



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



PEL / SH /49

May 16, 2018

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

BSE Ltd
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400001

Scrip Code: PONNIERODE

Scrip Code: 532460

Dear Sirs,

**Sub: Intimation under Regulation 30 of the SEBI (LODR) Regulations 2015
-Payment of additional cane price for sugar seasons 2013-14 to 2016-17
towards one time settlement**

The company is mandatorily required to pay Fair & Remunerative Price (FRP) for sugarcane for each sugar season under Clause-3 of the Sugarcane (Control) Order, 1966. The company has for all the concluded sugar seasons promptly paid this mandatory FRP plus such additional amounts as contracted for the procurement of cane.

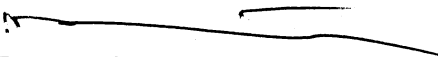
The company along with most private sector mills in the State however did not agree to the State Advised Price (SAP) which is recommendatory in nature for the four sugar seasons 2013-14 to 2016-17. This however gave rise to strained relationship with sugarcane farmers impacting the goodwill built over the long time. While the Govt of Tamil Nadu has announced its intent to discontinue arbitrary SAP and embrace Revenue Sharing Formula from 2017-18 sugar season, the company considered it prudent and expedient to decisively close the contentious claim of past period SAP through One Time Settlement.

Having regard to the above, the company has had series of negotiations with its sugarcane farmers. It has now agreed and announced payment of Rs.87.50/ tonne of cane supplied for each of the four sugar seasons mentioned above. The farmers on their part furnished requisite undertaking confirming that this is in full and final settlement of SAP claims. The fund outgo on this would approximate Rs.15.61 crores. While the company on best estimates had been recognizing the impact of this from time to time, the residual provision of Rs.3.23 crores would be recognized during Q4 of FY 2017/18.

This information is furnished in deference to Regulation 30 of the Listing Regulations.

Kindly take the same into your records.

Thanking you


N Ramanathan
Managing Director