

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 MONDAY THE 24TH JUNE 2002 AT 5.00 P.M.

Present : 1. Sri S V Balasubramaniam - Chairman
2. Sri V Venkata Reddy
3. Dr K S Thirumalaiswamy
4. Sri P L Sivanappan
5. Sri E P Muthukumar
6. Sri A K Perumalsamy
7. Sri S V Arumugam
8. 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 28.03.2002

The Chairman tabled before the Board the minutes of the meeting of the Board of Directors of the Company held on 28.03.2002. 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 28.03.2002 be and is hereby recorded.

(2) REVIEW OF COMPANY'S WORKING

The Chairman informed the Board that Sugar Unit-I at Alathukombai has crushed 7,07,820 Metric Tonnes of cane with an average recovery of 10.94 % from 01.10.2001 to 21.06.2002 and Sugar Unit-II at Alaganchi village has crushed 9,77,635 Metric Tonnes of cane with an average recovery of 11.02 % from 01.10.2001 to 21.06.2002. The Chairman further informed the Board that the co-generation plant has generated 1,20,96,750 units of power from 01.04.2002 to 21.06.2002. The Chairman further informed the Board that Granite Quarry Division has produced 164 CBM of Rough Granite Blocks from 01.04.2002 to 21.06.2002 and the Granite Processing Division has produced 7,893 Sq.Mtrs of Granite Slabs, 1,263 Sq.Mtrs of Granite Tiles and 810 Sq.Mtrs of Granite Monuments from 01.04.2002 to 21.06.2002. The Distillery Division has produced 2,37,649 B.Ltrs of Rectified Spirit

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For BANNARI AMMAN SUGARS LIMITED


COMPANY SECRETARY

OTHER SUBJECTS(25-A) CONTRIBUTION TO CHARITABLE TRUSTS/EDUCATIONAL INSTITUTIONS

The Chairman informed the Board that to meet social obligations, the Company has to make some donations to Charitable/Educational Institutions. Section 293(1)(e) of the Companies Act, 1956 provides that the Board of Directors can contribute to Charitable and other funds upto 5% of the Company's three years' average net profits. The net profit earned by the Company as provided in sections 349 and 350 of the Companies Act are as under:

For the year 1999-2000	:	Rs. 1426.18 lacs
For the year 2000-2001	:	Rs. 1983.19 lacs
For the year 2001-2002	:	Rs. 3152.58 lacs

		Rs. 6561.95 lacs
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The average net profit works out to Rs.2187.32 lacs. 5% of the average profit works out to Rs.109.36 lacs.

The Chairman requested the Board to consider making donations during the current financial year. The Board discussed the subject and passed the following resolutions:

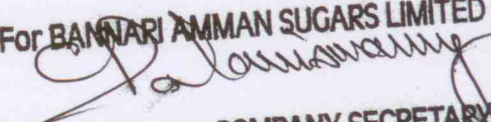
RESOLVED that a sum of Rs.95,00,000/- (Rupees ninety five lacs) be contributed during the financial year 2002-2003 to Bannariamman Educational Trust.

FURTHER RESOLVED that a sum of Rs.6,00,000/- lacs (Rupees six lacs) be contributed to Bannari Rural Foundation during the financial year 2002-2003.

(25-B) INSTALLATION OF 20 MW CO-GENERATION PLANT AT UNIT - II AS CDM PROJECT

The Chairman informed the Board that the company proposes to install a new co-generation plant in Karnataka Sugar Unit (Sugar Unit-II). He placed before the Board a technical and financial feasibility report relating to 20 MW co-generation plant. He briefed the Board about the existing power system, the proposed expansion, investment requirements, cost benefit projects and technical aspect of the project.

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For BANNARI AMMAN SUGARS LIMITED

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The Chairman further informed the Board that the 20 MW co-generation project would reduce carbon di-oxide emissions by generating renewable power and the company can get carbon credit revenues for the project through Clean Development Mechanism (CDM) of Kyoto Protocol. The Board discussed in detail the critical factors of the project including rate of return, tariff policy issues and technical issues. The Board also discussed the technical problems faced in the existing high pressure power plant and noted that any such risks in the new system could offset with the help of CDM revenue. After the above discussions, the Board passed the following Resolutions:

RESOLVED that the project proposal for installing 20 MW co-generation plant at the company's Sugar Unit-II at Alaganchi village, Nanjangud Taluk, Mysore District in the State of Karnataka be and is hereby approved.

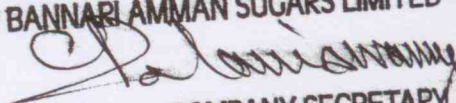
FURTHER RESOLVED that the proposed co-generation project be taken up as a CDM project and appropriate consultant be engaged to realize the carbon credits.

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 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;

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For BANNARI AMMAN SUGARS LIMITED

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- 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.

(25-C) DECLARATION UNDER SECTION 274(1)(g)

The Chairman informed the Board that the Company has received letters from the following Directors declaring that they do not suffer from the disqualification mentioned in section 274(1)(g) of the Companies Act, 1956:

- (1) Sri S V Balasubramaniam
- (2) Sri V Venkata Reddy
- (3) Sri S V Alagappan
- (4) Sri S V Arumugam
- (5) Sri B Saravanan
- (6) Sri S G Subrahmanyam
- (7) Dr K S Thirumalaiswamy and
- (8) Sri P L Sivanappan

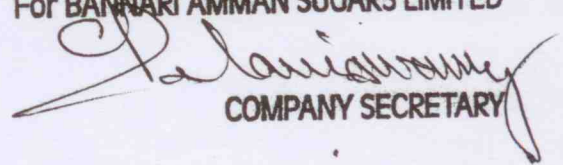
The above letters were tabled at the meeting. The Board perused the same and passed the following resolution:

RESOLVED that the letters received from the above Directors declaring that they do not suffer from disqualification mentioned in section 274(1)(g) of the Companies Act, 1956 be taken on record.



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(25-G) LEAVE OF ABSENCE

The Chairman informed the Board that Sri K S Ramaswamy, Sri S G Subrahmanyam and Sri S V Alagappan, 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 Directors Sri K S Ramaswamy, Sri S G Subrahmanyam and Sri S V Alagappan as requested by them from attending this meeting.

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

Place : COIMBATORE

Date : 01-07-2002

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SV, 1.7.2002
CHAIRMAN

For BANNARI AMMAN SUGARS LIMITED


COMPANY SECRETARY

BANNARIAMMAN SUGARS LIMITED

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DIRECTORS' ATTENDANCE REGISTER

DATE OF MEETING 24 - 06 - 2002

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	Leave
4.	Dr K S Thirumalaiswamy	Leave
5.	Sri S G Subrahmanyam	Leave
6.	Sri S V Alagappan	Leave
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

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For BANNARI AMMAN SUGARS LIMITED

COMPANY SECRETARY