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Worli, Mumbai - 400 018

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## Shree Renuka Sugars Limited

March 6, 2014

Dept. of Corporate Services  
**Bombay Stock Exchange Limited**  
P. J. Towers  
Dalal Street  
Mumbai – 400 001

**BSE Scrip Code: 532670**

Dear Sir,

### **Sub: Submission of Postal Ballot Notice sent to the Members of the Company**

Pursuant to Clause 33 of the Listing Agreement, we are forwarding herewith the Postal Ballot Notice sent to the Members of the Company in relation the passing of following resolutions as Special Resolutions through Postal Ballot:

1. Special Resolution seeking approval of shareholders pursuant to Section 17 of the Companies Act, 1956 for alteration of the main object clause by deleting the words "plant, cultivate, produce and raise and/or get cultivated through others or" after the word "To" appearing at the beginning of the sub-clause 2 of Clause III(A) of the Memorandum of Association of the Company.
2. Special Resolution seeking approval of shareholders pursuant to Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, for payment of remuneration to Mrs. Vidya Murkumbi, Executive Chairperson.
3. Special Resolution seeking approval of shareholders pursuant to Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, for payment of remuneration to Mr. Narendra Murkumbi, Vice Chairman and Managing Director.
4. Special Resolution seeking approval of shareholders pursuant to Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, for payment of remuneration to Mr. Nandan Yalgi, Whole Time Director.
5. Special Resolution seeking approval of shareholders pursuant to Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, for payment of remuneration to Mr. Vijendra Singh, Whole Time Director.

You are requested to please take the same on your records and oblige.

Thanking you,

Yours faithfully,

For Shree Renuka Sugars Limited

Atul Kelkar  
Officer (Secretarial)

Encl: As above.





**NOTICE OF POSTAL BALLOT**

(Pursuant to Section 192A of the Companies Act, 1956)

NOTICE is hereby given that pursuant to the provisions of Section 192A of the Companies Act, 1956 ("the Act") read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 ("Postal Ballot Rules"), that the Company is seeking the consent of its Members by way of Postal Ballot in respect of the businesses as mentioned herein below. In terms of the said section and the Postal Ballot Rules, a Listed Company may and in case of resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by Postal Ballot, shall, get any resolution passed by means of Postal Ballot, instead of transacting the business in general meeting of the Company. Rule 5 of the Postal Ballot Rules specifies the list of businesses in which resolutions shall be passed only through Postal Ballot.

The Board of Directors of your Company has therefore proposed to obtain the consent of the shareholders through Postal Ballot in respect of the following resolutions:

**1. Alteration of the Main Objects Clause of Memorandum of Association of the Company**

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 17 and other applicable provisions, if any, of the Companies Act, 1956, (hereinafter referred to as "the Act"), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, read with Section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, and subject to such other requisite approvals, if any, in this regard from appropriate authorities and subject to such further term(s), condition(s), amendment(s) or modification(s) as may be required or suggested by any of such appropriate authorities; which term(s), condition(s), amendment(s) or modification(s), the Board of Directors (hereinafter referred to as "the Board" which term shall include any of its duly authorized Committee or one or more Directors) is authorized to accept as it may deem fit; consent of the Members of the Company be and is hereby accorded for alteration/amendment of the existing Clause III(A)(2) of the Main Objects Clause of the Memorandum of Association of the Company in the following manner:

- "by deleting the words "**plant, cultivate, produce and raise and/or get cultivated through others or**" after the word "To" appearing at the beginning of the sub-clause 2 of Clause III(A) of Memorandum of Association of the Company".

RESOLVED FURTHER THAT the existing Memorandum of Association of the Company, duly modified as aforesaid, or as suggested by any appropriate authority and accepted by the Board, be adopted as the Memorandum of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board, be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary and settle any or all questions/matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this resolution, take such further incidental and ancillary steps in this regard, as may be considered desirable or expedient by the Board in the best interests of the Company and its shareholders.

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

**2. Approval of payment of remuneration to Mrs. Vidya Murkumbi, Executive Chairperson**

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and/or subject to the approval of the Central Government and subject to all such approvals as may be required, consent of the Members be and is hereby accorded to the payment of the existing/same remuneration to Mrs. Vidya Murkumbi, Whole-Time Director designated as 'Executive Chairperson' of the Company, as per the terms and conditions approved by the Members at the Fourteenth Annual General Meeting of the Company held on March 4, 2010, as minimum remuneration for the period from April 1, 2013 till completion of her term on March 31, 2014 in view of the Company having no/inadequate profits during the current financial year, with the liberty to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to revise, amend, alter and vary the terms and conditions of her remuneration in such manner as may be permitted in accordance with the provisions of the Act and as may be agreed to by and between the Board and Mrs. Vidya Murkumbi.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**3. Approval of payment of remuneration to Mr. Narendra Murkumbi, Vice Chairman and Managing Director**

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and/or subject to the approval of the Central Government and subject to all such approvals as may be required, consent of the Members be and is hereby accorded to the payment of the existing/same remuneration to Mr. Narendra Murkumbi, Vice Chairman & Managing Director of the Company, as per the terms and conditions approved by the Members at the Sixteenth Annual General Meeting of the Company held on July 27, 2012, as minimum remuneration for the period from April 1, 2013 till March 31, 2016 in view of the Company having no/inadequate profits during the current financial year and in the event of the Company having no profit/inadequate profits during any subsequent financial year in which his present term is completed, with the liberty to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to revise, amend, alter and vary the terms and conditions of his remuneration in such manner as may be permitted in accordance with the provisions of the Act and as may be agreed to by and between the Board and Mr. Narendra Murkumbi.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**4. Approval of payment of remuneration to Mr. Nandan Yalgi, Whole-Time Director**

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and subject to all such approvals as may be required, consent of the Members be and is hereby accorded to the payment of the existing/same remuneration to Mr. Nandan Yalgi, Whole-Time Director designated as 'Director - Commercial' of the Company, as per the terms and conditions approved by the Members at the Fourteenth Annual General Meeting of the Company held on March 4, 2010, as minimum remuneration for the period from April 1, 2013 till completion of his term on February 20, 2014 in view of the Company having no/inadequate profits during the current

financial year, with the liberty to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to revise, amend, alter and vary the terms and conditions of his remuneration in such manner as may be permitted in accordance with the provisions of the Act and as may be agreed to by and between the Board and Mr. Nandan Yalgi.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### 5. Approval of payment of remuneration to Mr. Vijendra Singh, Whole-Time Director

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and subject to all such approvals as may be required, consent of the Members be and is hereby accorded to the payment of the existing/same remuneration to Mr. Vijendra Singh, Whole-Time Director designated as 'President – Sugar Mills' of the Company, as per the terms and conditions approved by the Members at the Sixteenth Annual General Meeting of the Company held on July 27, 2012, as minimum remuneration for the period from April 1, 2013 till completion of his term on May 9, 2014 in view of the Company having no/inadequate profits during the current financial year and in the event of the Company having no profit/inadequate profits during any subsequent financial year in which his present term is completed, with the liberty to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to revise, amend, alter and vary the terms and conditions of his remuneration in such manner as may be permitted in accordance with the provisions of the Act and as may be agreed to by and between the Board and Mr. Vijendra Singh.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors  
For **Shree Renuka Sugars Limited**

Sd/-

**D. V. Iyer**

Company Secretary

Place : Mumbai

Date : February 20, 2014

#### Registered Office:

BC 105, Havelock Road, Camp, Belgaum – 590001.

#### NOTES:

1. The Explanatory Statement and reasons for the proposed Special Business pursuant to Section 102 of the Companies Act, 2013 read with Section 192A(2) of the Companies Act, 1956 setting out material facts are appended hereinbelow.
2. The Notice is being sent to all the Members, whose names appear on the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) on February 14, 2014.
3. The Company has appointed Mr. Gururaj Mutalik, Advocate as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
4. Members are requested to carefully read the instructions printed on the back of the Postal Ballot Form before exercising their vote.
5. In case, shares are jointly held, this form should be completed and signed (as per the specimen signature registered with the company) by the first named Member and in his/her absence, by the next named Member.
6. In compliance with provisions of Clause 35B of the Listing Agreement entered into with the Stock Exchange(s), the Company is pleased to offer e-voting facility to enable members to cast their votes electronically. The Company has entered into an agreement with KARVY COMPUTERSHARE PRIVATE LIMITED for facilitating e-voting to enable the shareholders to cast their votes electronically. E-voting is optional.
7. Members who have registered their e-mail ids for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs as contemplated in Circular No. 17/2011 dated April 21, 2011, Notice of Postal Ballot are being sent by e-mail and others are sent by post along with Ballot Form. Members have option to vote either through e-voting or through Postal Ballot Form. Members who have received Postal Ballot Notice by e-mail and who wish to vote through Postal Ballot Form can download Postal Ballot Form from the link '<https://evoting.karvy.com>' or seek duplicate Postal Ballot Form from Karvy Computershare Private Limited, Registrar & Transfer Agent, Unit: Shree Renuka Sugars Limited, Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081, fill in the details and send the same to the Scrutinizer.
8. The Scrutinizer will submit his report to the Chairperson after scrutiny of the Postal Ballot Forms and the result of the Postal Ballot shall be declared by the Chairperson, or in her absence, by any other person authorized by the Chairperson, on Monday, April 7, 2014 at 5:00 P.M. at the Registered Office of the Company at BC 105, Havelock Road, Camp, Belgaum – 590001. The resolutions will be taken as passed effectively on the date of announcement of the result by the Chairperson or by the authorized person, if the result of the Postal Ballot indicates that the requisite majority of the Members had assented to the resolution.
9. All relevant documents referred in the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days between 11:00 a.m. to 1:00 p.m. upto the date of declaration of the result of Postal Ballot.
10. Members are requested to fill in the Postal Ballot Form in indelible ink and not in any erasable writing mode.
11. The voting rights of Members shall be in proportion to their shares of the Paid up Equity Share Capital of the Company.
12. The Scrutinizer's decision on the validity or otherwise of the Postal Ballot will be final.

#### EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

#### Item No. 1: Alteration of the Main Objects Clause of Memorandum of Association of the Company;

The Company at its meeting held on February 20, 2014 approved the raising of further capital by way of preferential allotment of shares to Wilmar Sugar Holdings Pte Ltd., a wholly owned subsidiary of Wilmar International Ltd., which is Asia's leading agri-business group and one of the largest company by market capitalization listed on the Singapore Stock Exchange. Foreign Direct Investment ("FDI") Policy of India prohibits investment in companies that are engaged in agriculture or cultivation other than cultivation of vegetables & mushrooms under controlled conditions. The Company being in the business of manufacture of sugar, ethanol & generation of power, all being products/by-products of sugarcane, one of the Main Objects clause of the Company pertains to plantation & cultivation of sugarcane.

To enable the Company to augment funds by way of FDI, the Board of Directors of the Company at its meeting held on February 20, 2014 decided to alter/amend the said Clause III(A)(2) of the main objects clause of the Memorandum of Association of the Company by deleting the words "plant, cultivate, produce and raise and/or get cultivated through others or" after the word "To" appearing at the beginning of the said Clause.

Presently, the Company is not engaged in any plantation/cultivation of sugarcane, however to comply with regulatory requirements, it is proposed to delete all references to cultivation/plantation activities from the main objects clause of the Company.

Pursuant to Section 17 of the Companies Act, 1956, the proposed resolution is being placed for your approval to be passed as a Special Resolution through Postal Ballot.

The Board of Directors recommends the passing of this resolution.

None of the Directors, Key Managerial Personnel and relatives of Directors/Key Managerial Personnel of the Company is concerned or interested in the said resolution.

**Item No. 2, 3, 4 and 5: Approval of payment of remuneration to Whole-Time Directors of the Company;**

The Members of the Company had at the Annual General Meeting held on March 4, 2010 and July 27, 2012 approved appointment/re-appointment including the terms of remuneration, as per details given hereinbelow to Mrs. Vidya Murkumbi - Executive Chairperson, Mr. Narendra Murkumbi - Vice Chairman and Managing Director, Mr. Nandan Yalgi and Mr. Vijendra Singh – Whole-Time Directors, of the Company, pursuant to the provisions of Sections 198, 269, 309, 310, 311, 317 read with Schedule XIII of the Companies Act, 1956 ("the Act"). During the said period, the Company had adequate profits and the managerial remuneration paid to them was well within the limits specified under the Act. However, during the 9 (nine) months period ended December 31, 2013, the Company has incurred a net loss of Rs. 3,778 Million.

As the Company has no profits as noted from the quarterly results during the current financial year, the payment of existing remuneration to the Managerial Personnel is subject to the approval of Shareholders and/or Central Government, as required under Schedule XIII of the Companies Act, 1956, for a period not exceeding 3 years.

Accordingly, the Board of Directors of the Company at its meeting held on February 20, 2014 and pursuant to the recommendations made by the Remuneration/Compensation Committee, approved the payment of the existing/same remuneration as minimum remuneration to the said Managerial Personnel. Taking into consideration their long association with the company, dedication and immense contribution in the phenomenal growth of the Company, the Board approved the payment of minimum remuneration for the Financial Year commencing from April 1, 2013 to their respective terms of appointment but not exceeding 3 years, in the event of no profit/inadequate profits in any financial year.

The said payment of remuneration is subject to the approval of the shareholders in general meeting by way of passing special resolution and subject to the approval of the Central Government for Mrs. Vidya Murkumbi, Executive Chairperson and Mr. Narendra Murkumbi, Vice Chairman and Managing Director. In case of Mr. Nandan Yalgi and Mr. Vijendra Singh, Whole-Time Directors of the Company, the payment of remuneration shall only be subject to the approval of the shareholders by way of passing special resolution since they are not having any interest in the capital of the Company, directly or indirectly or through any other statutory structures and not having any direct or indirect interest or related to the directors or promoters of the Company and are having a graduate level qualification with expert and specialized knowledge in the field of their profession. Accordingly, no Central Government approval is required for payment of remuneration to Mr. Nandan Yalgi and Mr. Vijendra Singh, Whole-Time Directors of the Company. Further, Mr. Nandan Yalgi ceased to be a Director of the Company consequent to his resignation from the Board w.e.f. February 20, 2014.

The details of remuneration as approved by the shareholders at their respective meeting are as under :

**1. Mrs. Vidya Murkumbi, Executive Chairperson:**

**A. Salary:**

Rs. 10,50,000/- (Rupees Ten Lakh Fifty Thousand only) per month with such increments as per Company policy but not exceeding Rs. 15,50,000/- (Rupees Fifteen Lakhs Fifty Thousand only) per month during the period of office. However, she shall not be paid sitting fees for attending meetings of the Board or Committees thereof.

**B. Commission:**

Payable for each financial year up to 1% of net profits of the Company for that financial year as may be decided by the Board of Directors from time to time. The amount of commission shall be payable after the annual accounts are approved by the Board of Directors and adopted by the shareholders.

**C. Perquisites:**

- i. Contribution to provident fund to the extent this is not taxable under the Income Tax Act, 1961;
- ii. Gratuity payable at the rate not exceeding half months salary for each completed year of service;
- iii. Leave with full pay or encashment thereof as per the rules of the Company. Encashment of the unavailed leave being allowed at the end of the tenure;
- iv. Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalization, nursing home and surgical charges for herself and immediate family and in case any medical treatment abroad the travelling, boarding and lodging expenses for patient and attendant is also payable;
- v. Reimbursement of actual travelling expenses for proceeding on leave from Belgaum/Mumbai to any place in India/abroad and return therefrom once in a year in respect of herself and family;
- vi. Free furnished residential accommodation with gas, electricity, water and furnishings and other amenities;
- vii. Reimbursement of entertainment expenses incurred in the course of business of the Company;
- viii. Fees for upto two clubs membership for corporate purposes including joining fees and lifetime fees;
- ix. Personal accident insurance policy in accordance with the scheme applicable to senior employees of the Company;
- x. Free use of Company's car for Company's work as well as for personal purposes along with driver;
- xi. Telephone, telex and other communication facilities at the residence at Company's cost.

She shall be reimbursed all expenses including traveling, communication and entertainment incurred in connection with the company's business.

**Evaluation of perquisites:**

Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in absence of any such rule perquisites shall be evaluated at actual cost.

**2. Mr. Narendra Murkumbi, Vice Chairman & Managing Director:**

**A. Salary:**

Rs. 10,00,000/- (Rupees Ten Lakh only) per month with such increments as may be decided from time to time by the Board of Directors of the Company at its absolute discretion but not exceeding Rs. 15,50,000/- (Rupees Fifteen Lakhs Fifty Thousand only) per month during the period of office. However, he shall not be paid sitting fees for attending meetings of the Board or Committees thereof.

**B. Commission:**

Payable for each financial year up to 1% of net profits of the Company for that financial year as may be decided by the Board of Directors from time to time. The amount of Commission shall be payable after the annual accounts are approved by the Board of Directors and adopted by the shareholders.

**C. Perquisites:**

- i. Contribution to provident fund to the extent not taxable under the Income Tax Act, 1961;
- ii. Gratuity payable at the rate not exceeding half month's salary for each completed year of service;

- iii. Leave with full pay or encashment thereof as per the rules of the Company;
- iv. Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalization, nursing home and surgical charges for himself and immediate family and in case any medical treatment abroad, the traveling, boarding and lodging expenses for patient and attendant is also payable;
- v. Reimbursement of actual traveling expenses for proceeding on leave from Belgaum/Mumbai to any place in India/abroad and return therefrom once in a year, for self and family;
- vi. House Rent Allowance at the rate of 50% of the salary or rent free furnished accommodation in lieu thereof, with gas, electricity, water and furnishings and other amenities;
- vii. Reimbursement of entertainment expenses incurred in the course of business of the Company;
- viii. Fees for upto two clubs membership for corporate purposes including joining fees and life time fees;
- ix. Personal accident insurance policy in accordance with the scheme applicable to senior employees of the Company;
- x. Free use of Company's car for Company's work as well as for personal purposes along with driver;
- xi. Free telephone, telefax and other communication facilities at residence including mobile to be used for the business of the Company.

Mr. Murkumbi shall be reimbursed all expenses including traveling, communication and entertainment incurred by him in connection with the Company's business.

**Evaluation of perquisites:**

Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in absence of any such rule perquisites shall be evaluated at actual cost.

**3. Mr. Nandan Yalgi, Whole-Time Director:**

**A. Salary:**

Rs. 200,000/- per month in the scale of Rs. 200,000 – 20,000 - 4,00,000 – 25,000 – 6,50,000 with such accelerated increments as may be decided from time to time by the Board. He shall not be paid any sitting fees for attending the meetings of the Board or Committees thereof.

**B. Special Allowance:**

Rs. 35,000/- per month or such other amount as per Company policy in force from time to time, or as may be decided by the Board.

**C. Perquisites:**

- i. In addition to salary and special allowance, Mr. Yalgi will be entitled for perquisites and allowances like House Rent Allowance or furnished residential accommodation in lieu thereof, medical reimbursement, leave travel allowance, children education allowance and such other payments in the nature of perquisites, benefit and allowances, as may be decided by the Board;
- ii. Contribution to Provident Fund to the extent not taxable under the Income Tax Act, 1961;
- iii. Gratuity at the rate of half a month's salary for each completed year of service;
- iv. Leave with full pay or encashment thereof as per the rules of the Company. Encashment of the unavailed leave being allowed at the end of the tenure;
- v. Free use of Company's car for Company's work as well as for personal purposes along with driver;
- vi. Telephone, telefax and other communication facilities at residence at Company's cost;
- vii. Reimbursement of actual travelling expenses for proceeding on leave from Belgaum to any place in India and return therefrom once in a year in respect of himself and family;
- viii. Fees for upto one club membership for corporate purposes including joining fees and membership fees.

He shall be reimbursed all expenses including traveling, communication and entertainment incurred by him in connection with the Company's business.

**Evaluation of perquisites:**

Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in absence of any such rule perquisites shall be evaluated at actual cost.

**4. Mr. Vijendra Singh, Whole-Time Director:**

**A. Salary:**

Rs. 3,43,710/- per month in the scale of 2,00,000-25,000-6,50,000 with such accelerated increments, as per Company's policy. He shall not be paid any sitting fees for attending the meetings of the Board or Committees thereof.

**B. Special Allowance:**

Rs. 1,63,276/- per month or such other amount as per Company policy in force from time to time, or as may be decided by the Board.

**C. Perquisites:**

- i. House Rent Allowance or furnished residential accommodation in lieu thereof. Conveyance, Leave Travel Allowance, Medical Allowance & Medical Insurance as per the rules of the Company;
- ii. Contribution to Provident Fund to the extent not taxable under the Income Tax Act, 1961;
- iii. Gratuity at the rate of half a month's salary for each completed year of service;
- iv. Leave with full pay or encashment thereof as per the Rules of the Company. Encashment of the unavailed leave being allowed at the end of the tenure;
- v. Free use of Company's car for Company's work as well as for personal purposes along with driver;
- vi. Free Telephone, Telefax and other communication facilities at residence including Mobile to be used for the business of the Company;
- vii. Reimbursement of actual traveling expenses for proceeding on leave from Mumbai to any place in India and return therefrom once in a year in respect of self and family;
- viii. Performance based incentive not exceeding Rs. 20,00,000/- per annum;
- ix. Other Perquisites: Subject to the overall ceiling on remuneration as mentioned herein below, Mr. Vijendra Singh may be given such other allowance, perquisite, benefits as the Board or Remuneration/Compensation Committee thereof may determine from time to time.

He shall be reimbursed all expenses including traveling, communication and entertainment incurred by him in connection with the Company's business.

**Evaluation of perquisites:**

Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in absence of any such rule perquisites shall be evaluated at actual cost.

**STATEMENT OF INFORMATION UNDER PART II OF SECTION II (C) (IV) OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 IS AS UNDER:****General Information:**

1. Nature of Industry: Manufacturing, producing of Sugar, Power and Ethanol.
2. Date of commencement of commercial activities: Crushing season 1998-99.
3. In case of new companies expected date of commencement of activities as per Project approved by Financial Institutions appearing in the Prospectus: Not applicable.
4. Financial performance based on given indicators:

Sr. No.	Particulars	Un-audited figures for 9 months period ended 31.12.2013	Audited figures for the year ended 31.03.2013	Un-audited figures for 18 months period ended 31.03.2012
1.	Total Revenue	47,105	64,104	63,632
2.	Profit/(Loss) before tax	(5,377)	759	1,350
3.	Net Profit/(Loss)	(3,778)	518	841
4.	Paid up share capital	671	671	671
5.	Reserves & Surplus	13,401	17,259	17,134

5. Export performance and net foreign exchange collaborations: The Company had foreign exchange earnings of Rs. 36,308.85 Million during the financial year 2012-13.
6. Foreign Investments or Collaborators, if any: Investments in Overseas Companies as on December 31, 2013 is Rs. 18,240.34 Million. There is no foreign collaborator.

**Information about the appointee:****Mrs. Vidya Murkumbi**

1. Background details: Mrs. Vidya Murkumbi is a graduate in Chemistry and spent 23 years in the trading business. She was initially involved in trading and distribution of various TATA and Parle products. Subsequently, she moved into manufacturing and marketing business by venturing into agro processing and chemical formulation business. She is the Promoter Director of the Company.
2. Past Remuneration: Basic Salary Rs. 10,50,000/- per month and perquisites, reimbursements and allowances as per the terms of appointment and rules of the Company.
3. Recognition or awards: Conferred with Doctorate by Karnataka State Bijapur Women's University.
4. Job Profile and her Suitability: The Executive Chairperson is in-charge of overall operations of the Company with substantial powers of management and general conduct, except in the matters which may be specifically required to be done by the Board either by the Act or by the Articles of Association of the Company and shall also exercise and perform such powers and duties as the Board of Directors of the Company may from time to time determine and perform all other acts and things which in the ordinary course of business may be considered necessary or proper or in the interest of the Company. Mrs. Vidya Murkumbi is also in-charge of all the plants of the Company located at different states of the country. She looks after efficient running of all the plants, planning, control, expansion, sugarcane development activities, timely completion of the project and general administration of the factory, including labour and other related issues. Under her leadership, the Company has grown from being a local player to become one of the largest sugar companies in the world. Payment of above mentioned remuneration to Mrs. Vidya Murkumbi is considered suitable, considering her qualifications, expert knowledge and her rich experience in the sugar industry.
5. Remuneration proposed: As detailed hereinabove.
6. Comparative remuneration profile: Remuneration is proposed taking into account trend in the industry, appointee's qualification, experience, past assignments and past remuneration.
7. Pecuniary Relationship: Mrs. Vidya Murkumbi is a Promoter Director, holding 1,228,800 equity shares of Re.1/- each representing 0.18% of the paid-up capital of the Company. Apart from receiving remuneration as mentioned hereinabove and dividend on the shares held, she does not receive any other benefits from the Company. The appointee is related to Mr. Narendra Murkumbi, Vice Chairman and Managing Director and promoter of the Company.

**Mr. Narendra Murkumbi**

1. Background details: Mr. Narendra Murkumbi is an Electronics Engineer and has completed his MBA from the Indian Institute of Management, Ahmedabad, in 1994.  
He co-founded Shree Renuka Sugars Limited and in the last 16 years, the Company has become a fully integrated sugar manufacturer, which also has large power generation, ethanol and sugar refining capacities. Today, it runs seven integrated sugar mills in India and two sugar refineries, one on each coast.  
He served as Director of ICICI Bank Limited from January 20, 2006 to June 28, 2010. He is also Director in ICICI Securities Limited, ICICI Investment Management Company Limited and National Commodity & Derivatives Exchange Limited.
2. Past Remuneration: Basic Salary Rs. 10,00,000/- per month and perquisites, reimbursements and allowances as per the terms of appointment and rules of the Company.
3. Recognition or awards: Mr. Narendra Murkumbi was chosen as the "Entrepreneur of the Year - 2010" by The Economic Times Awards, 2010 for creating a highly successful modern agri business, creating a unique sugar company and making bold acquisition in the world's largest sugar producing country, Brazil. Under his leadership the Company also lifted ET's 'Emerging Company of the Year - 2011' award for successfully turning around the loss-making sugar companies it acquired in Brazil.
4. Job Profile and his Suitability: The Managing Director is in-charge of overall operations of the Company with substantial powers of management and general conduct, except in the matters which may be specifically required to be done by the Board either by the Companies Act, 1956 or by the Articles of Association of the Company and shall also exercise and perform such powers and duties as the Board of Directors of the Company may from time to time determine and shall also do and perform all other acts and things which in the ordinary course of business may be considered necessary or proper or in the interest of the Company. Under his guidance, the Company has grown rapidly, through organic and inorganic means, to become one of the largest sugar & ethanol producers in the world today. The Company is one among the youngest sugar companies in India, becoming a global agri-business and bio-energy corporation. Payment of above mentioned remuneration to Mr. Narendra Murkumbi is considered suitable, considering his qualifications, expert knowledge and his experience in sugar sector.
5. Remuneration proposed: As detailed in the Explanatory Statement.
6. Comparative remuneration profile: Taking into consideration the size and past performance of the Company and the responsibilities shouldered by him and as per the industry benchmarks, the remuneration paid to Mr. Narendra Murkumbi is commensurate with the remuneration packages paid to similar senior level appointees in other companies.
7. Pecuniary Relationship: Mr. Narendra Murkumbi is a Promoter Director, holding 12,812,905 equity shares of Re.1/- each representing 1.91% of the paid-up capital of the Company. Apart from receiving remuneration as mentioned hereinabove and dividend on the shares held, the Managing Director does not receive any other benefits from the Company. The appointee is related to Mrs. Vidya Murkumbi, Executive Chairperson and promoter of the Company.

**Mr. Nandan Yalgi**

1. Background details: Mr. Nandan Yalgi is an Electronics Engineer and has spent more than 15 years in commercial and merchant export business. He has wide experience in different divisions of the Company viz. Marketing, Exports, Customs, Excise, Human Resources, Manufacturing and Trade.
2. Past Remuneration: Basic Salary Rs. 4,50,000/- per month and perquisites, reimbursements and allowances as per the terms of appointment and rules of the Company.
3. Recognition or awards: NIL.
4. Job Profile and his Suitability: The Whole-Time Director is in-charge of different divisions of the Company viz. Marketing, Exports, Customs, Excise, Human Resources, Manufacturing and Trade. He is also in-charge of the general administration of the factory including labour and other related issues. He is also having substantial powers of management and general conduct, except in the matters which may be specifically required to be done by the Board either by the Companies Act, 1956 or by the Articles of Association of the Company and shall also exercise and perform such powers and duties as the Board of Directors of the Company may from time to time determine and perform all other acts and things which in the ordinary course of business may be considered necessary or proper or in the interest of the Company.
5. Remuneration proposed: As detailed in the Explanatory Statement.
6. Comparative remuneration profile: Taking into consideration the size and past performance of the Company and the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to Mr. Nandan Yalgi is commensurate with the remuneration packages paid to similar senior level appointees in other companies.
7. Pecuniary Relationship: Mr. Nandan Yalgi holds 886,520 equity shares of Re. 1/- each representing 0.13% of the paid-up capital of the Company. Apart from receiving remuneration as stated above and dividend as a member of the Company, he does not receive any emoluments from the Company. Mr. Nandan Yalgi is not related to any managerial personnel of the Company.

**Mr. Vijendra Singh**

1. Background details: Mr. Vijendra Singh is a Bachelor of Science from Meerut University and has done his Post Graduation in Sugar Technology from the National Sugar Institute. He has rich and varied experience in agro processing industry and his area of expertise includes Planning System Development, Process Simplification, Quality Assurance Management, Project Cycle Management, Cost Control Strategies, Workflow Planning and Manpower Management.
2. Past Remuneration: Basic salary Rs. 3,84,311/- per month and perquisites, reimbursements and allowances as per the terms of appointment and rules of the Company.
3. Recognition or awards: NIL.
4. Job Profile and his Suitability: Mr. Vijendra Singh is responsible and is in-charge of all the plants and units of the Company located at different parts of the country. He is also responsible for the Power and Ethanol Sales business of the Company. He played key roles in the implementation of various projects in India as well as outside India. Taking into consideration the qualifications and expertise, he is best suited for the responsibilities assigned to him by the Board of Directors.  
He is having substantial powers of management and general conduct, except in the matters which may be specifically required to be done by the Board either by the Act or by the Articles of Association of the Company and shall also exercise and perform such powers and duties as the Board of Directors of the Company may from time to time determine and perform all other acts and things which in the ordinary course of business may be considered necessary or proper or in the interest of the Company.
5. Remuneration proposed: As detailed in the Explanatory Statement.
6. Comparative remuneration profile: Taking into consideration the size and past performance of the Company and the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to Mr. Vijendra Singh is commensurate with the remuneration packages paid to similar senior level appointees in other companies.
7. Pecuniary Relationship: Except remuneration as mentioned above, Mr. Vijendra Singh does not have any pecuniary relationship directly or indirectly with the Company or any relationship with the managerial personnel of the Company.

**Other Information:**

1. Reasons for loss or inadequate profits: During the 9 months period ended December 31, 2013 the Company has incurred net loss of Rs. 3,778 Million due to surplus availability of sugar, lower realisations coupled with relatively lower sugar recoveries and higher cane prices which severely impacted the sugar margins of the Company.
2. Steps taken or proposed to be taken for improvement: The Company has entered into an agreement with Wilmar International Limited ("Wilmar"), through its 100% subsidiary, Wilmar Sugar Holdings Pte. Ltd. ("WSH"), to facilitate an investment of approx US \$200 Million in primary capital into the Company which will help the Company to repay its existing debt and strengthen its financial position and provide a strong platform for its growth.
3. Expected increase in productivity and profits in measurable terms: The Company is planning to make full utilization of the installed capacities for increasing its productivity. It has also taken active steps to reduce the cost of production and financial expenses and to increase the recovery on sugar in the coming year thereby increasing the profits of the Company. However, no estimates have been made by the Company in this regard.

**Disclosure**

1. Information on remuneration package of the managerial person: As more fully described in the Explanatory Statement above.
2. Disclosures in the Board of Directors' report under the heading "Corporate Governance" attached to the Annual Report: The requisite details of remuneration etc., of Directors will be included in the Corporate Governance Report, forming part of the Annual Report of the Company.

**Memorandum of Interest:**

None of the Directors, Key Managerial Personnel and relatives of Directors/Key Managerial Personnel of the Company is concerned or interested in the Special Resolution at Item no. 2 & 3 other than Mrs. Vidya M. Murkumbi and Mr. Narendra M. Murkumbi and their relatives.

None of the Directors, Key Managerial Personnel and relatives of Directors/Key Managerial Personnel of the Company is concerned or interested in the Special Resolution at Item no. 4 other than Mr. Nandan Yalgi and his relatives.

None of the Directors, Key Managerial Personnel and relatives of Directors/Key Managerial Personnel of the Company is concerned or interested in the Special Resolution at Item no. 5 other than Mr. Vijendra Singh.

The above may also be treated as an abstract as required under Section 302 of the Companies Act, 1956.

The Board commends the resolution for approval of the members.

By Order of the Board of Directors  
For **Shree Renuka Sugars Limited**

Sd/-

**D. V. Iyer**

Company Secretary

Place : Mumbai

Date : February 20, 2014

**Registered Office:**

BC 105, Havelock Road, Camp, Belgaum – 590001.