



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**



PEL/ SH/104

June 22, 2023

National Stock Exchange of India Ltd
Exchange Plaza
5th 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 27th Annual General Meeting held on 21st June, 2023
ISIN: INE838E01017**

Pursuant to Regulation 30 read with Part-A 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 27th Annual General Meeting of the Company held on 21st June, 2023 at 11.00 am through Video Conference/ Other Audio Visual Means.
- (2) A copy of Chairman's speech delivered by our Chairman at the 27th Annual General Meeting.
- (3) A copy of presentation made by our Managing Director on the sugar industry and Company performance in FY 2022-23 at the 27th 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 27th Annual General Meeting held thro' Video Conference/ Other Audio Visual Means

Date: Wednesday, the 21st June 2023
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	Erode
Mr N Ramanathan	Managing Director	Chennai
Mr Arun G Bijur	Non Independent	Bangalore
Mr.Bimal K Poddar	Non Independent	Bangalore
Mr K Bharathan	Independent	Chennai
Dr Nanditha Krishna	Independent	Ooty
Mr V Sridar	Independent	Bangalore
Mr Mohan Verghese Chunkath	Independent	Boston, USA
Mrs Bharti Chhotubhai Pithawalla	Non Independent	London
Mr P Manoharan	Independent	Erode

Key Managerial Personnel

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

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 K V Srinivasan	Partner, Maharaj N R Suresh And Co LLP, Internal Auditor	Chennai
Ms Meena Ramji	Partner, M/s S Mahadevan & Co, Cost Auditor	Erode
Mr V Suresh	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: 56 representing 3660403 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 56 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 27th 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.

(iv) The Chairman further informed that Mr B Chandrasekar, Sr.VP(Operations) and the core operating team of the Company are also available at this AGM for providing/ supplementing information as may be required.

(D) Notice and Board's Report

The Chairman informed that the 27th Annual Report 2022-23 containing the AGM Notice, Board's Report and Financial Statements were circulated thro' e-mail to all shareholders. With the consent of shareholders present, these were taken as read.

(E) 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.

(F) 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.

(G) General information to shareholders

At the behest of Chairman, the Managing Director read out the general information and advice to shareholders regarding participation in the 27th AGM:

- (i) Shareholders may note that this 27th 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
- (vi) The company has received requests from seven 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 20th June 2023 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 **230606001** 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.

(H) Chairman of Committees

The Chairman mentioned that (i) Mr V Sridar, Chairman of the Nomination and Remuneration Committee and the Audit Committee and (ii) himself as Chairman of the Stakeholders Relationship Committee and CSR Committee are present through VC at the meeting.

(I) Chairman's Speech

The Chairman mentioned that the full text of his speech is being uploaded on the Company website. In his speech at the meeting, the Chairman touched on economy – global and domestic, industry, company performance and outlook.

(J) 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 2022-23.

(ii) The Managing Director in his presentation briefly covered the global and Indian overview of sugar, performance highlights of the year and five year

comparative chart on key indicators. He underscored the new record set by the Company on several operating and financial indicators in FY 2022-23.

(K) Introduction to resolutions

- (i) The Chairman observed that there are five resolutions proposed to be passed at the 27th 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 other than resolution in which he is interested. Mr.V.Sridar, Independent Director & Chairman of the Audit Committee took the chair and narrated the resolution in which Chairman was interested.

(L) 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.

(M) 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 17.06.2023 (10.30 a.m.) and closed on 20.06.2023 (5.00 p.m.).

(N) 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.

(O) 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.

(P) Queries and Reply

The Chairman observed that there are seven shareholders who have registered as speakers at the AGM. He invited them to raise their queries and give their views/ suggestions. Out of this, three did not attend the meeting and the other four shareholders spoke.

The shareholders spoke at the meeting appreciated the performance of the company. They made suggestion and sought details on (1) outlook for current financial year 2023-24 (2) taking over sick sugar mills in Tamil Nadu (3) to give special dividend, (4) arranging factory visit for shareholders and (5) appreciated CSR activities undertaken by the Company.

The Chairman answered the queries of shareholders and thanked them for participation as speaker.

(Q) 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.

(R) Transcript of AGM proceedings

The Chairman mentioned that the recorded transcript of the proceedings of 27th AGM will be received from CDSL and thereupon uploaded on the Company website.

(S) 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 is 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 12.25 PM.

(T) Scrutinizer Report

Post completion of the AGM on 21st June 2023 and conclusion of e-voting, the Scrutinizer furnished his report to Managing Director. This report contains summary of the votes cast at remote e-voting and e-voting at AGM as under:

Item No. of Notice & Description	Votes For			Votes Against		
	No. of members	No. of votes cast (shares)	% of total no. of valid votes cast	No. of members	No. of votes cast (shares)	% of total no. of valid votes cast
1. Adoption of audited Financial Statements together with the Reports of Board of Directors and Auditors thereon for the financial year ended 31 st March 2023 – Ordinary Resolution	93	3949578	99.99	3	546	0.01
2. Declaration of Dividend on Equity Shares for FY 2022-23 – Ordinary Resolution	93	3950008	99.99	4	550	0.01
3. Reappointment of Mr N Gopala Ratnam, Director who retires by rotation – Special Resolution	90	3913315	99.07	6	36809	0.93
4. Commission to Non-Executive Directors– Ordinary Resolution	89	3949474	99.98	7	650	0.02
5. Remuneration to Cost Auditor for FY 2023-24 – Ordinary Resolution	93	3949578	99.99	3	546	0.01

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

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

(U) Voting results

The Managing Director noted that all the five resolutions proposed as ordinary/special resolutions as mentioned in the Notice for the 27th AGM have been passed 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.

(V) Managing Director declaration

The Managing Director 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, 21st June 2023.

1. Adoption of Financial Statements – Ordinary Resolution

“RESOLVED that the audited Financial Statements for the year ended 31st March 2023 and the reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted.”

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

2. Dividend declaration – Ordinary Resolution

“RESOLVED that

- (i) a dividend of Rs.6.50 (Rupees six and paise fifty only) per Equity Share, for the Financial Year 2022-23 be and is hereby declared on the 8598418 Equity Shares of Rs.10/- each fully paid-up;
- (ii) the dividend amount to each shareholder be rounded off to the nearest rupee.
- (iii) 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 21st June 2023.”

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

3. Reappointment of retiring Director – Special Resolution

“RESOLVED that Mr N Gopala Ratnam (DIN: 00001945) who retires by rotation, be and is hereby reappointed as a director of the company, liable to retire by rotation.”

The Managing Director declared that this resolution has been passed with requisite majority as a Special Resolution.

4. Commission to Non-Executive Directors

- (i) RESOLVED that pursuant to Section 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions of any other Law, Rules and Regulations for the time being in force, consent of the company be and is hereby accorded for payment of commission to Non-Executive Directors out of the net profit of the company, over and above the sitting fees, for a period of three financial years from 1st April 2023 to 31st March 2026.

PROVIDED that the commission for all the non-executive directors shall in aggregate not exceed in any year one percent of the net profit of the Company computed in terms of Section 198 of the Companies Act, 2013.

- (ii) RESOLVED FURTHER that the commission within the above ceiling be divisible among the directors in such manner and proportion as the Board of Directors may deem fit.

The Managing Director 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 there under, 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 2023-24 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 Managing Director declared that this resolution has been passed with requisite majority as an Ordinary Resolution.

Erode
Date: 21.06.2023

Sd/-
CHAIRMAN

Ponni Sugars (Erode) Limited

Chairman's speech

27th AGM – 21st June 2023

Dear shareholders,

I am happy to welcome you all to this 27th Annual General Meeting of the Company. There can be nothing more satisfying to me than sharing with our beloved shareholders the stellar operating and financial performance of the Company in FY 2022-23.

Buoyed by the overall improved performance, your Board has recommended a dividend of Rs.6.50 per share for the current year as against Rs.5.50 per share last year. This in deed is the highest ever dividend declared by our Company.

It has now become new normal for corporates to convene their AGMs through Video Conference/ Other Audio Visual Means. Technology has transcended to take over all facets of our life and corporate AGMs could be no exception. Video participation and remote e-voting options certainly pave way for larger participation of shareholders from diverse regions in the decision making process, thereby strengthening the corporate governance tenets.

The Company has already circulated the Annual Report and Audited Financial Statements for FY 2022-23. These 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

World Bank in its latest June '23 Global Economic Prospects Report underpins the precarious state in which the global economy currently remains. Post pandemic effects, prolonged Russia – Ukraine warfare and sharp tightening of the monetary policy to contain high inflation have together significantly slowed down global growth. Overall growth is projected to precipitously decline from 3.1% to 2.1% in 2023. Of this, advanced economies would record a deep decline from 2.6% to 0.7% while Emerging Markets and Developing Economies (EMDEs) would post a marginal rise from 3.7% to 4%. Significantly, India for three years in a row would have a higher growth over China and this trend would perspicaciously persist in the coming two years.

The World Bank report cautions the possibility of more widespread Bank turmoil and tighter monetary policy that would further weaken global growth. Rising borrowing costs in advanced economies could cause financial dislocations in the more vulnerable EMDEs. It accordingly calls for a comprehensive policy action at the global and national levels to foster macroeconomic and financial stability.

Continued global cooperation is also necessary to accelerate the clean energy transition, mitigate climate change and provide debt relief for the rising number of countries experiencing debt distress. Downside risks of the World Bank outlook for all regions include possible further global financial stress and more persistent domestic inflation than projected in the baseline. Geopolitical tensions, conflicts and social unrests and natural disasters stemming from climate change also present downside risks in varying degrees. Perspicuously, the world economy is in stormy seas.

Indian Economy

Reserve Bank of India (RBI) in its June '23 Policy Statement voices satisfaction that the Indian economy and the financial sector stand out strong and resilient in a world of unprecedented headwinds and swift cross currents. Domestic macroeconomic fundamentals are strengthening – economic activity is exhibiting resilience, inflation has moderated, current account deficit has narrowed and foreign exchange reserves are comfortable. Further, fiscal consolidation is ongoing inchmeal, banking system remains stable, credit growth is robust and domestic financial markets have evolved in an orderly manner.

India's real GDP recorded a growth of 7.2% in 2022-23, the highest among the large economies in the world. Turning to 2023-24, domestic demand conditions remain supportive of growth on the back of improved household consumption and investment activity. Given the healthy twin Balance Sheets of Banks and Corporates, supply-chain normalization and declining uncertainties conditions are fervidly favourable for the capex cycle to gain momentum.

Robust Government capex program is also expected to nurture investment and manufacturing activity. Consumer and business outlook surveys display continuing optimism. While so, the headwinds from weak external demand, volatility from global financial markets, protracted geopolitical tensions and intensity of El Nino impact pose downside risks to the outlook. Factoring all these, RBI projects real GDP growth for 2023-24 at 6.5%, with risks evenly balanced.

World Sugar

There has been successive downward revision in world sugar production estimate for 2022-23 during the year, caused by the contraction in cane crop both in India and Thailand. It would still leave a tiny surplus, thanks essentially to the strong rebound in Brazil's production by about 10 million tonnes. A larger allocation of cane to sugar in preference to ethanol ensured that Brazil's sugar production increase is more than proportionate to the rise in its cane output.

Global sugar production over a decade has largely remained within a narrow band, intermittently impacted by weather, in the absence of major capex for capacity creation. While so, global consumption is on a steady rise barring the Covid period. With India focussing more on ethanol than export, global supplies would for sure remain tight in the years to come. The fundamentals thus remain reassuring for strong prices for both raw and whites in the near term.

World raw prices rebounded strong and touched 26.45 c/lb in April 2023, a 11-year high. Though these have since corrected by about 10%, the market undertone is blissfully bullish. India is unlikely to announce its export quota anytime soon that denies and deprives Indian producers' access to the lucrative export market for now.

Indian Sugar

After peaking to 358 lakh tonnes in 2021-22 sugar season, Indian production is now set to fall to 328 lakh tonnes in the current season, a decline over 8%. Despite area under cane being constant, depleted cane yield in Maharashtra due to excessive and extended water logging during the grand growth period dampened the State's output. There is no official estimate yet on the

production outlook for 2023-24 season. While the Southwest monsoon forecast by IMD is normal, El Nino concerns persist as enigma.

It is noteworthy that Indian sugar output in the last five seasons has been far in excess of domestic off-take. In four out of five years, production was over 300 lakh tonnes. India however benefited by a buoyant world market to export its surplus without Government sops by way of export subsidies. Further, the Government's fervent focus and fastidious pursuit of ethanol blending program facilitated higher diversion of sugar to ethanol. Together, they have effectively and efficaciously addressed the supply overhang. As a result, the country's closing stock has been continually declining that would touch one of its lowest level by end of current season.

In the aforesaid context, sugar prices have gained steam since May 2023. Amidst intermittent corrections, the price outlook for FY 2023-24 would appear bullish. A run away rise is however unlikely, given Government's steadfast focus on inflation control and its penchant to fine tune export policy to reassure domestic availability.

Ethanol

Though India started its Ethanol Blended Petrol (EBP) program two decades ago in 2003, it gathered pace only from 2018. Realizing ethanol's pre-eminent role in pollution abatement, oil security, foreign exchange saving and higher income generation for farmers, Government has been coming out with timely and multitude of measures to kick start and step up domestic ethanol production and supply. This has helped the country achieve 10% blend in line with the target. The Government is now keen on diversifying ethanol production from multiple feedstocks including grains. 2G ethanol of course is

still in an embryonic stage, its economic viability yet to be established and reasonably reassured.

The effective co-ordination between sugar industry and oil marketing companies has ensured nation-wide implementation of the E10 program. In order that old vehicles can embrace ethanol without changing the engine, Indian Sugar Mills Association (ISMA) has initiated a study with IIT-Delhi on higher ethanol fractions in commercial gasoline vehicles that uses a special conversion kit and thereby obviate the need for changing the old engines. Tests have been conducted satisfactorily for blend levels from E12 to E100. These trials have shown good promise and the IIT report would now be taken to the Automotive Research Association of India (ARAI) for necessary certification.

One of the OMCs has now launched a ground breaking pilot study on vehicles using E27 fuel and ethanol blended diesel fuel. Preliminary studies conducted on vehicles fuelled with E27 have shown remarkable reduction in emissions when compared to traditional gasoline. The study would now be expanded for extended mileage accumulation up to 10,000 km for two-wheelers and 20,000 km for passenger cars in a phased manner.

Ethanol has thus come to occupy centre-stage in auto fuel consumption and its blend scope is being broad based and expanded from petrol to diesel and for higher blend mix up to 100% through flex fuel vehicles. Sugar industry would continue to remain the principal supplier of ethanol for the Government to meet its E20 target by 2025.

The Energy Conservation (Amendment) Bill 2022 passed by the Parliament directs the creation of carbon markets within India for the first time. The Bureau of Energy Efficiency has been made the administrator and nodal authority for creating and executing India's Emission Trading System. This can have major implications for the sugar industry having several potential areas to tap carbon credits. It has earlier done so for its Cogen plants in the UNFCCC CDM regime. Currently, Brazil and USA have carbon linked incentives for ethanol production through sugarcane route but no such incentive exists in India. ISMA is working towards getting similar accreditation for sugar based ethanol that helps avoid annually about 7 million tonne of emissions. ISMA would further be partnering with Carbon Markets Association of India to facilitate sugar industry's participation in the upcoming Carbon Credit Trading Scheme.

Electricity

Sugar industry is engaged in cogeneration of power from renewable sources. Renewable energy was central to India's ambitious climate challenge announcements at UN 26th Conference of Parties (COP26) at Glasgow in Nov '21. India announced plans to achieve the target of net zero emission by 2070 and reduce the carbon intensity of its economy by more than 45%. India is also working on a roadmap to implement 500 GW non-fossil energy capacity target by 2030.

India currently occupies fourth position globally in overall renewable energy. It has 42% cumulative installed capacity from non-fossil fuel sources and the target is to take it to 50% by 2030. Solar and wind power have become

cheaper due to steep climb down in capital cost, while they have virtually no fuel cost.

As the source of about 75% of global greenhouse gas emissions, the energy sector holds the key to respond to the world's climate challenge. The world is set to add as much renewable power in the next five years as it did in the past 20 years, overtaking coal as the largest source of electricity generation. The current global energy crisis brings both new opportunities and new challenges for renewable energy.

Sugar industry for ever was rooted in renewable energy to meet its captive needs. After the advent of the Electricity Act, 2003 and open access policy, it has swiftly moved to surplus production and export of green power to the grid. Regrettably, the huge capital investment made in this endeavour has been receiving repetitive shocks of late.

First, Ministry of Power by law restructured the old outstanding dues of State Discoms and made them repayable over a long tenure and free of interest. This has horrendously hit the power producers like our company, in the State of Tamil Nadu which had the largest outstanding dues and for the longest duration in the country. Second, time-bound revision in Regulatory tariff is not strictly followed with ad hoc extension of control period that results in gross under recovery of costs for the power producers. Third, Renewable Energy Certificate (REC) has got prematurely foreclosed and RE producers' right therefor forfeited in the case of captive consumption. All these have enervated our earnings from electricity that is tax-free and hence have formidable financial impact for our company.

Company performance

The Board's Report along with the Management Discussion and Analysis Report carries an overview of our FY 2022-23 performance. This year, we were in operation for more than 10 months that is a pretty long crushing season and our sugar and by-products production turned out to be the best in 15 years. Power production peaked to 12 crore units. Total income stood at an all-time high of Rs.450 crores.

Sugar prices remained flat in the domestic market on the average, while unit realization from molasses and power lowered. In contrast, we encountered marginal uptick in cane price coupled with a formidable rise in fuel prices. Predictably, our margins got squeezed. Despite same, thanks to our enhanced volume, improved cost efficiency and a few one-off gains, our profit trajectory was promising and stayed positive. Over all, our PBT was higher by 32% YoY, while our PAT turned out to be the best ever bottom-line. As a listed entity, we publish quarterly results and it must be gratifying to note that we have remained profitable for 17 successive quarters now.

It is disquieting that our ethanol project has for long been hit by locational restraints imposed under State environmental laws. After considerable pursuit, general exemption for ethanol from this embargo was obtained in Oct '21 but it suffered from a restrictive interpretation so as to confine this exemption only to the production of ethanol for the EBP program. Government of Tamil Nadu has since come with its 'Ethanol Blending Policy, 2023' that conceives in clear terms that the 'consent to operate' issued by the pollution authority would cover other allied products like ENA and RS as well.

I do hope that this new Policy is followed in spirit and we get the requisite clearance, more so when the company stands firmly committed to zero liquid discharge using state of the art technology. In the interregnum, we have lost the interest subvention support for the ethanol project by lapse of time. Government of India would now appear keen to aggressively promote grain-based ethanol projects, having been satisfied of adequate capacity creation under the sugarcane route. As of now, we are in sincere and serious pursuit of the environment clearance for our ethanol project.

Outlook for FY 2023-24

Sugarcane planting was picking up well in the State of Tamil Nadu, including in our command area, over the last couple of years, due to the resumption of monsoon and consequent improved water availability. In particular, our company could achieve a strident rise in sugarcane planting by dint of its concerted cane development efforts and carefully crafted subsidies to promote the planting of high sucrose cane varieties. It however looks that farmer's interest in fresh cane planting is now on the wane because of the extraordinary rise in cultivation cost and exorbitant increase in harvesting charges.

Labour cost in Tamil Nadu is almost 2-3 times as compared to the rates prevailing in major cane producing States like UP. Effective cane price, including transport, for the Tamil Nadu mills is already far higher compared to their peers. This impedes and impairs their ability to further incentivise cane farmers through additional subsidies. The challenge thus looks intimidating and daunting. Concerted efforts towards promoting mechanization, improving cane yield and enhancing the sucrose content through varietal change no doubt remain our priority areas of pursuit to combat this challenge.

Unarguably, all these do take time to turn out tangible results on ground and at large scale.

In view of the above, we apprehend a likely decline in our cane volumes and concomitant operating parameters in FY 2023-24. We do not foresee any abnormal rise in the price of cane or fuel, while sugar prices should hopefully strengthen under extant macro conditions. The one-off gains that bolstered our bottom-line in FY 2022-23 would of course not be repeating. Accordingly, our PBT and PAT are presciently poised for deceleration in FY 2023-24. I for one remain sanguine that they would still be far above our long term average.

Acknowledgement

I thank our sugarcane farmers, other suppliers and customers for their continued support. We have successfully completed a new wage settlement that would remain in force till 30.09.2026. I thank all our employees for their positive spirit of participation during wage negotiations and for their wholehearted involvement and commitment that has resulted in our operational excellence. I thank the officials of the Central and State Governments and Banks for their understanding and guidance.

At this juncture, I would like to state that three of our Independent Directors, viz. Mr V Sridar, Dr Nanditha Krishna and Mr K Bharathan would be demitting office on the 31st Mar '24 after completing two successive tenures of five years each. Accordingly this would be the last of our company AGM that they would be attending. The company has immensely benefitted by their active engagement, wise counsel and effective oversight. I would like to specially thank them on this occasion.

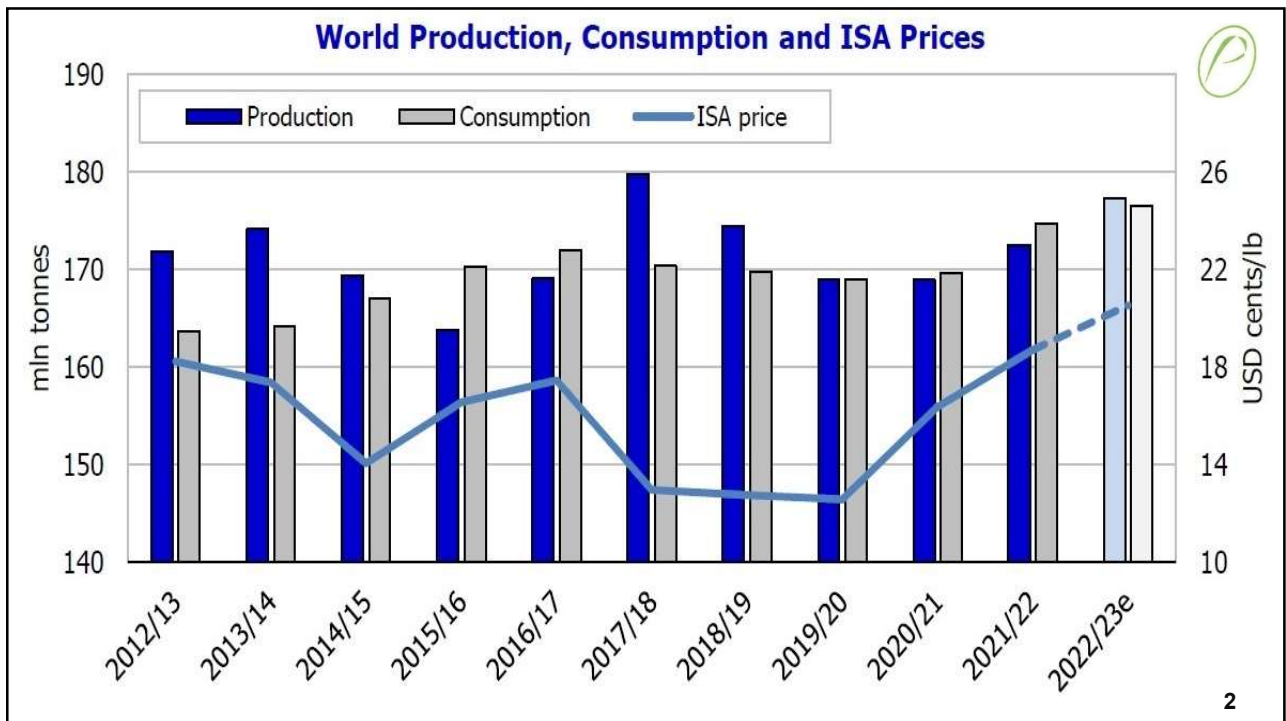
It is my pleasure and bounden duty to thank our valued shareholders who have steadfastly stood with the company and been supporting the management all along. I look forward to your comments and suggestions from time to time.

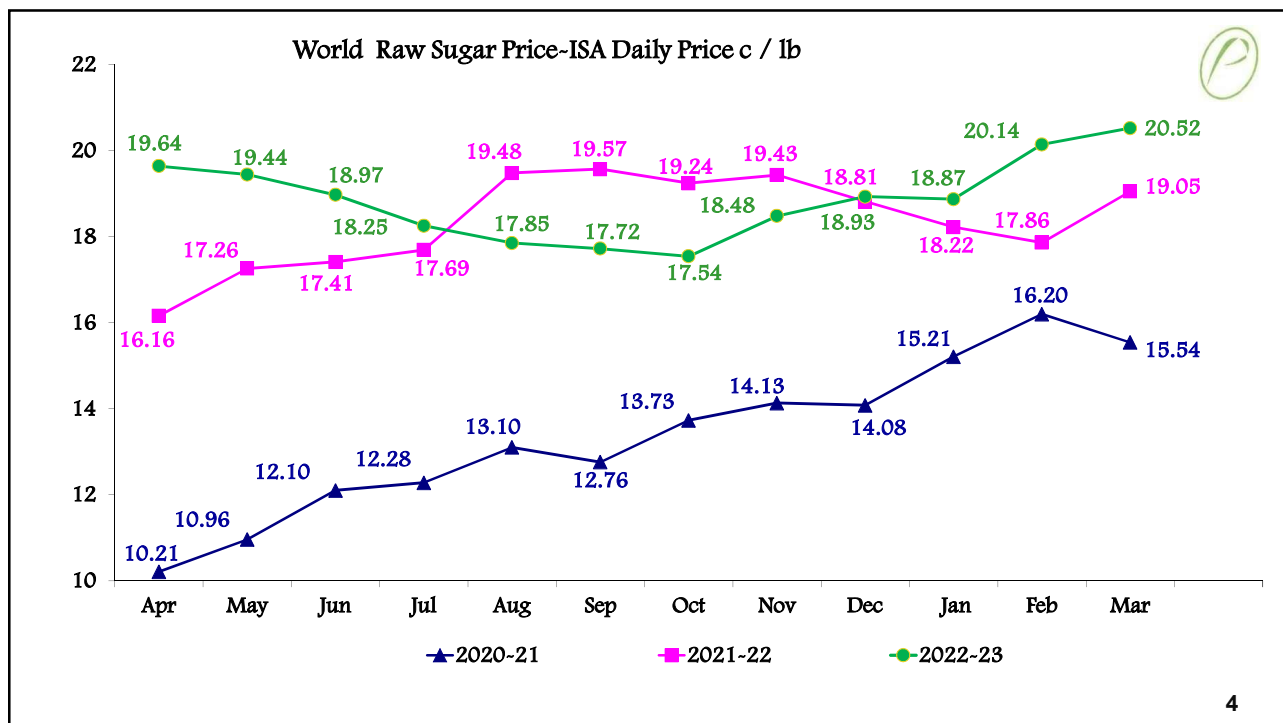
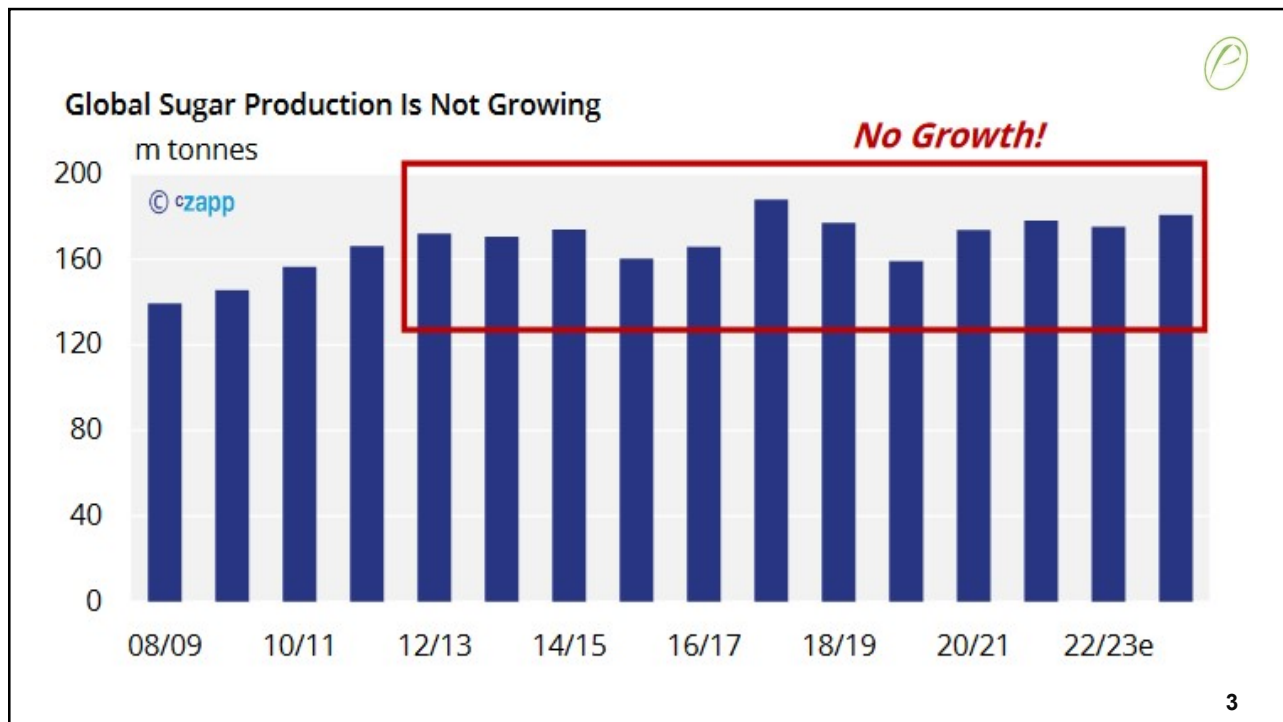
Thank you

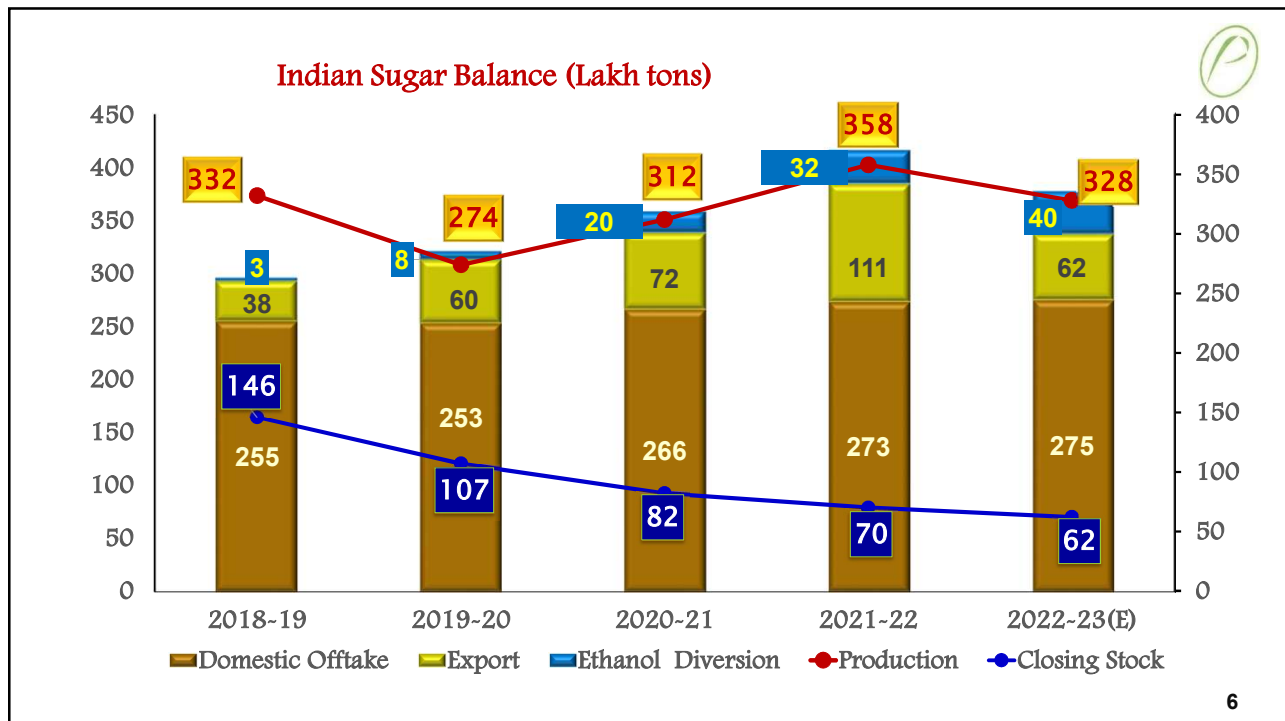
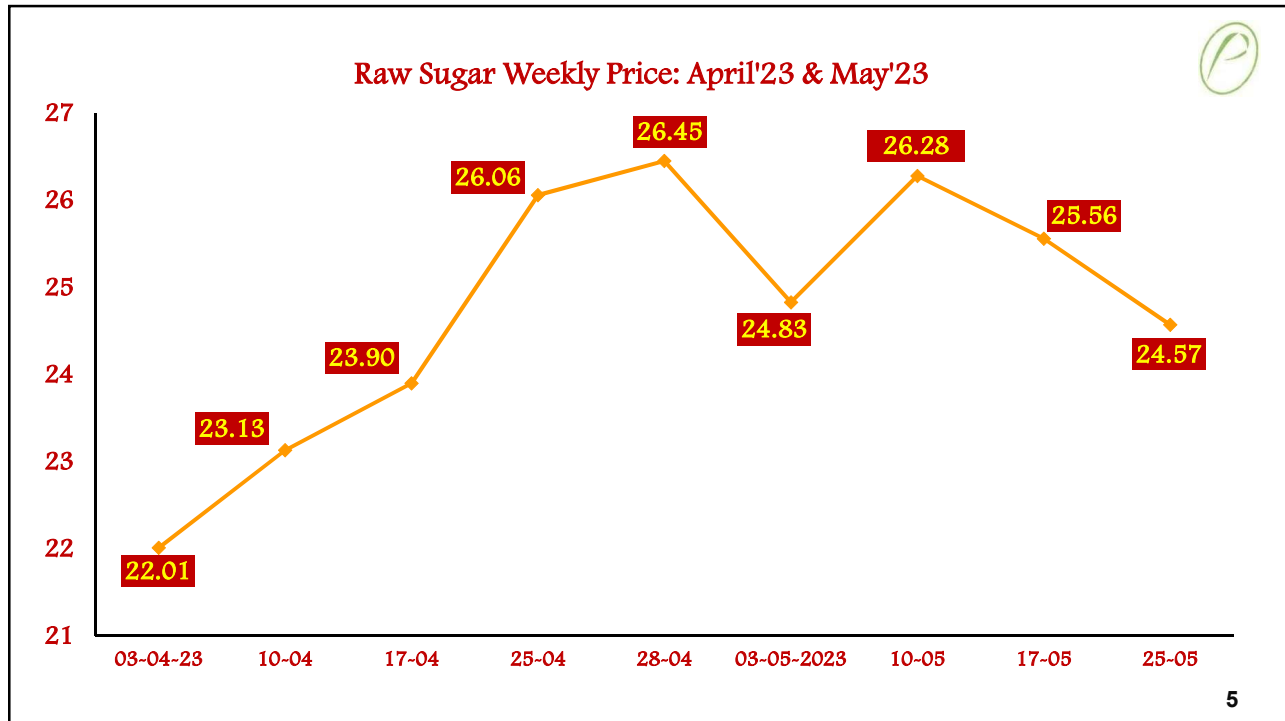
Erode
June 21, 2023

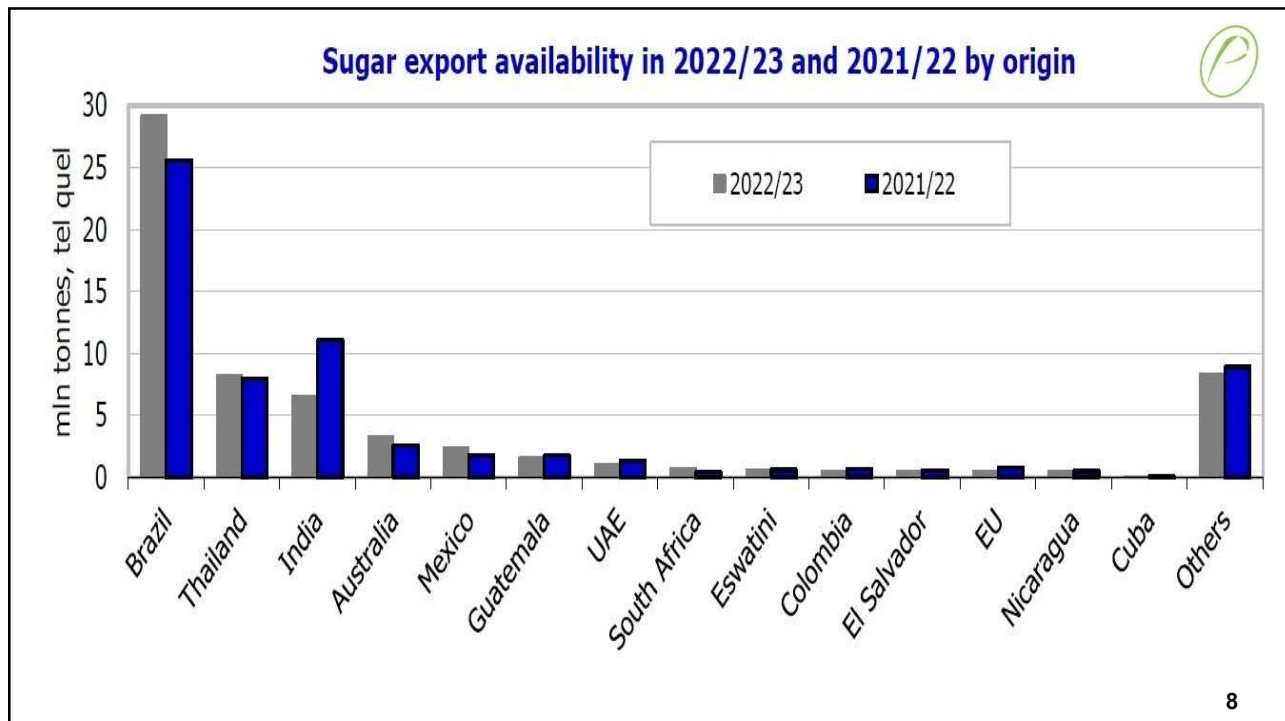
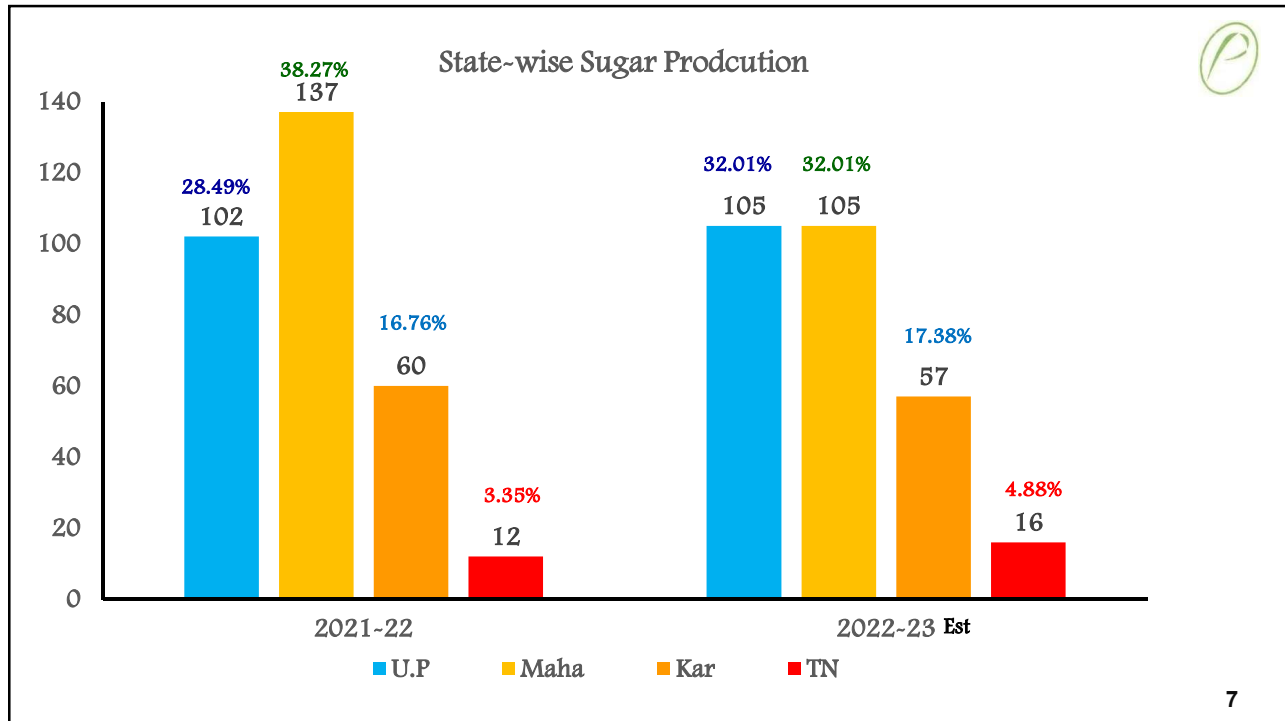
N Gopala Ratnam
Chairman

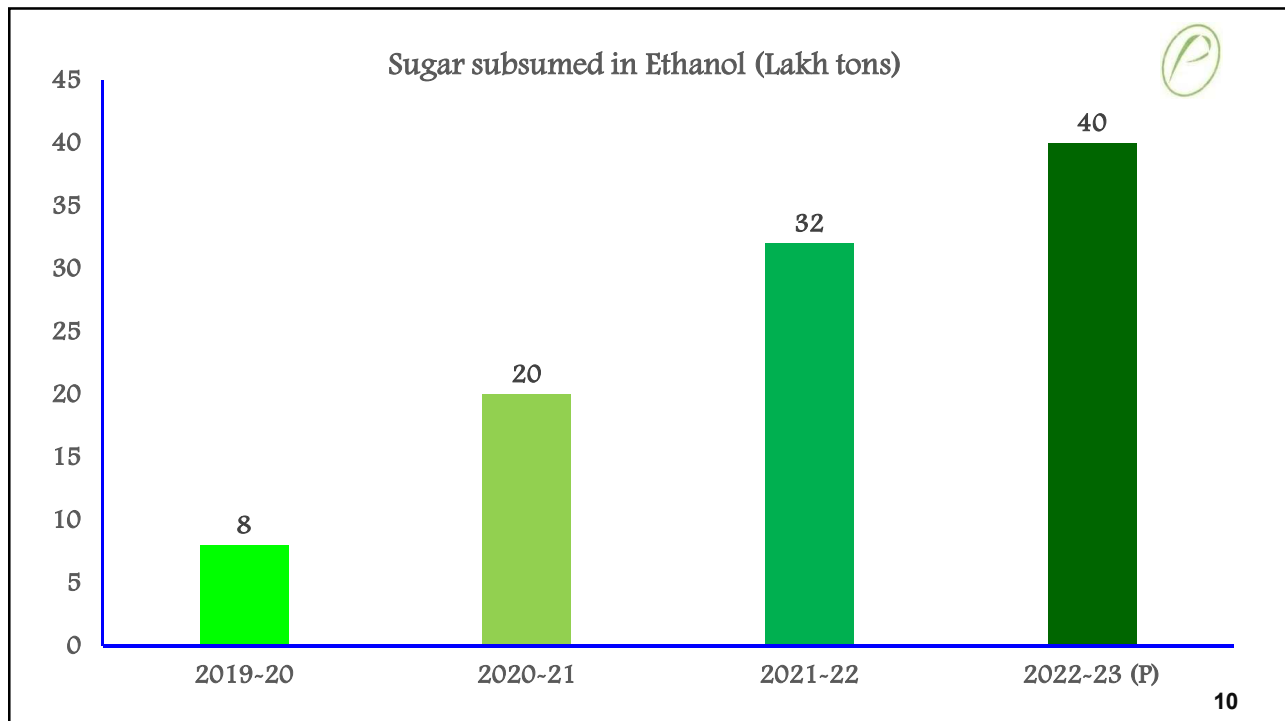
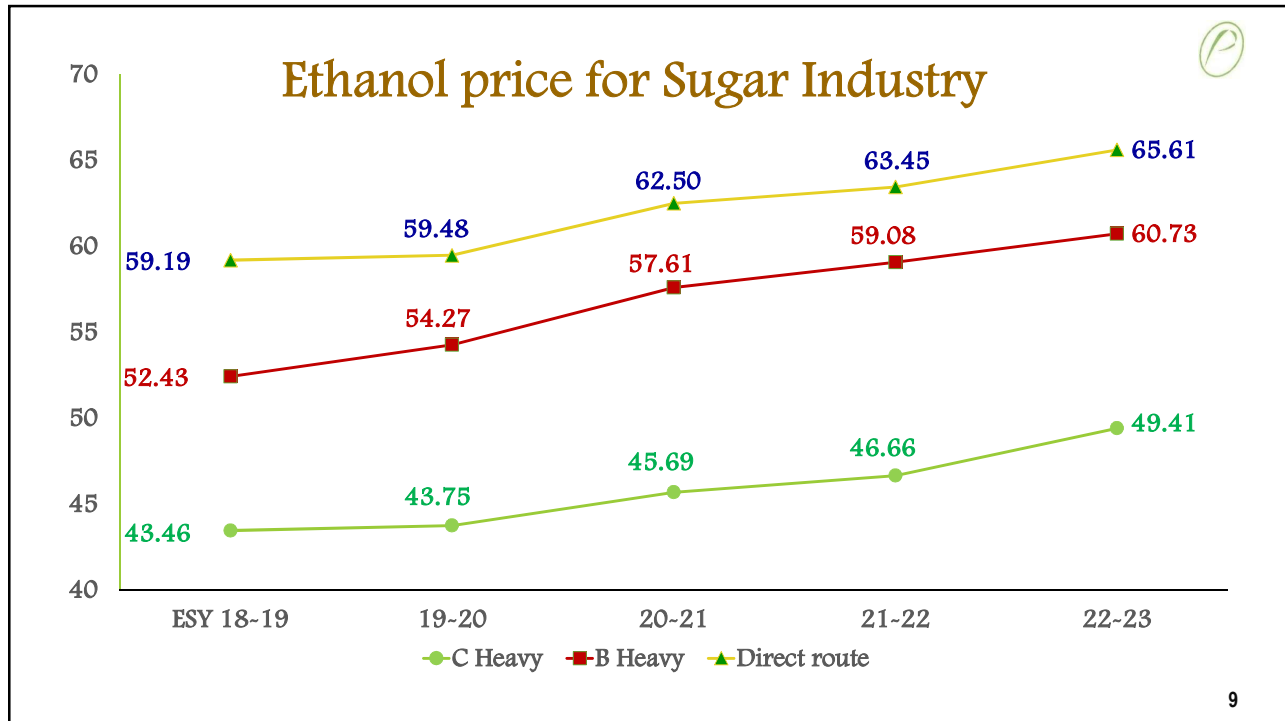
Note: This does not purport to be a record of the proceedings of the Annual General Meeting.

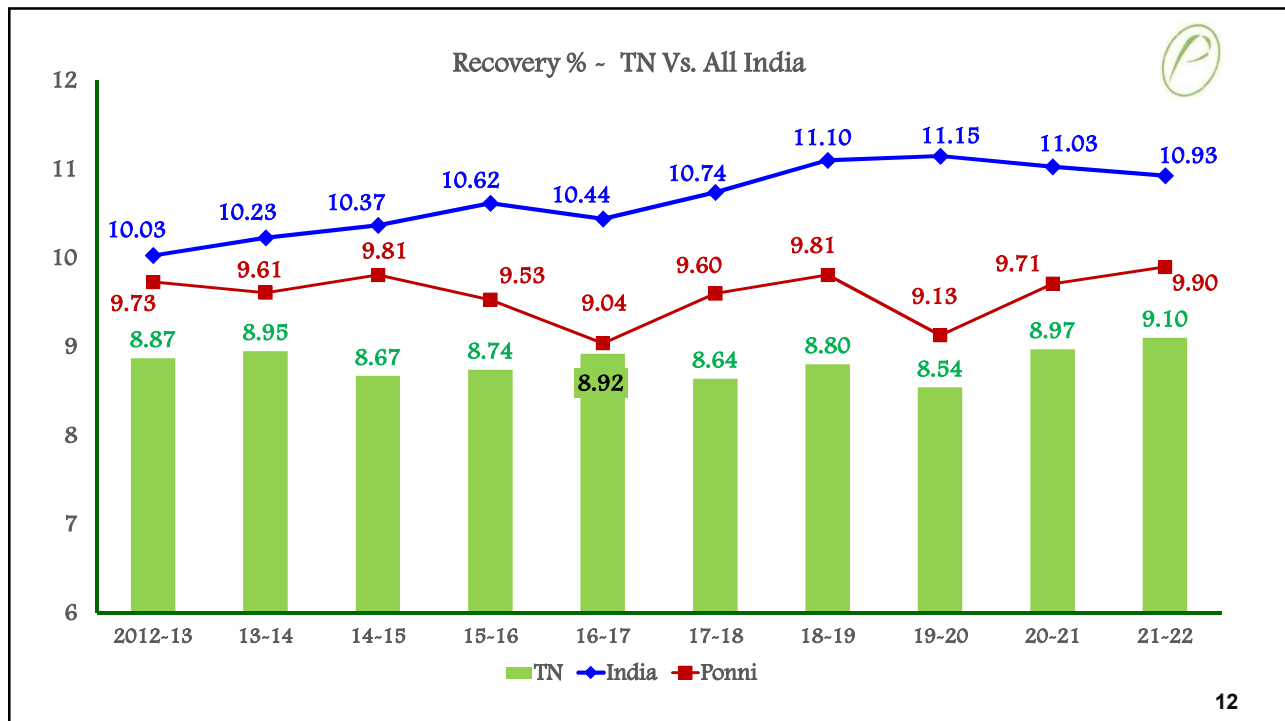
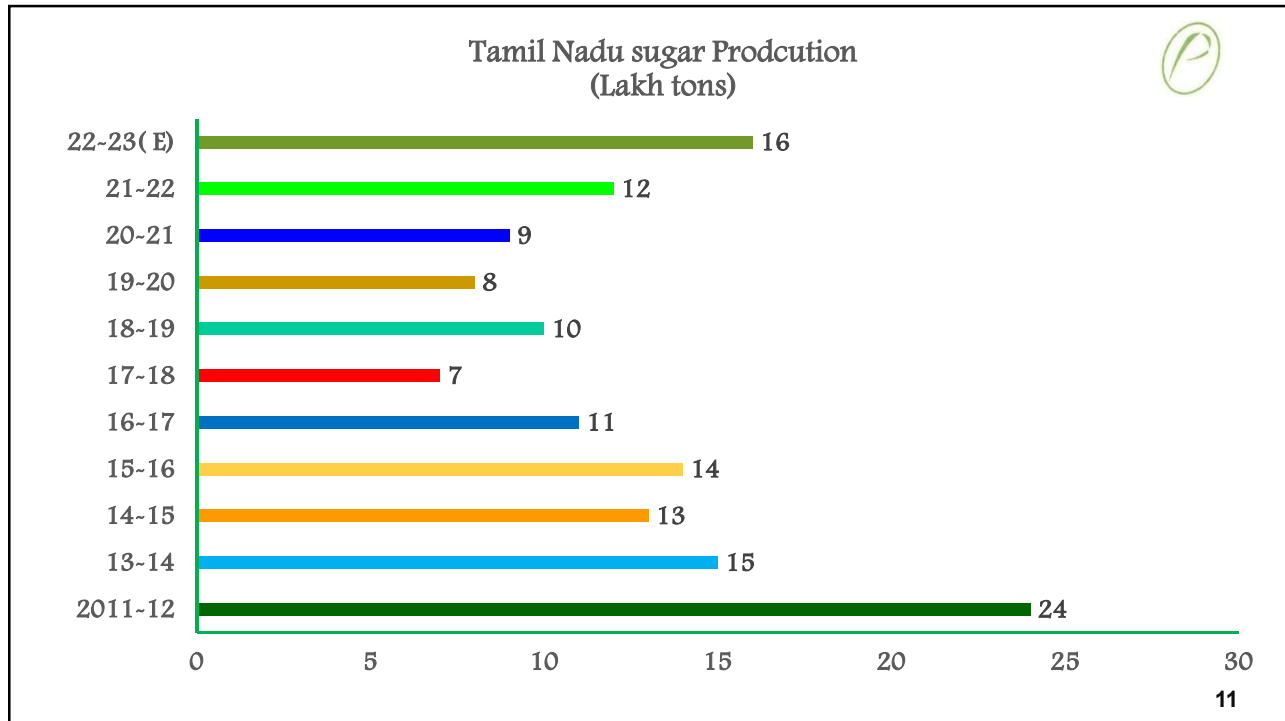


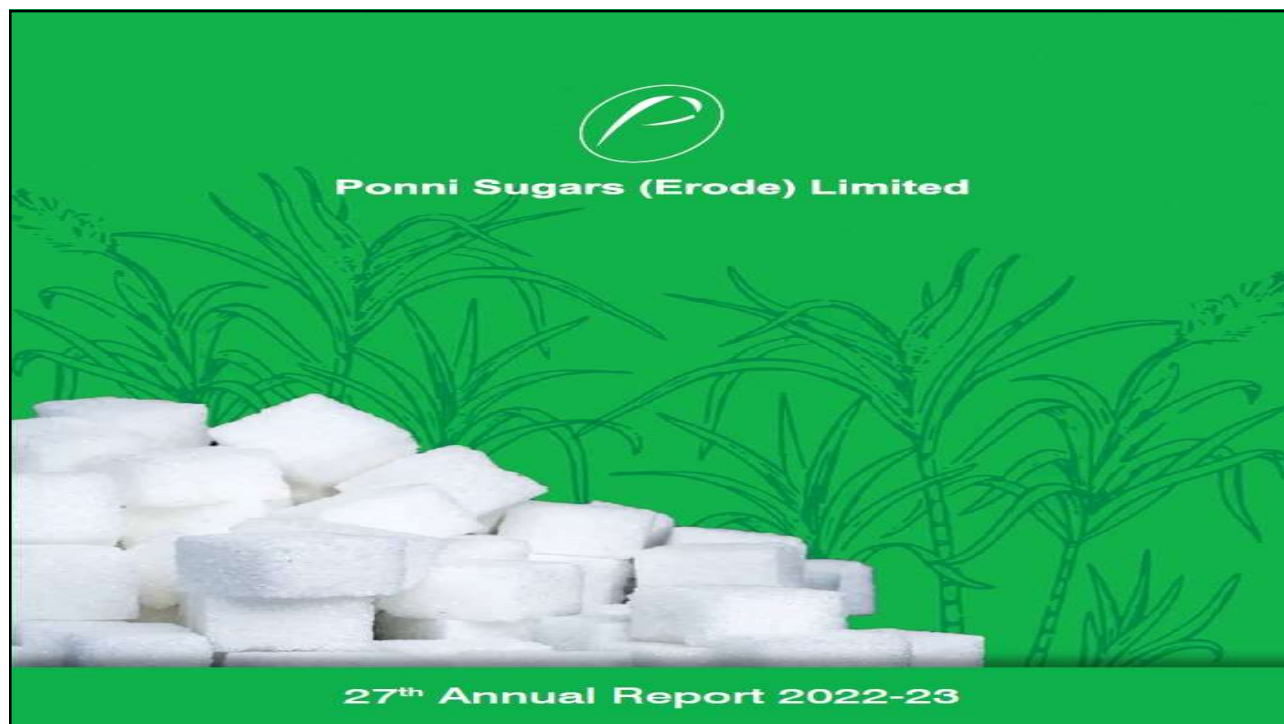










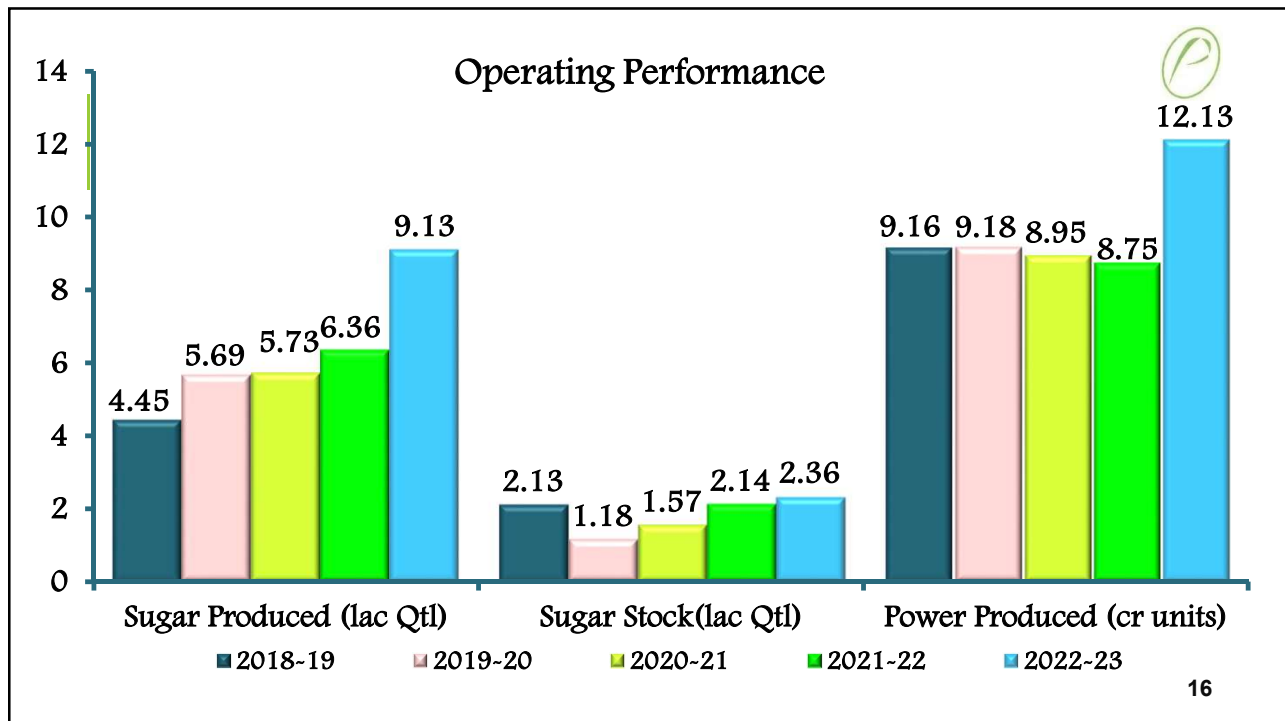
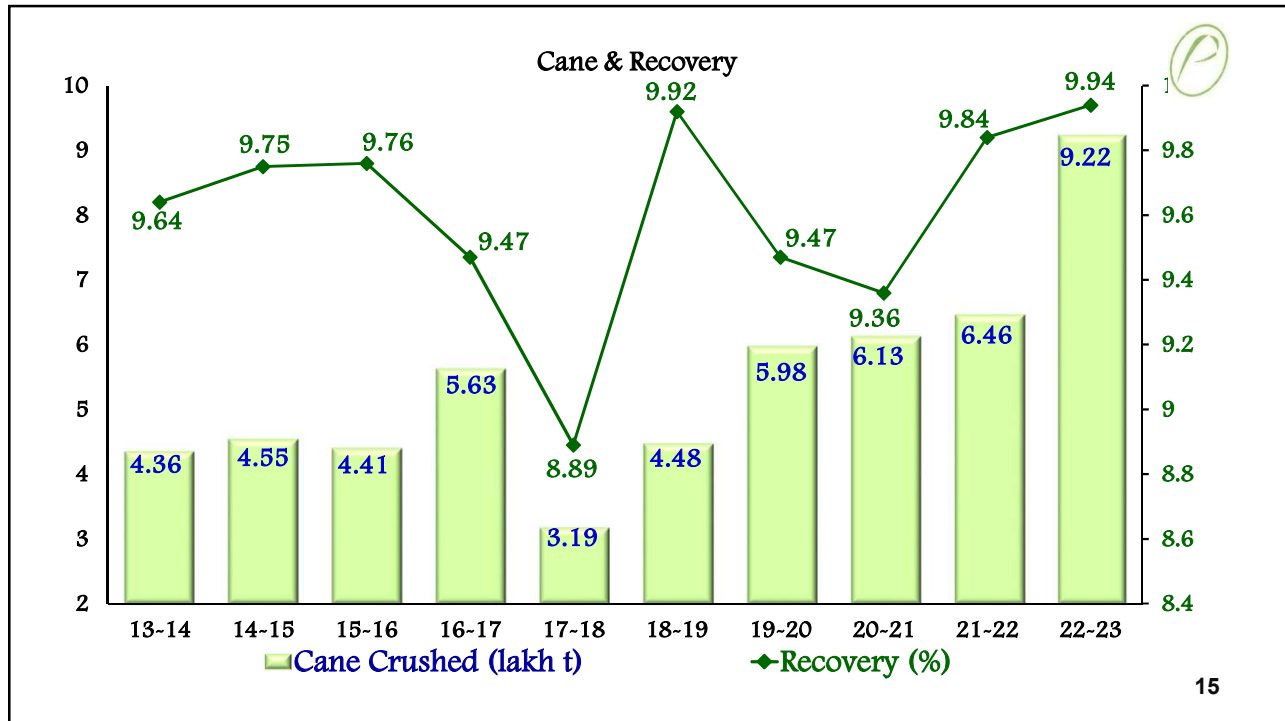


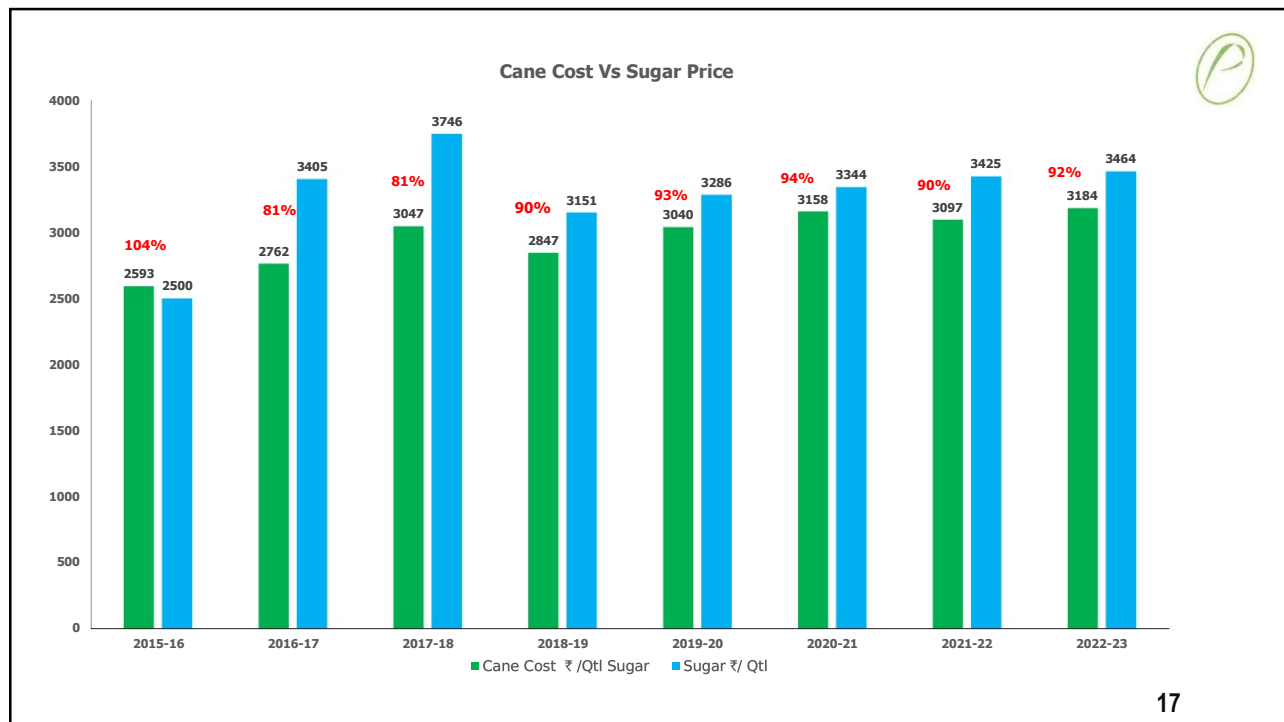
PHYSICAL PERFORMANCE



	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

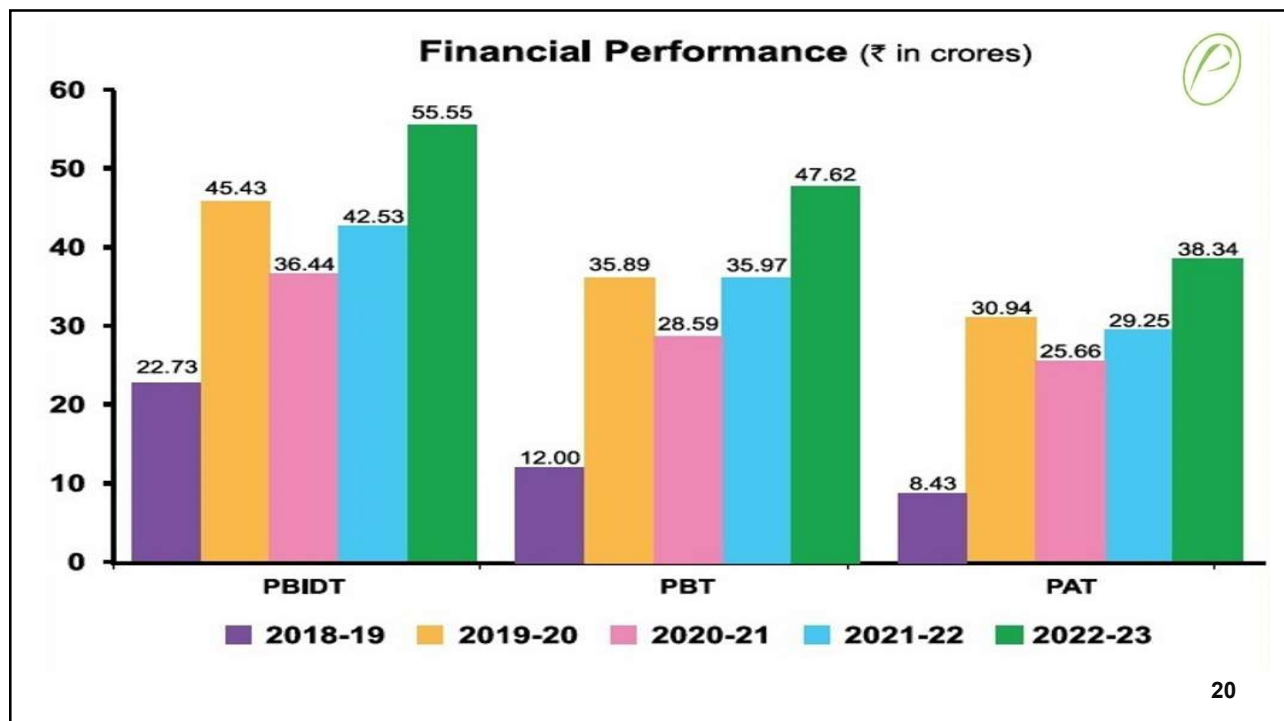
Revenue	2022-23	2021-22	Change %
Sugar ₹/Qtl	3464	3425	1
Molasses ₹/t	9200	9774	(6)
Power ₹/kwh	4.88	5.38	(9)

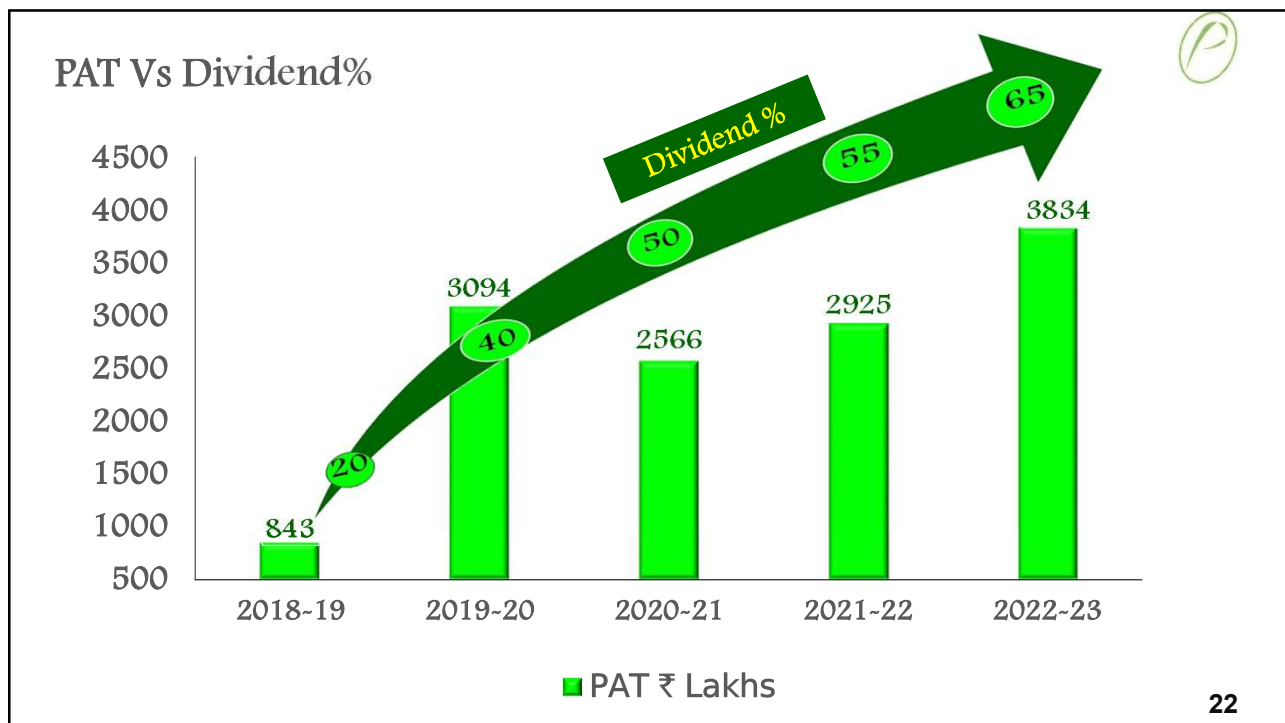
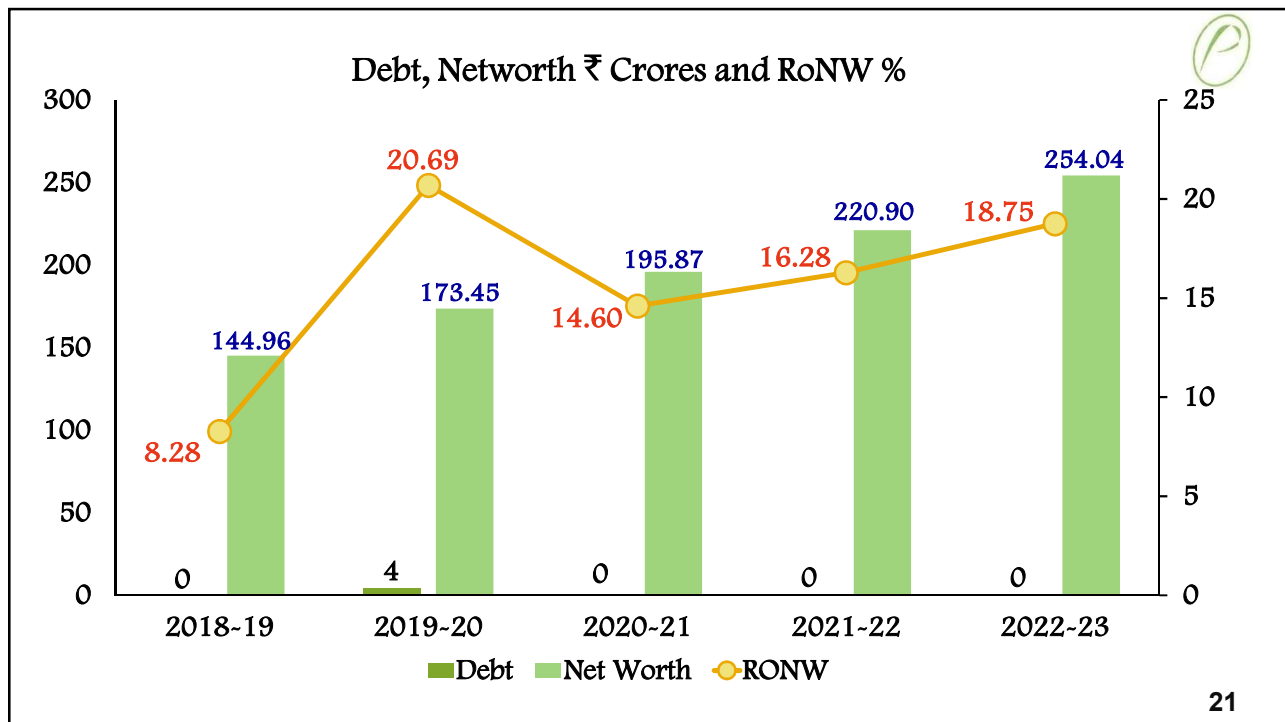
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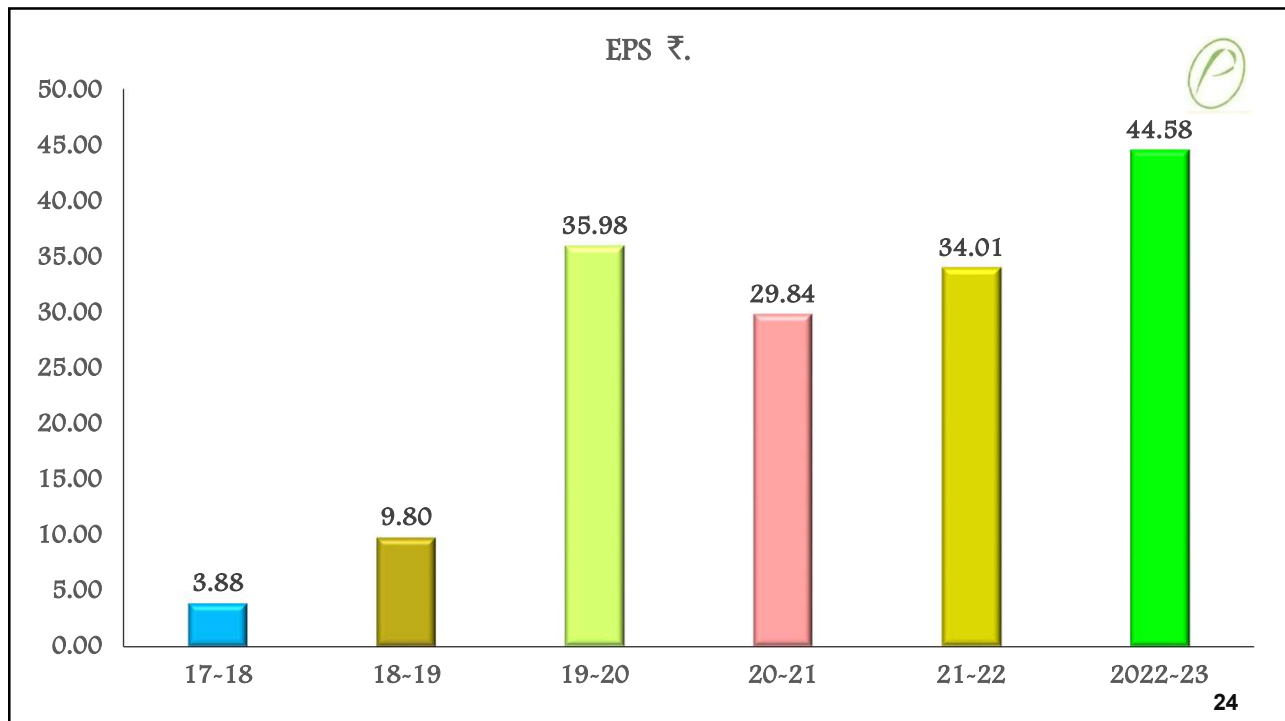
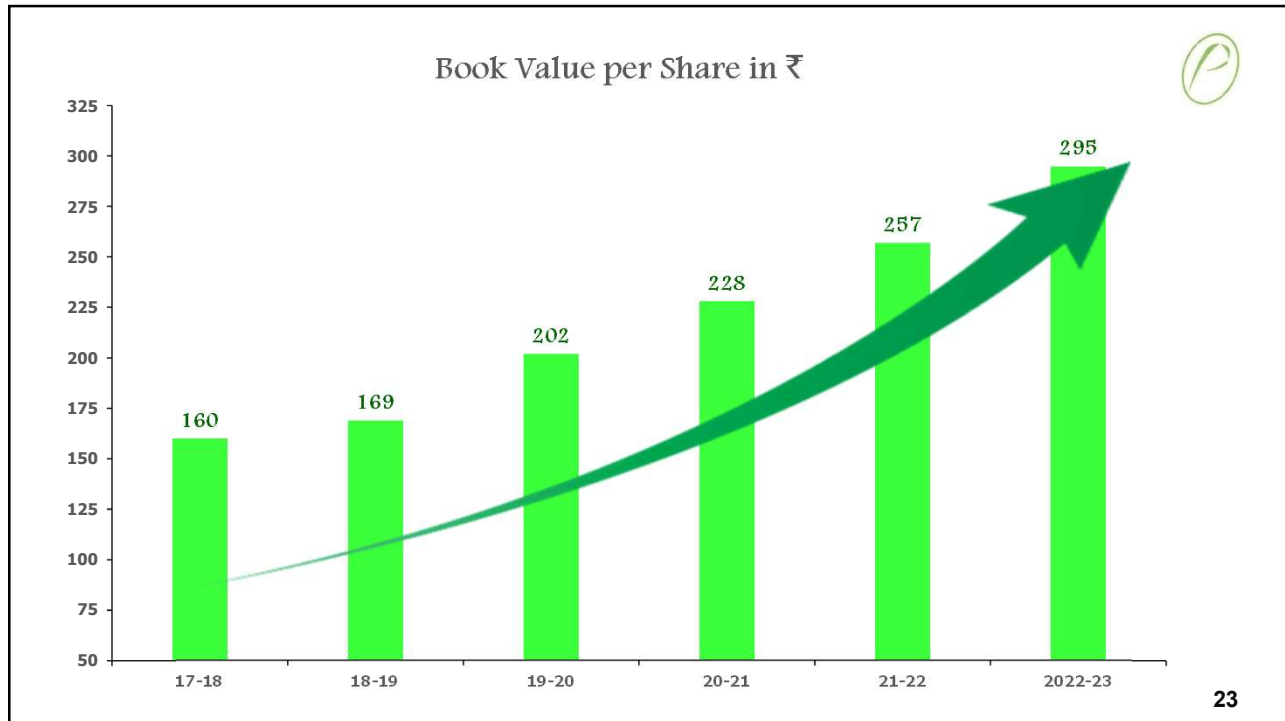
FINANCIAL HIGHLIGHTS	Financial Year	
	2023	2022
	Total Revenue	450
PBIDT	56	43
PBT	48	36
PAT	38	29

(₹ Crores)

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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

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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

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ZEALOUS PURSUIT TO ZENITH



All time high show

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

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