



# PONNI SUGARS (ERODE) LIMITED

CIN : L15422 TN1996 PLC037200  
Regd. Office: ESVIN House, No.13, Rajiv Gandhi Salai (OMR)  
Perungudi, Chennai 600 096.  
Phone : 044 - 24961920, 24960156  
E-mail : admin@ponnisugars.com Website : www.ponnisugars.com  
Investor Grievance ID: investor@ponnisugars.com



PEL/ SH/ 73

June 05, 2024

National Stock Exchange of India Ltd  
Exchange Plaza  
5<sup>th</sup> Floor, Flat No.C/ 1 G Block  
Bandra-Kurla Complex  
Bandra East, Mumbai 400 051

BSE Ltd  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai 400001

**Scrip code: PONNIERODE**

**Scrip code: 532460**

Dear Sirs,

**Sub: Proceedings of 28<sup>th</sup> Annual General Meeting held on 05<sup>th</sup> June, 2024  
ISIN: INE838E01017**

Pursuant to Regulation 30 read with Part-A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following:

- (1) A copy of the proceedings of 28<sup>th</sup> Annual General Meeting of the Company held on 05<sup>st</sup> June, 2024 at 11.00 am through Video Conference/ Other Audio Visual Means.
- (2) A copy of Chairman's speech delivered by our Chairman at the 28<sup>th</sup> Annual General Meeting.
- (3) A copy of presentation made by our Managing Director on the sugar industry and Company performance in FY 2023-24 at the 28<sup>th</sup> Annual General Meeting.

Please take the above into your records.

Thanking You,

Yours truly,

For Ponni Sugars (Erode) Limited

R Madhusudhan  
Company Secretary

Encl: As above



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## Proceedings of 28<sup>th</sup> Annual General Meeting held thro' Video Conference/ Other Audio Visual Means

Date: Wednesday, the 05<sup>th</sup> June 2024  
Time: 11.00 AM  
Deemed Venue: Ponni Sugars (Erode) Limited  
ESVIN House, 13 Rajiv Gandhi Salai (OMR)  
Perungudi, Chennai 600096

### PRESENT THROUGH VIDEO CONFERENCE

#### Directors

<i>Name of the Director</i>	<i>Particulars</i>	<i>Participating from</i>
Mr N Gopala Ratnam	Chairman-Non Independent Director Chairman - Stakeholders Relationship Committee and CSR Committee	Erode
Mr N Ramanathan	Managing Director	Erode
Mr Arun G Bijur	Non Independent Director	Bangalore
Mrs Bharti Chhotubhai Pithawalla	Non Independent Director	London
Mr Mohan Verghese Chunkath	Independent Director Chairman - Audit Committee	Boston, USA
Dr Lakshmi Nadkarni	Independent Director Chairperson - Nomination and Remuneration Committee	Mumbai
Mr Chellamani Naresh	Independent Director	Chennai
Mr P Manoharan	Independent Director	Erode

#### Key Managerial Personnel

<i>Name</i>	<i>Particulars</i>	<i>Participating from</i>
Mr K Yokanathan	Chief Financial Officer	Erode
Mr R Madhusudhan	Company Secretary	Erode

#### Auditors

<i>Name</i>	<i>Particulars</i>	<i>Participating from</i>
Mr Chella K Srinivasan	Partner, M/s S Viswanathan LLP, Statutory Auditor	Chennai
Mr.N.R.Suresh	Partner, Maharaj N R Suresh And Co LLP, Internal Auditor	Erode

Ms Meena Ramji	Partner, M/s S Mahadevan & Co, Cost Auditor	Bangalore
Mr V Suresh	Sr.Partner, V Suresh Associates, Secretarial Auditor	Chennai

### **Scrutinizer**

<i>Name</i>	<i>Particulars</i>	<i>Participating from</i>
Mr.A.S.Kalyanaraman	Practicing Chartered Accountant	Chennai

### **IN ATTENDANCE**

Shareholders present through Video Conferencing: 50 representing 3691306 Equity Shares.

#### *(A) Chairman of the Meeting*

Mr N Gopala Ratnam, Chairman of the Board of Directors, who by virtue of Article 70 of the Articles of Association of the Company is also the Chairman of the General Meetings of the Company, took the Chair.

#### *(B) Quorum*

- (i) The Chairman noted that 50 shareholders were present thro' Video Conference that could be reckoned for quorum under Section 103 of the Companies Act, 2013 and in accordance with extant MCA circulars. The requisite quorum as required under Section 103 of the Companies Act, 2013 was present throughout the meeting.
- (ii) The Chairman observed that the requirement for the presence of at least one independent director and the auditor or his authorized representative in terms of relevant MCA circular has been complied with.
- (iii) The Chairman accordingly called the meeting to order and welcomed the shareholders. The meeting commenced at 11.00 a.m.

#### *(C) Introduction*

- (i) The Chairman informed that in accordance with relevant circulars issued by MCA and SEBI, the 28<sup>th</sup> AGM is being conducted as an e-AGM thro' Video Conference/ Other Audio Visual Means (VC/ OAVM). The Company had tied up with Central Depository Services (India) Limited (CDSL) to provide

facility for remote e-voting, e-voting at the AGM and participation in the AGM thro' VC/ OAVM facility.

(ii) The Chairman thereupon requested the directors present to introduce themselves. All the directors present briefly introduced themselves to the shareholders.

(iii) At the request of the Chairman, KMPs, statutory auditors, secretarial auditor, cost auditors, internal auditors and the scrutinizer introduced themselves to the shareholders.

*(D) Registers*

The Register of directors and key managerial personnel and the Register of contracts or agreements and all other documents referred in notice were made available electronically for inspection by the shareholders during the AGM. Shareholders desirous of inspecting such documents were requested to send their request to [admin@ponnisugars.com](mailto:admin@ponnisugars.com).

*(E) General information to shareholders*

At the behest of Chairman, the Company Secretary read out the general information and advice to shareholders regarding participation in the 28<sup>th</sup> AGM:

(i) Shareholders may note that this 28<sup>th</sup> AGM is being held through Video Conference (VC) in accordance with the Companies Act, 2013 and circulars issued by MCA and SEBI.

(ii) Facility for joining the meeting through VC is made available for the shareholders on first come, first served basis. In the case of our Company, all our shareholders desiring to join the AGM would be able to do so.

(iii) The facility for joining the meeting was opened at 10.30 a.m. which is 30 minutes before the time scheduled for start of the meeting. It will be kept open for joining till the meeting is closed by the Chairman.

(iv) This being an e-AGM, physical attendance of shareholders is dispensed with. As mentioned by Chairman, attendance through VC would be reckoned for the purpose of quorum. Further, the facility for appointment of

proxies by the shareholders is not applicable for this e-AGM and hence there is no proxy register for inspection.

- (v) The Register of directors and key managerial personnel and the Register of contracts or agreements and all other documents referred in notice are made available electronically for inspection by the shareholders during the AGM. Shareholders desirous of inspecting such documents may send their request to [admin@ponnisugars.com](mailto:admin@ponnisugars.com)
- (vi) The company has received requests from four shareholders to register them as speakers at the meeting. Accordingly the floor will be open for them to ask questions or express their views. The moderator will facilitate this session once the Chairman opens the floor for same. The Company reserves the right to limit the number of shareholders asking questions depending on the availability of time at the AGM.
- (vii) Shareholders can also post their views or questions on the 'chat box' of the Video Conference screen at any time during the meeting. The Company would respond to them at the meeting and / or through e-mail.
- (viii) The Company had provided remote e-voting facility for shareholders to cast their votes electronically on all the resolutions set forth in the Notice. This was closed on the 04<sup>th</sup> June 2024 at 5.00 p.m. Shareholders who have not cast their vote yet and are participating in this meeting may cast their votes during the meeting thro' e-voting system provided by CDSL. Shareholders can click on the EVSN **240514001** in the CDSL e-voting system already logged in to avail this facility.
- (ix) There will be no voting by show of hands.
- (x) Shareholders are requested to refer to instructions provided in the AGM Notice for seamless participation through Video Conference. In case they face any difficulty, they may reach out on the helpline contact provided in Page 12 of Annual Report.

*(F) Chairman of Committees*

The Chairman mentioned that Mr. Mohan Verghese Chunkath, Chairman of the Audit Committee and Dr Lakshmi Nadkarni, Chairperson of Nomination and

Remuneration Committee and himself as Chairman of the Stakeholders Relationship Committee and CSR Committee are present thro' VC at the meeting.

*(G) Chairman's Speech*

The Chairman mentioned that the full text of his speech is being uploaded on the Company website. In his speech delivered at the meeting, the Chairman touched on economy – global and domestic, Indian agriculture, sugar industry, sugar & health, ethanol, company performance and outlook for FY 2024-25.

*(H) Presentation by Managing Director*

- (i) The Chairman then advised the Managing Director to make a presentation on the sugar industry and Company performance in FY 2023-24.
- (ii) The Managing Director in his presentation briefly covered the global and indian overview of sugar, performance highlights for the year and five year comparative chart on key indicators. He underscored the milestones achieved in FY 2023-24.

*(I) Notice and Board's Report*

The Chairman informed that the 28<sup>th</sup> Annual Report 2023-24 containing the AGM Notice, Board's Report and Financial Statements were circulated through e-mail to all shareholders. With the consent of shareholders present, these were taken as read.

*(J) Audit Report*

The Chairman informed that pursuant to Section 146 of the Companies Act, 2013, the Statutory Auditors, namely, M/s S Viswanathan LLP were present through their partner, Mr Chella K Srinivasan. The Managing Director confirmed that there are no observations or comments by the Auditors on financial transactions or matters which have adverse effect on the functioning of the company. Thereupon, the Auditors' Report to shareholders was taken as read.

*(K) Secretarial Audit Report*

The Chairman informed that the company has obtained Secretarial Audit Report from Mr. V Suresh, Senior Partner, V Suresh Associates, Practicing Company Secretaries, pursuant to Section 204 of the Companies Act, 2013 and Reg.24A

of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Managing Director informed the members that there are no qualifications or adverse observations, comments or remarks in the Secretarial Audit Report. Thereupon, the Secretarial Audit Report to shareholders was taken as read.

*(L) Introduction to resolutions*

- (i) The Chairman observed that there are five resolutions proposed to be passed at the 28<sup>th</sup> AGM. Out of these, four are Ordinary and one is Special resolution.
- (ii) The Chairman briefly narrated the background and purpose for each of these resolutions.

*(M) Voting options*

The Chairman mentioned that the company has offered two alternative voting options to shareholders (i) remote e-voting (ii) e-voting at AGM.

*(N) Remote e-voting*

The Chairman mentioned that:

- (i) Remote e-voting facility has been offered pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (ii) The company has engaged the services of Central Depository Services (India) Limited (CDSL) for this purpose.
- (iii) Remote e-voting commenced on 01.06.2024 (10.30 a.m.) and closed on 04.06.2024 (5.00 p.m.).

*(O) E-voting at AGM*

- (i) The Chairman informed the members that the Company is also providing e-voting facility at the AGM. Only those shareholders who are present in the AGM and who have not cast their votes thro' remote e-voting are eligible to vote now.

- (ii) The Chairman recorded his satisfaction that all efforts feasible under the circumstances have been made by the Company to enable shareholders to participate and vote on the items being considered at the AGM thro' Video Conference.

*(P) Scrutinizer*

The Chairman mentioned that Mr A S Kalyanaraman, Practicing Chartered Accountant (Membership No.201149) has been appointed as Scrutinizer for the two modes of voting. He would furnish individual as well as combined reports in respect of votes cast on all the five resolutions proposed at this meeting.

*(Q) Queries and Reply*

- (i) The Chairman observed that there are four shareholders who have registered as speakers at the AGM. He invited them to raise their queries and give their views/ suggestions. Out of this, one shareholder did not attend the meeting.
- (ii) The other three shareholders spoke and appreciated the performance of the company including higher dividend declared by the company. They sought details on strength and weakness of the company and likely changes in policies for sugar industry expected of the new Government.
- (iii) The Chairman answered the queries of shareholders. He observed that sugarcane and sugar being important sectors would always get Government support. He thanked the speakers for their participation.

*(R) Ordering e-voting*

At this stage, the Chairman ordered e-voting at the AGM. He requested the shareholders to follow the instructions given carefully so that the votes are valid. He mentioned that the e-voting facility is open and will close 30 minutes after the closure of the meeting.

*(S) Transcript of AGM proceedings*

The Chairman mentioned that the recorded transcript of the proceedings of 28<sup>th</sup> AGM will be received from CDSL and thereupon uploaded on the Company website.



*(T) Conclusion of Meeting*

The Chairman thanked the shareholders for their participation, views and suggestions. He informed the shareholders that voting results will be declared based on the Scrutinizer Report, and the Managing Director and Company Secretary are severally authorized to declare the voting results that would be posted on the company website before end of the day. He declared the meeting closed at 12.10 PM.

*(U) Scrutinizer Report*

Post completion of the AGM on 05<sup>th</sup> June 2024 and conclusion of e-voting, the Scrutinizer furnished his report to the Company Secretary. This report contains summary of the votes cast at remote e-voting and e-voting at AGM as under:

<b>Item No. of Notice &amp; Description</b>	<b>Votes For</b>			<b>Votes Against</b>		
	<b>No. of members</b>	<b>No. of votes cast (shares)</b>	<b>% of total no. of valid votes cast</b>	<b>No. of members</b>	<b>No. of votes cast (shares)</b>	<b>% of total no. of valid votes cast</b>
1. Adoption of audited Financial Statements together with the Reports of Board of Directors and Auditors thereon for the financial year ended 31 <sup>st</sup> March 2024 – Ordinary Resolution	84	3661965	100	0	0	0
2. Declaration of Dividend on Equity Shares for FY 2023-24 – Ordinary Resolution	84	3661965	100	0	0	0
3. Reappointment of Mr Arun G Bijur (DIN: 00024434), Director who retires by rotation – Special Resolution	84	3661965	100	0	0	0
4. Reclassification of the status of Mr Bimal K Poddar from “Promoter” to “Public” category – Ordinary Resolution	83	3661925	99.99	1	40	0.001
5. Remuneration to Cost Auditor for FY 2024-25 – Ordinary Resolution	83	3661964	99.99	1	1	0.00003

Note: (1) There were no invalid votes for any resolution.

(2) Vote % is based on total number of valid votes cast (for and against).

*(V) Voting results*

The Company Secretary noted that all the five resolutions proposed as ordinary/special resolutions as mentioned in the Notice for the 28<sup>th</sup> AGM have been

passed Unanimously/with requisite majority and in due compliance of relevant provisions of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

*(W) Company Secretary declaration*

The Company Secretary as authorized by the Chairman, declared that following resolutions have been duly passed by the shareholders in terms of the voting done through remote e-voting or e-voting at the AGM and these resolutions shall be deemed to be passed on the date of general meeting, namely, 05<sup>th</sup> June 2024.

**1. Adoption of Financial Statements – Ordinary Resolution**

“RESOLVED that the audited Financial Statements for the year ended 31st March 2024 and the reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted.”

The Company Secretary declared that this resolution has been passed Unanimously as an Ordinary Resolution.

**2. Dividend declaration – Ordinary Resolution**

“RESOLVED that

- (i) a dividend of Rs.7.00 (Rupees Seven only) per Equity Share for the financial year 2023-24 be and is hereby declared on the 8598418 equity shares of Rs.10/- each fully paid-up;
- (ii) the dividend be paid to the shareholders whose names appear in the Register of Members of the company in the case of physical holding and to the beneficial owners of shares recorded with the Depositories in the case of demat holding as per details to be furnished by the National Securities Depository Ltd/ Central Depository Services (India) Ltd as on Wednesday, the 5th June 2024.”

The Company Secretary declared that this resolution has been passed Unanimously as an Ordinary Resolution.

### **3. Reappointment of retiring Director – Special Resolution**

“RESOLVED that Mr Arun G Bijur (DIN: 00024434) who retires by rotation, be and is hereby reappointed as a director of the company, liable to retire by rotation.”

The Company Secretary declared that this resolution has been passed Unanimously as a Special Resolution.

### **4. Reclassification of the status of Mr Bimal K Poddar from “Promoter” to “Public” category – Ordinary Resolution**

“RESOLVED that pursuant to Regulation 31A and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI-LODR) (including any statutory amendments made thereto), and other applicable laws and regulations if any, and subject to the approval of the stock exchanges (BSE Limited and National Stock Exchange of India Limited), approval of the Shareholders of the Company be and is hereby accorded for the reclassification of the status of Mr Bimal K Poddar from “Promoter” to “Public” category;

RESOLVED FURTHER that the Managing Director and Company Secretary be and are hereby severally authorised to do all acts, deeds and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution, sign applications/ undertakings/ other documents to be submitted to the stock exchange(s).”

The Company Secretary declared that this resolution has been passed with requisite majority as an Ordinary Resolution.

### **5. Remuneration to Cost Auditor – Ordinary Resolution**

“RESOLVED that the Company do hereby confirm and ratify in terms of Section 148 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the remuneration approved by the Board of Directors on the recommendations of the Audit Committee for M/s S Mahadevan & Co., Cost Accountants (Firm Registration No.000007), for conducting the audit of cost records of the Company for the financial year 2024-25 at Rs.200000 (Rupees two lakh only) plus tax and reimbursement of travel and out of pocket expenses incurred for purpose of such audit.”

The Company Secretary declared that this resolution has been passed with requisite majority as an Ordinary Resolution.

Erode  
Date: 05.06.2024

Sd/-  
CHAIRMAN

## **Ponni Sugars (Erode) Limited**

### **Chairman's speech**

28<sup>th</sup> AGM – 5<sup>th</sup> June 2024

Dear shareholders,

I am happy to welcome you all to this 28<sup>th</sup> Annual General Meeting of the Company. I am indeed happier to share with you our company's stellar financial performance in FY 2023/24 amidst all round operating adversities.

In line with our overall improved show, your Board has recommended a dividend of Rs.7 per share for the current year. Significantly, the company has consistently stepped up the dividend rate for six years in succession and the current dividend marks an all-time high in its annals.

The Company has already circulated the Annual Report and Audited Financial Statements for FY 2023/24. They have been with you for some time and with your permission I shall take them as read. At the conclusion of my speech, our Managing Director will make a brief presentation on the sugar industry and performance highlights of the Company.

## **Global Economy**

IMF in its April 2024 report estimates global growth for 2024/25 at 3.2%. Understandably, emerging markets and developing economies would grow faster at 4.2%. This pace of expansion is low by historical standards owing to host of factors such as high borrowing costs, withdrawal of fiscal support, long term effects from Covid 19 pandemic and geopolitical tension besides increasing geo-economic fragmentation. The latest forecast for global growth five years from now – at 3.1% - is the lowest in decades. Risks to the global outlook would now seem broadly balanced.

Organisation for Economic Cooperation and Development (OECD) has projected global growth at 3.1% in 2024 and 3.2% in 2025. In its view, the risk of global recession has receded but concerns of impending inflation could re-ignite the risk of global financial stability. While so, IMF, World Bank and prominent rating agencies have predicted further slow-down in global growth this year. Escalation of the recent conflict in the Middle East, financial stress, persistent inflation and a slowdown in international trade are downside risks for global growth. Clearly, the world economy is at crossroads and impregnated with imponderables posing grave challenge to growth.

## **Indian Economy**

India's GDP is set to cross USD 4 trillion in FY 2024, while its equity market has already achieved a significant milestone by hitting USD 4 trillion valuation. In the last 10 years, it has leap-frogged from 11<sup>th</sup> to the 5<sup>th</sup> largest economy by way of GDP and at current growth rate should seamlessly be able to transition and occupy the third slot in the next three years. The bad loan problem is by now behind the Banks, corporates have significantly pared debts, their respective Balance Sheets have become robust for lending and borrowing, fiscal deficit and inflation inching towards target and rupee relatively staying stable.

Amid all pessimism, India is seen by international agencies and top rating firms as an emerging economic superpower of the world. It is projected to grow at 6.6 per cent by OECD, the fastest among major emerging markets as opposed to China at 4.9% and Brazil at 1.9%. IMF's April 2024 World Economic Outlook has highlighted the expected robustness of the Indian economy in 2024 and 2025, attributing it to strong domestic demand and a growing working-age population.

India's Central Bank in its monthly economic review observes "There is a growing optimism that India is on the cusp of a long-awaited economic take-off. India is positioned to remain the fastest-growing major economy, demonstrating resilience amid geopolitical challenges and supply chain pressures." It has recorded satisfaction over 7% or above growth achieved in three successive years.

India has thus enticingly emerged as the lodestar of global economy. There is however no denying that India ranks too low at 136 in the league of nations in per capita income. It is hence critical to sustain and step up our growth at 7 to 8% over the next couple of decades to get rid of poor country label, though extreme poverty is mercifully already extinct.

### **World Sugar**

World sugar production and supply is increasingly being driven by Brazil, the dominant producer and exporter. Sugar-ethanol price parity for quite some time has been decisively in support of sugar, prompting higher allocation of sugarcane for sugar in the product mix. Brazil has singularly been successful in neutralizing lower production elsewhere and stabilizing global sugar balance.



Weather forecasts transcending from El-Nino to La-Nina conditions portend a realistic scope for rebound in production outside of Brazil as well in the coming year. Sugar fundamentals portraying demand-supply parity have thus come to checkmate world sugar price rise that decisively declined from a peak of 28.14 c/lb in November 2023 to just above 18 c/lb by May 2024. With India most unlikely to re-enter world market any time soon, global prices may stay range bound in near term between 18 and 20 c/lb.

### **Indian Agriculture**

Restrictive land ceiling regulations and consequent fragmented land holdings, though well intended to achieve social justice, have in effect blocked R & D and technology upgradation in agriculture. This is in dire contrast to world class excellence achieved in manufacturing by conglomerates in several sectors. It is clear and evident that agricultural revolution and modernization alongside of consolidation of landholdings is critical to sustain farm production and improve farm income.

In this context, it is heartening to note that Indian agriculture is slowly moving to embrace smart agriculture or precision farming. It is defined in relation to 5-Rs ie, applying the right input in the right amount to the right place at the right time and in the right

manner. It encompasses utilization of modern tools such as Robotics, Internet of Things (IoT), location sensors/ factors, drones, GPS as well as AI (Artificial Intelligence).

The data gathered from these tools include comprehensive information about crop yield, weather, rainfall and soil health. The data so collected is used to increase resource allocation, crop growth, management of nutrient, irrigation, pesticides and harvesting updates. Early detection of anomalies allows for timely intervention, drastically reducing the spread of disease and pest infestation. This not only saves crops but also reduces the need for chemical treatment, thereby promoting a healthier environment.

The cardinal objective is to improve the effectiveness and productivity of farming, reduce cost of cultivation and maintain a healthy ecosystem that results in improved yield, lower input cost and reduced environmental impact. In this, AI is the science or technology that can help analyse large and complex data very easily, quickly and exhaustively. AI has the potential to take Indian agriculture to next level.

Indian rural folk, for long labelled illiterate and uninitiated, is no stranger to swiftly embrace emerging technologies as evidenced by internet and mobile app penetration and seamless use of digital

payments. It is imperative to take modern technological innovations and practices including AI from professional platforms to peasants' fields in quick time for sustainability of our agriculture and for meeting growing food and fuel requirement without expansion of area under agriculture.

### **Sugarcane**

Sugarcane forms the fulcrum for the sugar industry to produce plenitude of final products. The imminent and ineluctable need is to enhance sugarcane production keeping in mind the muted scope for expanding cane area to meet the demands of the sugar industry to cater to domestic consumption, create an exportable surplus and concomitantly achieve the higher ethanol blend target.

By optimising farming practices embracing smart agriculture, farmers can achieve significant gains in efficiency and sustainability. With growing concerns on climate change and water stress, another game changer is drip irrigation, a technology that ensures water reaching the plant roots directly, minimizing wastage. This targeted approach alongside advancement in soil health management and the use of bio-fertilizer paves way for responsible use of the land. Your company is actively engaged in promoting drip irrigation, producing and supplying micro nutrient

mixture and mobilising drones backed by targeted subsidies. It is also working in close co-ordination with ICAR-SBI on varietal improvement.

India has considerably strengthened and improved its rail-road infrastructure for countrywide connectivity. It has established a National Grid for the integrated operation of the Indian power system, facilitating transfer of power within and across regions. It has painstakingly integrated the indirect tax structure through GST under 'One Nation One Tax' concept. It is now high time we take credible steps in the same way for interlinking rivers to achieve 'One Nation One River' goal. Such a dream was floated five decades ago but is understandably fraught with formidable challenges, much of it political. Overtime, things that for long were perceived impossible do become possible and to quote Victor Hogo "No force on earth can stop an idea whose time has come." Let me hope the new Government would on priority pursue this ambitious, rather audacious, project to take head on the flooding and droughts alternating among regions. States like Tamil Nadu would largely benefit by such a river-grid for sustainability in agriculture including sugarcane cultivation.

## **Indian Sugar**

India's net sugar production for 2023/24 season was initially estimated at a tad above 300 lakh tonnes while market grapevine was betting it far lower. This was premised on poor monsoon putting paid to sugarcane yield and recovery estimates for Maharashtra and Karnataka. Late rains however helped to partially undo the damage. Government on its part was determined to stabilize local supply for which it clamped a virtual export ban and constricted sugar subsumption in ethanol production. Final sugar production would now approximate 320 lakh tonnes. Domestic offtake is on steady rise post covid time contraction that is well poised to hit a peak of 290 lakh tonnes this year. Year end stocks would expand by about 50%.

Sugar prices during the year witnessed progressive rise but got effectively capped and eventually corrected by dint of active and aggressive Government intervention. In fact, current sugar prices are unarguably inadequate to neutralise the increased cane price and other cost escalations in the normal course. The industry was also shut out of lucrative export market during 2023/24 where prices were ruling at a premium to domestic realisation.

## **Government Regulations**

Sugar is no stranger to scores of Government Regulations and I would like to briefly touch upon two of them.

First, the Minimum Selling Price (MSP) for sugar that was last revised to Rs.31 per kg in February 2019 has remained static and not been aligned with increasing Fair and Remunerative Price (FRP) for sugarcane. This is in clear defiance of the inbuilt revision mechanism reassured in the Sugar (Control) Order, 1966. While the industry is ordained to pay FRP to cane farmers within 14 days under the Sugarcane (Control) Order, the Government is dithering on its obligation under the other control order by inordinately delaying the revision of MSP for sugar. It is fundamental and axiomatic that there is continuing co-relation between the price for sugarcane and sugar, lest the yawning gap leads to cane arrears. As a lasting solution, the revenue sharing formula and price stabilization fund must be made an integral part of the Control Order as assiduously being advised by CACP over several years in its Cane Pricing Policy report.

The other intriguing issue is sugar packing. Jute packing was mandated on a host of manufactured goods when the country's economic model was one of 'command and control'. All except

sugar got freed from this diktat decades ago but it egregiously eludes sugar for no explicable reason. Jute packing is not the preferred choice of sugar consumers, while it inflicts a three-fourth increase in packing cost for sugar producers. The puerile attempt to cross subsidise jute industry at the cost of sugar industry and in turn bestow a benefit to jute growers at the cost of cane growers is discernibly devoid of economic rationale, nor does it serve a social objective. Drawing an analogy, the financial burden of free or subsidised power has been taken out of Discom's domain and foisted on respective State Governments under the power sector reform. It is but just and fair that financial support to jute sector should similarly come directly out of Government's coffers and not loaded on sugar industry.

### **Sugar & Health**

Sugar is facing its fair share of criticism, of late in increasing crescendo, on health concerns. A reputed MNC in the FMCG sector has been recently blamed for using higher sugar content in its baby food products in the Indian market as opposed to far less sugar for the US and European market. There is no denying that health and safety norms must be uniform and universal.

It would however seem impetuous and imprudent to plant unfounded fears in the minds of an ordinary consumer. After all, one man's food is another man's poison. Sugar does play a positive role for the common man to have gainful access to requisite calories and nutrients at an affordable cost, concurrently satiating his taste buds. It is used as a food preservative, it imbibes positive energy and is a mood booster. Barring those having health issues like diabetes, sugar in-take in moderation coupled with normal physical activities is no taboo. It is not without reasoning that sugar is labelled as an essential commodity in the Indian context.

Science is never static but is ever evolving. Sugar producers have found ways to refine and redefine their processing by totally eliminating sulphur content from the end product. Our company towards this endeavor has already moved from the customary double sulphitation to single sulphitation process so that even in the absence of refinery the goal is substantively met. The need of the hour is to innovate and develop sugar products with lower glycemic index, lower calorie content and added nutritive value to meet evolving consumer preferences and market demands. Further research may be needed to progressively peg and eventually erase remnant traces of harmful molecules and atoms from the final sugar while perceptibly preserving all its positives. Industry on its part would



need to double down efforts and diligently work on reformulating its product that is at once healthy, nutritious, tasty and wholesome.

## **Ethanol**

The ethanol blend program reinvigorated in 2018 has been a great success story for the sugar industry. There has been a steady rise in the blend percentage that reached 12% in Ethanol Supply Year 2022/23. Current year target of 15% may not however be met due to restrictions clamped on ethanol production by sacrificing sugar but this at best is just a blip.

Concurrently, Government has been promoting grain based ethanol but sugar industry would be playing a pivotal role for the country to achieve the 20% blend target. There is growing interest and gaining momentum to launch flex fuel vehicles that could operate with ethanol mix up to 100%. Given its economic and environmental positives, ethanol has to come to stay as a viable and sustainable eco-friendly fuel for India.

Our ethanol project has however failed to take off due to the rigid stance of pollution control authorities. We have been contending that for longterm sustainability and viability, our ethanol plant has to be co- located within the sugar mill complex and be on a level playing field with our peers by being able to produce all allied

products as well, such as rectified spirit and extra neutral alcohol. The locational restrictions imposed by the State Government for setting up industrial units within 5-km distance of a notified river however came in our way.

It looks this conditionality would certainly warrant a revisit when technology has much transgressed and transformed to efficaciously tackle environmental concerns. In particular, expansion and diversification of existing industrial units on these locations shall be allowed, subject only to their strict adherence to the stipulated standards on environment. This being a larger issue involving public policy, our ethanol project is kept in abeyance. Nonetheless, the policy focus of the Centre on ethanol has come to reinforce the demand for our molasses fetching us much improved prices for this by-product.

### **Company performance**

The Board's Report along with the Management Discussion and Analysis Report contains an overview of our FY 2023/24 performance. The back to back drought hit us badly with its knock-on effect by way of decline in cane area, decrease in yield and more significantly a despicable deceleration in sugar recovery. We have largely been able to contain and overwhelm these negatives with our aggressive cane promotional and mobilization moves as well as

cost optimisation measures. Mercifully, we were aided by market buoyancy that helped protect our margins. We were also successful in securing a favourable ruling from the power regulator that protects our right to full tariff till we attain normative capacity utilization on a cumulative basis.

Our PAT for the year vaulted by 22% turning out to be the best ever bottomline for the company. As a listed entity, we publish quarterly results and it is hugely gratifying to note that we have remained profitable for 21 successive quarters now.

### **Outlook for FY 2024-25**

El Nino that invariably leads to prolonged dry periods and droughts in Asia hit us badly in 2023. It resulted on deficient southwest and northeast monsoon and depletion of storage in water reservoirs. Total absence of winter and pre-monsoon precipitation further exacerbated our woes. Indeed, reservoir levels were dropping week after week. Under such water stressed conditions, we have had to run our sugar mill during peak summer, drawing inimically immature cane with resultant reduction in sugar recovery. This was solely with a view to bail our sugarcane farmers out of a threatening total crop loss. Sizeable sugarcane volume having thus been drawn

ahead of normal schedule, we are faced with commensurate shortage of fully matured cane when we begin our special season in July.

We are now placing our renewed bet on favourable rains from south west monsoon this year. The latest IMD forecast of rainfall at 106% of long period average is reassuring. Other private and global weather agencies too are in clear concurrence on good monsoon this time. We accordingly look to improved flow in Cauvery, increased storage in Mettur reservoir and perceptible water precipitation in our cane fields. On our part, we are fully geared to motivate our farmers, backed by free seed supply and support infrastructure, for swiftly scaling up cane cultivation towards meeting our cane requirement in the succeeding year.

As it stands, our operating performance in FY 2024/25 would more likely witness a decline owing to last year's drought impact. We should to a large extent be able to get support from higher product prices. In the absence of one off gains that boosted our profits in FY 2023/24, outlook for FY 2024/25 is subdued but would be in line with our long time average.

## **Acknowledgement**

I thank our sugarcane farmers who in large number continue to engage in cane cultivation braving weather challenges. I wish to place on record the committed performance of our employees in achieving optimised operational performance. I further wish to thank our suppliers, customers, officials of the Central and State Governments and our Bankers for their understanding and support.

Three of our Independent Directors, namely Mr V Sridar, Dr Nanditha Krishna and Mr K Bharathan retired on 31<sup>st</sup> March 2024 after completing two successive tenures of five years each. Further Mr Bimal K Poddar, a non-independent director, too resigned and vacated office on 31<sup>st</sup> March 2024 owing to his advancing age and other commitments. The company has been immensely benefitted by their active engagement, wise counsel, effective oversight and valued contribution for a long time. I would like to specially thank them on this occasion.

Dr Lakshmi Nadkarni and Mr Chellamani Naresh have joined as independent directors on our Board from 15<sup>th</sup> March 2024 for a fixed tenure of five years. I welcome them to this meeting.

It is my pleasure and bounden duty to thank our valued shareholders who have steadfastly stood by the company and been supporting the management all along. I look forward to your comments and suggestions from time to time.

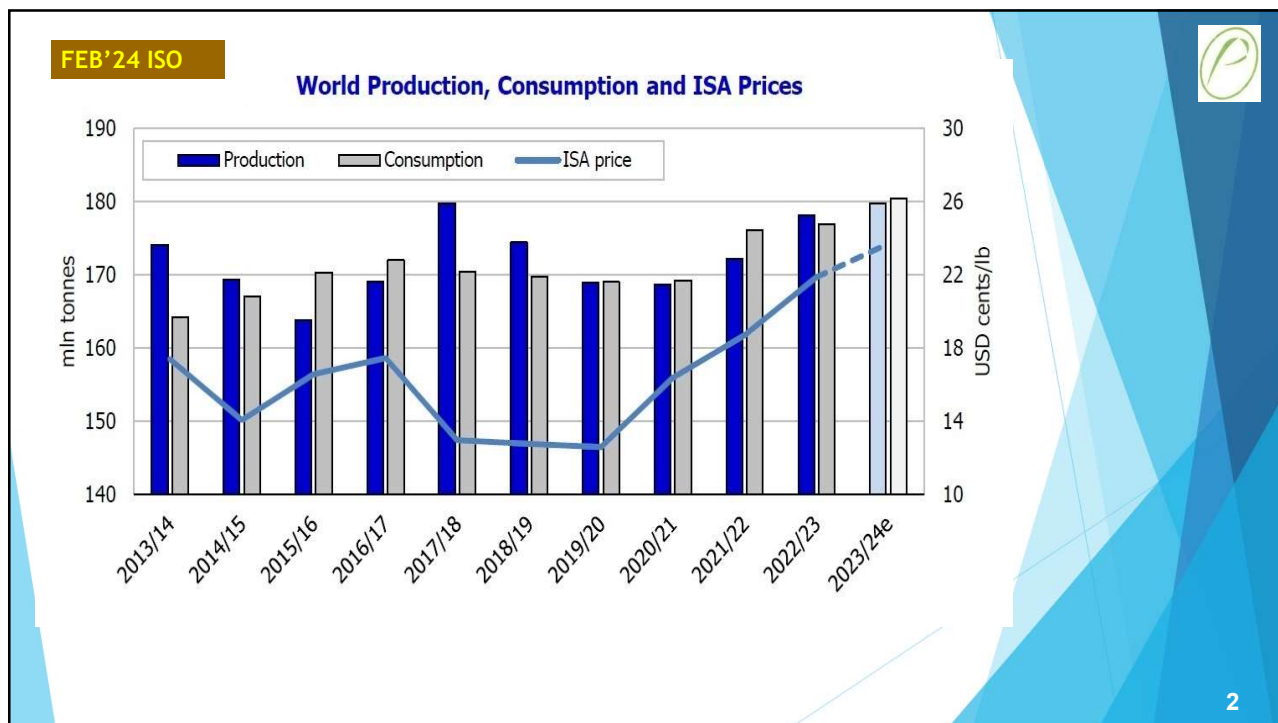
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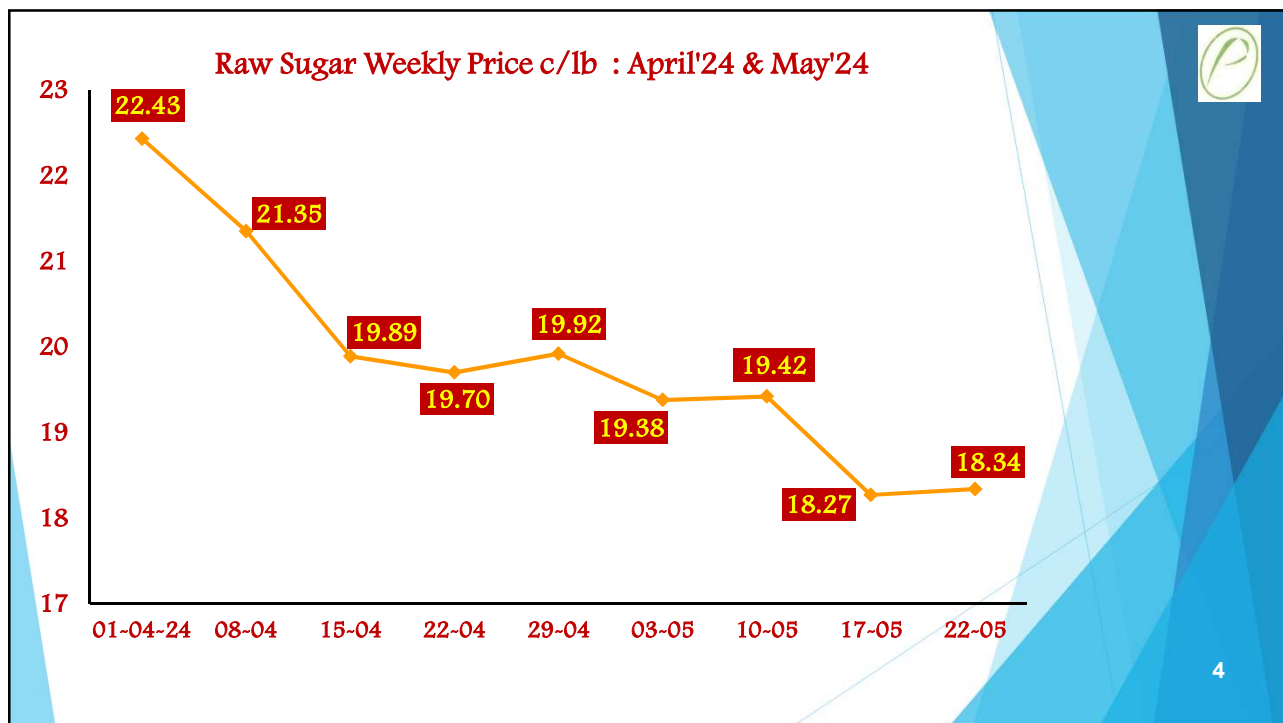
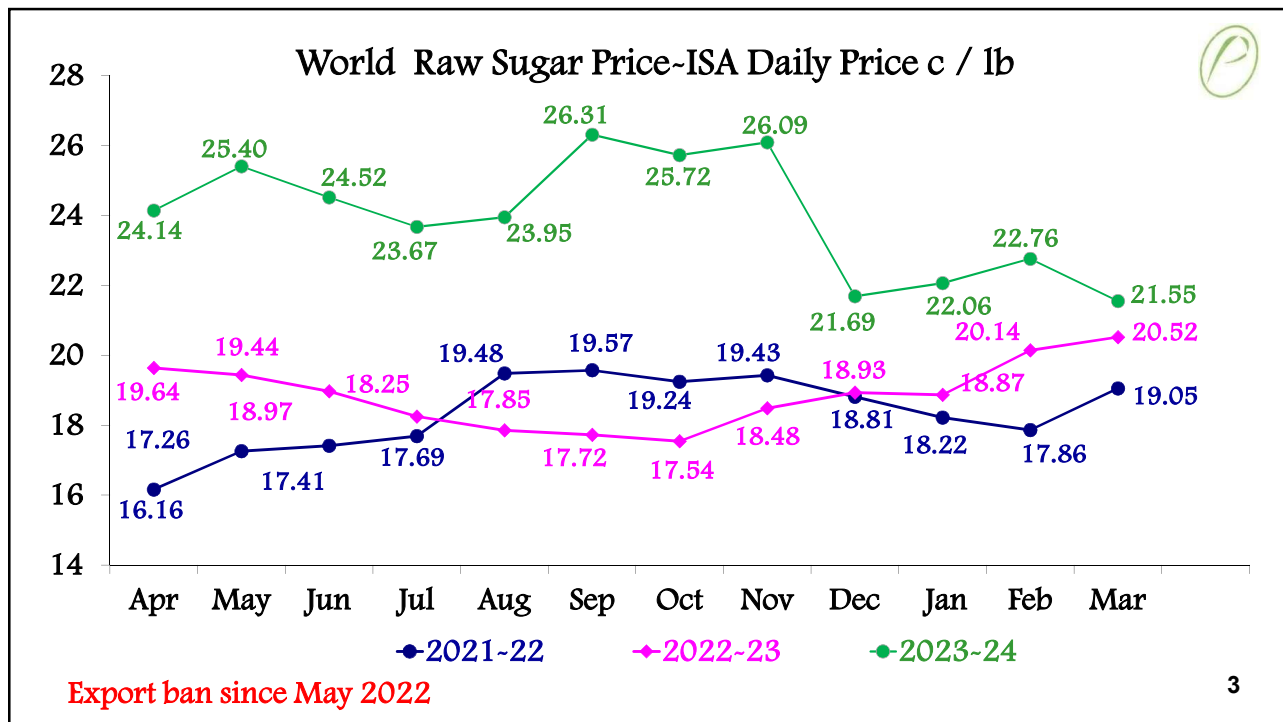
Erode  
June 5, 2024

N Gopala Ratnam  
Chairman

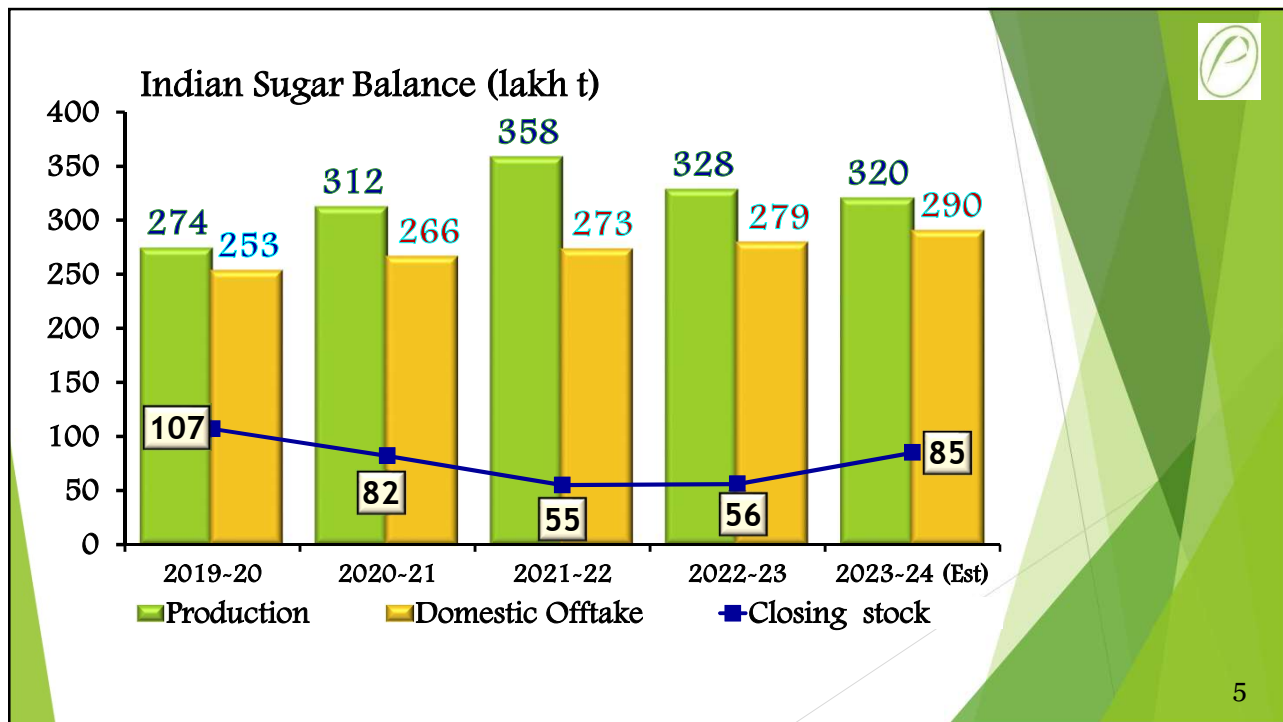
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*Note: This does not purport to be a record of the proceedings of the Annual General Meeting.*

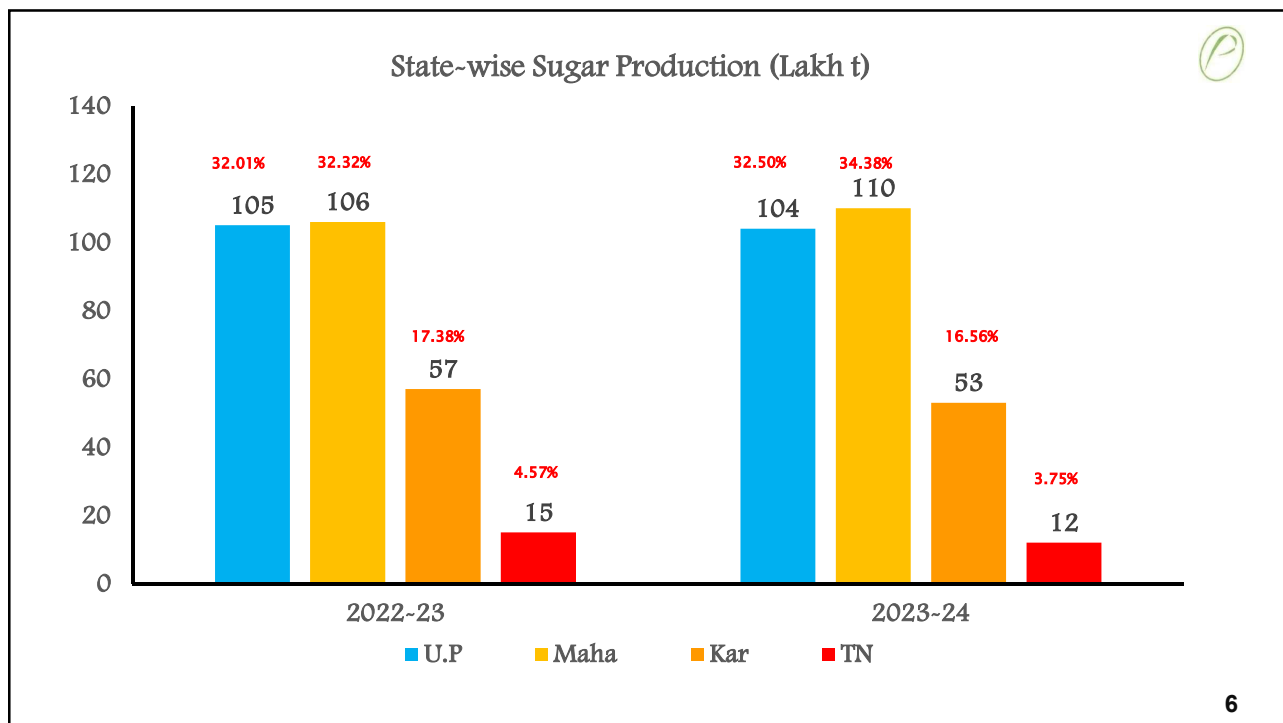




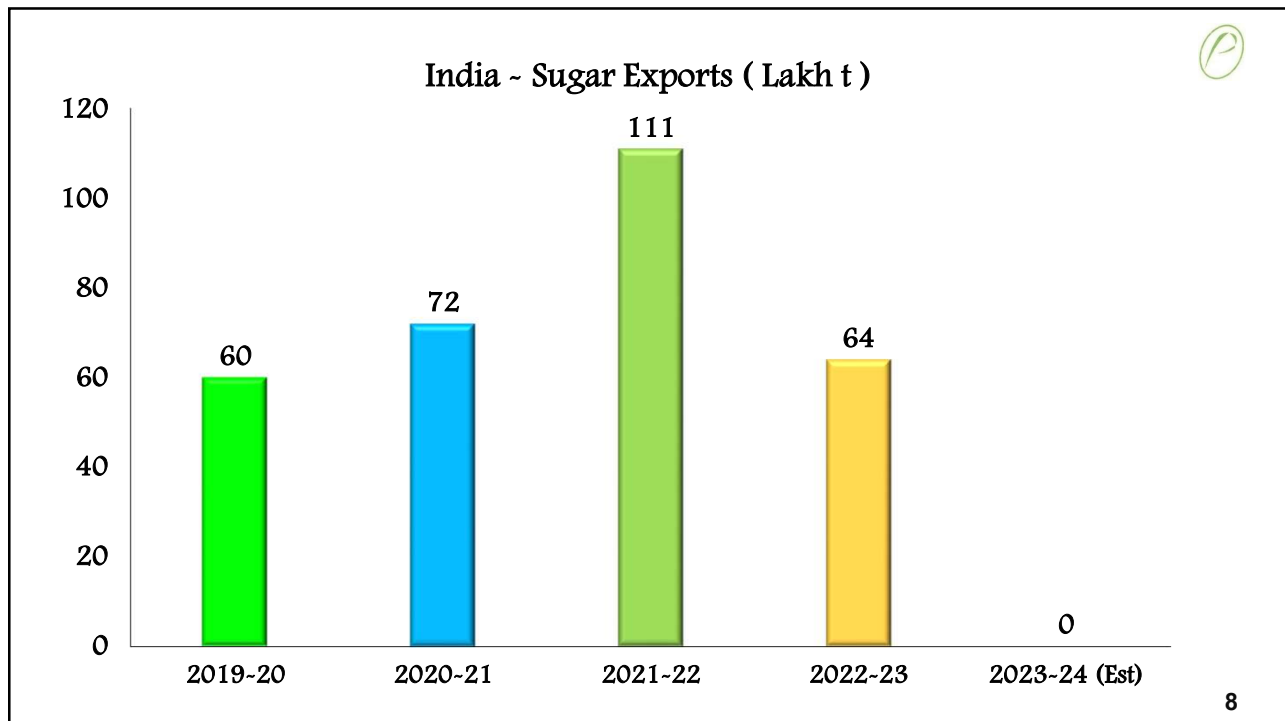
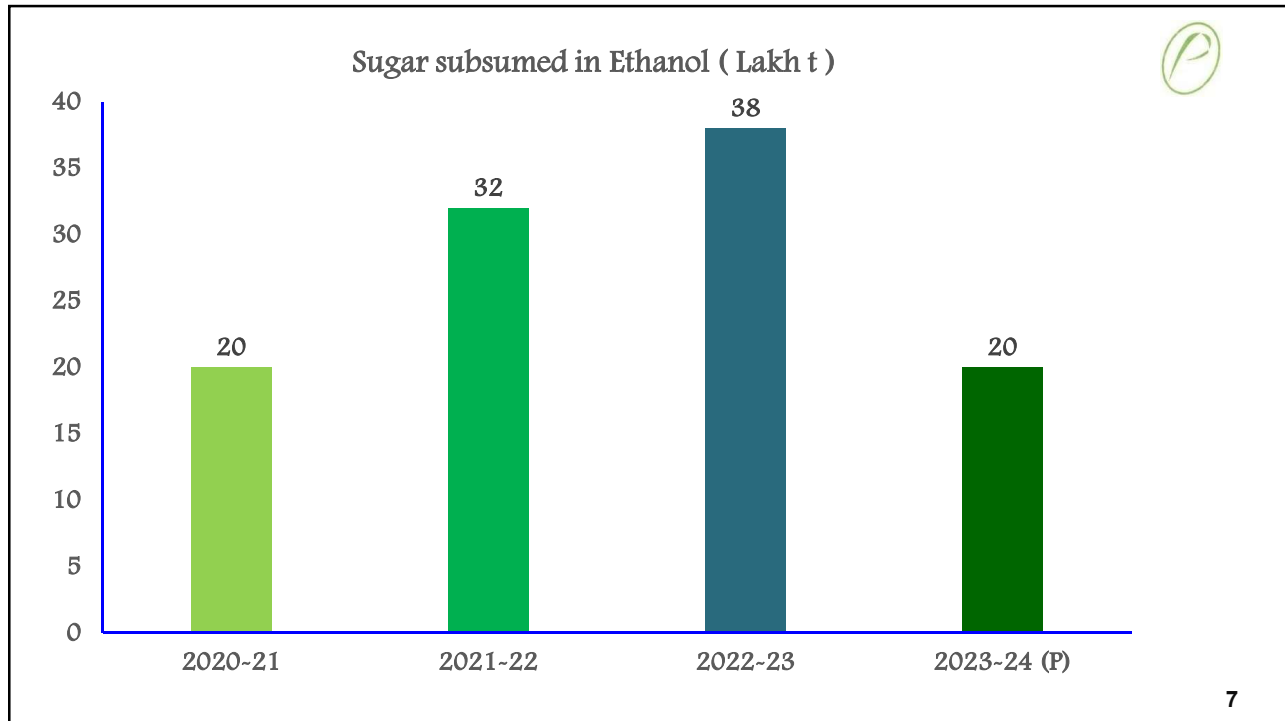


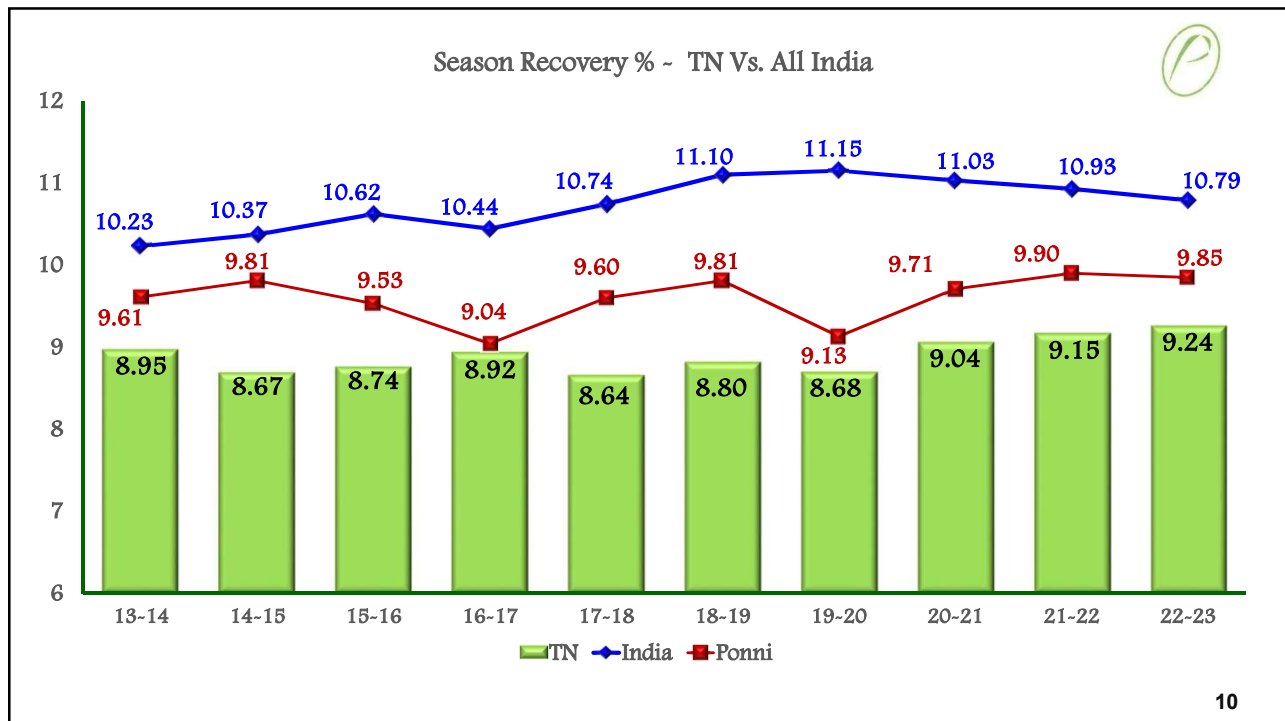
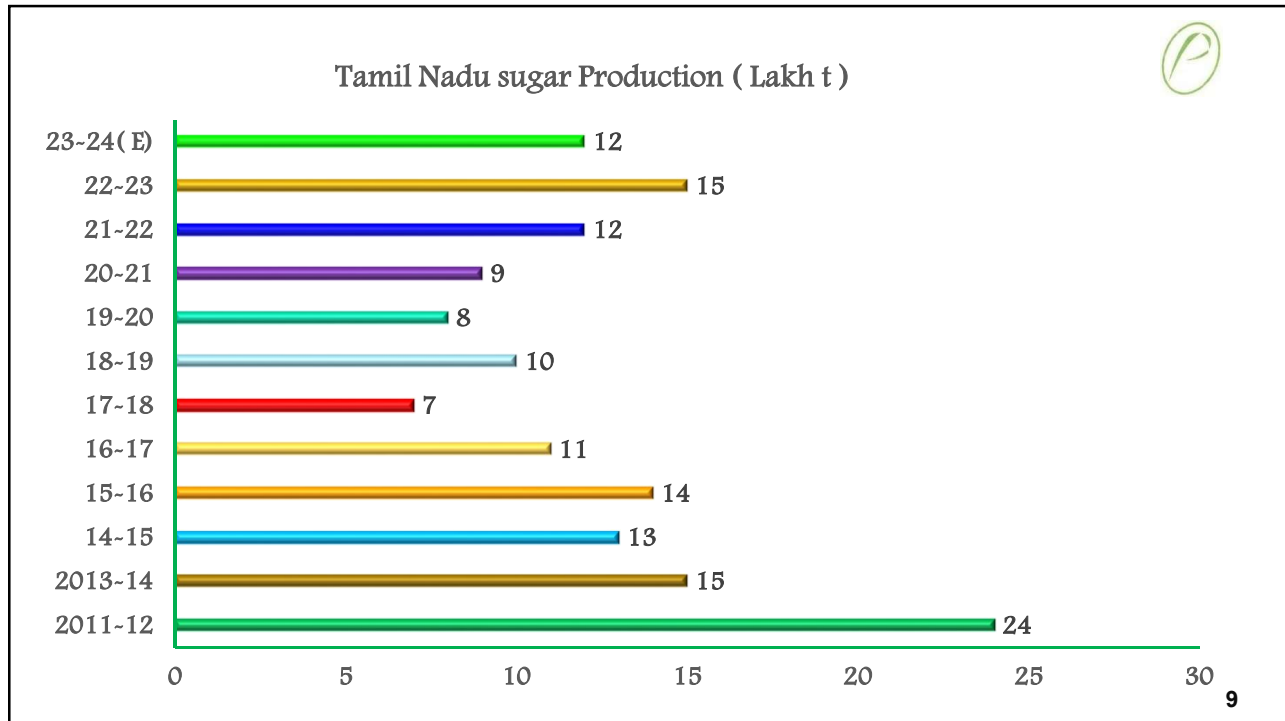


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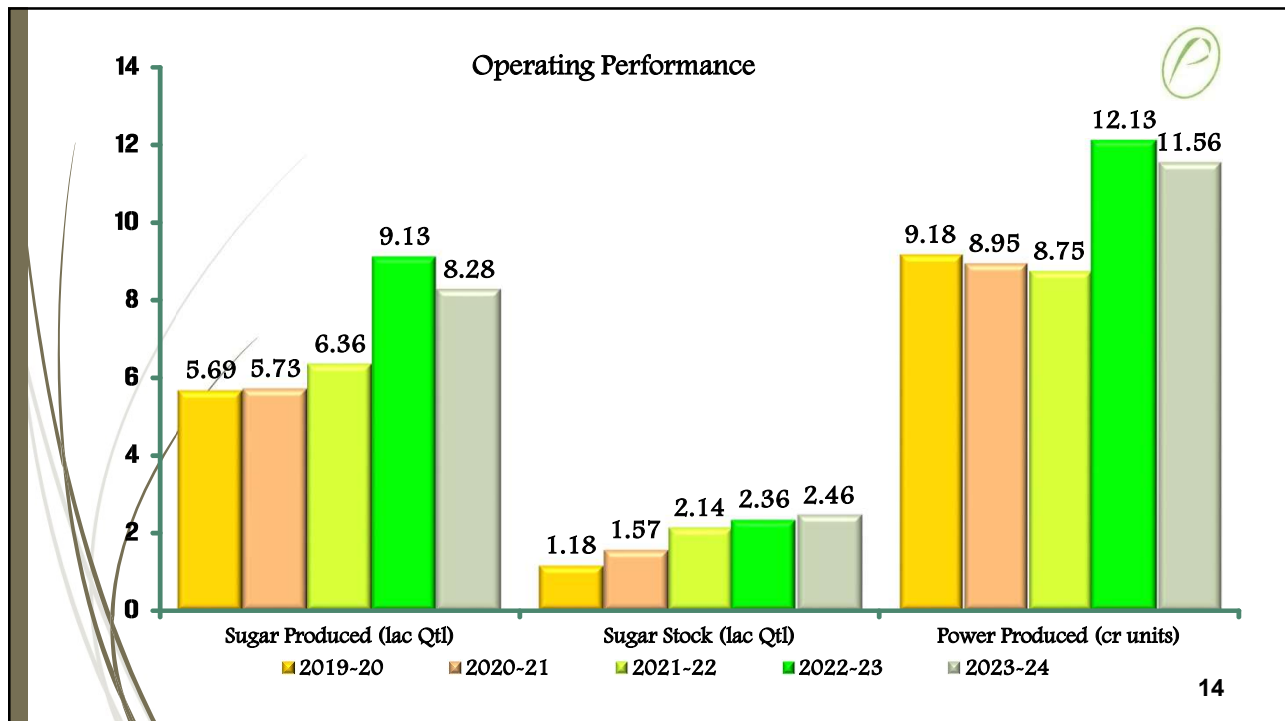
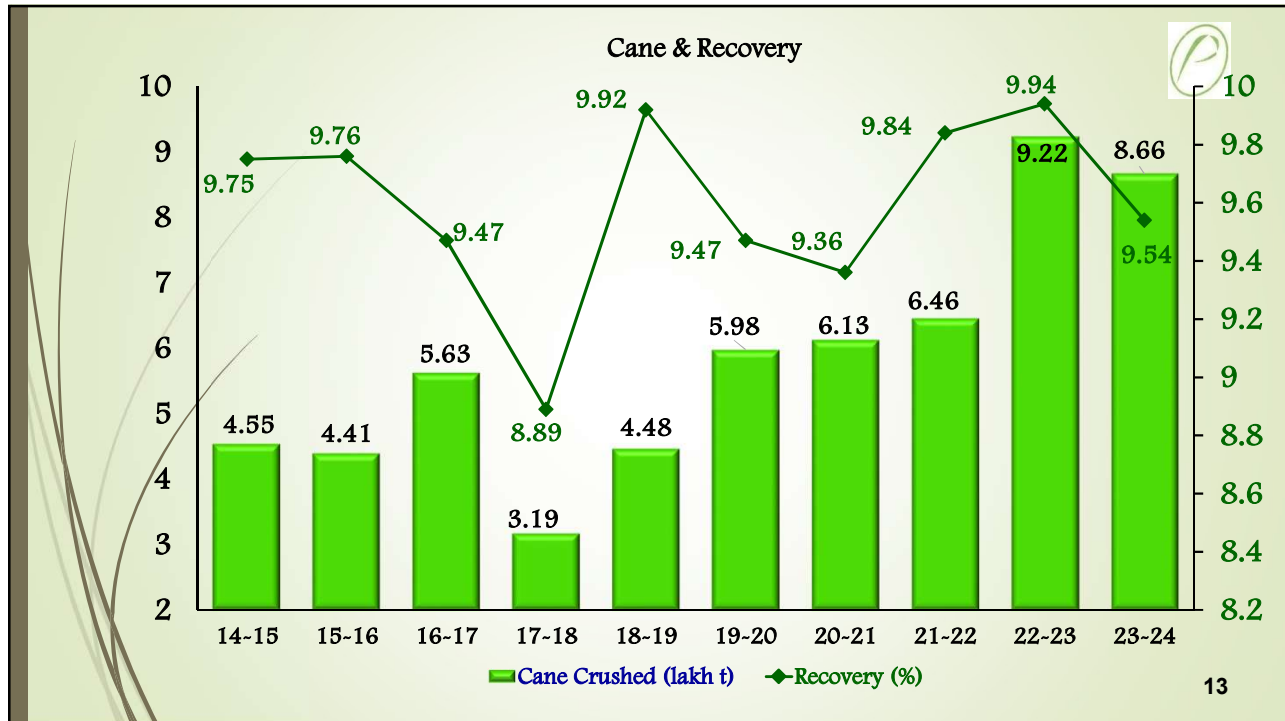


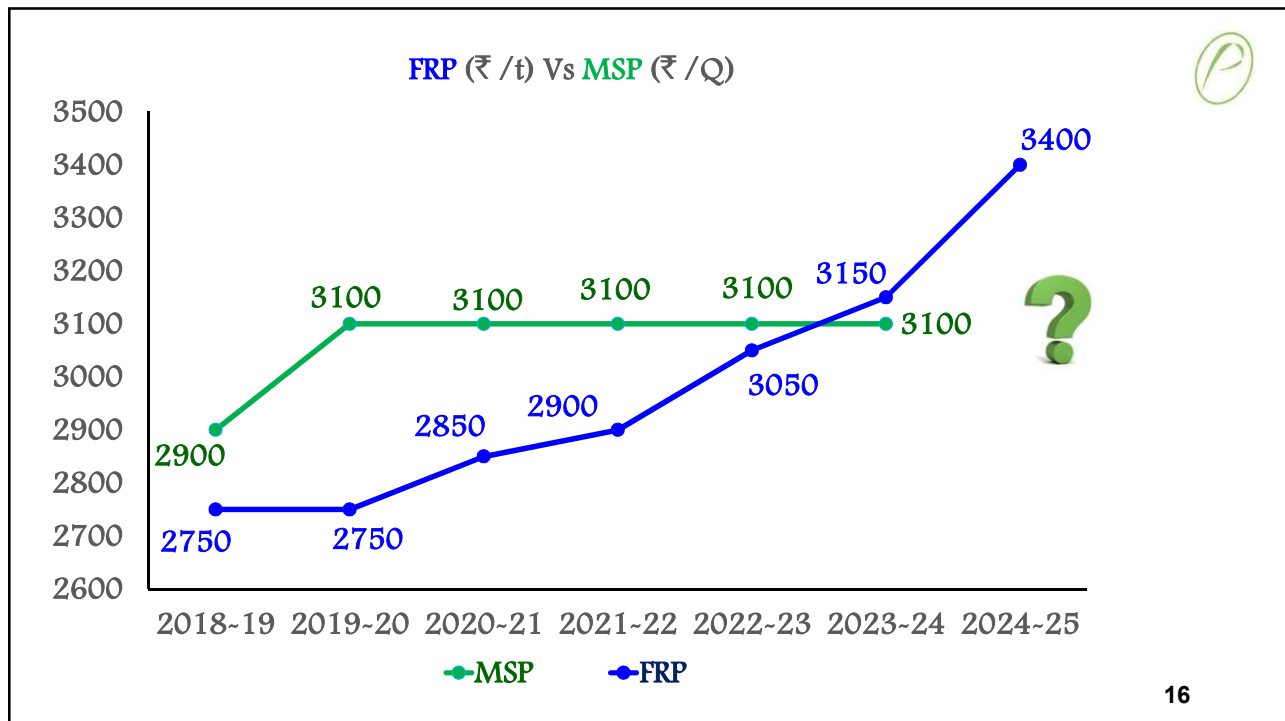
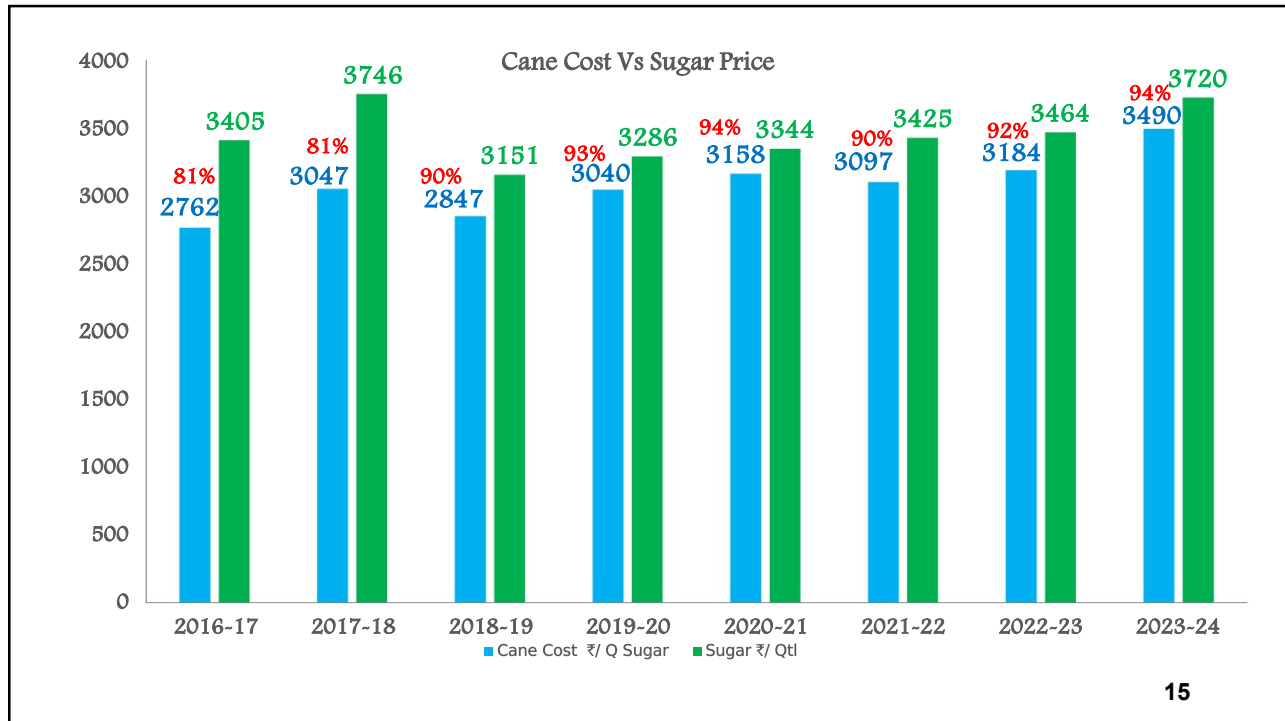
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## PHYSICAL PERFORMANCE

	2023-24	2022-23	% change
No. of Days	299	306	2
Average crushing (tcd)	2895	3013	4
Cane crushed (lakh t)	8.66	9.22	6
Sugar Recovery (%)	9.54	9.94	40 bps
Sugar production (t)	82845	91326	9
Power production (Lakh Units)	1156	1213	5

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# Market Dynamics



<b>Cost</b>	<b>2023-24</b>	<b>2022-23</b>	<b>Change %</b>
Cane ₹ /t	3329	3165	5
Coal ₹ /cvl	1.88	2.66	(29)
Biofuel ₹ /cvl	1.10	1.22	(10)

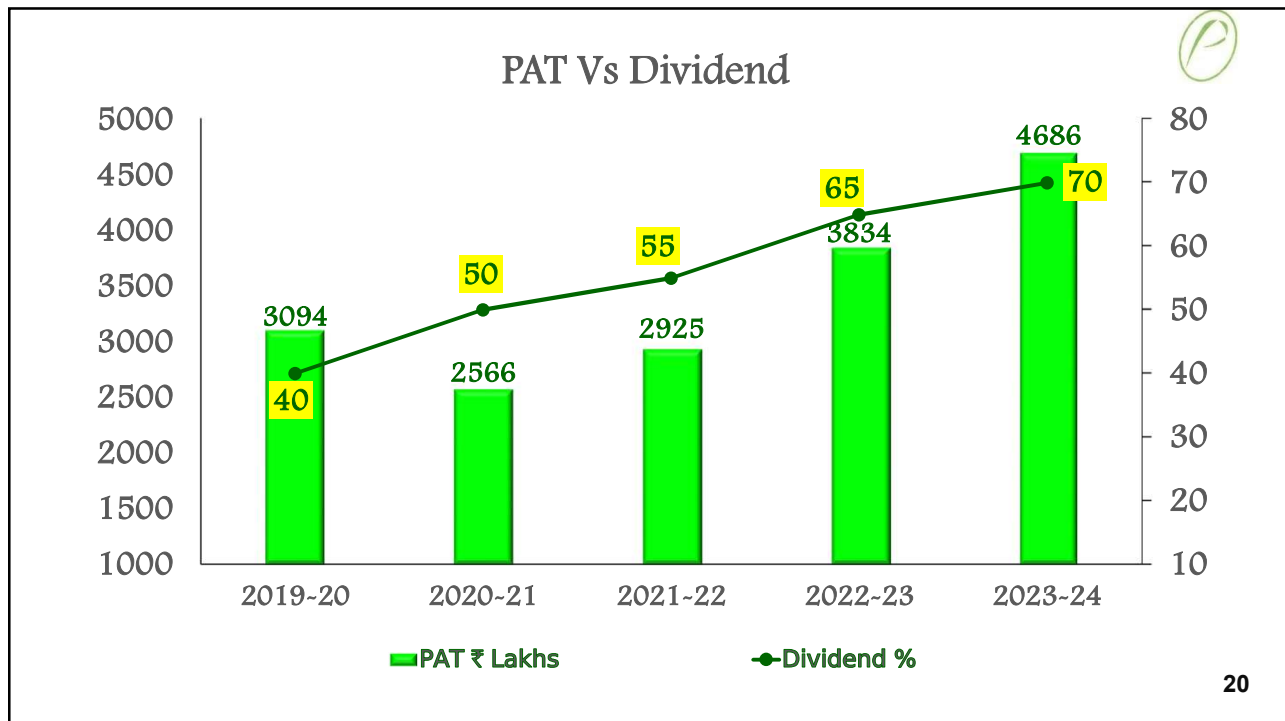
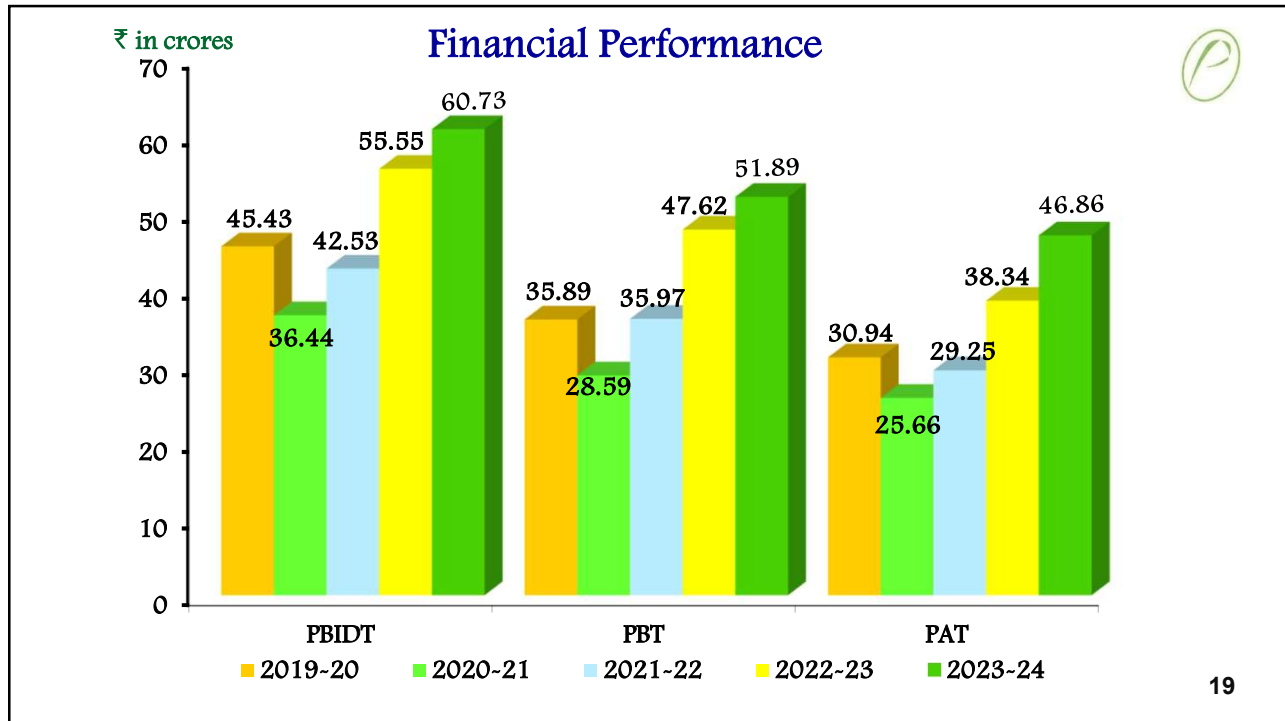
<b>Revenue</b>	<b>2023-24</b>	<b>2022-23</b>	<b>Change %</b>
Sugar ₹ /Qtl	3720	3464	7
Molasses ₹ /t	9912	9200	8
Power ₹ /kwh	5.83	4.88	19

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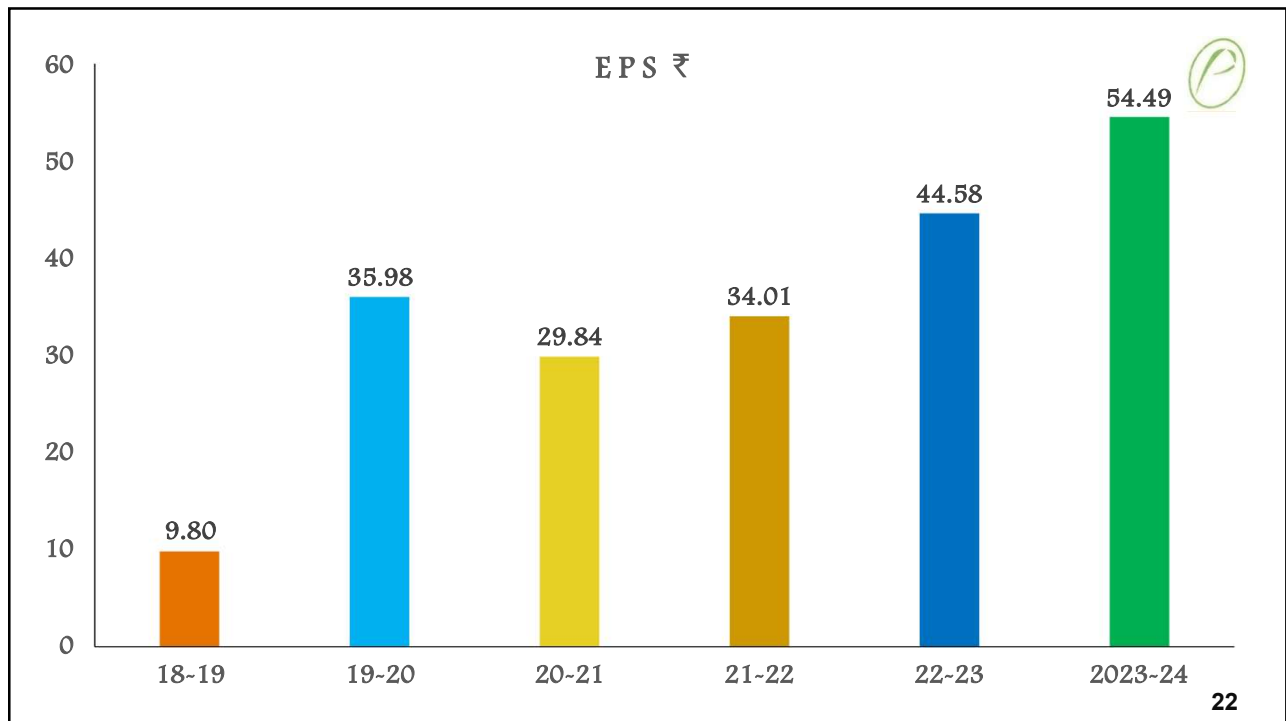
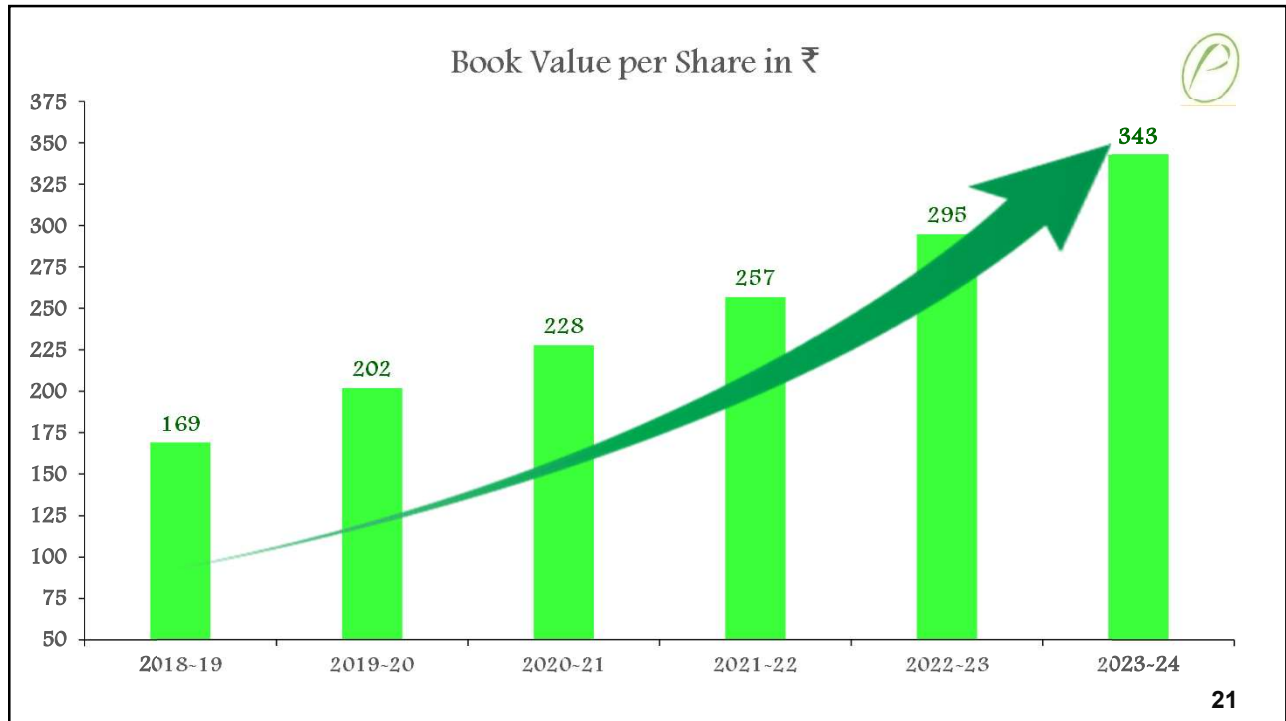
( ₹ Crores)

<b>FINANCIAL HIGHLIGHTS</b>	<b>Financial Year</b>	
	<b>2024</b>	<b>2023</b>
Total Revenue	439	450
PBIDT	61	56
PBT	52	48
PAT	47	38

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### FY'24 HIGHLIGHTS – QUARTERWISE

PARTICULARS	Q-I	Q-II	Q-III	Q-IV	TOTAL FY' 24
Cane crushed (t)	91713	288358	246163	239406	865640
Recovery (%)	10.01	9.18	9.21	10.13	9.54
Total Income (₹ Lakhs)	10732	12983	12647	7536	43898
Sugar Price (₹ / Qtl)	3599	3718	3799	3834	3720
Cane Cost (₹ / t)	3296	3196	3320	3488	3329
PBIDT (₹ Lakhs)	973	2006	1691	1403	6073
PBT (₹ Lakhs)	764	1791	1469	1165	5189

Positive PBT for 21 consecutive quarters

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### MILESTONES TO CHERISH

- ❖ Balance Sheet size > ₹ 600 crore
- ❖ Total Equity > ₹ 500 crore
- ❖ Book value > ₹ 300
- ❖ PBIDT > ₹ 60 crore
- ❖ PBT > ₹ 50 crore

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## Prescient Look into FY 2024~25

- ❖ Drought to depress Cane volume
- ❖ Recovery rebound unlikely
- ❖ Sugar prices to strengthen, so is cane cost
- ❖ One-off gains to disappear
- ❖ Strong liquidity – our great strength to stay afloat
- ❖ PBT to fall steeply YoY yet pretty positive & normative

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