

**Transcript of the proceedings of the 27th Annual General Meeting of the Company held through Video Conference at 11.00 AM on Wednesday, the 21st June 2023**

Deemed venue: Registered Office, ESVIN House, Rajiv Gandhi Salai (OMR),
Perungudi, Chennai 600096

Good morning Ladies and gentlemen. I extend a warm welcome to all our shareholders for this twenty seventh Annual General Meeting of this company. This meeting is being held through video conference in accordance with the circulars issued by MCA and SEBI. This VC mode has widely been welcomed by shareholders from diverse and far-off geographical locations. Taking benefit of technology, they are now able to participate in larger number in our company AGM. On the flip side however, I am missing the face to face interaction and warmth of a physical meeting because of this. I will now proceed with the introduction of our directors, KMPs and auditors.

I am N Gopala Ratnam, non-executive Chairman of the Company and by virtue of Articles of Association of the Company, I will now chair this meeting. I am joining this meeting from my office at Erode and I now introduce Mr N Ramanathan, Managing Director.

Mr. N Ramanathan: I am N Ramanathan, Managing Director of the company. I am attending this meeting from the registered office of the company.

Mr. V Sridar: I am V Sridar, independent director of the company. I am the Chairman of Audit Committee and the Nomination & Remuneration Committee. I am participating in this meeting from my residence in Bengaluru. The audio and video quality is clear. I have received all the papers and I am alone in my room.

Mr. Arun G Bijur: I am Arun G Bijur, director of the Company. I am participating in this AGM from my residence in Bengaluru. Audio & video quality is good at my end. I have received all the papers and I am alone in my room.

Mr. Bimal Poddar: I am Bimal Poddar, director of the company. I am participating in this meeting from my office in Bengaluru.

Mr. K Bharathan: I am Bharathan, director of the company. I am attending this meeting from my house in Chennai. I am alone in my room. I have received all the papers. The video and audio quality is good.



Dr Nanditha Krishna: I am Nanditha Krishna, Independent Director. I am attending this meeting from Ooty. I have received all the papers. The video and audio quality is good. Thank you.

Mr.Mohan Verghese Chunkath: I am Mohan Verghese Chunkath, Independent Director and also member of the Audit Committee. I am attending the meeting from Boston and I have received the papers. The audio & video quality are fine.

Mrs. Bharti Pithawalla: I am Bharti Pithawalla. I am attending the meeting from my residence in Kent in UK. The audio and video quality is fine.

Mr. Manoharan: I am Manoharan, independent director and I am attending this meeting from Erode Office.

Mr K Yokanathan, CFO: I am Yokanathan, CFO of the Company and I am attending this meeting from my Office at Erode.

Mr. R Madhusudhan: Good Morning Sir. I am Madhusudhan, Company Secretary. I am participating in this meeting from the registered office of the company in Chennai. The audio and video is clear.

Mr Chella K Srinivasan: I am Chella Srinivasan, Partner of S Viswanathan LLP, the statutory auditors of Ponni Sugars. I am attending this AGM from my office in Chennai. I am alone in my room.

On behalf of Maharaj Mr N R Suresh and Co LLP, Internal Auditor: Mr. K V Srinivasan participated in the meeting from his office in Chennai.

Mrs Meena Ramji: Good Morning. I am Meena Ramji, Partner of S Mahadevan & Co, Cost Accountants. I am attending this meeting from Ponni Sugars office at Erode. I am all alone in my room.

Mr. V Suresh: Good Morning. I am V Suresh, Partner of V Suresh & Associates, Practicing Company Secretaries, the secretarial auditor of the Company. I am attending this meeting from my office in Chennai.



Mr. A S Kalyanaraman: I am A S Kalyanaraman, Scrutinizer for the e-voting process. I am participating in the meeting from the registered office of the Company, Chennai.

Chairman: In addition, Mr. B Chandrasekar, Senior Vice President (Operations) and core operating team are available at this AGM, to provide and supplement information that may be required during the meeting.

That completes the introduction. Now I request all the panellists to kindly mute themselves. As of now, 55 shareholders have joined the meeting through video conference. There is adequate quorum. Participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by the MCA with regard to Section 103 of the Companies Act, 2013. The quorum being present, I now call this meeting to order.

I now request Mr. N Ramanathan, Managing Director of the Company, to provide general instructions to the shareholders regarding participation in this meeting. Over to Mr..Ramanathan.

Mr. N Ramanathan: Thank you Chairman. Shareholders may note that this 27th AGM is being held through video conference in accordance with the Companies Act, 2013 and Circulars issued by both MCA and SEBI.

The facility for joining the meeting through video conference is generally made available for shareholders on first come, first served basis. In the case of our company, all our shareholders desiring to join the meeting would be able to do so. Facility for joining the meeting was opened at 10.30 AM, which is thirty minutes before the time scheduled to start the meeting. It will be kept open for joining till the meeting is closed by the Chairman.

This being an e-AGM, physical attendance of shareholders is dispensed with. As mentioned by Chairman, attendance through video conference will 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, the proxy register for inspection is not available. The Register of directors and Key Managerial Personnel, and the Register of contracts, agreements and all other documents referred in the 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(at)ponnisugars(dot)com.

The company has received request from a few 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.

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 or through email.

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 20th June 2023 at 5 p.m. Shareholders who have not cast their vote yet and are participating in this meeting, may cast their votes during the meeting through e-voting system provided by CDSL. Shareholders can click on the name of the company and the EVSN 230606001 in the CDSL e-voting system already logged in, to avail this facility. There will be no voting by show of hands. 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 the annual report. Thank you.

Chairman: Thank you, Mr.Ramanathan.

Mr. V Sridar, Chairman of the Nomination and Remuneration Committee and the Audit Committee, and myself as Chairman of the Stakeholders Relationship Committee and CSR Committee, are present through VC at this meeting.

The company has taken all feasible efforts to enable shareholders to participate through video conference and vote at the AGM. I thank all the shareholders, my colleagues on the board and the auditors for joining this meeting over video conference. With this, I would like to now deliver my customary Chairman's address.

The Chairman then delivered his Speech. To access the full text, click on the link:

<https://www.ponnisugars.com/SiteImages/Documents/chairman/0c9bf080be5e2f20d56e45f8732c3277.pdf>



Chairman: Thank you ladies and gentlemen, I now request Mr. Ramanathan, Managing Director, to make a comprehensive presentation on the sugar industry and our company's performance in 2022-23. This will be a short presentation. Mr. Ramanathan, please.

Mr. N Ramanathan, Managing Director then presented the performance of the Company for FY 2022-23. To access PPT link, click on the link:

<https://www.ponnisugars.com/assets/images/AGM-Transcript/AGM-Transcript-2022-23.pdf>

Thank you Ramanathan, will you provide the summary of Auditors' Reports?

Mr. N Ramanathan, Managing Director: Yes Chairman. We have the statutory auditors' report given in page 69 to 79 of the Annual Report. There has been no qualification or adverse comment in this report. Same way, the secretarial auditor's report is furnished in page 66 to 68 of our annual report. That again is a clean report with no adverse qualification or comment, whatsoever. Since there are no adverse observations in these reports, reading of the qualification part is not relevant. Thank you.

Chairman: Thank you Ramanathan. As the Notice for the meeting is already circulated to all the members, I take the Notice convening the meeting, as read. There are totally five resolutions to be passed in this meeting. Let me now briefly introduce the resolutions in seriatim.

Item No.1 of the Notice is adoption of financial statements – Ordinary Resolution. The audited Financial Statements of the Company for the financial year ended March 31, 2023 including the reports of Board of Directors and Auditors have already been provided to the members. As earlier mentioned, there is no qualification or adverse comment in Auditors' report.

Item No.2 is declaration of dividend - Ordinary Resolution. The Board has recommended a dividend of Rs.6.50 per Equity Share of Rs.10/- each, for the FY 2022-23.

At this stage, the Chairman informed the members present that the next item relates to his reappointment as he is retiring at this meeting and seeking re-election. He then requested the Audit Committee Chairman, Mr. V Sridar, to take the Chair and conduct the proceeding.



Accordingly, Mr. V Sridar took the chair and informed that item no.3 relates to reappointment of Mr. N Gopala Ratnam as director by a special resolution. Mr N Gopala Ratnam with DIN: 00001945, who retires by rotation, is to be reappointed as a director of the company, liable to retire by rotation. He comes under the Promoter group and non-executive category and he is a non-independent director. Relevant details have been furnished in Appendix-A of the AGM Notice.

At this stage, Mr. N Gopala Ratnam resumed the Chair and proceeded with introduction of remaining two resolutions.

Item No.4 pertains to commission to non-executive directors - Ordinary Resolution. Payment of commission to non-executive directors in aggregate not exceeding one percent of the net profit of the company in any year over and above the sitting fees for a period of three financial years from 01-04-2023 to 31-03-2026.

Item No.5 relates to remuneration to Cost Auditor – Ordinary Resolution. Ratification of remuneration payable to Cost Auditor for 2023-24.

The text of all the resolutions along with the explanatory statement has been provided in the Notice circulated to the members.

We will now move on to shareholders' queries and answers. Seven shareholders have registered themselves to be the speakers of the meeting. If any member other than these seven speaker-shareholder desires to ask any question pertaining to any item on the notice, performance of the company in the financial year 2022-23, he / she may do so by using the chat box option. Members are requested to keep their questions brief and specific.

To avoid repetition, the answers to all the questions will be provided towards the end. Shareholders may also note that the company reserves the right to limit the number of shareholders asking questions, depending upon the availability of time. Before we go live with the Q & A, there are some points to be taken note of, for the convenience of speaker shareholders.

Kindly turn on your video when you are projected on the screen. Unmute yourself and then proceed to ask the question. Each shareholder will have 2 to 3 minutes for their questions.



Please mention your name and the location from where you are joining. Now the floor is open for question and answer.

I now call the shareholder no.1, Mr. Santosh Kumar Saraf from Kolkata. How are you Mr. Saraf?

Mr. Santosh Kumar Saraf: Nice Sir. Nice to meet you second time in this week.

Chairman: Between SPB meeting and Ponni meeting, you have grown younger!

Mr. Santosh Kumar Saraf: I will also be attending the High Energy Batteries meeting this Saturday. At the age of 76, you look young like 60 year old! I wish you good health. You work like Modiji, attending meetings from 2 hours to 2 ½ hours continuously, Sir.

Chairman: Thank you, tell all these to our Directors.

Mr. Santosh Kumar Saraf: I wish all the Directors and all the employees associated with the growth of the company and their families good health.

First of all, I thank you and your team for the dividend of Rs.6.50 which is the highest in the last ten years. The cash earnings and sales are also the highest in the last 10 years. Under your leadership, the company is improving day-by-day. I have no question. You have explained everything. And also the MD told about the position of Tamil Nadu sugar industry, Indian sugar industry, ethanol, everything he explained in detail. My only question is: what is the ethanol production target for 2023-24?

Chairman: It will be around same level as what we have for this year. We are at least targeting. Let us see. It all depends on monsoon, agro-climatic conditions. But we will work for at least same target. This year, we have worked for more than 300 days. Working for 300 days for a sugar mill itself is a record. It is not done normally by everybody.

Mr. Santosh Kumar Saraf: Ethanol is better than sugar. This will lift them with Brazil who is doing 25 million ton sale in the world. More than 50% sale by Brazil industry. We are second. Also some restructure of the Government in exports from time to time. Last time, there was 45 million ton, the export is less.

One thing I want to ask you is that so many directors are attending your meeting from Bengaluru. I hope, next time again you will have the meeting through VC. This will help the



directors and my senior shareholders to attend the meeting from their home. Next is, your share price is very good. We are satisfied with the market price. I see that for the last three years, your company is debt-free, zero loan. This is a very good sign. I am completing my query because there are shareholders waiting in line for the last one hour. I wish all the directors, and dear MD and all employees a healthy year 2023-24. This is to thank our Secretarial Mr. Viswanathan who sent me link to attend the meeting because my email ID created some problem. He sent the link and I am attending this meeting.

Chairman: Thank you Mr. Saraf. I also wish you and your family a sound health. Thank you. I will now move on to second speaker, Mr Atul Gadodia. He is also from Kolkata. Mr. Gadodia, are you on the line?

Mr. Atul Gadodia: Good Morning everyone. Can you hear me?

Chairman: I hear you but I don't see you, Mr. Gadodia.

Mr. Atul Gadodia: Actually, my camera is not working properly. So, it is a bit difficult. I would like to thank the Secretarial department for facilitating my participation. There is not much to say about the performance of the company as Mr. Ramanathan has highlighted, that is, in spite of all odds the Tamil Nadu sugar industry has faced in the last ten years, you have done so exceedingly well whereas unfortunately, many of your counterparts in Tamil Nadu could not even survive.

Sir, I have got three suggestions in my own humble way.

Firstly, very well under the guidance of Mr. Ramanathan, is it possible to create a post of whole-time director / executive director like other sugar mills are having in North India?

Secondly, since there is no major expansion plans and the company is cash rich, I request you all to doll out a special dividend for us, the shareholders. So that way, we are rewarded.

Chairman: Special dividend?

Mr. Atul Gadodia: Yeah, either special dividend or buyback which could boost the share price, since the company is cash rich.

Chairman: Mr. Gadodia, I am now conserving all cash for expansion, for going into an ethanol project. Therefore, let the cash remain with the company for some time.



Mr. Atul Gadodia: Sir, I cannot force you, it is just my humble request. Since you are having lot of cash, why don't you opt for bidding for Dharani Sugars or Thiru Arooran Sugars?

Chairman: You will have to see the quality of the asset. The asset should be good and should be capable of being nurtured and then developed into a good project. The assets that have come up for sale so far, we are not very comfortable and we are not very happy. That is the reason why we are not going after them. If some asset is worthwhile for us to pursue, we will certainly do. Thank you for your suggestion and thank you for your participation. I wish you all the best.

Next we go to Mr. Mani Sundaram. Mani Sundaram, are you there on the line?

Mr. Mani Sundaram: Now only unmuted Sir. How are you Sir? Am I audible?

Chairman: I am very fine. Are you in Salem? You are not appearing on the screen.

Mr. Mani Sundaram: My camera could not be connected. One minute Sir, I am trying to connect my camera.

Chairman: All of you are telling the same thing. Next time, please purchase a good camera.

Mr. Mani Sundaram: I welcome all to the 27th annual general meeting of Ponni Sugars through video conference. I am afraid, what is the reason for this year's VC meeting. Can you make arrangements for physical meeting by conducting an extraordinary general body meeting? You are following the Central Government rules. One more, Sir. In page no.5, you have given a good dividend compared with all the performance in the past 10 years. EPS is 44.58 and you have given this year 65% dividend. I am very happy. The share price in NSE is Rs.581/- and that is also high and now trading at Rs.387. Can you have some steps to beat the last year, maximize the market value, Sir?

Chairman: Mani Sundaram, I am able to see you.

Mr. Mani Sundaram: OK Sir. Page no.81, deferred tax last year comparison. This year is 688 and last year is 261. And also investments, last year 16957 and this year it is 22456 and also on the same page, trade receivable, they have given some difference by means of 2492. Please give clarification, Sir. You have done good CSR activity. Book value also is very good. I pray for the welfare of you Sir to continue to lead the company, I pray for the



welfare of all the directors, shareholders and all in the company. I request you to arrange for factory visit, Sir. Please arrange for an EGM so that we can physically meet. Thank you.

Chairman: Thank you, Mr. Mani Sundaram. I take note of all your points. Please do visit the factory. Next year, we may try to arrange for holding the AGM physically. Now I move on to Mr. Abhishek. Are you on line? Mr. Mani Sundaram, is not Mr. Abhishek present at this meeting?

Mr. Mani Sundaram: He is also attending this meeting, Sir.

Chairman: OK. I think we are missing Mr. Abhishek.

We will go to Mr. Jaichand from Chennai. He is not there. Then, Mr. Kirti Shah from Mumbai. He is also not there. Mr. Praful Chavda from Hyderabad. Are you there?

Mr. Praful Chavda: Yes Sir. First, three banks to the company, Canara Bank, IDBI and HDFC, very good Sir. Next, dividend payment. From 10%, 20%, 40%, 50%, 55% and 65%. Very good Sir. Every year, the dividend is increasing. Sugar companies normally do not pay dividend but your company paying continuously and every year, the dividend payment is increasing and book value is increasing. Next, ten year highlights, they are very good. Your CSR service is very good. Sir, I have a small suggestion. In your school books, please introduce Ramayan and Mahabharat and also great Indian personalities. In this digital era, students must know these information also, besides technical knowledge. One more thing Sir, please take over small sugar companies with face value one rupee, two rupees.

Chairman: Thank you Mr. Chavda. I have taken note of your suggestions. Let me see to what extent, we are able to fulfil them. Thank you.

Has Abishek rejoined? No. Mr. Jaichand? No. Mr. Kirti Shah? No. They have given their names but they are not here. Any queries on the chat box? No, there are no queries on the chat box. Therefore, we are now closing the Q & A session.

I thank all those who participated in this meeting and made suggestions. If there are any other points, they are free to write to the company secretary for any further information or clarifications.

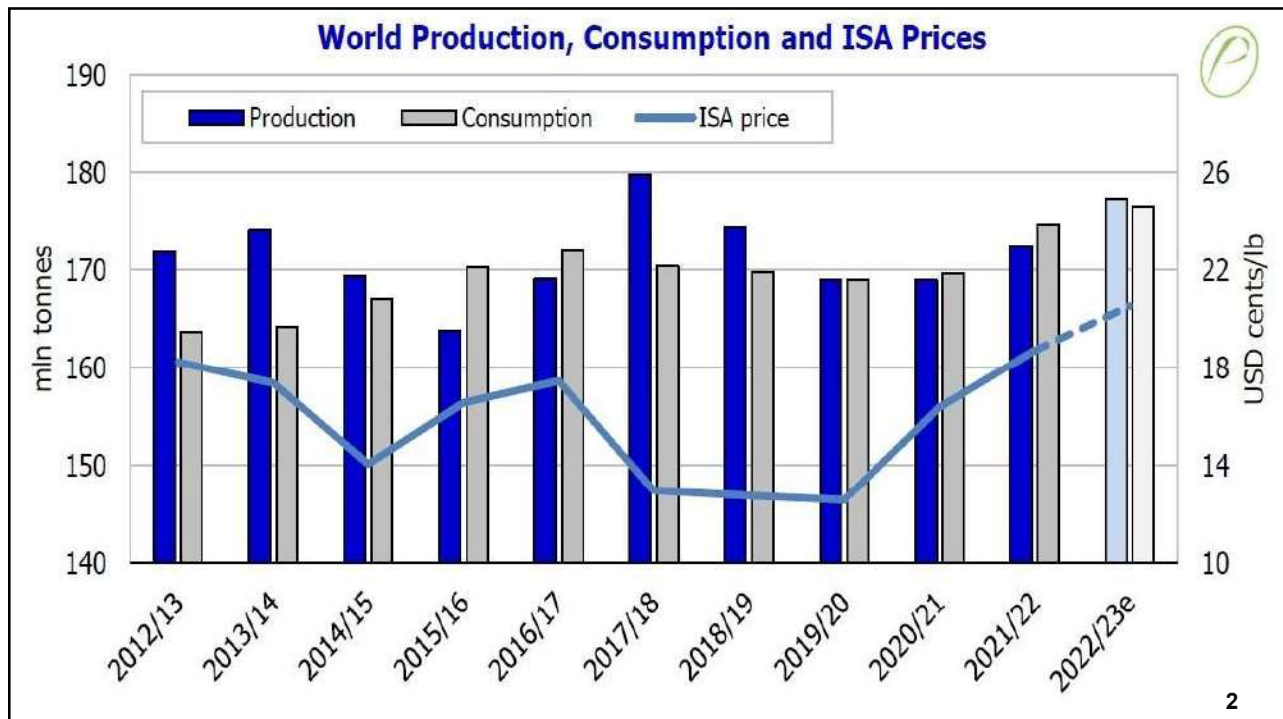


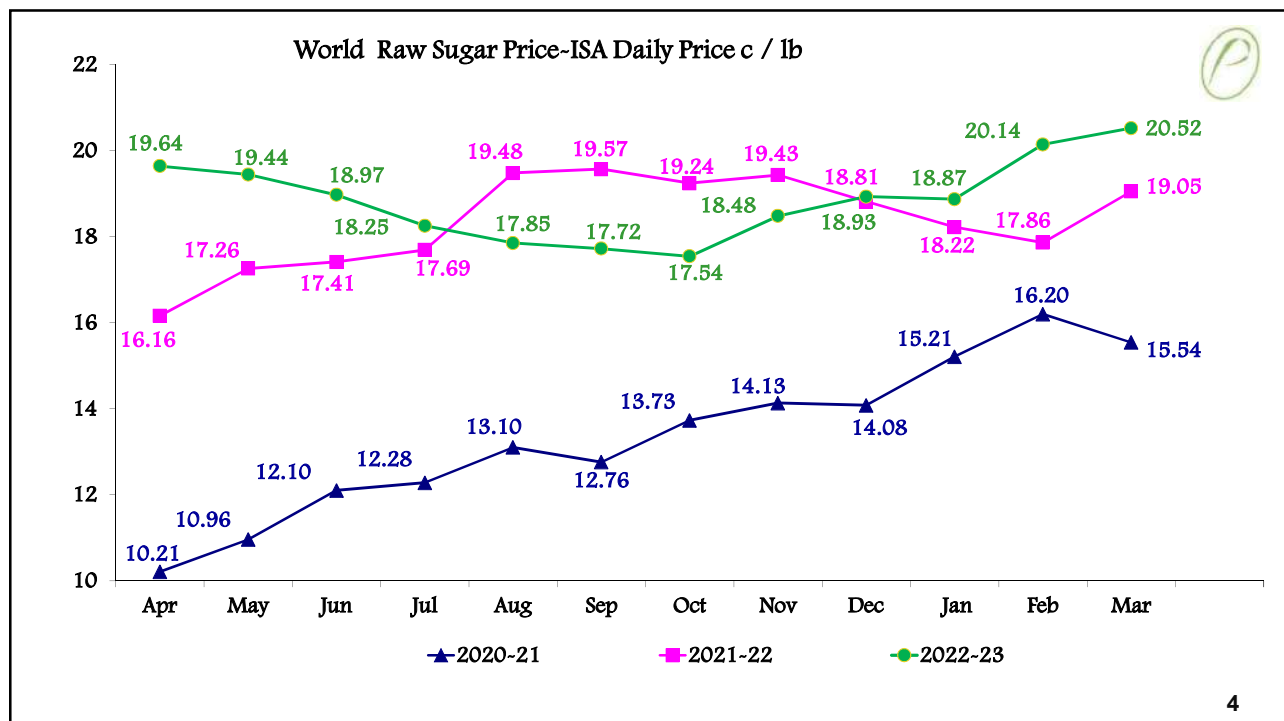
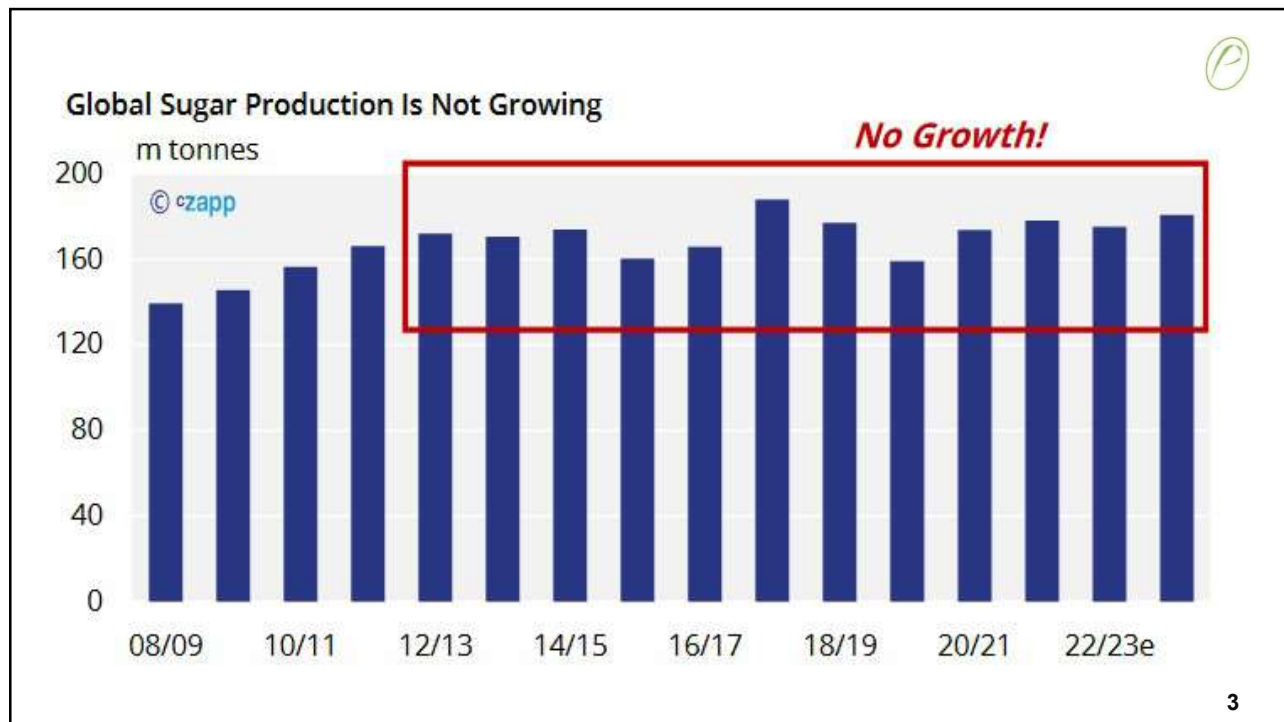
Shareholders may please note that the e-voting facility on the CDSL platform will be kept open and available for next 30 minutes. Members who have not cast their votes yet are requested to cast their votes now. The Board of Directors have appointed Mr. A S Kalyanaraman, Practicing Chartered Accountant, as the Scrutinizer. Further, I hereby authorize Mr. N Ramanathan, Managing Director of the Company, to declare the results of the voting and place it on the website at the earliest.

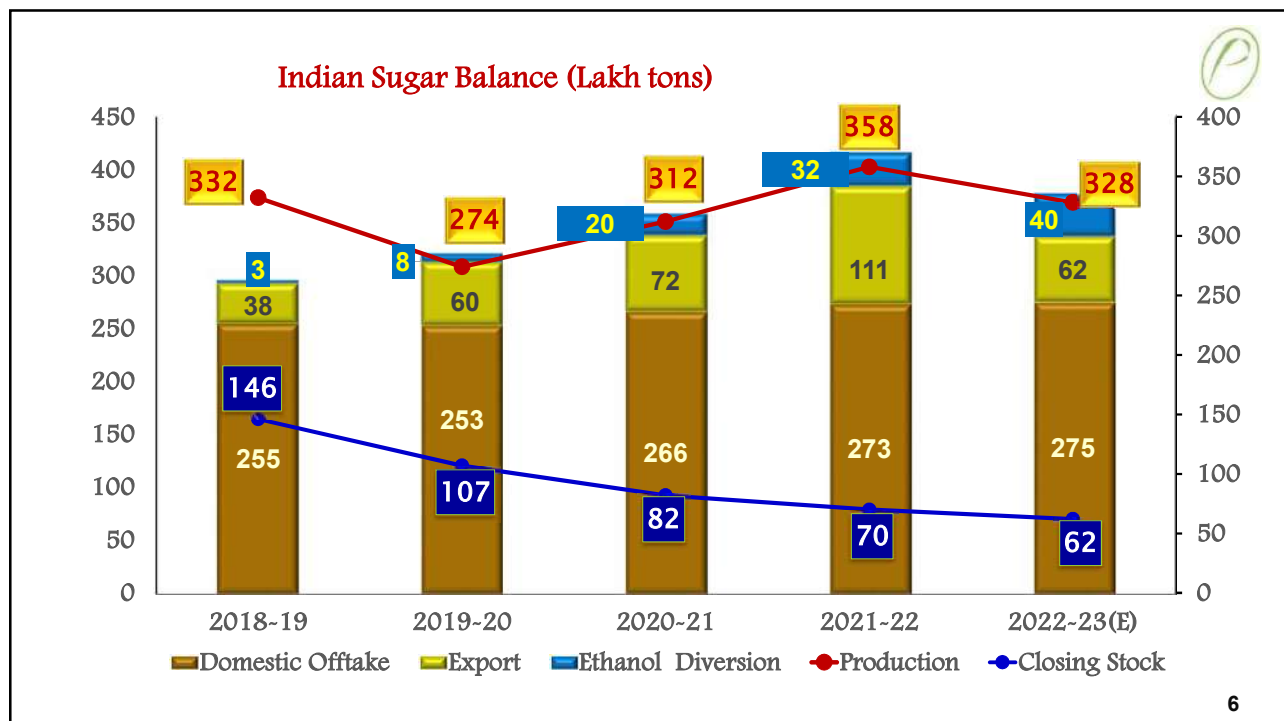
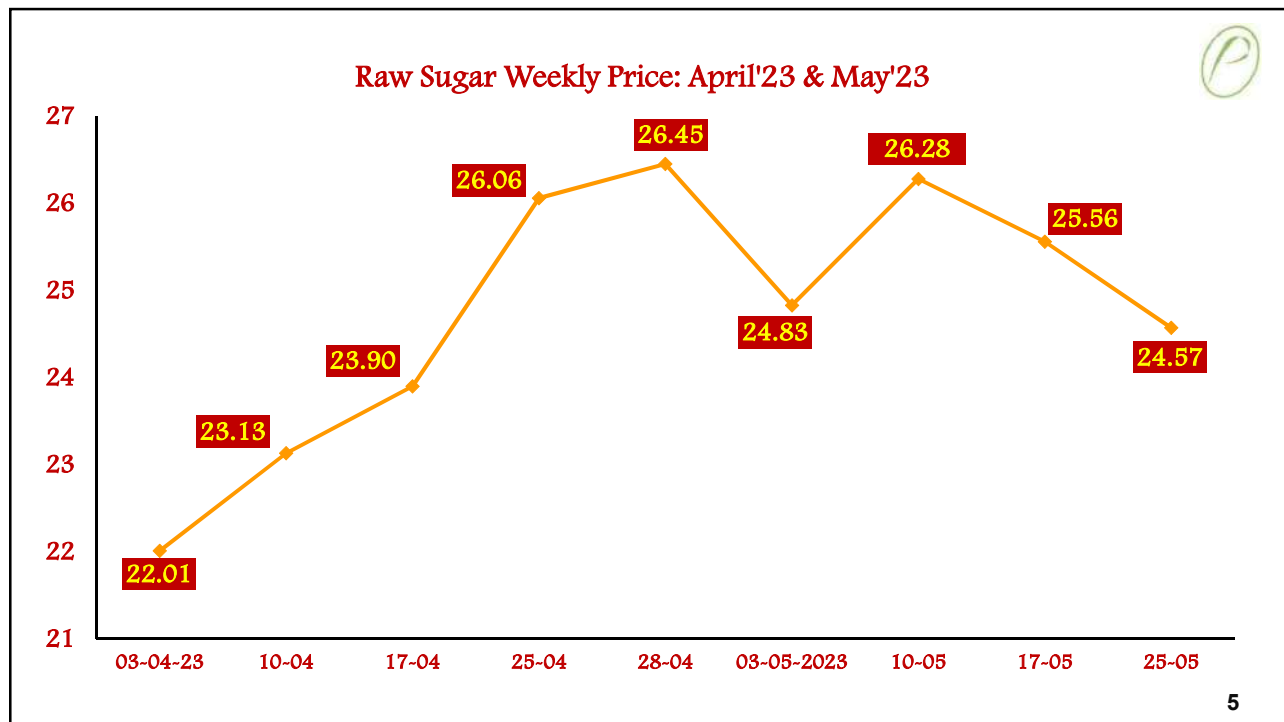
The resolutions as set forth in the Notice and being put to vote today, will be deemed to be passed at this meeting today, subject to receipt of requisite number of affirmative votes. The recorded transcript of this AGM proceeding will be received from CDSL and thereupon uploaded on the website of the Company.

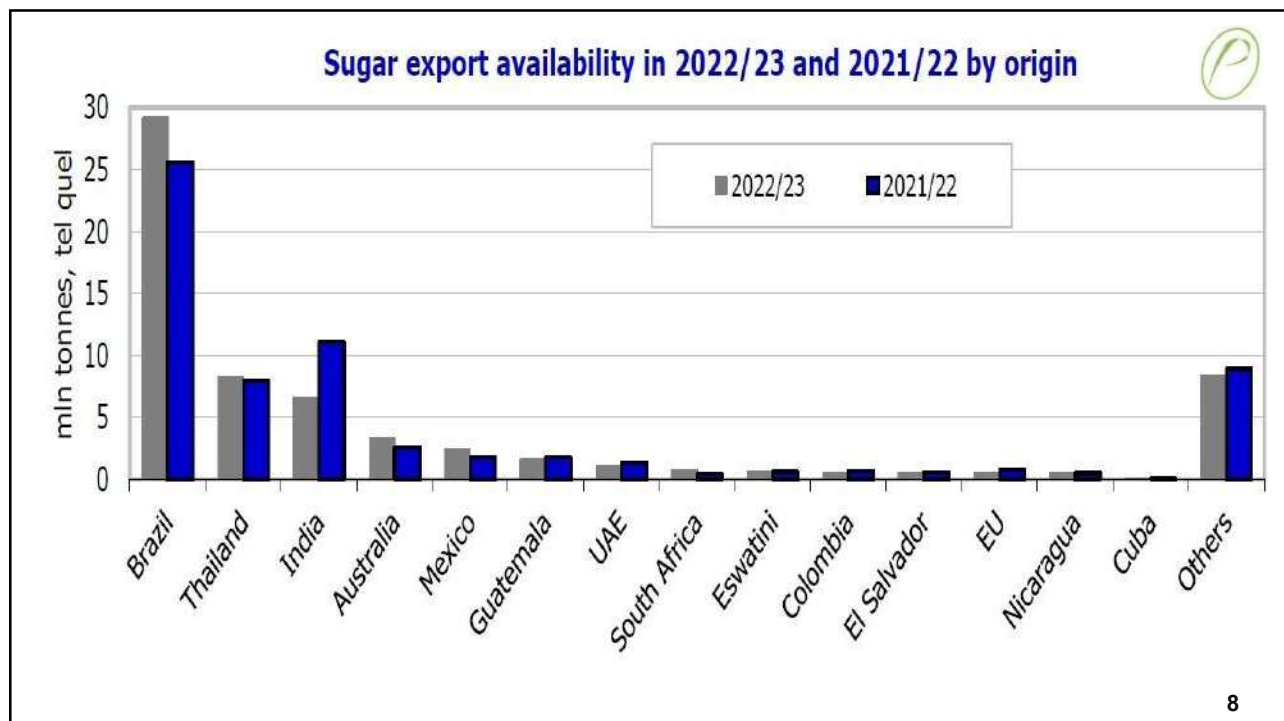
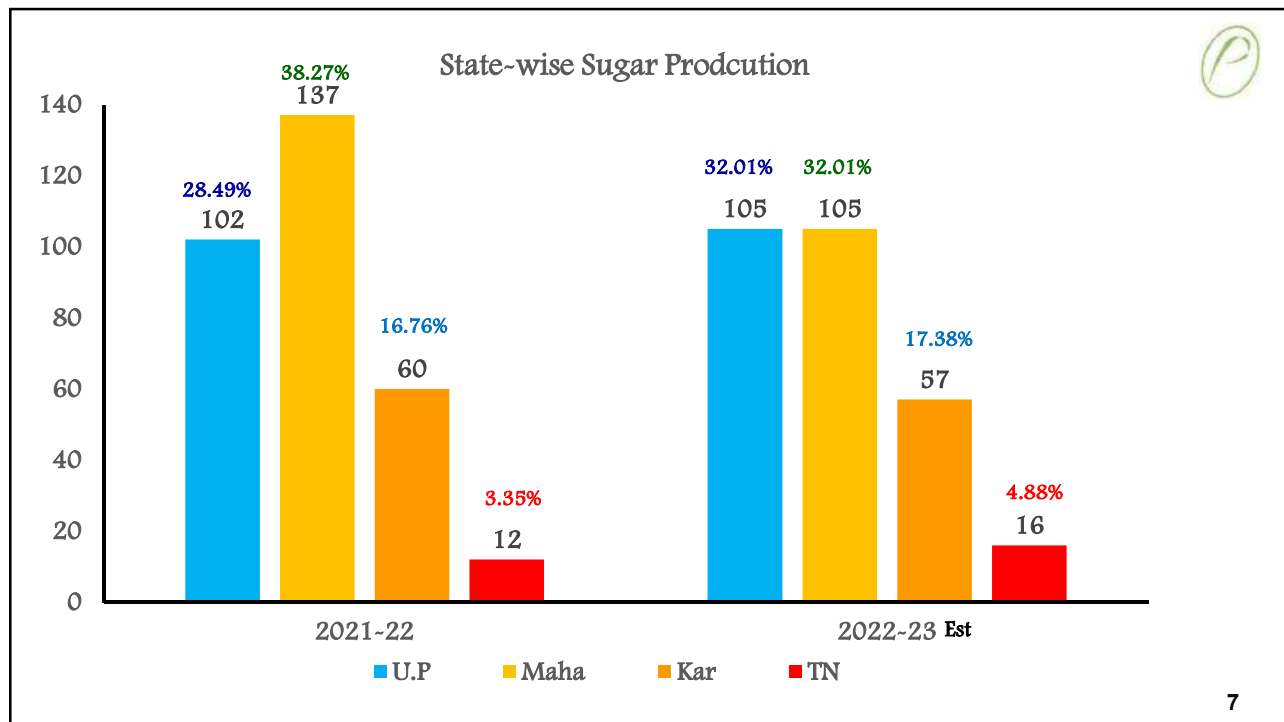
There are 56 members in total have logged in and remained present throughout this meeting today. We are grateful to all our shareholders who have participated from across the country in this 27th annual general meeting. Thank you all for attending this meeting. As there is no other Agenda and with your kind permission, I hereby declare the Meeting closed at 12.25 PM.

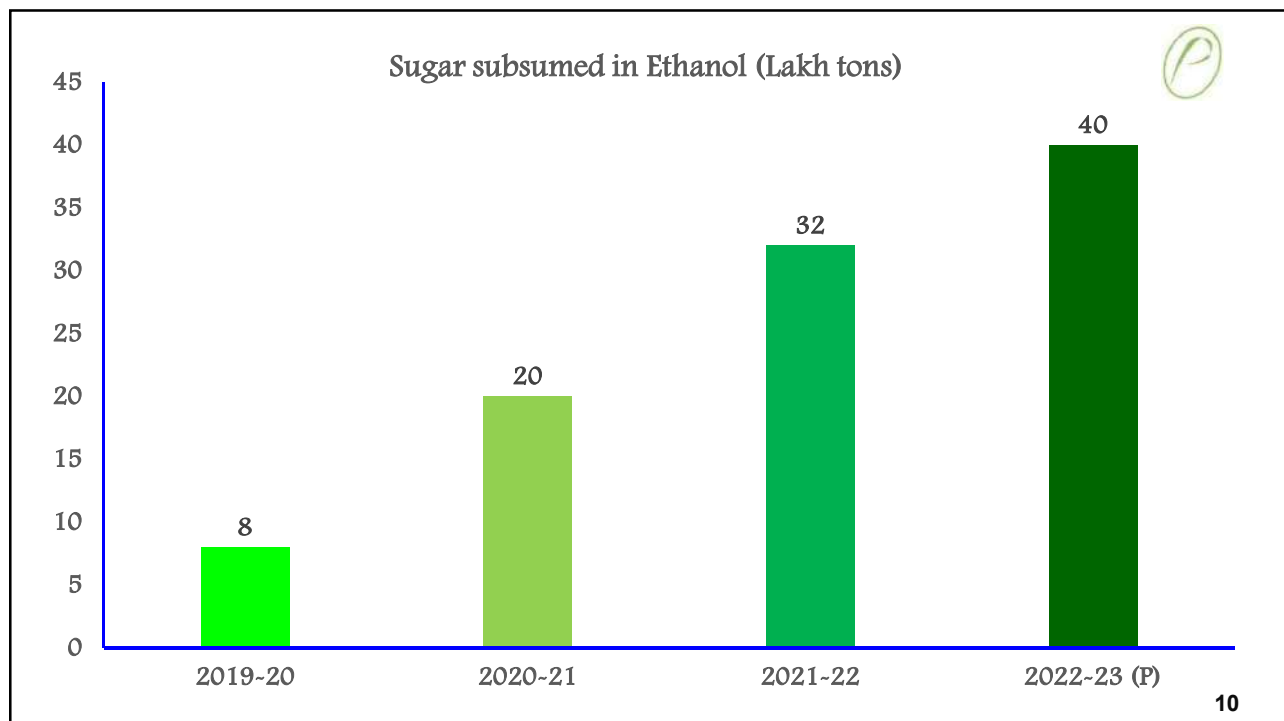
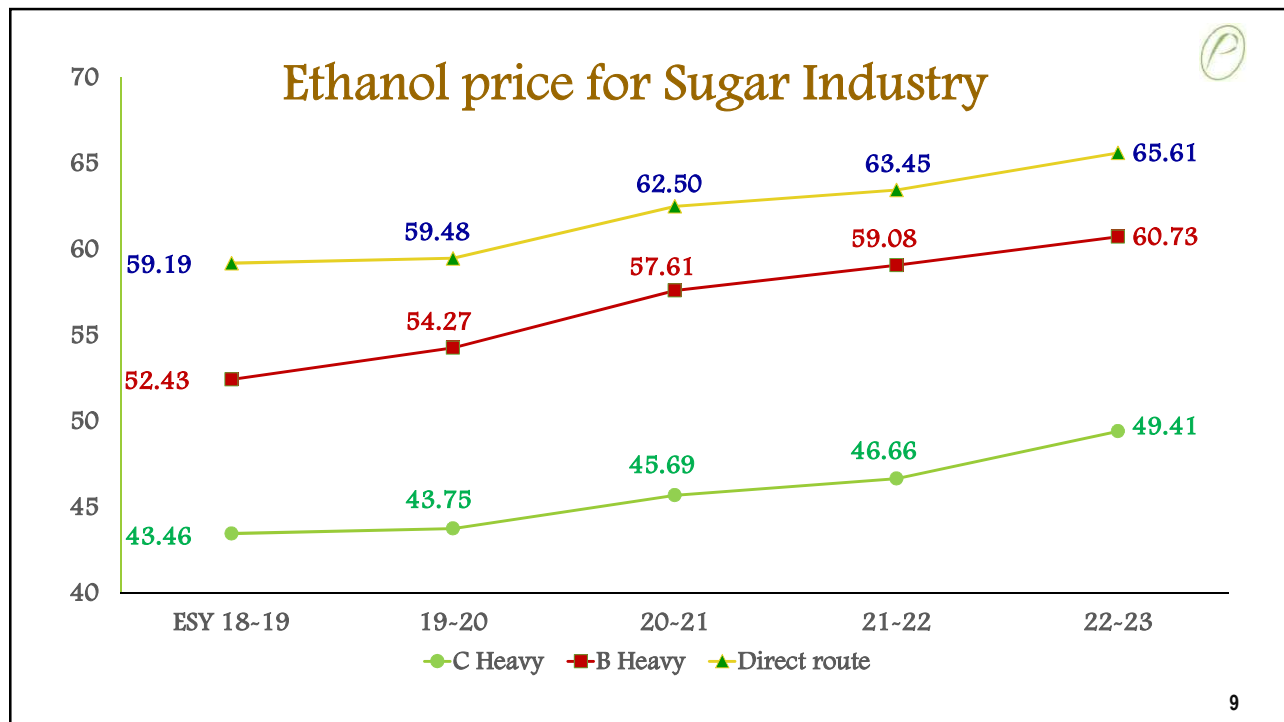
Thank you.

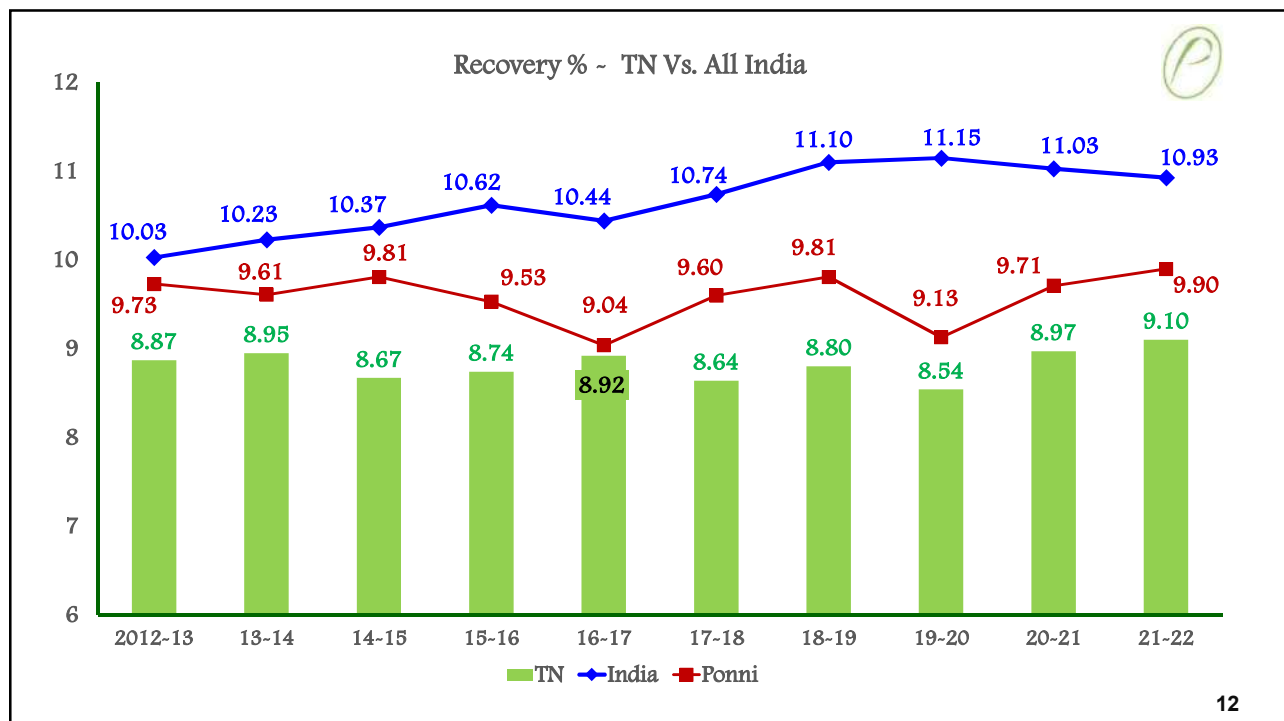
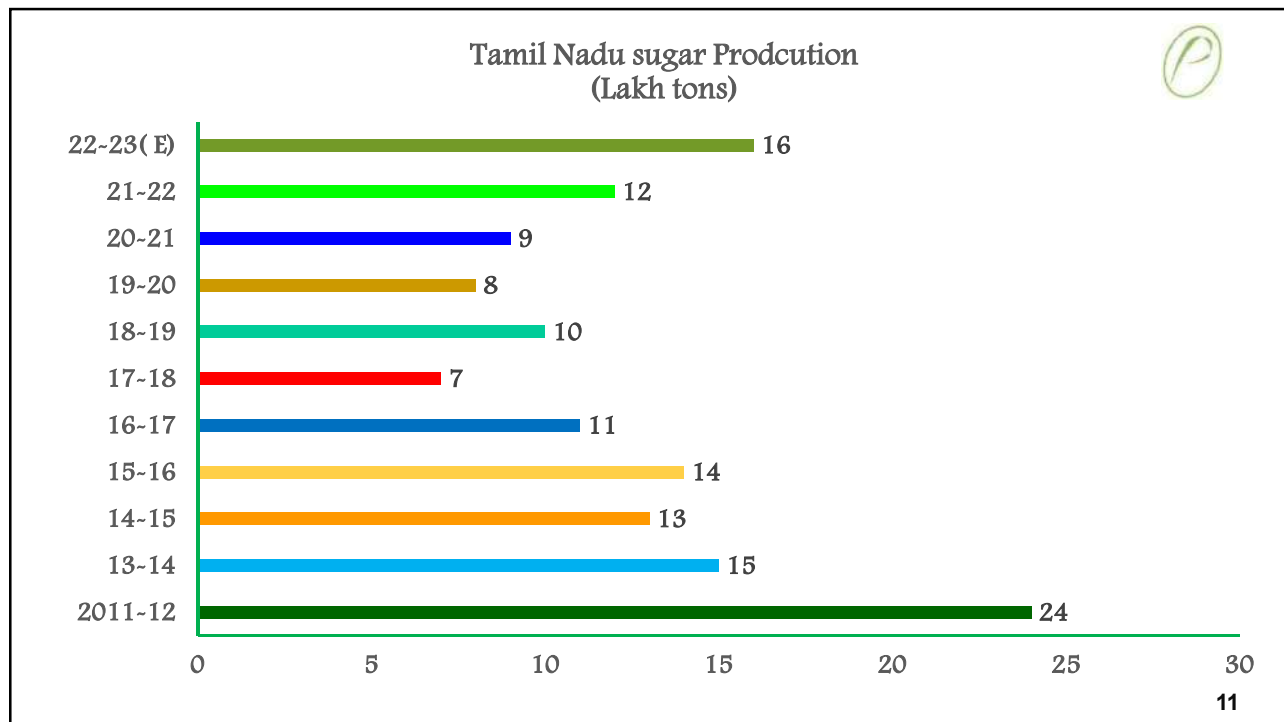


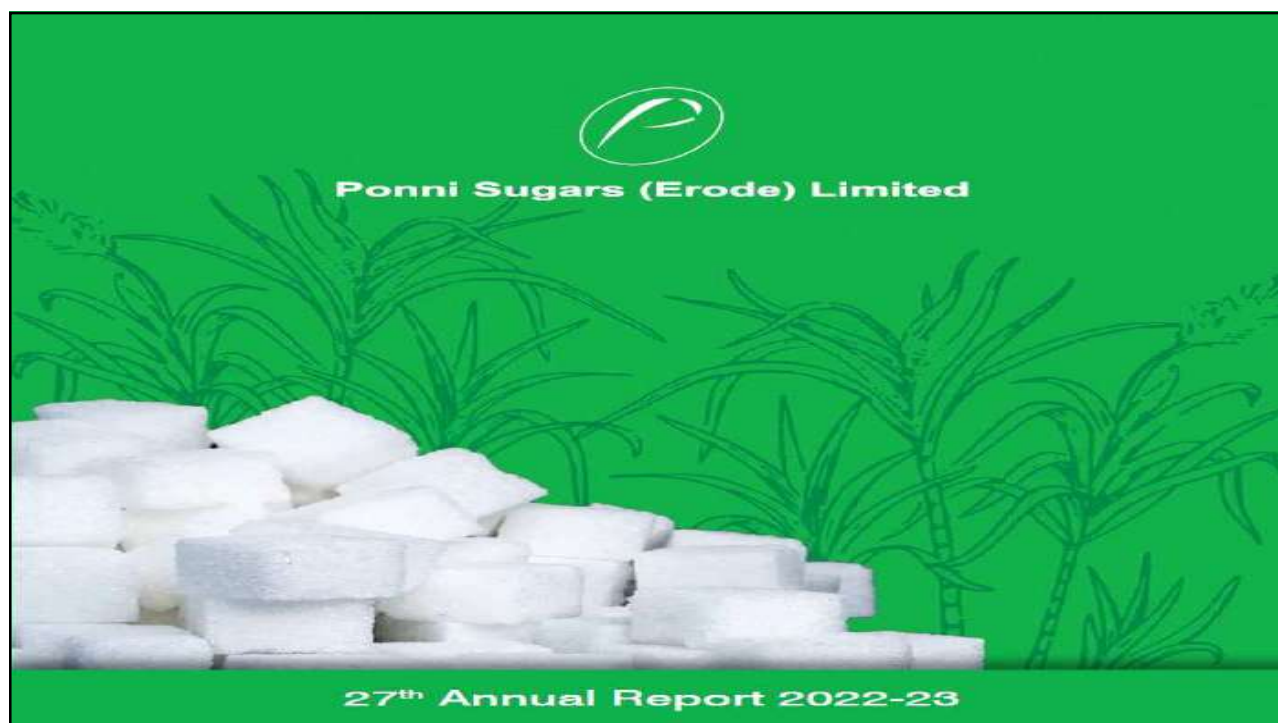










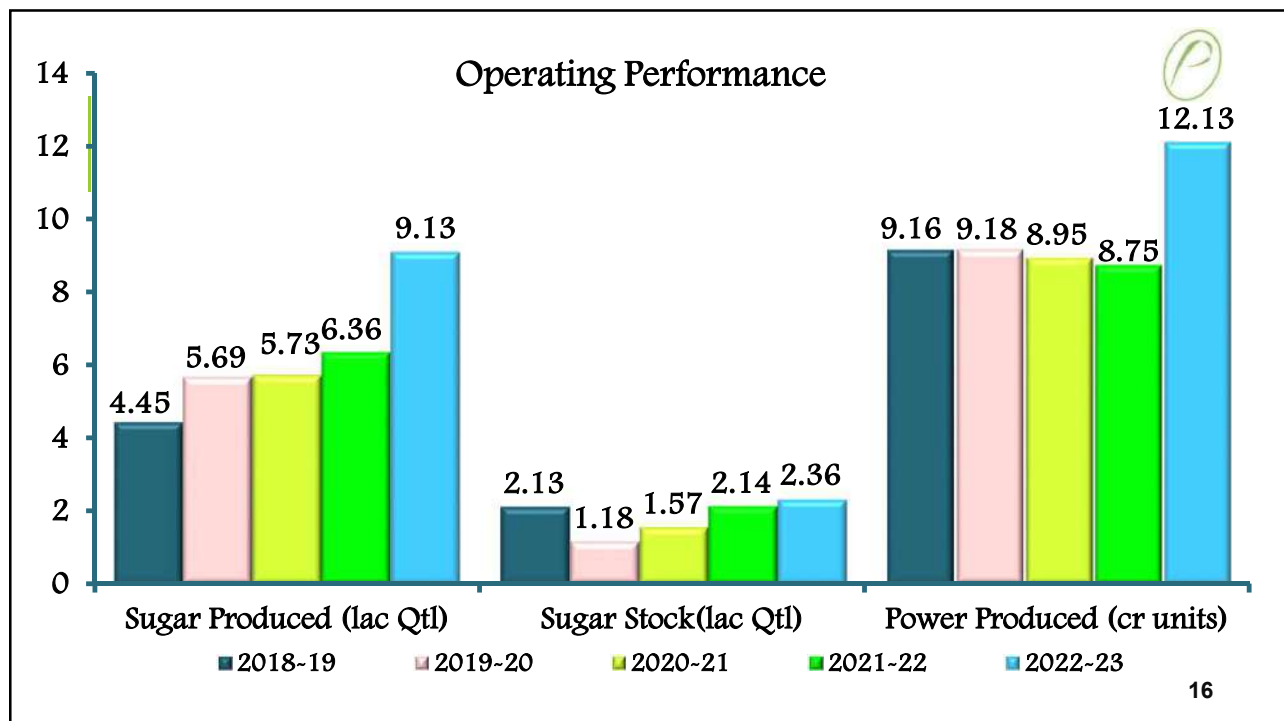
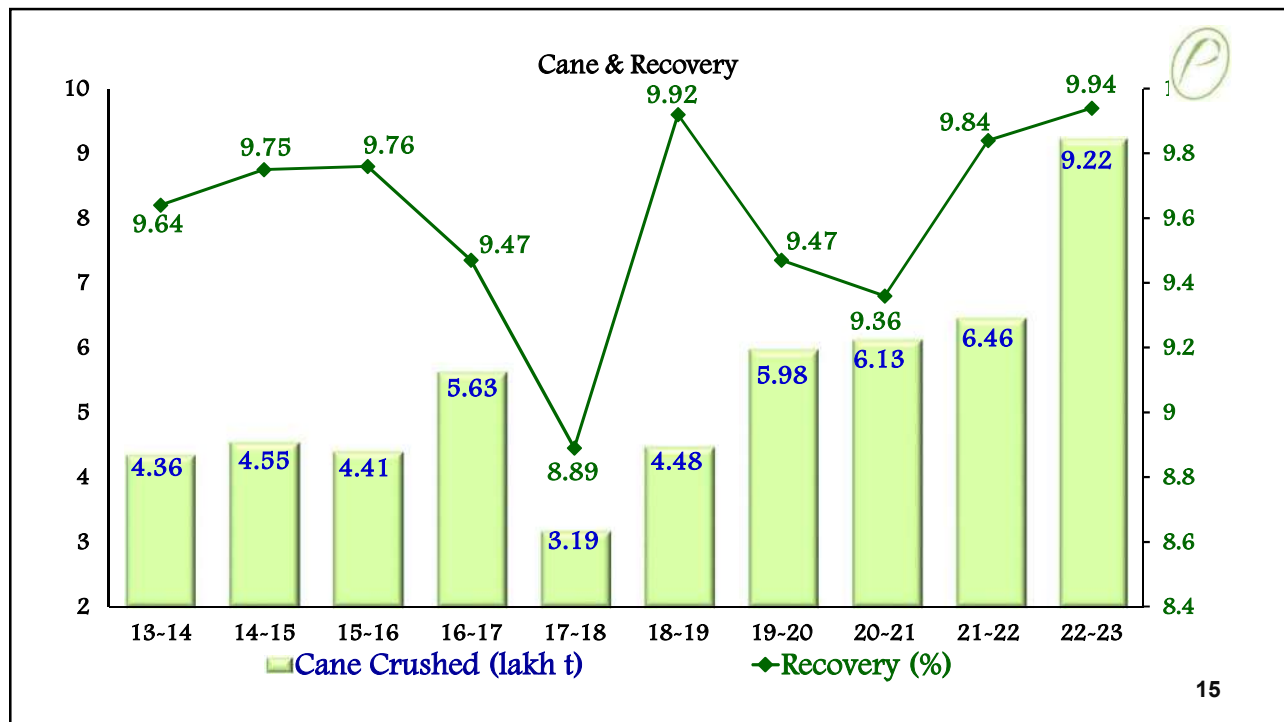


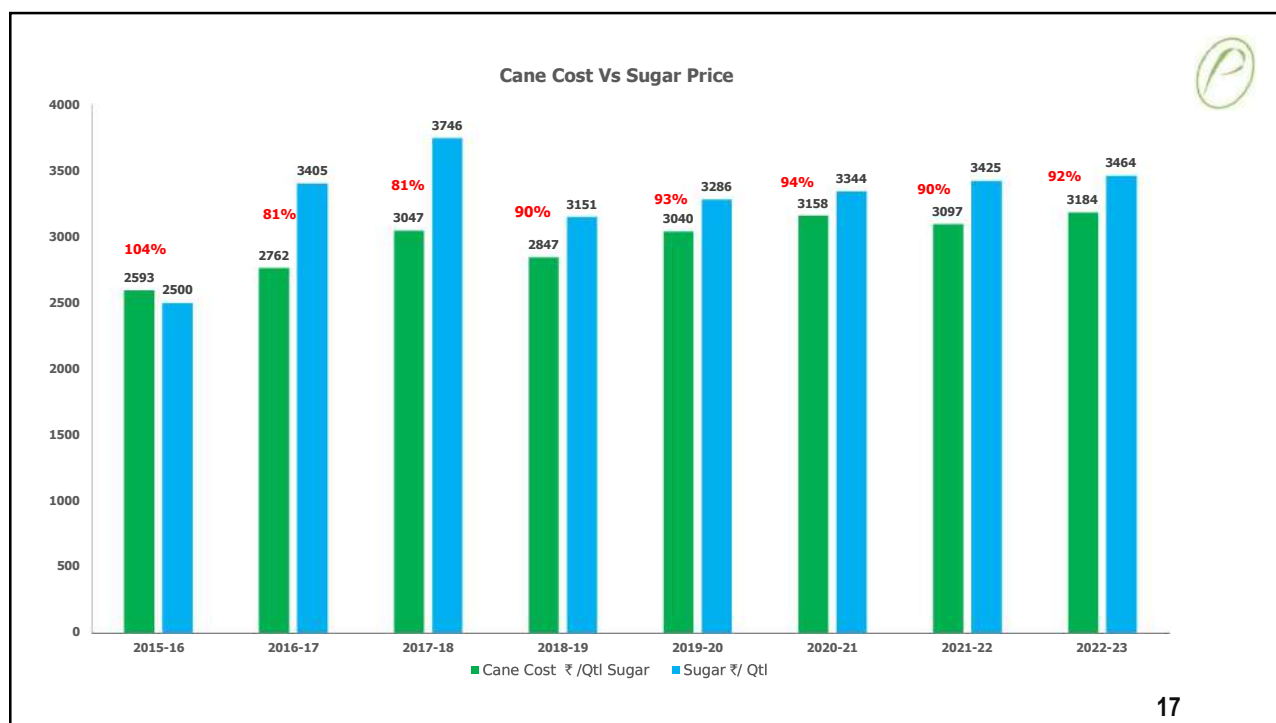
PHYSICAL PERFORMANCE



| | 2022-23 | 2021-22 | % change |
|-------------------------------|---------|---------|----------|
| No. of Days | 306 | 249 | 23 |
| Average crushing (tcd) | 3013 | 2596 | 16 |
| Cane crushed (lakh t) | 9.22 | 6.46 | 43 |
| Sugar Recovery (%) | 9.94 | 9.84 | 10 bps |
| Sugar production (t) | 91326 | 63555 | 44 |
| Power production (Lakh Units) | 1213 | 875 | 39 |







Market Dynamics

| Cost | 2022-23 | 2021-22 | Change % |
|---------------|---------|---------|----------|
| Cane ₹/t | 3170 | 3047 | 4 |
| Coal ₹/cvl | 2.66 | 1.92 | 39 |
| Biofuel ₹/cvl | 1.22 | 1.01 | 21 |

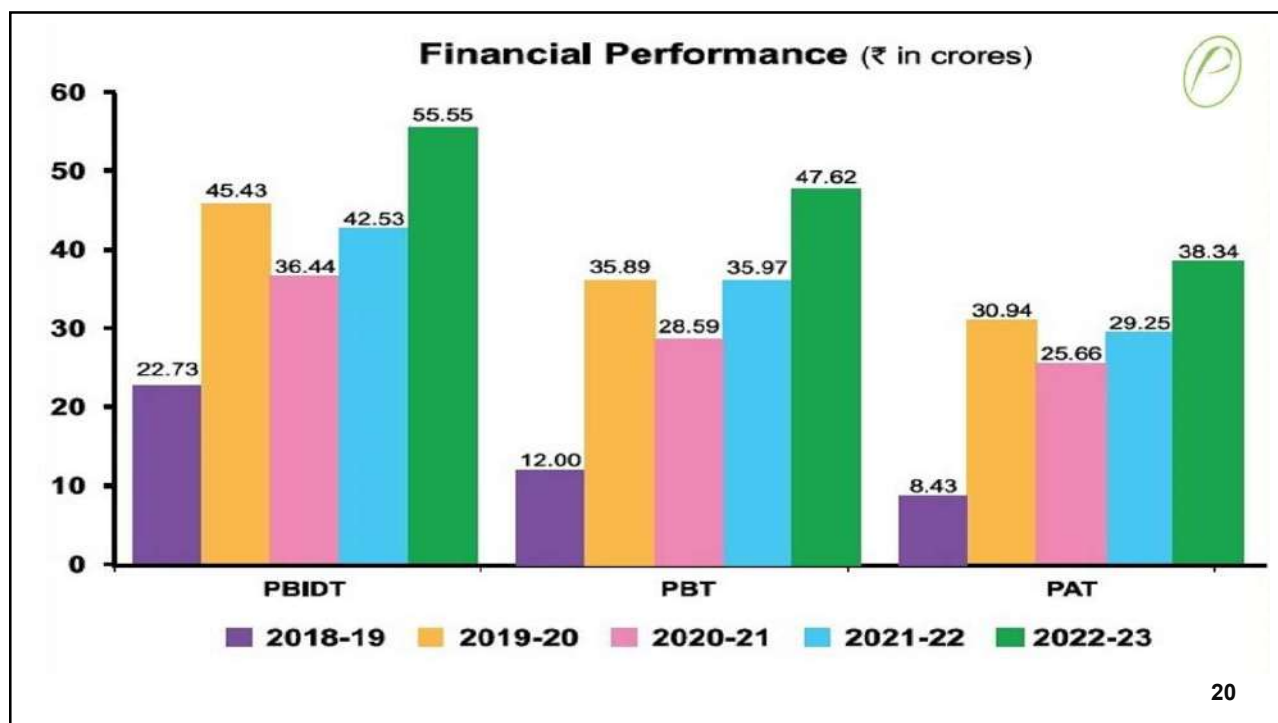
| Revenue | 2022-23 | 2021-22 | Change % |
|--------------|---------|---------|----------|
| Sugar ₹/Qtl | 3464 | 3425 | 1 |
| Molasses ₹/t | 9200 | 9774 | (6) |
| Power ₹/kwh | 4.88 | 5.38 | (9) |

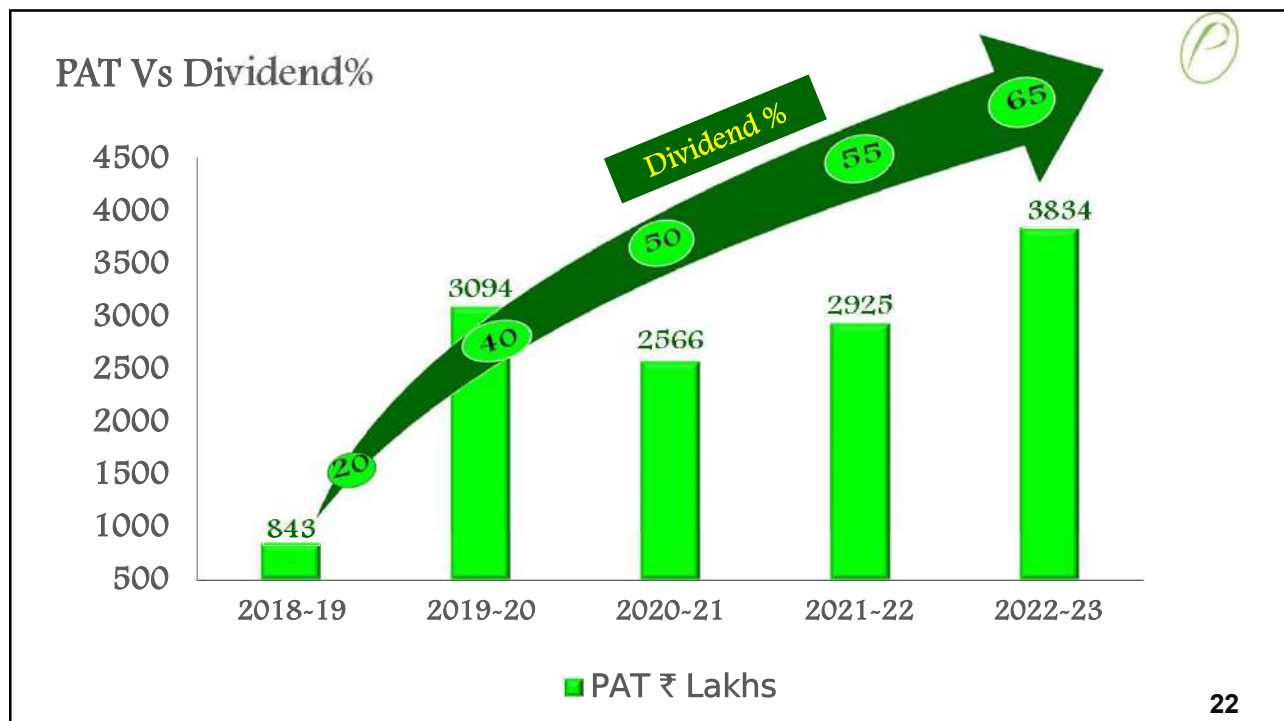
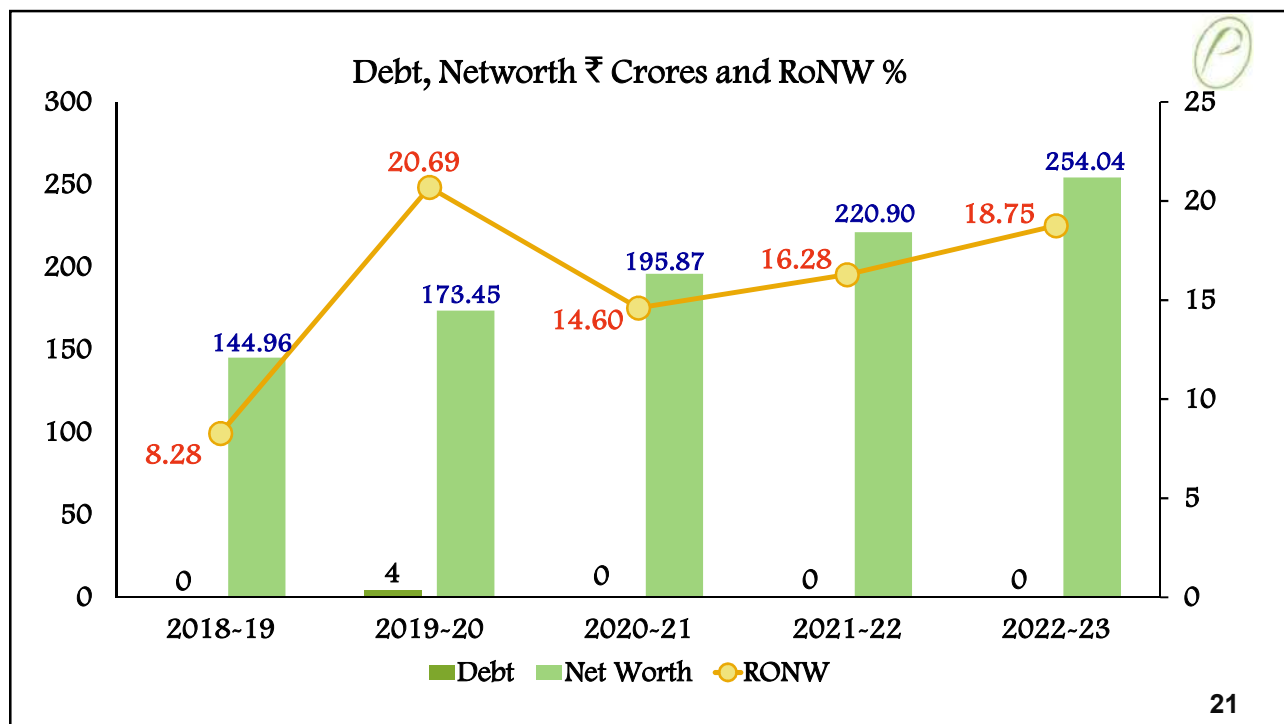
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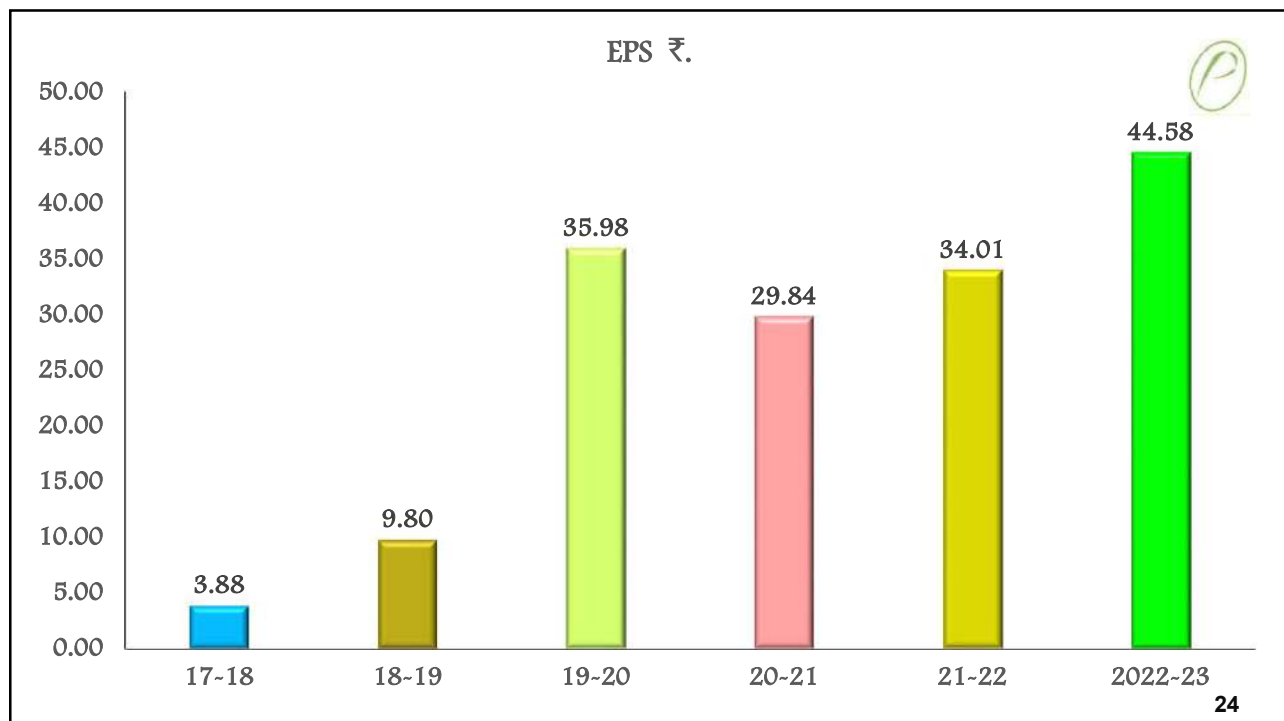
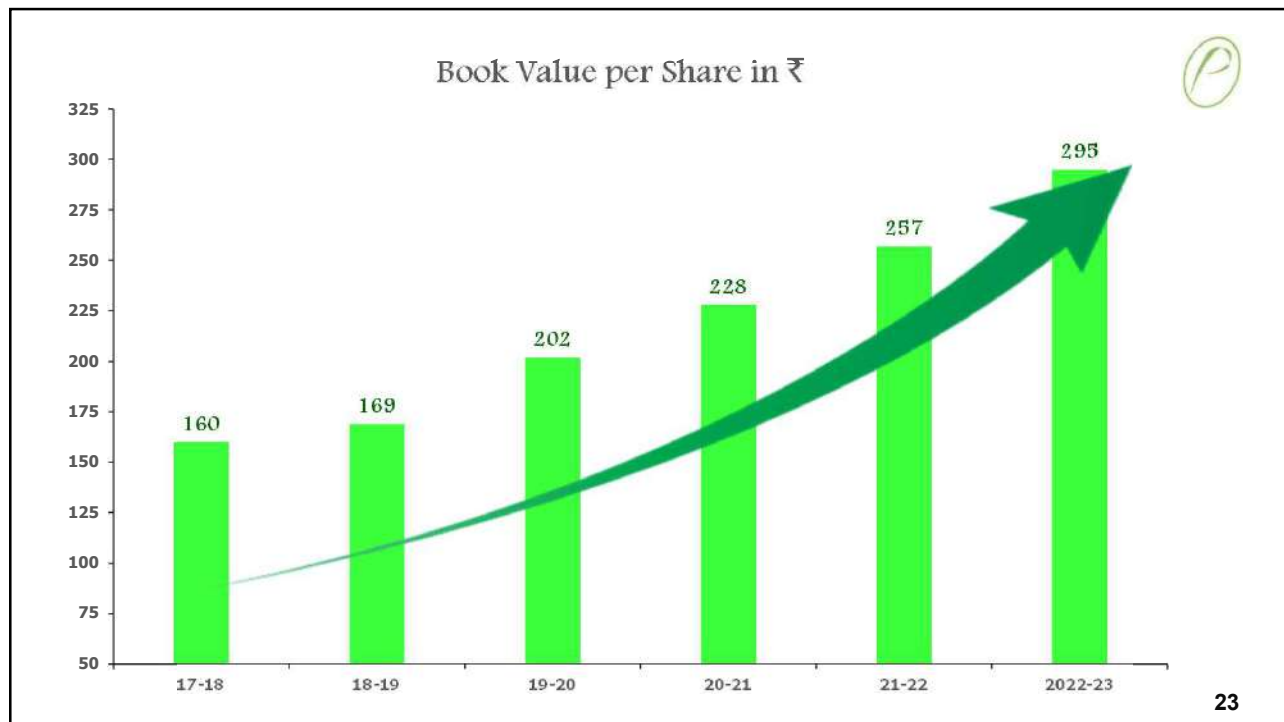
(₹ Crores)

| FINANCIAL HIGHLIGHTS | Financial Year | |
|----------------------|----------------|------|
| | 2023 | 2022 |
| Total Revenue | 450 | 295 |
| PBIDT | 56 | 43 |
| PBT | 48 | 36 |
| PAT | 38 | 29 |

19







HIGHLIGHTS – QUARTERWISE

| PARTICULARS | Q-I | Q-II | Q-III | Q-IV | TOTAL FY' 23 |
|------------------------|--------|--------|--------|--------|-----------------|
| Cane crushed (t) | 132454 | 295847 | 242806 | 250742 | 921849 |
| Recovery (%) | 10.12 | 9.41 | 9.45 | 10.97 | 9.94 |
| Total Income (₹ Lakhs) | 8809 | 15792 | 10343 | 10105 | 45049 |
| Sugar Price (₹ /Qtl) | 3497 | 3486 | 3464 | 3397 | 3464 |
| Cane Cost (₹ / t) | 3221 | 3071 | 3149 | 3279 | 3170 |
| PBIDT (₹ Lakhs) | 452 | 2785 | 1092 | 1226 | 5555 |
| PBT (₹ Lakhs) | 248 | 2590 | 895 | 1029 | 4762 |

Q2 Crushing highest ever in any quarter; Q2 PBT all time high in any Q2

25

MILESTONES CROSSED

- ❖ Power production 10 crore units
- ❖ Topline Rs.400 crore
- ❖ Balance Sheet size Rs.500 crore
- ❖ Total Equity Rs.400 crore
- ❖ Segment Revenue
 - ❖ Sugar Rs.400 crore
 - ❖ Cogen Rs.100 crore

26

ZEALOUS PURSUIT TO ZENITH

All time high show



- ❖ Topline
- ❖ Bottom line [PAT]
- ❖ Power production & Sales
- ❖ Steam on Cane
- ❖ Balance Sheet size
- ❖ Net Worth
- ❖ Dividend

27

