



# PONNI SUGARS (ERODE) LIMITED

CIN : L15422 TN1996 PLC037200

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PEL/ SH/ 146

August 22, 2023

National Stock Exchange of India Ltd  
Exchange Plaza  
5<sup>th</sup> 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: Disclosure of pending litigations/ disputes which may have an impact**

We refer to the amended Regulation 30(4) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 that came into force from 14<sup>th</sup> July 2023 read with SEBI Circular No.SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/ 123 dated 13<sup>th</sup> July 2023. This inter alia requires the disclosure of pendency of any litigation(s) or dispute(s) which may have an impact on the listed entity.

Pursuant to the above, we attach the requisite details as **Annexure-1**. The company believes that the matters covered under legal proceedings are in the ordinary course of business. In the financial statements, the company disclosed a contingent liability in accordance with Ind AS 37 where no disclosure is required when possibility of an outflow of resources embodying economic benefits is remote. However, for purpose of Regulation 30(4), we have disclosed pending disputes even where in our assessment, likely adverse impact on the financial position of the company on ultimate outcome would be remote.

Since the amended Regulation 30(4) came into effect from 14<sup>th</sup> July 2023 and the company had to make a detailed study and assessment of probable impact in a holistic and comprehensive manner, there has been a marginal delay in making this disclosure. We submit that the delay has occurred for the reason that the disclosure requirements are new and we have had to discuss and form a view on divergent interpretations in the matter. The company has however taken earnest efforts to file the disclosure as early as possible based on best efforts.

Thanking you

Yours faithfully  
For Ponni Sugars (Erode) Ltd

R Madhusudhan  
Company Secretary & Compliance Officer

Encl: As above

**Ponni Sugars (Erode) Limited**

**Annexure-1**

**Details of pending Litigations/Disputes**

<i>Sl. No</i>	<i>Name(s) of the opposing party</i>	<i>Court/ Tribunal/ Agency where litigation is filed/ pending</i>	<i>Brief details of dispute/ litigation</i>	<i>Quantum of claims (Rs.crores)</i>	<i>Expected financial implications (Rs.crores)</i>
1	Income Tax Authority	Commissioner of Income Tax (Appeals) & Income Tax Appellate Tribunal	The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowance of expenses, deductability of certain expenses and eligibility/ computation of certain tax incentives or allowances. Most of these disputes being repetitive in nature pertain to several assessment years.	3.02	Such Income Tax disputes arise from time to time. Final outcome and ultimate financial liability is not ascertainable at this stage.
2	Central Excise Authority	The Customs Excise and Service Tax Appellate Tribunal (CESTAT)	Excise duty imposed on exempted products - Bagasse and Press-mud disputed in appeal pending in CESTAT	5.12	Pursuant to CBIC circular dated 7 <sup>th</sup> July 2022 the issue has become non-est due to Supreme Court decision. The company did not recognize this in its P & L and hence there would be Nil impact.
3	Tamil Nadu Generation & Distribution Corporation Limited (TANGEDCO)	Supreme Court	Electricity tax levied on Cogeneration Units using power for captive consumption. Writ Petition filed in Hon'ble Madras High Court dismissed along with similar petitions in batch in June 2012  Special Leave Petition (SLP) filed in Supreme Court in 2012 and leave granted on 27/11/2018.	3.11	Provision already made in books for Tax and Interest. Rs.1.58 crore of tax paid, while interest of Rs.1.53 crores unpaid.

4	Tamil Nadu Generation & Distribution Corporation Limited (TANGEDCO)	Appellate Tribunal for Electricity (APTEL)	Levy of Parallel Operation Charges (POC) on Cogeneration units supplying power under Power Purchase Agreement (PPA)	2.64	Claim already recognised in books and paid under protest. Favourable verdict would benefit both P&L and cash flow.
5	Ministry of Consumer Affairs, Food and Public Distribution, Government of India	Madras High Court	Writ Petition filed before the High Court of Madras for claiming export subsidy pertaining to exports in 2007-08 season; same admitted on 23.06.2023.	4.16	Favourable verdict would benefit both P&L and cash flow.
6	Ministry of Consumer Affairs, Food and Public Distribution, Government of India	Madras High Court	South Indian Sugar Mills Association (SISMA-TN) filed writ appeal challenging additional cane price fixation after repeal of the extant provisions for the sugar season 2004-05 to 2008-09 in Feb'2019.	6.52	Provision made in the books. Advance already paid towards this. Final impact not ascertainable.
7(a)	Tamil Nadu Electricity Regulatory Commission (TNERC)	Appellate Tribunal for Electricity (APTEL)	TNERC tariff for periods beginning 2012 under challenge by SISMA-TN - Claim for increased tariff quoting various parameters	--	Favourable verdict would benefit both P&L and cash flow but not quantifiable at this juncture.
(b)	Central Electricity Regulatory Commission (CERC)	Madras High Court	Writ Petition filed by SISMA-TN against low price fixed for bagasse for Tamil Nadu.	--	-do-
8	Tamil Nadu Generation & Distribution Corporation Limited (TANGEDCO)	Tamil Nadu Electricity Regulatory Commission (TNERC)	Petition filed by SISMA-TN seeking relief on Plant Load Factor (PLF) above 60%	2.63	Favourable verdict would benefit both P&L and cash flow but not quantifiable at this juncture.