



PONNI SUGARS (ERODE) LIMITED

CIN : L15422 TN1996 PLC037200

Regd. Office: ESVIN House, No.13, Rajiv Gandhi Salai (OMR)

Perungudi, Chennai 600 096.

Phone : 044 - 39279300 Fax : 044 - 24960156

E-mail : admin@ponnisugars.com Website : www.ponnisugars.com

ISO
9001/14001
CERTIFIED

PEL / SH / 160

August 7, 2015

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,

Further to our letter PEL/SH/124 dt.22nd June 2015 forwarding the 19th Annual Report of the Company for the Financial Year 2014-15, we send herewith the proceedings of the Annual General Meeting held on 24th July 2015.

Please acknowledge receipt.

Thanking you

Yours faithfully

S Viswanathan
Chief Manager (Secretarial)

Encl: As above

Proceedings of 19th Annual General Meeting

Date: Friday, the 24th July 2015
Time: 10.15 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 Bharti Chhotubhai Pithawalla	Director
Mr Bimal Poddar	Director
Mr N R Krishnan	Director
Dr Nanditha Krishna	Director
Mr V Sridar	Director

Statutory Auditors

Mr N R Suresh, Partner, M/s Maharaj N R Suresh And Co.
Mr A Ganesan, Partner, M/s R Subramanian And Company

Secretarial Auditor Mr V Suresh

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

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

IN ATTENDANCE

Members present in Person: 271 representing 4615083 shares.
Members present by Proxy: 01 representing 40 shares.

(A) Chairman of the Meeting

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) Quorum

The Chairman noted that 271 members were present in person and one member 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 10.15 AM.

(C) Introduction

The Chairman introduced all the Directors seated at the dais. 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, the Statutory Auditors, namely, M/s Maharaj N R Suresh And Co. and M/s R Subramanian And Company were present through their respective partners. The Chairman read out the two items of 'Emphasis of Matter' contained in the Independent Auditors' Report (pg.60 & 61 of 19th Annual Report) and mentioned that this is not a qualification of Audit Report as explicitly stated by the Independent Auditors. The Chairman confirmed that there are no observations or comments by the Auditors which have adverse effect on the functioning of the company. 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 page 58 & 59 of the 19th Annual Report. He informed the members that there are no qualifications, 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 for members at the meeting venue:

- (i) The Register of Directors and Key Managerial Personnel and their shareholdings.
- (ii) Auditors' Report
- (iii) Secretarial Audit Report
- (iv) Documents referred to in the Statement pursuant to Sec.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 dwelt at length on the current distress state of the industry, outlined the near term challenges and appealed for early policy correction. He also covered in his speech the company performance and outlook for FY 2015-16.

(J) Introduction to resolutions

The Chairman observed that there are 6 resolutions proposed to be passed at the 19th AGM – 2 special resolutions and 4 ordinary resolutions. He briefly narrated the background and purpose for each of these resolutions. He traced the genesis of the company in pursuit of a pioneering concept in sugar industry during early 1980s by building in its business model, outright sale of bagasse for better value addition. He observed that the continuance of this arrangement now requires the approval of shareholders where related parties will not be voting. He confirmed that there is no change proposed from the long term arrangement subsisting between the company and Seshasayee Paper & Boards Ltd as detailed in the Explanatory Statement to relevant item of business.

(K) Voting options

The Chairman mentioned that the company has offered three alternative voting options to shareholders (i) Remote e-voting (ii) Postal ballot (iii) Poll at AGM venue.

Shareholders holding shares as on the cut-off date fixed for the purpose, namely, 17th July 2015 are alone entitled to cast the vote under any one of the aforesaid options.

(L) Remote E-voting

The Chairman mentioned that remote E-voting facility has been offered pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. The company has engaged the services of Central Depository Services (India) Limited (CDSL) for this purpose. The remote E-voting commenced on 20.07.2015 (10.00 AM) and closed on 23.07.2015 (5.00 PM).

(M) Postal Ballot

The Chairman mentioned that the company has offered voting facility through postal ballot under Clause 35B of the Listing Agreement with Stock Exchanges to facilitate remote voting by shareholders having no access to computers for e-voting. Postal ballot forms received till 17 hrs on 23rd July 2015 have been accepted under this facility.

(N) 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 or postal ballot would now be entitled to cast their vote on the polling paper.

(O) Scrutinizer

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

(P) 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:
 - More information in the Annual Report
 - Dividend declaration from reserves
 - Status of subsidies pending for long
 - Details of tax disputes and cane price dispute
 - Holding of AGM on Sunday
 - Sale of sugar directly to sweet makers
 - Establishing IMFL unit for high profitability
 - Cost control measures to be intensified
 - Factory visit to shareholders

- Terms of bagasse sale and other items to SPB
- Top 10 shareholders – other than promoters details alone to be given
- Details for certain items in the Financial Statement

(iii) The Chairman furnished requisite information on each of the above to the satisfaction of shareholders. He informed that the company would go for a Distillery Project but not IMFL. Dividend declaration is not feasible considering greater stress in store for FY 2015-16.

(iv) The Managing Director gave a detailed explanation on the income tax dispute, terms of Bank loans, GOI Scheme Loan and the status of the legal dispute on State Advised Price for sugarcane.

(Q) Ordering Poll

At this stage, the Chairman ordered poll and requested the shareholders to follow the instructions given carefully so that the invaluable votes don't become invalid. 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 11.30 hrs.

(R) Completion of Vote

The Chairman observed that all shareholders present have since completed the voting on the polling paper at 11.45 hrs. He then informed the members that the Scrutinizer would submit his report by 14.15 hrs and he would announce the results at the meeting venue immediately thereafter.

(S) Conclusion of Meeting

With vote of thanks proposed by Mr Siva Kumar, a shareholder, the Chairman declared the meeting closed by 11.55 hrs.

(T) Scrutinizer Report

The Chairman returned to the meeting venue at 14.30 hrs and disclosed to shareholders present thereat the outcome of the combined voting based on the Scrutinizer's Report in respect of the six items of resolutions as under:

Item No. of Notice & Description	Votes For			Votes Against		
	No. of members	No. of votes	Vote %	No. of members	No. of votes	Vote %
1. Adoption of Financial Statements – Ordinary Resolution	138	5265709	99.99	3	40	0.0008
2. Reappointment of retiring Director – Ordinary Resolution	138	5265689	99.99	3	60	0.0011
3. Ratification of Auditors' appointment – Ordinary Resolution	139	5265739	99.99	2	10	0.0002
4. Adoption of New Articles of Association – Special Resolution	138	5265689	99.99	3	60	0.0011
5. Approval for Related Party Transactions-Special Resolution	128	1900732	99.99	3	15	0.0008
6. Approval of Remuneration to Cost Auditors - Ordinary Resolution	136	5265668	99.99	5	81	0.0015

Note: (1) There are 478 invalid votes.

(2) Vote % is based on total number of valid votes cast (For and Against)

(U) Voting Results

The Chairman accordingly informed the shareholders that the six resolutions proposed as Ordinary or Special resolutions as mentioned in the Notice for the 19th 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 Listing Agreement.

(V) Chairman's Declaration

The Chairman thereupon declared that following resolutions have been duly passed by the shareholders in terms of the voting done through remote e-voting, postal ballot or on polling paper at the meeting based on the Scrutinizer's Report dt.24.07.2015 and these resolutions shall be deemed to be passed at and on the date of general meeting, namely, 24th July 2015.

1. Adoption of Financial Statements

"RESOLVED that the Statement of Profit and Loss of the Company for the year ended 31st March 2015, the Balance Sheet as at that date, 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. Reappointment of retiring Director

"RESOLVED that Mr Arun G Bijur (DIN:00024434), 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.

3. 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 18th AGM as under:

- i) M/s Maharaj N.R.Suresh And Co, Chennai (Firm Registration No.001931S) to hold office till 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 subject to ratification by members at the 20th Annual General Meeting.
- iii) The Board of Directors be and are hereby authorized to fix their remuneration on the recommendation of Audit Committee each year."

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

4. Articles of Association

"RESOLVED that pursuant to Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution and to the total exclusion of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER that the Board of Directors of the company (which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this resolution) be and are hereby authorized to take all such actions or steps as may be necessary, desirable or expedient and do all such necessary acts, deeds and things that may be incidental or relevant to give effect to this resolution."

The Chairman declared that this resolution has been passed with requisite majority as a Special Resolution.

5. Related Party Transactions

- (1) "RESOLVED that the company do hereby approve in terms of Section 188 and other applicable provisions of the Companies Act, 2013 and Clause 49 and other applicable Clauses of the Listing Agreement with Stock Exchanges the Memorandum of Understanding (MoU) to be entered into with Seshasayee Paper and Boards Ltd (SPB), a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchanges, per draft approved by the Audit Committee on 25th March 2015 and the Board on 29th May 2015 comprehensively covering and confirming existing MoUs between the parties and pertaining to –
 - i) sale of bagasse to SPB and purchase of coal from SPB
 - ii) supply of raw/ treated water by SPB
 - iii) supply of bio-fuel by SPB
 - iv) sale or purchase of other products and services
 - v) sharing of common expenses
- (2) RESOLVED FURTHER that the company do specifically authorize and approve (a) the pricing formula for the supply of bagasse to SPB in terms of the aforesaid MoU read with the MoU dated 23rd March 2013 between the parties on the basis of fuel equivalent cost for relative calorific value, moisture content and boiler efficiency; and (b) the pricing for other products and services in terms of the above MoU based on market price or cost, as appropriate.
- (3) RESOLVED FURTHER that the Board of Directors of the company on the recommendations of the Audit Committee be and are hereby authorized to make requisite changes or modification to the above mentioned MoU from time to time in the normal course of business and in the interest of the company.

PROVIDED that any structural change or modification to the terms or the basis for pricing in the MoU in a manner causing or likely to cause a material increase in the financial burden for the company by more than 10% shall be subject to the approval of the company at the immediately following General Meeting."

The Chairman declared that this resolution has been passed with requisite majority and with no Related Party voting thereon as a Special Resolution.

6. Remuneration to Cost Auditor

"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 2015-16 at Rs.75,000/- (Rupees seventyfive thousand 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
Date:02.08.2015

CHAIRMAN

