



PONNI SUGARS (ERODE) LIMITED

Regd. Office: ESVIN House, No.13, Rajiv Gandhi Salai (OMR)

Perungudi, Chennai 600 096

Phone : 39279300 Fax : 24960156

E-mail : admin@ponnisugars.com Website : www.ponnisugars.com



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PEL / SH / 133

27th May 2011

National Stock Exchange of India Ltd
Exchange plaza
5th Floor, Flat No.C / 1 G Block
Bandra-Kurla Complex
Bandra East, Mumbai 400 051
Fax No.022 26598237 / 26598238

Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400001
Fax No.022 22723121

Dear Sirs,

Re: Business transacted at the Board meeting held on 27-05-2011

In continuation of our letter No.PEL/SH/117 dt.04-05-2011, we wish to state that the Board of Directors of the Company at their meeting held on 27-05-2011 have transacted, among other business, the following:

1. Approval of Annual Accounts

The Board of Directors have approved the audited annual accounts for the financial year ended 31.03.2011. We furnish below the relevant particulars in compliance with clause 20 of the Listing Agreement.

Financial Results

		(Rs lakhs)			
		Year ended 31-03-2011		Year ended 31-03-2010	
1	Turnover		26948		24465
2	Other Income		413		218
3	Profit Before Interest & Depreciation		1810		7437
4	Interest	148		179	
5	Depreciation	309	457	306	485
6	Exceptional items		(1411)		1411
7	Profit Before Tax		2764		5541
8	Provision for taxation		903		1856
9	Net Profit		1861		3685

2. Dividend

The Board of Directors have recommended a dividend of Rs.2/- (Rupees Two) per Equity share for the financial year 2010-11.

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The Dividend, if approved by the Members at the Annual General Meeting to be held on 15th July 2011, will be paid on 29.07.2011.

3. Compliance of Clause 41

In deference to Clause 41 of the Listing Agreement, we send herewith a copy of Audited Financial Results for the year ended 31st March 2011, which were approved by the Board of Directors and signed by the Managing Director together with a copy of Auditors' Report on the financial statements.

4. Book closure

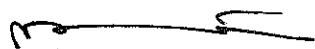
The 15th Annual General Meeting of the Company will be held on Friday the 15th July 2011. Pursuant to Section 154 of the Companies Act, 1956 the Register of Members and Share Transfer Books of the Company will remain closed from Wednesday the 13th July 2011 to Friday the 15th July 2011 (both days inclusive) for the purpose of 15th AGM and for payment of dividend recommended for the financial year 2010-11,

We hereby declare that all securities received for transfer one month prior to this intimation have been transferred and dispatched or electronic credit arranged in the Depository Participant Account of the transferees as applicable.

We hereby undertake that the securities pending for transfer will be transferred and dispatched/ electronic credit arranged within a period of one month from the date of receipt.

Thanking you

Yours truly



N Ramanathan
Managing Director

Encl: As above



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Investor Grievance ID: investor@ponnisugars.com

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31-03-2011

(Rs. In Lakhs)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Net Sales	26948	24464
Other Operating Income	121	108
Total Income	27069	24572
Expenditure:		
(a) (Increase) / Decrease in stock in trade & Work in Progress	2345	(3908)
(b) Consumption of materials	19737	17514
(c) Employee cost	1056	920
(d) Depreciation	309	306
(e) Other Expenditure	2413	2719
(f) Total	25860	17551
Profit from operations before other Income, Interest and Exceptional Items	1209	7021
Other Income	292	110
Profit before Interest and Exceptional Items	1501	7131
Interest	148	179
Profit after Interest but before Exceptional Items	1353	6952
Exceptional Items	(1411)	1411
Profit before tax	2764	5541
Tax expense	903	1856
Net Profit for the Period	1861	3685



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AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31-03-2011

(Rs. In Lakhs)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Paid -up Equity Share Capital (Face Value : Rs 10 per share)	860	860
Reserves excluding Revaluation Reserves	8765	7104
Earnings Per Share (Rs) Basic & Diluted	21.64	42.86
Public Shareholding		
- Number of Equity shares	4675280	4725280
- Percentage of shareholding	54.37	54.96
Promoters and Promoter Group Share Holding		
a) Pledged/Encumbered	NIL	NIL
b) Non-Encumbered		
- Number of Equity shares	3923138	3873138
- Percentage of total Promoters and Promoter Group Shareholding	100.00	100.00
- Percentage of Total Share Capital of the Company	45.63	45.04

STATEMENT OF ASSETS AND LIABILITIES (Audited as at 31st March)

(Rs. In Lakhs)

Particulars	2011	2010
Shareholders Funds		
- Capital	860	860
- Reserves and Surplus	8765	7104
Loan Funds	1645	3430
Deferred tax	834	343
TOTAL	12104	11737
Fixed Assets	5996	4703
Investments	829	829
Current Assets, Loans and Advances		
- Inventories	6658	8969
- Sundry Debtors	352	1227
- Cash and Bank balances	172	306
- Loans and Advances	2114	1333
Less: Current Liabilities and Provisions		
- Liabilities	3817	3595
- Provisions	200	2035
TOTAL	12104	11737



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Notes:

1. The Board has recommended a dividend of Rs.2/- per Equity Share for 2010-11.
2. Exceptional items refer to reversal of provision made last year (for diminution in the value of raw sugar import contracted) upon completion of imports and conversion / sale of same.
3. Lower availability and higher cost of cane, decline in sugar recovery and steep fall in product prices have together significantly impacted the margins for the year.
4. The Company is engaged in single segment, viz., Sugar, the production of which is seasonal in nature.
5. Number of Investor complaints for the quarter ended 31-03-2011:
Beginning - Nil, Received - Nil, Disposed - Nil and Pending - Nil.
6. The above results were reviewed by the Audit Committee and approved by the Board of Directors at the respective meetings held on 27-05-2011.

For Ponni Sugars (Erode) Ltd

N Ramanathan
Managing Director

Chennai
27.05.2011

MAHARAJ N R SURESH & CO
Chartered Accountants
FRN:001931S

R SUBRAMANIAN AND COMPANY
Chartered Accountants
FRN:004137S

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**Auditor's Report on Annual Financial Results of Ponni Sugars (Erode) Ltd
(Pursuant to the Clause 41 of the Listing Agreement)**

To

Board of Directors
Ponni Sugars (Erode) Ltd
ESVIN House
13 Old Mahabalipuram Road
Perungudi
Chennai 600 096

We have audited the Annual financial results of Ponni Sugars (Erode) Limited for the year ended 31st March 2011 attached herewith, being submitted by the company pursuant to the requirement of Clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These financial results are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of the financial statements, which have been prepared in accordance with applicable Accounting Standards and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

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MAHARAJ N R SURESH & CO
Chartered Accountants
FRN:001931S

R SUBRAMANIAN AND COMPANY
Chartered Accountants
FRN:004137S

In our opinion and to the best of our information and according to the explanations given to us these annual financial results:

- (i) are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the year ended 31st March 2011.

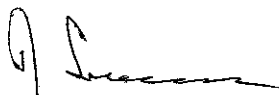
Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of non promoter shareholdings, as furnished by the company in terms of Clause 35 of the Listing Agreement and found the same to be correct.

For Maharaj N R Suresh & Co
Chartered Accountants



N R Suresh
Partner
Membership No.21661

For R Subramanian And Company
Chartered Accountants



R Subramanian
Partner
Membership No.8460

Place: Chennai
Date: 27-05-2011



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PRESS RELEASE

The Board of Directors of the Company at their meeting held on 27th May 2011 have approved the Audited Financial Results for FY 2010-11.

	2010-11	2009-10
	(Rs crores)	
Turnover	269.48	244.64
Profit before Exceptional Items	13.53	69.52
Profit Before Tax	27.64	55.41
Profit After Tax	18.61	36.85

The Board has recommended a Dividend of 20%.

The Company's Sugar Mill operations were hit by the double whammy of decreased cane volume and depressed sugar recovery on the one hand and decimated sugar and molasses prices on the other. Its daily crushing rate was severely impacted by the heightening stress on both availability and cost of harvesting labour. Operating margins hence fell steeply to 7% from 30%.

The Company however was largely helped by the availability of low cost inventories carried from last year, higher sale volume and near extinction of debt. Further, its prudent provisioning for the drastic decline in the value of raw sugar import contract made last year helped to mitigate and neutralize the adversity of its impact for the current year.

The Company's turnover scaled to an all time high, though marred by lower product prices. Interest rates have been on continual hike with RBI's hawkish policy stance. PBIDT and PBT figures have registered a steep fall compared to last year. It would however be relevant to recognize that sugar prices were at historic high that made FY 2009-10 rather exceptional. Conceding this, the overall performance of the Company for FY 2010-11 should be regarded reasonable and satisfactory.

The Company has kick-started its Cogen Project on a capital outlay of Rs.110 crores. It is designed to produce 15 MW of power using bio-fuel that could later be stepped up to 19MW with supplementary fossil fuel. Financial closure has been achieved for this Project with Term Loan tie-up of Rs.65 crores from Canara Bank. Orders for all major items of equipment have already been placed. The Project would get commissioned before end of March 2012.

Indian Sugar production has re-emerged with a marginal surplus during 2010-11 season. With IMD projecting a normal monsoon, the production outlook for 2011-12 season is optimistic. With overarching emphasis of the Government to rein in inflation, sugar prices would sure move within a narrow band, while cost of cane and other inputs will have no let up or climb down. The Company therefore foresees a formidable challenge for FY 2011-12. Within the constraints forced by adverse external environment, the Company would steadfastly focus on increasing efficiencies and cutting costs.
