

**PONNI SUGARS (ERODE) LIMITED**

CIN : L15422 TN1996 PLC037200

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

Perungudi, Chennai 600 096.

Phone : 044 - 39279300 Fax : 044 - 24960156

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

ISO

9001/14001

CERTIFIED

PEL / SH / 21

February 6, 2015

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

Attention: Listing Department

Dear Sirs,

Sub: Audited Financial Results – Quarter ended 31.12.2014

Pursuant to the amended provisions of Clause 41 of the Listing Agreement we send herewith the following:

- (i) Audited Financial Results for the Quarter ended 31st December 2014 which was approved by the Board of Directors at their meeting held on Friday, the 6th February 2015 and signed by the Managing Director.
- (ii) Auditors' Report on Quarterly Financial Results.

We also enclose copy of the Press Release circulated to the media for your reference.

Please take the above on record and confirm.

For Ponni Sugars (Erode) Ltd

N Ramanathan
Managing Director

Encl: As above



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Investor Grievance ID: investor@ponnisugars.com



(₹ Lakhs)

Statement of Audited Financial Results for the Quarter and Nine Months Ended 31-12-2014							
	Particulars	3 months ended			9 months ended		Year ended
		31-12-2014	30-09-2014	31-12-2013	31-12-2014	31-12-2013	31-03-2014
1	Income from Operations						
	(a) Net sales/ Income from Operations (Net of excise duty)	3101	6750	3325	13682	13381	16781
	(b) Other operating income	35	23	19	64	72	97
	Total Income from operations (Net)	3136	6773	3344	13746	13453	16878
2	Expenses						
	(a) Cost of materials consumed	577	6805	1085	7479	7506	11774
	(b) Changes in inventories of finished goods and work in progress	2543	(2706)	2084	3433	3147	132
	(c) Utilities	145	1056	263	1297	1364	2363
	(d) Employee benefits expense	334	351	288	991	880	1199
	(e) Depreciation and amortisation expense	142	141	412	425	1232	825
	(f) Other expenses	190	470	103	734	586	961
	Total Expenses	3931	6117	4235	14359	14715	17254
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	(795)	656	(891)	(613)	(1262)	(376)
4	Other Income	3	82	6	136	168	225
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	(792)	738	(885)	(477)	(1094)	(151)
6	Finance Costs	120	109	157	382	501	671
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(912)	629	(1042)	(859)	(1595)	(822)
8	Exceptional items	0	133	0	133	0	(541)
9	Profit / (Loss) from ordinary activities before tax (7-8)	(912)	496	(1042)	(992)	(1595)	(281)
10	Tax expense	(317)	178	(380)	(351)	(458)	197
11	Net Profit / (Loss) for the period (9-10)	(595)	318	(662)	(641)	(1137)	(478)
12	Paid-up Equity Share Capital (Face value ₹ 10 per share)	860	860	860	860	860	860
13	Reserves excluding Revaluation Reserve	10875	11470	10917	10875	10917	11516
14	Earnings Per Share (₹)						
	Basic and Diluted	(6.92)	3.70	(7.70)	(7.45)	(13.22)	(5.56)
15 (a)	Public shareholding						
	- Number of Shares	4549474	4549474	4248020	4549474	4248020	4246495
	- Percentage of shareholding	52.91	52.91	49.40	52.91	49.40	49.39
(b)	Promoters and Promoter Group Shareholding						
	a) Pledged/ Encumbered						
	-Number of Shares	425000	425000	425000	425000	425000	425000
	- Percentage of Shares (as a % of the total Shareholding of promoter and promoter Group)	10.50	10.50	9.77	10.50	9.77	9.77
	- Percentage of Shares (as a % of the total Share capital of the Company)	4.94	4.94	4.94	4.94	4.94	4.94
	b) Non-encumbered						
	-Number of Shares	3623944	3623944	3925398	3623944	3925398	3926923
	- Percentage of Shares (as a % of the total Shareholding of promoter and promoter Group)	89.50	89.50	90.23	89.50	90.23	90.23
	- Percentage of Shares (as a % of the total Share capital of the Company)	42.15	42.15	45.66	42.15	45.66	45.67



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(₹ Lakhs)

Segmentwise Revenue, Results and Capital Employed (Audited)							
Particulars	3 months ended			9 months ended		Year ended	
	31-12-2014	30-09-2014	31-12-2013	31-12-2014	31-12-2013	31-03-2014	
1 Segment Revenue							
a) Sugar	3104	6471	3266	13399	13091	16244	
b) Co-generation	98	1045	161	1158	1148	1825	
Sub total	3202	7516	3427	14557	14239	18069	
Less: Intersegmental Revenue	66	743	83	811	786	1191	
Net sales/Income From Operations	3136	6773	3344	13746	13453	16878	
2 Segment Results							
Profit/(Loss) before Tax and Interest from each segment							
a) Sugar	(507)	531	(511)	(206)	(223)	143	
b) Co-generation	(185)	72	(299)	(265)	(792)	375	
Sub total	(692)	606	(810)	(471)	(1015)	518	
Less:							
a) Finance Costs	120	109	157	382	501	671	
b) Other Unallocable expenditure/(income)	100	1	75	139	79	128	
Total Profit/(Loss) Before Tax	(912)	496	(1042)	(992)	(1595)	(281)	
3 Capital Employed							
(Segment Assets- Segment Liabilities)							
a) Sugar	6506	8015	6660	6506	6660	9916	
b) Co-generation	9328	9720	8007	9328	8007	9363	
c) Unallocable Assets less Liabilities	(4099)	(5405)	(2890)	(4099)	(2890)	(6903)	
Total Capital Employed	11735	12330	11777	11735	11777	12376	

Notes:

- Sugar production being seasonal, performance of one quarter is not indicative of the trend for the whole year.
- Effective from 1st April 2014, depreciation is provided as per Schedule II of the Companies Act, 2013 as against Schedule XIV of the Companies Act, 1956. As a result, the depreciation for the current quarter and nine months period ended 31-12-2014 is lower by ₹ 69 lakhs and ₹ 204 lakhs respectively.
- Cane availability for 2014-15 season remains constrained due to drought and sugar prices depressed due to glut, together severely impacting and negating profit margins.
- Number of investor complaints for the quarter ended 31-12-2014 : Beginning-Nil, Received-Nil, Disposed-Nil and Pending-Nil.
- The above results were reviewed by the Audit Committee and approved by the Board of Directors at the respective meetings held on 06-02-2015.

For Ponni Sugars (Erode) Ltd

Chennai
06.02.2015

N Ramanathan
Managing Director

Appeal to Shareholders: Please update your particulars for complying with the Companies Act, 2013. Refer Investor Service section in our website or contact us by email / phone.

M/s Maharaj N R Suresh & Co
Chartered Accountants

M/s R Subramanian And Company
Chartered Accountants

Auditor's Report on Quarterly 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

Dear Sirs:

We have audited the quarterly financial results of Ponni Sugars (Erode) Limited for the quarter ended 31st December 2014 and the year to date results for the period 01.04.2014 to 31.12.2014 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 quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued by the Institute of Chartered Accountants of India 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 & Co
Chartered Accountants

M/s R Subramanian And Company
Chartered Accountants

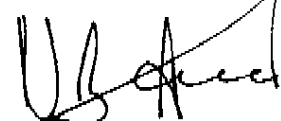
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In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results and the year to date results:

- (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 loss and other financial information for the quarter ended 31st December 2014 and the year to date results for the period 01.04.2014 to 31.12.2014.

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
FRN No.001931S
Chartered Accountants



N R Suresh
Partner
Membership No.21661

For R Subramanian And Company
FRN No.004137S
Chartered Accountants



A Ganesan
Partner
Membership No.21438

Place:Chennai
Date:06.02.2015



PONNI SUGARS (ERODE) LIMITED

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PRESS RELEASE

Audited Financial Results for Quarter-3 of 2014-15

The Board of Directors of the Company have approved the Audited Financial Results for the third quarter of FY 2014-15 at their meeting held on 6th Feb 2015.

Particulars	Q3		9 Months	
	FY 14-15	FY 13-14	FY 14-15	FY 13-14
Cane crushed (tonnes)	21536	40052	281216	277115
Recovery (%)	9.52	8.53	9.54	9.43
Income from operations (Rs lakhs)	3101	3325	13682	13381
PBIDT (Rs lakhs)	(650)	(473)	(52)	138
PBT (Rs lakhs)	(912)	(1042)	(992)	(1595)

Drought conditions in the operational area due to failing monsoon in the last couple of years continue to dent cane volumes and depress sugar recovery. In turn, power production in the newly commissioned Cogen plant is sub-optimal due to lower availability of bagasse and unaffordability of alternative bio-fuel.

With successive years of surplus sugar production, sugar prices both in the global and local market have taken a severe beating. With yet another year of surplus outlook for 2014-15 season, there appears little respite from repressed sugar prices and recurring losses in the near term.

In this view, private sector mills in Tamil Nadu have found the recommendatory State Advised Price (SAP) for cane unaffordable. While committing to pay the statutory Fair & Remunerative Price (FRP) and also an additional price for cane over and above FRP towards partially meeting cane growers' expectation, private mills have in clear terms conveyed to the State Government that the differential between SAP and agreed cane price should necessarily come out of State support like in other States having regard to the current tenuous state of finances for the industry as a whole. Following this, our company has committed on cane price as under:

Particulars	(Rs/t)	
	Season	
	2013-14	2014-15
FRP (statutory)*	2144.20	2223.20
SAP (recommendatory)**	2594.20	2573.20
Agreed price (contractual)**	2393.20	2393.20

* includes transport for delivery at mill gate

** In addition, transport cost from field to factory is borne by the mill

The company has commenced crushing operations belatedly by 20th Jan 2015 this season due to lower cane volume and the uncertainty initially associated with cane price negotiation. With moderately improved monsoon and better flow in the river Cauvery, it looks for meaningful pick up in cane planting in the current season.

In sum, the company along with other players in the industry is faced with formidable challenge due to continuing disconnect between sugar and sugarcane prices. It keenly awaits an early introduction and implementation of the revenue sharing formula for long term sustainability of its business, while short-term sops are being sought from the Central Government for an immediate bail-out in the interest of cane farmers.
