908.02	1,238.49
Provision for doubtful trade and other receivables, loans and advances	1.29	4.78
Loss on sale / write off of assets	0.64	0.11
Less : Interest income	76.79	102.98
Liabilities / provisions no longer required written back	10.51	54.41
Profit on sale of non-current investments	198.99	-
Profit on sale of assets	0.06	0.30
Provision for diminution in value of long term investment written back	-	11.85
Operating profit/(loss) before working capital changes	(548.80)	(209.25)
<i>Changes in working capital:</i>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(590.27)	3,440.51
Trade receivables	(182.33)	93.04
Short-term loans and advances	6.27	121.79
Long-term loans and advances	1.54	(12.69)
Other non-current assets	(1.36)	2.51
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	357.15	529.20
Other current liabilities	(14.56)	(261.36)
Other long-term liabilities	1.81	(2.74)
Short-term provisions	24.14	14.47
Long-term provisions	0.84	6.01
Cash generated from operations	(945.57)	3,721.49
Direct taxes (paid)/refund received	358.02	(5.66)
Net cash flow from/(used in) operating activities (A)	(587.55)	3,715.83
B. Cash flow from investing activities :		
Capital expenditure on fixed assets, including capital advances	(65.52)	(61.97)
Proceeds from sale of fixed assets	1.28	18.57
Bank balances not considered as Cash and cash equivalents	(14.02)	21.58
Purchase of long term Investment	-	0.03
Proceeds from sale of Subsidiary	81.76	-
Proceeds from Sale of long term investments	160.00	-
Interest received	19.11	20.80
Net cash flow from / (used in) investing activities (B)	182.61	(0.99)
C. Cash flow from financing activities:		
Share application money pending allotment	-	62.90
Proceeds from issue of equity shares	-	16.83
Premium on sale of equity shares	-	26.67
Proceeds from long term borrowings- secured	286.77	90.37
Repayment of long term borrowings- secured	(709.60)	(773.09)
Net increase / (decrease) in working capital borrowings	1,767.19	(1,898.51)
Finance costs paid	(894.02)	(1,202.20)
Net cash flow from / (used in) financing activities (C)	450.34	(3,677.03)
D. Net increase / (decrease) in Cash and cash equivalents (A+B+C)	45.40	37.81
E. Cash and cash equivalents at the beginning of the year ¹	79.95	42.14
Less adjustment on cessation of subsidiary (Refer Note 49(b))	44.35	-
F. Cash and cash equivalents at the end of the year ¹	81.00	79.95

¹Refer Note 18

In terms of our report attached

For A.F.Ferguson & Co.
Chartered Accountants

JAIDEEP BHARGAVA
Partner

SIDDHATH SHRIRAM
Chairman and Managing Director

A.K. Mehra
Whole Time Director

Date : 21st November, 2013
Place : New Delhi

NAVEEN JAIN
Company Secretary

D.C. Popli
Sr. General Manager (Accounts)

DINESH MOHAN
RAVI VIRI GUPTA
Directors

Mawana Sugars Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2013

1. BASIS OF CONSOLIDATION

The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS 21) – “Consolidated Financial Statements” notified in the Companies (Accounting Standards) Rules, 2006 (as amended) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the Companies Act, 1956.

- i. The subsidiaries (which along with Mawana Sugars Limited (MSL), the Parent Company, constitute the Group) considered in the preparation of these consolidated financial statements are:

Name	Country of Incorporation	Percentage of voting power, as at September 30, 2013	Percentage of voting power, as at September 30, 2012
Siel Industrial Estate Limited (SIEL-IE)	India	100.00*	100.00
Siel Financial Services Limited (SFSL)	India	93.56	93.56
Mawana Foods Limited	India	***	65.03
Siel Infrastructure & Estate Developers Private Limited**	India	100.00	100.00**

*Includes 49.29% (Previous period Nil) held by Siel Infrastructure & Estate Developers Private Limited. (SIEL-IED), a wholly owned subsidiary.

**Became subsidiary w.e.f September 13, 2012.

***Ceased to be subsidiary w.e.f. June 29, 2013 (Refer Note 49b)

- ii. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- iii. These consolidated financial statements are based, in so far as they relate to amounts included in respect of the subsidiaries, on the audited financial statements prepared for consolidation in accordance with the requirements of AS- 21 by each of the aforesaid subsidiaries.

2. (A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a) Basis of accounting and preparation of consolidated financial statements:

The consolidated financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the Companies Act, 1956. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous period.

- b) Use of Estimates:

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management of the Company to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the financial year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

- c) Fixed assets:

Fixed assets are stated at cost of acquisition/ construction less accumulated depreciation. The cost includes all pre-operative expenses relating to construction period in the case of new projects and expansion of existing factories.

- d) Depreciation and amortization:

- i. The Group follows the straight-line method of depreciation (SLM).
- ii. The rates of depreciation charged on all fixed assets are those specified in Schedule XIV to the Companies Act, 1956, except for trademarks, which are depreciated over the remaining life of the Trade Marks as assessed by the Company.
- iii. On assets sold/discarded during the financial year, depreciation is provided up to the date of sale/ discard.
- iv. Depreciation is calculated on a pro-rata basis from the date of acquisition/ installation of the asset and in case of assets costing up to Rs. 5,000 each, such asset is fully depreciated in the financial year of purchase.
- v. Leased fixed assets

Leased fixed assets, wherein the lease rentals are classified as non performing asset, depreciation is being charged on the straight-line method at the rates prescribed in the Schedule XIV to the Companies Act, 1956, with effect from the date on which the lease rentals have been classified as non performing assets and not over the primary lease period.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- e) Investments:
Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Costs of investments include acquisition charges such as brokerage, fees and duties.
- f) Inventories:
Stores and spares are valued at cost or under.
Raw materials, components, work-in-progress and finished goods are valued at lower of cost and net realisable value.
Cost of inventory is ascertained on the 'weighted average' basis. Further, in respect of manufactured inventories i.e. process stocks and finished goods, an appropriate share of manufacturing expenses is included on absorption costing basis including excise duty.
Finished goods purchased for resale are valued at lower of cost or net realizable value. Cost is ascertained on the monthly weighted average. Stock held with third party for further processing is valued at cost.
Stock in trade- shares, debentures and other securities are valued at lower of cost or market price/break-up value determined for each category of stock-in-trade. The cost is ascertained on the basis of annual weighted average purchase price.
Stock of land is valued at lower of cost and estimated realisable value.
- g) Revenue recognition:
- i) Sale of goods is recognised at the point of despatch of finished goods to customers. Sales are inclusive of excise duty and exclusive of sales tax.
Income from Certified Emission Reductions (CER) is recognized as income on sale of CER's.
- ii) Income from the non-performing assets is recognised in accordance with the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 issued by the Reserve Bank of India on January 31, 1998 and as amended from time to time.
Further, provision for non-performing assets viz, investments, fixed assets, current assets and loans and advances is made in accordance with the said guidelines and are reduced against such assets.
- iii) Income from sale of land is recognised on receipt of full consideration from the customers.
- h) Research and development expenditure:
Revenue expenditure on research and development is expensed out under the respective heads of account in the period in which it is incurred.
- i) Employee benefits:
Group's contribution paid/payable during the financial year to provident fund, superannuation fund and employees' state insurance corporation are recognised in the Statement of Profit and Loss. For the provident fund trusts administrated by the Parent Company, the Parent Company is liable to meet the shortfall, if any, in payment of interest at the rates prescribed by the Central Government, such shortfall is recognised in the financial year of actual payment. Provision for gratuity and compensated absences are determined on an actuarial basis at the end of financial year and are charged to revenue each financial year.
- j) Income-tax:
Provision for current taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income tax Act, 1961.
Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of being reversal in one or more subsequent periods. Deferred tax assets are recognised on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred asset can be realized.
- k) Foreign exchange transactions:
Transactions in foreign currency are recorded on initial recognition at the exchange rates prevailing at the time of the transaction.
Monetary items (i.e. receivables, payables, loans etc) denominated in foreign currency are reported using the closing exchange rate on each balance sheet date.
The exchange differences arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded/reported in previous financial statements are recognised as income/expense in the financial year in which they arise.
In case of forward contracts, the premium or discount arising at the inception of such contracts is amortised as income or expense over the life of the contract. Further exchange difference on such contracts i.e. difference between the exchange rate at the reporting/settlement date and the exchange rate on the date of inception of contract/the last reporting date, is recognised as income/expense during the financial year.
- l) Operating Lease:
Operating Lease receipts and payments are recognized as income or expense in the Statement of Profit and Loss on a straight - line basis over the lease term.

Mawana Sugars Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

m) Cash flow statements:

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

n) Earnings per share:

Basic earnings per share are computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the financial year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

o) Impairment of assets:

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

p) Provisions and contingencies:

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

- 2 (B)** The Parent Company over the last few years has been incurring cash losses due to which its net worth has been completely eroded and its current liabilities are far in excess of its current assets. The Indian sugar industry, particularly in the State of Uttar Pradesh, has faced difficulties on account of increasing sugar cane prices and corresponding lower than expected recovery of sugar from cane, lower sugar prices and consequential under recovery of cost of production. These factors have adversely affected the Parent Company's operations and financial performance. Higher finance costs have also added to the cash losses.

During the current year, based on the Parent Company's audited financial statements for the eighteen months ended September 30, 2012, the Parent Company had filed Form 'C' with the Board for Industrial and Financial Reconstruction (BIFR), Government of India, about the "Potential Sickness" of the Parent Company in line with the provisions of Section 23 of the Sick Industrial Companies (Special Provisions), Act, 1985 (SICA).

Subsequent to the aforesaid filing, as per communication received from BIFR vide its letter no. BIFR/Sec.23/2144/BC/2013 dated May 13, 2013, the Parent Company became a Sick Industrial Company and filed a reference under section 15(1) of SICA in Form 'A' with BIFR on August 01, 2013. The Parent Company got registered with the BIFR on 10th September 2013. The process for revival/rehabilitation of the Parent Company is under way in line with the prescribed procedure and rules under SICA.

The State and Central Government have initiated various steps to support the sugar industry like decontrol of free sale of sugar release mechanism, doing away with levy quota system and also considering linking the sugar cane price with sugar price. All the aforesaid measures are expected to support the industry and also the operations of the Parent Company in the near future. The Parent Company has also initiated various steps including cane development activities, enhancing plant efficiencies, costs reduction etc. to improve the performance of the Parent Company.

As such, the Parent Company is confident that BIFR will approve a rehabilitation scheme which would entail part sale of its surplus/non-core assets to discharge some of its financial obligations and improve cash flow, reschedulement of the outstanding debt/payables (including overdue debt/payables), and other requisite financial restructuring in consultation with various stakeholders to improve its financial position including net worth. Based on an internal assessment and valuation done by an independent valuer, the Management is confident that the current fair market value of the aforesaid assets it proposes to dispose as part of the rehabilitation scheme would be sufficient to discharge its financial obligations as envisaged in the scheme.

In view of the above, the Board of Directors of the Parent Company is confident that the Parent Company would be in a position to realize its assets and discharge its liabilities by successfully implementing the rehabilitation scheme and in the normal course of its business. Accordingly, these financial statements have been prepared on a going concern basis.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

3. Share Capital

	As at 30.09.2013		As at 30.09.2012	
	Number of shares	Rs. Million	Number of shares	Rs. Million
Authorised				
- Equity shares of Rs. 10 each	175,000,000	1,750.00	175,000,000	1,750.00
	175,000,000	1,750.00	175,000,000	1,750.00
Issued, subscribed and fully paid up				
- Equity shares of Rs. 10 each fully paid up	39,115,672	391.16	34,955,619	349.56
	39,115,672	391.16	34,955,619	349.56

(i) Reconciliation of equity shares

	Number of shares	Rs. Million	Number of shares	Rs. Million
Number of outstanding shares at the beginning of the year/period	34,955,619	349.56	34,956,811	349.57
Add : Shares issued during the year/period	4,160,053	41.60	-	-
	39,115,672	391.16	34,956,811	349.57
Less: Shares held by wholly owned subsidiary [#]	-	-	1,192	0.01
Number of outstanding shares as at the end of the year/period	39,115,672	391.16	34,955,619	349.56

[#]1192 equity shares of Rs. 10 each fully paid up of the Company held by Siel Infrastructure & Estate Developers Private Limited had been eliminated as Siel Infrastructure & Estate Developers Private Limited became a wholly owned subsidiary of the Company w.e.f. September 13, 2012.

(ii) During the year ended September 30, 2013 the Company has issued and allotted 4,160,053 equity shares of Rs. 10 each fully paid-up at a price of Rs. 15.12 per share (including premium of Rs. 5.12 per share) under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for preferential issue on November 02, 2012 to Usha International Limited (Promoter of the C1 company on date of issue) pursuant to requirement of Corporate Debt Restructuring package.

(iii) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share except 1,192 equity shares held by Siel Infrastructure & Estate Developers Private Limited, a subsidiary, pursuant to second proviso of section 19(1) of the Companies Act, 2013, has no right to vote at meeting of the Company. Further, in respect of 263,519 equity shares (previous period 275,151 equity shares) are held by the depositories on behalf of GDR holders, the depositories shall exercise voting rights in respect of deposited shares as per directions given by Board of Directors of the Company. Each holder of equity share have a right to receive per share dividend declared by the Company. In event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Shares held by its holding company and their subsidiary:

	As at 30.09.2013 No. of Shares held	As at 30.09.2012 No. of Shares held
Usha International Limited, holding company		
Equity shares of Rs. 10 each fully paid up	#	21,906,741
[#] Ceased to be holding company of the Company w.e.f. June 20, 2013.		

(v) Details of shareholders holding more than 5% equity shares in the Group:

Name of shareholders	As at 30.09.2013		As at 30.09.2012	
	No. of Shares held	%age of holding	No. of Shares held	%age of holding
Usha International Limited	1,000,000	2.56	21,906,741	62.67
Siddharth Shriram	26,334,248	67.32	241,513	0.69

(vi) Aggregate number of equity shares allotted as fully paid up pursuant to Scheme without payment being received in cash:

Pursuant to the Scheme indicated in note 29 on the record date i.e., October 31, 2007, after cancellation of the cross holding, the Company had allotted one new equity share of Rs. 10 each fully paid up to the shareholders of erstwhile Mawana Sugars Limited (MSL) for every two equity shares of Rs. 10 each fully paid up held in erstwhile MSL and one new equity share of Rs. 10 each fully paid up to the shareholders of the Company for every three equity shares of Rs. 10 each fully paid up held in the Company. Accordingly 21,217,657 and 3,438,434 equity shares were issued to the shareholders of erstwhile MSL and the Company respectively.

Mawana Sugars Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

4. Reserves and surplus

Particulars	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Capital reserves ¹	1,030.17	1,030.17
Capital redemption reserve	87.72	87.72
Share premium	1,495.04	1,491.09
General Reserve	4.54	4.54
Surplus/(deficit) in the Statement of Profit and Loss	(5,068.88)	(3,401.40)
	(2,451.41)	(787.88)

¹ Includes Rs. 991.46 million representing the extinguishment of the debts of erstwhile Mawana Sugars Limited (MSL), which got discharged pursuant to the surplus arising on sale of shares of Shivajimarg Properties Limited.

Movement in reserves and surplus are as under

a) Share premium		
Opening balance	1,491.09	1,473.74
Add : Premium on equity shares issued during the year *	21.30	26.67
Less : Minority interest	-	9.32
Less : Adjustment on cessation of subsidiary (Refer Note 49(b))	17.35	-
Closing balance	1,495.04	1,491.09

* During the year ended September 30, 2013 the Parent Company has issued and allotted 4,160,053 equity shares of Rs. 10 each fully paid-up at a price of Rs. 15.12 per share (including premium of Rs. 5.12 per share) under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for preferential issue on November 02, 2012 to Usha International Limited (Promoter of the Company on date of issue) pursuant to requirement of Corporate Debt Restructuring package.

b) General reserve		
Opening balance	4.54	-
Add : Transfer from Reserve fund*	-	4.54
Closing balance	4.54	4.54

*The reserve fund created under section 45-IC of the Reserve Bank of India (Amendment) Act, 1997, is no longer required and the same had been transferred to General reserve in the previous period.

c) Reserve fund		
Opening balance	-	4.54
Add : Transfer to General reserve**	-	(4.54)
Closing balance	-	-

**The reserve fund created under section 45-IC of the Reserve Bank of India (Amendment) Act, 1997, is no longer required and the same had been transferred to General reserve in the previous period.

d) (Deficit) in Statement of Profit and Loss		
Opening balance	(3,401.40)	(1,369.02)
Add : (loss) for the period	(1,687.68)	(2,039.92)
Less : Adjustment on cessation of subsidiary (Refer Note 49(b))	(20.20)	-
Less : Minority interest	-	(7.54)
Closing balance	(5,068.88)	(3,401.40)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
5. Long term borrowings¹

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Secured		
Term loans		
- From banks	2,065.64	2,609.46
- From others	1,124.36	1,002.37
Funded interest term loans		
- From banks	87.38	92.69
- From others	8.62	4.31
	3,286.00	3,708.83
Less : Current maturities of long term borrowings as disclosed under head "other current liabilities" (Note 10)²	1,847.57	1,732.90
	1,438.43	1,975.93

¹The period and amount of continuing default in repayment of borrowings as at the year/period end:

	As at 30.09.2013		As at 30.09.2012	
	Amount Rs. Million	Period of delay (in days) upto the year end	Amount Rs. Million	Period of delay (in days) upto the period ended
Borrowings:				
Term loans				
- From banks	1108.85	0-61	-	-
- From others	153.16	0-61	8.82	0-60 *
Funded interest term loans				
- From banks	87.38	0-61	-	-
- From others	8.62	0-61	-	-
Interest accrued and due on borrowings:				
Term loans				
- From banks	29.33	0-61	-	-
- From others	5.10	0-61	-	-

* Paid subsequent to the period end.

²Details of current maturities of long term borrowings are as under:

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Secured		
Term loans		
- From banks	1,392.34	1,384.28
- From others	359.23	251.62
Funded interest term loans		
- From banks	87.38	92.69
- From others	8.62	4.31
	1,847.57	1,732.90

Mawana Sugars Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Secured

Term loan and funded interest term loan

1. From Bank

	As at September 30, 2013 Rs. Million	As at September 30, 2012 Rs. Million	Rate of interest	Security clause
i.	2,036.79	2436.36	11%	(i) The loans are secured by first pari-passu charge on all movable and immovable fixed assets of the Parent Company inclusive of equitable mortgage of land and buildings. The loans are further secured by second pari-passu charge on all current assets of the Parent Company.
ii.	87.38	92.69	0% (Funded Interest Term Loan)	(ii) The loans are also secured by corporate guarantee issued by Siel Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajpura in the state of Punjab and personal guarantee of the Chairman and Managing Director of the Parent Company.
iii.	28.85	173.10	0% (net of interest subvention)	Term loans, availed under the "Scheme for extending financial assistance to sugar undertakings, 2007" of Government of India, are secured by residual charge on fixed assets of the sugar units both present and future. These loans are further secured by personal guarantee of the Chairman and Managing Director of the Parent Company.

2. From others

i.	291.63	302.49	11%	(i) The loans are secured by first pari-passu charge on all movable and immovable fixed assets of the Parent Company inclusive of equitable mortgage of land and buildings. The loans are further secured by second pari-passu charge on all current assets of the Parent Company.
ii.	8.62	4.31	0% (Funded Interest Term Loan)	(ii) The loans are also secured by corporate guarantee issued by Siel Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajpura in the state of Punjab and personal guarantee of the Chairman and Managing Director of the Parent Company.
iii.	67.94	107.45	4%	The loans, taken from Government of India under Sugar Development Fund (SDF), are secured by an exclusive second charge on all movable and immovable properties of the Parent Company's unit Mawana Sugar Works, situated at Mawana District Meerut in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts).
iv.	42.74	42.74	4%	
v.	253.04	253.04	4%	The loan, taken from Government of India under Sugar Development Fund (SDF), is secured by an exclusive second charge on all movable and immovable properties of the Parent Company's unit Titawi Sugar Complex, situated at Titawi District Muzaffarnagar in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts).
vi.	220.57	-	6.50%	(i) The loan, taken from Government of India under Sugar Development Fund (SDF), is secured by first pari-passu charge on all movable and immovable properties of the Parent Company's unit Titawi Sugar Complex, situated at Titawi District Muzaffarnagar in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts). (ii) This loan is further secured by personal guarantee of Chairman and Managing Director of the Parent Company.
vii.	77.56	119.70	4%	The loans, taken from Government of India under Sugar Development Fund (SDF), are secured by an exclusive second charge on all movable and immovable properties of the Parent Company's unit Nanglamal Sugar Complex, situated at Nanglamal District Meerut in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts).
viii.	164.80	164.80	4%	
ix.	6.08	12.15	4%	The loans, taken from Government of India under Sugar Development Fund (SDF), secured by bank guarantee issued in favour of Government of India.

Repayment Schedule of Long Term Borrowings	Rs. million
12 month ending September 30, 2014	1,847.57
12 month ending September 30, 2015	473.71
12 month ending September 30, 2016	274.85
12 month ending September 30, 2017	361.12
12 month ending September 30, 2018	92.12
October 1, 2018 onwards	236.63
	3,286.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
6. Other long term liabilities

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Interest accrued but not due on borrowings	149.23	149.23
Security deposits ¹	-	6.20
Others	8.00	6.60
	157.23	162.03

¹ These Deposits have been taken from wholesale dealers against the dealership given by Mawana Foods Limited amounting to Rs. Nil (previous period Rs. 6.20 million). These deposits are repayable on termination / cancellation of dealership.

7. Long - term provisions

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Provision for employee benefits		
- Provision for gratuity ¹	85.65	84.81
- Provision for compensated absences ¹	27.08	29.81
	112.73	114.62

¹ Refer note 36.

8. Short - term borrowings

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Secured		
Loan repayable on demand - Cash credit/overdraft from banks	3,718.56	1,986.27
Unsecured		
Other Loans and Advances	15.70	15.70
	3,734.26	2,001.97

- Cash credit / overdraft amounting to Rs. 2006.75 million (previous period Rs. 1212.60 million) are secured by first pari-passu charge on the current assets of the Parent Company and third pari-passu charge on the fixed assets of sugar units of the Parent Company. This limit is also secured by second pari-passu charge on the fixed assets of chemical division of the Company. Further, these loans are also secured by corporate guarantee issued by Siel Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajpura in the State of Punjab and personal guarantee of the Chairman and Managing Director of the Parent Company.
- Cash credit amounting to Rs. 84.68 million (previous period Rs. 58.72 million) are secured by first pari-passu charge on the current assets of the Parent Company and fixed assets of chemical division of the Parent Company situated at Rajpura in the State of Punjab.
- Cash credit / overdraft amounting to Rs. 1627.13 million (previous period Rs. 680.44 million) are secured by pledge of sugar stocks with U.P. Co-operative Bank and District Co-operative Banks in the State of Uttar Pradesh.
- Cash credit/overdraft of Rs. Nil million (previous period Rs. 34.51 million) have been secured by hypothecation of current assets (present and future) including entire stocks, book debts, loans & advances and first charge on all movable and immovable properties both present and future of Mawana Foods Limited and have been further secured by corporate guarantee from the Parent Company.

Mawana Sugars Limited

Notes forming part of the consolidated financial statements (Contd.)

9. Trade payables

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Trade payables (including acceptances)		
- Dues to other than micro and small enterprises	3,077.99	2,793.07
- Dues to micro and small enterprises	8.55	3.86
	3,086.54	2,796.93

Dues to Micro and Small Enterprises

Based on the information available with the Group, the principal amount and interest due to Micro and Small Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)" are disclosed below:-

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Amount remaining unpaid to suppliers under MSMED as at the period end		
- Principal amount	6.24	3.10
- Interest due thereon	2.31	0.76
	8.55	3.86

10. Other current liabilities

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Current maturities of long term debts	1,847.57	1,732.90
Interest accrued but not due on borrowings	44.07	68.14
Interest accrued and due on borrowings	38.29	0.22
Unpaid dividends	0.80	1.64
Excess share application money	0.25	0.25
Other payables		
- Taxes and other statutory dues	254.19	222.27
- Advances from customers	20.62	74.39
- Employee dues	-	0.23
- Security deposits	43.91	43.71
- Capital creditors	29.19	33.08
- Others	97.65	110.02
	2,376.54	2,286.85

11. Short - term provisions

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Provision for employee benefits		
- Provision for gratuity ¹	30.33	25.79
- Provision for compensated absences ¹	4.58	4.15
Others		
- Provision for taxation	21.14	21.47
	56.05	51.41

¹Refer note 36.

Notes forming part of the consolidated financial statements (Contd.)

12. FIXED ASSETS

Particulars	Gross Block (At Cost)					Depreciation				Net Block	
	As at 30.09.2012	Additions	Deductions	Adjustments on cessation of subsidiary (Refer Note 49(b))	As at 30.09.2013	As at 30.09.2012	For the year/period	On deductions	Adjustments on cessation of subsidiary (Refer Note 49(b))	As at 30.09.2013	As at 30.09.2012
	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million
TANGIBLE ASSETS											
Land	263.58	4.64	-	-	268.22	-	-	-	-	268.22	263.58
Buildings	835.27	10.86	-	-	846.13	229.94	23.38	-	-	592.81	605.33
Plant and equipment	9,337.75	37.97	6.55	-	9,369.17	4,514.99	472.53	6.05	-	4,387.70	4,822.76
Office equipment	121.75	7.38	2.05	1.32	125.76	94.91	5.57	1.98	0.58	27.84	26.84
Furniture and fixtures	39.81	0.02	-	0.07	39.76	24.08	2.11	-	0.02	13.59	15.73
Vehicles	14.65	-	2.19	-	12.46	10.01	0.88	1.69	-	3.26	4.64
Total (A) Current year	10,612.81	60.87	10.79	1.39	10,661.50	4,873.93	504.47	9.72	0.60	5,368.08	5,293.42
Previous period	10,571.39	75.31	33.89	-	10,612.81	4,122.98	766.46	15.51	-	4,873.93	5,738.88
INTANGIBLE ASSETS											
Goodwill ²	135.25	-	-	-	135.25	135.25	-	-	-	135.25	-
Trade Mark	12.24	-	-	12.24	-	12.24	-	-	12.24	-	-
Total (B) Current year	147.49	-	-	12.24	135.25	147.49	-	-	12.24	135.25	-
Previous period	147.49	-	-	-	147.49	147.49	-	-	-	147.49	-
Current year (A+B)	10,760.30	60.87	10.79	13.63	10,796.75	5,021.42	504.47	9.72	12.84	5,503.33	5,293.42
Previous period	10,718.88	75.31	33.89	-	10,760.30	4,270.47	766.46	15.51	-	5,021.42	5,738.88
Capital work-in-progress										11.46	5.86

1. Rs. 1.07 million (previous period Rs. 1.07 million) received as advance against sale of land at Mawana will be adjusted after execution of conveyance deed.
2. Represents goodwill arising on consolidation and has been written off in an earlier year.

Mawana Sugars Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

13. NON - CURRENT INVESTMENTS

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
VALUED AT COST UNLESS THERE IS DECLINE IN VALUE, OTHER THAN TEMPORARY TRADE INVESTMENTS		
Investment in Equity Instruments		
- Unquoted		
Cerazit India Private Limited		
Nil (previous period 2,300,000) Equity shares of Rs. 5 each fully paid-up	2	23.00
	-	
Capaxil Agencies Limited		
5 Equity shares of Rs.1000 each fully paid-up	1	0.01
	0.01	
Agro Pumpsets & Implements Limited		
10 Equity shares of Rs. 500 each fully paid-up	1	0.01
	0.01	
Mawana Co-operative Development Union Limited		
2 Equity shares of Rs.10 each, Rs. 5 per share paid-up (# Rs. 10)	1	#
	#	
Ramraj Co-operative Cane Development Union Limited		
2 Equity shares of Rs.10 each, Rs. 5 per share paid-up (# Rs. 10)	1	#
	#	
OTHER INVESTMENT		
Investment in Equity Instruments		
- Unquoted		
SFSL Investments Limited		
54 Equity shares of Rs.10 each fully paid-up (# Rs 540)	#	#
Less : Provision for diminution in value (# Rs 540)	#	-
	-	
MSD Industrial Enterprises Limited		
295,700 Equity Shares of Rs. 10 each fully paid- up	10.82	10.82
Less : Provision for diminution in value	(10.82)	(10.82)
	-	-
	0.02	23.02
Aggregate value of investments		
Unquoted	0.02	23.02
	0.02	23.02

¹Represent investments transferred from DCM Limited under the Scheme of Arrangement and are pending endorsement in the name of the Parent Company.

²Refer Note 49(b).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

14. Long - term loans and advances (Unsecured and considered good unless otherwise stated)

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Capital advances	2.07	1.38
Security deposits		
- Good ¹	80.66	77.46
- Doubtful	0.53	0.53
Other loans and advances		
- Advance Income tax	64.29	386.11
- Excise, service tax, VAT and other balances with government authorities	7.26	6.98
- Dues from employees	0.04	0.04
- Prepaid Expenses	7.23	16.18
- Advances recoverable in cash or in kind or for the value to be received		
- Good	48.95	48.95
- Doubtful	125.73	125.73
	336.76	663.36
Less : Provision for doubtful advances	126.26	126.26
	210.50	537.10

¹Includes deposit with related party Rs. 6.78 million (previous period Rs. 6.78 million)

15. Other non - current assets

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Fixed deposits with banks (Earmarked)	8.60	7.24
	8.60	7.24

16. Inventories¹

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Raw and packing materials	77.31	97.31
Work-in-progress	42.74	32.66
Finished goods	2,041.59	1,485.03
Stores and spares	224.04	223.60
Stock in trade - shares (refer note 16A)	0.02	0.02
Land	224.59	222.12
	2,610.29	2,060.74

¹Refer note 2(A)(f)

16A. Stock In Trade: Shares

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Equity shares of Rs.10 each fully paid-up		
Unquoted		
110 Equity shares of Nagarjuna Fertilizers and Chemicals Limited (# Rs.110)	#	#
Quoted		
300 Equity shares of S. Mobility Limited (formerly known as Spice Net Limited) (#Rs.4470)	#	#
140 (previous period 80) Equity shares of Asian Hotels (North) Limited (#Rs.4590)	#	0.02
140 Equity shares of Asian Hotels (East) Limited (#Rs.4590)	#	-
140 Equity shares of Asian Hotels (West) Limited (#Rs.4590)	#	-
100 Equity shares of Nagarjuna Oil Refineries Limited (# Rs Nil)	#	-
	0.02	0.02

Aggregate value of shares held as stock- in - trade

Quoted market value Rs. 0.07 million (previous period Rs. 0.03 million)

Mawana Sugars Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

17. Trade receivables

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Receivables outstanding for a period exceeding six months from the due date		
Secured - good	-	0.21
Unsecured - considered good	11.12	10.65
- doubtful	68.60	129.74
	79.72	140.60
Less : Provision for doubtful debts	68.60	129.74
(A)	11.12	10.86
Other Receivables		
Secured - good	17.63	47.28
Unsecured - considered good	384.78	238.47
(B)	402.41	285.75
Total (A+B)	413.53	296.61

18. Cash and cash equivalents

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Cash and cash equivalents		
Cash on hand	2.21	1.69
Cheques and drafts on hand	0.01	0.56
Balances with banks		
- On current accounts	55.24	23.58
Other bank balances		
Earmarked balances		
- Unpaid dividend	0.80	1.64
Deposits with original maturity of more than three months but less than twelve months.	23.54	54.12
Balance held as margin money or security against borrowing and guarantee	95.18	80.32
	176.98	161.91
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	81.00	79.95

19. Short - term loans and advances (Unsecured and considered good unless otherwise stated)

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Security deposits	9.16	6.73
Loans and advances to related parties ¹	3.75	-
Other loans and advances		
- Advance income tax	3.01	5.18
- Excise, service tax, VAT and other balances with government authorities	51.54	56.67
- Dues from employees	6.58	9.40
- Prepaid Expenses	27.06	51.18
- Advances to Venders	54.95	61.75
- Advances recoverable in cash or in kind or for the value to be received		
- Good	13.15	5.07
- Doubtful	-	0.98
	169.20	196.96
Less: Provision for doubtful advances	-	0.98
	169.20	195.98

¹Refer note 40.

20. Other Current Assets

	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million
Interest accrued on deposits	7.53	6.29
	7.53	6.29

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

21. Revenue from Operations

	Year ended 30.09.2013 Rs. Million	18 Months Ended 30.09.2012 Rs. Million
Sale of products - finished goods	14,116.29	18,750.91
Sale of services	-	11.25
Sub - Total (A)	14,116.29	18,762.16
Other Operating Revenues		
- Sale of scrap	22.51	34.85
- Duty draw back and other export benefits	-	32.46
- Other operating income	5.74	49.61
Sub - Total (B)	28.25	116.92
Total (A+B)	14,144.54	18,879.08

22. Other Income

	Year ended 30.09.2013 Rs. Million	18 Months Ended 30.09.2012 Rs. Million
Interest income ¹	76.79	102.98
Dividend on long term investment (# Rs 110)	-	#
Profit on sale of fixed assets	0.06	0.30
Provision for diminution in value of long term investment written back	-	11.85
Provision / Liabilities no longer required written back ²	10.51	54.41
Rent received	1.08	2.23
Miscellaneous income	15.00	32.35
Total	103.44	204.12
¹Interest income comprises of:		
- Interest from banks	11.48	11.97
- Interest on income tax refunds	54.66	77.82
- interest from others	10.65	13.19
	76.79	102.98

²Includes Rs. 9.39 million (previous period Rs 0.80 million) provision for doubtful trade receivables/advances no longer required written back.

23. Cost of materials consumed

	Year ended 30.09.2013 Rs. Million	18 Months Ended 30.09.2012 Rs. Million
Opening stock	97.31	55.20
Add: Purchases	10,602.26	8,995.36
	10,699.57	9,050.56
Less: Closing stock	77.31	97.31
Total	10,622.26	8,953.25

24. Purchase of stock-in-trade

	Year ended 30.09.2013 Rs. Million	18 Months Ended 30.09.2012 Rs. Million
Purchases		
- Land	2.48	-
- Oil and FAT	489.24	897.53
- Soap	33.92	44.96
Total	525.64	942.49

Mawana Sugars Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

25. Changes in inventories of finished goods, work in progress and stock-in-trade

	Year ended 30.09.2013 Rs. Million	18 Months Ended 30.09.2012 Rs. Million
Inventories at the end of the year/period:		
Stock in trade - shares		
Finished goods	2,041.59	1,485.03
Work - in - progress	42.74	32.66
Land	224.59	222.12
Stock in trade - shares	0.02	0.02
Total (A)	2,308.94	1,739.83
Inventories at the beginning of the year/period:		
Finished goods	1,485.03	4,887.65
Work - in - progress	32.66	136.33
Land	222.12	222.12
Stock in trade - shares	0.02	0.02
	1,739.83	5,246.12
Less : Finished stock in subsidiary, sold during the year	40.72	-
Total (B)	1,699.11	5,246.12
Net (increase)/decrease (B-A)	(609.83)	3,506.29

26. Employee benefits expense

	Year ended 30.09.2013 Rs. Million	18 Months Ended 30.09.2012 Rs. Million
Salaries, wages etc.	697.55	980.01
Contribution to provident and other funds	80.50	97.61
Staff welfare expenses	53.66	77.69
Total	831.71	1,155.31

27. Finance Cost

	Year ended 30.09.2013 Rs. Million	18 Months Ended 30.09.2012 Rs. Million
Interest		
- On borrowings	811.88	1,064.12
- On others	56.57	146.34
Other borrowing costs	39.57	28.03
Total	908.02	1,238.49

28. Other expenses

	Year ended 30.09.2013 Rs. Million	18 Months Ended 30.09.2012 Rs. Million
Consumption of stores and spare parts	619.84	847.59
Power, fuel, water etc.	1,334.67	1,650.59
Repairs		
- Building	19.64	21.71
- Plant and Machinery	87.95	115.56
- Other Repairs	26.72	25.54
Rent paid	56.50	67.24



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Other expenses (Contd.)

	Year ended 30.09.2013 Rs. Million	18 Months Ended 30.09.2012 Rs. Million
Auditors' Remuneration ¹		
As auditors		
- Audit fee	2.33	3.27
- Out -of-pocket expenses	0.12	0.08
In other capacity		
- For limited review of unaudited financial results	2.60	4.00
- For verification of statement and other reports	2.31	2.77
Insurance	12.37	15.77
Rates and taxes	9.95	22.35
Jobs on contract	119.15	145.36
Freight and transport	49.15	168.60
Cash discount	38.56	27.16
Increase/(decrease) in excise duty on finished goods	37.75	(166.36)
Net Loss on foreign currency transactions	2.29	9.20
Legal and professional expenses	43.41	67.26
Bad debts written off	25.34	1.03
Less: Charged against provisions	25.34	1.03
Provision for doubtful debts and advances	1.29	4.78
Loss on sale/write off of fixed assets	0.64	0.11
Miscellaneous expenses	185.86	223.68
Total	2,653.10	3,256.26

¹Includes remuneration of Auditors of Parent Company and its subsidiaries.

29. Pursuant to the Scheme of Arrangement for Amalgamation (the "Scheme") of the erstwhile Mawana Sugars Limited (MSL) with the Parent Company under Sections 391 to 394 of the Companies Act, 1956 approved by the Hon'ble High Court of Delhi vide its Order dated September 11, 2007 which became effective on October 15, 2007 on filing of the certified copy of the Order of the High Court in the Office of Registrar of Companies, NCT Delhi & Haryana, all the properties, assets, both movable and immovable, liabilities including contingent liabilities and reserves of erstwhile MSL have without further act or deed, been transferred to and vested in the Parent Company at their book values, as a going concern with effect from the appointed date i.e. October 1, 2006. Subsequently, the name of the Parent Company has been changed to Mawana Sugars Limited w.e.f. January 4, 2008.

	As at September 30, 2013 Rs. Million	As at September 30, 2012 Rs. Million
30. Commitments		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Tangible assets (Net of advances)	6.32	13.43
b. Uncalled liability on shares and other investments partly paid (# Rs. 20)	#	#
31. Contingent liabilities :		
a) Claims against the Company not acknowledged as debts in respect of*:-		
- Income tax	336.70	354.39
- Sales tax	81.03	80.98
- Excise Duty/Service tax	221.69	176.55
- Others	357.74	235.48

*All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded, in the opinion of the management, will not have a material effect on the results of the operations or financial position of the Parent Company/ its subsidiaries

Mawana Sugars Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at September 30, 2013 Rs. Million	As at September 30, 2012 Rs. Million
b) Guarantee given to bank for repayment of financial facilities provided to Mawana Foods Limited	70.00	70.00
Dues outstanding	33.61	34.51
Other Bank Guarantee issued	0.05	0.05
c) The Parent Company has provided bank guarantees aggregating Rs.78.18 million (Previous period Rs.78.18 million) to Tecumseh Products India Limited (TPIL), to whom it had sold the compressor business in a previous year, for any loss, damage, claim, action, suit etc., arising from various representations /breach of representations including for contingent liabilities existing as at March 31, 1997, or prior to March 31, 1997, which TPIL may eventually be liable to pay, against which demands in respect of sales tax, income tax and central excise matters aggregating Rs. 44.53 million (Previous period Rs. 44.53 million) have been received. These demands are presently under various stages of appeal.		
d) During the previous period, the Parent Company had given a counter indemnity/guarantee in favour of existing directors of Transiel India Limited to protect their interest against any loss/ future liabilities that may arise after the name of the said subsidiary has been struck off under the Easy Exit Scheme, 2011.		
32. Research and development expenses included under relevant heads in the Statement of Profit and Loss amounting to Rs. 2.99 million (previous period Rs. 3.44 million).		
33. Accounting for taxes on income:-		
In accordance with the Accounting Standard (AS) 22 'Accounting for Taxes on Income', notified in the Companies (Accounting Standards) Rules, 2006, deferred tax assets and liabilities have been recognized on the basis of projections after considering unabsorbed depreciation and timing differences which will be reversed against future taxes in accordance with AS-22. Accordingly, deferred tax assets (DTA) have been recognized only to the extent of deferred tax liability (DTL), the details of which are as under:		

(Rs. million)

Particulars	As at September 30, 2013	As at September 30, 2012
	(DTL)/DTA	(DTL)/DTA
Accelerated depreciation	(1026.46)	(1135.45)
Expenses deductible on payment	188.39	106.71
Unabsorbed depreciation only to the extent of Deferred tax liability	838.07	1028.74
Net Amount	-	-

34. Sales are net of commission of Rs. 36.60 million (previous period Rs. 39.54 million).
35. The Parent Company had imported plant and machinery in previous years under EPCG Scheme. An export obligation ('EO') amounting to USD 91.68 million was placed on the Parent Company which was to be fulfilled in a period of 8 years starting from April 1997. Subsequently, the said EO was refixed at USD 73.74 million and the EO period was extended to 30.3.2007 in terms of the Foreign Trade Policy Handbook of Procedure (HBP) 2002-2007.

By letter dated May 4, 2011 the DGFT has extended the EO period 765 days w.e.f. April 19, 2011.

The Parent Company has fulfilled the entire EO. The application for redemption of EPCG license was filed and had been redeemed by the licensing authority.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

36. Employee Benefits:

Disclosures required under Accounting Standard (AS) - 15 "Employees Benefits" notified in the Companies (Accounting Standards) Rules, 2006, are as under:

i) Defined Contribution Plan and amount recognized in the Statement of Profit and Loss.

	Year ended September 30, 2013 (Rs. Million)	18 months ended September 30, 2012 (Rs. Million)
♦ Employers contribution to provident fund	47.95	59.60
♦ Employers contribution to superannuation fund	0.18	0.32
♦ Employees State Insurance Corporation	0.17	1.55

ii) Defined Benefits Plans

Gratuity and Compensated absences –In accordance with Accounting Standard 15 (Revised 2005), actuarial valuation was done and details of the same are given below:

(Rs. million)

	Gratuity (Funded) @		Compensated absences	
	Current Year	Previous Period	Current Year	Previous Period
A. Change in the Present value of obligation				
Present value of obligation as at the beginning of the year/period	165.84	145.45	33.96	26.82
Current service cost	11.29	16.48	3.47	6.38
Interest cost	13.36	17.47	2.73	3.21
Benefits paid	(23.18)	(18.07)	(15.83)	(17.88)
Adjustment on cessation of subsidiary	(3.08)	-	(0.61)	-
Actuarial loss/ (gain)	11.56	4.51	7.94	15.43
Present value of obligation as at the end of the year/period	175.79	165.84	31.66	33.96
B. Change in the fair value of plan assets				
Fair value of plan assets as at the beginning of the year/period	55.24	48.19	-	-
Expected return on plan assets	5.19	6.79	-	-
Contribution by the Company	2.95	1.30	-	-
Benefits paid	-	(1.27)	-	-
Actuarial gain/(loss)	(3.57)	0.23	-	-
Fair value of plan assets as at the end of the year/period #	59.81	55.24	-	-
C. Amount recognised in the balance sheet (A - B)				
Short - term provision	30.33	25.79	4.58	4.15
Long - term provision	85.65	84.81	27.08	29.81
D. Expenses recognized in the Statement of Profit and Loss				
Current service cost	11.29	16.48	3.47	6.38
Interest cost	13.36	17.47	2.73	3.21
Expected Return on plan Assets	(5.19)	(6.79)	-	-
Actuarial loss/ (gain)	15.13	4.28	7.94	15.43
Net Cost	34.59	31.44	14.14	25.02
E. Best estimate contribution during the next year				
	23.19	20.44		
F. Actuarial Assumptions				
Discount Rate (Per annum)	8.00%	8.00%	8.00%	8.00%
Future Salary increase	5.00%	5.00%	5.00%	5.00%
Expected Rate of return on plan assets	9.40%	9.40%	-	-
Mortality table	IALM (2006-08)	LIC (1994-96) duly modified	IALM (2006-08)	LIC (1994-96) duly modified

@ Rs. 115.98 Million (Previous year Rs. 110.60 million) has not been funded.

The plan assets are maintained with Life Insurance Corporation of India Gratuity Scheme. The details of investments maintained by LIC are not made available to the Parent Company and therefore has not been disclosed.

Mawana Sugars Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

G. Net Assets/(Liabilities) in respect of gratuity recognized in the Balance Sheet

As on	30.09.2013	30.09.2012	31.03.2011	30.09.2009	30.09.2008
Present Value of obligation	175.79	165.84	145.45	119.23	109.72
Fair value of plan assets	59.81	55.24	48.19	41.50	37.74
Net Assets/(liability)	(115.98)	(110.60)	(97.26)	(77.73)	(71.98)

Expenses on actuarial (gain)/loss for Benefit obligation and plan assets in respect of gratuity

Period/year ended	30.09.2013	30.09.2012	31.03.2011	30.09.2009	30.09.2008
On Present Value of obligation	11.56	4.51	5.09	(8.87)	(9.05)
On plan assets	3.57	(0.23)	-	-	-

37. Segment reporting

A. Business Segment

Based on the guiding principles given in Accounting Standard (AS) 17 "Segment Reporting" notified in the Companies (Accounting Standards) Rules, 2006, (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs), - the Group's business Segment includes Sugar, Power, Chemical, Distillery and Edible oils (trading of edible oils and soaps).

B. Geographical Segment

Since the Group's activities/operations are primarily within the country and considering the nature of products/services it deals in, the risk and returns are same and as such there is only one geographical segment.

C. Segment accounting policies:

In addition to the significant accounting policies applicable to the business segments as set out in note 2 above, the accounting policies in relation to segment accounting are as under:

a) Segment revenue and expenses:

Segment revenue and expenses are directly attributable to the segments.

b) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

c) Inter segment revenues:

Inter segment revenues between operating segments are accounted for at market price. These transactions are eliminated in consolidation.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

D. Information about business segments

(Rs. Million)

PARTICULARS	Sugar		Power		Chemicals		Distillery		Edible oils		Unallocated		Elimination		Total	
	This year	Previous Period	This year	Previous Period	This year	Previous Period	This year	Previous Period	This year	Previous Period	This year	Previous Period	This year	Previous Period	This year	Previous Period
SEGMENT REVENUE																
External Sales (Net of excise duty)	9,668.72	12,489.23	548.80	683.83	2,165.23	2,943.91	261.03	723.69	584.04	1,042.90	-	11.25	-	-	13,427.82	17,904.81
Inter segment revenue	1,599.65	1,525.55	2,213.05	1,888.14	11.75	6.70	2.85	5.10	-	-	-	-	(3,827.30)	(3,425.49)	-	-
Other Operating Revenues	23.68	102.64	-	-	4.07	14.28	0.50	-	-	-	-	-	-	-	28.25	116.92
Other income	-	-	-	-	-	-	-	-	-	-	103.44	204.12	-	-	103.44	204.12
Total revenue	11,492.05	14,127.42	2,761.85	2,571.97	2,181.05	2,964.89	264.38	728.79	584.04	1,042.90	103.44	215.37	(3,827.30)	(3,425.49)	13,559.51	18,225.65
EBITRESULTS																
Segment results	(1,718.53)	(1,104.68)	942.03	785.81	(44.65)	87.50	56.58	183.16	(18.11)	10.74	(261.95)	(419.72)	-	-	(782.68)	(37.47)
Unallocated income/(expenses) (net of income/expenses)	-	-	-	-	-	-	-	-	-	-	(261.95)	(419.72)	-	-	(261.95)	(419.72)
Operating Profit/(loss)	(1,718.53)	(1,104.68)	942.03	785.81	(44.65)	87.50	56.58	183.16	(18.11)	10.74	(261.95)	(419.72)	-	-	(1,044.63)	(457.19)
Finance Cost	-	-	-	-	-	-	-	-	-	-	908.02	1,238.49	-	-	908.02	1,238.49
Interest income	-	-	-	-	-	-	-	-	-	-	76.79	102.98	-	-	76.79	102.98
Net Profit/(Loss) before tax and exceptional items	(1,718.53)	(1,104.68)	942.03	785.81	(44.65)	87.50	56.58	183.16	(18.11)	10.74	(1,093.18)	(1,555.23)	-	-	(1,875.86)	(1,592.70)
Exceptional item	-	-	-	-	-	-	-	-	-	-	(198.99)	465.53	-	-	(198.99)	465.53
Net Profit/(Loss) before tax	(1,718.53)	(1,104.68)	942.03	785.81	(44.65)	87.50	56.58	183.16	(18.11)	10.74	(894.19)	(2,020.76)	-	-	(1,676.87)	(2,056.23)
Tax expenses	-	-	-	-	-	-	-	-	-	-	19.49	(18.99)	-	-	19.49	(18.99)
Net Profit/(Loss) after tax	(1,718.53)	(1,104.68)	942.03	785.81	(44.65)	87.50	56.58	183.16	(18.11)	10.74	(913.69)	(2,001.77)	-	-	(1,696.36)	(2,036.24)
Minority interest	-	-	-	-	-	-	-	-	-	-	(8.68)	0.68	-	-	(8.68)	0.68
Net Profit/(Loss) after tax and minority interest	-	-	-	-	-	-	-	-	(18.11)	10.74	(905.00)	(2,002.45)	-	-	(1,667.88)	(2,039.92)
OTHER INFORMATION																
As at 30.09.2013	As at 30.09.2012	As at 30.09.2013	As at 30.09.2012	As at 30.09.2013	As at 30.09.2012	As at 30.09.2013	As at 30.09.2012	As at 30.09.2013	As at 30.09.2012	As at 30.09.2013	As at 30.09.2012	As at 30.09.2013	As at 30.09.2012	As at 30.09.2013	As at 30.09.2012	As at 30.09.2013
A. ASSETS																
Segment assets	4,586.98	4,194.01	1,965.40	2,111.59	1,063.36	1,030.60	745.78	549.78	-	122.62	-	-	-	-	8,361.52	8,008.60
Unallocated assets	-	-	-	-	-	-	-	-	-	-	540.01	1,025.03	-	-	540.01	1,025.03
Total Assets	4,586.98	4,194.01	1,965.40	2,111.59	1,063.36	1,030.60	745.78	549.78	-	122.62	540.01	1,025.03	-	-	8,901.53	9,033.63
B. LIABILITIES																
Segment liabilities	3,139.78	2,765.13	10.90	45.17	176.50	174.09	55.89	33.62	-	72.34	-	(436.32)	-	-	3,383.07	3,090.35
Share capital/reserves and surplus	-	-	-	-	-	-	-	-	-	-	(2,060.25)	62.90	-	-	(2,060.25)	(436.32)
Share application money pending allotment	-	-	-	-	-	-	-	-	-	-	-	19.31	-	-	-	19.31
Minority interest	-	-	-	-	-	-	-	-	-	-	7,020.26	5,710.80	-	-	7,020.26	5,710.80
Borrowings	-	-	-	-	-	-	-	-	-	-	558.45	588.59	-	-	558.45	588.59
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	5,518.46	5,943.28	-	-	5,518.46	5,943.28
Total Liabilities	3,139.78	2,765.13	10.90	45.17	176.50	174.09	55.89	33.62	-	72.34	5,518.46	5,943.28	-	-	8,901.53	9,033.63
C. OTHERS																
Capital expenditure	33.15	62.11	5.49	8.17	9.96	2.62	11.02	-	-	0.14	0.62	2.27	-	-	-	-
Depreciation	206.62	316.35	153.08	232.61	115.07	172.58	26.87	40.04	0.12	0.16	2.69	4.71	-	-	-	-

Mawana Sugars Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

38. There are various issues relating to sales tax, income tax etc. arisen / arising out of the reorganisation arrangement of DCM Limited which will be settled and accounted for in terms of the Scheme of Arrangement of DCM Limited and memorandum of understanding between all the companies involved as and when the liabilities/benefits are fully determined.
In the opinion of the management, having regard to the current status of the assessment proceedings at various stages and since no demand has been received by the Parent Company on this account, the effect of these matters on the accounts, though not determinable at this stage, are not expected to be significant.
39. Earnings per share:

		Year ended September 30, 2013	18 months ended September 30, 2012
(Loss) after tax	Rs. Million	(1687.68)	(2039.92)
Weighted average number of equity shares outstanding	No.	38,750,955	34,955,619
Basic and diluted earnings/(loss) per share in rupees (face value – Rs. 10 per share)	Rs.	(43.55)	(58.36)

40. Related party disclosures under Accounting Standard 18
Name of related party and nature of related party relationship
Key Management Personnel:
Mr. Siddharth Shriram – Chairman and Managing Director
Mr. K.P. Singh – Whole Time Director (deceased on April 20, 2011)
Mr. A. K. Mehra – Whole Time Director
Mr. Sunil Kakria – Managing Director (resigned w.e.f. August 1, 2013)
Enterprises over which key management personnel have significant influence:
Usha International Limited (holding company upto June 20, 2013)
Mawana Foods Limited (cease to subsidiary of the company w.e.f. June 29, 2013)
Details of Related Party Transactions:

(Rs. million)

		Year ended September 30, 2013	18 months ended September 30, 2012
A) Key Management personnel and their relatives			
Remuneration to key management personnel:			
Mr. Siddharth Shriram		6.25	9.10
Mr. A.K. Mehra		10.54	15.10
Mr. K.P.Singh		-	0.38
Mr. Sunil Kakria		17.33	26.78
B) Enterprises over which key management personnel have significant influence			
Usha International Limited			
Expenses recovered		5.42	11.22
Expenses reimbursed		5.99	4.68
Reimbursement of ERP expenses		3.64	5.99
Miscellaneous purchases		1.01	17.70
Rent paid		21.31	33.06
Miscellaneous income		-	6.36
Royalty paid		9.15	13.28
Sale of 3,130,000 (previous period Nil) equity shares of Mawana Foods Limited at a price of Rs. 26.12 per share		81.76	-
Purchase of Nil (previous period 259,667) equity shares of Rs. 100 each fully paid up of Siel Infrastructure & Estate Developers Private Limited at price of Rs. 68.35 per share		-	17.75
Share application money received for issue of Nil (previous period 4,160,053) equity shares of Rs. 10 each at a premium of Rs. 5.12 per share		-	62.90
Issue of 4,160,053 (previous period Nil) equity shares of Rs. 10 each fully paid up at a premium of Rs. 5.12 per share		62.90	-
Balances outstanding included under :			
Loans and advances		6.78	6.78
Trade payables/ Loans and advances taken		7.99	38.56
Share application money pending allotment		-	62.90
Mawana Foods Limited			
Sale of goods		94.94	-
Interest received		0.72	-
Expenses reimbursed		0.69	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Expenses recovered	4.69	-
Miscellaneous purchases	0.02	-
Balances outstanding included under :		
Guarantee given by the Company	70.00	-
Loans and advances	3.75	-
Trade payables/ Loans and advances taken	7.99	-
Trade receivables	55.86	-

41. Foreign currency exposures that are not hedged by derivative instruments or otherwise is as follows:

Particulars	As at September 30, 2013		As at September 30, 2012	
	Amount in foreign currency (million)	Amount in (Rs./ million)	Amount in foreign currency (million)	Amount in (Rs./ million)
Trade payables	-	-	0.04 GBP	3.43
Advance from customers	-	-	0.64 US \$	33.79

42. Directors' Remuneration* (Rs. million)

	Year ended 30.09.2013	18 Months ended 30.09.2012
Salaries and allowances	29.49	44.94
Contribution to provident and other funds	2.70	4.12
Value of perquisites	1.93	2.30
Directors fees	0.29	0.43

*Does not include contribution to gratuity fund and provision for compensated absence, since the same are paid/ determined for the Company as a whole. Includes:

- (i) Rs.10.35 million, paid to ex-managing director of the Parent Company, is subject to approval of the shareholders in the ensuing general meeting.
- (ii) The remuneration paid to Chairman and Managing Director of the Parent Company exceeds the limit prescribed under the Companies Act, 1956 by Rs.6.02 million. The Parent Company has filed an application with the central government to obtain necessary approval and is confident of receiving the same in due course.
43. SFSL has severely curtailed its operations due to paucity of funds and adverse market conditions. The management is negotiating with certain parties for realizing some of the assets and is hopeful of generating funds for this business. In view of this, the accounts of the SFSL have been prepared on a going concern basis.
44. Pursuant to MOU signed with Government of Punjab, as at the close of the period, SIEL-IE had possession of 455.32 acres (Previous period 455.32 acres) of land, which had been conveyed in the name of the SIEL-IE. The land of 58.01 acres which was under litigation has been denotified in previous financial year, against which the SIEL-IE has deposited an amount of Rs.13.28 Million (Previous period Rs.13.28 Million), which had been shown as recoverable under 'Short Term Loans and Advances' (Note 19). Accordingly, the SIEL-IE is now in a position to undertake the development of the land in synchronization with the evolving needs of the State and customer interest, as earlier envisaged. The MOU mandates the development of the estate within ten years of receiving the unencumbered possession of the land. The Additional District Judge, Patiala has, vide Order dated 12.11.2005, enhanced an amount of Rs. 30,000 per acre in the basic land price compensation. Further, compensation for Abadi land, Loss of Income, Superstructures, trees, etc has also been granted. SIEL-IE has filed an appeal against the above Order in the Punjab & Haryana High Court in April 2006, which is pending. The Collector, Land Acquisition has confirmed a total liability of Rs. 71.60 Million (Previous period Rs.71.60 Million) towards the said enhancement and the SIEL-IE has deposited this entire enhanced amount with the Additional District Judge, Patiala. Suitable adjustment entries in this regard have been made in the books of account of the SIEL-IE. The legal challenges on 58.01 acres of land deterred potential customers and therefore the development of the land. These legal challenges were finally overcome and the unencumbered possession of the land has been achieved on October, 2011 upon final conclusion of all pending legal cases in the Punjab and Haryana Court in relation to the said land. Accordingly, the Company is now in a position to undertake the development of the land in synchronization with the evolving needs of the State and customer interest, as earlier envisaged. The MOU mandates the development of the estate within ten years of receiving the unencumbered possession of the land.
45. The State Government has exempted SIEL-IE from all the provisions of Punjab Apartment and Property Regulation Act, 1995 'PAPRA' subject to the terms and conditions as stated in Notification No. 2/14/2000-2HG(2)/895 dated 12.2.2004 and 2/14/2000-2HG(2)/3395-98 dated 25.5.2004.
46. As per the accounting policy of the SIEL-IE, inventories are valued at lower of cost or estimated realisable value. During the previous period ended March 31, 2011, as the estimated realizable value of land was higher than cost, the SIEL-IE valued its inventories at cost Rs. 222.11 million which is inclusive of enhanced compensation as per the Order of Additional District Judge, Patiala referred to in Note 44 above. For the current period, in view of the current prevailing market condition, the value indicated by the valuer is higher than the cost, hence, SIEL-IE valued its inventories at cost.
47. Operating lease:
- As lessee
Lease rentals charge to revenue for right to use the following assets:

Mawana Sugars Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(Rs. million)

	Current Year	Previous Period
Chlorine cylinders	20.77	22.62
Office Premises, Residential Flats etc.	34.30	40.55

The agreements have been executed for a period upto 9 years with a renewal/termination clause.
Future minimum lease payable:

(Rs. million)

	Current Year	Previous Period
Not later than one year	-	3.11
Later than one year and not later than five years	-	-

48. The Parent Company has facilitated Agri loans from Punjab National Bank (Bank) to the farmers who supply sugarcane to the Parent Company. These loans were distributed to the farmers through an Escrow Account operated by the Parent Company. The Parent Company has facilitated repayment of loans by the farmers to the Bank against the payments to be made to them against supply of sugarcane to the Parent Company. A sum of Rs. Nil and Rs. 57.54 million has been lying in Escrow Account as on September 30, 2013 and September 30, 2012 respectively.
49. (a) The Parent Company had in an earlier year accounted for cane purchases for crushing season 2007-08 at a price of Rs. 110 per quintal in terms of the interim order passed by the Hon'ble Supreme Court as against the State Advised Price of Rs. 125 per quintal. Pursuant to Hon'ble Supreme Court's order dated January 17, 2012, the differential cane liabilities of Rs. 465.53 million had been accounted for during the previous period as an exceptional item and the same have been paid on April 16, 2012.
(b) During the current year the Parent Company has sold 31,30,000 equity shares of Rs. 10/- fully paid up (65.03% of paid up capital) held by it in Mawana Foods Limited (MFL), a subsidiary of the Parent Company at a price of Rs. 26.12 per share to Usha International Limited (UIL) for a total consideration of Rs. 81.76 million. Consequently, MFL ceased to be subsidiary of the Parent Company w.e.f. June 29, 2013 and the Company has recognized a profit of Rs. 61.88 million. The Parent Company has also sold its entire investments in Ceratizit India Private Limited (CIPL) i.e. 2,300,000 equity shares of Rs. 5/- each for a total consideration of Rs. 160 million and profit of Rs. 137.00 million has been recognized.
50. A Memorandum of Understanding (MOU) was signed between the Parent Company and Government of Punjab in 1993 for setting up an Industrial Estate in Punjab. Siel Industrial Estate Limited (Siel - IE) was incorporated in an earlier year as a wholly owned subsidiary of the Parent Company for setting up the Industrial Estate. The clear and un-encumbered title and possession of the land for the aforesaid Industrial Estate came to Siel IE in October, 2011 and now Siel - IE holds approximately 455 acres of land at Rajpura, Punjab.
The Parent Company, Siel - IE and Siel Infrastructure and Estate Developers Private Limited (Siel - IED), which was acquired, and consequently, became a wholly owned subsidiary of the Company during the financial year 2011-12, had entered into a Joint Development Agreement for the development of the Industrial Estate. During the financial year 2011-12, the Parent Company had sold 13,475,000 equity shares of Rs. 10/- each of Siel - IE to Siel - IED for a consideration aggregating to Rs. 1350.20 million, as determined through an independent valuation of Siel - IE. The consideration was received by the Parent Company in the form of 13,501,950 equity shares of Rs. 100/- each fully paid up of Siel - IED. Accordingly, the Parent Company had recognized a profit of Rs. 1215.45 million in the Statement of Profit and Loss as an exceptional item. In the Auditors' report on the Parent Company's financial statements for the period ended September 30, 2012, the Auditors' had qualified their report regarding the recognition of a profit of Rs. 1215.45 million by the Parent Company on the non-monetary transfer of shares held in Siel - IE on the grounds that the profit represents surplus arising out of recognition of the fair value of Siel - IE shares exchanged for the additional shares acquired in Siel - IED without dilution in the Parent Company's control over Siel - IE, as both entities were under common control of the Parent Company.
During the current year ended September 30, 2013, in order to give effect to the Statutory Auditors' qualification as stated above, the profit of Rs. 1215.45 million has been eliminated from the value of the investments held by the Parent Company in Siel-IED and the corresponding loss of Rs. 1215.45 million has been charged as a prior period adjustment in the Statement of Profit and Loss.
However, in view of the consolidation procedures as enunciated in AS-21 "Consolidated Financial Statements", there is no impact of these entries in the consolidated financial statements of the Group.
51. During the year ended on September 30, 2013, there has been an inter-se transfer of equity shares of the Parent Company, wherein Usha International Limited (UIL) has transferred 25,977,735 equity shares of Rs. 10 each (66.41% of the paid up capital) at a price of Rs. 10 per share to Mr. Siddharth Shriram, promoter of the Parent Company. Consequently the Parent Company ceased to be the subsidiary of UIL w.e.f. June 20, 2013. The Board of Directors in its meeting held on August 13, 2013 has taken cognizance that UIL ceased to be a Promoter of the Parent Company.
52. Pursuant to judgment dated 10.5.1996 passed by the Hon'ble Supreme Court of India in a public interest litigation the Parent Company surrendered 46.58 acres of land to the Delhi Development Authority ('DDA') and dedicated it exclusively for the development of green belt and open spaces. Consequently, the Parent Company is no longer in physical possession of 46.58 acres owned by it.
The Parent Company had filed a Review Petition in the Hon'ble Supreme Court of India challenging the order of surrender of land to the DDA. During the pendency of this Review Petition, the DDA leased out some portion of the land surrendered by the Parent Company to Delhi Metro Rail Corporation ('DMRC'). The Parent Company filed an application before the Hon'ble Supreme Court of India in the pending Review Petition against the leasing of land by DDA to DMRC as this was contrary to the purpose for which the Parent Company has surrendered and dedicated the land. Although the Hon'ble Supreme Court of India dismissed the aforesaid Review Petition by order dated 25.3.2010 but on the Parent Company's application against the leasing of land by DDA to DMRC stated and directed as follows : "...the DDA which holds the surrendered and dedicated land in Trust cannot use it for any purpose other than as green belt or other spaces for the benefit of the community...In the event of any acquisition or development of surrendered land, the owner - dedicator will have the benefit of compensation on account of land ceasing to be 'land dedicated to the community purpose of lung/open space...' when such acquisition/alienation takes place, DDA and the land owner will be entitled to share the compensation at 50% each."
In view of the aforesaid judgment, benefits earned by DDA from the surrendered land are to be shared equally with the Parent Company.
53. The current financial year is for a period of twelve months from October 01, 2012 to September 30, 2013 whereas the corresponding previous period figures were for a period of eighteen months from April 01, 2011 to September 30, 2012.
Therefore, the corresponding figures of previous period are not directly comparable with those of current year.
54. Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosures.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

55 Financial information of Subsidiary Companies are as under:

	Siel Industrial Estate Limited		Siel Financial Services Limited		Mawana Foods Limited # #		Siel Infrastructure & Estate Developers Private Limited #	
	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million	As at 30.09.2013 Rs. Million	As at 30.09.2012 Rs. Million	As at 30.09.2012 Rs. Million	As at 30.09.2012 Rs. Million
Share Capital	276.55	276.55	186.23	186.23	-	48.13	1,376.16	1,376.16
Reserves and Surplus	(15.78)	(16.68)	(222.89)	(205.36)	-	7.07	(9.70)	(9.59)
Total Assets	262.46	260.98	16.14	34.31	-	162.13	1,366.50	1,367.96
Total Liabilities	262.46	260.98	16.14	34.31	-	162.13	1,366.50	1,367.96
Turnover	13.19	1.29	0.81	0.27	832.17	1,570.24	0.02	-
Profit / (Loss) before taxation	0.82	(1.92)	0.17	(0.99)	(24.74)	(1.18)	(0.11)	(1.36)
Provision for taxation	(0.08)	0.15	17.70	-	-	0.02	-	-
Profit / (Loss) after taxation	0.90	(2.07)	(17.53)	(0.99)	(24.74)	(1.20)	(0.11)	(1.36)
	Year ended 30.09.2013 Rs. Million	18 Months ended 30.09.2012 Rs. Million	Year ended 30.09.2013 Rs. Million	18 Months ended 30.09.2012 Rs. Million	Year ended 30.09.2013 Rs. Million	18 Months ended 30.09.2012 Rs. Million	Year ended 30.09.2013 Rs. Million	Period from 13.09.2012 to 30.09.2012 Rs. Million

Became subsidiary w.e.f. September 13, 2012

Cease to be subsidiary w.e.f. June 29, 2013

Signatures to Notes 1 to 55

SIDDHARTH SHRIRAM
Chairman and Managing Director

A.K. MEHRA
Whole Time Director

DINESH MOHAN
RAVI VIRAJ GUPTA
Directors

D.C. POPLI
Sr. General Manager (Accounts)

NAVEEN JAIN
Company Secretary

Date : 21st November, 2013
Place : New Delhi



Mawana Sugars Limited

STATEMENTS PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

S.No.	NAME OF THE SUBSIDIARY	SIEL INDUSTRIAL ESTATE LIMITED	SIEL FINANCIAL SERVICES LIMITED	MAWANA FOODS LIMITED	SIEL INFRASTRUCTURE & ESTATE DEVELOPERS PRIVATE LIMITED
1.	Financial year of the subsidiary	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
2.	Extent of holding company's interest in the subsidiary (as on March 31, 2013)				
	- Number of shares	27,654,691 Equity shares of Rs.10 each fully paid-up	11,343,752 Equity shares of Rs. 10 each fully paid-up. 730,000 Preference shares of Rs.100 each fully paid-up.	4,813,436 Equity shares of Rs.10 each fully paid-up	13,761,617 Equity shares of Rs.100 each fully paid-up
	- % holding (equity)	100% #	93.56%	65.03%	100%
	- % holding (preference)	-	100%	-	-
3.	Net aggregate amount of subsidiary's profits/ losses so far as they concern members of the holding company and not dealt with in the holding company's accounts.				
	i) For subsidiary's financial year	(-) Rs. 2.61 million	(-) Rs. 17.62 million	(-) Rs. 12.88 million	(-) Rs. 91.08 million
	ii) For subsidiary's previous financial years since it became subsidiary	(-)Rs. 28.25 million	(-) Rs. 210.14 million	(-) Rs. 16.08 million	Not applicable
4.	Net aggregate amount of subsidiary's profits/ losses so far as they concern members of the holding company and dealt with in the holding company's accounts.				
	i) For subsidiary's financial year	-	-	-	-
	ii) For subsidiary's previous financial year since it became subsidiary	-	-	-	-
5.	Change in the interest of holding company between the end of subsidiary's financial year and the end of holding company's financial year.	-	-	Refer Note 1 below	-
6.	Material changes between the end of subsidiary's financial year and the end of holding company's financial year.				
	i) Fixed assets	-	-	-	-
	ii) Investments	-	-	Refer Note 1 below	-
	iii) Monies lent by the subsidiary	-	-	-	-
	iv) Monies borrowed by the subsidiary other than for meeting current liabilities.	-	-	-	-
7.	Additional Information				
	i) Paid up capital	Rs. 276.55 million	Rs. 186.23 million	Rs. 48.13 million	Rs. 1376.16 million
	ii) Reserves	Rs. (16.91) million	Rs. (222.71) million	Rs. (2.29) million	Rs. (9.70) million
	iii) Total Assets	Rs. 262.97 million	Rs. 16.23 million	Rs.186.00 million	Rs. 1366.51 million
	iv) Total liabilities	Rs. 3.33 million	Rs. 52.71 million	Rs. 140.19 million	Rs. 0.05 million
	v) Miscellaneous Expenditure (To the extent not written off or adjusted)	-	-	-	-
	vi) Details of investments (Except in case of investments in subsidiaries)	-	295,700 equity shares of Rs 10/- each of MSD Industrial Enterprises Limited Costing Rs 10,822,620/- *	-	1,192 equity shares of Rs. 10/- each of Mawana Sugars Limited (holding company).
			54 equity shares of Rs 10/- each of SFSL Investments Limited Costing Rs 540/- *		
	vii) Turnover	Rs. 10.12 million	Rs. 0.83 million	Rs.997.15 million	-
	viii) Profit before taxation	Rs. (2.61) million	Rs. 0.07 million	Rs. (12.83) million	Rs. (9.11) million
	ix) Provision for taxation	-	Rs. 17.70 million	Rs. 0.05 million	-
	x) Profit after taxation	Rs. (2.61) million	Rs. (17.62) million	Rs. (12.88) million	Rs. (9.11) million
	xi) Proposed dividend	-	-	-	-

Notes:

- 1 Ceased to be subsidiary of the Company w.e.f. June 29, 2013.
13,629,691 equity shares (49.29%) are held by Siel Infrastructure & Estate Developers Private Limited.
* These investments are fully provided in the books of account.

SIDDHARTH SHRIRAM
Chairman and Managing Director
A.K. MEHRA
Whole Time Director
DINESH MOHAN
RAVI VIRI GUPTA
Directors

Date : 21st November, 2013
Place : New Delhi

NAVEEN JAIN
Company Secretary

D.C. POPLI
Sr. General Manager (Accounts)

Mawana Sugars Limited

REGD. OFFICE: 5th Floor, Kirti Mahal, 19, Rajendra Place, New Delhi-110125



ADMISSION SLIP

PLEASE COMPLETE THE ADMISSION SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING

Folio No./DP ID/Client ID	No. of Share(s)
Name and Address:	

I HEREBY RECORD MY PRESENCE AT THE 50th ANNUAL GENERAL MEETING OF MAWANA SUGARS LIMITED ON MONDAY, THE 16th DECEMBER, 2013 AT 11.30 A.M. AT KAMANI AUDITORIUM, 1, COPERNICUS MARG, NEW DELHI – 110001.

SIGNATURE OF THE SHAREHOLDER/PROXY

- Notes:
- Shareholders who come to attend the meeting are requested to bring their copies of the Annual Report with them.
 - Shareholders having any queries on accounts are requested to send them 10 days in advance of the date of Annual General meeting to the Company to enable it to collect the relevant information.
 - This Admission Slip is valid only in case shares are held on the date of this AGM.
 - No duplicate attendance slip will be issued at the attendance counter. If required, same may be obtained from the registered office of the company before the date of the meeting.

----- Please tear here -----

Mawana Sugars Limited

REGD. OFFICE: 5th Floor, Kirti Mahal, 19, Rajendra Place, New Delhi-110125



PROXY FORM

L.F.No. _____

No. of Shares Held _____

DP. Id _____

Client Id. _____

I/We.....
of
(write full address)
being a member/members of Mawana Sugars Limited appoint Mr./Mrs.....
of.....
(write full address)
.....or failing him/her Mr./Mrs.....
of as my/our proxy
(write full address)

to attend and vote for me/us on my/our behalf at the 50th Annual General Meeting of the Company to be held on Monday, the 16th December, 2013 and at any adjournment thereof.

Signed thisday of2013.

Signature



- Notes :
- The Proxy Form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the time of the meeting.
 - Please mark the envelope 'MSL – PROXY'

BOOK-POST

To,



If undelivered, please return to:

Mawana Sugars Limited

Regd. Office: 5th Floor, Kirti Mahal, 19, Rajendra Place, New Delhi-110125

Phone: 011-25739103, Fax: 011-25743659

E-mail : corporate@mawanasugars.com

Website: www.mawanasugars.com