Ponni Sugars (Erode) Limited

30th Annual Report 2025-26

Year Scorecard

- *Strong rebound in operational performance*
- *Record high power exports*
- *Exhilarating win in electricity tariff case*
- *Exceptional leg up from 'exceptional income'*
- *All time high PBT and PAT*
- *Dividend stepped up*

Directors
N Gopala Ratnam *(Chairman)* *(DIN:00001945)*
N Ramanathan *(Managing Director)* *(DIN:00001033)*
Arun G Bijur *(DIN:00024434)*
Mohan Verghese Chunkath *(DIN:01142014)*
Bharti Chhotubhai Pithawalla *(DIN:00341382)*
P Manoharan *(DIN:09706869)*
Lakshmi Nadkarni *(DIN:07076164)*
Chellamani Naresh *(DIN:10474276)*

Audit Committee
Mohan Verghese Chunkath *(Chairman)*
Arun G Bijur
Chellamani Naresh
Lakshmi Nadkarni

Nomination and Remuneration Committee
Lakshmi Nadkarni *(Chairperson)*
N Gopala Ratnam
Mohan Verghese Chunkath

Stakeholders Relationship Committee
N Gopala Ratnam *(Chairman)*
N Ramanathan
Chellamani Naresh

CSR Committee
N Gopala Ratnam *(Chairman)*
N Ramanathan
Chellamani Naresh

Chief Financial Officer
K Yokanathan

Company Secretary
R Madhusudhan

Statutory Auditors
M/s S Viswanathan LLP

Internal Auditors
Maharaj N R Suresh And Co. LLP

Cost Auditors
M/s S Mahadevan & Co.

Secretarial Auditors
M/s V Suresh Associates

Banks
Canara Bank
IDBI Bank Limited
HDFC Bank Ltd

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

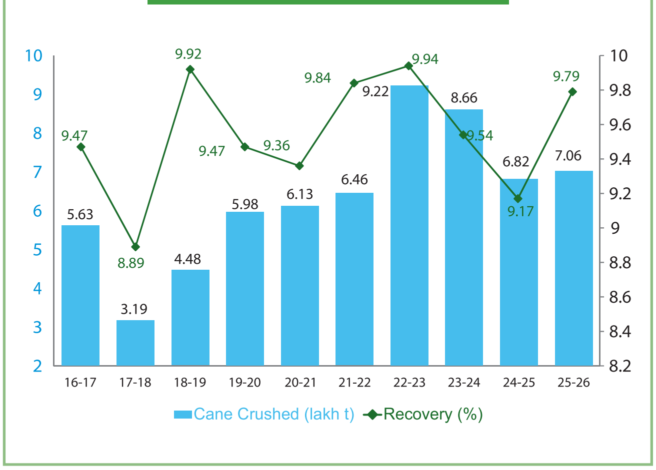
Email ID for investor Grievance
investor@ponnisugars.com

Works
Odappalli, Cauvery RS (Post)
Erode 638 007, Komarapalayam (Tk),
Namakkal District, Tamil Nadu
Phone: (04288) 247351 to 355
Email: gen@ponnisugars.com

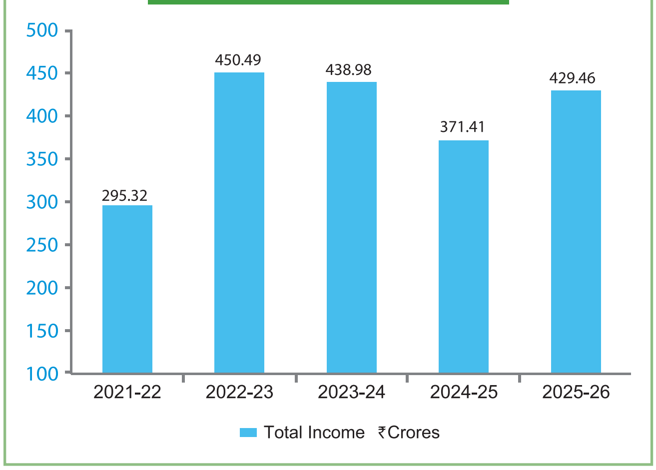
Registrar & Transfer Agent
Cameo Corporate Services Ltd
"Subramanian Buildings", 5th Floor
No.1, Club House Road, Chennai 600 002
Phone: (044) 28460390
Email: investor@cameoindia.com

Performance Chart

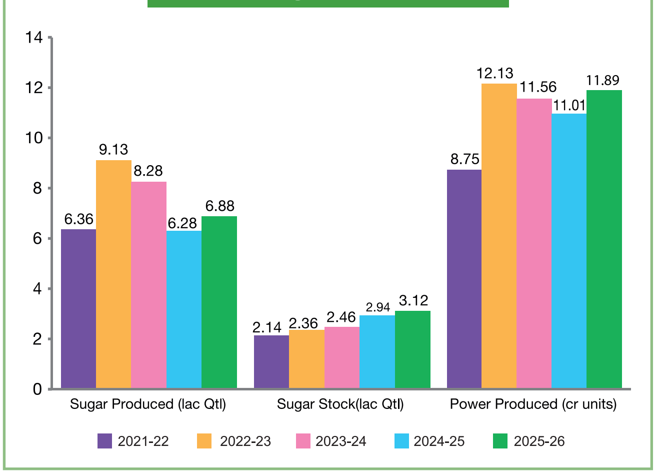
Cane and Recovery



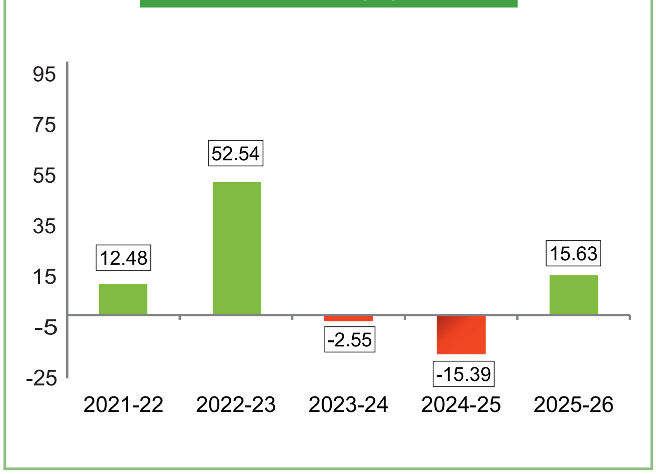
Total Income



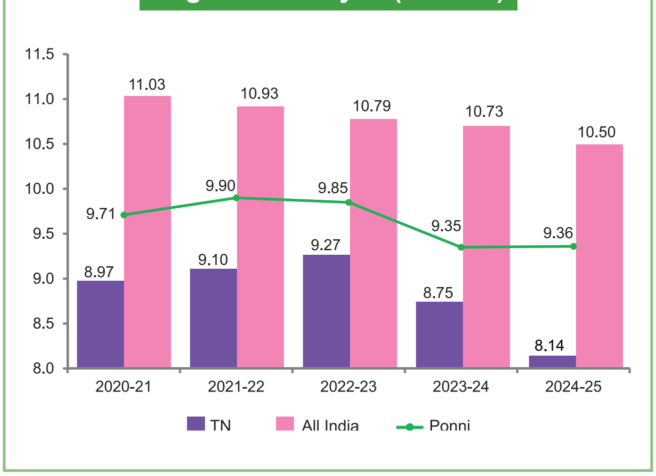
Operating Performance



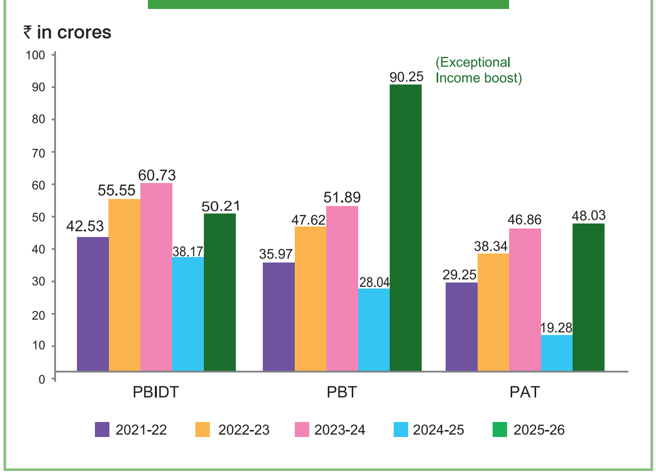
Growth (%)



Sugar Recovery % (Season)

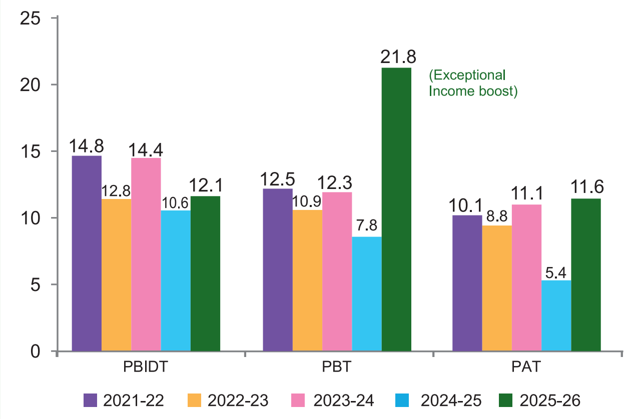


Financial Performance

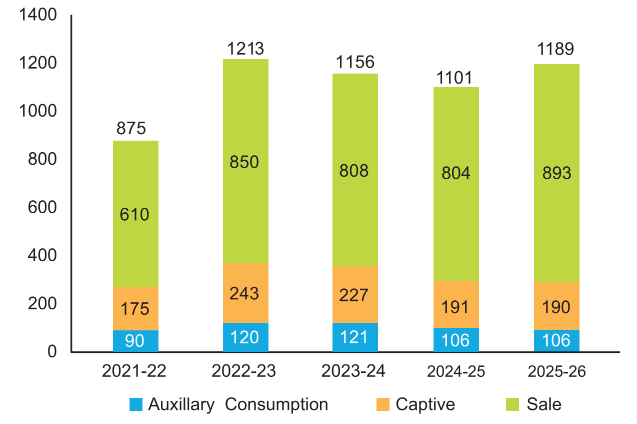


Performance Chart

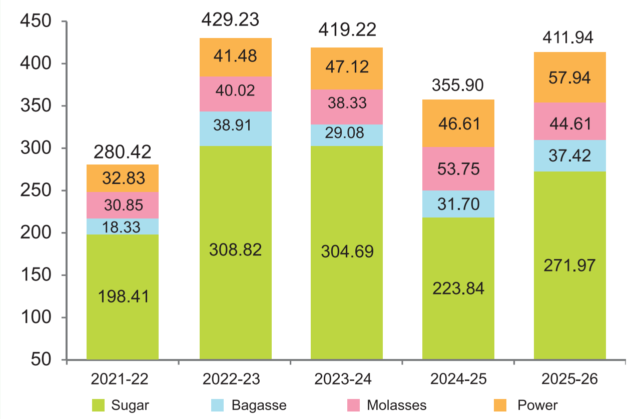
Profit % to Sales



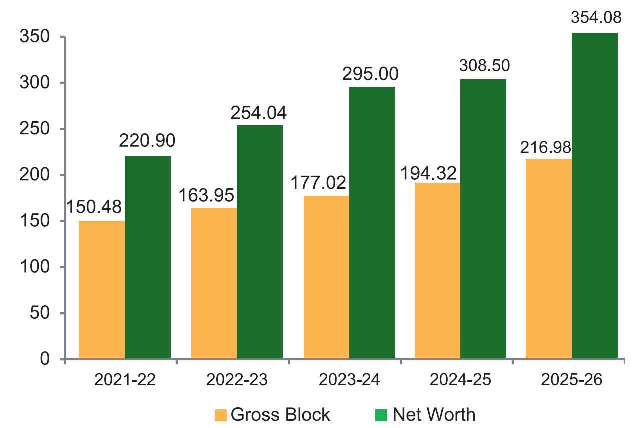
Power Production/ Export (Lakh units)



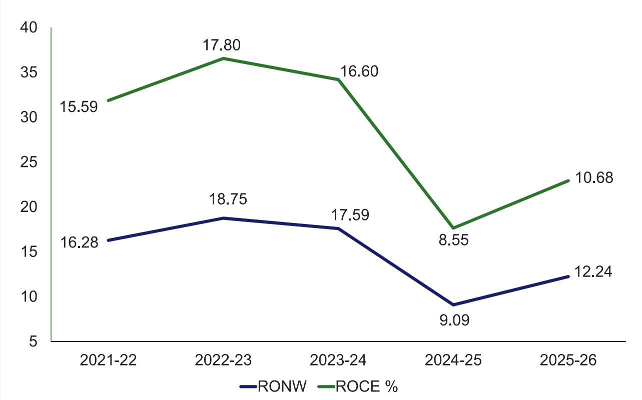
Sales Composition (₹ Crores)



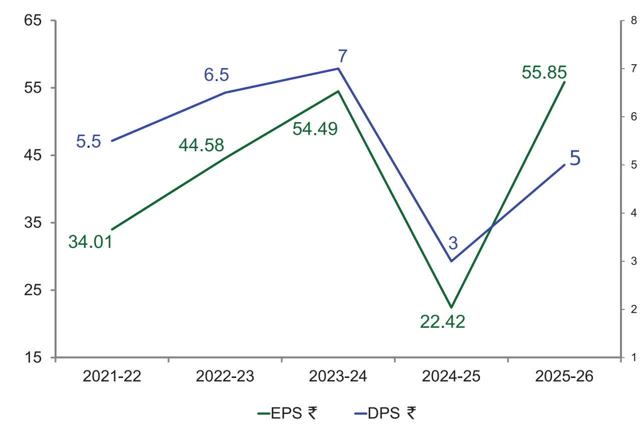
Gross Block and Net Worth ₹ Crores



RONW, ROCE %

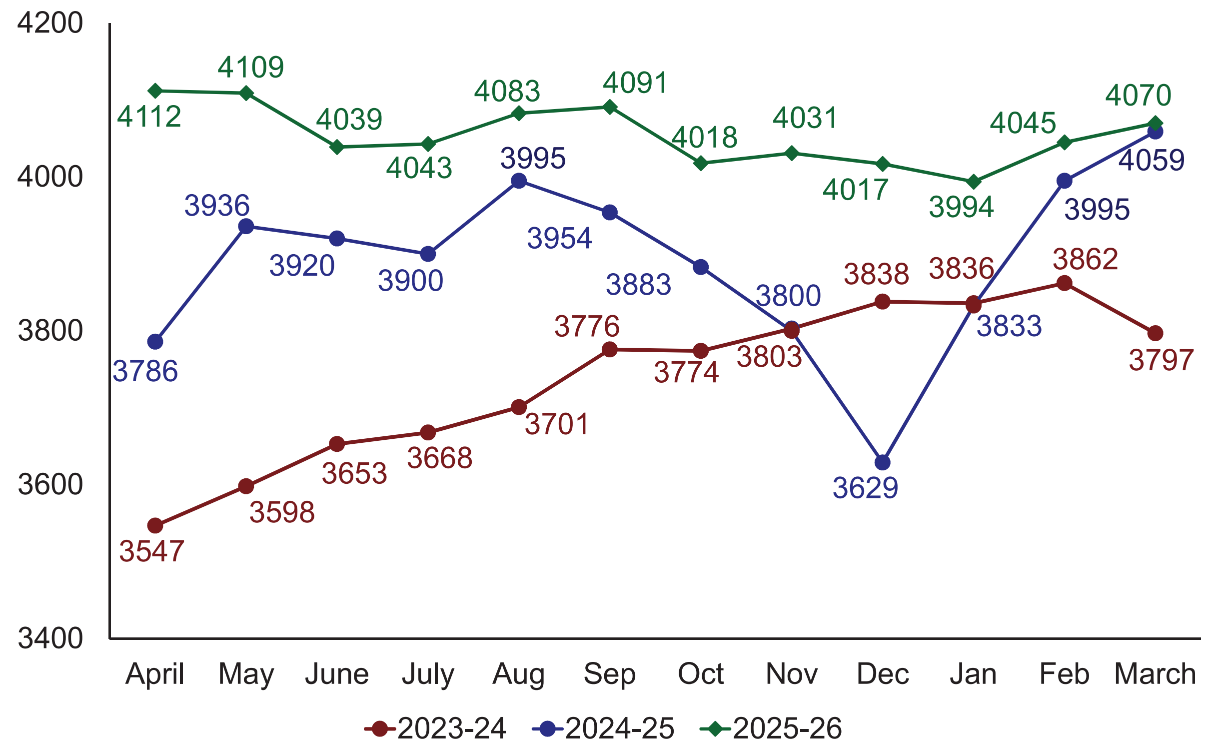


EPS and DPS (₹)

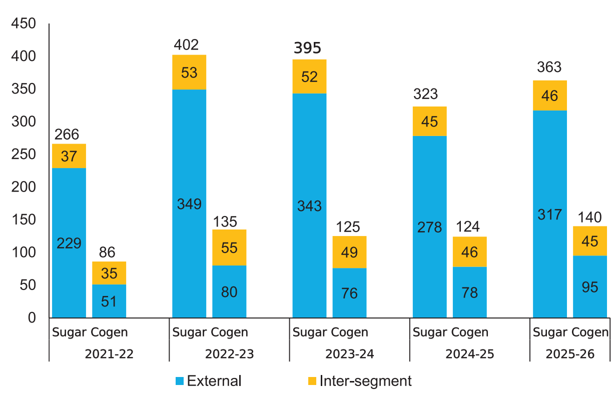


Performance Chart

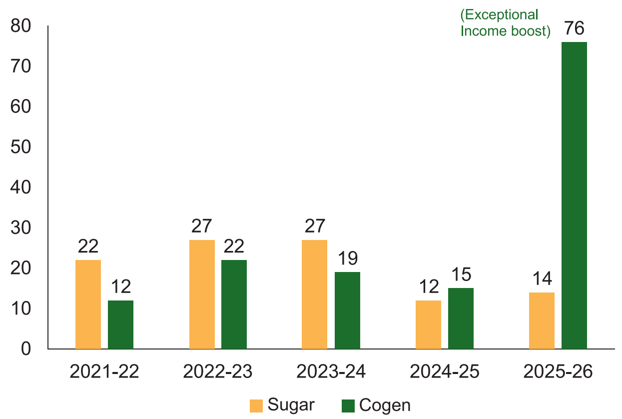
Ex-Factory Sugar Realization (₹ / Qtl)



Segment Revenue ₹ Crores



Segment Profit ₹ Crores



Financial Highlights - Ten Years at a Glance

(₹ in Lakhs)

For the year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Total Income	25174	19859	18796	31453	26255	29532	45049	43898	37141	42946
Total Expenditure	21189	17588	16523	26910	22611	25279	39494	37825	33324	37925
PBIDT	3985	2271	2273	4543	3644	4253	5555	6073	3817	5021
Interest	475	197	347	268	54	12	35	13	5	60
Depreciation	570	568	593	739	731	644	758	871	1008	1100
Profit before exceptional items	2940	1506	1333	3536	2859	3597	4762	5189	2804	3861
Exceptional Items	776	1126	133	-53	0	0	0	0	0	5164
PBT	2164	380	1200	3589	2859	3597	4762	5189	2804	9025
Tax	645	46	357	495	293	672	928	503	876	4222
PAT	1519	334	843	3094	2566	2925	3834	4686	1928	4803
EPS (₹)	17.66	3.88	9.80	35.98	29.84	34.01	44.58	54.49	22.42	55.85
Cash EPS (₹)	31.80	10.49	18.55	44.14	35.93	42.41	54.27	60.06	38.62	99.29
Dividend %	25	10	20	40	50	55	65	70	30	50
As at year end										
Gross Block	17747	13083	13141	13388	13595	15048	16395	17702	19432	21698
Net Block	11840	11952	11417	10932	10419	11234	11834	12310	13048	14293
Loan Funds	4905	725	3487	2013	0	0	0	0	0	0
Net Worth	13678	13752	14496	17345	19587	22090	25404	29500	30850	35408
Book value per share (₹)	159.08	159.94	168.59	201.72	227.80	256.91	295.45	343.09	358.68	411.80
Share Price at NSE (in ₹)										
High	357.05	228.80	189.40	182.00	197.00	380.00	581.00	515.20	598.90	285.00
Low	172.70	141.00	102.30	81.00	112.10	145.30	209.50	363.25	267.00	252.40

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 30th Annual General Meeting of the Company will be held on **Wednesday,** the **24th June 2026** 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 Financial year ended 31st March 2026 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 ₹ 5.00 (Rupees Five only) per Equity Share for the financial year 2025-26 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 Friday, the 5th June 2026 (Record date)."

3. Reappointment of Retiring Director

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

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

SPECIAL BUSINESS

4. Commission to Non-Executive Directors

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

(i) "RESOLVED that pursuant to Section 197 of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions of any Law, Rule or Regulation for the time being in force, consent of the company be and is hereby accorded for payment of commission to Non-Executive Directors out of the net profits of the company, over and above the sitting fees, for a period of three financial years from 1st April 2026 to 31st March 2029.

(ii) RESOLVED FURTHER that the commission for all the non-executive directors shall in aggregate not exceed in any financial year one percent of the net profits of the Company computed in terms of Section 198 of the Companies Act, 2013.

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

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 2026-27 at ₹ 2,00,000 (Rupees Two Lakhs only) plus GST 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
11th May 2026

R Madhusudhan
Company Secretary &
Compliance Officer

NOTES:

1. AGM through VC/OAVM

Ministry of Corporate Affairs ("MCA") vide its Circular dated 22.09.2025, in continuation of its earlier circulars on the subject, has allowed companies to hold their Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") till further orders.

Accordingly, the 30th 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 this e-AGM will be the registered office of the Company.

2. Quorum / Proxy Form / Attendance Slip

A shareholder entitled to attend and vote at the 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) and Secretarial Standards-2 on General Meetings 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.

5. Record Date for Dividend

The record date for the purpose of determining shareholders who are eligible to receive dividend for FY 2025-26 is fixed on **Friday**, the **5th June 2026**.

6. Dividend Payment

Dividend on declaration will be paid on or before 1st July 2026 (Wednesday).

Shareholders are advised to refer to 'Shareholder Information' section of the Corporate Governance Report (page 58 of the Annual Report) for details on dividend entitlement, payment options, tax on dividend and procedure for claiming tax exemption.

7. Unclaimed Dividend

Unclaimed dividend for over 7 years will be transferred to the Investor Education and Protection Fund. Shareholders may refer to page 59 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 (India) 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. Remote e-Voting period commences from **Saturday,** the **20th June 2026** (10.30 AM) and ends on **Tuesday,** the **23rd June 2026** (5.00 PM).

The cut-off date for the purpose of determining shareholders who are eligible for e-voting is fixed as **Wednesday,** the **17th June 2026**. 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 2025-26 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). Further, in accordance with Regulation 36(1)(b) of SEBI-LODR, a letter providing the web-link, including the exact path, where complete details of the Annual Report for FY 2025-26 of the Company is available is being sent to those shareholders who have not registered their email address with the Company. 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 S.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 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 the Notice will be available for inspection in electronic mode. Shareholders 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forming part of the Notice.

Item No.3

Reappointment of Retiring Director

Mr N Gopala Ratnam [DIN:00001945], aged 79 years, has been associated with our company and its sugar mill for four decades. He comes under the promoter category.

Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI-LODR) requires special resolution to be passed for the appointment of a person or his continuance in the directorship of a company if he has attained the age of 75 years. Accordingly, the shareholders of the Company at the 27th Annual General Meeting held on 21st June 2023 had reappointed Mr. N Gopala Ratnam as a director of the company liable to retire by rotation by passing special resolution. It is proposed to pass a special resolution for the current re-appointment as well.

Mr N Gopala Ratnam is quite agile, active and alert and is presently the Chairman of the Company as well as other group companies. As non-executive chairman, he brings to bear the qualities required of an effective business leader. His calm demeanor and matured leadership contribute to constructive deliberations at Board meetings. In the opinion of the Board, he is eminently suitable for being continued as a Director of the company despite attaining the age of 79 years.

Mr N Gopala Ratnam is not debarred from holding the office of director by virtue of any order of SEBI or any other authority. Particulars required under Reg.36(3) of the SEBI-LODR are given in Appendix A that forms part of this Notice.

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

The Board recommends the Special Resolution set out in Agenda 3 of the Notice for approval of the shareholders.

Item No.4

Commission to Non-Executive Directors

Non-executive directors play a pivotal role in strengthening corporate democracy and steering the governance process. They are called upon to devote considerable time and effort in discharge of their role and responsibilities. It is but fair and equitable that they receive due compensation for this by way of permissible commission under the Act over and above the sitting fee.

Having regard to the above, the company in General Meetings has been authorizing payment of commission to Non-Executive Directors from time to time within the ceiling prescribed under the Companies Act, 2013 which is at 1% of the net profit of the company. This limit can be increased and commission can be paid even in the absence of profits with the approval of shareholders by special resolution.

The Company had paid commission to each Non-executive director ₹ 4 lakhs for FY 2023-24, ₹ 3 lakhs for FY 2024-25 and ₹ 5 lakhs for FY 2025-26.

It is now proposed to seek fresh authorization of shareholders by way of an Ordinary Resolution for the payment of commission to non-executive directors upto and not exceeding one percent of net profit in the aggregate for a further tenure of three financial years from 1st April 2026.

All directors (other than the Managing Director) and none of the Key Managerial Personnel of the company or their relatives are concerned or interested financially or otherwise, in this item of business. Hence the Board refrains from recommending this resolution and places it directly for the consideration and approval of the shareholders.

Item No.5

Remuneration to Cost Auditor

The Company is engaged in two business segments namely Sugar and Cogeneration. 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 2026-27 pertaining to both Sugar and Cogen segments and approved the remuneration at ₹ 2,00,000 (Rupees Two Lakhs 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
11th May 2026

R Madhusudhan
Company Secretary &
Compliance Officer

Appendix 'A'

Details of the Director seeking reappointment at the 30th 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. N Gopala Ratnam**
DIN	00001945
Date of Birth / (Age)	15-04-1947 (79)
Qualification	B.Sc. (Physics), B.E (Mech)
Experience & Expertise	Technocrat with rich and varied experience in project and operational management of process industries. Brings to bear leadership skills in heading SPB Group of Companies and steering them to higher growth trajectories.
Terms & conditions of re-appointment	Reappointment as 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 2025-26)	Sitting Fee - ₹ 3,00,000 Commission - ₹ 5,00,000
Date of first appointment on the Board	26.12.1996
Shareholding in the company	2823 Equity Shares
Relationship with other directors, manager and key managerial personnel	Nil
Number of Board meetings attended during the year	6 (100%)
Other Directorships	Chairman: Seshasayee Paper and Boards Ltd High Energy Batteries (India) Ltd Esvi International (Engineers & Exporters) Ltd Time Square Investments Private Ltd Dhanashree Investments Private Ltd
Memberships / Chairmanship of Committees in other companies	*Seshasayee Paper and Boards Ltd:* Member: Stakeholders Relationship Committee Corporate Social Responsibility Committee *High Energy Batteries (India) Ltd* Member: Stakeholders Relationship Committee
Resignation of directorships from listed entities during past three years	Nil

Appendix 'B'

Procedure for participation in the 30th 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 20th June 2026** (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	Shareholders 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 21 09911
Individual Shareholders holding securities in Demat mode with **NSDL**	Shareholders facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022- 4886 7000 and 022- 2499 7000

Shareholders 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 21 09911.

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 30th 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 period commences from **Saturday, the 20th June 2026** (10.30 AM) and ends on **Tuesday, the 23rd June 2026** (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 (rescinded by SEBI vide Master Circular dated January 30, 2026) 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**	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 users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on Login icon and New System Myeasi Tab. 2) After successful login, the user will see the e-Voting Menu. On clicking the e-voting menu, shareholders will see the holdings along with links of the respective e-Voting service provider which is CDSL in our case. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting Service Providers website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on Login icon and New System Myeasi Tab and click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-voting 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
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility – (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/. (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.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	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 - Folio Number / DP ID-Client ID of shareholder.
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 **enter the first two letters of shareholder's name in Capital letter as per folio followed by 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 casts 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 17th June 2026**. 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 30th Annual Report for 2025-26 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, the 17th June 2026**.

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.

SEBI vide its Master circular dated 07.05.2024 (rescinded by SEBI vide Master Circular dt.23.06.2025 and 06.02.2026) to RTAs stated that the folios without PAN, KYC details and Nomination (made optional vide SEBI circular dated 10.06.2024) shall be eligible to lodge any grievance or avail service request and for payment including dividend only through electronic mode w.e.f 01.04.2024 and intimation on the same to be sent by the listed companies. Based on the above Master Circular, the company had sent communication through RTA on 02.07.2024 and 03.07.2025 to identified holders of physical securities where PAN & KYC details are not updated, intimating them to update PAN & KYC details as per SEBI circulars and only after updation of the same, they will receive dividend in electronic mode.

BOARD'S REPORT

Your Board is pleased to present its 30th Annual Report and the audited financial statements for FY 2025-26.

	2025-26	2024-25
Operational Performance		
Cane crushed (tonnes)	**705576**	681706
Sugar recovery (%)	**9.79**	9.17
Sugar produced (tonnes)	**68780**	62729
Power produced (lakh kwh)	**1189**	1101
Financial Performance (₹ crores)		
Total Income	**429**	371
Profit Before Finance Costs, Depreciation & Taxes	**50**	38
Profit before Tax (before Exceptional Item)	**39**	28
Profit before Tax (after Exceptional Items)	**90**	28
Profit After Tax	**48**	19

Dividend

Your Board has recommended a dividend of ₹5.00/- (Rupees Five only) per equity share of ₹10 each for the financial year ended 31st March 2026, subject to the approval of shareholders at the ensuing Annual General Meeting.

Transfer to General Reserve

Your Board has proposed to transfer ₹35 crores to General Reserve.

Company performance

Sugar

Sugarcane crop in the State strikingly suffers from structural stress, wrought by woeful water deficit and capricious climate change. It is further exacerbated by horrendous shortage of agricultural labour and humongous rise in cultivation cost. Fraught with formidable agro-climatic risks and muted margins, farmers' interest in cane crop is fast fading. No wonder, sugar production is hardly 40% of the State's installed capacity. In such context, our crushing volume clocked a credible rise, albeit marginally, this year to cross 7 lakh tonnes. Our capacity-use continues to be sub-optimal, yet construed commendable under overarching constraints. With improved monsoon and water storage in Mettur reservoir this time, both cane yield and quality in our area improved, shoring up in the process our sugar recovery. Indeed, operating our sugar season for a long duration, we continue to score high on sugar recovery well above the State average. Sugar sale volume showed marginal uptick, yet inadequate under the monthly quota system. As a result, sugar stocks surged, hitting the highest mark in 5 years.

Passionate pursuit of continuous improvement in plant operations and production process helped us contain total sugar losses this year at a new low. Higher daily crushing rate led to lower specific consumption of steam and power and correspondingly cut down the cost of utilities. Improved sugar price and operational efficiency enabled the company to neutralise higher cost of cane and protect margin.

The company continues to focus on enlarging and expanding 'small pack sugar' for retail penetration. While it started with 1 kg and ½ kg packs, it has now further added in its range 100 grams and 200 grams packs. It is of course a new ground to break and time taking ordeal before we could reach meaningful scale. With proven product quality and committed service offering, we plan to progressively prop up the share of small package in our basket for retail market.

The company during the year completed the process of acquiring 50 tcd Jaggery unit that was put on auction by the lending bank under the SARFAESI Act 2002. After the installation of effluent treatment plant and obtaining all requisite clearances, we commissioned commercial production in this unit in Jan '26. We have since been able to streamline the production process and achieve desired product quality. We are now focussed on increasing production and cutting costs for sustainability of this business. For now, this unit is too small but is perceived as the launch pad to gain hands on experience in the market and then pursue our growth plans over time. Its relative contribution in the meantime would be marginal.

Cogeneration

Power production increased by 8% during the year, while our power exports to the State grid reached a zenith. Auxiliary consumption was brought to its lowest point while operational efficiencies were further spruced up. Our Cogen unit has indeed been regular in receiving accolades and awards in recognition of its record performance for years. With aggressive procurement of bio fuel, fossil fuel usage in the mix was curtailed and higher volume of bagasse could be sold.

Tariff challenge

The company during the year received a favourable order from APTEL holding that Parallel Operation Charges (POC) is not leviable in its case. It is now in challenge before the Supreme Court, but no order has been passed there on.

The shot in the arm for the company this year was the APTEL judgement on tariff determination that covers the period from the date of commissioning of our Cogen plant in 2012. Significantly, APTEL has ruled on all the key issues contested in our favour. The judgement in principle has unequivocally settled the underlying principles of cost computation and consequent tariff determination, besides commensurate compensation for delayed payment. It is now remanded to TNERC for passing consequential orders. Additional revenue expected to arise from this judgement based on the best estimates of management has been duly recognized in accord with applicable accounting standards and due disclosures made in the financial statements.

Tax Litigation

The company during the year received favourable ruling from the High Court of Madras on its entitlement for purchase tax incentive that is traceable to the establishment of the sugar mill in 1984. The contentious issue travelled through multiple layers of legal fora for more than three decades, including the Hon'ble Supreme Court. The company is currently following up with the State tax officials for early grant of refund of the purchase tax paid under protest.

The company during the year has come to encounter transfer pricing challenge in reckoning eligible profits for tax exemption in respect of its Cogen operations. The methodology chosen by the Tax Department, in the view of company, is legally untenable that is potent to nullify the tax benefits in entirety for all the years. It is taking effective steps to legally contest the case. It has concurrently ensured to create additional and adequate tax provision in the current year to take care of the contingency and eventual exigencies, if any.

Corporate

Riding on higher production and sale and ignited by improved sugar recovery, PBIDT for the year recorded 32% rise. In turn, profit before exceptional item shot up by 38%. Significantly, both sugar and Cogen segments posted positive and stronger performance. The exceptional phenomenon of current year has been the phenomenal contribution from 'exceptional income' arising out of judicial pronouncement on the electricity tariff issue. Indeed, the share of exceptional gains for the year has been singularly larger than the combined profits from Sugar and Cogen business for the whole year's operation. In the end, both PBT and PAT for the year have scorchingly scaled to an all-time peak.

Outlook for FY 2026-27

Weather agencies have forecast below par Southwest monsoon for 2026. Water storage in Mettur reservoir that considerably caters to our command area of cane crop is well below last year level. As a result, farmers have turned circumspect and are loathe to venture into fresh cane planting. In contrast to the welcome rise in cane planting witnessed in the first four months of current season, there has been woeful decline since Feb '26. The company has been taking concerted efforts to motivate and win back farmers' interest in cane through extension of munificent subsidies and myriad of support measures. The company's production outlook for 2026-27 is for now marked by climate challenge and marred by perceived pressures in cane availability.

Sugar industry at large is in dire need of better cane varieties that promise higher yield and sucrose content besides being pest resistant. It is all the more necessary for our State of Tamil Nadu that for too long has been lamentably languishing under low capacity use and dismal sugar recovery rates. Historically, emergence of a new cane variety involves an elongated R&D process encompassing extended lab and field trials. Efforts are now on to cut down and compress the time for this development cycle. ISMA has initiated steps for collaborative research in cane with institutions of repute in Brazil and China. SISMA-TN on its part has partnered with ICAR-SBI for close to 10 years, pursuing with zest and zeal its Sweet Bloom Project, though tangible results remain enigmatically elusive for now. All out efforts by the industry should in due course yield desired outcome.

In overall reckoning, the company foresees persistent pressure on sugarcane availability but it is equally confident that the impending adversity could be contained within limits. There is no denying that exceptional income by its very nature and definition may not be expected to recur, that too on the scale we have seen this year. Sugar prices may stage a smart recovery, given the likely demand – supply equilibrium but its effect could be eclipsed by the ever increasing cost of cane.

The company on its part would steadfastly stay focussed on cost optimisation and operational excellence. Together with its strong fundamentals, it is well placed to weather the storms and stay on course.

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 2024-25 has been placed on the website of the company www.ponnisugars.com and it will be done for FY 2025-26 after conclusion of the 30th 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 the 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 E-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 2026 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 2025-26. The CSR report in the prescribed form 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) One Time Settlement (OTS)

The company has done no OTS 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 ("Rules") is appended as **Annx-6** to this Report.

(xiv) Maternity Benefit Act, 1961

The requirement of providing benefit to woman under Maternity Benefit Act, 1961 has not arisen during the year.

(xv) Frauds

No Frauds have been reported by the Auditors during the year under Section 143 (12) of the Companies Act, 2013.

Directors and KMPs

At the 29th Annual General Meeting of company, shareholders through special resolution reappointed Mrs Bharti Chhotubhai Pithawalla (DIN: 00341382), as a director of company liable to retire by rotation.

Mr Ramanathan Narayanan (DIN: 00001033) has been reappointed as Managing Director of the company for a further tenure of 3 years from 01.04.2026 by the Board of Directors of the company at their meeting held on 20th February 2026. Shareholders in turn approved the reappointment of Managing Director and the terms thereof vide special resolution passed through postal ballot on 27.03.2026.

Other than above, no other director or key managerial personnel was appointed or resigned during the year.

Mr.N.Gopala Ratnam (DIN:00001945) retires by rotation at the ensuing 30th Annual General Meeting and being eligible, offers himself for reappointment that would be through Special Resolution. Due disclosure and rationale for reappointment are furnished in the statement pursuant to Section 102(1) of the Companies Act, 2013 attached to the AGM Notice.

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).**

Acknowledgement

Your directors wish to thank the Central and State Governments, Banks, customers and suppliers for their unequivocal understanding and support. Your directors further wish to thank sugarcane farmers for their committed support and continuing supply of sugarcane braving weather and other challenges.

The Board wish to place on record the credible contribution of its employees all through the year and its valued shareholders for their steadfast support.

.For Board of Directors

N Gopala Ratnam
Chairman
DIN:00001945

Chennai
11th May 2026

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Annexure-1 to Board's Report

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 desired demand-supply parity and sugar price stability.

Brazil barring occasional blip 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 emanating from concentrated pockets. China has been the world's largest importer followed by Indonesia; that ranking however changed in 2025-26.

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 interrupted by 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 levies 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

As per ISO, world production in 2025-26 would rebound, thanks to steep rise in India followed by Thailand. At 181.3 MMT, it would be a new record. Consumption would increase marginally, yet below the record 2023-24 level. Slack in consumption growth could be attributable to increased use of corn based and high intensity sweeteners, use of GLP-1 drugs in US that reduces food craving and impact of geopolitical turmoil. Notably 2025-26 would record a surplus of 1.2 MMT as opposed to successive deficits in the last six years. Year-end stock at 93.3 MMT is near flat, while stock / consumption ratio at 51.81% would be a new low in a decade.

Raw sugar prices deeply decelerated between Oct '24 and Sep '25 in NY#11 Futures, losing about 30% value. Average price for 2025 was indeed a five-year low. The Iranian war that fired up crude oil prices triggered a temporary surge in sugar prices that however turned ephemeral. Raw sugar prices currently trade sub 14 c / lb, which is below cost of production for most countries, including India.

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 GOI. 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. SW monsoon plays a pivotal role impacting area, productivity and quality of cane crop in Maharashtra and Karnataka; but the State of UP is largely insular, thanks to perennial river sources for irrigation. Household sugar consumption is about 35% with per capita consumption below 20 kg that is far lower than Brazil, US and Europe.

Sugar is mostly sold as a commodity in India with branded sugar at its nascent stage, though growing at a CAGR of 8%. It is a niche market with a small but growing number of consumers embracing it on grounds of hygiene and better quality. 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 being able to penetrate pan India market yet. Variants of white sugar are also slowly emerging to capture select market segments.

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 for same. In particular, the detestable disconnect between sugar and sugarcane price demands at once a decisive and lasting solution. NITI Aayog too came out with a report of its Task Force on Sugarcane and Sugar in Apr '20 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 *ad infinitum*.

Paradigm shift to ethanol

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

Realizing this, GOI firing on all cylinders has painstakingly promoted the ethanol blending programme that amidst altruistic advantages accommodates subsuming 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, GOI prioritizes domestic need first, followed by ethanol over export of sugar.

Travails of Tamil Nadu

Tamil Nadu is witness to and a victim of recurring drought, redoubtable shortage and high cost of agricultural labour, besides adverse climatic conditions abysmally lowering sugar recovery. Its production in 2024-25 nosedived to nadir at 7 lakh tonnes. Its sugar recovery too slided to an all-time low of 8.24%.

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 has become outright onerous and undeniably beyond their bearing.

Tamil Nadu sugar industry has now been pursuing for over a decade with ICAR-SBI, Coimbatore the Sweet Bloom Project to identify and develop viable cane varieties relevant to the State. While some of the varieties showed early promise, their performance at the ratoon stage regrettably was below par. As such, TN sugar industry is struggling yet to spot a sustainable cane variety, despite long years of laudatory efforts. Sweet Bloom project Version-2 is now being pursued in continuity that remains the industry's best bet for now. Further, the scope and efficacy of AI technology is being evaluated for suitable adoption to improve cane quality and cultivation cost efficiencies.

Status update

Gross sugar production in SS 2025-26 is set to rebound to 324 lakh tonnes. Sugar subsumed in ethanol however got subdued due to sub-optimal allocation for sugar industry. Net sugar production after diversion to ethanol would be 293 lakh tonnes, an increase of 12% over SS 2024-25. While GOI opened up sugar exports in two tranches aggregating 20 lakh tonnes, unviable world prices may cap eventual export performance at around 7 lakh tonnes. Closing stock at 53 lakh tonnes is well balanced.

Domestic sugar prices largely remained muted owing to sluggish market mood. Revision in MSP for sugar that last got fixed at ₹ 31 / Kg in Feb '19 could become the catalyst for market price up-tick, but GOI for inexplicable reasons is yet to act on same. Increasing cane price payment pressures in States like Maharashtra should hopefully trigger timely action for GOI to rise MSP commensurate with and effectively compensate for the increased cane prices over years.

Cogeneration of Power (Cogen)

Cogeneration of power was conceived three decades ago to diversify the revenue stream and counter the cyclicality 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 lamentably lost much steam in recent years. Returns are hit by surplus power situation, tumbling tariff and pan India 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 operating costs, parlously pulling down power margins. Availability and affordability of alternative fuels remain a daunting challenge.

Bagasse pricing is a critical cost constituent in the final determination of power tariff. Lack of timely and adequate revision to fuel cost has come to detestably deprive power producers the benefit of higher tariff legitimately due to them. The CERC (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2024 clearly admitted and conceded the need for review of bagasse price based on study that however remains un-commissioned for more than a year.

The inordinate delay and irksome uncertainty in the payment of monthly bills by the Distribution Licensees was increasingly threatening the financial viability and sustainability of power production. Ministry of Power in June 2022 brought in the legislative mandate towards enforcing payment security for power supply. Under this, past dues are to be liquidated over prescribed monthly installments free of interest, while current dues have to be settled on time. Stringent penal consequence provided therein has ensured timely realization of both old and current dues, thereby bringing predictability and certainty to the cash flows of power producers.

Need for Policy Thrust

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.

Legal battle – current status

The Cogen of power from renewable energy source by the sugar industry faced multitude of operating and financial challenge forcing the industry to seek legal redress on several issues.

i) Power Tariff Revision

The power tariff for the long term supply commitment by our company to the Distribution Licensee is determined by TNERC, the State regulator. The company in June 2014 had won in its first round of fight for higher tariff before the appellate authority, namely, APTEL. This at once brought in a directional change in the financial viability of our cogen operations - from that of loss suffering to profit making. Aggrieved, yet, on the inadequacy of the tariff in accordance with extant tariff principles, further appeal was filed before APTEL. All Tariff orders of TNERC since 2012 were in challenge before APTEL.

APTEL has since pronounced its judgement in Sep '25 that in essence effectively addressed and at once redressed all our grievances. It has directed TNERC to consider appropriate revision in capital cost, fuel cost, etc., and further upheld our entitlement for interest for the long period of delay involved in paying the revised tariff as compared to the original time of supply. In turn, TNERC has initiated necessary proceedings for tariff revision, but its order is awaited. Meantime, the company has recognized the most likely income expected to arise out of APTEL judgment in accordance with accrual basis of accounting and applicable accounting standards. This has significantly boosted the bottom-line of the company for the year.

This has been explained in Note 30 of the financial statements.

ii) Parallel Operation Charge (POC)

APTEL in its June '25 judgement held that POC is not leviable in the case of our company. Consequently, its impact has been recognized in the current year.

TNPDCL has challenged the APTEL judgement before the Hon'ble Supreme Court, but no interim order has been passed thereon.

Details are furnished and disclosure made for the contingent liability in Notes 31 and 32 of the financial statements.

(iii) Incentive for excess generation

Tariff applicable for power generation in excess of normative 60% PLF was favourably considered by TNERC in Dec '23 ruling that normative PLF at 60% shall be computed not on annual but on cumulative basis. TNPDCL has challenged this before APTEL but no interim order has been passed.

Requisite disclosure is made in Notes 31 and 32 of the financial statements for the contingent liability.

(iv) Renewable Energy Certificate (REC)

REC mechanism was conceived to promote green energy and our company benefited by this from March 2015. However, this got short circuited in Dec '22 by abruptly and abhorably altering the ongoing scheme and forfeiting REC with sale entitlement for captive generation. Further, the lowering of forbearance price alongside of removing floor price, besides ineffective enforcement of RPO, led to crash in REC prices. 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.

ISMA had challenged this before the High Court of Delhi - written submissions filed - listed for arguments.

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% only by ESY 2019-20. It then on progressively increased in the following years to hit 20% in 2024-25 – 5 years ahead of the original 2030 target. The rollicking rise in blend % is both swift and substantive besides being sustainable.

GOI has broad based its efforts to promote ethanol production in the country from multiple feedstocks. Grain based ethanol has rapidly expanded to challenge the dominance of sugar sector. Flex fuel engines that can run on gasoline, ethanol or any variable blend of two, are on the anvil to give customer the choice of fuel. GST on ethanol blended petrol was lowered from 18% to 5% in Jan '23. GOI is thus blazing all guns to bolster ethanol production and consumption in the country.

India is now firmly positioned as the third largest biofuel producer globally, leading in its transition to cleaner and renewable energy. Over the past decade, ethanol blending initiatives have benevolently boosted farmers' income, created rural employment, enhanced oil security, cut CO2 emissions and saved precious foreign exchange. NITI Aayog is already working on preparations for ethanol blending beyond 2025 with E20 as the base blend and hydrous E100 as standard fuel.

ISMA has commissioned a study to assess the potential for the production of Sustainable Aviation Fuel (SAF) from the sugar sector. Its findings would serve as a critical input for framing the National SAF blending roadmap, as India prepares to meet its SAF blending obligations – with 1% blending by 2027, scaling up to 5% by 2030. It is a significant strategic opportunity for the sugar sector based on the availability of aggregated feedstock, existing bio-refinery infrastructure and the globally recognized Alcohol-to-Jet pathway.

Sugar industry has been the backbone of the country's ethanol blending programme since its reactivation in 2017-18. Sugar sector has collectively invested over ₹40,000 crores to create 900 crore liters of ethanol production capacity. The decline in ethanol allocation for sugar sector in the ESY 2025-26 is hence causing grave concern. The industry looks to continued government support in enabling the bio fuel eco system through initiatives such as increasing blend percentage, adoption of flex-fuel and strong hybrid vehicles, GST rationalization for flex-fuel vehicles and introduction of super credits under Carbon Credit Protocol.

Tax Litigation

Purchase Tax Incentive

Government of Tamil Nadu when the Erode Sugar Mills was first established in 1984 offered Purchase Tax Incentive for the first five years. It however was curtailed and foreclosed leading to legal challenge at various stages up to the Hon'ble Supreme Court of India. After inordinate time delay, the company has succeeded in securing ruling from the Hon'ble High Court of Madras in Aug '25. Incentive entitlement of ₹ 150 lakhs has been recognized as 'Exceptional Income'.

Tax Holiday under Income Tax Law

The company is entitled to 10-year tax holiday in respect of its profits from Cogen under Section 80 IA of the Income Tax Act 1961. The company opted to avail this benefit from FY 2017-18. The company however had to pay Minimum Alternate Tax (MAT), but could carry forward same to the extent eligible for set off in later years.

In computing eligible profits of Cogen business, the company has adopted the price for captive consumption of bagasse at rates fixed by TNERC that in turn is used by TNERC in fixing price for power export up to State grid. During the current year, the tax authorities invoking the transfer pricing provisions sought to significantly increase the price for bagasse based on market data collected by them. While notices have been received in respect of certain years, it is more likely to be followed for other permissible years as well.

The company has taken effective steps to defend its provisions before appropriate legal forum. Meantime, it has chosen to reassess tax liability for the period beginning FY 2017-18, basis the transfer price norm used by Tax Department, In view of this, MAT credit receivable has been reversed and additional tax provision made – details disclosed in Note 29 (f) of the financial statements.

Regulatory Framework

(i) Sugar

- Stock holding norms and MSQ for sugar, imposed by GOI in June 2018, continues to remain in vogue.
- MSP for sugar at ₹ 31/kg fixed by GOI in Feb 2019 remains static despite significant hike in FRP for sugarcane and repeated plea of industry for revision.
- GST reduced w.e.f. 22.09.2025 for all forms of sugar, syrups, confectionary products, farm implements and pesticides from 12% to 5%.
- GOI approved sugar export for SS 2025-26 in phased manner:
  - In Nov 2025, export of 15 lakh tonnes of sugar for SS 2025-26 allowed and 50% export duty on molasses removed - Mill-wise quota fixed and made tradable.
  - In Feb 2026, additional export quota of 5 lakh tonnes allowed but mill-wise quota not tradable.
- Mandatory jute packing:
  - Mandate continues - Ministry of Textiles, by Notification dated 16.02.2026, extended mandatory jute packing for sugar at 20% up to 30th June 2026.
  - SAC recommended 15% norms for packing of sugar in jute bags with certain exemptions.
  - Legal battle continues with sugar industry highlighting serious health concerns arising from use of carcinogenic jute batching oils.
- Levy sugar price case before Supreme Court - arguments concluded - judgment reserved.

(ii) Cane Price

- GOI in Apr 2025 announced increase in FRP by ₹ 15/qtl to ₹ 355/qtl for SS 2025-26 linked to base recovery of 10.25%.
- Draft Sugarcane (Control) Order 2026 released in Apr 2026.
- GOTN discontinued the transport subsidy of ₹ 100/t for sugar mills since SS 2020-21. Industry continues to bear full transport cost only in Tamil Nadu.
- GOTN announced an incentive of ₹ 349 per tonne for sugarcane supplied in SS 2024-25 - Incentive for SS 2025-26 awaited.

(iii) Cogeneration

- CERC issued draft proposal on 03.06.2025 on a suo motu petition in the matter of determination of levelized tariff for the second year of Control Period - SISMA-TN filed its representation – final order issued on 09.07.2025 for second year of control period, i.e. from 01.07.2025 to 31.03.2026 and is further extended upto 31.07.2026.
- National Stock Exchange (NSE) and Multi Commodity Exchange (MCX) launched electricity derivatives in June 2025.
- REC sale entitlement for captive generating plants got curbed under CERC (REC) Regulations, 2022. ISMA's challenge pending before High Court of Delhi - written submission filed - listed for arguments.
- APTEL vide order dated 16.06.2025 set aside TNERC order dated 04.01.2019 on levy of Parallel Operation Charges (POC). TNPDCL has challenged same in the Supreme Court.
- APTEL delivered judgment on 03.09.2025 in the batch of appeals on tariff orders issued by TNERC since 2012. All issues agitated held in our favour - TNERC in turn initiated Remand Application (R.A. No.4) to revise tariff since 2012 in accordance with APTEL ruling – Hearing in progress.
- Review Petition (RP No.10 of 2025) seeking review of Tariff Order No.9 of 2025 filed with TNERC by SISMA-TN - Hearing in progress.
- TNERC by order dated 23.12.2025 clarified that effective date of revised tariff under Tariff Order No.9 of 2025 is prospective from 22.09.2025 and not from 01.04.2025. Same challenged by SISMA-TN in Writ Petition (WP 2873 of 2026) before Madras High Court.

- GOI in Jan'26 released draft National Electricity Policy (NEP) 2026. It comprehensively addresses emerging challenges and outlines corresponding strategies.

(iv) Ethanol

- Sugar mills and distilleries allowed by MCAF&PD communication dated 01.09.2025 to produce ethanol from sugarcane juice/sugar syrup, B-Heavy Molasses as well as C-Heavy molasses without any restriction during ESY 2025-26. Ethanol blending has averaged 19.98% for ESY 2025-26.
- PIL challenging E20 rollout dismissed by Supreme Court on 01.09.2025.
- Sugar industry share in EBP declining and ethanol prices remain unrevised for 3 years – Industry seeks next level promotion of ethanol for other uses besides increasing the blend percentage.

(v) Others

- The company is a registered Medium Enterprise effective 12.04.2025 under the revised criteria in Ministry of MSME Notification dated 21.03.2025.
- The company besides ISO 9001/14001:2015 and 45001: 2018 obtained ISO 50001:2018 certification for Energy Management Systems in October 2025, valid for three years.
- Government of India has enacted four Labour Codes in November 2025, consolidating and streamlining numerous legislations.

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.

Domestic sugar consumption is softening of late. A recent ISMA study indicated expected demand growth at a mere 1.5 – 2.0% CAGR over the next 5 years. Absorption of surplus cane through alternative route of direct ethanol production thus assumes added significance.

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.

Sugar industry is taking initiatives to convert waste to energy. Products such as CBG, Pottash, Green Hydrogen, Methanol besides SAF are gaining significant momentum in the clean energy landscape.

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. AI tech is just evolving that would take time to hit the ground.

ISMA is advancing sugarcane research through nationwide varietal trials. International collaborations are being facilitated to develop roadmap for genome editing, breeding programmes and technological advancement in sugar cane agriculture. Recently ISMA has signed an MOU with the Sugarcane Research Institute (SRI), China for joint breeding, genomics training and seed-system innovation.

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. Its water use efficiency study conducted through IISR – Lucknow across six States in India confirms sugarcane's superior biomass and ethanol yield compared to alternative crops.

Artificial sweeteners were perceived a superior alternative to sugar. This myth was broken by WHO, highlighting long term health effects associated with the consumption of such sweeteners. ISMA is engaging with FSSAI to develop regulations governing artificial sweeteners in food products for the consumers to be well informed.

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	68780	1189
Sales	67004	893
	(₹ lakhs)	
Sales	31928	9571
Operating Profit before exceptional income	1200	2549

Outlook

World sugar balance for 2025-26 would be turning to a surplus after six deficit years. Accordingly, world prices may be expected to remain range bound, barring unforeseen weather challenges in major producing centers.

Southwest monsoon forecast for 2026 is below par compared to long period average, both by IMD and a private agency. El-Nino challenge could be a major threat to cane crop in lead producing States like Maharashtra and Karnataka. Sugar production should still be more than adequate to take care of domestic demand, while GOI's decision on sugar exports and diversion for ethanol would hinge on crop assessment, post monsoon.

TN sugar industry continues to suffer in successive years in solitude. Water storage in State reservoirs are much below capacity and last year levels. Multitude of problems plaguing TN sugar industry are now too well known as these have been persisting for pretty long. It is no exaggeration that it is facing an imminent survival challenge that cries for instant State intervention with imaginative and comprehensive package support measures for its resurrection.

Amidst macro-level challenges outlined above, our company has all along fared reasonably well and relatively far better than most peers. It should be able to combat current headwinds on the strength of its strong liquidity, sustained improvement in operational efficiencies 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.

Cogeneration of power from renewable sources got a fillip under the Electricity Act, 2003 and regulations thereunder, including preferential tariff and REC mechanism. It however was faced with plethora of challenges involving tariff disputes, payment problems, delayed and diminished tariff revision and dilution of REC mechanism. With active intervention of Ministry of Power and effective relief secured from APTEL, Cogen operations have since regained much of the lost sheen.

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.

GOI 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.

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.

The company has embraced e-compliance tool covering legislations viz. Labour, Environment, Health & Safety, Fiscal & Corporate, besides core industry specific compliances. Periodical task trigger alerts, dashboards to users and functional heads via mail have been configured for ensuring effective compliance.

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 timeframe 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.

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 169 seasonal and 174 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.

Labour code

The Government of India enacted and notified the four Labour Codes – the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020- consolidating 29 existing labour laws. This legislative reform represents a comprehensive overhaul of India's wage and employment framework. These have become operational from 21st November 2025.

The new code inter-alia has brought in a unified definition of 'wages'. Excluded compensation components cannot exceed 50% of total remuneration for reckoning retirement benefits. Fixed Term Employment is formally recognized as a distinct employment category, establishing direct, time-bound contractual relationships with enhanced legal protection equivalent to permanent employees for the contract duration.

The company has recognized the financial impact arising out of these new provisions in its financial statements, that however is not material.

Awards and Recognitions

The company received the following Awards during the year:

Name of the Award	Awarded by
Best Cogeneration Power Plant	Cogeneration Association of India
National Energy Efficient Unit - General Sector 2	CII - Hyderabad
Gold Award for Best Cogeneration	SISSTA
Quality Assurance and Sustainable Sugar Production	SISSTA
ZED Gold Certificate	Ministry of MSME

Discussion on Financial Performance with respect to Operational Performance

Operational Performance

Particulars	Year ended	
	31.03.2026	31.03.2025
Number of days	**250**	276
Average Crushing rate (tcd)	**2822**	2470
Cane Crushed (t)	**705576**	681706
Recovery (%)	**9.79**	9.17
Sugar produced (t)	**68780**	62729
Power production (lakh kwh)	**1189**	1101

Operating for lower number of days, the company could crush higher volume of cane this year, thanks to improved crushing rate. Sugar recovery recorded a strong rebound that was the best among peers. Total losses in sugar was at record low. Cogen segment turned out optimal performance. Fossil fuel use in the mix was further reduced through aggressive bio fuel procurement. Auxiliary consumption was at all-time low, while power exports reached a new peak. Amidst overwhelming sugarcane shortage in the State, the company's operating performance in the year is convincing and commendable.

Financial performance

(₹ crores)

Particulars	Year ended	
	31.03.2026	31.03.2025
Total Income	**429.46**	371.41
Prolfit Before Finance costs, Depreciation & Taxes	**50.21**	38.17
Profit Before Tax		
- Before Exceptional Items	**38.61**	28.04
- After Exceptional Items	**90.25**	28.04
Profit After Tax	**48.03**	19.28

Turnover that fell below ₹ 400 crores last year swiftly recovered to cross that mark. Under the monthly quota system, sale volumes were constrained leading to inventory build-up – the highest level in 15 years. Sugar prices witnessed modest rise while molasses prices moved down. Cost of cane catapulted owing to acute competition and concomitant imperative to offer multitude of incentives to motivate cane farmers.

Riding on all round cost optimization, PBT for the year was higher by 40%. Satisfactory resolution of long pending electricity tariff issues was indeed the game changer for the year to considerably boost 'Exceptional Income'. As a result, PBT for the year crossed ₹ 90 crores – an all-time high for the company. In line with company's conservative policy, tax provision was higher, triggered by the transfer pricing dispute. PAT growth hence is relatively much lower; yet, it marks 2.5 times increase over last year and record high. The overall financial performance for the year is hugely satisfactory.

Key Financial Ratios

Description	U/M	2025-26	2024-25	Change %	Explanation
Operating Profit margin (PBIDT / Revenue from operations)	%	**12.10**	10.62	13.94	Note 1
Net profit margin (PAT/ Revenue from operations)	%	**3.43**	5.36	(36.01)	Increased tax provision relating to earlier years.
Interest Coverage	Times	**-**	-	-	-
Return on capital employed	%	**10.68**	8.55	24.91	Note 1
Return on Net worth	%	**12.24**	9.09	34.65	Note 1
Earnings per share	₹	**55.85**	22.42	149.11	Note 2
Debt Equity ratio	Times	**-**	-	-	No debt at close of both years.
Current ratio	Times	**5.66**	6.28	(9.87)	Higher current tax liability
Net worth per Share	₹	**372.51**	358.79	3.82	Marginal rise.
Debtors Turnover	%	**3.38**	1.89	78.84	Lower power dues.
Inventory Turnover	%	**3.09**	3.27	(5.50)	Sugar sales under Quota.

Note (1) Improved margin on higher production, better recovery and cost optimization.

Note (2) Exceptional income excluded in ratio computation excepting for EPS.

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.

For Board of Directors
N Gopala Ratnam
Chairman
DIN:00001945

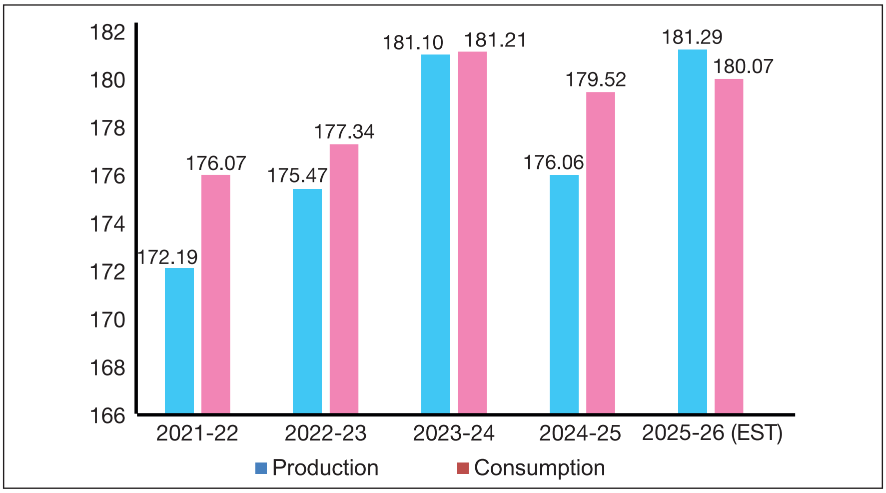
Chennai
11th May 2026

Abbreviations used

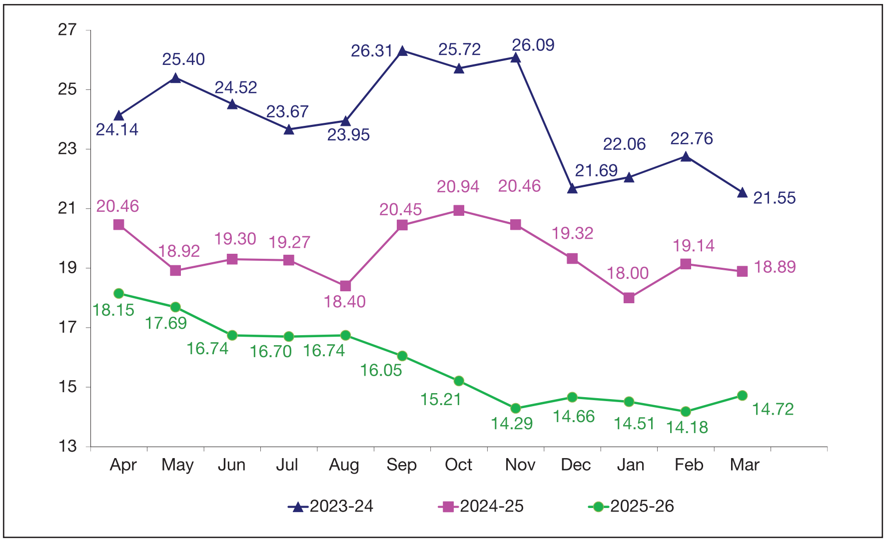
APTEL	Appellate Tribunal for Electricity
CACP	Commission for Agricultural Costs and Prices
CAGR	Compounded Annual Growth Rate
CBIC	Central Board of Indirect Taxes & Customs
CERC	Central Electricity Regulatory Commission
Cogen	Cogeneration
c/ lb	Cents per pound
Discoms	Distribution Companies
EBP	Ethanol 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-SBI	Indian Council of Agricultural Research-Sugarcane Breeding Institute
ISMA	Indian Sugar & Bio-energy Manufacturers Association
MEFCC	Ministry of Environment, Forests & Climate Change
MSME	Ministry of Micro, Small & Medium Enterprise
MSP	Minimum Selling Price
MSQ	Monthly Sale Quota
MT	Metric Ton

MMT	Million Metric Ton
PAT	Profit After Tax
PBIDT	Profit Before Interest, Depreciation & Tax
POC	Parallel Operation Charge
PPA	Power Purchase Agreement
PLF	Plant Load Factor
REC	Renewable Energy Certificate
RPO	Renewable Purchase Obligation
RS	Rectified Spirit
SBI	Sugarcane Breeding Institute
SISMA-TN	South Indian Sugar Mills Association, Tamil Nadu
SS	Sugar Season
SW Monsoon	Southwest Monsoon
T	Tonne
TANGEDCO	Tamil Nadu Generation and Distribution Corporation Ltd
TCD	Tonnes Crushed Per Day
TN	State of Tamil Nadu
TNERC	Tamil Nadu Electricity Regulatory Commission
TNPDCL	Tamil Nadu Power Distribution Corporation Ltd
UP	State of Uttar Pradesh
US	United States
WTO	World Trade Organisation
YoY	Year on Year
Year for industry data is generally for Sugar Season Oct-Sep	

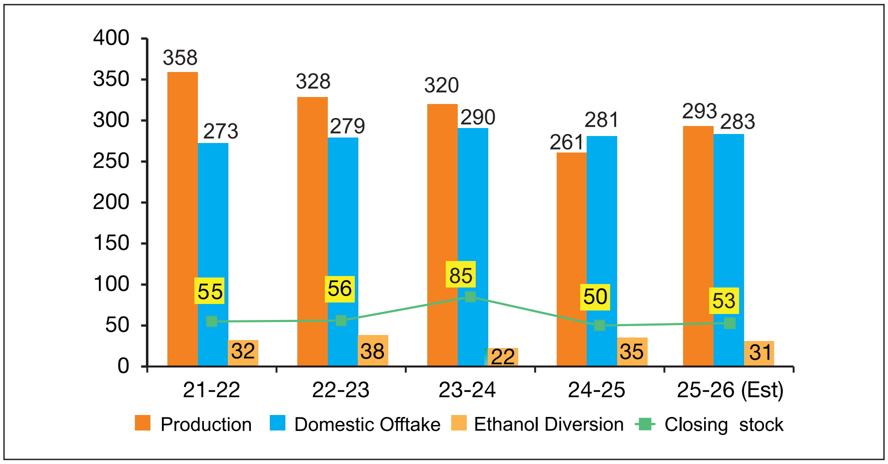
World Sugar Production and Consumption (Million Tonnes)



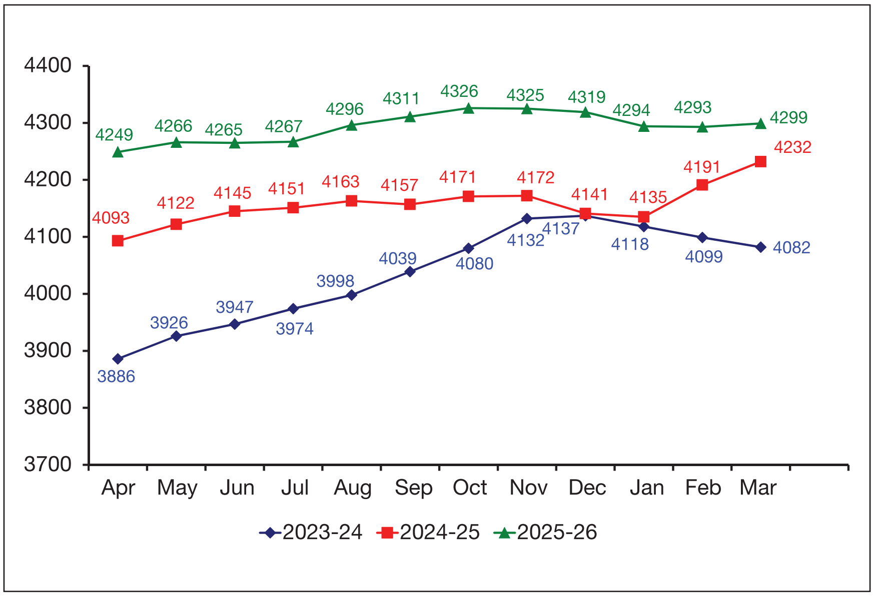
World Raw Sugar Price-ISA Daily Price c/lb



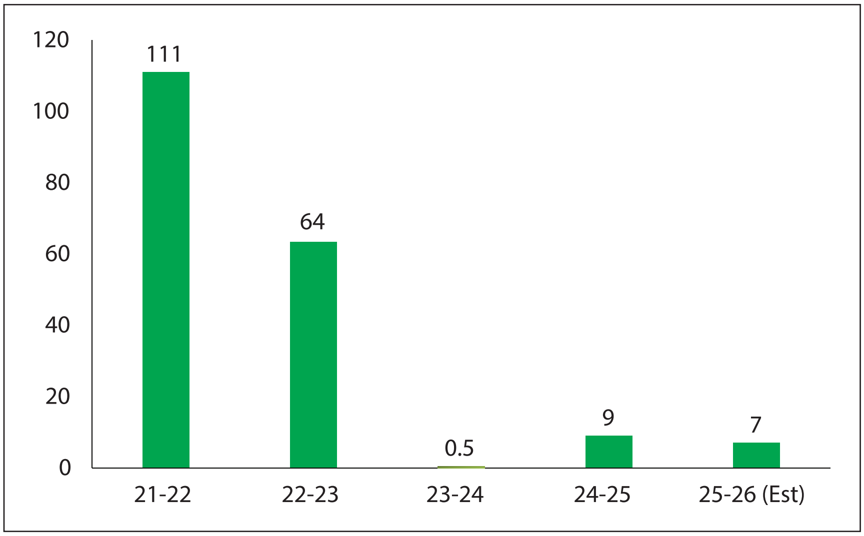
Indian Sugar Balance (lac t)



All India Whole Sale Sugar Price ₹ / Q



Sugar Exports (Lakh Tons)



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 2025-26 is furnished in terms of Regulation 34(3) and Schedule V of SEBI-LODR. 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 SEBI-LODR 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 director 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 2025-26		As on 31st March 2026			Attendance at last AGM Y- Yes N- No
			No. of meetings	%	No. of Directorships [1]	Committee position[2] Chairman	Committee position[2] Member	
Mr N Gopala Ratnam Non-Executive Chairman Promoter DIN:00001945	26.12.1996	2823	6	100	6	1	2	Y
Mr Arun G Bijur Non-Executive DIN:00024434	26.12.1996	100	5	83	3	--	1	Y
Mr N Ramanathan Managing Director DIN:00001033	01.04.2005	3001	6	100	4	--	1	Y
Ms Bharti Chhotubhai Pithawalla Promoter, Non-Executive DIN:00341382	06.05.2022	500466	6	100	1	--	--	Y
Mr Mohan Verghese Chunkath Independent DIN:01142014	06.05.2022	NIL	6	100	4	1	1	Y
Mr P Manoharan Independent DIN:09706869	01.10.2022	128	5	83	1	--	--	Y
Dr Lakshmi Nadkarni Independent DIN:07076164	15.03.2024	NIL	6	100	3	1	4	Y
Mr Chellamani Naresh Independent DIN:10474276	15.03.2024	198	5	83	1	--	2	Y

1 includes Listed (including Ponni Sugars) and Unlisted companies

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

(h) Directorship in other listed entities as on 31.03.2026

Sl. No.	Name of Director	Name of the other listed entity	Category
1	Mr N Gopala Ratnam	a) Seshasayee Paper and Boards Ltd b) High Energy Batteries (India) Ltd	Executive Chairman Non-executive Chairman – Non independent.
2	Mr Mohan Verghese Chunkath	Seshasayee Paper and Boards Ltd	Independent Director
3	Dr Lakshmi Nadkarni	Nelco Ltd All Time Plastics Limited	Independent Director 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 cyclicality, 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.

Sl.No	Name of Director	Skill set, expertise and competence
1	Mr N Gopala Ratnam	- Technocrat with rich and varied experience in project and operational management of process industries. - Brings to bear leadership skills in heading SPB Group of Companies and steering them to higher growth trajectories.
2	Mr 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	Mr Arun G Bijur	- Technocrat with proven experience in project management skills and troubleshooting expertise. - Has overall managerial experience.
4	Ms Bharti Chhottubhai Pithawalla	- Global Experience in family business
5	Mr Mohan Verghese Chunkath	- An IAS Officer (retd) - Held several high positions in Government of India and State Government - Has overall administrative and managerial experience for over four decades.
6	Mr P Manoharan	- Hailing from the sugar mill neighbourhood, has been a successful farmer cum entrepreneur for the past 25 years. - Has expertise in team leadership, business development and enjoys harmonious relationship with local farmers.
7	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.
8	Mr Chellamani Naresh	- Over 3 decades of experience in the field of Tax Advisory, Litigation Services, Bank audits, and assurance engagements in manufacturing companies. - Partner in a reputed audit firm in Chennai since 1997.

(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 Company has four Independent Directors who have been appointed by way of special resolution passed by shareholders through Postal Ballot / Annual General Meeting.

Details of Independent Directors:

Sl. No	Name	DIN	Tenure of appointment/ reappointment	
			From	To
1	Mr Mohan Verghese Chunkath	01142014	06.05.2022	05.05.2027
2	Mr P Manoharan	09706869	01.10.2022	30.09.2027
3	Dr Lakshmi Nadkarni	07076164	15.03.2024	14.03.2029
4	Mr Chellamani Naresh	10474276	15.03.2024	14.03.2029

(c) Independent directors are issued Letter of appointment 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 the following link: Familiarazation programme of ID

(e) The Independent directors have registered their name in the databank maintained by Indian Institute of Corporate Affairs (IICA). All the Independent directors are exempted / have passed the online proficiency test conducted by IICA.

(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 Regulation 16 (1)(b) of SEBI-LODR 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 SEBI-LODR; (ii) they possess the integrity and expertise and have the experience required for their role as independent director of the company; (iii) they are independent of the management.

(h) No Independent Director has resigned from the company before the expiry of the term of appointment during the financial year ended 31st March 2026.

(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 -1**.

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, 6 Board meetings were held as against the minimum requirement of 4 meetings on 09.05.2025, 18.07.2025, 24.10.2025, 30.01.2026, 20.02.2026 and 20.03.2026. Interval between any two meetings was not more than 120 days. Except the meeting held on 20.02.2026, all the other meetings were held in physical mode. 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-LODR.

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 2025-26, 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 reviewed by the Managing Director. Thereupon, it is sent to the Chairman for his approval. After approval by Chairman, it is circulated to all directors for comments within 15 days of the meeting 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.

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 financial 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 SEBI-LODR 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 6 times on 09.05.2025, 18.07.2025, 24.10.2025, 30.01.2026, 20.02.2026 and 20.03.2026. The meeting on 20.02.2026 was held through Video Conference (VC) in due compliance of Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014. All other meetings were held in physical mode and VC facility is provided whenever requested by any director. The composition of the committee and attendance during 2025-26 is given hereunder:

Name of Member	Category	Attendance at meetings	
		No.	%
Mr Mohan Verghese Chunkath, Chairman	Independent	6	100
Mr Arun G Bijur	Non-Independent	5	83
Dr Lakshmi Nadkarni	Independent	6	100
Mr Chellamani Naresh	Independent	5	83
Permanent Invitee:			
Mr N Ramanathan	Executive	6	100

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

ii) Nomination and Remuneration Committee

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

NRC meets as per needs but at least once in a year. It met two times during the year on 20.02.2026 and 20.03.2026. The meeting on 20.02.2026 was held through Video Conference (VC) in due compliance of Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014. The meeting on 20.03.2026 was held in physical mode. Its composition and attendance during 2025-26 is given hereunder:

Name of Member	Category	Attendance at meetings	
		No.	%
Dr Lakshmi Nadkarni, Chairman	Independent, Non-Executive	2	100
Mr N Gopala Ratnam	Non-Independent, Non-Executive	2	100
Mr Mohan Verghese Chunkath	Independent, Non-Executive	2	100

The Chairperson of the Committee is an independent director and was present at the Annual General Meeting 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 SEBI-LODR, 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 other employees (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.

NRC has formulated performance evaluation criteria for independent directors and based on the same, the Committee at its meeting held on 20th March 2026 had recommended that all the Independent Directors be continued for the residual term as approved by shareholders.

iii) Stakeholders Relationship Committee

The Board has a Stakeholders Relationship Committee pursuant to Section 178 of the Act and Regulation 20 of SEBI-LODR. Its role and responsibility includes expeditious processing and approval of transactions in securities, redressal of investor grievances, compliance with the Act and SEBI regulations, review of measures taken for effective exercise of voting rights by shareholders and for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company. 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 3 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 24.10.2025. Its composition and attendance is given hereunder:

Name of Member	Category	Attendance at Meetings	
		No.	%
Mr N Gopala Ratnam, Chairman	Non-Executive	1	100
Mr N Ramanathan	Executive	1	100
Mr Chellamani Naresh	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.

iv) Corporate Social Responsibility (CSR) Committee

The company is covered under Section 135 of the Act for FY 2025-26. After setting off ₹ 19 lakhs of carry forward amount, the net CSR obligation for FY 2025-26 is ₹ 58 lakhs. Against the same, the company has spent ₹ 94 lakhs in the areas specified under Schedule 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 20.03.2026. Its composition and attendance is given hereunder:

Name of Member	Category	Attendance	
		No.	%
Mr N Gopala Ratnam, Chairman	Non-Executive	1	100
Mr N Ramanathan	Executive	1	100
Mr Chellamani Naresh	Independent	1	100

v) Other Committees

The Board reconstituted the Finance Committee from 01.04.2024 comprising three directors of which one is an independent director, to facilitate quick response to its financial needs/obligations/compliances besides framing the investment policy.

Name of Member	Category
Mr Chellamani Naresh, Chairman	Independent
Mr Arun G Bijur	Non-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.

(vi) Senior Management Personnel

Details of Senior Management Personnel (SMP) as defined in SEBI-LODR for FY 2025-26:

Name	Designation
K Yokanathan	Senior President and CFO
B Chandrasekar	President (Operations)
T Balakrishnan	General Manager (Cane)
R Madhusudhan	Company Secretary & Compliance Officer

(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 also circulated to the Board for taking note of the same.

(viii) Circular Resolution

Recourse to circular resolution is made in exceptional and emergent cases that are recorded at the succeeding Board / Committee Meetings. During the year, five circular resolutions were passed by Stakeholders Relationship Committee on 18.06.2025, 24.07.2025, 20.11.2025, 16.12.2025 and 21.01.2026 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 2025. 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 there under and the SEBI-LODR.

(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. 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 01.04.2026. 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 family members are sugarcane suppliers 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 ₹ 30000 per meeting of Board or any Committee thereof. Pursuant to the approval of shareholders at its 27th AGM, commission of ₹ 5 lakhs would be paid to each Non-Executive Director for the Financial Year 2025-26.

Remuneration particulars of all the Directors are given in Note 41(iii)(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 SEBI-LODR.

(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 every year. Accordingly, the Board of Directors at their meeting held on 20th March 2026, based on the recommendations of the Nomination and Remuneration Committee, 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 SEBI-LODR. 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 20th March 2026.

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 20.03.2026 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. All the Independent directors were present at this meeting.

The Board at its meeting on 20.03.2026 evaluated the performance of each of the Independent Directors (excluding the Independent Director being evaluated) and recorded its overall satisfaction and decided in terms of Para VIII (2) of Schedule IV to the Companies Act, 2013 that all the four Independent Directors, be continued for their residual term in the office of Independent Director as approved by shareholders.

The Board at its 20th March 2026 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 periodically 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 2025-26 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 SEBI-LODR 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 2025-26.

Further, the senior management personnel have declared to the Board that no material, financial and commercial transactions were entered into by them during FY 2025-26 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-2).**

(v) Related Party Transactions

The Board in Feb'15 formulated the Policy on Related Party Transactions (RPTs). Transactions with a related party individually or taken together in a financial year exceeds thresholds specified in Section 188 of the Companies Act, 2013 and Regulation 23 read with Schedule XII of SEBI-LODR would be considered material.

Pursuant to Reg.23 of the SEBI-LODR, the RPT Policy is reviewed by the Board once in 3 years and was last amended in January 2026. This policy has been uploaded on the company's website at the following link: Policy on RPT

RPTs during FY 2025-26 are disclosed in Note 41 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'25 gave its omnibus approval for RPTs during FY 2025-26 in line with such criteria.

A comprehensive MoU with Seshasayee Paper and Boards Ltd (SPB), for undertaking and/ or engaging in material RPT for a period of five years from 01.01.2026 to 31.12.2030 was approved by the shareholders through Postal Ballot by an ordinary resolution on 04.12.2025.

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. The Company has not made any loans to firms/companies in which directors are interested.

(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 2025-26.

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: Whistle Blower Policy

No complaint under this facility was received in FY 2025-26.

(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 received, disposed during the year and pending for more than 90 days / at end of FY 2025-26 – NIL

(ix) Document preservation

Pursuant to Regulation 9 of the SEBI-LODR, 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 SEBI-LODR 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 with Quick Response (QR) codes 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 2025-26 the Integrated Filing (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 SEBI-LODR, the company discloses the information/events specified under Schedule III of the SEBI-LODR and also based on the materiality threshold determined by the Board as per SEBI-LODR to the stock exchanges. The disclosures so made by the company to stock exchanges during the year include the following:

Sl. No	Date	Disclosure
1	17.06.2025	Order passed by Appellate Tribunal for Electricity (APTEL) on the levy of Parallel Operation Charges (POC).
2	03.07.2025	Intimation to shareholders for updating KYC details
3	18.07.2025	Order passed by Tamil Nadu Electricity Regulatory Commission (TNERC) on start-up power.
4	31.07.2025, 17.10.2025 & 17.12.2025	Newspaper publication regarding opening of special window for re-lodgment of transfer requests of physical shares and IEPF "Saksham Niveshak" Campaign
5	04.09.2025	Order passed by Appellate Tribunal for Electricity (APTEL) on Tariff fixation.
6	29.01.2026	Order on Transfer Pricing from Income Tax Department for AY 2023-24
7	18.02.2026	Newspaper publication regarding opening of special one year window for re-lodgment of transfer requests of physical shares
8	28.03.2026	Order on Transfer Pricing from Income Tax Department for AY 2021-22

(v) Online filing

NEAPS / Listing Centre

Quarterly reports are filed under specified modes (single filing wherever applicable) with:

- National Stock Exchange 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). SEBI had launched the new version - SCORES 2.0 - on 01.04.2024. This new version is aimed at making the process more efficient through auto-routing, auto-escalation, monitoring by the 'Designated Bodies and reduction of timelines.

SEBI in March'20 had launched the Mobile App "SEBI SCORES" to help investors access SCORES at their convenience from smart phone. 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.

During the year, one complaint posted on SCORES website was resolved.

(vii) Online Dispute Resolution (ODR):

SEBI vide its circular dated 13.07.2023 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	30.06.2025	09.07.2025
		30.09.2025	09.10.2025
		31.12.2025	12.01.2026
		31.03.2026	06.04.2026

(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) 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, who have undergone peer review process, to undertake cost audit of the company for FY 2025-26. Their remuneration was ratified by the shareholders at the 29th AGM.

Cost Audit Report

Filing Cost Audit Report	2026-27	2025-26
Due date	30.09.2026	30.09.2025
Actual date	Target 31.08.2026	04.08.2025
Audit Qualification in Report	---	NIL

(xi) (a) Secretarial Standards & Secretarial Audit

The company has complied with all applicable Secretarial Standards during the year. M/s V Suresh Associates, Practicing Company Secretaries (Unique Identification No.P2016TN053700) were appointed as Secretarial auditors for a term (audit period) of five consecutive financial years from 2025-26 to 2029-30 by Shareholders at their 29th AGM held on 11th June 2025 . The Secretarial Audit Report was placed before the Board on 11.05.2026 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 mandated all listed companies to file Annual Compliance Certificate signed by Secretarial Auditor or a peer reviewed company secretary with Stock

Exchanges within 60 days of the end of the financial year. The Company has obtained the certificate from M/s V Suresh Associates, Secretarial Auditor, that will be filed with the Stock Exchanges in time

(xii) Internal Auditor

The company has appointed M/s 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 2025-26. The Internal Auditor reports directly to the Audit Committee.

(xiii) 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 SEBI-LODR were placed before the Board at its meeting on 11th May 2026.

(xiv) Review of Directors' Responsibility Statement

The Board in its Report has confirmed that the annual accounts for the year ended 31st March 2026 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

(xv) 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 SEBI-LODR and the same is annexed **(Appendix-3).**

(xvi) Subsidiary Companies

The Company has no subsidiary.

(xvii) Deposits

The company has not accepted deposits from the public.

(xviii) Peer review of Auditors

Regulation 33 (1) (d) of the SEBI-LODR 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 valid till 31.03.2027 that was placed before the Audit Committee.

Similarly, the cost auditors and secretarial auditors have undergone peer review process and have been issued with requisite certificates.

(xix) Those Charged With Governance (TCWG) and Auditors

Pursuant to the circular dated 07.01.2026 issued by National Financial Reporting Authority (NFRA), the Board of Directors at their meeting held on 20.03.2026, approved the broad framework between Those Charged With Governance (TCWG) and Auditors.

(xx) Statutory Auditor's fees for FY 2025-26

Details are furnished in Note 25A of the 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) Woman Independent Director:

The Company has a woman independent director, Dr Lakshmi Nadkarni, on the Board

(iii) 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.

(iv) Audit Qualifications

The Company since inception has ensured to remain in the regime of unqualified financial statements. Annual financial results for FY 2025-26 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.

(v) 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 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 SEBI-LODR. 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 at the following link: Dividend Distribution Policy

(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.

(ii) Financial Results

Period	Financial Results		Newspaper
	Date of approval by Board	Date of Publication	
Quarter ended 30.06.2025	18.07.2025	19.07.2025	Business Standard and Makkal Kural
Quarter ended 30.09.2025	24.10.2025	25.10.2025	
Quarter ended 31.12.2025	30.01.2026	31.01.2026	
Quarter & Year ended 31.03.2026	11.05.2026	12.05.2026 *	

* *Publication arranged*

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

(a) filed online through XBRL / PDF with Stock Exchanges immediately after the conclusion of the Board meeting;

(b) posted on the company's website www.ponnisugars.com that also displays other official News releases; and

(c) 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
27th 2022-23	Through Video Conference/ Other Audio-Visual Means (Deemed Venue: Registered Office)	21.06.2023 11.00 AM	Reappointment of retiring director Mr. N Gopala Ratnam
28th 2023-24		05.06.2024 11.00 AM	Reappointment of retiring director Mr. Arun G Bijur
29th 2024-25		11.06.2025 11.00 AM	Reappointment of retiring director Ms. Bharti Chhotubhai Pithawalla

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	Ordinary Resolution 05.12.2025	Approval for Comprehensive Memorandum of Understanding (MoU) with Seshasayee Paper and Boards Ltd for undertaking Material Related Party Transactions	Resolution passed with requisite majority
2	Special Resolution 28.03.2026	Approval for reappointment of Mr Ramanathan Narayanan [DIN:00001033] as Managing Director for three (3) years from 01.04.2026 to 31.03.2029, not liable to retire by rotation	

The Company had provided facility to 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.

No Special Resolution is currently proposed to be conducted through Postal Ballot.

J. General Shareholder Information

(i) Details for 30th AGM

Date and Time	Wednesday, the 24th June 2026 at 11.00 AM
Deemed Venue	Registered Office of the Company
Financial Year	2025-26
Record Date for dividend	Friday, the 5th June 2026
Dividend	₹ 5.00 per Equity Share (proposed)
Dividend payment date	On or before Wednesday, 1st July 2026
Cut-off Date for e-voting	Wednesday, the 17th June 2026

(ii) Financial Calendar for FY 2026-27 (tentative)

Results for the quarter ending	30th Jun 2026	July 2026
-do-	30th Sep 2026	October 2026
-do-	31st Dec 2026	January 2027
Results for the year ending	31st Mar 2027	May 2027
Annual General Meeting	June 2027	

(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

(iv) 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, EVP and Company Secretary

(v) Nomination facility

Shareholders are advised to opt for nomination (i) In the case of physical holding, they need to submit to the Registrar and Transfer Agent 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. (ii) In the case of Demat holding, shareholders shall submit the same to their respective Depository Participants.

SEBI vide its circular dated 10.01.2025 (amended by its circular dt.28.02.2025) has revised and revamped the norms for nomination for demat accounts while reiterating existing norms, it has also issued new norms for nomination. SEBI however vide circular dated 11.12.2025 deferred the implementation of above circular. The circulars can be accessed at www.sebi.gov.in

(vi) Taxation issue for Nominee

SEBI vide its circular dated 19.09.2025 has informed that nominee acts as a trustee of the securities of the original security holder and transfers the securities to the legal heir as per law of succession. While transferring the securities to legal heir, nominee may get assessed for capital gains tax. Payment of tax by the nominee in such a situation may not be appropriate considering that in terms of clause (iii) of Section 47 of the Income Tax Act, 1961, such transmission is not considered as "transfer" and hence exempt from tax. While the nominee may claim refund of such tax, this process causes inconvenience to the nominee.

In order to streamline the process of transmission of securities from nominee to legal heir and resolve the abovementioned issues related to taxation, SEBI in consultation with CBDT has decided that a standard reason code viz. "TLH" shall be used by the reporting entities while reporting the transmission of securities from nominee to legal heir, to the CBDT so as to enable proper application of the provisions of the Income Tax Act, 1961.

(vii) (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.

(b) Compulsory Demat

(i) Regulation 40 of SEBI-LODR prohibits transfer of shares held in physical mode from 01.04.2019.

(ii) In Jan'22, SEBI further prohibited transposition and transmission of shares and other transactions in securities held in physical form.

(iii) SEBI vide its notification dt.08.09.2025 has mandated issuance of securities only in demat form in case of sub-division / split / consolidation of face value of securities and scheme of arrangement to encourage holding of securities in demat. Further, it has also mandated companies to open a separate demat account for such securities of investors not having a demat account.

(iv) 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.

(v) SEBI vide circular dt.28.06.2024 effective from 01.09.2024 has enhanced the eligible value of securities held in the demat account from ₹ 2 lakhs to ₹10 lakhs for being categorised as Basic Service Demat Account (BSDA). Annual Maintenance Charges (AMC) are:

Value of Holdings	AMC (₹)
Upto ₹ 4 lakhs	Nil
From 4 lakhs to ₹10 lakhs	100
Above ₹ 10 lakhs	Regular

In view of above, shareholders are advised to convert their physical holdings into demat form. The Company urges same in its periodic communications.

c) Special Window for re-lodgement of Transfer requests of Physical Shares

SEBI vide circular dt.02.07.2025 opened a special window from July 07, 2025 to January 06, 2026 to allow re-lodgement of transfer deeds which were executed and lodged prior to April 01, 2019. In continuation, SEBI vide its circular dated 30.01.2026 has opened another special one-year window from 5th February 2026 to 4th February 2027 for transfer and dematerialisation ("demat") of physical securities which were sold/purchased prior to April 01, 2019. Matrix for applicability of this window is given below.

Execution Date of Transfer Deed	Lodged for transfer before 01-04-2019?	Original Share Certificate Available?	Eligible to lodge in the current window
Before 01-04-2019	No (it is fresh lodgement)	Yes	Yes
Before 01-04-2019	Yes (it was rejected/ returned earlier)	Yes	Yes
Before 01-04-2019	Yes	No	No
Before 01-04-2019	No	No	No

Securities which are lodged for transfer shall be credited to the transferee only in demat mode and shall be under a lock-in for a period of one year from the date of registration of transfer. During this lock-in period, such securities cannot be transferred / lien marked or pledged.

Cases involving disputes between transferor and transferee will not be considered in this window and are to be settled by transferor and transferee through court/NCLT process. Further, securities which have been transferred to Investor Education and Protection Fund (IEPF) shall not be considered under this window for processing.

d) Issue of duplicate share certificate

SEBI vide its circular dt.24.12.2025 has simplified the procedure of issuance of duplicate securities, increasing the threshold for simplified documentation from ₹ 5 Lakhs to ₹ 10 Lakhs. The Circular can be accessed at the following link: SEBI Circular for issuance of duplicate certificates

e) Letter of Confirmation ('LOC')

SEBI vide its circular dt.30.01.2026 has simplified the process for credit of securities pursuant to investor service requests by reducing the timelines, risk of loss and pilferage. It has done away with the requirement of issuance of LOC. The Depositories would develop a process/system to enable RTAs/ listed companies to credit the securities directly to the demat account of the investor after necessary due-diligence. This circular shall come into force from April 02, 2026. Any LOC issued before April 02, 2026, may be submitted by the investors to DP for dematerialization within the specified timeline i.e. 120 days from the date of issuance of LOC.

The investor service request shall be accompanied with a copy of the latest Client Master List ("CML") of the demat account. Such CML shall not be older than two months and shall be duly attested by the Depository Participant ("DP").

(f) 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 of listed company holding securities in physical form, that have not opted for KRA connectivity can still avail the beneficial measure by dematerializing their shares.

(viii) Distribution of shareholding

Slab	No. of Shareholders		No. of Equity Shares	
	Total	%	Total	%
1-100	13837	77.48	444585	5.17
101-500	3126	17.50	748877	8.71
501-1000	488	2.73	371316	4.32
1001-10000	373	2.09	989858	11.51
10001 - 100000	28	0.16	657354	7.64
100001 & above	8	0.04	5386428	62.65
Total	**17860**	**100.00**	**8598418**	**100.00**

(ix) Categories of Shareholding

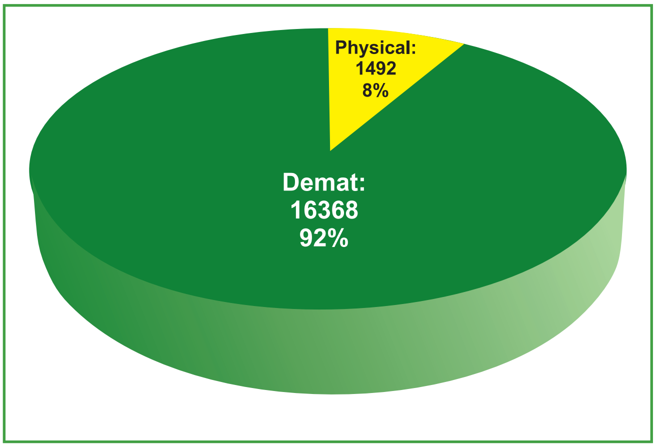
Shares held by	No. of share holders	%	No. of shares	%
Promoters	7	0.04	4070216	47.34
FIs / Mutual Fund / Banks	4	0.02	4020	0.05
Corporates	109	0.61	280432	3.26
FPIs / FIIs / NRIs / OCBs	336	1.88	1178307	13.70
Resident Individuals	17404	97.45	3065443	35.65
Total	**17860**	**100.00**	**8598418**	**100.00**

(x) Shareholder Satisfaction Survey

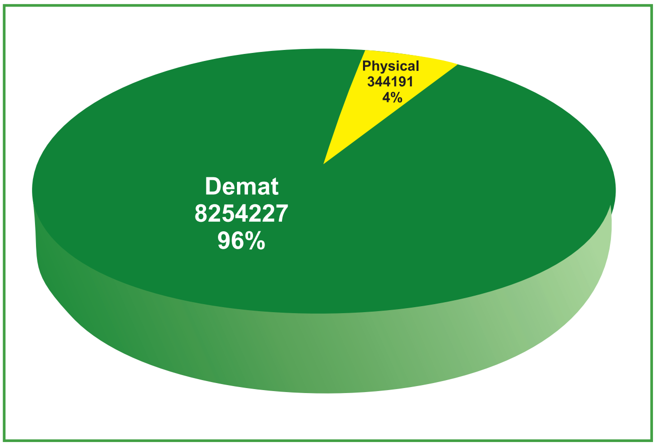
To assess the current level of service standards in all business dealings including investor services a questionnaire has been posted on the company's website. Shareholders are requested to send their views by replying to the questionnaire. No response was received during the year while surveys undertaken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

(xi) Mode of holding

No. of Shareholders



No. of Shares



(xii) PAN / KYC 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 dated 20.04.18 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) As per SEBI Master circular dated 23.06.2025 to RTAs, folios without PAN and KYC details shall be eligible to lodge any grievance or avail service request and for any payment including dividend only through electronic mode w.e.f 01.04.2024. Pursuant to this, the company had sent communication through RTA on 03.07.2025 to identified holders of physical securities urging them to update their PAN & KYC details.

(xiii) Plant

Location: Odapalli, Cauvery RSPO, Erode 638 007, Komarapalayam (Tk), Namakkal District, Tamil Nadu. Phone: (04288) 247351 to 355 Email:gen@ponnisugars.com

(xiv) Investor Correspondence

As regards transfers, transmission, issue of duplicate share certificates, 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 circular dated 08.06.2023 mandates to digitize the process 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 portal 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.

(xv) 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.

(xvi) Credit Ratings

The company has made no public issue of debt securities.

The Credit Rating given by CARE Ratings Limited for the credit facilities availed by the Company from Bankers as under:

Facility	Amount (₹ cr)	Current Rating	Previous Rating
Long Term Fund based bank facilities (Cash Credit)	15.00	CARE: A- Stable (Single A Minus; Outlook: Stable)	CARE: BBB+ Stable (Triple B Plus; Outlook: Stable)
Short Term Bank facilities (Non-fund based)	1.00	CARE: A2+ (A Two Plus)	CARE: A2 (A Two)

(xvii) Shareholder Complaints

Two complaints were received and resolved by Company / RTA during the FY 2025-26. No complaints were pending at the end of the year.

(xviii) Availability of Dispute Resolution Mechanism

Dispute resolution mechanism is available at Stock Exchanges for investors against listed companies / RTAs. An investor facing delay or default in the processing of any request, as per SEBI Circular dated 30-05-2022, can file for arbitration with Stock Exchange. For more details, web links of the Stock Exchanges may be referred.

(xix) 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

(xx) Unclaimed shares

Pursuant to SEBI circular no. CIR/CFD/10/2010 dt.16.12.2010, Stock Exchanges follow 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 of SEBI-LODR are as under:

Sl. No	Particulars	No. of Share-holders	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	Shares transferred from Unclaimed Suspense Account during the year to Investor Education and Protection Fund (IEPF) in terms of Section 124 of the Companies Act, 2013.	1	40
5	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	1	40

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

(xxi) Dividend for 2025-26

(a) Dividend entitlement

Dividend, if declared at the Annual General Meeting, will be paid on or before 01.07.2026 to the members whose names appear on the Register of Members on the record date viz. 05.06.2026 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 for making electronic 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 instruments for paying dividend. The company however shall mandatorily print the Bank details of shareholders on such payment instruments.

Banker's cheque or demand draft 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 payment instruments 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, 2025 and Rules thereunder for full details.

Salient features:

(a) There will be no TDS from dividend payable to a resident individual shareholder, if the total dividend to be received during FY 2026-27 from the company does not exceed ₹ 10000/-.

(b) 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.

(c) A resident individual shareholder with PAN who is not liable for income tax can submit declaration in Form 121 to avail the benefit of non-deduction of tax. In case their PAN is not registered as above and not linked with Aadhaar, TDS would be at a higher rate of 20%.

(d) Non- resident shareholders can avail beneficial rates under applicable Tax Treaty subject to furnishing Form 41 and providing necessary documents.

(e) NSE & BSE vide their circulars dated 25.10.2024 have informed that NSDL has developed a tax services platform. This will enable Custodians of FPIs to upload client documents like Form 41, permanent establishment document, tax residency certificate once in a financial year to claim tax benefit which can be accessed by Issuers and Registrars and Transfer Agent (RTAs) and listed companies for determining the TDS rate.

(f) Form 121 or Form 41 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.

(xxii) Particulars of unclaimed dividend

FY	Dividend (₹ per share)	Date of Payment	Unclaimed		Due date for transfer to IEPF
			No. of share holders	₹ lakhs	
2018-19	2.00	31.07.2019	1877	2.37	27.08.2026
2019-20	4.00	25.08.2020	1372	4.69	23.09.2027
2020-21	5.00	26.07.2021	1324	4.23	25.08.2028
2021-22	5.50	26.07.2022	1244	4.80	25.08.2029
2022-23	6.50	23.06.2023	1268	6.14	27.07.2030
2023-24	7.00	07.06.2024	1750	14.85	12.07.2031
2024-25	3.00	17.06.2025	1672	6.22	17.07.2032

In terms of Section 124 of the Act, details of unclaimed/ unpaid dividend are updated in the company website and Investor Education and Protection Fund website. It will get updated every year within 90 days of Annual General Meeting. This is understandably to facilitate investors track unclaimed dividend by checking the status online and real time.

(xxiii) 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 ₹ 1.83 lakhs pertaining to 2400 shareholders for the Financial Year ended 31.03.2018 was transferred to IEPF on 04.09.2025.

(xxiv) 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 2025-26:

For FY	No. of holders	No. of Shares	Date of transfer to IEPF
2017-18	114	6652	29.09.2025

(xxv) Transfer to IEPF becoming due

The unpaid / unclaimed amount for the Financial Year ended 2018-19 will be transferred during August 2026 along with the shares. Shareholders are therefore advised to contact the Company / RTA immediately in case of non-receipt or non-encashment of dividend.

(xxvi) 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 Registrars and Transfer Agents or the Company at its registered office for necessary guidance in this regard.

(xxvii) 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 PAN, bank details and KYC 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 through 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.

Company commitment

Our Company keeps constant track of prevalent practices among bellwether corporates towards formulating and fine tuning 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.

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.

For PONNI SUGARS (ERODE) LIMITED

N Gopala Ratnam	**N Ramanathan**
Chairman	Managing Director
DIN: 00001945	DIN: 00001033

Chennai
11th May 2026

Appendix-1

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
Esvin House, 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, 2026 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 Mohan Verghese Chunkath	01142014	06.05.2022
5	Ms Bharti Chhotubhai Pithawalla	00341382	06.05.2022
6	Mr Palanisamy Manoharan	09706869	01.10.2022
7	Dr Lakshmi Nadkarni	07076164	15.03.2024
8	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
Peer Review Cert. No:6366/2025
UDIN: F002969H000331330

Chennai
11th May 2026

Appendix-2

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 for the financial year 2025-26.

Chennai
11th May 2026

N Ramanathan
DIN: 00001033

Appendix-3

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 2026 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 2026.

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
FRN. 004770S / S200025
Chartered Accountants

Raghavendran Chella Krishnan
Partner
Membership No.208562
UDIN: 26208562EOKRCP7323

Chennai
11th May 2026

Annexure – 3 to Board's Report

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 Company has entered a new comprehensive MoU dated 24.12.2025 with SPB superseding all the existing MoUs for a period of five years from 01.01.2026 to 31.12.2030 for undertaking and/ or engaging in related party transactions with SPB for (1) purchase/sale/supply/exchange/transfer of bagasse, sugar, fuel, power, water and other products; (2) availing and rendering services; and (3) sharing common expenses, for an aggregate value not exceeding ₹ 60 crores per financial year during the tenure of the comprehensive MoU.

(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 2025-26 is ₹ 3742 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 comprehensive MoU dated 24.12.2025 entered by the company with SPB was approved by Board based on recommendation of the Audit committee on 24.10.2025.

(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 Ordinary Resolution to enter into comprehensive MoU of the Company with SPB for undertaking and/ or engaging in material related party transactions with SPB was passed by the shareholders through Postal Ballot on 04.12.2025.

(i) SRN of MGT-14: AC0094977

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 41 of the Financial Statements. However, these do not constitute material contracts or arrangement on their own or in aggregate for FY 2025-26.

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
11th May 2026

Annexure - 4 to Board's Report

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

- VFD for LT & CT motors of the Cane Unloader No. 2.
- New energy-efficient Air Compressor - 01 No. for Sugar.
- Daylight Harvesting in Mills (Phase 1 of 7 phases).
- Energy-efficient ACC Fan Blade (No. 3 ACC Fan).
- Energy-efficient Feed Water Pump - 1 No. in the Boiler.
- Energy-Efficient Air Compressor for Ash Handling.
- Automation at the Fly Ash Handling System.
- Energy savings achieved on the above - 1250 Units / Day.

Proposals under consideration

- Energy-Efficiency Pump with Motor for 2000 M^2 FFE Recirculation.
- Pump with Motor for 1st Body Condensate.
- Energy-Efficient ACC Fan Blade (No. 4 ACC Fan).
- High-Efficiency ACWP Pump Assembly.
- Pressurized Ventilation System in Mill PCC.
- ETP Aeration Unit with Diffuser System.
- Submersible Ash Conveyor Design Modification.
- VFD for Co-gen Hot Well Pump.

Impact of the above measures

- Proposed reduction in energy consumption: 1,722 Units / Day.

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

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

(iii) Capital investment on energy conservation equipment: ₹ 252 lakhs

B. Technology Absorption

(i) Efforts made towards technology absorption:

- Automation of Mill House (phase 6 out of 6 phases).
- Automation of Boiling House - I (phase 4 out of 4 phases).
- Automation of Boiling House - II (phase 5 out of 5 phases).

(ii) Benefits derived:

- Improved work culture.
- Data accuracy ensured.

(iii) Imported technology Nil

(iv) Expenditure incurred on Research and Development

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

Current year ₹ 19 lakhs (Previous year: ₹ 22 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 terms of actual outflows:

(₹ in lakhs)

	2025-26	2024-25
Earnings	**-**	-
Outgo	**30**	7

For Board of Directors

Chennai
11th May 2026

N Gopala Ratnam
Chairman
DIN: 00001945

Annexure –5 to Board's Report

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 benefitting 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 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 agroforestry 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 2025-26	
			Held	Attended
1	N Gopala Ratnam	Chairman	1	1
2	N Ramanathan	Managing Director	1	1
3	Chellamani Naresh	Independent Director	1	1

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 at the following link: CSR Policy

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 section 135: ₹ 3846 lakhs.

   (b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 77 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: ₹ 19 lakhs

   (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 58 lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Ongoing projects: Nil

Other than Ongoing project: ₹ 94 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)]: ₹ 94 lakhs

(e) CSR amount spent or unspent for the financial year:

<table>
<tr><th rowspan="3">Total Amount Spent for the FY 2025-26

(in ₹ lakhs)</th><th colspan="5">Amount Unspent (in ₹)</th></tr>
<tr><th colspan="2">Total Amount transferred to Unspent CSR Account as per section 135(6).</th><th colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).</th></tr>
<tr><th>Amount</th><th>Date of transfer</th><th>Name of the Fund</th><th>Amount</th><th>Date of transfer</th></tr>
<tr><td>94</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
</table>

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

Sl. No.	Particulars	Amount (₹ Lakhs)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	77
(ii)	Total amount spent for the Financial Year	94
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	17
(iv)	Excess amount spent in the previous year brought forward	19
(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)]	36

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

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

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]	Pincode 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 per cent 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
11th May 2026

Annexure - 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 2025-26	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 2025-26	MD CFO CS	Nil 7% 12%	Note - 1 & 2
The percentage increase in the median remuneration of employees in the financial year 2025-26		3%	
The number of permanent employees on the rolls of company as at 31st March 2026		343	
a) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 2025-26	Employees other than Managerial personnel	4%	
b) Its comparison with the percentile increase in the managerial remuneration	Managerial Remuneration - (MD)	NIL	Note -2
c) Justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	–		
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 67% in the current year.

2. Remuneration is as per the remuneration policy of the company, the details of the same are disclosed in the Corporate Governance Report. MD remuneration is normally re-determined on reappointment once in 3 years, while the incentive part is determined annually.

   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
N Gopala Ratnam
Chairman
DIN: 00001945

Chennai
11th May 2026

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year 2025-26

[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
Chennai - 600 096

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 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March 2026, 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 **PONNI SUGARS (ERODE) LIMITED** ("the Company") for the financial year ended on 31st March 2026 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. Further, there were no transactions of Overseas Direct investment and External Commercial Borrowings which was required to be reviewed during the period under audit.

(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, 2025 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 all 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.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Circulars, Notifications etc.

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. There is no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to at least 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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and therefore no dissenting views were required to be 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.

We further report that, during the audit period, the Shareholders through a Special Resolution approved the reappointment of Mr Ramanathan Narayanan [DIN:00001033], who has attained the age of 71 years and whose current term of office ended on 31.03.2026, as Managing Director of the Company for a period of three (3) years from 01.04.2026 to 31.03.2029.

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. 6366/2025
UDIN: F002969H000331363

Chennai
11th May, 2026

Annexure-1

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. Wherever 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.

For **V Suresh Associates**
Practising Company Secretaries

V Suresh
Senior Partner
FCS No. 2969
C.P.No. 6032
Peer Review Cert. No. 6366/2025
UDIN: F002969H000331363

Chennai
11th May, 2026

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) Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss, (including Other Comprehensive Income), the Statement of Changes in Equity and 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, 2026, 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
1. Sale of Bagasse to a Related Party During the year, the Company has sold Bagasse to Seshasayee Paper and Boards Limited, a related party for an aggregate value of ₹ 3742 lakhs, pursuant to a long-term agreement. The transactions has the prior approval of the Audit Committee, Board of Directors and shareholders through postal ballot as applicable.	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.

<table>
<tr><th>Key Audit Matters</th><th>Response to Key Audit Matters & Conclusion</th></tr>
<tr><td>2. Revenue recognition for Tariff revision

During the year, the company recognised additional revenue of ₹ 2,975 lakhs relating to the period from August 2012 to 31st March 2025 under exceptional item and ₹ 326 lakhs for the current financial year (FY 2025-26) included in Revenue from operations with reasonable and reliable estimate of variable consideration under Ind AS -115.

The Company further recognised carrying cost on the above and earlier settled dues as additional income. Of this, ₹ 1548 lakhs relating to the period from August 2012 to 31st March 2025 is considered as exceptional item and ₹ 34 lakhs for the current financial year (FY 2025-26) included in other income based on reliable estimate under Ind AS -109.

Revenue recognition as above was based on the APTEL judgement pronounced on 03rd September 2025, which settled the principles and methodology for tariff determination and established an enforceable right in favour of the Company to recover additional tariff.</td><td>We have obtained and assessed whether company’s interpretation of the enforceable right to additional tariff is consistent with the terms and directions contained as per the APTEL order therein.

We have assessed the recognition of additional revenue satisfies the five-step revenue recognition model under Ind AS 115, with specific focus on the identification of the performance obligation (supply of power), the determination of transaction price including variable consideration, and the application of the constraint principle under Paragraphs 56 and 57 of Ind AS 115.

We have assessed the reasonableness of management's estimates of additional tariff revenue for prior periods (₹ 2,975 lakhs) and the current year (₹ 326 lakhs), by re-performing key calculations, tracing inputs to source data like Tariff orders, Power units sold to TNPDCL in each preceding years, and comparing them against the directions in the APTEL order.

We have evaluated management's assertion that it is highly probable that a significant reversal of cumulative revenue will not occur, by examining the basis and support for the estimated variable consideration, including benchmarking against APTEL's stated principles and directions.

We have also evaluated the treatment of this recognition as a change in accounting estimate under Ind AS 8, recognised prospectively in FY 2025-26 without restatement of prior periods, which is appropriate given the nature of the new information and developments that triggered the recognition.

We have also evaluated management's assessment of the legal position and the likelihood of outcome by considering the legal opinion obtained and discussed the substance of the APTEL judgement with management to corroborate the Company's interpretation of the enforceability of its right to additional tariff.

Based on the procedures performed, we found management's approach to revenue recognition, estimation of variable consideration, application of the constraint under Ind AS 115, classification as a contract asset, and the related disclosures to be consistent with the applicable financial reporting framework.</td></tr>
</table>

Key Audit Matters	Response to Key Audit Matters & Conclusion
3. Reversal of MAT Credit and increased tax provision for earlier years During the year, Assessing Officer (AO) issued a Draft Assessment Order for Assessment Year (AY) 2023-24, making an upward adjustment in respect of the transfer of wet whole bagasse from the sugar unit to the Co-Gen unit. This adjustment has the effect of reducing the Section 80-IA deduction claimed by the Company to Nil, thereby increasing the regular income tax liability for the affected year. The Company has remeasured the Section 80-IA deduction from FY 2019-20 till the current financial year. As a consequence, the excess of MAT over regular income tax, which formed the basis for recognition of the MAT credit in DTA in those years, is fully eroded. Accordingly, the company reversed MAT credit entitlement of ₹ 2,053 lakhs through the Statement of Profit and Loss as deferred tax expense for the year ended 31 March 2026 and increased the tax provision for earlier years till FY 2024-25 by ₹ 634 lakhs.	We have verified the management computation of Current Tax, Deferred Tax and tax relating to earlier years as on 31st March 2026 and the amount determined and charged to Tax Expenses. We have also reviewed the Draft Assessment Order issued by the AO for AY 2023-24. We have also assessed the assumptions made by management in remeasuring the Section 80-IA deduction from FY 2019-20 onwards (covering multiple assessment years till the current year) and re-performed the computation of the revised MAT credit position, year-by-year from FY 2019-20 to FY 2024-25, tracing MAT paid, regular income tax, and Section 80-IA deductions to underlying workings, tax returns, and assessment orders, to validate the quantum of ₹ 2,053 lakhs reversed and increase in earlier years tax provision by ₹ 634 lakhs Based on these procedures, the management's estimate of provision for taxation and deferred tax is found reasonable.

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, 2026 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2026 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.31 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. 36 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.36 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 2025 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 and the audit trial feature has not been tampered with and the audit trial has been preserved by the company as per the statutory requirements for record retention. 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

Raghavendran Chella Krishnan
Partner
Membership No.208562
UDIN: 26208562EOKRCP7323

Chennai
11th May 2026

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, 2026 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, 2026, 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

Raghavendran Chella Krishnan
Partner
Membership No.208562
UDIN: 26208562EOKRCP7323

Chennai
11th May 2026

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, 2026 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.36(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 prime 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 Custom, 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 Service Tax that have not been deposited as on 31st March 2026 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
TNVAT Act,2006	Sales Tax	106.54	High Court	Financial Year 2009-10
Industrial Disputes Act,1947	Settlement Amount	5.50	High Court	Financial Year 2023-24

(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, no short term funds have been raised during the year by the Company. Hence, reporting under Clause 3(ix)(d) not applicable.

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 up to the date of this report.

(c) The Company has not received any whistle blower complaints during the year (and up to 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

Raghavendran Chella Krishnan
Partner

Chennai — Membership No.208562
11th May 2026 — UDIN: 26208562EOKRCP7323

BALANCE SHEET AS AT 31ST MARCH 2026

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2026		As at 31.03.2025	
A ASSETS					
I Non-Current Assets					
(a) Property, Plant and Equipment	2	**14,284**		13,030	
(b) Capital Work-in-Progress	2	**229**		1,123	
(c) Intangible Assets	2	**9**		18	
(d) Financial Assets					
(i) Investments	3	**24,395**		25,511	
(ii) Trade Receivables		**-**		388	
(iii) Others	4	**5,180**		22	
(iv) Total		**29,575**		25,921	
(e) Other Non-Current Assets	5	**167**		106	
Total Non-Current Assets			**44,264**		40,198
II Current Assets					
(a) Inventories	6	**12,907**		11,491	
(b) Financial Assets					
(i) Trade Receivables	7	**2,195**		3,062	
(ii) Cash and Cash Equivalents	8	**173**		524	
(iii) Bank balances other than (ii) above	9	**4,587**		2,119	
(iv) Other	10	**150**		-	
(iv) Total		**7,105**		5,705	
(c) Current Tax Assets (Net)		**-**		85	
(d) Other Current Assets	11	**914**		515	
Total Current Assets			**20,926**		17,796
TOTAL ASSETS			**65,190**		57,994

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2026		As at 31.03.2025	
B EQUITY AND LIABILITIES					
I Equity					
(a) Equity Share Capital	12	**860**		860	
(b) Other Equity	13	**55,953**		52,353	
Total Equity			**56,813**		53,213
II Liabilities					
1 Non-Current Liabilities					
(a) Provision for Income Tax (Net)		**971**		79	
(b) Deferred Tax Liabilities (Net)	14	**3,711**		1,869	
Total Non-Current Liabilities			**4,682**		1,948
2 Current Liabilities					
(a) Financial Liabilities					
(i) Trade Payables	15				
- Micro and Small enterprises		**282**		178	
- Others		**1,886**		1,409	
(ii) Other Financial Liabilities	16	**563**		548	
(iii) Total		**2,731**		2,135	
(b) Other Current Liabilities	17	**398**		681	
(c) Provisions	18	**31**		17	
(d) Current Tax Liabilities (Net)		**535**		-	
Total Current Liabilities			**3,695**		2,833
TOTAL EQUITY AND LIABILITIES			**65,190**		57,994

The accompanying notes 1 to 42 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

Raghavendran Chella Krishnan
Partner
Membership No. 208562

R Madhusudhan
Secretary

K Yokanathan
Chief Financial Officer

Chennai
11th May 2026

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2026

(₹ in Lakhs)

	Particulars	Note No.	Year ended 31.03.2026	Year ended 31.03.2025
I	**Revenue from Operations**	19	**41,499**	35,946
II	**Other Income**	20	**1,447**	1,195
III	**Total Income (I+II)**		**42,946**	37,141
IV	**EXPENSES**			
	Cost of Materials Consumed	21	**28,511**	25,351
	Changes in Inventories of finished goods and work-in-progress	22	**(1,417)**	(2,278)
	Power and Fuel	23	**5,790**	5,290
	Employee benefits expense	24	**2,543**	2,389
	Other expenses	25	**2,498**	2,572
	Total Expenses (IV)		**37,925**	33,324
V	**Profit before Finance Costs, Depreciation and Amortisation Expense and Taxes (III-IV)**		**5,021**	3,817
	Finance Costs	26	**60**	5
	Depreciation and amortization expenses	27	**1,100**	1,008
VI	**Profit before Exceptional Items and Tax**		**3,861**	2,804
VII	**Exceptional Items Gain/(Loss)**	28	**5,164**	-
VIII	**Profit before Tax after exceptional items**		**9,025**	2,804
IX	**Tax Expenses**	29		
	Current Tax		**1,588**	491
	Deferred Tax		**(53)**	413
	Tax relating to earlier years		**2,687**	(28)
	Total		**4,222**	876
X	**Profit for the year (VIII-IX)**		**4,803**	**1,928**
XI	**Other Comprehensive Income**			
	i. Items that will not be reclassified to profit or loss			
	a. Effect of measuring investments at fair value		**(1,116)**	(3,518)
	b. Remeasurement of the defined benefit plans		**13**	24
	ii. Income tax relating to items that will not be reclassified to profit or loss		**158**	189
	Other Comprehensive Income		**(945)**	(3,305)
XII	**Total Comprehensive Income for the year (X+XI)**		**3,858**	(1,377)
XIII	**Earnings per equity share (face value of ₹ 10 each)**	40		
	(1) Basic (₹)		**55.85**	22.42
	(2) Diluted (₹)		**55.85**	22.42

The accompanying notes 1 to 42 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

Raghavendran Chella Krishnan
Partner
Membership No. 208562

R Madhusudhan
Secretary

K Yokanathan
Chief Financial Officer

Chennai
11th May 2026

Statement of Changes in Equity for the year ended 31st March 2026

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, 2026	**860**	**-**	**860**
31st March, 2025	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 01.04.2025	**554**	**160**	**21,500**	**7,776**	**22,363**	**52,353**
Additions during the year:						
Profit for the year 2025-26				4,803		4,803
Items that will not be reclassified to profit or loss:						
a. Effect of measuring Investments at fair value					(1,116)	(1,116)
b. Remeasurement of the defined benefit plans				13		13
Income tax relating to items that will not be reclassified to profit or loss				-	158	158
(B) Total Comprehensive Income for the year 2025-26	-	-	-	**4,816**	**(958)**	**3,858**
(C) Reduction during the year						
Dividend				(258)		(258)
Transfer to General reserve			3,500	(3,500)		-
Total	-	-	3,500	(3,758)	-	(258)
(D) Balance as at 31.03.2026 (A+B+C)	**554**	**160**	**25,000**	**8,834**	**21,405**	**55,953**
(E) Balance as at 01.04.2024	**554**	**160**	**20,000**	**7,926**	**25,692**	**54,332**
Additions during the year:						
Profit for the year 2024-25				1,928		1,928
Items that will not be reclassified to profit or loss:						
a. Effect of measuring Investments at fair value					(3,518)	(3,518)
b. Remeasurement of the defined benefit plans				24		24
Income tax relating to items that will not be reclassified to profit or loss				-	189	189
(F) Total Comprehensive Income for the Year 2024-25	**-**	**-**	**-**	**1,952**	**(3,329)**	**(1,377)**
(G) Reduction during the year						
Dividend				(602)		(602)
Transfer to General reserve			1,500	(1,500)		-
Total	-	-	1,500	(2,102)	-	(602)
Balance as at 31st March 2025 (E+F+G)	**554**	**160**	**21,500**	**7,776**	**22,363**	**52,353**

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

Raghavendran Chella Krishnan
Partner
Membership No. 208562

R Madhusudhan
Secretary

K Yokanathan
Chief Financial Officer

Chennai
11th May 2026

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2026

(₹ in Lakhs)

Particulars	Note No.	Year Ended 31.03.2026		Year Ended 31.03.2025	
A. Cash flow from Operating Activities:					
Profit before tax			**9,025**		2,804
Adjustments for:					
Depreciation and amortisation expenses	27	**1,100**		1,008	
Interest Income	20	**(620)**		(410)	
Dividend	20	**(236)**		(457)	
Finance costs	26	**60**		5	
(Profit) / Loss on sale of property, plant and equipment	20,25	**40**		3	
Property, plant and equipment retired	2	**36**	**380**	-	149
Operating Profit before working capital changes			**9,405**		2,953
Adjustments for:					
(Increase) / Decrease in Trade Receivables	7	**1,255**		1,407	
(Increase) / Decrease in Inventories	6	**(1,416)**		(2,227)	
(Increase) / Decrease in Other assets	(i)	**(5,768)**		27	
Increase / (Decrease) in Trade payables	15	**581**		(678)	
Increase / (Decrease) in Other liabilities and provisions	(ii)	**(286)**	**(5,634)**	(4)	(1,475)
Cash generated from operations			**3,771**		1,478
Direct Tax paid net of refund			**(691)**		(515)
Net cash from operating activities (A)			**3,080**		**963**
B. Cash flow from Investing Activities:					
Purchase / Acquisition of Property , plant and equipment, intangibles, after adjusting capital Advances	2		**(1,544)**		(2,693)
Property, plant and equipment retired	2		**(36)**		-
Proceeds from Sale of property, plant and equipment	2		**53**		15
(Increase)/Decrease in Short Term Deposits	9		**(2,465)**		1,334
Interest received	20		**620**		410
Dividend received	20		**236**		457
Net cash used in investing activities (B)			**(3,136)**		**(477)**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

(₹ in Lakhs)

Particulars	Note No.	Year Ended 31.03.2026		Year Ended 31.03.2025	
C. Cash flow from Financing Activities:					
Finance cost Paid	26		**(37)**		(5)
Dividend paid	12		**(258)**		(602)
Net cash used in financing activities (C)			**(295)**		(607)
Net increase / (decrease) in cash and cash equivalents (A+B+C)			**(351)**		(121)
Cash and cash equivalents at the beginning			**524**		645
Cash and cash equivalents at the end	8		**173**		524
Note:					
(i) (Increase) / Decrease in Other assets					
(A) Non-Current Financial Assets - others	4		**(5,158)**		(3)
(B) Other Non-Current Assets	5		**(61)**		62
(C) Bank balances other than cash and Cash equivalents	9		**-**		-
(D) Other Current Financial Assets	10		**(150)**		-
(E) Other Current Assets	11		**(399)**		(32)
			(5,768)		27
(ii) Increase / (Decrease) in Other Liabilities and Provisions					
(A) Other Current Financial Liabilities	16		**12**		42
(B) Other Current Liabilities	17		**(283)**		24
(C) Current Provisions	18		**(15)**		(70)
			(286)		(4)

(iii) Policy adopted in determining the composition of cash and cash equivalents - Note 1.10.

(iv) Disclosure on CSR expenditure - Note 35.

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

Raghavendran Chella Krishnan
Partner
Membership No. 208562

R Madhusudhan
Secretary

K Yokanathan
Chief Financial Officer

Chennai
11th May 2026

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 up to 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 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.

Recent pronouncements

Major Amendments to the Companies (Indian Accounting Standards) Rules, 2015 issued since 1st April 2025 are as below:

In May 2025, MCA notified amendments to IND AS 21- The Effects of Change in Foreign Exchange Rates, (a) specifying how to assess whether a currency is exchangeable or not, (b) providing guidance for determining spot exchange rate when there is lack of currency exchangeability and (c) related disclosures to help users understand the financial impact.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements. It requires classification of liabilities as current or non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date. Instead, it requires that the said right should exist on the reporting date and have substance. Only covenants required to be complied with on or before the reporting date are relevant. Additional guidance and enhanced disclosures have been introduced for liabilities subject to covenants for determining such classification.
2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments – Disclosures. The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 amendment requires to add supplier finance arrangements as a factor that may cause concentration of liquidity risk.

The effective date for adoption of the above amendments is annual period beginning on or after 1st April 2025.The company has evaluated these amendments and there is no impact on its 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

Notes forming part of the Financial Statements

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:

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.

Notes forming part of the Financial Statements

(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.

1.3 Property, Plant and Equipment (PPE)

(i) For transition to Ind AS, the Company 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
IT Hardware - Server - Other than server	6 3
Energy saving devices, Planetary drive and ESP	15*
Sugar Mill Rollers	3*
Automation of Equipments	6*
Others	5-10

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

(iv) Assets costing ₹ 100,000 and below are depreciated in full in the year of addition.

Notes forming part of the Financial Statements

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.

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.

Notes forming part of the Financial Statements

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.

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 and in the case of sale of power when wheeled to grid, in an amount that reflects the consideration that the company expects to receive in exchange for those products (i.e.) transaction price.

As regards variable consideration arising under 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. The company uses most likely amount method to estimate the variable consideration.

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".

Notes forming part of the Financial Statements

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.

(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.

Notes forming part of the Financial Statements

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.

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, Capital work in progress and Intangible Assets as at 31st March 2026

(₹ in Lakhs)

Description	Gross Carrying Amount				Depreciation / Amortisation				Net Carrying Amount	
	As at 01.04.2025	Additions during the year	Deductions/ Adjustments	**As at 31.03.2026**	As at 31.03.2025	Additions during the year	Deductions/ Adjustments	**As at 31.03.2026**	**As at 31.03.2026**	As at 31.03.2025
(i) Property, Plant and Equipment (PPE)										
Land	629	64	-	**693**	-	-	-	**-**	**693**	629
Buildings	2,587	444	-	**3,031**	759	106	-	**865**	**2,166**	1,828
Plant and Equipment	15,862	1,886	160	**17,588**	5,392	936	72	**6,256**	**11,332**	10,470
Furniture and Fixtures	65	1	-	**66**	38	6	-	**44**	**22**	27
Vehicles	65	18	8	**75**	33	6	4	**35**	**40**	32
Office Equipment	159	21	4	**176**	115	33	3	**145**	**31**	44
Total	19,367	2,434	172	**21,629**	6,337	1,087	79	**7,345**	**14,284**	13,030
(ii) Capital Work-in-Progress (CWIP)	1,123	1,540	2,434	**229**	-	-	-	**-**	**229**	1,123
(iii) Intangible Assets										
Computer Software	65	4	-	**69**	47	13	-	**60**	**9**	18

Property, Plant and Equipment, Capital work in progress and Intangible Assets as at 31st March 2025

Description	Gross Carrying Amount				Depreciation / Amortisation				Net Carrying Amount	
	As at 01.04.2024	Additions during the year	Deductions/ Adjustments	**As at 31.03.2025**	As at 31.03.2024	Additions during the year	Deductions/ Adjustments	**As at 31.03.2025**	**As at 31.03.2025**	As at 31.03.2024
(i) Property, Plant and Equipment (PPE)										
Land	460	169	-	**629**	-	-	-	**-**	**629**	460
Buildings	2,272	315	-	**2,587**	664	95	-	**759**	**1,828**	1,608
Plant and Equipment	14,698	1,194	30	**15,862**	4,572	832	12	**5,392**	**10,470**	10,126
Furniture and Fixtures	48	17	-	**65**	18	20	-	**38**	**27**	30
Vehicles	48	17	-	**65**	28	5	-	**33**	**32**	20
Office Equipment	121	42	4	**159**	79	40	4	**115**	**44**	42
Total	17,647	1,754	34	**19,367**	5,361	992	16	**6,337**	**13,030**	12,286
(ii) Capital Work-in-Progress (CWIP)	194	2,683	1,754	**1,123**	-	-	-	**-**	**1,123**	194
(iii) Intangible Assets										
Computer Software	55	10	-	**65**	31	16	-	**47**	**18**	24

(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 34 C - (d)].
(iii) Contractual commitments for the acquisition of PPE and CWIP as at 31-03-2026 ₹ 420 lakhs (Previous year ₹ 264 lakhs).

Notes forming part of the Financial Statements

2 A.Capital Work -in- Progress - ageing schedule

(₹ 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 - 31-03-2026	**229**	-	-	-	**229**
Projects in Progress - 31-03-2025	1,123	-	-	-	1,123

(i) There is no project temporarily suspended in both years.

3. Investments - Non Current:

Particulars	No of Shares	Face Value (₹)	As at 31.03.2026	As at 31.03.2025
Investments in Equity Instruments - at Fair Value Through Other Comprehensive Income				
a. Quoted :				
Seshasayee Paper and Boards Limited	88,40,905	2	**21,797**	22,991
High Energy Batteries (India) Limited	5,00,000	2	**2,589**	2,511
Total - Quoted			**24,386**	25,502
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			**24,395**	25,511
Aggregate amount of quoted investments-At cost			**2,070**	2,070
Aggregate amount of quoted investments-At market value			**24,386**	25,502
Aggregate amount of unquoted investments-At cost			**9**	9

Determination of fair value - Note 1.1

Notes forming part of the Financial Statements

4. Other Financial Assets - Non current:

(₹ in Lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
Unsecured - Considered good		
Security deposit	**32**	22
Parallel Operation Charges - refund receivable [Note 31 (ii)]	**265**	-
Additional Power Tariff - unbilled * (Note 30)	**3,301**	-
Carrying cost on Additional Power Tariff (Note 30)	**1,582**	-
Total	**5,180**	22

* Being unbilled, disclosure of ageing schedule not applicable.

5. Other Non Current Assets:

Particulars	As at 31.03.2026	As at 31.03.2025
Unsecured - Considered good		
Capital advances	**167**	92
Prepaid expenses	**-**	14
Total	**167**	106

6. Inventories:

Particulars	As at 31.03.2026	As at 31.03.2025
Work In Progress	**248**	121
Finished Goods:		
Sugar	**12,001**	10,780
Molasses	**180**	111
Stores and Spares	**478**	479
Total	**12,907**	11,491

(i) Valuation of Inventories - Note 1.5

(ii) Security created - [Note 34 C (d)].

7. Trade Receivables - Unsecured:

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								
As at 31-03-2026	**5**	**2,072**	**118**	**-**	**-**	**-**	**-**	**2,195**
As at 31-03-2025	4	2,784	274	-	-	-	-	3,062

Security created - [Note 34 - C (d)].

Notes forming part of the Financial Statements

8. Cash and Cash Equivalents:

(₹ in Lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
Balances with Banks		
Current account	**172**	70
Deposit account-original maturity < 3 months	**-**	453
Cash on hand	**1**	1
Total	**173**	524

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, as cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

9. Bank balances other than Cash and Cash Equivalents:

Particulars	As at 31.03.2026	As at 31.03.2025
Deposit account-original maturity > 3 months and < 12 months	**4,544**	2,079
Unpaid dividend account	**43**	40
Total	**4,587**	2,119

10. Other Current Financial Assets:

Particulars	As at 31.03.2026	As at 31.03.2025
Purchase Tax Incentive receivable (Note 28)	**150**	-
Total	**150**	-

11. Other Current Assets:

Particulars	As at 31.03.2026	As at 31.03.2025
Advance for supplies	**371**	269
Advance for services	**22**	22
Input Tax Credit Receivable	**23**	61
Prepaid expenses	**78**	86
Income Tax refund receivable	**344**	29
Others	**76**	48
Total	**914**	515

Notes forming part of the Financial Statements

12. Equity Share Capital:

(₹ in Lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
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

Sl. No.	Name of the Shareholders	As at 31.03.2026		As at 31.03.2025	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1	Seshasayee Paper and Boards Ltd	**2781362**	**32.35**	2781362	32.35
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	Bharati Chhotubhai Pithawalla	**500466**	**5.82**	500466	5.82

d) Shareholding of Promoters

Sl. No.	Shares held by promoters	As at 31.03.2026			As at 31.03.2025		
	Promoter name	No. of Shares	% of total shares	Change in %	No. of Shares	% of total shares	Change in %
1	Seshasayee Paper and Boards Ltd	**2781362**	**32.35**	-	2781362	32.35	4.90
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	-
7	W P S PTE Ltd	**6577**	**0.08**	-	6577	0.08	0.08
	Total	**4070216**	**47.34**	-	4070216	47.34	4.98

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.

Notes forming part of the Financial Statements

The following table summarises the capital of the Company: (₹ in Lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
Equity	**56,813**	53,213
Debt	**-**	-
Cash and Cash Equivalents	**173**	524
Net Debt	**(173)**	(524)
Total Capital (Equity + Net Debt)	**56,640**	52,689
Net Debt to Capital Ratio	**-**	-

f) Dividend :

Particulars	FY 2025-26	FY 2024-25
Dividend on Equity shares paid during the year Dividend for the financial year 2024-25 @ 3.00 per share (Previous Year ₹ 7.00 per share) of ₹ 10 each	**258**	602

Proposed Dividend :

The Board of directors at their meeting held on 11th May, 2026 has recommended dividend of ₹ 5.00 (PY ₹ 3.00) per equity share of face value of ₹ 10 each for the financial year ended 31st March, 2026.

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

13. Other Equity:

Particulars	As at 31.03.2026	As at 31.03.2025
Capital Reserve	**554**	554
Securities Premium	**160**	160
General Reserve	**25,000**	21,500
Retained Earnings	**8,834**	7,776
Other Comprehensive Income (OCI)	**21,405**	22,363
Total	**55,953**	52,353

Changes during the year in respect of each of the specified heads above are disclosed in the Statement of Changes in Equity

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 31.03.2026	Profit and Loss 2025-26	OCI 2025-26	Balance Sheet 01.04.2025
Deferred Tax Liabilities / (Assets) on account of				
Depreciation on Property, Plant and Equipment	**3,113**	**203**	**-**	**2,910**
Expenses allowed for tax purpose on payment basis	**(84)**	**(41)**	**-**	**(43)**
Income tax relating to items that will not be reclassified to profit or loss	**897**	**-**	**(158)**	**1,055**
MAT Credit Entitlement - Note 29(E)	**(215)**	**(215)**	**-**	**-**
Deferred Tax Liabilities (Net)	**3,711**	**(53)**	**(158)**	**3,922**
MAT reversal relating to earlier years - Note 29 (B)	**-**	**2,053**	**-**	**(2,053)**
Total	**3,711**	**2,000**	**(158)**	**1,869**

Particulars	Balance Sheet 31.03.2025	Profit and Loss 2024-25	OCI 2024-25	Balance Sheet 01.04.2024
Deferred Tax Liabilities / (Assets) on account of				
Depreciation on Property, Plant and Equipment	**2,910**	**642**	**-**	**2,268**
Expenses allowed for tax purpose on payment basis	**(43)**	**(29)**	**-**	**(14)**
Income tax relating to items that will not be reclassified to profit or loss	**1,055**	**-**	**(189)**	**1,244**
MAT Credit Entitlement - Note 29(E)	**(2,053)**	**(200)**	**-**	**(1,853)**
Deferred Tax Liabilities (Net)	**1,869**	**413**	**(189)**	**1,645**

15. Trade Payables:

Particulars	As at 31.03.2026	As at 31.03.2025
Micro and Small enterprises (Note -15 A)	**282**	178
Others		
Goods	**1,632**	1,210
Services	**254**	199
Total	**2,168**	1,587

15. A

(i) Classification of 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 31.03.2026	As at 31.03.2025
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)	**332**	245
- 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

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	
As at 31.03.2026							
(i) Micro and Small enterprises	**8**	**210**	**64**	**-**	**-**	**-**	**282**
(ii) Others	**100**	**1,578**	**155**	**31**	**22**	**-**	**1,886**
Total	**108**	**1,788**	**219**	**31**	**22**	**-**	**2,168**
As at 31.03.2025							
(i) Micro and Small enterprises	8	130	40	-	-	-	178
(ii) Others	62	1,143	164	24	16	-	1,409
Total	70	1,273	204	24	16	-	1,587

There were no disputed dues to Micro and Small enterprises or Others in both the years

Notes forming part of the Financial Statements

16. Other Current Financial Liabilities:

(₹ in Lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
Payable for Capital Expenditure		
- Micro and Small enterprises (Note -15 A)	**50**	67
- Others	**67**	67
Unpaid dividends (No amount is due and outstanding to be credited to Investor Education and Protection Fund)	**43**	40
Employee related obligations	**389**	363
Others	**14**	11
Total	**563**	548

17. Other Current Liabilities:

Particulars	As at 31.03.2026	As at 31.03.2025
Electricity charges / tax	**-**	378
Statutory liabilities	**158**	64
Revenue received in advance #	**113**	35
Others	**127**	204
Total	**398**	681
# Revenue recognised during the year from the Opening Advance	**35**	119

18. Current Provisions:

Particulars	As at 31.03.2026	As at 31.03.2025
Provision for Employee Benefits		
Gratuity	**31**	17
Total	**31**	17

18.A Reconciliation of net defined benefit liability

Particulars	Gratuity	
	31.03.2026	31.03.2025
Balance at the beginning of the year	**691**	689
Interest Cost	**45**	45
Current service cost	**56**	49
Past service cost	**21**	-
Benefits paid	**(53)**	(90)
Actuarial loss/(gain) on obligation (balancing figure)	**(42)**	(2)
Balance as at the end of the year	**718**	691

Notes forming part of the Financial Statements

18.B Balance Sheet Reconciliation

(₹ in Lakhs)

Particulars	**As at 31.03.2026**	As at 31.03.2025
Net defined benefit - (Liability) / Asset at beginning of the year	**(17)**	(90)
Expense in the P& L	**(77)**	(51)
Total remeasurements included in OCI	**13**	24
Employer's total contribution	**50**	100
Net defined benefit - (Liability)/ Asset as at end of the year	**(31)**	(17)

19. Revenue from Operations:

Particulars	**31.03.2026**	31.03.2025
Sale of Products	**41,194**	35,590
Other Operating Revenue	**305**	356
Total	**41,499**	35,946

Disclosure relating to Revenue from contracts with customers

Particulars	**31.03.2026**	31.03.2025
a. Type of Products		
Sugar	**27,197**	22,384
Bagasse	**3,742**	3,170
Molasses	**4,461**	5,375
Power (Note 30)	**5,794**	4,661
Total	**41,194**	35,590
b. Type of Customer		
Government owned / Controlled undertakings	**5,794**	5,285
Others	**35,400**	30,305
Total	**41,194**	35,590

Notes forming part of the Financial Statements

20. Other Income:

(₹ in Lakhs)

Particulars	31.03.2026	31.03.2025
Interest on financial assets carried at amortized cost		
Trade Receivables	**86**	178
Bank Deposits	**374**	195
Others	**35**	37
Interest on Income Tax refund	**295**	-
Dividend - from equity investments measured at fair value through OCI	**236**	457
Derecognition of excess liability	**357**	295
Insurance claim	**39**	-
Other non-operating income	**25**	33
Total	**1,447**	1,195

21. Cost of Materials Consumed:

Particulars	31.03.2026	31.03.2025
Raw material - Sugarcane	**27,757**	24,697
Process Chemicals	**223**	192
Packing Materials	**531**	462
Total	**28,511**	25,351

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

Particulars			31.03.2026		31.03.2025	
Opening stock	-	Finished goods	**10,891**		8,549	
	-	Work in progress	**121**	**11,012**	185	8,734
Closing stock	-	Finished goods	**12,181**		10,891	
	-	Work in progress	**248**	**12,429**	121	11,012
Total				**(1,417)**		(2,278)

Notes forming part of the Financial Statements

23. Power and Fuel:

(₹ in Lakhs)

Particulars	31.03.2026	31.03.2025
Coal	**649**	1,149
Bio Fuel	**4,560**	3,491
Fuel handling charges	**415**	422
Purchased power	**134**	157
Electricity consumption tax	**19**	19
Others	**13**	52
Total	**5,790**	5,290

24. Employee Benefits Expense:

Particulars	31.03.2026	31.03.2025
Salaries and wages	**2,061**	1,940
Contribution to Provident & Other Funds (Note 38)	**268**	227
Staff Welfare Expenses	**214**	222
Total	**2,543**	2,389

25. Other Expenses:

Particulars	31.03.2026	31.03.2025
Consumption of stores and spares	**37**	41
Rent	**26**	31
Repairs and Maintenance		
- Buildings	**186**	214
- Plant & Equipment	**1,113**	1,381
- Others	**13**	16
Insurance	**78**	71
Rates and taxes	**213**	133
Auditors' remuneration (Note 25A)	**14**	14
Watch & ward	**74**	62
Travel	**110**	86
Professional & Consultancy	**75**	85
Directors' sitting fees and commission	**56**	34
Freight & handling	**178**	179
Corporate Social Responsibility expenses (Note 35)	**94**	82
Loss on sale of assets / Assets discarded	**76**	9
Miscellaneous	**155**	134
Total	**2,498**	2,572

Notes forming part of the Financial Statements

25A Payment to Auditors:

(₹ in Lakhs)

Particulars	31.03.2026	31.03.2025
Statutory Audit Fees	**10**	10
Tax Audit Fees	**1**	1
Certification Fees and Other Services	**2**	2
Reimbursement of expenses	**1**	1
Total	**14**	14

26. Finance Costs:

Particulars	31.03.2026	31.03.2025
Interest on borrowings	**-**	-
Other borrowing costs- Processing charges	**7**	5
Interest others - Income tax	**53**	-
Total	**60**	5

27. Depreciation and Amortisation Expense:

Particulars	31.03.2026	31.03.2025
Depreciation on Property, Plant and Equipment	**1,087**	992
Amortisation of Intangible assets	**13**	16
Total	**1,100**	1,008

28. Exceptional Items:

Particulars	31.03.2026	31.03.2025
Derecognition of parallel operation charges [Note 31 (ii)]	**491**	-
Purchase tax incentive *	**150**	-
Additional Power Tariff (Note 30)	**2,975**	-
Carrying cost on additional tariff (Note 30)	**1,548**	-
Total	**5,164**	-

* Pursuant to the ruling of Madras High Court on 26.08.2025.

Notes forming part of the Financial Statements

29. Tax Expense:

(₹ in Lakhs)

Particulars	31.03.2026	31.03.2025
(A) Major components of Income Tax expense for the year :		
Tax expense recognised in the Statement of Profit and Loss		
(a) Current Tax :		
Minimum Alternate Tax	**1,588**	491
(b) Deferred Tax:		
Deferred Tax Liability on account of depreciation	**203**	642
Expenses allowed on payment basis under tax laws	**(41)**	(29)
MAT Credit Entitlement (Net)	**(215)**	(200)
Total (b)	**(53)**	413
(c) Tax relating to earlier years (Net)	**2,687**	(28)
Total Tax Expense (a)+(b)+(c)	**4,222**	876

Particulars	31.03.2026	31.03.2025
(B) Reconciliation of Tax expenses and the accounting profit for the year:		
Income tax rate applicable to the Company	**34.94%**	34.94%
Profit Before Tax	**9,025**	2,804
i) Current Tax Expense at the applicable rate	**3,154**	980
ii) Tax effect of :		
- Deduction under Section 80 (IA)	**(1,646)**	(406)
- Exempted income	**(82)**	(167)
- Rate change	**-**	452
- Permanent difference	**52**	29
- Others	**57**	16
- Sub - total	**(1,619)**	(76)
(iii) Tax relating to earlier years		
- Reversal of MAT credit relating to earlier years (Note 14)	**2,053**	-
- Additional tax provision/(reversal) relating to earlier years	**634**	(28)
- Sub - total	**2,687**	(28)
Tax expenses recognised in the statement of Profit and Loss (i+ii+iii)	**4,222**	876
(C) Taxes on items of OCI		
Items that will not be reclassified to profit or loss		
- Income Tax on measuring Investment at fair value	**(163)**	(198)
- Income Tax on Remeasurement of the defined benefit plans	**5**	9
Total	**(158)**	(189)

Notes forming part of the Financial Statements

(D) Tax option:

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 ₹ 215 lakhs (net) for the year (previous year ₹ 200 lakhs) and ₹ 215 lakhs as on 31st March 2026 (₹ 2053 lakhs as on 31st March 2025) is recognised and carried forward as deferred tax asset as there exists reasonable certainty to recover the same in future.

(F) Reassessment of tax provision:

(i) The company in respect of its profits from Cogen business is eligible for tax holiday under section 80-IA of the Income Tax Act 1961 for a period of 10 years. The company has opted to avail same from FY 2017-18. In view of this tax relief, the company has been paying only Minimum Alternate Tax (MAT) since FY 2017-18. MAT so paid is available for set off against tax payable under normal computation within a period of 15 succeeding years. Accordingly, MAT credit entitlement aggregating ₹ 2053 lakhs was carried forward as of 31st March 2025.

(ii) In computing eligible profits for purpose of Section 80-IA, the company has adopted the price for captive consumption of bagasse at rates fixed by the Regulator - namely Tamil Nadu Electricity Regulatory Commission (TNERC) from time to time based on market prices for determining the tariff rate for sale of power. While this was accepted in earlier years, the Tax Department for the assessment year 2023-24, substituted the market price data for bagasse collected by them and proposed to nullify the deduction under Section 80-IA . The company has contested the proposal and related proceedings before appropriate legal forum. Similar proceedings have been initiated for Assessment year 2021-22.

(iii) The company remains confident of the correctness of its adopting the regulatory price for bagasse. The issue may however involve long drawn legal battle and stakes involved are material. It has therefore been considered prudent to reassess tax liability for the past periods, basis the transfer price norm of Tax Department and make suitable and adequate provision for the exposure based on management's best estimates.

(iv) Pursuant to the above, the company during the year has reversed ₹ 2053 lakhs of 'MAT Credit receivable' as of 31st March 2025. Further, it has made additional tax provision of ₹ 634 lakhs relating to earlier years and ₹ 483 lakhs for the current year.

30. Revenue recognition for tariff revision:

(i) The company supplies electricity to Tamil Nadu Power Distribution Corporation Limited (TNPDCL) under a long term agreement for 20 years. The tariff for this is determined on 'cost plus' basis by the Regulator, namely, Tamil Nadu Electricity Regulatory Commission (TNERC) at periodic intervals in terms of the Electricity Act 2003 and Regulations made thereunder. Accordingly, revenue recognition by the company in its financial statements since the commissioning of the Cogeneration power plant from August 2012 to March 2025 was at rates prescribed in the tariff orders issued by TNERC from time to time.

(ii) The company had challenged certain key assumptions of TNERC on cost components in tariff determination before the appellate authority, namely, Appellate Tribunal for Electricity (APTEL). It has during the year received the judgement dated 03-09-2025 from APTEL. This effectively grants an enforceable right for the Company to recover additional tariff and interest. While APTEL in its detailed order has in clear and unequivocal terms settled the principles and methodology for cost computation under different heads, it remanded the case to TNERC for passing consequential orders and determining revised tariff, following due process.

Notes forming part of the Financial Statements

(iii) Pursuant to above, TNERC has initiated proceedings for revising tariff. The Company has been legally advised that the APTEL judgement, in the absence of appeal filed against same within permissible time limit, has attained finality and the role of TNERC is confined only to passing consequential order involving computational exercise.

(iv) The company has further been legally advised that its right to additional tariff and interest has arisen from the APTEL judgement which is an enforceable right. The company following accrual based accounting under Companies Act 2013 is hence obligated to recognize the effect of APTEL judgement in these financial statements based on reasonable and reliable estimate in accordance with Ind AS 115 – Revenue from contracts with customers and other applicable Ind AS.

(v) Having regard to the above, the company has estimated the most likely amount expected to arise from the clear contours of APTEL order to the best of its judgement. In doing so, the company has duly considered constraining estimates of variable consideration. Accordingly, revenue has been recognized only to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when TNERC passes its order giving effect to the APTEL judgement.

(vi) The financial impact of APTEL judgement in accordance with the above has been recognized in these financial statements as under:

(₹ in Lakhs)

	Upto 31.03.2025	For FY 2025-26	Total
Tariff Revision			
- Revenue from operations (Note 19)	-	326	3,301
- Exceptional item (Note 28)	2,975	-	
Carrying Cost			
- Other income (Note 20)	-	34	1,582
- Exceptional item (Note 28)	1,548	-	

31. Other Electricity cases:

(i) Revenue recognition respect of annual power generation over 60% PLF is based on the order of Tamil Nadu Electricity Regulatory Commission (TNERC) in Dec '23. Appeal filed by Tamil Nadu Power Distribution Corporation Limited (TNPDCL) before the Appellate Tribunal for Electricity (APTEL) is pending.

(ii) APTEL in its judgement dated 16.06.2025 has held that Parallel Operation Charges are not leviable in our case. Consequently, the company has derecognized the liability of ₹ 491 lakhs pertaining to earlier years and no further liability is recognized for the year. TNPDCL has challenged the APTEL judgement in Supreme Court.

(iii) In the absence of present obligation and considering outflow of resources is not probable, no provision in respect of above two items is considered necessary. Contingent liability in respect of same is disclosed (Note 32).

Notes forming part of the Financial Statements

32. Contingent Liabilities and Commitments:

(₹ in Lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
a. Contingent Liabilities		
Claims against the company not acknowledged as debt (Note 31)		
(i) Tariff for power production exceeding 60% PLF		
- Revenue recognised during the year	**253**	133
- Aggregate revenue recognised till close of the year	**851**	598
(ii) Parallel operation charges		
- Derecognition of past liability	**491**	-
- Aggregate till close of the year	**525**	-
b. Commitments		
- Contracts for purchase of sugar cane	**16,724**	13,823
- Estimated value of contracts remaining to be executed on capital account and not provided for	**420**	264

33. Government Grant :

The Company has recognised Government Grants disclosed below in these financial statements that are included under other operating revenue

Particulars	31.03.2026	31.03.2025
a. Export quota swapping	**35**	138
b. Sale of Renewable Energy Certificates	**-**	23
Total	**35**	161

Notes forming part of the Financial Statements

Note 34 A - Category wise classification of Financial Instruments:

(₹ in Lakhs)

Particulars	Note	Non Current		Current	
		As at 31.03.2026	As at 31.03.2025	**As at 31.03.2026**	As at 31.03.2025
Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)					
Investments in quoted equity shares	3	**24,386**	25,502	**-**	-
Investments in unquoted equity shares	3	**9**	9	**-**	-
Total		**24,395**	25,511	**-**	-
Financial Assets measured at amortised cost					
Security Deposit	4	**32**	22	**-**	-
Additional Power Tariff	4	**3,301**	-	**-**	-
Carrying cost on additional power tariff	4	**1,582**	-	**-**	-
Others	4	**265**	-	**-**	-
Trade Receivables	7	**-**	388	**2,195**	3,062
Cash and Cash Equivalents	8	**-**	-	**173**	524
Other Balances with Banks	9	**-**	-	**4,587**	2,119
Others	10	**-**	-	**150**	-
Total		**5,180**	410	**7,105**	5,705
Financial Liabilities measured at amortised cost					
Payable towards capital expenditure	16	**-**	-	**67**	67
Payable towards Micro and Small enterprises	15, 16	**-**	-	**332**	245
Payable towards Goods	15	**-**	-	**1,632**	1,210
Payable towards services	15	**-**	-	**254**	199
Unpaid/Unclaimed Dividend	16	**-**	-	**43**	40
Employee related obligations	16	**-**	-	**389**	363
Payable towards Other expenses	16	**-**	-	**14**	11
Total		**-**	-	**2,731**	2,135

1. The fair value of investment in quoted equity shares is 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 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 34B - 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 31.03.2026				
Investments in quoted equity shares	**24,386**	**24,386**	**-**	**-**
Investments in unquoted equity shares - Other Entities	**9**	**-**	**-**	**9**
As at 31.03.2025				
Investments in quoted equity shares	25,502	25,502	-	-
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.

34C - 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.

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Notes forming part of the Financial Statements

a. 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.

b. 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 ₹ 12285 lakhs as at 31st March 2026, and ₹ 6115 lakhs as at 31st March 2025 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.

c. 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 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 31.03.2026**			As at 31.03.2025		
	Less than one year	**Over one year**	**Total**	Less than one year	Over one year	Total
Trade and other payables (Note15)	**2,115**	**53**	**2,168**	1,547	40	1,587
Other financial liabilities (Note16)	**563**	**-**	**563**	548	-	548

d. Working Capital Borrowing

The company has obtained sanction of fund-based limit of ₹15 crores 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 31.03.2026 is Nil (PY Nil).

Notes forming part of the Financial Statements

35. Corporate Social Responsibility (CSR)

(i) Amount required to be spent by the company during the year: ₹ 77 lakhs

(ii) Amount excess spent in the previous year brought forward: ₹ 19 lakhs

(iii) Amount of expenditure incurred: ₹ 94 lakhs

(iv) Construction / acquisition of asset: Nil

(v) Purposes other than (iv) above: ₹ 94 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: ₹ 36 lakhs

(x) Nature of CSR activities:

(₹ in Lakhs)

Sl. No.	CSR Activity	31.03.2026	31.03.2025
(a)	Supporting irrigation infrastructure in rural area	**45**	48
(b)	Primary education for the children of rural area	**9**	9
(c)	Community Development	**40**	23
(d)	Provision of safe drinking water in rural area	**-**	1
(e)	Measures for the benefit of armed forces veterans	**-**	1
	Total	**94**	82

(xi) Details of related party transactions : Nil

(xii) Provision made for CSR : Nil

36. 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	Nil
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 granted to promoters, directors, KMPs and the related parties	Nil
6	Details of Benami property held	Nil

Notes forming part of the Financial Statements

7. Summary of Reconciliation of Stock Statement (₹ in Lakhs)

<table>
<tr><th>Quarter Ended</th><th>Amount as per books of account</th><th>Amount as in the quarterly return / statement</th><th>Amount of difference</th><th>Reason for material discrepancies</th></tr>
<tr><td colspan="4">Current year 2025-2026</td><td rowspan="11">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.</td></tr>
<tr><td>Jun – 2025</td><td>7484</td><td>8147</td><td>(663)</td></tr>
<tr><td>Sep – 2025</td><td>11249</td><td>12086</td><td>(837)</td></tr>
<tr><td>Dec- 2025</td><td>7160</td><td>7436</td><td>(276)</td></tr>
<tr><td>Mar- 2026</td><td>12659</td><td>13311</td><td>(652)</td></tr>
<tr><td colspan="4">Previous year 2024-2025</td></tr>
<tr><td>Jun – 2024</td><td>8813</td><td>9659</td><td>(846)</td></tr>
<tr><td>Sep – 2024</td><td>11815</td><td>13236</td><td>(1421)</td></tr>
<tr><td>Dec- 2024</td><td>9001</td><td>9575</td><td>(574)</td></tr>
<tr><td>Mar- 2025</td><td>11370</td><td>12483</td><td>(1113)</td></tr>
</table>

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

37. Key Financial Ratios

(₹ in Lakhs)

Ratios	Numerator / Denominator	As At 31-03-2026		As At 31-03-2025		% Variance	Remarks
Current ratio	Current assets / Current liabilities	**20,926 / 3,695**	**5.66**	17,796 / 2,833	6.28	(9.87)	
Debt Equity ratio	Total Debt / Shareholder's Equity	**0 / 32,030**	**-**	0 / 30,850	-	-	No debt at close of both years
Debt service coverage ratio	Earnings available for debt service / Debt to be serviced	**2,601 / 0**	**-**	2,939 / 0	-	-	No debt during the reporting periods
Return on equity ratio	Net Profit after taxes / Average Shareholder's Equity	**1,425 / 31,440**	**4.53**	1,928 / 30,175	6.39	(29.11)	Increased tax provision relating to earlier years
Inventory turnover ratio	Cost of Goods Sold / Average Inventory	**36,241 / 11,721**	**3.09**	32,294 / 9,873	3.27	(5.50)	
Trade receivables turnover ratio	Net credit sales / Average Trade Receivables	**9,536 / 2,823**	**3.38**	7,831 / 4,154	1.89	78.84	Prompt settlement of power dues
Trade payables turnover ratio	Net Credit Purchases / Average Trade Payables	**34,301 / 1,878**	**18.27**	30,641 / 1,926	15.91	14.83	
Net capital turnover ratio	Revenue / Working Capital	**41,499 / 17,231**	**2.41**	35,946 / 14,963	2.40	0.42	
Net profit ratio	Net Profit after taxes / Revenue	**1,425 / 41,499**	**3.43**	1,928 / 35,946	5.36	(36.01)	Increased tax provision relating to earlier years.
Return on capital employed	Earnings Before Interest & taxes / Capital Employed	**3,921 / 36,712**	**10.68**	2,804 / 32,798	8.55	24.91	Higher production, better recovery & optimized costs.
Return on investment (i) Equity	Income Generated from Investments / Time weighted Average of Investments	**(1,352) / 25,697**	**(5.26)**	(3,975) / 29,406	(13.52)	61.09	Market volatility, fueled by trade tariff and war uncertainties.
(ii) Fixed Income	Income Generated from Investments / Time weighted Average of Investments	**374 / 6,322**	**5.92**	195 / 3,052	6.39	(7.36)	

Note: Exceptional income excluded for comparability with previous period.

Notes forming part of the Financial Statements

38. 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 ₹ 143 Lakhs (previous year ₹ 133 Lakhs) for Provident Fund contributions and ₹ 49 Lakhs (previous year ₹ 42 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, 2026. 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 31.03.2026 (₹ in Lakhs)

General description		Post employment benefit	
		Gratuity - Funded plan - Non contributory	
(i)	**Change in Defined Benefit Obligation**	**31.03.2026**	31.03.2025
	Present value - opening balance	**691**	689
	Current service cost	**56**	49
	Past service cost	**21**	-
	Interest cost	**45**	45
	Re-measurement (gain) / loss:		
	- Effect of changes in financial assumptions	**(14)**	10
	- Effect of experience adjustments	**(28)**	(3)
	- Effect of changes in demographic assumptions	**-**	(9)
	Benefits paid	**(53)**	(90)
	Present value - closing balance	**718**	691
(ii)	**Change in Fair Value of Plan Assets**		
	Opening balance	**674**	599
	Interest income	**45**	43
	Return on plan assets	**(29)**	22
	Contributions by employer	**50**	100
	Benefits paid	**(53)**	(90)
	Closing balance	**687**	674

Notes forming part of the Financial Statements

General description		Post employment benefit Gratuity - Funded plan - Non contributory	
(iii)	**Amount recognized in the Balance Sheet (as at year end)**	**31.03.2026**	31.03.2025
	Present value of obligations	**718**	691
	Fair value of plan assets	**687**	674
	Net (asset) / liability recognized	**31**	17
(iv)	**Expenses recognized in the profit and loss statement**		
	Current service cost	**56**	49
	Past service cost	**21**	-
	Interest	**-**	2
	Total included in 'Employee benefits expense'	**77**	51
(v)	**Expenses recognized in Other Comprehensive Income (OCI)**		
	Re-measurement on the net defined benefit liability:		
	- Effect of changes in financial assumptions	**(14)**	10
	- Effect of experience adjustments	**(28)**	(3)
	- Effect of changes in demographic assumptions	**-**	(9)
	Return on plan assets	**29**	(22)
	Net cost in Other Comprehensive Income (OCI)	**(13)**	(24)
(vi)	**Asset information**	Insurance Policy (100%)	
(vii)	**Principal actuarial assumptions**		
	Mortality	Indian assured Lives Mortality (2012-14) Ultimate	
	Discount rate (%)	**7.14**	6.77
	Expected rate of salary increase (%)	**10.00**	10.00
	Expected rate of attrition (%)	**10.00**	10.00
	Expected average remaining working lives of employees (years)	**6.00**	8.00
(viii)	**Expected contribution (₹ in Lakhs)**	**42.00**	21.00

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:

(₹ in Lakhs)

Particulars	**31.03.2026**	31.03.2025
Discount Rate		
- 1% Increase	**36**	34
- 1% decrease	**(37)**	(37)
Salary Growth Rate		
- 1% Increase	**(35)**	(35)
- 1% decrease	**32**	31
Attrition Rate		
- 1% increase	**(8)**	(8)
- 1% decrease	**8**	9

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	**2025-26**	2024-25
Discount rate	**7.14%**	6.77%
Attrition Rate	**10.00%**	10.00%
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 ₹ 3 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.

(c) New Labour Codes

The company has recognized and given effect to the four Labour Codes notified by the Government of India in November 2025. Additional financial impact for the year is not material.

Notes forming part of the Financial Statements

39. Operating Segments

A. Operating Results

(₹ in Lakhs)

Particulars	Sugar		Cogeneration		Eliminations		Total	
	31.03.26	31.03.25	**31.03.26**	31.03.25	**31.03.26**	31.03.25	**31.03.26**	31.03.25
Revenue								
External Sales	**31,658**	27,759	**9,536**	7,831	**-**	-	**41,194**	35,590
Inter – Segment Sales	**4,583**	4,535	**4,472**	4,599	**(9,055)**	(9,134)	**-**	-
Other Operating income	**270**	308	**35**	48	**-**	-	**305**	356
Total Revenue	**36,511**	32,602	**14,043**	12,478	**(9,055)**	(9,134)	**41,499**	35,946
Segment Result								
Profit before Exceptional income	**1,200**	1,217	**2,549**	1,504	**-**	-	**3,749**	2,721
Exceptional income	**150**	-	**5,014**	-	**-**	-	**5,164**	-
Profit after Exceptional income	**1,350**	1,217	**7,563**	1,504	**-**	-	**8,913**	2,721
Finance Costs							**(60)**	(5)
Interest Income							**669**	206
Dividend Income							**236**	457
Other unallocable expenditure net of unallocable income							**(733)**	(575)
Profit Before Tax							**9,025**	2,804
Tax Expenses							**4,222**	876
Profit After Tax							**4,803**	1,928

B. Other Information

Segment Assets	**22,355**	20,109	**13,680 ***	9,646	**-**	-	**36,035**	29,755
Unallocated Corporate Assets							**29,155**	28,239
Total Assets							**65,190**	57,994
Segment Liabilities	**2,790**	2,191	**327**	602	**-**	-	**3,117**	2,793
Unallocated Corporate Liabilities							**5,260**	1,988
Total Liabilities							**8,377**	4,781
Capital Expenditure	**1,738**	1,357	**700**	407	**-**	-	**2,438**	1,764
Depreciation & Amortisation	**629**	572	**471**	436	**-**	-	**1,100**	1,008

* Additions to non current assets during the year ₹ 5,158 lakhs.

(i) Identification of reportable segments and basis of accounting for inter-segment transactions – Note 1.9

(ii) Three customers in Sugar (previous year three) 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

40. Earnings per Share

Particulars	31.03.2026	31.03.2025
Profit after tax (₹ Lakhs)	**4803**	1928
Weighted average number of shares (in lakhs)	**86**	86
Nominal value per share (₹)	**10**	10
Basic and diluted earnings per share (₹)	**55.85**	22.42

41. 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. Key managerial personnel - refer (ii) (c) & (d)

ii) The company in terms of long term MOU 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.

iii) Description of Transactions:

a) Seshasayee Paper and Boards Ltd (₹ in Lakhs)

Particulars	31.03.2026	31.03.2025
Sale of goods	**3749**	2563
Purchase of goods	**202**	158
Services (Net)	**23**	(2)
Dividend received	**221**	442
Dividend paid	**83**	165
Amount outstanding – Receivable – Unsecured (Net)	**520**	340

b) Esvi International (Engineers & Exporters) Ltd

Notes forming part of the Financial Statements

(₹ in Lakhs)

Particulars	31.03.2026	31.03.2025
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 – Sr.President and CFO

Particulars	31.03.2026	31.03.2025
i. Short term benefits	**264**	261
ii. Post employment benefits	**32**	39
iii. Other long term benefits	**9**	16
iv. Amount outstanding at the end of the year	**111**	108

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 Mohan Verghese Chunkath	Non-Executive Director
Mrs Bharti Chhotubhai Pithawalla	Non-Executive Director
Mr P Manoharan	Non-Executive Director
Dr. Lakshmi Nadkarni	Non-Executive Director
Mr. Chellamani Naresh	Non-Executive Director

Notes forming part of the Financial Statements

(₹ in Lakhs)

Particulars	**31.03.2026**	31.03.2025
Purchase of goods	**30**	25
Sitting fees	**21**	13
Commission	**35**	21

42. Approval of Financial Statements

The financial statements are in compliance with all the requirements of applicable Ind AS and have been approved for issue by the Board of Directors on 11th May 2026.

Per our Report of even date annexed

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

Raghavendran Chella Krishnan
Partner
Membership No. 208562

Chennai
11th May 2026

For and on behalf of the Board

N Gopala Ratnam
Chairman
DIN: 00001945

N Ramanathan
Managing Director
DIN: 00001033

R Madhusudhan
Secretary

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.