



PONNI SUGARS (ERODE) LIMITED

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PEL / SH / 312

December 28, 2013

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

Attn: Listing Department

Dear Sirs,

Sub: Financial Assistance for payment of cane price

As per PIB Press Release, CCEA on 26-12-2013 has approved the guidelines for financial assistance to the sugar industry for payment of cane price arrears. Cabinet gave its final approval to the proposal to provide interest subvention for financial assistance to the sugar industry for effecting cane price payments as per guidelines of the "Scheme for Extending Financial Assistance to Sugar Undertakings, 2013".

While we await the details of the Scheme, we are eligible for working capital loan as per the Press Release equivalent to last three sugar seasons excise duty, cess and surcharge on sugar to be provided by banks. The Central Government will provide an interest subvention upto 12%, at a simple rate of interest that will be met fully from Sugar Development Fund.

Our Company will have access to requisite cash flow support and also saving in interest cost by reason of this soft loan package.

This information is furnished in accordance with clause 36 of the Listing Agreement.

Thanking you

Yours truly

N Ramanathan
Managing Director