



PONNI SUGARS (ERODE) LIMITED

Regd. Office: ESVIN House, No.13, Rajiv Gandhi Salai (OMR)
Perungudi, Chennai 600 096
Phone : 39279300 Fax : 24960156
E-mail : admin@ponnisugars.com Website : www.ponnisugars.com



PEL / SH / 83

April 5, 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

Dear Sirs,

Sub: Regulatory changes in sugar sector

As per Press Reports and Circular of ISMA, Government of India in its 4th April 2013 meeting of CCEA has taken very important decisions on the first phase of reforms in the sugar sector based on the recommendations of Dr.Rangarajan Committee. While we await the official Press Release from Government, we furnish the Regulatory changes based on these reports as under:

1. Regulated Release mechanism has been abolished with immediate effect. Accordingly sugar companies can sell sugar in the market based on their cash flow requirement and market perception.
2. While PDS will continue and Centre will compensate States for this programme, the levy sugar burden has been taken out of sugar companies. Accordingly sugar produced from 2012-13 Sugar Season ie. from 1st October 2012 will not be subject to levy obligation.
3. The controls on sugarcane side, ie. pricing, area reservation and minimum distance between 2 sugar mills have been left to the decision of State Governments.
4. Similarly, reforms in by-products, ie. molasses and bagasse as well as packing of sugar has been left to the concerned Ministries in the Central Government.

In view of above, our company will have no levy obligation in respect of sugar production from 1st October 2012 and it would be free to sell its sugar production without any quota restriction from now. These are viewed positive to improve the profitability and cash flow of the company.

This information is furnished in deference to the provisions of clause 36 of the Listing Agreement.

Thanking you

Yours truly

N Ramanathan
Managing Director