



ICRA

A MOODY'S INVESTORS
SERVICE COMPANY

INDIAN SUGAR SECTOR JULY 2020

Sugar production likely to increase by 12% Y-o-Y in SY2021; continued government support critical for industry's profitability

Sabyasachi Majumdar
+91 124 4545 304
sabyasachi@icraindia.com

Anupama Reddy
+91 40 4067 6516
anupama.reddy@icraindia.com

CONTENTS

1. Executive Summary	03
2. Domestic Demand & Supply Scenario	09
Trends in domestic sugar production, consumption and closing stock over the years	
Domestic sugar production and consumption during SY2021	
3. Trends in Domestic Sugar Prices	12
4. International Scenario and Price Trends	15
International supply-demand scenario	
International price trends	
5. Domestic Cane Pricing and Conversion Margins	18
Trends in SAP and FRP cane prices over the years	
Impact assessment of sugar prices and cane costs on conversion margins	
6. By-products: Alcohol and Power	22
By-product revenue contribution to total revenues	
Distillery segment – challenges and outlook	
State wise cogeneration tariffs	
Power tariff and volume trends in short term trading market	
7. Segmental Profitability Analysis	30
Financial performance of the Cogeneration division	
Financial performance of the Distillery division	
8. Financial Performance of Sugar Companies	34
9. Outlook for Sugar Industry	37
10. Peer Comparison	40
11. ICRA Ratings in Sugar Sector	43
12. Company Section	45

Please contact ICRA to get a copy of the full report



Business Contacts

Mr. L. Shivakumar

E-mail: shivakumar@icraindia.com

Tel: +91 22 6114 3406 / +91 98210 86490

Mr. Jayanta Chatterjee

E-mail: jayantac@icraindia.com

Tel: +91 80 4332 6401/ +91 98450
22459

Media and Public Relations

Ms. Naznin Prodhani

E-mail: communications@icraindia.com

Tel: +91 124 4545 860

Branches

Registered Office:

1105, Kailash Building, 11th Floor,
26, Kasturba Gandhi Marg,
New Delhi - 110 001
Tel: + 91 11 2335 7940-45

Corporate Office:

Building No.8, 2nd Floor,
Tower A, DLF Cyber City Phase II,
Gurgaon- 122 002
Tel: +91 124 4545300

Ahmedabad

907 & 908, Sakar – II,

Bengaluru 1

'The Millenia', Tower- B,

Bengaluru 2

2nd Floor, Vayudooth Chamber,

Ellisbridge, Opp. Town Hall,
Ahmedabad - 380 006
Tel: +91 79 4027 1500/01

Chennai

5th Floor, Karumuttu Centre,
634, Anna Salai, Nandanam
Chennai - 600 035
Tel: +91 44 4596 4300

Kolkata

A-10 & 11, 3rd Floor, FMC Fortuna 234/3A,
A.J.C. Bose Road,
Kolkata - 700 020
Tel: +91 33 7150 1100/01

Unit No. 1004, 10th Floor, 1 & 2 Murphy
Road,
Bengaluru - 560 008
Tel: +91 80 4332 6400

Hyderabad 1

No. 7-1-58, 301, 3rd Floor, 'CONCOURSE',
Above SBI-HPS Branch,
Ameerpet,
Hyderabad - 500 016
Tel: +91 40 4920 0200

Mumbai

3rd Floor, Electric Mansion
Appasaheb Marathe Marg, Prabhadevi,
Mumbai - 400 025
Tel: +91 22 6169 3300

15-16, Trinity Circle, M.G. Road,
Bengaluru - 560 001
Tel: +91 80 4922 5500

Hyderabad 2

4A, 4th Floor, SHOBHAN,
6-3-927, A&B Somajiguda,
Raj Bhavan Road,
Hyderabad - 500082
Tel: +91 40 40676500

Pune

5A, 5th Floor, Symphony, S. No. 210
CTS 3202 Range Hills Road, Shivajinagar,
Pune - 411 020
Tel: +91 20 2556 0194, 020 6606 9999

Email: info@icraindia.com

Helpdesk: 124 3341580

Website: www.icra.in/ www.icraresearch.in

© Copyright, 2020, ICRA Limited. All Rights Reserved. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions presented in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.