



# PONNI SUGARS (ERODE) LIMITED

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Annexure-3



## PRESS RELEASE

### Performance highlights for Quarter-3 of FY 2009-10

#### Operational Performance

- Crushing days doubled from 43 to 87 days
- Cane volume nearly doubled from 1.36 to 2.65 lakh tonnes
- Sugar recovery declined by 41 bps due to adverse age profile of cane
- Sugar production more than doubled from 13844 tonnes to 29750 tonnes with supplementary output from raw sugar processing

#### Market

- Safe volume increased by 62%
- Sugar prices displayed strident improvement under buoyant market conditions
- Molasses prices remained stable at remunerative levels.

#### Raw Material

- Sugarcane price hiked to Rs.1725 per tonne against FRP of Rs.1421.70 per tonne
- In addition, full transport cost from field to factory is borne by the Company
- Northeast monsoon has failed for the second consecutive year to cripple cane planting in rain-dependent regions
- Sugarcane outlook for current season remains subdued but considered reasonable under extant conditions
- Further raw imports under consideration, looking for appropriate timing with price correction

#### Financial Performance

[Rs.lakhs]

	Oct-Dec 2009	Oct-Dec 2008
Net Sales	8963	3580
PBIDT	2794	577
PBT	2678	450
PAT	1773	288
EPS (Rs)	20.62	3.35

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- Significant increase in Turnover by 150%
- Highest cane crushing in Tamil Nadu
- Highest sugar recovery amongst private mills in Tamil Nadu
- Highest ever PBT and PAT figures achieved for the quarter and cumulative figures upto December 2009

**Project**

- Delay in Distillery project due to opposition from a small section of local population
- Distillery project temporarily put on hold with continuing efforts to enlist local support
- Board has now cleared Cogeneration Project on a capital outlay of Rs.95 crores
- Cogen project comprises 112 ata high pressure boiler and 20 MW Turbo Alternator
- Power export of 12 MW during season and 16 MW during off-season
- Project funding through appropriate combination of internal accruals and debt

**Outlook**

- Sugar prices to remain strong in near-term
- Increased cane cost and higher operational cost associated with under-capacity utilization by sugar mills get more than neutralized by buoyant sugar prices
- Ponni has good volume of sugar stock on hand and reasonable cane volume for Q4 FY 2009-10
- Ponni hence looks to a strong and robust financial performance for FY 2009-10

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**N Ramanathan**  
**Managing Director**