

**PROCEEDINGS OF THE TWENTIETH ANNUAL GENERAL MEETING OF THE  
COMPANY HELD AT SATHGURU GNANANANDA HALL, NARADA GANA SABHA,  
314, T.T.K. ROAD, ALWARPET, CHENNAI-600018, ON THURSDAY, THE 20<sup>TH</sup> DAY  
OF AUGUST 2015 AT 10.30 A.M.:**

**PRESENT :**

**DIRECTORS:**

1. Shri.Vinod R. Sethi, Executive Chairman
2. Smt. Irmgard Velagapudi M. Rao, Managing Director
3. Shri.K.A.Rangaswamy, Director (Chairman, Stakeholders Relationship Committee)
4. Dr. Vithal Rajan, Director (Chairman, Nomination & Remuneration Committee)
5. Shri.M.S.V.M.Rao, Director. (Chairman, Audit Committee)
6. Shri.Prathap K. Moturi, Director.
7. Shri.Ranvir R.Shah, Director.

**BY INVITATION:**

1. Mr. B.S. Purshotham and Mr.K.V.N.S.Kishore, Partners, M/s. B.Purushottam & Co., Statutory Auditors.
2. Mr.V.Srinivasn, Cost Auditor.
3. Mr.V.Mahesh, Practising Company Secretary, Scrutinizer.
4. Mr.S.Manisekaran, Internal Auditor.

**IN ATTENDANCE:**

Members present in person : 659 (including authorized representative)  
Members present by Proxy : 8

In terms of Article 106 read with Article 82 of the Articles of Association, Shri.Vinod R. Sethi, Chairman of the Board of Directors, presided over the Meeting.

The Chairman welcomed the Shareholders present at the Meeting.

The Chairman then informed that as of the Book Closure date, the Company had 23,321 Shareholders.

**QUORUM:**

The Chairman ascertained that the requisite Quorum of 30 Nos. stipulated under Companies Act, 2013, as applicable to the Company, was personally present, and called the meeting to order. The Meeting commenced at 10.30 A.M.

He then briefly introduced the Directors seated on the dais, statutory auditors, cost auditor, Internal Auditor and Secretarial Auditor to the Members present.



◇ Leading Manufacturers of Premium Grade Sugars, Rectified Spirit, Anhydrous Alcohol, Extraneutral Alcohol, Co2, Calcium Lactate, Bio-Fertilizers, Bio-Compost and Mycorrhiza Inoculum.

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- Lakshmipuram, Krishna Dist., A.P. - 521 131. Tel : 08671 222046 Fax : 08671 222640

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The Chairman announced that all the statutory Registers in compliance with the provisions of the Companies Act, 2013, were kept open and made accessible to the members at the meeting venue.

The Notice convening the Meeting and Directors' Report were taken as read with the consent of the members present.

The Chairman informed the members that Mr. B. Purshotham and Mr.K.V.N.S.Kishore, partners, M/s. B.Purushottam & Co., Chartered Accountants, were present, in pursuance of section 146 of the Companies Act, 2013. Since there were no qualifications, observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Company, the Independent Auditors Report was taken as read with the consent of members. The Independent Auditors Report was kept open for inspection by members of the Company.

The Chairman informed the members that Chairman of each of the Committees, viz, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and CSR Committee, were present.

**E-VOTING:**

The Chairman requested the Company Secretary to brief the members about the remote E-voting facility provided by the Company through NSDL platform, and physical ballot at the venue of the meeting provided for the members by the Company. The Company Secretary informed the members that the Company has appointed M/s.V.Mahesh & Associates, Practising Company Secretaries, as Scrutinizer for E-voting process. He further informed that E-voting on all the 10 resolutions set out in the Notice for the Twentieth Annual General Meeting commenced on 17<sup>th</sup> August 2015 at 9.00 AM and closed on 19<sup>th</sup> August 2015 at 5.00 PM.

The Company Secretary informed the members that in pursuance of clause 35-B of the Listing Agreement, the Company has provided facility in the form of physical ballot to enable those shareholders who could not access to the e-voting facility during the e-voting period and were present in person or by proxy, to cast their votes on all the resolutions. He further informed that the poll would be taken up after all resolutions were proposed and seconded, and that the Scrutinizers for E-voting would also act as Scrutinizer for poll process as well.

The Chairman informed the member that the Scrutinizer would submit his Report on Remote E-voting as well as physical ballot and combined Report within the stipulated time and the same would be hosted in the websites of NSE, BSE, NSDL and the Company.

The Chairman invited queries, if any, relating to Audited Financial Statement and performance of the Company from the shareholders. The shareholders had actively participated and made few suggestions and sought clarifications, broadly about the following:



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- Details for certain items in the financial statements.
- Remedial measures to be adopted to overcome the difficulties presently faced by the sugar industry.
- Measures proposed to augment the revenue from cogeneration and distillery.
- Plans for diversified activities.
- Concern over the reduction in dividend and future outlook.

The Chairman offered clarifications sought for in the financial statement and then spoke on the following points:

- Current scenario of sugar industry globally in general and India in particular, owing to glut in the market far exceeding the demand.
- Company is one among the few sugar mills in the country with nil cane arrears, owing to all round discipline in all operations of the Company.
- With regard to performance of the Company for the financial year 2014-15, all sugar mills in the country had incurred loss except a very few, owing to continuous decline in the price of sugar, falling even below the raw material cost.
- Though many of the sugar mills have skipped dividend for the financial year 2014-15, yet the Company have declared a nominal dividend of 10% in order to ensure continuity and return on investment to the shareholders.
- Various measures taken by the Company in improving the operational efficiency, reduction in energy consumption and focused attention on safety and the various safety awards earned by the Company from the Ministry of Labour, Government of India.
- Company had bagged orders for 6,860 KL of Anhydrous Ethanol valued at Rs.33.26 crores from Oil Companies and these orders have been executed partially and the balance quantity would be supplied during the current financial year. A few more orders were expected from the Oil Companies for supply of Anhydrous Ethanol.
- Measures taken by the Company with regard to cane development to ensure sustained supply of cane.
- Indian Sugar Mills Association represented the plight of the sugar mills and requested the Government of India to take steps on war-footing to remedy the present situation and the Company is hopeful of positive response from the Government.

The meeting then proceeded to deal with the items listed in the notice seriatim.

### 1. ADOPTION OF ACCOUNTS - ORDINARY RESOLUTION:

The Chairman, Shri. Vinod R.Sethi, a Member (DP/Client ID 120117 0000039353) proposed the following Ordinary Resolution in respect of adoption of Accounts for the year-ended 31.03.2015:



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*"Resolved that the Audited Financial Statements including Balance Sheet, statement of Profit and Loss Account and the Consolidated Financial Statements of the Company and its Subsidiaries together with the Report of the Auditors and Directors thereon for the year ended 31st March, 2015 be and are hereby considered and adopted."*

The said resolution was then seconded by Shri.G.Venkateswara Rao (Folio No.G-001030).

**2. DECLARATION OF DIVIDEND – ORDINARY RESOLUTION:**

Smt. Irmgard Velagapudi M.Rao, Managing Director, a Member (with DP/Client ID No. IN301313 20599521) proposed the following Ordinary Resolution:

*"Resolved that pursuant to the recommendations made by the Board of Directors of the Company and subject to the provisions of Section 123 and other applicable provisions of the Companies Act, 2013, a Dividend at the rate of Re.0.10 per equity share for the year ended 31st March, 2015 be and is hereby declared out of the accumulated profits of the Company and paid to the Equity Shareholders of the Company 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 the details to be furnished by NSDL / CDSL for the purpose as on 20<sup>th</sup> August 2015.*

*Resolved further that the dividend warrants be posted within 30 days hereof to all the Shareholders who are entitled to receive the payment"*

Shri P.Manohar, a Member (with DP ID / Client ID IN301080-22194823) seconded the resolution.

**3. APPOINTMENT OF SHRI VINOD R.SETHI WHO RETIRES BY ROTATION AS A DIRECTOR - ORDINARY RESOLUTION :**

As this item of Agenda pertains to his appointment, the Chairman vacated the Chair and requested Shri.K.A.Rangaswamy, Director, to occupy the Chair.

Shri.G.Kannappan, a Member (with Folio No.K-00628), proposed the following Ordinary Resolution:



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*"RESOLVED THAT Shri.Vinod R.Sethi, Director, who retires by rotation at this 20<sup>th</sup> Annual General Meeting, be and is hereby re-appointed as a Director of the Company."*

Shri. C.K.Vasantha Rao, a Member (with DP/ Client ID: IN300484-15268600)) seconded the resolution.

Shri.K.A.Rangaswamy, Director, vacated the Chair, and Shri.Vinod R.Sethi, Chairman, resumed the Chair.

**4. RATIFICATION OF APPOINTMENT OF AUDITORS – ORDINARY RESOLUTION:**

Shri. C.K. Vasantha Rao, a Member (with DP/ Client ID: IN300484-15268600), proposed the following Ordinary Resolution:

*"RESOLVED that, pursuant to Section 139 and other provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the appointment of M/s. B.Purushottam & Co., Chartered Accountants, Chennai, (Firm No.002808S), as Auditors of the Company approved by the Shareholders at the 19<sup>th</sup> Annual General Meeting, for a term of three years, i.e., till the conclusion of 22<sup>nd</sup> Annual General meeting (AGM), which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the 21<sup>st</sup> AGM of the Company to be held in the year 2016, at such remuneration plus Service Tax, Out of pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."*

Shri G.Kannappan, a Member (with Folio No.K-00628) seconded the resolution.

As Item Nos. 5, 6, 7, 8 and 9 of Agenda in which Shri.Vinod R.Sethi is interested / deemed to be interested, he vacated the Chair and requested Shri.K.A.Rangaswamy, Director, to occupy the Chair.



**5. REAPPOINTMENT OF SMT.IRMGARD VELAGAPUDI M.RAO AS MANAGING DIRECTOR – SPECIAL RESOLUTION:**

Shri.G.Venkateswara Rao, a Member (with DP/Client ID IN-301313-20536604), proposed the following Special Resolution:

*“RESOLVED that pursuant to the provisions of Sections 196, 197 and 198, read with Schedule V of the Companies Act, 2013, and Article 147 and 148 of the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof, Smt. Irmgard Velagapudi M.Rao be and is hereby reappointed as Managing Director of the Company for a period of five years, i.e., from 29<sup>th</sup> March 2015 to 28<sup>th</sup> March, 2020 on the terms and conditions as to remuneration, recommended by the Nomination and Remuneration Committee of the Board as hereunder:*

- i. Salary : Rs.4,00,000/- (Rs.Four Lakhs only) per month.*
- ii. Perquisites : Provision of car(s) with driver(s) for use on Company’s business and telephone at the residence and cell phone (including payment for local calls and long distance official calls). Personal long distance calls on telephone and use of car for private purposes shall be charged to the Managing Director.*
- iii. Commission : Remuneration by way of commission on net profits in addition to salary and perquisites such that the amount of salary, perquisites and commission in aggregate is subject to an overall ceiling of 3% of the net profits of the Company in a particular financial year as laid down in Section 196, 197 and 198 read with Schedule V of the Companies Act, 2013.*
- iv. Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during currency of the tenure of the Appointee, the Company has no profits or its profits are inadequate, the Company will pay to her as minimum monthly remuneration salary and perquisites, as stated above, however not exceeding the limits specified under Section II of Part II of Schedule V of the Companies Act, 2013, and she shall not be entitled to any commission. Further, however, such minimum remuneration may be paid only in any three financial years during the aforesaid term of her appointment, in which there is inadequacy or absence of profits.*



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**RESOLVED FURTHER THAT** during such time that Smt.Irmgard Velagapudi M.Rao holds and continues to hold the Office of the Managing Director, she shall not be liable to retire by rotation as a Director.

**RESOLVED FURTHER THAT** in the event of any statutory amendment or modification or relaxation in the provisions relating to the payment of remuneration to the managerial persons or to Schedule V of the Companies Act, 2013, the Board of Directors be and is hereby authorized to vary the salary within the prescribed limits.

**RESOLVED FURTHER THAT** Smt.Irmgard Velagapudi M.Rao be and is hereby authorized to exercise such powers of management, as may be delegated to her by the Board of Directors of the Company, from time to time, subject however to the overall superintendence, control and direction of the Board.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take all such steps and to do all such acts, deeds, matters and things which may be necessary, usual, expedient or proper including signing and submission of Forms with the Ministry of Corporate Affairs and other statutory authorities, to give effect to this resolution.”

Shri. A. Balasubrahmanyam, a Member (with Folio No. – A01532) seconded the resolution.

6. **REAPPOINTMENT OF SHRI.VINOD R. SETHI AS EXECUTIVE CHAIRMAN –  
ORDINARY RESOLUTION:**

Shri.K. Krishna, a Member (with Client ID IN 301696-11354426) proposed the following Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 196, 197 and 198, read with Schedule V of the Companies Act, 2013, and Article 147 and 148 of the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof, Shri. Vinod R. Sethi, be and is hereby reappointed as Whole-time Director designated as Executive Chairman of the Company, liable to retire by rotation, for a period of five years, i.e., from 8<sup>th</sup> April 2015 to 7<sup>th</sup> April, 2020 on the terms and conditions as to remuneration, recommended by the Nomination and Remuneration Committee of the Board as hereunder:



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<i>Tenure / Period of Appointment</i>	<i>5 years from 08.04.2015 to 07.04.2020.</i>
<i>Designation</i>	<i>Executive Chairman – Liable to retire by rotation.</i>
<i>Salary per month</i>	<i>Rs.1,00,000/- (Rupees One Lakh only)</i>
<i>Perquisites</i>	<ul style="list-style-type: none"> <li>• <i>Contribution to provident fund;</i></li> <li>• <i>Gratuity as per Payment of Gratuity Act;</i></li> <li>• <i>Mediclaime Insurance;</i></li> <li>• <i>Personal Accident Insurance;</i></li> <li>• <i>Provision of car with driver for use on Company's business.</i></li> <li>• <i>Telephone at the residence and cell phone (including payment for local calls and long distance official calls). Personal long distance calls on telephone and use of car for private purposes shall be charged to the Executive Chairman.</i></li> </ul>
<i>Commission</i>	<i>Remuneration by way of commission on net profits in addition to salary and perquisites such that the amount of salary, perquisites and commission in aggregate is subject to an overall ceiling of 3% of the net profits of the Company in a particular financial year as laid down in Section 196, 197 and 198, read with Schedule V of the Companies Act, 2013.</i>
<i>Minimum Remuneration</i>	<i>Notwithstanding anything to the contrary herein contained, where in any financial year during his said tenure, the Company has no profits or its profits are inadequate, the appointee shall be entitled to the salary and the perquisites mentioned above as minimum monthly remuneration, however, not exceeding the limits specified under Section II of Part II of Schedule V of Companies Act, 2013, and he shall not be entitled to any commission. Further, however, such minimum remuneration may be paid only in any three financial years during the aforesaid term of his appointment, in which there is inadequacy or absence of profits.</i>

**RESOLVED FURTHER THAT** in the event of any statutory amendment or modification or relaxation in the provisions relating to the payment of remuneration to the managerial persons or to Schedule V of the Companies Act, 2013, the Board of Directors be and is hereby authorized to vary the salary within the prescribed limits.





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**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take all such steps and to do all such acts, deeds, matters and things which may be necessary, usual, expedient or proper including signing and submission of Forms with the Ministry of Corporate Affairs and other statutory authorities, to give effect to this resolution.”

Shri. G.Bulli Pitchaiah, a Member (with DP / Client ID IN-300513-11436645 seconded the resolution.

**7. PAYMENT OF MINIMUM REMUNERATION TO THE MANAGING DIRECTOR FOR THE FINANCIAL YEAR ENDED 31.03.2015 IN THE ABSENCE OF PROFITS – SPECIAL RESOLUTION:**

Shri.P. Manohar, a Member (with DP / Client ID No.IN301080-22194823) proposed the following Special Resolution:

**“RESOLVED THAT** pursuant to paragraphs (B) of Section II of Part II of Schedule V read with section 197(3) of the Companies Act, 2013, and other applicable provisions, if any, of said Act, and subject to such approvals as may be necessary, the Company be and is hereby authorized to pay minimum remuneration, as detailed in the Explanatory Statement, to Smt. Irmgard Velagapudi M. Rao, Managing Director, for the financial year 2014-15 and in any two financial years in which there is inadequacy or absence of profits during the balance period of her tenure ending on 28.03.2020.”

Shri. K.Krishna, a Member (with DP / Client ID IN-301696-11354426) seconded the resolution.

**8. PAYMENT OF MINIMUM REMUNERATION TO THE EXECUTIVE CHAIRMAN FOR THE FINANCIAL YEAR ENDED 31.03.2015 IN THE ABSENCE OF PROFITS – SPECIAL RESOLUTION:**

Shri.A.Balasubrahmanyam, a Member (Folio No.A-01532) proposed the following Special Resolution:

**“RESOLVED THAT** pursuant to paragraphs (B) of Section II of Part II of Schedule V read with section 197(3) of the Companies Act, 2013, and other applicable provisions, if any, of said Act, and subject to such approvals as may be necessary, the Company be and is hereby authorized to pay minimum remuneration, as detailed in the Explanatory Statement, to Shri.Vinod R.Sethi, Executive Chairman, for the financial year 2014-15 and in any two financial years in which there is inadequacy or absence of profits during the balance period of his tenure ending on 07.04.2020.”

→ 10.



Shri. Y. Sita Ram Dasu, a Member (with DP / Client ID IN-301549-19658578) seconded the resolution.

**9. PAYMENT OF MINIMUM REMUNERATION TO THE EXECUTIVE DIRECTOR FOR THE FINANCIAL YEAR ENDED 31.03.2015 IN THE ABSENCE OF PROFITS – SPECIAL RESOLUTION:**

Shri. G.Bulli Pitchaiah, a Member (with DP / Client ID – IN300513-11436645) proposed the following Special Resolution:

*“RESOLVED THAT pursuant to paragraphs (B) of Section II of Part II of Schedule V read with section 197(3) of the Companies Act, 2013, and other applicable provisions, if any, of said Act, and subject to such approvals as may be necessary, the Company be and is hereby authorized to pay minimum remuneration, as detailed in the Explanatory Statement, to Smt.V.Kiran Rao, Executive Director, for the financial year 2014-15 and in any two financial years in which there is inadequacy or absence of profits during the balance period of her tenure ending on 28.07.2017.”*

Shri. C.K. Vasantha Rao, a Member (with DP / Client ID No. IN300484-15268600) seconded the resolution.

Shri.K.A.Rangaswamy, Director, vacated the Chair, and Shri.Vinod R.Sethi, Chairman, resumed the Chair.

**10. RATIFICATION OF REMUNERATION OF COST AUDITOR - ORDINARY RESOLUTION:**

Shri. Y. Sita Ram Dasu, a Member (with DP / Client ID – IN301549-19658578) proposed the following Ordinary Resolution:

*“RESOLVED that in pursuance of section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modifications) or re-enactment thereof, the remuneration of Rs.2,25,000/- (Rupees Two lakhs and twenty five thousand only) plus service tax as applicable and reimbursement of out of pocket expenses to be paid to Mr.V.Srinivasan, Cost Accountant (Membership No.1248) to conduct the audit of cost records of the Company for the financial year ending 31<sup>st</sup> March 2016, as approved by the Board of Directors on the recommendations of the Audit Committee, be and is hereby ratified and confirmed.”*

Shri. G.Kannappan, a Member (Folio No. K-00628) seconded the resolution.



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The Chairman ordered the poll process and requested the Scrutinizer, Mr.V.Mahesh, to distribute the ballot forms to those shareholders who have not cast their vote through remote E-voting. The empty ballot box kept for the purpose was shown to the members and proxies and locked in their presence. The polling process went on in compliance with Companies (Management and Administration) Rules, 2014, and when it was ascertained that polling was complete, the Scrutinizer has opened the ballot box in the presence of witnesses, all the ballot forms polled were taken into the custody of Scrutinizer.

The Chairman requested the Scrutinizer to submit his report on remote E-voting, physical ballot and the combined result within the stipulated time and informed the members that the voting results will be hosted on the websites of NSDL, NSE and BSE and on the Company's website within the stipulated time.

The Chairman requested the Managing Director to propose the Vote of Thanks.

**10. VOTE OF THANKS**

Smt.Irmgard Velagapudi M.Rao, Managing Director, proposed the Vote of thanks.

THE CHAIRMAN THEN DECLARED THE TWENTIETH ANNUAL GENERAL MEETING AS CLOSED.

**DATE : 21 August 2015**  
**PLACE : CHENNAI - 600 006**

**VINOD R. SETHI**  
**EXECUTIVE CHAIRMAN**

For K.C.P. Sugar and Industries Corporation Ltd.

*S. Chidambaram*

**S. CHIDAMBARAM**  
General Manager (Finance) & Company Secretary

