

**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



PONNI SUGARS (ERODE) LIMITED

CIN : L15422 TN1696 Pt 003/200
 Regd. Office, ESVIN House, No.13, Rajiv Gandhi Sala, (OMR),
 Perungudi, Chennai 600 076.
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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.
