

Mawana Sugars Limited

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



POSTAL BALLOT NOTICE

Dear Member(s),

Notice pursuant to Section 192A (2) of the Companies Act, 1956

Notice is hereby given pursuant to Section 192A (2) of the Companies Act, 1956 (hereinafter referred to as the "Act") read with Companies (Passing of the Resolution by Postal Ballot), Rules, 2011, that the Special Resolution as set out below is proposed to be passed by way of postal ballot.

An Explanatory Statement pursuant to Section 192A (2) and Section 173 (2) of the Act setting out all material facts pertaining to the resolution is annexed hereto along with a Postal Ballot Form for consideration and approval of the members.

The Board of Directors has appointed Mr. Ritesh Jain, a Practicing Company Secretary, as scrutiner for conducting the Postal Ballot process in a fair and transparent manner.

Members are requested to carefully read the instructions printed in the Postal Ballot Form (no other form or photocopy of the Postal Ballot Form is permitted) and return the same duly completed with the assent or dissent, in the attached self addressed postage pre-paid envelope, so as to reach the Scrutinizer on or before the close of normal working hours on the 12th day of October, 2012. Any ballot form received by the Company after 12th day of October, 2012 shall be treated as if reply from the members has not been received.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the results of the postal ballot will be announced by the Chairman on 15.10.2012 at 3.00 P.M. at the Registered Office of the Company at New Delhi.

Additionally, the results will be put up on the Company's website www.mawanasugars.com besides communicating to the Stock Exchanges where the Company's shares are listed. In the event, the resolution is assented to by requisite majority of shareholders by means of postal ballot, the date of declaration of result shall be deemed to be the date of passing of the said resolution.

Special Resolution

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to any approval, consent, permission and/or sanction of the appropriate authorities, (hereinafter collectively referred to as "the appropriate authorities"), if required and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction (hereinafter referred to as "the requisite approvals"), and which may be agreed to by the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution), the Board be and is hereby authorised to create, offer, issue and allot, 4160053 equity shares of Rs. 10/- each from time to time in one or more tranches, Equity Shares to be subscribed by the Promoters, whether or not such Promoters are Members of the Company, under a preferential issue through an offer letter and/or circular and/or information memorandum and/or such other documents / writings, in such a manner and on such terms and conditions as may be determined by the Board in its absolute discretion; provided that the price of the Equity Shares so issued shall not be less than Rs. 15.12 (including a premium of Rs. 5.12) per Equity Share of Rs.10/- each being the price with respect to the Relevant Date i.e. 01.08.2012, in accordance with the Guidelines for "Preferential Issues" contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 including any Statutory modification or re-enactment thereof for the time being in force and further provided that the aggregate amount of the Equity so issued including premium shall not exceed Rs.6.29 crores (Rupees Six Crores Twenty Nine Lacs only).

RESOLVED FURTHER THAT the Equity Shares allotted in terms of this resolution shall rank pari passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Equity Shares and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of the said Equity Shares, utilisation of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or Managing Director or any other Director(s) or Officer(s) of the Company to give effect to the aforesaid resolution."

By Order of the Board
For Mawana Sugars Limited
Sd/-
(Naveen Jain)
Company Secretary

Place : New Delhi

Date : 28.8.2012

Explanatory Statement pursuant to Section 192A (2) and Section 173 (2) of the Companies Act, 1956

The debts of your Company have been restructured by way of Rework Package approved & Confirm under CDR mechanism by the CDR Empowered Group in its meeting held on 01.08.2012 under the Corporate Debt Restructuring (CDR) framework of Reserve Bank of India.

In terms of the sanctioned Rework Package of CDR, The Company is required that the Promoters of the Company should bring in a sum of Rs. 6.29 Crores as Equity (The amount equivalent to NPV differential) within 6 months from the date of approval.

Usha International Limited (UIL) is one of the Promoters of the Company and upon the request of the Company UIL has agreed to subscribe to the fresh equity to the extent of Rs.6.29 crores. The issue of equity shares to UIL in terms of CDR Sanctioned package will be done on "preferential basis", in accordance with the Guidelines for "Preferential Issues" contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 including any Statutory modification or re-enactment thereof for the time being in force.

The Board of Directors of the Company had discussed the matter in detail in its meeting held on 28.8.2012 and recommended the matter of issue and allotment of 41,60,053 equity shares to Usha International Ltd. at a price of Rs. 15.12 per share (including a premium of Rs.5.12 per share) calculated in accordance with the formula prescribed under said Guidelines for pricing of the shares issued on preferential basis by adopting 01.08.2012, being the date when CDR EG approved the infusion of equity by Promoters, as the "Relevant Date".

The Board of Directors further recommended to seek your approval by way of Postal Resolution under Section 81(1A) of the Companies Act, 1956 through Postal Ballot in terms of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011.

The details of the issue and other particulars as required in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations") as amended from time to time.

a. The object of the preferential issue to allot and issue:

The object of the issue to bring a sum of Rs. 6.29 crores by the promoters of the Company (The amount equivalent to NPV differential) as per Rework Package approved & Confirm under CDR mechanism by the CDR Empowered Group (CDR EG) in its meeting held on 01.08.2012.

b. the proposal of the Promoters, Directors and Key Management persons of the Company to subscribe to the proposed preferential offer:

The proposed preferential issue of 41,60,053 equity shares to Usha International Ltd. at a price of Rs.15.12 per share (including a premium of Rs.5.12 per share) one of the promoter of the Company as per Rework Package approved by CDR EG. Usha International Limited has conveyed to Company in writing of its intention to subscribe the proposed preferential issue.

c. The Shareholding pattern of the Company before and after the preferential issue:

The Shareholding Pattern before and after the issue of abovesaid shares on preferential basis as per the provisions of ICDR Regulations as on July 31, 2012 has been provided hereunder :

Category code	Category of shareholder	Pre-issue Shareholding		Post-issue Shareholding	
		Total number of shares	%	Total number of shares	%
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian				
(a)	Individuals/Hindu Undivided Family	1152454	3.30	1152454	2.95
(b)	Central Government/ State Government(s)				
(c)	Bodies Corporate	21907933	62.67	26067986	66.64
(d)	Financial Institutions/ Banks				
(e)	Any Other (specify)				
	Sub-Total (A)(1)	23060387	65.97	27220440	69.59

Category code	Category of shareholder	Pre-issue Shareholding		Post-issue Shareholding	
		Total number of shares	%	Total number of shares	%
(2)	Foreign				
(a)	Individuals (Non-Resident Individuals/ Foreign individuals)	536	0.00	536	0.00
(b)	Bodies Corporate				
(c)	Institutions				
(d)	Any Other (specify)				
	Sub-Total (A)(2)	536	0.00	536	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	23060923	65.97	27220976	69.59
(B)	Public shareholding				
(1)	Institutions				
(a)	Mutual Funds/ UTI	21682	0.06	21682	0.06
(b)	Financial Institutions/ Banks	457566	1.31	457566	1.17
(c)	Central Government/ State Government(s)				
(d)	Venture Capital Funds				
(e)	Insurance Companies	444758	1.27	444758	1.14
(f)	Foreign Institutional Investors				
(g)	Foreign Venture Capital Investors				
(h)	Any Other (Foreign Banks)	3093	0.01	3093	0.01
	Sub-Total (B)(1)	927099	2.65	927099	2.37
(2)	Non-institutions				
(a)	Bodies Corporate	2351561	6.73	2351561	6.01
(b)	Individuals				
	i. Individual shareholders holding nominal share capital up to Rs.1 Lakh.	6394686	18.29	6394686	16.35
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1679095	4.80	1679095	4.29
(c)	Any Others (NRIs/OCBs/Foreign Nationals)				
(c-i)	NRIs	232498	0.67	232498	0.59
(c-ii)	OCBs	65	0.00	65	0.00
(c-iii)	Foreign Nationals	47365	0.14	47365	0.12
	Sub-Total (B)(2)	10705270	30.62	10705270	27.37
	Total Public Shareholding (B)= (B)(1)+(B)(2)	11632369	33.28	11632369	29.74
	TOTAL (A)+(B)	34693292	99.25	38853345	99.33
(C)	Shares held by Custodians and against which Depository Receipts have been issued				
(1)	Promoter and Promoter group				
(2)	Public	263519	0.75	263519	0.67
	GRAND TOTAL (A)+(B)+(C)	34956811	100.00	39116864	100.00

The Company will ensure compliance with all applicable laws and regulations including the ICDR Regulations at the time of allotment of Equity shares on preferential basis to the promoters of the Company.

d. Proposed time within which the preferential issue shall be completed:

The proposed offer of equity shares on preferential basis will be allotted within the time limit specified under the ICDR Regulations

e. The identity of the proposed allottee, the percentage of post preferential issue capital that may be held by him, change in control, if, any, in the Company Consequent to the preferential issue:

Sl No.	Name of the proposed subscriber	Category	Pre Preferential Allotment No. of Equity Shares	% holding	Post Preferential Allotment No. of Equity Shares	% holding
1.	Usha International Ltd.*	Promoter	2,19,06,741	62.67%	2,60,66,794	66.64%

* Include 10,00,000 Shares Pledged with State Bank of India under CDR Scheme of Mawana Sugars Ltd.

The existing promoters or the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment, except a corresponding change in shareholding pattern as well as voting rights.

f. Pricing of Equity Shares:

Each equity share of the face value of Rs. 10/- shall be issued at a price of Rs. 15.12/- (including a premium of Rs.5.12) per equity share.

This price has been arrived in accordance with Preferential Issue Guidelines with respect to the Relevant Date i.e. 01.08.2012, being the date when CDR EG confirmed the infusion of equity by Promoters, as provided under Chapter VII of SEBI (ICDR) Regulations, 2009.

g. Undertaking to recompute price;

The Company hereby undertake that it shall re-compute the price of the specified security in terms of the provisions of the said Regulations where it is required to do so.

h. undertaking to put under lock-in till the Re-computed price is paid:

The Company undertakes that if the amount payable on re-computation of price is not paid within the time stipulated in the said Regulations, the specified securities shall continue to be locked in till such time such amount is paid by the allottees.

i. Certificate from Statutory Auditors:

M/s. A.F. Ferguson & Co. Chartered Accountants, Statutory Auditors of the Company have certified the proposed issue equity shares on preferential basis to the promoters of the Company as per ICDR Regulations, 2009. A copy of the said certificate is open for inspection at the Registered office at New Delhi of the Company between 10.00 A.M. to 1.00 P.M. on all working days (except Saturdays, Sundays and Holidays) upto the date of announcement of the result on the Postal Ballot.

j. Relevant Date

In the present case, the "Relevant Date" shall be 01.08.2012, the date when CDR Empowered Group in its meeting held on 01.08.2012 approved & Confirm the Rework Package under (CDR) mechanism

k. Lock in period:

The aforesaid equity shares of the Company to be issued and allotted on preferential basis to Usha International Limited shall be locked-in as per provisions of SEBI ICDR Regulations, 2009.

The Board of Directors recommends the Special Resolution as set out in the Notice for your approval.

None of the Directors of the Company except Mr. Siddharth Shiram and Mr. N.K. Goila, being Directors of Usha International Limited is concerned or interested in the said resolution.

By Order of the Board
For Mawana Sugars Limited

Sd/-

(Naveen Jain)

Company Secretary

Place : New Delhi
Date : 28.8.2012
Encl : 1) Postal Ballot Form
2) Business Reply Envelope