

Vishwaraj Sugar Industries Ltd. Announces Excellent Results; Board Recommends Dividend

Mumbai, 26 May, 2021: BSE & NSE listed Vishwaraj Sugar Industries Ltd. (BSE: 542852, NSE: VISHWARAJ) has announced excellent results for the Quarter and year ended 31st March, 2021. For the quarter ended 31st March, 2021, total revenue from operations increased to Rs. 16,172 Lakhs (Q4FY21) from Rs. 10,957 Lakhs (Q4FY20).

For the year ended 31st March, 2021, the total revenue from operations stood tall at Rs. 42,646 Lakhs, which was again a substantial increase from previous year, which stood at Rs. 37,673 Lakhs. The PAT also turned positive in FY21, and saw improvement from a loss of Rs. 788.05 lakhs (FY20) to a profit of Rs. 829.29 Lakhs (FY21). Further, the board has recommended a dividend of Rs.1.

Incorporated in the year 1995, Vishwaraj Sugar Industries Ltd is an integrated sugar and other allied products manufacturing company operating from Belgaum District in the State of Karnataka which is designated as one of the “High Recovery zones” for sugar production by Government of India. The company operates a single location sugar unit having licensed crushing capacity of 11,000 TCD. In addition to sugar, the company also manufactures other allied products like Rectified Spirits, Extra-Neutral Spirits, Natural Alcohol Vinegar, Compost, Carbon dioxide (CO₂), etc. and is also engaged in the generation of Power from Bagasse, a byproduct of sugar industry, for captive consumption as well as external sale. Vishwaraj Sugar Industries Ltd.’s business can hence be broken up into four main segments namely Sugar, Co-Generation, Distillery and Natural Alcohol Vinegar.

Vishwaraj Sugar Industries Ltd. is involved in the process of production of sugar, with a total capacity crushing capacity of 11,000 Metric tonnes per day. The company has total licensed sugarcane crushing capacity of 11,000 TCD and installed sugarcane crushing capacity of 10,500 TCD.

Since the de-regularization of Sugar, the Company has developed a robust marketing and sales team which liaisons with various major brands and has sold sugar produced to major brands such as PepsiCo Holdings India Private Limited, Parle Biscuits Private Limited and Britannia Industries Limited; among others, who use sugar for manufacture of various biscuits, confectionery and beverages.

The company has one of the most efficient sugar manufacturing unit with a steam requirement of less than 28% per Ton of sugarcane crushed. This leads to a substantial savings of bagasse, which is used by the company to generate and sell power for another 100 days after the crushing season is over.

The Company has reduced its dependence on sugar and in the year ending 31 March 2021, the sugar sales accounted for 66% of the total revenue against 76% a year ago. The sugar revenue is further expected to go down in percentage terms going forward.

Vishwaraj Sugar Industries Ltd. manufactures Distillery products like Rectified Spirit, Anhydrous Ethanol and Extra-Neutral Spirit from molasses and Sugar Syrup.

Currently the distillery unit has an installed capacity of 100 KLPD of Rectified Spirit, 50 KLPD of Neutral Spirit and 96 KLPD of Anhydrous Ethanol (being supplied to OMCs). Ethanol produced after fermentation and distillation of Molasses/ Sugar syrup is further dehydrated into Fuel Ethanol, by removing the water content, and the so dehydrated Ethanol contains a minimum 99.6% Ethyl Alcohol that is used for blending with petrol.

The Company has, in the present sugar season used Sugar syrup as a raw material for manufacture of Anhydrous Ethanol and manufactured more than 80 lakh ltrs of Anydrous Ethanol and supplied to OMCs up to 31 March 2021. The Company also uses ' B' Heavy molasses as a feedstock in the distillery. With an enhanced capacity of 100 KLPD the distillery unit contributes sizably to the top line and bottom line of the company. The distillery unit's contribution was approximately 14% of the total revenue in the year and is expected to increase substantially in the years to come.

Over the years the Natural Alcohol Vinegar unit of the company has been contributing to the top line and bottom line of the company. In the year ending 31 March 2021, the company's vinegar production was up by almost 60% and the

sales were up by 67%. It is expected that this trend will continue in the coming years also.

On the cogeneration power front the company has increased power generation by more than 17% in the year and has sold approximately 15% more power than a year ago with a revenue increase of more than 18%