



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

PEL / SH / 116

29th May 2013

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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 29-05-2013

In continuation of our letter No.PEL/SH/109 dt.6.5.2013, we wish to state that the Board of Directors of the Company at their meeting held on 29-05-2013 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 31.03.2013. We furnish below the relevant particulars in compliance with clause 20 of the Listing Agreement.

Financial Results

		(Rs lakhs)			
		Year ended 31-03-2013		Year ended 31-03-2012	
1	Turnover		21112		26562
2	Other Income		241		109
3	Profit Before Interest & Depreciation		2928		3272
4	Interest	358		119	
5	Depreciation	1161	1519	329	448
6	Exceptional items		193		212
7	Profit Before Tax		1216		2612
8	Provision for taxation		(695)		833
9	Net Profit		1911		1779

2. Dividend

The Board of Directors have recommended a dividend of Rs.1.50/- (Rupees One and Fifty Paise) per Equity share for the financial year 2012-13.

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The Dividend, if approved by the Members at the Annual General Meeting to be held on 24th July 2013, will be paid between 5th August 2013 and 10th August, 2013

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 2013, 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 (**Annex-1**).

4. Book closure

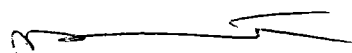
The 17th Annual General Meeting of the Company will be held on Wednesday, the 24th July 2013. Pursuant to Section 154 of the Companies Act, 1956 the Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 22nd July 2013 to Wednesday, the 24th July 2013 (both days inclusive) for the purpose of 17th AGM and for payment of dividend recommended for the financial year 2012-13.

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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(₹ Lakhs)

Statement of Audited Financial Results for the Quarter and Year Ended 31-03-2013

	Particulars	3 months ended			Year ended	
		31-03-2013	31-12-2012	31-03-2012	31-03-2013	31-03-2012
1	Income from Operations					
	(a) Net sales/ Income from Operations (Net of excise duty)	6177	4403	6156	21112	26562
	(b) Other operating income	13	40	141	136	331
	Total income from operations (Net)	6190	4443	6297	21248	26893
2	Expenses					
	(a) Cost of materials consumed	5480	5740	4871	16987	17144
	(b) Changes in inventories of finished goods and work in progress	(1159)	(2884)	(789)	(2788)	2079
	(c) Employee benefits expense	307	296	271	1234	1100
	(d) Depreciation and amortisation expense	441	437	79	1161	329
	(e) Other expenses	901	1051	1174	3128	3407
	Total Expenses	5970	4640	5606	19722	24059
3	Profit from operations before other income, finance costs and exceptional items (1-2)	220	(197)	691	1526	2834
4	Other Income	13	133	2	241	109
5	Profit from ordinary activities before finance costs but before exceptional items (3+4)	233	(64)	693	1767	2943
6	Finance Costs	208	124	66	358	119
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	25	(188)	627	1409	2824
8	Exceptional items	0	0	212	193	212
9	Profit / (Loss) from ordinary activities before tax (7-8)	25	(188)	415	1216	2612
10	Tax expense	(1057)	(61)	137	(695)	833
11	Net Profit / (Loss) for the period (9-10)	1082	(127)	278	1911	1779
12	Paid-up Equity Share Capital (Face value Rs.10 per share)	860	860	860	860	860
13	Reserves excluding Revaluation Reserve	12054	11123	10294	12054	10294
14	Earnings Per Share (Rs)					
	Basic and Diluted	12.58	(1.48)	3.23	22.22	20.69
15 (a)	Public shareholding					
	- Number of Shares	4493020	4918020	4918020	4493020	4918020
	- Percentage of Shareholding	52.25	57.20	57.20	52.25	57.20
(b)	Promoters and Promoter Group Shareholding					
	a) Pledged/ Encumbered					
	- Number of Shares	425000	Nil	Nil	425000	Nil
	- Percentage of Shares (as a % of the total Shareholding of Promoter and Promoter Group)	10.35	Nil	Nil	10.35	Nil
	- Percentage of Shares (as a % of the total Share capital of the Company)	4.94	Nil	Nil	4.94	Nil
	b) Non-encumbered					
	- Number of Shares	3680398	3680398	3680398	3680398	3680398
	- Percentage of Shares (as a % of the total Shareholding of Promoter and Promoter Group)	89.65	100	100	89.65	100
	- Percentage of Shares (as a % of the total Share capital of the Company)	42.80	42.80	42.80	42.80	42.80



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(₹ Lakhs)

Segmentwise Revenue, Results and Capital Employed						
	Particulars	3 months ended			Year ended	
		31-03-2013	31-12-2012	31-03-2012	31-03-2013	31-03-2012
1	Segment Revenue					
	a) Sugar	6026	4395	-	21059	-
	b) Co-generation	720	851	-	1915	-
	Sub total	6746	5246	-	22974	-
	Less: Intersegmental Revenue	556	803	-	1726	-
	Net sales/Income From Operations	6190	4443	-	21248	-
2	Sement Results					
	Profit / (Loss) before Tax and Interest					
	a) Sugar	541	(72)	-	1943	-
	b) Co-generation	(116)	(29)	-	(162)	-
	Sub total	425	(101)	-	1781	-
	Less:					
	a) Finance Costs	208	124	-	358	-
	b) Other Unallocable expenditure/(income)	192	(37)	-	207	-
	Total Profit/(Loss) Before Tax	25	(188)	-	1216	-
3	Capital Employed					
	(Segment Assets- Segment Liabilities)					
	a) Sugar	9443	4690	-	9443	-
	b) Co-generation	9943	9640	-	9943	-
	c) Unallocable Assets less Liabilities	(6472)	(2347)	-	(6472)	-
	Total Capital Employed	12914	11983	-	12914	-



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(₹ Lakhs)

Statement of Assets and Liabilities (Audited)

	Particulars	As at 31.03.2013	As at 31.03.2012		Particulars	As at 31.03.2013	As at 31.03.2012
A	EQUITY AND LIABILITIES			B	ASSETS		
1	Shareholders' funds			1	Non-current assets		
	(a) Share capital	860	860		(a) Fixed assets	13336	12834
	(b) Reserves and surplus	12054	10294		(b) Non-current investments	2079	2079
	Sub-total - Shareholders funds	12914	11154		(c) Long term Loans and Advances	278	65
2	Non-current liabilities				Sub-total Non-current assets	15693	14978
	(a) Long-term borrowings	3000	3677				
	(b) Deferred Tax Liabilities (Net)	110	805				
	Sub-total -Non-current liabilities	3110	4482	2	Current Assets		
3	Current liabilities				(a) Inventories	7383	4694
	(a) Short-term borrowings	5031	1151		(b) Trade receivables	1689	1185
	(b) Trade payables	2762	3162		(c) Cash and Bank balances	141	69
	(c) Other current liabilities	1526	1646		(d) Short-term loans and advances	675	1099
	(d) Short-term provisions	932	1165		(e) Other current assets	694	735
	Sub-total - Current Liabilities	10251	7124		Sub-total-Current assets	10582	7782
	TOTAL EQUITY AND LIABILITIES	26275	22760		TOTAL ASSETS	26275	22760

Notes:

- 1 The Board has recommended a dividend of Rs.1.50 per Equity Share for 2012-13
- 2 Sugar production is seasonal in nature. Performance of one quarter is hence not indicative of the trend for whole year.
- 3 Figures for the last quarter are the difference between the audited figures for the full financial year and the published figures for nine months period upto the third quarter of relevant financial year.
- 4 Levy obligation stands abolished for sugar produced from 1st October 2012.
- 5 Tax expense is net of MAT credit and Deferred Tax Asset recognized.
- 6 Drought conditions in the operational area have come to severely cripple cane crop. It poses a serious challenge to cane availability and its quality in FY 2013-14.
- 7 Number of Investor complaints for the quarter ended 31-03-2013: Beginning-Nil, Received-Nil, Disposed-Nil and Pending-Nil.
- 8 The above results were reviewed by the Audit Committee and approved by the Board of Directors at the respective meetings held on 29-05-2013.

For Ponni Sugars (Erode) Ltd

N Ramanathan
Managing Director

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M/s Maharaj N R Suresh And Co
Chartered Accountants

M/s R Subramanian And Company
Chartered Accountants

**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 2013 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.

M/s Maharaj N R Suresh And Co
Chartered Accountants

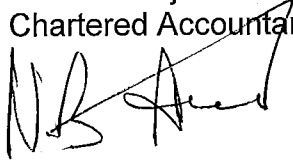
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M/s R Subramanian And Company
Chartered Accountants

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 2013.

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 And Co
Chartered Accountants



N R Suresh
Partner
Membership No. 21661

For R Subramanian And Company
Chartered Accountants



A Ganesan
Partner
Membership No. 21438

Place: Chennai
Date: 29-05-2013





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Date:29-05-2013

PRESS RELEASE

The Board of Directors of the Company at their meeting held on 29th May 2013 have approved the Financial Results for the financial year 2012-13.

	2012-13	2011-12
	(Rs crores)	
Turnover	211.12	265.62
PBIDT	29.28	32.72
PBT	12.16	26.12
PAT	19.11	17.79

The Board has recommended a Dividend of 15% (PY 25%).

The Company's operations were severely stressed during FY 2012-13 by the acute drought that engulfed the entirety of its operational area. Monsoon failure, low water level at Mettur Reservoir, poor flow in river Cauvery, depleted water table and disrupted power supply together came to strike a lethal blow on cane cultivation in its neighbourhood. As a result, the Company suffered the double whammy of lower cane volume and reduced sugar recovery. Raw sugar import route to supplement sugar production being unviable was unavailable this time.

Global and Indian sugar production remained in a state of surplus for the third year in a row. Sugar prices were hence under squeeze while unabated increase in cane cost narrowed and most times negated operating margin.

The Cogeneration project of the Company commenced trial operation on 17th August 2012. It was quickly stabilized to commence commercial operations from 1st September 2012. The regulatory tariff however got reduced from Rs.4.37/ kw to Rs.3.76/ kw under the 2012 Tariff Order. This has been challenged before the Appellate Tribunal for Electricity. The hearing is complete and the order is awaited. The funding of this project got completed at 1:2 Debt Equity ratio against the originally conceived 2:1 ratio. This will de-stress debt servicing during difficult times.

Sugar sale volume declined by one-third under sluggish market conditions leading to larger inventory build-up. In turn, turnover slid to the lowest in four years. Interest and depreciation charges surged due to higher inventory and Cogen project.

Profit Before Tax declined by more than one-half YoY for above reasons. The Company has recognized MAT credit and deferred tax asset considering future profitable operations and consequent availability of adequate taxable income to absorb same. As a result, PAT has moved modestly above last year. The overall performance is viewed satisfactory under extant external adversities.

Sugar surplus scenario is unlikely to disappear in 2013/14 both in the world and in the local market. As a result, sugar price will have limited scope for meaningful rise warranted by current high cost of production. In addition, the drought situation has worsened in Tamil Nadu and in our operational area to put further strains on our production outlook for FY 2013-14.

The Company therefore foresees a challenging year ahead, while its strong fundamentals should stand in good stead for battling these near term challenges.
