



Earnings release for the quarter and half year ended 30th September, 2012

9th November, 2012





Disclaimer



Certain statements in this presentation describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Forward looking statements are identified, by using the words 'anticipates', 'believes', 'expects', 'intends' and similar expressions in such statements.

Although our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied. The Company takes no responsibility for any consequence of decisions made based on such statements and holds no obligation to update these in the future.



Presentation Plan



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Corporate Highlights



Strategic Initiatives



Acquisition of Sugar Mill in Kolhapur, Maharashtra

- During the quarter, the company acquired **"Shri Datta Sahakari Sakhar Karkhana Ltd", Distt. Kolhapur, Maharashtra, having a capacity of 2500 TCD**, on payment of **consideration of Rs 108 crore**.
- The plant is located in a prime, high-recovery and cane rich belt of Kolhapur. It is in working condition and will be operating normally during ensuing sugar season.

Order placed for 2nd phase of steam saving devices for Jawaharpur & Nigohi, eventually leading to self sufficiency of fuel for power generation

Key Highlights

Significant growth in average sugar sales realization

- Up 15% YoY at 31,340/T for Q2 FY13
- Up 11% YoY at 29,995/T for HY1'13

Significant growth in cane crushed , recovery and sales volumes

- 2.3 lakh tonnes crushed in HY1 FY13, up 618% YoY
- Recovery improved 31 bps YoY at 10% for half year
- Sales volume up 30% YoY at 1.2 lacs for half year

Net Long Term Debt to Equity lower than 1

- Stands at 0.7x
- Net Long Term Debt at Rs. 303 cr
- Total shareholder funds at Rs. 448 cr



Corporate Social Responsibility



Corporate Citizenship

Three **Model Villages** will be created (1)Jawaharpur- Focus on total sanitation to make the village a Nirmal Gram.

2)Ramgarh-Alternate cooking systems, low cost toilets, street lights and an attractive school

3) Nigohi-Women empowerment and livelihood development through dairy.

Expanded by 6 villages in Nigohi and Ramgarh. New NGO called "Vinobha Seva Ashram" appointed in Nigohi which will be focusing on health, education and livelihood. A total of 185 people impacted during the health camp.

Bi monthly news letter launched to keep the employees updated about the CSR activities

Joy of Giving week celebrated with a huge contribution made to an NGO of national repute called "Goonj"

Served 400 beneficiaries through our Nutrition and Health Days health programme.Held blood donation camps at Jawaharpur and Ramgarh.Approximately 41 people from the plant participated.



Standalone Financial Results



Q2 FY13- Financial Results Highlights



Income

Q2 FY13

Q2 FY12

- Net Sales : Rs. 214 cr; ↑ 43% YoY Rs. 150 cr
- Total Income : Rs. 215 cr; ↑ 39% YoY Rs. 155 cr

Profit

Q2 FY13

Q2 FY12

- EBITDA : Rs. 19 cr ↑ Rs. (5) cr
- Net Profit : Rs. (4) cr ↑ Rs. (18) cr

➤ Higher Net Sales in Q2'13 on account of higher sugar Sales Volume coupled with better Realization



HY1 FY13- Financial Results Highlights



Income

HY1 FY13

HY1 FY12

- Net Sales : Rs. 466 cr; ↑ 49% YoY Rs. 313 cr
- Total Income : Rs. 472 cr; ↑ 46% YoY Rs. 324 cr

Profit

HY 1 FY13

HY1 FY12

- EBITDA : Rs. 56 cr ↑ Rs. 11 cr
- Net Profit : Rs. 7 cr ↑ Rs. (24) cr



Q2 FY13 Results – Business wise



(Rs In crores)	Q2 FY13			Q2 FY12			YoY%/bps		
	Integrated Sugar	Others	Total	Integrated Sugar	Others	Total	Integrated Sugar	Others	Total
Net Sales	204	10	214	140	10	150	46%	-4%	43%
Other Operating Income	1	0	2	3	2	6			
Total Income	205	10	215	143	13	155	44%	-19%	39%
Operating Expenses	189	7	196	153	7	160			
EBITDA	16	3	19	(10)	6	(5)	252%	-38%	506%
EBITDA Margins %	8%	34%	9%	-7%	44%	-3%			1193
Other Income			3			0			
Depreciation			11			10			
Interest			16			12			
Profit Before Tax			(4)			(26)			85%
Tax			(0)			(9)			
PAT			(4)			(18)			80%

Note: Sugar segment includes Cogen & Distillery; Others include Windfarm, Magnesite, etc..

- Average Sugar Sales Realization for the quarter at Rs. 31,340/MT , up 15% on YoY basis.
- 23% YoY increase in Sugar sales volume at 59,542 MT, boosted revenue and EBITDA.



HY1 FY13 Results – Business wise



Period ending (Rs In crores)	HY1 FY13			HY1 FY12			YoY%/bps		
	Integrated Sugar	Others	Total	Integrated Sugar	Others	Total	Integrated Sugar	Others	Total
Net Sales	445	22	466	294	19	313	51%	15%	49%
Other Operating Income	3	2	6	7	4	11			
Total Income	448	24	472	301	22	324	49%	7%	46%
Operating Expenses	402	14	416	300	13	313			
EBITDA	46	9	56	1	9	11	3043%	0%	409%
EBITDA Margins %	10%	39%	12%	0%	42%	3%			840
Other Income			6			1			
Depreciation			21			20			
Interest			33			27			
Profit Before Tax			7			(35)			121%
Tax			0			(11)			
PAT			7			(24)			129%

Note: Sugar segment includes Cogen & Distillery; Others include Windfarm, Magnesite, etc..

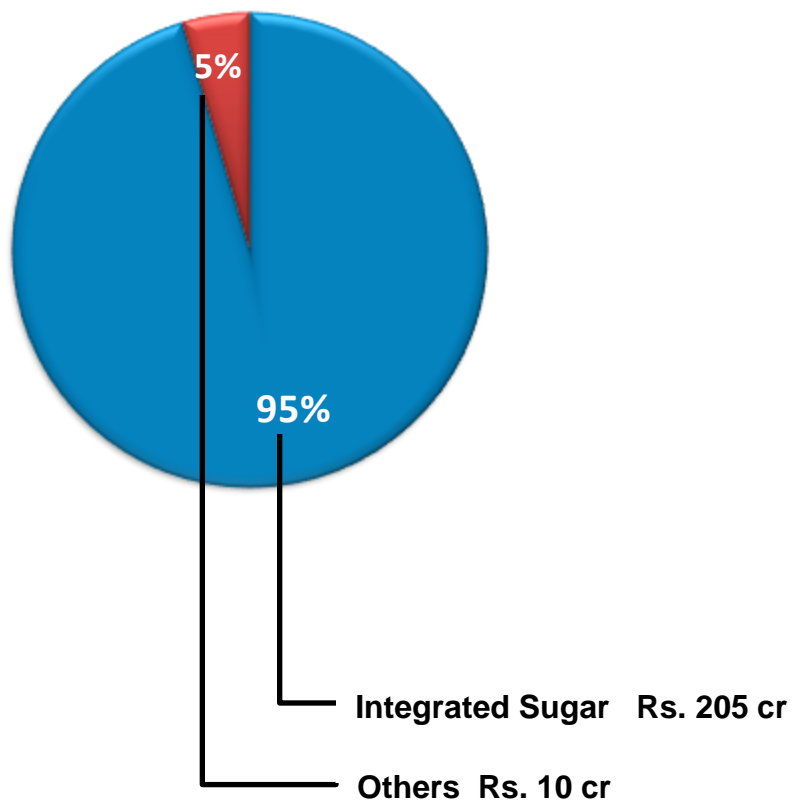
- Average YTD Sugar Sales Realization at Rs. 29,995/MT , increased 11% on YoY basis.
- 30% YoY increase in Sugar sales volume at 1,21,314 MT.



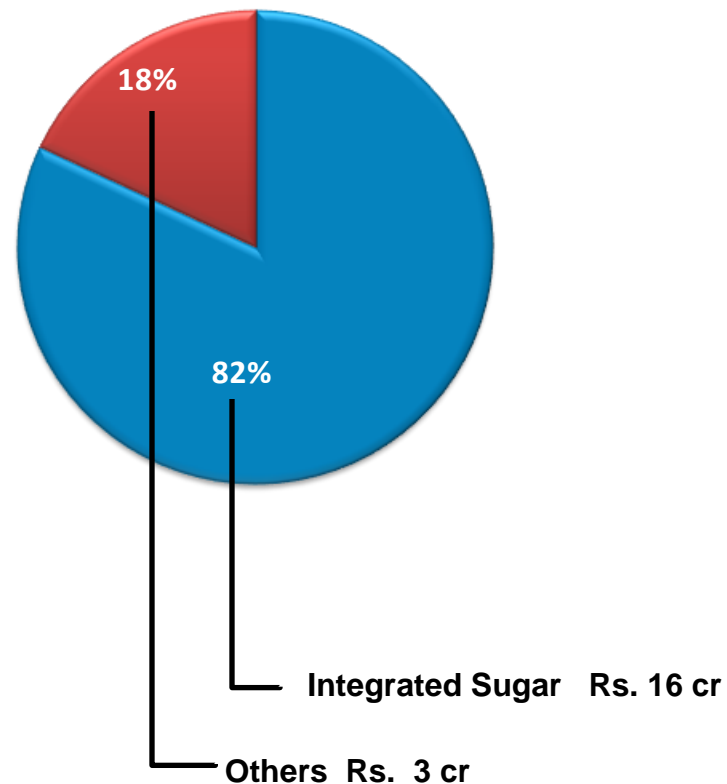
Q2 FY13 Business Mix



Total Revenue Mix



Total EBITDA Mix



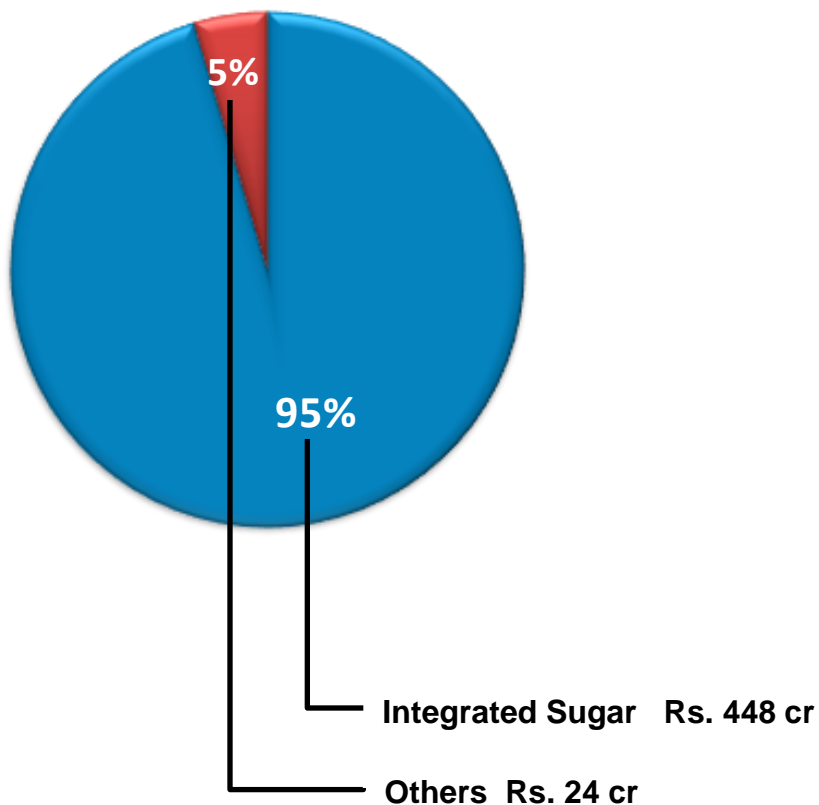
Note: Sugar segment includes Cogen & Distillery; Others include Windfarm, Magnesite, etc..



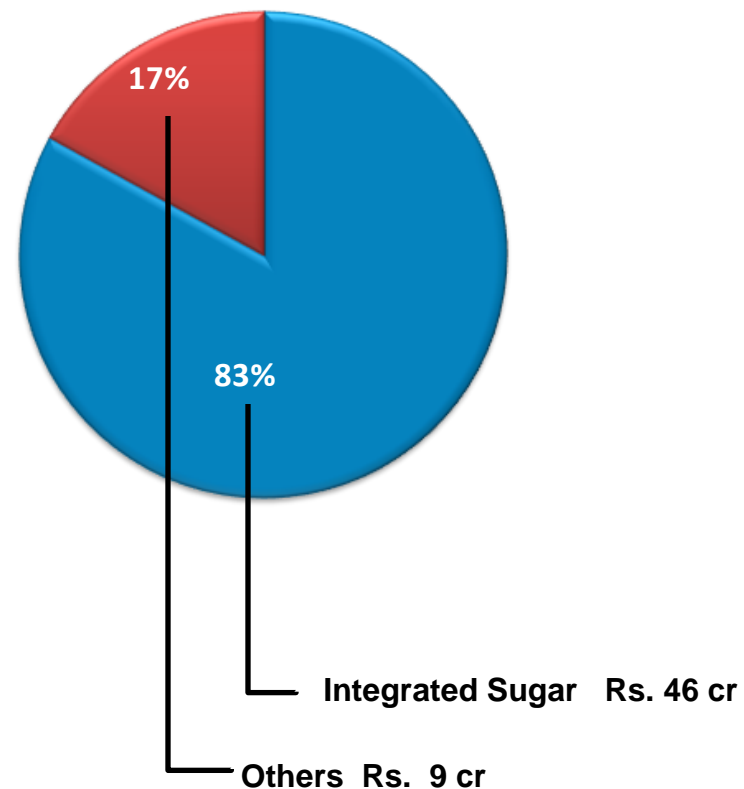
HY1 FY13 Business Mix



Total Revenue Mix



Total EBITDA Mix



Note: Sugar segment includes Cogen & Distillery; Others include Windfarm, Magnesite, etc..



Integrated Sugar Business



Integrated Metrics

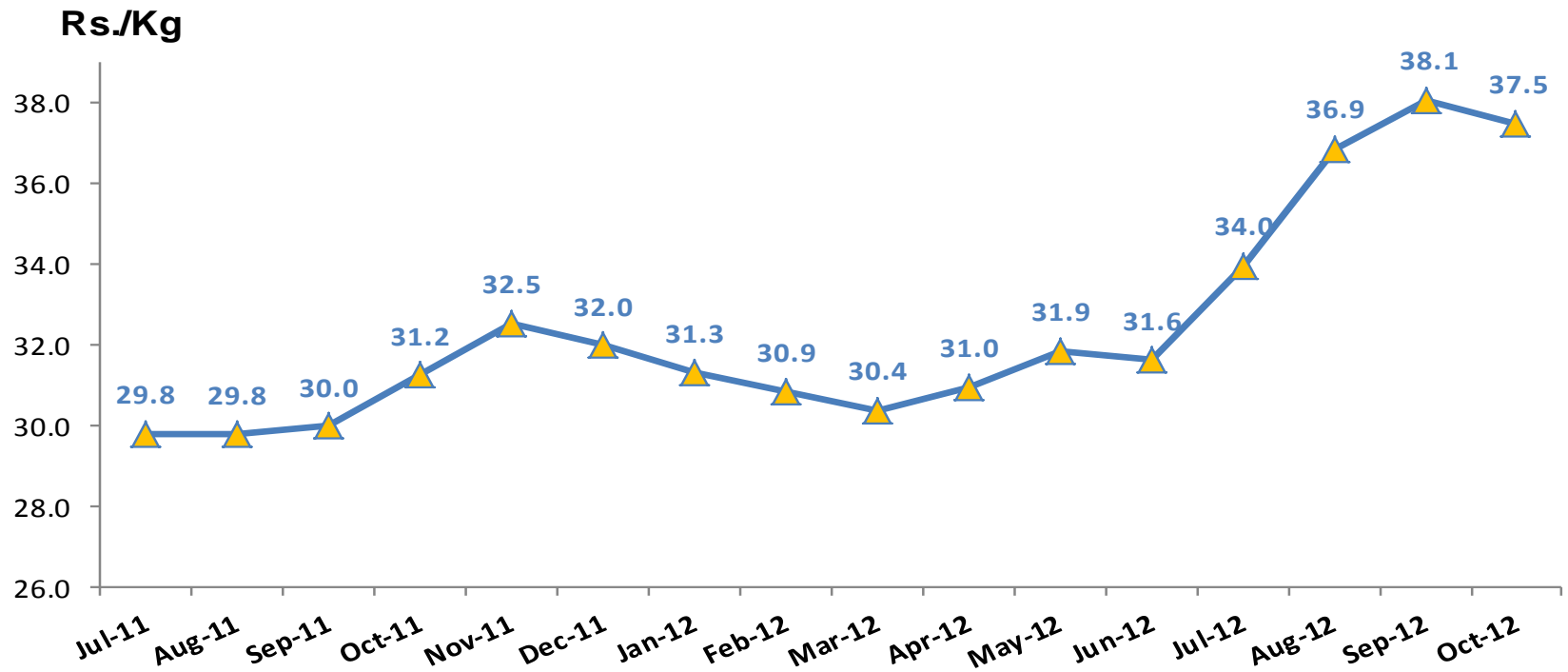


Operational Metrics Sugar	Units	Q2 FY13	Q2 FY12	Growth %/bps	HY1 FY13	HY1 FY12	Growth%/bps
Crushed cane	MT	-	-	-	234,652	32,664	618%
Recovery	%	-	-	-	10.0%	9.6%	31
Crushing Duration	Days	-	-	-	17	3	456%
Production Volume	MT	-	-	-	24,085	3,151	664%
Sales Volumes	MT	59,542	48,362	23%	121,314	93,586	30%
Average Sales Realizations	Rs/T	31,340	27,185	15%	29,995	26,994	11%
Cogeneration Units	Units	Q2 FY13	Q2 FY12	Growth %	HY1 FY13	HY1 FY12	Growth%
Installed Capacity	MW	79	79	-	79	79	-
Average Operating Duration	Days	12	-	-	77	42	83%
Power generated	lakh kwh	76	-	-	1,256	785	60%
Power Exported	lakh kwh	62	-	-	1,040	696	50%
Power Realization	Rs/Kwh	4.2	-	-	4.2	4.6	-8%
Distillery	Units	Q2 FY13	Q2 FY12	Growth%	HY1 FY13	HY1 FY12	Growth%
Installed Capacity	KLPD	80	80	-	80	80	-
Production Volume	KL	837	299	180%	7,623	2,455	211%
Sales Volumes	KL	4,545	1,751	160%	11,107	2,167	413%
Average Sale Rate	Rs/KL	29,766	30,242	-2%	27,614	29,247	-6%

➤ Total Sugar Inventory 73,076 Lac T as on Sep 30, 2012, valued at Rs 28,017/T vs 65,884 Lac MT at Rs. 25,725/T as on Sep 30, 2011



Average Free Sugar Spot Pricing Kanpur Market



➤ Shortfall in monsoons led to higher sugar prices, on the back expectation of lower than expected production in next sugar year.



Sugar Industry Highlights



Sugar Demand - Supply Situation in India



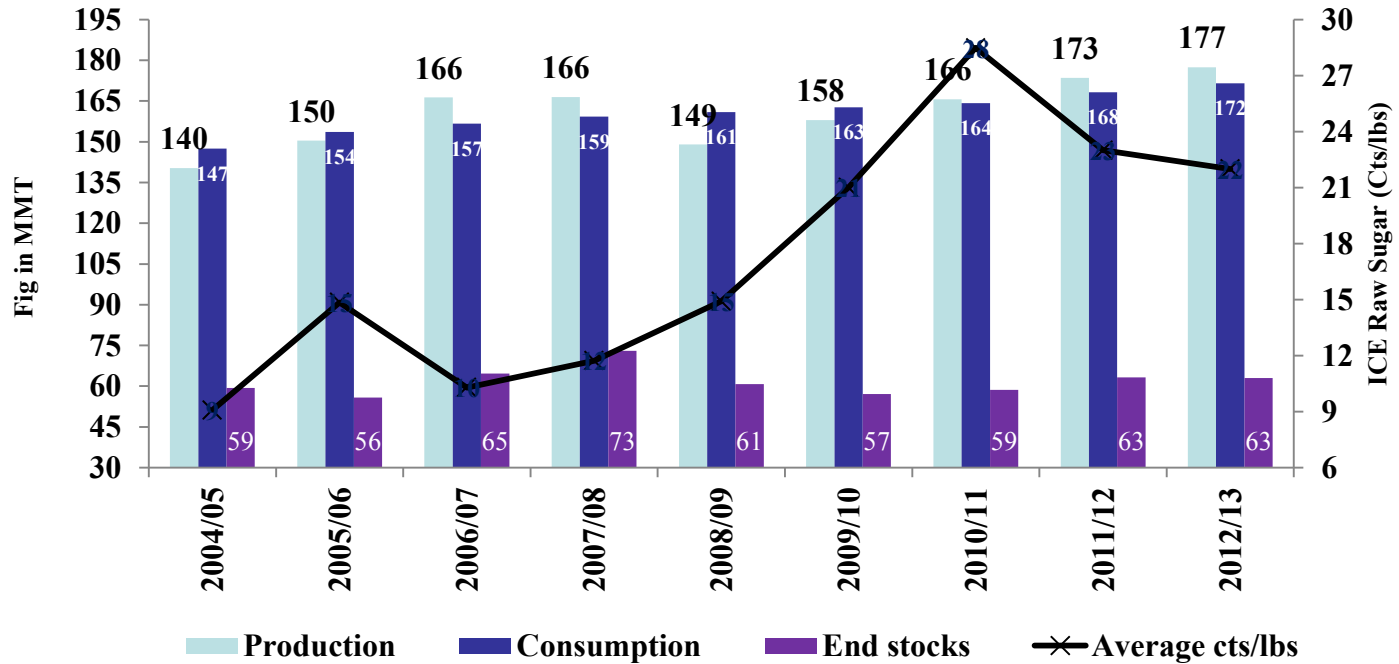
Particulars	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 (E)	2012-13 (P)
Opening Stock as on 1st Oct.	113	116	85	48	36	92	100	44	50	55	65*
Production during the Season	201	140	127	193	283	263	148	189	244	263	240
Imports	0	4	21	-	-	-	25	41		-	
Total Availability	315	260	233	241	320	356	273	274	294	318	305
Off-take:											
i) Internal Consumption	184	173	185	185	210	225	227	213	208	220	225
ii) Exports	15	2	0	11	17	50	2	2	26	33	-
Total Off take	199	175	185	196	227	275	229	216	234	253	225
Closing Stock as on 30th Sept.	116	85	48	45	93	81	44	58	60	65*	80**
Stock as % of Off take	63%	49%	26%	24%	44%	36%	19%	27%	29%	30%	36%
Sugar Prices Rs./Kg (Ex-Mill)	11	13	16	17	13	14	21	29	28	30	31
<u>International Sugar Prices Rs./Kg CNF</u>	10	10	12	18	14	15	20	27	33	31	31
<u>Indian Port</u>											

* Free Sale stock of 47.5 Lakh MT and Levy stock of 18.5 Lakh MT. (incl. 12 Lakh MT of 2011-12). Levy stock however may be lower by 5 Lakh MT as mills could have sold most of the levy stock of 2010-11 production. Accordingly actual stock as estimated would be 60 Lakh MT.

** We expect export of 10 Lakh MT and thus closing stock could be 70 Lakh MT and stock as % of offtake would be 31%.

Global Sugar Scenario

World Production, Consumption, Stock & ICE raw sugar prices



Source : International Sugar Organization

Decontrol of Sugar

- **Rangarajan Committee has submitted its report to PMO & has recommended complete decontrol of Sugar industry. Following are the key recommendations:-**
 - Abolition of Levy sugar.
 - Abolition of Release Mechanism.
 - Stable Trade policy with appropriate tariff on imports and exports.
 - To do away with the compulsory jute packaging guidelines.
 - Market determined Pricing of by- products.
 - Revenue sharing model under which 70% of sugar value and each of its three major by products would be paid to farmers.
 - To dispense with the present minimum distance between two sugar mills at 15 kms/25 kms.
 - Freedom to farmers to sell cane to any mill irrespective of distance.

“Report extremely positive for the industry and If implemented, will result in rerating of the industry.”



Regulatory Updates- Contd...



Other Updates

- **Sugar Packaging-** CCEA in its meeting held on 11th Oct 2012, has approved the packaging of 40% sugar in jute bags.
- **Ethanol** – GOM in its meeting held on 24th Sep 12, has recommended for a market determined price of Ethanol.
- **Levy Sugar obligation** - The Govt. has in principal agreed to carry forward the previous years levy sugar obligation by six months i.e. lifting up to 31st March of next year.



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The background is a solid blue color with several overlapping, semi-transparent geometric shapes in various shades of blue and purple. These shapes include triangles, quadrilaterals, and a large, curved, teardrop-like shape on the right side. The overall effect is a modern, abstract design.

thankyou