46th ANNUAL REPORT

2007-2008

(18 Months)

MAWANA SUGARS LIMITED

(Formerly known as Siel Limited)

Mawana Sugars Limited
(Formerly known as Siel Limited)

BOARD OF DIRECTORS

Mr. Bedi R.S.	
Ms.Dutt Anuradha	
Mr. Gupta Ravi Vira	
Mr. Goila N.K.	
Mr. Kakria Sunil	– *Managing Director*
Mr. Mehra A.K.	– *Whole-time Director*
Mr. Mittal D.C.	
Prof. Mohan Dinesh	
Mr. Shriram Siddharth	– *Chairman and Managing Director*
Mr. Singh K.P.	– *Whole-time Director*

COMPANY SECRETARY
Mr. Khurana Amit

AUDITORS
A.F. Ferguson & Co.
Scindia House,
New Delhi - 110 001

BANKERS
State Bank of India
State Bank of Hyderabad
State Bank of Travancore
State Bank of Mysore
Punjab National Bank
Axis Bank Ltd.

REGISTERED OFFICE
5th Floor, Kirti Mahal,
19, Rajendra Place,
New Delhi-110 125

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

REGISTRAR & SHARE TRANSFER AGENT
Mas Services Ltd.
T-34, Okhla Industrial Area, Phase - II
New Delhi – 110 020
Phone No. : 011-26387281-83, Fax: 011-26387284
Website : www.masserv.com
E-mail :- info@masserv.com

NOTICE

Notice is hereby given that the 46th Annual General Meeting of the members of Mawana Sugars Limited will be held as scheduled below:

Day : Wednesday

Date : 18.02.2009

Time : 11.00 A.M.

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

to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 30th September, 2008 (18 months) and the Profit and Loss Account of the Company for the financial period ended on that date together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Prof. Dinesh Mohan, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. N.K. Goila, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

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

SPECIAL BUSINESS:

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

   "Resolved that Mr. Ravi Vira Gupta who was co-opted as an Additional Director on the Board of the Company under Section 260 of the Companies Act, 1956 and Article 86 of the Articles of Association of the Company and who holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing, pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director, be and is hereby appointed as a Director of the Company."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   "Resolved that Ms. Anuradha Dutt who was co-opted as an Additional Director on the Board of the Company under Section 260 of the Companies Act, 1956 and Article 86 of the Articles of Association of the Company and who holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing, pursuant to Section 257 of the Companies Act, 1956 proposing her candidature to the office of Director, be and is hereby appointed as a Director of the Company."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   "Resolved that Mr. Sunil Kakria who was co-opted as an Additional Director on the Board of the Company under Section 260 of the Companies Act, 1956 and Article 86 of the Articles of Association of the Company and who holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing, pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director, be and is hereby appointed as a Director of the Company."
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

   "Resolved that pursuant to the provisions of Sections 198, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or modification thereof and subject to the approval of Central Government, if required, and such other approvals and sanctions as may be necessary in this regard, consent of the Company be and is hereby accorded to the increase in the reimbursement of Medical Expenses incurred/to be incurred for self & family by Mr. K.P. Singh, Whole Time Director of the Company from Rs.75,000/- per annum to actuals subject to a limit of Rs.5,00,000/- per annum w.e.f. 1.4.2008 till the remaining period of his tenure of appointment i.e. upto 19.5.2012."
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

   "Resolved that pursuant to the provisions of Sections 198, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or modification thereof and subject to the approval of Central Government and such other approvals and sanctions as may be necessary in this regard, consent of the Company be and is hereby accorded to the increase in the monthly remuneration (CTC) of Mr. Sunil Kakria, Managing Director of the Company from Rs.8,32,875/- p.m. to Rs.9,57,806/- p.m. w.e.f. 1.10.2008."

NOTICE (Contd.)

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

"Resolved that pursuant to the provisions of Sections 198, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or modification thereof and subject to the approval of Central Government and such other approvals and sanctions as may be necessary in this regard, consent of the Company be and is hereby accorded to the increase in the monthly remuneration (CTC) of Mr. A.K. Mehra, Whole Time Director of the Company from Rs.5,00,000/- p.m. to Rs.5,55,000/- p.m. w.e.f. 1.10.2008."

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

Place: New Delhi
Dated: 26.12.2008

(AMIT KHURANA)
COMPANY SECRETARY

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 various Stock Exchanges, regarding the Directors who are proposed to be appointed/re-appointed and the Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 are enclosed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 17.02.2009 to 18.02.2009 (both days inclusive).
4. In compliance of SEBI requirements, Mas Services Limited has been appointed the Registrar and Share Transfer Agent of the Company, who handle share transfer work in Physical as well as in Electronic Form and other related activities at the following address:

   Mas Services Ltd.
   T-34, Okhla Industrial Area,
   Phase - II
   New Delhi – 110 020
   Ph :- 26387281/82/83
   Fax :- 26387384
   Website : www.masserv.com
   e-mail :- info@masserv.com
5. Members are requested to notify immediately any change in their address to Mas Services Ltd., quoting their folio numbers/ DP ID/Client ID etc.
6. Documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days (Monday to Friday) between 11.00 A.M. and 1.00 P.M. upto the date of Annual General Meeting and will also be available for inspection at the meeting.
7. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
8. 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.
9. Pursuant to provisions of Section 205A(5) of the Companies Act, 1956, the amount of dividend upto the Financial Year 1996-97, which remained unpaid or unclaimed for a period of 7 years from the date of transfer to unpaid dividend account of the Company has been transferred to the Investor Education and Protection Fund, established by the Central Government. No claim lie against the Company or the said Fund in respect of the dividend so transferred to the Fund and no payment shall be made in respect of any such claim.

   Members who have not yet received dividend for the financial year ended 31.3.2006, may write to the Company, at its Registered Office.
10. 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.
11. 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) at the following address:

    Mas Services Ltd.
    T-34, Okhla Industrial Area,
    Phase - II
    New Delhi – 110 020
    Ph :- 26387281/82/83
    Fax :- 26387384
    Website : www.masserv.com
    e-mail :- info@masserv.com

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** : Prof. Dinesh Mohan

Age : 63 years

Qualifications : Ph.D. and M.S. in Bioengineering, M.S. in Mechanical and Aerospace Engineering, B.Tech (Hons.) in Mechanical Engineering.

No. of Shares held in the Company : Nil

Expertise : Prof. Dinesh Mohan is Henry Ford Professor for Biomechanics and Transportation Safety and Co-ordinator of the Transportation Research and Injury Prevention Programme at the Indian Institute of Technology (IIT), Delhi.

He is member of the WHO Advisory panel on Accident Prevention. He serves on the editorial board of an international journal. Professor Mohan has been a consultant on safety related matters to government departments in India, Nepal, Indonesia, Thailand, Bangladesh, Iraq and Libya and many automotive industrial houses.

He is also a recipient of many prestigious awards.

Outside Directorships : **Director**

- EG Gas Limited

Chairmanship/Membership of the Board Committees

Mawana Sugars Limited :	- Audit Sub-Committee	- Chairman
	- Shareholders/Investors Grievance/Share Transfers Committee	- Chairman
	- Remuneration Committee	- Member

2. **Name** : Mr. N.K. Goila

Age : 61 years

Qualifications : B.Tech (Mechanical Engg) from IIT Delhi. MBA from Faculty of Management Studies, University of Delhi

No. of Shares held in the Company : NIL

Expertise : Mr. N.K. Goila is associated with the Group for more than 40 years. He has worked in various areas of Management and has made significant contributions to the Japanese Joint Ventures of the Company. He served as Vice President & Director of Honda Siel Cars India Limited. Presently he is a Director and Advisor of Usha International Limited.

Outside Directorships : **Director**

- Usha International Limited

Chairmanship/Membership of the Board Committees

Usha International Ltd. :	- Audit Sub-Committee	- Member
Mawana Sugars Limited :	- Audit Sub-Committee	- Member

3. **Name** : Mr. Ravi Vira Gupta

Age : 71 years

Qualifications : IAS (Retired)

No. of shares held in the Company : Nil

Expertise : Mr. Ravi Vira Gupta is a retired IAS Officer and has held various positions at various levels in Govt. of Madhya Pradesh as well as Government of India. He was Secretary to the Govt. of India in the Ministry of Food as well as Secretary, Banking in the Ministry of Finance. He also served as Dy. Governor with the Reserve Bank of India.

Mr. Ravi Vira Gupta is Director on the Board of some Companies and is also actively connected with various institutions promoting education and culture.

Outside Directorships	:	**Director** - Goodyear India Limited - DCM Engineering Limited - Delhi Safe Deposit Co. Limited - Honda Siel Power Products Ltd.	
Chairmanship/Membership of the Board Committees			
Goodyear India Limited		- Audit Committee - Investors Grievance Committee	- Chairman - Member
DCM Engineering Ltd.		- Audit Committee	- Member
Honda Siel Power Products Ltd.		- Audit Committee	- Member

4.	**Name**	:	Ms. Anuradha Dutt	
	Age	:	51 years	
	Qualifications	:	Graduated in Law from University of Delhi. LLM from University of Columbia.	
	No. of shares held in the Company	:	Nil	
	Expertise	:	Ms. Anuradha Dutt is an eminent lawyer and is presently engaged in legal practice in the High Court and Supreme Court with over 26 years of experience in the area of Corporate Laws.	
	Outside Directorships	:	**Director** - Software Data (India) Pvt. Ltd. - Lexnovum Consultaire Pvt. Ltd. - Morriset Consultants Pvt. Ltd.	
	Chairmanship/Membership of the Board Committees	:	Nil	

5.	**Name**	:	Mr. Sunil Kakria	
	Age	:	51 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. He has rich professional experience in the fields of Operations, Projects and Marketing (Domestic and International).	
	Outside Directorships	:	Nil	
	Chairmanship/Membership of the Board Committees			
	Mawana Sugars Limited		- Shareholders/Investors Grievance/ Share Transfers Committee - Legal Sub-Committee	- Member - Chairman

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

ITEM NO. 5

Mr. Ravi Vira Gupta was co-opted as an Additional Director on the Board of the Company w.e.f. 30.10.2007. He holds office upto the date of this Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the candidature of Mr. Ravi Vira Gupta for the office of Director of the Company.

Mr. Ravi Vira Gupta is a retired IAS Officer and has held various positions at various levels in Govt. of Madhya Pradesh as well as Government of India. He was Secretary to the Govt. of India in the Ministry of Food as well as Secretary, Banking in the Ministry of Finance. He also served as Dy. Governor with the Reserve Bank of India.

The Board of Directors considers that continuance of Mr. Ravi Vira Gupta on the Board will be beneficial to the Company and recommends the resolution for your approval.

None of the Directors, except Mr. Ravi Vira Gupta, is concerned or interested in the said resolution.

ITEM NO. 6

Ms. Anuradha Dutt was co-opted as an Additional Director on the Board of the Company w.e.f. 30.10.2007. She holds office upto the date of this Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the candidature of Ms. Anuradha Dutt for the office of Director of the Company.

Ms. Anuradha Dutt is an eminent lawyer and is presently engaged in legal practice in the High Court and Supreme Court with over 26 years of experience in the area of Corporate Laws.

The Board of Directors considers that continuance of Ms. Anuradha Dutt on the Board will be beneficial to the Company and recommends the resolution for your approval.

None of the Directors, except Ms. Anuradha Dutt, is concerned or interested in the said resolution.

ITEM NO. 7

Mr. Sunil Kakria was co-opted as an Additional Director on the Board of the Company w.e.f. 12.12.2007. He holds office upto the date of this Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the candidature of Mr. Sunil Kakria for the office of Director of the Company.

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. Mr. Sunil Kakria has rich professional experience in the fields of Operations, Projects and Marketing (Domestic and International).

The Board of Directors considers that continuance of Mr. Sunil Kakria on the Board will be beneficial to the Company and recommends the resolution for your approval.

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

ITEM NO. 8

Mr. K.P. Singh was reappointed as Whole Time Director (WTD) of the Company for a period of 5 years with effect from 20.5.2007. The reappointment and remuneration of Mr. K.P. Singh was approved by the Remuneration Committee of Directors, Board of Directors and the Shareholders of the Company.

As per the terms of appointment, Mr. K.P. Singh was entitled for Medical Allowance of Rs.75,000/- per annum.

Mr. K.P. Singh has served as a Whole Time Director on the Board of the Company for last more than 18 years and has made useful contribution to the working of the Company. Lately, he has not been keeping well and required intensive medical attention.

A request was received from Mr. K.P. Singh seeking increase in his Medical Allowance, to enable him to meet his increased medical expenses.

The Remuneration Committee of Directors and the Board of Directors in their respective meetings held on 29.4.2008 has approved the increase in reimbursement of Medical expenses to Mr. K.P. Singh to actuals subject to a maximum of Rs.5,00,000/- per annum w.e.f. 1.4.2008 till the remaining period of his tenure of appointment i.e. upto 19.5.2012.

Such an increase in reimbursement of Medical Expenses may amount to an increase in his remuneration as approved earlier and will therefore be subject to the approval of the Shareholders of the Company and the Central Government, if required pursuant to the relevant and applicable provisions of the Companies Act, 1956.

Your Directors recommends the resolution for your approval.

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

ITEM NO. 9

Mr. Sunil Kakria was appointed as Managing Director of the Company w.e.f. 7.1.2008 for a period of 5 years by the Board, Remuneration Committee, shareholders of the Company and Central Government.

The remuneration payable to Mr. Sunil Kakria as fixed by the Board has been approved by the Central Government for 3 years i.e. upto 6.1.2011.

It is now proposed to revise the remuneration (CTC) payable to Mr. Sunil Kakria from Rs.8,32,875/- p.m. to Rs.9,57,806/- p.m. w.e.f. 1.10.2008.

The Remuneration Committee of Directors and the Board of Directors in their respective meetings held on 26.12.2008 has approved the increase in remuneration (CTC) per month payable to Mr. Sunil Kakria w.e.f. 1.10.2008.

Such an increase in remuneration (CTC) per month may amount to an increase in his remuneration as approved earlier and will therefore be subject to the approval of the Shareholders of the Company and the Central Government, and such other approvals as may be necessary

NOTICE (Contd.)

in this regard pursuant to the relevant and applicable provisions of the Companies Act, 1956.

Your Directors recommends the resolution for your approval.

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

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

ITEM NO. 10

Mr. A.K. Mehra was appointed as Whole Time Director of the Company w.e.f. 15.10.2007 for a period of 5 years by the Board, Remuneration Committee, shareholders of the Company and Central Government.

The remuneration payable to Mr. A.K. Mehra as fixed by the Board has been approved by the Central Government for 5 years i.e. upto 14.10.2012.

It is now proposed to revise the remuneration (CTC) payable to Mr. A.K. Mehra from Rs. 5,00,000/- p.m. to Rs. 5,55,000/- p.m. w.e.f. 1.10.2008.

The Remuneration Committee of Directors and the Board of Directors in their respective meetings held on 26.12.2008 has approved the increase in remuneration (CTC) per month payable to Mr. A.K. Mehra w.e.f. 1.10.2008.

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

Your Directors recommends the resolution for your approval.

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

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

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

Place : New Delhi
Dated : 26.12.2008

(**AMIT KHURANA**)
COMPANY SECRETARY

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 46th Annual Report along with Audited Accounts of the Company for the 18 months period ended September 30, 2008.

FINANCIAL RESULTS (Rs. Lacs)

Sl. No.	Particulars	Amount	
		30.09.08 (18 months)	31.03.07 (12 months)
1.	Profit / (Loss) before interest, depreciation, exceptional items and tax	212.6	1034.6
2.	Interest	9449.7	20.0
3.	Depreciation	7533.6	1139.0
4.	Profit / (Loss) before tax	(16770.7)	(124.4)
5.	Provision for taxation:		
	- Deferred tax	(144.0)	(243.2)
	- Fringe benefit tax	65.1	9.5
6.	Profit / (Loss) after tax	(16691.8)	109.3

It is important to note that above financials have accounted for two off season repair expenses.

DIVIDEND

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

OPERATIONS

A review of operations of the major businesses of the Company for the 18 months period ended September 30, 2008 is detailed as under:

1. SUGAR DIVISION

All the projects undertaken by the Company to increase the crushing capacity, cogeneration and establishment of State of Art Distillery to produce Ethanol have been completed and fully commissioned. All these plants are performing satisfactorily.

There were no arrears of cane payment at the end of period under report.

The availability of cane is a cause of concern and it is likely to deteriorate further in the current crushing season 2008-09. Agriculturists are calculating their farm economics taking into account the high prices of other food items. Selling prices of sugar which had plummeted in the previous year have somewhat stabilized presently and it is expected that these will remain so in the foreseeable future. These two are important determinants of profitability.

The power produced from co-generation facilities are supplied to State Grid under a long term Power Purchase Agreement. The world class distillery established at Nanglamal can produce 120 KL per day of Ethanol but presently Company does not have any contract for sale of Ethanol to oil marketing companies which entered into three years contracts well before our distillery was commissioned. The distillery is therefore producing rectified spirit which is equally remunerative.

2. CHLOR ALKALI DIVISION

This business has performed well during the period under report. The plant ran at its optimum capacity and the product quality was top grade and very well accepted in the market place. However, this business is also cyclical in nature and is subject to ups and downs indeed we appear to be leading into a down phase owing to the ongoing slow down in virtually all user segments.

Power which is the most significant portion of input cost, is presently sourced from the State Electricity Board. It is desirable to have smooth uninterrupted good quality of power for better quality of end product and therefore possibilities for having own dedicated power plant are being examined.

JOINT VENTURE

CERATIZIT INDIA PVT. LTD. (Formerly Siel Tizit Limited). During the financial year ended February 2008, Ceratizit recorded a total sales income of 524.65 Mio INR as against 432.44 Mio INR last year, an increase of 21%. The net profit of 82.77 Mio INR was made during the year as against 48.27 Mio INR last year, an increase of 71%.

SCHEME OF ARRANGEMENT

The merger of erstwhile Mawana Sugars Limited with Siel Limited and reduction of equity shares of the merged company w.e.f. 1.10.2006 i.e. the Appointed Date has been completed. The name of the Company has been changed to Mawana Sugars Limited w.e.f. 4.1.2008.

SUBSIDIARY COMPANIES

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

DIRECTORS

During the year under review, Mr. P.K. Bhalla, Director of the Company demitted Office as a Director of the Company.

Mr. Sunil Kakria, Mr. Ravi Vira Gupta and Ms. Anuradha Dutt were co-opted as Additional Directors on the Board of your Company during the period under review.

Mr. Sunil Kakria was thereafter appointed as Managing Director of the Company w.e.f. 7.1.2008.

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

AUDITORS

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

AUDITORS' REPORT

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

PARTICULARS OF EMPLOYEES

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;

(ii) that the accounting policies selected and applied are consistent and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial period and of the loss of the company for that period;

(iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

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

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

SHARE REGISTRY ACTIVITIES

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

INFORMATION UNDER LISTING AGREEMENT WITH STOCK EXCHANGES

DEMATERIALISATION OF SHARES

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

As on September 30, 2008, a total of 2,96,83,430 equity shares of the Company, which form 97.09% of the equity share capital, stand dematerialized.

LISTING OF SECURITIES OF COMPANY

The equity shares of your Company continue to be listed on the Bombay Stock Exchange Ltd., Mumbai.

An application for listing of equity shares of the Company have been filed with National Stock Exchange of India Limited.

An application for delisting of equity shares on the Calcutta Stock Exchange has also been filed.

The listing fee for the year 2008-2009 has been paid to the Bombay Stock Exchange Ltd., Mumbai.

INFORMATION UNDER LISTING AGREEMENT FOR GDRs

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Place : New Delhi
Dated : 26.12.2008

(SIDDHARTH SHRIRAM)
Chairman

ANNEXURE - I TO DIRECTORS' REPORT

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

1. **CONSERVATION OF ENERGY:**

   a) **Energy conservation measures taken**

   - Energy audit was conducted at Sugar units by CII to explore energy saving potentials.
   - Installation of VFDs
   - Installation of Servo stabilizer.
   - Replacement of Induced draft fan blades with energy efficient FRP blades of chlorine house cooling tower.
   - Transfer of padding air from pressurized empty tank to filled tank.
   - Chlorine Re-vaporiser Installed for giving chlorine supply to CPW units through pipeline.
   - Wet chlorine mist eliminator replaced.
   - Discharge lines of chlorine compressor interconnected which resulted in lesser loading on compressors.
   - New harmonic filter installed for power factor improvement.
   - Installation of TIC for Cooling towers

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

   - Cell refurbishment
   - Replacing ID fan of Evaporator, Cell house, Rectifier blades, SBP plant cooling tower with energy efficient FRP blades.
   - Insulation improvement in steam piping.
   - Energy efficient motors in place of less efficient motors.
   - Replacement of Chlorine house cooling tower ID fan motor of 50 HP with 30 HP rating.
   - Installation of VFDs.
   - Installation of Pan Auto vacuum control system.
   - Installation of flash steam recovery system.

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

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

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

   As per Form – A

2. **TECHNOLOGY ABSORPTION:**

   a) **Efforts made in technology absorption**

   As per Form – B

3. **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

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

   Export of sugar, caustic flakes & stable bleaching powder.

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

   The information is given in notes to accounts.

FORM–A

(See Rule 2)

Form for disclosure of particulars with respect to Conservation of Energy

A. POWER AND FUEL CONSUMPTION

Sl. No.	PARTICULARS	Period Ended 30.09.08 (18 months)	Year Ended 31.03.07 (12 months)
1.	**ELECTRICITY**		
	A) Purchased		
	• Unit (KWH Lacs)	3260.01	2209.35
	• Total Amount (Rs Million)	1377.54	906.90
	• Rate / Unit (Rs)	4.23	4.10
	B) Own generation		
	(i) Through Diesel generator		
	• Units (KWH Lacs)	4.88	Nil
	• Units per litre of diesel oil	3.27	N.A
	• Cost / Unit (Rs)	9.26	N.A
	(ii) Through steam turbine generator units (KWH Lacs) own generation by burning bagasse.	1424.87	Nil
2.	COAL		
	Used for steam/power generation		
	• Quantity (MT)	Nil	Nil
	• Total cost (Rs Million)	Nil	Nil
	• Average Rate (Rs/MT)	Nil	Nil
3.	**FURNACE OIL**		
	• Quantity (MT)	7636	5399
	• Total cost (Rs Million)	178.07	93.4
	• Average Rate (Rs/MT)	23320	17300
4.	**OTHERS/INTERNAL GENERATION**	Nil	Nil

B. CONSUMPTION PER UNIT OF PRODUCTION

1.	**ELECTRICITY (KWH/MT)**		
	• **CAUSTIC SODA**	2641	2597
	• **SUGAR**	369	N.A.

FORM–B

[See Rule 2]

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

RESEARCH AND DEVELOPMENT

1	Specific areas in which R&D carried out by the Company	• Environment Protection • By-Product Utilization	
2	Benefits derived as a result of above R&D	• Optimization of process parameters • Increase in process efficiency • Improvement in process control • Improvement in quality of sugar	
3	Future plan of action	• Reduction in sugar loss during process • Production of better quality sugar • New Product Development	
4	Expenditure on R&D	**Current Period 01.04.07 – 30.09.08 (18 Months)**	**Previous Year 01.04.06 – 31.03.07 (12 Months)**
	• Capital (Rs. Million)	• Nil	Nil
	• Recurring (Rs. Million)	• 4.36	Nil
	• Total (Rs. Million)	• 4.36	Nil
	• Total R&D expenditure as a percentage of total turnover	• 0.04%	Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1	Efforts, in brief, made towards technology absorption, adaptation and innovation	• Installation of mono vertical crystallizer • Installation of Falling film Evaporator • Installation of VFDs on ACFC for consistent cane feeding • Installation of load balancer at cane cutter for better preparation & power saving • Installation of Thermo-compressor to recover flash steam from exhaust steam condensate • Installation of Refined sugar Plants with technology from Tate & Lyle (UK) – Note This plant was commissioned in Jan 2007
2	Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	The overall advantages are as follows: • Better process control through automation • Steam economy and Bagasse saving • Improved effluent treatment • Reduction in Molasses loss • Production of International grade Sugar (EEC Grade I & II)
3	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished	
	• Technology imported	NIL
	• Year of import	Not Applicable
	• Has technology been fully absorbed?	Not Applicable
	• If not fully absorbed, areas where this has not been taken place, reasons therefore and future plans of action.	Not Applicable

ANNEXURE - II TO DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT FOR THE 18 MONTHS PERIOD ENDED SEPTEMBER 30, 2008

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 firmly 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 10 members. The Board comprises of 4 Executive Directors and 6 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.

The composition of Board of Directors and their attendance at the Board Meetings held during the 18 months period ended September 30, 2008 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	Chairman
1	2	3	4	5	6	7
• Mr. Bedi R.S.	Independent Non-Executive	7	No	NIL	NIL	NIL
• Mr. Bhalla P.K.[1]	Non-Independent Non-Executive	4	Yes	1	1	NIL
• Ms. Dutt Anuradha[2]	Independent Non-Executive	1	N.A.	NIL	NIL	NIL
• Mr. Goila N.K.	Independent Non-Executive	6	Yes	1	2	NIL
• Mr. Gupta Ravi Vira[3]	Independent Non-Executive	3	N.A.	4	3	1
• Mr. Kakria Sunil[4] (Managing Director)	Executive	4	N.A.	NIL	1	NIL
• Mr. Mehra A.K.[5] (Whole Time Director)	Executive	10	No	2	3	NIL
• Mr. Mittal D.C.	Independent Non-Executive	11	Yes	NIL	1	NIL
• Prof. Mohan Dinesh	Independent Non-Executive	9	Yes	1	NIL	2
• Mr. Shriram Siddharth (Chairman and Managing Director)	Executive and Promoter	10	Yes	4	1	1
• Mr. Singh K.P. (Whole Time Director)	Executive	4	No	NIL	NIL	NIL

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

1. *Ceased to be Director w.e.f. 15.10.2007.*
2. *Co-opted as an Additional Director w.e.f. 30.10.2007.*
3. *Co-opted as an Additional Director w.e.f. 30.10.2007.*
4. *Co-opted as an Additional Director w.e.f. 12.12.2007 and appointed as Managing Director w.e.f. 7.1.2008.*
5. *Appointed as Whole Time Director w.e.f. 15.10.2007.*

CORPORATE GOVERNANCE REPORT FOR THE 18 MONTHS PERIOD ENDED SEPTEMBER 30, 2008

(ii) Attendance at Board of Directors Meetings

The Board of the Company met 11 times during the 18 months period ended September 30, 2008. The Company placed before the Board all statutory and other important items recommended by the SEBI committee on Corporate Governance.

Sl. No.	Date	Board Strength	No. of Directors Present
1.	31.05.2007	8	7
2.	31.07.2007	8	6
3.	20.09.2007	8	5
4.	29.09.2007	8	7
5.	26.10.2007	7	4
6.	30.10.2007	7	5
7.	12.12.2007	9	6
8.	24.01.2008	10	6
9.	29.04.2008	10	8
10.	29.04.2008	10	8
11.	28.07.2008	10	7

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 Agreement.

(ii) Composition

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.

The composition of the Committee and their attendance at the Committee meetings held during the 18 months period ended September 30, 2008 are as under:

Member Director	Executive/ Non-Executive	Independent/ Non-Independent	No. of Meetings Attended (Total meetings held 6)
• Mr. Bhalla P.K.[1]	Non-Executive	Non-Independent	2
• Mr. Goila N.K.	Non-Executive	Independent	3
• Mr. Mittal D.C.	Non-Executive	Independent	6
• Prof. Mohan Dinesh (Chairman)	Non-Executive	Independent	5

1. *Ceased to be the member of the Committee w.e.f. 15.10.2007.*

CORPORATE GOVERNANCE REPORT FOR THE 18 MONTHS PERIOD ENDED SEPTEMBER 30, 2008

(iii) Audit Committee Meetings (Attendance)

It meets at least 4 times in a year and reviews the quarterly, half yearly and annual financial statements before they are submitted to the Board. For the 18 months period ended September 30, 2008, six meetings of the Audit Committee were held as under:

Sl. No.	Date	Committee Strength	No. of Members Present
1.	31.05.2007	4	3
2.	31.07.2007	4	3
3.	30.10.2007	3	2
4.	24.01.2008	3	2
5.	29.04.2008	3	3
6.	28.07.2008	3	3

4. Remuneration Committee

(i) Terms of Reference

The Committee reviews and approves the salaries, commission, service agreements and other employment conditions for 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 Directors and the Chairman of the Committee is an Independent Director. The composition of the Remuneration Committee and their attendance at the Committee Meetings held during the 18 months period ended September 30, 2008 is as under:

Member Director	Executive/ Non-Executive	Independent/ Non-Independent	No. of Meetings Attended(Total meetings held 5)
Mr. Bedi R.S.[1]	Non-Executive	Independent	4
Mr. Bhalla P.K.[2]	Non-Executive	Non-Independent	1
Mr. Mittal D.C. (Chairman)	Non-Executive	Independent	5
Prof. Mohan Dinesh	Non-Executive	Independent	5

1.Co-opted as member of the Committee w.e.f. 26.10.2007.
2.Ceased to be the member of the Committee w.e.f. 15.10.2007.

(iii) Remuneration Committee Meeting (Attendance)

During the 18 months period ended September 30, 2008, 5 meetings of this Committee were held as under:

Sl. No.	Date	Committee Strength	No. of Members Present
1.	31.05.2007	3	3
2.	01.11.2007	3	3
3.	27.12.2007	3	3
4.	07.01.2008	3	3
5.	29.04.2008	3	3

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

(iv) 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 fees of Rs.2,000 for each meeting of the Board/ Committee thereof attended by them.

CORPORATE GOVERNANCE REPORT FOR THE 18 MONTHS PERIOD ENDED SEPTEMBER 30, 2008

(v) 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 18 months period ended September 30, 2008 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*	6018109	2527159	704516	9249784
2.	Mr. Mehra A.K.**	5093744	300955	460859	5855558
3.	Mr. Shriram Siddharth	7200000	761582	1080000	9041582
4.	Mr. Singh K.P.	2160000	588909	180000	2928909

** Appointed as Managing Director of the Company w.e.f. 7.1.2008.*
*** Appointed as Whole Time Director of the Company w.e.f. 15.10.2007.*
1. Service contract is for 5 years.
2. Notice period is 6 calendar months for Sl. No. 3 & 4 and 3 months for Sl. No.1.
3. Severance fee is payable in accordance with provisions of Section 318 of the Companies Act, 1956.
4. Directors' remuneration does not include contribution to gratuity fund since the same is paid for the Company as a whole.

(B) The details of the sitting fees to the Non-Executive Directors provided as per accounts for the 18 months period ended September 30, 2008 are given below:

Sl. No.	Name	Sitting Fee (Rs.)
1.	Mr. Bedi R.S.	22000
2.	Mr. Bhalla P.K.[1]	20000
3.	Ms. Dutt Anuradha[2]	2000
4.	Mr. Goila N.K.	83000
5.	Mr. Gupta Ravi Vira[3]	6000
6.	Mr. Mehra A.K[4]	20000
7.	Mr. Mittal D.C.	52000
8.	Prof. Mohan Dinesh	64000

1. Ceased to be Director w.e.f. 15.10.2007.
2 & 3. Co-opted as Additional Directors w.e.f. 30.10.2007.
4. Appointed as Whole Time Director w.e.f. 15.10.2007.

The Company has not paid any fixed component and performance linked incentives to the Directors during the period.
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. Amit Khurana, the Company Secretary has been delegated the power to approve the registration of transfer of shares and other related matters upto 500 shares per case. The Company Secretary is also the Compliance Officer appointed under the relevant SEBI directions.

CORPORATE GOVERNANCE REPORT FOR THE 18 MONTHS PERIOD ENDED SEPTEMBER 30, 2008

(ii) Composition

The Chairman of this Committee is a Non-Executive Independent Director. The composition of the Committee and their attendance at the Committee meetings held during the 18 months period ended September 30, 2008 are as under:

Member Director	Executive/ Non-Executive	Independent/ Non-Independent	No. of Meetings Attended (Total meetings held 18)
• Mr. Kakria Sunil[1]	Executive	Non-Independent	6
• Mr. Mehra A.K.[2]	Executive	Non-Independent	18
• Prof. Mohan Dinesh (Chairman)	Non-Executive	Independent	13
• Mr. Singh K.P.[3]	Executive	Non-Independent	9

1. *Co-opted as member of the Committee w.e.f. 24.1.2008.*
2. *Status changed from Non-Executive to Executive on appointment of Whole Time Director w.e.f. 15.10.2007.*
3. *Ceased to be the member of the Committee w.e.f. 24.1.2008.*

(iii) Attendance at Shareholders/Investors Grievance/Share Transfers Committee Meetings

Sl.No.	Date	Committee Strength	No. of Members Present
1.	18.04.2007	3	3
2.	22.05.2007	3	3
3.	23.06.2007	3	3
4.	17.07.2007	3	2
5.	10.08.2007	3	3
6.	11.09.2007	3	3
7.	26.09.2007	3	2
8.	01.11.2007	3	2
9.	05.01.2008	3	3
10.	04.02.2008	3	2
11.	05.03.2008	3	3
12.	02.04.2008	3	2
13.	09.05.2008	3	2
14.	04.06.2008	3	2
15.	27.06.2008	3	2
16.	28.07.2008	3	3
17.	14.08.2008	3	3
18.	10.09.2008	3	3

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

During the 18 months period ended September 30, 2008, 86 complaints were received from the shareholders. All complaints were replied/resolved to the satisfaction of the shareholders upto 7.10.2008.

As on September 30, 2008, 2 transfer deeds covering 82 equity shares for registration of transfer of shares were pending. Transfer in all these cases have been given effect on 15.10.2008 and dispatched on 25.10.2008.

CORPORATE GOVERNANCE REPORT FOR THE 18 MONTHS PERIOD ENDED SEPTEMBER 30, 2008

6. General Body Meetings

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

Financial Year	Location	Date	Time	Special Resolution Passed
2006-2007	Kamani Auditorium 1, Copernicus Marg New Delhi – 110001	20.09.2007	10.00 A.M.	Re-appointment and payment of remuneration to Mr. K.P. Singh, Whole Time Director of the Company for a further period of 5 years w.e.f. 20.5.2007.
2005-2006	Kamani Auditorium 1, Copernicus Marg New Delhi – 110001	21.07.2006	10.00 A.M.	Alteration in Articles of Association of the Company by inserting a new Article 53B to enable the Company to buy-back part of its share capital or other securities in future.
2004-2005	15, Shivaji Marg, New Delhi – 110015.	22.07.2005	10.30 A.M.	Delisting of equity shares from Delhi, Hyderabad and Calcutta stock exchanges.

(ii) No Special resolution was put through the Postal Ballot in the previous year ended March 31, 2007.

(iii) During the 18 months period ended September 30, 2008, the Company had obtained shareholders approvals through Postal Ballot pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot), Rules, 2001 as under:

Special Resolution dated 7.11.2007

Alteration of Memorandum of Association of the Company by amending the Objects Clause of Memorandum of Association pursuant to the provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956. The result of the Postal Ballot was declared on 21.12.2007 by the Chairman of the Company at the Registered Office of the Company based on the Report submitted by the Scrutinizer namely Ms. Mamta Jain, a practicing Company Secretary, appointed for conducting the Postal Ballot process in a fair and transparent manner.

The Voting Pattern on the above item was as under:

Sl.No.	Particulars	No. of Shareholders	No. of Votes (Shares)
1.	Total votes polled	1700	12196752
2.	- Valid votes	1642	12193631
3.	- Invalid votes	58	3121
4.	Votes cast in favour of the Resolution	1597	12142008
5.	Votes cast against the Resolution	45	51623

Result of Postal Ballot: passed with requisite majority on 21.12.2007.

Special Resolution dated 24.1.2008

Appointment and payment of remuneration to Mr. Sunil Kakria as Managing Director of the Company under Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government for a period of 5 years w.e.f. 7.1.2008. The result of the Postal Ballot was declared on 1.3.2008 by the Chairman of the Company at the Registered Office of the Company based on the Report submitted by the Scrutinizer namely Ms. Mamta Jain, a practicing Company Secretary, appointed for conducting the Postal Ballot process in a fair and transparent manner.
The Voting Pattern on the above item was as under:

Sl.No.	Particulars	No. of Shareholders	No. of Votes (Shares)
1.	Total votes polled	1855	13016046
2.	- Valid votes	1786	13011181
3.	- Invalid votes	69	4865
4.	Votes cast in favour of the Resolution	1471	12984867
5.	Votes cast against the Resolution	315	26189

Result of Postal Ballot: passed with requisite majority on 1.3.2008.

CORPORATE GOVERNANCE REPORT FOR THE 18 MONTHS PERIOD ENDED SEPTEMBER 30, 2008

(iv) 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" issued by the Institute of Chartered Accountants of India, the Company has identified the related parties covered therein and details of transactions with such related parties have been disclosed in the Note No.17 to Schedule 13 – Notes to Accounts of the Annual Report for the 18 months period ended September 30, 2008.

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 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.

(vi) Subsidiary Companies

The 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 30.9.2008 are as under:

Sl. No.	Name of the Director	No. of Equity Shares
1.	Mr. D.C. Mittal	118
2.	Prof. Dinesh Mohan	Nil
3.	Mr. N.K. Goila	Nil
4.	Mr. R.S. Bedi	Nil
5.	Mr. Ravi Vira Gupta	Nil
6.	Ms. Anuradha Dutt	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.

CORPORATE GOVERNANCE REPORT FOR THE 18 MONTHS PERIOD ENDED SEPTEMBER 30, 2008

(iii) The Company has its own website namely – *www.mawanasugars.com*

(iv) During the year 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 18.2.2009 at 11.00 A.M. at Kamani Auditorium, 1, Copernicus Marg, New Delhi-110001.

(ii) **Financial Calendar for the year 2008-2009**

Accounting year	October 1, 2008 to September 30, 2009
First Quarter results	January 2009
Second Quarter results	April 2009
Third Quarter results	July 2009
Fourth Quarter results	October 2009
Annual results	November 2009
Mailing of Annual Reports	November/December 2009
Annual General Meeting	December 2009

(iii) **Date of Book Closure:** 17.2.2009 to 18.2.2009 (both days inclusive)

(iv) **Listing on Stock Exchanges:**

The equity shares of the Company are listed on The Bombay Stock Exchange Ltd., Mumbai.

The application for listing of shares of the Company on Calcutta Stock Exchange is still pending.

Stock Code at the Bombay Stock Exchange Ltd. : 523371

Listing fees upto the year 2008-2009 has been paid to the Bombay Stock Exchange Ltd.

(v) **Stock Market Data for the 18 months period ended September 30, 2008**

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

Month & Year	High (Rs.)	Low (Rs.)	Volume (Nos.)	BSE Sensex	
				High	Low
April 2007	32.50	24.05	369468	14,383.72	12,425.52
May 2007	29.70	22.90	701486	14,576.37	13,554.34
June 2007	25.60	22.25	260913	14,683.36	13,946.99
July 2007	25.00	19.05	188508	15,868.85	14,638.88
August 2007	31.45	19.00	953691	15,542.40	13,779.88
September 2007	27.35	22.95	431746	17,361.47	15,323.05
October 2007	26.00	20.20	161376	20,238.16	17,144.58
November 2007	105.95	101.45	51723	20,204.21	18,182.83
December 2007	96.40	68.50	1736057	20,498.11	18,886.40
January 2008	94.15	49.70	1204565	21,206.77	15,332.42
February 2008	56.90	45.30	234376	18,895.34	16,457.74
March 2008	47.05	27.80	437045	17,227.56	14,677.24
April 2008	44.45	30.00	414397	17,480.74	15,297.96
May 2008	59.95	40.55	533358	17,735.70	16,196.02
June 2008	50.30	36.70	170231	16,632.72	13,405.54
July 2008	43.25	33.75	195302	15,130.09	12,514.02
August 2008	50.80	38.50	420314	15,579.78	14,002.43
September 2008	42.60	27.90	264892	15,107.01	12,153.55
TOTAL			**8729448**		

(vi) Registrar and Transfer Agent

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

CORPORATE GOVERNANCE REPORT FOR THE 18 MONTHS PERIOD ENDED SEPTEMBER 30, 2008

who handles share transfer work in Physical as well as in Electronic Form and other related activities at the following address:

Mas Services Ltd.
T-34, Okhla Industrial Area,
Phase - II
New Delhi – 110 020
Ph :- 26387281/82/83
Fax :- 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 30 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.

(ix) Distribution of shareholding as on September 30, 2008

No. of Equity Shares held	Folios		Shares	
	Numbers	%	Numbers	%
Up to 500	64670	96.27	3602232	11.78
501-1000	1261	1.88	955521	3.13
1001-2000	675	1.01	977975	3.19
2001-3000	208	0.31	524356	1.72
3001-4000	91	0.14	320949	1.05
4001-5000	63	0.09	292851	0.96
5001-10000	106	0.15	739596	2.42
10001 and above	99	0.15	23159770	75.75
TOTAL	**67173**	**100.00**	**30573250**	**100.00**

(x) Categories of shareholders as on September 30, 2008

Sl. No.	Category	No. of Shares held	% of shareholding
1	Promoters' Holding	18792362	61.47
2	Non-Promoter shareholding		
	(a) Mutual Funds/ UTI/ Financial Institutions/ Banks/Insurance Companies/FIIs etc.	1060003	3.47
	(b) Bodies Corporate	2702896	8.83
	(c) Individuals	7452633	24.38
	(d) NRIs/OCBs/GDRs	565356	1.85
	TOTAL	**30573250**	**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) Ltd. (CDSL).

As on September 30, 2008, a total of 2,96,83,430 equity shares of the Company, which forms 97.09% 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 – 2,64,235 GDRs representing 2,62,435 underlying equity shares (excluding 1800 shares yet to be received by the Custodian of Depository Receipts from the shareholders) of the Company were outstanding as on September 30, 2008.

CORPORATE GOVERNANCE REPORT FOR THE 18 MONTHS PERIOD ENDED SEPTEMBER 30, 2008

(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.)

Chemical Factory:

Siel Chemical Complex
Charatrampur, 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 Ltd.
T-34, Okhla Industrial Area,
Phase - II
New Delhi – 110 020
Ph :- 26387281/82/83
Fax :- 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

(SIDDHARTH SHRIRAM)
Chairman

Place : New Delhi
Dated : 26.12.2008

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

CERTIFICATE

TO THE MEMBERS OF MAWANA SUGARS LIMITED (FORMERLY KNOWN AS SIEL LIMITED)

We have examined the compliance of conditions of Corporate Governance by Mawana Sugars Limited for the eighteen months ended September 30, 2008, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

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 compliance of 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 Agreement, except that no Independent Director of the Company was appointed on the Board of a material non-listed subsidiary of the Company.

We state that such compliance is neither as 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

Place : New Delhi
Date : 26.12.2008

MANJULA BANERJI
Partner
Membership No. 086423

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

THE SUGARCANE ECONOMY

Over the last two years, the sugar industry in India has undergone a paradigm shift which is not yet fully understood. This is partly because the sugarcane producers are, for the first time, exercising their economic option to switch to other crops, and also because the Integrated Sugar Complex (ISC) system first mooted in the late 1980's, is now coming to fruition. However, there are many structural problems within the overall sugarcane economy which continue to bedevil the business.

Earlier seen as only the sugar industry, the emerging reality is that REMARKABLE SUGARCANE can yield sugar/electric power/ automotive fuels/other products while being comprehensively carbon neutral AND not impinging at all on food grains.

The three great drivers of profitability in this business are the cost of sugarcane, the price of sugar and other products and the efficiency of logistics and production. The cost of cane and the price of sugar are controlled/managed by either the State Governments or the Central Government and the management of these is oriented towards different considerations rather than the sound development of the SUGARCANE industry, with the healthy involvement of both the farmer and the miller.

The country being large, there are differing interests of sugar millers in the North, South and West and these are not reconciled.

SMP/SAP - COST OF CANE

The laws relating to sugar in U.P. pre-date the Central Government laws. As a result even though the Central Government wishes to institute the Statutory Minimum Price (SMP) all over the country, it is unable to do so owing to the U.P. law that pre-dates the Central Government edict. Thus, for the foreseeable future, U.P., where 40% of capacity is located, has to operate within the structure of the State Advised Price (SAP). This advised price has become a highly contentious and litigious issue between the millers and the Government of U.P. who set the SAP. There is now a strong coordinated movement of the U.P. farmers and the poorly communicated cane price development structure appears to be unacceptable to the farmers. The industry argues between SMP and SAP but no third option is ever on the table as the millers and farmers talk together only through Government intermediation. There is no effective transparent mechanism of passing on the benefits of high sugar prices early to the farmers. Hence the farmers are more interested in a high base price for sugarcane which hurts the millers in a downturn.

Furthermore the SMP is woefully below the reality of where the sugarcane prices need to be to encourage farmers to grow cane. At the low price as per SMP, no farmer can hope to survive. This unreality leads to many distortions in the sugar economy. Ultimately, the SMP serves only to set the price for levy sugar which is about 30% lower than the market price today. The Government needs to either eliminate levy or have a more realistic SMP which will enable levy prices to rise; it should not be anybody's case that the sugarcane farmers or the sugar industry should subsidize the supply of sugar to other sections of society.

RELEASE MECHANISM/MARKET PRICES

The cold fact is that neither the Government nor the sugar association knows what the precise levels of inventory in the country are owing to lack of proper reporting/collation. Different levels of inventory are mooted and the Government reacts accordingly. In this manner in 2007 the Government banned exports for sugar when international prices were higher than domestic prices and attractive profits could have been earned by the exporting companies. Subsequently it was discovered that there were ample stocks in the country. Now, with the production expected to be lower than the previous year, the Government is considering allowing import of raw sugar to ostensibly offset shortages. This will be a poor decision in the context of farmers already switching to other crops in competition with sugarcane. It is suggested that if the retail sugar prices are allowed to move up to around Rs 25/- per kg it will enable the sugar millers to pay the farmers adequately to keep producing sugarcane. Importing sugar benefits farmers and millers from the source countries. Import of sugar, whether raw or white, is not at all the answer; higher retail prices will balance the sugarcane economy well. Today, India's retail prices are the lowest in the world while sugarcane prices (by weight and value) are the highest in the world. While all other food items have gone up significantly, the sugar price Compound Average Growth Rate has stayed basically flat over the last few years while sugarcane prices have gone up by about 40%

STRUCTURAL WEAKNESSES

As is evident from the foregoing, there are tremendous structural weaknesses in the system. This is compounded by laws which are decades old and are unsuited to the needs of today. Lack of a longer term strategy for this industry jeopardizes the prospect of approximately 30 million farmers across the country.

A reality is that in those countries where the cost of sugarcane is low, the millers own and control both, the sugarcane fields and the factories. This is not, and is unlikely to be, the condition in India. The farmers need high sugarcane prices and these can only be supported by higher sugar/other product prices. Distillery prices get linked, willy nilly, with world oil prices and these are expected to be low for the next 12-24 months. In the absence of a practical Ethanol Policy as a motor fuel, adequate revenues from this source are likely to be sporadic. Furthermore power produced by sugar mills is mainly sold to the respective State grids at very low prices and this has not yet been adjusted. Thus increased revenue to the farmers can come mainly from increased sugar prices. Furthermore, a great threat, and an opportunity, for this industry is that the domestic demand is growing fairly rapidly at 3-4% p.a. This means that in about 3-4 years India will need about 25 million tonnes of sugar for internal consumption. Under this circumstance, if there is a crop failure, India may suddenly have to resort to import of vast quantities of sugar. This prospect is not being recognized either by the industry or the Government. If planning is done along these prospects, the pricing of sugarcane can be appropriately commensurate with the price of sugar in the open market so that adequate sugar is available without resorting to unplanned imports. World sugar prices shoot up the moment India becomes a buyer.

LABOUR SHORTAGES/ FRAGMENTATION OF LAND/ INEFFICIENT AGRICULTURAL PRACTICES

Despite a very large population, labour shortages are developing in agriculture. Already in the South there is increased mechanization and

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

the trend will also come to the North. Furthermore, owing to the significant fragmentation of land over generations, mills deal with many farmers whose land holding is so small that it renders them inefficient and marginal. It is time that some form of cooperatization which enables handsome earnings for the farmer without the farmer losing lien on his land, is created. This will lead to legal agglomeration of land holdings, proper development of such land for sugarcane growth and multi-cropping, improved agricultural practices, improved logistics and consequently significantly increased recovery of sugar.

Taking all of the above into account, a cogent policy needs to be evolved through a national debate involving the concerned political parties/State Governments/ farmers/energy ministries (power and petroleum) and of course the sugar millers. Such a policy will surely create new winners and losers in this vital economic area but that will be the consequence of the determination, finally, of a Long Term Policy; such a policy must not be left hostage to existing vested interests.

CHLOR ALKALI 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 Chlor-Alkali products are used are as under :

Chlor Alkali Products	Product Usage Industries
Caustic Soda	Aluminium, Pulp and Paper, Textile, Soap, Edible Oil Refineries, Dyes and Chemicals, Drugs and Drug Intermediates, Thermal Power Plants etc.
Chlorine	PVC, CPW, Pulp and 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.

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 demand of Chlor-Alkali products has a direct co-relation to the overall GDP growth of the economy.

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.

INDUSTRY SIZE

In India, presently, there are a total of 34 Caustic Soda plants in operation. The Indian Chlor-Alkali industry added 0.194 Million TPA capacities in the year 2007-08. During the year, the domestic production was 2.16 Million MT Caustic Soda representing 83% utilization of the installed capacity of 2.74 Million MT. The Industry recorded a production growth of 8.4% while capacity growth was 7.6%. The total demand of Caustic Soda was 2.27 Million MT which included approximately 0.16 Million MT of imports. The overall consumption of Caustic Soda grew by 8.6%, despite production constraints due to low demand of Chlorine as well as inflow of large volume of imports of Caustic Soda from China and Middle East. The average capacity utilization during the last five years has been between 80% to 87% as depicted in the chart hereunder:

CAPACITY UTILIZATION OF THE INDUSTRY

Year	2003-04	2004-05	2005-06	2006-07	2007-08
Capacity Utilisation	80%	87.3%	84.5%	86.7%	83.3%
Production (Million MT)	1.74	1.81	1.94	1.99	2.16

The 18 months period of April 2007 to September 2008 witnessed extreme volatility in the markets of Caustic Soda and Chlorine with situations of surplus as well as shortages.

INTERNATIONAL SCENARIO

Global factors triggered a sudden jump in prices of Caustic Soda as a result of sharp increase in crude oil and natural gas prices during the period March to August, 2008. The energy costs having gone up globally, the Chlor Alkali manufacturers increased prices to recover the increased costs. The Olympic Games in China caused a major industrial slow down creating a serious shortage of power, and consequently the availability of Chlor-Alkali products globally. The scarcity of material continued up to end August '08, resulting into large benefits accruing for the Caustic Soda Industry, in all other countries including India. India, during this period, remained largely insulated from the inflow of imported material as exports of Caustic Soda from countries other than China went to the market in U.S.A., where Caustic Soda prices almost doubled from USD 400 to USD 800 PMT. In the Far East and Asia region, the prices of Caustic Soda went up from USD 350 to USD 600 MT.

MEDIUM TERM OUTLOOK

The year 2008-09 has begun with great turmoil in the markets owing to the global meltdown showing adverse signs in almost all the industrial sectors of the economy. All user segments have declined; the situation is likely to improve by quarter 03 as end user segments of Caustic Soda viz. Aluminium, Paper and Soaps which are fundamentally strong, are likely to show positive growth in the coming year.

The growth in GDP is likely to slow down to about 6-7%. While Caustic Soda prices will tend to remain firm, Chlorine will remain under pressure, due to surplus availability and volatility in the demand in the end user segments.

The existing Chlor-Alkali Units have planned for expansions of nearly 0.4 Million MT with additional grass root capacity of 0.3 Million MT coming up in 2008-09. The global financial crisis along with present recessionary trends may however lead to operationalizing of only 50% of this capacity.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OPPORTUNITIES AND THREATS, RISKS AND CONCERNS

The lower demand of Chlorine is likely to limit the Caustic Soda production and its availability in the country, despite domestic demand originating from the Alumina sector. The prices of Caustic Soda would be in consonance with international prices. China would be a major exporter to India and imports of Caustic Soda are likely to bring domestic prices down, which will have to be aligned with import prices. The import tariff for Caustic Soda as announced in the Government of India's Budget 2008-09 has remained the same at 7.5% thus allowing greater flexibility for imports.

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

Soft crude oil and lower commodity prices are likely to result in lower costs next year. However there is unlikely to be any direct impact on power tariffs by State Electricity Boards or freight rates for inward or outward movement. The lower input costs would partly offset a general fall in finished products realizations.

INTERNAL CONTROL SYSTEMS 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

Your company believes that business is all about people. The H R vision of your company is committed to organizational excellence by inspiring and developing the potential of people and providing them opportunities for growth. Training and learning initiatives aim at upgrading the competencies and developing business leaders for the future besides fostering a climate of creativity and innovation. 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 team initiatives and performance. Your company aligns its H R policies to meet the growing needs of the business.

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

AUDITORS' REPORT

To the Members of Mawana Sugars Limited (formerly known as Siel Limited)

1. We have audited the attached balance sheet of Mawana Sugars Limited (formerly known as Siel Limited) as at September 30, 2008 and also the profit and loss account and the cash flow statement for the eighteen months ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, 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) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

   d) in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

   e) on the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on September 30, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

   f) without qualifying our opinion, we draw attention to note 20 of schedule 13 relating to accounting for cane purchase liability for the sugar season 2007-08 at Rs. 110 per quintal instead of State Advised Price of Rs. 125 per quintal fixed by the Uttar Pradesh State Government. Pending completion of legal proceedings in the matter, the effect thereof on these accounts can not be determined at this stage.

   g) *various matters arisen/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 13. The effect of these on the accounts has not been determined by the Company.*

   The matter referred to in paragraph (g) above, to the extent covered here above, was also subject matter of qualification in our audit report on the financial statements for the year ended March 31, 2007.

Subject to our comment in paragraph (g) above and their consequential effect which could not be determined, on the loss for the eighteen months ended September 30, 2008 and on the debit balance in profit and loss account as at September 30, 2008 and on the profit for the year ended March 31, 2007 and on reserves and surplus as at March 31, 2007, in our opinion and to the best of our information and according to explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the balance sheet, of the state of affairs of the Company as at September 30, 2008;

(ii) in the case of the profit and loss account, of the loss of the Company, for the eighteen months ended on that date; and

(iii) in the case of the cash flow statement, of the cash flows of the Company for the eighteen months ended on that date.

For ***A.F. FERGUSON & CO.***
Chartered Accountants

MANJULA BANERJI
Partner
Membership No. 086423

Place : New Delhi
Date : 26.12.2008

ANNEXURE REFERRED TO IN PARAGRAPH '3' OF THE AUDITORS' REPORT TO THE MEMBERS OF MAWANA SUGARS LIMITED (FORMERLY KNOWN AS SIEL LIMITED) ON THE ACCOUNTS FOR THE EIGHTEEN MONTHS ENDED SEPTEMBER 30, 2008

i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the Company has a programme of physically verifying all its fixed assets once in a period of three years, and in accordance therewith, fixed assets were physically verified by the management during the current period. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the period.

ii) (a) During the period, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

iii) According to the information and explanations given to us, the Company has, during the period, not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4 (iii) (b), (c) and (d) of the Order are not applicable.

According to the information and explanations given to us, the Company has, during the period, not taken any loan, secured or unsecured from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4 (iii) (f) and (g) of the Order are not applicable.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and with regard to the sale of goods. There is no sale of services during the period. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control procedures.

v) According to the information and explanations given to us and having regard to the view taken by the Company that the transactions, which are subjected to the provisions of sub-section 6 of section 299 of the Companies Act, 1956 (the Act), are not required to be entered in the register maintained in pursuance of Section 301 of the Act, there were no transactions during the period that were required to be entered in this register. Notwithstanding the Company's view regarding the provisions of sub-section 6 of section 299 of the Act in respect of certain transactions, exceeding the value of Rs. 5 lacs entered into during the period with parties listed under the provisions of sub-section 3 of Section 301 of the Act, these have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. As per the information and explanations given to us, no order on the Company has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal with regard to fixed deposits.

vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

viii) We have broadly reviewed the books of account maintained by the Company in respect of products where pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

ix) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has been regular in depositing undisputed statutory dues including investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, customs duty, excise duty, cess and other material statutory dues applicable to it and has generally been regular in depositing undisputed statutory dues including tax deducted at source and provident fund with the appropriate authorities. We are informed that there are no undisputed statutory dues as at the year end outstanding for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed dues of wealth tax, cess and customs duty matters which have not been deposited on account of any dispute.

The details of dues of sales tax, income-tax, service tax and excise duty as at September 30, 2008 which have not been deposited on account of disputes are as follows: -

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	3.13	-	2000-01	Supreme Court
			0.03	-	1973-74	High Court
			57.76	2.86	1978-79,1979-80, 1986-87 to 1996-97	Sales Tax Tribunal
			199.74	22.25	1975-76 to 1977-78 , 1983-84 to 2004-05 and 2006-07	Appellate Authority upto Commissioner's level
2	Income Tax Laws	Income Tax	0.85	0.55	1994-95	High Court
			0.86	0.74	2001-02	Income-tax Appellate Tribunal
3	Central Excise Laws	Excise Duty	6.65	-	1997-99, 2000-01 and 2005-06	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
			80.37	40.31	1981-82 to 1984-85, 1990-91 to 1992-93, 1994-95 to 2001-02, 2003-04 to 2004-05 and 2006-07 to 2008-09	Appellate Authority upto Commissioner's level
		Service Tax	0.53	-	2003-04, 2004-05 & 2006-07	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	69.13	1992-93 to 1997-98	High Court
			0.21	1997-98	Customs Excise and Service tax Appellate Tribunal (CESTAT)

x) According to the information and explanations given to us, without considering the items mentioned in paragraph 4(g) of our main report, the effect of which has not been determined, the Company's accumulated losses at the period end i.e. September 30, 2008, are less than fifty percent of its net worth. However, the Company has incurred cash losses during the period ended September 30, 2008. The Company did not incur any cash losses in the immediately preceding financial year ended March 31, 2007.

xi) According to the records of the Company examined by us and the information and explanations given to us and after considering the effect of reschedulement of repayment terms of borrowings from certain banks, approved by Corporate Debt Restructuring (CDR) Empowered Group, the Company, during the period, has not defaulted in repayment of dues to financial institutions and banks. The Company has not issued debentures during the period.

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) The provisions of any special statute as specified under paragraph 4(xiii) of the Order are not applicable to the Company.

xiv) As the Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4(xiv) of the Order is not applicable.

xv) According to the information and explanations given to us, the Company has not given any guarantees during the period for loans taken by others from banks or financial institutions.

xvi) In our opinion and according to the information and explanations given to us, the term loans taken during the period have been applied for the purpose for which they were obtained.

xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that during the period short term funds have not been used to finance long term investments.

xviii) During the period, the Company has issued 59,17,159 equity shares on a preferential basis to a party covered in the register maintained under Section 301 of the Act. In our opinion and as per the information and explanations given to us the price at which the equity shares have been issued are not prejudicial to the interest of the Company.

xix) During the period, since the Company has not issued any debentures, paragraph 4(xix) of the Order is not applicable.

xx) The Company has not raised any money by way of public issue during the period.

xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the period ended September 30, 2008.

For ***A.F. FERGUSON & CO.***
Chartered Accountants

MANJULA BANERJI
Partner
Membership No. 086423

Place : New Delhi
Date : 26.12.2008

Mawana Sugars Limited

(Formerly known as Siel Limited)

BALANCE SHEET AS AT SEPTEMBER 30, 2008

	Schedule	As at 30.09.2008 Rs. Million	As at 31.03.2007 Rs. Million
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	305.73	183.15
Reserves and surplus	2	2,475.47	1,708.06
		2,781.20	1,891.21
Loan funds	3		
Secured		6,778.39	9.96
Unsecured		35.21	11.69
		6,813.60	21.65
Total		9,594.80	1,912.86
APPLICATION OF FUNDS			
Fixed assets	4		
Gross block		10,482.54	2,312.51
Less:Depreciation		2,857.18	948.70
Net block		7,625.36	1,363.81
Capital work-in-progress		294.97	6.92
		7,920.33	1,370.73
Pre - operative expenditure pending allocation	5	19.95	-
Investments	6	277.97	305.67
Deferred tax assets (net)	7	-	24.32
Current assets, loans and advances	8		
Inventories		1,331.46	74.54
Sundry debtors		172.04	63.81
Cash and bank balances		114.93	107.51
Loans and advances		815.66	257.52
		2,434.09	503.38
Less: Current liabilities and provisions	9		
Current liabilities		1,181.58	259.62
Provisions		59.65	31.62
Net current assets		1,192.86	212.14
Profit and loss account		183.69	-
Total		9,594.80	1,912.86
Notes to accounts	13		

Per our report attached

For A.F. Ferguson & Co.
Chartered Accountants

MANJULA BANERJI
Partner
Membership No. 086423

Place : New Delhi
Date : 26.12.2008

AMIT KHURANA
Company Secretary

PANKAJRAI S. MITTAL
Senior General Manager (Accounts)

SIDDHARTH SHRIRAM
Chairman and Managing Director

SUNIL KAKRIA
Managing Director

A.K. MEHRA
Whole Time Director

D.C. MITTAL
DINESH MOHAN
N.K. GOILA
RAVI VIRA GUPTA
R.S. BEDI
Directors

PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTHS PERIOD ENDED SEPTEMBER 30, 2008

	Schedule	**18 months ended 30.09.2008 Rs. Million**	Year ended 31.03.2007 Rs. Million
Income			
Gross Sales		**11,122.89**	1,887.33
Less : Excise duty		**964.21**	273.83
Net Sales		**10,158.68**	1,613.50
Other income	10	**384.56**	25.05
		10,543.24	1,638.55
Expenditure			
Manufacturing and other expenses	11	**10,521.98**	1,535.09
Interest	12	**944.97**	2.00
Depreciation	4	**753.36**	113.90
(Loss) before tax		**(1,677.07)**	(12.44)
Provision for taxation			
Deferred tax (Refer note 7 of Schedule 13)		**(14.40)**	(24.32)
Fringe benefit tax		**6.51**	0.95
Profit/(Loss) after tax		**(1,669.18)**	10.93
(Loss) of erstwhile Mawana Sugars Limited (MSL) for the period 1.10.2006 to 31.3.2007 (Refer note 2 of Schedule 13)		**(118.52)**	-
		(1,787.70)	10.93
Balance profit brought forward from previous year		**10.93**	-
Balance of profit brought forward from erstwhile Mawana Sugars Limited (Pursuant to the Scheme (Refer note 2 of Schedule 13))		**697.17**	-
Deducted from General reserve		**895.91**	-
Balance carried to balance sheet		**(183.69)**	10.93
Basic and diluted earnings per share(Rs.) (Face value Rs 10 per share)		**(64.67)**	0.60
Notes to accounts	13		

Per our report attached

For A.F. Ferguson & Co.
Chartered Accountants

MANJULA BANERJI
Partner
Membership No. 086423

SIDDHARTH SHRIRAM
Chairman and Managing Director

SUNIL KAKRIA
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A.K. MEHRA
Whole Time Director

D.C. MITTAL
DINESH MOHAN
N.K. GOILA
RAVI VIRA GUPTA
R.S. BEDI
Directors

Place : New Delhi
Date : 26.12.2008

AMIT KHURANA
Company Secretary

PANKAJRAI S. MITTAL
Senior General Manager (Accounts)

CASH FLOW STATEMENT FOR THE EIGHTEEN MONTHS PERIOD ENDED SEPTEMBER 30, 2008

		18 Months ended 30.09.2008 Rs. Million	Year ended 31.03.2007 Rs. Million
A.	**Cash flow from operating activities :**		
	Net(Loss) before tax	**(1,677.07)**	(12.44)
Add :	Depreciation	**753.36**	113.90
	Interest expense	**944.97**	2.00
	Provision for doubtful debts/advances	**33.18**	0.53
	Loss on sale / write off of fixed assets	**1.28**	1.91
Less :	Interest income	**24.01**	6.31
	Dividend on long term non trade investment	**-**	0.05
	Excess provision/liabilities written back	**80.63**	0.43
	Profit on sale of fixed assets	**0.35**	1.40
	Operating profit/(loss) before working capital changes	**(49.27)**	97.71
	Adjustments for :		
	Decrease/(Increase) in trade / other receivables	**91.11**	38.37
	Decrease/(Increase) in inventories	**900.83**	(2.98)
	(Decrease)/Increase in trade / other payables	**(519.35)**	(40.97)
	Cash generated from operations	**423.32**	92.13
	Direct taxes (paid)/refund received	**29.65**	(13.52)
	Net cash inflow/(outflow) from operations	**452.97**	78.61
B.	***Cash flow from investing activities :***		
	Purchase of fixed assets	**(459.30)**	(27.20)
	Sale of fixed assets	**12.87**	2.91
	Investment in a subsidiary company	**(50.00)**	(25.00)
	Sale of Investment	**77.70**	-
	Expenses incurred on sale of shares in a subsidiary company	**-**	(12.93)
	Loans/advances to subsidiaries	**-**	(5.00)
	Loans/advances to subsidiaries received back	**-**	5.03
	Interest received	**22.70**	5.48
	Dividend received	**-**	0.05
	Net cash inflow/(outflow) from investing activities	**(396.03)**	(56.66)
C.	**Cash flow from financing activities :**		
	Receipts of call in arrears	**0.09**	-
	Proceeds from Issue of shares	**59.17**	-
	Premium on issue of shares	**90.83**	-
	Proceeds from long term borrowings- secured	**672.79**	-
	Repayment of long term borrowings- secured	**(247.60)**	-
	Proceeds from working capital borrowings	**899.37**	(15.10)
	Repayment of working capital borrowings	**(300.00)**	-
	Repayment of borrowings - unsecured	**(1,011.11)**	(2.38)
	Interest paid	**(269.34)**	(2.77)
	Net cash inflow/(outflow) from financing activities	**(105.80)**	(20.25)
D.	**Net increase/(decrease) in cash and cash equivalents**	**(48.86)**	1.70
E.	***Cash and cash equivalents as at opening*** [1]		

CASH FLOW STATEMENT FOR THE EIGHTEEN MONTHS PERIOD ENDED SEPTEMBER 30, 2008 (Contd.)

Cash and bank balances [1]	**41.59**		39.89	
Cash and bank balances acquired on amalgamation of erstwhile Mawana Sugars Limited.	**48.57**	**90.16**	-	39.89
Cash and cash equivalents as at closing				
Cash and bank balances [1]		**41.30**		41.59

[1]Excludes balances with banks on margin accounts.

Note: Amalgamation of erstwhile Mawana Sugars Limited with the Company is a non cash transaction (refer note 2 of Schedule 13)

Per our report attached

For A.F. Ferguson & Co.
Chartered Accountants

SIDDHARTH SHRIRAM
Chairman and Managing Director

SUNIL KAKRIA
Managing Director

A.K. MEHRA
Whole Time Director

MANJULA BANERJI
Partner
Membership No. 086423

D.C. MITTAL
DINESH MOHAN
N.K. GOILA
RAVI VIRA GUPTA
R.S. BEDI
Directors

Place : New Delhi
Date : 26.12.2008

AMIT KHURANA
Company Secretary

PANKAJRAI S. MITTAL
Senior General Manager (Accounts)

SCHEDULES 1 TO 13 ANNEXED TO AND FORMING PART OF THE ACCOUNTS

Schedule 1 : SHARE CAPITAL

		As at 30.09.2008 Rs. Million	As at 31.03.2007 Rs. Million
Authorised			
Equity	175,000,000 Shares (previous year 70,000,000) of Rs. 10 each	**1,750.00**	700.00
Preference	Nil (previous year 500,000) 13.5% Redeemable cumulative preference shares of Rs.100 each	-	50.00
	Nil (previous year 25,00,000) 0.01% Redeemable cumulative preference shares of Rs.100 each	-	250.00
		1,750.00	1,000.00
Issued, subscribed and paid-up			
Equity	30,573,250 (previous year 18,315,302) Shares of Rs. 10 each fully paid up	**305.73**	183.15
		305.73	183.15

Footnotes :

1 Pursuant to the Scheme as indicated in note 2 of Schedule 13 on the record date, October 31, 2007, after cancellation of the cross holding, the Company has 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 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 shares were issued to the shareholders of erstwhile MSL and the Company respectively.

2 The issued, subscribed and paid-up equity share capital, before giving effect to the Scheme dated September 11, 2007 (whereby the equity share capital was increased to Rs. 246.56 million from Rs. 183.15 million) include :

(i) The paid up equity share capital of the Company had been reduced from Rs. 412.61 million comprising of 41,261,206 equity shares of Rs. 10 each fully paid up to Rs.103.15 million comprising of 10,315,302 equity shares of Rs.10 each fully paid up by cancelling Rs. 309.46 million being the paid up amount on 30,945,904 equity shares of Rs. 10 each fully paid up. The reduction in capital had been approved under Section 100 of the Companies Act, 1956 by the High Court of Delhi vide its Order dated August 29, 2003.

(ii) The shareholders of the Company had been allotted 1 new equity share of Rs. 10 each fully paid up aggregating 10,315,302 equity shares for every 4 equity shares of Rs. 10 each fully paid up held by them in the Company on October 30, 2003, the record date which had been fixed for this purpose by the Board of Directors.

(iii) The shareholders of the Company had been allotted 3 new equity share of Rs. 10 each fully paid up aggregating 30,945,904 equity shares in Siel Sugar Limited for every 4 equity shares of Rs. 10 each fully paid up held by them in the Company on October 30, 2003, the record date which had been fixed for this purpose by the Board of Directors.

3 5,917,159 (previous year Nil) equity shares of Rs. 10 each fully paid up issued to the promoters of the Company (Refer Note 21 of schedule 13).

Schedules 1 TO 13 (Contd.)

Schedule 2 : RESERVES AND SURPLUS

	As at 31.03.2007 Rs.Million	Vested in the Company pursuant to the Scheme[4] Rs. Million	Additions Rs.Million	Deductions Rs.Million	As at 30.09.2008 Rs.Million
Capital reserve	38.71	991.46[1]	-	-	1,030.17
Share premium	967.40	299.35	90.83[3]	-	1,357.58
Capital redemption reserve	87.72	-	-	-	87.72
General reserve	603.30	15.01	280.95[4]	899.26[2]	-
Surplus in profit and loss account	10.93	697.17	-	708.10	-
	1,708.06	2,002.99	371.78	1,607.36	2,475.47

Footnotes :

1 Represents 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.

2 Comprises of - Rs 3.35 million on account of employee benefit (Refer note 10 of Schedule -13)
- Rs. 895.91 million deduction on account of debit balance in profit and loss account

3 Represent premium received on issue of equity shares to the promoter of the Company (Refer note 21 of Schedule 13)

4 Refer note 2 of Schedule 13

Schedule 3 : LOANS

	As at 30.09.2008 Rs. Million	As at 31.03.2007 Rs. Million
Secured		
Banks		
Term loans	4,523.21	-
Cash credits/overdrafts	993.69	-
Working capital demand loans	-	9.96
Funded Interest Term Loan	626.51	-
Other	1.57	-
Others		
Term loans	584.04	-
Interest accrued and due thereon	49.37	-
	6,778.39	9.96
Unsecured		
Deposits -Fixed*	0.03	0.12
Others	35.18	10.51
Other loans and advances -others **	-	1.06
	35.21	11.69
	6,813.60	21.65

Footnotes :

SECURED

1) Banks

i) Term Loans amounting to Rs. 4400.21 million (previous year Rs. Nil) and Funded Interest Term Loan to Rs. 626.51 million (previous year Rs. Nil) 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. (Due within a year Rs. 53.58 miilion; (previous year Rs. Nil))

ii) Cash Credit/ Overdraft are secured by first pari-passu charge on the current assets of the Company and third pari-passu charge on all the fixed assets of the Company.

iii) Above Loans are further secured by personal guarantee of the Chairman & Managing Director of the Company. Personal Guarantee shall be released after 25% of the repayment of the loans as per the CDR Restructuring Package.

iv) Term Loans amounting to Rs. 123 million (previous year Rs. Nil) 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 Company both present and future. This loan is further secured by personal guarantee of the Chairman & Managing Director of the Company. (Due within a year Rs. Nil; (previous year Rs. Nil)).

v) Working capital demand loans of Rs. Nil (previous year Rs. 9.96 million) are secured by hypothecation of stocks/ stores, book debts/ receivables and first charge on the fixed assets pertaining to the Company's unit at Rajpura in the State of Punjab. (Due within a year Rs. Nil ; (previous year Rs. 9.96 million)).

vi) Rs. 1.57 million (previous year Rs.Nil) relates to assets purchased under hire purchase/financing arrangement with a Bank and is secured by way of hypothecation of the specified assets. (Due with in a year Rs. 0.63 million; (previous year Rs. Nil)).

2) Others

i) Term Loan amounting to Rs.400 million (previous year Rs.Nil) is secured by first pari-passu charge on all immovable/ movable fixed assets of the Company pertaining to Mawana Sugar Works, Mawana, and Titawi Sugar Complex, Titawi, both in the state of Uttar Pradesh, both present and future and second pari-passu charge on the current assets of the aforesaid Units, both present and future. (Due within a year Rs. Nil; (previous year Rs. Nil)).

ii) Rs. 184.04 million (previous year Rs. Nil) from Government of India under Sugar Development Fund (SDF) is secured by an exclusive second charge on all 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. (Due within a year Rs. 15.27 million; (previous year Rs. Nil)).

* Does not include any amount outstanding as on September 30, 2008 which are required to be credited to the Investor Education and Protection Fund.

** Rs. Nil (previous year Rs. 1.06 million) due to erstwhile Mawana Sugars Limited.

Schedules 1 TO 13 (Contd.)

Schedule 4 : FIXED ASSETS

Description	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 31.03.2007 Rs.Million	Vested in the Company pursuant to the Scheme# Rs. Million	Additions** Rs.Million	Deductions Rs.Million	As at 30.09.2008 Rs.Million	As at 31.03.2007 Rs.Million	Vested in the Company pursuant to the Scheme# Rs. Million	For the Period* Rs.Million	Deductions Rs.Million	As at 30.09.2008 Rs.Million	As at 30.09.2008 Rs.Million	As at 31.03.2007 Rs.Million
Land	41.78	137.39	103.51	-	282.68	-	-	-	-	-	282.68	41.78
Buildings	103.46	622.71	96.10	1.70	820.57	21.70	82.22	34.95	-	138.87	681.70	81.76
Plant and machinery	2,153.40	6,577.55	607.86	17.06	9,321.75	918.45	1,061.22	712.86	7.07	2,685.46	6,636.29	1,234.95
Furniture and fixtures	7.51	32.40	3.95	3.45	40.41	4.12	17.54	4.03	1.56	24.13	16.28	3.39
Vehicles	6.36	9.44	3.02	1.69	17.13	4.43	4.20	1.56	1.47	8.72	8.41	1.93
Current period	2,312.51	7,379.49	814.44	23.90	10,482.54	948.70	1,165.18	753.40	10.10	2,857.18	7,625.36	
Previous year	2,290.33	-	32.84	10.66	2,312.51	842.04	-	113.90	7.24	948.70		1,363.81
Capital work-in-progress including capital advances											294.97	6.92
											7,920.33	1,370.73

Footnotes :

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

* Includes depreciation of Rs.0.04 million (previous year Rs. Nil) on assets used for projects debited to pre-operative expenditure pending allocation.

** Additions to fixed assets include Rs.35.36 million (previous year Rs. Nil) on account of borrowing cost capitalised during the period.

\# Consequent to the effectuation of the Scheme of Arrangement for Amalgamation (the "Scheme") as stated in note 2 of Schedule 13, the fixed assets have been taken over at their gross book values aggregating Rs. 7379.49 million (including additions/deletions during the period October 1, 2006 to March 31,2007) alongwith accumulated depreciation aggregating Rs. 1165.18 million (including additions/deletions during the period October 1, 2006 to March 31,2007) and capital work -in progress of Rs. 606.81 million.

Schedules 1 TO 13 (Contd.)

Schedule 5 : PRE-OPERATIVE EXPENDITURE PENDING ALLOCATION

		As at 30.09.2008 Rs.Million		As at 31.03.2007 Rs.Million
Raw materials consumed		27.62		-
Stores, spares and components		0.20		-
Power and fuel		12.92		-
Salaries,wages,bonus etc.		7.23		-
Welfare		0.07		-
Legal and professional fee		0.03		-
Rent		1.34		-
Insurance		1.55		-
Rates and taxes		0.01		-
Miscellaneous expenses		7.07		-
Interest on term loan for fixed period		56.22		-
Depreciation		0.04		-
		114.30		-
Less:				
Stocks produced during trial run	34.23		-	
Interest received on deposits	0.02		-	
Income from trial run	7.86		-	
Miscellaneous income	2.50		-	
		44.61		-
		69.69		-
Less: Pre operative expenses capitalised in fixed assets		(49.74)		-
		19.95		-

Schedule 6 : INVESTMENTS

		As at 30.09.2008 Rs.Million		As at 31.03.2007 Rs.Million
AT COST UNLESS OTHERWISE STATED				
Non -trade investment -Quoted				
Mawana Sugars Limited * Nil (previous year 50,000) Equity Shares of Rs. 10 each fully paid up		-		0.50
The Jay Engineering Works Limited Nil (previous year 7,770,000) Equity Shares of Rs. 10 each fully paid up		-		77.70
Trade investments - Unquoted				
Ceratizit India Private Limited 2,300,000 Equity shares of Rs. 5 each fully paid-up	23.00		23.00	
Less: provision for diminution in value	(11.85)	11.15	(11.85)	11.15
Capaxil Agencies Limited [1] 5 Equity shares of Rs.1000 each fully paid-up		0.01		0.01
Agro Pumpsets & Implements Limited 10 Equity shares of Rs. 500 each fully paid-up		0.01		0.01
Mawana Co-operative Development Union Limited [1 and 2] 2 Equity shares of Rs.10 each, Rs. 5 per share paid-up (# Rs. 10)		#		#
Ramraj Co-operative Cane Development Union Limited [1 and 2] 2 Equity shares of Rs.10 each, Rs. 5 per share paid-up (# Rs. 10)		#		#
Non-trade investments - Unquoted				
Government securities (# Rs. 4000)		#		#

Schedules 1 TO 13 (Contd.)

Schedule 6 : INVESTMENTS (Contd.)

		As at 30.09.2008 Rs.Million		As at 31.03.2007 Rs.Million
Siel Holdings Limited [2]				
50,000 Equity shares of Rs. 10 each fully paid up		**0.50**		-
Investment in subsidiary companies				
Non-trade				
Quoted				
Siel Financial Services Limited				
9,011,982 Equity shares				
of Rs.10 each fully paid-up	**202.97**		202.97	
Less: Provision for diminution in value	**(202.97)**	**-**	(202.97)	-
Unquoted				
Siel Financial Services Limited				
730,000, 5% Preference shares of Rs.100 each fully paid-up	**73.00**		73.00	
Less : Provision for diminution in value	**(73.00)**	**-**	(73.00)	-
Siel Industrial Estate Limited				
27,500,000 (previous year 22,500,000) Equity shares of Rs.10 each fully paid-up	**275.00**		225.00	
Less : Provision for diminution in value	**(50.00)**	**225.00**	(50.00)	175.00
SFSL Investments Limited				
15,000,000 Equity shares of Rs.10 each fully paid-up	**150.00**		150.00	
Less: Provision for diminution in value	**(150.00)**	**-**	(150.00)	-
Transiel India Limited (Refer note 14 of schedule 13)				
5,000,007 Equity shares of Rs.10 each fully paid-up	**50.00**		50.00	
Less: Provision for diminution in value	**(50.00)**	**-**	(50.00)	-
1,000,000 15% Preference shares of Rs.100 each fully paid-up	**100.00**		100.00	
Less: Provision for diminution in value	**(90.00)**	**10.00**	(90.00)	10.00
Siel Edible Oils Limited				
3,130,000 Equity shares of Rs. 10 each fully paid up		**31.30**		31.30
		277.97		305.67
Aggregate value of investments				
Quoted		**-**		78.20
(Market value Rs. Nil (previous year Rs. 79.55 million) [3]				
Unquoted		**277.97**		227.47
		277.97		305.67

Footnotes:

All investments are long term investments.

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

2 Investment vested in the Company pursuant to the Scheme (Refer note 2 of Schedule 13)

3 Includes Rs.Nil (previous year Rs. 77.70 million) being the cost of investments at face value as the market quotations are not available. Movements in the investments during the year.

Additions - Unquoted

5,000,000 Equity shares of Rs. 10 each fully paid-up of Siel Industrial Estate Limited

Deletions

7,770,000 Equity shares of Rs. 10 each fully paid-up of The Jay Engineering Works Limited

* Investment in erstwhile Mawana Sugars Limited (MSL) cancelled on Amalgamation of erstwhile MSL with the Company.

Schedules 1 TO 13 (Contd.)

Schedule 7 : DEFERRED TAX ASSETS (NET)

	As at 30.09.2008 Rs. Million	As at 31.03.2007 Rs. Million
Deferred tax assets on :		
Provision for gratuity	-	11.96
Provision for doubtful debts and advances	-	81.17
Accrued expenses deductible on payment basis	-	5.78
Unabsorbed depreciation	-	82.10
Others	-	1.55
	-	182.56
Deferred tax liability on:		
Depreciation	-	158.24
	-	158.24
Deferred tax assets (net)	-	24.32

Schedule 8 : CURRENT ASSETS, LOANS AND ADVANCES

	As at 30.09.2008 Rs. Million	As at 31.03.2007 Rs. Million
Current assets		
Inventories		
Stores and spares (at cost or under)	**194.25**	32.45
Stock in trade		
(At lower of cost or net realisable value)		
Raw materials, components etc.	**35.11**	19.84
Work-in-progress	**40.11**	11.50
Finished goods	**1,061.99**	10.75
	1,331.46	74.54
Sundry debtors		
Secured		
Over six months - good	**0.08**	-
Other debts - good	**31.13**	25.35
Unsecured		
Over six months - good	**1.69**	0.02
- doubtful	**100.84**	83.55
Other debts - good[1]	**139.14**	38.44
	272.88	147.36
Less: Provision for doubtful debts	**100.84**	83.55
	172.04	63.81
Cash and bank balances		
Cash in hand	**1.15**	1.01
Cheques on hand	**1.58**	0.01
With scheduled banks on		
current accounts[2]	**11.30**	18.80
deposit accounts	**27.27**	21.77
margin accounts	**69.65**	63.44
Interest accrued on deposits and margin money	**3.98**	2.48
	114.93	107.51
Loans and advances		
Unsecured and considered good unless otherwise stated		
Loans and advances to subsidiary companies[3]		
Considered good	**0.69**	-
Considered doubtful	**152.38**	152.38

Schedules 1 TO 13 (Contd.)

Schedule 8 : CURRENT ASSETS, LOANS AND ADVANCES (Contd.)

	As at 30.09.2008 Rs. Million	As at 31.03.2007 Rs. Million
Advances recoverable in cash or in kind or for value to be received		
Considered good	**333.40**	98.62
Considered doubtful	**2.89**	2.89
Taxation	**251.43**	144.41
With customs/excise authorities	**230.14**	14.49
	970.93	412.79
Less : Provision for doubtful advances	**155.27**	155.27
	815.66	257.52
	2,434.09	503.38

Footnotes:

1 Includes Rs. 6.70 million (previous year Rs. Nil) due from Siel Edible Oil Limited, a company under the same management. Maximum amount due during the period Rs. 9.11 million (previous year Rs. Nil).

2 Includes Rs. 0.09 million (previous year Rs. Nil) refundable to shareholders being the excess application money / excess call money received.

3 Dues from subsidiaries represent non interest bearing loans / advances which can be recalled on demand:

a) Loans / advances to Siel Financial Services Limited Rs. 36.59 million and considered doubtful of recovery (given prior to insertion of section 372 A on October 31, 1998) (previous year Rs. 36.59 million). Maximum amount due during the period Rs. 36.59 million (previous year Rs.36.59 million).

b) Loans/ advances to SFSL Investments Limited, a wholly owned subsidiary Rs. 115.79 million and considered doubtful of recovery (previous year Rs. 115.79 million). Maximum amount due during the period Rs. 115.79 million (previous year Rs. 115.79 million).

c) Advances to Siel Edible Oils Limited Rs. 0.69 million (previous year Rs. Nil.) Maximum amount due during the period Rs. 3.59 million (previous year Rs. 0.12 million)

Schedules 1 TO 13 (Contd.)

Schedule 9 : CURRENT LIABILITIES AND PROVISIONS

	As at 30.09.2008 Rs. Million	As at 31.03.2007 Rs. Million
Current liabilities		
Sundry creditors[1]		
-Dues of other than micro and small enterprises[3]	**1,166.56**	259.56[2]
-Dues of micro and small enterprises	**7.01**	-
Interest accrued but not due on loans	**8.01**	0.06
	1,181.58	259.62
Provisions		
-Employees compensated absences	**21.39**	5.29
-Provision for taxation	**38.26**	26.33
	59.65	31.62
	1,241.23	291.24

Footnotes :

1 Sundry creditors do not include any amounts outstanding as at September 30, 2008 which are required to be credited to the Investor Education and Protection Fund.

2 Includes Rs. 3.79 million due to small scale industrial undertakings.

3 a) Includes Rs. 0.09 million (previous year Rs. Nil) refundable to shareholders being the excess application money/excess call money received.

b) Includes Rs. 7.37 million (previous year Rs 7.84 million) due to subsidiaries.

Schedule 10 : OTHER INCOME

	18 Months ended 30.09.2008 Rs. Million	Year ended 31.03.2007 Rs. Million
Interest received on deposits etc. (Gross)[1]	**24.01**	6.31
Dividend on long term non trade investment(Gross)	-	0.05
Excess Provision / liabilities written back[2]	**80.63**	11.76
Profit on sale of fixed assets	**0.35**	1.40
Exchange gain	**6.90**	0.13
Rent received	**0.26**	-
Export benefits	**196.42**	0.12
Miscellaneous[3]	**75.99**	5.28
	384.56	25.05

1 Income tax deducted at source Rs. 4.77 million (previous year Rs. 1.24 million).

2 Includes Rs. 2.19 million (previous year Rs. 0.43 million) provision for doubtful debts/advances no longer required written back.

3 Income tax deducted at source Rs. 0.94 million (previous year Rs. Nil)

Schedule 11 : EXPENDITURE

	18 Months ended 30.09.2008 Rs. Million	Year ended 31.03.2007 Rs. Million
Manufacturing and other expenses		
Raw materials consumed	**5,266.34**	231.87
Stock produced during trial run	**34.23**	-
Stores,spares and components	**1,065.74**	206.21
Jobs on contract	**113.29**	9.50
Power and fuel	**1,428.58**	910.42
Repairs - buildings	**29.23**	2.52
- plant and machinery	**133.63**	8.33
- others	**17.60**	1.26

Schedules 1 TO 13 (Contd.)

Schedule 11 : EXPENDITURE (Contd.)

		18 Months ended 30.09.2008 Rs. Million		Year ended 31.03.2007 Rs. Million
Salaries,wages,bonus etc.		**772.59**		76.98
Provident and other funds		**63.42**		9.16
Welfare		**43.64**		5.35
Rent		**22.64**		1.02
Insurance		**20.90**		6.71
Rates and taxes		**6.11**		1.34
Legal and professional		**55.11**		7.03
Lease Rent		**13.70**		8.47
Exchange Fluctuation		**0.78**		0.44
Auditors' remuneration				
As auditors				
- Audit fee		**1.80**		1.00
- Out-of-pocket expenses		**0.08**		0.01
In other capacity				
- For limited review of unaudited financial results		**5.33**		1.35
- For verification of statements and other reports		**3.86**		1.01
Doubtful debts written off	**14.71**		-	
Less: Provision already held	**14.71**	**-**	-	-
Provision for doubtful debts/advances		**33.18**		0.53
Loss on sale/ write off of fixed assets		**1.28**		1.91
Freight outwards		**202.81**		1.89
Cash discount		**57.22**		-
Provision for loss on derivatives		**43.96**		
Miscellaneous		**227.08**		46.46
		9,664.13		1,540.77
Increase/(Decrease) in excise duty provision on stocks		**(72.31)**		0.76
(Increase)/Decrease of finished goods and process stocks				
Closing stocks				
- Work-in-progress	**40.11**		11.50	
- Finished goods	**1,061.99**		10.75	
	1,102.10		22.25	
Opening stocks				
- Work-in-progress [1]	**355.96**		8.65	
- Finished goods [2]	**1,676.30**		7.16	
	2,032.26		15.81	
		930.16		(6.44)
		10,521.98		1,535.09

1 Includes stock of Rs.344.46 million (previous year Rs.NIL) as on 31.3.07 transferred from erstwhile Mawana Sugars Limited pursuant to the Scheme (refer note 2 of schedule 13)

2 Includes stock of Rs.1665.55 million (previous year Rs.NIL)as on 31.3.07 transferred from erstwhile Mawana Sugars Limited pursuant to the Scheme (refer note 2 of schedule 13)

Schedule 12 : INTEREST

	18 Months ended 30.09.2008 Rs. Million	Year ended 31.03.2007 Rs. Million
On loans for fixed period (# Rs. 3559)	**690.12**	#
Others	**254.85**	2.00
	944.97	2.00

Schedules 1 TO 13 (Contd.)

Schedule 13 : NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

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. The significant accounting policies followed are stated below:

(a) 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.

(b) Depreciation:

(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 period/year, depreciation is provided up to the date of sale/ discard, except in case of Rajpur unit, where, depreciation is not provided on assets sold /discarded during the period/year.

(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 year of purchase.

(c) Investments:

Investments are stated at cost less provision for permanent diminution in value of long-term investments, if any.

(d) 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.

(e) 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.

(f) Research and development expenditure:

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

(g) Employee benefits:

Company's contribution paid/payable during the period/year to provident fund, superannuation fund and employees' state insurance corporation are recognised in the profit and loss. For the provident fund trusts administrated by the Company, the 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 year of actual payment. Provision for gratuity and compensated absences are determined on an actuarial basis at the end of period/ year and are charged to revenue each period/year.

(h) Income-tax:

The provision for 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.

(i) 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 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 and the date of inception of contract/the reporting date, is recognised as income/expense during the period/year.

Schedules 1 TO 13 (Contd.)

Schedule 13 : NOTES TO ACCOUNTS (Contd.)

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

(k) *Write-off of miscellaneous expenditure:*

Deferred revenue expenditure is written off over a period of three years.

(l) Pre-operative expenses:

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

2\. A. 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 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.

B. The Company had already prepared its accounts for the year ended March 31, 2007, which have been adopted by its Board of Directors on May 31, 2007 and circulated to its shareholders for adoption in the Annual General Meeting on September 20, 2007 wherein the effect of the High Court Order dated September 11, 2007 sanctioning the Scheme of Arrangement could not be taken for non-receipt of the Order and completion of legal formalities by the Company.

C. For giving effect to the amalgamation in the nature of merger the 'pooling of interests' method as prescribed by the Accounting Standard – 14 "Accounting for amalgamations" issued by the Institute of Chartered Accountants of India, has been followed in these accounts wherein, the assets and liabilities including contingent liabilities as at October 1, 2006 and the transactions including income and expenses for the period October 1, 2006 to March 31, 2007 of MSL (being the period when pending effectuation of the Scheme, the business and activities of MSL were being run and managed in trust for the Company) for the six months period ended March 31, 2007 have been incorporated in these accounts as under :

a. The assets and liabilities of MSL as at October 1, 2006 incorporated in these accounts are as under :

Rs. in million

Assets		**As at October 1, 2006**
Fixed assets		
- Gross block	3,077.36	
- Less : Accumulated Depreciation upto 30.09.2006	1,084.28	1,993.08
- Capital work in progress		2,851.94
- Pre-operative expenditure pending allocation		207.38
- Investments		0.50
- Miscellaneous expenditure (to the extent not written off or adjusted)		0.49
Current assets, loans and advances		
- Inventories		466.78
- Sundry debtors		229.60
- Cash and bank balances		840.98
- Loans and advances		563.88
Total assets		7,154.63
Liabilities		
- Reserves and surplus		2,002.99
- Loan funds		
- secured		3,950.31
- unsecured		9.20
- Current liabilities and provisions		
- current liabilities		582.76
- provisions		171.91
- Deferred tax liabilities(net)		92.78
Total liabilities		6,809.95
Net assets		344.68

Schedules 1 TO 13 (Contd.)

Schedule 13 : NOTES TO ACCOUNTS (Contd.)

b. The profit and loss account of MSL for the six months period ended March 31, 2007 resulting in a loss of Rs 118.52 million as detailed below, have also been incorporated in these accounts.

Particulars	Rs. in million
Sales and other income	3,443.95
Less:	
- Manufacturing and other expenses	3,472.98
- Miscellaneous expenditure written off	0.42
(Loss) before interest, depreciation and tax	(29.45)
Less: Interest	57.92
Depreciation	82.69
(Loss) before tax	(170.06)
Less: Provision for taxation	
Deferred tax benefit	(54.06)
Fringe benefit tax	2.52
(Loss) after tax	(118.52)

D. Consequent to the effectuation of the said Scheme:-

a. The shareholders of MSL were entitled to three equity shares of Rs. 10 each in the Company as fully paid up (exchange shares) for every two equity shares of Rs.10 each fully paid held by them in MSL.

b. The equity share capital of the Company after giving effect to cancellation of cross holdings and including the exchange shares entitlement by shareholders of MSL becomes Rs.739.68 million comprising of 7,39,68,273 equity shares of Rs. 10 each as fully paid up, which has been reduced to Rs.246.56 million comprising of 2,46,56,091 equity shares of Rs. 10 each as fully paid up.

c. In view of a) and b) above the Company has issued and allotted one new equity share of Rs. 10 each as fully paid up to the shareholders of MSL for every two equity shares of Rs. 10 each fully paid up held by them in MSL and one new equity share of Rs. 10 each as fully paid up to the equity shareholders of the Company for every three equity shares of Rs. 10 each fully paid up held by them in the Company on the record date of October 31, 2007 fixed by the Board of Directors of MSL and the Company. The net surplus arising consequent to amalgamation of MSL in to the Company and subsequent reduction in share capital amounting to Rs. 280.95 million in terms of the Scheme has been credited to 'General Reserve'.

	As at September 30, 2008 Rs. Million	As at March 31, 2007 Rs. Million
3. Capital commitments (net of advances)	**44.57**	12.97
4. Contingent liabilities		
a) Claims against the Company not acknowledged as debts in respect of* :-		
- Income Tax	**223.13**	146.24
- Sales tax	**84.89**	82.27
- Excise Duty/Service Tax	**62.20**	11.42
- Licence fee for railway siding	**60.68**	60.68
- Supplier's claim	**-**	16.61
- Others	**65.53**	10.80

*All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of the management, 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 a wholly owned subsidiary	**70.00**	70.00
Dues outstanding	**16.07**	8.15

c) The Company has provided bank guarantees aggregating Rs. 126 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. 89.45 million have been received. These demands are presently under various stages of appeal.

Schedules 1 TO 13 (Contd.)

Schedule 13 : NOTES TO ACCOUNTS (Contd.)

5. The Company had surrendered on October 23, 2003 possession of 46.58 acres of its land at 15, Shivaji Marg, New Delhi to the Delhi Development Authority (DDA) pursuant to the order of Hon'ble Supreme Court. The matter regarding validity of this surrender is sub-judice before Hon'ble Supreme Court under a review petition.
6. Research and development expenses amounting to Rs. 4.36 million (previous year Rs. Nil) have been charged to the respective revenue accounts.
7. As the Company has substantial unabsorbed depreciation and carry forward losses under Income Tax Act, 1961 and is unlikely to have taxable income in the foreseeable future, in accordance with Accounting Standard (AS) 22 issued by the Institute of Chartered Accountants of India, the net deferred tax assets have not been recognised in the accounts.
8. The Company has facilitated Agri loan from Punjab National Bank to the farmers who supply sugarcane to the Company. Such loan has to be distributed to such farmers through an Escrow Account to be operated by the Company and the Company has to facilitate repayment of loan by the farmers to the Bank against the payment to be made to them against supply of sugarcane to the Company. A sum of Rs. 401.68 million has been lying in Escrow Account as on 30.09.2008.
9. 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 31.3.2007 in terms of the Foreign Trade Policy Handbook of Procedure (HBP) 2002-2007.

   The balance unfulfilled export obligation as at September 30, 2008 is US$ 7.96 million.

   Being unable to fulfill the EO by 31.3.2007, the Company had filed an application with Directorate General of Foreign Trade (DGFT) on March 6, 2007 for extension in export obligation period for another two years i.e. upto March 30, 2009 in terms of the provisions of the newly introduced HBP 2004-2009.

   The Company has been granted the extension in export obligation period upto March 30, 2009 subject to deposit of 50% of duty payable in proportion to unfulfilled export obligation and endorsement on EPCG authorization by Custom Authorities.

   The Company has filed an application to the DGFT inter alia stating since it is the Company's first extension under the HBP 2004-2009, in accordance with the said HBP read with the Policy Circular No. 33 dated 17.3.2008 the Company is entitled to endorsement of EPCG license on payment of 2% of duty saved on the unfulfilled EO and not subject to 50% duty payable in proportion to unfulfilled export obligation.

   At this stage, pending decision / final outcome of the application with the DGFT, the Company as a matter of abundant caution has made a provision of Rs. 16.70 million in these accounts.
10. Employee Benefits:

    The Company has during the period adopted Accounting Standards (AS) 15 (Revised 2005) "Employee Benefits" In accordance with the revised Accounting Standard, the transitional liability, amounting to Rs. 3.35 million has been reduced from opening balance of General Reserve.

    The Company has classified various benefits provided to employees as under:-

    i) Defined Contribution Plan and amount recognized in profit and loss account.

	(Amount Rs. in Million)
♦ Employers contribution to provident fund	45.90
♦ Employers contribution to superannuation fund	10.98
♦ Employees 'State Insurance Corporation.	1.48

    ii) Defined Benefits Plans

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

Period ended September 30, 2008

(Amount Rs. in Million)

A.	**Change in the present value of obligation**	**Gratuity (Funded)**	**Compensated absence**
	Present value of Obligation as at April 1, 2007	96.60	17.81
	Current service cost	11.35	5.58
	Interest cost	10.86	2.14
	Benefits paid	(0.52)	(13.63)
	Actuarial loss/ (gain)	(8.77)	9.49
	Present value of Obligation at September 30, 2008	109.52	21.39

Schedule 13 : NOTES TO ACCOUNTS (Contd.)

		Gratuity (Funded)	Compensated absence
B.	**Change in the fair value of plan asset**		
	Fair value of plan assets as at April 1, 2007	32.96	-
	Expected return on plan assets	4.70	-
	Contribution by the Company	0.60	-
	Benefits paid	(0.52)	-
	Actuarial gain/(loss)	-	-
	Fair value of plan assets as at September 30, 2008	37.74	-
C.	Amount recognised in the balance sheet (A-B)	71.78	21.39
D.	**Expenses recognized in the Profit and loss account**		
	Current service cost	11.35	5.58
	Interest cost	10.86	2.14
	Expected Return on plan Assets	4.70	-
	Actuarial loss/ (gain)	(8.77)	9.49
	Net Cost	8.74	17.21
E.	**Constitution of plan assets**		
	Funded with LIC	37.74	-
F.	**Actuarial Assumptions**		
	Discount rate		8.00%
	Rate of increase in compensation levels		5.00%
	Rate of return on plan assets		9.25%

11. Director's remuneration*

(Rs. in million)

	Period ended 30.09.2008	Year ended 31.03.2007
Salaries and allowances	20.47	1.54
Contribution to provident and other funds	2.43	0.12
Value of perquisites	4.18	0.24
Directors fees	0.27	0.15

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

12. Segment reporting

A. Business Segment

Based on the guiding principles given in Accounting Standard (AS) 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India - the Company's business Segment includes Chemical and upon effectuation of the Scheme (refer to note 2 above) Sugar, Power and Other (Distillery) also.

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.

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.

d. Information about business segments

(Rs./ Million)

PARTICULARS	Sugar		Power		Chemicals		Others		Unallocated		Elimination		Total	
	Current Period	Previous Year	**Current Period**	Previous Year	**Current Period**	Previous Year	**Current Period**	Previous Year	**Current Period**	Previous Year	**Current Period**	Previous Year	**Current Period**	Previous Year
SEGMENT REVENUE														
External sales #	***6,846.64***	-	***361.47***	-	***2,640.84***	*1,613.50*	***309.73***	-	-				***10,158.68***	*1,613.50*
Inter-Segment revenue	**1,336.41**	-	**1,833.75**	-	**1.21**			-	-	-	**(3,171.37)**	-	**-**	
Other income	**259.04**	-	**0.08**	-	**7.18**	6.47	**0.52**	-	**117.74**	18.58			**384.56**	25.05
Total revenue	**8,442.09**	-	**2,195.30**	-	**2,649.23**	1,619.97	**310.25**	-	**117.74**	18.58	**(3,171.37)**	-	**10,543.24**	1,638.55
RESULTS														
Segment results	**(1,203.83)**	-	**512.96**	-	**228.32**	33.44	**36.09**	-	**-**	-			**(426.46)**	33.44
Unallocated expenses (net of income)	**-**	-	**-**	-	**-**	-	**-**	-	**(329.65)**	(50.19)			**(329.65)**	(50.19)
Operating profit/(loss)	**(1,203.83)**	-	**512.96**	-	**228.32**	33.44	**36.09**	-	**(329.65)**	(50.19)			**(756.11)**	(16.75)
Interest expense	**-**	-	**-**	-	**-**	-	-	-	**944.97**	2.00			**944.97**	2.00
Interest Income	**-**	-	**-**	-	**-**	-	-	-	**24.01**	6.31			**24.01**	6.31
Net Profit/(Loss) before tax	**(1,203.83)**	-	**512.96**	-	**228.32**	33.44	**36.09**	-	**(1,250.61)**	(45.88)			**(1,677.07)**	(12.44)
Current Tax	**-**	-	**-**	-	**-**	-	-	-	**-**				**-**	-
Deferred tax benefit	**-**	-	**-**	-	**-**	-	-	-	**(14.40)**	(24.32)			**(14.40)**	(24.32)
Fringe Benefit Tax	**-**	-	**-**	-	**-**	-	-	-	**6.51**	0.95			**6.51**	0.95
Net Profit/(Loss) after tax	**(1,203.83)**	-	**512.96**	-	**228.32**	33.44	**36.09**		**(1,242.72)**	(22.51)			**(1,669.18)**	10.93
OTHER INFORMATION	**As at 30.09.2008**	As at 31.03.2007	**As at 30.09.2008**	As at 31.03.2007	**As at 30.09.2008**	As at 31.03.2007	**As at 30.09.2008**	As at 31.03.2007	**As at 30.09.2008**	As at 31.03.2007			**As at 30.09.2008**	As at 31.03.2007
A. ASSETS														
Segment assets	**4,829.12**	-	**2,647.72**	-	**1,551.77**	1,675.64	**566.90**	-	**-**	-			**9,595.51**	1,675.64
Unallocated assets	**-**	-	**-**	-					**1,056.83**	528.46	-	-	**1,056.83**	528.46
Debit balance in profit and loss account									**183.69**	-			**183.69**	-
Total assets	4,829.12	-	2,647.72	-	**1,551.77**	1,675.64	**566.90**	-	**1,240.52**	528.46			**10,836.03**	2,204.10
B. LIABILITIES														
Segment liabilities	**646.31**	-	**66.29**	-	**176.81**	141.43	**25.54**	-	**-**	-			**914.95**	141.43
Share capital / reserves and surplus	**-**	-	**-**	-	**-**	-	-	-	**2,781.20**	1,891.21			**2,781.20**	1,891.21
Secured and unsecured loans	**-**	-	**-**	-	**-**	-	-	-	***6,813.60***	*21.65*			***6,813.60***	*21.65*
Unallocated liabilities	**-**	-	**-**	-	**-**	-	**-**	-	**326.28**	149.81			**326.28**	149.81
Total liabilities	646.31	-	66.29	-	176.81	141.43	25.54	-	9,921.08	2,062.67			10,836.03	2,204.10
	Current Period	*Previous Year*	***Current Period***	*Previous Year*	***Current Period***	*Previous Year*	***Current Period***	*Previous Year*	***Current Period***	*Previous Year*				
C. OTHERS														
Capital expenditure	**183.65**	-	**61.34**	-	**37.53**	27.09	**528.72**	-	**209.40**	63.00				
Depreciation	**322.45**	-	**237.20**	-	**171.11**	113.27	**18.94**	-	**3.67**	0.63				
Non cash expenses other than depreciation	**-**	-	**-**	-	**-**	-	**-**	-	**-**					

\# Net of excise duty

Schedules 1 TO 13 (Contd.)

Schedule 13 : NOTES TO ACCOUNTS (Contd.)

13. 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 the effect of these matters on the accounts could not be determined at this stage.

14. The Company has an investment of Rs.150 million, comprising Rs.100 million in preference shares and Rs.50 million in equity shares of Transiel India Limited (Transiel), a wholly owned subsidiary. As per the latest audited balance sheet, Transiel has accumulated losses of Rs.142.76 million upto March 31, 2008. The Company, as a measure of prudence, has made a total provision of Rs. 140 million for the estimated diminution in the value of investment on the basis of its own assessment of the erosion of the net worth of the subsidiary. The management has confirmed to auditors that the provision made is adequate and the remaining balance of investment is good and fully recoverable.

15. Consequent to import of 16,385.73 metric tonnes of raw sugar, the Company has an obligation to export 15,605.52 metric tonnes of white sugar by September, 2008. Against this export obligation, 6,415.80 metric tonnes of white sugar has been exported. An application for extension up to March 31, 2009 has already been filed before the DGFT New Delhi on September 30, 2008.

16. Earning per share

		18 Months ended September 30, 2008	Year ended March 31, 2007
Profit/(Loss) after tax	Rs. Million	**(1669.18)**	10.93
Weighted average number of equity shares outstanding*	No.	**25,809,344**	18,315,302
Basic and diluted earnings per share in rupees (face value-Rs.10 per share)	Rs.	**(64.67)**	0.60

* Refer note 2 above

17. Related party disclosures under Accounting Standard 18

    Name of related party and nature of related party relationship

    Subsidiaries: SFSL Investments Limited, Siel Financial Services Limited, Transiel India Limited, Siel Industrial Estate Limited and Siel Edible Oils Limited.

    Enterprises over which key management personnel have significant influence:

    Erstwhile Mawana Sugars Limited (MSL) {Amalgamated with the Company pursuant to the Scheme refer note 2 above} up to September 30, 2006.

    Usha International Limited (UIL) (Formerly known as The Jay Engineering Works Limited (an associate w.e.f. January 04, 2007 upto October 01, 2007)).

    Greenfields Commercial Private Limited.

    Key Management Personnel and their relatives:

    For full period:
    Mr. Siddharth Shriram
    Mr. K.P. Singh
    Mr. Krishna Shriram
    Ms. Roula Shriram } Relatives of Mr. Siddharth Shriram.

    For part of the period
    Mr. A K Mehra (w.e.f. October 15, 2007)
    Mr. Sunil Kakria (w.e.f. January 7, 2008)

	Period ended 30.09.2008 Rs. Million	Year ended 31.03.2007 Rs. Million
A) Subsidiaries		
Siel Edible Oils Limited		
Sales	**91.89**	-
Inter Corporate deposit given and received back	**-**	5.00
Licence Fee received for use of Logo	**-**	0.03
Interest received	**0.10**	0.16
Expenses reimbursed	**0.06**	-
Expenses recovered	**2.32**	11.15
Miscellaneous purchases	**0.48**	0.22
Guarantee given by the Company	**70.00**	70.00
Payments received against loans/ advances given	**-**	0.03
Commission paid	**2.98**	-

Schedules 1 TO 13 (Contd.)

Schedule 13 : NOTES TO ACCOUNTS (Contd.)

		Period ended 30.09.2008 Rs. Million	Year ended 31.03.2007 Rs. Million
	Transiel India Limited		
	Repayment of Loans/ advances	-	0.30
	Expenses recovered (# Rs. 1556) (## Rs. 1797)	#	##
	Siel Industrial Estate Limited		
	Expenses recovered (# Rs.3028) (## Rs.2528)	#	##
	Advances for purchase of land	-	4.00
	Investment in 5,000,000 (previous year 2,500,000) equity shares of Rs.10 each	50.00	25.00
	Final payment for purchase of land	7.01	-
	Balances outstanding included under :		
	Loans and advances $	153.07	156.38
	Sundry Creditors	7.37	7.84
	Guarantee given by the Company	70.00	70.00
	Debtors	6.70	-
B)	**Enterprises over which key Management personnel have significant influence**		
	Erstwhile Mawana Sugars Limited $$		
	Sales	-	8.42
	Expenses recovered	-	5.70
	Professional / Management fee / Other expenses paid	-	13.26
	Fixed assets purchased	-	0.14
	Amount received on behalf of MSL	-	0.57
	Greenfields Commercial Private Limited		
	Issue of 5917159 equity share of Rs.10/-each fully paid up at a premium of Rs.15.35 per share on preferential basis	150.00	-
	Usha International Limited (UIL)		
	Expenses recovered	0.50	0.04
	Investment NIL (Previous year 7770000) equity shares of Rs.10 each (conversion of advances in to equity shares)	-	77.70
	Commission Paid on Export sale	3.96	-
	Expenses reimbursed	0.32	-
	Amount received on behalf of UIL	-	0.03
	Miscellaneous Purchases	1.49	-
	Payment received against loans & advances	0.81	-
	Balances outstanding included under :		
	Loans and advances / Debtors	-	2.64
	Sundry Creditors / Loans and advances taken	0.15	1.06
C)	**Key Management personnel and their relatives**		
	Remuneration to key management personnel :		
	Mr. Siddharth Shriram	9.04	-
	Mr. A.K. Mehra	5.86	-
	Mr. K.P. Singh	2.93	1.90
	Mr. Sunil Kakria	9.25	-

$ Includes Rs. 152.38 Million (previous year Rs. 152.38 Million) provided for as doubtful advances.

$$ Transactions does not include assets and liabilities transferred to the Company pursuant to the Scheme referred to in note 2 above as well as the assets, liabilities, incomes accrued and expenses incurred during the period when the activities of the MSL were being run and managed in trust for the Company.

Schedules 1 TO 13 (Contd.)

Schedule 13 : NOTES TO ACCOUNTS (Contd.)

18. The following are the particulars of disputed dues on account of sales tax, income – tax, and excise duty matters as at September 30, 2008 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	3.13	Nil	2000-01	Supreme Court
			0.03	0.00	1973-74	High Court
			57.76	2.86	1978 -79 to 1979 - 80, 1986 - 87 to 1996 - 97	Sales Tax Tribunal
			199.74	22.25	1975-76 to 77-78, 83-84 to 2004-05 and 2006-07	Appellate authority upto Commissioner's level
2.	Income Tax Laws	Income-tax	0.85	0.55	1994-95	High Court
			0.86	0.74	2001-02	Income-tax Appellate Tribunal
3.	Central Excise Laws	Excise Duty	6.65	Nil	1997-99,2000-01 and 2005-06	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
			80.37	40.31	1981-82 to 1984-85, 1990-91 to 1992-93, 1994-95 to 2001-02, 2003-04 to 2004-05 and 2006-07 to 2008-09	Appellate authority upto Commissioner's level
		Service Tax	0.53	Nil	2003-04, 2004-05 2006-07	Appellate Authority upto Commissioner's level

Period in respect of income tax represents assessment year.

The following matters have been decided in favour of the Company but the department has preferred appeal at the higher level the details of which are given below:

S. No	Name of the Statute	Nature of dues	Net Unpaid Amount (Rs.Lacs)	Period to which the amount relates (various years covering the period)	Forum where dispute is pending
1.	Central Excise Laws	Excise Duty	69.13	1992 - 93 to 1997 - 98	High Court
			0.21	1997 - 98	Customs Excise and Service Tax Appellate Tribunal (CESTAT)

19. The foreign currency exposure of the Company as on September 30, 2008 is as under:

a) Category wise quantitative data :

	Nos.	Amount (in million) Current Period	Previous Year
Forward contract against export	36	USD 18.36	-

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

Particulars	Period ended 30.09.2008		Year ended 31.03.2007	
	Amount in foreign currency (million)	**Amount in (Rs./million)**	Amount in foreign currency (million)	Amount in (Rs./million)
Sundry debtors	**0.157 US $**	**6.969**	0.231 US$	10.05
Sundry creditors	**0.066 GBP**	**5.638**	0.016 US$	0.71
Export obligation	**7.96 US $**	**373.88**	45.43 US$	1959.40

20. The accounts for the period ended September 30, 2008 have been prepared after considering sugar cane purchase price @ Rs. 110 per quintal as an interim measure for paying the price of sugar cane to sugar cane grower in accordance with the Order of Hon'ble Supreme Court dated September 8, 2008 in case No. 18681 of 2008 for sugar season 2007-08 filed by the Company. Necessary adjustments will be made by the Company in accordance with the final order of the Hon'ble Court in this matter.

21. The debts of erstwhile Mawana Sugars Limited have been restructured under a package approved by Corporate Debt Restructuring (CDR) Empowered Group in its meeting held on September 26, 2007. In terms of the CDR package, the Company had issued 5917159 equity share

Schedules 1 TO 13 (Contd.)

Schedule 13 : NOTES TO ACCOUNTS (Contd.)

of Rs. 10 each fully paid up at a premium of Rs. 15.35 per share to the promoters of the Company on preferential basis on 16.06.2008 and the proceeds aggregating to Rs. 150.00 million have been utilized as per the CDR sanctioned package.

22. Sales are net of commission of Rs. 24.95 million (previous year Rs. 5.81 million).
23. Based upon the information available with the Company, the balance due to suppliers registered under "The Micro, Small and Medium Enterprises Development Act, 2006 (Act) is Rs. 7.01 million. Further, no interest during the period has been paid or is payable under the terms of the Act.
24. The figures for the current period are for a period of eighteen months from April 1, 2007 to September 30, 2008 whereas the corresponding previous year figures are for a period of twelve months. Further current period figures are inclusive of erstwhile Mawana Sugars Limited, *amalgamated with the Company with effect from October 1, 2006, the appointed date (refer note 2 above)*.

    Therefore, the corresponding figures of previous year are not directly comparable with those of current period.
25. Previous year figures have been regrouped wherever necessary.
26. **STATEMENT OF ADDITIONAL INFORMATION**

(i) PARTICULARS OF CAPACITY AND PRODUCTION

		CAPACITY					PRODUCTION	
		LICENSED		INSTALLED				
PARTICULARS	UNIT	**As at 30.09.2008**	As at 31.03.2007	**As at 30.09.2008**	As at 31.03.2007	UNIT	**Period ended 30.09.2008**	Year ended 31.03.2007
Sugar @	Cane Crushing M.T.per day	NA	NA	29,500	–	M.T.	409,774	–
Caustic soda	M.T.per annum	**132,000**	132,000	**82,500**	82,500	M.T.	**104,422**	72,732
Caustic flakes	M.T.per annum	**33,000**	33,000	**33,000**	33,000	M.T.	**15,619**	12,878
Chlorine (dry and liquid)	M.T.per annum	**116,600**	116,600	**73,095**	73,095	M.T.	**99,944**	70,339
Hydrogen	M.T.per annum	**2,100**	2,100	**2,063**	2,063	M.T.	**2,823**	1,985
Hydrochloric acid	M.T.per annum	**#**	#	**66,000**	66,000	M.T.	**52,262**	33,171
Stable bleaching powder	M.T.per annum	**#**	#	**18,000**	18,000	M.T.	**18,499**	14,075
Sodium hypochlorite	M.T.per annum	**#**	#	**23,100**	23,100	M.T.	**23,959**	20,181
Absolute/Industrial Alcohol	B.L.per annum	**36,000,000**	–	**36,000,000 $**	–	B.L.	**13,998,780 ***	–

No licence required.
@ Vested in the Company under the Scheme of Arrangement (refer note 2 of schedule 13)
* Excludes 2772668 B.L. (previous year Nil) produced during trial run.
$ Based upon 300 days working

Notes:

1. The licences transferred from undivided DCM Limited pursuant to the Scheme of Arrangement are pending endorsement in the name of the Company.
2. The licensed capacity, in some cases, has been given on the basis of Letters of Intent.
3. Installed capacity is as certified by official of the Company and relied upon by the auditors being a technical matter.
4. Production figures representing gross production are inclusive of internal consumption.

(ii) PARTICULARS OF STOCKS AND SALES

		STOCKS								SALES *			
		Opening Stock				Closing Stock							
		As at 01.04.2007		As at 01.04.2006		**As at 30.09.2008**		As at 31.03.2007		**Period ended 30.09.2008**		Year ended 31.03.2007	
PARTICULARS	UNIT	**Quantity**	**Value Rs. Million**	Quantity	Value Rs. Million	**Quantity**	**Value Rs. Million**	Quantity	Value Rs. Million	**Quantity**	**Value Rs. Million**	Quantity	Value Rs. Million
Sugar @	M.T.	96,311.00	1,413.11	-	-	61,145.00	1,019.51	-	-	444,940.00	6,593.22	-	-
Caustic soda	M.T.	232.85	3.02	176.75	2.26	690.66	10.74	232.85	3.02	88,344.99	1,879.00	59,797.90	1,218.31
Caustic flakes	M.T.	274.90	4.61	31.15	0.51	285.05	6.06	274.90	4.61	15,000.05	328.55	12,634.25	245.03
Chlorine (dry and liquid)	M.T.	331.74	0.51	372.90	1.72	357.90	0.93	331.74	0.51	74,407.09	418.35	52,419.60	128.43
Hydrochloric acid	M.T.	211.22	0.40	131.23	0.36	269.61	0.56	211.22	0.40	43,238.61	97.62	25,790.01	54.58
Hydrogen	M.T.	-	-	-	-	-	-	-	-	511.15	49.22	365.24	31.43
Stable bleaching powder	M.T.	195.83	2.04	191.00	2.09	251.73	2.26	195.83	2.04	18,120.73	189.54	14,069.93	144.24
Sodium hypochlorite	M.T.	60.58	0.17	72.65	0.22	45.37	0.14	60.58	0.17	23,974.21	75.74	20,193.07	56.39
Industrial Alcohol	B.L.	-	-	-	-	324,447.80	5.64	-	-	15,940,000.00	369.93	-	-
Others			252.44		-		16.15		-	-	1,121.72	-	8.92
TOTAL			**1,676.30**		**7.16**		**1,061.99**		**10.75**		**11,122.89**		**1,887.33**

* Excludes for own use, claims, samples, write offs, etc.
@ Vested in the Company under the Scheme of Arrangement (refer note 2 of schedule 13)

Schedules 1 TO 13 (Contd.)

Schedule 13 : NOTES TO ACCOUNTS (Contd.)

(iii) PARTICULARS OF RAW MATERIALS CONSUMED

Raw Materials	UNIT	Period Ended 30.09.2008 Quantity	Period Ended 30.09.2008 Value Rs.Million	Year Ended 31.03.2007 Quantity	Year Ended 31.03.2007 Value Rs.Million
Sugar cane	M.T.	**3,995,809.25**	**4,925.32**	–	–
Salt	M.T.	**172,590.12**	**298.34**	121,465.17	208.59
Quick Lime	M.T.	**3,376.01**	**16.79**	2,070.30	10.35
Lime Stone	M.T.	**16,104.71**	**15.69**	12,734.00	12.93
Others			**10.20**		
TOTAL			**5,266.34**		231.87

(iv) OTHER ADDITIONAL INFORMATION

Particulars	Period Ended 30.09.2008 Rs. Million	%	Year Ended 31.03.2007 Rs. Million	%
(a) Value of imports on C.I.F. basis				
- Stores, spares and components	**79.20**		40.12	
- Capital goods	**0.65**		–	
(b) Expenditure in foreign currency				
- Travel, etc.	**0.01**		–	
- Technical consultancy fees	**0.03**		–	
- Others	**0.02**		1.22	
(c) Earnings in foreign exchange				
- Export on FOB basis	**1,476.60**		118.13	
(d) Value of imported/Indigenous Raw materials, stores, spares and components consumed				
Imported	**91.49**	**1.44**	42.34	9.66
Indigenous	**6,240.59**	**98.56**	395.74	90.34
TOTAL	**6,332.08**	**100.00**	438.08	100.00

Signatures to Schedule 1 to 13

SIDDHARTH SHRIRAM
Chairman and Managing Director

SUNIL KAKRIA
Managing Director

A.K. MEHRA
Whole Time Director

D.C. MITTAL
DINESH MOHAN
N.K. GOILA
RAVI VIRA GUPTA
R.S. BEDI
Directors

Place : New Delhi
Date : 26.12.2008

AMIT KHURANA
Company Secretary

PANKAJRAI S. MITTAL
Senior General Manager (Accounts)

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

S.No.	NAME OF THE SUBSIDIARY	SIEL INDUSTRIAL ESTATE LIMITED	TRANSIEL INDIA LIMITED	SFSL INVESTMENTS LIMITED	SIEL FINANCIAL SERVICES LIMITED	SIEL EDIBLE OILS LIMITED
1.	Financial year of the subsidiary	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008
2.	Extent of holding company's interest in the subsidiary					
	- Number of shares	27,500,000 Equity shares of Rs. 10 each fully paid-up	5,000,007 Equity shares of Rs. 10 each fully paid-up 1,000,000 Preference shares of Rs.100 each fully paid-up	15,000,054 Equity shares of Rs.10 each fully paid-up	9,011,982 Equity shares of Rs.10 each fully paid-up 730,000 Preference shares of Rs.100 each fully paid-up	3,130,000 Equity shares of Rs.10 each fully paid-up
	- % holding (equity)	100%	100%	100%	93.56% @	100%
	- % holding (preference)	-	100%	-	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. 0.20 million	Rs.0.13 million	(-)Rs.0.03 million	(-) Rs.1.22 million	(-)Rs. 20.41 million
	ii) For subsidiary's previous financial years since it became subsidiary	(-)Rs.49.54 million	(-)Rs.142.76 million	(-)Rs.263.19 million	(-)Rs.1632.48 million	(-)Rs. 28.91 million
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.	-	-	-	-	-
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	-	-	-	-	-
	iii) Monies lent by the subsidiary	-	-	-	-	-
	iv) Monies borrowed by the subsidiary other than for meeting current liabilities.	-	-	-	-	-
7	Information required to published as per letter no47/569/2008-CL-III date 28th Nov 2008 issued by Ministry of corporate affairs granting approval u/s 212(8) of the Companies Act, 1956 for the finacial year ended on 30th Sept 2008					
	i) Paid up capital	Rs. 275.00 million	Rs. 150.00 million	Rs. 150.00 million	Rs. 186.23 million	Rs. 31.30 million
	ii) Reserves	Rs. (49.54) million	Rs. (142.76) million	Rs. (263.19) million	Rs. (200.50) million	Rs. (28.91) million
	iii) Total Assets	Rs. 227.44 million	Rs. 7.27 million	Rs. 2.66 million	Rs. 61.05 million	Rs. 57.35 million
	iv) Total liabilites	Rs. 2.45 million	Rs. 0.03 million	Rs. 115.85 million	Rs. 75.33 million	Rs. 55.27 million
	v) Miscellaneous Expenditure (To the extent not written off or adjusted)	Rs. 0.47 million	-	-	-	Rs. 0.31 million
	vi) Details of investments					

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

(Except in case of investments in subsidaries)	-	-	-	200 GOI 2012 bonds (7.40%) Rs.23542/- 295700 equity shares of Rs 10/- each MSD Industrial Limited Costing Rs 10,822,620/- * 100,000 equity shares of Rs 10/- each of Deluxe Fabrics limited Costing Rs 1,000,000/- *	-
vii) Turnover	Rs. 12.12 million	Rs. 0.51 million	Rs. 0.03 million	Rs. 60.34 million	Rs. 715.00 million
viii) Profit before taxation	Rs. (0.20) million	Rs. 0.13 million	Rs. (0.03) million	-	Rs. (20.08) million
ix) Provision for taxation	-	-	-	-	Rs. 0.33 million
x) Profit after taxation	Rs. (0.20) million	Rs. 0.13 million	Rs. (0.03) million	Rs. (1.22) million	Rs. (20.41) million
xi) Proposed dividend	-	-	-	-	-

@ 1,601,400 equity shares (14.12%) are held by SFSL Investments Limited a wholly owned subsidiary of Mawana Sugars Limited.

* These investments are fully provided in the books of accounts.

SIDDHARTH SHRIRAM
Chairman and Managing Director

SUNIL KAKRIA
Managing Director

A.K. MEHRA
Whole Time Director

D.C. MITTAL
DINESH MOHAN
N.K. GOILA
RAVI VIRA GUPTA
R.S. BEDI
Directors

Place : New Delhi
Date : 26.12.2008

AMIT KHURANA
Company Secretary

PANKAJRAI S. MITTAL
Senior General Manager (Accounts)

Additional information as required under Part IV of Schedule VI to the Companies Act, 1956

1. **REGISTRATION DETAILS**

Registration No.	3413	State Code	55
Balance Sheet Date	30092008		

2. **CAPITAL RAISED DURING THE YEAR (Amount in Rs.Thousands)**

Public Issue	-	Right Issue	-
Bonus Issue	-	Private Placement	59172

3. **POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs.Thousands)**

Total Liabilities	9594800	Total Assets	9594800

SOURCES OF FUNDS

Paid up Capital	305730
Reserves and Surplus	2475470
Secured Loans	6778390
Unsecured Loans	35210

APPLICATION OF FUNDS

Net Fixed Assets	7625360
Capital work-in- progress	294970
Pre-operative expenditure pending allcoation	19950
Investments	277970
Deferred Tax Assets (Net)	-
Net Current Assets	1192860
Miscellaneous Expenditure	-
Accumulated Losses	183690

4. **PERFORMANCE OF THE COMPANY (Amount in Rs.Thousands)**

Turnover	10543240	Total Expenditure	12220310
Profit before Tax	(1677070)	Profit after Tax	(1669180)
Earning per Share (Rs.)	(64.67)	Dividend Rate (%)	-

5. **GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY**
(As per monetary terms)

Product Description	Item Code No. (ITC Code)
Cane Sugar	17011109
Sodium hydroxide (Caustic soda)	28151102

REPORT OF THE AUDITORS TO THE BOARD OF DIRECTORS OF MAWANA SUGARS LIMITED (FORMERLY KNOWN AS SIEL LIMITED) ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAWANA SUGARS LIMITED AND ITS SUBSIDIARIES

1. We have examined the attached consolidated balance sheet of Mawana Sugars Limited (formerly known as Siel Limited) and its subsidiaries, as at September 30, 2008 and also the consolidated profit and loss account and the consolidated cash flow statement for the eighteen months ended on that date, annexed thereto. These consolidated financial statements are the responsibility of the management of Mawana Sugars Limited. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of the subsidiaries, i.e., SFSL Investments Limited, Transiel India Limited, Siel Industrial Estate Limited, Siel Financial Services Limited and Siel Edible Oils Limited, whose financial statements reflect total assets of Rs. 350.84 millions as at September 30, 2008 and total revenues of Rs. 1030.68 millions for the eighteen months ended September 30, 2008 (these figures include intragroup balances and intragroup transactions eliminated on consolidation). The figures of these subsidiaries have been incorporated on the basis of audited financial statements for the year ended March 31, 2008 and unaudited financial statements for the six months ended September 30, 2008 prepared by the management of the concerned subsidiary.

4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of unaudited financial statements of the subsidiaries referred to in paragraph 3 above.

5. Without qualifying our opinion, we draw attention to note 21 of schedule 14 relating to accounting for cane purchase liability for the sugar season 2007-08 at Rs. 110 per quintal instead of State Advised Price of Rs. 125 per quintal fixed by the Uttar Pradesh State Government. Pending completion of legal proceedings in the matter, the effect thereof on these accounts can not be determined at this stage.

6. *Various matters arisen/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 13. The effect of these on the accounts has not been determined by the Company.*

The matter referred to in paragraph 6 above, to the extent covered here above, was also subject matter of qualification in our audit report on the consolidated financial statements for the year ended March 31, 2007.

On the basis of information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of Mawana Sugars Limited and its aforesaid subsidiaries and other financial information of the components and subject to reliance having been placed on unaudited financial statements referred to in paragraph 3 above and *our comment in paragraph 6 above*, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:-

i) in the case of the consolidated balance sheet, of the consolidated state of affairs of Mawana Sugars Limited and its subsidiaries as at September 30, 2008;

ii) in the case of the consolidated profit and loss account, of the consolidated results of operations of Mawana Sugars Limited and its subsidiaries for the eighteen months ended on that date; and

iii) in the case of the consolidated cash flow statement, of the consolidated cash flows of Mawana Sugars Limited and its subsidiaries for the eighteen months period ended on that date.

For *A.F. FERGUSON & CO.*
Chartered Accountants

MANJULA BANERJI
Partner
Membership No. 086423

Place : New Delhi
Date : 26.12.2008

CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2008

	Schedule	As at 30.09.2008 Rs. Million	As at 31.03.2007 Rs. Million
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	305.73	183.15
Reserves and surplus	2	2,480.01	1,735.36
		2,785.74	1,918.51
Loan funds	3		
Secured		6,794.46	18.11
Unsecured		42.66	18.30
		6,837.12	36.41
Total		9,622.86	1,954.92
APPLICATION OF FUNDS			
Fixed assets	4		
Gross block		10,732.61	2,562.44
Less:Depreciation		3,081.22	1,161.09
Net block		7,651.39	1,401.35
Capital work-in-progress		294.97	2.92
		7,946.36	1,404.27
Less: lease equalisation/ adjustment		10.42	19.34
		7,935.94	1,384.93
Pre - operative expenditure pending allocation	5	19.95	-
Investments	6	11.70	87.22
Deferred tax assets (net)	7	-	24.32
Current assets, loans and advances	8		
Inventories		1,538.46	278.88
Sundry debtors		203.46	96.66
Cash and bank balances		142.75	130.78
Loans and advances		868.20	333.08
		2,752.87	839.40
Less: Current liabilities and provisions	9		
Current liabilities		1,211.12	348.51
Provisions		60.58	33.49
Net current assets		1,481.17	457.40
Miscellaneous expenditure (to the extent not written off or adjusted)	10	0.66	1.05
Profit and loss account		173.44	-
Total		9,622.86	1,954.92
Notes to consolidated accounts	14		

Per our report attached

For A.F. Ferguson & Co.
Chartered Accountants

MANJULA BANERJI
Partner
Membership No. 086423

SIDDHARTH SHRIRAM
Chairman and Managing Director

SUNIL KAKRIA
Managing Director

A.K. MEHRA
Whole Time Director

D.C. MITTAL
DINESH MOHAN
N.K. GOILA
RAVI VIRA GUPTA
R.S. BEDI
Directors

Place : New Delhi
Date : 26.12.2008

AMIT KHURANA
Company Secretary

PANKAJRAI S. MITTAL
Senior General Manager (Accounts)

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTHS PERIOD ENDED SEPTEMBER 30, 2008

	Schedule	18 Months ended 30.09.2008 Rs. Million	Year ended 31.03.2007 Rs. Million
Income			
Gross Sales		**12,028.27**	2,506.33
Less : Excise duty		**964.21**	273.83
Net Sales		**11,064.06**	2,232.50
Other income	11	**406.40**	35.73
		11,470.46	2,268.23
Expenditure			
Manufacturing and other expenses	12	**11,448.78**	2,153.32
Interest	13	**947.56**	2.64
Depreciation	4	**765.01**	121.60
Miscellaneous expenditure written off		**0.39**	0.28
(Loss) before tax		**(1,691.28)**	(9.61)
Provision for tax			
Current tax		**-**	1.46
Deferred tax benefit		**(14.40)**	(24.32)
Fringe Benefit tax		**6.99**	1.17
Profit/(Loss) after tax but before share of results of an associate		**(1,683.87)**	12.08
Share of net profit / (loss) of an associate		**2.18**	(2.18)
Profit/(Loss) after tax		**(1,681.69)**	9.90
(Loss) of erstwhile Mawana Sugars Limited (MSL) for the period 1.10.2006 to 31.3.2007 (Refer note 3 of Schedule 14)		**(118.52)**	-
		(1,800.21)	-
Balance of profit/ (loss) brought forward from previous year		**9.90**	-
Balance of profit brought forward from erstwhile Mawana Sugars Limited (Pursuant to the Scheme (Refer note 3 of Schedule 14))		**697.17**	-
Deducted from General reserve		**919.70**	-
Balance carried to balance sheet		**(173.44)**	9.90
Basic and diluted earning per share (Rs.) (Face value Rs. 10 per share)		**(65.16)**	0.54
Notes to consolidated accounts	14		

Per our report attached
For A.F. Ferguson & Co.
Chartered Accountants

MANJULA BANERJI
Partner
Membership No. 086423

SIDDHARTH SHRIRAM
Chairman and Managing Director

SUNIL KAKRIA
Managing Director

A.K. MEHRA
Whole Time Director

D.C. MITTAL
DINESH MOHAN
N.K. GOILA
RAVI VIRA GUPTA
R.S. BEDI
Directors

Place : New Delhi
Date : 26.12.2008

AMIT KHURANA
Company Secretary

PANKAJRAI S. MITTAL
Senior General Manager (Accounts)

CONSOLIDATED CASH FLOW STATEMENT FOR THE EIGHTEEN MONTHS PERIOD ENDED SEPTEMBER 30, 2008

		18 Months ended 30.09.2008 Rs. Million	Year ended 31.03.2007 Rs. Million
A.	**Cash flow from operating activities :**		
	Net (loss) before tax	**(1,691.28)**	(9.61)
Add :	Depreciation	**765.01**	121.60
	Interest expense	**947.56**	2.64
	Provision for doubtful debts and advances	**33.18**	0.53
	Loss on sale of fixed assets	**1.28**	1.91
	Preliminary/ Miscellaneous expenditure written off	**0.39**	0.28
Less :	*Interest income*	**25.63**	6.85
	Dividend on long term trade investment	**-**	0.05
	Excess provisions/ liabilities written back	**99.13**	8.11
	Profit on sale of fixed assets	**0.35**	1.40
	Operating Profit/(Loss) before working capital changes	**(68.97)**	100.94
	Adjustments for :		
	Decrease/(Increase) in trade / other receivables	**41.26**	34.02
	Decrease/(Increase) in inventories	**898.16**	(64.90)
	(Decrease)/Increase in trade / other payables	**(499.55)**	6.96
	Cash generated from operations	**370.90**	77.02
	Direct taxes (paid)/refund received	**29.07**	(15.19)
	Net cash inflow/(outflow) from operations	**399.97**	61.83
B.	**Cash flow from investing activities :**		
	Purchase of fixed assets	**(459.45)**	(23.57)
	Sale of fixed assets	**12.87**	2.91
	Expenditure incurred on sale of investment in a subsidiary company	**-**	(12.93)
	Sale of investments	**77.70**	-
	Interest received	**24.31**	5.99
	Dividend received	**-**	0.05
	Net cash inflow/(outflow) from investing activities	**(344.57)**	(27.55)
C.	**Cash flow from financing activities :**		
	Receipts of call in arrears	**0.09**	-
	Proceeds from issue of share capital	**59.17**	-
	Premium on issue of shares	**90.83**	-
	Proceeds from long term borrowings- secured	**672.79**	-
	Repayment of long term borrowings- secured	**(247.60)**	-
	Proceeds from working capital borrowings	**907.29**	8.15
	Repayment of working capital borrowings	**(300.00)**	(15.10)
	Repayments of borrowings - unsecured	**(1,009.88)**	(2.31)
	Interest paid	**(272.32)**	(3.42)
	Net cash (outflow) from financing activities	**(99.63)**	(12.68)

CONSOLIDATED CASH FLOW STATEMENT (Contd.)

			18 Months ended 30.09.2008 Rs. Million		Year ended 31.03.2007 Rs. Million
D.	**Net increase/(decrease) in cash and cash equivalents**		**(44.23)**		21.60
E.	**Cash and cash equivalents as at opening** [1]				
	Cash and bank balances [1]	**64.72**		43.12	
	Cash and bank balances acquired on amalgamation of erstwhile Mawana Sugars Limited	**48.57**	**113.29**	-	43.12
	Cash and cash equivalents as at closing				
	Cash and bank balances [1]		**69.06**		64.72

Notes to consolidated accounts

[1] Excludes balances with banks on margin accounts.

Note: Amalgamation of erstwhile Mawana Sugars Limited with the Company is a non cash transaction (refer note 3 of Schedule 14)

Per our report attached

For A.F. Ferguson & Co.
Chartered Accountants

SIDDHARTH SHRIRAM
Chairman and Managing Director

SUNIL KAKRIA
Managing Director

A.K. MEHRA
Whole Time Director

MANJULA BANERJI
Partner
Membership No. 086423

D.C. MITTAL
DINESH MOHAN
N.K. GOILA
RAVI VIRA GUPTA
R.S. BEDI
Directors

Place : New Delhi
Date : 26.12.2008

AMIT KHURANA
Company Secretary

PANKAJRAI S. MITTAL
Senior General Manager (Accounts)

SCHEDULES 1 TO 14 ANNEXED TO AND FORMING PART OF CONSOLIDATED ACCOUNTS

Schedule 1 : SHARE CAPITAL

		As at 30.09.2008 Rs. Million	As at 31.03.2007 Rs. Million
Authorised			
Equity	175,000,000 Shares (previous year 70,000,000) of Rs. 10 each	**1,750.00**	700.00
Preference	Nil (previous year 500,000) 13.5% Redeemable cumulative preference shares of Rs.100 each	-	50.00
	Nil (previous year 25,00,000) 0.01% Redeemable cumulative preference shares of Rs.100 each	-	250.00
		1,750.00	1,000.00
Issued, subscribed and paid-up			
Equity	30,573,250 (previous year 18,315,302) Shares of Rs. 10 each fully paid up	**305.73**	183.15
		305.73	183.15

Footnotes :

1 Pursuant to the Scheme as indicated in note 3 of Schedule 14 on the record date, October 31, 2007, after cancellation of the cross holding, the Parent Company has allotted one new equity share of Rs. 10 each fully paid up to the shareholder's of erstwhile Mawana Sugars Limited(MSL) for every two equity shares of Rs.10 each fully paid up held in MSL and one new equity share of Rs.10 each fully paid up to the shareholders of the Parent Company for every three equity shares of Rs.10 each fully paid up held in the Parent Company. Accordingly 21,217,657 and 3,438,434 shares were issued to the shareholders of erstwhile MSL and the Parent Company respectively.

2 The issued, subscribed and paid-up equity share capital, before giving effect to the Scheme dated September 11, 2007 (whereby the equity share capital was increased to Rs. 246.56 million from Rs. 183.15 million) include :

(i) The paid up equity share capital of the Parent Company had been reduced from Rs. 412.61 million comprising of 41,261,206 equity shares of Rs.10 each fully paid up to Rs.103.15 million comprising of 10,315,302 equity shares of Rs.10 each fully paid up by cancelling Rs.309.46 million being the paid up amount on 30,945,904 equity shares of Rs.10 each fully paid up. The reduction in capital had been approved under Section 100 of the Companies Act, 1956 by the High Court of Delhi vide its Order dated August 29, 2003.

(ii) The shareholders of the Parent Company had been allotted 1 new equity share of Rs.10 each fully paid up aggregating 10,315,302 equity shares for every 4 equity shares of Rs.10 each fully paid up held by them in the Parent Company on October 30, 2003, the record date which had been fixed for this purpose by the Board of Directors.

(iii) The shareholders of the Parent Company had been allotted 3 new equity shares of Rs.10 each fully paid up aggregating 30,945,904 equity shares in Siel Sugar Limited for every 4 equity shares of Rs.10 each fully paid up held by them in the Parent Company on October 30, 2003, the record date which had been fixed for this purpose by the Board of Directors.

3 5,917,159 (previous year Nil) equity shares of Rs.10 each fully paid up issued to the promoters of the Parent Company (Refer Note no. 22 of schedule 14)

Schedule 2 : RESERVES AND SURPLUS

	As at 31.03.2007 Rs. Million	Vested in the Parent Company pursuant to the Scheme[4] Rs. Million	Additions Rs. Million	Deductions Rs. Million	As at 30.09.2008 Rs. Million
Capital Reserve	38.71	**991.46** [1]	-	-	**1,030.17**
Share premium	967.40	**299.35**	**90.83** [3]	-	**1,357.58**
Capital redemption reserve	87.72	-	-	-	**87.72**
Reserve Fund [5]	4.54	-	-	-	**4.54**
General Reserve	627.09	**15.01**	**280.95** [4]	**923.05** [2]	-
Surplus in profit and loss account	9.90	**697.17**	-	**707.07**	-
	1,735.36	**2,002.99**	**371.78**	**1,630.12**	**2,480.01**

Footnotes :

1 Represents extinguishment of the debts of erstwhile Mawana Sugars Limited, which got discharged pursuant to the surplus arising on sale of shares of Shivajimarg Properties Limited.

2 Comprises of - Rs. 3.35 million on account of employee benefits (Refer note 16 of Schedule 14)
- Rs. 919.70 million deduction on account of debit balance in Profit and Loss Account

3 Represent premium received on issue of equity shares to the promoter of the Parent Company (Refer note 22 of Schedule 14)

4 Refer note 3 of Schedule 14

5 Maintained pursuant to Section 45-1C of the Reserve Bank of India (Amendment) Act 1997

SCHEDULES 1 TO 14 (Contd.)

Schedule 3 : LOANS

	As at 30.09.2008 Rs. Million	As at 31.03.2007 Rs. Million
Secured		
Banks		
Term Loans	**4,523.21**	-
Cash credits/ overdrafts	**1009.76**	8.15
Working capital demand loans	**-**	9.96
Funded Interest term loan	**626.51**	-
Other	**1.57**	
Others		
Term Loans	**584.04**	-
Interest accrued and due thereon	**49.37**	-
	6,794.46	18.11
Unsecured		
Deposits		
Fixed #	**0.03**	0.12
Others	**42.63**	16.74
Interest accrued and due thereon	**-**	0.38
Other loans and advances- others ##	**-**	1.06
	42.66	18.30
	6,837.12	36.41

Footnotes :

SECURED

1) **Banks**

i) Term Loans amounting to Rs. 4400.21 million (previous year Rs. Nil) and Funded Interest Term Loan amounting to Rs.626.51 million (previous year Rs. Nil) 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. (Due within a year Rs. 53.58 miilion; (previous year Rs. Nil))

ii) Cash Credit/ Overdraft Amounting to Rs. 993.69 million (previous year Rs. Nil) are secured by first pari-passu charge on the current assets of the Parent Company and third pari-passu charge on all the fixed assets of the Parent Company.

iii) Above Loans are further secured by personal guarantee of the Chairman & Managing Director of the Parent Company. Personal Guarantee shall be released after 25% of the repayment of the loans as per CDR Restructuring Package.

iv) Term Loans amounting to Rs. 123 million (previous year Rs. Nil) 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 Parent Company both present & future. This loan is further secured by personal guarantee of the Chairman & Managing Director of the Parent Company. (Due within a year Rs. Nil ; (previous year Rs. Nil))

v) Working capital demand loans of Rs. Nil (previous year Rs. 9.96 million) are secured by hypothecation of stocks/ stores, book debts/ receivables and first charge on the fixed assets pertaining to the Parent Company's unit at Rajpura in the State of Punjab. (Due within a year Rs. Nil; (previous year Rs. 9.96 million))

vi) Cash credit over draft of Rs.16.07 million (previous year Rs. 8.15 million) have been secured by hypothecation of current assets (present and future) including entire stocks, book debt, loans & advances and first charge on all movable and immovable properties both present and future of Siel Edible Oils Limited and have been further secured by corporate guarantee from the Parent Company.

vii) Rs. 1.57 million (previous year Rs.Nil) relates to assets purchased under hire purchase/financing arrangement with a Bank and is secured by way of hypothecation of the specified assets.(Due with in a year Rs. 0.63 million; (previous year Rs. Nil))

2) **Others**

i) Term Loan amounting to Rs. 400 million (previous year Rs.Nil) are secured by first pari-passu charge on all immovable/ movable fixed assets of the Parent Company pertaining to Mawana Sugar Works, Mawana, and Titawi Sugar Complex, Titawi, both in the state of Uttar Pradesh, both present and future and second pari-passu charge on the current assets of the aforesaid units, both present and future. (Due within a year Nil; (previous year Nil)).

ii) Rs. 184.04 million (previous year Rs. Nil) from Government of India under Sugar Development Fund (SDF) is secured/ to be secured by an exclusive second charge on all 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. (Due within a year Rs. 15.27 million; (previous year Rs. Nil)).

\# Does not include any amount outstanding as on September 30, 2008 which are required to be credited to the Investor Education and Protection Fund.

\## Rs. Nil (previous year Rs. 1.06 million) due to erstwhile Mawana Sugars Limited.

Schedule 4 : FIXED ASSETS

Description	GROSS BLOCK					DEPRECIATION					NET BLOCK		Lease equalisation/ adjustment		NET BLOCK	
	As at 31.03.2007 Rs. Million	**Vested in the Parent Company pursuant to the Scheme $ Rs. Million**	**Additions ** Rs. Million**	**Deductions Rs. Million**	**As at 30.09.2008 Rs. Million**	As at 31.03.2007 Rs. Million	**Vested in the Parent Company pursuant to the Scheme $ Rs. Million**	**For the period * Rs. Million**	**Deductions Rs. Million**	**As at 30.09.2008 Rs. Million**	**As at 30.09.2008 Rs. Million**	As at 31.03.2007 Rs. Million	**As at 30.09.2008 Rs. Million**	As at 31.03.2007 Rs. Million	**As at 30.09.2008 Rs. Million**	As at 31.03.2007 Rs. Million
Assets given on lease																
Plant and machinery	98.76	-	-	-	**98.76**	65.32	-	**9.50**	-	**74.82**	**23.94**	33.44	**10.42**	19.34	**13.52**	14.10
	98.76	-	-	-	**98.76**	65.32	-	**9.50**	-	**74.82**	**23.94**	33.44	**10.42**	19.34	**13.52**	14.10
Other fixed assets																
Goodwill ***	135.25	-	-	-	**135.25**	135.25	-	-	-	**135.25**	-	-	-	-	-	-
Land	42.37	**137.39**	**103.51**	-	**283.27**	-	-	-	-	-	**283.27**	42.37	-	-	**283.27**	42.37
Buildings	103.46	**622.71**	**96.10**	**1.70**	**820.57**	21.70	**82.22**	**34.95**	-	**138.87**	**681.70**	81.76	-	-	**681.70**	81.76
Plant and machinery	2,154.97	**6,577.55**	**607.95**	**17.06**	**9,323.41**	919.50	**1,061.22**	**712.99**	**7.07**	**2,686.64**	**6,636.77**	1,235.47	-	-	**6,636.77**	1,235.47
Furniture and fixtures	8.71	**32.40**	**4.00**	**3.45**	**41.66**	5.15	**17.54**	**4.07**	**1.56**	**25.20**	**16.46**	3.56	-	-	**16.46**	3.56
Vehicles	6.68	**9.44**	**3.02**	**1.69**	**17.45**	4.63	**4.20**	**1.61**	**1.47**	**8.97**	**8.48**	2.05	-	-	**8.48**	2.05
Trade mark	12.24	-	-	-	**12.24**	9.54	-	**1.93**	-	**11.47**	**0.77**	2.70	-	-	**0.77**	2.70
Current period	2,562.44	**7,379.49**	**814.58**	**23.90**	**10,732.61**	1,161.09	**1,165.18**	**765.05**	**10.10**	**3,081.22**	**7,651.39**		**10.42**		**7,640.97**	
Previous year	2,539.88		33.21	10.65	2,562.44	1,046.73		121.60	7.24	1,161.09		1,401.35		19.34		1,382.01
Capital work-in-progress including capital advances															**294.97**	2.92
															7,935.94	1,384.93

Footnotes :

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

* Includes depreciation of Rs. 0.04 million (previous year Rs. Nil) on assets used for projects debited to pre-operative expenditure pending allocation.

** Additions to fixed assets include Rs.35.36 million (previous year Rs. Nil) on account of borrowing cost capitalised during the period.

$ Consequent to the effectuation of the Scheme of Arrangement for Amalgamation (the "Scheme") as stated in note 3 of Schedule 14, the fixed assets have been taken over at their gross book values aggregating Rs. 7379.49 million (including additions/deletions during the period October 1, 2006 to March 31,2007) alongwith accumulated depreciation aggregating Rs. 1165.18 million (including additions/deletions during the period October 1, 2006 to March 31,2007) and capital work -in progress of Rs. 606.81 million.

*** Represents Goodwill arising on consolidation and has been written off in an earlier year.

SCHEDULES 1 TO 14 (Contd.)

Schedule 5 : PRE-OPERATIVE EXPENDITURE PENDING ALLOCATION

		As at 30.09.2008 Rs. Million		As at 31.03.2007 Rs. Million
Raw materials consumed		27.62		-
Stores, spares and components		0.20		-
Power and fuel		12.92		-
Salaries,wages,bonus etc.		7.23		-
Welfare		0.07		-
Legal and professional fee		0.03		-
Rent		1.34		-
Insurance		1.55		-
Rates and taxes		0.01		-
Miscellaneous expenses		7.07		-
Interest on term loan for fixed period		56.22		-
Depreciation		0.04		-
		114.30		-
Less:				
Stocks produced during trial run	34.23		-	
Interest received on deposits	0.02		-	
Income from trial run	7.86		-	
Miscellaneous income	2.50		-	
		44.61		-
		69.69		-
Less: Pre operative expenses capitalised in fixed assets		(49.74)		-
		19.95		-

SCHEDULES 1 TO 14 (Contd.)

Schedule 6 : INVESTMENTS

		As at 30.09.2008 Rs. Million		As at 31.03.2007 Rs. Million
AT COST UNLESS OTHERWISE STATED				
Non trade Investments - Quoted				
— Mawana Sugars Limited *				
Nil (Previous year 50,000) Equity shares of Rs.10 each fully paid- up		-		0.50
— MSD Industrial Enterprises Limited [1]				
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)	-
— The Jay Engineering Works Ltd. (Refer note 1 of schedule 14)				
Nil (Previous year 7,770,000) shares of Rs.10 each fully paid- up				
Cost of Acquisition (including goodwill of Rs. Nil (Previous year Rs. 71.90 million)	-		77.70	
Less: Group share of Net profit/(loss)	-	-	(2.18)	75.52
Trade investments - Unquoted				
— Ceratizit India Private Limited				
2,300,000 Equity shares of Rs.5 each fully paid-up	**23.00**		23.00	
Less: Provision for diminution in value	**(11.85)**	**11.15**	(11.85)	11.15
— Capaxil Agencies Limited [3]				
5 Ordinary shares of Rs.1000 each fully paid-up		**0.01**		0.01
— Agro Pumpsets and Implements Limited				
10 Equity shares of Rs. 500 each fully paid-up		**0.01**		0.01
— Mawana Co-operative Development Union Limited [2 and 3]				
2 Equity shares of Rs.10 each, Rs. 5 per share paid-up (# Rs. 10)		#		#
— Ramraj Co-operative Cane Development Union Limited [2 and 3]				
2 Equity shares of Rs.10 each, Rs. 5 per share paid-up (# Rs. 10)		#		#
Non trade investments - Unquoted				
— Government securities		**0.03**		0.03
— Siel Holdings Limited [3]				
50,000 Equity shares of Rs.10 each fully paid- up		**0.50**		
— Deluxe Fabrics Limited [1]				
100,000 Equity Shares of Rs.10 each fully paid- up	**1.00**		1.00	
Less: Provision for diminution in value	**(1.00)**	-	(1.00)	-
		11.70		87.22
Aggregate value of investments				
Quoted (Market value Rs. Nil; previous year Rs 79.55 million) [4]		-		76.02
Unquoted		**11.70**		11.20
		11.70		87.22

Footnotes:

All investments are long term investments.

1 Investment acquire from erstwhile Siel Financial Service Limited in terms of Scheme of Amalgamation (Refer note 4 of Schedule 14)

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

3 Investment vested in the Parent Company pursuant to the Scheme (Refer note 3 of Schedule 14)

4 Includes Rs. Nil (previous year Rs. 77.7 million) being the cost of investments at face value as the market quotations are not available.

Movement in the investment during the period

<u>Deletion - Quoted</u>

7,770,000 Equity Shares of Rs. 10/- each fully paid of The Jay Engineering Works Limited.

* Investment in erstwhile Mawana Sugars Limited (MSL) cancelled on Amalgamation of erstwhile MSL with the Parent Company.

SCHEDULES 1 TO 14 (Contd.)

Schedule 7 : DEFERRED TAX ASSETS (NET)

	As at 30.09.2008 Rs. Million	As at 31.03.2007 Rs. Million
Deferred tax assets on :		
Provision for gratuity	-	11.96
Provision for doubtful debts and advances	-	81.17
Accrued expenses deductible on payment basis	-	5.78
Unabsorbed depreciation	-	82.10
Others	-	1.55
	-	182.56
Deferred tax liabilities on :		
Depreciation	-	158.24
	-	158.24
Deferred tax assets (Net)	-	24.32

Schedule 8 : CURRENT ASSETS, LOANS AND ADVANCES

			As at 30.09.2008 Rs. Million	As at 31.03.2007 Rs. Million
Current assets				
Inventories				
Stores and spares (at cost or under)			**194.25**	32.45
Stock in trade				
(At lower of cost or net realisable value)				
Shares (refer schedule 8A) (# Rs. 4205)			#	#
Raw materials, components etc.			**35.11**	19.85
Work-in-progress			**40.11**	11.50
Finished goods			**1,069.36**	36.19
Land			**199.63**	178.89
			1,538.46	278.88
Sundry debtors				
Secured				
Over six months	-	good	**0.08**	0.01
Other debts	-	good	**33.15**	27.61
Unsecured				
Over six months	-	good	**11.73**	6.32
	-	doubtful	**129.41**	114.75
Other debts	-	good	**158.50**	62.72
			332.87	211.41
Less: Provision for doubtful debts			**129.41**	114.75
			203.46	96.66
Cash and bank balances				
Cash in hand			**1.25**	1.05
Cheques in hand			**1.58**	10.86
With scheduled banks on				
current accounts[1]			**25.89**	20.33
deposit accounts			**40.34**	32.48
margin accounts			**69.70**	63.54
Interest accrued on deposits and margin money			**3.99**	2.52
			142.75	130.78

SCHEDULES 1 TO 14 (Contd.)

Schedule 8 : CURRENT ASSETS, LOANS AND ADVANCES (Contd.)

	As at 30.09.2008 Rs. Million	As at 31.03.2007 Rs. Million
Loans and advances		
Unsecured and considered good unless otherwise		
Advances recoverable in cash or in kind or for to be received		
Considered good	**342.64**	131.23
Considered doubtful	**4.68**	4.68
Inter corporate deposit	**-**	-
Considered doubtful	**10.25**	10.25
Taxation	**295.42**	187.36
With customs/excise authorities	**230.14**	14.49
	883.13	348.01
Less : Provision for doubtful advances	**14.93**	14.93
	868.20	333.08
	2,752.87	839.40

Footnotes:

1 Includes Rs. 0.09 million (previous year Rs. Nil) refundable to shareholders being the excess application money/excess call money received.

Schedule 8A : STOCK IN TRADE: SHARES

	As at 30.09.2008 Rs. Million	As at 31.03.2007 Rs. Million
Stock in trade		
(at lower of cost or market price/break -up value)		
Quoted		
Equity shares of Rs.10 each fully paid-up[1]		
100 Equity shares of Nagarjuna Fertilisers and Chemicals Limited (# Rs. 1355)	#	#
300 Equity shares of Spice Net Limited (formerly Modi Olivetti Limited) (# Rs. 2850)	#	#
	-	-
Aggregate value of shares held as stock- in - trade		
Quoted (market value Rs. 4,205 previous year - Rs. 4,205)		

Footnotes:

1 Acquired from erstwhile SFSL in terms of the Scheme of Amalgamation.

SCHEDULES 1 TO 14 (Contd.)

Schedule 9 : CURRENT LIABILITIES AND PROVISIONS

	As at 30.09.2008 Rs. Million	As at 31.03.2007 Rs. Million
Current liabilities		
Sundry creditors[1]		
- Dues of other than micro and small enterprises[3]	**1,196.10**	348.45[2]
- Dues of micro and small enterprises	**7.01**	–
- Interest accrued but not due on loans	**8.01**	0.06
	1,211.12	348.51
Provisions		
Employees compensated absences	**21.60**	5.48
Income tax provision	**38.98**	28.01
	60.58	33.49
	1,271.70	382.00

Footnotes :

1 Sundry creditors do not include any amounts outstanding as at September 30, 2008 which are required to be credited to the Investor Education and Protection Fund.

2 Includes Rs. 4.08 million due to small scale industrial undertakings.

3 Includes Rs. 0.09 million (previous year Rs. Nil) refundable to shareholders being the excess application money/ excess call money received.

Schedule 10 : MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)

	As at 30.09.2008 Rs. Million	As at 31.03.2007 Rs. Million
Deferred revenue expenditure :-		
Preliminary expenses	**0.66**	1.05
	0.66	1.05

Schedule 11 : OTHER INCOME

	18 Months ended 30.09.2008 Rs. Million	Year ended 31.03.2007 Rs. Million
Interest received on term deposits etc (Gross)[1]	**25.63**	6.85
Dividend on long term non- trade investments (# Rs. 2246)	**#**	0.05
Excess provisions/liabilities written back[2]	**99.13**	19.45
Profit on sale of fixed assets	**0.35**	1.40
Exchange gain	**6.90**	0.13
Rent received	**0.26**	-
Export benefits	**196.42**	0.12
Commission received	**-**	2.28
Miscellaneous[3]	**77.71**	5.45
	406.40	35.73

Footnotes:

1 Income-tax deducted at source Rs.5.11 million (previous year Rs. 1.27 million)

2 -Includes Rs.4.82 million (previous year Rs. 1.00 million) provision for doubtful no longer required written back
-Includes provision for non performing assets written back

3 Income tax deducted at source Rs. 0.94 million (previous year Rs. Nil)

SCHEDULES 1 TO 14 (Contd.)

Schedule 12 : EXPENDITURE

		18 Months ended 30.09.2008 Rs. Million		Year ended 31.03.2007 Rs. Million
Manufacturing and other expenses				
Purchases-finished goods		**847.98**		578.60
Raw materials consumed		**5,266.34**		231.87
Stock produced during trial run		**34.23**		-
Stores, spares and components		**1,065.74**		206.21
Jobs on contract		**113.29**		9.50
Power and fuel		**1,428.58**		910.42
Repairs - Buildings		**29.23**		2.52
- Plant and machinery		**133.63**		8.33
- Others		**18.63**		1.33
Salaries, wages, bonus etc.		**802.27**		90.04
Provident and other funds		**64.64**		9.98
Welfare		**44.20**		5.78
Rent		**24.10**		1.82
Insurance		**21.39**		6.94
Rates and taxes		**7.45**		2.18
Legal and professional		**56.51**		8.84
Lease rent		**13.70**		8.47
Exchange fluctuation		**0.78**		0.45
Auditors' remuneration				
As auditors				
-Audit fee[1]		**1.92**		1.12
-Out of pocket expenses		**0.08**		0.01
-For limited reviews of unaudited financial results		**5.33**		1.35
-For verification of statements and other reports		**3.96**		1.07
Doubtful debts written off	**14.71**		-	
Less: Provision already held	**14.71**		-	
		-		-
Prov. for Doubtful debts / advances		**33.18**		0.53
Loss on sale/write off fixed assets		**1.28**		1.91
Freight outwards		**219.26**		11.64
Land Development Expenses		**2.30**		12.14
Cash Discount		**57.22**		-
Commission paid		**1.99**		0.94
Provision for loss on derivatives		**43.96**		-
Miscellaneous		**248.74**		61.63
		10,591.91		2,175.62
Increase/(decrease) in excise duty provision on stocks		**(72.31)**		0.76
Movement of finished goods and process stocks				
Opening stocks				
Work-in-progress[2]	**355.96**		8.65	
Finished goods[3]	**1,701.74**		41.12	
Land	**178.89**		108.45	
	2,236.59		158.22	

SCHEDULES 1 TO 14 (Contd.)

Schedule 12 : EXPENDITURE (Contd.)

			18 Months ended 30.09.2008 Rs. Million		Year ended 31.03.2007 Rs. Million
Add:	Adjustment of land value enhancement as per Court order	12.70		45.30	
		2,249.29		203.52	
Less:	Land sold to Parent Company and capitalised by Parent Company	11.01		-	
		2,238.28		203.52	
Less: Closing stocks					
	Work-in-progress	40.11		11.50	
	Finished goods	1,069.36		36.19	
	Land	199.63		178.89	
		1,309.10	929.18	226.58	(23.06)
			11,448.78		2,153.32

1 Includes remuneration of Auditors of Parent Company and it's subsidiaries

2 Includes stock of Rs. 344.46 million (previous year Rs. NIL) as on 31.3.07 transferred from erstwhile Mawana Sugars Limited pursuant to the Scheme (refer note 3 of schedule 14)

3 Includes stock of Rs. 1665.55 million (previous year Rs. NIL) as on 31.3.07 transferred from erstwhile Mawana Sugars Limited pursuant to the Scheme (refer note 3 of schedule 14)

Schedule 13 : INTEREST

	18 Months ended 30.09.2008 Rs. Million	Year ended 31.03.2007 Rs. Million
On loans for fixed period (# Rs. 3559)	690.12	#
Others	257.44	2.64
	947.56	2.64

SCHEDULES 1 TO 14 (Contd.)

Schedule 14 : NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE PERIOD ENDED SEPTEMBER 30, 2008

1. BASIS OF CONSOLIDATION

The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS 21) – "Consolidated Financial Statements" and (AS) 23 "Accounting for investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

i. The subsidiaries (which along with Mawana Sugars Limited (MSL) (Formerly known as Siel Limited), 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, 2008	Percentage of voting power, as at March 31, 2007
Siel Industrial Estate Limited (SIEL-IE)	India	**100.00**	100.00
Siel Financial Services Limited (SFSL)	India	**93.56***	93.56*
SFSL Investments Limited (SFSL I)	India	**100.00**	100.00
Transiel India Limited (TIL)	India	**100.00**	100.00
Siel Edible Oils Limited (SEOL)	India	**100.00**	100.00

* Includes 14.12% held by SFSLI, a wholly owned subsidiary.

ii. 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 for twelve months ended March 31, 2008 and unaudited financial statements for six months ended September 30, 2008 prepared for consolidation.

iii. Jay Engineering Works Limited (JEW) became an Associate of the Parent Company on January 4, 2007 and ceased to be an associate on October 1, 2008. Consolidated Financial Statements (CFS) of JEW were considered in the preparation of CFS of the Parent Company during the year ended March 31, 2007 the details of the same are as follows:

	As at 31.03.2007
i. Name of the associate	The Jay Engineering Works Limited
ii. *Country of incorporation*	India
iii. Principal activities	Manufacture and sale of fans, S.C. pumps, elements, delivery valves, nozzles and nozzle holders
iv. Percentage of ownership interest as at	36.89%
v. Original Cost of Investment	Rs.77.70 million
vi. Amount of Goodwill	Rs. 71.90 million
vii. Accumulated profit/(loss)	(Rs. 2.18 million)
viii. Carrying amount of investment	Rs. 75.52 million

iv. Since, during the period, JEW has ceased to be an associate the difference between the sales consideration and carrying cost of investment of JEW in CFS has been recognized as share of profit of an associate.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with applicable accounting standards and are based on the historical cost convention. The significant accounting policies followed are stated below:

i. 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.

ii. Depreciation

a) *The Group follows the straight-line method of depreciation* (SLM).

b) 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 remaining life of Trade Mark as assessed by the Company.

c) On assets sold/discarded during the period/year, depreciation is provided up to the date of sale/discard, except in case of Rajpura unit and subsidiaries, where, depreciation is not provided on assets sold/discarded during the period / year.

d) Depreciation is calculated on a pro-rata basis from the month of acquisition / installation of the asset and in case of assets costing upto Rs.5000 each, such asset is fully depreciated in the year of purchase.

e) Leased fixed assets

I. Lease fixed assets are 'depreciated' by a method derived from the guidance note on "Accounting for Leases" issued by the Institute of Chartered Accountants of India under which 100 % of the cost of the asset is depreciated over the primary lease period. As per this method, the interest rate implicit in the lease is calculated for each of the leases to arrive at the amount of principal recovery during the primary lease period. The depreciation in excess of minimum depreciation prescribed in Schedule XIV to the Companies Act, 1956, on the straight-line method is shown as lease equalisation charge.

II. *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 as indicated in (I) above.

iii. **Investments**

Investments are stated at cost less provision for permanent diminution in the value of long- term investments, if any.

iv. **Inventories**

Stores and spares are valued at cost or under.

Raw materials, components, work-in-progress and finished goods are valued at the lower of cost or 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.

Finished goods purchased for resale are valued at cost or net realisable value, whichever is lower.

Stock in trade – shares, debentures and other securities are valued at lower of cost and market price/breakup 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.

v. **Revenue recognition**

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

b. Lease rentals income is accrued as per the terms and conditions of the agreements entered into with the lessees.

c. 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.

d. Income from sale of land is recognised on receipt of full consideration from customers.

vi. **Employee benefits**

Group's contribution paid/payable during the period/year to provident fund, superannuation fund and employees' state insurance corporation are recognised in the 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 year of actual payment. Provision for gratuity and compensated absences are determined on an actuarial basis at the end of period/year are charged to revenue each period/year.

vii. **Income Tax**

The provision for 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.

viii. **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 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 and the date of inception of contract/the reporting date, is recognised as income/expense during the period/year

Schedule 14 : NOTES TO THE CONSOLIDATED ACCOUNTS (Contd.)

ix. **Write off of miscellaneous expenditure**

a) Deferred revenue expenditure is written off over a period of three years.

b) Preliminary expenses are written off over a period of ten years from the year of commencement of commercial activities.

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

xi. **Pre – operative expenses :**

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

xii. Significant accounting policies of associates which are different from the Parent Company and the impact of which has not been ascertained are as follows :

a) **Fixed Assets**

Fixed Assets are stated at cost, except for land and buildings which are stated at revalued value. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses.

b) **Depreciation**

i. Depreciation on Fixed Assets is provided on the original cost / revalued cost of the Assets at Written down value rates in the manner prescribed in the schedule XIV to the Companies Act, 1956 except the following :

Plant & Machinery

The Jay Engineering Works Limited

- Assets acquired after 30th September, 1984	- straight line method
- Shriram Fuel Injection Industries Limited (the subsidiary of JEW)	- straight line method

ii. Depreciation rates are different from the principal rates specified in Schedule XIV of the Companies Act, 1956 in respect of the following :-

The Jay Engineering Works Limited

- Assets acquired upto 30th September, 1986	- Depreciation at the equivalent rates applicable under Income tax Rules, 1962 at the time of acquisition.
- Tools and dies (included in Plant & Machinery) individually	
- Costing Rs. 0.20 million and above	- Depreciated @ 1/3rd of cost per annum
- Costing up to Rs. 0.20 million	- Depreciated fully in the year of acquisition
- Shriram Fuel Injection Industries Limited	

Tools and dies individually costing Rs. 0.20 million and above are depreciated @ 1/3rd of cost per annum on pro-rata basis.

iii. Depreciation on revalued buildings has been calculated at a written down value on the respective revalued book values at the rates computed by taking the residual value and residual life as certified by valuers.

3. **A.** 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 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 Company has been changed to Mawana Sugars Limited w.e.f. January 4, 2008.

B. The Parent Company had already prepared its accounts for the year ended March 31, 2007, which have been adopted by its Board of Directors on May 31, 2007 and circulated to its shareholders for adoption in the Annual General Meeting on September 20, 2007 wherein the effect of the High Court Order dated September 11, 2007 sanctioning the Scheme of Arrangement could not be taken for non-receipt of the Order and completion of legal formalities by the Parent Company.

C. For giving effect to the amalgamation in the nature of merger the 'pooling of interests' method as prescribed by the Accounting Standard – 14 "Accounting for amalgamations" issued by the Institute of Chartered Accountants of India, has been followed in these accounts wherein, the assets and liabilities including contingent liabilities as at October 1,2006 and the transactions including income and expenses for the period October 1, 2006 to March 31, 2007 of MSL (being the period when pending effectuation of the Scheme, the business and activities of MSL were being run and managed in trust for the Parent Company) for the six months period ended

March 31, 2007 have been incorporated in these accounts as under :

a) The assets and liabilities of MSL as at October 1, 2006 incorporated in these accounts are as under :

Rs. in million

Assets		**As at October 1, 2006**
Fixed assets		
- Gross block	3,077.36	
- Less : Accumulated Depreciation upto 30.09.2006	1,084.28	1,993.08
Capital work in progress		2,851.94
Pre-operative expenditure pending allocation		207.38
Investments		0.50
Miscellaneous expenditure (to the extent not written off or adjusted)		0.49
Current assets, loans and advances		
- Inventories		466.78
- Sundry debtors		229.60
- Cash and bank balances		840.98
- Loans and advances		563.88
Total assets		7,154.63
Liabilities		
Reserves and surplus		2,002.99
Loan funds		
- secured		3,950.31
- unsecured		9.20
Current liabilities and provisions		
- current liabilities		582.76
- provisions		171.91
Deferred tax liabilities(net)		92.78
Total liabilities		6,809.95
Net assets		344.68

b) The profit and loss account of MSL for the six months period ended March 31, 2007 resulting in a loss of Rs 118.52 million as detailed below, have also been incorporated in the accounts.

Particulars	**Rs. in million**
Sales and other income	3,443.95
Less:	
- Manufacturing and other expenses	3,472.98
- Miscellaneous expenditure written off	0.42
(Loss) before interest, depreciation and tax	(29.45)
Less: Interest	57.92
Depreciation	82.69
(Loss) before tax	(170.06)
Less: Provision for taxation	
Deferred tax benefit	(54.06)
Fringe benefit tax	2.52
(Loss) after tax	(118.52)

D. Consequent to the effectuation of the said Scheme:-

a. The shareholders of MSL were entitled to three equity shares of Rs. 10 each in the Company as fully paid up (exchange shares) for every two equity shares of Rs.10 each fully paid held by them in MSL.

b. The equity share capital of the Parent Company after giving effect to cancellation of cross holdings and including the exchange shares entitlement by shareholders of MSL becomes Rs. 739.68 million comprising of 73,968,273 equity shares of Rs. 10 each as fully paid up, which has been reduced to Rs.246.56 million comprising of 24,656,091 equity shares of Rs. 10 each as fully paid up.

c. In view of a) and b) above the Parent Company has issued and allotted one new equity share of Rs. 10 each as fully paid up to the shareholders of MSL for every two equity shares of Rs. 10 each fully paid up held by them in MSL and one new equity share of

Schedule 14 : NOTES TO THE CONSOLIDATED ACCOUNTS (Contd.)

Rs. 10 each as fully paid up to the equity shareholders of the Parent Company for every three equity shares of Rs. 10 each fully paid up held by them in the Parent Company on the record date of October 31, 2007 fixed by the Board of Directors of MSL and the Parent Company. Net surplus arising consequent to amalgamation of MSL in to Parent Company and subsequent reduction in share capital amounting to Rs. 280.95 million in terms of the Scheme has been credited to 'General Reserve'.

4. Pursuant to the Scheme of Amalgamation of erstwhile Siel Financial Services Limited (erstwhile SFSL), a Non banking financial company, with the Company i.e. Shriram Agro-Tech Industries Limited (since renamed as SFSL) under sections 391 and 394 of the Companies Act, 1956 as approved by the High Courts of Madhya Pradesh and Delhi vide their Order dated November 11, 1997, which became effective on January 8,1998 on filing of the certified copy of the Order of the High Court of Delhi with the Registrar of Companies, Delhi and Haryana, all the properties, assets, movable or immovable, rights and power, together with all present and future liabilities, including contingent liabilities, obligations and reserves of the erstwhile SFSL were transferred to and vested in the SFSL with effect from the transfer date i.e. April1, 1996 being the transfer date.

5. The Parent Company had surrendered on October 23, 2003 possession of 46.58 acres of its land at 15, Shivaji Marg , New Delhi to the Delhi Development Authority (DDA) pursuant to the order of Hon'ble Supreme Court. The matter regarding validity of this surrender is sub-judice before Hon'ble Supreme Court under a review petition.

		As at 30.09.2008 Rs. Million	As at 31.03.2007 Rs. Million
6.	**Capital commitments** (net of advances)	**44.57**	12.97
7.	**Contingent liabilities:**		
	a) Claims not acknowledged as debts *		
	- Income tax	**266.02**	189.18
	- Sales tax	**84.89**	82.27
	- Excise duty / Service Tax	**62.43**	11.42
	- Licence fee for railway siding	**60.68**	60.68
	- Supplier's claim	**–**	16.61
	- Others	**66.07**	11.34

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

b) Bank guarantees issued	**0.05**	0.10

c) The Parent Company has provided bank guarantees aggregating Rs. 126 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. 89.45 million have been received. These demands are presently under various stages of appeal.

8. The parent Company's share of contingent liabilities and capital commitments in an associate are as under :

	As at 30.09.2008 Rs. Million	As at 31.03.2007 Rs. Million
a) Capital commitments		1.32
b) Contingent liabilities:		
Claims not acknowledged as debts		
- Income tax demands under appeal	–	0.29
- Sales tax demands under appeal	–	10.80
- Excise duty demands under appeal*	–	6.95
- VRS Compensation**		0.76
- Others (pertaining to legal cases)	–	0.56
c) Bills of exchange discounted		12.33

* Excluding amounts involved in show cause notices.

** As per revised Rehabilitation Scheme sanctioned by BIFR, 14 workers at Calcutta unit are yet to take their voluntary retirement compensation.

9. Research and development expenses amounting to Rs. 4.36 million (previous year Rs. Nil) have been charged to the respective revenue accounts.

10. As the Parent Company has substantial unabsorbed depreciation and carry forward losses under Income tax Act, 1961 and is unlikely to have taxable income in the foreseeable future, in accordance with Accounting Standard (AS) 22 issued by the Institute of Chartered Accountants of India, the net deferred tax assets has not been recognised in the accounts.

SCHEDULES 1 TO 14 (Contd.)

Schedule 14 : NOTES TO THE CONSOLIDATED ACCOUNTS (Contd.)

11. Parent Company has facilitated Agri loan from Punjab National Bank to the farmers who supply sugarcane to the Parent Company. Such loan has to be distributed to such farmers through an Escrow Account to be operated by the Parent Company and the Parent Company has to facilitate repayment of loan by the farmers to the Bank against the payment to be made to them against supply of sugarcane to the Parent Company. A sum of Rs. 401.68 million has been lying in Escrow Account as on 30.09.2008.

12. The Parent Company had imported plant and machinery in previous years under EPCG Scheme. An export obligation ('EO') amounting to US$ 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 US$ 73.74 million and the EO period was extended to 31.3.2007 in terms of the Foreign Trade Policy Handbook of Procedure (HBP) 2002-2007.

    The balance unfulfilled export obligation as at September 30, 2008 is US$ 7.96 million.

    Being unable to fulfill the EO by 31.3.2007, the Parent Company had filed an application with Directorate General of Foreign Trade (DGFT) on March 6, 2007 for extension in export obligation period for another two years i.e. upto March 30, 2009 in terms of the provisions of the newly introduced HBP 2004-2009.

    The Parent Company has been granted the extension in export obligation period upto March 30, 2009 subject to deposit of 50% of duty payable in proportion to unfulfilled export obligation and endorsement on EPCG authorization by Custom Authorities.

    The Parent Company has filed an application to the DGFT inter alia stating since it is the Parent Company's first extension under the HBP 2004-2009, in accordance with the said HBP read with the Policy Circular No. 33 dated 17.3.2008 the Parent Company is entitled to endorsement of EPCG license on payment of 2% of duty saved on the unfulfilled EO and not subject to 50% duty payable in proportion to unfulfilled export obligation.

    At this stage, pending decision / final outcome of the application with the DGFT, the Parent Company as a matter of abundant caution has made a provision of Rs. 16.70 million in these accounts.

13. There are various issues relating to sales tax, income tax etc. arisen / arising out of the reorganization 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 the effect of these matters on the accounts of the Parent Company could not be determined at this stage.

14. Directors' remuneration*

	Period ended September 30,2008 (Rs.Million)	Year ended March 31,2007 (Rs.Million)
Salaries and allowances	**20.47**	1.54
Contribution to provident and other funds	**2.43**	0.12
Value of perquisites	**4.18**	0.24
Director's fees	**0.27**	0.15

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

15. Segment reporting

    A. Business segments:

    Based on the guiding principles given in Accounting Standard (AS) 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Group's business segments include: chemicals, edible oils and others consisting of financing operations, industrial estate, and upon effectuation of the scheme (refer to note 3 above) Sugar, Power and others (Distillery) also.

    B. Geographical segments:

    Since the Group 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 consists 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.

d. **Information about business segments**

(Rs./Million)

PARTICULARS	Sugar		Power		Chemicals		Oil		Others		Unallocated		Elimination		Total	
	This Year	Previous Year	**This Year**	Previous Year	**This Year**	Previous Year	**This Year**	Previous Year	**This Year**	Previous Year	**This Year**	Previous Year	**This Year**	Previous Year	**This Year**	Previous Year
SEGMENT REVENUE																
External sales #	6,757.26	-	361.47	-	2,640.84	1,613.50	994.76	619.22	309.73	-	-	-	-	(0.22)	11,064.06	2,232.50
Inter-Segment revenue	1,425.80	-	1,833.75	-	1.21	-	3.09	-	11.01	-	-	-	(3,274.86)	-	-	-
Other income	259.04	-	0.08	-	7.18	6.47	2.93	3.00	17.71	7.17	119.46	19.12	-	(0.03)	406.40	35.73
Total revenue	8,442.10	-	2,195.30	-	2,649.23	1,619.97	1,000.78	622.22	338.45	7.17	119.46	19.12	(3,274.86)	(0.25)	11,470.46	2,268.23
RESULTS																
Segment results	(1,203.83)	-	512.96	-	228.32	33.44	(17.11)	(7.46)	39.99	8.22	-	-	-	-	(439.67)	34.20
Unallocated income / (expenses)	-	-	-	-	-	-		-	-	-	(327.50)	(50.20)	-	-	(327.50)	(50.20)
Operating profit	(1,203.83)	-	512.96	-	228.32	33.44	(17.11)	(7.46)	39.99	8.22	(327.50)	(50.20)	-	-	(767.17)	(16.00)
Interest expense	-	-	-	-	-	-	-	-	-	-	947.67	2.80	(0.11)	(0.16)	947.56	2.64
Interest income	-	-	-	-	-	-	-	-	-	-	25.74	7.01	(0.11)	(0.16)	25.63	6.85
Net Profit/ (Loss) before tax	(1,203.83)	-	512.96	-	228.32	33.44	(17.11)	(7.46)	39.99	8.22	(1,249.43)	(45.99)	-	-	(1,689.10)	(11.79)
Current Tax	-	-	-	-	-	-	-	-	-	-	-	1.46	-	-	-	1.46
Deferred tax benefit	-	-	-	-	-	-	-	-	-	-	(14.40)	(24.32)	-	-	(14.40)	(24.32)
Fringe Benefit Tax	-	-	-	-	-	-	-	-	-	-	6.99	1.17	-	-	6.99	1.17
Net Profit/ (Loss) after tax	(1,203.83)	-	512.96	-	228.32	33.44	(17.11)	(7.46)	39.99	8.22	(1,242.02)	(24.30)	-	-	(1,681.69)	9.90
OTHER INFORMATION	**As at 30.09.2008**	As at 31.03.2007	**As at 30.09.2008**	As at 31.03.2007	**As at 30.09.2008**	As at 31.03.2007	**As at 30.09.2008**	As at 31.03.2007	**As at 30.09.2008**	As at 31.03.2007	**As at 30.09.2008**	As at 31.03.2007	**As at 30.09.2008**	As at 31.03.2007	**As at 30.09.2008**	As at 31.03.2007
A. ASSETS																
Segment assets	4,829.12	-	2,647.72	-	1,551.77	1,675.64	45.23	70.17	872.52	293.58	-	-	-	-	9,946.36	2,039.39
Unallocated assets								-	-		1,057.49	529.51	(282.73)	(231.98)	774.76	297.53
Debit balance in profit and loss account					-	-		-		-	866.60	-	(693.16)		173.44	
Total assets	4,829.12	-	2,647.72	-	1,551.77	1,675.64	45.23	70.17	872.52	293.58	1,924.09	529.51	(975.89)	(231.98)	10,894.56	2,336.92
B. LIABILITIES																
Segment liabilities	646.31	-	66.29	-	176.81	141.43	19.52	32.97	51.26	69.64	-	-	(14.76)	-	945.43	244.04
Share capital/reserves and surplus	-	-	-	-	-	-	-	-	-	-	3,578.78	1,970.57	(793.04)	(52.06)	2,785.74	1,918.51
Secured and unsecured loans	-	-	-	-	-	-	-	-	-	-	7,005.21	204.49	(168.09)	(168.08)	6,837.12	36.41
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	326.27	149.80	-	(11.84)	326.27	137.96
Total liabilities	646.31	-	66.29	-	176.81	141.43	19.52	32.97	51.26	69.64	10,910.26	2,324.86	(975.89)	(231.98)	10,894.56	2,336.92
	This Year	Previous Year	**This Year**	Previous Year	**This Year**	Previous Year	**This Year**	Previous Year	**This Year**	Previous Year	**This Year**	Previous Year	**This Year**	Previous Year		
C. OTHERS																
Capital expenditure	183.65	-	61.34	-	37.53	27.09	0.15	0.37	528.72	-	209.40	0.11	-	(4.00)		
Depreciation	322.45	-	237.20	-	171.11	113.27	2.01	1.26	28.57	6.44	3.67	0.63		-		
Non cash expenses other than depreciation	-	-	-	-	-	-	0.04	0.04	0.35	0.23	0.04	0.53	-	-		

\# Net of excise duty

16. Employee Benefits

The Parent Company and its subsidiaries has during the period adopted Accounting Standards (AS) 15 (Revised 2005) "Employee Benefits" In accordance with the revised Accounting Standard, the transitional liability, amounting to Rs. 3.35 million has been reduced from opening balance of General Reserve.

The various benefits provided to employees as under:-

i) Defined Contribution Plan and amount recognized in profit and loss account.

	(Amount Rs. in Million)
◆ Employers contribution to provident fund	46.54
◆ Employers contribution to superannuation fund	11.41
◆ Employees 'State Insurance Corporation.	1.50

ii) Defined Benefits Plans

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

	Period ended September 30, 2008 (Amount Rs. In Million)	
A. Change in the present value of obligation	**Gratuity (Funded)**	**Compensated absence**
Present value of Obligation as at April 1, 2007	97.20	18.00
Current service cost	11.42	5.61
Interest cost	10.91	2.14
Benefits paid	(0.76)	(13.64)
Actuarial loss/(gain)	(9.05)	9.49
Present value of Obligation at September 30, 2008	109.72	21.60
B. Change in the fair value of plan asset		
Fair value of plan assets as at April 1, 2007	32.96	-
Expected return on plan assets	4.70	-
Contribution by the Company	0.60	-
Benefits paid	(0.52)	-
Actuarial gain/(loss)	-	-
Fair value of plan assets as at September 30, 2008	37.74	-
C. Amount recognised in the balance sheet (A-B)	71.98	21.60
D. Expenses recognized in the Profit and loss account		
Current service cost	11.42	5.61
Interest cost	10.91	2.14
Expected Return on plan Assets	4.70	-
Actuarial loss/(gain)	(9.05)	9.49
Net Cost	8.58	17.24
E. Constitution of plan assets		
Funded with LIC	37.74	-
F. Actuarial Assumptions		
Discount rate	8.00%	
Rate of increase in compensation levels	5.00%	
Rate of return on plan assets	9.25%	

SCHEDULES 1 TO 14 (Contd.)

Schedule 14 : NOTES TO THE CONSOLIDATED ACCOUNTS (Contd.)

17. Consequent to import of 16,385.73 metric tonnes of raw sugar, the Parent Company has an obligation to export 15,605.52 metric tonnes of white sugar by September, 2008. Against this export obligation, 6,415.80 metric tonnes of white sugar has been exported. An application for extension up to March 31, 2009 has already been filed before the DGFT New Delhi on September 30, 2008.

18. **Earning per share**

		Period ended September 30, 2008	Year ended March 31, 2007
Profit / (Loss) after tax	**(Rs. Million)**	**(1,681.69)**	9.90
Weighted average number of equity shares outstanding*	**No.**	**25,809,344**	18,315,302
Basic and diluted earnings per share in rupees (face value – Rs.10 per share)	**Rs.**	**(65.16)**	0.54

* Refer note 3 above

19. **Related party disclosures under Accounting Standard 18**

Name of related party and nature of related party relationship

Enterprises over which key management personnel have significant influence: Erstwhile Mawana Sugars Limited (MSL) (Amalgamated with the in pursuant to the scheme refer note 3 above) upto September 30, 2006

Usha International Limited (UIL) (Formerly known as The Jay Engineering Works Limited (an associate w.e.f. January 4, 2007 to October 1, 2007))

Greenfields Commercial Private Limited.

Key Management Personnel and their relatives:

For Full period:

Mr. Siddharth Shriram

Mr. K.P.Singh

Mr. Krishna Shriram
Ms Roula Shriram } Relatives of Mr. Siddharth Shriram

For part of the period

Mr. A. K. Mehra (w.e.f. October 15, 2007)

Mr. Sunil Kakria (w.e.f. January 7, 2008)

		Period ended 30.09.2008 (Rs. Million)	Year ended 31.03.2007 (Rs. Million)
A.	**Enterprises over which key Management personnel have significant influence**		
	Erstwhile Mawana Sugars Limited #		
	Sales	-	8.42
	Expenses recovered	-	5.70
	Professional / Management fee / Other expenses paid	-	13.26
	Fixed assets purchased	-	0.14
	Amount received on behalf of MSL	-	0.57
	Greenfields Commercial Private Limited		
	Issue of 5,917,159 equity share of Rs.10/-each fully paid up at a premium of Rs.15.35 per share on preferential basis	**150.00**	-

SCHEDULES 1 TO 14 (Contd.)

Schedule 14 : NOTES TO THE CONSOLIDATED ACCOUNTS (Contd.)

		Period ended 30.09.2008 (Rs. Million)	Year ended 31.03.2007 (Rs. Million)
	Usha International Limited (UIL)		
	Expenses recovered	**0.50**	0.04
	Investment NIL (Previous year 7,770,000) equity shares of Rs.10 each (conversion of advances in to equity shares)	**-**	77.70
	Commission paid on export sale	**3.96**	-
	Expenses reimbursed	**0.32**	-
	Amount received on behalf of UIL	**-**	0.03
	Miscellaneous Purchases	**1.49**	-
	Payment received against loans & advances	**0.81**	-
	Balances outstanding included under:		
	Loans and advances / Debtors	**-**	2.64
	Sundry Creditors / Loans and advances taken	**0.15**	1.06
C.	**Key Management personnel and their relatives**		
	Remuneration to key management personnel :		
	Mr. Siddharth Shriram	**9.04**	-
	Mr. A.K. Mehra	**5.86**	-
	Mr. K.P.Singh	**2.93**	1.90
	Mr. Sunil Kakria	**9.25**	-

Transactions does not include assets and liabilities transferred to the Parent Company pursuant to the Scheme referred to in note 3 above as well as the assets, liabilities, incomes accrued and expenses incurred during the period when the activities of the MSL were being run and managed in trust for the Parent Company.

20. The foreign currency exposure of the Parent Company as on September 30,2008 are as under:

a) Category wise quantitative data :

	Nos.	Amount (in million) Current Period	Previous Year
Forward contract against export	36	**USD 18.36**	-

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

Particulars	Period ended 30.09.2008		Year ended 31.03.2007	
	Amount in foreign currency (million)	**Amount in (Rs./million)**	Amount in foreign currency (million)	Amount in (Rs./million)
Sundry debtors	**0.157 US $**	**6.969**	0.231 US $	10.05
Sundry creditors	**0.066 GBP**	**5.638**	0.016 US $	0.71
Export obligation	**7.96 US $**	**373.88**	45.43 US $	1959.40

21. The accounts for the period ended September 30, 2008 have been prepared after considering sugar cane purchase price @ Rs. 110 per quintal as an interim measure for paying the price of sugar cane to sugar cane grower in accordance with the Order of Hon'ble Supreme Court dated September 8, 2008 in case No. 18681 of 2008 for sugar season 2007-08 filed by the Parent Company. Necessary adjustments will be made by the Parent Company in accordance with the final order of the Hon'ble Court in this matter.

22. The debts of erstwhile Mawana Sugars Limited have been restructured under a package approved by Corporate Debt Restructuring (CDR) Empowered Group in its meeting held on September 26, 2007. In terms of the CDR package, the Parent Company had issued 5,917,159 equity shares of Rs. 10 each fully paid up at a premium of Rs. 15.35 per share to the promoters of the Parent Company on preferential basis on 16.06.2008 and the proceeds aggregating to Rs. 150.00 million have been utilized as per the CDR sanctioned package.

23. Sales are net of commission of Rs. 24.95 million (previous year Rs. 5.81 million).

24. Based upon the information available with the Parent Company and its subsidiaries, the balance due to suppliers registered under "The

Schedule 14 : NOTES TO THE CONSOLIDATED ACCOUNTS (Contd.)

Micro, Small and Medium Enterprises Development Act, 2006 (Act) is Rs. 7.01 million. Further no interest during the period has been paid or is payable under the terms of the Act.

25. SFSL has severely curtailed its operations due to paucity of funds and adverse market conditions. The management is negotiating with certain parties for realising some of the assets and is hopeful of generating funds for this business. In view of the above, the accounts of SFSL have been prepared on a going concern basis.

26. The trading operations of TIL have been suspended since June 1999 with a view to prevent further losses. The accounts of TIL for the period ended September 30, 2008 have been prepared on a going concern basis, although the revival of business activities will depend upon more favourable conditions prevailing in the market.

27. SIEL-IE is in the process of setting up an Industrial Estate in Rajpura, Distt. Patiala (Punjab) pursuant to Parent Company's signing an MoU with the State Government of Punjab. The Parent Company vide its letter dated February 27, 1995 had assigned the principal MoU to SIEL-IE to develop the industrial estate. In terms of the MoU, the Punjab Government would be acquiring the land and transferring it to SIEL-IE. As at the close of the period, SIEL-IE has taken possession of 597.11 acres (Previous Year 539.50 acres) of land, which has been conveyed in the name of SIEL-IE (298.46 acres of land has been transferred to vide conveyance deed dated May 26, 2000 and 298.65 acres of land transferred vide conveyance deed dated November 06, 2007). Subsequent to the possession of 57.61 acres of land during the period, the area under litigation stands reduced to 58.01 acres against which SIEL-IE has deposited an amount of Rs.13.28 million (previous year Rs. 26.41 million) which has been shown as recoverable under 'Loans and Advances'.

    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 and Haryana High Court in April, 2006 which is pending.

    The Collector, Land Acquisition has confirmed total liability of 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.

28. The State Government of Punjab had taken a decision that the development of the Industrial Estate should take place under the provisions of The Punjab Apartment and Property Regulation Act, 1995. In terms of the provisions of the said Act, Siel Industrial Estate Limited was required to furnish bank guarantees (BG's) against internal development works and pay external development charges (EDC) for external development works to be carried out by Punjab Urban Development Authority (PUDA). However, as per the provisions of the Memorandum of Understanding (MoU) between the Parent Company and Government of Punjab, all development works had to be carried out by the developers and not by or through PUDA. SIEL-IE, accordingly, represented to the Government that the MoU itself was a guarantee and there was, therefore, no need to furnish BG's and also since PUDA has not undertaken to carry out any development works in the area, EDC should also not be charged. This position was accepted in a meeting held under the chairmanship of the State Chief Secretary on July 17, 2002 and this was further approved by the Empowered Committee (ref. Order Inc.1/EC/SIEL/2002 dated January 3, 2003) under the chairmanship of the Hon'ble Chief Minister of Punjab, in terms of which it was agreed that these exemptions were for the Estate as a whole and therefore, the BG's already furnished will be returned and the EDC amounts already paid would be refunded. Accordingly, a notification dated 12th February, 2004 was issued by Govt. of Punjab, Department of Housing & Urban Development, Chandigarh exempting SIEL-IE from all the provisions of the Punjab Apartment & Property Regulation Act, 1995 subject to the condition that the exemption shall extend only in respect of the land for which the licence has already been granted by the Competent Authority under the above Act. SIEL-IE has approached the Govt. of Punjab for issuance of a fresh notification exempting the entire land because as per the decision of the empowered committee, SIEL-IE was given exemption from the said Act for the entire land. During the year 2004-05, the Govt. of Punjab has issued the desired notification, exempting SIEL-IE from submission of BGs against internal development works and payment of external development charges (EDC) for external development works, for the entire land. Accordingly, the BGs of Rs. 4.36 million and EDC of Rs. 1.59 million have been received back from PUDA.

29. In case of SIEL-IE, out of 456.82 acres (Previous Year 425.93 acres) of land in stock at the close of the year, 161.45 acres (Previous Year 150.69 acres) of land is earmarked for roads, open spaces, green belts and public spaces in terms of the Government of Punjab regulations, which is required to be transferred back to the Government of Punjab at a later date, free of cost. Consequently, the entire cost of such land has been apportioned over the land available for sale.

    As per accounting policy of SIEL-IE, inventories are valued at lower of cost or estimated realizable value. During the year 2006-07, as the estimated realizable value of the land was lower i.e. Rs. 0.42 million/ acre, SIEL-IE valued its inventories at estimated realizable value i.e Rs. 178.89 million (Cost Rs. 203.86 million). During the current period, as the estimated realizable value of land is lower i.e Rs. 0.44 million/

acre, the inventories have been valued at estimated realizable value i.e. Rs. 199.63 million (cost Rs. 22.85 million, which is inclusive of enhanced compensation as per the order of Additional District Judge, Patiala referred to in note 27 above).

30. The figures for the current period are for a period of eighteen months from April1, 2007 to September 30, 2008 where as the corresponding previous year figures are for a period of twelve months. Further current period figures are inclusive of erstwhile Mawana Sugars Limited, amalgamated with the Parent Company with effect from October 1, 2006, the appointed date. (Refer note 3 above).

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

31. Previous year figures are regrouped, wherever necessary.

Signatures to Schedules 1 to 14

SIDDHARTH SHRIRAM
Chairman and Managing Director

SUNIL KAKRIA
Managing Director

A.K. MEHRA
Whole Time Director

D.C. MITTAL
DINESH MOHAN
N.K. GOILA
RAVI VIRA GUPTA
R.S. BEDI
Directors

Place : New Delhi
Date : 26.12.2008

AMIT KHURANA
Company Secretary

PANKAJRAI S. MITTAL
Senior General Manager (Accounts)

Schedule 14 : NOTES TO THE CONSOLIDATED ACCOUNTS (Contd.)

Micro, Small and Medium Enterprises Development Act, 2006 (Act) is Rs. 7.01 million. Further no interest during the period has been paid or is payable under the terms of the Act.

25. SFSL has severely curtailed its operations due to paucity of funds and adverse market conditions. The management is negotiating with certain parties for realising some of the assets and is hopeful of generating funds for this business. In view of the above, the accounts of SFSL have been prepared on a going concern basis.

26. The trading operations of TIL have been suspended since June 1999 with a view to prevent further losses. The accounts of TIL for the period ended September 30, 2008 have been prepared on a going concern basis, although the revival of business activities will depend upon more favourable conditions prevailing in the market.

27. SIEL-IE is in the process of setting up an Industrial Estate in Rajpura, Distt. Patiala (Punjab) pursuant to Parent Company's signing an MoU with the State Government of Punjab. The Parent Company vide its letter dated February 27, 1995 had assigned the principal MoU to SIEL-IE to develop the industrial estate. In terms of the MoU, the Punjab Government would be acquiring the land and transferring it to SIEL-IE. As at the close of the period, SIEL-IE has taken possession of 597.11 acres (Previous Year 539.50 acres) of land, which has been conveyed in the name of SIEL-IE (298.46 acres of land has been transferred to vide conveyance deed dated May 26, 2000 and 298.65 acres of land transferred vide conveyance deed dated November 06, 2007). Subsequent to the possession of 57.61 acres of land during the period, the area under litigation stands reduced to 58.01 acres against which SIEL-IE has deposited an amount of Rs.13.28 million (previous year Rs. 26.41 million) which has been shown as recoverable under 'Loans and Advances'.

    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 and Haryana High Court in April, 2006 which is pending.

    The Collector, Land Acquisition has confirmed total liability of 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.

28. The State Government of Punjab had taken a decision that the development of the Industrial Estate should take place under the provisions of The Punjab Apartment and Property Regulation Act, 1995. In terms of the provisions of the said Act, Siel Industrial Estate Limited was required to furnish bank guarantees (BG's) against internal development works and pay external development charges (EDC) for external development works to be carried out by Punjab Urban Development Authority (PUDA). However, as per the provisions of the Memorandum of Understanding (MoU) between the Parent Company and Government of Punjab, all development works had to be carried out by the developers and not by or through PUDA. SIEL-IE, accordingly, represented to the Government that the MoU itself was a guarantee and there was, therefore, no need to furnish BG's and also since PUDA has not undertaken to carry out any development works in the area, EDC should also not be charged. This position was accepted in a meeting held under the chairmanship of the State Chief Secretary on July 17, 2002 and this was further approved by the Empowered Committee (ref. Order Inc.1/EC/SIEL/2002 dated January 3, 2003) under the chairmanship of the Hon'ble Chief Minister of Punjab, in terms of which it was agreed that these exemptions were for the Estate as a whole and therefore, the BG's already furnished will be returned and the EDC amounts already paid would be refunded. Accordingly, a notification dated 12th February, 2004 was issued by Govt. of Punjab, Department of Housing & Urban Development, Chandigarh exempting SIEL-IE from all the provisions of the Punjab Apartment & Property Regulation Act, 1995 subject to the condition that the exemption shall extend only in respect of the land for which the licence has already been granted by the Competent Authority under the above Act. SIEL-IE has approached the Govt. of Punjab for issuance of a fresh notification exempting the entire land because as per the decision of the empowered committee, SIEL-IE was given exemption from the said Act for the entire land. During the year 2004-05, the Govt. of Punjab has issued the desired notification, exempting SIEL-IE from submission of BGs against internal development works and payment of external development charges (EDC) for external development works, for the entire land. Accordingly, the BGs of Rs. 4.36 million and EDC of Rs. 1.59 million have been received back from PUDA.

29. In case of SIEL-IE, out of 456.82 acres (Previous Year 425.93 acres) of land in stock at the close of the year, 161.45 acres (Previous Year 150.69 acres) of land is earmarked for roads, open spaces, green belts and public spaces in terms of the Government of Punjab regulations, which is required to be transferred back to the Government of Punjab at a later date, free of cost. Consequently, the entire cost of such land has been apportioned over the land available for sale.

    As per accounting policy of SIEL-IE, inventories are valued at lower of cost or estimated realizable value. During the year 2006-07, as the estimated realizable value of the land was lower i.e. Rs. 0.42 million/ acre, SIEL-IE valued its inventories at estimated realizable value i.e Rs. 178.89 million (Cost Rs. 203.86 million). During the current period, as the estimated realizable value of land is lower i.e Rs. 0.44 million/

Mawana Sugars Limited

(Formerly known as Siel 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 46th ANNUAL GENERAL MEETING OF MAWANA SUGARS LIMITED ON WEDNESDAY, THE 18th FEBRUARY, 2009 AT 11.00 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

(Formerly known as Siel 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 46th Annual General Meeting of the Company to be held on Wednesday, the 18th February, 2009 and at any adjournment thereof.

Signed this...............................day of....................................2009

Signature...

Affix Revenue Stamp

Notes:

(i) 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.

(ii) Please mark the envelope 'MSL PROXY'.

Book–Post/U.P.C.

To

If undelivered, please return to :

Mawana Sugars Limited

(Formerly known as Siel Limited)

Regd. Office: 5th Floor, Kirti Mahal, 19, Rajendra Place, New Delhi-110 125
Phone: 011-25739103; Fax: 011-25743659
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