



Ponni Sugars (Erode) Limited

24th
Annual Report
2019-20



Year Scorecard

- ❖ *Quantum jump in production and sale*
- ❖ *All time high top line*
- ❖ *Spurt in Molasses price*
- ❖ *PBIDT doubled*
- ❖ *PBT tripled*
- ❖ *Bottomline highest in a decade*

Directors

N Gopala Ratnam (*Chairman*)
 Dr L M Ramakrishnan (*Vice Chairman*)
 N Ramanathan (*Managing Director*)
 Arun G Bijur
 Bimal K Poddar
 V Sridar
 Dr Nanditha Krishna
 K Bharathan

Audit Committee

V Sridar (*Chairman*)
 Bimal K Poddar
 Dr L M Ramakrishnan
 K Bharathan

Nomination and Remuneration Committee

V Sridar (*Chairman*)
 N Gopala Ratnam
 Dr L M Ramakrishnan

Stakeholders Relationship Committee

N Gopala Ratnam (*Chairman*)
 Arun G Bijur
 N Ramanathan
 V Sridar

CSR Committee

N Gopala Ratnam (*Chairman*)
 N Ramanathan
 Dr Nanditha Krishna

Chief Financial Officer

K Yokanathan

Banks

Canara Bank
 IDBI Bank Limited
 HDFC Bank Limited

Auditors

M/s. S Viswanathan LLP
 Chartered Accountants
 17, Bishop Wallers Avenue (West)
 Mylapore
 Chennai 600 004

Registered Office

“ESVIN HOUSE”
 13 Rajiv Gandhi Salai (OMR)
 Perungudi, Chennai 600 096
 Phone: (044) 24961920 / 24960156
 Email: admin@ponnisugars.com
 Web: www.ponnisugars.com

Email ID for Investor Grievance

investor@ponnisugars.com

Works

Odappalli, Cauvery RS (Post)
 Erode 638 007, Tamil Nadu
 Phone: (04288) 247351 to 358
 Email: gen@ponnisugars.com

Registrar & Transfer Agent

Cameo Corporate Services Ltd
 “Subramanian Buildings”, 5th Floor
 No.1, Club House Road, Chennai 600 002
 Phone: (044) 28460390
 Email: investor@cameoindia.com

Main contents

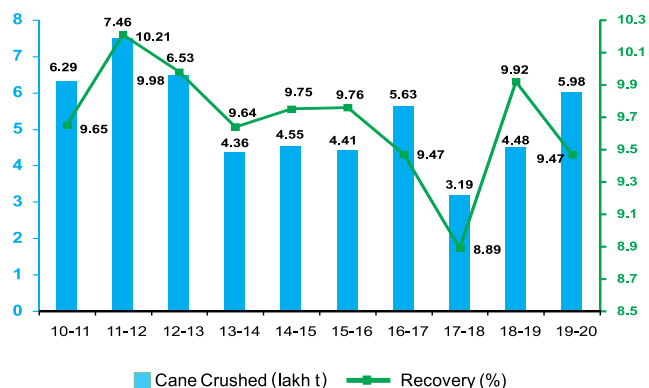
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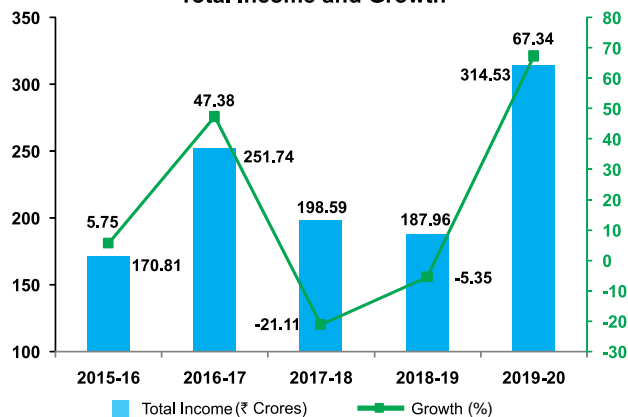


Performance Chart

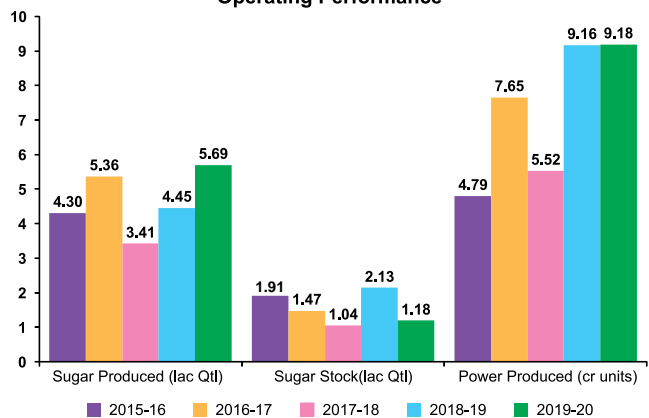
Cane and Recovery



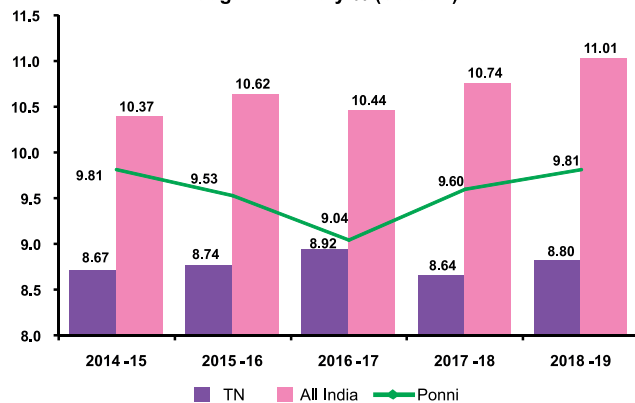
Total Income and Growth



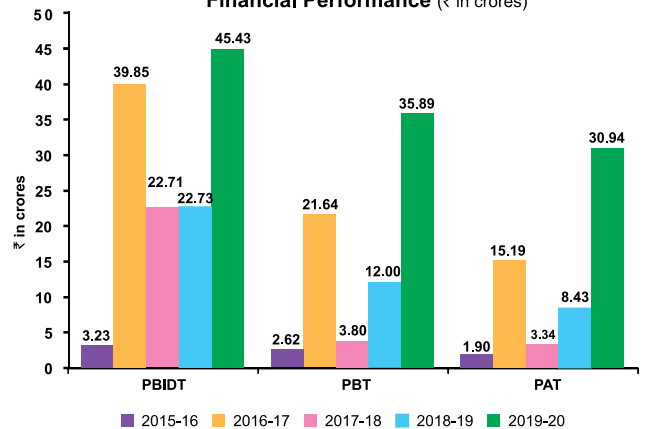
Operating Performance



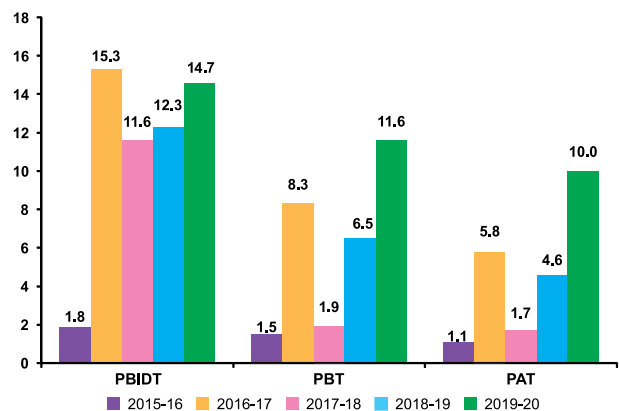
Sugar Recovery % (Season)



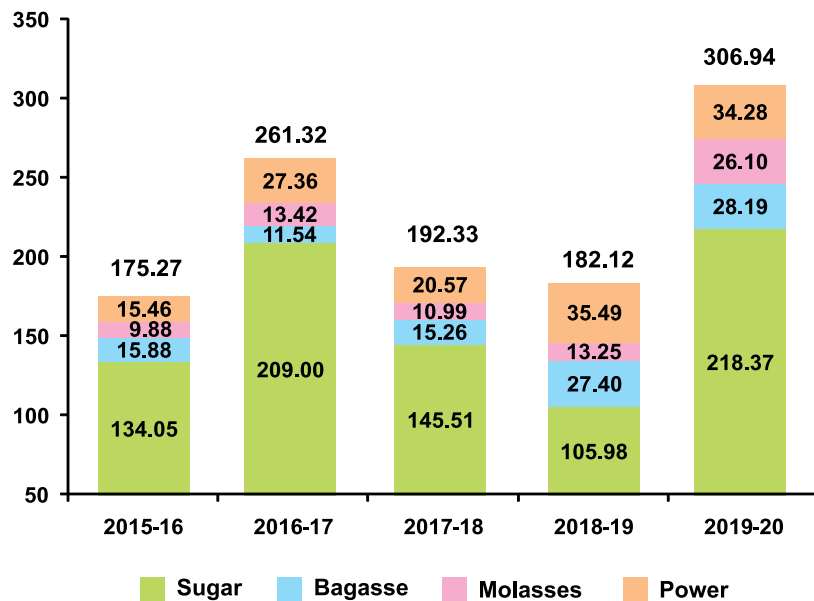
Financial Performance (₹ in crores)



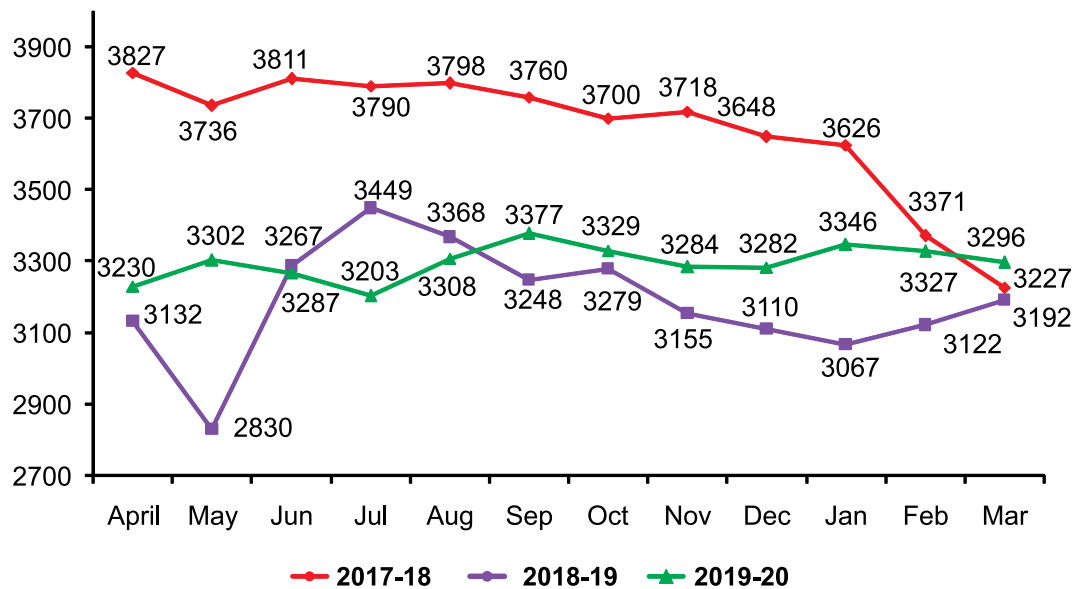
Profit % to Sales



Sales Composition (₹ Crores)

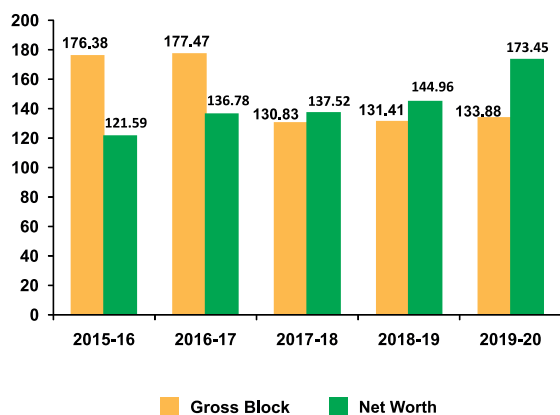


Ex-Factory Sugar Realization (₹ /Qtl)

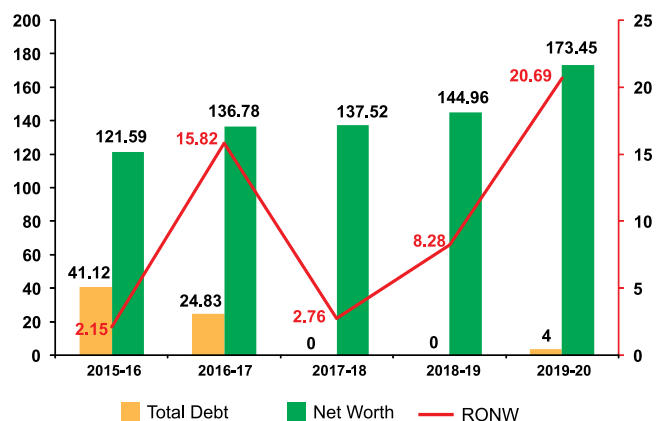




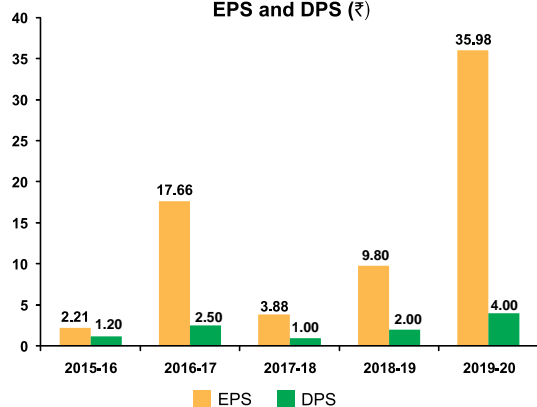
Gross Block and Net Worth (₹ Crores)



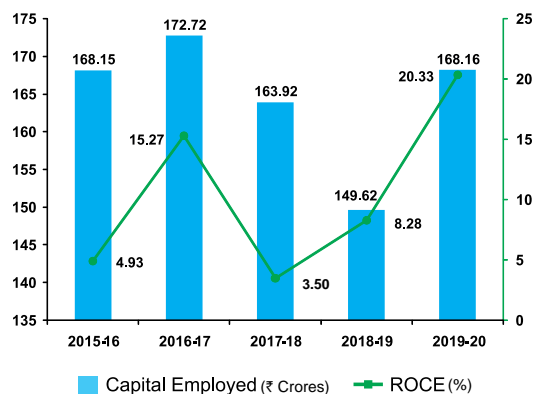
Debt, Net Worth (₹ Crores) and RoNW (%)



EPS and DPS (₹)



Capital Employed and ROCE



Financial Highlights – Ten Years at a Glance

₹ in Lakhs

For the year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Total Income	27356	27002	21489	17103	16153	17081	25174	19859	18796	31453
Total Expenditure	25546	23730	18561	16429	16511	16758	21189	17588	16523	26910
PBIDT	1810	3272	2928	674	-358	323	3985	2271	2273	4543
Interest	148	119	358	671	512	587	475	197	347	268
Depreciation	309	329	1161	825	566	564	570	568	593	739
Profit before exceptional items	1353	2824	1409	-822	-1436	-828	2940	1506	1333	3536
Exceptional Items	-1411	212	193	-541	-893	-1090	776	1126	133	-53
PBT	2764	2612	1216	-281	-543	262	2164	380	1200	3589
Tax	903	833	-695	197	-178	72	645	46	357	495
PAT	1861	1779	1911	-478	-365	190	1519	334	843	3094
EPS (₹)	21.64	20.69	22.22	-5.56	-4.24	2.21	17.66	3.88	9.80	35.98
Cash EPS (₹)	14.54	24.18	27.64	0.03	1.81	9.61	31.80	10.49	18.55	44.14
Dividend %	20	25	15	6	--	12	25	10	20	40
As at year end										
Gross Block	7564	15722	17278	17575	17602	17638	17747	13083	13141	13388
Net Block	4917	12834	13309	13339	12773	12261	11840	11952	11417	10932
Loan Funds	1645	5005	8208	8283	7791	7663	4905	725	3487	1657
Net Worth	9625	11154	12914	12376	12011	12159	13678	13752	14496	17345
Book value per share (₹)	111.94	129.72	150.19	143.93	139.69	141.41	159.08	159.94	168.59	201.72
Share Price at NSE (in ₹)										
High	142.80	126.50	415.00	359.45	251.00	248.00	357.05	228.80	189.40	182.00
Low	82.00	71.15	108.00	87.10	100.50	110.90	172.70	141.00	102.30	81.00



PONNI SUGARS (ERODE) LIMITED

CIN : L15422TN1996PLC037200

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

Phone : 044 24961920 / 24960156

E Mail: admin@ponnisugars.com; Website:www.ponnisugars.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting of the Company will be held on Wednesday the 19th August 2020, at 11.00 AM thro' Video Conference / Other Audio Visual Means (VC / OAVM) to transact the following business:

ORDINARY BUSINESS

1. Adoption of Financial Statements

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

"RESOLVED that the audited Financial Statements for the year ended 31st March 2020 and the reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted."

2. Dividend declaration

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

"RESOLVED that

- (i) a dividend of ₹ 4/- (Rupees four only) per Equity Share for the Financial Year 2019-20 be and is hereby declared on the 8598418 Equity Shares of ₹ 10 each fully paid-up;
- (ii) the dividend be paid to the shareholders whose names appear in the Register of Members of the company in the case of physical holding and to the beneficial owners of shares recorded with the Depositories in the case of demat holding as per details to be furnished by National Securities Depository Ltd/ Central Depository Services (India) Ltd for the purpose, as on Wednesday, the 19th August 2020."

3. Reappointment of retiring Director

To consider and, if thought fit, to pass the following resolution as a 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."

SPECIAL BUSINESS

4. Reappointment of Managing Director

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

- (i) RESOLVED that Mr N Ramanathan [DIN:00001033] whose current term of office expired on 31.03.2020 be and is hereby re-appointed as Managing Director of the Company for a period of three years from 01.04.2020 to 31.03.2023.
- (ii) RESOLVED FURTHER that pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, approval be and is hereby accorded for the remuneration of Mr N Ramanathan as Managing Director during the above tenure as set out in the Statement pursuant to Section 102(1) of the Act attached hereto.
- (iii) RESOLVED FURTHER that the Board of Directors be and are hereby authorized to increase, vary or amend the remuneration and other terms of the appointment from time to time on the recommendation of the Nomination and Remuneration Committee provided that it shall not result in an increase of 50% or more.
- (iv) RESOLVED FURTHER that the Board of Directors be and are hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

5. Commission to Non-Executive Directors

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

- (i) RESOLVED that pursuant to Section 197 and other applicable provisions, if any of the Companies Act, 2013, consent of the company be and is hereby

accorded for payment of commission to Non-Executive Directors out of the net profits of the company, over and above the sitting fees, for a period of three financial years from 1st April 2020 to 31st March 2023.

PROVIDED FURTHER that the commission for all the non-executive directors shall in aggregate not exceed one percent of the net profit of the Company in terms of Section 197 of the Companies Act, 2013.

- (ii) RESOLVED FURTHER that the commission be divisible among the directors in such manner and proportion as the Board of Directors may deem fit.
- (iii) RESOLVED FURTHER that the Board of Directors be and are hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to the resolution.

6. Remuneration to Cost Auditor

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

“RESOLVED that the Company do hereby confirm and ratify in terms of Section 148 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder the remuneration approved by the Board of Directors on the recommendations of the Audit Committee for M/s S Mahadevan & Co., Cost Accountants (Firm Registration No.000007), for conducting the audit of cost records of the Company, including its Sugar and Cogen segments, for the financial year 2020-21 at ₹ 150000 (Rupees one lac fifty thousand only) plus tax and reimbursement of travel & out of pocket expenses incurred for purpose of such audit.”

(By Order of the Board)

For **PONNI SUGARS (ERODE) LIMITED**

Chennai
14th July 2020

N Ramanathan
Managing Director

NOTES:

1. AGM through VC/ OAVM

In view of the outbreak of COVID-19 pandemic and the consequent restrictions and requirements like social distancing, the Ministry of Corporate Affairs (“MCA”) vide Circulars No.14/2020 dated April 08, 2020, No.17/2020 dated April 13, 2020 and No.20/2020 dated May 05, 2020 and the Securities and Exchange Board of India (“SEBI”) vide its Circular No.SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, have allowed companies to hold their Annual General Meeting (“AGM”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) during the calendar year 2020. In terms of the said circulars read with the applicable provisions of the Companies Act, 2013, the 24th AGM of the Company will be held through VC/ OAVM (e-AGM) and the shareholders can attend and participate in the e-AGM through VC/ OAVM only. The deemed venue of the e-AGM will be the registered office of the Company.

2. Quorum/ Proxy form / Attendance slip

A shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a shareholder of the company. However, as this AGM is being held through VC/ OAVM, physical attendance of shareholders is dispensed with. Accordingly, the facility for appointment of proxies by the shareholders is not applicable for this e-AGM. Hence the proxy form and attendance slip are not being annexed to this Notice and the resultant requirement for submission of proxy forms does not arise.

The presence of shareholders through VC/ OAVM will be reckoned for the purpose of quorum u/s 103 of the Act.

Corporate shareholders entitled to appoint authorized representatives are requested to send a duly certified copy of Board Resolution authorizing their representative(s) to attend and vote at the e-AGM, pursuant to Section 113 of the Companies Act, 2013 (“the Act”).

3. Explanatory Statement

Statement pursuant to Section 102(1) of the Act in respect of the Special Business and Regulation 17(1A) of the Listing Regulations in respect of Special Resolution, to be transacted at the meeting is annexed hereto.



4. Mailing of AGM Notice & Annual Report

In compliance with relevant MCA/ SEBI circulars, the Notice of AGM and Annual Report for 2019-20 are being sent in electronic mode to shareholders whose email address is registered with the Depository Participants (DP) or the Registrar & Transfer Agent (RTA). Shareholders holding shares in physical / demat form who have not registered their email address with the Company can get the same registered as per the procedure given in SI No.11.

The AGM Notice and Annual Report are available on the websites of the Company www.ponnisugars.com, Stock Exchanges i.e. BSE Limited www.bseindia.com and National Stock Exchange of India Limited www.nseindia.com. The AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility and e-Voting System during the AGM) www.evotingindia.com.

5. Particulars of Directors

Particulars of Directors seeking re-appointment pursuant to Regulation 36 (3) of the Listing Regulations is given in Appendix-A that forms part of this Notice.

6. Book Closure

The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday the 13th August, 2020 to Wednesday the 19th August, 2020 (both days inclusive).

7. Dividend

Dividend on declaration will be paid on 25.8.2020.

Shareholders are advised to refer to 'Shareholder information' section of the Corporate Governance Report (page 48 of the Annual Report) for details on dividend entitlement, payment options, Tax on dividend and procedure for claiming tax exemption.

8. Unpaid Dividend

Unpaid Dividend for over 7 years will be transferred to the Investor Education and Protection Fund. Shareholders may refer to page 49 of the Annual Report and lodge their claim, if any, immediately.

Shares in respect of which dividend has not been paid or claimed for seven consecutive years or more had been transferred to Investor Education and Protection Fund. Shareholders may refer to page 49 of the Annual report for details.

9. Attending e-AGM

For the purpose of conducting the e-AGM, the Company has appointed Central Depository Services (India) Limited (CDSL), to provide VC / OAVM facility. The detailed procedure for participating in e-AGM through VC / OAVM is given in Appendix-B.

10. Voting Process

Shareholders can cast their votes through Remote e-Voting or at the AGM through e-Voting. The detailed process and instructions are given in Appendix-C.

11. Procedure for obtaining the Annual Report, AGM Notice and e-Voting instructions by the shareholders whose email addresses are not registered with the DPs/ RTA

Shareholders are advised to register/ update their email address and mobile number immediately, in case they have not done so earlier:

- In case of shares held in demat mode, with their respective DPs.
- In case of shares held in physical mode, by accessing the link <https://investors.cameoindia.com> or by email to the RTA at investor@cameoindia.com with details of Folio number and attaching a self-attested copy of PAN card.
- After due verification, the Company/ RTA will send login credentials for attending the AGM and voting to the registered email address.
- Any person who becomes a shareholder of the company after despatch of the AGM Notice and holding shares as on the cut-off date may obtain the user Id and password in the manner provided in the AGM Notice.

12. Inspection of documents

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred in notice will be available for inspection in electronic mode. Shareholders can send an email for the purpose to admin@ponnisugars.com.