

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 20th 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

CERTIFIED TRUE COPY

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.



Handwritten initials or signature.

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



A handwritten signature in blue ink, consisting of stylized initials and a surname.

concerned and with vendors of long delivery equipments in connection with the investment proposals and agree to such changes and modifications in the said terms and conditions as may be suggested by the concerned agencies/vendors from time to time;

- b) to prepare and file with the Government authorities (Central, State or Union Territories) or any officer thereof any statement, declaration or application forms for registration etc. or to enter into any correspondence as may be deemed fit for the aforesaid purpose and modifying the same from time to time;
- c) to apply to the Government authorities (Central, State or Union Territories) or any local authority or officer having jurisdiction with respect to any approval or sanction as may be required under any law from time to time being in force;
- d) to represent the Company before any Government Department (Central, State or Union Territories) or any other public or quasi public authority or any officer thereof in connection with obtaining of any permit, licence, sanction or approval and to sign for and on behalf of the Company all returns, declarations, forms, statements, papers and documents necessary or usual for the aforesaid purposes.

12-I. TRANSFER OF MINING LEASE

The Chairman informed the Board that the company has sold its granite quarry situate at Malampatty village, Melur taluk, Madurai District on 31.1.2000 to M/s R R Granites, Madurai. The company has two mining leases for carrying quarry operation on the above said quarry. The company has to transfer the mining leases in favour of M/s R R Granites. The company has made a composite application for transferring both the mining leases on 28th July 2000. M/s R R Granites has requested the company to make separate application for each mining lease. The Chairman further informed the Board that the company proposes to make fresh applications to the Government for transferring the mining leases granted to the company vide G.O.(3D) No.118 dated 2.11.1993 and G.O.(3d) No.35, dated 1.3.1995 pertaining to the company's quarry situate at E.Malampatti village, Melur taluk, Madurai District



Handwritten signature or initials.

sugar unit-II at Alaganchi Village, Nanjangud taluk, Mysore District in the State of Karnataka from 2500 to 5000 Tonnes of cane crush per Day as per the sugar incentive scheme 1997/any other applicable incentive scheme, from time to time, and to furnish such certificates and documents as may be required by the Chief Director of Sugar and to sign the incentive application and other related papers for and on behalf of the company.

12-K. LEAVE OF ABSENCE


The Chairman informed the Board that Dr K S Thirumalaiswamy and Sri S G Subrahmanyam, Directors have requested leave of absence from attending this meeting. The Board discussed the subject and passed the following resolution:

RESOLVED that leave of absence be granted to Dr K S Thirumalaiswamy and Sri S G Subrahmanyam, Directors as requested by them from attending this meeting.

With a vote of thanks to the chair, the meeting concluded.

Place : Coimbatore

Date : 27.09.2000

S.V.  27.9.2000
CHAIRMAN

CERTIFIED TRUE COPY

For BANNARI AMMAN SUGARS LIMITED


COMPANY SECRETARY

BANNARIAMMAN SUGARS LIMITED

DIRECTORS' ATTENDANCE REGISTER

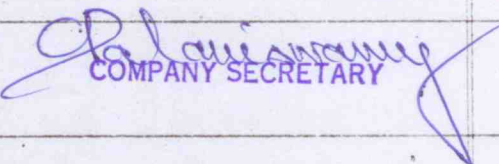
93

DATE OF MEETING 20.09.2000

Sl. No.	Name	Signature
1	Sri S V Balasubramaniam	S.V. Balasubramaniam
2	Sri V Venkata Reddy	V. Venkata Reddy
3	Sri K S Ramaswamy	K.S. Ramaswamy
4	Dr K S Thirumalaiswamy	Leave
5	Sri S G Subrahmanyam	Leave
6	Sri S V Alagappan	S.V. Alagappan
7	Sri P L Sivanappan	P.L. Sivanappan
8	Sri E P Muthukumar	E.P. Muthukumar
9	Sri A K Perumalsamy	A.K. Perumalsamy
10	Sri S V Arumugam	S.V. Arumugam
11	Sri B Saravanan	B. Saravanan

CERTIFIED TRUE COPY

For BANNARI AMMAN SUGARS LIMITED


COMPANY SECRETARY