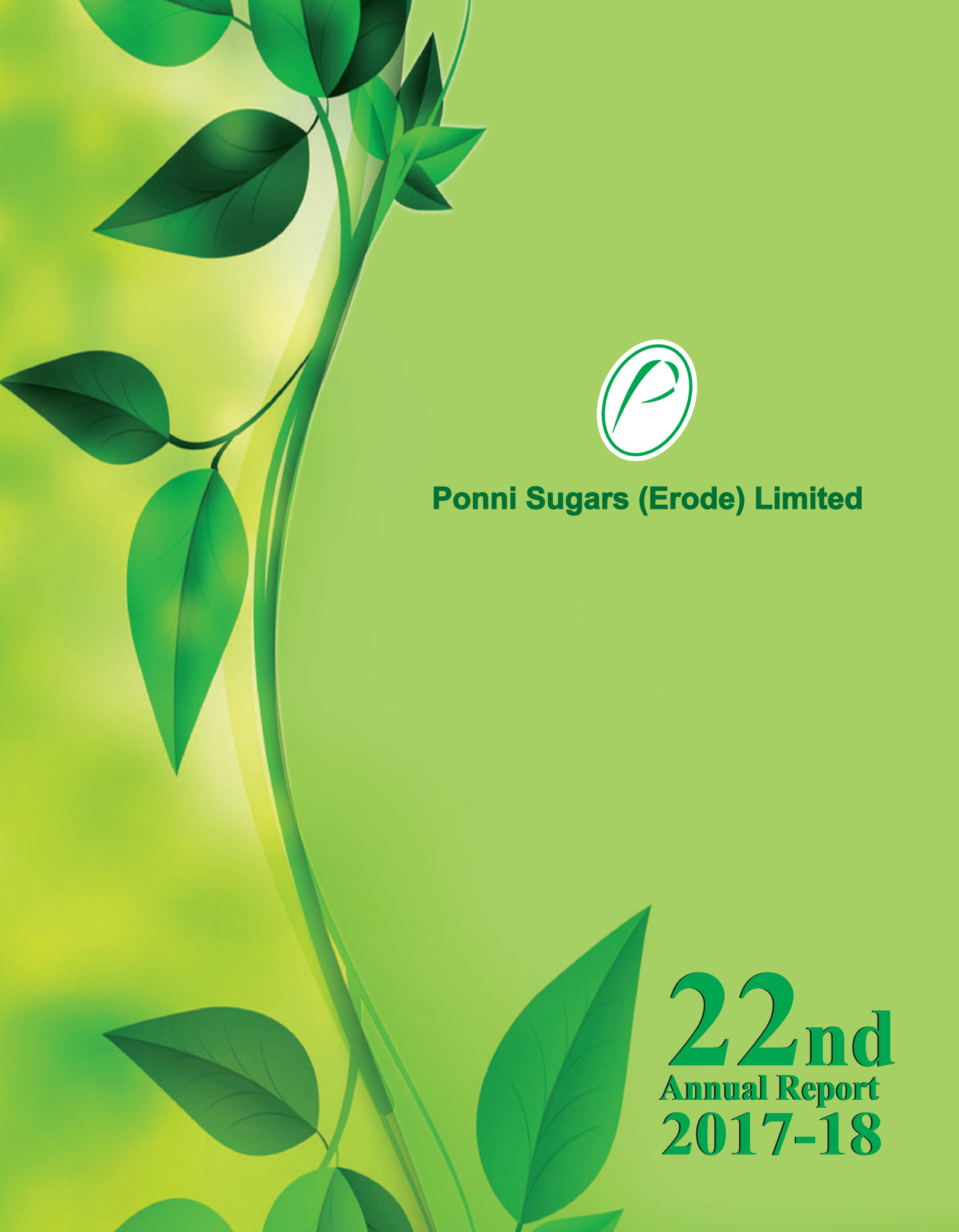


Ponni Sugars (Erode) Limited

22nd Annual Report 2017-18



Directors

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

Audit Committee

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

Nomination Cum Remuneration Committee

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

Stakeholders Relationship Committee

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

CSR Committee

N Gopala Ratnam *(Chairman)*
N R Krishnan
N Ramanathan

Chief Financial Officer

K Yokanathan

Auditors

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

Banks

Bank of India
IDBI Bank Limited
Canara Bank

Registered Office

"ESVIN HOUSE"
13 Rajiv Gandhi Salai (OMR)
Perungudi, Chennai 600 096
Ph: (044) 39279300
Email: admin@ponnisugars.com
Web: www.ponnisugars.com

Email ID for Investor Grievance

investor@ponnisugars.com

Works

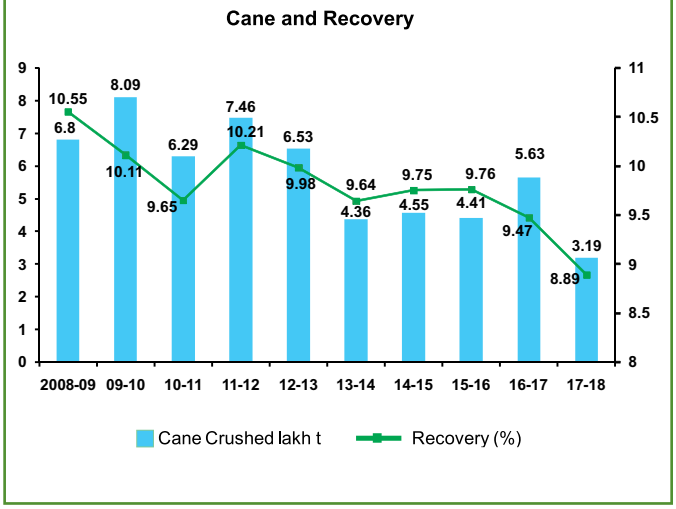
Odappalli, Cauvery R S (Post)
Erode 638 007, Tamil Nadu
Phone: (04288) 247351 to 358
Email: gen@ponnisugars.com

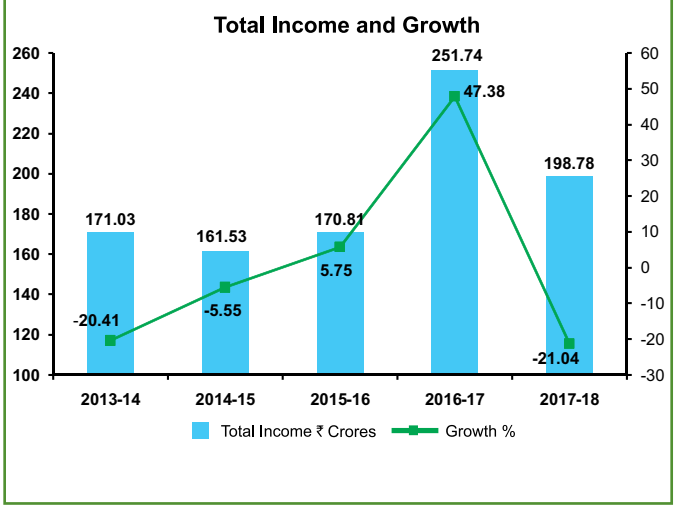
Registrar & Transfer Agent

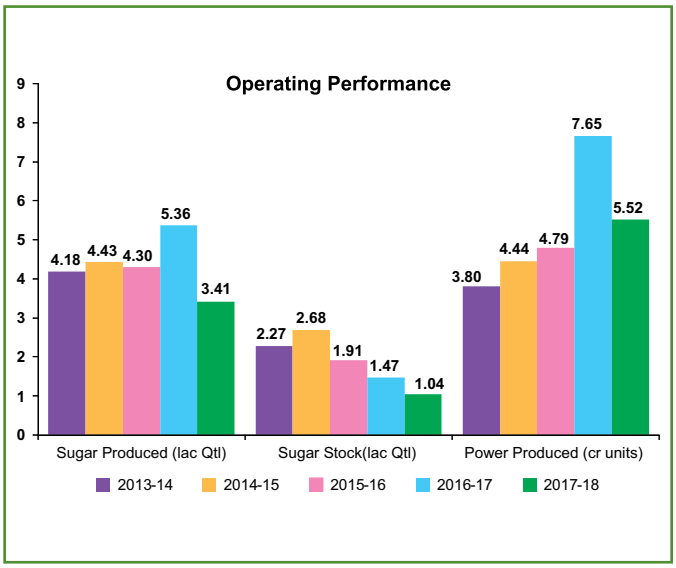
Cameo Corporate Services Ltd
"Subramanian Building", 5th Floor
No.1, Club House Road, Chennai 600 002
Phone: (044) 28460390
Email: investor@cameoindia.com

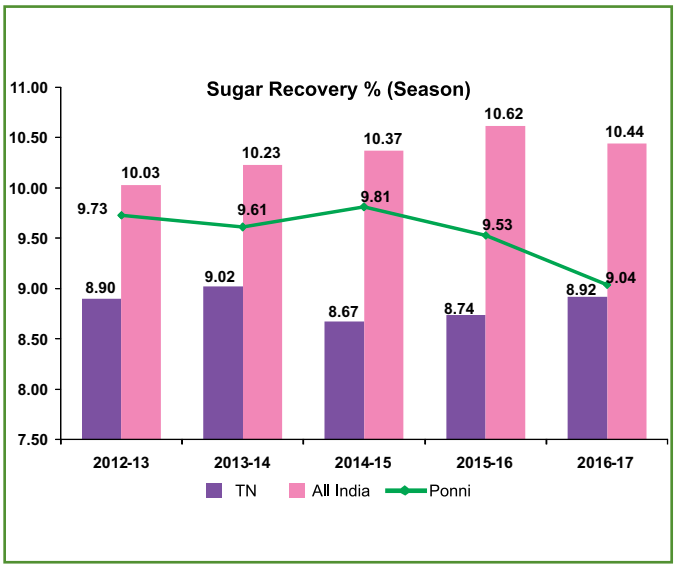
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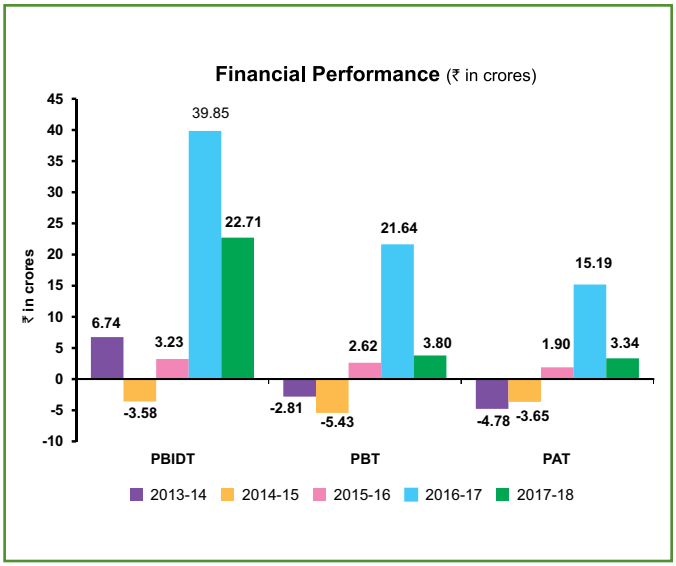
Performance Chart

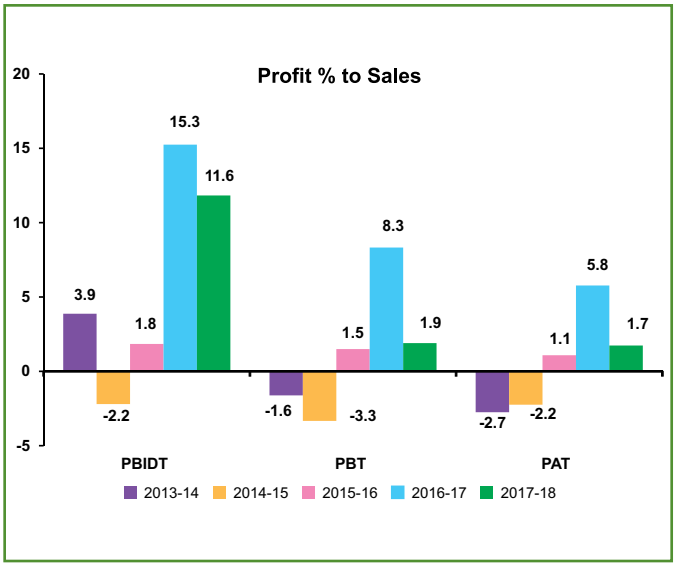


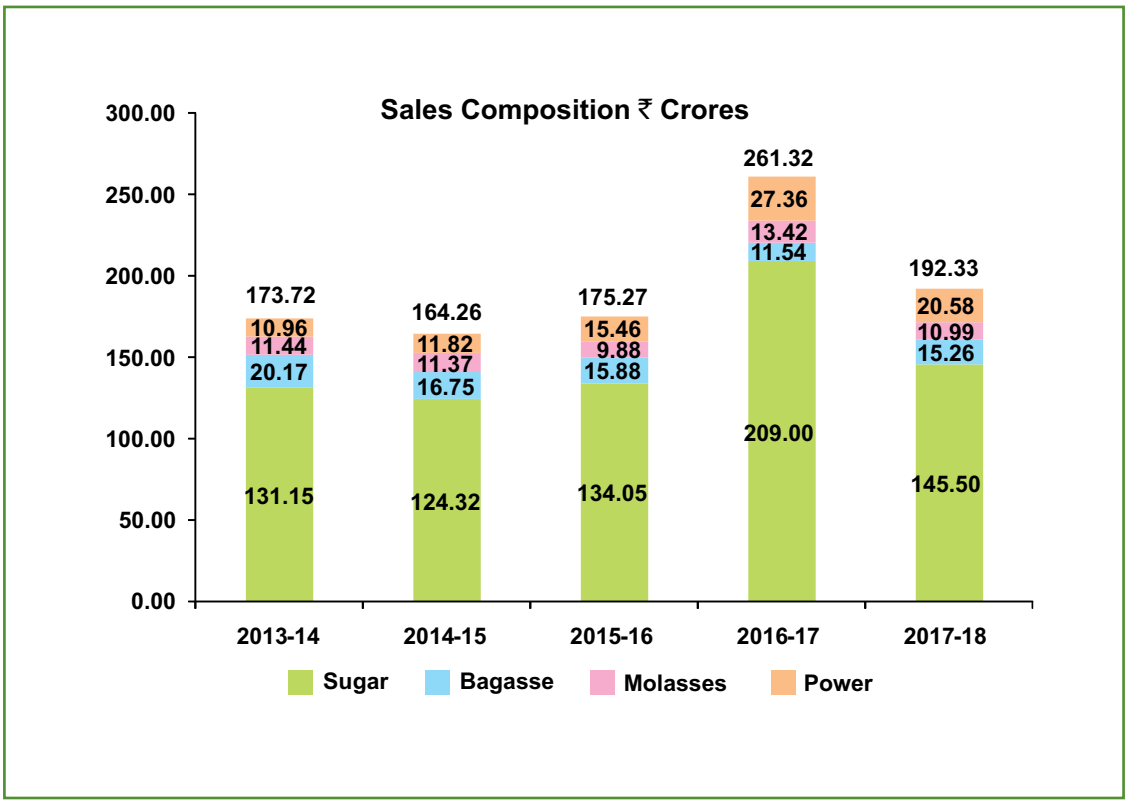


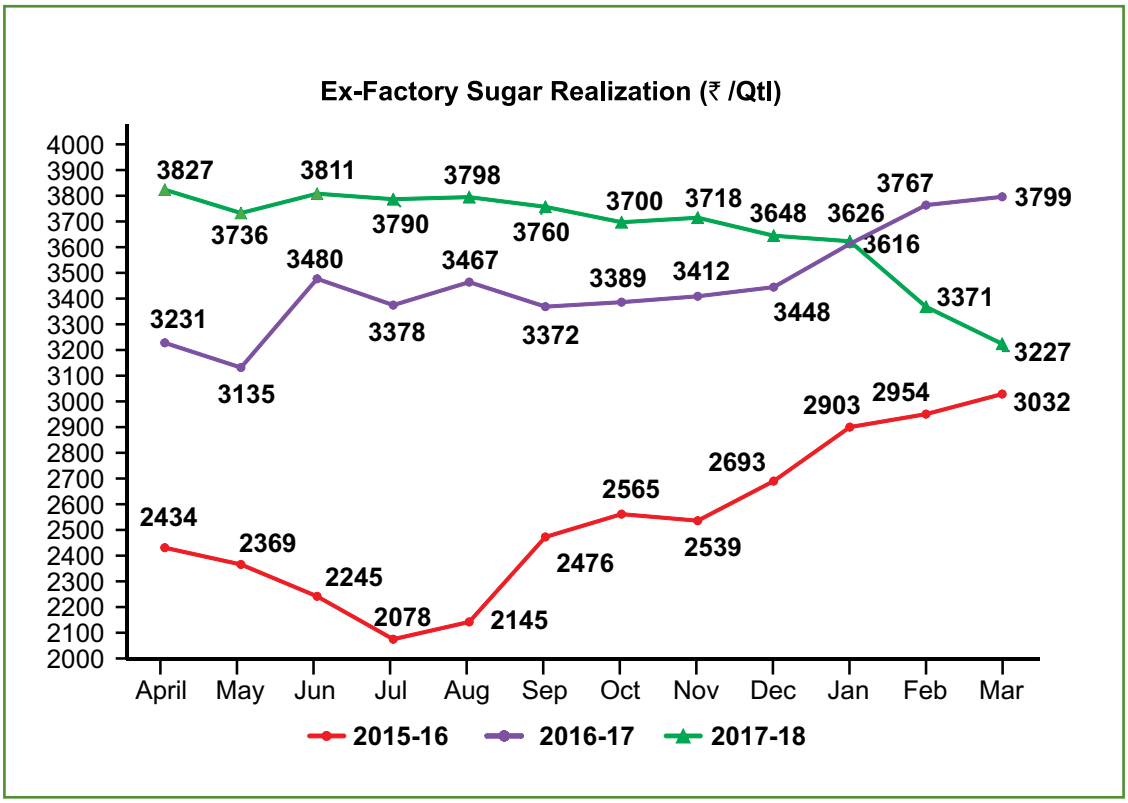


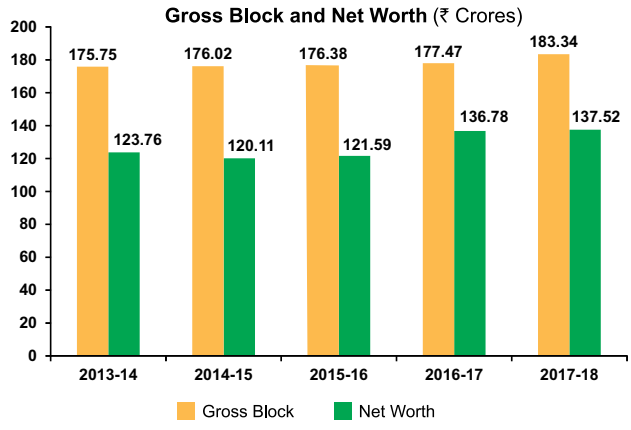


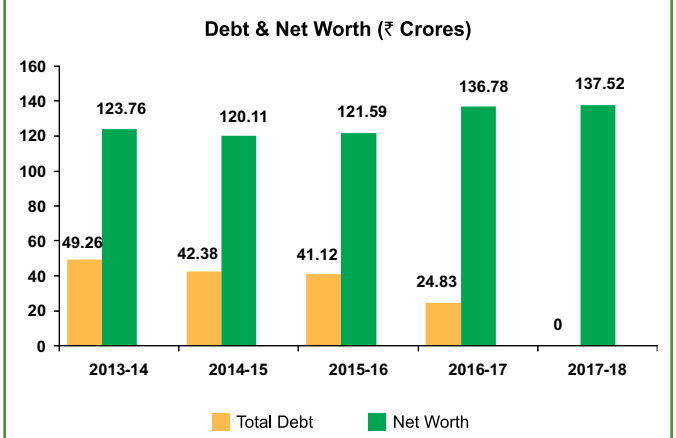


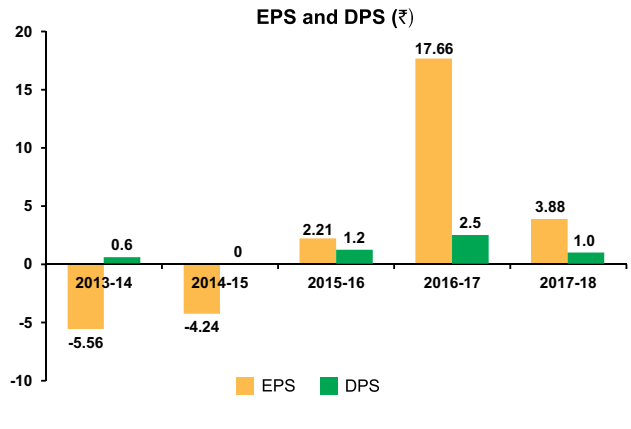


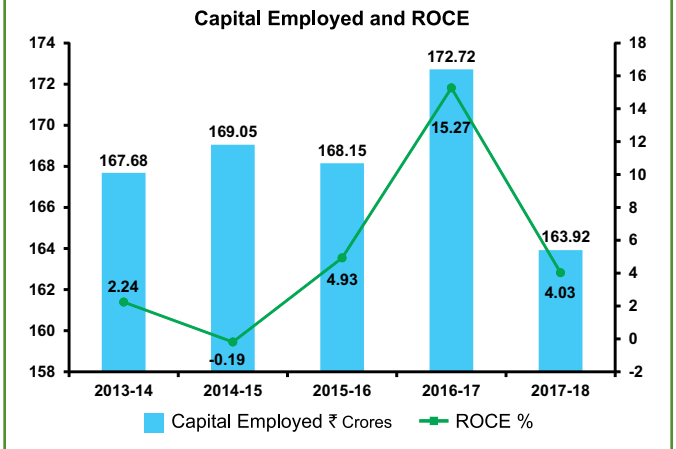

Sales Composition ₹ Crores
300.00
250.00
200.00
150.00
100.00
50.00
0.00
173.72
10.96
11.44
20.17
131.15
164.26
11.82
11.37
16.75
124.32
175.27
15.46
9.88
15.88
134.05
261.32
27.36
13.42
11.54
209.00
192.33
20.58
10.99
15.26
145.50
2013-14
2014-15
2015-16
2016-17
2017-18
Sugar
Bagasse
Molasses
Power

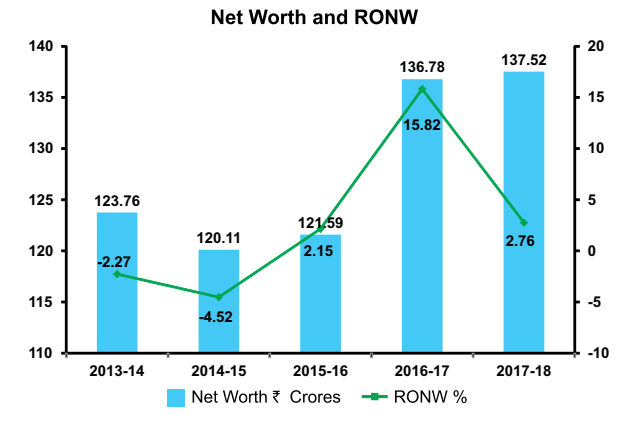

Ex-Factory Sugar Realization (₹ /Qtl)
4000
3900
3800
3700
3600
3500
3400
3300
3200
3100
3000
2900
2800
2700
2600
2500
2400
2300
2200
2100
2000
3827
3736
3811
3790
3798
3760
3700
3718
3648
3626
3767
3616
3799
3371
3227
3231
3135
3480
3378
3467
3372
3389
3412
3448
2434
2369
2245
2078
2145
2476
2565
2539
2693
2903
2954
3032
April
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
2015-16
2016-17
2017-18

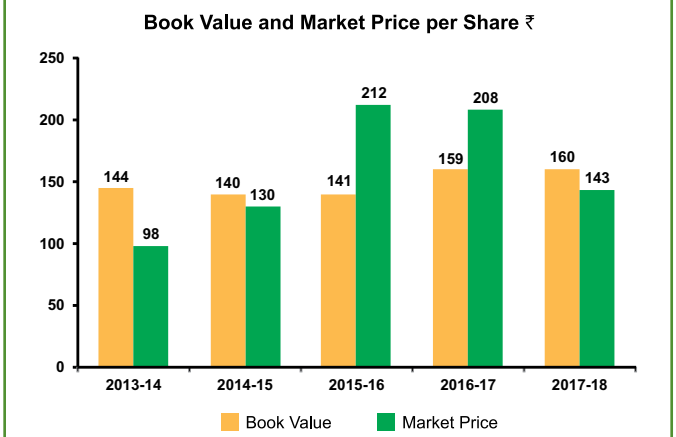

Gross Block and Net Worth (₹ Crores)
200
180
160
140
120
100
80
60
40
20
0
175.75
123.76
176.02
120.11
176.38
121.59
177.47
136.78
183.34
137.52
2013-14
2014-15
2015-16
2016-17
2017-18
Gross Block
Net Worth


Debt & Net Worth (₹ Crores)
160
140
120
100
80
60
40
20
0
49.26
123.76
42.38
120.11
41.12
121.59
24.83
136.78
0
137.52
2013-14
2014-15
2015-16
2016-17
2017-18
Total Debt
Net Worth


EPS and DPS (₹)
20
15
10
5
0
-5
-10
0.6
-5.56
0
-4.24
2.21
1.2
17.66
2.5
3.88
1.0
2013-14
2014-15
2015-16
2016-17
2017-18
EPS
DPS


Capital Employed and ROCE
174
172
170
168
166
164
162
160
158
18
16
14
12
10
8
6
4
2
0
-2
167.68
2.24
169.05
-0.19
168.15
4.93
172.72
15.27
163.92
4.03
2013-14
2014-15
2015-16
2016-17
2017-18
Capital Employed ₹ Crores
ROCE %


Net Worth and RONW
140
135
130
125
120
115
110
20
15
10
5
0
-5
-10
123.76
-2.27
120.11
-4.52
121.59
2.15
136.78
15.82
137.52
2.76
2013-14
2014-15
2015-16
2016-17
2017-18
Net Worth ₹ Crores
RONW %


Book Value and Market Price per Share ₹
250
200
150
100
50
0
144
98
140
130
141
212
159
208
160
143
2013-14
2014-15
2015-16
2016-17
2017-18
Book Value
Market Price

Financial Highlights – Ten Years at a Glance

₹ in Lakhs

For the year	2008-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18
Total Income	15122	28591	27356	27002	21489	17103	16153	17081	25174	19878
Total Expenditure	12763	21154	25546	23730	18561	16429	16511	16758	21189	17607
PBIDT	2359	7437	1810	3272	2928	674	-358	323	3985	2271
Interest	189	179	148	119	358	671	512	587	475	197
Depreciation	297	306	309	329	1161	825	566	564	570	568
Profit before exceptional items	1873	6952	1353	2824	1409	-822	-1436	-828	2940	1506
Exceptional Items	0	1411	-1411	212	193	-541	-893	-1090	776	1126
PBT	1873	5541	2764	2612	1216	-281	-543	262	2164	380
Tax	647	1856	903	833	-695	197	-178	72	645	46
PAT	1226	3685	1861	1779	1911	-478	-365	190	1519	334
EPS (₹)	14.46	42.86	21.64	20.69	22.22	-5.56	-4.24	2.21	17.66	3.88
Cash EPS (₹)	21.02	56.40	14.54	24.18	27.64	0.03	1.81	9.61	31.80	11.03
Dividend %	25	40	20	25	15	6	--	12	25	10
As at year end										
Gross Block	6962	7095	7564	15722	17278	17575	17602	17638	17747	18334
Net Block	4771	4703	4917	12834	13309	13339	12773	12261	11840	11952
Loan Funds	3358	3430	1645	5005	8208	8283	7791	7663	4905	725
Net Worth	4679	7964	9625	11154	12914	12376	12011	12159	13678	13752
Book value per share (₹)	54.42	92.62	111.94	129.72	150.19	143.93	139.69	141.41	159.08	159.94
Share Price at NSE (in ₹)										
High	47.50	188.00	142.80	126.50	415.00	359.45	251.00	248.00	357.05	228.80
Low	20.00	25.05	82.00	71.15	108.00	87.10	100.50	110.90	172.70	141.00

PONNI SUGARS (ERODE) LIMITED

CIN : L15422TN1996PLC037200

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

Phone : 044 3927 9300 Fax : 044 2496 0156 E Mail: admin@ponnisugars.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting of the Company will be held at New Woodlands Hotel Pvt Ltd, 72-75 Dr Radhakrishnan Road, Mylapore, Chennai 600 004 on Wednesday, the 25th July 2018 at 10.30 AM 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 Financial Statements for the year ended 31st March 2018, the Auditors' Report thereon and the Board's report be and are hereby approved 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 ₹ 1 (Rupees one only) per Equity Share for the Financial Year ended 2017-18 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 physical form and to the beneficial owners of shares recorded with the depositories as per details to be furnished by National Securities Depository Ltd/ Central Depository Services (India) Ltd for the purpose, as on Wednesday, the 25th July 2018."

3. Reappointment of retiring Director

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

"RESOLVED that Mr Bimal K Poddar (DIN:0031146), who retires by rotation, be and is hereby reappointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS

4. 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 Regn. No. 000007), for conducting the audit of cost records of the Company, including its Sugar and Cogen segments for the financial year 2018-19 at ₹ 1,00,000 (Rupees one lac only) plus tax and reimbursement of travel and out of pocket expenses incurred for purpose of such audit.

(By Order of the Board)
For **PONNI SUGARS (ERODE) LIMITED**

Chennai
25th May 2018

N Ramanathan
Managing Director

NOTES:

1. Proxy

A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself and such proxy need not be a Member of the company.

Deposit of proxy

Proxies in order to be effective, must be received at the registered office of the Company not later than 24 hours before the meeting.

2. Particulars of Directors

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

3. Book Closure

The Register of Members and the Share Transfer Register will remain closed from Thursday the 19th July 2018 to Wednesday, the 25th July 2018 (both days inclusive).

4. Dividend

Dividend on Declaration will be paid by 31st July 2018.

Members are advised to refer to 'Shareholder information' section of the Corporate Governance Report (Page 39 of the Annual Report) for details on dividend entitlement and payment options.

5. Unpaid Dividend

Unpaid dividend for over 7 years will be transferred to the Investor Education and Protection Fund. Members may refer to Page 40 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 continuous years or more had been transferred to Investor Education and Protection Fund. Members may refer to Page 40 of the Annual Report for additional details.

6. E-Communication

Members are requested to opt for electronic mode of communication and support the Green initiatives of Government.

7. Member identification

Members are requested to bring the attendance slips duly filled and copy of the Annual Report to the meeting.

8. Voting facilities

a) Remote e-Voting

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules 2014, as amended, the company provides facility for its members to exercise their voting right by electronic means and the business set out in the Notice may be transacted through such voting.

b) Voting at AGM

The company also offers the facility for voting through polling paper at the meeting.

c) Voting option

Please note that a shareholder can vote under only any one of the two options mentioned above.

d) Voting instructions

Process and manner of voting containing detailed instructions is given in Appendix-B that forms part of this Notice.

9. Gifts

No gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with the Annual General Meeting in terms of Clause 14 of Secretarial Standard (SS-2) pertaining to distribution of Gifts at Annual General Meeting.

10. Route Map

Route Map showing the location of and directions to reach the venue of the 22nd AGM is attached pursuant to Secretarial Standard 2 on General Meetings.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE

Item No.3

Reappointment of retiring Director

Mr Bimal K Poddar aged 75 years has been associated with our company and erstwhile Ponni Sugars and Chemicals Ltd since 1993. He comes under the promoter category and is a member of Audit Committee.

Mr Bimal K Poddar is a Commerce Graduate and has over five decades of experience in diverse business such as Tea, Explosives, Real estate and Construction. He is widely travelled and has global business exposure. His business acumen and overall managerial insight are considered invaluable and he takes keen interest in the deliberations of our company Board meeting.

Mr Bimal K Poddar retires at this Annual General Meeting and is eligible for reappointment. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018 requires special resolution to be passed for the appointment of a person or his continuance in the directorship of a company from 1st April 2019 if he has attained the age of 75 years. Since the proposed tenure of Mr Bimal K Poddar to retire by rotation would run beyond 1st April'19, it is necessary for the company to pass a special resolution for the current reappointment.

Mr Bimal K Poddar is quite active and alert and in the opinion of the Board he is suitable for being continued as a non-Executive Director of the company despite attaining the age of 75 years. The Board accordingly recommends his reappointment for the consideration of shareholders. Particulars required under Reg 36(3) of the Listing Regulations are given in Appendix A that forms part of this Notice.

Except Mr Bimal K Poddar, no other director or Key Managerial Personnel of the company or their relatives are concerned or interested financially or otherwise, in this business.

Item No.4

Remuneration to Cost Auditor

The Company is engaged in two business segments namely Sugar and Cogen. It has been maintaining cost accounting records and getting them audited under the provisions of the Companies Act, 2013.

While the remuneration for the audit of cost records is determined by the Board of Directors on the recommendations of Audit Committee, it will have to be ratified by the shareholders at the following General Meeting.

The Board of Directors have appointed M/s S Mahadevan & Co., Cost Accountants (Firm Registration No. 000007) for the audit of Cost Records of the company for the financial year 2018-19 pertaining to both Sugar and Cogen segments and determined the remuneration at ₹ 100,000 (Rupees Onc lac only) based on the recommendations of the Audit Committee.

It is now placed for the approval of shareholders in accordance with Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules 2014.

Copies of relevant resolutions of the Audit Committee and Board are available for inspection of the members on any working day of the Company during business hours.

No Director or Key Managerial Personnel of the company or their relatives are concerned or interested financially or otherwise, in this business.

(By Order of the Board)

For **PONNI SUGARS (ERODE) LIMITED**

Chennai
25th May 2018

N Ramanathan
Managing Director