



Ponni Sugars (Erode) Limited

Registered Office: ESVIN House
13 Rajiv Gandhi Salai (OMR)
Perungudi
Chennai 600 096

POSTAL BALLOT NOTICE 2021





PONNI SUGARS (ERODE) LIMITED

CIN: L15422TN1996PLC037200

Registered Office: ESVIN House, 13 Rajiv Gandhi Salai (OMR), Perungudi, Chennai 600 096

Phone: 044 24961920 / 24960156;

E-mail: admin@ponnisugars.com; Website: ponnisugars.com

Postal Ballot Notice

[Pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to other applicable laws and regulations, that the resolution as set out hereunder is proposed to be passed by the shareholders as an Ordinary Resolution by means of Postal Ballot through remote electronic voting (“e-voting”). The explanatory statement pursuant to Section 102 of the Act pertaining to the resolution setting out the material facts and the reasons thereof is annexed hereto.

Resolution

Approval for the fresh MoU with Seshasayee Paper and Boards Ltd for bagasse supply

To consider and, if deemed fit, to pass the following resolution as an Ordinary Resolution:

- (1) RESOLVED that pursuant to and in supersession of the special resolution of Shareholders passed on 24th July 2015, the company do hereby approve the Memorandum of Understanding (MoU) dated 26.07.2021 entered into with Seshasayee Paper and Boards Ltd (SPB) covering bagasse supply arrangement effective 1st August 2021 pursuant to the approval for the said MoU by the Audit Committee and

the Board of Directors of the company on 19th July 2021 at their respective meetings.

- (2) RESOLVED FURTHER that the Board be and is hereby authorized on the recommendation and/ or approval of the Audit Committee to consider and make requisite changes or modifications to the above mentioned MoU from time to time in the normal course of business and in the interest of the company and do all such acts, deeds or things as may be necessary or incidental for giving effect to the MoU.

By Order of the Board
For Ponni Sugars (Erode) Limited

Place: Chennai
Date: 9th August, 2021

N Ramanathan
Managing Director

Statement pursuant to Section 102 of the Companies Act, 2013

1. Seshasayee Paper and Boards Ltd (SPB) took the lead and initiative to set up the Erode Sugar Mill in 1984 with the principal objective to secure continuous and committed raw material supply for its pulp and paper production, having regard to the growing shortage of forest based raw materials. For this, the Erode Sugar Mill was structured on the unique model, configuring use of alternative fossil fuel to facilitate diversion of bagasse production in its entirety to SPB. The pricing for bagasse was in turn strategically structured in a manner to compensate the sugar mill for the full cost of substitute fuel and further confer an agreed incentive component for dedicated supply of bagasse. The methodology and final contours of this pioneering arrangement between the sugar and paper mills was settled as an enduring commercial relationship. In fact, the All India Financial Institutions could be persuaded to fund the sugar project only based on this business model then.
2. This arrangement stood the test of time and proved a win-win model. With the commissioning of our Cogen plant in August 2012, the bagasse supply arrangement was restructured and effective 1st October 2012 is confined to an agreed percentage of total bagasse production. In turn,

the company endeavours to sell the balance bagasse to third parties based on available market opportunity and in the alternative burns same as a bio-fuel.

3. Indeed, the company over the last couple of years has succeeded in significantly increasing bio-fuel procurement on competitive terms. Accordingly, its usage of coal is now about 5% in the overall fuel mix as against the maximum permissible allowance of 15% to qualify as a renewable energy producer and benefit by the preferential tariff under the long term Power Purchase Agreement with the Distribution Licensee.
4. The pricing arrangement for supply of bagasse to SPB for historic reasons was based on the imported cost of coal considered, and in fact dominantly used, as a substitute fuel for bagasse. Having regard to the insignificant use of coal of late and increasing reliance on bio-fuel, it has become necessary to link the price of bagasse no longer to coal but to the actual fuel consumed in the company's boiler and the actual cost incurred therefor from time to time. Further, some of the clauses in the existing MoU for bagasse supply have been revisited and requisite changes therein have been incorporated to protect the interest of the company.
5. The fresh MoU executed on 26.7.2021 and which supersedes the existing MoU from 1st August 2021 accordingly builds-in the revised pricing formula linked to actual fuel cost. It further exempts the company from its daily supply commitment of bagasse during days of low crushing and during times of difficulty in procuring alternative bio-fuel. Also the incentive payable for committed bagasse supply has been increased from Rs.50/ tonne to 5% of basic price of bagasse computed with reference to the actual cost of fuel used but subject to a ceiling of Rs.125/ tonne. The fresh MoU has been conceived in a manner which is fair and equitable to both the parties in the long run.

6. The company is an associate of SPB with the latter holding 27.45% of its share capital. Given that SPB is a 'related party' within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI-LODR), this fresh MoU for bagasse supply renegotiated as above would be a related party transaction (RPT). Accordingly the Audit Committee on 19.07.2021 and the Board of Directors on 19.07.2021 at their respective meetings have accorded their approval for the same.
7. The Shareholders at the 19th AGM held on 24.07.2015 had under Section 188 of the Companies Act, 2013 and the related Stock Exchange Listing Agreement in force then had approved the existing MoU with SPB. This was because the MoU then involved a material RPT, given that the aggregate value of the RPT with SPB in the relevant financial year was in excess of the specified threshold being 10% of the turnover of the company.
8. The aforesaid Special resolution passed by the shareholders on 24-07-2015 approving the MoU between the companies in 2015 apart from seeking approval under Section 188 of the Companies Act, 2013 and the Listing Agreement with Stock Exchanges, as part of its proviso also required that any structural change or modification to the terms or the basis for pricing in the MoU in a manner causing or likely to cause a material increase in the financial burden for the company by more than 10% shall be subject to the approval of the company at the immediately following General Meeting. It is presently opined by the Board that the revised terms of the MoU may involve more than 10% financial burden for the company, as coal is no longer the substitute fuel as contemplated in the aforesaid resolution dated 24-07-2015. Accordingly, the present Resolution is being placed for consideration to seek shareholder approval for the fresh MoU and also for the dispensation of the proviso in the Special resolution, going forward for the fresh MoU.

9. It may be noted that the fresh MoU would not be a material RPT presently as the estimated value of aggregate RPT with SPB for FY 2021-22 and in the foreseeable future is not likely to exceed the threshold limits. Accordingly, at this stage, the fresh MoU does not require the approval of shareholders either under Section 188 of the Companies Act, 2013 or Regulation 23 of SEBI-LODR. In view of this, the disclosures and other restrictions that are relevant to material RPT approval are not applicable in the case of the proposed ordinary resolution and the same is being placed only for purpose of compliance in terms of the proviso in the previous resolution of shareholders passed on 24-07-2015.
10. A copy of the fresh MoU entered into with SPB and the resolution of the Audit Committee dated 19-07-2021 and the Board of Directors dated 19.07.2021 approving the fresh MoU, will be available for inspection by members at the registered office of the company on any working day during business hours.
11. Mr N Gopala Ratnam may be deemed to be interested or concerned in this resolution, being the Chairman of and holding an executive position in SPB. No other Director, Key Managerial Personnel or their relatives are concerned or interested financially or otherwise in this item.
12. The Board recommends the ordinary resolution set out in the Notice for the approval of Members.

By Order of the Board
For Ponni Sugars (Erode) Limited

Place: Chennai
Date: 9th August, 2021

N Ramanathan
Managing Director

Notes

- (1) This Notice is being sent to all the Members, whose names appear in the Register of Members/ List of Beneficial owners, received from the National Securities Depository Ltd (NSDL) / Central Depository Services (India) Ltd (CDSL) as on 06.08.2021 (cut-off date).

- (2) This notice is being sent in electronic form to the email address registered with the depository participants (in the case of demat holding) /the Company's Registrar and Transfer Agents (in the case of physical holding). In addition, the Notice is displayed on the website of the Company at www.ponnisugars.com. In compliance with the requirements of the MCA Circulars, physical copy of Postal Ballot notice along with Postal Ballot Forms and prepaid business envelope is not being sent to the shareholders for this Postal Ballot and shareholders are required to communicate their assent or dissent through the remote e-voting system only.
- (3) In compliance with the provisions of the Companies Act, 2013, the Rules made thereunder and in terms of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has provided the facility to the Members to exercise their votes electronically through the remote electronic voting (e-voting) facility arranged with CDSL.
- (4) Members whose names appear on the Register of Members / List of Beneficial Owners as on 06.08.2021 (Cut-off date) will alone be entitled for the e-voting.
- (5) Resolution passed by the Members through e-voting is deemed to have been passed as if it has been passed at a General Meeting of the Members.
- (6) Members are advised to read carefully the voting instructions appended hereunder before casting their votes.
- (7) For any assistance members may contact:

<p>Mr S Viswanathan, DGM (Secretarial) Ponni Sugars (Erode) Limited ESVIN House,13 Rajiv Gandhi Salai (OMR) Perungudi Chennai 600 096</p> <p>Ph: 044-24961920 E-mail: admin@ponnisugars.com</p>	<p>Ms K Sree Priya Vice President & Company Secretary Cameo Corporate Services Ltd "Subramanian Buildings" 5th floor No.1 Club House Road, Chennai 600002</p> <p>Ph: 044-28460390 E-mail: Investor@cameoIndia.com</p>
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Voting Process & Instructions

(A) Remote e-Voting Facility

1. The Remote e-Voting facility is offered through e-Voting services provided by Central Depository Services (India) Limited (CDSL).
2. Remote e-Voting commences on Monday the 16th August, 2021 (10.00 AM) and ends on Tuesday the 14th September, 2021 (5.00 PM). During this period Members holding shares either in physical or dematerialized form, as on the cut-off date of 06.08.2021 may cast their vote electronically. The e-voting portal will be disabled by CDSL for voting thereafter.

(B) Login for Remote e-voting

I Demat Holders

1. Pursuant to SEBI Circular No.SEBI/HO/ FD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories/ Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts for seamless access to e-voting facility.
2. In order to increase the efficiency of the voting process, all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants, will be able to cast their vote without having to register again with the E-votng Service Providers (ESPs).
3. Pursuant to the above SEBI Circular, Login for e-Voting for shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Shareholders (user) who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com . Then click on Login icon and select New System Myeasi.

	<p>2) After successful login, the user will see the e-voting menu. On clicking the e-voting menu, he/ she will see the holdings along with links of the respective e-Voting service provider which is CDSL in our case. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>1) If you are already registered for NSDL IDeAS facility –</p> <p>(a) Please visit the e-Services website of NSDL https://eservices.nsdl.com</p> <p>(b) Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open.</p> <p>(c) Enter your User ID and Password.</p> <p>(d) After successful authentication, you will see e-Voting services.</p> <p>(e) Click on “Access to e-Voting” under e-Voting services and you will see e-Voting page.</p> <p>(f) Click on company name or e-Voting service provider name.</p> <p>(g) You will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Alternatively, the user can directly visit the e-Voting website of NSDL https://www.evoting.nsdl.com/.</p> <p>(a) Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.</p> <p>(b) A new screen will open. Enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen.</p>

	<p>(c) After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</p> <p>(d) Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<ol style="list-style-type: none"> 1) You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2) After successful login, you will be able to see e-Voting option. 3) Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 4) Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period.

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID /Forget Password option available at above mentioned website.

4. Registration of e-mail with DPs

Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:

- *For Physical shareholders-* please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhaar card) by email to Company/ RTA email id.
- *For Demat shareholders -* please provide your email id and mobile no with your respective Depository Participant (DP)
- *For Individual Demat shareholders -* please update your email id and mobile no with your respective Depository Participant (DP) which is mandatory while e-voting.

II. Login method for e-voting for Physical shareholders and Non-Individual shareholders

1. Log on to the e-voting website www.evotingindia.com.
2. Click on “Shareholders” module.
3. Now enter your User ID - Folio Number / DP Id-Client ID of shareholder.
4. Next enter the Image Verification as displayed and Click on Login.

If you are a first-time user follow the steps given below:

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">○ Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">○ If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

5. After entering these details appropriately, click on “SUBMIT” tab.
6. Shareholders holding shares in physical form will then directly reach the company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(C) Additional Facility for Non-individual Shareholders and Custodians – Remote Voting only

1. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.

2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
3. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
4. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
5. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
6. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; admin@ponnisugars.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(D) Casting the vote on CDSL e-platform

1. After successful log.in click on the EVSN for the relevant <Company Name> [Ponni Sugars (Erode) Limited] on which you choose to vote.
2. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
3. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
4. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
5. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

6. You can also take a printout of the votes cast by clicking on “Click here to print” option on the Voting page.
7. If a demat account holder has forgotten the login password, then enter the user ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

(E) General Instructions

1. The cut-off date for the purpose of e-voting has been fixed as 06.08.2021. Shareholders holding shares as on this date alone are entitled to vote.
2. Voting rights of shareholders shall be in proportion to their shareholding in the company as on the cut-off date i.e. 06.08.2021.
3. The Board of Directors have appointed Mr A S Kalyanaraman, Practicing Chartered Accountant (Membership No. 201149) as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
4. The Scrutinizer’s decision on the validity of the e-voting shall be final.
5. The Scrutinizer upon the conclusion of voting period will:
 - (i) Unblock the votes cast through Remote e-Voting in the presence of two witnesses not in the employment of the company.
 - (ii) Submit Scrutinizer’s report of the total votes cast through Remote e-Voting in favour or against, to the Chairman.

6. Voting Results

- i) The Chairman or a person authorised by him in writing shall declare at 5 PM on Wednesday the 15th day of September 2021 at the registered office of the company the result of the voting based on the Scrutinizer’s report and have it declared.
- (ii) The results immediately on declaration along with the scrutinizer’s report will be displayed at the registered office of the company, placed on the company’s website *www.ponnisugars.com* and on the website of CDSL *www.evotingindia.com* and also communicated to NSE and BSE forthwith.

- (iii) Subject to receipt of requisite number of votes, the resolution shall be deemed to have been passed on the date of declaration of results.

(F) Help Centre

1. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or send an email to helpdesk.evoting@cdslindia.com.
2. Person responsible to address the grievances connected with the facility for e-Voting:

Name : Mr Rakesh Dalvi
Designation : Manager
Address : Central Depository Services (India) Ltd
25th Floor, Marathon Futurex
N M Joshi Marg, A Wing
Lower Parel East
Mumbai 400 013
Email ID: helpdesk.evoting@cdslindia.com
Phone No. 022-23058542 / 8543
