

Proceedings of the 67th Annual General Meeting of THE ANDHRA SUGARS LIMITED held on Wednesday the 10th September, 2014 at 3.00 p.m. at the Registered Office of the Company, Venkatarayapuram, Tanuku.

Members Present : 145

Pursuant to Article 110 of the Articles of Association of the Company, the Chairman of the Board of Directors of the Company, Dr. B.B. Ramaiah presided over the meeting and conducted the proceedings after ascertaining that quorum is present.

As the outset Chairman informed the Meeting about the sad demise of our beloved Director Dr. Alapaty Appa Rao on 30th April, 2014 and recalled the valuable contribution made by Dr. Alapaty Appa Rao to the growth and development of the Company as a Director from 2004 and requested the members to observe 2 minutes silence as a mark of respect to the departed Director.

Accordingly the Members observed 2 minutes silence and passed the following Resolution.

"RESOLVED to note with profound grief the sad and untimely demise of our beloved Director Dr. Alapaty Appa Rao garu on 30th April, 2014 and place on record the deep appreciation of his valuable guidance and contribution to the development of the Company during his tenure from 2004 as Director".

"RESOLVED FURTHER to convey the heartfelt condolences to the bereaved family members of Dr. Alapaty Appa Rao garu".

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 67th 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, 2014, to declare dividend, to elect Directors in place of those who retire by rotation, to appoint Auditors for three years, to appoint Independent Directors, to pass Special Resolution regarding inviting Fixed Deposits from Member & Public, according consent to the Board for exercising Borrowing Powers and Creation of charge.

Chairman informed that Sri A. Ranga Rao, Chairman of the Audit Committee and Sri P. A. Chowdary, Chairman of Stakeholders Relationship Committee and Member of Nomination & Remuneration Committee are also present.

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

The Chairman of the Meeting informed the meeting that the Company provided Members the facility of e-voting and expressed the 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 appointed Sri Nekkanti S R V V Satyanarayana, Practising Company Secretary, as Scrutiniser for the poll.

With the permission of the members present, the Annual Accounts together with the Directors' Report for the year ending 31st March, 2014 are taken as read.

ITEM NO. 1: **To adopt the audited Accounts for the year ended 31st March, 2014**

The following Resolution with regard to the adoption of Audited Annual Accounts for the year 2013-14 and Reports thereon was passed as an Ordinary Resolution:

"RESOLVED that the Balance Sheet as at 31st March, 2014 and the Statement of Profit & Loss for the year ending 31st March, 2014 together with the Directors' Report and Auditors' Report thereon be approved and adopted".

The Resolution was passed with unanimous 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 at its meeting held on 26th May, 2014 recommended a Dividend on Equity Shares at Rs.5.00 per Share for the year 2013 -14.

The following Resolution with regard to the declaration of dividend for the year 2013-14 was passed as an Ordinary Resolution:

"RESOLVED to approve a Dividend of Rs. 5.00 per Equity Share on 2,71,07,078 Equity Shares of Rs.10/- each for the financial year 2013-14."

The Resolution was passed with unanimous 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 M. 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 M. Thimmaraja, as Director was passed as an Ordinary Resolution:

"RESOLVED that Sri M. Thimmaraja be and is hereby appointed as Director of the Company liable to retirement by rotation".

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

ITEM NO. 5 **To appoint Auditors for the current year – 2014-15**

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

“RESOLVED that the retiring Auditors, M/s Brahmayya & Co., Chartered Accountants, Vijayawada be and are hereby re-appointed as Auditors of the Company for a period of three Financial Years viz., 2014-15, 2015-16, 2016-17 from the conclusion of 67th Annual General Meeting till conclusion 70th Annual General Meeting.”

“RESOLVED FURTHER THAT for the Financial Year 2014-15 M/s Brahmayya & Co., be paid a remuneration of Rs. 13,50,000/- (Rupees Thirteen lakhs Fifty thousand only) plus travelling and other out of pocket expenses”.

“RESOLVED FURTHER THAT the remuneration payable to M/s. Brahmayya & Co., Statutory Auditors for the Financial Years 2015-16 & 2016-17 be decided by the Board at the appropriate time when the appointment of the Statutory Auditors for the respective years is placed before the Members for ratification”.

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

ITEM NO. 6: **To appoint Sri A. Rangar Rao as an Independent Director**

Chairman informed the meeting that pursuant to the provisions of Sections 149 & 152 and other applicable provisions of the Companies Act, 2013 and the amended Clause 49 of Listing Agreement to be applicable w.e.f., 1st October, 2014, Sri A. Ranga Rao an existing Independent Director, has been appointed as an Independent Director on the Board of the Company for a term upto 5 consecutive years commencing from 10th September, 2014 by the Board of Directors at its meeting held on 26th May, 2014. Subject to the approval of the Shareholders at this meeting.

He further informed that Sri A. Ranga Rao is a Law Graduate and an Industrialist with considerable experience. He has been on the Board of your Company for more than two decades. He is the Managing Director of Akin Laboratories Pvt. Ltd. He is the Chairman of the Audit Committee and also Member of Nomination and Remuneration Committee constituted by the Board of the Company.

The following Resolution with regard to his appointment was passed as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152 and any 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, Sri A. Ranga Rao (DIN: 00089664), Director of the Company, whose period of office was liable to retirement by rotation under the erstwhile Companies Act, 1956, who retires at this Annual General Meeting and offers himself for re-appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the conclusion of 67th Annual General Meeting, not liable to retirement by rotation."

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

ITEM NO. 7: To appoint Dr. P. Kotaiah as an Independent Director

Chairman informed the meeting that pursuant to the provisions of Sections 149 & 152 and other applicable provisions of the Companies Act, 2013 and the amended Clause 49 of Listing Agreement to be applicable w.e.f., 1st October, 2014, Dr. P. Kotaiah an existing Independent Director, has been appointed as an Independent Director on the Board of the Company for a term upto 5 consecutive years commencing from 10th September, 2014 by the Board of Directors at its meeting held on 26th May, 2014. Subject to the approval of the Shareholders at this meeting.

He further informed that Dr. P. Kotaiah, former Chairman of NABARD, has rich financial background and industrial experience of more than three and a half decades. He holds Directorships on the Board of many companies viz., Lanco Infratech Ltd., Blossom Industries Ltd, Pridvi Asset Reconstruction and Securitisation Co. Ltd., Lanco Kondapalli Power Ltd., Nuziveedu Seeds Ltd., Lanco Babandh Power Ltd., Lanco Power Ltd., Lanco Thermal Ltd., and NSL Sugars Limited. He is also a Member of the Audit Committee constituted by the Board of the Company.

The following Resolution with regard to his appointment was passed as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152 and any 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. P. Kotaiah (DIN: 00038420), Director of the Company, whose period of office was liable to retirement by rotation under the erstwhile Companies Act, 1956, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the conclusion of 67th Annual General Meeting, not liable to retirement by rotation."

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

ITEM No. 8: To appoint Sri V. S. Raju as an Independent Director

Chairman informed the meeting that pursuant to the provisions of Sections 149 & 152 and other applicable provisions of the Companies Act, 2013 and the amended Clause 49 of Listing Agreement to be applicable w.e.f., 1st October, 2014, Sri V.S. Raju an existing Independent Director, has been appointed as an Independent Director on the Board of the Company for a term upto 5 consecutive years commencing from 10th September, 2014 by the Board of Directors at its meeting held on 26th May, 2014. Subject to the approval of the Shareholders at this meeting.

He further informed that Sri V.S.Raju is former Registrar of Companies, Andhra Pradesh, Hyderabad and Karnataka, Bangalore. He also held the positions of Deputy Secretary and Secretary in the Department of Company Affairs, New Delhi. He is practising as an Advocate at Hyderabad and is eminent in Company Law matters. He was the President of the Federation of AP Chamber of Commerce for the year 2011-12. He is a Director on the Board of the Companies viz., JOCIL Ltd., Gangavaram Port Ltd. He is the Chairman of the Audit Committee constituted by the Board of JOCIL Ltd. and Member of Audit Committee constituted by the Board of Gangavaram Port Ltd. He is also a Member of the Audit Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee constituted by the Board of the Company.

The following Resolution with regard to his appointment was passed as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152 and any 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, Sri V.S.Raju (DIN: 00101405), Director of the Company, whose period of office was liable to retirement by rotation

under the erstwhile Companies Act, 1956, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the conclusion of 67th Annual General Meeting, not liable to retirement by rotation."

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

ITEM NO. 9: **To appoint Dr. A.V. Rama Rao as an Independent Director**

Chairman informed the meeting that pursuant to the provisions of Sections 149 & 152 and other applicable provisions of the Companies Act, 2013 and the amended Clause 49 of Listing Agreement to be applicable w.e.f., 1st October, 2014, Dr. A.V. Rama Rao an existing Independent Director, has been appointed as an Independent Director on the Board of the Company for a term upto 5 consecutive years commencing from 10th September, 2014 by the Board of Directors at its meeting held on 26th May, 2014. Subject to the approval of the Shareholders at this meeting.

He further informed that Dr. A.V. Rama Rao is an eminent Scientist. He was former Director of Indian Institute of Chemical Technology and has considerable experience and expertise in the field of Chemical Technology. He is the Chairman & Managing Director of Avra Laboratories Pvt. Ltd. and Avra Synthesis Pvt. Ltd.

The following Resolution with regard to his appointment was passed as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152 and any 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. A. V. Rama Rao (DIN: 01341232), Director of the Company, whose period of office was liable to retirement by rotation under the erstwhile Companies Act, 1956, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the conclusion of 67th Annual General Meeting, not liable to retirement by rotation."

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

ITEM NO. 10: **To appoint Sri P. A. Chowdary as an Independent Director**

Chairman informed the meeting that pursuant to the provisions of Sections 149 & 152 and other applicable provisions of the Companies Act, 2013 and the amended Clause 49 of Listing Agreement to be applicable w.e.f., 1st October, 2014, Sri P. A. Chowdary an existing Independent Director, has been appointed as an Independent Director on the Board of the Company for a term upto 5 consecutive years commencing from 10th September, 2014 by the Board of Directors at its meeting held on 26th May, 2014. Subject to the approval of the Shareholders at this meeting.

He further informed that Sri P.A.Chowdary, I.R.S.(Retd.) is a retired Chief Commissioner of Income Tax and has vast experience and has held various positions in Income Tax Department. He is also Chairman of the Stakeholders Relationship Committee and Member of Nomination & Remuneration Committee constituted by the Board of the Company.

The following Resolution with regard to his appointment was passed as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152 and any 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, Sri P.A.Chowdary (DIN: 002936505), Director of the Company, whose period of office was liable to retirement by rotation under the erstwhile Companies Act, 1956, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the conclusion of 67th Annual General Meeting, not liable to retirement by rotation."

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

ITEM NO. 11: **Acceptance of Fixed Deposits**

Chairman informed the meeting that the Company has been accepting Fixed Deposits from Public & Members for several years under the provisions of erstwhile Companies Act, 1956 and Fixed Deposit Rules made thereunder. As such the Board of Directors considers it advisable to continue acceptance of Fixed Deposits from Members & Public which would enable the Company to augment its financial resources for various requirements.

The following Resolution with regard to Acceptance / Inviting Fixed Deposits was passed as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 73 and 76 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Acceptance of Deposits) Rules, 2014, the consent of the Members be and is hereby accorded to the Board of Directors of the Company to invite and accept Fixed Deposits from the Public and Members, within limits prescribed in the Act and the overall borrowing limits of the Company, as approved by the Members, for the time being in force or any amendments made from time to time."

"RESOLVED FURTHER that the Board of Directors or any person authorised thereof be and is hereby authorised to finalise the scheme for invitation and acceptance of fixed deposits from the Members and the Public and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

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

ITEM NO. 12: Approval of Borrowing Powers

Chairman informed the meeting that the Company at its 66th Annual General Meeting held on 26th August, 2013, authorised the Board of Directors of the Company by way of Ordinary Resolution under Section 293(1)(d) of the erstwhile Companies Act, 1956 to borrow for the purpose of the Company's business moneys in excess of aggregate of the paid-up capital of the Company and its free reserves provided the sum or sums so borrowed and remaining outstanding at any point of time shall not exceed Rs. 1,000 crores (Rupees One thousand crores only).

However, pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 the Board can exercise such borrowing powers only with the approval of Members of the Company by way of Special Resolution. As such the Resolution is recommended for approval as a Special Resolution with no change in the borrowing power limit of Rs.1,000 crores as approved by the Shareholders under the provisions of erstwhile Companies Act, 1956.

The following Resolution with regard to approval of Borrowing Power was passed as a Special Resolution:

"RESOLVED that in supersession of the Resolution adopted by the Company at the 66th Annual General Meeting held on 26th August, 2013 with respect to the borrowing powers of the Board of Directors, consent of the Company be and is hereby accorded to the Board of Directors of the Company pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") or any statutory modification or re-enactment thereof and the rules made thereunder, to borrow any sum(s) of money or moneys from time to time notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Share Capital of the Company and its Free Reserves, as the Board may, from time to time, deem necessary for the purpose of the Company, provided however the total amount so borrowed and outstanding at any one time shall not exceed Rs. 1,000 crores (Rupees One thousand crores only)."

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

ITEM NO. 13: Creation of Charge / Mortgage

Chairman informed the meeting that earlier Shareholders approval was sought by way of Ordinary Resolution under Section 293(1)(a) of the erstwhile Companies Act, 1956, to create mortgage and/or Charge on the immovable and movable properties of the Company in favour of the lenders to secure their financial assistance as mentioned in the said Resolution.

However, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 the Board can exercise such power to create Mortgage and/or Charge on the immovable and movable properties only with the approval of Members of the Company by way of Special Resolution.

The following Resolution with regard to creation of Charge / Mortgage was passed as a Special Resolution:

"RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act"), or any statutory modification or re-enactment thereof and the rules made thereunder, to the Board of Directors to mortgage and/or Charge (by way of first, second or other subservient Charge as may be agreed between the Company and the lenders and/or Debenture Trustees), all the immovable and movable properties, present and future, pertaining to the undertaking of the Company, whose properties are agreed to be mortgaged and/or Charged in certain events, to or in favour of any Financial Institutions, Banks and other lending Institutions or Funds, Debenture Trustees, to secure their respective Rupee and/or Foreign Currency Loans or other financial assistance lent, granted and advanced or agreed/hereafter agreed to be lent, granted and advanced to the Company or the Debentures, Bonds or other financial instruments as may be issued and allotted by the Company and/or agreed to be subscribed to by such Institutions/Banks/Funds, or any other person, for such amount(s) not exceeding Rs. 1,000 crores (Rupees One thousand crores only) in the aggregate on account of principal together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Trustees, costs, charges and other moneys payable by the Company to the respective Financial Institutions, Banks and other lending institutions and Debenture holders and/or Trustees under the Loan/Subscription Agreement(s) entered into/to be entered into by the Company in respect of the said Loans, Debentures or other financial instruments or assistance."

"RESOLVED FURTHER that the Board of Directors of the Company or any person authorised by the Board thereof, be and is hereby authorised to finalise with the Financial Institutions, Banks and other lending Institutions or funds or Debenture Trustees the documents for creating mortgage(s) and/or Charge(s) as aforesaid and to do all acts, deeds and things in connection therewith and incidental thereto."

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

ITEM NO. 14: **Ratification of remuneration of Cost Auditors**

Chairman informed the meeting that the Board, on the recommendation of the Audit Committee, 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, 2015 and remuneration of Rs. 4,00,000/- 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 for the remuneration payable to the Cost Auditors for the Financial Year 2014-15 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. 4,00,000/- (Rupees Four 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 26.05.2014 for conducting the Cost Audit for the Financial Year 2014-15 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 unanimous majority based on the results of e-voting and the poll conducted at the Meeting.

ITEM NO. 15: To appoint Dr. Dasari Manjulata as an Independent Director.

Chairman informed the meeting that Dr. Dasari Manjulata was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 28.7.2014 pursuant to Article 116 of the Articles of Association of the Company and Section 161 of the Act. In terms of the said Section Dr. Dasari Manjulata holds office upto this Annual General Meeting of the Company.

Dr. Dasari Manjulata is Phd. from Osmania University, Hyderabad in Telugu. She is a senate member of Potti Sreeramulu Telugu University, Hyderabad & Krishna University, Machilipatnam. She also served as Vice Chancellor of Potti Sreeramulu Telugu University, Hyderabad. Her administrative experience spans over 37 years in different capacity. She hold 21, 500 equity shares in the Company. She is a Director on the Board of Sri Jayalakshmi Growth Fund Pvt. Ltd.

He further informed that Nomination and Remuneration Committee after reviewing her profile and other credentials at its meeting held on 27.7.2014 has recommended her appointment as Independent Director.

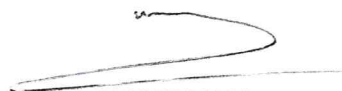
The following Resolution with regard to her appointment was passed as an Ordinary Resolution:

"RESOLVED THAT Dr. Dasari Manjulata, who was appointed by the Board as an Additional Director of the Company with effect from 28.7.2014 pursuant to Article 116 of the Articles of Association of the Company who holds office upto the date of 67th Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member of the Company under Section 160 of the Companies Act, 2013 proposing her Candidature for the Office of Director of the Company, be and is hereby appointed as Director."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and any 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. Dasari Manjulata (DIN: 02788338), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the conclusion of 67th Annual General Meeting, not liable to retirement by rotation."

The Resolution was passed with unanimous 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 of the meeting by Sri G.H.Prasada Rao.


CHAIRMAN

