



Ponni Sugars (Erode) Limited



28th
Annual Report

2023-24



Year Scorecard

- ❖ *Drought induced decline in crushing and recovery*
- ❖ *Negatives checkmated through optimized outsourcing and cost efficiencies*
- ❖ *Product prices, besides one-off gains, pumped up PBT*
- ❖ *Marginal uptick in PBT, the second best ever*
- ❖ *PAT skyrocketed to a new peak*
- ❖ *Dividend scaled to all time high*

Directors

N Gopala Ratnam (*Chairman*)
 N Ramanathan (*Managing Director*)
 Arun G Bijur
 Bimal K Poddar (*till 31.03.2024*)
 V Sridar (*till 31.03.2024*)
 Dr Nanditha Krishna (*till 31.03.2024*)
 K Bharathan (*till 31.03.2024*)
 Mohan Verghese Chunkath
 Bharti Chhotubhai Pithawalla
 P Manoharan
 Dr Lakshmi Nadkarni (*from 15.03.2024*)
 Chellamani Naresh (*from 15.03.2024*)

Audit Committee

V Sridar (*Chairman*) (*till 31.03.2024*)
 Bimal K Poddar (*till 31.03.2024*)
 K Bharathan (*till 31.03.2024*)
 Mohan Verghese Chunkath (*Chairman*) (*from 01.04.2024*)
 Chellamani Naresh (*from 01.04.2024*)
 Dr Lakshmi Nadkarni (*from 01.04.2024*)
 Arun G Bijur (*from 01.04.2024*)

Nomination and Remuneration Committee

V Sridar (*Chairman*) (*till 31.03.2024*)
 N Gopala Ratnam
 K Bharathan (*till 31.03.2024*)
 Dr Lakshmi Nadkarni (*Chairman*) (*from 01.04.2024*)
 Mohan Verghese Chunkath (*from 01.04.2024*)

Stakeholders Relationship Committee

N Gopala Ratnam (*Chairman*)
 Arun G Bijur (*till 31.03.2024*)
 N Ramanathan
 V Sridar (*till 31.03.2024*)
 Chellamani Naresh (*from 01.04.2024*)

CSR Committee

N Gopala Ratnam (*Chairman*)
 N Ramanathan
 Dr Nanditha Krishna (*till 31.03.2024*)
 Chellamani Naresh (*from 01.04.2024*)

Chief Financial Officer

K Yokanathan

Company Secretary

R Madhusudhan

Banks

Canara Bank
 IDBI Bank Limited
 HDFC Bank Ltd

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, Komarapalayam (Tk),
 Namakkal District, Tamil Nadu
 Phone: (04288) 247351 to 355
 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

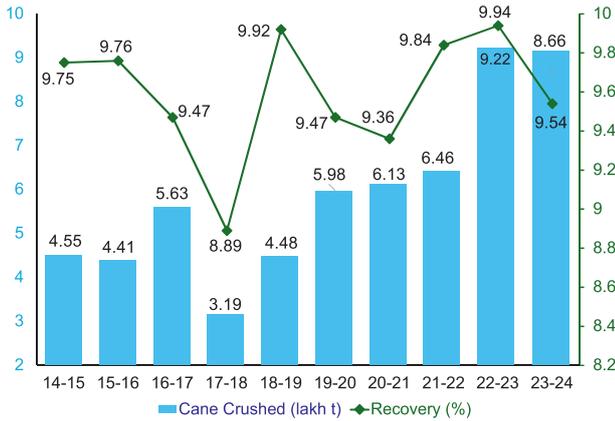
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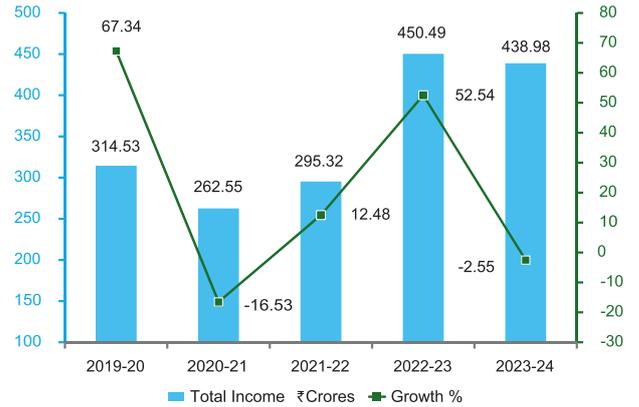


Performance Chart

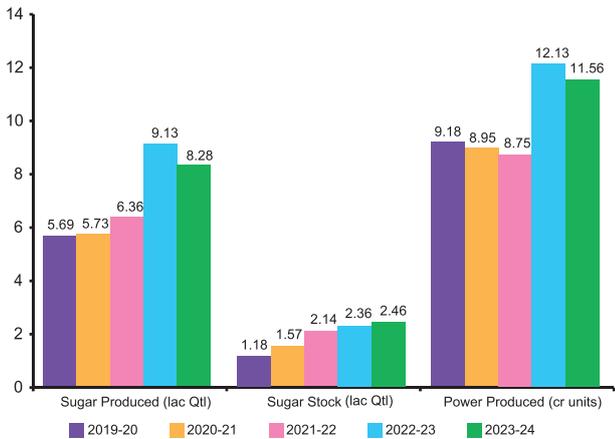
Cane and Recovery



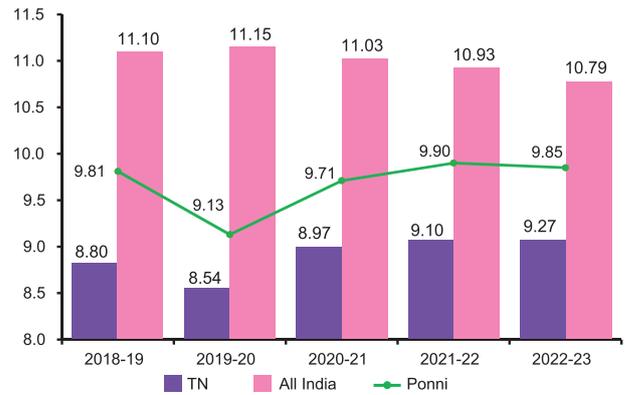
Total Income and Growth



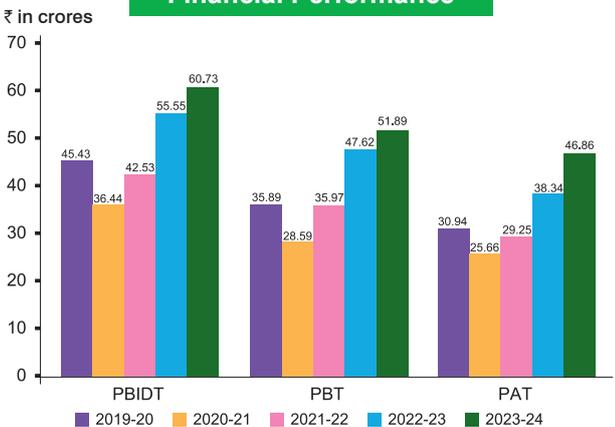
Operating Performance



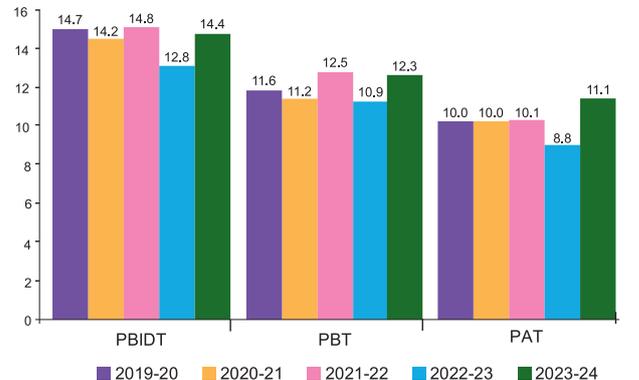
Sugar Recovery % (Season)



Financial Performance

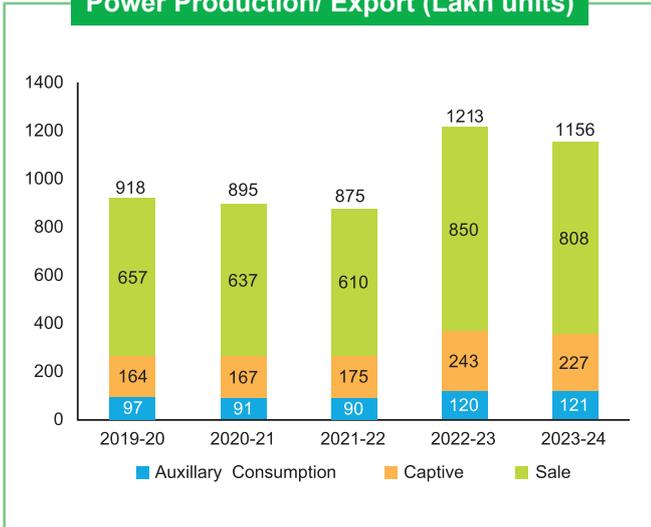


Profit % to Sales

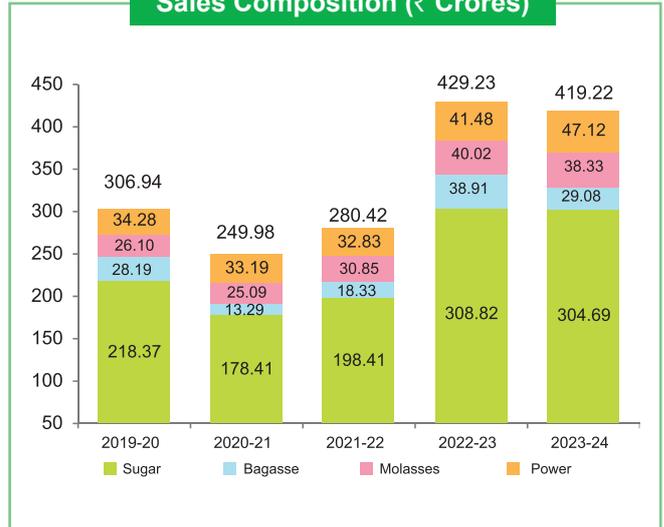


Performance Chart

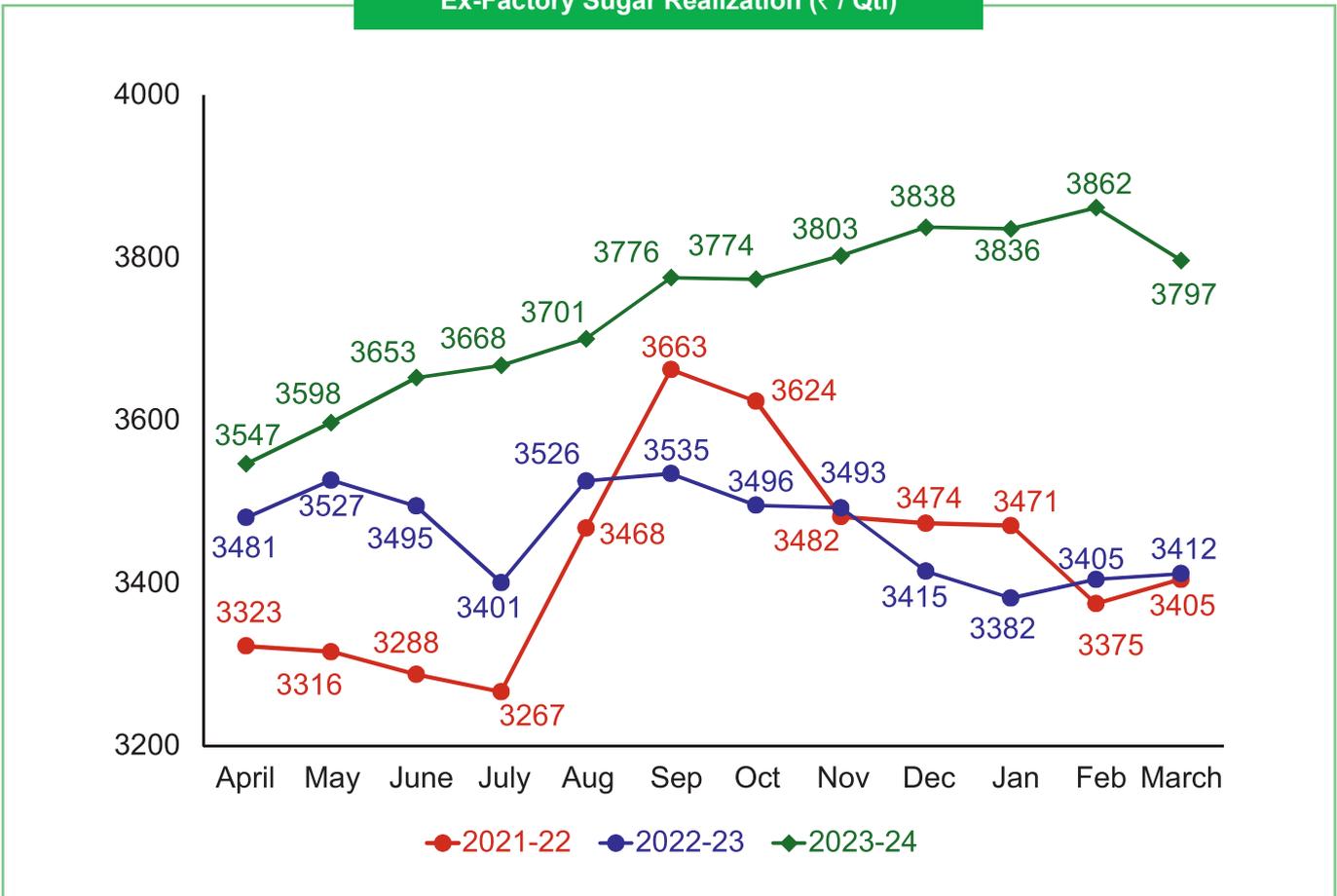
Power Production/ Export (Lakh units)



Sales Composition (₹ Crores)



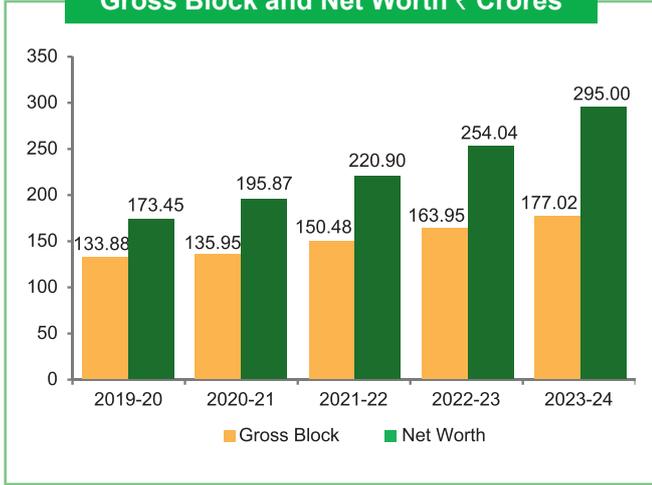
Ex-Factory Sugar Realization (₹ / Qtl)



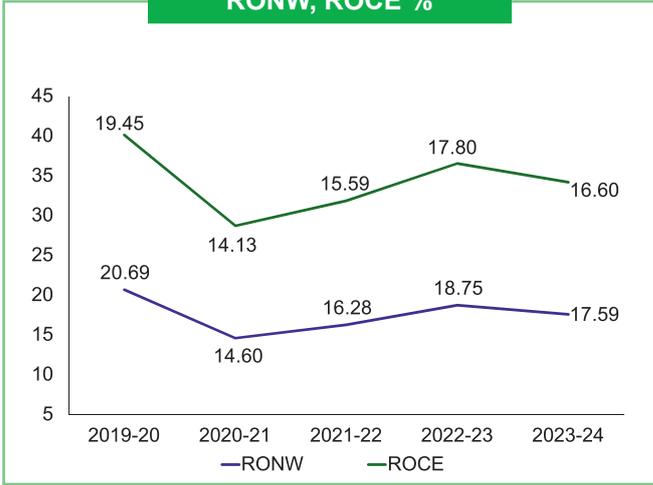


Performance Chart

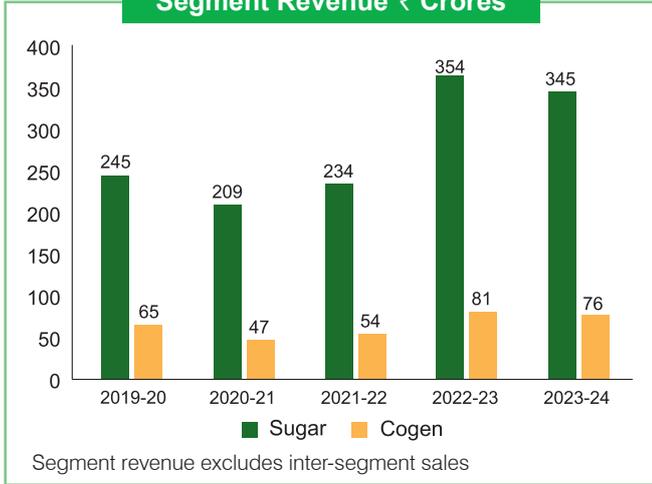
Gross Block and Net Worth ₹ Crores



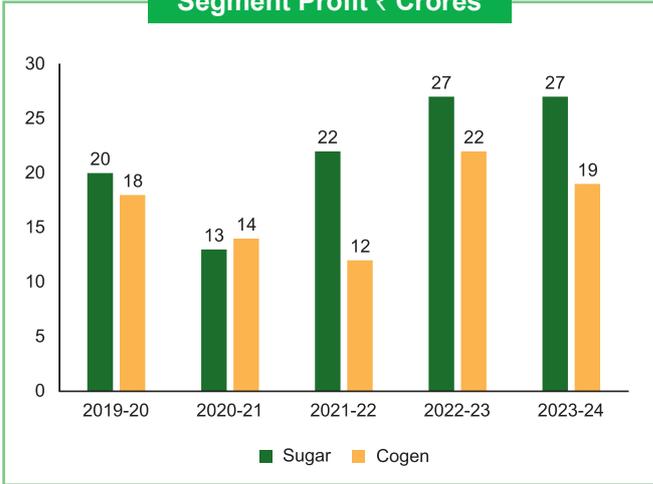
RONW, ROCE %



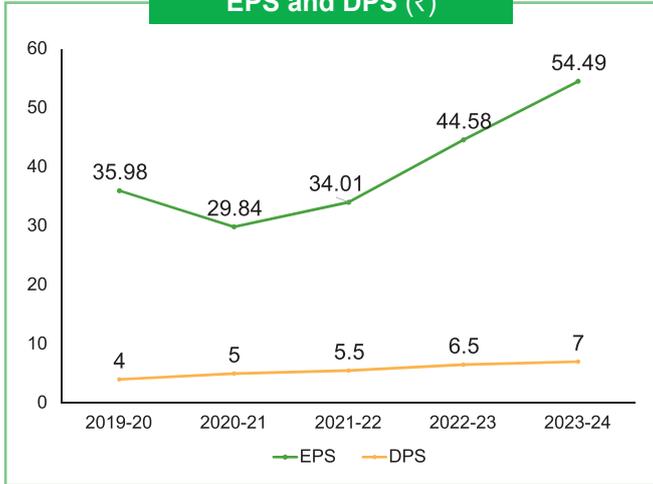
Segment Revenue ₹ Crores



Segment Profit ₹ Crores



EPS and DPS (₹)



Financial Highlights - Ten Years at a Glance

(₹ in Lakhs)

For the year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Total Income	16153	17081	25174	19859	18796	31453	26255	29532	45049	43898
Total Expenditure	16511	16758	21189	17588	16523	26910	22611	25279	39494	37825
PBIDT	-358	323	3985	2271	2273	4543	3644	4253	5555	6073
Interest	512	587	475	197	347	268	54	12	35	13
Depreciation	566	564	570	568	593	739	731	644	758	871
Profit before exceptional items	-1436	-828	2940	1506	1333	3536	2859	3597	4762	5189
Exceptional Items	-893	-1090	776	1126	133	-53	0	0	0	0
PBT	-543	262	2164	380	1200	3589	2859	3597	4762	5189
Tax	-178	72	645	46	357	495	293	672	928	503
PAT	-365	190	1519	334	843	3094	2566	2925	3834	4686
EPS (₹)	-4.24	2.21	17.66	3.88	9.80	35.98	29.84	34.01	44.58	54.49
Cash EPS (₹)	1.81	9.61	31.80	10.49	18.55	44.14	35.93	42.41	54.27	60.06
Dividend %	--	12	25	10	20	40	50	55	65	70
As at year end										
Gross Block	17602	17638	17747	13083	13141	13388	13595	15048	16395	17702
Net Block	12773	12261	11840	11952	11417	10932	10419	11234	11834	12310
Loan Funds	7791	7663	4905	725	3487	2013	0	0	0	0
Net Worth	12011	12159	13678	13752	14496	17345	19587	22090	25404	29500
Book value per share (₹)	139.69	141.41	159.08	159.94	168.59	201.72	227.80	256.91	295.45	343.09
Share Price at NSE (in ₹)										
High	251.00	248.00	357.05	228.80	189.40	182.00	197.00	380.00	581.00	515.20
Low	100.50	110.90	172.70	141.00	102.30	81.00	112.10	145.30	209.50	363.25



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 28th Annual General Meeting of the Company will be held on Wednesday, the 5th June 2024 at 11.00 AM through 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 2024 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 ₹ 7.00 (Rupees Seven only) per Equity Share for the financial year 2023-24 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 the National Securities Depository Ltd/ Central Depository Services (India) Ltd as on Wednesday, the 5th June 2024.”

3. Reappointment of retiring Director

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

“RESOLVED that Mr Arun G Bijur (DIN: 00024434) who retires by rotation, be and is hereby reappointed as a director of the company, liable to retire by rotation.”

SPECIAL BUSINESS

4. Reclassification of the status of Mr Bimal K Poddar from “Promoter” to “Public” category

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

“RESOLVED that pursuant to Regulation 31A and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI-LODR) (including any statutory amendments made thereto), and other applicable laws and regulations if any, and subject to the approval of the stock exchanges (BSE Limited and National Stock Exchange of India Limited), approval of the Shareholders of the Company be and is hereby accorded for the reclassification of the status of Mr Bimal K Poddar from “Promoter” to “Public” category;

RESOLVED FURTHER that the Managing Director and Company Secretary be and are hereby severally authorised to do all acts, deeds and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution, sign applications/ undertakings/ other documents to be submitted to the stock exchange(s).”

5. 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 for the financial year 2024-25 at ₹ 200000 (Rupees two lakh 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
26th April 2024

R Madhusudhan
Company Secretary

NOTES:

1. AGM thro VC/OAVM:

Ministry of Corporate Affairs (“MCA”) vide its Circular dated 25.09.2023 in continuation of its earlier circulars on the subject have allowed companies to hold their Annual General Meeting (“AGM”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) till 30th September 2024.

Accordingly, the 28th AGM of the Company will be held through VC / OAVM (e-AGM) and shareholders can attend and participate in the e-AGM through VC/ OAVM only. The deemed venue of the e-AGM will be registered office of the company.

2. Quorum / Proxy form / Attendance slip

A shareholder entitled to attend and vote at the meeting 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 under Section 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. Particulars of Directors

Particulars of Director seeking reappointment pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI-LODR) is given in Appendix-A that forms part of this Notice.

4. Explanatory Statement / Special Business

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

As per the provisions of Clause 3 A II of the MCA General Circular no 20/2020 dt.5th May 2020 and subsequent circulars, the matters of Special Business as appearing at item Nos.4 &5 of the accompanying Notice, are considered to be unavoidable by the Board and hence form part of this Notice.

5. Book Closure

The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 24th May 2024 to Wednesday, the 5th June 2024 (both days inclusive).



6. Dividend

Dividend on declaration will be paid on or before 12.06.2024 (Wednesday).

Shareholders are advised to refer to 'Shareholder information' section of the Corporate Governance Report (page 59 of the Annual Report) for details on dividend entitlement, payment options, tax on dividend and procedure for claiming tax exemption.

7. Unpaid Dividend

Unpaid Dividend for over 7 years will be transferred to the Investor Education and Protection Fund. Shareholders may refer to page 60 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 60 of the Annual Report for details.

8. Attending e-AGM

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

9. Voting Process

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

10. Mailing of AGM Notice & Annual Report

In deference to extant MCA / SEBI circulars, Notice of AGM and the Annual Report for FY 2023-24 are being sent only by electronic mode to shareholders whose email address is registered either 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 (refer Sl.No.11).

The AGM Notice and Annual Report are available on the websites of the Company www.ponnisugars.com, Stock Exchanges i.e. BSE Ltd www.bseindia.com and National Stock Exchange of India Ltd 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.

11. Procedure for obtaining the Annual Report, AGM Notice and e-Voting instructions by 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.

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. Shareholder can send an email for this purpose to admin@ponnisugars.com.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND REGULATION 17 (1A) OF THE LISTING REGULATIONS FORMING PART OF THE NOTICE.

Item No.3

Reappointment of retiring Director

Mr. Arun G Bijur (DIN:00024434), aged 76 years, is associated with our Company for more than two decades. He retires at this Annual General Meeting and is eligible for reappointment.

Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (SEBI- LODR) requires special resolution to be passed for the appointment or continuance of a person in the directorship of a company, if he has attained the age of 75 years. It is accordingly proposed to pass a special resolution for his reappointment.

Mr. Arun G Bijur is quite active and alert at this age and in the opinion of the Board, he is suitable for being continued as a Director of the Company. Information required under Regulation 36(3) of SEBI-LODR is given in Appendix-A that forms part of this Notice.

Except Mr. Arun G Bijur, no other director or key managerial personnel of the Company or their relatives are concerned or interested financially or otherwise, in this item of business.

The Board recommends the Special Resolution set out in Item No.3 of the Notice for approval of the shareholders.

Item No.4

Reclassification of the status of Mr Bimal K Poddar from “Promoter” to “Public” category

Mr Bimal K Poddar has been a director of the company and classified as ‘Promoter’ for over two decades. He has divested his equity holdings in full and further ceased to be a director of the company from close of 31/03/2024.

The company has received request letter dated 18/04/2024 from Mr Bimal K Poddar seeking reclassification of his status from ‘Promoter’ to ‘Public’ category. Having regard to his advanced age, divestment of equity shares and

exit from the Board, Mr Bimal K Poddar has desired to relinquish his status as ‘Promoter’. Since he would have no direct or indirect role to play towards exercising control over the company’s affairs, he desires to be free of all compliance requirements required of a promoter of a listed entity from time to time.

Mr Bimal K Poddar has furnished requisite undertaking confirming that his application is in due compliance of all the stipulations under Regulation 31A and he meets with the requirements under clause (b) of sub-regulation (3) thereof. Pursuant to this, the Board of Directors of the company at their meeting held on 26/04/2024 analyzed his request and considered the same to be in order. The Board was of the view that having regard to the rationale of his request, it is desirable and appropriate to proceed with the reclassification request. The Board has further satisfied itself that the request for reclassification meets with the conditions spelt out in Regulation 31A of SEBI-LODR.

In view of the above, the Board recommends the request of Mr Bimal K Poddar for reclassification of his status from ‘Promoter’ to ‘Public’ category for the approval of shareholders by ordinary resolution.

The company has already submitted the request letter received from Mr Bimal K Poddar and the extract of the minutes of Board meeting on the subject to the Stock Exchanges. Copy of these documents are available on its website www.ponnisugars.com as well as the website of the Stock Exchanges, besides being available for inspection by shareholders in electronic mode. Shareholders may send an e-mail request for this to investor@ponnisugars.com.

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



The Board recommends the Ordinary Resolution set out in Item No.4 of the Notice for approval of the shareholders.

Item No.5

Remuneration to Cost Auditor

The Company is engaged in two business segments namely Sugar and Co-generation. It maintains cost accounting records and get them audited under the provisions of the Companies Act, 2013 (the Act).

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 2024-25 pertaining to both Sugar and Cogen segments and approved the remuneration at ₹ 2,00,000/- (Rupees two lakh only), based on the recommendation of the Audit Committee.

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

No director or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in this item of business.

The Board recommends the Ordinary Resolution set out in Item No.5 of the Notice for ratification of the shareholders.

(By Order of the Board)

For PONNI SUGARS (ERODE) LIMITED

Chennai
26th April 2024

R Madhusudhan
Company Secretary

Appendix 'A'

Details of the Directors seeking reappointment at the 28th Annual General Meeting

[Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings]

Name of Director seeking re-appointment	Mr Arun G Bijur
DIN	00024434
Date of Birth / (Age)	11.04.1948 (76)
Qualification	B.Tech (Chemical Engineering)
Experience & Expertise	Technocrat with proven experience in project management skills and troubleshooting expertise. Has overall managerial experience in successfully steering SPB Projects & Consultancy Limited for over 3 decades
Terms & conditions of re-appointment	He is proposed to be reappointed as non-independent and non-executive director liable to retire by rotation
Remuneration proposed to be paid	Sitting fee and commission as decided by Board within the ceiling approved by shareholders
Remuneration last drawn (FY 23-24)	Sitting fee: ₹ 1.20 Lakhs Commission: ₹ 4 lakhs
Date of first appointment on the Board	26.12.1996
Shareholding in the company	100 Equity Shares
Relationship with other directors, manager and key managerial personnel	Nil
Number of Board meetings attended during the year	5 (100%)
Other Directorships	Chairman: SPB Projects & Consultancy Limited Director: Esvi International (Engineers & Exporters) Limited
Memberships / Chairmanship of Committees in other companies	Nil
Resignation of directorships from listed entities during past three years	Nil



Procedure for participation in the 28th AGM through VC/ OAVM

1. The Company has engaged CDSL to provide VC/ OAVM facility to its shareholders for participation in the e-AGM.
2. Shareholders will be able to attend the e-AGM by using their e-Voting login credentials.
3. Facility to join the meeting will open 30 minutes before the scheduled time of the e-AGM and will be kept open throughout the proceedings of the e-AGM.
4. Shareholders desiring to express their views/ ask questions during the meeting may register themselves as a speaker. Request for this may be made to admin@ponnisugars.com on or before Saturday the 1st June 2024 (5.00 PM).
5. Only those shareholders who have registered themselves as a speaker will be allowed to express their views or ask questions at the e-AGM. The company reserves the right to restrict the number of questions and number of speakers depending upon the availability of time for conduct of the e-AGM.
6. Shareholders who do not wish to speak during the AGM but have queries or views may send the same in advance to the company in the same manner stated above. Their queries will be replied suitably by the company through email.
7. Shareholders are advised to quote their Name, DP ID-Client ID and Folio No. in all their communications.
8. Recorded transcript of the e-AGM will be uploaded on the website of the Company as soon as possible.

Help Center

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL or in physical mode	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no.1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022- 4886 7000 and 022-.2499 7000.

You may also refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under 'help' section.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

Appendix 'C'

Voting Process & Instructions

A) Remote e-Voting Facility

1. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, the company is pleased to provide to its shareholders the facility to exercise their right to vote at the 28th Annual General Meeting (AGM) on resolutions proposed to be considered thereat by electronic means. For this purpose, "remote e-Voting" facility is offered whereby a shareholder can cast his vote using an electronic system from a place of his choice.
2. The Remote e-Voting facility is offered through e-Voting services provided by Central Depository Services (India) Limited (CDSL).
3. Remote e-Voting commences on Saturday, the 1st June 2024 (10.30 AM) and ends on Tuesday, the 4th June 2024 (5.00 PM). The e-Voting portal will thereupon be blocked by CDSL.

(B) Login for Remote e-Voting / joining the meeting

I Demat Holders

1. Pursuant to SEBI Circular No. SEBI/HO/CFD/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 and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access 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-voting Service Providers (ESPs).
3. Pursuant to said SEBI Circular, Login for e-Voting and joining virtual meetings for shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 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/myeasitoken/home/login or www.cdslindia.com. Then click on Login icon and select New System Myeasi. 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. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration or https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link available on 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 e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.



Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility – <ol style="list-style-type: none"> (a) Please visit the e-Services website of NSDL https://eservices.nsdl.com (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. (c) Enter your User ID and Password. (d) After successful authentication, you will see e-Voting services. (e) Click on “Access to e-Voting” under e-Voting services and you will see e-Voting page. (f) Click on company name or e-Voting service provider name. (g) You will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 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 3) Alternatively, the user can directly visit the e-Voting website of NSDL https://www.evoting.nsdl.com/. <ol style="list-style-type: none"> (a) Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. (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. (c) After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. (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 or joining virtual meeting and e-voting.
<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 or joining virtual meeting & voting during the meeting.

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

5. Registration of e-mail with DPs

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

1. *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), AADHAAR (self-attested scanned copy of Aadhaar card) by email to Company/RTA email id.
2. *For Demat shareholders* - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. *For Individual Demat shareholders* – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

II. Login method for e-voting and joining virtual meeting for Physical shareholders & 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 - :
 - I. For CDSL: 16 digits beneficiary ID,
 - II. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - III. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6. 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) * 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. 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.

7. After entering these details appropriately, click on “SUBMIT” tab.
8. 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 also to be 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.
9. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (i) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
 - (ii) 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.



- (iii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (iv) 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.
- (v) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (vi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (vii) 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 & enter the details as prompted by the system.

(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, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(D) Voting at e-AGM

1. Shareholders who could not vote through remote e-voting may avail the e-voting system provided at the e-AGM by CDSL. The procedure is the same as mentioned for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If a shareholder cast his vote in the e-AGM without being present, his vote will be treated as invalid.
4. In case of joint holders attending the meeting, only the joint holder who is higher in the order of names will be entitled to vote at the e-AGM.
5. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

(E) General Instructions

1. The cut-off date for the purpose of e-voting has been fixed as Wednesday, the 29th May 2024. Shareholders holding shares as on this date alone are entitled to vote under either mode.
2. In case of persons who have acquired shares and become shareholders of the company after the dispatch of AGM Notice and holding shares as on cut-off date, the company would be mailing the 28th Annual Report for 2023-24 to their registered email address as and when they become shareholders. They may follow the same procedure for voting.
3. Voting rights of shareholders shall be in proportion to their shareholding in the company as on the cut-off date of Wednesday, 29th May 2024.
4. In case a shareholder by inadvertence or otherwise has voted under both options, his voting by Remote e-Voting only will be considered.
5. Mr A S Kalyanaraman, Practicing Chartered Accountant (Membership No. 201149) failing him

Mr N Basker, Practicing Chartered Accountant (Membership No. 207226) have been appointed as the Scrutinizer.

6. The Scrutinizer will after the conclusion of voting at the e-AGM:

- (i) First unblock and count the votes cast at the e-AGM through e-voting.
- (ii) Then unblock the votes cast through Remote e-Voting.
- (iii) Both the above will be done in the presence of two witnesses not in the employment of the company.
- (iv) Make a consolidated Scrutinizer's report (integrating the votes cast at the meeting & through Remote e-Voting) of the total votes cast in favour or against, to the Chairman.

- (v) The Scrutinizer's report as above would be made soon after the conclusion of e-AGM and in any event not later than three days from the conclusion of the meeting.

7. Voting Results

- i) The Chairman or a person authorised by him in writing will authenticate the result of the voting based on the Scrutinizer's report and have it declared.
- (ii) The results declared along with the scrutinizer's report will be placed on the company's website www.ponnisugars.com and on the website of CDSL www.evotingindia.com immediately after the result is declared and also communicated to NSE and BSE.
- (iii) Subject to receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of e-AGM.

Request to Shareholders

The Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014 requires the Company to keep the Register of Members in Form No. MGT-1. As compared to the Register of Members under the old Act, the new Law calls for certain additional information to be recorded. In order that the Company is facilitated to comply with same, shareholders are requested to send the following information for updating their records in our Register of Members:

- i) Name of the member
- ii) Folio/ DP ID - Client ID
- iii) Email address
- iv) Permanent Account Number (PAN)
- v) CIN (in the case of company)
- vi) Unique Identification Number
- vii) Father/ Mother/ Spouse name
- viii) Occupation
- ix) Status
- x) Nationality
- xi) In case of minor, name of guardian and date of birth of minor
- xii) Instructions, if any for sending Notice etc.

For shareholders holding shares in physical form

As an ongoing measure to enhance the ease of doing business for investment, SEBI vide its circular dated 03.11.2021 has prescribed common and simplified forms for processing any service requests. Accordingly, it is mandatory for holders of physical securities to furnish PAN, KYC details and nomination.

A communication by our RTA was despatched to holders of physical securities on 09.02.2022 and a reminder on 12.05.2023. Forms prescribed by SEBI have also been uploaded in the Company's website. Shareholders are requested to send the relevant details immediately so as to avail any services from RTA.

**BOARD'S REPORT**

Your Board is pleased to present its 28th Annual Report and the audited financial statements for FY 2023-24.

	2023-24	2022-23
Physical Performance		
Cane crushed (tonnes)	865640	921849
Sugar recovery (%)	9.54	9.94
Sugar produced (tonnes)	82845	91326
Power produced (lakh kwh)	1156	1213
Financial Performance (₹ crores)		
Total Income	439	450
Profit Before Interest, Depreciation & Tax	61	56
Profit Before Tax	52	48
Profit After Tax	47	38

Dividend

Your Board has recommended a dividend of ₹ 7.00/- (Rupees Seven only) per equity share of ₹ 10 each for the financial year ended 31st March 2024, subject to the approval of shareholders at the ensuing Annual General Meeting.

Transfer to General Reserves

Your Board has proposed to transfer ₹ 25 crores to General Reserve.

Company performance

The company suffered a double whammy during the year with the frustrating failure of both south-west and north-east monsoon. The resultant water stress in our command area brought forth catenae of challenges to our core operations principally by way of detestable decline in cane yield and formidable fall in sucrose content. Farmers were loath to plant fresh cane and scurrying to supplant ratoon cane with short duration crops fearing imminent irrigation challenge. Further, we were forced to draw immature cane to bail out our farmers from impending total crop perishal that caused concomitant loss in sugar recovery. The company however double

downed its efforts to mobilise additional cane from unregistered sources in and around its command area that helped largely to contain, though not convincingly combat, the overarching cane shortage.

As a result, our cane crushing after showcasing five successive years of ascendance in a clear departure descended this time. Alongside, our sugar recovery though unarguably one of the best amongst the peer group was down by 40 bps YoY. Together, these two factors pushed down our sugar production for the year by near 10%. Our sale volume too crippled in the last quarter owing to low monthly sale quota that came applicable to us from Jan '24. Amidst all round adversities severely challenging operating environment, our financial performance was boosted by buoyancy in sugar and molasses prices, higher power tariff and lower cost of fuel.

World markets currently rule at a premium over domestic prices. The company however is constrained from riding on this export boom due to virtual ban on sugar exports clamped since Oct '22. Despite domestic production shoring up from the subdued initial estimates and thereby creating exportable surplus, the Govt is reluctant to reopen the export window opting for extra, if not extreme, caution. Further, the MSP for sugar last fixed at ₹ 31/ kg in Feb '19 remains stagnant, defying the covert intent and overt provision in the Sugar Control Order to link MSP of sugar to FRP of cane. This is a clear dampener to market sentiment. Sugar stock build up is further sought to be ensured by the Govt limiting diversion of sugar for ethanol. No doubt, sugar prices have improved from their rock bottom but there is dire need to facilitate further meaningful increase thereof to avert negative cash flows for sugar mills and consequent build-up of cane price arrears.

The company reached wage settlement covering 4 sugar seasons from Oct '22 and further paid goodwill amount for the preceding 4 sugar seasons. Excess provision of ₹ 274 lacs made in earlier years was consequently reversed during the year.

Cogen operations

Power tariff increase has finally been granted for the period from 28/12/23 to 31/03/25 by TNERC. It has come after a delay of 21 months. More painfully, the legitimate increase due during the long interregnum has been forcibly forfeited for no fault of power producers. Undue delay in revising the tariff and ultimate denial of the differential tariff for the period of prolonged delay strikes at the very root of cost plus model consciously adopted by the policy makers as tariff setting principle. All our appeals before APTEL covering tariff orders since 2012 are now being taken up for hearing and the company keenly looks to early resolution of key pricing issues involved in tariff determination.

The late payment surcharge rules announced in June 2022 whereunder accumulated past dues were made payable over 48 EMIs free of interest brought considerable stress to our liquidity and strained our margin. No doubt, the company since then has started receiving both past and current dues on time, a pyrrhic victory.

The company has produced power in excess of PLF both during the last and current year. Under extant tariff regulations, such excess power qualified for a discounted price covering only the variable cost plus a measly incentive, ignoring in total the fixed cost component. The company through SISMA-TN had petitioned TNERC to reckon PLF on a cumulative basis, as opposed to annual basis. This is meant to set off the huge shortage in power generation suffered during drought times before PLF restrictions could kick in. The Hon'ble Commission was pleased to consider the merit and rationale of our plea and granted requisite relief. This has bolstered our top-line and bottom-line for the year by ₹ 4.64 crores.

Financial results

The company continues to lay stress on optimising costs and improving in-house efficiency. Braving headwinds, it has managed to sustain and marginally surpass last year's high PBT – a no mean achievement under extant hostile external environment.

The Tax Department initiated proceedings during the year to give effect to the order of the High Court of Madras to allow depreciation entitlement on the fair value of assets of the Erode sugar mill transferred under the Scheme

of Arrangement. Consequently, the company has reassessed tax provision since 01/04/1999 and excess provision of ₹ 597 lacs has been reversed in the current year. This has helped our PAT to sky-rocket to an all-time high this year.

Projects

The company has successfully implemented both phases of 'energy efficiency project' on a capital outlay of ₹ 16 crores and the benefits have started accruing. Its ethanol project however could not secure requisite environment clearance for production of allied products namely, ENA and RS and has hence been shelved for now.

Legal cases on sugar and sugarcane control

The High Court of Madras in June 2023 held in clear and unequivocal terms that State Advised Price (SAP) is only recommendatory in Tamil Nadu. Hence it is not legally binding for sugar seasons till 2018 when the State for the first time enacted a Law for this purpose. This at once has put paid to recurring controversies clouding the cane price arena. Taking note of this, another PIL petition for enforcing SAP payment too got dismissed by the Division Bench of Madras High Court in Feb '24.

As regards additional cane price under Clause 5-A of the Sugarcane Control Order, the High Court of Madras in Oct '23 dismissed the writ appeal of SISMA-TN. The industry thereupon took a collective call that it may no longer be desirable to continue the legal fight. Instead, it consciously opted to furnish requisite data to the Commissioner of Sugar, underpinning its contractual right to adjust advances cumulatively paid to individual farmers against final liability, if any. Our company carries adequate provision for this in its books.

Many TN sugar mills, including our company, had challenged in the High Court of Madras the monthly sale quota determination by the Central Govt introduced since 2018. We could in turn sell additional sugar on the strength of interim order of the Court that hugely helped our company during times of liquidity stress to clear cane dues. This writ petition has since got dismissed in Jan '24. Weighed by current liquidity strength, the company decided to forbear from further legal recourse and abide by MSQ orders. While MSQ impost has dented our sale volume for now, its impact would pan out overtime.



Outlook for FY 2024/25

The financial year 2024/ 25 has started on a prodigiously challenging note with a steep decline in standing cane portending stunted capacity use in the offing. It is however heart-warming that monsoon forecast, both by IMD and the other private player, has been reassuring with El Nino transcending to La Nina promising copious rains this year. Assuming normalcy in monsoon, the company looks to regain some lost cane area; nonetheless it is too late to bet on a full recovery. Accordingly, the company expects 10-15% decline in its sugar production for FY 2024/25 with its knock on effect on power production and export.

With improved production prospects for the country's sugar production, the Govt can be expected to roll back its restrictions on the export and ethanol front. Sugar prices are predicted to stay positive, while the highest increase in FRP this time in 11 years would ineluctably escalate our cane cost.

One off gains such as power tariff differential and reversal of past provisions boosting this year's bottom-line would obviously not repeat next year. In overall reckoning, the company expects a correction and climb down in its profit for FY 2024/ 25 from the current peak; yet, on a normative scale our financial performance may be expected to pan out reasonably satisfactory.

Management Discussion and Analysis Report

A detailed discussion on the industry structure (dealing with world sugar and Indian sugar) as well as on the financial and operational performance of the company is contained in the 'Management Discussion and Analysis Report' that forms an integral part of this Report (**Annx-1**).

Corporate Governance

Pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI-LODR), Corporate Governance Report together with the certificate from the company's auditors confirming the compliance of conditions of Corporate Governance is given in **Annx-2**. The Corporate Governance Report also includes contents and disclosures required under Section 134(3) of the Companies Act, 2013 at relevant places that forms an integral part of this report.

Disclosures / Confirmation

In deference to Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, disclosures / confirmation are made as below:

(i) Annual Return

A copy of annual return for FY 2022-23 has been placed on the website of the company www.ponnisugars.com and it will be done for FY 2023-24 after conclusion of the 28th AGM.

(ii) Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013 (the Act) with respect to the Directors Responsibility Statement, your Board confirms that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- (b) the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the company and that said internal financial controls are adequate and were operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

(iii) Particulars of Loans, Guarantees or Investments

The company did not give any Loan or Guarantee or provide any security or make investment covered under Section 186 of the Companies Act, 2013 during the year.

(iv) Particulars of contracts or arrangements with Related Party

The Corporate Governance Report contains relevant details on the nature of Related Party Transactions (RPTs) and the policy formulated by the Board on Material RPTs.

Particulars of contracts or arrangements with related parties referred in Section 188(1) of the Companies Act, 2013 is furnished in accordance with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is given in **Annx-3**.

(v) Material changes and commitments

There is no change in the nature of business of the company during the year.

There is no material change or commitment affecting the financial position of the company that has occurred since 31st March 2024 to the date of this report.

(vi) Conservation of Energy etc.

Information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in **Annx-4**.

(vii) Corporate Social Responsibility (CSR)

The company is covered under the mandate of Section 135 of the Companies Act, 2013 for FY 2023-24. The CSR report in the prescribed form as amended is given in **Annx-5** that forms part of this report.

(viii) Public deposit

The company does not accept public deposits and there is no amount outstanding at the beginning or end of the year.

(ix) Adverse orders

No significant or material order has been passed by the regulators or courts or tribunals impacting the going concern status of the company and the company's operations in future.

(x) Adequacy of Internal Financial Control with reference to financial statements

- (1) The company maintains all its records in ERP system developed in-house and the work flow and approvals are routed through this system.
- (2) The company has laid down adequate systems and well drawn procedures for ensuring internal financial controls. It has appointed an external audit firm as internal auditors for periodically checking and monitoring the internal control measures.
- (3) Internal auditors are present at the Audit Committee meetings where internal audit reports are discussed alongside of management comments and the final observation of the internal auditor.
- (4) The Board of Directors have adopted various policies like Related Party Transactions Policy and Whistle Blower Policy and put in place budgetary control and monitoring measures for ensuring the orderly and efficient conduct of the business of the company, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

(xi) Insolvency and Bankruptcy Code, 2016

No application has been made or proceeding pending under the Insolvency and Bankruptcy Code 2016 in respect of the company.

(xii) Valuation difference

The company has not done any one time settlement with Banks or Financial Institutions

(xiii) Particulars of Employees

The Statement of Disclosure of Remuneration under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annx-6** to this Report.

Directors and KMPs

Mr.Arun G Bijur (DIN:00024434) retires by rotation at the ensuing 28th Annual General Meeting and being eligible, offers himself for reappointment that would be through Special Resolution. Due disclosure and rationale for his reappointment are furnished in the statement pursuant to Section 102(1) of the Companies Act, 2013 attached to the AGM Notice.



Mr V Sridar (DIN:02241339), Mr K Bharathan (DIN:00210433) and Dr.Nanditha Krishna (DIN:00906944) as independent directors of the Company completed their second term of office and ceased to be directors of the company from close of 31st March 2024. They were associated with the company for well over a decade. The Board places on record their valued contribution to the company's growth and governance.

Consequent to Board reorganisation, Mr Bimal K Poddar (DIN:00031146), non-executive & non-independent director, who is due for retirement at the ensuing Annual General Meeting of the company by rotation has resigned and ceased to be a director effective from close of 31-03-2024. He was associated with the company for close to three decades. The Board places on record his business acumen and valued contribution to the company's growth and governance. His reclassification from promoter to public category is placed for shareholder approval at this AGM.

Dr.Lakshmi Nadkarni (DIN:07076164) and Mr. Chellamani Naresh (DIN:10474276) were appointed as independent directors of the company for the fixed tenure of five years from 15.03.2024 to 14.03.2029 by special resolution passed through postal ballot by the shareholders on 12.03.2024.

Auditors

M/s S Viswanathan LLP (Firm Regn.No.004770S/S200025) were appointed as statutory auditors for the second term of five years in the 26th AGM held on 20.07.2022. Accordingly, their term will expire at the conclusion of the 31st AGM.

Particulars of statutory auditors, cost auditors, internal auditors and the secretarial auditors have been given in the Corporate Governance Report that forms an integral part of this report. Secretarial Audit Report as required by Section 204(1) of the Companies Act, 2013 is attached **(Annx-7)**.

Acknowledgment

We convey our sincere appreciation and thanks to the Central Government, Government of Tamil Nadu, Banks, customers and suppliers for their understanding and support. We thank our extended family of sugarcane farmers who have been the backbone of our backward integration and bedrock of sustainability.

Your company's creditable results are convincingly due to the committed contribution of its employees in all ranks. The Board, above all, would like to thank our valued shareholders for their persistent patronage.

For Board of Directors

N Gopala Ratnam

Chairman

DIN:00001945

Chennai

26th April 2024

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure and development

World Sugar

Industry Structure

Sugar is produced dominantly from sugarcane, while about a fifth is from beet. Though beet has recorded robust rise in yield, crop area has steeply risen for sugarcane essentially from tropical countries. Ethanol production consumes about 15% of the world sugarcane harvest but consistently constitutes over one-half in Brazil. India is fast catching up in its bid to absorb surplus sugarcane into ethanol production that helps in concomitant cut in sugar production to achieve sustainable demand-supply parity.

Brazil barring few years of exception has been the top world sugar producer and exporter while Thailand is normally the second largest exporter. India occasionally challenges this pecking order to emerge as top producer and second largest exporter. World trade volume represents about one-third of production, the rest being used for captive consumption in the country of origin. Import demand is well geographically distributed as opposed to exports essentially coming from concentrated pockets. China is the world's largest importer followed by Indonesia.

India remains unchallenged as the top consumer of sugar despite low and near static per capita consumption. It has become a structurally surplus sugar producer in the past decade and a regular exporter in the world market, albeit interfered with periodical export quota fixation by the Government.

Consumption growth has decelerated from the average of 2.4% since 1960s to around 1.8% in the last decade. Consumption has steadily shifted from the western hemisphere towards east. Demand growth is decidedly driven by increasing population and improved per capita income of such growing population. However, direct

demand has dampened of late due to heightening health concerns and sterner State intervention through sin-tax levy and red-labelling mandate. Institutional consumption, on the other hand, has been growing in emerging economies almost in tandem with the growth in national income. Specialty sugars are evolving to meet end-user specific dictates but in snail's pace.

World sugar prices are highly volatile wherein the price volatility for raw sugar is generally higher compared to white sugar. World prices for white and raw sugar are strongly co-related. There is clear statistical inverse relationship between prices and stocks, expressed by the ratio of stock to consumption. There exists a small positive co-relation between the price of sugar and oil.

Status update

World production in 2023/24 is expected to reach 180 MMT, the third highest on record and within a striking distance from 2017/18. Recent production trend is in the mid 12% range of 160-190 MMT. Consumption in 2023/ 24 would however peak to a new high of 180 MMT. Global sugar consumption has continued to grow even in the face of high prices but for the aberration during Covid times. This trend should continue to persist alongside population and income growth requiring commensurate growth in sugar production.

With strong growth stemming from better yield and higher percentage of cane mix for sugar, Brazil reinforced its rank as top sugar producer for the second year in a row. Thailand however has been witnessing a declining trend with farmers increasingly switching over to more remunerative crops ie. rice and cassava. Indian production remains relatively range bound.

World raw prices after remaining flat between 2017/18 and 2019/20 are in a clear course of consistent and considerable climb up in the next three years barring intermittent corrections. Indeed, the market melted 700 points within 7-weeks (from 28.14 c/lb high on 7th Nov



'23 to 21.6 c/lb low on 14th Dec '23), a fall of almost 26% that had not occurred since the Covid-19 pandemic. The average price for 2023/24 (Oct-Feb) at 23.67 c/lb is a 13-year high. Current prices are range bound between 20 and 22 c/lb, nowhere to challenge 2021 season average of 26.53 c/lb. It is however baffling, the recent price trend hasn't translated to higher crop response.

The nominal white sugar premium rose to USD 160/ MT in Aug '23, thereby exceeding the July 2010 high and setting an all-time record. The markets have sustained an arbitrage level over USD 100/ MT since March 2022, the longest on record. Limited spare refinery capacity and restrictions on re-export have also been a factor in the divergence seen over recent months.

Indian sugar

Industry structure

Indian sugar industry is characterized by the coexistence of private, cooperative and public sector. It is inherently inclusive, supports over 50 million farmers and their families and finely fits into the *Aatma Nirbhar Bharat* mission of the Govt. It is rural centric and hence a key driver and emphatic enabler for village level wealth creation. Sugar is India's second largest agro-based industry after Textiles. It has tremendous transformational opportunities to meet the country's food, fuel and power needs in an eco-friendly manner and on a sustainable basis.

Sugarcane and sugar production are seasonal with more than 90% happening in the winter months of November to March. Share of sugarcane use in the production of sugar has steadily increased over time in preference to alternative sweeteners. UP, Maharashtra and Karnataka are the dominant sugar producing States accounting for about 85% of country's production, suffice to meet entire domestic consumption. Household sugar consumption is about 35% with per capita consumption below 20 kg that is far lower than Brazil, US and Europe.

Sugar is largely sold as a commodity with branded sugar at its nascent stage in India, though growing at a CAGR of 8%. It is a niche market with a small but growing

number of consumers embracing it on the fear that loose commodity may contain dust and foreign particles and being touched by multiple hands is unhygienic. Out of the household sugar consumption of 11-12 mln tonnes a year, hardly 3% is branded as compared to the share of branded product in edible oil segment at 50-55%. Also there are just few players in every geographical area with no single brand penetrating all India market.

Sugar is a tightly controlled and rigorously regulated business, both by the Centre & State. Sugar industry reforms remain overdue despite growing consensus on the economic imperative to not delay same any longer. In particular, the desolate disconnect between sugar and sugarcane price demands a decisive and lasting solution. *NITI Aayog* too came out with a report of its Task Force on Sugarcane and Sugar in April 2020 besides CACP religiously reinforcing its recommendations on this in its annual cane pricing policy reports. Food Ministry in turn constituted a working committee in Apr '21 to engage with stakeholders and evolve a mechanism for implementation of these recommendations. It remains regretfully a work in progress for a little too long.

Paradigm shift to ethanol

India has since become a structurally surplus sugar producer. Sugar exports to de-clog the supply overhang is impeded by our skewed cost structure on account of high cost of cane. Exports are hence feasible only when world prices are bullish or subsidized through Government sops, the latter facing the wrath of WTO norms.

Realizing this, the Government firing all cylinders has painstakingly promoted the ethanol blending programme that amidst altruistic advantages helps subsume the surplus sugar in the system. This paradigm shift in ethanol focus has propelled the industry to a higher trajectory, commanding concomitant re-rating in its valuation. During periods of drought and consequent dip in sugarcane production, Govt prioritizes domestic need first, followed by ethanol over sugar exports.

Having achieved the 12% blend in quick time, Govt is concurrently concentrating on ethanol from multiple feed

stocks to achieve 20% blend target soon. Grain based ethanol is fast emerging as a sustainable alternative, more appropriately additional, source of supply.

Travails of Tamil Nadu

Tamil Nadu produced below 10 lakh tonnes of sugar for 4 years in a row till SS 2020-21, a frenetic fall from the peak of 26 lakh tonnes in SS 2006-07. Successive years of drought stoically sucked the staying power of several private sector players. Egregious losses and consequent enervated finances mowed down most private sector mills to a moribund state, while the cooperative mills linger on with liberal Govt funding support. There was a welcome recovery from the low of 7 lakh tonnes in 2017-18 in later years but yet its pace is below par.

The State has been fast losing on its competitive edge in terms of size, season duration and sugar recovery juxtaposed to other major sugar producing regions. Further, TN sugar mills are mandated to bear in full the transport cost for sugarcane, while in all the other States the statutory cane price is inclusive of transport cost. Still worse, TN Government has discontinued its partial subsidy support for this from SS 2020-21. With TN sugar mills already reeling under high cost pressures due to despicable sugar recovery and dismal capacity utilization, this add on burden is outright onerous and undeniably beyond their bearing.

TN sugar industry in collaboration with the renowned ICAR-SBI launched in Oct '16 a Sweet Bloom project to identify and develop viable cane varieties relevant to the State. The new cane variety Co11015 so spotted showed early promise during trials and its planting was progressively scaled up. Alas, its yield performance for the ratoon crop is below par, dissuading farmers from embracing this variety. A couple of other varieties tried too fared poorly compared to the long established cane variety Co86032. Thus TN sugar industry is unsuccessful yet to spot a sustainably improved cane variety, despite 7-years of concerted efforts. Sweet Bloom project version-2 being undertaken by SISMA in collaboration with ICAR-SBI, Coimbatore now remains the industry's best bet and its progress is continually monitored.

Status update

After touching a peak of 358 lac tonnes in SS 2021/22, sugar production slid in the following two years, yet decisively above domestic demand. South-west monsoon failure dented production estimates for Maharashtra and Karnataka in SS 2023/ 24, while the State of UP demonstrated resilience. Late rains however put paid to the earlier pessimism, propelling presciently the production outlook to 320 lac tonnes. Consumption is well poised to hit record high of 290 lac tonnes. As a measure of abundant caution, Govt continued its virtual ban on sugar exports introduced in Oct '22 and further clamped ethanol production involving sugar substitution.

Sugar prices gained strength during the year, though ruling at levels below FY 2009-10. Stringent restraints on both export of sugar and ethanol production sacrificing sugar led to squeezed liquidity and strangled price recovery. It is imperative that the Govt effectuates the increase in MSP for sugar that is long overdue and facilitates meaningful rise in sugar prices for the industry to generate requisite cash flow to meet sugarcane price obligations.

The industry apex body has been re-organized and the new entity named Indian Sugar & Bio-energy Manufacturers Association (acronym ISMA) has the mandate to pursue industry promotion measures.

India has been elected to chair the International Sugar Organization (ISO) for 2024, a clear reflection of its growing stature in world sugar domain.

Cogen

Cogeneration of power was conceived three decades ago to diversify the revenue stream and counter the cyclicity in sugar business. After the advent of Electricity Act, 2003, the promotional measures pursued under Government initiative by way of preferential tariff, assured off-take and long term power purchase agreement helped attract huge investment in bagasse based cogeneration of power.

Cogen however has lamentably lost much steam in recent years. Returns are hit by surplus power situation,



falling tariff and improved connectivity that are doubtless welcome from a macro perspective. This has however turned high cost investments since FY '17 in cogen projects unviable by dint of declining power tariff and steadily rising maintenance cost, parlously pulling down power margins. Availability and price of alternative fuels remains a daunting challenge.

Having failed in its earlier attempts to bail out State Discoms and discipline the power market, Gol brought in new set of Rules and Regulations in 2022. The Electricity (Late Payment Surcharge and other Related Matters) Rules, 2022 that came into effect from 3rd June 2022 brought in sterner measures to deal with liquidation of old outstanding dues as well as clearance of current dues with punitive measures for default. The new Rules however are like the typical curate's egg. In particular, the Rules provide for liquidation of old outstanding dues over an inordinately long duration of 48 EMIs. Adding fuel to fire, it mandates zero interest compensation during such long period of delay. It is pretty paradoxical that the prodigal Discoms get rewarded at the cost of a performing and non-defaulting power producer in the bargain! On the positive side, the EMIs to clear past dues are getting paid by Discoms scrupulously adhering to the timeline, while current dues are also concurrently honoured. In all, Gol move has paid off, albeit at an abhorrent cost to industry, towards ensuring time bound realization of power dues and predictability of current cash flows.

Further, bagasse based cogeneration units suffer undue delay and ultimate loss of revenue by dint of Regulators dragging their feet from timely revision of tariff. The two-part regulatory tariff under the cost plus template unequivocally warrants annual revision in the variable cost component essentially to cover the fuel cost escalation. But the time lag due to dithering and eventual denial of higher tariff for long periods lead to gross under recovery in the cost of producing power and in turn denude the guaranteed ROI. Lamentably, the Central Regulator too has fallen prey to this preposterous trend and is yet to notify the new tariff regulations otherwise due from Apr '23. The sanctity of 'control period' under tariff regulations should merit due deference and diligent adherence.

Power tariff for generation over normative PLF hitherto qualified for abysmally low tariff. Heeding to industry's plea, TNERC granted relief by way of full tariff reckoning the normative PLF on cumulative (as opposed to annual) basis. Echoing same, the draft CERC Tariff Regulations 2024 too provide for sale of surplus power production over normative PLF directly in the market, subject to right of first refusal for the distribution licensee to buy same at full tariff. Considering the year on year fluctuation in sugarcane and bagasse availability, this has come as a shot in the arm, reassuring eventual and effectual recovery of full cost of the project within the tariff period.

REC mechanism was conceived to devise a tradeable instrument to incentivize renewable energy production. With lackadaisical enforcement, its intended objectives get hardly realized. Further, the Regulator was periodically lowering the floor and forbearance price and indeed the floor price has since been scrapped. To top it all, CERC-REC Regulations, 2022 now disqualify captive consumption from saleable REC entitlement. This strikes a lethal blow to renewable energy projects like that of our company that came to be established on the strength of stated policy incentives to promote renewable energy capacity in the country.

Bagasse based cogeneration brings to bear multitude of benefits to the economy and environment. Power production and supply is closer to the destination rural markets, while fuel efficiency gets optimized in the factory. Above all, the incremental revenue from power supports sugarcane price payment particularly during times of stressed sugar price. It hence calls for renewed policy thrust to revitalize renewable energy production from bagasse.

Ethanol

The Ethanol Blending Program (EBP) with petrol in the country has had a chequered progress. Introduced first in 2003 and reinforced again in 2007 with a 5% blend target, the actual mix remained tardy. For the first time, ethanol blend reached 5% during Ethanol Supply Year 2019-20, progressively increased in the following years and recorded 12% in 2022-23. The rollicking rise in

blend % is thus both swift and substantive besides being sustainable.

Gol has broad based its efforts to promote ethanol production in the country from multiple feed stocks, while sugarcane would in all probability remain the principal source in most years. Flex fuel engines are on the anvil to give customer the choice of fuel. Studies are on for developing a technology to blend ethanol with diesel. GST on ethanol blended petrol has been lowered from 18% to 5% from 1st January 2023. Gol is thus blazing all guns to bolster ethanol production and consumption.

Ethanol production was also used as a tool to absorb surplus sugar in the system. Indeed, Govt policies helped subsume 101 lac tonnes of sugar over the past 5 years in the process. Considering the low sugar stocks and uncertain sugar production outlook, Govt came with temporary restriction for producing ethanol from B-heavy molasses and sugarcane syrup/ juice. This in effect halved ethanol from sugar substitution. The 20% blend target for 2024/25 would now seem redoubtable; nonetheless, the long term plan and fastidious focus is noteworthy.

Regulatory Framework

(i) Sugar

- Gol imposed stock holding norms and introduced MSQ for sugar from June '18 that continues to remain in vogue.
- Gol raised the MSP for sugar from ₹ 29 to ₹ 31/ kg in Feb '19 that remains unrevised till date despite significant hike in FRP for sugarcane.
- Gol has discontinued export subsidy from SS 2021/ 22 and virtually banned sugar exports since Oct '22.
- Compulsory jute packing for sugar continues at 20% for Jute Year 2023-24. Monitoring has become stricter.

(ii) Cane price

- Gol in July '23 announced increase in FRP by ₹ 10/ qtl to ₹ 315/ qtl for SS 2023-24 that is linked to base recovery of 10.25%.

- Gol in Feb '24 announced increase in FRP by ₹ 25/ qtl to ₹ 340/ qtl for SS 2024-25 that is linked to base recovery of 10.25%.
- GoTN discontinued the transport subsidy of ₹ 100/ t for the sugar mills since SS 2020-21; industry to bear full transport cost only in Tamil Nadu.
- GoTN Agri Budget presented in Feb '24 announced special incentive for sugarcane @ ₹ 215/ tonne for SS 2023/24.

(iii) Cogeneration

- TNERC order dated 12/12/2023 on PLF petition in favour of industry. PLF ceiling to be reckoned on cumulative and not annual basis – TANGEDCO to purchase power at full price till then.
- TNERC issued comprehensive Tariff Order for bagasse based cogeneration plants on 28/12/2023 – control period 28/12/2023 to 31/03/2025 - revised tariff originally due from 01/04/2022 would however be prospective. PLF ceiling on cumulative basis reiterated.
- TNERC by Order dated 22/01/24 has brought the commercial operation of Deviation Settlement Mechanism regulations from 01/04/2024.
- CERC new Tariff Regulations for renewable energy in draft stage - period 01/04/2024 to 31/03/2027. Relief contemplated for excess generation over normative PLF balancing the interest of both the producer and seller.
- MoP Oct '23 circular asserts that States are not empowered to tax the generation and sale of electricity.
- MoP in June '23 amended the Energy Conservation Act, 2001 to include sugar industry having energy consumption of 10,000 metric tonne of oil equivalent per year or above under the category of 'designated consumers' for purpose of compliance of the Act and the Rules thereunder.
- MEFCO in Oct '23 notified the Green Credit Rules, 2023 to govern the Green Credit programme.
- Gol in June '23 notified the Carbon Credit Trading Scheme 2023.



(iv) *Ethanol*

- GST on sale of molasses reduced from 28% to 5% effective 20/10/2023.
- GST code amended in Oct '23 to create a separate category for industrial alcohol taxed at 18%.
- Gol in Dec '23 banned ethanol production from sugarcane juice/ sugar syrup and B-heavy molasses – Pursuant to industry appeal, Govt conceded sugar diversion of only 17 lac tonnes (as against the originally envisaged 35 lac tonnes contemplated in Oct '23).
- Gol in Dec '23 banned production of RS/ ENA from sugarcane juice and B-heavy molasses.
- Gol imposed export duty on molasses at 50% from 18/01/2024.
- Gol in Dec '23 extended the deadline for interest subvention support for ethanol project up to 30/06/24. Bank loan to be drawn before this date to qualify.
- BPCL on behalf of OMCs announced incentive of ₹ 6.87/ltr for ethanol sourced from C-heavy molasses for ESY 2023/24 – effective price ₹ 56.28/ ltr – Prices of B-Heavy Molasses (₹ 60.73) and Sugarcane juice or syrup (₹ 65.61) remain static.
- Gol in order to meet the blending target, announced hike in price of ethanol produced from other agricultural products – rice (₹ 64/ ltr) and Corn (₹ 66/ ltr) for ESY 2023/24.
- GST exempted effective 07/10/2023 on ENA supplied for manufacture of alcoholic liquors.

Opportunities & Threats

India has a low per capita consumption of sugar with growing income. Its large domestic market provides a strong platform to leverage local production for capturing global market. This however demands cane cost optimization through improved farm productivity and high sucrose cane variety, besides effectively tapping the byproducts for greater value addition.

Ethanol presents an elegant value chain for sugar industry. Government policies are directed towards increasing the

ethanol blend in petrol and concurrently cutting sugar surplus through premium pricing for ethanol produced by way of sugar substitution. Indeed, the Government has advanced the EBP target to reach 20% blend by 2025 and is encouraging ethanol production from multiple feed stocks besides sugarcane.

Sugar business is intrinsically cyclical, but India has emerged structurally surplus over the last decade. Markets tend to over react to demand-supply disequilibrium, causing volatile change in product pricing. Cogeneration and Ethanol have turned significant value creators to soften the adverse fall out of sugar surplus. Sugar exports and ethanol production from diverted sucrose now play a stellar role to de-clog the glut and correct closing sugar inventory to desirable level.

Sugarcane is a robust crop but its availability is critically dependent upon nature. Repeated monsoon failure, frail flow in river Cauvery and dead storage level in Mettur reservoir that caters to the company's command area of cane together throw up a tantalizing challenge to agriculture in its neighbourhood, thwarting cane cultivation in the process. Drip irrigation is catching up but the high capital outlay, glitches in Government subsidy schemes and deficiency in water resources not enough to meet even the minimal drip requirement for cultivation during deficit years impede its pace of adoption.

Harvest labour shortage increasingly poses an intimidating challenge to both the cane farmers and mills in the State. In particular, harvest charges in TN are twice or thrice compared to other major sugar producing regions. Frequent and excessive absenteeism ineluctably interrupts daily crushing schedule. Mechanization, though not a panacea with several imponderables associated with it, is no longer a matter of choice but is fast emerging as a dire necessity for sugarcane harvest in TN. Proto-types of smaller capacity mechanical harvesters compatible with fragmented land sizes have just taken off that may not fully replace but meaningfully reduce manual labour.

The disconnect between sugar and sugarcane prices in the absence of Price Stabilisation Fund advocated by CACP creates periodical pressures, more particularly

during industry downturn. Sugarcane pricing reform is overdue.

Sugar industry is criticized on two counts. While its end product, viz. sugar is sledge-hammered as a health hazard, the raw material i.e., sugarcane is condemned as water guzzler. Much of these are over-blown but the underlying message should merit and meaningfully warrant dispassionate introspection. Accordingly, ISMA has taken the lead to spread right awareness, while simultaneously underpinning the need for a holistic and pragmatic approach.

Segment-wise or product-wise performance

The Company is engaged in two segments, namely Sugar and Cogeneration of power (Cogen).

Segment-wise performance for the year

Particulars	Sugar (tonnes)	Cogen (lakh units)
Production	82845	1156
Sales	81859	808
	(₹ lakhs)	
Sales	34466	7665
Operating Profit	2684	1948

Outlook

World sugar prices would remain range bound which is of little relevance to India that for the time-being is neither an exporter nor importer. South-west monsoon outlook as per early prediction is normal that should help sustain and improve SS 2024/ 25 sugar production. Surplus cane in turn should be able to persuade and prompt Govt to restore ethanol production by diverting sucrose. The resultant domestic demand-supply parity should be supportive of a stable and viable sugar price regime.

In a despicable divergence, TN sugar industry is faced with dismal crop outlook due to the failure of both South-west and North-east monsoon in 2023. Sugar production in the State is already lowly placed, lamentably lacking

comparative cost advantage due to high cost of farm labour, threat from short duration competing crops, abysmally poor capacity utilization and abominable sugar recovery. All these have decisively dented and mournfully massacred its margins, throwing up survival challenge. The current crisis demands collaborative initiative and concerted efforts both from the State Govt and industry players for collective resolution of core negatives and thereby regain the lost strength.

Amidst macro-level challenges outlined above, our company is relatively better placed to combat these headwinds on the strength of its strong liquidity and overall financial standing.

Risks and concerns

The management cautions that the risks outlined below are not exhaustive and are for information purposes only. Investors are requested to exercise their own judgment in assessing various risks associated with the industry and the company.

Industry risk

Sugar industry being agro based and in commodity business is fraught with seminal climatic and cyclical risks. It has to source sugarcane from its neighbourhood and out of command area where growth and availability hinges upon monsoon and water table. Despite recent liberalization by Centre, there are continuing controls on cane area, cane pricing and periodic market intervention measures.

Cogen tariff is determined by the Regulator for supply to TANGEDCO under a long term PPA that is currently unfavourable compared to prevailing market rates. There are growing litigations in the appellate forum (APTEL) on the tariff determination process, multiplicity of charges, purported move to migrate to competitive bidding posing palpable uncertainty in the continuity of current PPA and captive consumption tax. The final outcome on any and all of these would have considerable impact on the company.



Ministry of Power through the Electricity (Late Payment Surcharge and other Related Matters) Rules, 2022 mandates that all old dues are now payable over 48 EMIs without interest. This entails considerable interest loss for the affected players, including our company, besides choking current liquidity.

Risk mitigation

The Company has built enviable relationship over the years with the local farming community. It has judiciously used surplus cash generated during industry upturn to pare debts and stay lean and financially fit. It has diversified into Cogen. It has of course little control over agro-climatic risks, regulatory interventions and market risks.

Risk specific to the Company

Erode Sugar Mill is squeezed for land in its factory area that impedes scope for major expansion or diversification plans. Prospects for cane area expansion is listless. Of late, its command area for cane has become increasingly susceptible to water stress.

Gol policy push to help sugar industry of late is centered on ethanol. The company's plan to set up ethanol unit as an integral part of its sugar complex has failed to receive State environment clearance for producing co-related products such as ENA and RS. No tangible progress on this would seem feasible in the near term.

Risk Management

The Board being responsible for framing, implementing and monitoring the risk management plan for the company has laid down the framework for risk assessment and mitigation procedures. It has set out detailed framework to deal with key areas of risks encompassing raw material risk, product price risk, regulatory risk, finance risk and risk specific to the company. It has put in place adequate system to keep its key operating team aware and beware of the likely risk factors. Internal control systems and internal audit checks help the company continuously monitor emerging risks and take timely corrective action. There is no element of risk in the opinion of the Board which may threaten the existence of the company.

Disclosure of strategy

SEBI circular dated 10.05.2018 requires listed entities to consider disclosure of medium-term and long-term strategy within the limits set by its competitive position based on a time frame as determined by its Board of Directors. It further requires articulation of a clear set of long-term metrics specific to the company's long-term strategy to allow for appropriate measurement of progress.

Pursuant to the above, the Board of Directors in Oct '18 considered and approved the long-term strategy and medium-term strategy for the company. For this, the Board has set 3-5 years tenure for medium-term and more than 5 years for long-term in deciding appropriate strategy. This was reviewed by the Board of Directors at their meeting held in May '22. The long-term and medium-term strategies are disclosed in the company website -www.ponnisugars.com.

Internal Control Systems and their adequacy

The Company has proper and effective internal control systems commensurate with its nature of business and size of operations to ensure that all controls and procedures function satisfactorily at all times and all policies are duly complied with as required. These are considered adequate to reasonably safeguard its assets against loss or misappropriation through unauthorized or unintended use.

There is adequate and effective internal audit system that employs periodic checks on on-going process. The Audit Committee of the Board of Directors regularly reviews the effectiveness of internal control system in order to ensure due and proper implementation and due compliance with applicable laws, accounting standards and regulatory guidelines.

Human Resources

The Company employs 163 seasonal and 133 non-seasonal employees. Industry-wide wage settlement was reached in May 2023 to be in force for 4-years till 30/09/2026. Industrial relations remained cordial throughout the year.

Discussion on Financial Performance with respect to Operational Performance

Operational Performance

Particulars	Year ended	
	31.03.2024	31.03.2023
Number of days	299	306
Average Crushing rate (tcd)	2895	3013
Cane Crushed (t)	865640	921849
Recovery (%)	9.54	9.94
Sugar produced (t)	82845	91326
Power production (lakh kwh)	1156	1213

Braving weather challenges, the company strained its every nerve for optimizing operational performance. It has helped in achieving production and sale volumes that are no doubt lower than last year but well comparable with historic long term average. Details are covered in the Board's Report.

Financial performance

(₹ crores)

Particulars	Year ended	
	31.03.2024	31.03.2023
Total Income	438.98	450.49
Profit Before Interest, Depreciation & Tax	60.73	55.55
Profit Before Tax	51.89	47.62
Profit After Tax	46.86	38.34

The financial performance is underpinned by improved realizations eclipsing cost escalations. Our turnover for the second time crossed ₹ 400 crores benchmark. Riding on improved realization from sugar, molasses and power, and remaining steadfastly focused on cost optimization, our PBT was gleefully higher YoY. PAT was further boosted by reversal of excess tax provision relating to earlier years and turned out to be all time high in the annals of the company.

**Key Financial Ratios**

Description	U/M	2023-24	2022-23	Change %	Explanation
Operating Profit margin (PBIDT / Total Income)	%	13.83	12.33	12.19	Higher realization and lower fuel cost.
Net profit margin (PAT/ Total Income)	%	11.12	8.81	26.22	Improved operating margin and tax reversal of earlier period.
Interest Coverage	Times	-	-	-	-
Return on capital employed	%	16.60	17.80	(6.74)	Decline in capacity use and sugar recovery.
Return on Net worth	%	17.59	18.75	(6.19)	-do-
Earnings per share	₹	54.49	44.58	22.23	Higher PAT due to improved margin and tax reversal of earlier period.
Debt Equity ratio	Times	-	-	-	-
Current ratio	Times	4.89	3.00	63.00	Improved profit and EMI realization of past power dues.
Net worth per Share	₹	343.09	295.45	16.12	Increase due to PAT less dividend distribution.
Debtors Turnover	%	1.59	1.73	(8.09)	Sale volume decline from Jan '24 due to monthly sale quota applicability.
Inventory Turnover	%	4.83	5.60	(13.75)	-do-

Cautionary Statement

Statements made in this Report describing industry outlook as well as Company's plans, projections and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

Chennai
26th April 2024

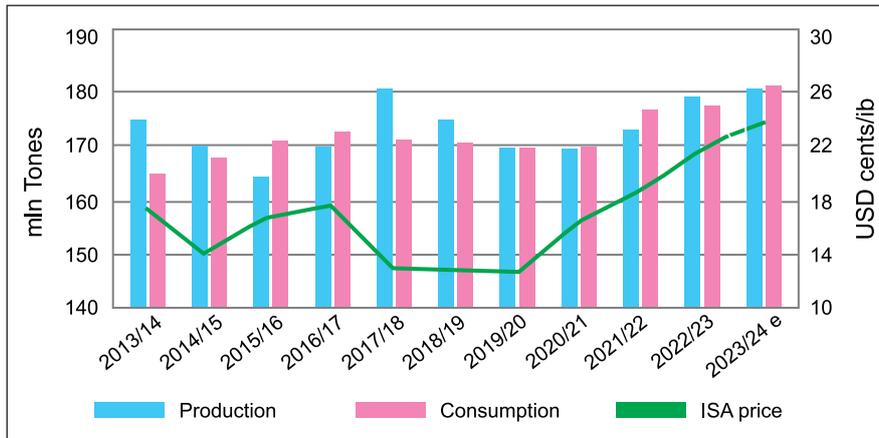
For Board of Directors
N Gopala Ratnam
Chairman
DIN:00001945

Abbreviations used

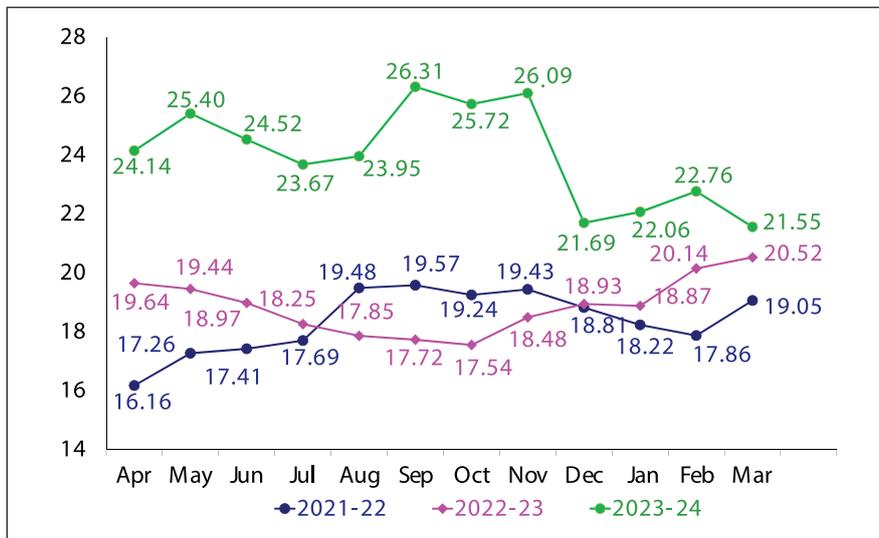
APTEL	Appellate Tribunal for Electricity
CACP	Commission for Agricultural Costs and Prices
CAGR	Compounded Annual Growth Rate
CERC	Central Electricity Regulatory Commission
Cogen	Cogeneration
c/lb	Cents per pound
Discoms	Distribution Companies
EBP	Ethanol Blending Program
EMI	Equated Monthly Instalment
ENA	Extra Neutral Alcohol
ESY	Ethanol Supply Year
FRP	Fair and Remunerative Price
FY	Financial Year
GoI	Government of India
GoTN	Government of Tamil Nadu
GST	Goods and Services Tax
ICAR	Indian Council of Agricultural Research
ISMA	Indian Sugar & Bio-energy Manufacturers Association
MEFCC	Ministry of Environment, Forests & Climate Change
MSP	Minimum Selling Price
MSQ	Monthly Sale Quota
MT	Metric Ton
MMT	Million Metric Ton
MoP	Ministry of Power
OMC	Oil Marketing Companies
PBT	Profit Before Tax
PAT	Profit After Tax
PBIDT	Profit Before Interest, Depreciation & Tax
PPA	Power Purchase Agreement
PLF	Plant Load Factor
REC	Renewable Energy Certificate
ROI	Return on investment
RS	Rectified Spirit
SBI	Sugarcane Breeding Institute
SISMA - TN	South Indian Sugar Mills Association, Tamil Nadu
SS	Sugar Season
T	Tonne
TANGEDCO	Tamil Nadu Generation and Distribution Corporation Ltd
TN	State of Tamil Nadu
TNERC	Tamil Nadu Electricity Regulatory Commission
USD	United States Dollar
WTO	World Trade Organisation
YoY	Year on Year
Year for industry data is generally for Sugar Season Oct-Sep	



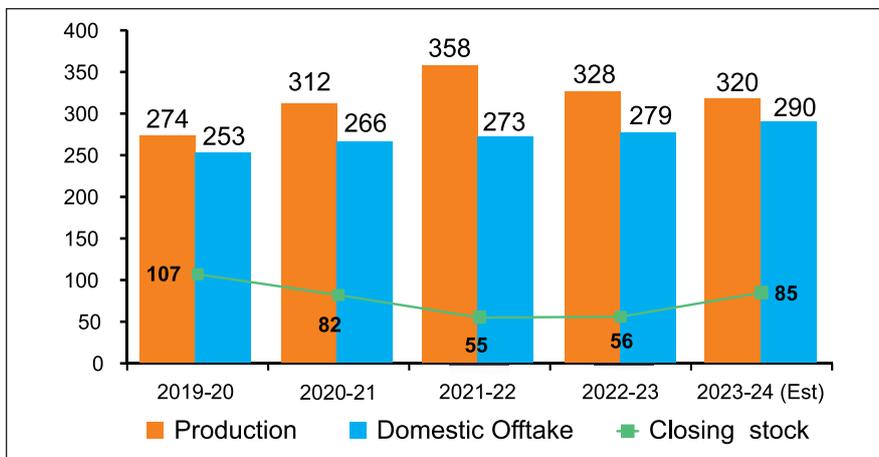
World Production, Consumption and ISA Prices



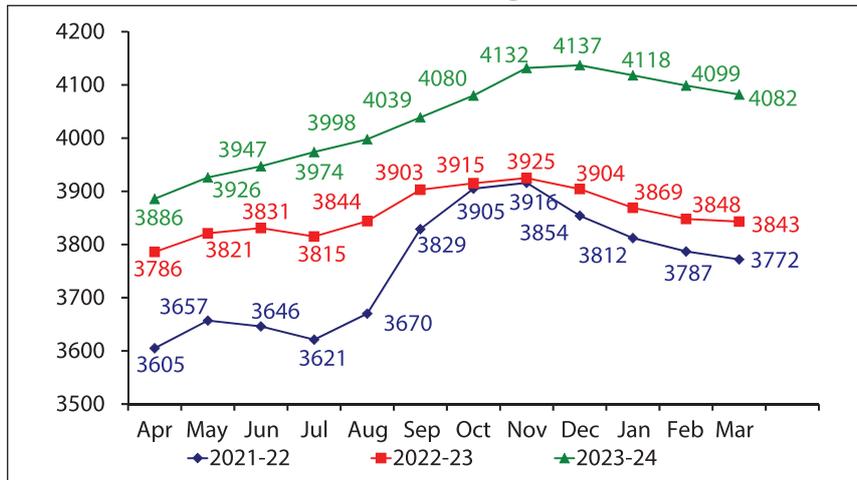
World Raw Sugar Price-ISA Daily Price c/lb



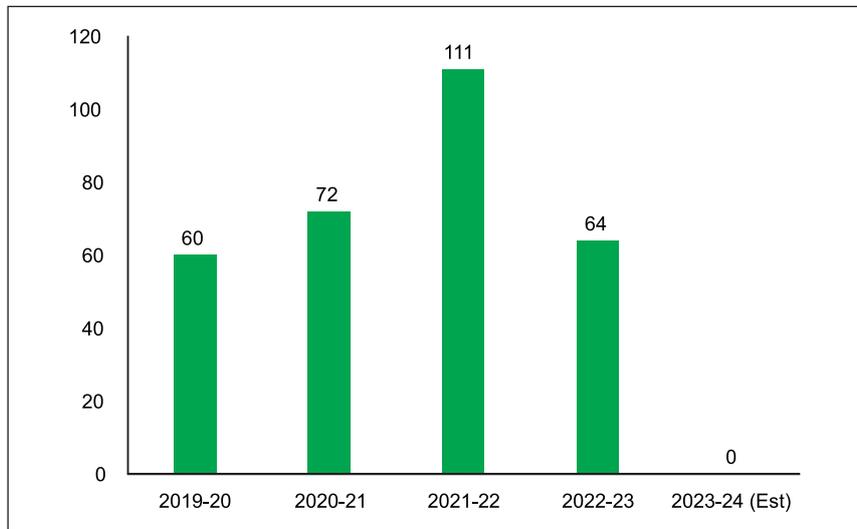
Indian Sugar Balance (lac t)



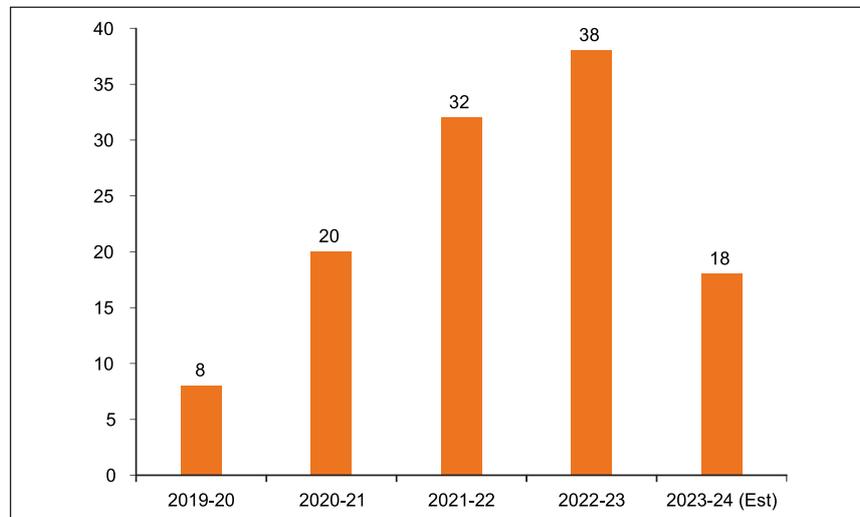
All India Whole Sale Sugar Price ₹ / Q



Sugar Exports (Lakh Tons)



Sugar diversion to Ethanol (Lakh Tons)





CORPORATE GOVERNANCE REPORT

Company’s philosophy on Corporate Governance

The Company belongs to ESVIN Group, is professionally managed and is deeply committed to the core values of Corporate Governance concepts. It strives to maintain the highest ethical standards in its conduct of business. Its executive management has the freedom to run the enterprise within the framework of effective accountability and commit its resources in a manner that meets shareholders’ aspirations and societal expectations. The Company’s objective is to transcend beyond bare compliance of the statutory requirement of the code and be a responsive and responsible entity through transparency, integrity of information and timely disclosures.

Legal and Regulatory Framework

The Companies Act, 2013 (the Act) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI-LODR) provide the effective framework of Corporate Governance. The principles of Corporate Governance enshrined in these legislations are complied in all respects by the Company. The policies, procedures and processes of the Company are at all times directed in furtherance of following the best practices and institutionalizing the code of corporate governance.

This Report for FY 2023-24 is furnished in terms of Regulation 34(3) and Schedule V of the Listing Regulations. Further, this Report also discloses relevant information in terms of Section 134(3) of the Act and forms an integral part of the Board’s Report to shareholders.

A) Board of Directors

i) Board Composition

The Board is central to our corporate governance practice. It oversees, monitors and ensures that the management serves and protects the best and balanced long term interest of all our stakeholders.

- (a) The composition of the Board is devised in a manner to have optimal blend of expertise drawn from Industry, Management and Finance.
- (b) All except the Managing Director are non-executive Directors and thus constitute more than one-half of the total number of Directors. The Company has two women directors.
- (c) The Managing Director is not liable to retire by rotation. All the other non-independent directors retire by rotation and in the normal course seek re-appointment at the AGM. Brief resume of Directors seeking reappointment is given in the Notice of the AGM.
- (d) The ceiling for being Chairman/ Director/ Committee member of Board of Companies stipulated under the Act or Listing Regulations are complied with by all Directors of the company.
- (e) No Director is a relative of any other Director.
- (f) The age of every Director, including Independent Director, is above 21 years. Shareholder approval by special resolution is obtained for appointing or continuing the directorship of (i) non-executive directors beyond 75 years of age (ii) executive directors beyond 70 years of age.

(g) Relevant details of Directors

Name of Director/ category/ DIN	Date of initial Appointment	No. of Equity Shares held	Attendance at Board meetings during 2023-24		As on 31st March 2024			Attendance at last AGM Y- Yes N- No
			No. of meetings	%	No. of Directorships ¹	Committee position ²		
						Chairman	Member	
Mr N Gopala Ratnam Non-Executive Chairman Promoter DIN:00001945	26.12.1996	2823	5	100	5	1	3	Y
Mr Arun G Bijur Non-Executive DIN:00024434	26.12.1996	100	5	100	3	--	1	Y
Mr Bimal K Poddar ³ Promoter, Non-Executive DIN:00031146	26.10.2001	NIL	5	100	7	--	1	Y
Mr N Ramanathan Managing Director DIN:00001033	01.04.2005	3001	5	100	4	--	2	Y
Mr V Sridar ⁴ Independent DIN:02241339	05.06.2009	NIL	5	100	4	3	2	Y
Dr Nanditha Krishna ⁴ Independent DIN:00906944	24.12.2010	NIL	5	100	6	--	--	Y
Mr K Bharathan ⁴ Independent DIN:00210433	28.12.2011	NIL	5	100	2	1	2	Y
Ms Bharti Chhotubhai Pithawalla Promoter, Non-Executive DIN:00341382	06.05.2022	500466	5	100	1	--	--	Y
Mr Mohan Verghese Chunkath Independent DIN:01142014	06.05.2022	NIL	5	100	2	--	2	Y
Mr P Manoharan Independent DIN:09706869	01.10.2022	128	5	100	1	--	--	Y
Dr Lakshmi Nadkarni ⁵ Independent DIN:07076164	15.03.2024	NIL	1	100	2	--	2	NA
Mr Chellamani Naresh ⁵ Independent DIN:10474276	15.03.2024	66	1	100	1	--	--	NA

1 includes Listed and Unlisted companies

2 Pertains only to Audit & Stakeholders Relationship Committee of the Board

3 Resigned and ceased to be a Director from the close of 31.03.2024

4 Cessation due to completion of two terms of five consecutive years each from the close of 31.03.2024

5 Appointed as Independent Director from 15.03.2024



(h) Directorship in other listed entities as on 31.03.2024

SI No	Name of Director	Name of the other listed entity	Category
1	Mr N Gopala Ratnam	Seshasayee Paper and Boards Ltd High Energy Batteries (India) Ltd	Executive Chairman Non-executive Chairman - Non independent.
2	Mr V Sridar	Seshasayee Paper and Boards Ltd	Independent Director
3	Dr Nanditha Krishna	Seshasayee Paper and Boards Ltd	Independent Director
4	Mr K Bharathan	Aban Offshore Ltd	Independent Director
5	Mr Mohan Verghese Chunkath	Seshasayee Paper and Boards Ltd	Independent Director
6	Dr Lakshmi Nadkarni	Nelco Ltd	Independent Director

(i) Core skills / expertise / competence of Directors

The company is engaged in regulated sectors viz. sugar and power. Its business is impacted by cyclicity, seasonality and volatility in commodity prices. Accordingly, the core skills/ expertise/ competencies identified by the Board as required in the context of its business and its segments are:

- ❖ Hands on experience in operating and managing manufacturing business.
- ❖ Expertise in finance, including treasury and foreign exchange.
- ❖ Expertise in overall management and administration.
- ❖ Exposure to global trade and practices.
- ❖ Commitment to comply with legal and regulatory norms.
- ❖ Social and environment consciousness.

The Board is satisfied that its directors together possess requisite skill sets for the effective functioning of the company.

SI.No.	Name of Director	Skill set, expertise and competence
1	N Gopala Ratnam	- Technocrat with rich and varied experience in project and operational management of process industries. - Brings to bear leadership skills in heading ESVIN Group of Companies and steering them to higher growth trajectories.
2	N Ramanathan	- A professional with impressive academic track record. - Vast experience in diverse disciplines of Finance, Taxation and General Management. - Three decades of hands-on experience in sugar industry. - Regular member on the executive committee of industry associations – well networked in industry.
3	V Sridar	- A Chartered Accountant having rich experience in Banking, Finance and General Management. - Held several high positions in commercial banks and National Housing Bank.

4	Arun G Bijur	- Technocrat with proven experience in project management skills and troubleshooting expertise. - Has overall managerial experience.
5	Bimal K Poddar	- Varied experience in the spheres of Finance, Administration and General Management in diverse family businesses. - Widely travelled and gained global business exposure.
6	Dr Nanditha Krishna	- Authority in indology and an environmental educationist. - Highly committed in promoting arts, education and environment. - Contributor of articles covering varied subjects.
7	K Bharathan	- A Chartered Accountant having rich and varied experience in Banking, Finance and Insurance Business.
8	Bharti Chhottubhai Pithawalla	- Global Experience in family business.
9	Mohan Verghese Chunkath	- An IAS Officer held several high positions in Government of India and State Government and has overall administrative and managerial experience for over four decades.
10	P Manoharan	- Hailing from the sugar mill neighbourhood, he has been a successful farmer cum entrepreneur for the past 25 years. He has expertise in team leadership, business development and enjoys harmonious relationship with local farmers.
11	Dr Lakshmi Nadkarni	- More than 3 decades of experience in HR strategy, governance & CSR served large corporates as Executive Director. Contributes to the academic world.
12	Chellamani Naresh	- Over 3 decades of experience in the field of Tax Advisory, Litigation Services, Bank audits and assurance engagements in manufacturing companies. Since 1997, partner in a reputed audit firm in Chennai.

(ii) Independent Directors

- (a) The Chairman is non-executive and falls under Promoter category. The number of Independent Directors is one-half of the total strength.
- (b) The Independent Directors have been appointed / reappointed by way of special resolution passed by shareholders. Three Independent Directors upon completion of their second term retired at the close of 31.03.2024. Consequent to re-organization of Board reducing the strength from 10 to 8, two Independent Directors were appointed w.e.f 15.03.2024 by shareholders thru' Special resolution by way of Postal Ballot.

Details of Independent Director:

SI No	Name	DIN	Tenure of appointment/reappointment	
			From	To
1	Dr Nanditha Krishna ¹	00906944	01.04.2019	31.03.2024
2	Mr V Sridar ¹	02241339	01.04.2019	31.03.2024
3	Mr K Bharathan ¹	00210433	01.04.2019	31.03.2024
4	Mr Mohan Verghese Chunkath	01142014	06.05.2022	05.05.2027
5	Mr P Manoharan	09706869	01.10.2022	30.09.2027
6	Dr Lakshmi Nadkarni ²	07076164	15.03.2024	14.03.2029
7	Mr Chellamani Nareshi ²	10474276	15.03.2024	14.03.2029

1. till 31.03.2024 2. from 15.03.2024



- (c) Independent directors are issued Letter of reappointment and the terms thereof are posted on the company website.
- (d) The company has formulated a familiarization programme for Independent Directors with the objective of making them familiar with their role, rights & responsibilities, nature of the industry, business model and compliance management. The details of the programme are uploaded on the company website at <https://www.ponnisugars.com/Sitelimages/Documents/docs/25b766005daba23ef83f110963ee3304.pdf>
- (e) The Independent directors have registered their name in the data bank maintained by Indian Institute of Corporate Affairs (IICA). All the other Independent directors are exempted / have passed the online proficiency test conducted by IICA excepting Mr. P. Manoharan who has time till 31st July 2024 for same.
- (f) All the Independent directors have given the declaration affirming that they meet the criteria of independence as provided in Section 149 (6) of the Act and have complied with relevant provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
- (g) In the opinion of the Board, (i) all the Independent Directors fulfill the conditions for being appointed as Independent Director as specified in the Act and Listing Regulations (ii) they possess the integrity and expertise and have the experience required for their role as independent director of the company.
- (h) No Independent Director has resigned from the company before the expiry of the term of appointment during the financial year ended 31st March 2024.

(iii) D & O Insurance

The company has proactively taken Directors and Officers insurance covering both independent and non-independent directors for such sum and risks as determined necessary and expedient by the Board.

(iv) Certificate of non-disqualification

Certificate from Mr V Suresh, Practicing Company Secretary confirming that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / MCA or any such statutory authority is provided in Appendix -2.

B) Board Process

i) Board Meetings

The Board meeting dates for the entire financial year are tentatively fixed before start of the year. An annual calendar of Board / Committee meetings is circulated to facilitate Directors plan their schedules for attending the meetings.

Notice for Board meeting is issued normally 3 weeks in advance. Detailed Agenda papers are circulated one week in advance. During the year, 5 Board meetings were held as against the minimum requirement of 4 meetings on 28.04.2023, 21.07.2023, 03.11.2023, 19.01.2024 and 15.03.2024. Interval between any two meetings was not more than 120 days. All the meetings were held in physical mode and VC facility was provided whenever requested by any director.

ii) Board Proceedings

Board meetings are governed by structured Agenda containing comprehensive information and extensive details that is circulated at least one week in advance. Urgent issues and procedural matters are at times tabled at the meeting with prior approval of Chairman and consent of all present. Power Point presentation is made to facilitate pointed attention and purposive deliberations at the meetings.

The Board periodically reviews compliance reports of all laws applicable to the Company and takes proactive steps to guard against slippages and take remedial measures as appropriate. The Board is apprised of risk assessment and minimization procedures that are periodically reviewed. The Board is committed to discharge all key functions and responsibilities as spelt out in the Act and SEBI Regulations.

The governance process includes an effective post-meeting follow-up, review of ATR (Action Taken

Report) and reporting process for decisions taken pending approval of Board.

During FY 2023-24, the Board has accepted all the recommendations of the Committees of the Board that are mandatorily required.

iii) Board Minutes

Draft Board minutes prepared by the Company Secretary are placed at the meeting and updated for changes based on discussions thereat. After approval by Chairman, it is circulated within 15 days of the meeting to all directors for comments and then finalized with the consent of Chairman and recorded in the Minutes Books. These are placed at the succeeding meeting for confirmation and record. Signed Minutes are circulated to the directors for their records.

C) Board Committees

i) Audit Committee

The Board has constituted an Audit Committee comprising only non-executive Directors with more than two-third being Independent. The Chairman of Audit Committee is an independent director and is present at the Annual General Meetings (AGM) of the company. It meets at regular intervals not exceeding 120 days between any two meetings and subject to a minimum of 4 times in a year.

MD duly assisted by CFO and President (Operations) is present as invitee, while statutory auditors and internal auditors are present in most meetings. The cost auditor is invited during consideration of cost audit report and also whenever required by the Committee. The Company Secretary acts as the Secretary of the Audit Committee.

The Audit Committee conforms to Section 177 of the Act and Regulation 18 of the Listing Regulations in all respects concerning its constitution, meetings, functioning, role and powers, mandatory review of required information, approved related party transactions and accounting treatment for major items. Appointments of auditors, cost auditors, secretarial auditor and internal auditors are done on the recommendations of the Audit Committee.

During the year, the Audit Committee met 5 times on 28.04.2023, 21.07.2023, 03.11.2023, 19.01.2024 and 15.03.2024. All the meetings were held in physical mode and VC facility is provided whenever requested by any director. The composition of the committee and attendance during 2023-24 is given hereunder:

Name of Member	Category	Attendance at meetings	
		No.	%
Mr V Sridar, <i>Chairman</i>	Independent	5	100
Mr Bimal K Poddar	Non-Independent	5	100
Mr K Bharathan	Independent	5	100
Mr Mohan Verghese Chunkath	Independent	5	100
<i>Permanent Invitee:</i>			
Mr N Ramanathan	Executive	5	100

Members of the Audit Committee have requisite financial and management expertise. They have held or hold senior positions in reputed organizations.

Effective 01.04.2024, the Audit Committee has been reconstituted as under:

Name of Member	Category
Mr Mohan Verghese Chunkath, <i>Chairman</i>	Independent
Mr Chellamani Naresh	Independent
Dr Lakshmi Nadkarni	Independent
Mr Arun G Bijur	Non-Executive

ii) Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee. It comprises 3 non-executive Directors of which 2 are independent including its Chairman.

The Committee meets as per needs but at least once in a year. It met two times during the year on 19.01.2024 and 15.03.2024. All the meetings



were held in physical mode. Its composition and attendance during 2023-24 is given hereunder:

Name of Member	Category	Attendance at meetings	
		No.	%
Mr V Sridar, <i>Chairman</i>	Independent, Non-Executive	2	100
Mr N Gopala Ratnam	Non-Independent, Non-Executive	2	100
Mr K Bharathan	Independent, Non-Executive	2	100

The Chairman of the Committee is an independent director and is present at the AGM of the company. The powers, role and terms of reference of the Committee cover the areas as contemplated u/s 178 of the Act and Regulation 19 of the Listing Regulations, besides other terms as may be referred by the Board of Directors. The role includes;

- ❖ Formulation of criteria for determining qualifications, positive attributes and independence of a director.
- ❖ Recommending to the Board (a) a remuneration policy for directors, key managerial personnel and senior management (b) all remuneration, in whatever form, payable to senior management.
- ❖ To evaluate Independent Director on balance of skills, knowledge and experience on the Board for their appointment.
- ❖ Formulation of criteria for evaluation of independent directors and the Board.
- ❖ Recommend for extension or continuation of the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- ❖ Devising a policy on Board diversity.
- ❖ Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

The Committee has formulated performance evaluation criteria for independent directors and based on the same the Committee at its meeting held on 15th March 2024 recommended that two of the Independent Directors Mr Mohan Verghese Chunkath and Mr P Manoharan be continued for the residual term as approved by shareholders. As for other three Independent Directors, Mr V Sridar, Dr Nanditha Krishna and Mr K Bharathan, in view of their tenure ending on 31.03.2024, no recommendation for their continuance was considered. As Dr Lakshmi Nadkarni and Mr Chellamani Naresh have been appointed as Independent Directors only from 15.03.2024, no performance evaluation was done for them this year.

Effective 01.04.2024, the Nomination and Remuneration Committee has been reconstituted as under:

Name of Member	Category
Dr Lakshmi Nadkarni, <i>Chairman</i>	Independent
Mr N Gopala Ratnam	Non-Executive
Mr Mohan Verghese Chunkath	Independent

iii) Stakeholders Relationship Committee

The Board has a Stakeholders Relationship Committee pursuant to Reg.20 of Listing Regulations. Its role and responsibility includes expeditious processing and approval of transactions in securities, compliance with the Act and SEBI regulations, review of measures taken for effective exercise of voting rights by shareholders and redressal of investor grievances. The Committee oversees and monitors the performance of the Registrar & Transfer Agents in accordance with service standards adopted by the company and devises measures for overall improvement in the quality of investor services.

The Committee comprises of 4 Directors, of which one is an independent director. The Chairman of the Committee is a non-executive Director and is present at the AGM of the company. The Committee met once during the year on 03.11.2023. Its composition and attendance is given hereunder:

Name of Member	Category	Attendance at Meetings	
		No.	%
Mr N Gopala Ratnam, <i>Chairman</i>	Non-Executive	1	100
Mr Arun G Bijur	Non-Executive	1	100
Mr N Ramanathan	Executive	1	100
Mr V Sridar	Independent	1	100

Mr R Madhusudhan, Company Secretary is the Compliance Officer.

The company has in place an adequate system for expeditious redressal of investor complaints.

Status of investor complaints is shown in the Shareholder Information section of this Report. Quarterly reports on the compliance of investor grievances are filed with the stock exchanges. Annual compliance certificates signed by both the company and the Registrar & Transfer Agent are filed within 30 days from the end of the financial year.

Effective 01.04.2024, the Stakeholders Relationship Committee has been reconstituted as under:

Name of Member	Category
Mr N Gopala Ratnam, <i>Chairman</i>	Non-Executive
Mr N Ramanathan	Executive
Mr Chellamani Naresh	Independent

iv) Corporate Social Responsibility (CSR) Committee

The company is covered under Section 135 of the Act for FY 2023-24. As against the CSR obligation of ₹ 70 lakhs to be incurred for the year, it has spent ₹ 74 lakhs in the areas specified under Sch. VII of the Act. The CSR Policy was first framed on 6th February 2015 and last reviewed on 15th March 2024. The Committee met once during the year on 03.11.2023. Its composition and attendance is given hereunder:

Name of Member	Category	Attendance	
		No.	%
Mr N Gopala Ratnam, <i>Chairman</i>	Non-Executive	1	100
Mr N Ramanathan	Executive	1	100
Dr Nanditha Krishna	Independent	1	100

Mr Chellamani Naresh was inducted into the CSR Committee with effect from 01.04.2024 in the place of Dr Nanditha Krishna who retired at the close of 31.03.2024.

v) Other Committees

The Board reconstituted the Finance Committee from 06-08-2020 comprising three directors of which two are independent directors, to facilitate quick response to its financial needs/obligations/compliances besides framing the investment policy.

Till 31.03.2024

Name of Member	Category
Mr V Sridar, <i>Chairman</i>	Independent
Mr. K Bharathan	Independent
Mr N Ramanathan	Executive

Its role was expanded to cover choice of investment for deployment of surplus funds and monitoring the investment activities of the company. It meets as and when need arises to consider any matter assigned to it. No meeting was held during the year.

Effective 01.04.2024, the Finance Committee has been reconstituted as under:

Name of Member	Category
Mr Chellamani Naresh, <i>Chairman</i>	Independent
Mr Arun G Bijur	Non-Executive
Mr N Ramanathan	Executive



(vi) Senior Management Personnel

Details of Senior Management Personnel as defined under Listing Regulations for FY 2023-24

Name	Designation
K Yokanathan	Senior President and CFO
B Chandrasekar	President (Operations)
K Duraisamy	Vice President (Cane)
R Madhusudhan	Company Secretary

(vii) Committee Minutes

Minutes of all the Committees of the Board are prepared by the Company Secretary and approved by the Chairman of the Meeting. These are placed at the succeeding Committee Meetings for confirmation and then circulated to the Board in the Agenda for being recorded thereat.

(viii) Circular Resolution

- (a) Recourse to circular resolution is made in exceptional and emergent cases that are recorded at the succeeding Board / Committee Meetings. During the year, one circular resolution was passed by Board on 30.01.2024 for appointment of Dr Lakshmi Nadkarni and Mr Chellamani Naresh as Independent Directors.
- (b) In addition to above, four circular resolutions were passed by Stakeholders Relationship Committee on 08.06.2023, 29.11.2023, 27.12.2023 and 29.02.2024 for issue of Duplicate Share Certificate in demat mode in order to comply with statutory time limit for issue of duplicate share certificate.

(D) Governance Process & Policies

(i) Policy on Director's Appointment & Remuneration

The Board on the recommendations of the Nomination and Remuneration Committee meeting in March 2015 approved a Nomination and Remuneration Policy. This is being periodically reviewed and was

last amended in March 2023. It inter alia deals with the manner of selection of Board of Directors and Managing Director and their remuneration.

1. Criteria for selection of Non-Executive Directors

- (a) The Committee will identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director.
- (b) Directors would be chosen from diverse fields of expertise drawn from industry, management, finance and other disciplines.
- (c) In case of appointment of independent directors, the Committee will satisfy itself with regard to the independent nature of the directors' vis-à-vis the company conforming in entirety to the conditions specified under Section 149 of the Act read with Schedule IV thereto and the Rules made thereunder and the Listing Regulations.
- (d) The Committee will ensure that the candidate identified for appointment as a director is not disqualified in any manner under Section 164 of the Act.
- (e) In the case of reappointment of non-independent directors, the Board will take into consideration the performance evaluation of the director and his engagement level.

2. Remuneration Policy

The remuneration policy aims at attracting and retaining suitable talent and devising a remuneration package commensurate with competition, size of the company, its nature of business and considered appropriate to the respective role and responsibilities of the employee concerned.

The remuneration policy seeks to ensure that performance is recognized and achievements rewarded. Remuneration package is transparent, fair and simple to administer, besides being legal and tax compliant.

The policy recognizes the inherent constraint in relating remuneration to individual performance and fixing meaningful benchmark for variable pay due to the cyclical nature of industry, agro climatic

and regulatory risks. Employee compensation is not allowed to get significantly impacted by such external adversities that are admittedly beyond their realm of control.

The Policy has been uploaded on Company website www.ponnisugars.com.

3. (i) Remuneration of Directors & KMPs

The Nomination and Remuneration Committee recommends the remuneration of directors and KMPs which is approved by the Board of Directors and where necessary further approved by the shareholders through ordinary or special resolution as applicable. Remuneration comprises of both fixed and variable pay. However, the share of variable pay is so devised as to factor in the volatile changes in profit levels inherent to the nature of industry in which the company operates. Bearing this in mind, the remuneration package involves a balance between fixed and incentive pay reflecting short and long term performance objective appropriate to the working of the company and its goals.

Managing Director is the only Executive Director entitled for monthly remuneration. Mr N Ramanathan has been reappointed as Managing Director for a tenure of 3 years from 01.04.2023. There is no service contract containing provisions of notice period or severance package.

The Committee also broadly reviews the remuneration of key functionaries in the Senior Management cadre and makes appropriate recommendation to the Board.

No Director or his relative holds an office or place of profit in the Company. Other than direct or indirect equity holding, sitting fee and commission there is no pecuniary relationship or transaction between the company and its non-executive directors except in the case of Mr P Manoharan whose spouse is a sugarcane supplier and the transaction is at arm's length price. No stock option has been issued by the company to any director, including MD.

Non-Executive Directors are paid sitting fee at ₹ 20000 per meeting of Board or any Committee thereof. Pursuant to the approval of shareholders

at its 27th AGM, commission of ₹ 4 lakhs would be paid to each Non-Executive Director who have been in office for the whole Financial Year 2023-24.

Remuneration particulars of all the Directors are given in Note 37(ii)(c) & (d) of the Financial Statements. The same may be treated as required disclosure under Para IV Section II –Part II of the Schedule V to the Act and Clause (6) of Para C of Schedule V to the Listing Regulations.

(ii) Performance Evaluation

The Board of Directors in Mar'15 on the recommendations of the Nomination and Remuneration Committee approved the Board evaluation framework. It has laid down specific criteria for performance evaluation as set out by the said Committee. This is being reviewed once in 3 years. Accordingly, the Board of Directors at their meeting held on 15th March 2024, based on the recommendations of the Nomination and Remuneration Committee last reviewed the above criteria for performance evaluation for Independent Directors, Non-Independent Directors and Board of Directors and decided that no change is necessary.

The company's Board evaluation policy and practice conform to all the mandatory requirements of the Act and Listing Regulations. The Board evaluation is internally done on annual basis using templates that incorporate specific attributes. There is oral one-on-one discussion of the template contents relevant to each director and the format is filled on the basis of collective views voiced. The feedback is orally given to all the directors. The Chairman's role is overall mediation to facilitate objective evaluation and collective decision making. The Board evaluation process is reviewed responding to regulatory changes or once in three years.

The Nomination and Remuneration Committee during the year evaluated the performance of every Independent and Non Independent Director at its meeting held on 15th March 2024.

The director whose performance is being evaluated did not participate during that part of the meeting. The Committee has expressed overall satisfaction on such evaluation.



The Independent Directors in their exclusive meeting on 15.03.2024 did the evaluation on the performance of Chairperson, non-independent directors and the Board as a whole. They have expressed overall satisfaction on such evaluation. Five Independent directors were present at this meeting.

The tenure of three Independent Directors, Mr V Sridar, Dr Nanditha Krishna and Mr K Bharathan ended on 31.03.2024. Hence no recommendation was needed for their continuance. Further, Dr Lakshmi Nadkarni and Mr Chellamani Naresh have been appointed as Independent Directors for a fixed term of five years from 15.03.2024 to 14.03.2029. No performance evaluation may be needed for them this year. Accordingly, the Board at its meeting on 15.03.2024 decided in terms of Para VIII(2) of Schedule IV to the Companies Act, 2013 that two Independent Directors, Mr Mohan Verghese Chunkath and Mr P Manoharan be continued for their residual term in the office of Independent Director.

The Board at its 15th March 2024 meeting further evaluated the functioning of each of the five committees and evaluated its own performance on the basis of the criteria approved by the Nomination and Remuneration Committee.

There was no specific observation made during Board evaluation last year and current year that is material and requires further action.

(iii) Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board in March 2015 formulated the:

- (i) Code of Practices and Procedures for Fair disclosure of Unpublished Price Sensitive Information (Regulation 8); and
- (ii) Minimum Standards for Code of Conduct to regulate, Monitor and Report Trading by Designated Persons (Regulation 9).

These Codes are reviewed every three years and amended as required.

The Board in March 2023 amended the Code of Conduct to regulate, monitor and report trading by 'designated persons'.

These codes have been uploaded on the company website and intimated to the Stock Exchanges.

These codes apply to all directors and designated persons. It is hereby affirmed that all directors and designated persons have complied with the codes as applicable during FY 2023-24 and a confirmation to this effect has been obtained from each of them.

The company seeks to ensure that material information/ event is disseminated as soon as it becomes credible and concrete for maintaining information symmetry in the market except when non-disclosure is considered in the interest of its stakeholders.

The trading window remains closed during the period when designated persons in terms of the Regulations can reasonably be expected to have possession of unpublished price sensitive information. In any event, the trading window remains closed from the end of every quarter till 48 hours after declaration of financial results. Intimation of this is given to stock exchanges and a system generated alert is sent to all directors and designated persons.

The company on its own maintains a structured digital database containing the details of persons/entities with whom unpublished price sensitive information is shared. This database is maintained with adequate controls and checks such as time stamping and audit trails to ensure that the database cannot be tampered.

The Company Secretary is designated as the compliance officer for this purpose. The Audit Committee monitors the adherence to various requirements as set out in the Codes.

(iv) Code of Conduct

The Board in Mar'05 formulated in deference to the Listing Regulations the Code of Conduct for Directors and Senior Management Personnel of the Company. The same is posted on its website. All the Directors and Senior Management Personnel have complied with the Code and a confirmation to this effect has been obtained from them individually for FY 2023-24.

Further, the senior management personnel have declared to the Board that no material, financial and commercial transactions were entered into by them during FY 2023-24 where they have personal interest that may have a potential conflict with the interest of the Company at large.

Declaration signed by MD affirming the above is attached (Appendix-1)

(v) Related Party Transactions

The Board in Feb'15 formulated the Policy on Related Party Transactions (RPTs). It further fixed the materiality threshold under this policy at 10% of the Company's turnover as per the last audited financial statements. Accordingly, transactions with a related party individually or taken together in a financial year crossing this 10% threshold would be considered material.

Pursuant to Reg.23 of the Listing Regulations, the RPT Policy is reviewed by the Board once in 3 years and was last amended in January 2023. This policy has been uploaded on the company's website at <https://www.ponnisugars.com/assets/images/Policies/RPT-Policy.pdf>

RPTs during FY 2023-24 are disclosed in Note 37 of the Financial Statements that includes transactions with entity belonging to the promoter holding more than 10% shareholding in the company in accordance with the relevant accounting standards. None of these transactions is likely to have a conflict with the company's interest.

All RPTs have the prior approval of Audit Committee. Omnibus approval is obtained, in respect of non-material, routine or unforeseen RPTs. The Board in Feb'16 laid down the criteria for granting omnibus approval in line with the Policy on RPTs. The Audit Committee at its meeting held in March'23 gave its omnibus approval for RPTs during FY 2023-24 in line with such criteria.

The company in terms of Regulation 23 of the SEBI-LODR submits within the stipulated time on the date of publication of its standalone financial results for the half year, disclosure of related party transactions in the specified format to the Stock Exchanges. The

said disclosure is available on the website of the company.

None of the directors had any pecuniary relationships or transactions vis-à-vis the company other than those duly disclosed.

(vi) Commodity/ foreign exchange risk and hedging:

(a) Risk Management

The company has a robust risk management framework to identify and evaluate business risks and opportunities. It seeks to create transparency, minimize adverse impact on the business objective and enhance the company's competitive advantage. It aims at ensuring that the executive management controls the risk through a properly defined framework.

The company has laid down appropriate procedures to inform the Board about the risk assessment and minimization procedures. The Board periodically revisits and reviews the overall risk management plan for making desired changes in response to the dynamics of the business.

Key areas of risks identified and mitigation plans are covered in the Management Discussion and Analysis Report. The company is not currently required to constitute a Risk Management Committee.

(b) Commodity price risks and hedging

Sugar is traded in spot and futures markets on commodity exchange both in the Indian and global commodity markets. Futures market for sugar in India lacks depth due to monthly sale quota that is an impediment to free market. The Company is exposed to usual price risk associated with market fluctuations. Export-import contracts are normally on firm price basis with immediate delivery.

The company in line with industry practice trades in sugar on spot basis. The company's power production after meeting its captive needs is committed for supply to the State Discom at regulatory price under long term PPA. Hence, no trade or hedging is done in the Energy Exchange.



(c) Foreign Exchange Risk

The company does not have material foreign exchange risk in the normal course of its business as it is only an occasional player in the global market. Hedging through forward/futures contract is done as and when need arises.

The company's Foreign Exchange exposure during the year was insignificant and hence no hedging was done.

(d) Exposure to commodity/ commodity risk during FY 2023-24.

Commodity Name	Exposure in INR towards the particular commodity (₹ crores)	Exposure in Quantity terms towards the particular commodity (tonnes)	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Sugar	----	----	NIL	NIL	NIL	NIL	NIL
Power	----	----	NIL	NIL	NIL	NIL	NIL

(vii) Whistle Blower Policy

The Company has established a vigil mechanism overseen by the Audit Committee and no personnel has been denied access to the Audit Committee. This Policy was last amended by Board in March 2023 and it has been uploaded on the Company's website at the following link:

<https://www.ponnisugars.com/assets/images/Policies/Whistle-Blower-Policy%20-Vigil-Mechanism.pdf>

No complaint under this facility was received in FY 2023-24.

(viii) Anti-Sexual Harassment Policy

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Complaints Committee has been set up to redress complaints received on sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Number of Complaints filed, disposed during and pending at end of FY 2023-24 – NIL

(ix) Document preservation

Pursuant to Regulation 9 of the Listing Regulations, the company has formed a policy for preservation of records. This Policy covers all corporate records of the company whether in paper or digital form and applies to all departments and business functions of the company. This Policy has been uploaded on the company website.

E) Other Compliances

i) Management Discussion and Analysis

Management Discussion and Analysis Report is made in conformity with Regulation 34(2)(e) of the Listing Regulations and is attached to the Board's Report forming part of the Annual Report of the Company.

ii) Quarterly Financial Results

Quarterly Financial Results (unaudited – limited reviewed) are approved by the Board on the recommendations of the Audit Committee. These are filed with Stock Exchanges, online, after the conclusion of the Board Meeting besides publication of the abstract of the results in dailies as required, within the stipulated time. These are also immediately posted on the company website.

(iii) Quarterly Compliance Report

The Company has submitted for each of the four quarters during FY 2023-24 the Compliance Report on Corporate Governance to Stock Exchanges within time limit from the close of each quarter.

(iv) Disclosure of material events or information

Pursuant to Regulation 30 of the Listing Regulations, the company discloses the information/events specified under Schedule III of the Listing Regulations and also based on the materiality threshold determined by the Board as per listing regulations

to the stock exchanges. The disclosures made by the company to stock exchanges during the year includes the following:

Sl. No	Date	Disclosure
1	27.05.2023	Intimation to shareholders for updating KYC details pursuant to SEBI Circular dt.16.03.2023
2	29.06.2023	Update on reaffirmation of Credit rating for Banking facilities by CARE ratings.
3	29.06.2023	Intimation on Fair and Remunerative Price (FRP) of sugarcane payable by Sugar Mills for SS 2023-24.
4	21.7.2023	Amended policy on Materiality of events / information
5	22.08.2023	Disclosure of pending Litigations / disputes.
6	27.09.2023	ODR Mechanism intimation to investors for enhancing Investor awareness
7	25.10.2023	Update on pending litigations - Disclosure of Order passed by Customs, Excise & Service Tax Appellate Tribunal, Chennai (CESTAT).
8	02.11.2023	Update on pending litigations - Disclosure of Judgment delivered by Hon'ble High Court of Madras.
9	13.12.2023	Update on pending litigations - Disclosure of Order passed by Tamil Nadu Electricity Regulatory Commission (TNERC).
10	30.01.2024	Recommendation of Nomination and Remuneration Committee and Board of Directors for (1) Appointment of Independent Directors – Dr Lakshmi Nadkarni & Mr Chellamani Naresh. (2) Approval of Postal Ballot Notice.
11	06.02.2024	Postal Ballot Notice for appointment of two Independent Directors.
12	22.02.2024	Intimation on Fair and Remunerative Price (FRP) of sugarcane payable by Sugar Mills for SS 2024-25.
13	04.03.2024	Disclosure on monthly sugar release quota order – Deducting 25% of eligible quota – Representation made.
14	12.03.2024	Disclosure on monthly sugar release quota - restoration order – restoring the original quota.
15	15.03.2024	Change in Directors / SMPs / Appointment of Auditors / Reconstitution of Board, Committees and Amendment of CSR Policy.

(v) Online filing

NEAPS / Listing Centre

Quarterly reports are filed under specified modes with:

- National Stock Exchange of India Ltd through NSE Electronic Application Processing System (NEAPS)
- BSE Ltd through 'BSE Listing Centre'.

(vi) SCORES

SEBI requires all listed companies to process investor complaints in a centralized web based system called 'SEBI Complaints Redress System' (SCORES). Investors are encouraged to lodge complaints thro' e-mode, while SEBI digitizes complaints in physical form and uploads same. Listed companies are advised to view the complaint and submit Action Taken Report (ATR) with supporting documents in SCORES.

In its continuous pursuit of protection of interests of investors in the securities market, SEBI has launched the new version of the SEBI Complaint Redress System (SCORES 2.0) on 01.04.2024. This new version strengthens the investor complaint redress mechanism in the securities market by making the process more efficient through auto-routing, auto-escalation, monitoring by the 'Designated Bodies' and reduction of timelines. The new SCORES system has also been made more user friendly.

Investors can lodge complaints only through new version of SCORES from 01.04.2024. In the old SCORES, investors would not be able to lodge any new complaint. However, Investors can check the status of their complaints already lodged in old SCORES and pending in the old SCORES. Further, the disposed complaints filed in the old SCORES can be viewed at SCORES 2.0.

SEBI in March'20 has launched the Mobile App "SEBI SCORES" to help investors access SCORES at their convenience from smartphone. The App has all the features of SCORES otherwise available in the existing internet media. After mandatory registration on the App, for each grievance lodged, investors will get an acknowledgement via SMS and



email. Investors can, not only file their grievance but also track the status of their complaint redressal. Investors can also key in reminders for their pending grievances.

This App has since been discontinued and a new App in its place will be launched soon by SEBI.

During the year, two complaints posted at SCORES website were resolved.

(vii) Online Dispute Resolution (ODR):

SEBI vide its circular dt 13.7.23 read with circular dated 04.08.23 has introduced a common Online Dispute Resolution (ODR) mechanism to facilitate online resolution of all kinds of disputes arising in the Indian securities market. Investors to follow: Level 1 – to raise complaint with RTA or Company; Level 2 –SEBI Complaints Redress (SCORES) online portal and Level 3 – ODR website platform.

Without having to go through SCORES portal, investor/client can directly initiate dispute resolution through the ODR Portal if the grievance lodged with the concerned company was not satisfactorily resolved, provided the complaint/dispute is not under consideration in SCORES portal or not pending before any arbitral process, court, tribunal or consumer forum or are non-arbitrable in terms of Indian law.

(viii) Reconciliation of Share Capital Audit

Description	Frequency	For quarter ended	Furnished on
Reconciliation of the total admitted capital with NSDL/ CDSL and the total issued & listed capital	Quarterly	30.06.2023	07.07.2023
		30.09.2023	09.10.2023
		31.12.2023	10.01.2024
		31.03.2024	05.04.2024

(ix) Accounting treatment

In the preparation of financial statements, no accounting treatment different from that prescribed in any applicable Accounting Standard has been followed.

(x) Audit trail

The Company's accounting software effective 01st April 2023 has the feature to record audit trail

and comply with the requirements under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014.

(xi) Cost records and Cost audit

The company is required to maintain cost records as specified u/s 148(1) of the Act. The company maintains such accounts and records in respect of sugar and cogeneration of power.

Pursuant to Section 148 of the Act, the company has appointed M/s S Mahadevan & Co., Cost Accountants (Firm Regn.No.000007), Coimbatore to undertake cost audit of the company for FY 2023-24. Their remuneration was ratified by the shareholders at the 27th AGM.

Cost Audit Report

Filing Cost Audit Report	2023-24	2022-23
Due date	30.09.2024	30.09.2023
Actual date	Target 31.08.2024	18.08.2023
Audit Qualification in Report	---	NIL

(xii) (a) Secretarial Standards & Secretarial Audit

The company has complied with all applicable Secretarial Standards during the year. Mr V Suresh, a practicing company secretary (C.P.No.6032) was appointed to undertake the Secretarial Audit of the company for FY 2023-24. The Secretarial Audit Report was placed before the Board on 26.04.2024 and there is no qualification therein. It is annexed to Board Report (Annex-7).

(b) Annual Secretarial Compliance Certificate

Regulation 24(A) of the Listing Regulations mandates all listed companies to file Annual Compliance Certificate issued by a practicing company secretary with Stock Exchanges within 60 days of the end of the financial year. The Company has obtained the certificate from Mr V Suresh (PCS) that will be filed with the Stock Exchanges in time.

(xiii) Internal Auditor

The company has appointed Maharaj N R Suresh And Co LLP, Chartered Accountants (LLP Identification No.AAT-9404), Chennai, to conduct internal audit of

the functions and activities of the company for FY 2023-24. The Internal Auditor reports directly to the Audit Committee.

(xiv) CEO/ CFO certification

CEO certification by Mr N Ramanathan, Managing Director and CFO certification by Mr K Yokanathan, Chief Financial Officer as required under Regulation 17 (8) of the Listing Regulations were placed before the Board at its meeting on 26th April 2024.

(xv) Review of Directors' Responsibility Statement

The Board in its Report has confirmed that the annual accounts for the year ended 31st March 2024 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

(xvi) Auditors' Certificate on Corporate Governance

Certificate of Statutory Auditors has been obtained on the compliance of conditions of Corporate Governance in deference to Para E of Schedule V of the Listing Regulations and the same is annexed (Appendix-3)

(xvii) Subsidiary Companies

The Company has no subsidiary.

(xviii) Deposits

The company has not accepted deposits from the public.

(xix) Peer review of Auditors

Regulation 33 (1) (d) of the Listing Regulations stipulates that limited review / audit reports shall be given only by an Auditor who has subjected himself to the peer review process and holds a valid certificate issued by the Peer Review Board of the ICAI. The statutory auditors of the Company M/s S Viswanathan LLP have undergone the peer review process and been issued requisite certificate.

(xx) Statutory Auditor's fees for FY 2023-24 to M/s S Viswanathan LLP.

Please refer Note 24A of Financial Statements.

No fee or other sum was paid during the year to any entity in the network firm/ network entity of which the statutory auditor is a part.

(F) Discretionary requirements

(i) Chairperson

Chairman's office is separated from CEO. The Chairman is non-executive but does not maintain an office at Company's expense.

(ii) Shareholders' Rights

Quarterly Financial Results of the Company are e-mailed to shareholders whose email ids are available with the company. These are posted on the Company's website and the summary of the results are advertised in newspapers.

(iii) Audit Qualifications

The Company since inception has ensured to remain in the regime of unqualified financial statements. Annual financial results for FY 2023-24 are being filed with the stock exchanges along with the declaration by the Managing Director confirming that the Auditors' Report on Annual Financial Results containing unmodified opinion.

(iv) Separate posts of Chairperson and the Managing Director

The Company has appointed separate person as Chairman and the Managing Director. The Chairman is non-executive and is not related to the Managing Director.

(G) Disclosures

(i) There is neither non-compliance by the Company nor strictures imposed on the company by the Stock Exchanges or SEBI or any statutory authority on any matters related to the capital market during the last 3 years.

(ii) Website

The Company maintains a functional website <https://www.ponnisugars.com>. It contains basic information about the company and disseminates all the information spelt out in Regulation 46 of the Listing Regulations. Updates are uploaded within two working days of change in content in respect of matters specified in Regulation 46 (2).



(iii) Business Responsibility and Sustainability Report

SEBI has mandated the inclusion of Business Responsibility Reports as part of the Annual Reports for listed entities that is currently applicable for top 1000 listed entities. Our company is not currently covered by this.

(iv) Dividend Distribution Policy

SEBI has mandated formulation of Dividend Distribution Policy for top 1000 listed entities and disclosure of the same in the Annual Reports and websites of the company. Though our company is not covered by this, in line with the company's proactive pursuit of good corporate governance practices, the Board of Directors of the Company have voluntarily adopted this policy at their meeting held on 28th October, 2022. This policy is available on the company website.

(H) Means of Communication

(i) Intimation of Board meeting

The Company intimates Stock Exchanges the Notice of Board Meeting to consider financial results. The results are furnished to Stock Exchanges immediately on conclusion of Board Meeting and concurrently uploaded on company website. These media publication is done in accordance with regulatory prescriptions

It is also placed on the website of the Company and sent to Stock Exchanges.

(ii) Financial Results

Period	Financial Results		Newspaper
	Date of approval by Board	Date of Publication	
Quarter ended 30.06.2023	21.07.2023	22.07.2023	Business Standard and Makkal Kural
Quarter ended 30.09.2023	03.11.2023	04.11.2023	
Quarter ended 31.12.2023	19.01.2024	20.01.2024	
Quarter & Year ended 31.03.2024	26.04.2024	27.04.2024 *	

* Publication arranged

The results published also show as footnote relevant additional information and/or disclosures to the investors. Financial results are-

- filed online through XBRL / PDF with Stock Exchanges immediately after the conclusion of the Board meeting;
- posted on the company's website <https://www.ponnisugars.com> that also displays other official News releases; and
- emailed to shareholders who have registered their email ids.

No presentation was made during the year to institutional investors or analysts. The Company has no agreement with any media company for public dissemination of its corporate information.

(iii) Chairman's Communiqué

Chairman's Speech at the Annual General Meeting is placed on the website of the Company, sent to Stock Exchanges and emailed to shareholders.

(I) General Body Meetings

(i) Particulars of past 3 AGMs

AGM/Year	Venue	Date & Time	Special Resolutions passed
25th 2020-21	Through Video Conference/ Other Audio Visual Means (Deemed Venue: Registered Office)	20.07.2021 11.00 AM	Reappointment of retiring director Mr. Bimal K Poddar
26th 2021-22		20.07.2022 10.30 AM	Appointment of Director, Mrs Bharti Chhotubhai Pithawalla Appointment of Independent Director Mr Mohan Verghese Chunkath
27th 2022-23		21.06.2023 11.00 AM	Reappointment of retiring director Mr. N Gopala Ratnam

No Extraordinary General Meeting was convened during the year.

(ii) e-Voting in AGM

In addition to remote e-voting, the company offered e-Voting facility to the members who were present in AGM, but could not vote through remote e-voting pursuant to Rule 20 of the Companies (Management & Administration) Rules, 2014.

iii) Postal Ballots during the year:

Sl. No	Resolution type & Date	Business	Voting Result
1	Special – 12.03.2024	Appointment of Dr Lakshmi Nadkarni and Mr Chellamani Naresh as independent directors	Resolution passed with requisite majority

In compliance with the provisions of the Companies Act, 2013, the Rules made thereunder and circulars issued by Ministry of Corporate Affairs and in terms of Regulation 44 of the SEBI-LODR the Company had provided the facility to the Members to exercise their votes electronically through the remote electronic voting (e- voting) facility arranged with CDSL for the above resolutions. Mr A S Kalyanaraman, Practicing Chartered Accountant (Membership No. 201149) was appointed as Scrutinizer by the Board for conducting the e-voting process in a fair and transparent manner.

J. General Shareholder Information**(i) Details for 28th AGM**

Date and Time	Wednesday, the 5th June 2024 at 11.00 AM
Deemed Venue	Registered Office of the Company
Financial Year	2023-24
Book Closure Dates	Friday, the 24th May 2024 to Wednesday, the 5th June 2024 (both days inclusive)
Dividend	₹ 7 per Equity Share (proposed)
Dividend payment date	on or before 12.06.2024
Cut-off Date for e-voting	Wednesday, the 29th May 2024

(ii) Financial Calendar for FY2024-25 (tentative)

Results for the quarter ending	30th Jun 2024	July 2024
-do-	30th Sep 2024	October 2024
-do-	31st Dec 2024	January 2025
Results for the year ending	31st Mar 2025	May 2025
Annual General Meeting	July 2025	

(iii) Listing

Name & Address	Listed from	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001 Phone: 022-22721233/ 22721234 Fax: 022-2272 2082 Email: corp.relations@bseindia.com	April 2002	532460
National Stock Exchange of India Ltd Exchange Plaza, Bandra Kurla Complex Bandra East, Mumbai 400 051 Phone: 022-26598235 / 8236 Fax: 022-26598237 / 8238 Email: cmlist@nse.co.in	April 2002	PONNIERODE

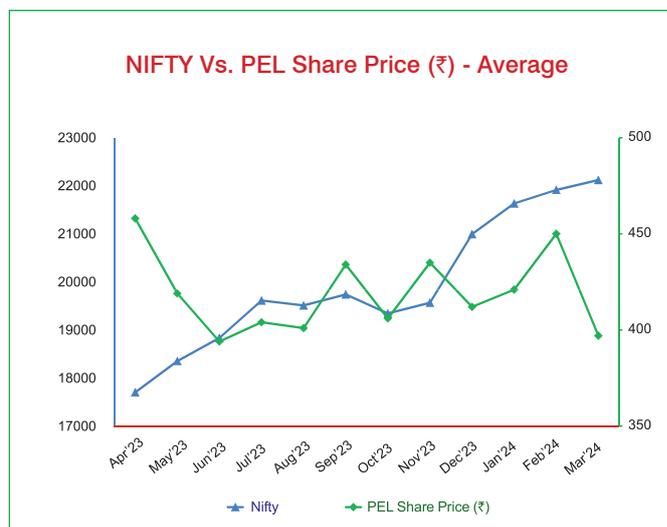
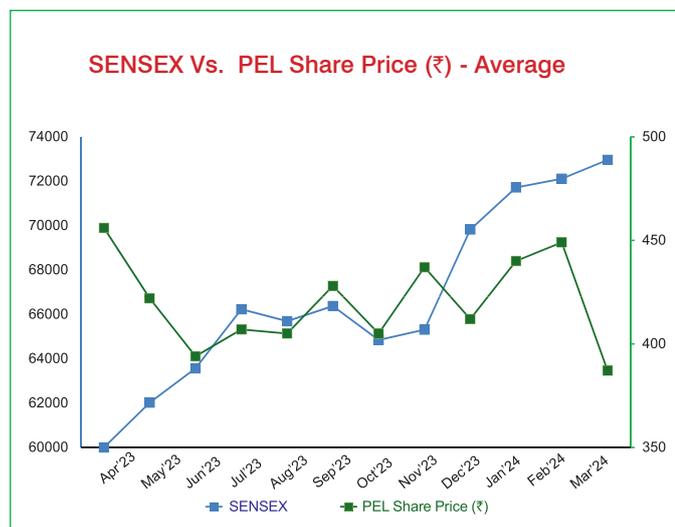
Listing fee has been paid to both the Stock Exchanges for FY 2024-25.



(iv) Market Price Data

Month	BSE Ltd				National Stock Exchange of India Ltd			
	Share price		Volume		Share price		Volume	
	High	Low	No. of shares	Value (₹ lakhs)	High	Low	No. of shares	Value (₹ lakhs)
Apr'23	515.00	397.00	115169	549.93	515.00	400.00	1161471	5564.67
May'23	470.00	374.00	116613	485.60	465.00	373.00	1176234	4884.59
Jun'23	410.00	377.00	163410	644.41	410.00	377.00	1698405	6709.54
Jul'23	447.00	367.00	152763	613.95	432.00	375.00	1994235	8061.19
Aug'23	430.00	379.00	78587	313.94	416.00	386.00	1040830	4196.42
Sep'23	457.00	398.00	183178	787.57	471.00	397.00	2248943	9689.93
Oct'23	434.00	375.00	54580	225.87	435.00	377.00	838766	3475.33
Nov'23	465.00	408.00	97951	433.63	465.00	405.00	1581377	6976.42
Dec'23	431.00	393.00	78177	320.99	431.00	392.00	1032638	4226.09
Jan'24	476.00	403.00	92897	389.65	442.00	400.00	1008036	4228.65
Feb'24	486.00	412.00	141717	639.84	488.00	411.00	1740926	7899.88
Mar'24	429.00	344.00	57898	235.32	430.00	363.00	579677	2339.39

(v) Relative Performance of the Company Share Price Vs BSE Sensex & NSE Nifty



(vi) Registrar and Share Transfer Agent (for both Demat and Physical segments)

Cameo Corporate Services Ltd, "Subramanian Building", 5th Floor, 1, Club House Road Chennai 600 002	Phone: 044-28460390 (4 lines) Email: investor@cameoindia.com Web: www.cameoindia.com SEBI Registration No: INR000003753
Contact person:	Ms K Sreepriya, Vice President and Company Secretary

(vii) Nomination facility

Shareholders holding shares in physical form and desirous of making a nomination in terms of Section 72 of the Act are requested to submit to the Registrar and Transfer Agent in the Form No.SH.13 prescribed under Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014. These forms can be had on request or downloaded from Company / MCA website. In the case of Demat holding, shareholders shall submit the same to their respective Depository Participants.

SEBI, vide circular dated July 23, 2021 stipulated that trading accounts and demat accounts which do not have 'choice of nomination' shall be frozen by September 30, 2023. Based on representations received from Stock Exchanges, Depositories and other stakeholders, SEBI vide circular dt. 26.09.2023 decided that the submission of 'choice of nomination' for trading accounts is voluntary and vide its circular dt. 27.12.2023 extended the last date for submission of 'choice of nomination' for demat accounts till 30.6.2024.

(viii) (a) Transactions in Shares

Powers are delegated to Managing Director to deal with and approve regular transactions in securities in the case of small investors, while other cases are decided by the Stakeholders Relationship Committee. Investor requests are attended to within 7-15 days from the date of receipt. A summary of such transactions so approved by the Managing Director is placed at every Board Meeting / Stakeholders Relationship Committee. The Company obtains from

a Company Secretary in practice annual Certificate of Compliance with the Share Transfer formalities as required under Regulation 40 (9) of the Listing Regulations and files a copy of the said certificate with the Stock Exchanges.

b) Compulsory Demat

SEBI in June'18 amended Regulation 40 of the LODR prohibiting transfer of shares held in physical mode from 01.04.2019.

By further amendment in Jan'22 SEBI prohibited transposition and transmission of shares and other transactions in securities held in physical form.

Hence shareholders are advised to convert their physical holdings into demat form.

c) Centralized mechanism for reporting the demise of an investor through KYC Registration Agencies (KRAs)

SEBI vide its circular dated 03.10.23 effective 01.01.24 has introduced a centralized mechanism for reporting and verification in case of the demise of an investor. This facility will be available for investors holding securities in physical form only if their PAN is available in the folio. However, such investors holding securities in physical form who have no option for KRA connectivity can still avail the beneficial measure by dematerializing their shares.

(ix) Distribution of shareholding

Slab	No. of Shareholders		No. of Equity Shares	
	Total	%	Total	%
1-100	13443	78.87	431442	5.02
101-500	2858	16.77	676277	7.87
501-1000	416	2.44	320609	3.73
1001-10000	292	1.71	727673	8.46
10001 - 100000	24	0.14	497384	5.78
100001 & above	11	0.07	5945033	69.14
Total	17044	100.00	8598418	100.00



(x) Categories of Shareholding

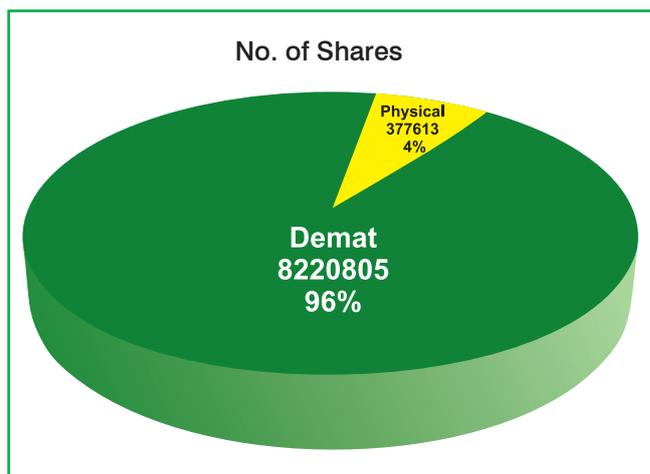
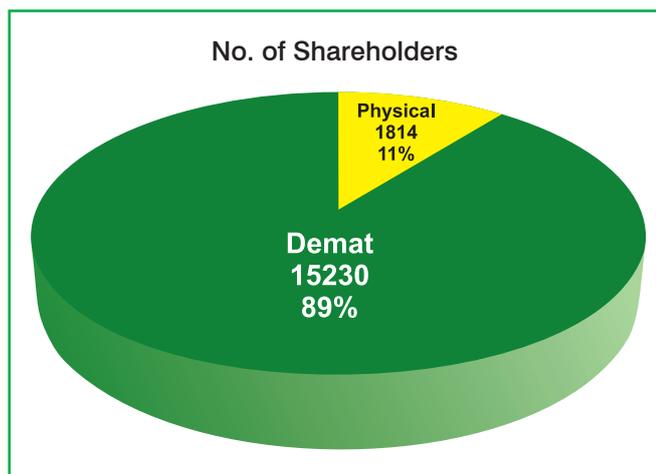
Shares held by	No. of share holders	%	No. of shares	%
Promoters	6	0.04	3642537	42.36
FIs / UTI / Mutual Fund / Banks	4	0.02	4020	0.04
Corporates	105	0.62	144112	1.68
FPIs / FIIs / NRIs / OCBs	348	2.04	2287945	26.61
Resident Individuals	16581	97.28	2519804	29.31
Total	17044	100.00	8598418	100.00

(xi) Shareholder Satisfaction Survey

To assess the current level of service standards in all business dealings including investor services a questionnaire has been posted on the company's website. Shareholders are requested to send their views by replying to the questionnaire. No response was received during the year while surveys undertaken in the past indicated good satisfaction level.

(xii) Dematerialization

The Equity Shares of the Company (ISIN INE838E01017) are traded in compulsory demat mode. Transfer / Transposition / Transmission and other dealings in shares shall be done only in demat form.



No investor is required to pay any charge for opening of a Beneficiary Owner account (BO) excepting for statutory charges. Custody charges are annually paid by the Company as and when claim is received.

Individual Communication to shareholders holding shares in Physical form are periodically sent. It advises them to convert their holdings from physical mode to demat mode considering overall merits of the depository system and total prohibition on dealings in shares in physical mode.

(xiii) PAN / Bank details

- (1) SEBI vide circular dt.27.04.07 has made PAN as the sole identification number for all participants transacting in the securities market irrespective of the amount of such transaction.
- (2) SEBI vide circular dt.27.01.10 has made it mandatory to furnish a copy of PAN for transmission and transposition of shares.

- (3) SEBI vide Circular dt.20.4.18 has advised listed companies through their RTA to seek PAN / Bank details of shareholders holding shares in Physical form. Necessary communication in this regard was sent to shareholders by registered post followed by reminders. Shareholders are advised to provide these details without delay.
- (4) SEBI vide its circular dated 16.03.2023 (rescinded vide Master Circular dt.17.05.2023) has informed that in case a holder of physical securities fails to furnish the PAN, KYC details and nomination before 01.10.2023, RTA is obligated to freeze such folios and refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002. Further, SEBI vide its circular dt. 17.11.2023 has amended SEBI master circular dt.17.05.2023 to RTA's by deleting the provisions related to freezing of folios and referring frozen folios to the administering authority.

(xiv) Plant

Location: Odapalli, Cauvery RSPO,
Erode 638 007, Komarapalayam (Tk),
Namakkal District, Tamil Nadu.
Phone: 04288-247351 to 247355
Email: gen@ponnisugars.com

(xv) Investor Correspondence

As regards transfers, change of address or status, dividend mandate and other share related queries, investors shall communicate with -

- (a) respective Depository Participants, in case of demat holding
- (b) the Registrar & Transfer Agent, in case of physical holding

SEBI has issued circular dated 08.06.2023 to digitize the process in following two phases and provide a mechanism for the investor to lodge service requests and complaints online and thereafter track the status and obtain periodical updates. Based on the above circular, our RTA, Cameo Corporate Services Limited has online portal <https://wisdom.cameoindia.com/> for

redressing investor grievances. Investor may initiate their grievance redressal process through their online portal at <https://wisdom.cameoindia.com/> or write to their email id at investor@cameoindia.com.

All queries on Annual Report, dividend and other clarifications may be addressed to the registered office of the Company at:

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

Phone: 044 -24961920, 24960156

Email: admin@ponnisugars.com

Website: www.ponnisugars.com

Investors may also post the query on the website of the Company.

(xvi) Exclusive email ID for investor benefit

Pursuant to SEBI's directive and Regulation 46 (2) (j) of Listing Regulations, the Company has created an exclusive Email ID investor@ponnisugars.com for redressal of investor grievances. Queries posted on Company website would also get routed to this Email ID for prompt response.

(xvii) Credit Ratings

The company has made no public issue of debt securities.

Details of Credit Ratings obtained for facilities availed from Bank.

Facility	Amount (₹ Cr)	Rating
Long Term Fund based bank facilities (Cash Credit)	15.00	CARE: BBB+ Stable
Short Term Bank facilities (Non-fund based)	1.00	CARE: A2

(xviii) Shareholder Complaints

Two complaints were received and resolved by Company / RTA during the current year. No complaints were pending at the end of the year.



(xix) Generating Awareness on availability of Dispute Resolution Mechanism

In order to generate awareness of investors on availability of dispute resolution mechanism at Stock Exchanges against listed companies / RTAs, SEBI has issued the Circular No. SEBI/HO/OIAE/2023/03391 dated 27-01-2023 advising companies to send the following information either by email or by SMS to all investors who hold shares in physical form:

“If you have any dispute against a listed company and or its RTA on delay or default in processing your request, as per SEBI Circular dated 30-05-2022, you can file for arbitration with Stock Exchange. For more details, see the web links of the stock exchanges”.

In deference to the above, the company has sent individual communication to shareholders through email to physical shareholders on 13.02.2023 and through SMS on 17.02.2023.

(xx) Service Standards

As per the ‘standard operating procedures’ of the Company, the following are the Service Standards set out for various investor related transactions/ activities and the Company and its Registrars endeavour to achieve these Standards without compromising with the quality of the service to the investors:

Sl. No.	Particulars	Service Standards (Maximum number of working days)
1	Transmissions	21
2	Transposition / Deletion of Name	15
3	Folio Consolidation / Change of Name	15
4	Demat	15
5	Consolidation / Split	15
6	Remat of Share Certificates	30
7	Issue of Duplicate Certificates	30
8	Registration of Change of Address / ECS / Bank Details / Nomination	15
9	Revalidation of Dividend warrants / IEPF Letters	5
10	Registration of Power of Attorney	15
11	General Correspondence and Complaints	15

With requisite systems and procedures in place, the Company has successfully improved its service levels and has received two complaints from investors during the financial year.

In case the above service standards are not met or if an investor has any other observations/ comments/ complaints on service levels, he may communicate to us at:

Email :investor@ponnisugars.com

Tel.No. 044-24961920, 24960156

(xxi) Unclaimed shares

SEBI vide its circular no.CIR/CFD/10/2010 dt.16.12.2010 has advised Stock Exchanges a uniform procedure to deal with unclaimed shares viz. (i) transferring those shares to an Unclaimed Suspense Account (ii) dematerialize the same with one of the Depository Participants (iii) all corporate benefits to be credited to the suspense account (iv) freeze the voting rights on such shares.

Relevant disclosures under Part F of Schedule V to the Listing Regulations are as under:

Sl. No	Particulars	No. of Shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year.	2	80
2	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year.	--	--
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	--	--
4	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	2	80

The voting rights in respect of these shares shall remain frozen till the rightful owner of such shares claims the shares.

(xxii) Dividend for 2023-24

(a) Dividend entitlement

Dividend, if declared at the Annual General Meeting, will be paid on or before 12.06.2024 to the members whose names appear on the Register of Members on 05.06.2024 or as per their mandates. In respect of shares held in demat mode, dividend will be paid to the beneficial owners of shares recorded with the Depositories as on that date as per details to be furnished by NSDL / CDSL for the purpose.

(b) Electronic payment

Listed companies are mandated by SEBI to use RBI approved e-mode of payment like NECS or NEFT for making payments to investors. Members are therefore advised to update their Bank details with their Depositories (in case of demat holding) or with our RTA (for physical holding).

(c) Non electronic payment

In the absence of adequate Bank details facilitating electronic payment, listed companies are allowed to use physical payment instruments for making cash payment to investors. The company however shall mandatorily print the Bank details of investors or the address of the investor on such payment instruments.

Dividend warrants for physical payment would be issued by the company, payable at par at the designated branches of the Bank printed on the reverse of Dividend Warrant. Initial validity would be 3 months and payment instruments thereafter would be payable as per advice of the bankers. Members are hence advised to encash the warrants within the initial validity period.

(d) Tax on dividend

Dividend income is taxable in the hands of shareholders under current tax law and the company is required to deduct tax at source (TDS) from same at the prescribed rates. The company would be

sending an email to shareholders advising TDS rates in force for different categories based on documents furnished by shareholders. This would also be placed on the company website. Shareholders are requested to refer to the Income Tax Act, 1961 and Rules thereunder for full details.

- (i) There will be no TDS from dividend payable to a resident individual shareholder, if the total dividend to be received during FY 2023-24 from the company does not exceed ₹ 5000/-.
- (ii) Shareholders are requested to complete and/or update their residential status, PAN and other details with (i) their Depository Participants (DPs) in the case of demat holding; and (ii) with the RTA for physical holding.
- (iii) A resident individual shareholder with PAN who is not liable for income tax can submit declaration in Form 15G/ 15H as applicable to avail the benefit of non-deduction of tax. In case their PAN is not registered and not linked with Aadhar, TDS would be at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under applicable Tax Treaty subject to furnishing Form-10F and providing necessary documents.
- (iv) Form 15G/ 15H or Form 10F can be filed online with the RTA thro' their link <https://investors.cameoindia.com>. These can also be downloaded from the company website, duly completed, signed, scanned and emailed to the RTA at investor@cameoindia.com.

(xxiii) Particulars of unclaimed dividend

FY	Dividend (₹ per share)	Date of warrant	Unclaimed*		Due date for transfer to IEPF
			No. of warrants	₹ lakhs	
2016-17	2.50	08.08.2017	3421	5.70	06.09.2024
2017-18	1.00	31.07.2018	2002	2.03	29.08.2025
2018-19	2.00	31.07.2019	1931	2.49	27.08.2026
2019-20	4.00	25.08.2020	1431	4.90	23.09.2027
2020-21	5.00	26.07.2021	1383	4.43	25.08.2028
2021-22	5.50	26.07.2022	1317	5.24	25.08.2029
2022-23	6.50	23.06.2023	1348	6.70	27.07.2030

* includes value of demand drafts cancelled beyond validity period.



MCA by Notification G.S.R.352(E) dated 10.05.2012 has stipulated publication of details of unclaimed/ unpaid dividend in the company website and MCA website. This is understandably to facilitate investors track unclaimed dividend by checking the status online and real time. Our company has already uploaded the requisite details that will get updated every year within 90 days of Annual General Meeting.

(xxiv) Transfer of Unclaimed Dividend to IEPF

Pursuant to Section 124 of the Act, dividend remaining unpaid or unclaimed for a period of 7 years shall be transferred to the Investor Education and Protection Fund of the Central Government. Reminders for unpaid dividend are sent to the shareholders as per records every year.

The Unpaid / Unclaimed dividend of ₹ 2.60 Lakhs pertaining to 3355 shareholders for the Financial Year ended 31.03.2016 was transferred to IEPF on 02.09.2023.

(xxv) Transfer of shares to IEPF

The Company in terms of Section 124(6) of the Act is required to transfer the underlying equity shares where dividend has not been paid or claimed by shareholders for seven consecutive years to the Investor Education and Protection Fund (IEPF) Suspense Account in accordance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Individual communication had been sent to the shareholders whose shares are liable to be transferred to IEPF suspense account. Public Notice in respect of the same was published in Business Standard and Makkal Kural as required under the Rules.

Details of shares transferred to IEPF during FY 2023-24:

For FY	No. of holders	No. of Shares	Date of transfer to IEPF
2015-16	155	8411	29.09.2023

(xxvi) Transfer to IEPF becoming due

The unpaid / unclaimed dividend amount for the Financial Year ended 2016-17 will be transferred during September 2024 along with the shares. Shareholders are therefore advised to contact the Company / RTA immediately in case of non-receipt or non-encashment of dividend.

(xxvii) Claim from IEPF

Shareholders may however note that both the unclaimed dividend and the shares transferred to IEPF Authority / Suspense Account including all benefits accruing on such shares, if any, can be claimed back from IEPF Authority after following the due process prescribed by the Rules. Shareholders whose shares or dividends have been transferred may contact the Registrar and Transfer Agents or the Company at its registered office for necessary guidance in this regard.

(xxviii) Investor safeguards

Members are advised to follow the general safeguards as detailed hereunder to avoid risks while dealing in securities and help the Company serve them better.

- ❖ Demat your Shares
- ❖ Obtain periodic Demat statements from your DP and verify your holdings.
- ❖ Furnish Bank details to the DP/ RTA/ Company
- ❖ Encash your Dividends in time
- ❖ Update your Address
- ❖ Consolidate your Multiple Folios
- ❖ Register Nominations
- ❖ Treat Security details confidential. Do not disclose your Folio No./ DP ID/ Client ID to an unknown person.
- ❖ Do not handover signed blank delivery instruction slips to any unknown person.
- ❖ Deal in Securities only with SEBI Registered Intermediaries.

- ❖ Dispatch Documents containing certificates of securities and high value dividend/ interest warrants/ cheques/ demand drafts only by registered post/ courier or lodge with the Company's Share Department or the Registrar and Transfer Agents.

Our Company enjoys considerable goodwill of the residents in its neighborhood for its transparency in dealings and fair practices in place. It would be relentless in its pursuit and strengthen its focus for doing responsible business.

Company commitment

Our Company keeps constant track of prevalent practices among bellwether corporates towards formulating and finetuning its responses to the emerging areas on Corporate Governance and responsible business. It continues to take affirmative steps for substantive compliance commensurate with its size, nature of business and governing structure.

For Ponni sugars (Erode) Limited

N Gopala Ratnam

Chairman

DIN: 00001945

Chennai

26th April 2024

N Ramanathan

Managing Director

DIN: 00001033

Appendix-1

DECLARATION

[Pursuant to Para D of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

I, N Ramanathan, Managing Director of Ponni Sugars (Erode) Limited, hereby declare and confirm that all the members of the Board of Directors and the senior management personnel of the Company have affirmed compliance with the code of conduct of Board of Directors and senior management personnel for the financial year 2023-24.

Chennai
26th April 2024

N Ramanathan
DIN: 00001033



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Ponni Sugars (Erode) Limited
EsvinHouse, No.13 Old Mahabalipuram Road,
Seevaram Village, Perungudi, Chennai 600 096.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Ponni Sugars (Erode) Limited having CIN:L15422TN1996PLC037200 and having registered office at Esvin House, No.13 Old Mahabalipuram Road, Seevaram Village, Perungudi, Chennai - 600 096 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl . No.	Name of Director	DIN	Date of appointment
1	Mr Gopalaratnam Natarajan	00001945	26.12.1996
2	Mr Ramanathan Narayanan	00001033	01.04.2005
3	Mr Arun Gajanan Bijur	00024434	26.12.1996
4	Mr Bimal Kumar Poddar	00031146	19.12.2001
5	Mr Krishnamurthy Bharathan	00210433	28.12.2011
6	Ms Chinny Krishna Nanditha	00906944	24.12.2010
7	Mr Venkatesan Sridar	02241339	05.06.2009
8	Mr Mohan Verghese Chunkath	01142014	06.05.2022
9	Ms Bharti Chhotubhai Pithawalla	00341382	06.05.2022
10	Mr Palanisamy Manoharan	09706869	01.10.2022
11	Dr Lakshmi Nadkarni	07076164	15.03.2024
12	Mr Chellamani Naresh	10474276	15.03.2024

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V Suresh Associates
Practising Company Secretaries

V Suresh
Senior Partner
FCS No. 2969
C.P.No. 6032

Chennai
26th April 2024

Peer Review Cert. No:667/2020
UDIN: F002969F000241691

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Ponni Sugars (Erode) Limited

We have examined the compliance of conditions of Corporate Governance by Ponni Sugars (Erode) Ltd for the year ended 31st March 2024 as stipulated in Para E of Schedule V of the Listing Regulations of the said company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

As required by the Guidance note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained and certified by the Company/ Registrars and Transfer Agent of the company, there was no investor grievances remaining unattended / pending for more than 30 days as at 31st March 2024.

We further state that such compliance is neither an assurance as to the future viability of company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S Viswanathan LLP

Regn. No. 004770S / S200025

Chartered Accountants

Chella K Srinivasan

Partner

Membership No.023305

UDIN: 24023305BJZWBE6303

Chennai
26th April 2024



FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:
 - (a) Name(s) of the related party and nature of relationship:
Seshasayee Paper and Boards Ltd (SPB) (CIN: L21012TZ1960PLC000364)
The Company is an 'associate company' of SPB.
 - (b) Nature of contracts/arrangements/transactions:
Sale of bagasse to SPB.
 - (c) Duration of the contracts/arrangements/transactions:
The MoU between the parties is open ended and terminable by mutual consent by either party, and subject to regulatory mandates.
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
Salient terms:

The company is committed to supply a fixed percentage of bagasse production, subject to a cap to SPB as mutually agreed from time to time. This bagasse is priced on the basis of cost equivalent of alternative fuel actually used plus an incentive component.

Value:

For the actual volume of bagasse sold based on price methodology specified above.
Total value of transactions pertaining to bagasse sales during FY 2023-24 is ₹ 2386 lakhs
 - (e) Justification for entering into such contracts or arrangements or transactions:

The bagasse supply arrangement has its roots to and forms the very foundation of the company and its promotion by SPB. It is hence structural and long term in nature, encapsulating a symbiotic relationship between the parties. Its pricing is structured on the basis of full compensation for alternative fuel usage plus an incentive for committed supply. Bagasse supply to other unrelated parties are market driven and hence not comparable with the long term arrangement with SPB. The transactions are in furtherance of company's business and to its benefits.
 - (f) Date of approval by the Board:

The MoU with SPB was first approved by Board on 29th May 2015 and later amendments were approved on 19th July 2021.

(g) Amount paid as advances, if any: Nil

(h) Date on which the resolution was passed in general meeting as required under first proviso to section 188:

The MoU was first approved by shareholders on 24.07.2015 and further approvals were obtained on 15.09.2021 and 30.12.2022.

2. Details of material contracts or arrangement or transactions at arm's length basis:

There are other transactions with SPB in addition to bagasse sales as disclosed in Note 37 of the Financial Statements. However, these do not constitute material contracts or arrangement on their own or in aggregate for FY 2023-24.

There is no material contract or arrangement or transaction with any related party during the year at arm's length.

For Board of Directors

N Gopala Ratnam

Chairman

DIN: 00001945

Chennai
26th April 2024



Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo
[Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A. Conservation of Energy

(i) Steps taken / impact on conservation of energy:

- Installation of VFD in one of the spray pump drive.
- Installation of hydraulic de-hooking for one cane unloader.
- Installation of mechanical circulators for rest of the pans.
- Installation of 2500m² falling film evaporator under energy saving Phase II.
- Installation of planetary gearboxes for minglers and ETP aerators.
- Solar water heater for D type houses in emergency staff quarters.
- Automation of boiling house 1.
- Installation of finless cooling tower.
- Solar LED lights for coal handling area.
- VFD installation for coal spreaders.

Proposals under consideration

- VFD installation for LT & CT drives in cane unloader no 3.
- Installation of harmonics filter and automatic power factor controller to reduce the Harmonics current and reduce the losses.
- Installation of high energy efficiency vacuum pump with VFD for mud vacuum filter.
- Installation of energy efficient feed water pump.
- Installation of energy efficient IE3 motor.
- Installation of active harmonics filter in Cogen PCC panel-1

Impact of the above measures

- Steam consumption reduction by about 2 % on cane.
- Reduction in energy consumption: 1400 units (approximate) per day.
- Proposed reduction in energy consumption: 1040 units per day.

(ii) Steps taken for utilizing alternative sources of energy:

The Company primarily uses bagasse and other available bio-fuel to produce green power and supplies its entire surplus power to the State Grid.

(iii) Capital investment on energy conservation equipment:

- Installation of fibrizor unit with HT motors to reduce the power losses. Capex estimated ₹ 450 lakhs.

B. Technology Absorption

(i) Efforts made towards technology absorption:

- Automation of Mill House Phase-4
- Automation of Boiling House-1 Phase-2
- Automation of Boiling House-2 Phase-3

(ii) Benefits derived:

- Improved work culture.
- Data accuracy ensured.
- Reduction in energy consumption.

(iii) Imported technology Nil

(iv) Expenditure incurred on Research and Development

Varietal development of cane through participation with ICAR-SBI, field trails, testing organic inputs for yield improvement and sustainable sugar cane initiative.

Current year ₹ 23 lakhs (Previous year: ₹ 35 lakhs)

C. Foreign Exchange Earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in term of actual outflows:

	(₹ in lakhs)	
	2023-24	2022-23
Earnings	-	96
Outgo	31	5

For Board of Directors

Chennai
26th April 2024

N Gopala Ratnam
Chairman
DIN: 00001945



Annual Report on CSR Activities

[Pursuant to Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company.

The Board of Directors proactively adopted the CSR Policy in February 2015, though CSR mandate u/s 135 of the Companies Act, 2013 became applicable to the company only from FY 2017-18.

The company is engaged in sugar sector that is agro based. It is rurally located and has been a value creator for thousands of farmers as well as skilled/ semi-skilled labour in its neighbourhood. It is deeply committed to promoting rural development and contributing to inclusive growth. It broadly distributes more than three-fourth of its total revenue within its rural neighbourhood towards cane purchase, harvest and transportation, direct & indirect labour and outsourcing.

The company has been pursuing social objectives for long in the interest of rural welfare. It runs a primary school benefiting all the children in the neighbourhood. It promoted and continues to support the establishment of three Lift Irrigation Schemes to bring about 950 acres of dry lands under irrigation and crop cultivation, using the treated trade effluent of neighbouring paper mill, thus transforming a waste into wealth.

The CSR policy lays emphasis to work for the welfare and sustainable development of the community in and around the company’s area of operation, besides need based response to the requirement in other parts of the country. The company focuses on program areas in the field of community development, water and sanitation, education, health, rural infrastructure, development of agro forestry and technical training. Its ongoing CSR activities are aligned to the CSR Policy.

The company also rises up to the call of Central / State Government and contributes to the Relief Funds from time to time.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Meetings of CSR Committee during the FY 2023-24	
			Held	Attended
1	N Gopala Ratnam	Chairman	1	1
2	N Ramanathan	Managing Director	1	1
3	Dr Nanditha Krishna *	Independent Director	1	1

* Mr Chellamani Naresh, Independent Director was inducted into the CSR Committee with effect from 01.04.2024 in the place of Dr Nanditha Krishna who retired at the close of 31.03.2024.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

[https://www.ponnisugars.com/assets/images/Policies/ CSR-Policy.pdf](https://www.ponnisugars.com/assets/images/Policies/CSR-Policy.pdf)

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. (a) Average net profit of the company as per sub-section(5) of section135: ₹ 3463 lakhs.
- (b) Two percent of average net profit of the company as per sub-section (5)of section135: ₹ 70 lakhs
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil
- (d) Amount required to be set-off for the financial year, if any - Nil
- (e) Total CSR obligation for the financial year [(b) + (c) - (d)] - ₹ 70 lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):
 Ongoing projects: Nil
 Other than Ongoing project: ₹ 74 lakhs
- (b) Amount spent in Administrative Overheads: Nil
- (c) Amount spent on Impact Assessment, if applicable: Not Applicable
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 74 lakhs
- (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the FY 2023-24 (in ₹ lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
74	Nil	Nil	Nil	Nil	Nil

- (f) Excess amount for set-off, if any:

Sl. No. (1)	Particular (2)	Amount (₹ Lakhs) (3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	70
(ii)	Total amount spent for the Financial Year	74
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	4
(iv)	Excess amount spent in the previous year brought forward	17
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(vi)	Amount available for set off in succeeding Financial Years [(iii)+(iv)-(v)]	21

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135(in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency (if any)
					Amount (in ₹)	Date of Transfer		
1	FY-1				NIL			
2	FY-2				NIL			
3	FY-3				NIL			



8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes No

If Yes, enter the number of Capital assets created / acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5):

Not Applicable

Sd/-

N Ramanathan

Managing Director

DIN: 00001033

Sd /-

N Gopala Ratnam

Chairman - CSR Committee

DIN: 00001945

Chennai

26th April 2024

Annx - 6 to Board's Report

Disclosure under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Statement of particulars of remuneration as per Rule 5(1)

Description			
The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Managing Director (MD)	45:1	Note -1
The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	MD	30	Note - 1 & 2
	CFO	11	
	CS	24	
The percentage increase in the median remuneration of employees in the financial year		15%	Note- 3
The number of permanent employees on the rolls of company		296	
Affirmation that the remuneration is as per the remuneration policy of the company	Yes. Remuneration is as per the remuneration policy of the company.		

Notes:

1. Non executive directors are paid sitting fee and commission as remuneration. Ratio of remuneration and percentage increase are provided only for executive director, since such data would not be meaningful in the case of non-executive directors. Commission for non-executive directors has increased by 100% in the current year.
2. Remuneration is as per the remuneration policy of the company. MD remuneration is normally re-determined on reappointment once in 3 years, while the incentive part is determined annually.
3. New wage settlement was reached on 09.05.2023 valid till 30.09.2026.

The information as per Rule 5(2) of the Rules forms part of this report. However as per second proviso to Section 136(1) of the Act, the Report and Financial Statements are being sent to the members of the Company excluding the same. This is available for inspection and any member interested in obtaining a copy of this statement may write to the Company Secretary.

For Board of Directors

Chennai
26th April 2024

N Gopala Ratnam

Chairman
DIN: 00001945



Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year 2023-24

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
M/s.PONNI SUGARS (ERODE) LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PONNI SUGARS (ERODE) LIMITED (hereinafter called the Company)**. Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of **PONNI SUGARS (ERODE) LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. PONNI SUGARS (ERODE) LIMITED** ("the Company") for the financial year ended on 31st March 2024 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings– (Not applicable to the Company during the audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments from time to time;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period).
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 (Not applicable to the Company during the audit period).

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client ;(Not applicable).
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period).
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period).
- (vi) Other than fiscal, labour, environmental and other general laws which are ordinarily applicable to all manufacturing companies, the following laws / acts are also, inter alia, applicable to the Company:
 - (a) Essential Commodities Act, 1955, and orders issued thereunder
 - (b) Electricity Act, 2003 and Regulations issued thereunder
 - (c) Food Safety and Standards Act, 2006
 - (d) The Tamil Nadu Molasses Control and Regulation Rules, 1958
 - (e) The Tamil Nadu Sugarcane (Regulation of Purchase Price) Act, 2018

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to atleast seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This report is to be read with our letter of even date vide Annexure-1 that forms part of this report.

For **V Suresh Associates**
Practising Company Secretaries

V Suresh
Senior Partner
FCS No. 2969
C.P.No. 6032

Peer Review Cert. No:667/2020
UDIN: F002969F000241647

Chennai
26th April 2024



To,
The Members

PONNI SUGARS (ERODE) LIMITED

Chennai-600 096.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Chennai
26th April 2024

For **V Suresh Associates**
Practising Company Secretaries

V Suresh

Senior Partner

FCS No. 2969

C.P.No. 6032

Peer Review Cert. No:667/2020

UDIN: F002969F000241647

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M/s PONNI SUGARS (ERODE) LIMITED

Report on the audit of Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Financial Statements of Ponni Sugars (Erode) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Financial Statements, including a summary of the Material Accounting Policy information and other explanatory information, [hereinafter referred to as Ind AS Financial Statements].

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the Profit (Including Other Comprehensive Income), the changes in Equity, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of Financial Statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Response to Key Audit Matters & Conclusion
<p>1. Sale of Bagasse to a Related Party</p> <p>During the year, the Company has sold Bagasse to Seshasayee Paper and Boards Limited, a related party for an aggregate value of ₹ 2386 lakhs, pursuant to a long-term agreement.</p> <p>The transactions has the prior approval of the Audit Committee of the Board and the shareholders through postal ballot as applicable.</p>	<p>We understood and tested the design and operating effectiveness of controls as established by the management in determining the various parameters and the price determination. We have also tested the relevant records and found the price determination is in accordance with the agreement. The transaction amount is within the limits approved by the shareholders.</p> <p>Based on the above procedures, in our opinion the management's determination of the price of Bagasse for the year is considered to be reasonable and also complied the required legal requirements.</p>



<p>2. As on 31st March 2024 the inventory of sugar with carrying value ₹ 8350 lakhs is valued at lower of cost and net realizable value.</p> <p>We considered the value of Inventory of Sugar as key audit matter considering the relative size of it in the financial statements and significant judgments involved in the consideration of factors such as the cost determination, selling prices since obtained/prevailing in determination of net realizable value</p>	<p>We have verified and tested the design and operating effectiveness of controls with regard to the preparation of the cost sheet and the underlying judgments as well as the procedures and the basis for determination of the quantity and net realizable value.</p> <p>Based on the above procedures performed, the management’s determination of the cost and net realizable valuation of inventory of Sugar at the end of the year, is considered reasonable.</p>
<p>3. The company had obtained favourable orders from the High Court of Madras for its depreciation entitlement on fair value of assets transferred under Scheme of Arrangement sanctioned by High Court of Madras. Pursuant to this, the tax department has initiated proceedings during the year to give effect to same. Consequently tax provision since 1st April 1999 has been re-estimated and excess provision (net) of ₹ 597 Lakhs has been reversed in the current year.</p>	<p>We have verified the order of the High Court as well as the revised computation of tax workings and the amount written back is found to be in line with the High Court order.</p>

Information other than the Financial Statements and Auditor’s Report thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the Information included in the Annual Report, but does not include the standalone financial statements and our auditor’s report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that if there is a material mis-statement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management Responsibility for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance (including Other Comprehensive Income), Changes in Equity and Cash Flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial

Statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material mis-statement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material mis-statement when it exists. Mis-statements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material mis-statement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material mis-statement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of mis-statements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified mis-statements in the Financial Statements.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in Internal Control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors as on 31st March 2024 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2024 from being appointed as a Director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the Internal Financial Controls with reference to the financial statements of the Company, and the operating effectiveness

of such controls, refer to our separate Report in "Annexure A".

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note no.28 to the financial statements.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note No.33 to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in Note No.33 to financial statements no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries ; and
- (c) Based on such audit procedures we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- (v) The final dividend paid by the Company during the year relating to financial year 2023 is in accordance with section 123 of the Companies Act 2013. As stated in Note No. 12(f) to financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023. Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For M/s S Viswanathan LLP

Regn No.004770S/S200025

Chartered Accountants

Chella K Srinivasan

Partner

Membership No.023305

UDIN: 24023305BJZWBE6303

Chennai
26th April 2024



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE Ind AS FINANCIAL STATEMENTS OF PONNI SUGARS (ERODE) LIMITED

Report on the Internal Financial Controls under Clause (i) of sub Section (3) of Section 143 of the Companies Act, 2013 (“the Act”).

We have audited the Internal Financial Controls with reference to the financial statements of PONNI SUGARS (ERODE) LIMITED (“the Company”) as of March 31, 2024 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company, considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting, issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s Internal Financial Controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to

the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls with reference to the financial statements of the Company and their operating effectiveness. Our audit of Internal Financial Controls with reference to the financial statements of the Company included obtaining an understanding of Internal Financial Control over Financial Reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditors’ judgement, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s Internal Financial Controls System over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s Internal Financial Controls with reference to the financial statements of the Company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance

with generally accepted accounting principles. A Company's Internal Financial Control over Financial Reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the financial statements

Because of the inherent limitations of, Internal Financial Controls with reference to the financial statements of the Company, including the possibility of collusion or improper management override of controls, material mis-statements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to the financial

statements of the Company to future periods are subject to the risk that the Internal Financial Controls with reference to the financial statements of the Company may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls with reference to the financial statements of the Company and such Internal Financial Controls with reference to the financial statements of the Company were operating effectively as at March 31, 2024, based on the Internal Controls over Financial Reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

For M/s S Viswanathan LLP
Regn No.004770S/S200025
Chartered Accountants

Chella K Srinivasan
Partner

Chennai
26th April 2024

Membership No.023305
UDIN: 24023305BJZWBE6303



ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE Ind AS FINANCIAL STATEMENTS OF PONNI SUGARS (ERODE) LIMITED

The Annexure referred to in Paragraph 2 under the heading ‘Report on Other Legal and Regulatory Requirements’ of our Report of even date:

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
 - (a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (ii) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) These Property, Plant and Equipment have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
 - (c) Based on our examination of the property tax receipts, registered sale deed/ transfer deed / conveyance deed and confirmation from bank for the title deeds held with them we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties, disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not re-valued any of its Property, Plant and Equipment and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii (a) The Management has conducted physical verification of inventory at reasonable intervals and in our opinion, the coverage and procedure of such verification by the management is appropriate; Discrepancies of 10% or more were not noticed.
 - (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate during the year from Bank on the basis of security of current assets. Monthly statements have been submitted to the Bank and the details of the differences between the books of account and statements submitted to the Bank at the end of each quarter are given in Note No. 33(7) to Financial statement.
- iii (a) During the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to the Companies, Firms, Limited Liability Partnerships, or any other party and hence reporting under Clause 3(iii)(a) & 3(iii)(b) are not applicable.
 - (b) The Company has not granted any loans. Hence, reporting under clause 3(iii)(c) of the Order is not applicable.
 - (c) The Company has not granted any loan during the reporting period. Hence, reporting under clause 3(iii)(d) of the Order is not applicable.
 - (d) The Company has not granted any loan or renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. Hence, reporting under clause 3(iii)(e) of the Order is not applicable.
 - (e) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying and terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of investments made by the Company. The Company has not provided any loans or guarantee or security to any Company covered under Section 185.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) The Central Government has prescribed maintenance of cost records under Sub-section (1) of Section 148 of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148 of the Act, and are of the opinion

that prima facie, the prescribed and such accounts and records have been made and maintained.

(vii) In respect of statutory dues:

- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Income Tax, Duty of Customs, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) Details of dues of Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax, Cess and Goods and Services Tax that have not been deposited as on 31st March 2024 on account of disputes are given below:

Name of the Statute	Nature of dues	Amount (₹ lakhs)	Forum where the dispute is pending	Period to which the dues belong
Central Excise Act, 1944	Excise Duty	396.74	CESTAT	Financial Years 2015-16 to 2017-18
Income Tax Act, 1961	Income Tax	209.33	CIT(A)&ITAT	Financial years 2000-01, 2004-05 to 2006-07, 2008-09 to 2010-11

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- ix. a) While the Company has been sanctioned working capital facilities, the Company has not availed the same. Hence, reporting under clause 3(ix)(a) and (b) are not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding

term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has no subsidiaries. Hence, reporting under Clause 3(ix)(e) not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.



- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) The Company has not received any whistle blower complaints during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedure.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its Directors, and hence provision of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- (c) The Company is not a Core Investment Company (CIC), as defined in the Regulations made by Reserve Bank of India.
- (d) We are informed there are three core Investment Companies in the group which are exempted from registration.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payments of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee

nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) The company has spent the minimum amount required to be spent as stipulated in section 135 of the Companies Act and hence the transfer of unspent amount to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act.

(b) There are no unspent amount towards Corporate Social responsibility (CSR) on ongoing projects

requiring a transfer to a special account in compliance with provisions of sub section (6) of section 135 of the said act.

xxi. The Company has no subsidiary and hence Clause 3(xxi) is not applicable.

For M/s S Viswanathan LLP

Regn No.004770S/S200025

Chartered Accountants

Chella K Srinivasan

Partner

Membership No.023305

UDIN: 24023305BJZWBE6303

Chennai

26th April 2024

**BALANCE SHEET AS AT 31ST MARCH 2024**

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
A ASSETS			
I Non-Current Assets			
(a) Property, Plant and Equipment	2	12,286	11,818
(b) Capital Work-in-Progress	2	194	111
(c) Intangible Assets	2	24	16
(d) Financial Assets			
(i) Investments	3	29,029	22,456
(ii) Trade Receivables	4	1,486	2,492
(iii) Other Financial Assets	5	19	14
(iv) Total		30,534	24,962
(e) Other Non-Current Assets	6	168	101
Total Non-Current Assets		43,206	37,008
II Current Assets			
(a) Inventories	7	9,264	8,301
(b) Financial Assets			
(i) Trade Receivables	8	3,371	2,254
(ii) Cash and Cash Equivalents	9	645	810
(iii) Bank balances other than (ii) above	10	3,445	2,381
(iv) Total		7,461	5,445
(c) Current Tax Assets		60	-
(d) Other Current Assets	11	483	697
Total Current Assets		17,268	14,443
TOTAL ASSETS		60,474	51,451

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
B EQUITY AND LIABILITIES			
I Equity			
(a) Equity Share Capital	12	860	860
(b) Other Equity	13	54,332	44,429
Total Equity		55,192	45,289
II Liabilities			
1 Non-Current Liabilities			
(a) Provision for Income Tax (Net)		108	666
(b) Deferred Tax Liabilities (Net)	14	1,645	688
Total Non-Current Liabilities		1,753	1,354
2 Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	15		
- Micro and Small enterprises		74	54
- Others		2,558	3,675
(ii) Other Financial Liabilities	16	129	168
(iii) Total		2,761	3,897
(b) Other Current Liabilities	17	657	828
(c) Provisions	18	111	55
(d) Current Tax Liability (net)		-	28
Total Current Liabilities		3,529	4,808
TOTAL EQUITY AND LIABILITIES		60,474	51,451

The accompanying notes 1 to 38 form an integral part of the financial statements

Per our Report of even date annexed

For and on behalf of the Board

For M/S S. Viswanathan LLP

Regn No: 004770S/S200025

Chartered Accountants

N Gopala Ratnam

Chairman

DIN: 00001945

N Ramanathan

Managing Director

DIN: 00001033

Chella K Srinivasan

Partner

Membership No. 023305

R Madhusudhan

Secretary

K Yokanathan

Chief Financial Officer

Chennai

26th April 2024

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024**

(₹ in Lakhs)

Particulars	Note No.	Year ended 31.03.2024	Year ended 31.03.2023
I Revenue from Operations	19	42,131	43,543
II Other Income	20	1,767	1,506
III Total Income (I+II)		43,898	45,049
IV EXPENSES			
Cost of Materials Consumed	21	29,562	29,934
Changes in Inventories of finished goods and work-in-progress	22	(1,091)	(920)
Power and Fuel		4,129	5,606
Employee benefits expense	23	2,373	2,079
Other expenses	24	2,852	2,795
Total Expenses (IV)		37,825	39,494
V Profit before Finance Costs, Depreciation and Amortisation Expense and Taxes (III-IV)		6,073	5,555
Finance Costs	25	13	35
Depreciation and amortization expenses	26	871	758
VI Profit Before Tax		5,189	4,762
VII Tax Expenses	27		
Current Tax		896	854
Deferred Tax		204	74
Reversal of tax		(597)	-
VIII Profit for the year (VI-VII)		4,686	3,834
IX Other Comprehensive Income			
i. Items that will not be reclassified to profit or loss			
a. Effect of measuring investments at fair value		6,573	5,499
b. Remeasurement of the defined benefit plans		(44)	(66)
ii. Income tax relating to items that will not be reclassified to profit or loss		(753)	(353)
Other Comprehensive Income		5,776	5,080
X Total Comprehensive Income for the year (VIII+IX)		10,462	8,914
XI Earnings per equity share (face value of ₹ 10 each)	36		
(1) Basic (₹)		54.49	44.58
(2) Diluted (₹)		54.49	44.58

The accompanying notes 1 to 38 form an integral part of the financial statements

Per our Report of even date annexed

For and on behalf of the Board

For M/S S. Viswanathan LLP
Regn No: 004770S/S200025
Chartered Accountants

N Gopala Ratnam
Chairman
DIN: 00001945

N Ramanathan
Managing Director
DIN: 00001033

Chella K Srinivasan
Partner
Membership No. 023305

R Madhusudhan
Secretary

K Yoganathan
Chief Financial Officer

Chennai
26th April 2024

Statement of Changes in Equity for the year ended 31st March 2024

A) Equity Share Capital

(₹ in Lakhs)

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
31st March, 2024	860	-	860
31st March, 2023	860	-	860

B) Other Equity

Particulars	Reserves and Surplus (Note 13.1)				Items of Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
(A) Balance as at 01.04.2023	554	160	17,500	6,330	19,885	44,429
Additions during the year:						
Profit for the year 2023-24				4,686		4,686
Items that will not be reclassified to profit or loss:						
a. Effect of measuring Investments at fair value					6,573	6,573
b. Remeasurement of the defined benefit plans				(44)		(44)
Income tax relating to items that will not be reclassified to profit or loss				13	(766)	(753)
(B) Total Comprehensive Income for the year 2023-24	-	-	-	4,655	5,807	10,462
(C) Reduction during the year						
Dividend				(559)		(559)
Transfer to General reserve			2,500	(2,500)		-
Total	-	-	2,500	(3,059)	-	(559)
(D) Balance as at 31.03.2024 (A+B+C)	554	160	20,000	7,926	25,692	54,332
(E) Balance as at 01.04.2022	554	160	15,000	5,516	14,758	35,988
Additions during the year:						
Profit for the year 2022-23				3,834		3,834
Items that will not be reclassified to profit or loss:						
a. Effect of measuring Investments at fair value					5,499	5,499
b. Remeasurement of the defined benefit plans				(66)		(66)
Income tax relating to items that will not be reclassified to profit or loss				19	(372)	(353)
(F) Total Comprehensive Income for the Year 2022-23	-	-	-	3,787	5,127	8,914
(G) Reduction during the year						
Dividend				(473)		(473)
Transfer to General reserve			2,500	(2,500)		-
Total	-	-	2,500	(2,973)	-	(473)
Balance as at 31st March 2023 (E+F+G)	554	160	17,500	6,330	19,885	44,429

Per our Report of even date annexed

For and on behalf of the Board

For M/S S. Viswanathan LLP

Regn No: 004770S/S200025

Chartered Accountants

Chella K Srinivasan

Partner

Membership No. 023305

Chennai

26th April 2024

N Gopala Ratnam

Chairman

DIN: 00001945

R Madhusudhan

Secretary

N Ramanathan

Managing Director

DIN: 00001033

K Yokanathan

Chief Financial Officer



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ in Lakhs)

Particulars	Note No.	Year Ended 31.03.2024		Year Ended 31.03.2023	
A. Cash flow from Operating Activities:					
Profit before tax			5,189		4,762
<i>Adjustments for:</i>					
Depreciation and amortisation expenses	26	871		758	
Interest Income	20	(749)		(1,241)	
Dividend	20	(548)		(236)	
Finance costs	25	11		33	
(Profit) / Loss on sale of property, plant and equipment	20	(69)		(6)	
Property, plant and equipment retired	2	8	(476)	1	(691)
Operating Profit before working capital changes			4,713		4,071
<i>Adjustments for:</i>					
(Increase) / Decrease in Trade Receivables	4,8	(111)		98	
(Increase) / Decrease in Inventories	7	(963)		(1,206)	
(Increase) / Decrease in Other assets	(i)	142		(1,687)	
Increase / (Decrease) in Trade payables	15	(1,097)		462	
Increase / (Decrease) in Other liabilities and provisions	(ii)	(133)	(2,162)	224	(2,109)
Cash generated from operations			2,551		1,962
Direct Tax paid net of refund			(943)		(825)
Net cash from operating activities (A)			1,608		1,137
B. Cash flow from Investing Activities:					
Purchase / Acquisition of Property , plant and equipment, intangibles, after adjusting capital Advances	2		(1,496)		(1,123)
Property, plant and equipment retired	2		(8)		(1)
Proceeds from Sale of property, plant and equipment	2		135		19
(Increase)/Decrease in Short Term Deposits	10		(1,078)		-
Interest received	20		696		938
Dividend received	20		548		236
Net cash used in investing activities (B)			(1,203)		69

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024 (Contd.)

(₹ in Lakhs)

Particulars	Note No.	Year Ended 31.03.2024	Year Ended 31.03.2023
C. Cash flow from Financing Activities:			
Finance cost Paid	25	(11)	(33)
Dividend paid	13	(559)	(473)
Net cash used in financing activities (C)		(570)	(506)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		(165)	700
Cash and cash equivalents at the beginning		810	110
Cash and cash equivalents at the end	9	645	810
Note:			
(i) (Increase) / Decrease in Other assets			
(A) Non-Current Financial Assets - others	5	(5)	1
(B) Other Non-Current Assets	6	(67)	(37)
(C) Bank balances other than cash and Cash equivalents	10	-	(1,502)
(D) Other Current Assets	11	214	(149)
		142	(1,687)
(ii) Increase / (Decrease) in Other Liabilities and Provisions			
(A) Other Current Financial Liabilities	16	(25)	(67)
(B) Other Current Liabilities	17	(171)	305
(C) Current Provisions	18	63	(14)
		(133)	224

(iii) Policy adopted in determining the composition of cash and cash equivalents - Note 9.

(iv) Disclosure on CSR expenditure - Note 31.

Per our Report of even date annexed

For and on behalf of the Board

For M/S S. Viswanathan LLP

Regn No: 004770S/S200025

Chartered Accountants

Chella K Srinivasan

Partner

Membership No. 023305

Chennai

26th April 2024

N Gopala Ratnam

Chairman

DIN: 00001945

R Madhusudhan

Secretary

N Ramanathan

Managing Director

DIN: 00001033

K Yokanathan

Chief Financial Officer



Notes forming part of the Financial Statements

Company Overview

Ponni Sugars (Erode) Limited is a public limited company, incorporated under the Companies Act, 1956 and domiciled in India. It is an associate of Seshasayee Paper and Boards Limited and has its registered office at 'Esvin House', No.13, Old Mahabalipuram Road, Seevaram Village, Perungudi, Chennai – 600 096. The company has a sugar factory in Erode that can crush upto 3500 tonnes of sugarcane per day and generate 19 MW of power. The Company's equity shares are listed on BSE Ltd (BSE) and National Stock Exchange of India Ltd (NSE).

Material Accounting Policy Information

Pursuant to the Companies (Indian Accounting Standards) Amendment Rules, 2023 effective 01-04-2023, the company is required to disclose 'material accounting policy Information' in lieu of the earlier requirement of disclosing 'significant accounting policies'.

All accounting policies followed by the company are in accordance with the Indian Accounting Standards (Ind AS) notified u/s 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and conform to Schedule III to the Companies Act, 2013 as applicable.

Specific disclosure of material accounting policy information where Ind AS permits options is made hereunder:

The company has assessed the materiality of the accounting policy information, which involves exercising judgement and considering both quantitative and qualitative factors by taking into account not only the size and nature of the item or condition but also the characteristics of the transactions, events or conditions that could make the information more likely to impact the decisions of the users of the financial statements.

1.1 Basis of Preparation and Compliance

The financial statements are prepared in accordance with the historical cost convention except for certain items that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. The financial statements are prepared on a going concern basis using accrual concept except for the statement of cash flow.

Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS-2 inventories or value in use in Ind AS 36 – Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, as described hereunder:

Notes forming part of the Financial Statements

Level 1 -Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 -Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Unobservable inputs for the asset or liability.

1.2 Key Accounting estimates and judgments

(i) Use of Estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(ii) Changes in estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of change in an accounting estimate is recognized prospectively by including it in profit or loss (a) In the period of the change if the change affects only that period; or (b) the period of the change and future periods, if the change affects both.

However, the change in an accounting estimate that gives rise to changes in assets and liabilities, or relates to an item of equity, is recognized by adjusting the carrying amount of the related asset, liability or equity item in the period of the change.

(iii) Key sources of estimation uncertainty

Key assumption concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as given below.

(a) Actuarial valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in the Notes to the financial statements.

(b) Claims, Provisions and Contingent Liabilities

The Company has ongoing litigations with various tax and regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such issues are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations if any, is provided in the Notes to the financial statements.



Notes forming part of the Financial Statements

1.3 Property, Plant and Equipment (PPE)

- (i) For transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognised as of April 1, 2016 (transition date) measured as per the previous IGAAP as its deemed cost as on the transition date.
- (ii) Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives and residual values are reviewed at the end of each reporting period and changes, if any, are treated as changes in accounting estimate. The useful lives are based on technical estimates and the management believe that the useful lives are realistic and fair approximation over the period of which the assets are likely to be used.
- (iii) Estimated useful lives of the assets are as follows:

Asset	Years
Factory Buildings	30
Buildings (other than factory buildings)	60
Plant and Equipment (including continuous process plants)	25
Furniture and Fixtures	8 -10
Vehicles	8-10
Office Equipment	5
IT Hardware - Server	6
- Other than server	3
Energy saving devices and ESP	15*
Sugar Mill Rollers	3*

* Based on Technical Evaluation, the management has estimated the useful life as given above and hence the useful life of these assets are different and not longer than the useful life prescribed under Schedule II to the Companies Act,2013.

- (iv) Assets costing ₹ 1,00,000/- and below are depreciated in full in the year of addition.

1.4 Financial assets

a. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost. The debt instruments carried at amortised cost include Deposits, Loans and advances recoverable in cash.

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Notes forming part of the Financial Statements

b. Investments in equity instruments at FVTOCI

The Company has irrevocably designated to carry investment in equity instruments as Fair Value Through Other Comprehensive Income (FVTOCI). On initial recognition, the Company makes an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in Other Comprehensive Income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income and accumulated in the 'Reserve for equity instruments through Other Comprehensive Income'. On de-recognition of such Financial Assets, cumulative gain or loss previously reported in OCI is not reclassified from Equity to the Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

The Company has equity investments which are not held for trading. The Company has elected the FVTOCI irrevocable option for these investments (Note 3). Fair value is determined in the manner described in Note 1.1.

Dividends on these investments in equity instruments are recognised in the Statement of Profit or Loss when the Company's right to receive same is established, it is probable that the economic benefits associated with the dividend will flow to the Company, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

c. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses "Expected Credit Loss" (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible defaults events over the life of the financial instrument).

For trade receivable, Company applies 'simplified approach' and expected lifetime losses are recognised from initial recognition of the receivables.

For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

1.5 Inventories

Inventories other than by-products are stated at lower of cost and net realizable value. Inventory of by-products is stated at net realizable value. Materials and other items intended for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

Cost comprises of all costs of purchase (that includes taxes and duties, net of input tax credit entitlement). For work-in-progress and finished goods, the cost encompasses direct materials, direct labour and a proportionate share of variable and fixed overhead costs, allocated based on normal capacity, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost of raw materials, consumables, stores and spares is determined on weighted average basis and includes inward freight and other direct expenses.

Net realizable value is the estimated selling price less estimated costs for completion and sale.



Notes forming part of the Financial Statements

1.6 Revenue Recognition

a. Sale of products

Revenue is recognized upon transfer of control of the products to customers at a point in time i.e. when the products are delivered to the carrier in an amount that reflects the consideration that the company expects to receive in exchange for those products (i.e.) transaction price.

In relation to variable consideration contract, revenue is recognized to the extent that is highly probable that the amount of cumulative revenue recognized will not be subject to significant reversal, when the uncertainty relating to its recognition is subsequently resolved.

b. Insurance Claims

Insurance claims are recognized on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

1.7 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Grants are recognised in the Statement of Profit and Loss on a systematic basis over the period in which the Company recognises as expense the related costs which the grants are intended to compensate. Specifically, Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

Grants that are receivable as compensation for expenses or losses incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the Statement of Profit and Loss in the period in which they become receivable.

Grants related to income are presented in the Statement of Profit and Loss as income under relevant heads or deducted in reporting the related expense. Receivables of such grants are disclosed under "Other Financial Assets".

1.8 Employee Benefits

(a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and recognised in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

(b) Post-employment benefits

(i) Defined Contribution Plans

Contribution to Defined Contribution Schemes towards retirement benefits in the form of Provident fund and Superannuation fund is recognised as expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Notes forming part of the Financial Statements

(ii) Defined Benefit Plans

The Company operates Defined Benefit Gratuity Plan for employees. The cost of providing defined benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognised in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognised representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/ (asset) are recognised in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liabilities / (asset)) are recognised in comprehensive income and taken to "retained earnings". Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability /(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary. However, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future, based on past experience. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out adverse compared to the assumptions.

(c) Other Long-term Employee Benefits

Entitlement to earned leave and sick leave is recognised when it accrue to employees. Earned leave/ sick leave can be availed or encashed either during service or on retirement subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leave using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date and funded with an Insurer.



Notes forming part of the Financial Statements

1.9 Operating Segment

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resource and assessing performance of the operating segments of the Company. The Managing Director is identified as the CODM.

Segment accounting policies are in line with the accounting policies of the Company. In addition, specific accounting policies followed for segment reporting are as under:

The Company has identified two business segments viz. Sugar and Cogeneration. Revenue and expenses have been identified to respective segments on the basis of operating activities of the enterprise. Revenue and expenses which relate to the enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable revenue and expenses.

Segment assets and liabilities represent assets and liabilities in respective segments. Other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable assets and liabilities.

Inter segment revenue / expenditure is recognised at fair value/market price.

Geographical segment – not applicable.

Inter Segment Transfer Pricing:

Bagasse and Power –At market price

Steam – At cost

1.10 Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are based on classification made in a manner considered most appropriate to Company's business.

Notes forming part of the Financial Statements

2 - Property, Plant and Equipment and Intangible Assets as at 31st March 2024

(₹ in Lakhs)

Description	Gross Carrying Amount			Depreciation / Amortisation			Net Carrying Amount		
	As at 01.04.2023	Additions during the year	Deductions/ Adjustments	As at 31.03.2024	As at 31.03.2023	Additions during the year	Deductions/ Adjustments	As at 31.03.2024	As at 31.03.2023
(i) Property, Plant and Equipment									
Land	460	-	-	460	-	-	-	460	460
Buildings	2,250	31	9	2,272	576	90	2	1,608	1,674
Plant and Equipment	13,454	1,328	84	14,698	3,859	744	31	4,572	9,595
Furniture and Fixtures	41	8	1	48	15	4	1	18	26
Vehicles	56	-	8	48	25	5	2	20	31
Office Equipment	100	25	4	121	68	15	4	79	32
Total	16,361	1,392	106	17,647	4,543	858	40	5,361	11,818
(ii) Capital Work-in-Progress	111	1,475	1,392	194	-	-	-	-	111
(iii) Intangible Assets									
Computer Software	34	21	-	55	18	13	-	31	16

Property, Plant and Equipment and Intangible Assets as at 31st March 2023

Description	Gross Carrying Amount			Depreciation / Amortisation			Net Carrying Amount		
	As at 01.04.2022	Additions during the year	Deductions/ Adjustments	As at 31.03.2023	As at 31.03.2022	Additions during the year	Deductions/ Adjustments	As at 31.03.2023	As at 31.03.2022
(i) Property, Plant and Equipment									
Land	460	-	-	460	-	-	-	460	460
Buildings	2,092	158	-	2,250	488	88	-	1,674	1,604
Plant and Equipment	12,302	1,175	23	13,454	3,229	640	10	3,859	9,073
Furniture and Fixtures	29	12	-	41	11	4	-	15	18
Vehicles	48	8	-	56	20	5	-	25	28
Office Equipment	90	11	1	100	56	13	1	68	34
Total	15,021	1,364	24	16,361	3,804	750	11	4,543	11,217
(ii) Capital Work-in-Progress	359	1,116	1,364	111	-	-	-	-	359
(iii) Intangible Assets									
Computer Software	27	7	-	34	10	8	-	18	17

(i) All the above assets are owned by the company.

(ii) The Company's working capital borrowings from banks are secured by aforesaid assets (Note 30 (C) 3).

(iii) Contractual commitments for the acquisition of Property, Plant and Equipment as at 31-03-2024 ₹ 682 lakhs (Previous year ₹ 273 lakhs).



Notes forming part of the Financial Statements

2 A.Capital Work -in- Progress - ageing schedule as at 31-03-2024

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	194	-	-	-	194
Projects temporarily suspended	-	-	-	-	-
Total	194	-	-	-	194

Capital Work -in- Progress - ageing schedule as at 31-03-2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	111	-	-	-	111
Projects temporarily suspended	-	-	-	-	-
Total	111	-	-	-	111

There is no material time or cost overrun in the case of any item in CWIP in both years.

3. Investments - Non Current:

Particulars	No of Shares	Face Value (₹)	As at 31.03.2024	As at 31.03.2023
Investments in Equity Instruments - at Fair Value Through Other Comprehensive Income				
a. Quoted :				
Seshasayee Paper and Boards Limited	88,40,905	2	26,014	20,838
High Energy Batteries (India) Limited	5,00,000	2	3,006	1,609
Total - Quoted			29,020	22,447
b. Unquoted :				
Time Square Investments Private Ltd	80,000	10	8	8
SPB Projects and Consultancy Ltd	5,000	10	1	1
Total - Unquoted			9	9
Total			29,029	22,456
Aggregate amount of quoted investments-At cost			2,070	2,070
Aggregate amount of quoted investments-At market value			29,020	22,447
Aggregate amount of unquoted investments-At cost			9	9

Refer Note 1.1 on determination of fair value

Notes forming part of the Financial Statements

4. Trade Receivables - Non Current:

As at 31-03-2024

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed — considered good	1,486	-	-	-	-	-	1,486
Total	1,486	-	-	-	-	-	1,486

As at 31-03-2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed — considered good	2,492	-	-	-	-	-	2,492
Total	2,492	-	-	-	-	-	2,492

5. Other Financial Assets - Non current:

Particulars	As at 31.03.2024	As at 31.03.2023
Unsecured - Considered good		
Security deposit	19	14
Total	19	14

6. Other Non Current Assets:

Particulars	As at 31.03.2024	As at 31.03.2023
Unsecured - Considered good		
Capital advances	139	58
Prepaid expenses	29	43
Total	168	101

7. Inventories:

Particulars	As at 31.03.2024	As at 31.03.2023
Work In Progress	185	241
Finished Goods:		
Sugar	8,350	7,381
Molasses	199	21
Stores and Spares	530	658
Total	9,264	8,301

(i) Valuation of Inventories - Note 1.5

(ii) Security created on Inventories - Note 30 (C)3



Notes forming part of the Financial Statements

8. Trade Receivables - Current:

As at 31-03-2024

(₹ in Lakhs)

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed — considered good	4	2,814	553	-	-	-	-	3,371
Total	4	2,814	553	-	-	-	-	3,371

As at 31-03-2023

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed — considered good	3	1,986	265	-	-	-	-	2,254
Total	3	1,986	265	-	-	-	-	2,254

9. Cash and Cash Equivalents:

Particulars	As at 31.03.2024	As at 31.03.2023
Balances with Banks		
Current account	63	467
Deposit account-original maturity < 3 months	581	340
Cash on hand	1	3
Total	645	810

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

10. Bank balances other than Cash and Cash Equivalents:

Particulars	As at 31.03.2024	As at 31.03.2023
Deposit account-original maturity > 3 months and < 12 months	3,413	2,335
Unpaid dividend account	32	46
Total	3,445	2,381

Notes forming part of the Financial Statements

11. Other Current Assets:

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Advance for supplies	267	543
Advance for services	28	14
Input Tax Credit Receivable	26	18
Prepaid expenses	68	80
Income Tax refund receivable	53	-
Others	41	42
Total	483	697

12. Equity Share Capital:

Particulars	As at 31.03.2024	As at 31.03.2023
Authorised 1,50,00,000 Equity Shares of ₹ 10 each	1,500	1,500
Issued, Subscribed and Fully paid up: 85,98,418 Equity Shares of ₹ 10 each	860	860

a) **Reconciliation of shares outstanding at the beginning and at the end of the year**

No change during the period

b) **Rights, preferences and restrictions attached to equity shares**

The Equity shares of the company having par value of ₹ 10 per share rank pari passu in all respects including voting rights, dividend entitlement and repayment of capital.

c) **Details of shareholders holding more than 5% equity shares in the Company**

SI No.	Name of the Shareholders	As at 31.03.2024		As at 31.03.2023	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1	Seshasayee Paper and Boards Ltd	2360260	27.45	2360260	27.45
2	Atyant Capital India Fund I	813525	9.46	813525	9.46
3	Time Square Investments Private Ltd	773804	9.00	773804	9.00
4	Gothic Corporation	539450	6.27	539450	6.27
5	Bharati Chhotubhai Pithawalla	500466	5.82	500466	5.82



Notes forming part of the Financial Statements

d) Shareholding of Promoters

Sl. No.	Shares held by promoters	As at 31.03.2024		As at 31.03.2023	
	Promoter name	No. of Shares	% of total shares	No. of Shares	% of total shares
1	Seshasayee Paper and Boards Ltd	2360260	27.45	2360260	27.45
2	Time Square Investments Private Ltd	773804	9.00	773804	9.00
3	Bharati Chhotubhai Pithawalla	500466	5.82	500466	5.82
4	ESVI International (Engineers and Exporters) Ltd	4802	0.06	4802	0.06
5	High Energy Batteries (India) Ltd	382	0.00	382	0.00
6	N Gopala Ratnam	2823	0.03	2823	0.03
	Total	3642537	42.36	3642537	42.36

Note:

There is no change in the % of holding in the case of any promoter during the year or in the previous year.

e) Management of Capital:

The company pursues a policy of conservative capital structure that seeks to provide adequate capital to its business for growth and create sustainable stakeholder value. Low gearing levels empower the company to navigate cyclical stresses in business. The company funds its operations through internal accruals and lays emphasis on prepayment of debts during up-swing in business cycles.

The following table summarises the capital of the Company:

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Equity	55,192	45,289
Debt	-	-
Cash and Cash Equivalents	645	810
Net Debt	(645)	(810)
Total Capital (Equity + Net Debt)	54,547	44,479
Net Debt to Capital Ratio	-	-

f) Dividend :

Particulars	FY 2023-24	FY 2022-23
Dividend on Equity shares paid during the year		
Dividend for the financial year 2022-23 @ ₹ 6.50 per share (Previous Year ₹ 5.50 per share) of ₹ 10 each	559	473

Proposed Dividend :

The Board of directors at their meeting held on 26th April, 2024 has recommended dividend of ₹ 7.00 (PY ₹ 6.50) per equity share of face value of ₹ 10 each for the financial year ended 31st March, 2024.

This is subject to approval at the ensuing Annual General Meeting of the company and hence not recognized in these financial statements.

Notes forming part of the Financial Statements

13- Other Equity:

(₹ in Lakhs)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
(A) Balance as at 01.04.2023	554	160	17,500	6,330	19,885	44,429
Additions during the year:						
Profit for the year 2023-24				4,686		4,686
Items that will not be reclassified to profit or loss:						
a. Effect of measuring Investments at fair value					6573	6,573
b. Remeasurement of the defined benefit plans				(44)		(44)
Income tax relating to items that will not be reclassified to profit or loss				13	(766)	(753)
(B) Total Comprehensive Income for the year 2023-24	-	-	-	4,655	5,807	10,462
(C) Reduction during the year						
Dividend				(559)		(559)
Transfer to General reserve			2,500	(2,500)		-
Total	-	-	2,500	(3,059)	-	(559)
(D) Balance as at 31.03.2024 (A+B+C)	554	160	20,000	7,926	25,692	54,332
(E) Balance as at 01.04.2022	554	160	15,000	5,516	14,758	35,988
Additions during the year:						
Profit for the year 2022-23				3,834		3,834
Items that will not be reclassified to profit or loss:						
a. Effect of measuring Investments at fair value					5,499	5,499
b. Remeasurement of the defined benefit plans				(66)		(66)
Income tax relating to items that will not be reclassified to profit or loss				19	(372)	(353)
(F) Total Comprehensive Income for the Year 2022-23	-	-	-	3,787	5,127	8,914
(G) Reduction during the year						
Dividend				(473)		(473)
Transfer to General reserve			2,500	(2,500)		-
Total	-	-	2,500	(2,973)	-	(473)
Balance as at 31st March 2023 (E+F+ G)	554	160	17,500	6,330	19,885	44,429

13.1 Description of nature and purpose of Reserve:

- (i) Capital Reserve represents gain of a capital nature and is not available for dividend distribution.
- (ii) Securities Premium records the premium component on issue of shares and can be utilised only in accordance with the provisions of Companies Act, 2013.
- (iii) General Reserve is created by transferring part of Retained Earnings from time to time. It is transfer from one component of equity to another and it is not an item of Other Comprehensive Income. It is a free reserve created to strengthen the net worth of the Company and it is available for dividend distribution in accordance with the provisions of Companies Act, 2013.



Notes forming part of the Financial Statements

14. Major Components of Deferred Tax Liabilities / (Assets) arising on account of timing differences

(₹ in Lakhs)

Particulars	Balance Sheet 31.03.2024	Profit and Loss 2023-24	OCI 2023-24	Balance Sheet 01.04.2023
Deferred Tax Liabilities / (Assets) on account of				
Depreciation on Property, Plant and Equipment	2,268	196	-	2,072
Expenses allowed for tax purpose on payment basis	(14)	151	-	(165)
Income tax relating to items that will not be reclassified to profit or loss	1,244	(13)	766	491
MAT Credit Entitlement (Note - 27(E))	(1,853)	(143)	-	(1,710)
Deferred Tax Liabilities (Net)	1645	191	766	688

Particulars	Balance Sheet 31.03.2023	Profit and Loss 2022-23	OCI 2022-23	Balance Sheet 01.04.2022
Deferred Tax Liabilities / (Assets) on account of				
Depreciation on Property, Plant and Equipment	2,072	192	-	1,880
Expenses allowed for tax purpose on payment basis	(165)	(45)	-	(120)
Income tax relating to items that will not be reclassified to profit or loss	491	(19)	372	138
MAT Credit Entitlement (Note - 27 (E))	(1,710)	(73)	-	(1,637)
Deferred Tax Liabilities (Net)	688	55	372	261

15. Trade Payables:

Particulars	As at 31.03.2024	As at 31.03.2023
Micro and Small enterprises (Note -15 A)	74	54
Others		
- Goods	2,020	2,769
- Services	538	906
Total	2,632	3,729

15. A

- (i) The classification of the suppliers under Micro, Small and Medium Enterprises Development Act, 2006 is made on the basis of information obtained by the Company.

Notes forming part of the Financial Statements

(ii) Additional disclosures

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
i) Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year (but within due date as per the MSMED Act, 2006)		
- Principal amount due to micro and small enterprise (Note 15 & 16)	106	107
- Interest due on above	Nil	Nil
ii) Interest paid by the Company in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the period	Nil	Nil
iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED Act, 2006.	Nil	Nil
iv) The amount of Interest accrued and remaining unpaid as at the end of each year	Nil	Nil
v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil

15. B Trade Payables - ageing schedule as at 31.03.2024

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro and Small enterprises	8	44	22	-	-	-	74
(ii) Others	74	2,314	135	18	17	-	2,558
(iii) Disputed dues - Micro and Small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	82	2,358	157	18	17	-	2,632

**Notes forming part of the Financial Statements****Trade Payables - ageing schedule as at 31.03.2023**

(₹ in Lakhs)

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro and Small enterprises	6	33	15	-	-	-	54
(ii) Others	68	2,522	305	20	8	-	2,923
(iii) Disputed dues - Micro and Small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	752	-	-	-	-	752
Total	74	3,307	320	20	8	-	3,729

16. Other Current Financial Liabilities:

Particulars	As at 31.03.2024	As at 31.03.2023
Payable for Capital Expenditure		
- Micro and Small enterprises (Note -15 A)	32	53
- Others	56	57
Unpaid dividends (No amount is due and outstanding to be credited to Investor Education and Protection Fund)	32	46
Others	9	12
Total	129	168

17. Other Current Liabilities:

Particulars	As at 31.03.2024	As at 31.03.2023
Parallel operation charges	189	151
Interest on Electricity consumption Tax	153	153
Statutory liabilities	120	306
Revenue received in advance #	119	218
Others	76	-
Total	657	828

Revenue recognised during the year from the Opening Advance

218

81

Notes forming part of the Financial Statements

18. Current Provisions:

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Provision for Employee Benefits		
- Gratuity	90	52
- Others	21	3
Total	111	55

18.A Reconciliation of net defined benefit liability

Particulars	Gratuity	
	31.03.2024	31.03.2023
Balance at the beginning of the year	602	575
Interest Cost	41	36
Current service cost	44	33
Benefits paid	(34)	(109)
Actuarial loss/(gain) on obligation (balancing figure)	36	67
Balance as at the end of the year	689	602

18.B Balance Sheet Reconciliation

Particulars	As at 31.03.2024	As at 31.03.2023
Net defined benefit (liability) asset at beginning of the year	(52)	44
Expense In the P& L	(46)	(30)
Total remeasurements included in OCI	(44)	(66)
Employer's total contribution	52	-
Net defined benefit (liability) asset as at end of the year	(90)	(52)

19. Revenue from Operations:

Particulars	31.03.2024	31.03.2023
Sale of Products	41,922	42,923
Other Operating Revenue	209	620
Total	42,131	43,543



Notes forming part of the Financial Statements

Disclosure relating to Revenue from contracts with customers

(₹ in Lakhs)

Particulars	31.03.2024	31.03.2023
a. Type of Products		
Sugar	30,469	30,882
Bagasse	2,908	3,891
Molasses	3,833	4,002
Power #	4,712	4,148
Total	41,922	42,923
b. Type of Customer		
Government / Government undertakings	5,234	5,410
Others	36,688	37,513
Total	41,922	42,923

Includes ₹ 265 lakhs (PY Nil) of differential tariff consequent on regulatory order pertaining to earlier years.

20. Other Income:

Particulars	31.03.2024	31.03.2023
Interest on financial assets carried at amortized cost		
- Trade Receivables	262	572
- Bank Deposits	410	141
Interest - others	77	528
Dividend from quoted equity investments measured at fair value through OCI	548	236
Derecognition of excess liability for wage settlement	274	-
Other non-operating income	196	29
Total	1,767	1,506

21. Cost of Materials Consumed:

Particulars	31.03.2024	31.03.2023
Raw material - Sugarcane	28,824	29,176
Process Chemicals	239	257
Packing Materials	499	501
Total	29,562	29,934

Notes forming part of the Financial Statements

22. Changes in Inventories of finished goods and work- in progress:

(₹ in Lakhs)

Particulars	31.03.2024		31.03.2023	
	Opening stock - Finished goods	7,402		6,593
- Work in progress	241	7,643	130	6,723
Closing stock - Finished goods	8,549		7,402	
- Work in progress	185	8,734	241	7,643
Changes in Inventories of finished goods and Work in progress		(1091)		(920)

23. Employee Benefits Expense:

Particulars	31.03.2024	31.03.2023
Salaries and wages	1,929	1,732
Contribution to Provident & Other Funds (Note 34)	208	168
Staff Welfare Expenses	236	179
Total	2,373	2,079

24. Other Expenses:

Particulars	31.03.2024	31.03.2023
Consumption of stores and spares	41	62
Rent	21	16
Repairs and Maintenance		
- Buildings	269	239
- Plant & Equipment	1,661	1,183
- Others	11	9
Insurance	59	54
Rates and taxes	117	87
Auditors' remuneration (Note 24 A)	15	12
Watch & ward	60	56
Travel	77	92
Professional & Consultancy	71	60
Directors' sitting fees and commission	52	35
Freight & handling	171	224
Impairment Loss -Reversal	-	(204)
Fair Value Adjustment	-	684
Corporate Social Responsibility expenses (Note -31)	74	78
Miscellaneous	153	108
Total	2,852	2,795



Notes forming part of the Financial Statements

24 A Payment to Auditors:

(₹ in Lakhs)

Particulars	31.03.2024	31.03.2023
Statutory Audit Fees	10	8
Tax Audit Fees	1	1
Certification Fees and Other Services	3	2
Reimbursement of expenses	1	1
Total	15	12

25. Finance Costs:

Particulars	31.03.2024	31.03.2023
Interest on borrowings	-	-
Other borrowing costs- Processing charges	10	33
Interest - others	3	2
Total	13	35

26. Depreciation and Amortisation Expense:

Particulars	31.03.2024	31.03.2023
Depreciation on Property, Plant and Equipment	858	750
Amortisation of Intangible assets	13	8
Total	871	758

27. Tax Expense:

Particulars	31.03.2024	31.03.2023
(A) Major components of Income Tax expense for the year :		
Tax expense recognised in the Statement of Profit and Loss		
(a) Current Tax :		
Current tax for the year - Minimum Alternate Tax	896	854
(b) Deferred Tax:		
Deferred Tax Liability on account of depreciation	196	192
Expenses allowed on payment basis under tax laws	151	(45)
MAT Credit Entitlement (Net)	(143)	(73)
Total (b)	204	74
(c) Reversal of Tax (Net)	(597)	-
Total Tax Expense (a) + (b) + (c)	503	928

Notes forming part of the Financial Statements

(₹ in Lakhs)

Particulars	31.03.2024	31.03.2023
(B) Reconciliation of Tax expenses and the accounting profit for the year:		
Enacted Income tax rate in India applicable to the Company	29.12%	29.12%
Profit Before Tax	5,189	4,762
Current Tax Expense at the applicable rate	1,511	1,387
Tax effect of the amounts which are not deductible /(taxable) in calculating taxable income		
Add/(Less):		
Exempted income / Tax holiday under Section 80 (IA)	(606)	(714)
Difference in depreciation	(61)	(129)
Expenses allowed for tax purpose on payment basis	(82)	121
Differences on account of other permanent disallowances	(9)	3
Total	(758)	(719)
Current Tax for the Year under normal computation	753	668
MAT Credit reversal - relating to earlier years	-	113
Expenses not deductible in determining taxable profit	151	(45)
Reversal of Tax (Net)	(597)	-
Deferred Tax on account of depreciation	196	192
Tax expenses recognised in the Statement of Profit and Loss	503	928
(C) Taxes on items of OCI		
Items that will not be reclassified to profit or loss		
- Income Tax on measuring Investment at fair value	766	372
- Income Tax on Remeasurement of the defined benefit plans	(13)	(19)
Total	753	353

(D) Current Tax:

- (i) The company has recognized Minimum Alternate Tax (MAT) since the tax payable under normal computation is lower than MAT.
- (ii) Available deduction under Section 80-IA and MAT Credit Receivable being more beneficial, the company has not exercised the option under Section 115BAA of the Income Tax Act.

(E) Deferred Tax :

MAT credit of ₹ 143 lakhs (net) for the year (previous year ₹ 73 lakhs) and ₹ 1853 lakhs as on 31st March 2024 (₹ 1710 lakhs as on 31st March 2023) is recognised and carried forward as deferred tax asset as there exists reasonable certainty to recover the same in future.



Notes forming part of the Financial Statements

(F) Reversal of Tax (Net):

The company had obtained favourable orders from the High Court of Madras for its depreciation entitlement on fair value of assets transferred under Scheme of Arrangement sanctioned by High Court of Madras. Pursuant to this, the tax department has initiated proceedings during the year to give effect to same. Consequently tax provision since 1st April 1999 has been re-estimated and excess provision (net) of ₹ 597 Lakhs has been reversed in the current year.

28. Contingent Liabilities and Commitments:

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
a. Contingent Liabilities		
Claims against the company not acknowledged as debt		
- Indirect tax demands contested	7	7
- Others	10	10
b. Commitments		
- Contracts for purchase of sugar cane	14,621	18,410
- Estimated value of contracts remaining to be executed on capital account and not provided for	682	273

29. Government Grant :

The Company has recognised Government Grants in these financial statements under relevant heads as disclosed below:

Particulars	Treatment in Accounts	31.03.2024	31.03.2023
a. Export quota swapping	Included in other operating revenue (Note 19)	-	332
b. Sale of Renewable Energy Certificates	Included in other operating revenue (Note 19)	22	93
Total		22	425

Notes forming part of the Financial Statements

Note 30(A) Category wise classification of Financial Instruments:

(₹ in Lakhs)

Particulars	Note	Non Current		Current	
		As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)					
Investments in quoted equity shares	3	29,020	22,447	-	-
Investments in Unquoted equity shares	3	9	9	-	-
Total		29,029	22,456	-	-
Financial Assets measured at amortised cost					
Security Deposit	5	19	14	-	-
Trade Receivables	4,8	1,486	2,492	3,371	2,254
Cash and Cash Equivalents	9	-	-	645	810
Other Balances with Banks	10	-	-	3,445	2,381
Total		1,505	2,506	7,461	5,445
Financial Liabilities measured at amortised cost					
Payable towards capital expenditure	16	-	-	56	57
Payable towards Micro and Small enterprises	15, 16	-	-	106	107
Payable towards Goods	15	-	-	2,020	2,769
Payable towards services	15	-	-	538	906
Unpaid/Unclaimed Dividend	16	-	-	32	46
Payable towards Other expenses	16	-	-	9	12
Total		-	-	2,761	3,897

1. The fair value of investment in quoted equity shares measured at the closing price in the Stock Exchange on the reporting date.
2. In case of trade receivables, cash and cash equivalents, trade payables, short term borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.
3. The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counter-parties.



Notes forming part of the Financial Statements

Note 30 (B). Fair value Measurements

(i) Fair value measurement hierarchy of the Company's financial assets and liabilities:

(₹ in Lakhs)

Financial assets / financial liabilities	Fair value	Fair value hierarchy		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at Fair Value through Other Comprehensive Income (Note 3)				
As at 31.03.2024				
Investments in quoted equity shares	29,020	29,020	-	-
Investments in unquoted equity shares - Other Entities	9	-	-	9
As at 31.03.2023				
Investments in quoted equity shares	22,447	22,447	-	-
Investments in unquoted equity shares - Other Entities	9	-	-	9

(ii) Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

30 (C): Financial Risk Management – Objectives and Policies:

The Company's financial liabilities comprise mainly trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, security deposits, trade receivables and other receivables.

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ('Board') oversee the management of these financial risks in its regular meetings. Risk Management guidelines as discussed in the Audit Committee and approved by the Board, states the Company's approach to address uncertainties in its endeavor to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks.

Notes forming part of the Financial Statements

1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

(i) Interest Rate Risk

Interest rate risk is not material.

(ii) Foreign Currency Risk

Foreign currency exposure at end of the reporting period - Nil

(iii) Equity Price Risk

Equity price Risk is related to the change in market reference price of the investments in equity securities.

All the investments are held for strategic purposes and not held for trading.

2. Credit Risk

Credit Risk is the risk of financial loss arising from counter party default on its contractual obligations resulting in financial loss to the company. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result material concentrations of credit risks.

Exposure to Credit Risk – The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to Credit risk was ₹ 8966 lakhs as at 31st March 2024, and ₹ 7951 lakhs as at 31st March 2023 being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables and other financial assets excluding equity investments.

The credit risk arising for the exposure of investing in other balances with banks and bank balances is limited and there is no collateral held against these because the counter parties are scheduled banks under RBI oversight.

3. Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The company has obtained sanction of fund based limit of ₹ 15 crores and non-fund based limit of ₹ 1 crore from consortium banks towards working capital loan which is secured by first charge of inventories, book debts and immovables. However, utilization against the above facilities as at 31.03.2024 is Nil (PY Nil).

The Company invests its surplus funds in bank fixed deposit, which carry no / low mark to market risks.

Contractual maturities of financial liabilities based on contractual undiscounted payments. (₹ in Lakhs)

Particulars	As at 31.03.2024			As at 31.03.2023		
	Less than one year	Over one year	Total	Less than one year	Over one year	Total
Trade and other payables (Note15)	2,597	35	2,632	3,701	28	3,729
Other financial liabilities (Note16)	129	-	129	168	-	168



Notes forming part of the Financial Statements

31. Corporate Social Responsibility (CSR)

- (i) Amount required to be spent by the company during the year: ₹ 70 lakhs
- (ii) Amount excess spent in the previous year brought forward : ₹ 17 lakhs
- (iii) Amount of expenditure incurred: ₹ 74 lakhs
- (iv) Construction / acquisition of asset: Nil
- (v) Purposes other than (iii) above: ₹ 74 lakhs
- (vi) Shortfall at the end of the year: Nil
- (vii) Total of previous years shortfall: Nil
- (viii) Reason for Shortfall: N.A.
- (ix) Carried over surplus to succeeding financial year: ₹ 21 lakhs
- (x) Nature of CSR activities:

(₹in Lakhs)

Sl. No.	CSR Activity	31.03.2024	31.03.2023
(a)	Supporting irrigation infrastructure in rural area	40	46
(b)	Primary education for the children of rural area	10	6
(c)	Community Development	2	3
(d)	Strengthening rural infrastructure/ improving road connectivity	-	15
(e)	Supporting for primary health center in the neighbouring village	5	-
(f)	Development of Agro forestry	17	8
	Total	74	78

- (xi) Details of related party transactions : Nil
- (xii) Provision made for CSR : Nil

- 32.** (i) In terms of the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, power dues outstanding as on 03.06.2022 including Late Payment Surcharge (LPS) till that date were made payable over 48 EMIs, with no further LPS thereon. This was recognised in FY 2022-23. Concurrently fair value adjustment of ₹ 684 lakhs was recognized in that year.
- (ii) Fair value reversals aggregating ₹ 239 lakhs on receipt of the monthly EMIs during the year is included in Other Income (Note-20).
 - (iii) EMIs falling due twelve months after the reporting period are classified as non-current trade receivables (Note-4).

Notes forming part of the Financial Statements

33. Additional Regulatory Information:

Sl. No.	Disclosure requirement as per amended Schedule III to the Companies Act, 2013	Reason for non-disclosure
1	Title deeds of immovable properties not held in the name of company	All title deeds are in name of the company
2	Fair value of investment property	Investment property Nil.
3	Revaluation of property, plant and equipment	Not Applicable
4	Revaluation of intangible assets	Not Applicable
5	Loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties	Nil
6	Details of Benami property held	Nil

7. Summary of Reconciliation of Stock Statement

(₹ in Lakhs)

Quarter Ended	Amount as per books of account	Amount as in the quarterly return / statement	Amount of difference	Reason for material discrepancies
Current year 2023-2024				Stock valuation as per statement provided to bank is based on 3 months moving average or current selling price, whichever is less as per RBI circular DBOD.No.Dir. BC.16/13.03.00/2014-15 dated July 1, 2014. In the financial statements, stock valuation is in accordance with Ind AS 2.
Jun – 2023	3,825	4,196	(371)	
Sep – 2023	4,514	4,982	(468)	
Dec- 2023	3,794	4,157	(363)	
Mar- 2024	9,079	10,082	(1,003)	
Previous year 2022-2023				
Jun - 2022	5,842	6,621	(779)	
Sep - 2022	4,545	5,112	(567)	
Dec- 2022	5,545	5,979	(434)	
Mar- 2023	8,060	8,711	(635)	

Sl. No.	Disclosure requirement as per amended Schedule III to the Companies Act, 2013	Reason for non-disclosure
8	Willful defaulter	No
9	Relationship with struck off companies	Nil transaction
10	Registration of charges or satisfaction with Registrar of Companies (ROC)	Charges were registered in time
11	Compliance with number of layers of companies	No subsidiaries
12	Compliance with approved scheme (s) of arrangement	Not Applicable
13	Utilisation of borrowed funds and share premium	Nil – See Note below
14	Undisclosed income	Nil
15	Details of Crypto Currency or Virtual Currency	No trade / investment in same.

- Note: (i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).
- (ii) The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.”



Notes forming part of the Financial Statements

33. A. Key Financial Ratios

(₹ in Lakhs)

Ratios	Numerator	As At 31-03-2024		As At 31-03-2023		% Variance	Remarks
	Denominator						
Current ratio	Current assets	17,268	4.89	14,443	3.00	63.00	Cash accruals on profits plus EMI recoveries of power dues
	Current liabilities	3,529		4,808			
Debt Equity ratio	Total Debt	0	-	0	-	-	No debt at close of both years
	Shareholder's Equity	29,500		25,404			
Debt service coverage ratio	Earnings available for debt service	5,496	-	4,587	-	-	No debt during the reporting periods
	Debt to be serviced	0		0			
Return on equity ratio	Net Profit after taxes	4,686	17.07	3,834	16.15	5.70	
	Average Shareholder's Equity	27,452		23,747			
Inventory turnover ratio	Cost of Goods Sold	39,545	4.83	40,206	5.60	(13.75)	
	Average Inventory	8,189		7,183			
Trade receivables turnover ratio	Net credit sales	7,620	1.59	8,039	1.73	(8.09)	
	Average Trade Receivables	4,802		4,644			
Trade payables turnover ratio	Net Credit Purchases	33,691	10.59	35,540	10.16	4.23	
	Average Trade Payables	3,181		3,498			
Net capital turnover ratio	Revenue	42,131	3.07	43,543	4.52	(32.08)	Minimum Sale Quota applicable from Jan'24 that lowered sale volume.
	Working Capital	13,739		9,635			
Net profit ratio	Net Profit after taxes	4,686	11.12	3,834	8.81	26.22	Improved margin and tax reversal of earlier period.
	Revenue	42,131		43,543			
Return on capital employed	Earnings Before Interest & taxes	5,189	16.60	4,762	17.80	(6.74)	
	Capital Employed	31,253		26,758			
Return on investment (i) Equity	Income Generated from Investments	6,025	26.33	5,263	30.74	(14.35)	
	Time weighted Average of Investments	22,885		17,118			
(ii) Fixed Income	Income Generated from Investments	410	5.77	141	4.53	27.15	Higher interest on FDs with Banks.
	Time weighted Average of Investments	7,101		3,112			

Notes forming part of the Financial Statements

34. Employee Benefits

(i) Defined Contribution Plans

The Company makes Provident Fund and Superannuation Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of eligible pay to fund the benefits.

The Company has recognised ₹ 126 Lakhs (previous year ₹ 110 Lakhs) for Provident Fund contributions and ₹ 36 Lakhs (previous year ₹ 29 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plans

(a) Gratuity

In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as of March 31, 2024. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit cost method.

The following table sets forth the status of the Gratuity Plan of the Company and the amount recognised in the Balance Sheet and Statement of Profit and Loss. The Company provides the gratuity benefit through annual contributions to the funds managed by the ICICI Prudential Life Insurance Company Ltd.

Disclosure for defined benefit plans based on actuarial valuation as on 31.03.2024

(₹ in Lakhs)

General description		Post employment benefit	
		Gratuity - Funded plan - Non contributory	
		31.03.2024	31.03.2023
(i)	Change in Defined Benefit Obligation		
	Present value - opening balance	602	575
	Current service cost	44	33
	Interest cost	41	36
	Re-measurement (gain) / loss:		
	- Effect of changes in financial assumptions	4	17
	- Effect of experience adjustments	32	50
	- Effect of changes in demographic assumptions	-	-
	Benefits paid	(34)	(109)
	Present value - closing balance	689	602
(ii)	Change in Fair Value of Plan Assets		
	Opening balance	550	619
	Interest income	39	39
	Return on plan assets	(8)	1
	Contributions by employer	52	-
	Benefits paid	(34)	(109)
	Closing balance	599	550



Notes forming part of the Financial Statements

(₹ in Lakhs)

General description		Post employment benefit	
		Gratuity - Funded plan - Non contributory	
(iii)	Amount recognized in the Balance Sheet (as at year end)	31.03.2024	31.03.2023
	Present value of obligations	689	602
	Fair value of plan assets	599	550
	Net (asset) / liability recognized	90	52
(iv)	Expenses recognized in the profit and loss statement		
	Current service cost	44	33
	Interest	2	(3)
	Total included in 'Employee benefits expense'	46	30
(v)	Expenses recognized in Other Comprehensive Income (OCI)		
	Re-measurement on the net defined benefit liability:		
	- Effect of changes in financial assumptions	4	17
	- Effect of experience adjustments	32	50
	- Effect of changes in demographic assumptions	-	-
	Return on plan assets	8	1
	Net cost in Other Comprehensive Income (OCI)	44	66
(vi)	Asset information	Insurance Policy (100%)	
(vii)	Principal actuarial assumptions	Indian assured Lives Mortality (2012-14) Ultimate	
	Mortality	Indian assured Lives Mortality (2012-14) Ultimate	
	Discount rate (%)	7.03	7.16
	Expected rate of salary increase (%)	10.00	10.00
	Expected rate of attrition (%)	9.00	9.00
	Expected average remaining working lives of employees (years)	8.00	8.00
(viii)	Expected contribution (₹ in Lakhs)	96.00	48.00

The Company pays contribution under the Group Gratuity Scheme to ICICI Prudential Life Insurance Company Ltd. that is invested by the insurer in the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds and Money Market Instruments. The expected rate of return on plan assets based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation. Significant actuarial assumptions for the determination of the defined benefit obligation are as discussed above.

Notes forming part of the Financial Statements

The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are given below:

(₹ n Lakhs)

Particulars	31.03.2024	31.03.2023
Discount Rate		
- 1% Increase	34	27
- 1% decrease	(33)	(30)
Salary Growth Rate		
- 1% Increase	(33)	(27)
- 1% decrease	29	25
Attrition Rate		
- 1% increase	(8)	(6)
- 1% decrease	7	5

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

(b) Long Term Compensated Absence

The assumption used for computing the long term accumulated compensated absences on actuarial basis are as follows:

Assumptions	2023-24	2022-23
Discount rate	7.03%	7.16%
Attrition Rate	9.00%	9.00%
Expected rate of salary increase	10.00%	10.00%

Since the measurement of other long term employee benefits is not usually subject to the same degree of uncertainty as the measurement of post-employment benefits – gratuity, simplified method of accounting is adopted i.e. remeasurements are not recognized in Other Comprehensive Income but directly in the Statement of Profit and Loss (para 154 of Ind AS- 19).

The short-term leave obligation covers the company's liability for casual leave. The entire provision of ₹ 2 lakhs (PY ₹ 3 lakhs) is presented as current, since the company does not have an unconditional right to defer settlement for the short-term obligations.



Notes forming part of the Financial Statements

35. Operating Segments

(₹ in Lakhs)

Particulars	Sugar		Cogeneration		Eliminations		Total	
	31.03.24	31.03.23	31.03.24	31.03.23	31.03.24	31.03.23	31.03.24	31.03.23
Revenue								
External Sales	34,302	34,884	7,620	8,039	-	-	41,922	42,923
Inter – Segment Sales	5,243	5,322	4,880	5,468	(10,123)	(10,790)	-	-
Other Operating income	164	494	45	126	-	-	209	620
Total Revenue	39,709	40,700	12,545	13,633	(10,123)	(10,790)	42,131	43,543
Segment Result								
Operating Profit	2,684	2,727	1,948	2,174	-	-	4,632	4,901
Finance Costs							13	35
Other unallocable expenditure net of unallocable income							570	104
Profit Before Tax							5,189	4,762
Tax Expenses							503	928
Profit After Tax							4,686	3,834
Other Information								
Segment Assets	16,294	14,632	11,001	11,172	-	-	27,295	25,804
Unallocated Corporate Assets							33,179	25,647
Total Assets							60,474	51,451
Segment Liabilities	3,061	4,313	436	421	-	-	3,497	4,734
Unallocated Corporate Liabilities							1,785	1,428
Total Liabilities							5,282	6,162
Capital Expenditure	1,269	1,277	144	94	-	-	1,413	1,371
Depreciation	452	347	419	411	-	-	871	758

Information required under Para 34 of Ind AS 108.

Two customers in Sugar (previous year two) and two customers in Cogen (previous year two) individually contribute to more than 10% of the revenue of respective segment.

Notes forming part of the Financial Statements

36. Earnings per Share

Particulars	31.03.2024	31.03.2023
Profit after tax (₹ Lakhs)	4,686	3,834
Weighted average number of shares (in lakhs)	86	86
Nominal value per share (₹)	10	10
Basic and diluted earnings per share (₹)	54.49	44.58

37. Related Party Disclosures

- i) Names of the transacting Related Parties and description of relationship :
1. Seshasayee Paper and Boards Ltd (SPB) - The Company is associate of SPB.
 2. Esvi International (Engineers & Exporters) Ltd – 100% subsidiary of SPB
 3. Directors– KMP-refer (c) & (d)

- ii) Description of Transactions:

- a) Seshasayee Paper and Boards Ltd (₹ in Lakhs)

Particulars	31.03.2024	31.03.2023
Sale of goods	2402	2651
Purchase of goods	172	944
Services (Net)	(6)	17
Dividend received	530	221
Dividend paid	153	130
Amount outstanding – Receivable – Unsecured (Net)	132	171

- b) Esvi International (Engineers & Exporters) Ltd

Particulars	31.03.2024	31.03.2023
Rent paid	6	6
Rent advance outstanding - Unsecured	3	3

The transactions with the above two related parties are as per the terms of arrangements in the normal course of business and to be settled through receipt/ payment or sale/purchase of goods or services.

- c) Key Managerial Personnel - executive

1. Mr. N.Ramanathan – Managing Director
2. Mr. K.Yokanathan – President and CFO



Notes forming part of the Financial Statements

(₹ in Lakhs)

Particulars	31.03.2024	31.03.2023
i. Short term benefits	254	199
ii. Post employment benefits	52	31
iii. Other long term benefits	15	13
iv. Amount outstanding at the end of the year – payable - Unsecured	103	84

(d) Key Managerial Personnel – Non-executive Directors

Name	Position
Mr N Gopala Ratnam	Chairman & Non-Executive Director
Mr Arun G Bijur	Non-Executive Director
Mr Bimal K Poddar	Non-Executive Director
Mr V Sridar	Non-Executive Director
Dr Nanditha Krishna	Non-Executive Director
Mr K Bharathan	Non-Executive Director
Mrs Bharti Chhotubhai Pithawalla	Non-Executive Director
Mr Mohan Verghese Chunkath	Non-Executive Director
Mr P Manoharan	Non-Executive Director
Dr. Lakshmi Nadkarni	Non-Executive Director
Mr. Chellamani Naresh	Non-Executive Director

(₹ in Lakhs)

Particulars	31.03.2024	31.03.2023
Purchase of goods	30	10
Sitting fees	16	17
Commission	36	18

38. Approval of Financial Statements

The financial statements have been approved for issue by the Board of Directors on 26th April 2024.

Per our Report of even date annexed

For M/S S. Viswanathan LLP

Regn No: 004770S/S200025

Chartered Accountants

Chella K Srinivasan

Partner

Membership No. 023305

Chennai

26th April 2024

For and on behalf of the Board

N Gopala Ratnam

Chairman

DIN: 00001945

R Madhusudhan

Secretary

N Ramanathan

Managing Director

DIN: 00001033

K Yokanathan

Chief Financial Officer

Vision

To excel as a trusted, socially responsible and customer driven organization providing maximum value to all stakeholders

Mission

To manufacture quality products at competitive cost through technology and team work

Values

- *Ethical practices*
- *Customer Focus*
- *Commitment to Society, Safety and Environment*
- *Professional and Transparent Management*
- *Empowerment and Accountability*
- *Adaptability to “Change”*
- *Innovation and Creativity*
- *Emphasis on human resources development, cost reduction, productivity enhancement and resource conservation*



PONNI SUGARS (ERODE) LIMITED

Regd. Office: ESVIN House, No.13, Rajiv Gandhi Salai (OMR)
Perungudi, Chennai 600 096.