



# PONNI SUGARS (ERODE) LIMITED

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ISO  
9001/14001  
CERTIFIED

April 6, 2011

To All Members

## Re: Information Memorandum under Section 302 of the Companies Act, 1956

The Board of Directors of the Company at their meeting held on 25th March 2011 have reappointed Mr N Ramanathan as Managing Director of the Company for a period of three years with effect from 01.04.2011 and approved the remuneration package based on the recommendations of the Remuneration Committee meeting held on the same day. These are subject to the approval of shareholders in the General Meeting.

Mr N Ramanathan (56) is a Chartered Accountant, Company Secretary and Cost Accountant. He has been associated with our Company and Group for over three decades. He brings to bear an impressive track record of academic excellence. He has made decisive contribution for the growth and functioning of the Company.

Mr N Ramanathan is well versed with the dynamics of the sugar industry's functioning. He holds Committee positions in industry associations commanding wider acclaim for his role and contribution.

The terms of appointment and remuneration of Mr N Ramanathan have been determined by the Board in deference to Sections 198, 269, 309, 310 and other related and applicable provisions read with Schedule XIII of the Companies Act, 1956 as may be amended or re-enacted from time to time. The details are furnished overleaf.

No Director other than Mr N Ramanathan is interested in this item of business.

Approval of shareholders for the appointment of and remuneration to the Managing Director would be obtained at the next Annual General Meeting.

Relevant resolutions passed by the Remuneration Committee and Board are available for inspection by members at the registered office of the Company between 11.00 AM and 1.00 PM on any working day.

Yours sincerely

N Gopala Ratnam  
Chairman

**Abstract of the terms of appointment of Mr N Ramanathan as Managing Director**

(Pursuant to Section 302 of the Companies Act, 1956)

|    |                         |                                                                                                                                                                                                                                                                                                                               |
|----|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | Period                  | 1 <sup>st</sup> April 2011 to 31 <sup>st</sup> March 2014                                                                                                                                                                                                                                                                     |
| 2  | Salary                  | (i) Basic: Rs.1,50,000/- per month<br>(ii) Special Allowance: Rs.40,000/- per month                                                                                                                                                                                                                                           |
| 3  | Commission              | Three percent of net profits of the company but restricted to annual salary.                                                                                                                                                                                                                                                  |
| 4  | Allowances/ Perquisites | Housing or HRA, Medical, LTA, Personal Accident Insurance, Car and Telephone and other perquisites in accordance with the rules of the company and as may be decided from time to time by the Board on the recommendations of the Remuneration Committee. Perquisites excluding Housing shall be restricted to annual salary. |
| 5. | Retirement benefits     | Contribution to Provident Fund, Superannuation Fund, New Pension System, Gratuity Scheme and Leave Encashment in accordance with company scheme. These shall not be included in the computation of ceiling as applicable.                                                                                                     |
| 6  | Overall ceiling         | The aggregate of salary and perquisites shall be within the overall ceiling, if any, specified from time to time in the Companies Act, 1956 or any re-enactment thereof.                                                                                                                                                      |
| 7. | Minimum Remuneration    | In the event of loss or inadequacy of profits in any financial year, remuneration as above shall be paid as Minimum Remuneration. In addition he is eligible for 50% of annual salary as Incentive Remuneration but no Commission is payable in such a year.                                                                  |
| 8. | Power to vary           | The Board shall have power to vary or enhance the remuneration from time to time at its discretion on the recommendation of the Remuneration Committee within the overall ceiling, if any, specified from time to time in the Companies Act, 1956 or any re-enactment thereof.                                                |
| 9. | General                 | (i) No sitting fee is payable.<br>(ii) Perquisites shall be valued at cost to company and when such cost is undeterminable, as per Income Tax Rules.<br>(iii) Mr N Ramanathan will be subject to all other service conditions as applicable to other employees of the Company.                                                |

Chennai  
06.04.2011

N Gopala Ratnam  
Chairman