



PONNI SUGARS (ERODE) LIMITED

CIN : L15422 TN1996 PLC037200
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PEL/ SH/ 238

November 3, 2014

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

Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400001

Dear Sirs,

**Sub: Declaration under Clause 36
of Equity Listing Agreement
– Changes in Indirect Taxes**

Government of Tamil Nadu has exempted purchase of sugarcane from VAT but simultaneously imposed VAT at 5% on sugar of all kinds. In view of there being no VAT on sugar in the surplus producing regions of Karnataka and Maharashtra, Tamil Nadu sugar mills would be at a competitive disadvantage and their pricing power would get adversely impacted by reason of the 5% impost of VAT on sugar produced in the State of Tamil Nadu. As a result, the profitability of the company would be under increased stress.

This information is furnished in deference to Clause 36 of the Listing Agreement.

Thanking you

Yours truly

N Ramanathan
Managing Director