

Proceedings of the 16th Annual General Meeting held at Hotel Deccan Plaza,
36 Royapettah High Road, Chennai 600 014 on Friday, the 20th July 2012 at
10.15 AM

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 C K Pithawalla	Director
Mr N R Krishnan	Director
Dr Nanditha Krishna	Director
Mr K Bharathan	Director

BY INVITATION

Statutory Auditors	Mr N R Suresh, Partner, M/s Maharaj N R Suresh And Co. Mr R Rajaram, Partner, M/s R Subramanian And Company
Internal Auditor	Ms R Ramya, Partner, M/s Sengottiyar & Co.
Cost Auditor	Mr M Ramji, Associate Consultant, M/s S Mahadevan & Co.

IN ATTENDANCE

Members present in Person: 297

Members present by Proxy: 17

- (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 297 members were present in person and 17 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 10.15 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 2012, 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 required clarifications on matters relating to Accounts and Audit. The Chairman thereupon invited queries from the shareholders.
- (H) Five Members spoke at the meeting and the issues raised by them were clarified by the Chairman and the Managing Director. Key observations are as under:

Sl No.	Issues	Clarification
1	Auditor's address should appear in the Annual Report	The company website contains the address of auditors. However this would be printed from the next annual report.
2	Must give ratios like Debt-Equity and Return on Capital Employed	Will be suitably followed.
3	Reserves & Surplus stands 10 times of share capital - to consider declaration of higher Dividend & issue of bonus shares.	Company is pursuing growth options - Cogeneration Project is ready for commissioning in the second quarter of Financial Year 2013. Dividend payout is in line with company policy operating in a cyclical business.

4	Nearly 50% of shares held in physical mode – Steps taken by the Company to dematerialize same and paying the huge unclaimed Dividend.	<p>Every year the Company in its annual report advises the shareholders to demat their holdings highlighting the benefits of dematerialization. However the choice rests with the shareholders. Most small and old shareholders appear to prefer physical mode with which they are conversant.</p> <p>Shareholders can apply for ECS credit of Dividend for physically held shares as well. They are reminded on outstanding Dividend in Corporate Governance Report and also individually before remittance to Government.</p>
5	Performance of the company on Sugar exported under OGL.	In 2010-11 there was no export excepting some re-export of raw sugar. This year the company has exported 11956 (t) constituting 15% of sales.
6	How foreign exchange loss has arisen this year.	This is due to the exports made this year under OGL mainly to Sri Lanka. Exports to Sri Lanka get realized within 2/ 3 weeks and hence no hedging done. The loss due to non hedging is reasonable compared to short period hedging costs.
7	Recovery in Maharashtra is higher – what about TN	The western belt comprising Maharashtra, Gujarat and North Karnataka are higher recovery zones due to favourable agro-climatic conditions and the recovery level is much high. Tamil Nadu is in low recovery zone. However TN mills crush for longer duration that helps keep cost of production under control. Farmer also achieves highest productivity.
8	Molasses disposal	There is a ban on export of molasses outside the State. It is sold to animal feed manufacturers and distilleries.
9	Arrangements made for Sale of Power from Cogen project	The company has entered into a PPA with TNEB. Current rate is Rs.4.47/ unit which is under revision.
10	Interest cost for the Company on availing Long Term and Short Term borrowings.	Interest rates are aligned to Base Rate of Banks – our rates are competitive.
11	Status of SDF dispute.	The company has got a favourable order and SDF has appealed. While legal process will take time, the company is reasonably confident of positive outcome.
12	Levy price case in Supreme Court – Status	Government has retrospectively amended law to overcome Supreme Court ruling. It is fought by ISMA – Issue pending.

Thereupon, the meeting proceeded to deal with the items listed in the Notice in seriatim:

ORDINARY BUSINESS

1. Adoption of Accounts etc

Mr V Srinivasan proposed and Mr R Vidyashankar seconded the following resolution to be passed as an Ordinary Resolution:

“RESOLVED that the Profit & Loss Statement of the Company for the year ended 31st March 2012, 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 L Venkatesan proposed and Mr P Narendran seconded the following resolution to be passed as an Ordinary Resolution:

“RESOLVED that

- (i) a dividend of Rs.2.50 per Equity Share for the period ended 31.03.2012 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 Friday, the 20th July 2012; and
- (iv) the tax on dividend amounting to Rs.35 lakhs be borne by the company.”

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

3 Reappointment of retiring Directors

- (i) Mr T Raghuraman proposed and Mr Rajaretnam seconded the following resolution to be passed as an Ordinary Resolution:

“RESOLVED that Mr V Sridar, 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.

- (ii) Mr Sivakumar proposed and Mr R Vidyashankar seconded the following resolution to be passed as an Ordinary Resolution:

“RESOLVED that Mr N R Krishnan, 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 V Srinivasan proposed and Mr L Venkatesan 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. Director vacancy

The Chairman informed the Members that the next agenda pertains to vacancy caused by the retirement of Mr C K Pithawalla who has opted not to seek reelection due to advanced age.

The Chairman informed that the vacancy caused by the retirement of Mr.C.K.Pithawalla would be filled in due course.

Thereupon Mr V Pichai representing Seshasayee Paper and Boards Ltd proposed and Mr R Vidyashankar seconded the following resolution to be passed as an Ordinary Resolution:

“RESOLVED that the vacancy caused by the retirement of Mr C K Pithawalla who has opted not to seek re-election, be left unfilled for the present.”

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

6. Appointment of Director

Mr M Subramanian proposed and Mr L Venkatesan seconded the following resolution to be passed as an Ordinary Resolution:

“RESOLVED that Mr K Bharathan, 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 Vidyashankar proposed vote of thanks.

The Chairman declared the meeting closed at 12.20 hrs.

Chennai
02.08.2012

Meeting Date: 20.07.2012

CHAIRMAN

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