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Shree Renuka Sugars posts 141% rise in total income in Q1 FY23

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Shree Renuka Sugars Limited â?? one of Indiaâ??s largest sugar and green energy (ethanol and renewable power) producers and a subsidiary of Wilmar Sugar Holdings Pte Ltd, Singapore â?? has reported its financial performance for the quarter ended June 30, 2022.

Highlights of the results for the quarter are summarized below.

Total income up by 141 per cent over the previous year from Rs 8,067 Mn to Rs 19,401 million.

Â The company posted strong Q1 performance driven by double digit volume growth and higher margins across all its business segments compared to a year ago.

Growth was led by 1) Refinery (175 per cent) & Distillery (89 per cent), 2) Consumer pack sales grew by 4%. Realization remained robust and improved by 5 per cent.

Distillery had a record production of 4.62 crore litres despite being off season due to availability of stored molasses, compared to 1.84 crore litres produced in the previous year.

Atul Chaturvedi, Executive Chairman said, â??This quarterâ??s results must be seen in the light of soaring global inflation, high interest rates, high crude prices and weakening currency. Commodity markets remain very volatile, compelling Government to resort to export restrictions. Our total income for the quarter has increased by 141 per cent over the previous year. Revenues have grown significantly across all segments with better sales realization.

With the onset of good monsoon in the country, we anticipate better sugarcane availability in the upcoming season (October-September) also. Besides improving the balance sheet and cash flows of sugar mills, higher ethanol sales has ensured timely payment of cane dues to farmers and balance out sugar inventories. We remain very optimistic in the financial performance and overall growth of our Company.â?•

Â Sunil Ranka, Chief Financial Officer said, â??Shree Renuka Sugars has delivered a strong financial performance in the first quarter with a gross profit growth of about 311 per cent and EBITDA growth of 359 per cent. High volumes and margins propped up EBITDA up to Rs 1,102 Mn from negative Rs 425 Mn in the previous year.

Ethanol blending program has been a game changer for the sugar sector and this has de-risked the seasonal and cyclical nature of business. Good monsoon, strong sugarcane planting and government policies will keep Renuka on the growth path.â?•