



# PONNI SUGARS (ERODE) LIMITED

CIN : L15422 TN1996 PLC037200

Regd. Office: ESVIN House, No.13, Rajiv Gandhi Salai (OMR)

Perungudi, Chennai 600 096.

Phone : 044-24961920, 24960156

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## Media Release

The Board of Directors of the Company in their meeting held on 29<sup>th</sup> May 2020 have approved the Financial Statements for the year ended 31<sup>st</sup> March 2020 and recommended a dividend of Rs.4/- (Rupees four only) per Equity Share of Rs.10 each. The declaration and payment of dividend is subject to the approval of shareholders and deduction of tax as applicable.

## Performance Highlights

	2019-20	2018-19
<b>Physical Performance</b>		
Cane crushed (tonnes)	<b>597536</b>	448400
Sugar recovery (%)	<b>9.47</b>	9.92
Sugar produced (tonnes)	<b>56942</b>	44484
Power produced (lakh kwh)	<b>918</b>	916
<b>Financial Performance ( ₹ crores)</b>		
Total Income	<b>314.53</b>	187.96
Profit Before Interest, Depreciation &Tax	<b>45.43</b>	22.73
Profit Before Tax	<b>35.89</b>	12.00
Profit After Tax	<b>30.94</b>	8.43

The operations of the Company during FY 2019-20 have recorded significant improvement with strident increase in cane volume, resurgence in sugar sales and robust rise in by-product prices. Cane crushed for the year is one-third higher compared to last year. Sugar sale volume has doubled. Power production is at its peak. Indeed, the Company has achieved the highest turnover, power production and molasses price realization in FY 2019-20. The decline in sugar recovery under adverse climatic conditions however is a cause for concern.



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As a result of all round excellence in operating performance, PBIDT for the year has doubled and PBT tripled. These figures mark the second best in the annals of the company after FY 2009-10.

The Company's operations got interrupted in late March'20 and for most part of April'20 due to the imposition of lockdown by both the Central and State Governments under Covid-19 threat. Despite exemption being available for an essential manufacturing unit like ours, the lockdown led to instant disruption in harvest labour and multitude of logistical challenges on ground. Taking an overall view, our sugar mill's operations were closed on 24.03.2020. With phased relaxation in the lockdown conditions, we resumed production from 22.04.2020. The Covid-19 impact giving all relevant information in terms of SEBI Circular dated 20.05.2020 has already been filed with NSE and BSE on 21.05.2020 by the Company.

The Company would no doubt be faced with considerable challenge during FY 2020-21. Overall economic growth is haunted by the continuance of Covid-19 pandemic. Higher sugar production in the country coupled with depressed global prices and slackening demand are bound to keep domestic sugar prices at the lower band. Migrant labour for harvesting sugarcane could pose initial incertitude.

The Company therefore apprehends a fall in cane volume and pressure on sugar prices, adversely impacting its operational and financial performance in FY 2020-21. The Company is hopeful that it would be able to meet these challenges, on the strength of its strong liquidity, low debt load and lean cost structure. The Company will continue to remain steadfastly focused on cost optimization measures and shore up performance in FY 2020-21 under extant constraints.

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