

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF BANNARI AMMAN SUGARS LIMITED HELD AT THE REGISTERED OFFICE OF THE COMPANY AT 252, METTUPALAYAM ROAD, COIMBATORE 641 043 ON WEDNESDAY THE 20<sup>th</sup> SEPTEMBER 2000 AT 3.30 P.M.

Present : 1. Sri S V Balasubramaniam - Chairman  
2. Sri V Venkata Reddy  
3. Sri K S Ramaswamy  
4. Sri S V Alagappan  
5. Sri P L Sivanappan  
6. Sri E P Muthukumar  
7. Sri A K Perumalsamy  
8. Sri S V Arumugam  
9. Sri B Saravanan

In attendance : Sri P R Vittel  
Chartered Accountant

The quorum being present, the meeting commenced.

(1) RECORDING THE MINUTES OF THE BOARD MEETING HELD ON 30.06.2000

The Chairman tabled before the Board the minutes of the meeting of the Board of Directors of the Company held on 30.6.2000. The Board perused the minutes and passed the following resolution:

RESOLVED that the minutes of the meeting of the Board of Directors of the Company held on 30.6.2000 be and is hereby recorded.

(2) REVIEW OF COMPANY'S WORKING

The Chairman informed the Board that sugar unit-I at Alathukombai has crushed 8,90,090 Metric Tonnes of cane with an average recovery of 10.82% from 1.10.1999 to 17.9.2000 and sugar unit-II at Alaganchi village has crushed 7,66,640 Metric Tonnes of cane with an average recovery of 9.92% from

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For BANNARI AMMAN SUGARS LIMITED

  
COMPANY SECRETARY

RESOLVED that Sri S V Balasubramaniam, Managing Director, Sri A Ramaswamy, General Manager (Distillery Division) and Sri K Sundaramoorthi, General Manager (Distillery Unit) of the company be and are hereby severally authorized to sign and execute the agreements, documents and other papers with the Tamilnadu Electricity Board in connection with availing the power supply from the Tamilnadu Electricity Board for the Distillery Division of the company.

FURTHER RESOLVED that the common seal of the company be affixed, if so required by the Tamilnadu Electricity Board to the agreements/documents in the presence of Sri S V Balasubramaniam, Managing Director of the company.

FURTHER RESOLVED that the earlier resolutions passed at the meeting held on 2.2.1996 in this regard be and are hereby modified as above.

12-H. INSTALLATION OF 20MW CO-GENERATION PLANT AT UNIT - I AS CDM PROJECT

The Board took up the matter of implementing the new co-generation system at the Unit I sugar complex. The Chairman introduced the Company's proposal to install a new 20 MW co-generation plant in Sathyamangalam sugar plant - unit I. He informed that the consultants Avant-Garde, has already submitted their technical and financial feasibility report on its implementation and placed it before the Board for consideration.

He described about the existing co-gen set up with 2500 TCD, the proposed expansion scheme with 4000 TCD, investment needs, cost-benefit analysis and technical aspects of the project. Among the various aspects discussed, main issues highlighted were the technical configuration, fuel availability, tariff assumption and manpower. Major concerns were that the high pressure technology was adopted by very few sugar plants in the country and further the Company was experiencing technical and operational problems in the high pressure system installed at unit II. As informed by the consultant, the first 87 ata technology was only being implemented, which is in Andhra Pradesh. Its success is yet to be demonstrated.



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The Chairman responded that the purchase tariff and technical issues are external factors beyond our control, against which we could only make contingency provisions. The Chairman quoted the section of the project report on aspect of carbon credit revenues for the project through the carbon dioxide reductions derived by generating renewable power. These revenues could be of significant volume and its future demand is projected to grow. This could supplement revenue and assist against eventualities. Though this scheme is yet to take off, there is a lot of international activity going on.

Further, the Chairman informed the Board that the existing technical staff in Unit II has got some experience now in operating high pressure systems and therefore they could train new people for the proposed plant along with equipment suppliers. Regarding fuel availability, he informed that by the time the plant is commissioned in 2002, the sugar crushing is expected to reach 4000 TCD for 250 days providing with sufficient fuel. The Board discussed the subject and passed the following resolutions:

RESOLVED that the project proposal for installing 20 MW co-generation plant at the company's Sugar Unit-I at Alathukombai village, Sathyamangalam Taluk, Erode District in the State of Tamil Nadu be and is hereby approved.

FURTHER RESOLVED that the proposed co-generation project be taken up as a CDM project and appropriate consultant be engaged to realize the carbon credits.

FURTHER RESOLVED that Sri S V Balasubramaniam, Managing Director, Sri S V Arumugam, Director and Sri R Murugesan, General Manager (Finance) be and are hereby severally authorized to discuss and negotiate with various agencies and vendors of long delivery equipments and to make applications to the concerned authorities for clearances required for the projects.

FURTHER RESOLVED that Sri S V Balasubramaniam, Managing Director, Sri S V Arumugam, Director and Sri R Murugesan be and are hereby severally authorized:

- a) to discuss, deliberate, negotiate, finalise and accept the terms and conditions relating to co-generation project with the various agencies



