



Earnings Release for the Quarter and Financial Year Ended 31<sup>st</sup> March, 2013  
27<sup>th</sup> May, 2013



# ***Presentation Plan***

Corporate Highlights

Financial Results

Sugar Industry Highlights

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# ***Corporate Highlights***

# Key Highlights

## Financial Year 12-13

- Recommendations made by Dr. C Rangarajan Committee related to Levy obligation & release mechanism of Sugar accepted, Extremely positive for the long-term prospects of the industry.
- Buoyancy in sugar and Ethanol/Alcohol sales prices and liquidation of low cost inventory brought forward from last year turned favorable for company.
- Benefits of fully integrated business model with Distillery yielding significant returns with optimum capacity utilization.
- **FY 2013 highlights v/s FY 2012**
  - Net Revenue growth by 39% to Rs 994 crore.
  - EBIDTA at Rs 152 crore as against Rs 85 crore in corresponding period.
- **Q4 FY 2013 highlights v/s Q4 FY 2012**
  - Net Revenue growth by 46% to Rs 269 crore.
  - EBIDTA at Rs 71 crore as against Rs 65 crore in corresponding period

# *Financial Results*

## FY13- Results Highlights

### Income

FY13

FY12

- Net Sales : ₹ 994 cr ↑ 39% YoY ₹ 715 cr
- Total Income : ₹ 1000 cr ↑ 36% YoY ₹ 735 cr

### Profit

FY13

FY12

- EBITDA : ₹ 152 cr ↑ 79% YoY ₹ 85 cr
- Net Profit : ₹ 18 cr ↑ ₹ 1 cr

- The Board of Directors has recommended a dividend of ₹. 0.25/- per share, on the face value of ₹. 2.00/- per share.
- Total Dividend Payout Ratio stands at 13% (Including Dividend Distribution Tax).

## FY13 Results – Business wise

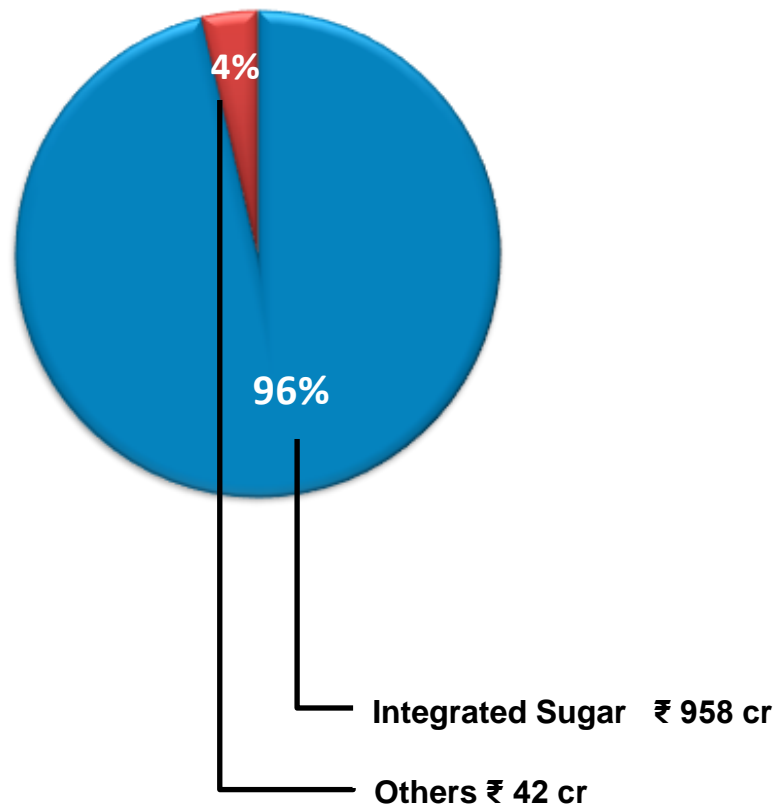
Period ending (₹ In crores)	FY13			FY12			YoY%		
	Integrated Sugar	Others	Total	Integrated Sugar	Others	Total	Integrated Sugar	Others	Total
Net Sales	957	37	994	682	33	715	40%	10%	39%
Other Operating Income	1	6	6	10	9	20			
<b>Total Income</b>	<b>958</b>	<b>42</b>	<b>1,000</b>	<b>692</b>	<b>43</b>	<b>735</b>	<b>38%</b>	<b>-2%</b>	<b>36%</b>
Operating Expenses	816	32	848	621	29	649			
<b>EBITDA</b>	<b>142</b>	<b>10</b>	<b>152</b>	<b>71</b>	<b>14</b>	<b>85</b>	<b>98%</b>	<b>-24%</b>	<b>79%</b>
<b>EBITDA Margins %</b>	15%	25%	<b>15%</b>	10%	32%	<b>12%</b>			
Other Income			14			7			
Depreciation			73			42			
Interest			66			50			
Exceptional Items			9			-			
<b>Profit Before Tax</b>			<b>19</b>			<b>1</b>			
Tax			1			(0)			
<b>PAT</b>			<b>18</b>			<b>1</b>			

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

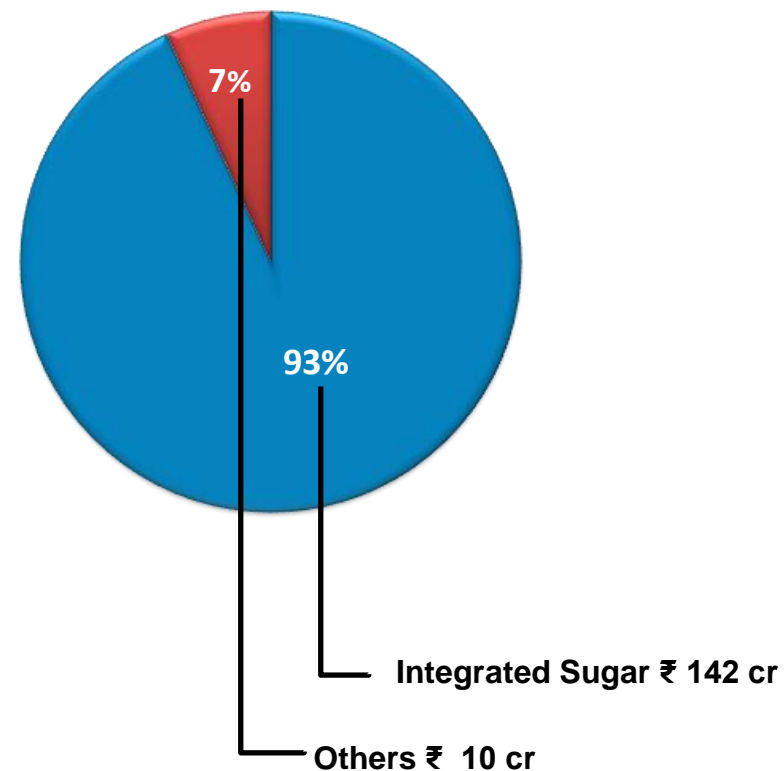
- Average YTD Sugar Realization at ₹. 30,860 /MT , increased 12% on YoY basis.
- 22% YoY increase in Sugar sales volume at 2.44 Lac MT.

# FY13 Business Mix

## Total Revenue Mix



## Total EBITDA Mix



**Integrated Sugar & Other Business contribute about 93% and 7% respectively to the overall EBITDA mix**

*• Sugar segment includes Cogen & Distillery; Others include Windfarm, Magnesite, etc*



## Q4 FY13 - Results Highlights

### Income

Q4 FY13

Q4 FY12

- Net Sales : ₹ 269 cr ↑ 46% YoY ₹ 185 cr
- Total Income : ₹ 273 cr ↑ 41% YoY ₹ 193 cr

### Profit

Q4 FY13

Q4 FY12

- EBITDA : ₹ 71 cr ↑ 9% YoY ₹ 65 cr
- Net Profit : ₹ 7 cr ₹ 28 cr

- Higher Net Sales in Q4'13 on account of increased sales volume for sugar & Ethanol, also coupled with better Realization.
- Higher Sales Volumes of Cogen Power at 971 lac kwh units, Contributed ₹ 38.9 Crore to the overall revenue for the quarter.



## Q4 FY13 Results – Business wise

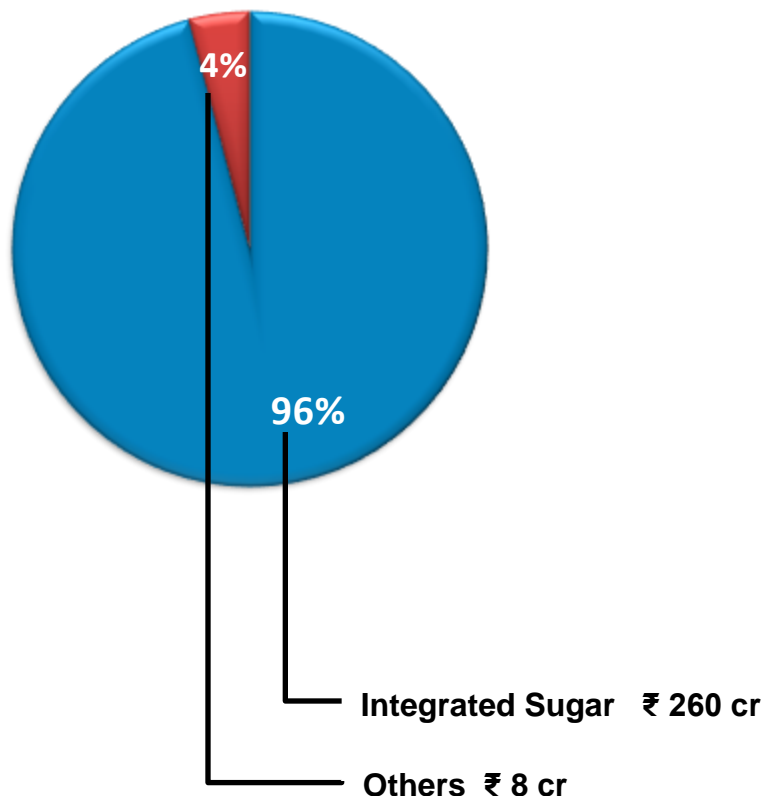
(₹ In crores)	Q4 FY13			Q4 FY12			YoY%		
	Integrated Sugar	Others	Total	Integrated Sugar	Others	Total	Integrated Sugar	Others	Total
Net Sales	260	8	269	178	7	185	46%	20%	45%
Other Operating Income	1	3	4	5	3	8			
<b>Total Income</b>	<b>262</b>	<b>11</b>	<b>273</b>	<b>183</b>	<b>10</b>	<b>193</b>	<b>43%</b>	<b>10%</b>	<b>41%</b>
Operating Expenses	192	10	202	120	8	128			
<b>EBITDA</b>	<b>69</b>	<b>2</b>	<b>71</b>	<b>63</b>	<b>2</b>	<b>65</b>	<b>11%</b>	<b>-35%</b>	<b>9%</b>
<b>EBITDA Margins %</b>	<b>27%</b>	<b>14%</b>	<b>26%</b>	<b>34%</b>	<b>23%</b>	<b>34%</b>			
Other Income			3			2			
Depreciation			40			11			
Interest			18			14			
Exceptional Items			9			0			
<b>Profit Before Tax</b>			<b>8</b>			<b>42</b>			
Tax			1			13			
<b>PAT</b>			<b>7</b>			<b>28</b>			

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

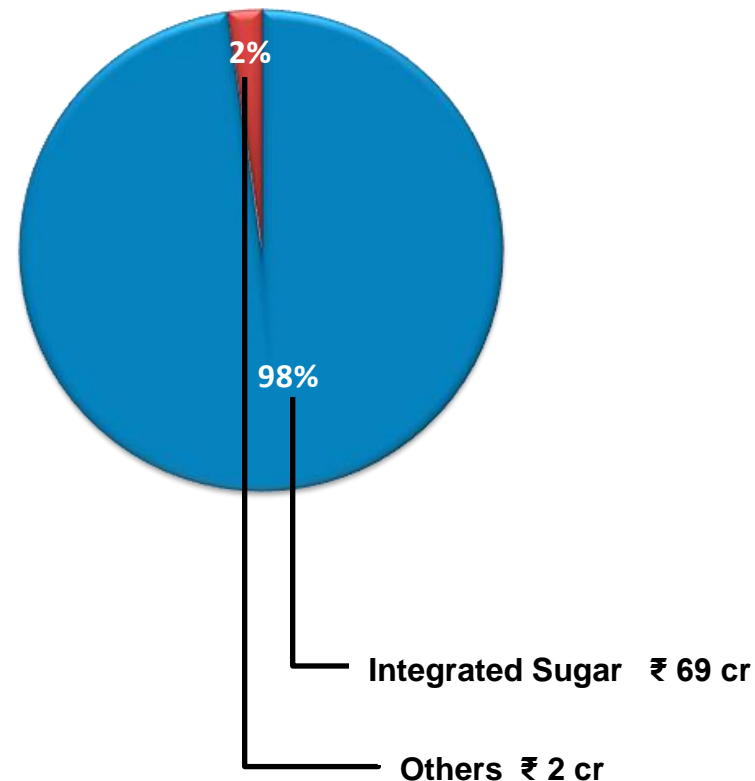
- Average Sugar Realization for the quarter at ₹. 30,245/MT , increase of 8% on YoY basis.
- 110% YoY increase in Distillery sales volume at 7,182 KL, boosted revenue and EBITDA.

## Q4 FY13 Business Mix

### Total Revenue Mix



### Total EBITDA Mix



**Integrated Sugar Business contribute d about 96% and 4% by Other Business segments to the overall revenue mix**

*•Sugar segment includes Cogen & Distillery; Others include Windfarm, Magnesite, etc*

## Consolidated financial position

₹ Crore	31-Mar-13	31-Mar-12
Net Worth	459	442
Debt	786	710
Term Loans	300	300
Soft Loans	74	84
Working Capital	412	326
Deferred Tax	79	79
<b>Total</b>	<b>1,324</b>	<b>1,231</b>
Fixed Assets	652	579
Investments	18	6
Cash and equivalents	71	113
Net Other Assets	583	532
<b>Total</b>	<b>1,324</b>	<b>1,231</b>
Net Debt to Equity	1.6	1.4

## Integrated Metrics

Operational Metrics Sugar	Units	Q4 FY13	Q4 FY12	Growth %/bps	FY13	FY12	Growth%/bps
Crushed cane	MT	1,780,091	1,573,940	13%	2,791,533	2,360,664	18%
Recovery	%	10.1%	9.4%	8%	9.9%	9.1%	9%
Crushing Duration	Days	90	91	-1%	146	139	5%
Production Volume	MT	180,226	148,040	22%	277,362	214,919	29%
Sales Volumes	MT	64,366	43,957	46%	244,475	199,675	22%
Sales Realizations	₹/T	30,245	27,988	8%	30,860	27,644	12%
Cogeneration Units	Units	Q4 FY13	Q4 FY12	Growth %	FY13	FY12	Growth%
Installed Capacity	MW	79	79	-	79	79	-
Average Operating Duration	Days	90	91	-1%	210	185	13%
Power generated	lakh kwh	1,535	1,576	-3%	3,644	3,203	14%
Power Exported	lakh kwh	971	987	-2%	2,603	2,247	16%
Power Realization	₹/Kwh	4.0	4.1	-2%	4.2	4.3	-2%
Distillery	Units	Q4 FY13	Q4 FY12	Growth %	FY13	FY12	Growth%
Installed Capacity	KLDP	80	80	-	80	80	-
Running Duration	Days	90	83	8%	249	127	96%
Production Volume	KL	7,565	6,782	12%	20,684	10,500	97%
Sales Volumes	KL	7,182	3,420	110%	23,508	6,744	249%
Sales Realizations	₹/KL	33,463	28,764	16%	30,682	28,655	7%

➤ Significant growth in Cogen Power and Ethanol Sales volumes boosted Revenue and EBITDA.

# ***Sugar Industry Overview***

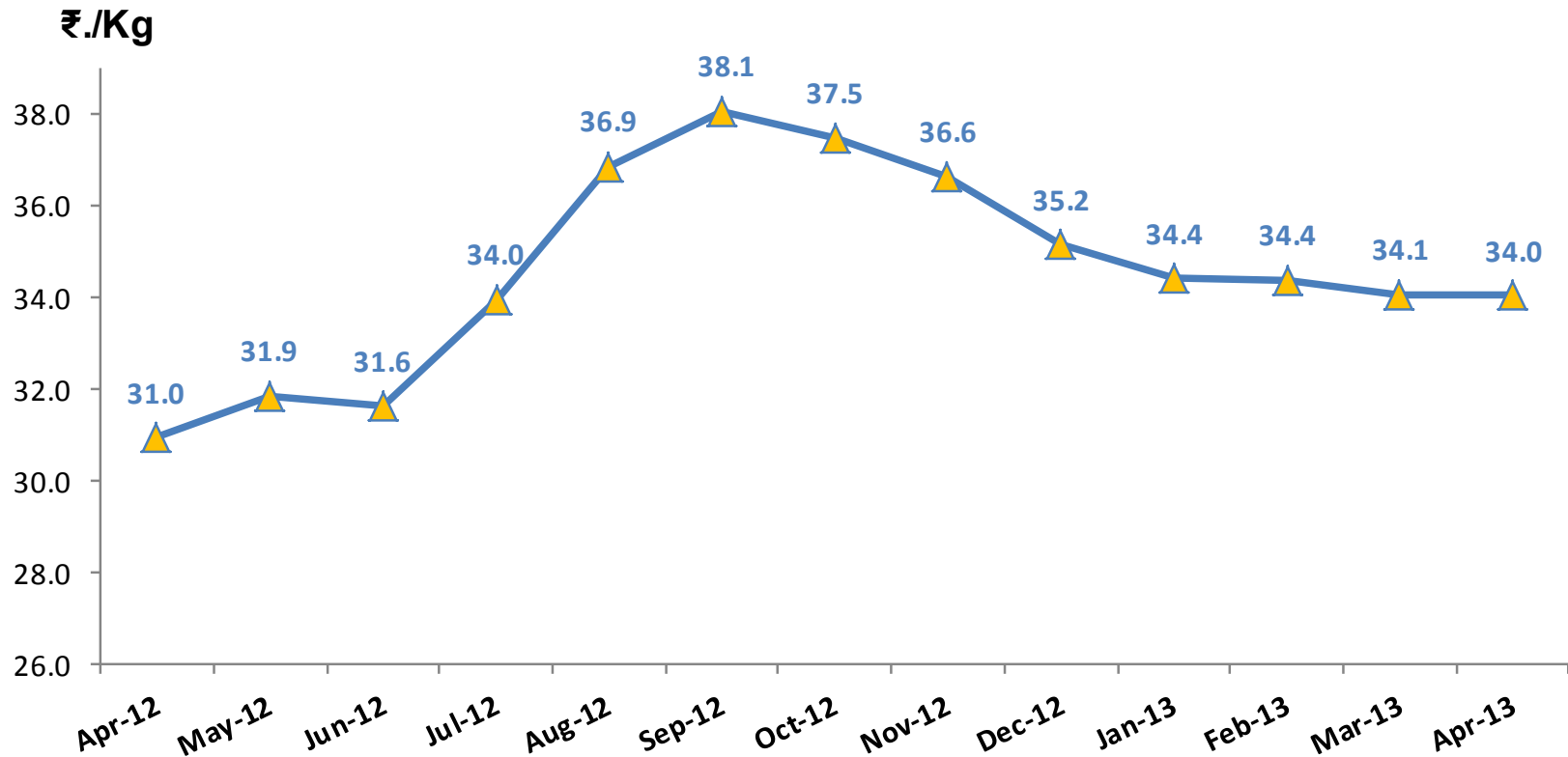
# Sugar Demand - Supply Situation in India

(Lac MT)

Particulars	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (E)
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	250
Imports	0	4	21	-	-	-	25	41		-	5
<b>Total Availability</b>	<b>315</b>	<b>260</b>	<b>233</b>	<b>241</b>	<b>320</b>	<b>356</b>	<b>273</b>	<b>274</b>	<b>294</b>	<b>318</b>	<b>320</b>
<b>Off-take:</b>											
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	
<b>Total Off take</b>	<b>199</b>	<b>175</b>	<b>185</b>	<b>196</b>	<b>227</b>	<b>275</b>	<b>229</b>	<b>216</b>	<b>234</b>	<b>253</b>	<b>225</b>
<b>Closing Stock as on 30th Sept.</b>	<b>116</b>	<b>85</b>	<b>48</b>	<b>45</b>	<b>93</b>	<b>81</b>	<b>44</b>	<b>58</b>	<b>60</b>	<b>65</b>	<b>95</b>
<b>Stock as % of Off take</b>	<b>63%</b>	<b>49%</b>	<b>26%</b>	<b>24%</b>	<b>44%</b>	<b>36%</b>	<b>19%</b>	<b>27%</b>	<b>29%</b>	<b>30%</b>	<b>42%</b>
<b>Sugar Prices ₹./Kg (Ex-Mill)</b>	<b>11</b>	<b>13</b>	<b>16</b>	<b>17</b>	<b>13</b>	<b>14</b>	<b>21</b>	<b>29</b>	<b>28</b>	<b>30</b>	<b>31</b>
<u>International Sugar Prices ₹./Kg</u> <u>CNF Indian Port</u>	<b>10</b>	<b>10</b>	<b>12</b>	<b>18</b>	<b>14</b>	<b>15</b>	<b>20</b>	<b>27</b>	<b>33</b>	<b>31</b>	<b>31</b>

➤ Since the Sugar closing stock at the end of season is expected to be high, therefore the sugar prices are expected to be range bound in the coming months.

# Free Spot Sugar Pricing



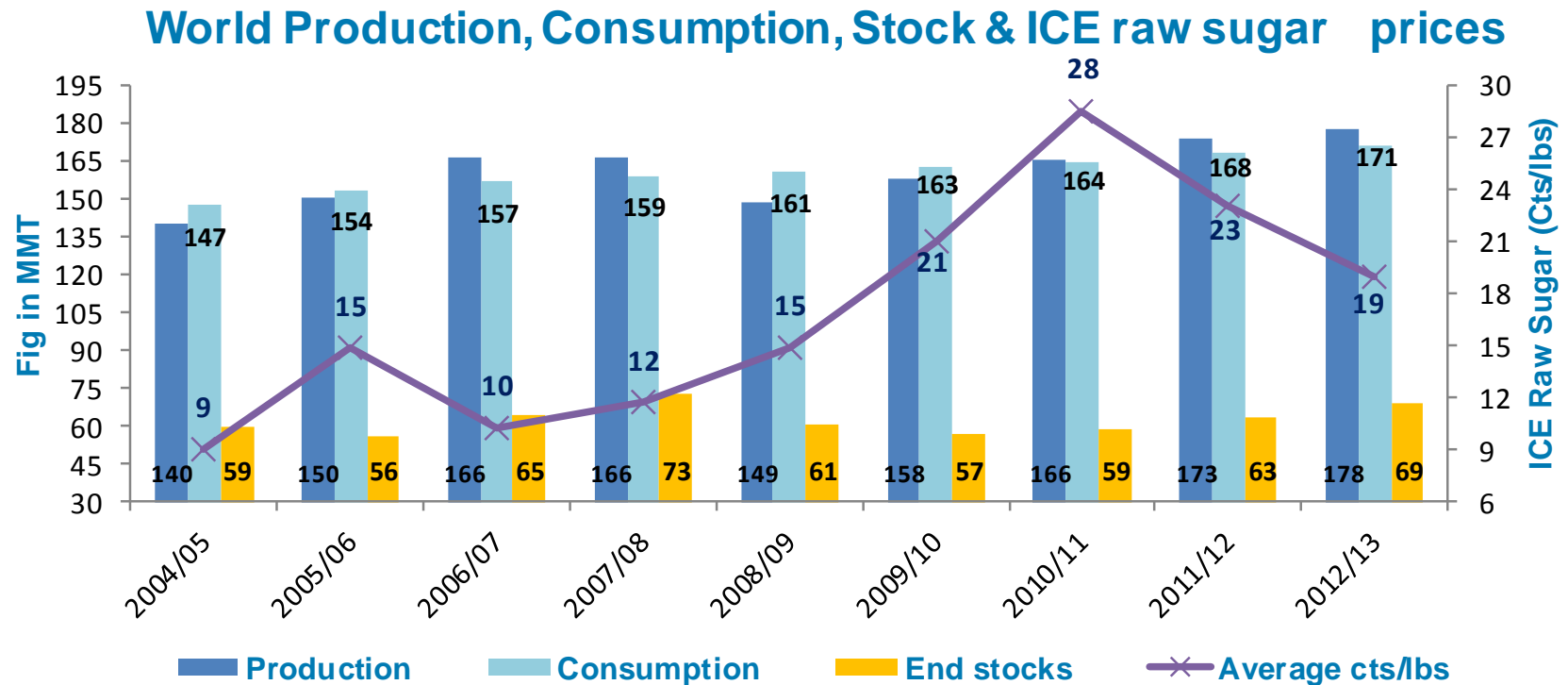
Source: NCDEX, Spot Prices M- Grade Sugar, Kanpur Market

- Sugar season opened with buoyant sugar prices at ₹ 38.1/kg, downward pressure on prices was witnessed due to dispensing of release mechanism and levy sugar abolition, where in sugar prices gradually dropped and closed the financial year at ₹ 34/kg.





## Global Sugar Scenario



Source: International Sugar organization.

➤ ISO in its May forecast has revised its world surplus to 9.98 million MT due to higher production hopes in Brazil, Mexico and particular in Thailand.

## Decontrol of Sugar

- Recommendations made by Dr. C Rangarajan Committee related to Levy obligation & release mechanism of Sugar accepted, extremely positive for the long-term prospects of the industry.
- Karnataka first state to initiate further reforms in the cane pricing in line with recommendations of Dr. Rangarajan Committee. Hopefully other states may follow the suit in future.
- Based upon the policy approved by the CCEA, the oil marketing companies (OMCs) finalised higher Ethanol pricing for the mandatory 5% blending programme. The benchmark rate has been increased to Rs 35/Ltr from Rs 27/Ltr on the basis of open market tender.

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 teardrop-like form, creating a layered, abstract effect.

*thankyou*

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