

Proceedings of the 72nd Annual General Meeting of THE ANDHRA SUGARS LIMITED held on Thursday the 26th September, 2019 at 3.00 p.m. at the Registered Office of the Company, Venkatarayapuram, Tanuku.

Members Present : 119

Pursuant to Article 110 of the Articles of Association of the Company, the Chairman of the Board of Directors of the Company, Sri P.Narendranath Chowdary presided over the meeting and conducted the proceedings after ascertaining that quorum is present.

The Register of Directors' shareholding and the Register of Members are placed on the table.

The Notice to the Shareholders and Auditors' Report to the Members are read.

Chairman then welcomed the Members present at the 72nd Annual General Meeting of the Company and informed the members that the purpose of this meeting is to approve the Accounts for the year ended 31st March, 2019, to Declare Dividend on Equity Shares, to elect Directors in place of those who retire by rotation, to fix remuneration of Statutory Auditors for the Financial Year 2019-20, to ratify the remuneration payable to Cost Auditors for the year 2019-20, to pass Special Resolutions regarding appointment of Independent Directors and Remuneration payable to Executive Directors who are Promoter / Promoters Group exceeding 5% of Net Profits of the Company.

Chairman informed that Sri A. Ranga Rao, Chairman of Audit Committee and Sri P. A. Chowdary, Chairman of Stakeholders Relationship Committee and Member of Nomination and Remuneration Committee are also present. Representative of Statutory Auditors M/s. K.S.Rao & Co., Hyderabad was also present.

Chairman reviewed the working of the different Divisions of the Company during the current year.

Chairman informed the meeting that the Company has provided Members the facility of e-voting and expressed hope that they would have availed the facility. He also informed that those who have not availed the e-voting facility can now participate in the Poll to be taken up at the Meeting pursuant to the provisions of the Companies Act, 2013. In this regard he also informed that Sri Nekkanti S R V V Satyanarayana, Company Secretary, in practice has been appointed as Scrutiniser for the poll who was also present at the Meeting.

With the permission of the members present, the Annual Accounts together with the Directors' Report for the year ending 31st March, 2019 were taken as read.

ITEM NO. 1: **To adopt the audited Accounts for the year ended 31st March, 2019**

The following Resolution with regard to the adoption of Audited Annual Accounts for the year 2018-19 and Reports thereon was passed as an Ordinary Resolution:

“RESOLVED that the Balance Sheet as at 31st March, 2019 and the Statement of Profit & Loss for the year ending 31st March, 2019 together with the Directors’ Report and Auditors’ Report thereon be approved and adopted”.

The Resolution was passed with requisite majority based on the results of e-voting and the poll conducted at the Meeting.

ITEM NO. 2: **To declare Dividend on Equity Shares**

The Chairman informed the Members that the Board of Directors recommended a Dividend of Rs.10/- per share (Rs.10/- each) for the Financial Year 2018-19

The following Resolution with regard to the declaration of dividend for the year 2018-19 was passed as an Ordinary Resolution:

“RESOLVED to approve a Dividend of Rs.10/- per equity share on 2,71,07,078 Equity Shares of Rs.10/- each, for the financial year 2018-19.”

The Resolution was passed with requisite majority based on the results of e-voting and the poll conducted at the Meeting.

ITEM NO. 3: **To appoint a Director in place of Sri Mullapudi Narendranath who retires by rotation and being eligible offers himself for re-appointment**

Chairman informed the meeting that no new proposals have been received by the Company.

The following Resolution with regard to appointment of Sri Mullapudi Narendranath (DIN 00016764) as Director was passed as an Ordinary Resolution:

“RESOLVED that Sri Mullapudi Narendranath be and is hereby appointed as Director of the Company liable to retirement by rotation”.

The Resolution was passed with requisite majority based on the results of e-voting and the poll conducted at the Meeting.

ITEM NO. 4 **To appoint a Director in place of Sri P. Achuta Ramayya who retires by rotation and being eligible offers himself for re-appointment**

Chairman informed the meeting that no new proposals have been received by the Company.

The following Resolution with regard to appointment of Sri P. Achuta Ramayya (DIN00015065) as Director was passed as an Ordinary Resolution:

“RESOLVED that Sri P. Achuta Ramayya be and is hereby appointed as Director of the Company liable to retirement by rotation.”

The Resolution was passed with requisite majority based on the results of e-voting and the poll conducted at the Meeting.

ITEM NO. 5 **To fix remuneration of Statutory Auditors**

Chairman informed the meeting at the 70th Annual General Meeting held on 23rd September, 2017 Shareholders appointed M/s. K.S.Rao & Co., Hyderabad as Statutory Auditors for a period of 5 years 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22. He further informed that their remuneration for the year 201-2020 is required to be fixed.

The following Resolution with regard to fix the remuneration of Statutory Auditors M/s K.S. Rao & Co., Chartered Accountants, Hyderabad for the Financial Year 2019-20 was passed as an Ordinary Resolution:

“RESOLVED THAT the consent of the Company be and is hereby accorded for the payment of remuneration of Rs. 15,50,000/- (Rupees Fifteen lakhs fifty thousand only) for the Financial Year 2019-20 plus travelling and out of pocket expenses in connection with the audit exclusive of any fees payable to them for services to be rendered otherwise than as Auditors.”

The Resolution was passed with requisite majority based on the results of e-voting and the poll conducted at the Meeting.

ITEM NO. 6: **Ratification of remuneration of Cost Auditors**

Chairman informed the meeting that the Board of Directors approved the appointment and remuneration of M/s Narasimha Murthy & Co., the Cost Auditors to conduct the audit of the Cost records of the Company for the Financial Year ending March 31, 2020 and remuneration of Rs. 5,00,000/- plus applicable taxes, out-of-pocket and travelling expenses have been fixed for this purpose. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, ratification of the remuneration payable to the Cost Auditors for the Financial Year 2019-20 by way of Ordinary Resolution is being sought from the members.

The following Resolution with regard to ratification of remuneration of Cost Auditors was passed as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and other applicable provisions if any and rules made thereunder the Company hereby ratifies the payment of remuneration of Rs. 5,00,000/- (Rupees Five lakhs only) per annum to M/s. Narasimha Murthy & Co., (Firms Registration No. 000042) Cost Accountants, Hyderabad, who were appointed as Cost Auditors by the Board at its meeting held on 29.05.2019 for conducting the Cost Audit for the Financial Year 2019-20 in respect of the products viz., Sugar, Food Residues or prepared Animal Feed, Electricity, Chemical Elements, In-organic Chemicals & their derivatives, Organic Chemicals & their derivatives, Bulk Drugs, Chemical Fertilisers and Chemicals-Plastics Polymers.”

The Resolution was passed with requisite majority based on the results of e-voting and the poll conducted at the Meeting.

ITEM NO. 7: **Appointment of Sri A. Ranga Rao, Independent Director**

Chairman informed that Shareholders appointed Sri A. Ranga Rao, as Independent Director at the Annual General Meeting held on September 10, 2014 for a period of 5 years i.e., from the conclusion of 67th Annual General

Meeting to 72nd Annual General Meeting, under non retiring category. His present tenure is ending with the conclusion of this Annual General Meeting.

His experience and guidance for the further growth of the Company is very much needed. As such, the Board of Directors recommend to appoint him for a further period of 5 Years i.e., from the conclusion of 72nd Annual General Meeting.

The following Special Resolution with regard to appoint Sri A. Ranga Rao, as Independent Director for a period of 5 Years.

“RESOLVED THAT pursuant to the provisions of Sections 149 & 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules made thereunder, read with Schedule IV of the said Act, Sri A. Ranga Rao (Din : 00089664) be and is hereby appointed as Independent Director of the Company for a term of 5 consecutive years commencing from the conclusion of 72nd AGM, not liable to retire by rotation.”

“RESOLVED FURTHER THAT in the event of any amendment made by Ministry of Corporate Affairs or Securities and Exchange Board of India or any Statutory Authority to the provisions concerning the said appointment, the Board at its 1st Meeting after the said amendment coming into force be and is hereby authorised to effect necessary modification as may be required and till the date of the Board Meeting this Resolution shall continue to hold good and thereafter the same may be placed before the 1st General Meeting held after amendment for information and ratification.”

The Resolution was passed with requisite majority based on the results of e-voting and the poll conducted at the Meeting.

ITEM NO. 8: Appointment of Dr. P. Kotaiah, Independent Director

Chairman informed that Shareholders appointed Dr. P. Kotaiah, as Independent Director at the Annual General Meeting held on September 10, 2014 for a period of 5 years i.e., from the conclusion of 67th Annual General Meeting to 72nd Annual General Meeting, under non retiring category. His present tenure is ending with the conclusion of this Annual General Meeting.

His experience and guidance for the further growth of the Company is very much needed. As such, Board of Directors recommend to appoint him for a further period of 4 Years i.e., from the conclusion of 72nd Annual General Meeting.

The following Special Resolution with regard to appoint Dr. P. Kotaiah, as Independent Director for a period of 4 Years.

“RESOLVED THAT pursuant to the provisions of Sections 149 & 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules made thereunder, read with Schedule IV of the said Act, Dr. P. Kotaiah (Din : 00038420) be and is hereby appointed as Independent Director of the Company for a term of 4 consecutive years commencing from the conclusion of 72nd AGM, not liable to retire by rotation.”

RESOLVED FURTHER THAT in the event of any amendment made by Ministry of Corporate Affairs or Securities and Exchange Board of India or any Statutory Authority to the provisions concerning the said appointment, the Board at its 1st Meeting after the said amendment coming into force be and is hereby authorised to effect necessary modification as may be required and till the date of the Board Meeting this Resolution shall continue to hold good and thereafter the same may be placed before the 1st General Meeting held after amendment for information and ratification.”

The Resolution was passed with requisite majority based on the results of e-voting and the poll conducted at the Meeting.

ITEM NO. 9: Appointment of Sri V.S. Raju, Independent Director

Chairman informed that Shareholders appointed Sri V.S. Raju, as Independent Director at the Annual General Meeting held on September 10, 2014 for a period of 5 years i.e., from the conclusion of 67th Annual General Meeting to 72nd Annual General Meeting, under non retiring category. His present tenure is ending with the conclusion of this Annual General Meeting.

His experience and guidance for the further growth of the Company is very much needed. As such, Board of Directors recommend to appoint him for a further period of 5 Years i.e., from the conclusion of 72nd Annual General Meeting.

The following Special Resolution with regard to appoint Sri V.S. Raju, as Independent Director for a period of 5 Years.

"RESOLVED THAT pursuant to the provisions of Sections 149 & 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules made thereunder, read with Schedule IV of the said Act, Sri V.S. Raju (Din : 00101405) be and is hereby appointed as Independent Director of the Company for a term of 5 consecutive years commencing from the conclusion of 72nd AGM, not liable to retire by rotation."

"RESOLVED FURTHER THAT in the event of any amendment made by Ministry of Corporate Affairs or Securities and Exchange Board of India or any Statutory Authority to the provisions concerning the said appointment, the Board at its 1st Meeting after the said amendment coming into force be and is hereby authorised to effect necessary modification as may be required and till the date of the Board Meeting this Resolution shall continue to hold good and thereafter the same may be placed before the 1st General Meeting held after amendment for information and ratification."

The Resolution was passed with requisite majority based on the results of e-voting and the poll conducted at the Meeting.

ITEM NO.10: Appointment of Dr. A.V. Rama Rao, Independent Director

Chairman informed that Shareholders appointed Dr. A.V. Rama Rao, as Independent Director at the Annual General Meeting held on September 10, 2014 for a period of 5 years i.e., from the conclusion of 67th Annual General Meeting to 72nd Annual General Meeting, under non retiring category. His present tenure is ending with the conclusion of this Annual General Meeting.

His experience and guidance for the further growth of the Company is very much needed. As such, Board of Directors recommend to appoint him for a further period of 2 Years i.e., from the conclusion of 72nd Annual General Meeting.

The following Special Resolution with regard to appoint Dr. A.V. Rama Rao, as Independent Director for a period of 2 Years.

"RESOLVED THAT pursuant to the provisions of Sections 149 & 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules made thereunder, read with Schedule IV of the said Act, Dr. A.V. Rama Rao (Din : 01341232) be and is hereby appointed as Independent Director of the Company for a term of 2 consecutive years commencing from the conclusion of 72nd AGM, not liable to retire by rotation."

"RESOLVED FURTHER THAT in the event of any amendment made by Ministry of Corporate Affairs or Securities and Exchange Board of India or any Statutory Authority to the provisions concerning the said appointment, the Board at its 1st Meeting after the said amendment coming into force be and is hereby authorised to effect necessary modification as may be required and till the date of the Board Meeting this Resolution shall continue to hold good and thereafter the same may be placed before the 1st General Meeting held after amendment for information and ratification."

The Resolution was passed with requisite majority based on the results of e-voting and the poll conducted at the Meeting.

ITEM NO.11: Appointment of Sri P.A. Chowdary, Independent Director

Chairman informed that Shareholders appointed Sri P.A. Chowdary, as Independent Director at the Annual General Meeting held on September 10, 2014 for a period of 5 years i.e., from the conclusion of 67th Annual General Meeting to 72nd Annual General Meeting, under non retiring category. His present tenure is ending with the conclusion of this Annual General Meeting.

His experience and guidance for the further growth of the Company is very much needed. As such, Board of Director recommend to appoint him for a further period of 4 Years i.e., from the conclusion of 72nd Annual General Meeting.

The following Special Resolution with regard to appoint Sri P.A. Chowdary, as Independent Director for a period of 4 Years.

"RESOLVED THAT pursuant to the provisions of Sections 149 & 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules made thereunder, read with Schedule IV of the said Act, Sri P.A. Chowdary

(Din : 02936505) be and is hereby appointed as Independent Director of the Company for a term of 4 consecutive years commencing from the conclusion of 72nd AGM, not liable to retire by rotation."

"RESOLVED FURTHER THAT in the event of any amendment made by Ministry of Corporate Affairs or Securities and Exchange Board of India or any Statutory Authority to the provisions concerning the said appointment, the Board at its 1st Meeting after the said amendment coming into force be and is hereby authorised to effect necessary modification as may be required and till the date of the Board Meeting this Resolution shall continue to hold good and thereafter the same may be placed before the 1st General Meeting held after amendment for information and ratification."

The Resolution was passed with requisite majority based on the results of e-voting and the poll conducted at the Meeting.

ITEM NO.12: Appointment of Dr. D. Manjulata, Independent Director

Chairman informed that Shareholders appointed Dr. D. Manjulata, as Independent Director at the Annual General Meeting held on September 10, 2014 for a period of 5 years i.e., from the conclusion of 67th Annual General Meeting, under non retiring category.

Her present tenure is ending with the conclusion of this Annual General Meeting.

Her experience and guidance for the further growth of the Company is very much needed. He further informed that her appointment would enable the Company to fulfil the provisions of Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 with regard to appointment of Women Director on the Board. As such, Board of Directors recommend to appoint her for a further period of 5 Years i.e., from the conclusion of 72nd Annual General Meeting.

The following Special Resolution with regard to appoint Dr. D. Manjulata, as Independent Director for a period of 5 Years.

"RESOLVED THAT pursuant to the provisions of Sections 149 & 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules made thereunder, read with Schedule IV of the said Act, Dr. (Smt.) D. Manjulata (Din : 02788338) be and is hereby appointed as Independent Director of the Company for a term of 5 consecutive years commencing from the conclusion of 72nd AGM, not liable to retire by rotation."

"RESOLVED FURTHER THAT in the event of any amendment made by Ministry of Corporate Affairs or Securities and Exchange Board of India or any Statutory Authority to the provisions concerning the said appointment, the Board at its 1st Meeting after the said amendment coming into force be and is hereby authorised to effect necessary modification as may be required and till the date of the Board Meeting this Resolution shall continue to hold good and thereafter the same may be placed before the 1st General Meeting held after amendment for information and ratification."

The Resolution was passed with requisite majority based on the results of e-voting and the poll conducted at the Meeting.

ITEM NO.13: Remuneration of Executive Directors

Chairman informed that as per the provisions of Securities and Exchange Board of India (LODR) (Amendment) Regulations, 2018 a Special Resolution is required to be passed by the Members of Listed Companies in the cases where the aggregate Annual Remuneration paid / payable to Executive Directors who are Promoter or Members of Promoter Group exceeds 5% of the Net Profits.

At present the total Remuneration paid to Managing Director, Whole-time Directors as approved by Shareholders exceeds 5% of the Net Profits and as such the Members approval is being sought by way of Special Resolution.

The following Resolution with regard to Remuneration exceeding 5% of the Net Profit of the Company, passed as a Special Resolution.

"RESOLVED THAT the remuneration paid and payable, as per the terms of the appointment approved by the Shareholders, to the Whole-time Directors

Sri P. Narendranath Chowdary, Chairman & Managing Director, Sri Mullapudi Narendranath, Joint Managing Director, Sri Mullapudi Thimmaraja, Joint Managing Director, Sri P. Achuta Ramayya, Joint Managing Director and Sri P.S.R.V.K. Ranga Rao, Executive Director be and is hereby approved notwithstanding that the aggregate remuneration paid or payable to the above mentioned Whole-time Directors, till the expiry of current tenure of their respective appointment, exceeds 5% of the Net Profits of the Company, computed in accordance with the Provisions of Section 198 of the Companies Act, 2013 so as to be in line with the requirement of the "Listing Obligations & Disclosure Regulations (LODR)."

The Meeting concluded with vote of thanks to the Chairman by Sri M. Ranga Rao at 3:45 P.M.

Sd/- X X X
CHAIRMAN

//CERTIFIED TRUE COPY//



For The Andhra Sugars Limited

(M. PALACHANDRA)
Company Secretary