

**Transcript of the proceedings of the 25<sup>th</sup> Annual General Meeting  
of the Company held through Video Conference  
at 11.00 AM on Tuesday, the 20<sup>th</sup> July 2021**

I extend a warm welcome to all our shareholders for this twenty fifth Annual General Meeting of the company. I am N Gopala Ratnam, Chairman of the company. This meeting is being held through video conference in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI.

This video conference gives me an opportunity to reach out to shareholders from far off geographical locations and therefore is a welcome mode for this meeting though I am missing the face to face interaction and warmth of a physical meeting.

For safety reasons, each of us are in different location. I am joining this meeting from my office at Erode. Before we start the main proceedings of the meeting, I request the other Board members to introduce themselves.

**Dr. L M Ramakrishnan:** I am Dr. L M Ramakrishnan, Vice Chairman of the Company. I am participating from Erode, my office.

**Mr. N Ramanathan:** I am N Ramanathan, Managing Director. I am participating from our corporate and registered office in Chennai.

**Mr. V Sridar:** I am V Sridar, independent director of the company. I am participating from my residence in Bengaluru. I am also the Chairman of the Audit Committee and the Nomination & Remuneration Committee.

**Mr. Arun G Bijur:** I am Arun G Bijur. I am participating in this meeting from my residence in Bengaluru.

**Chairman:** Mr. Bimal K Poddar is unable to introduce himself at this stage due to technical snag. He would join us quickly and shortly.

**Mr K Bharathan:** I am Bharathan, I am an independent director. I am attending this meeting from my residence in Chennai.

**Dr Nanditha Krishna:** I am Nanditha Krishna, Independent Director. I am attending the meeting from my residence in Chennai.

**Chairman:** Apart from our directors, our statutory auditors, our internal auditors, our cost auditors, our secretarial auditor and the scrutinizer for the meeting have also joined this meeting. I will request them to introduce themselves.

Since there was some technical glitch in connectivity for Mr. Chella K Srinivasan, Partner of S Viswanathan LLP, the Chairman informed his presence and then called Mr. N R Suresh, the Internal Auditor.

**Mr Chella K Srinivasan:** - Got the connectivity restored - I am Chella Srinivasan, Partner of S Viswanathan LLP, the statutory auditors of Ponni Sugars, reporting from my office in Chennai.

**Mr N R Suresh:** I am N R Suresh, Partner of Maharaj N R Suresh And Co LLP. I am the internal auditor and I am participating from my office in Chennai.

**Mrs Meena Ramji:** Good Morning, I am Meena Ramji, Partner S Mahadevan & Co, Coimbatore. I am participating from my office in Coimbatore.

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

**Chairman:** Thank you. Now I request all the panelists to mute themselves. As of now, 55 shareholders have joined the meeting through video conference. Hence we have the requisite quorum present through video conference to conduct the proceedings of this meeting.

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 members regarding participation in this meeting. Over to Mr. Ramanathan.

**Mr. N Ramanathan, Managing Director:** Shareholders may note that this 25<sup>th</sup> AGM is being held through video conference. It is an e-AGM 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 made available for the shareholders on first come, first served basis. In the case of our company, all of our shareholders desiring to join the meeting, will 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. 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 or agreements 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 19th July 2021 at 5PM. 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 EVSN 21062207 in the CDSL e-voting system already logged in, to avail this facility. 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 11 of the annual report. Thank you.

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

The company has taken all feasible efforts under the current circumstances to enable members participate through video conference at the AGM. I thank all the members, my colleagues on the board and the auditors for joining this meeting over video conference. I hope all of you are safe and are in good health.

With that, I would like to now deliver my customary Chairman's address.

The Chairman then delivered his Speech, informing the recommendation by Board the highest ever dividend of 50%, comprising of 40% dividend and a special Silver Jubilee dividend of 10%, detailing the impact of Covid-19 outbreak on both global and domestic economies, status of world and Indian sugar industry, current status of Indian sugar sector, electricity reforms, sugar distress in Tamil Nadu, performance of the Company in the first quarter of the current fiscal and outlook for FY 2021-22.

To read the full text, shareholders can click on the link:

<http://ponnisugars.com/attachments/cs2021.pdf>

**Chairman:** I now request Mr. Ramanathan, the Managing Director, to make a short presentation on the company's performance during the year under review 2020-21. Mr. Ramanathan, please.

I think, Mr. Poddar has joined the meeting and I welcome him to introduce himself.

**Mr. Bimal Poddar:** I am Bimal Poddar, director of the Company, participating from my residence in Bengaluru.

Mr. N Ramanathan, Managing Director then presented the performance of the Company for FY 2020-21. It is appended to this transcript as Annx-A.

**Chairman:** Thank you Ramanathan. I think while we are online why don't we provide a summary of Auditors' Report to our shareholders.

**Mr. N Ramanathan, Managing Director:** Yes Chairman. We have the statutory auditors' report as well as the secretarial auditor's report. The statutory auditors' report is given in page 65-71 of the Annual Report. There has been no qualification or adverse comment in this report. It is a clean report. Same way, secretarial auditor's report is contained in page 63 & 64 of the Annual Report. This again is a clean report with no adverse qualification or comments whatsoever. Since there are no adverse observations in these reports, reading of the qualification part is not necessary.

**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.

Let me now briefly introduce the resolutions. There are four resolutions to be passed in this meeting.

Item No.1 of the Notice is adoption of financial statements - Ordinary Resolution. The financial statements of the company for the financial year ended 31st March 2021, including the reports of the Board of Directors and the auditors have already been provided to the members. As earlier mentioned, there is no qualification or adverse comments in the auditors' report.

Item No.2 is declaration of dividend - Ordinary Resolution. The Board has recommended a dividend of Rs.4/- plus a Silver Jubilee Special dividend of Re.1/- totaling to a dividend of Rs.5/- per equity share of Rs.10.- each.

Item No.3 relates to the reappointment of retiring director, Mr. Bimal K Poddar - Special Resolution. Mr. Poddar comes under Promoter category and is a non-independent director.

Item No.4 of the Notice is approval of remuneration payable to the cost auditor - Ordinary Resolution - for the financial year 2021-22.

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

Five shareholders have registered themselves to be the speakers of the meeting. If any member other than these five speaker shareholders desires to ask any questions pertaining to any item on the notice, performance of the company in the financial year 2020-21, 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. Members may also note that the company reserves the right to limit the number of members asking questions, depending upon the availability of time. Before we go live with the Q & A, there are some points to note for the convenience of speaker shareholders.

Kindly turn on your video when you are projected on the broadcast screen. Kindly unmute yourself and then proceed to ask the question.

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

I request Mr Saraf from Kolkata to unmute himself and proceed with this queries. Mr. Saraf please.

**Mr Santosh Kumar Saraf, Kolkata:** Namaskar, Sir.

**Chairman:** How are you? Nice to see you again.

**Mr Santosh Kumar Saraf:** I am fine Sir. You are our beloved chairman.

**Chairman:** Yeah, but how many AGMs you have attended so far?

**Mr Santosh Kumar Saraf:** Below 100 AGMs so far. Last year, I attended 390 AGMs.

**Mr Santosh Kumar Saraf:** Respected Chairman, Board of Directors, fellow shareholders, my Namaskar to all of you. I have already sent an email for which I request you to give reply. By the year 2024 or 25, due to government policy, 20% ethanol will be blended with petrol. What steps have been taken to meet this target? Also, please install solar panel on your factory roof-top. I want your dividend policy. Your group company shares are doing good. I hope, under your leadership, Ponni Sugars shares will also reach 1000 rupees in the long term. I pray for your long and happy life and health. Thank you.

**Chairman:** Thank you and you too stay safe and healthy Mr. Saraf.

Mr. Saraf has sent me a letter with some 10 queries or so. Let me answer them. He wants to know how we minimize the impact of Covid-19 on business income and business operations. Sugar being an essential commodity, the direct business impact because of Covid-19 is limited. We managed by deferring our R&M, etc. In fact, the sugar consumption during 2020-21 was slightly higher compared to that of the year before.

He has then asked about our Capex plan. We have applied for a 45 KLPD Ethanol Plant which awaits TN Govt. Environmental Clearance. Cost compression is an ongoing exercise at Ponni Sugars.

What extra work and expenses done during this pandemic period is his next question. We have provided vaccination to all our employees & their families, supplied immunity boosters and provided oxygen concentrators & medical supplies to PHCs. We have gone beyond CSR mandate in addressing the

pandemic. Ponni Sugars has also contributed Rs.25 lakhs to CM Relief Fund to fight Covid.

Regarding dividend policy, we do not come under the top 1000 list of companies, it is not mandatory and hence not applicable to the Company. However, dividend payout is dependent on the profits, permissible cash flow and Capex plan for next year. But, I feel we are as liberal as possible in dividend, say for guidance, one-sixth of the profit of the company.

Regarding your query on blending of 20% ethanol, we await environment clearance and it's premature to commit anything at this stage.

He also wanted to know number of female workers / employees. Ours being a continuous process industry, it may not be feasible to employ female employee workers but half of the contractual employees on cane harvest are women and we have also actively been working with women SHGs. I think, I have briefly tried to answer some of the queries of Mr. Saraf.

**Chairman:** I now call Mr Atul Gadodia from Kolkata.

**Mr Atul Gadodia:** My best wishes to Mr. Bimal Poddar. My special thanks to Mr. S.Viswanathan of Shares department and Mr. Yokanathan. They were very cooperative in helping me to attend this AGM. Given the size of your of business and hostile environment prevailing in TN State as explained by Mr. Ramanathan, I congratulate your company, you have achieved a debt-free status, which mighty sugar mills in north-India are not able to do. I pray to God this performance continues. I would like to ask some questions:

There are many companies in TN which are at NCLT. Are there any plans to acquire any of those factories? As regards setting up of distillery, price of molasses is remunerative. Cost of setting up of 45KLPD? Is it a wise decision to set up a distillery plant?

**Chairman:** you are right. Currently price of molasses is very attractive. But pricing pressure will be there in days to come. Therefore, we will be very conscious in considering the option of setting up a distillery versus continuing



with molasses. But, we are keeping ourselves ready and await government clearances. In case we find after analysis that setting up of distillery in the long run would be worthwhile, then we will take it forward. As a shareholder, you will be kept apprised of what we are doing, going forward.

As regards factories in NCLT, it depends on their relationship with cane growers, asset quality and there are too many factors to consider carefully. It is quite easy to get into problems in Tamil Nadu. Somehow we have been lucky and of course, we ensure ourselves that we remain not only operational but also healthy. We do hope that with your good wishes, we would continue to do so, Mr. Gadodia. Thank you.

Next speaker is Mr. Abhishek and has joined the meeting.

**Mr. Abhishek:** I have joined, can you hear me Sir?

**Chairman:** You are audible but I am not able to see you on screen. How are you and other friends?

**Mr. Abhishek:** We are all doing good. First of all, our best wishes on the eve of 25th silver jubilee year. We can see a good growth in company and it is an outstanding performance. Hope, the management can issue bonus shares this year. Along with my friend Mr. Padmanabhan, I want to honour you with a memento. Please give us an appointment.

**Chairman:** Thank you, you are welcome anytime.

**Chairman:** The next speaker is Mr Jaichand from Chennai. I think, he has not checked-in. Then, the next shareholder is Mr. Mani Sundaram from Salem.

**Mr. Mani Sundaram:** (Mr. Mani Sundaram spoke in Tamil).

I welcome the Board of Directors to this Silver Jubilee year of Ponni Sugars AGM. Please organize for a mill visit. You have given 50% dividend for the year 2020-21. Results are very good. I request you to issue bonus shares. You have taken maternal care in discharging your CSR obligations. That is all.

**Chairman** (replied in Tamil): Thank you, Mr. Mani Sundaram. I will convey your good wishes to everybody. You can visit the sugar mill any time when the crushing operations are on by prior fixing up the schedule for your visit.

Let me now answer the query received through chat box. Ms. Varsha Parekh has asked with no subsidies in FY2023 and in case the distillery plant is also not operational, how does the company plan to remain profitable.

My answer is that we are not a big exporter and therefore, it may not impact the company. But then subsidies are essential for evacuation of surplus sugar and from that point of view, there may be some difficulty in pricing. As regards the second part of the query, the existing condition is what all is happening. We have no distillery plant, there is a pricing pressure in sugar and despite all these, we have been able to remain profitable. If this is the guidance, then, I think, we will be able to remain profitable with or without distillery plant in future.

At a full capacity of Ethanol plant, how much sugar we will lose is her next query. At the full capacity of 45 KLPD, we may lose about 3000-4000 tons of sugar.

I think, I have answered all the questions received through chat box also. If there are any more queries, you may write to our Secretary and we will be happy to respond to all such queries.

With that, I declare this virtual meeting as concluded. I thank all my colleagues on Board and shareholders who have been present and taking time to participate in the meeting and raise queries.

I would like to inform the members that the e-voting facility on CDSL platform will be kept open and available for the next 30 minutes, that is, till 12.45 PM. Members who have not cast their votes, please do so. The Board of Directors have appointed Mr. A S Kalyanaraman, Practicing Chartered Accountant, as the Scrutinizer. Further, I hereby authorize Mr N Ramanathan, the Managing Director, to declare the results of the e-voting and place it on the website of the Company at the earliest. The resolutions 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 posted on the website of the Company soon upon its receipt, probably later part of today from CDSL. There are 59 members in total who have logged in and participated in this video meeting today. I request all the members to please stay safe and healthy. Thank you.

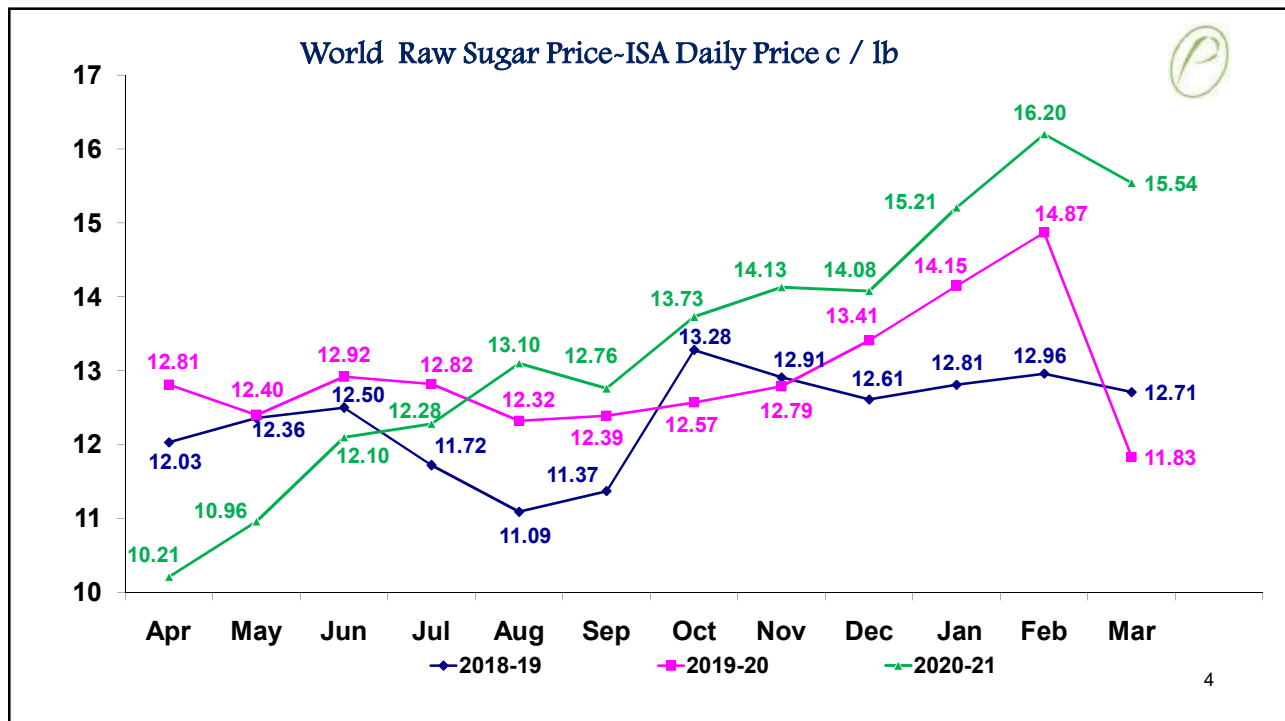
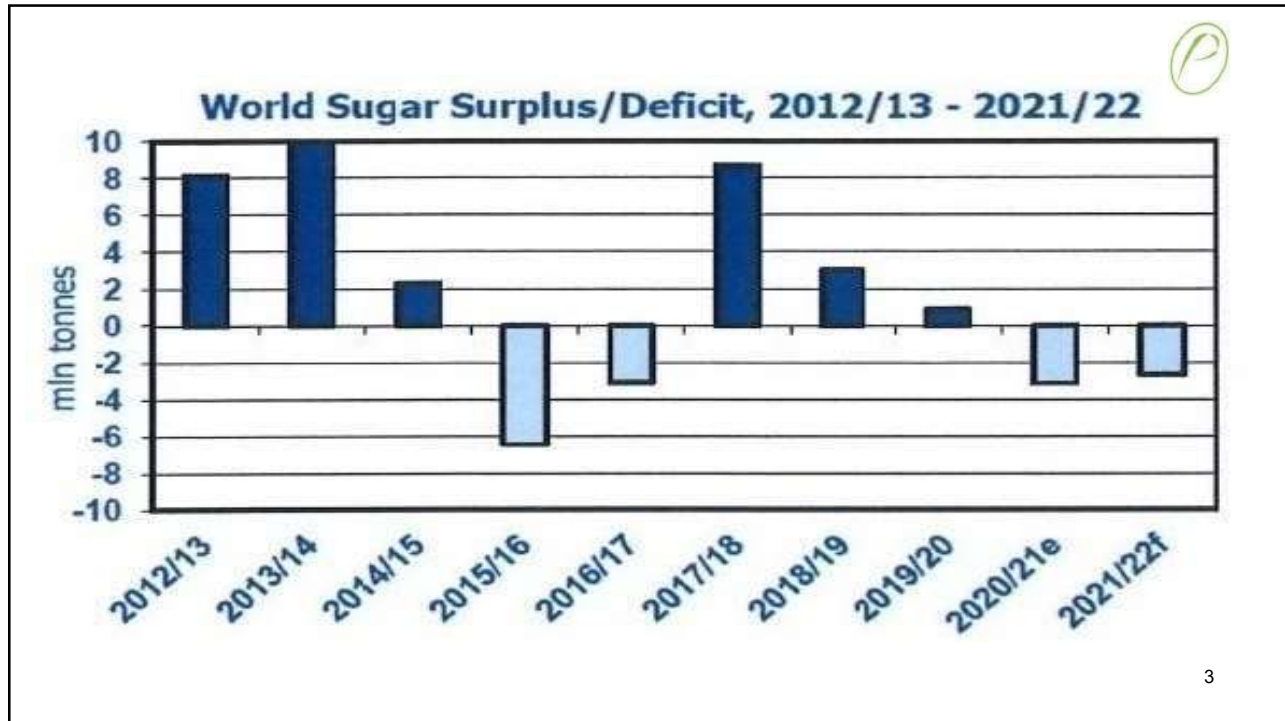
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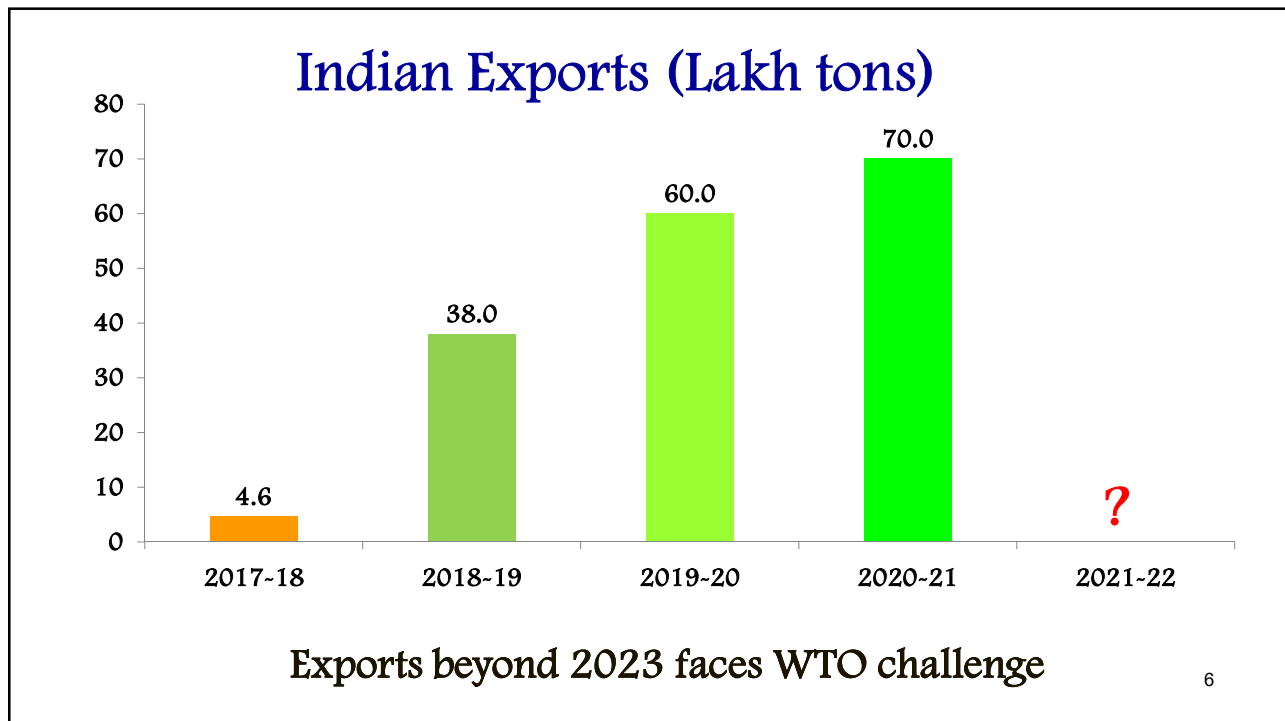
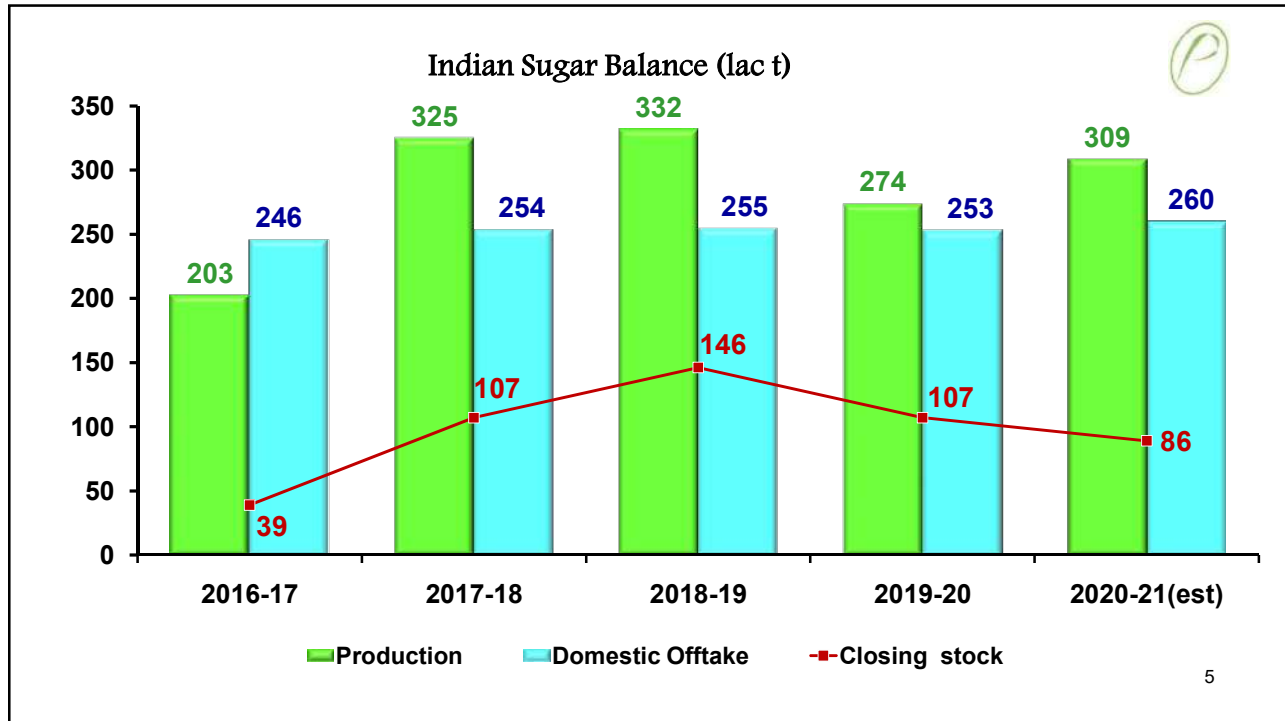


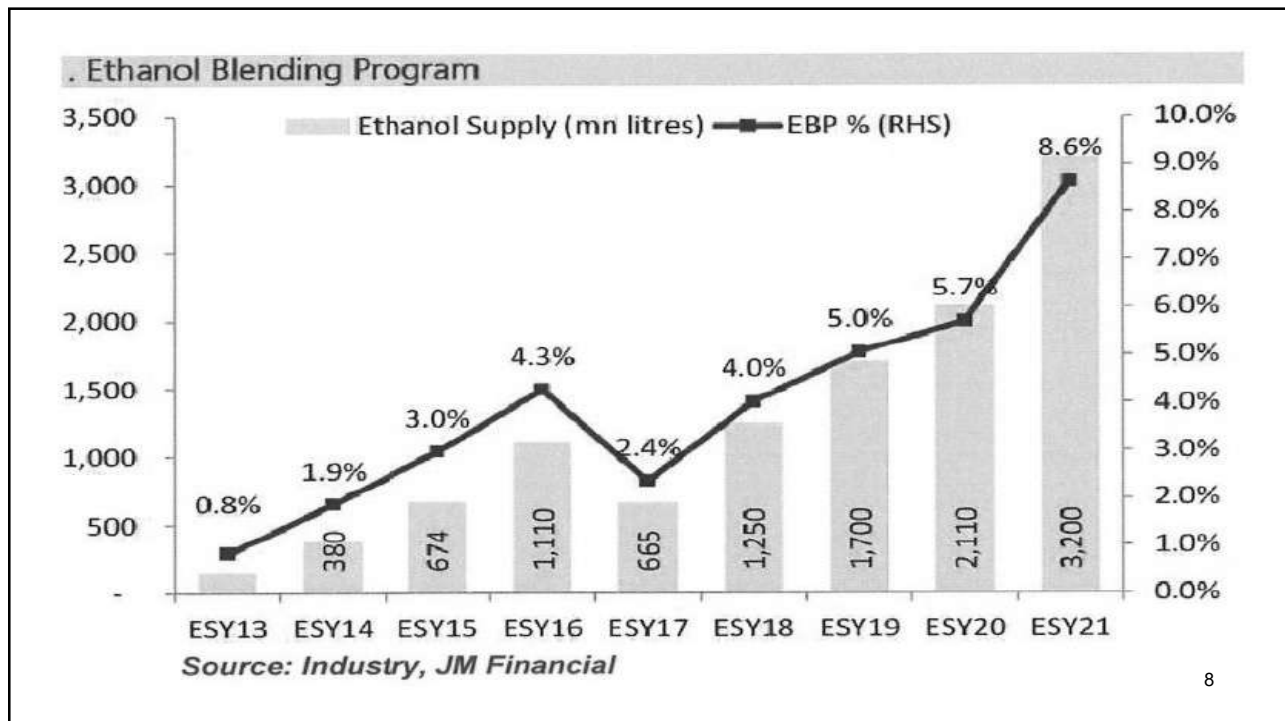
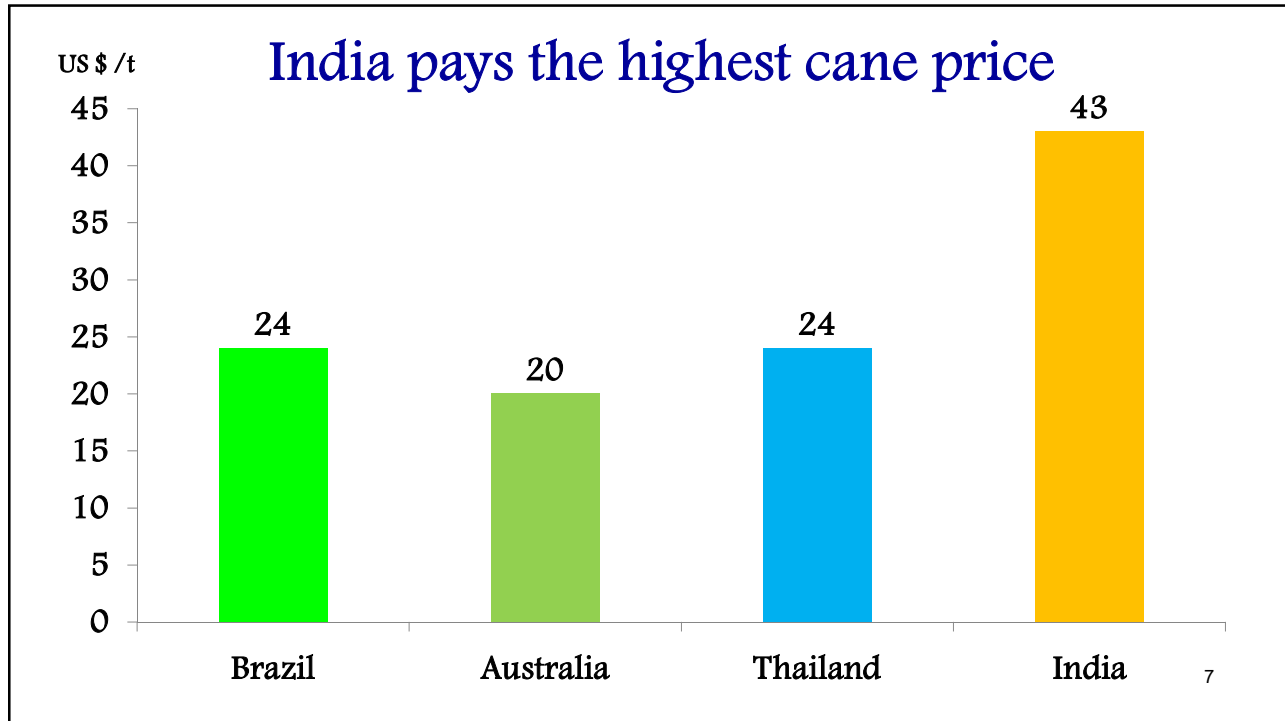
## India's Rank in World Sugar

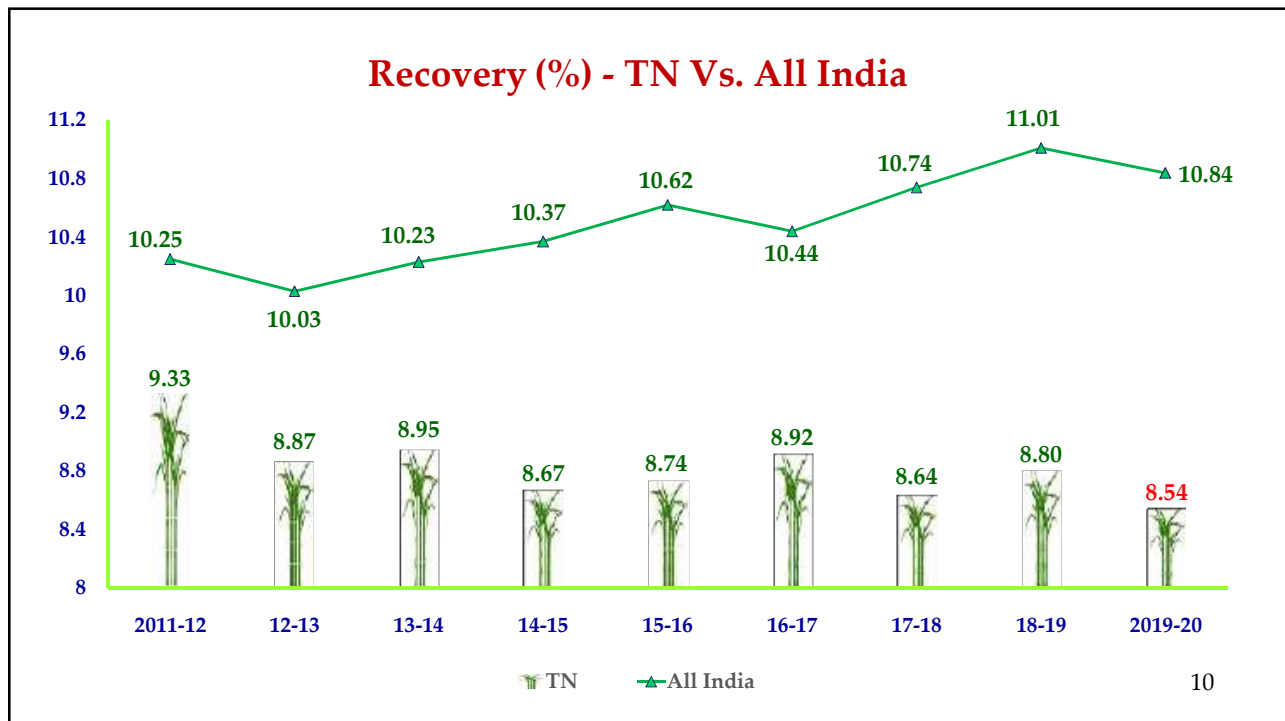
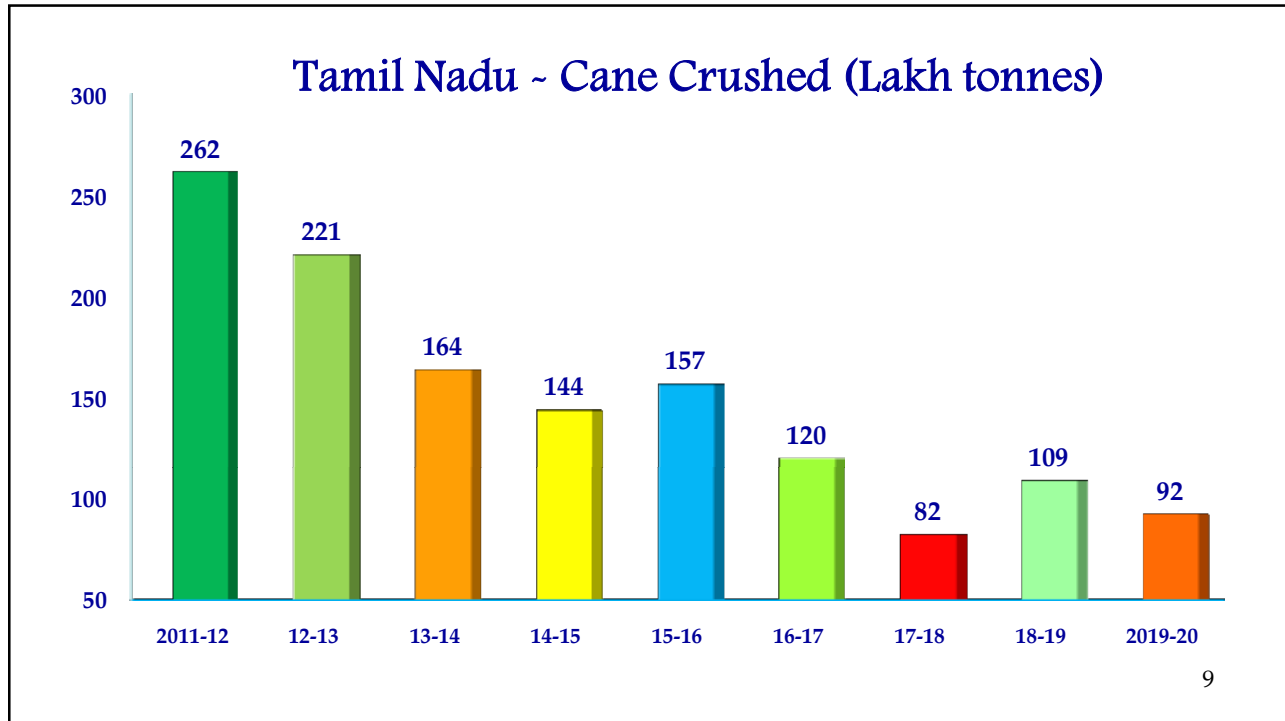


- ❖ Second biggest producer after Brazil –Occasionally out beats Brazil
- ❖ India's production about 18% of world sugar
- ❖ India undisputedly the Number One Consumer
- ❖ India ~ Per Capita low at 20/kg against USA 31, Brazil 50, Thai 43, Singapore 47/kg
- ❖ India displacing Thailand is the second biggest exporter after Brazil

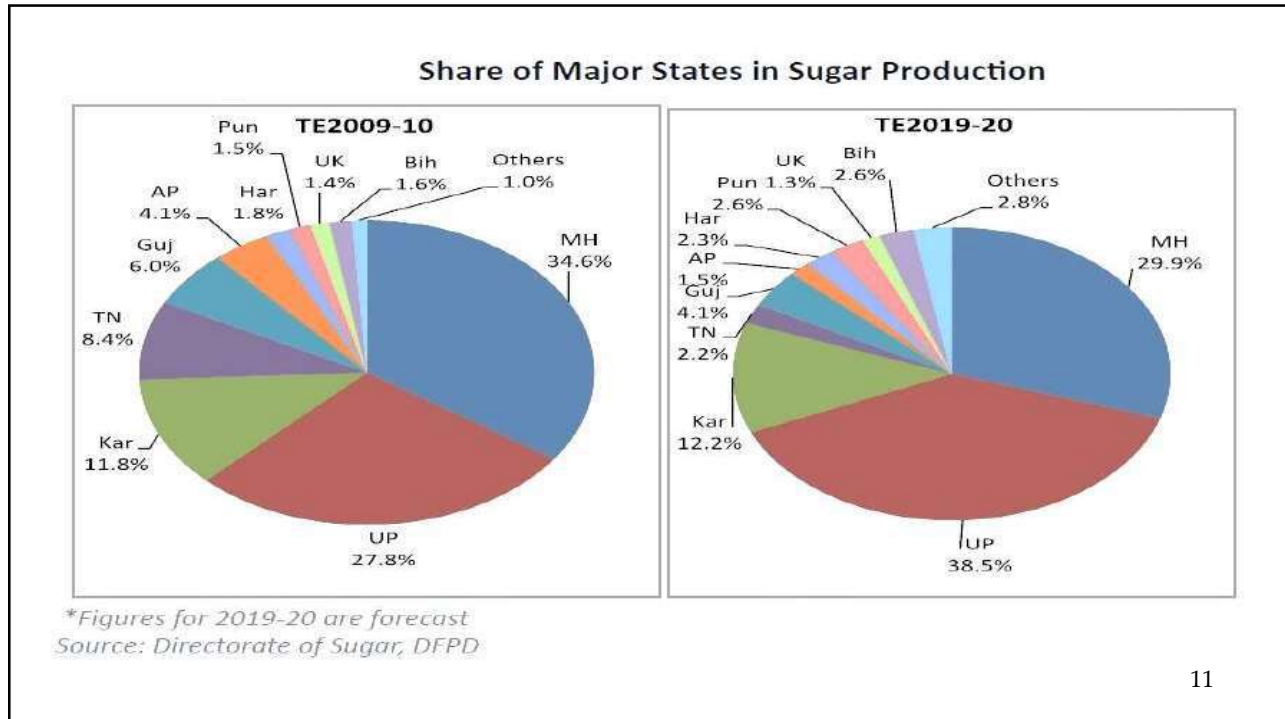






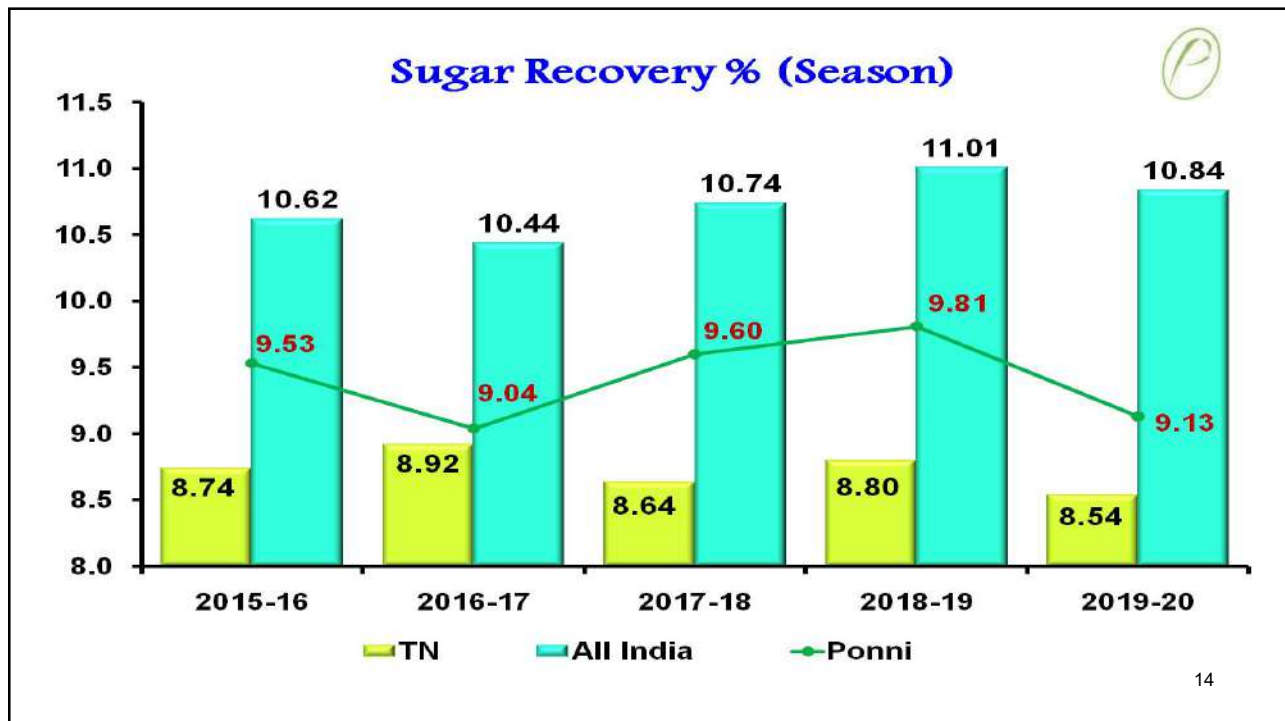
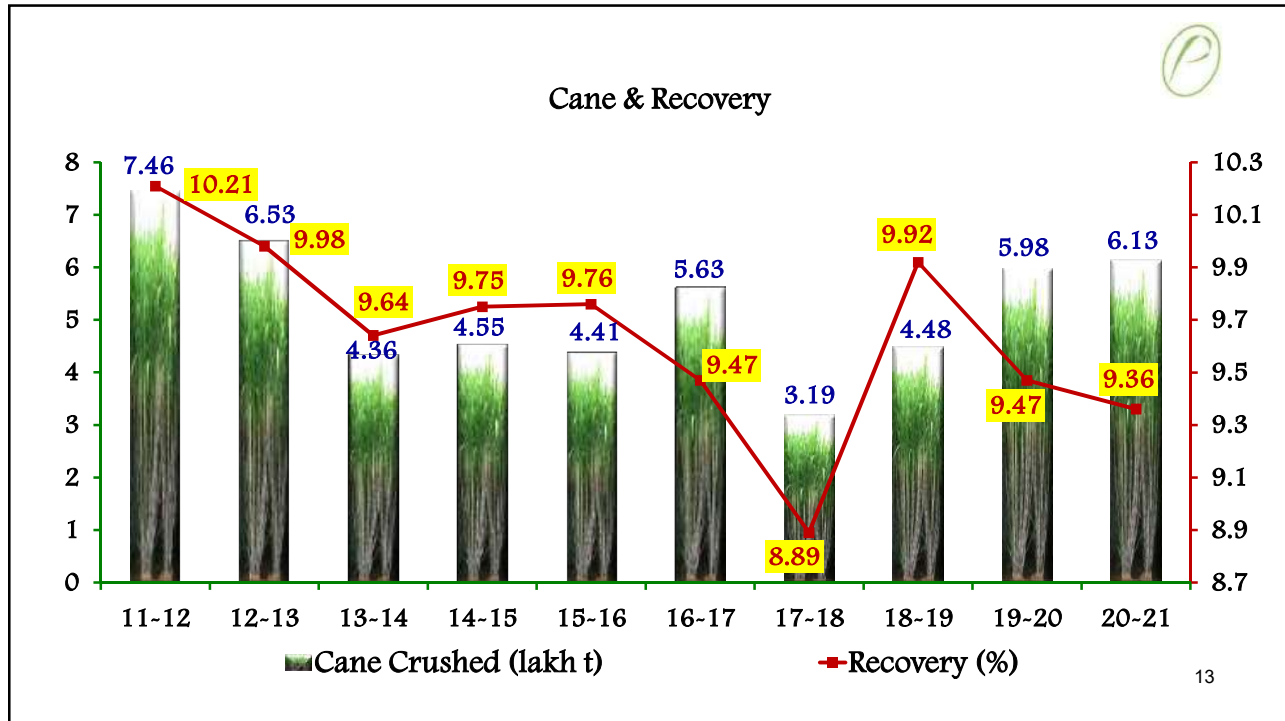


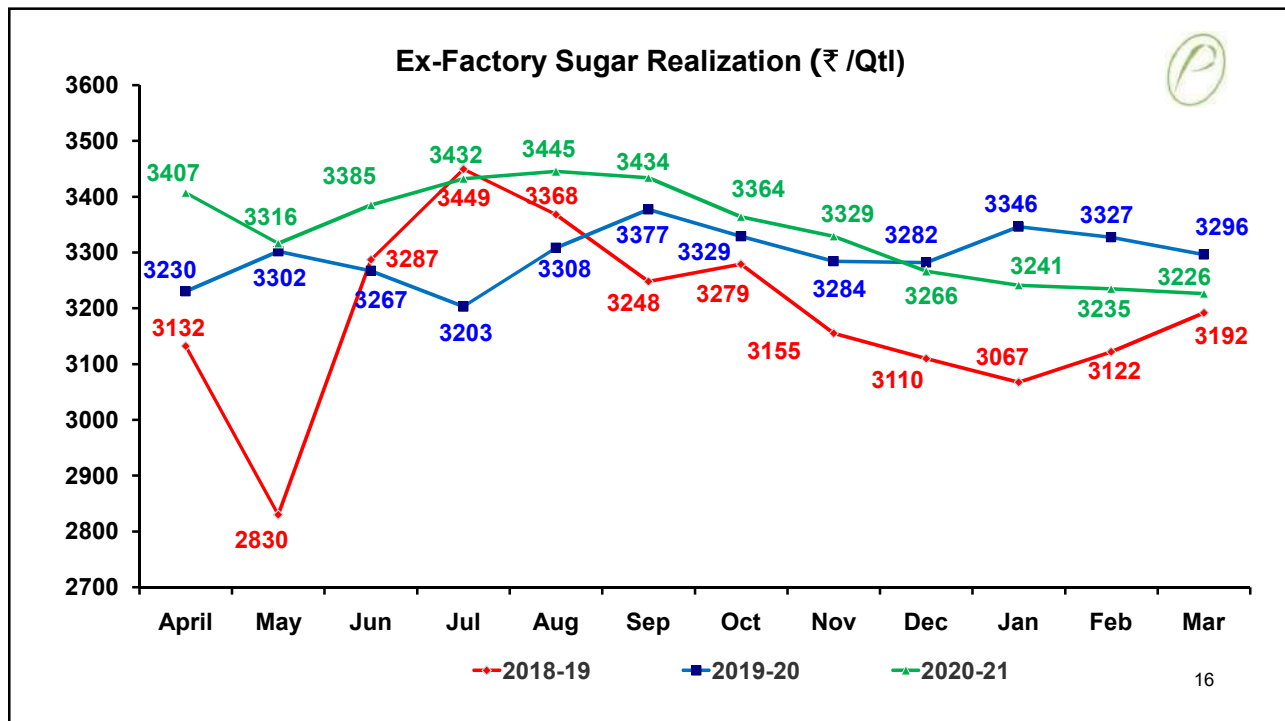
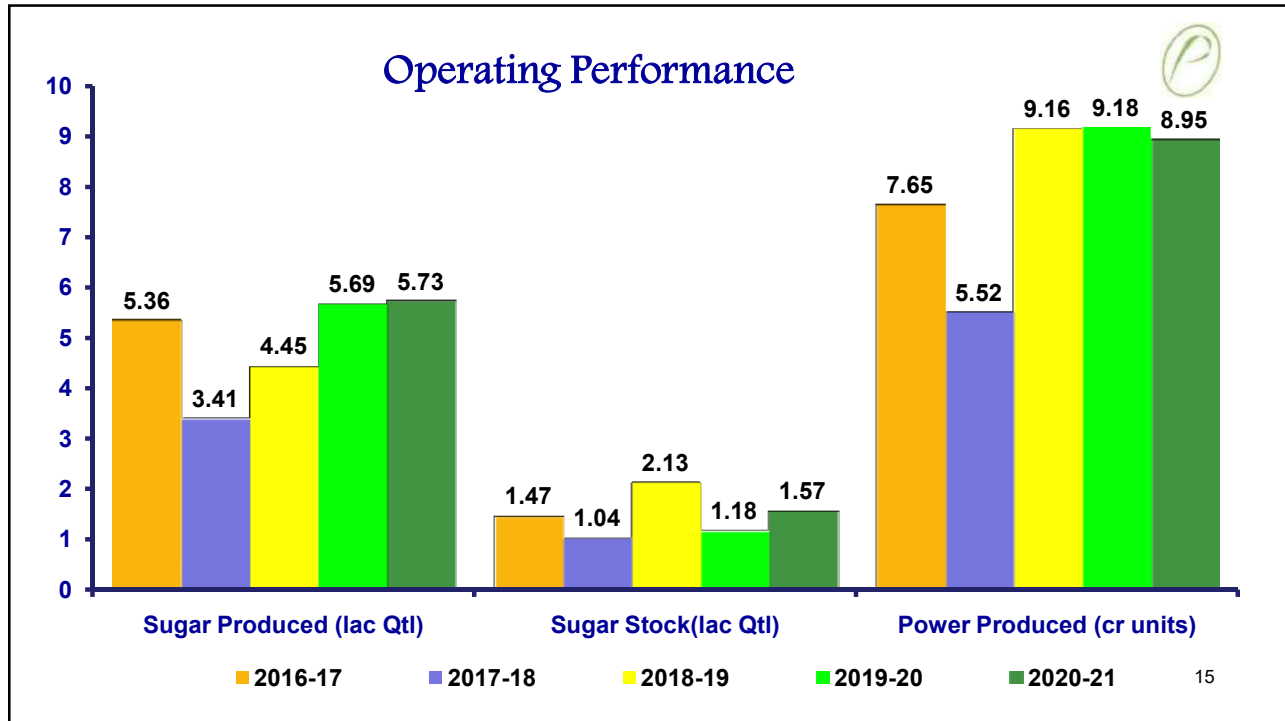




### PHYSICAL PERFORMANCE (P)

	2020-21	2019-20	% change	
No. of Days	233	232		
<b>Average crushing (tcd)</b>	2632	2576	2	↑
Cane crushed (lakh t)	6.13	5.98	3	↑
Sugar Recovery (%)	9.36	9.47	11 bps	↓
Sugar production (t)	57276	56942		↑
Power production (Lakh Units)	895	918	3	↓





## FINANCIAL HIGHLIGHTS ( ₹ Lakhs)



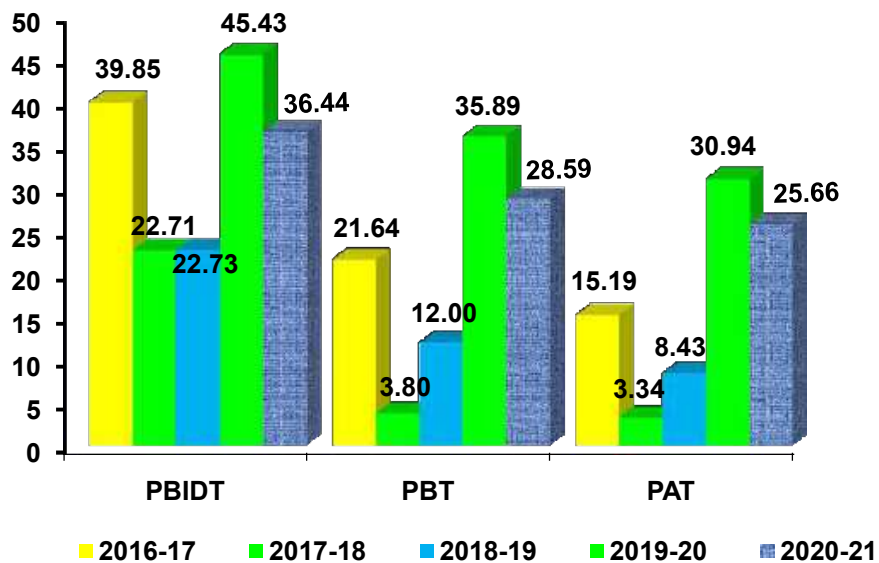
	Financial Year	
	2021	2020
<b>Total Revenue</b>	<b>26255</b>	<b>31453</b>
<b>PBIDT</b>	<b>3644</b>	<b>4543</b>
<b>Exceptional Items</b>	<b>0</b>	<b>(53)</b>
<b>PBT</b>	<b>2859</b>	<b>3589</b>
<b>PAT</b>	<b>2566</b>	<b>3094</b>

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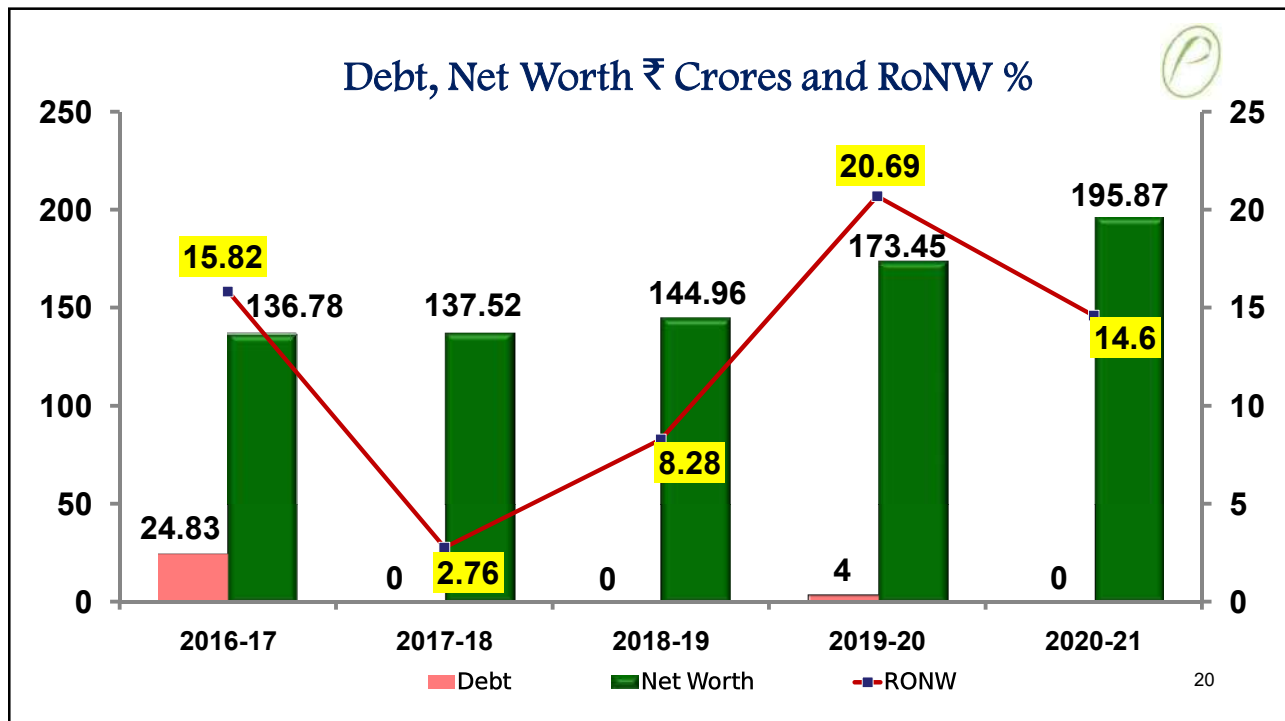
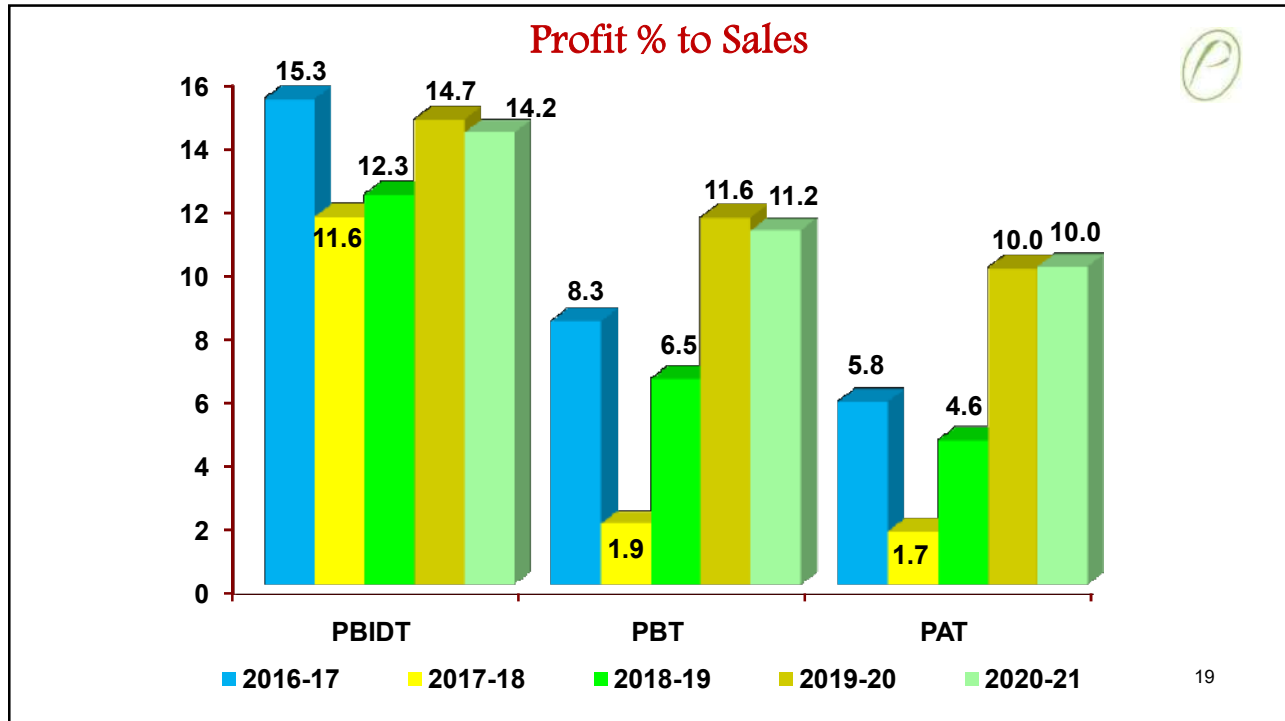
## Financial Performance

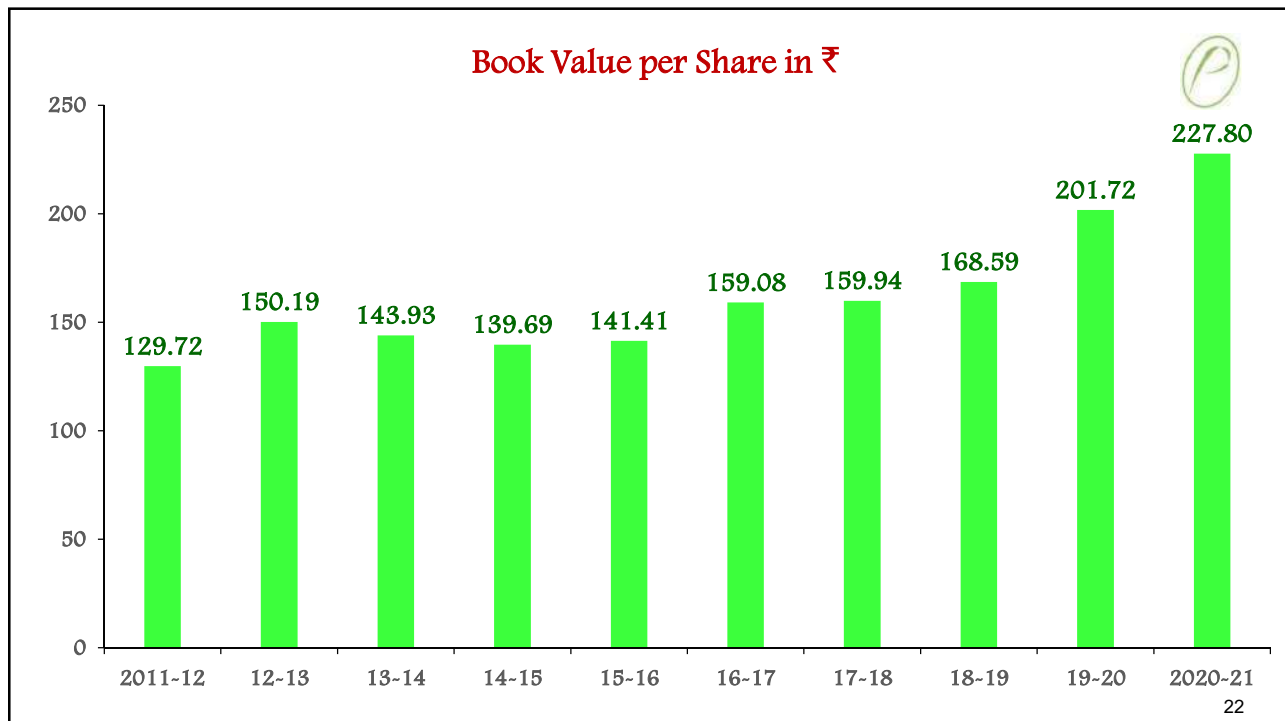
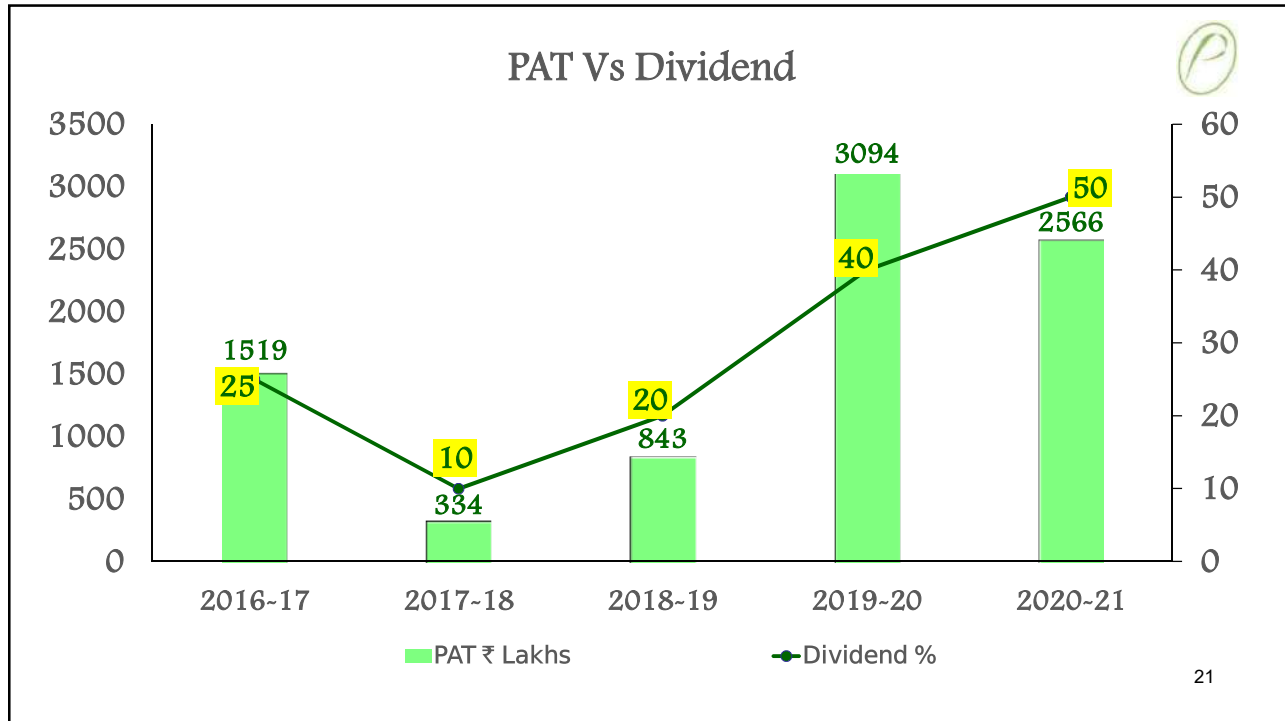


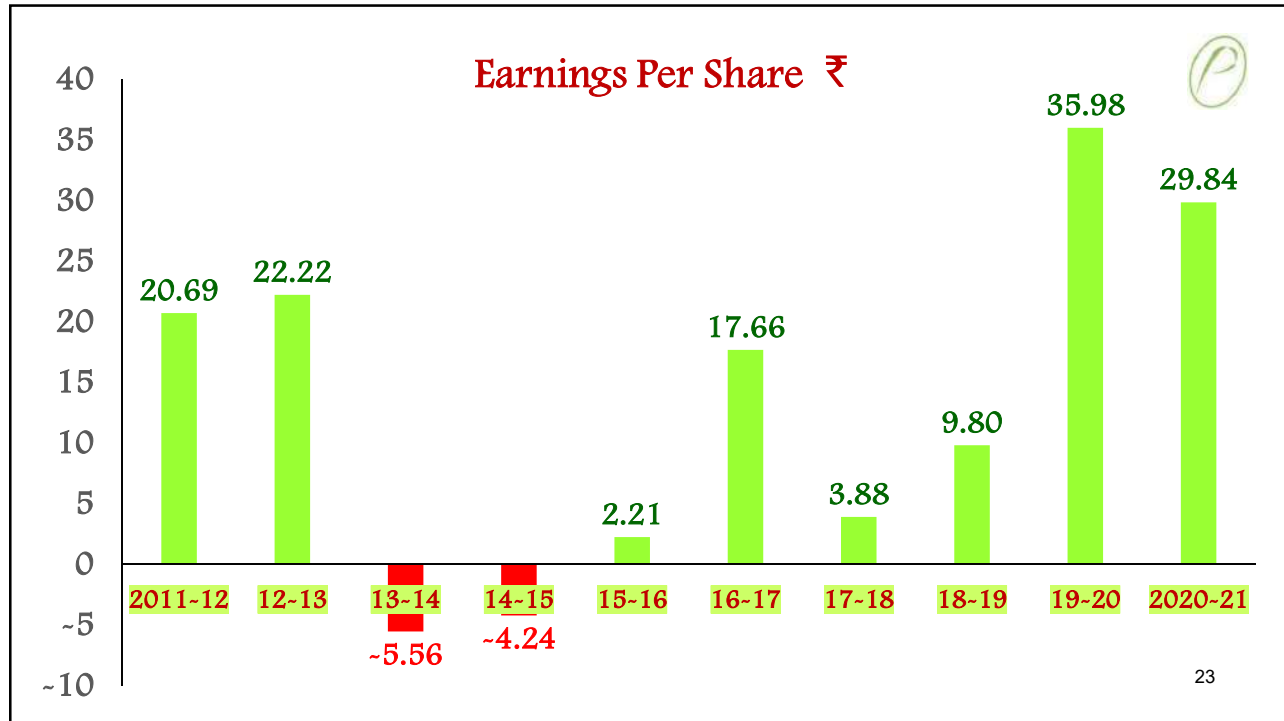
₹ in crores



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**HIGHLIGHTS – QUARTERWISE**

PARTICULARS	Q-I	Q-II	Q-III	Q-IV	TOTAL FY' 21
<b>Cane crushed</b> (t)	42605	264237	87546	218838	613226
<b>Recovery</b> (%)	9.07	8.67	8.70	10.52	9.36
<b>Total Income</b> (₹ Lakhs)	6200	8177	5515	6363	26255
<b>Sugar Price</b> (₹ /Qtl)	3365	3437	3317	3233	3344
<b>Cane Cost</b> (₹ / t)	3016	2897	2964	3012	2956
<b>PBIDT</b> (₹ Lakhs)	719	1435	218	1272	3644
<b>PBT</b> (₹ Lakhs)	532	1273	67	987	2859

Q-2: Strongest performance; All quarters positive

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## Scorecard FY 2020~21



- ❖ Stable cane volume
- ❖ Slide in top line and Sugar recovery
- ❖ Zero debt status
- ❖ Strong bottom line
- ❖ Highest Dividend since Inception

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