

## **CHAIRMAN'S SPEECH**

**Ladies and Gentlemen,**

It gives me great pleasure to welcome you all to the 50<sup>th</sup> Annual General Meeting of your Company. The company's Annual Report and Audited Accounts for the year ended 31 March 2011 have been with you for some time now and with your permission, I shall take them as read.

Sugar Production in India after a 2 years of low production, recovered in the current year. During the current year sugar output is likely to see a 25 to 30 % growth on account of improved cane acreage, adequate rainfall and improved sugar yielding varieties. The domestic sugar stock position is expected to turn surplus even after considering the exports of the sugar being allowed by the government from time to time.

The sugar price trends will largely be governed by the government of India policies regarding import and exports of sugar and international crude oil prices.

The long term outlook of the Indian Sugar Industry remains still volatile as it depends on both domestic and international demands and supply.

The profitability of the company was less compared to the previous year as the turnover was not comparable with that of previous year. This was mainly because of the volatility of the sugar prices and also the increase in the input cost. The cane availability was also much lower than that of previous year.

Sugar prices will be the key factors for determining the profitability of financial year 2011-2012.

Agro climate condition will play a key role and today it is totally unpredictable. Our distillery and co-generation division will play a key supporting role for improving the bottom line in the coming years.

We expect the financial year 2011-2012 to be a testing one.

We could not consider dividend this year also as we continue to be monitored by BIFR / AAIFR on account of the pending sales tax settlement issues with Tamil Nadu government.

With the current situation with the State Government we hope to come to a settlement very soon, and hopefully the one impediment in way of declaration of dividend would be removed.

### **Conclusion**

On behalf of the Board and on my own behalf, I place on record my sincere thanks for all stakeholders for continued support to the Company. The management on its part would enhance its efforts towards sustaining and enhancing stakeholder value.

Warm regards,

**BH Kothari**  
Chairman & Managing Director

Chennai  
08<sup>th</sup> September 2011