

PARRYS SUGAR INDUSTRIES LIMITED

MINUTES OF THE TWENTY EIGHTH ANNUAL GENERAL MEETING OF PARRYS SUGAR INDUSTRIES LIMITED HELD ON FRIDAY, JULY 25, 2014 AT 10.30 AM AT KHINCHA HALL, BHARATIYA VIDYA BHAVAN, RACE COURSE ROAD, BANGALORE – 560 001.

PRESENT

Mr. K. Balasubramanian	Non Executive Chairman & Chairman of the Audit Committee
Mr. D. Kumaraswamy	Managing Director
Mr. K. Ramadoss	Independent Director
Mr. C.R. Rajan	Independent Director

IN ATTENDANCE

Mr. V.Suri, Chief Financial Officer
Mr. Amar Kumar Dora, Company Secretary

BY INVITATION

Mr. H.S. Venkatesh, Partner – M/s. R.G.N. Price & Co., Auditors

MEMBERS PRESENT

203 Members present in person and by proxy representing 1,73,77,572 Equity Shares ,87.05% of the capital.

1. At 10.30 a.m. Mr. K.Balasubramanian, Chairman took the Chair and extended a warm welcome to the members to the Company's twenty-eighth Annual General Meeting.
2. The requisite quorum being present, the Chairman called the meeting to order.
3. The Chairman informed the members that the Register of Directors and Key Managerial Personnel & their Shareholding and Register of Contracts or Arrangements in which the Directors are interested and documents contained in the AGM Notice are available and remain accessible to the members for inspection.
4. The Chairman introduced the Directors to the members present at the meeting.

5. Notice

The Notice dated April 28, 2014 convening the Annual General Meeting having been circulated was taken as read with the consent of the members.

6. Auditors Report

The Chairman stated that the Auditors' Report on the financial statement of the Company for the year ended March 31, 2014 does not have any qualifications or observations.

Accordingly, the Auditors' Report was not required to be read out before the meeting, as provided in the new Companies Act, 2013.

7. **Chairman's Address**

The Chairman delivered his speech the highlights of which are as under:

The company's topline showed an increase of 71% from Rs.100.83 Crores to Rs.172.52 crores, the company registered a loss after tax amounting to Rs.36.03 Crores. The delay in commencing the crushing operations resulting from the uncertainty surrounding cane price have resulted in the Company's Ramdurg Unit crushing a total 4.95 Lakhs MT of cane as against 5.74 Lakhs MT of previous year. The 13 MW Cogeneration Unit generated a total of 329 Lakhs Units and 48.63% thereof was exported generating a revenue of Rs.628.56 Lakhs.

Karnataka is a prominent player in India's sugar industry which is the country's second largest agro-based industry, next only to textiles and North Karnataka is positioned as the main sugarcane growing region in the state.

Consistent increase in the prices of sugarcane and relatively subdued trend in sugar sales realisations have severely dented the financial performance of sugar mills in Karnataka including that of the Company. The fluctuations in sugar price and the increased cane cost impacted the profitability of sugar companies.

Karnataka is the first State to take steps to follow a revenue-sharing model as per the recommendations of the Rangarajan Committee by enacting the Karnataka Sugarcane (Regulation of purchase and supply) Act, 2013.

The determination of sugar cane prices announced by the Karnataka Sugarcane Control Board for the Sugar Season 13-14 has not been done as per the said recommendation of the Rangarajan Committee and was much higher than the FRP of Rs.2100/- per tonne which forced the industry to contest the matter in the High Court of Karnataka.

Recognising the problems of the Sugar Industry, the Central government has stepped in and offered incentives for the sugar industry such as extending of soft loans, providing export subsidy, doubling ethanol blending requirements to 10% etc.,

With higher percentage of pre-seasonal crop, mostly in Northern Karnataka, the sugar production in Karnataka is estimated to cross the current year's historically highest production.

He acknowledged the co-operation and assistance extended by the Central Government, State Government, the Company's Bankers, dealers, customers, suppliers and thanked the shareholders for the confidence reposed by them in the management and all other stakeholders for their wholehearted support and cooperation.

The Chairman also congratulated the management for their committed contribution.

8. The Chairman briefed the members on certain changes that have been introduced by the new Companies Act 2013, relating to the AGM proceedings. He stated that pursuant to the provisions of the Companies Act, 2013 and the Listing Agreement with Stock Exchanges, the Company had extended e-voting facility to the members to exercise their votes from July 19, 2014 to 21st July, 2014. In this regard, the Board of Directors had appointed Mr.V.

Sreedharan, Practicing Company Secretary, Bangalore, as scrutinizer for conducting the poll process.

As provided in the Act, all resolutions prescribed in the AGM Notice shall be decided through Poll and not by Show of Hands. He further mentioned that an opportunity of voting at the AGM is available for those shareholders who have not exercised their vote through e-voting.

9. The Chairman briefed the members about the ordinary business as set out in the AGM notice under Item No. 1 to 4 and the special businesses under Item No. 5 to 10.
10. The chairman invited members (other than those present through proxies) to seek any clarifications that they may require on the Agenda items as set out in the Notice of the 28th Annual General Meeting. The various queries of the members on the Company's operations and the annual accounts for the year ended March 31, 2014 were collated and answered by the Chairman and the Managing Director to the satisfaction of the members.
11. The Chairman thereafter ordered poll on the resolutions set out in the AGM Notice and requested that those members who had not exercised their votes through e-voting can vote at the meeting through the ballot paper.
12. Mr. V.Sreedharan, Practicing Company Secretary conducted the poll which included distribution of the poll papers, showing empty poll boxes to the members and locking of the poll boxes in the presence of the members. After ensuring that all the members, proxy holders and representatives have casted their votes, the scrutinizer closed the poll boxes and then took custody of the poll boxes.
13. After conclusion of the poll, the Chairman announced that the combined results of the e-voting and the poll taken at the Meeting would be announced to the Stock Exchanges and also made available on the websites of the Company and the website of CDSL within two days.
14. Thanking the members for their participation, suggestions and comments, the Chairman announced formal closure of the 28th Annual General Meeting.
15. The resolutions passed with requisite majority and consolidated results of the evoting and poll in respect of each resolution as announced to the Stock Exchanges are as under:

Ordinary Business:

Item No.1. Ordinary Resolution for adoption of the Audited Annual Accounts for the year ended March 31, 2014 and the reports of the Board of Directors and the Auditors thereon.

“RESOLVED THAT the Audited Balance Sheet as at March 31, 2014 together with the Statement of Profit and Loss for the year ended as on that date and the Reports of the Directors and Auditors thereon be and are hereby adopted”.

Results

(i) Votes in favour of the resolution

Number of members voted in e-voting	Number of votes cast (Shares) - Evoting	Number of members/ Proxies voted by Poll	Number of votes cast (shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
17	12975296	80	4399497	17374793	87.04

(ii) Votes against the resolution

Nil	Nil	1	21	21	Negligible
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(iii) Invalid votes

Nil	Nil	1	1	1	Negligible
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Item No.2.Ordinary Resolution for appointment of Mr. V.Ravichandran as Director.

“RESOLVED THAT Mr. V.Ravichandran (DIN: 00110086) who retires by rotation at this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation”.

Results

(i) Votes in favour of the resolution

Number of members voted in e-voting	Number of votes cast (Shares) - Evoting	Number of members/ Proxies voted by Poll	Number of votes cast (shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
17	12975296	78	4399482	17374778	87.04

(ii) Votes against the resolution

Nil	Nil	3	36	36	Negligible
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(iii) Invalid votes

Nil	Nil	1	1	1	Negligible
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Item No.3.Ordinary Resolution for appointment of M/s R.G.N. Price & Co., as Statutory Auditors of the Company.

“RESOLVED THAT pursuant to the provisions of Section 139 and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, M/s. R.G.N Price & Co., Chartered Accountants, (Firm Registration No. 002785S) be and they are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the thirtieth AGM (subject to ratification of their appointment at every AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors”.

Results

(i) Votes in favour of the resolution

Number of members voted in e-voting	Number of votes cast (Shares) - Evoting	Number of members/ Proxies voted by Poll	Number of votes cast (shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
17	12975296	80	4399497	17374793	87.04

(ii) Votes against the resolution

Nil	Nil	1	21	21	Negligible
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(iii) Invalid votes

Nil	Nil	1	1	1	Negligible
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Special Business:

Item No.4. Ordinary Resolution for ratification of the remuneration payable to M/s Narasimha Murthy & Co., Cost Auditors for the year 2014-15.

“RESOLVED THAT pursuant to Section 148 and any other applicable provisions of the Companies Act, 2013, the Rules made thereunder and the recommendations of the Audit Committee of the Board of Directors, the remuneration of Rs.90,000/- towards fee for audit of the cost accounting records of the Company and reimbursement of travelling and out of pocket expenses payable to M/s Narasimha Murthy & Co., Cost Accountants (Firm Registration No.000042) for the year 2014-15 fixed by the Board of Directors and agreed to by M/s Narasimha Murthy & Co., be and are hereby ratified”.

Results:

(i) Votes in favour of the resolution

Number of members voted in e-voting	Number of votes cast (Shares) - Evoting	Number of members/ Proxies voted by Poll	Number of votes cast (shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
17	12975296	80	4399497	17374793	87.04

(ii) Votes against the resolution

Nil	Nil	1	21	21	Negligible
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(iii) Invalid votes

Nil	Nil	1	1	1	Negligible
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Item No. 5. Ordinary Resolution for appointment of Mr. V.Ramesh as a Director.

“RESOLVED THAT pursuant to the provisions of Section 149 of the Companies Act, 2013 and the rules made thereunder and the Articles of Association of the Company, Mr. V.Ramesh (DIN: 01412093), who was appointed as an Additional Director of the Company by the Board of Directors with effect from April 28, 2014 and who holds directorship until

the date of this AGM 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 under Section 160 of the Companies Act, 2013 proposing Mr. V.Ramesh as a candidate for the office of a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation”.

Results

(i) Votes in favour of the resolution

Number of members voted in e-voting	Number of votes cast (Shares) - Evoting	Number of members/ Proxies voted by Poll	Number of votes cast (shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
17	12975296	78	4399482	17374778	87.04

(ii) Votes against the resolution

Nil	Nil	3	36	36	Negligible
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(iii) Invalid votes

Nil	Nil	1	1	1	Negligible
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Item No.6.Ordinary Resolution for appointment of Mr. K.Balasubramanian as an Independent Director.

“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, Mr. K. Balasubramanian (DIN 00009132), Director of the Company, be and is hereby appointed as an Independent Director of the Company for three consecutive years from the conclusion of this AGM to the conclusion of thirty first AGM, not liable to retire by rotation.”

Results

(i) Votes in favour of the resolution

Number of members voted in e-voting	Number of votes cast (Shares) - Evoting	Number of members/ Proxies voted by Poll	Number of votes cast (shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
17	12975296	80	4399497	17374793	87.04

(ii) Votes against the resolution

Nil	Nil	1	21	21	Negligible
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(iii) Invalid votes

Nil	Nil	1	1	1	Negligible
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Item No.7. Ordinary Resolution for appointment of Mr. K.Ramadoss as an Independent Director

“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, Mr. K. Ramadoss (DIN 03230018), Director of the Company, be and is hereby appointed as an Independent Director of the Company for three consecutive years from the conclusion of this AGM to the conclusion of thirty first AGM, not liable to retire by rotation.”

Results

(i) Votes in favour of the resolution

Number of members voted in e-voting	Number of votes cast (Shares) - Evoting	Number of members/ Proxies voted by Poll	Number of votes cast (shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
17	12975296	80	4399497	17374793	87.04

(ii) Votes against the resolution

Nil	Nil	1	21	21	Negligible
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(iii) Invalid votes

Nil	Nil	1	1	1	Negligible
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Item No. 8. Ordinary Resolution for appointment of Mr. C.R.Rajan as an Independent Director.

“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, Mr. C.R.Rajan (DIN 00111933), Director of the Company, be and is hereby appointed as an Independent Director of the Company for three consecutive years from the conclusion of this AGM to the conclusion of thirty first AGM, not liable to retire by rotation.”

Results

(i) Votes in favour of the resolution

Number of members voted in e-voting	Number of votes cast (Shares) - Evoting	Number of members/ Proxies voted by Poll	Number of votes cast (shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
17	12975296	80	4399497	17374793	87.04

(ii) Votes against the resolution

Nil	Nil	1	21	21	Negligible
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(iii) Invalid votes

Nil	Nil	1	1	1	Negligible
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Item No.9.Special Resolution for approval of borrowing limits under Section 180 (1) (c) of the Companies Act, 2013.

“RESOLVED THAT in supersession of the ordinary resolution passed at the Annual General Meeting held on 25th September, 2008 under section 293(1)(d) of the Companies Act, 1956 and pursuant to the provisions of Section 180(1)(c) of the Companies Act 2013 and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) the Company hereby accords its consent to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose), for borrowing any sum or sums of money from time to time whether in Indian rupees or foreign currency, unsecured or secured notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves and that the total amount up to which the moneys may be borrowed by the Board of Directors and outstanding shall not exceed the sum of Rs.500 crores (Rupees five hundred crores only) at any time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

Results

(i) Votes in favour of the resolution

Number of members voted in e-voting	Number of votes cast (Shares) - Evoting	Number of members/ Proxies voted by Poll	Number of votes cast (shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
17	12975296	78	4399482	17374778	87.04

(ii) Votes against the resolution

Nil	Nil	3	36	36	Negligible
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(iii) Invalid votes

Nil	Nil	1	1	1	Negligible
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Item No.10.Special Resolution for approval for creation of Charge/Mortgage on the immovable and movable properties of the Company.

“RESOLVED THAT in supersession of the ordinary resolution passed at the Annual General Meeting held on 25th September, 2008 under section 293(1)(a) of the Companies Act, 1956 and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and all other applicable provisions if any, or any other law for the time being in force

(including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) consent of the members be and is hereby accorded to the Board of Directors of the Company for mortgaging/charging /hypothecating all or any of the immovable and movable properties of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) in favour of all or any Banks, financial institutions, investments institutions and their subsidiaries, any other bodies corporate and any other lenders (hereinafter collectively referred to as “the lending agencies”) and/or Trustees for the holders of debentures/ bonds/ other instruments to secure borrowings of the Company by way of loans/ issue of debentures/ bonds/other instruments as may be issued, which may exceed the paid-up capital and free reserves but not exceeding Rs.500 Crores (Rupees Five Hundred Crores only) at any time.

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

Results

(i) Votes in favour of the resolution

Number of members voted in e-voting	Number of votes cast (Shares) - Evoting	Number of members/ Proxies voted by Poll	Number of votes cast (shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
17	12975296	78	4399482	17374778	87.04

(ii) Votes against the resolution

Nil	Nil	3	36	36	Negligible
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(iii) Invalid votes

Nil	Nil	1	1	1	Negligible
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**K.BALASUBRAMANIAN
CHAIRMAN**

