



PONNI SUGARS (ERODE) LIMITED

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PEL / SH / 141

August 24, 2016

National Stock Exchange of India Ltd
Exchange plaza, 5th Floor
Flat No.C / 1 G Block,
Bandra-Kurla Complex
Bandra East, Mumbai 400 051

BSE Ltd
Phiroze Jeejeebhoy
Towers
Dalal Street, Fort
Mumbai 400001

Dear Sirs,

Sub: AGM Proceedings

In deference to Regulation 30 read with Part-A of the Listing Regulations, we send herewith a copy of the proceedings of the 20th Annual General Meeting of our Company, held on July 26, 2016, for your reference and records.

For Ponni Sugars (Erode) Ltd

N Ramanathan
Managing Director

Encl: As above

Proceedings of 20th Annual General Meeting

Date: Tuesday, the 26th July 2016
Time: 10.00 AM
Venue: New Woodlands Hotel Pvt Ltd
72-75 Dr Radhakrishnan Road
Mylapore, Chennai 600 004

PRESENT

Mr N Gopala Ratnam	Chairman
Dr L M Ramakrishnan	Vice Chairman
Mr N Ramanathan	Managing Director
Mr Arun G Bijur	Director
Mr K Bharathan	Director
Mrs Bharati C Pithawalla	Director
Mr Bimal Poddar	Director
Mr N R Krishnan	Director
Dr Nanditha Krishna	Director
Mr V Sridar	Director

Statutory Auditors

Mr N R Jayadevan, Partner, M/s Maharaj N R Suresh And Co.

Mr R Subramanian, Partner } M/s R Subramanian And Company LLP
Mr N Krishnamurthy, Partner } (formerly M/s R Subramanian And Company)

Secretarial Auditor: Mr V Suresh

Cost Auditor: Mr M Ramji, Associate Consultant, M/s S Mahadevan & Co.

Internal Auditor: Mr N Basker, Partner, M/s Sengottiyar & Co

Members present in Person: 246 - representing 3303682 shares

Members present by Proxy: 6 - representing 240 shares

(A) Chairman of the Meeting

Mr N Gopala Ratnam, Chairman of the Board of Directors, who by virtue of Article 70 of the Articles of Association of the Company is also the Chairman of the General Meetings of the Company, took the Chair.

(B) Quorum

The Chairman noted that 246 members were present in person and 6 members by Proxy. Having ascertained that the requisite quorum of thirty members stipulated under Section 103 of the Companies Act, 2013 as applicable to the company was personally present in person, the Chairman called the meeting to order and welcomed the members present. The meeting commenced at 10.00 AM.

(C) Introduction

The Chairman introduced all the Directors seated on the dias. He also introduced Statutory Auditors, Secretarial Auditor, Cost Auditors and Internal Auditors present at the meeting to the Members.

(D) Notice & Board's Report

The Notice for the meeting and the Board's Report to Shareholders were taken as read with the consent of the Members present.

(E) Audit Report

The Chairman informed that pursuant to Section 146 of the Companies Act, 2013 both the Statutory Auditors, M/s Maharaj N R Suresh And Co. and M/s R Subramanian And Company were present through their respective partners. The Chairman informed the members that there are no observations or comments by the Auditors on financial transactions or matters which have adverse effect on the functioning of the Company.

The Chairman further informed that M/s R Subramanian And Company have converted their firm to Limited Liability Partnership (LLP:AAG 3873) and obtained fresh Regn.No. 004137S / S 200041 effective from 17th May 2016. The conversion of their firm to LLP does not however affect their appointment or reappointment as Statutory Auditors.

Thereupon, the Auditors' Report to shareholders was taken as read.

(F) Secretarial Audit Report

The Chairman informed that the Company has obtained Secretarial Audit Report from Mr V Suresh, Practising Company Secretary, pursuant to Section 204 of the Companies Act, 2013 which is included in pages 58 & 59 of the 20th Annual Report. He informed the members that there are no qualifications, adverse observations or comments or other remarks mentioned in the Secretarial Audit Report.

(G) Registers & Reports

The Chairman informed that following were kept open and made accessible to members at the meeting venue:

1. Register of Directors and Key Managerial Personnel and their shareholdings.
2. Auditors' Report

3. Secretarial Audit Report
4. Documents referred to in the Statement pursuant to Section 102(1) of the Companies Act, 2013 attached to AGM Notice.

(H) Chairman of Committees

The Chairman mentioned that (i) Mr V Sridar, Chairman of the Nomination cum Remuneration Committee and the Audit Committee and (ii) himself as Chairman of the CSR Committee and Stakeholders Relationship Committee are present at the meeting.

(I) Chairman's Speech

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.

(J) Introduction to resolutions

The Chairman observed that there are 5 resolutions proposed to be passed at the 20th AGM – all are Ordinary Resolutions. He briefly narrated the background and purpose of the resolutions - all of which are routine in nature.

(K) Voting options

The Chairman mentioned that the Company has offered two alternative voting options to shareholders (1) Remote e-voting (2) Poll at AGM venue.

Shareholders holding shares as on the 'cut-off date' fixed for the purpose, namely, 19th July 2016 are alone entitled to cast the vote under any one of the aforesaid options.

(L) Remote E-voting

The Chairman mentioned that the Company had offered e-voting facility for the shareholders under Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 . The Company has engaged the services of Central Depository Services (India) Limited (CDSL) for this purpose. The remote e-voting commenced on 22nd July 2016 (10 AM) and closed on 25th July 2016 (5 PM).

(M) Poll

The Chairman informed the members that pursuant to the amended Rule 20 of the Companies (Management and Administration) Rules, 2014 the company is also offering the facility to vote on a polling paper at this meeting. However only shareholders who have not already exercised their voting rights under remote e-voting would now be entitled to cast their vote on the polling paper.

(N) Scrutinizer

The Chairman mentioned that Mr A S Kalyanaraman, Practicing Chartered Accountant (Membership No.201149) has been appointed as Scrutinizer for both the modes of voting. He would furnish individual as well as combined report in respect of votes cast for each of the five resolutions proposed at this meeting.

(O) Queries and reply

- (i) The Chairman thereupon invited queries from the shareholders on the Financial Statements, resolutions proposed or about the general functioning of the company.
- (ii) Shareholders actively participated, raised issues, made suggestions and sought clarification broadly encompassing the following:
 - Media reports on cane price arrears
 - Status of ethanol blend programme
 - Meeting of Independent Directors whether held?
 - Steps taken for payment of Unclaimed Dividend to shareholders.
 - Non receipt of Annual Report
 - Expanding CSR spend
 - Issue of Bonus shares
 - OTS for Income Tax and other tax dues
 - Factory visit to shareholders
- (iii) The Chairman furnished requisite information on each of the above to the satisfaction of shareholders. He informed that factory visit will be arranged during 1st week of Oct'16 and advised shareholders to get in touch with the company officials.
- (iv) The Managing Director informed that the company has a strong case on income tax dispute and gave details on the terms for Bank loans, GOI Scheme Loan, export subsidy and preferential tariff for the green energy supplied to the Grid by the company. On cane price arrears front, he informed that Maharashtra &

Karnataka States have adopted revenue sharing mode and the industry is pressing for same to be implemented in Tamil Nadu as well to decisively address cane price issue. He confirmed that the company has paid in full the agreed cane price.

(v) *Ordering poll*

At this stage, the Chairman ordered poll and requested the shareholders to follow carefully the instructions given so that the votes are valid. He mentioned that the Secretarial Department of the company is available to clarify any doubts or render assistance for shareholders in this behalf. Thereupon, the voting commenced at 11.00 hrs.

(vi) *Completion of vote*

The Chairman observed that all shareholders present have since completed the voting on the polling paper. He then informed the members that the Scrutinizer would submit his report in the evening and thereafter the results will be uploaded in the website of the company, Stock exchanges and CDSL.

(vii) *Conclusion of Meeting*

With vote of thanks proposed by Mr L B Rajarathinam, a shareholder, the Chairman declared the meeting closed by 11.30 AM.

(viii) *Scrutinizer Report*

The Scrutinizer furnished his report to Chairman.

<i>Item No. of Notice & Description</i>	<i>Votes For</i>			<i>Votes Against</i>		
	<i>No. of members</i>	<i>No. of shares/ votes</i>	<i>Vote %</i>	<i>No. of members</i>	<i>No. of shares/ votes</i>	<i>Vote %</i>
1. Adoption of Financial Statements for FY2015-16 – Ordinary Resolution	74	3867408	99.99	1	40	.001
2. Dividend declaration – Ordinary Resolution	75	3867418	99.99	1	40	.001
3. Reappointment of retiring Director Mr.N.Gopala Ratnam – Ordinary Resolution	75	3867418	99.99	2	42	.001
4. Ratification of Auditors' appointment – Ordinary Resolution	75	3867418	99.99	1	40	.001
5. Remuneration to Cost Auditor for FY 2016-17- Ordinary Resolution	74	3867408	99.99	1	40	.001

Note:

- 1) There are 3 invalid votes for 26 shares.
- 2) Vote % is based on total number of valid votes cast (for and against)

(ix) Voting Results

The Chairman noted that all the 5 resolutions proposed as Ordinary resolutions as stated in the Notice for the 20th AGM have been passed with requisite majority and in due compliance of relevant provisions of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(Q) Chairman's Declaration

Pursuant to the above, the Chairman declared that following resolutions have been duly passed by shareholders in terms of combined voting under e-voting and on Poll and these resolutions shall be deemed to be passed on the date of the General Meeting, namely 26th July 2016.

1. Adoption of Financial Statements

“RESOLVED that the Statement of Profit and Loss of the Company for the year ended 31st March 2016, the Balance Sheet as at that date, the cash flow statement for the year ended 31st March 2016, the Auditors' Report thereon and the Board's Report be and are hereby considered and adopted.”

The Chairman declared that this resolution has been passed with requisite majority as an Ordinary Resolution.

2. Dividend declaration

“RESOLVED that

- (i) a dividend of Rs.1.20 (Rupee one and paise twenty only) per Equity Share for the Financial year 2015-16 be and is hereby declared on the 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 Tuesday, the 26th July 2016; and
- (iv) the tax on dividend at the applicable rates in force be borne by the company.”

The Chairman declared that this resolution has been passed with requisite majority as an Ordinary Resolution.

3. Reappointment of retiring Director

“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.”

The Chairman declared that this resolution has been passed with requisite majority as an Ordinary Resolution.

4. Ratification of Auditors' appointment

“RESOLVED that pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the company do hereby ratify the appointment of auditors made by the shareholders at the 19th AGM as under:

- i) M/s Maharaj N R Suresh And Co, Chennai (Firm Registration No.001931S) shall cease to hold office on the conclusion of 20th Annual General Meeting.
- ii) M/s R Subramanian And Company, Chennai (Firm Registration No.004137S) to hold office till the conclusion of 21st Annual General Meeting.
- iii) The Board of Directors be and are hereby authorized to fix their remuneration on the recommendation of Audit Committee.”

The members further noted that M/s R Subramanian And Company have been converted to Limited Liability Partnership vide fresh Regn.No.004137S/ S200041.

The Chairman declared that this resolution has been passed with requisite majority as an Ordinary Resolution.

5. Remuneration of Cost Auditors

“RESOLVED that the Company do hereby confirm and ratify in terms of Section 148 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder the remuneration approved by the Board of Directors on the recommendations of the Audit Committee for M/s S Mahadevan & Co., Cost Accountants (Firm Regn.No.000007), for conducting the audit of cost records of the Company, including its Sugar and Cogen segments for the financial year 2016-17 at Rs.1,00,000/- (Rupees one lakh only) plus reimbursement of travel and out of pocket expenses incurred for purpose of such audit.”

The Chairman declared that this resolution has been passed with requisite majority as an Ordinary Resolution.

Chennai
25.08.2016

CHAIRMAN