

RAJSHREE SUGARS & CHEMICALS LIMITED
Regd. Off: 338, Avanashi Road, Peelamedu, Coimbatore 641 004

NOTICE TO THE MEMBERS

Notice is hereby given that the 25th Annual General Meeting of the Members of Rajshree Sugars & Chemicals Limited will be held on Wednesday, the 10th day of August 2011 at 11.00 AM at the Conference Hall, Indian Chamber of Commerce & Industry, Avanashi Road, Coimbatore 641 018 to transact the following business:

ORDINARY BUSINESS

- 1 To consider, approve and adopt the Profit & Loss Account for the year ended 31st March 2011, the Balance Sheet as on that date, the report of the Board of Directors and the report of the Auditors.
- 2 To appoint a Director in the place of Dr.P.Surulinarayanamsami who retires by rotation and being eligible offers himself for re-appointment.
- 3 To appoint a Director in the place of Mr.R.C.H.Reddy who retires by rotation and being eligible offers himself for re-appointment.
- 4 To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

- 5 To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution.

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, consent of the Company be and is hereby accorded to the re-appointment of Ms.Rajshree Pathy as Managing Director of the Company for a period of 3 (three) years from 16th March 2012 to 15th March 2015, on a remuneration to be calculated at 5% (five percent) of the net profits of the Company per annum in the manner provided under section 349 and 350 of the Companies Act, 1956."

"RESOLVED FURTHER THAT in the absence of profits or inadequacy of profits in any year, the remuneration payable to the Managing Director shall, and subject to the approval of the Central Government, be as under:

Salary ₹.1,250,000/- per month

Perquisites Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
Provision of company's mobile phone and telephone at her residence for official purposes.
Provision of company's car with driver for official purposes.

- 6 To consider and if thought fit, to pass, with or without modification, the following resolution as a special resolution.

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, consent of the Company be and is hereby accorded to the re-appointment of Mr.R.Varadarajan as Wholetime Director of the Company for a period of 3 (three) years from 5th June 2011 to 4th June 2014, on a remuneration as set-out below:

Salary ₹.400,000/- per month

Perquisites	Leave travel allowance of ₹.200,000/- per annum. Encashment of earned leave not exceeding one month's salary per annum at the end of the tenure. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable at a rate not exceeding half month's salary for each completed year of service. Provision of company's car with driver for official use Provision of a mobile phone and telephone at his residence for official purposes.
-------------	--

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the remuneration payable to Mr.R.Varadarajan shall be such amount as may be fixed by the Remuneration Committee of the Board of Directors, not exceeding the salary and perquisites limit set-out above and such remuneration shall be subject to the approval of the Central Government, if required, in terms of Paragraph C of Section II, Part II of Schedule XIII to the Companies Act, 1956."

07 To consider and if thought fit, to pass, with or without modification, the following resolution as a special resolution:

"RESOLVED THAT the special resolution passed in terms of section 81(1A) of the Companies Act, 1956, for issue of 1,100,000 (eleven lakhs only) preferential warrants / shares on conversion of such equity warrants to Ms.Rajshree Pathy at the Extraordinary General Meeting held on 28th May 2009, be and is hereby amended by deleting para f (5) therein, thereby restricting the number of shares to be locked-in post exercising the option at 1,100,000 (eleven lakhs only), being the quantity required to be so locked-in pursuant to the applicable regulations of the Securities and Exchange Board of India (SEBI)".

By Order of the Board

Place : Coimbatore
Date : 18th May 2011

R.S.GOWDHAMAN
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO.5 OF THE AGENDA

The present term of office of Ms.Rajshree Pathy, Managing Director comes to an end on 15th March 2012. Ms.Rajshree Pathy was reappointed as Managing Director for a period of 3 years by the Board of Directors with effect from 16th March 2012.

The Remuneration Committee of the Board has recommended the payment of remuneration as stated in the resolution.

The proposed resolution under Item No.5 and this explanatory statement may be treated as abstract of the terms and conditions of the reappointment of Ms.Rajshree Pathy, Managing Director pursuant to section 302 of the Companies Act, 1956.

Ms.Rajshree Pathy, Managing Director and holder of 8,277,558 equity shares in the Company, is interested in the resolution.

INFORMATION ABOUT THE APPOINTEE**Ms. Rajshree Pathy**

1. Background details

Ms. Rajshree Pathy is the promoter of the Company with varied interest in sugar, power, alcohol, travels, property development, biotechnology, etc. She has been at the helm of affairs of the Company right from inception making it around ₹. 650 crores Company. She was the first woman President of Indian Sugar Mills Association, New Delhi.

2. Past remuneration

The shareholders at the AGM held on 29th September 2008 had accorded approval for payment of remuneration from 16.3.2009 to 15.3.2012 as follows.

Remuneration to be calculated at 5% of the net profits of the Company.

In the event of loss or inadequacy of profit, the remuneration shall be as follows.

Salary ₹.1,250,000/- per month

Perquisites Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
Provision of Company's mobile phone and telephone at her residence for official purposes.
Provision of Company's car with driver for official purposes.

3. Recognition or awards

She was selected as one of the hundred 'Global Leaders of Tomorrow' by the World Economic Forum, Geneva in the year 1996.

4. Job profile and her suitability

As Managing Director, she will have substantial powers of management and will work under the supervision and control of the Board of Directors. She has been the Managing Director of the Company right from inception and has been responsible for its growth to around Rs.650 crores Company.

5. Remuneration proposed

The remuneration proposed is as follows.

Remuneration to be calculated at 5% of the net profits of the Company.

In the event of loss or inadequacy of profit, the remuneration shall be as follows.

Salary ₹.1,250,000/- per month

Perquisites Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
Provision of Company's mobile phone and telephone at her residence for official purposes.
Provision of Company's car with driver for official purposes.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

The remuneration proposed to the appointee is comparable with the remuneration with respect to industry, size of the company and profile of the position.

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

NIL

Your Directors commend the resolution for your approval.

ITEM NO.6 OF THE AGENDA

Mr.R.Varadarajan was reappointed as Wholetime Director for a period of 3 years by the Board of Directors with effect from 5th June 2011.

The Remuneration Committee of the Board has recommended the payment of remuneration as stated in the resolution.

The proposed resolution under Item No.6 and this explanatory statement may be treated as abstract of the terms and conditions of the appointment of Mr. R.Varadarajan, Wholetime Director pursuant to section 302 of the Companies Act, 1956.

None of the directors other than the proposed appointee is concerned or interested in the resolution.

INFORMATION ABOUT THE APPOINTEE

Mr. R.Varadarajan

1. Background details

Mr.R.Varadarajan, who has a Masters Degree in Business Management, has been associated with RSCL since its inception in 1987 and is currently the Wholetime Director of the organization.

He has had a brief stint as Head, Faculty of Management studies of the PSG College of Arts & Science, Coimbatore where he had undertaken a special assignment in designing and implementing a three year undergraduate management programme to groom future Chief Executive Officers of Family Owned Businesses.

He leads a team, which handles Project Management, Strategic planning, legal affairs and general administration of all group companies. He has spearheaded the project team of the company through all stages of its development and expansion activities ranging from sugar to distillery to co-generation of power. Under his dynamic leadership, the company became the first ISO 9001:2000 certified integrated sugar complex in India, manufacturing sugar, alcohol, power, organic manure and bio-products.

2. Past remuneration

The shareholders at the AGM held on 29th September 2008 had accorded approval for payment of remuneration from 5.6.2008 to 4.6.2011 as follows.

Salary	₹.250,000/- per month in the scale of ₹.250,000 - 25,000 - 300,000
Perquisites	Medical allowance / Reimbursement of medical expenses not exceeding one month's salary per annum Leave travel allowance not exceeding one month's salary per annum Encashment of earned leave not exceeding one month's salary per annum Contribution to provident fund and gratuity fund as per rules applicable to the employees of the company Contribution to superannuation fund not exceeding 15% of annual salary every year Provision of company's car with driver for official use Provision of a mobile phone and telephone at his residence for official use.

3. Recognition or awards

The Coimbatore Management Association recognized him with its award as Best Manager of the Year 2011.

4. Job profile and his suitability

As Wholetime Director, he will be responsible for the overall operations of the Company and will work under the supervision and control of the Board of Directors and Managing Director. He has been associated with the Company right from inception and spearheaded the project team of the company through all stages of its development and expansion activities ranging from sugar to distillery to co-generation of power. Under his dynamic leadership, the company became the first ISO 9001:2000 certified integrated sugar complex in India, manufacturing sugar, alcohol, power, organic manure and bio-products and hence suitable for appointment as Wholetime Director.

5. Remuneration proposed

The remuneration proposed is as follows. :

Salary ₹.400,000/- per month

Perquisites Leave travel allowance of ₹.200,000/- per annum.
Encashment of earned leave not exceeding one month's salary per annum at the end of the tenure.
Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
Provision of company's car with driver for official use
Provision of a mobile phone and telephone at his residence for official use.

In the event of loss or inadequacy of profit, the remuneration will be restricted to as specified in Paragraph C of Section II, Part II of Schedule XIII to the Companies Act, 1956."

None of the Directors except Mr.R.Varadarajan is interested in this resolution.

ITEM NO.7 OF THE AGENDA

The company, at its Extraordinary General Meeting (EGM) held on 28th May 2009 passed a special resolution for issue of 1,100,000 preferential warrants / shares on conversion of such equity warrants to Ms. Rajshree Pathy.

In Paragraph f (5) of the resolution, the number of shares subject to lock-in post exercising the option and allotment of shares had been erroneously mentioned as "4,758,340 equity shares representing 20% of the increased capital".

It would be adequate compliance of the SEBI regulations if the 1,100,000 equity shares allotted on exercise of the option are locked in for 3 years as set out in paragraph f(4) of the said resolution.

It is hence proposed to amend the said resolution by deleting para f(5).

The resolution passed at the EGM on 28th May 2009 is available for inspection at the registered office between 3 pm and 5 pm on all working days upto the date of the meeting.

None of the directors except Ms. Rajshree Pathy, being the allottee of the warrants is interested or concerned in this resolution.

NOTE:

- 1 **The Register of Members of the Company will remain closed from 3rd August 2011 to 10th August 2011 (both days inclusive).**
- 2 **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote instead of himself/herself and the Proxy need not be a Member.**
- 3 Members are requested to intimate the change in bank mandate/address, if any, immediately to the Registrars and Transfer Agents of the Company, M/s.S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006.
- 4 Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
- 5 The Company's equity shares are listed in the following stock exchanges at present.
 - a. National Stock Exchange of India Limited, Mumbai
 - b. Bombay Stock Exchange Limited, Mumbai

The Company has paid the annual listing fees for the period 2011-12 in respect of the above stock exchanges.

- 6 The following are the details of dividends declared by the Company and the respective due dates for transfer of unclaimed / unpaid dividend to the Investor Education and Protection Fund (IEPF).

Date of declaration of dividend	Dividend for the financial year	Due date of transfer to the Central Government
13.09.2004	2003-2004	12.09.2011
30.09.2005	2004-2005	29.09.2012
06.09.2006	2005-2006	05.09.2013
10.09.2007	2006-2007	09.09.2014
23.09.2009	2008-2009	22.09.2016
20.09.2010	2009-2010	19.09.2017

It may be noted that no claim of the shareholders will be entertained for the unclaimed / unpaid dividends after their transfer to the Investors Education & Protection Fund.

In view of the above, the shareholders are advised to send their unencashed dividend warrants to the Registered Office of the Company for revalidation and encash them before the due date for transfer to the IEPF.

- 7 The information/details pertaining to Dr.P.Surulinarayanasami and Mr.R.C.H.Reddy to be provided in terms of clause 49 of the Listing Agreement with the Stock Exchanges are furnished in the annexure.
- 8 The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circulars on April 21, 2011 and April 29, 2011 stating that the service of document by a company can be made through electronic mode to the shareholders of the company.

The members are requested to inform their updated e-mail address to their respective Depository Participants and those who are holding shares in physical form may intimate their e-mail address to the Registrars and Transfer Agents of the Company, M/s.S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006. (E-mail: info@skdc-consultants.com).

However, the company can send a physical copy of the balance sheet of the company and all other documents required by law to be attached thereto including the profit and loss account and auditors' report, upon receipt of a requisition from the shareholders, as a member of the Company.

The contents of Annual Report such as Notice with Balance Sheet, Profit & Loss Account, Auditor's Report, Directors' Report and Explanatory statement, etc. are available in the website of your company www.rajshreesugars.com and for inspection at the Registered Office of the company during office hours.

Members would appreciate the "Green Initiative" taken by MCA and your company's desire to participate in such initiatives.

By Order of the Board

Place : Coimbatore
Date : 18th May 2011

R.S.GOWDHAMAN
Company Secretary

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT OR SEEKING ELECTION AT THE ANNUAL GENERAL MEETING

The brief resume of the Directors seeking reappointment is given below.

Dr. P. Surulinarayanasami (73)

Dr. Surulinarayanasami, completed his doctorate in Engineering in the USA. He is a civil and structural engineer with interests in software development and fund management.

He holds Directorship and membership in Committees of other Companies as follows:

<u>Directorship in other companies</u>	<u>Membership in Committees</u>
L.S.Property Developers Pvt. Ltd.	Nil

He holds 1,131,107 equity shares in the Company.

Mr. R.C.H.Reddy (76)

Mr.R.C.H.Reddy is an Engineering graduate in textile technology and holds post graduate diploma in business management from the University of Madras. He has more than four decades of experience in various companies in the field of engineering and business operations. Since 1998, he has been working as President in Lakshmi Electrical Controls and Systems Limited.

He has wide expertise in the fields of production, marketing, engineering, operations and administration.

He holds Directorship and membership in Committees of other Companies as follows:

<u>Directorship in other companies</u>	<u>Membership in Committees</u>
Lakshmi Card Clothing Mfg.Co.Pvt Ltd	--
Lakshmi Automatic Loom Works Ltd	1
Lakshmi Precision Tools Ltd	--
Harshni Textiles Ltd	--
Lakshmi Electrical Drives Ltd	--

He holds 832 equity shares in the Company.

Statement referred to under Clause (B) and (C) of Section II, Part II of Schedule XIII of the Companies Act, 1956**I. GENERAL INFORMATION**

1. Nature of Industry

Sugar is India's second largest agro processing industry. About 50 million farmers and their families are dependent on sugarcane cultivation. There are about 500 sugar factories in India with majority of them under the cooperative sector and the rest under private and public sector. The industry besides meeting the domestic consumption requirements, exports sugar substantially thereby earning precious foreign exchange. The by products, namely, molasses and bagasse are used by downstream industries like distillery and power plants for producing alcohol and power.

2. Date or expected date of commencement of commercial production

The company is a running entity

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Does not arise

4. Financial performance based on given indicators

The Company achieved a turnover of ₹.641.47 crores in the year 2010-11 as against ₹. 552.16 crores during the previous year. The Company incurred a loss of ₹.36.92 crores as against net profit of ₹.43.17 crores earned in the previous year.

5. Export performance and net foreign exchange collaborators

During the year 2010-11, the Company exported 17,212 MT of white sugar (Previous year: NIL) and 19,500 MT of raw sugar. The Company earned a foreign exchange equivalent to ₹.942,252,253/- in the year 2010-11.

6. Foreign investments or collaborators, if any.

NIL

II. INFORMATION ABOUT THE APPOINTEE**Ms. Rajshree Pathy**

1. Background details

Ms.Rajshree Pathy is the promoter of the Company with varied interest in sugar, power, alcohol, travels, property development, biotechnology, etc. She has been at the helm of affairs of the Company right from inception taking it to a turnover of around ₹.650 crores Company. She was the first woman President of Indian Sugar Mills Association, New Delhi.

2. Past remuneration

The shareholders at the AGM held on 29th September 2008 had accorded approval for payment of remuneration from 16.3.2009 to 15.3.2012 as follows.

Remuneration to be calculated at 5% of the net profits of the Company.

In the event of loss or inadequacy of profit, the remuneration shall be as follows :

Salary ₹.1,250,000/- per month

Perquisites Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
Provision of Company's mobile phone and telephone at her residence for official purposes.
Provision of Company's car with driver for official purposes.

3. Recognition or awards

She was selected as one of the hundred 'Global Leaders of Tomorrow' by the World Economic Forum, Geneva in the year 1996.

4. Job profile and her suitability

As Managing Director, she will have substantial powers of management and will work under the supervision and control of the Board of Directors. She has been the Managing Director of the Company right from inception and has been responsible for its growth to around ₹.650 crores Company.

5. Remuneration proposed

The remuneration proposed is as follows.

Remuneration to be calculated at 5% of the net profits of the Company.

In the event of loss or inadequacy of profit, the remuneration shall be as follows.

Salary ₹.1,250,000/- per month

Perquisites Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
Provision of Company's mobile phone and telephone at her residence for official purposes.
Provision of Company's car with driver for official purposes.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

The remuneration proposed to the appointee is comparable with the remuneration with respect to industry, size of the company and profile of the position.

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

NIL

Mr. R.Varadarajan

1. Background details

Mr.R.Varadarajan, who has a Masters Degree in Business Management, has been associated with RSCL since its inception in 1987 and is currently the Wholetime Director of the organization.

He has had a brief stint as Head, Faculty of Management studies of the PSG College of Arts & Science, Coimbatore where he had undertaken a special assignment in designing and implementing a three year undergraduate management programme to groom future Chief Executive Officers of Family Owned Businesses.

He leads a team, which handles Project Management, Strategic planning, legal affairs and general administration of all group companies. He has spearheaded the project team of the company through all stages of its development and expansion activities ranging from sugar to distillery to co-generation of power. Under his dynamic leadership, the company became the first ISO 9001:2000 certified integrated sugar complex in India, manufacturing sugar, alcohol, power, organic manure and bio-products.

2. Past remuneration

The shareholders at the AGM held on 29th September 2008 had accorded approval for payment of remuneration from 5.6.2008 to 4.6.2011 as follows.

Salary	₹.250,000/- per month in the scale of ₹.2,50,000-25,000-3,00,000
Perquisites	<p>Medical allowance / Reimbursement of medical expenses not exceeding one month's salary per annum</p> <p>Leave travel allowance not exceeding one month's salary per annum</p> <p>Encashment of earned leave not exceeding one month's salary per annum</p> <p>Contribution to provident fund and gratuity fund as per rules applicable to the employees of the company</p> <p>Contribution to superannuation fund not exceeding 15% of annual salary every year</p> <p>Provision of company's car with driver for official use</p> <p>Provision of a mobile phone and telephone at his residence for official use.</p>

3. Recognition or awards

The Coimbatore Management Association recognized him with its award as Best Manager of the Year 2011.

4. Job profile and his suitability

As Wholetime Director, he will be responsible for the overall operations of the Company and will work under the supervision and control of the Board of Directors and Managing Director. He has been associated with the Company right from inception and spearheaded the project team of the company through all stages of its development and expansion activities ranging from sugar to distillery to co-generation of power. Under his dynamic leadership, the company became the first ISO 9001:2000 certified integrated sugar complex in India, manufacturing sugar, alcohol, power, organic manure and bio-products and hence suitable for appointment as Wholetime Director

5. Remuneration proposed

The remuneration proposed is as follows.

Salary	₹.400,000/- per month
Perquisites	<p>Leave travel allowance of ₹.200,000/- per annum.</p> <p>Encashment of earned leave not exceeding one month's salary per annum at the end of the tenure.</p> <p>Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.</p> <p>Gratuity payable at a rate not exceeding half month's salary for each completed year of service.</p> <p>Provision of company's car with driver for official use</p> <p>Provision of a mobile phone and telephone at his residence for official use.</p>

In the event of loss or inadequacy of profit, the remuneration will be restricted to as specified in Paragraph C of Section II, Part II of Schedule XIII to the Companies Act, 1956."

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

The remuneration proposed to the appointee is comparable with the remuneration with respect to industry, size of the company and profile of the position.

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

NIL

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits

During the year 2010-11, the net loss includes one time expenditure of ₹.25 crores towards out of court settlement of the Derivative disputes with Axis Bank Ltd. With reference to the operations, lesser sugar price realizations coupled with increased raw materials cost added to the loss in operations during the year under review.

2. Steps taken or proposed to be taken for improvement

Sugar industry being regulated from purchase of sugarcane to sale of sugar, the profitability of the industry is impacted not only by market dynamics, but also government policy. However, the Company has been operating at efficient levels equal to the best norms for the industry.

3. Expected increase in productivity and profits in measurable terms

The productivity depends upon the vagaries of nature, namely, good monsoon, which in turn will help in higher sugarcane availability. The profit also depends upon the demand supply position which is again a factor of the environment.

IV. DISCLOSURES

Remuneration package of the managerial person

Ms.Rajshree Pathy

Remuneration to be calculated at 5% of the net profits of the Company.

In the event of loss or inadequacy of profit, the remuneration shall be as follows.

Salary ₹.1,250,000/- per month

Perquisites Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
Provision of Company's mobile phone and telephone at her residence for official purposes.
Provision of Company's car with driver for official purposes.

Mr. R.Varadarajan

Salary ₹.400,000/- per month

Perquisites Leave travel allowance of ₹.200,000/- per annum.
Encashment of earned leave not exceeding one month's salary per annum at the end of the tenure.
Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
Provision of company's car with driver for official use
Provision of a mobile phone and telephone at his residence for official use.

In the event of loss or inadequacy of profit, the remuneration will be restricted to as specified in Paragraph C of Section II, Part II of Schedule XIII to the Companies Act, 1956."

Rajshree Sugars & Chemicals Limited

Regd. Office : "The Uffizi", 338, Avanashi Road, Peelamedu, Coimbatore - 641 004.

NOTE TO SHAREHOLDERS ON GREEN INITIATIVES

Dear Shareholders

Across the world, there is an increasing focus on doing our share to help save our environment from further degradation. Recognizing this trend, the Ministry of Corporate Affairs (MCA) (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through electronic mode.

In the light of the enabling provisions of these circulars, the Company has decided to deliver the documents in electronic form to the Shareholders whose e-mail address have been registered with their Depository Participant (DP). The Documents shall mean all Notices / Documents relating those covered under Section 219 or any other relevant Sections read with Section 53 of the Companies Act, 1956.

Investors desirous of providing / updating their e-mail address, to receive the documents for the subsequent financial year/s in electronic form are requested to inform their respective Depository Participant accordingly. The e-mail addresses indicated in your respective demat account which will be periodically downloaded from the Depositories viz. NSDL / CDSL will be deemed to be your e-mail address for serving the documents including those covered under Section 219 or any other relevant Sections read with Section 53 of the Companies Act, 1956.

Investors holding shares in physical form may provide / update their e-mail address to the Company / Registrar and Transfer Agents (RTA), M/s.S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006 for receiving the documents in electronic form. Members who have not dematerialized shares so far, please get their shares dematerialized.

As per the MCA directive, the above mentioned documents will be made available, in an easily accessible format on the Company's Website 'www.rajshreesugars.com'.

As a member of the Company, you will be entitled to be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you, at any point of time during the financial year.

We are sure that you would welcome the "Green Initiative" taken by the MCA and your company's desire to participate in such initiatives.

Thanking you

For and on behalf of

RAJSHREE SUGARS & CHEMICALS LTD.

(Sd/-)

R.S. GOWDHAMAN

Company Secretary

Coimbatore

18th May 2011