

Mawana Sugars Limited

(CIN: L74100DL1961PLC003413)

Registered Office: 5th Floor, Kirti Mahal, 19, Rajendra Place, New Delhi – 110125

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NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

Notice of postal ballot ("**Notice**") is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the **Act**") read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (the **Rules**) (including any amendment(s), statutory modification(s) and/ or re-enactment thereof for the time being in force) and pursuant to Regulation 44 of the Securities and Exchange Board of India (**Listing Obligations and Disclosure Requirements**) Regulations, 2015 ("**LODR Regulations**") and such other applicable laws and regulations, that the consent of the shareholders of Mawana Sugars Limited ("Company") is sought for the resolution appended herein below which are proposed to be passed through postal ballot by way of remote electronic voting ("**e-voting**" or "**remote e-voting**").

With a view to ensure long term financial stability of the Company and its ability to discharge its liabilities, the Board of Directors of the Company in its meeting held on 26.10.2018 had decided to explore the possibility of disposing of Company's chemical manufacturing undertaking operating under the name and style of 'Siel Chemical Complex'(SCC) situated at Villages Damanheri, Khandauli and Sardargarh, Tehsil Rajpura, District Patiala in the State of Punjab (the Undertaking). However, while still exploring various possibilities, the Company had been hit hard by Covid-19 which caused much economic distress as the options diminished.

The Company has now received an offer from M/s Bodal Chemicals Limited (BCL) for the purchase of the Undertaking together with all its assets and liabilities including the net of current assets and current liabilities but excluding brands, trademarks, logos and other IPRs and contingent liabilities and contingent assets relating to the Undertaking on a slump sale basis as a going concern on an "as is where is " basis.

The Board of Directors of the Company in its meeting held on 9.2.2021 has, subject to the approval of Shareholders of the Company and all other approvals as may be required in this behalf, proposed to sell/dispose of the Undertaking together with all assets and liabilities excluding brands, trademarks, logos and other IPRs, contingent liabilities and contingent assets relating to the Undertaking on a slump sale basis as a going concern on "as is where is " basis for a consideration of Rs. 137 crores (Rupees One Hundred Thirty Seven Crores only), subject to adjustments of net of current assets and current liabilities to BCL and has entered into a 'Business Transfer Agreement' (BTA) with BCL for this purpose.

According to Section 180 (1) (a) of the Act, sell, lease or otherwise disposal of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertakings, requires approval of the shareholders through a Special Resolution.

Shareholder's approval is sought for the proposal to sell the Undertaking as contained in the Special Resolution appended below. An Explanatory Statement pertaining to the said Resolution setting out all material facts and the reasons for which such resolution is proposed is attached.

In compliance with Sections 108 and 110 of the Act read with Rules 20 and 22 of the Rules, the Company has engaged the services of Central Depository Services (India) Limited ("CDSL") for the purpose of providing e-voting facility to all its Members to vote on this proposal. The e-voting facility is available from 11.02.2021 (09:00 a.m. onwards) till 12.03.2021 (up to 5:00 p.m.).

It is requested that shareholders carefully read the instructions for e-voting and record their assent (FOR) or dissent (AGAINST) therein not later than 5:00 p.m. on 12.03.2021. Mr Nirbhay Kumar, Company Secretary in Practice (ACS 21093 and CP 7887) has been appointed by the Board to be the Scrutinizer for the Postal Ballot, who will submit his report to the Whole Time Director of the Company duly authorized by the Board in this regard. The result of the Postal Ballot would be announced by the Company Secretary on or before 13.03.2021. The said result would be displayed at the Registered Office of the Company, intimated to BSE Limited and National Stock Exchange of India Limited (NSE), the Stock Exchanges where the Company's shares are listed, and to the Registrar and Share Transfer Agent of the Company. The said result would also be displayed along with the Scrutinizer's report on the Company's website viz. www.mawanasugars.com and also on the website of the agency providing remote e-voting facility i.e. Central Depository Services (India) Limited ("CDSL") and would also be simultaneously published in the newspapers.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to Section 180 (1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and any other applicable law, rules and regulations, the permission and approval of the Company be and is hereby given to the Board of Directors of the Company to sell/dispose of Company's operating unit operating under the name and style of 'Siel Chemical Complex' (the Undertaking), situated at Villages Damanheri, Khandauli and Sardargarh, Tehsil Rajpura, District Patiala in the State of Punjab together with all assets and liabilities including current assets and current liabilities but excluding brands, trademarks, logos and other IPRs and

contingent liabilities and contingent assets relating to the Undertaking, on a slump sale basis as a going concern on "as is where is" basis to M/s Bodal Chemicals Limited for a consideration of Rs. 137 crores (Rupees One Hundred Thirty Seven Crores only), subject to adjustments of net current assets and current liabilities, on the terms and conditions as contained in the Business Transfer Agreement dated 09.02.2021 approved by the Board or any Committee thereof constituted for this purpose.

RESOLVED FURTHER THAT the Board or any Committee of the Board constituted for this purpose be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or expedient for the purpose of giving effect to the sale of the Undertaking and for matters connected therewith or incidental thereto, including without limitation, signing and executing all agreements and documents in connection with or in order to give effect to this Resolution."

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

(Ashok Kumar Shukla)
Company Secretary
ACS-29673

Place : New Delhi
Dated : 9.2.2021

NOTES:

1. An Explanatory Statement pursuant to Section 102 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, setting out the material facts and reasons for the resolutions in respect of the businesses set out above is attached.
2. Copy of the Business Transfer Agreement is available for inspection at the Registered Office of the Company during the all business working hours on all working days upto the last date for the e-voting.
3. In conformity with the applicable provisions of the Act and the Rules made thereunder read with General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020, dated 13th April, 2020, General Circular No. 33/2020 dated 28th September 2020 and General Circular No. 39/2020 dated 31st December 2020 issued by the Ministry of Corporate Affairs ("MCA Circulars"), the Notice of Postal Ballot is being sent only through electronic mode to those Members whose names appear in the Register of Members/List of Beneficial Owners as received from National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") as on 5th February, 2021 ("cut-off date") and who have registered their e-mail addresses with the MAS Services Ltd., Registrar and Share Transfer Agent (RTA) of the Company or the Depository Participant(s). In terms of the said MCA Circulars, the requirement of sending the physical Notice of Postal Ballot along with the Postal Ballot Form in physical form has been dispensed with till 30th June 2021. Accordingly, the Company will not be dispatching physical copies of Notice of Postal Ballot and Postal Ballot Form to any Member of the Company.
4. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the MAS Services Limited (RTA of the Company) at investor@masserv.com along with the copy of any one share certificate with signed request letter mentioning their name, folio no. and address, self-attested copy of the PAN Card, and self-attested copy of any document (eg.: Aadhar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialized mode are requested to register/update their email addresses with the relevant Depository Participant(s). In case of any queries/difficulties in registering the e-mail address, Members may write to investor@masserv.com.
5. Voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. 5th February, 2021 and only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes.
6. Pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Act read with the Companies (Management and Administration) Rules, 2014, assent or dissent of the Members of the Company in respect of the special resolution contained in the Notice of Postal Ballot dated 09.02.2021 is being taken through remote e-voting.
7. Voting Rights in the Postal Ballot cannot be exercised by a proxy.
8. The Scrutinizer's decision on the validity of the votes cast through Postal Ballot will be final.
9. The results of the Postal Ballot shall be declared on or before 13.03.2021. The Resolution set out in the Notice of Postal Ballot, if passed by requisite majority, shall be deemed to have been passed on the last date specified for remote e-voting i.e. 12.03.2021.
10. The Notice of Postal Ballot is available on the website of the Company at www.mawanasugars.com and on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. Notice of Postal Ballot is also available on the website of CDSL at www.evotingindia.com.
11. Remote e-voting procedure:

In compliance with the provisions of Sections 108 and 110 of the Act read with relevant rules made there under, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA Circulars, the Company is pleased to provide remote e-voting facility to its Members, to enable them to cast their votes electronically instead of submitting the Postal Ballot Form physically. The Company has engaged the services of CDSL to provide remote e-voting facility to its Members. The detailed procedure with respect to remote e-voting is mentioned below:

The instructions for Members with respect to remote e-voting are as under:

- (i) The remote e-voting period begins on 11th February, 2021 from 09.00 A.M. and ends on 12th March, 2021 at 5.00P.M. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e .5th February, 2021, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Members should log on to the e-voting website www.evotingindia.com.
- (iii) Click on “Shareholders/Members” module.
- (iv) Now Enter your UserID
 - a. For CDSL: 16 digits beneficiary ID.
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company in seven digit. (For example if your folio no.is 45 then enter User Id as 0000045 or folio no. is N-45 then enter User Id as N000045) OR
 Alternatively, if you are registered for CDSL’s **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL’s **EASI/EASIEST** e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digital pha-numeric PAN issued by Income Tax Department (Applicable for both demat Members as well as physical Members) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number as given in email in PAN Column (sent by Company/ MAS Services Ltd., Registrar and Share Transfer Agent (RTA) or contact Company/RTA).
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or Company, please enter the Member ID/folio number in the Dividend Bank details field as mentioned in instruction(iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
- (xi) Click on the EVSN of Mawana Sugars Limited.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting there solution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Members can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Members and Custodians

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non-Individual Members are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address, corporate@mawanasugars.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xx) If you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Shri Rakesh Dalvi, Manager at 1800-225 -533.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

The Company's is in the business of manufacture and marketing of sugar at its manufacturing facilities in Uttar Pradesh and also in the business of chlor-caustic chemical through its facility at Siel Chemical Complex, Rajpura, Punjab. The Company has unpaid cane dues to the farmers for the crushing season 2020-21 and outstanding term debt. While the Company has sufficient sugar inventory to pay down these dues but owing to the present nature of the sugar industry and the fact that the Company is unable to access Commercial Bank loans because of its continuing CIBIL issues. There is delay in paying the outstanding dues of the farmers and it is proving difficult to service its cane arrears/term debt.

This position has become worse due to the effects of the Covid-19.

In order to ensure long term financial stability of the Company and ability to discharge its liabilities, the Board of Directors in its meeting held on 26.10.2018 had decided to explore the possibility to dispose of its chemical manufacturing undertaking operating as 'Siel Chemical Complex' (the Undertaking) situated at Villages Damanheri, Khandauli and Sardargarh, Tehsil Rajpura, District Patiala in the State of Punjab to be able to discharge its liabilities.

The Company has received an offer from M/s Bodal Chemicals Limited (BCL) for purchase of the Undertaking together with all assets and liabilities including the net of current assets and current liabilities but excluding brands, trademarks, logos and other IPRs and contingent liabilities and contingent assets relating to the Undertaking on a slump sale basis as a going concern on “as is where is “ basis.

The Board of Directors of the Company in its meeting held on 9.2.2021 has, subject to the approval of the Shareholders and all other approvals as may be necessary in this regard, decided to accept the offer of BCL and has entered into a Business Transfer Agreement (the BTA) with BCL. The salient features of the offer are as under:-

- (a) The sale consideration for the sale of business Undertaking shall be Rs.137 crores (Rs. One Hundred Thirty Seven Crores only) subject to adjustments of net current assets and current liabilities (Net working capital amount) (Sale Consideration) of the Undertaking. If the net working capital amount is positive, the Sale Consideration will increase to that extent. If it is negative, the Sale Consideration will be reduced accordingly.
- (b) The Sale Consideration shall be payable in two tranches in the following manner:
 - i. An amount of Rs 20.55 crore, being 15% of the final agreed Sale Consideration, (“First Tranche Amount”) shall be received subject to applicable TDS on execution of the Business Transfer Agreement (BTA) and
 - ii. Balance amount of the Sale Consideration, as adjusted with net working capital amount and other adjustments, if any, as set out in the BTA (“Final Tranche Amount”) shall be paid on the Closing Date.
- (c) The Buyer shall bear all applicable stamp duties, applicable GST, if any, and all other charges relating to transfer of the Undertaking.
- (d) The Company shall enter into a separate Canal Water Sharing Agreement to provide agreed quantity of water from the available Sanctioned Water limit from the Bhakra canal main line at mutually agreed terms.
- (e) The Company shall allow the Buyer a royalty free right to use the marks 'Siel' and 'Shriram', currently being used for Caustic Soda flakes and Stable Bleaching powder respectively for a period of 12 (Twelve) months or such further period as may be mutually agreed.

- (f) All employees of the Undertaking as on the Closing Date, except those who may opt not to transfer, shall stand transferred to BCL with continuity of service for all statutory and all other purposes on terms and conditions which shall not be less favourable than those provided by the Company as of the Closing Date. The Company shall not directly or indirectly discourage the employees from transferring, joining, or being employed by the Buyer.
- (g) The Company shall not undertake (directly or indirectly) any activity in competition to the business being transferred to the Buyer, for a period of 5 (Five) years from the Closing Date, and also not to engage or employ any transferred employee for a period of 2 (two) years from closing date
- (h) The transaction is subject to statutory approvals, if any, required to be obtained by the respective parties.
- (i) The transaction is expected to be completed within 60 days from BTA execution date.

Copies of all the documents referred to in the Notice/Explanatory Statement are available for inspection at the Registered office of the Company on all business working hours till the last day of Voting on the Special Resolution.

Section 180(1)(a) of the Companies Act, 2013 requires prior approval of the members through special resolution to sell, lease or otherwise dispose of the whole or substantially the whole of any of the Company's undertakings and such approval has to be accorded through postal ballot.

In view of the above, the Board recommends for approval of the Special Resolution as stated in the attached Notice.

None of the Directors and/or Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the said Special Resolution.

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

(Ashok Kumar Shukla)
Company Secretary
ACS-29673

Place : New Delhi
Dated : 9.2.2021