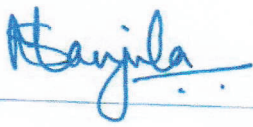


FORM A (for audit report with unmodified opinion)

1.	Name of the company	Mawana Sugars Limited
2.	Annual Financial Statements for the year ended	March 31, 2016
3.	Type of Audit observation	Emphasis of Matter 1. Attention is invited to note 1(B) of the standalone financial statements regarding the Company being registered with Board for Industrial and Financial Reconstruction in September 2013 consequent to it becoming a "Sick Industrial Company" in terms of the provisions of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions), Act, 1985, as the Company's net worth has been eroded and the Company had incurred cash losses during the prior periods and its current liabilities are in excess of current assets. However during the current period the Company has generated profits and has restructured a major portion of its outstanding debts as detailed in the said note. As such, the financial statements have been prepared by the Management of the Company on a going concern basis for the reasons stated in the said note. 2. Attention is invited to note 39 (i) of the standalone financial statements which sets out the position regarding remuneration paid in excess of remuneration approved by the Central Government to its former Chairman and Managing Director for which a refund of Rs 7.04 million required in terms of Section 197(9) of the Companies Act, 2013 has not been obtained by the Company. 3. Attention is invited to note 39 (ii) of the standalone financial statements. which sets out the position regarding remuneration paid in excess of remuneration approved by the Central Government to its former whole time director for which a refund amounting to Rs 6.61 million required in terms of Section 197(9) of the Companies Act, 2013 has not been obtained by the Company. 4. Attention is invited to note 39 (iii) of the standalone financial statements. As stated in the note, remuneration paid to whole time director amounting to Rs. 1.08 million is subject to the approval of shareholders' and Central Government under the provisions of Companies Act 2013.

4.	Frequency of observation	Emphasis of Matter 1. This matter is appearing since 2011-12, the financial year in which Company's net worth was substantially eroded 2. This matter has been given in year ended December 2014 as remuneration paid in excess of remuneration approved by the Central Government to its chairman and managing director (ceased to be a director w.e.f July 31, 2014) for which a refund of Rs. 7.04 million required in terms of section 197(9) of the Companies Act, 2013 has not yet been obtained by the Company 3. This matter has been given in the year ended December 2014 as remuneration paid to whole time director (ceased to be a director w.e.f closing hours of December 31, 2014) in excess of remuneration approved by the Central Government for which a refund of Rs. 6.61 million required in terms of section 197(9) of the Companies Act, 2013 has not yet been obtained by the Company 4. This matter has been given in the current year as remuneration paid to whole time director amounting to Rs. 1.08 million is subject to the approval of the Central Government under the provisions of Companies Act, 2013.
5.	Signed by	• Whole Time Director  • CFO  • Auditor of the Company  • Audit Committee Chairman 