

Minutes of the 75th Annual General Meeting of THE ANDHRA SUGARS LIMITED held on Monday the 26th September, 2022 at 3.00 p.m. at the Registered Office of the Company, Venkatarayapuram, Tanuku.

Members Present : 57

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.

At the outset of Chairman informed that the Company has successfully completed 75 years. He recalled the efforts made and principles laid down by the Founders Late Sri Pendyala Sriramachandra Venkata Krishna Ranga Rao Garu and Late Sri Mullapudi Harischandra Prasad Garu which have contributed for the success of the Company since its inception. He further informed that to pay tributes to the Legendary Founders, the Company Celebrated Founders day on 11th August, 2022 and more than 1000 retired employees were honored with their families.

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

Chairman then welcomed the Members present at the 75th 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, 2022 to Declare Dividend to be paid, to elect Directors in place of those who retires by rotation, to appoint Statutory Auditors for a term of 5 years and to fix their remuneration, to ratify the remuneration payable to Cost Auditors for the year 2022-23, appointment of Joint Managing Directors.

Chairman informed that Sri P. A. Chowdary, Member Audit Committee, Nomination & Remuneration Committee and Chairman of Stakeholders Relationship Committee and Sri P. Achuta Ramayya, Member of Audit Committee were also present.

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

Chairman informed the meeting that the Company 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 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, 2022 were taken as read.

ITEM NO. 1: **To adopt the audited Accounts for the year ended 31st March, 2022**

The following Resolution with regard to the adoption of Audited Annual Accounts for the year 2020-21 and Reports thereon was passed as an Ordinary Resolution:

“RESOLVED that the Balance Sheet as at 31st March, 2022 and the Statement of Profit & Loss for the year ending 31st March, 2022 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.4/- per Equity Share (Face Value of Rs.2/-) normal dividend Rs.2/- (100%) and Diamond Jubilee dividend Rs.2/- (100%) for the Financial Year 2021-22

The following Resolution with regard to the declaration of dividend for the year 2021-22 was passed as an Ordinary Resolution:

“RESOLVED to approve a Dividend of Rs.4/- per equity share on 13,55,35,390 Equity Shares of Rs.2/- each, for the financial year 2021-22.”

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 Thimmaraja 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 Thimmaraja (DIN 00016711) as Director was passed as an Ordinary Resolution:

“RESOLVED that Sri Mullapudi Thimmaraja 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.S.R.V.K. Ranga Rao 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.S.R.V.K. Ranga Rao (00015795) as Director was passed as an Ordinary Resolution:

“RESOLVED that Sri P.S.R.V.K. Ranga Rao 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 Appoint Auditors**

Chairman informed the meeting at the 70th Annual General Meeting held on 23rd September, 2017 Shareholders appointed M/s K.S. Rao & Co., Chartered Accountants, Hyderabad as Statutory Auditors for a period of 5 years 2017-18 to 2021-22. The term of Present Auditors will be completed at the conclusion of this Meeting.

As per the provisions of Companies Act, 2013 new Statutory Auditors for a term of 5 years is required to be appointed.

The following Resolution with regard to appointment of M/s Brahmayya & Co., Chartered Accountants, Vijayawada as Statutory Auditors and fixing their remuneration for the Financial Year 2022-23 was passed as an Ordinary Resolution:

“RESOLVED THAT the consent of the Company be and is hereby accorded for the appointment of M/s Brahmayya & Co., Chartered Accountants, D.No.33-25-33B, Govindarajula Naidu Street, Suryaraopet, Vijayawada-520002 (Firm Registration No.000513S) as Statutory Auditors of the Company for a period of 5 years from the conclusion of 75th Annual General Meeting to the conclusion of 80th Annual General Meeting and also for the payment of remuneration of Rs.19,00,000/- (Rupees Nineteen Lakhs Only) for the Financial Year 2022-23 plus travelling and other 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, 2023 and remuneration of Rs. 6,00,000/- 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 2022-23 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. 6,00,000/- (Rupees Six 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 28.05.2022 for conducting the Cost Audit for the Financial Year 2022-23 in respect of the products viz., Sugar, Food Residues or prepared Animal Feed, Electricity, Chemical Elements, In-organic Chemicals & other their derivatives, Organic Chemicals & other 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 To appoint Sri Mullapudi Narendranath as Joint Managing Director

Chairman informed the members that the current term of Sri Mullapudi Narendranath as Joint Managing Director will expire on 31.12.2022.

Sri Mullapudi Narendranath has been incharge of the 3 Sugar Plants of your Company since taking charge as Joint Managing Director on 01.01.1998.

He has been instrumental in taking up Co-Generation at Sugar Unit-II, setting up of Bagasse Driers at 3 Sugar Plants, Flotation Clarifiers at the 3 Sugar Plants, SRI Continuous Pans at Sugar Unit-I and Sugar Unit-II, Latest Falling Film Evaporators at Sugar Unit-III, SRI New Generation Clarifiers at Sugar Unit I & III, LLT Clarifier at Sugar Unit-II, Modification of the Diffuser that brought down pol in Bagasse from 1.3 to 0.8.

In view of the need to produce Cane Varieties suited to Mechanical Harvesting he was instrumental in setting up a Cane Breeding Programme that is giving Higher Yielding and Higher Sugar content Varieties of Cane.

He has been on the Executive Committees of the "**Sugar Processing Institute**", New Orleans (USA), and "**Sugar Industry Technologists Inc**", Sugarland, USA. He is also a Director on the Board of Sree Akkamamba Textiles Limited and Hindustan Allied Chemicals Limited.

In view of his wide exposure in Sugar Technology and Sugarcane development, your Board of Directors consider it advisable to re-appoint him as Joint Managing Director for a further period of 5 years with effect from 01.01.2023.

The following Resolution with regard to the appointment of Sri Mullapudi Narendranath, as Joint Managing Director was passed as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 197 and other applicable provisions of the Companies Act, 2013 (Act) read with Schedule V of the said Act or any statutory modifications or any re-enactment of the Act and such other approvals as may be required Sri Mullapudi Narendranath (DIN 00016764) be and is hereby re-appointed as Joint Managing Director of the Company for a period of five years with effect from 1-1-2023 on the following terms & conditions:-

Sri Mullapudi Narendranath is subject to retirement by rotation during the tenure of his office as Joint Managing Director from 1-1-2023 to 31-12-2027.

1. **Salary** : Rs. 1,50,000/- per month.
2. **Commission** : Upto 1.25% of the net profits of the Company subject to the overall ceiling stipulated in Sections 197 of the Companies Act, 2013
3. **Perquisites**: (i) Housing - if required, free furnished residential accommodation with all facilities and amenities including Gas, Electricity, Water, Furniture/Fittings etc., the monetary value of which may be evaluated as per Rule 3 of the Income-Tax Rules, 1962. The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be subject to a ceiling of 10% of the Salary. In case where the Company does not provide accommodation, House Rent Allowance shall be paid at the rate of 50% of the Salary. (ii) Medical reimbursement of the expenses incurred for the treatment in India / abroad for self and family, (iii) Leave Travel Concession - for himself and his family as per the rules of the Company, (iv) Club Fees, (v) Personal Accident Insurance, (vi) Provident Fund, Company's contribution towards Provident Fund at 12% of his salary or any rate applicable from time to time, (vii) Superannuation Fund Company's contribution towards Superannuation Fund as per the rules of the Company, such contribution together with Company's contribution shall not exceed 27% of the salary as laid down under the Income tax Rules, 1962 or such other ceiling as may be prescribed from time to time, (viii) Gratuity not exceeding $\frac{1}{2}$ a month's salary for each completed year of service, (ix) Leave - entitled to one month's leave, as per the rules of the Company on full pay for every 11 months of service. Encashment of leave at the end of tenure will not be included in computation of ceiling on perquisites, (x) Telephone one or more free telephone facility at the residence for the use of Company's business, (xi) Car - one or more use of Company's car on Company's business with driver and all expenses of maintenance, repairs and cost of petrol. (provision of Car for use of Company's business and telephone at residence will not be considered as perquisites), (xii) any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time.

The above perquisites including salary and commission shall be subject to the overall ceiling of remuneration stipulated under Section 197 of the Companies Act, 2013 read with Schedule V thereto or any statutory modification thereof.

Company's contribution to Provident Fund, Superannuation Fund and Gratuity payable at the end of the tenure to the extent these either singly or together are not taxable under the Income-tax Act shall not be included in the computation of limits for the perquisites aforesaid.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to alter and vary the terms & conditions of the above salary and perquisites in such manner as may be agreed to between Sri Mullapudi Narendranath, Joint Managing Director and the Board."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year of the Company during the term of his Office as Joint Managing Director, the remuneration and perquisites set out above be paid or granted to Sri Mullapudi Narendranath as minimum remuneration stipulated in Section II of Part II of Schedule V of the said Act or such other amount and perquisites as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof."

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

ITEM NO. 8: To appoint Sri Mullapudi Thimmaraja as Joint Managing Director

Chairman informed the Meeting that the present term of Sri Mullapudi Thimmaraja as Joint Managing Director will be expiring by 31.12.2022. Sri Mullappudi Thimmaraja has been the Whole-time Director of your Company from 1978. Sri Mullapudi Thimmaraja as Joint Managing Director has been looking after General Administration of the Company besides supervision of day to day Administration of all the units at Tanuku, other than Sugar. In view of the growing stature of the Company, your Board of Directors consider it advisable to re-appoint Sri Mullapudi Thimmaraja as Joint Managing Director in the best interests of the Company for a further period of 5 years with effect from 1.1.2023.

The following Resolution with regard to the appointment of Sri Mullapudi Thimmaraja, as Joint Managing Director was passed as an Ordinary Resolution.

"RESOLVED THAT pursuant to provisions of Sections 197 and other applicable provisions of the Companies Act, 2013 (Act) read with Schedule V of the said Act or any statutory modification or any re-enactment of the Act and such other approvals as may be required Sri Mullapudi Thimmaraja (DIN 00016711) be and is hereby re-appointed as Joint Managing Director of the Company for a period of five years with effect from 1-1-2023 on the following terms & conditions:-

Sri Mullapudi Thimmaraja is subject to retirement by rotation during the tenure of his office as Joint Managing Director from 1-1-2023 to 31-12-2027.

1. Salary: Rs. 1,50,000/- per month.

2. Commission: Upto 1.25% of the net profits of the Company subject to the overall ceiling stipulated in Sections 197 of the Companies Act, 2013.

3. Perquisites: (i) Housing - if required, free furnished residential accommodation with all facilities and amenities including Gas, Electricity, Water,

Furniture/Fittings etc., the monetary value of which may be evaluated as per Rule 3 of the Income-Tax Rules, 1962. The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be subject to a ceiling of 10% of the Salary. In case where the Company does not provide accommodation, House Rent Allowance shall be paid at the rate of 50% of the Salary. (ii) Medical reimbursement of the expenses incurred for the treatment in India / abroad for self and family, (iii) Leave Travel Concession - for himself and his family as per the rules of the Company, (iv) Club Fees, (v) Personal Accident Insurance, (vi) Provident Fund, Company's contribution towards Provident Fund at 12% of his salary or any rate applicable from time to time, (vii) Superannuation Fund - Company's contribution towards Superannuation Fund as per the rules of the Company, such contribution together with Company's contribution shall not exceed 27% of the salary as laid down under the Income tax Rules, 1962 or such other ceiling as may be prescribed from time to time, (viii) Gratuity - not exceeding $\frac{1}{2}$ a month's salary for each completed year of service, (ix) Leave - entitled to one month's leave, as per the rules of the Company on full pay for every 11 months of service. Encashment of leave at the end of tenure will not be included in computation of ceiling on perquisites, (x) Telephone - one or more free telephone facility at the residence for the use of Company's business, (xi) Car - one or more use of Company's car on Company's business with driver and all expenses of maintenance, repairs and cost of petrol. (provision of Car for use of Company's business and telephone at residence will not be considered as perquisites), (xii) any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time.

The above perquisites including salary and commission shall be subject to the overall ceiling of remuneration stipulated under Section 197 of the Companies Act, 2013 read with Schedule V thereto or any statutory modification thereof.

Company's contribution to Provident Fund, Superannuation Fund and Gratuity payable at the end of the tenure to the extent these either singly or together are not taxable under the Income-tax Act shall not be included in the computation of limits for the perquisites aforesaid.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to alter and vary the terms & conditions of the above salary and perquisites in such manner as may be agreed to between Sri Mullapudi Thimmaraja, Joint Managing Director and the Board."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year of the Company during the term of his office as Joint Managing Director, the remuneration and perquisites set out above be paid or granted to Sri Mullapudi Thimmaraja as minimum remuneration stipulated in Section II of Part II of Schedule V of the said Act or such other amount and perquisites as may be provided in the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof."

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

ITEM NO. 9: To appoint Sri P. Achuta Ramayya as Joint Managing Director

Chairman informed the members that the Shareholders the present term of Sri P. Achuta Ramayya as Joint Managing Director will be expiring by 31.12.2022. Sri P. Achuta Ramayya has been the Executive Director of your Company from 1983 and subsequently re-designated as Joint Managing Director with effect from 1.4.2012.

Sri P. Achuta Ramayya has been looking after Marketing of various products of the company and the activities of Cotton and Oil Products Division, Guntur. In view of the growing stature of the Company, your Board of Directors consider it advisable to re-appoint Sri P. Achuta Ramayya as Joint Managing Director in the best interests of the Company for a further period of 5 years with effect from 1.1.2023 on the terms and conditions as set out in the Resolution.

The following Resolution with regard to the appointment of Sri P. Achuta Ramayya, as Joint Managing Director was passed as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 197 and other applicable provisions of the Companies Act, 2013 (Act) read with Schedule V of the said Act or any statutory modification or any re-enactment of the Act and such other approvals as may be required Sri P. Achuta Ramayya (DIN 00015065) be and is hereby re-appointed as Joint Managing Director of the Company for a period of five years with effect from 1-1-2023 on the following terms & conditions".

Sri P. Achuta Ramayya is subject to retirement by rotation during the tenure of his office as Joint Managing Director from 1-1-2023 to 31-12-2027.

1. **Salary:** Rs. 1,50,000/- per month.
2. **Commission:** Upto 1.25% of the net profits of the Company subject to the overall ceiling stipulated in Sections 197 of the Companies Act 2013.
3. **Perquisites:** (i) Housing - if required, free furnished residential accommodation with all facilities and amenities including Gas, Electricity, Water, Furniture/Fittings etc., the monetary value of which may be evaluated as per Rule 3 of the Income-Tax Rules, 1962. The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be subject to a ceiling of 10% of the Salary. In case where the Company does not provide accommodation, House Rent Allowance shall be paid at the rate of 50% of the Salary. (ii) Medical reimbursement of the expenses incurred for the treatment in India / abroad for self and family, (iii) Leave Travel Concession - for himself and his family as per the rules of the Company, (iv) Club Fees, (v) Personal Accident Insurance, (vi) Provident Fund, Company's contribution towards Provident Fund at 12% of his salary or any rate applicable from time to time, (vii) Superannuation Fund-Company's contribution towards Superannuation Fund as

per the rules of the Company, such contribution together with Company's contribution shall not exceed 27% of the salary as laid down under the Income tax Rules, 1962 or such other ceiling as may be prescribed from time to time, (viii) Gratuity- not exceeding ½ a month's salary for each completed year of service, (ix) Leave - entitled to one month's leave, as per the rules of the Company on full pay for every 11 months of service. Encashment of leave at the end of tenure will not be included in computation of ceiling on perquisites, (x) Telephone - one or more free telephone facility at the residence for the use of Company's business, (xi) Car - one or more use of Company's car on Company's business with driver and all expenses of maintenance, repairs and cost of petrol. (provision of Car for use of Company's business and telephone at residence will not be considered as perquisites), (xii) any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time.

The above perquisites including salary and commission shall be subject to the overall ceiling of remuneration stipulated under Section 309 of the Companies Act, 2013 read with Schedule V thereto or any statutory modification thereof.

Company's contribution to Provident Fund, Superannuation Fund and Gratuity payable at the end of the tenure to the extent these either singly or together are not taxable under the Income-tax Act shall not be included in the computation of limits for the perquisites aforesaid.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to alter and vary the terms & conditions of the above salary and perquisites in such manner as may be agreed to between Sri P. Achuta Ramayya, Joint Managing Director and the Board."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year of the Company during the term of his Office as Joint Managing Director, the remuneration and perquisites set out above be paid or granted to Sri P. Achuta Ramayya as minimum remuneration stipulated in Section II of Part II of Schedule V of the said Act or such other amount and perquisites as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof."

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

The Meeting concluded with vote of thanks to the Chairman by Sri Polnati Sivanjaneyulu at 3.30 P.M.

CHAIRMAN