

Proceedings of the 17th Annual General Meeting held at New Woodlands Hotel Pvt Ltd, 72-75 Dr Radhakrishnan Road, Mylapore, Chennai 600 004 on Wednesday, the 24th July 2013.

PRESENT

Mr N Gopala Ratnam	Chairman
Dr L M Ramakrishnan	Vice Chairman
Mr N Ramanathan	Managing Director
Mr V Sridar	Director (Chairman - Audit Committee)
Mr Arun G Bijur	Director
Mr Bimal Poddar	Director
Mr N R Krishnan	Director
Mr K Bharathan	Director
Mrs Bharti C Pithawalla	Director

BY INVITATION

Statutory Auditors	Mr N R Suresh, Partner, M/s Maharaj N R Suresh And Co. Mr A Ganesan, Partner, M/s R Subramanian And Company
Cost Auditor	Mr M Ramji, Associate Consultant, M/s S Mahadevan & Co.

IN ATTENDANCE

Members present in Person: 191

Members present by Proxy: Nil

- (A) Mr N Gopala Ratnam, Chairman of the Board of Directors, who by virtue of Article 63 of the Articles of Association of the Company is also the Chairman of the General Meetings of the Company, took the Chair.
- (B) The Chairman noted that 191 members were present in person and no members by Proxy. Having ascertained that the requisite quorum for the meeting was present, the Chairman called the meeting to order and welcomed the Members present. The meeting commenced at 10.30 AM.
- (C) The Chairman introduced the Directors, Statutory Auditors, Cost Auditor and Internal Auditor to the Members.
- (D) The Register of Directors' Shareholdings maintained under Section 307 of the Companies Act, 1956 was produced at the commencement of the meeting and was kept open and accessible for inspection during the continuance of the meeting.

- (E) The Notice for the meeting and the Directors' Report to Shareholders were taken as read with the consent of the Members present. The Auditors' Report to Shareholders was read by the Secretary as required under Section 230 of the Companies Act, 1956 and the same was kept open for inspection during the continuance of the meeting.
- (F) The Chairman delivered his speech. Printed text of the Chairman's speech was distributed to the Members and others present. The Chairman covered the state of economy, industry, company performance and outlook in his address.
- (G) The Chairman laid before the Members the Profit & Loss Statement for the year ended 31st March 2013, the Balance Sheet as at that date, the Auditors' Report thereon and the Directors' Report. The Chairman mentioned that Mr V Sridar, Chairman of the Audit Committee is present at the meeting in deference to Section 292-A of the Companies Act, 1956 and will provide along with the Managing Director required clarifications on matters relating to Accounts and Audit. The Chairman thereupon invited queries from the shareholders.
- (H) Several shareholders spoke on issues concerning profit, growth, dividend and other issues. Chairman gave his reply for all specific queries and these are summed up as under:

Sl. No.	Query	Reply
1.	Rights issue at premium may be considered to reduce debt and interest burden.	Rights issue would be considered for specific project in future like Distillery. Current debt level is manageable.
2.	Company may take effective steps to shift shareholders from physical mode to demat	Company has been sending specific communications periodically advising the shareholders to change to 'demat' mode. It is however the shareholders choice in the end to opt for physical or demat holding.
3.	Necessity for two Auditors	The Company benefits by the combined expertise of the two Auditors that are firms of repute.
4.	Shareholders must be reminded on unclaimed Dividend	General reminder is given in Annual Report. Specific letter is sent to individual shareholders giving them a last opportunity before statutory transfer to Government. Shareholder-wise data is also webhosted.

5.	Ethanol production status of the company	The Company has no Distillery at present. This project would be considered in near future.
6.	Annual Report not received	The Company takes pain and considerable efforts to print Annual Report containing both statutory and additional information. This is only for the benefit of shareholder. While Annual Report is sent by post as required under Law, copy is immediately hosted on the website. Shareholders may view and download or contact the Company through phone or email to get another copy when original is lost in transit.
7.	Carbon credit eligibility	The Company has engaged PricewaterhouseCoopers Pvt Ltd for pursuing Carbon credit for its Cogen Project.
8.	Whether 10 directors are required for a Rs.200 crore company	The Board composition is drawn from diverse fields of expertise. The Board size is commensurate with the Company's business and as a listed entity.
9.	Status of Ponni-Orissa and what is the value of shares held in that company.	Ponni-Orissa is under winding up. Its shares may not fetch anything but post-Demerger, growth in shareholder value in Ponni-Erode has more than compensated for the loss suffered in Ponni-Orissa.
10.	Company's shares are illiquid. Bonus or split may be considered.	The illiquidity is due to a vast majority of shareholders not trading their existing holding even when the company's share price reached a new peak. No bonus or split is considered at the current moment.
11.	Higher Dividend and bonus may be considered	The Board has considered the Dividend rate considering reduced PBT for FY 2012-13 and the challenges facing the company during FY 2013-14.

- (I) The Chairman then advised the Managing Director to clarify some of the queries. It is summed up as under:

Sl. No.	Query	Reply
1	Present status of SDF case	While Company has got a favourable ruling from Single Judge, the Writ Appeal before Division Bench is still pending.
2	Status of Electricity Tariff issue	TNERC has reduced the tariff for bagasse-based generation in its 2012 order. The Company along with others has challenged this before APTEL. While arguments have been completed, order is awaited.
3	Decontrol of sugar and benefits to the Company	Only sugar side is decontrolled. Controls continue on sugarcane. Levy abolition is a direct benefit while the Company has better flexibility on cash flow with the dismantling of monthly quota.

4.	Avoid legal disputes with negotiated settlement so as not to accumulate liabilities for future	Whenever high pitched demands are made or legitimate rights are curbed, the Company has no option but to move High Court or other forums. The Company has risk management system in place to take care of adverse fall-out.
----	--	---

(J) The meeting then proceeded to deal with the items listed in the Notice in seriatim:

ORDINARY BUSINESS

1. Adoption of Accounts etc

Chairman proposed the following resolution as an Ordinary Resolution:

“RESOLVED that the Profit & Loss Statement of the Company for the year ended 31st March 2013, the Balance Sheet as at that date, the Auditors’ Report thereon and the Directors’ Report be and are hereby considered and adopted.”

On being put to vote, the above resolution was passed unanimously as an Ordinary Resolution.

2. Dividend declaration

Mr V Pichai representing Seshasayee Paper and Boards Limited and Mr.T.R.Sivaraman representing High Energy Batteries (India) Ltd seconded the following resolution to be passed as an Ordinary Resolution:

“RESOLVED that

- (i) a dividend of Rs.1.50 per Equity Share for the period ended 31.03.2013 be and is hereby declared on 8598418 Equity Shares of Rs.10 each fully paid-up;
- (ii) the dividend amount to each shareholder be rounded off to the nearest rupee.

(iii) the dividend be paid to the shareholders whose names appear in the Register of Members of the company in physical form and to the beneficial owners of shares recorded with the depositories as per details to be furnished by National Securities Depository Ltd/ Central Depository Services (India) Ltd for the purpose, as on Wednesday, the 24th July 2013; and

(iv) the tax on dividend amounting to Rs.22 lakhs be borne by the company.”

On being put to vote, the above resolution was passed unanimously as an Ordinary Resolution.

At this stage, the Chairman vacated the Chair since the next item of business pertains to his reappointment as Director. With the consent of the members present, Dr L M Ramakrishnan, Vice Chairman, took the Chair.

3 Reappointment of retiring Directors

(i) Mr R.Sivakumar (DP/Client ID: IN301151 12327262) proposed and Mr.P.S.Kothandaraman (DP/Client ID:12054600 00168569) seconded the following resolution as an Ordinary Resolution:

“RESOLVED that Mr N Gopala Ratnam, who retires by rotation, be and is hereby reappointed as a Director of the Company, liable to retire by rotation.”

On being put to vote, the above resolution was passed unanimously as an Ordinary Resolution.

Thereupon, Mr N Gopala Ratnam resumed the Chair and thanked the Members for his re-election.

(ii) Mr.R.Srinivasan (DP/Client ID:IN301696 10026184) proposed and Mr.R.Vidyasankar (DP/Client ID:12044700 05731511) seconded the following resolution to be passed as an Ordinary Resolution:

“RESOLVED that Mr Arun G Bijur, who retires by rotation, be and is hereby reappointed as a Director of the Company, liable to retire by rotation.”

On being put to vote, the above resolution was passed unanimously as an Ordinary Resolution.

- (iii) Mr G Prabhu (DP/ Client ID: IN301637 60026907) proposed and Mr.V.Pichai (DP/ Client ID:IN300095 10061546) seconded the following resolution to be passed as an Ordinary Resolution:

“RESOLVED that Dr L M Ramakrishnan, who retires by rotation, be and is hereby reappointed as a Director of the Company, liable to retire by rotation.”

On being put to vote, the above resolution was passed unanimously as an Ordinary Resolution.

4. Appointment of Auditors

Mr R.Srinivasan (DP/Client ID:IN301696 10026184) proposed and Mr G Prabhu (DP/ Client ID: IN301637 60026907) seconded the following resolution to be passed as an Ordinary Resolution:

“RESOLVED that the retiring Auditors of the company, M/s Maharaj N.R.Suresh & Co, Chennai, bearing Registration No.001931S and M/s R.Subramanian and Company, Chennai, bearing Registration No.004137S be and are hereby reappointed as auditors of this Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting on a remuneration of Rs.4,00,000/- (Rupees four lakhs only) per annum plus service tax as applicable for each of them and reimbursement of travelling and other out-of-pocket expenses incurred.”

On being put to vote, the above resolution was passed unanimously as an Ordinary Resolution.

SPECIAL BUSINESS

5. Appointment of Director

At this stage, the Chairman highlighted the long association of Mr.C.K.Pithawalla with the Company as promoter and the valuable contribution made by him as director till he demitted the office of directorship on 20.07.2012. Mr.Pithawalla had acquired additional shares in March 2013, increasing the holdings from 5.82% to 10.76% to lend strength and stability for promoter holding. He had steadfastly stood by the company both during good and difficult times. The Board had considered it desirable to induct his spouse Mrs Bharti Chhotubhai Pithawalla as a director having regard to her long acquaintance in the global business of Mr C K Pithawalla and for the continual direct interaction in chalking out the business plans of the Company. Mrs Bharti Chhotubhai Pithawalla was accordingly appointed as additional director effective 01.02.2013 and retires at this meeting in accordance with Section 260 of the Companies Act, 1956.

Thereafter, Mr N.Gopala Ratnam representing Seshasayee Paper and Boards Ltd proposed and Mr.Bimal Poddar representing Matheson Bosanquet Enterprises Ltd seconded the following resolution to be passed as an Ordinary Resolution:

“RESOLVED that Mrs Bharti Chhotubhai Pithawalla, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

On being put to vote, the above resolution was passed unanimously as an Ordinary Resolution.

Mr R.Vidyasankar proposed vote of thanks.

The Chairman declared the meeting closed at 12.30 hrs.

Chennai
09.08.2013

CHAIRMAN

