



PONNI SUGARS (ERODE) LIMITED

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PEL / SH / 176

August 5, 2014

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

Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400001

Dear Sirs,

Further to our letter No.PEL/SH/123 dt.24-06-2014 forwarding the 18th Annual Report of our Company for the Financial Year 2013-14 we send herewith the proceedings of the said Annual General Meeting held on 22nd July 2014.

Kindly acknowledge receipt.

Thanking you

Yours truly

S Viswanathan
Chief Manager (Secretarial)

Encl: As above

Proceedings of the 18th Annual General Meeting held at New Woodlands Hotel Pvt Ltd, 72-75 Dr Radhakrishnan Road, Mylapore, Chennai 600 004 on Tuesday, the 22nd July 2014.

PRESENT

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

Statutory Auditors

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

BY INVITATION

Cost Auditor Mr M Ramji, M/s S Mahadevan & Co.
Internal Auditor Mr N Basker, Partner, M/s Sengottaiyan & Co

IN ATTENDANCE

Members present in Person: 376

Members present by Proxy: Nil

(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 376 members were present in person and no 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 10.30 AM.



(C) Tribute to Founder

The Chairman informed that the day marks the 13th death anniversary of late S.Viswanathan (SV), Founder of the company who passed away on 22nd July 2001. The Chairman recounted the active participation of SV in the freedom movement including imprisonment, his close association with tall political leaders, his setting up a legal practice post-independence focusing on labour laws and the paradigm shift to don the role of an industrialist. The Chairman observed that with entrepreneurial zeal and passion, late SV founded several companies in the core sector and he was a Visionary and Karmayogi.

The Chairman requested that members may rise to pay respect to the Founder. All members thereupon stood up and observed one minute silence.

(D) New Company Law

The Chairman stated that the Companies Act 2013 and the Rules made thereunder having come into force from 1st April, 2014, the 18th Annual General Meeting would be conducted in deference thereto.

(E) Introduction

The Chairman introduced the Directors, Statutory Auditors, Cost Auditors and Internal Auditors to the Members.

(F) Registers

The Register of Directors and Key Managerial Personnel and their shareholdings was kept open and made accessible for members at the meeting venue in compliance of Section 171(1)(b) of the Companies Act, 2013.

(G) Notice & Directors Report

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

(H) Audit Report

The Chairman informed that in deference 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 thro 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. Thereupon, the Auditors' Report to shareholders was taken as read.



(I) 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 Stakeholders Relationship Committee are present at the meeting in deference to Section 178(7) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

(J) 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.

(K) E-voting

At this stage, the Chairman mentioned that the Company had offered e-voting facility for the shareholders under Section 108 of the Companies Act, 2013 engaging the services of Central Depository Services (India) Limited (CDSL). It was extended to all shareholders of the company holding shares as on the cut-off date fixed for this purpose, namely, 16th June 2014, in respect of all the 14 items listed in the Notice for the 18th AGM. The voting commenced on 16th July 2014 and closed on 18th July 2014.

(L) Poll

The Chairman informed the members that in terms of the Companies Act, 2013 as well as clarifications issued by Ministry of Corporate Affairs vide Circular No.20/2014 dt.17th June 2014, the provisions relating to demand for poll would not be relevant for the company which has already offered the e-voting facility. This however being the first AGM under the new Law, he sought the views of Members on same.

A couple of shareholders felt that Government should facilitate voting by shareholders present at the General Meeting. After voicing their views, the shareholders present unanimously agreed that there is no need for Poll at this AGM consequent upon the e-voting already completed.

(M) Queries and Reply

The Chairman thereupon invited queries from the shareholders on the agenda of the items as set out in the Notice of the 18th Annual General Meeting.

- (i) Shareholders actively participated to raise issues and seek clarification broadly covering



- Current status of Ethanol programme
 - Scope for sugar exports
 - Engaging in better by-product utilization for value addition through production of Power and Ethanol.
 - Effective representation of industry's problem with both Central and State Governments to highlight shareholders' concern.
 - Management of Sundry Debtors to reduce interest cost.
 - Disclosure of additional information on performance highlights in the first page of Annual Report.
 - Introduction of new products with improved quality and packaging.
- (ii) The Chairman furnished requisite information on each of these issues to the satisfaction of shareholders.
- (iii) The Managing Director presented an overview of global sugar markets and the relative un-competitiveness of Indian sugar compared to Brazil and Thailand.

(N) E-voting Report

At this stage, the Chairman mentioned that Mr A S Kalyanaraman, Practicing Chartered Accountant (Membership No.201149) was appointed as Scrutinizer for the e-voting who has since submitted his report on 19th July 2014. The Chairman disclosed to shareholders the outcome of e-voting based on the Scrutinizer's Report in respect of all the 14 items as under:

Item No. of Notice & Description	Votes For			Votes Against		
	No. of members	No. of shares/ votes	Vote %	No. of members	No. of shares/ votes	Vote %
1. Adoption of Financial Statement – Ordinary Resolution	53	49,58,940	100	0	0	0
2. Dividend declaration – Ordinary Resolution	53	49,58,940	100	0	0	0
3. Reappointment of retiring Director – Ordinary Resolution	53	49,58,940	100	0	0	0
4. Appointment of Auditors – Ordinary Resolution	53	49,58,940	100	0	0	0



5. Appointment of Dr Nanditha Krishna as Independent Director – Ordinary Resolution	53	49,58,940	100	0	0	0
6. Appointment of Mr V Sridar as Independent Director – Ordinary Resolution	53	49,58,940	100	0	0	0
7. Appointment of Mr.N.R.Krishnan as Independent Director – Ordinary Resolution	53	49,58,940	100	0	0	0
8. Appointment of Mr.K.Bharathan as Independent Director – Ordinary Resolution	53	49,58,940	100	0	0	0
9. Appointment of Dr.L.M.Ramakrishnan as Independent Director – Ordinary Resolution	53	49,58,940	100	0	0	0
10.Reappointment of Managing Director – Special Resolution	53	49,58,940	100	0	0	0
11.Commission to Non Executive Directors – Ordinary Resolution	53	49,58,940	100	0	0	0
12.Remuneration to Cost Auditor – Ordinary Resolution	53	49,58,940	100	0	0	0
13.Borrowing Powers – Special Resolution	53	49,58,940	100	0	0	0
14.Mortgage of Assets – Special Resolution	53	49,58,940	100	0	0	0

Note: (1) There are no invalid votes.

(2) Vote % is based on total number of valid votes cast (for and against)

(O) E-voting Results

The Chairman accordingly informed the shareholders that all the 14 resolutions proposed as Ordinary or Special resolution as stated in the Notice for the 18th AGM have been unanimously passed in terms of e-voting undertaken as above and in due compliance of Rule 20 of the Companies (Management and Administration) Rules 2014.

(P) Chairman's Declaration

Pursuant to the decision of the Meeting not to have a Poll, the Chairman declared that following resolutions have been duly passed by shareholders in terms of e-voting done and Scrutinizer's Report dated 19.07.2014 thereon and these resolutions shall be deemed to be passed on the date of the General Meeting, namely, 22nd July 2014.



1. Adoption of Financial Statements

"RESOLVED that the Statement of Profit and Loss of the Company for the year ended 31st March 2014, the Balance Sheet as at that date, the Auditors' Report thereon and the Directors' Report be and are hereby considered and adopted."

The Chairman declared that this resolution has been passed unanimously as an Ordinary Resolution.

2. Dividend declaration

"RESOLVED that

- (i) a dividend of Re.0.60 (Sixty paise only) per Equity Share for the period ended 31.03.2014 be and is hereby declared on 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 22nd July 2014; and
- (iv) the tax on dividend amounting to Rs.9 lakhs be borne by the company."

The Chairman declared that this resolution has been passed unanimously as an Ordinary Resolution.

3. Reappointment of retiring Director

"RESOLVED that Mr Bimal Poddar, 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 unanimously as an Ordinary Resolution.

4. Appointment of Auditors

"RESOLVED that pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendations of the Audit Committee of the Board, the company do hereby appoint the retiring auditors of the company as statutory auditors for a further period as under:



- i) M/s Maharaj N.R.Suresh And Co, Chennai (Firm Registration No.001931S) shall hold office for a period of two years from the conclusion of this Annual General Meeting till the conclusion of 20th Annual General Meeting.
- ii) M/s R.Subramanian and Company, Chennai (Firm Registration No.004137S) shall hold office for a period of three years from the conclusion of this Annual General Meeting till the conclusion of 21st Annual General Meeting.
- iii) The appointment of auditors as above shall be subject to ratification by members at every Annual General Meeting in accordance with the first proviso to Section 139(1) of the Companies Act, 2013 or as may be amended or clarified by the Government from time to time.
- iv) 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 unanimously as an Ordinary Resolution.

5. Appointment of Dr Nanditha Krishna as an Independent Director

"RESOLVED that pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, Dr Nanditha Krishna (DIN 00906944) a director of the company who retires by rotation at this Annual General Meeting be and is hereby appointed as an Independent Director of the company, not liable to retire by rotation, to hold office for a fixed term from 22nd July 2014 to 31st March 2019 co-terminus with the expiry of five consecutive years in office from the commencement of Section 149 of the Act."

The Chairman declared that this resolution has been passed unanimously as an Ordinary Resolution.



6. Appointment of Mr V Sridar as an Independent Director

"RESOLVED that pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, Mr V Sridar (DIN 02241339) a director of the company whose period of office is liable to determination by retirement of directors by rotation be and is hereby appointed as an Independent Director of the company, not liable to retire by rotation, to hold office for a fixed term from 22nd July 2014 to 31st March 2019 co-terminus with the expiry of five consecutive years in office from the commencement of Section 149 of the Act."

The Chairman declared that this resolution has been passed unanimously as an Ordinary Resolution.

7. Appointment of Mr N R Krishnan as an Independent Director

"RESOLVED that pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, Mr N R Krishnan (DIN 00047799) a director of the company whose period of office is liable to determination by retirement of directors by rotation be and is hereby appointed as an Independent Director of the company, not liable to retire by rotation, to hold office for a fixed term from 22nd July 2014 to 31st March 2019 co-terminus with the expiry of five consecutive years in office from the commencement of Section 149 of the Act."

The Chairman declared that this resolution has been passed unanimously as an Ordinary Resolution.

8. Appointment of Mr K Bharathan as an Independent Director

"RESOLVED that pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, Mr K Bharathan (DIN 00210433) a director of the company whose period of office is liable to determination by retirement of directors by rotation be and is hereby appointed as an Independent Director of the



company, not liable to retire by rotation, to hold office for a fixed term from 22nd July 2014 to 31st March 2019 co-terminus with the expiry of five consecutive years in office from the commencement of Section 149 of the Act."

The Chairman declared that this resolution has been passed unanimously as an Ordinary Resolution.

9. Appointment of Dr L M Ramakrishnan as an Independent Director

"RESOLVED that pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, Dr L M Ramakrishnan (DIN 00001978) a director of the company whose period of office is liable to determination by retirement of directors by rotation be and is hereby appointed as an Independent Director of the company, not liable to retire by rotation, to hold office for a fixed term from 22nd July 2014 to 31st March 2019 co-terminus with the expiry of five consecutive years in office from the commencement of Section 149 of the Act."

The Chairman declared that this resolution has been passed unanimously as an Ordinary Resolution.

10. Reappointment of Mr N Ramanathan as Managing Director

"RESOLVED that Mr N Ramanathan (DIN: 00001033) whose current term of office expired on 31.03.2014 be and is hereby re-appointed as Managing Director of the Company for a period of three years from 01.04.2014 to 31.03.2017.

RESOLVED FURTHER that pursuant to the provisions of Sections 197 read with Schedule V, Section 203 and other applicable provisions of the Companies Act, 2013, approval be and is hereby accorded for the re-appointment of Mr.N.Ramanathan as Managing Director on the remuneration and other terms and conditions set out in the Explanatory Statement attached hereto.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to increase, vary or amend the remuneration and other terms of the appointment from time to time provided that such revised remuneration shall also be in conformity with Part II of Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof or relaxation granted thereunder.



RESOLVED FURTHER that the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

The Chairman declared that this resolution has been passed unanimously as a Special Resolution.

11. Payment of Commission to Non Executive Director

"RESOLVED that the consent of the company be and is hereby accorded for payment of commission to non-executive directors out of the net profits of the company, over and above the sitting fees, for a period of three financial years from 1st April 2014 to 31st March 2017.

PROVIDED FURTHER that the aggregate commission for all the non-executive directors shall be within the ceiling prescribed from time to time under Section 197 and other applicable provisions, if any, of the Companies Act, 2013 or any modification or re-enactment thereof.

RESOLVED FURTHER that the commission be divisible among the directors in such manner and proportion as the Board of Directors may deem fit.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to take all such steps as may be necessary and expedient to give effect to the resolution."

The Chairman declared that this resolution has been passed unanimously as an Ordinary Resolution.

12. Remuneration of Cost Auditors for FY 2014-15

"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 2014-15 at Rs.60000 (Rupees sixty 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 unanimously as an Ordinary Resolution.

13. Borrowing powers under Section 180 of the Companies Act, 2013

"RESOLVED that pursuant to Section 180(1)(c) of the Companies Act, 2013, consent of the company be and is hereby accorded to the Board of Directors (which power the Board may exercise by delegation to a duly constituted Committee thereof) to borrow money from time to time that together with the monies already borrowed (apart from temporary loans obtained from the company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves provided however that the total amount so borrowed and remaining at any one time shall not exceed Rs.250 crores (Rupees two hundred and fifty crores only) in the aggregate."

The Chairman declared that this resolution has been passed unanimously as a Special Resolution.

14. Mortgage of Assets under Section 180 of the Companies Act, 2013

"RESOLVED that pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the members of the company be and is hereby accorded to the Board of Directors of the company (hereinafter referred to as the 'Board' which term shall be deemed to include a duly constituted Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the company in certain events, in favour of Banks/ Financial Institutions and/ or other Lenders/ Investing Agencies/ Trustees for Debentures/ Bonds to secure borrowings from time to time provided that the aggregate of borrowings so secured shall not exceed Rs.250 crores (Rupees two hundred and fifty crores only) outstanding at any time exclusive of interest, additional interest, compound interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and all other monies payable by the company in respect of such borrowings.



RESOLVED FURTHER that for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized and empowered to finalize, settle and execute requisite agreements, documents, deeds, indemnities, guarantees, declarations or other legal undertakings and do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/ charges as aforesaid."

The Chairman declared that this resolution has been passed unanimously as a Special Resolution.

The Chairman declared the meeting closed at 11.40 hrs.

Chennai
04.08.2014

CHAIRMAN

