



Balrampur Chini Mills Limited

CIN: L15421WB1975PLC030118

Registered Office: FMC Fortuna, 2nd Floor, 234/3A, A.J.C. Bose Road, Kolkata – 700 020

Phone: (033)22874749, Fax: (033)22873083, Email: bcml@bcml.in, Website: www.chini.com

NOTICE

NOTICE is hereby given that the 38th Annual General Meeting of the members of **Balrampur Chini Mills Limited** will be held on Thursday, the 7th August, 2014 at 10.30 a.m. at 'Vidya Mandir', 1, Moira Street, Kolkata – 700 017 to transact the following businesses :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2014 and the statement of Profit & Loss for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri Kishor Shah (DIN-00193288) who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"Resolved that M/s G.P. Agrawal & Co., Chartered Accountants (Regn. No.302082E) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

Special Business:

4. **To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"Resolved that pursuant to the provisions of Sections 149,

150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013, Shri Dinesh Kumar Mittal (DIN-00040000), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019."

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

"Resolved that pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013, Shri Krishnavia Dutt (DIN-02792753), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019."

6. **To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"Resolved that pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013, Shri Naresh Chandra (DIN-00015833), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019."

7. **To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“Resolved that pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013, Shri Ram Kishore Choudhury (DIN–00083192), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019.”

8. **To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“Resolved that pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013, Shri Rangarajan Vasudevan (DIN–00025334), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019.”

9. **To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“Resolved that pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013, Shri R. N. Das (DIN–03582925), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019.”

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 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to approval of the Central Government, if necessary, and subject to all such approvals as may be required, the approval of the members be and is hereby accorded to the reappointment and payment of existing remuneration to Shri

Vivek Saraogi (DIN–00221419) as Managing Director of the Company for a further period of 3 years with effect from 1st April, 2014 on the terms and conditions as set out in the explanatory statement annexed hereto, with liberty to the Board of Directors (“the Board”) to alter and vary the terms and conditions of the appointment and remuneration in such manner as may be permitted in accordance with the provisions of the Companies Act, 2013 and Schedule V or any modification thereto and as may be agreed to by and between the Board and Shri Vivek Saraogi.

Further resolved that the Board be and is hereby authorized to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this resolution.”

11. **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 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to approval of the Central Government, if necessary, and subject to all such approvals as may be required, the approval of the members be and is hereby accorded to the reappointment and payment of existing remuneration to Smt. Meenakshi Saraogi (DIN–00361421) as Jt. Managing Director of the Company for a further period of 3 years with effect from 1st April, 2014 on the terms and conditions as set out in the explanatory statement annexed hereto, with liberty to the Board of Directors (“the Board”) to alter and vary the terms and conditions of the appointment and remuneration in such manner as may be permitted in accordance with the provisions of the Companies Act, 2013 and Schedule V or any modification thereto and as may be agreed to by and between the Board and Smt. Meenakshi Saraogi.

Further resolved that the Board be and is hereby authorized to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this resolution.”

12. **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 196, 197, 198, 203, Schedule V and other applicable provisions,

if any, of the Companies Act, 2013, the approval of the members be and is hereby accorded to the re-appointment of Dr. Arvind Krishna Saxena (DIN-00846939) as a Whole-time Director of the Company for a period of three years with effect from 1st August 2014 on the terms and conditions as set out in the explanatory statement annexed hereto with liberty to the Board of Directors to revise, implement, alter and vary the terms and conditions of his appointment including remuneration in such manner as may be permitted in accordance with the provisions of the Companies Act, 2013 and Schedule V or any modification thereto and as may be agreed to by and between the Board and Dr. Arvind Krishna Saxena.

Further resolved that the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered desirable or expedient to give effect to this resolution."

13. To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of Section 148 of the Companies Act, 2013 and all other applicable provisions (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

Resolved further that the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

14. 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 180(1) (c) of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorised to borrow moneys for the purposes of the business of the Company

notwithstanding that the moneys so borrowed may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purposes but so that the total amount of moneys so borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed ₹2000 crores (Rupees Two thousand crores only) outstanding at any time over and above the aggregate of the paid up capital of the Company and its free reserves, as aforesaid."

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

"Resolved that consent of the Company be and is hereby accorded under Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company to mortgage, hypothecate or in any other way charge in favour of the lenders all or any of the movable and/or immovable properties of the company, both present and/or future of the whole or substantially the whole of the undertaking or undertakings of the Company for availment of any loan or guarantees or issue of debentures and to secure the payment of interest thereon or any fees or charges or expenses relating thereto and in the case of borrowing against debentures the said security shall be in favour of the trustees for such debenture-holders where required on such terms and conditions as may be approved by the Board of Directors.

Further resolved that the Board be and is hereby authorized to execute trust deed and/or such other documents and settle any difficulties that may arise in the course of such proposed issue and allotment of debentures and to do all acts, deeds and things in connection therewith and incidental thereto as the Board of Directors in its absolute discretion may deem fit, to give effect to this resolution"

By Order of the Board

Sd/-

S.K. Agrawala

Company Secretary

Place: Kolkata

Date : 18th June, 2014

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. The proxy form, in order to be effective, must be duly completed, stamped and lodged with the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

A person can act, as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 31st July, 2014 to 7th August, 2014 (both days inclusive).
3. The statement pursuant to Section 102 of the Companies Act, 2013 is annexed thereto.
4. Members who hold shares in dematerialised form are requested to bring their Demat Statement mentioning therein the Client ID and DP ID numbers along with a photo Identity Card for easy identification of attendance at the meeting.
5. Corporate members are requested to send a duly certified copy of the Board Resolution, authorizing their representative to attend and vote at the AGM.
6. Shareholders holding shares in physical form are requested to advise the company and the members holding shares in dematerialized form are requested to advise their Depository Participants immediately about any change in their address.
7. Shareholders of the Company are informed that pursuant to the provisions of the Companies Act, the amount of dividend which remains unclaimed/unpaid for a period of 7 years would be transferred to the Investor Education and Protection Fund constituted by the Central Government and the shareholders would not be able to claim any amount of the dividend so transferred to the Fund. The Company had sent reminders to the Members in this regard. As such, shareholders who have not encashed their dividend warrants are requested in their own interest to write to the company immediately for claiming outstanding dividends declared by the Company for the financial years 2007-08 to 2012-13.

(Except 2011-12 where no dividend declared). Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st July, 2013 (date of last Annual General Meeting) on the website of the Company (www.chini.com), as also on the website of the Ministry of Corporate Affairs.

8. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.chini.com under the section 'Investor Corner'.
9. Notice of the 38th Annual General Meeting along with the Annual Report 2014 of the Company is being sent to all the members in the electronic mode, whose email address are registered with the Depository Participants(s)/Company, unless any member has requested for a hard copy of the same and for members who have not registered their email address, physical copy of above documents is being sent.
10. Members may also note that the Notice of 38th Annual General Meeting and the Annual Report 2014 will also be available on company's website: www.chini.com for download.
11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days except Saturdays.
12. Members holding shares in physical mode are requested to provide their email id, CIN/Regn. No. (for corporate members), Unique Identification No., PAN, in case member is minor than date of birth of minor and name of guardian, declaration regarding beneficial ownership (if any), nomination details, lien details (if any), particulars of dividend mandate etc. and such other information as mentioned under section 88 (1)(a) of the Companies Act, 2013 and rule 3(1) of the Companies (Management and Administration) Rules, 2014 for receiving all communications/documents electronically.

Members holding in demat mode are requested to provide the above information to their depository participant.

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013

Item No. 4:

Shri Dinesh Kumar Mittal was appointed as an Additional Director (independent) of the Company with effect from 6th February, 2014. He is Chairman of the Nomination and Remuneration Committee and member of the CSR Committee and Audit Committee of the Board of Directors of the Company. Pursuant to Section 161 of the Companies Act, 2013, Shri Mittal will hold office as director upto the date of forthcoming Annual General Meeting. A notice has been received from a member proposing Shri Dinesh Kumar Mittal as a candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

Profile of Shri Dinesh Kumar Mittal

Date of Birth: 25th January, 1953.

Qualifications: M.Sc (Physics) with specialization in Electronics, Indian Administrative Services (IAS) (Retired).

Expertise in specific functional areas: He joined the Indian Administrative Service in 1977 and served many distinguished posts in Government of India and Government of U.P., including:

- Secretary, Department of Financial Services, Govt. of India
- Secretary, Ministry of Corporate Affairs, Govt. of India
- Addl. Secretary, Department of Commerce, Govt. of India
- Director General, U.P. Academy of Administration and State Institute for Rural Development
- Managing Director, IL&FS Infrastructure Development Corporation Ltd.

Directorship in other Companies: • Steel Authority of India Ltd, • Bharti Airtel Limited, • Max Life Insurance Co. Ltd, • ONGC Tripura Power Company Limited • HSBC Asset Management (India) Pvt. Ltd • Business Strategy Advisory Services Pvt. Ltd.

Membership in other Board Committees: Member, HR, ESOP compensation and nomination committee of Bharti Airtel Limited

Shareholding as on 31.03.2014: Nil

Shri Mittal has wide experience in Infrastructure, International Trade, Urban Development, Renewable Energy, Agriculture Development and Micro-Credit, Corporate Governance, Banking, Insurance, Pension and Finance.

The Board considers that the Company would be benefited by his rich experience and guidance. Pursuant to Section 149 of the Companies Act, 2013, Shri Dinesh Kumar Mittal shall hold

office of a Director for five consecutive years for a term upto 31st March, 2019.

Shri Dinesh Kumar Mittal is interested in the resolution set out at Item No.4 of the Notice with regard to his appointment. The relatives of Shri Dinesh Kumar Mittal may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement.

The Board of Directors, therefore, recommends the resolution for approval of the members.

Item No. 5:

Shri Krishnava Dutt was appointed as an Additional Director (Independent) of the Company with effect from 6th February, 2014. He is member of the Stakeholders Relationship Committee of the Board of Directors of the Company. Pursuant to Section 161 of the Companies Act, 2013, Shri Dutt will hold office as director upto the date of forthcoming Annual General Meeting. A notice has been received from a member proposing Shri Krishnava Dutt as a candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

Profile of Shri Krishnava Dutt

Date of Birth: 16th October, 1973.

Qualifications: Law Graduate

Expertise in specific functional areas: Shri Krishnava Dutt is a Managing Partner of Udwardia Udeshi and Argus Partners based in Mumbai. He started his legal career in the Calcutta High Court where he practiced civil law. After a short stint at the High Court, he joined ICICI Bank in Mumbai where he gained several years of experience in banking & finance. Thereafter he joined Amarchand Mangaldas in 2005 and became the partner in charge of the eastern operations of the firm in the year 2007. He left Amarchand Mangaldas in June 2009 to establish Argus

Partners. Effective from April, 2012 Argus Partners and Udwadia & Udeshi have merged to form Udwadia Udeshi and Argus Partners. Shri Dutt has assumed responsibility as Managing Partner of the merged Firm. Shri Dutt has closely worked with several venture capital, private equity funds, banks & financial institutions.

Directorship in other Companies: • Macmet India Limited, • Tata Metaliks Limited, • Himadri Chemicals & Industries Ltd, • Caprihans (India) Limited

Membership in other Board Committees: • Chairman, Audit Committee and Member, Remuneration Committee of Tata Metaliks Limited, • Member, Investor Grievance Committee and Member, Nomination & Remuneration Committee of Caprihans (India) Limited

Shareholding as on 31.03.2014: Nil

Shri Dutt experience encompasses the entire repertoire of corporate practice including mergers & acquisitions, private equity, banking and finance, projects and project finance.

The Board considers that the Company would be benefited by his rich experience and guidance. Pursuant to Section 149 of the Companies Act, 2013, Shri Krishnava Dutt shall hold office of a Director for five consecutive years for a term upto 31st March, 2019.

Shri Krishnava Dutt is interested in the resolution set out at Item No.5 of the Notice with regard to his appointment. The relatives of Shri Krishnava Dutt may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement.

The Board of Directors, therefore, recommends the resolution for approval of the members.

Item No. 6:

Shri Naresh Chandra is a Non-Executive Independent Director of the Company. He joined the Board in May, 2003. Shri Naresh

Chandra is the Chairman of the Board of Directors of the Company. He is also Chairman of the CSR Committee and member of the Audit Committee and Nomination and Remuneration Committee of the Board of Directors of the Company.

Shri Naresh Chandra is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Shri Naresh Chandra being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Shri Naresh Chandra as a candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

Profile of Shri Naresh Chandra

Date of Birth: 1st August, 1934.

Qualifications: Post-Graduate in Mathematics and alumnus of the prestigious Allahabad University, Member – Indian Administrative Services (IAS) (Retd.).

Expertise in specific functional areas: He joined the Indian Administrative Service in May, 1956 and had served on many distinguished panels and committees, including: • Chairman of the Committee on Civil Aviation Policy set up by the Government of India in 2003 • Chairman of the Naresh Chandra Committee on Corporate Audit and Governance appointed by the Government of India in 2002 • Ambassador of India to the U.S.A. in April, 1996 • Governor of the state of Gujarat (1995-96) • Senior advisor to the Prime Minister of India (1992-95) • Cabinet Secretary (1990-92), Home Secretary (1990), Defence Secretary (1989), Secretary, Water Resources (1987-89), Joint Secretary, Ministry of industry (1977-81) • Advisor to the Governor of Jammu & Kashmir during President Rule in 1986 • Chief Secretary to the Government of Rajasthan • Commonwealth Secretariat Advisor on Export Development and Policy with Government of Sri Lanka (1981-84) • Member of the India-US Sub-Commission on Economic Affairs and Commerce and Co-Chairman of India-US Working Group on Technology Transfer (1979-81)

Directorship in other Companies: • Electrosteel Castings Ltd • Bajaj Auto Ltd • Bajaj Finserv Ltd • Bajaj Holdings & Investments Ltd • Cairn India Ltd • Gammon Infrastructure Projects Ltd

• EROS International Media Ltd • AVTEC Ltd • Sesa Sterlite Limited • G4S Corporate Services (India) Pvt. Ltd • Emergent Ventures India Pvt. Ltd • EROS International Plc.

Membership in other Board Committees: • Member, Audit Committee of Electrosteeel Castings Ltd • Member, Shareholders'/ Investors' Committee and Member, Audit Committee of Bajaj Auto Ltd • Member, Audit Committee of Bajaj Finserv Ltd • Member, Audit Committee of Bajaj Holdings & Investments Ltd • Member, Audit Committee of Cairn India Ltd • Member, Audit Committee of Gammon Infrastructure Projects Ltd • Member, Audit Committee of EROS International Media Ltd • Chairman, Audit Committee of Emergent Ventures India Pvt. Ltd • Chairman, Remuneration Committee and Member, Audit Committee of EROS International Plc.

Shareholding as on 31.03.2014: Nil

His area of experience includes administration, audit, business consultancy, corporate strategic management, corporate governance, financial management etc.

The Board considers that the Company would be benefited by his rich experience and guidance. Pursuant to Section 149 of the Companies Act, 2013, Shri Naresh Chandra shall hold office of a Director for five consecutive years for a term upto 31st March, 2019.

Shri Naresh Chandra is interested in the resolution set out at Item No.6 of the Notice with regard to his appointment. The relatives of Shri Naresh Chandra may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement.

The Board of Directors, therefore, recommends the resolution for approval of the members.

Item No. 7:

Shri Ram Kishore Choudhury is a Non-Executive Independent Director of the Company. He joined the Board in August, 1975.

He is Chairman of the Stakeholders Relationship Committee, Vice-chairman of the Audit Committee and Member of the Nomination and Remuneration Committee, CSR Committee & Share Transfer Committee of the Board of Directors of the Company.

Shri Ram Kishore Choudhury is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Shri Ram Kishore Choudhury being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Shri Ram Kishore Choudhury as a candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

Profile of Shri Ram Kishore Choudhury

Date of Birth: 26th January, 1936.

Qualifications: B.Com., L.L.B.

Expertise in specific functional areas: He has vast experience in the matters of Arbitration, Litigation, Real Estate, Taxation, Legal Research, Corporate Documents etc. He is practicing as an Advocate for more than 37 years in the Calcutta High Court and Supreme Court of India.

Directorship in other Companies: • Lynx Machinery and Commercial Ltd, • Khaitan Consultants Ltd, • Puja Art Archive Ltd, • Academic Foundation & Publication Pvt. Ltd and • Rajratan Impex Pvt. Ltd.

Membership in other Board Committees: Nil

Shareholding as on 31.03.2014: 500 Equity Shares.

The Board considers that the Company would be benefited by his rich experience and guidance in legal area and arbitration. Pursuant to Section 149 of the Companies Act, 2013, Shri Ram Kishore Choudhury shall hold office of a Director for five consecutive years for a term upto 31st March, 2019.

Shri Ram Kishore Choudhury is interested in the resolution set out at Item No.7 of the Notice with regard to his appointment. The relatives of Shri Ram Kishore Choudhury may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key

Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement.

The Board of Directors, therefore, recommends the resolution for approval of the members.

Item No. 8:

Shri Rangarajan Vasudevan is a Non-Executive Independent Director of the Company. He joined the Board in November, 2009. He is member of the CSR Committee and Nomination and Remuneration Committee of the Board of Directors of the Company.

Shri Rangarajan Vasudevan is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Rangarajan Vasudevan being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Shri Rangarajan Vasudevan as a candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

Profile of Shri Rangarajan Vasudevan

Date of Birth: 14th June, 1937.

Qualifications: B.A. (Hons.), M.A., M.P.A. (Development Economics) from Harvard University, USA, Member – Indian Administrative Services (IAS) (Retd.).

Expertise in specific functional areas: He joined the Indian Administrative Service in 1959 and had served on many distinguished panels and committees, including : • Secretary in the Department of Cane Development and Sugar Industry (Govt. of U.P.) • Dy. Secretary, Ministry of Home Affairs • Chief of Division, Planning Commission • Director in Ministry of Energy • Jt. Secretary & Financial Advisor, Ministry of Petroleum • Jt. Secretary, Addl. Secretary & Special Secretary to the Prime Minister of India • Secretary, Small Scale Industries • Secretary, Ministry of Steel • Secretary, Ministry of Power (Govt. of India). Since 1996 he has been undertaking consultancy in the areas of infrastructure, industry and finance.

Directorship in other Companies: • Haldia Petrochemicals Ltd • Hindustan Oil Exploration Co. Ltd • Purearth Infrastructure Ltd • Cosmo Films Ltd.

Membership in other Board Committees: • Member, Project & Technology Committee of Haldia Petrochemicals Ltd • Member, Audit Committee, Chairman, Shareholders/ Investors Grievance Committee and Chairman, Remuneration Committee of Hindustan Oil Exploration Co. Ltd • Member, Audit Committee of Purearth Infrastructure Ltd and • Member, Audit Committee & Shareholder & Investor Grievance Committee of Cosmo Films Ltd.

Shareholding as on 31.03.2014: Nil

His area of experience includes administration, audit, business consultancy, corporate management, corporate governance, economic advisory, financial management etc.

The Board considers that the Company would be benefited by his rich experience and guidance. Pursuant to Section 149 of the Companies Act, 2013, Shri Rangarajan Vasudevan shall hold office of a Director for five consecutive years for a term upto 31st March, 2019.

Shri Rangarajan Vasudevan is interested in the resolutions set out at Item No.8 of the Notice with regard to his appointment. The relatives of Shri Rangarajan Vasudevan may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement.

The Board of Directors, therefore, recommends the resolution for approval of the members.

Item No. 9:

Shri R. N. Das is a Non-Executive Independent Director of the Company. He joined the Board in July, 2011. Shri R.N. Das is the Chairman of the Audit Committee and member of the Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Board of Directors of the Company.

Shri R.N. Das is a director whose period of office is liable to

determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Shri R.N. Das being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Shri R.N. Das as a candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

Profile of Shri R.N. Das

Date of Birth: 25th December, 1946.

Qualifications: M.A. in Political Science, M.P.A. degree from Harvard University, USA, Member– Indian Administrative Services (IAS) (Retd.).

Expertise in specific functional areas: He joined the Indian Administrative Service in 1971 and served many distinguished posts in Government of India and Government of Gujarat, including: • Chief Information Commissioner, Gujarat Information Commission • Secretary, Department of Food & Public Distribution, Government of India • Enforcement Director (ED), New Delhi • Charge of AS & FA (Defence Acquisition), Ministry of Defence • Joint Secretary, Department of Food & Public Distribution • Managing Director of Gujarat Alkalies & Chemicals Ltd • Chairman, Gujarat Electricity Board • Managing Director of Central Warehousing Corporation. Other positions were held by him include • Development Commissioner – Gujarat • Secretary and Commissioner - Rural Development, Gujarat • Additional Chief Secretary - Food and Civil Supplies, Government of Gujarat • Municipal Commissioner – Baroda • Dy. Secretary (Drug Pricing), Dept. of Chemicals, Govt. of India.

Directorship in other Companies: • National Commodities and Derivatives Exchange of India Ltd.

Membership in other Board Committees: • Chairman of Board Nomination, Governance & Compensation Committee, Member, Audit Committee, Member, Risk Management Committee and Member, Share Transfer Committee of National Commodities and Derivatives Exchange of India Ltd.

Shareholding as on 31.03.2014: Nil

His area of experience includes administration, audit, business consultancy, corporate strategic management, corporate governance, financial management etc.

The Board considers that the Company would be benefited by his rich experience and guidance. Pursuant to Section 149 of the Companies Act, 2013, Shri R.N. Das shall hold office of a Director for five consecutive years for a term upto 31st March, 2019.

Shri R.N. Das is interested in the resolutions set out at Item No.9 of the Notice with regard to his appointment. The relatives of Shri R.N. Das may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement.

The Board of Directors, therefore, recommends the resolution for approval of the members.

In the opinion of the Board, proposed appointment of Shri Dinesh Kumar Mittal, Shri Krishnavi Dutt, Shri Naresh Chandra, Shri Ram Kishore Choudhury, Shri Rangarajan Vasudevan and Shri R.N. Das as the independent director of the company fulfills the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management. Copy of the draft letters for appointment of Shri Dinesh Kumar Mittal, Shri Krishnavi Dutt, Shri Naresh Chandra, Shri Ram Kishore Choudhury, Shri Rangarajan Vasudevan and Shri R.N. Das as Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Item No. 10:

The Board of Directors at its meeting held on 6th February, 2014 have, pursuant to the recommendation of Remuneration Committee approved the reappointment of Shri Vivek Saraogi as Managing Director of the Company for a further period of 3

years with effect from 1st April, 2014 on the same remuneration. A special resolution has to be passed at the forthcoming Annual General Meeting of the Company for payment of such remuneration for a period of 3 years with effect from 1st April, 2014. The salary and perquisites are mentioned hereinbelow :

a) Salary	: ₹12,50,000 per month.
b) Commission	: 1% of the net profit of the Company subject to a ceiling of ₹150 lacs per annum.
c) Perquisites/Amenities	
i) Medical Reimbursement	: Reimbursement of actual medical expenses in India and/or abroad and including hospitalization, nursing home and surgical charges for himself and family.
ii) Leave Travel Concession	: Reimbursement of actual travelling expenses for proceeding on leave once in a year in respect of himself and family to any destination in India or abroad.
iii) Leave	: One month leave for eleven months' service.
iv) Personal Accident Insurance	: Premium upto ₹15,000/- per annum.
v) Medical Insurance	: As per Company's Rule.
vi) Club Fees	: Reimbursement of membership fee of clubs in India and abroad including admission and life membership fees.
vii) Provident Fund	: As per Company's Rule.
viii) Gratuity	: $\frac{1}{2}$ month's salary for each completed year of service.
ix) Car	: Company's Car with driver for official use.
x) Telephone	: Telephone facility at the residence including Cell Phone.

Explanation:

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

In the event of absence or inadequacy of profit during the period Shri Vivek Saraogi shall be paid the above remuneration as minimum remuneration.

General Terms & Conditions

- (i) Subject to the supervision and control of the Board of Directors, Shri Vivek Saraogi shall be overall in-charge of Management/ administration of the affairs of the Company. He will look after day to day affairs of the Company including general administration, banking, finance, sales, purchase and accounts.
- (ii) Without prejudice to the powers contained in the previous clause, the Board of Directors may from time to time entrust to Shri Vivek Saraogi such of the powers exercisable by the Directors as they think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restriction as they may think expedient.
- (iii) He shall be entitled to engage and dismiss staff and shall manage the business of the Company with full powers to do all acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company.
- (iv) The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof from the date of his appointment.
- (v) Shri Vivek Saraogi shall also visit such places from time to time, which may be necessary for the purpose of the business of the Company. Shri Vivek Saraogi shall be entitled to reimbursement of all the traveling, boarding, lodging and incidental expenses along with one person for assistance, which he may incur for performing his duties outside Kolkata.
- (vi) Shri Vivek Saraogi shall not be reckoned as Director for the purpose of determining the retirement of Directors by rotation or in fixing the number of Directors to retire but he shall immediately cease to be Managing Director if he ceases to hold the office of Director for any reason.
- (vii) Shri Vivek Saraogi may with the sanction of the Board of Directors delegate any of his powers to such Managers, Directors, Secretary or other persons, as he may deem fit,

and shall have power to grant to such Manager, Directors or other delegates such power of Attorney as Shri Vivek Saraogi may, subject to the approval of the Board of Directors, deem expedient and shall have power to revoke the same.

Shri Vivek Saraogi (Date of Birth 05.02.1966), is a Commerce Graduate having 26 years of experience in sugar industry and is in overall in-charge of running the affairs of the Company including budgeting, funding, liasioning with the investors and Corporate affairs. The Company has made tremendous growth under his leadership. He is a dynamic new generation industrialist. As a Managing Director he has played key role in making the Company one of the most efficient sugar producer in the country. He is the past president of Indian Sugar Mills Association. He is also director in Indian Sugar Exim Corporation Ltd., Neoworth Commercial Pvt. Ltd. and VM Vinimay Pvt. Ltd. He was a committee member of FICCI and Indian Chamber of Commerce, Kolkata. He is not a member of any board committee except in the Company. He is holding 38082320 equity shares of the Company as on 31.03.2014. The remuneration proposed to be paid to Shri Vivek Saraogi is justified having regard to the nature of service required from him and the responsibility which he is called upon to bear as Managing Director of the Company.

Shri Vivek Saraogi is interested in the Resolution. Smt. Meenakshi Saraogi being mother of Shri Vivek Saraogi be deemed to be interested in the said Resolution. Other relatives of Shri Vivek Saraogi may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the company. Shri Vivek Saraogi and Smt. Meenakshi Saraogi have no other interest apart from receiving remuneration as stated above and as a member of the Company.

No other directors or KMP or their relatives have any concern or interest, financial or otherwise, in the proposed resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement.

The Board recommends the acceptance of the Resolution.

Item No. 11:

The Board of Directors at its meeting held on 6th February, 2014 have, pursuant to the recommendation of Remuneration Committee approved the reappointment of Smt. Meenakshi Saraogi as Jt. Managing Director of the Company for a further period of 3 years with effect from 1st April, 2014 on the same remuneration. A special resolution has to be passed at the forthcoming Annual General Meeting of the Company for

appointment and payment of such remuneration for a period of 3 years with effect from 1st April, 2014. The salary and perquisites are mentioned hereinbelow:

a) Salary	: ₹12,50,000 per month.
b) Commission	: 1% of net profit of the Company subject to a ceiling of ₹150 lacs per annum.
c) Perquisites/Amenities	
i) Medical Reimbursement	: Reimbursement of actual medical expenses in India and/or abroad and including hospitalization, nursing home and surgical charges for herself and family.
ii) Leave Travel Concession	: Reimbursement of actual travelling expenses for proceeding on leave once in a year in respect of herself and family to any destination in India or abroad.
iii) Leave	: One month leave for eleven months' service.
iv) Personal Accident Insurance	: Premium upto ₹15,000/- per annum.
v) Medical Insurance	: As per Company's Rule.
vi) Club Fees	: Reimbursement of membership fee of clubs in India and abroad including admission and life membership fees.
vii) Provident Fund	As per Company's Rule.
viii) Gratuity	: $\frac{1}{2}$ month's salary for each completed year of service.
ix) Car	Company's Car with driver for official use.
x) Telephone	: Telephone facility at the residence including Cell Phone.

Explanation:

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

In the event of absence or inadequacy of profit during the period Smt. Meenakshi Saraogi shall be paid the above remuneration as minimum remuneration.

General Terms & Conditions

- (i) Subject to the supervision and control of the Board of Directors, day to day affairs of the Company's factories all in the state of U.P., shall be in the hands of Smt. Meenakshi Saraogi and in particular she will look after general administration, efficient running of all plants, planning, control, expansion, timely commission of project, labour matters, production of Sugar and sugar development activities, finance and accounts at the factories.
- (ii) Without prejudice to the powers contained in the previous clause, the Board of Directors may from time to time entrust to Smt. Meenakshi Saraogi such of the powers exercisable by the Directors as they think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restriction as they may think expedient.
- (iii) She shall be entitled to engage and dismiss staff and shall manage the business of the Company with full powers to do all acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company.
- (iv) Smt. Meenakshi Saraogi may with the sanction of the Board

- of Directors, delegate any of her powers to such Managers or other persons, as she may deem fit and shall have power to grant to such Manager, directors or other person such power of Attorney as Smt. Meenakshi Saraogi may, subject to the approval of the Board of Directors, deem expedient and shall have power to revoke the same.
- (v) The Jt. Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof from the date of her appointment.
- (vi) Smt. Meenakshi Saraogi shall also visit such places from time to time, which may be necessary for the purpose of the business of the Company. Smt. Meenakshi Saraogi shall be entitled to reimbursement of all the traveling, boarding, lodging and incidental expenses along with one person for assistance, which she may incur for performing her duties outside Kolkata.
- (vii) Smt. Meenakshi Saraogi shall be reckoned as Director for the purpose of determining the retirement of Directors by rotation or in fixing the number of Directors to retire. Further, she shall immediately cease to be Jt. Managing Director if she ceases to hold the office of Director for any reason.

Smt. Meenakshi Saraogi (Date of Birth 05.03.1944), is a graduate in Art and looks after the factory operations and is the driving force behind the success of the organization. She is having 31 years of vast experience in the sugar industry and the Company has made tremendous progress due to her efforts. Smt. Meenakshi Saraogi was awarded 'Padmashree' in the year 1992 by the then Hon'ble President of India for her valuable contribution to the sugar industry. The Company would certainly be benefited, if she continues to be Jt. Managing Director of the Company and her supervision and guidance in the factories would make ideal platform for the continued growth and development of the Company. The remuneration proposed to be paid to Smt. Meenakshi Saraogi is justified having regard to the nature of services required from her and the responsibility which she is called upon to bear as Jt. Managing Director of the Company. She is a Director of VM Vinimay Pvt. Ltd. She is not a member of any board committee except in the Company. She is holding 14244300 equity shares of the Company as on 31.03.2014.

As Smt. Meenakshi Saraogi has attained the age of seventy years, a special resolution is required to be passed by the company. She will be liable to retire by rotation.

Smt. Meenakshi Saraogi is interested in the Resolution. Shri Vivek Saraogi being son of Smt. Meenakshi Saraogi be deemed to be interested in the said Resolution. Other relatives of Smt. Meenakshi Saraogi may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company. Smt. Meenakshi Saraogi and Shri Vivek Saraogi have no other interest apart from receiving remuneration as stated above and as a member of the Company.

No other directors or KMP or their relatives have any concern or interest, financial or otherwise, in the proposed resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement.

The Board recommends the acceptance of the Resolution.

The Company has incurred a net profit of ₹364.08 lacs for the financial year ended 31st March 2014. As profits are inadequate for the financial year ended 31st March, 2014, for payment of same remuneration effective from 1st April, 2014 to Shri Vivek Saraogi as Managing Director and Smt. Meenakshi Saraogi as Jt. Managing Director, the Central Government approval may be required under section 196 and 197 read with Schedule V to the Companies Act, 2013.

The statement as required under Clause (iv) Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to the item no(s). 10 and 11 are as follows:

I. General Information:

- (1) **Nature of Industry:**
Manufacturing of Sugar, Cogeneration of Power, Industrial Alcohol & Organic Manure
- (2) **Date or expected date of commencement of commercial production:**
Existing Company, already commenced from 1975
- (3) **In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**
Existing Company, not applicable

(4) Financial performance based on given indicators:

Sl	Particulars	Audited Figure for the financial year ended 31.03.2014 (₹ in lacs)	Audited Figure for the financial year ended 31.03.2013 (₹ in lacs)	Audited Figure for the financial year ended 31.03.2012 (₹ in lacs)	Audited Figure for the financial year ended 31.03.2011 (18 months) (₹ in lacs)
1	Net sales/Income from operations	266494.43	327484.03	230954.63	297238.97
2	Other Income	2594.47	4280.13	2773.86	1982.80
3	Total Expenditure (including adjustment of stock)	245092.21	285496.12	207131.28	245996.32
4	Finance Costs	11784.26	14386.70	14741.11	13814.36
5	Depreciation & amortisation expense	10945.04	10825.74	11078.09	16810.96
6	Profit before Tax	1267.39	21055.60	778.01	22600.13
7	Provision for Tax				
	a) Current Tax	360.00	4240.00	156.00	3804.00
	b) Deferred Tax	3390.36	612.72	(37.56)	2097.00
	c) MAT Credit Write Down/(Entitlement)	-	-	(2.92)	262.18
	d) Income Tax provision for earlier year written back	(2847.05)	-	-	(3.80)
8	Net Profit	364.08	16202.88	662.49	16440.75

(5) Foreign Investment of Collaborators, if any: Nil

II. Information about the Appointee :

(a) Shri Vivek Saraogi

1. Background details: Shri Vivek Saraogi (age 48 years) is a Commerce Graduate having 26 years experience in Sugar Industry. He is past president of Indian Sugar Mills Association. He was a committee member of FICCI and Indian Chambers of Commerce, Kolkata. He is also a Director in Indian Sugar Exim Corporation Ltd, Neoworth Commercial Pvt. Ltd and VM Vinimay Pvt. Ltd

2. Past remuneration: Salary ₹12,50,000/- per month plus commission & perquisites as more fully described in the Explanatory Statement.

3. Recognition or awards: i] In 1994 inducted to the Board of The Pradeshia Industrial & Investment Corporation of U.P. Ltd. by Govt. of U.P., ii] 1995-96, 2009-10, President, Indian Sugar Mills Association, iii] was nominated member of the Eastern Regional Committee of IDBI in 1997, iv] was elected as Committee member of the Indian Chamber of Commerce, Kolkata in the year, 2006, v] Elected as member of the Executive Committee of FICCI in the year 2005.

4. Job profile and his suitability: Subject to the supervision and control of the Board of Directors Shri Vivek Saraogi is in overall in-charge of running the affairs of the Company including Budgeting, Funding, Liaisoning with the Investors and Corporate affairs. He is also looking after the general administration, banking, finance, sales and purchase. He is a dynamic new generation industrialist. As a Managing Director he has played a key role in making the Company one of the most efficient sugar producer in the country. Incorporated in 1975 with a single sugar unit at Balrampur today the Company has 11 sugar units, 8 co-gen power plants and 3 distillery units. The Company has made tremendous growth under his leadership.

5. Remuneration proposed: Same remuneration: Salary ₹12,50,000/- per month plus commission & perquisites as more fully described in the Explanatory Statement.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin): The proposed remuneration is comparable with the remuneration drawn by the peers and is necessitated due to complexities of business, larger no. of units (22 in aggregate) and diversified activities in Cogeneration of Power, Ethanol, Industrial Alcohol and Organic Manures.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel,

if any: Shri Vivek Saraogi is a Promoter Director holding 38082320 shares consisting of 15.55% 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. Smt. Meenakshi Saraogi (Jt. Managing Director) is the mother of Shri Vivek Saraogi. No other managerial personnel have any relationship with Shri Vivek Saraogi.

(b) Smt. Meenakshi Saraogi

1. Background details: Smt. Meenakshi Saraogi (age 70) is a graduate in Art and looks after the factory operations and is the driving force behind the success of organisation. She is having 31 years of vast experience in the Sugar Industry. The Company has made tremendous progress due to her efforts. She is also a Director in VM Vinimay Pvt. Ltd.

2. Past remuneration: Salary ₹12,50,000/- per month plus commission & perquisites as more fully described in the Explanatory Statement.

3. Recognition or awards: Smt. Meenakshi Saraogi was awarded 'Padmashree' in the year 1992 by the then Hon'ble President of India for her valuable contribution to the sugar industry.

4. Job profile and her suitability: Subject to the supervision and control of the Board of Directors, Smt. Meenakshi Saraogi is in-charge of running all the plants of the Company situated in the state of Uttar Pradesh. 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.

Smt. Meenakshi Saraogi is instrumental in the development of the Company and for maintaining cordial atmosphere and relationship in the factories.

5. Remuneration proposed: Same remuneration: Salary ₹12,50,000/- per month plus commission & perquisites as more fully described in the Explanatory Statement.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be with respect to the country of his origin): The proposed remuneration is comparable with the remuneration drawn by the peers and is necessitated due to complexities of business, larger no. of units (22 in aggregate) and diversified activities in Cogeneration of Power, Ethanol, Industrial Alcohol and Organic Manure.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Smt. Meenakshi Saraogi is a Promoter Director holding 14244300 shares consisting of 5.82% of the paid-up capital of the Company.

Apart from receiving remuneration as stated above and dividend as a member of the Company, she does not receive any emoluments from the Company. Shri Vivek Saraogi (Managing Director) is the son of Smt. Meenakshi Saraogi. No other managerial personnel have any relationship with Smt. Meenakshi Saraogi.

III. Other Information:

1. Reasons of loss or inadequate profits: Inadequate profit, i.e. Net Profit ₹364.08 lacs incurred by the company for the financial year ended 31st March, 2014 was due to decline in sugar sales in quantity and in sugar prices, following the withdrawal of the release mechanism. Lower realisations coupled with higher cane prices fixed by the U.P. Govt. have severely impacted the sugar margin of the Company.

2. Steps taken or proposed to be taken for improvement: Sugar being a seasonal industry, the performance of a financial year may not be representative of the next annual performance of the company. The integrated model concept adopted by the Company in regard to Power Co-generation and Distilleries operations is expected to offset the Losses from the sugar divisions of the Company to some extent and also makes a source of revenue. Sugar being a seasonal and cyclical in nature the working results witnessed a phase of upturn & downturn in the past and normally improve after a downturn. The value added by-products like Co-generation of Power, Industrial Alcohol and Ethanol will also help the Company to maximise its business prospects.

3. Expected increase in productivity and profits in measurable terms: Sugar business is essentially cyclical and swift changes in demand – supply dis-equilibrium causes volatile change in pricing power. As such over the years the Company has shifted its focus from a sugar manufacturing to the downstream utilisation of its by-products such as Co-generation of Power, Industrial Alcohol and Ethanol. The value added by-products like Co-generation of Power, Industrial Alcohol and Ethanol will also help the Company to maximise its profits.

IV. Disclosures

The following disclosures mentioned in the Director's report under the heading "Corporate Governance Report" of the Company in the Annual Report 2013-14 :

- (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;
- (ii) Details of fixed component and performance linked incentives along with the performance criteria;
- (iii) Service contracts, notice period, severance fees;
- (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

Item No. 12:

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, at its meeting held on 12th May, 2014 re-appointed Dr. Arvind Krishna Saxena as a Whole-time Director of the Company with effect from 1st August, 2014 for a period of 3 years. The remuneration of Dr. Saxena with effect from 1st August 2014 are as under:

a) Salary	: ₹125000 per month with effect from 1st August, 2014. ₹135000 per month with effect from 1st August, 2015. ₹145000 per month with effect from 1st August, 2016.
b) Perquisites	
i) Housing	: Free accommodation
ii) Medical Reimbursement	: For self and his family subject to a ceiling of 6% of salary in a year
iii) Electricity and Water	: Free of charge
iv) Leave Travel Concession	: One month's salary for 11 month's services
v) Provident Fund	: As per Rules of the Company
vi) Gratuity	: $\frac{1}{2}$ month's salary for each completed year of service
vii) Telephone	: Telephone facilities at residence including Cell Phone. Personal long distance call shall be reimbursed to the Company.
viii) Leave	: As per Rules of the Company

Explanation:

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

The aggregate of salary and perquisites in any one financial year shall not exceed the limits prescribed under sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the said Act.

In the event of absence or inadequacy of profit during the period Dr. Arvind Krishna Saxena shall be paid the above remuneration as minimum remuneration subject to the limit prescribed under Schedule V to the Companies Act, 2013.

Dr. Arvind Krishna Saxena (Date of birth 26.08.1951) is M.Sc. and Ph.D. (Botany) and has specialization in Industrial Mycology, Bio-composting, Mushroom Production and Processing from Horst, Holland. He has wide experience of 40 years and is associated with the Company since 2002. Previously he held various positions in other organizations and was also associated with scientific and research activities. He is also a Director and member, Audit Committee in Indo Gulf Industries Ltd. He is holding 18000 equity shares of the company. No managerial personnel have any relationship with Dr. Saxena.

It will be in the interest of the Company to avail of Dr. Saxena's experience and his appointment will be of benefit to the Company and he will be liable to retire by rotation.

Except Dr. Arvind Krishna Saxena, none of the directors or KMP or their relatives have any concern or interest, financial or otherwise, in the proposed resolution. The relatives of Dr. Arvind Krishna Saxena may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company. Your directors therefore recommend the resolution for your approval.

Item No. 13:

The Board, on the recommendation of the Audit Committee, had approved the appointment and remuneration of M/s N. Radhakrishnan & Co., Cost Accountants (Firm Regn. no.000056) as the Cost Auditors to conduct the audit of the cost records of the Company relating to Sugar (including Industrial Alcohol) and Electricity for the financial year ending March 31, 2015 at a remuneration of ₹350000/- exclusive of travelling, boarding, lodging and out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 13 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 13 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 13 of the Notice for approval by the shareholders.

Item No. 14:

The company in its Annual General Meeting held on 11th January, 2007 has passed an ordinary resolution under Section 293(1)(d) of the Companies Act, 1956 authorizing the Board of Directors of the Company to borrow moneys (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) for the purposes of the business of the Company not exceeding ₹2000 crores (Rupees Two thousand crores only) outstanding at any time over and above the aggregate of the paid up capital of the Company and its free reserves. Now, a special resolution is required to be passed under Section 180(1)(c) of the Companies Act, 2013 for the aforesaid purpose. Therefore, the approval of shareholders is being sought to borrow moneys, as aforesaid not exceeding ₹2000 crores (Rupees Two thousand crores only) outstanding at any time over and above the aggregate of the paid up capital of the Company and its free reserves.

The Board of Directors therefore recommend the passing of special resolution contained in item No.14 of the notice.

None of the directors or KMP or their relatives have any concern or interest, financial or otherwise, in the proposed resolution.

Item No. 15:

The company in its Annual General Meeting held on 16th July, 1998 has passed an ordinary resolution under Section 293(1)(a) of the Companies Act, 1956 authorizing the Board of Directors of the Company to mortgage, hypothecate or in any other way charge in favour of the lenders all or any of the movable and/or immovable properties of the company for securing any loan, guarantee or security availed from lenders. Now, a special resolution is required to be passed under Section 180(1)(a) of the Companies Act, 2013 for the aforesaid purpose. Therefore, the approval of shareholders is being sought under Section 180(1)(a) of the Companies Act, 2013 to sell, lease, mortgage, charge, hypothecate or otherwise dispose off the whole or substantially the whole of the undertaking of the company.

The Board of Directors therefore recommend the passing of special resolution contained in item No.15 of the notice.

None of the directors or KMP or their relatives have any concern or interest, financial or otherwise, in the proposed resolution.

Profiles of Shri Kishor Shah seeking re-appointment pursuant to Clause 49 of the Listing Agreement

Date of birth: 6th February, 1964.

Qualifications: Graduate in Commerce, Chartered Accountant.

Expertise in specific functional areas: • Finance, Accounts and Taxation Matters • Corporate Financial Planning & Restructuring • Arrangement of Finance & working capital • Budgeting • Acquisition, Merger & Amalgamation • Corporate Communication with Press, Research & Fund Managers • Investor Relations • Administration etc.

Directorship in other Companies: Nil

Membership in other Board Committees: Nil

Shareholding as on 31.03.2014: 40600