

AVADH/SE/2021-22/14

May 13, 2021

The Manager
Listing Department
National Stock Exchange of India Limited
'Exchange Plaza'
C - 1, Block G
Bandra-Kurla Complex
Bandra (E)
Mumbai 400051
SYMBOL – AVADHSUGAR

The Manager
Listing Department
BSE Ltd.
1st Floor, New Trading Ring
Rotunda Building
P.J. Towers
Dalal Street, Fort
Mumbai-400 001
STOCK CODE - 540649

Dear Sirs,

Sub: Disclosure of information pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company's Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, kindly find enclosed herewith a copy of the Investor Presentation with respect to the Financial Highlights of the Company for the quarter and financial year ended 31st March, 2021.

Please take the same on record.

Thanking you,

Yours faithfully,
For **Avadh Sugar & Energy Limited**


Dilip Patodia
Chief Financial Officer



Encl : as above



K.K. BIRLA GROUP OF SUGAR COMPANIES

Avadh Sugar & Energy Limited

Capitalizing Opportunities to Deliver a Promising Future

Fully Integrated Sugar Mill: Sugar | Ethanol | Co-Generation



Agenda

1 Q4FY21/ FY21 Highlights

2 Segmental Performance

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1 Q4FY21/ FY21 Highlights



Key Business Updates – Q4FY21/FY21 (1/2)

- Sugar Stock as on 31st March 2021, 38.51 (including raw sugar 2.69 Lac Qtls) lakh quintals
- Average realization (Domestic):
 - Q4FY21 Rs. 3,132/- per quintal; Q4FY20 Rs. 3,171/- per quintal | FY21 Rs. 3,185/- per quintal; FY20 Rs. 3,250 /- per quintal
- Receivable from Government department as on 31st March 2021 is Rs. 57 Cr (i.e. for Export Subsidy) further, also Rs. 31 Crs is due on account of power supply to Grid
- Company's credit rating has improved from **BBB+ to A-** for long term bank facilities
- Details of Stock Position mentioned below :-

Stock Position (Lakh Qtls)	Quarter ended 31/03/2021	FY ended 31/03/2021
Opening stock	30.05	45.61
Production	29.85	62.18
Sold	21.39*	69.28*
Closing stock as on 31st March 2021	38.51	38.51

*Including Export 9.51 Lakh Qtls

Key Business Updates – Q4FY21/FY21 (2/2)

- Details of Outstanding position

Particulars (Rs. In Crores)	FY 2020-21	FY 2019-20
Term Loan	653	699
Cash Credit	720	897
Total Debt	1,373	1,596
Cane Dues	491	556
Total Outside Liability	1,864	2,152

- Reduction in Total Debt by **Rs. 223 Cr** from last Year
- Reduction in Total Outside liability by **Rs. 288 Cr** from last Year
- Total Debt-to-Equity ratio is at **2.06x** against 2.70x last year
- The Company has announced **capex program for Debottlenecking & efficiency** improvement measures and **expansion of Distillery capacity to 320 KLPD**, at an estimated capital cost of Rs. 135.15 Cr

Operational Highlights – FY2020-21

Consolidated crushing operation and recovery data for the financial year 2020-2021 in comparison to last financial year 2019-2020

S. No.	Particulars	FY 2020-21	FY 2019-20
1	Sugarcane crushed for the Financial Year (Lac MT)	57.83	60.03
2	Sugarcane diverted for B-heavy molasses route (%)	59.83	31.08
3	Sugar Recovery (Pre-sacrifice) (%)	11.73	11.88
4	Sugar Recovery (Post-sacrifice) (%)	10.70	11.47
5	Impact of diversion to B-heavy on sugar recovery (%)	1.03	0.41
6	Sugar Sacrificed under B-heavy molasses route (Lac MT)	0.60	0.25
7	Net sugar produced (Post sacrifice) (Lac MT)	6.20	6.88

Profitability Highlights

Rs. Crore	Q4FY21	Q4FY20	FY21	FY20
Total Income	833	773	2,717	2,565
Raw Material Cost	628	579	2,128	1,974
Employee Cost	28	27	97	92
Other Expenditure	68	72	226	232
EBITDA	109	95	266	267
Depreciation	13	11	49	45
PBIT	96	84	217	222
Interest	28	23	116	116
Profit Before Tax	68	61	101	106
Tax	11	-	24	18
Profit After Tax	57	61	77	88
EPS (Rs)	28.28	30.23	38.76	44.27

Balance Sheet Highlights

Rs. Crore	Mar-21	Mar-20
Shareholder's Funds	666	592
Share capital	20	20
Other Equity	646	572
Non-current liabilities	513	603
Long term borrowings	499	588
Long-Term Provisions	4	3
Deferred tax liability	4	-
Other Non- Current Liability	6	12
Current liabilities	1,470	1,663
Short Term Borrowings	720	897
Trade Payables	538	599
Other Financial Liabilities	177	140
Short-term provisions	6	7
Other Current liabilities	24	19
Current tax liability	5	1
Total Equities & Liabilities	2,649	2,858

Rs. Crore	Mar-21	Mar-20
Non-current assets	1,122	1,063
Fixed assets	1,084	965
Capital W.I.P	14	69
Financial assets	16	11
Other non-current assets	4	12
Deferred Tax Assets (net)	-	3
Non-current Tax assets	4	3
Current Assets	1,527	1,795
Inventories	1,351	1,485
Biological Assets other then bearer plants	-	-
Trade receivables	55	109
Bank, Cash & Cash equivalents	7	7
Loans & advances	-	1
Other financial assets	6	8
Other Current Assets	108	185
Total Assets	2,649	2,858

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2 Segmental Performance



Sugar Segment Performance

	Segmental Revenues (Rs. Lakh)	Dispatched Qty (In Lacs)	PBIT (Rs. Lakh)
Q4FY21	81,692	21.39	5,126
Q4FY20	76,001	20.15	4,565
FY21	2,56,258	69.28	9,271
FY20	2,49,213	67.96	12,102
	Sugar cane Crushed (Lakh Qtls)	Sugar Recovery (%) *	Realisation / Qtl
Q4FY21	271.07	10.93	3,132
Q4FY20	294.93	11.35	3,171
FY21	578.33	10.70	3,185
FY20	600.28	11.44	3,250

* Lower due to B heavy Molasses

Distillery Segment Performance

	Segmental Revenues (Rs. Lakh)		PBIT (Rs. Lakh)			
Q4FY21	9,503		4,379			
Q4FY20	7,476		3,249			
FY21	34,715		12,684			
FY20	23,624		10,791			
	Total Ethanol Production (Lakh litres)		Total Ethanol Sales (Lakh litres)		Average Realization of Ethanol (Rs./litre)	
	B	C	B	C	B	C
Q4FY21	207.37	--	160.62	-	57.61	-
Q4FY20	183.33	--	130.39	6.06	54.27	43.75
FY21	373.62	274.03	391.91	232.65	56.15	43.75
FY20	233.79	345.94	154.70	322.14	54.27	43.62

Co-Generation Segment Performance

	Segmental Revenues (Rs. Lakh)	PBIT (Rs. Lakh)	
Q4FY21	6,793	750	
Q4FY20	7,055	1,255	
FY21	15,669	1,153	
FY20	15,555	1,130	
	Power Generation (lakh units)	Power Sales (Lakh units)	Average Realization (Rs. Per Unit)
Q4FY21	874	680	3.00
Q4FY20	1,030	811	2.94
FY21	1,980	1,476	3.01
FY20	2,248	1,755	2.94

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3 Industry Updates



Structural Changes in Ethanol to Drive Profitability

Ethanol Supply (April 21)

- Ethanol supply - Total LOI quantity of **325.93 cr ltrs**, **302.53 cr ltrs** have been contracted
- **117.72 Cr ltrs** of ethanol have been supplied as on 19th April' 2021
- Out of the total supply ~ 77% comprises of ethanol made from sugarcane juice /**B-heavy molasses**

India is marching towards higher blending

- India has achieved a blending of average 7.36%
- 11 major States like Uttar Pradesh have achieved even higher blending **percentage of upto 10%** (April '21)

Favorable Realizations

- CCEA has raised base prices of Ethanol derived out of
- B heavy molasses by Rs. **3.34/ltr to Rs. 57.61/ltr**
- C heavy molasses by Rs. **1.94/ltr to Rs. 45.69/ltr**
- Sugarcane juice by Rs. **3.17/ltr to Rs. 62.65/ltr**

GOI's firm Target & Vision

- **20% Ethanol** Blending by 2025
- Helps sugar sector by resolving the **problem of excess sugar production** and would translate to improved realization of sugar mills



Increased operational days after installation of incineration boiler, from 270 to 330 days



Focus on manufacturing B-Heavy ethanol, to boost overall profitability



Huge potential to enhance operating margins and operating profitability

Sugar Industry Updates (1/3)

As per ISO's recent report, world sugar production in SS 20-21 is expected to decrease by (1.2)% y-o-y to 169.04 mln tonnes, deficit is largely on account of driven by lower production in major exporting countries like Europe, Brazil and Thailand

Global Consumption is expected to increase by 2.08% y-o-y to 173.8 mln tonnes in SS 2020-21. Consumption is forecasted to recover slowly, due to the impact of the coronavirus on economies of different countries

Positive for Domestic Exporters: Significant shortfall in production across major sugar producing countries in world. Brazil and Thailand's output is expected to be lower by 15 MMT lower compared to last sugar season leading to higher opportunities for domestic exporters

Sugar Production in SS 2020-21: ISMA estimates total sugar production at tonne to 29.92 million tons for SS 2020-21 (Oct-20-Apr21); estimated sugar production is after consideration the sugar diversion for production of Ethanol using B heavy molasses / juice / syrup. Increase in sugar production is primarily driven by increase in cane availability in Maharashtra & Karnataka in SS 2020-21

Sugar Production in UP is projected to be lower by 17% y-o-y to 10.5 million tons in SS 2020-21. The lower sugar production is attributed to lower sugarcane yields and lower sugarcane recoveries, apart from higher diversion towards gur/khandsari units and ethanol production. During the current season, it is estimated that ~6.74 lakh tons of sugar to be diverted towards ethanol production via B-heavy molasses as against 3.70 lakh tons in SS 2019-20

Source: ISMA & ICRA

Sugar Industry Updates (2/3)

Sugar Output (Oct-Apr 2021): Sugar production is at 29.92 million tons for Oct - Apr 21, an increase of 15.09% on y-o-y basis

- Production in UP remained lower at 10.56 million tons till April of SS 2020-21, as against 11.65 million tons in corresponding period last year. However, production in Maharashtra increased by 73% y-o-y to 10.56 million tons and in Karnataka recorded a increase of 23% y-o-y to 4.17 million tons

Sugar Consumption in SS 2020-21: ISMA expect domestic sugar consumption to be at 26 million tons. SS 2020-21, Sugar opening stock is at 10.7 million tons after considering the Domestic consumption, exports (6 million tons) and production (30.2 million tons), the closing stock on 31st March 2021 is expected to be much lower at around 8.9 million tons

Total Acreage under sugarcane: As per industry estimates, the total acreage under sugarcane in the country is estimated to be around 52.68 lakh hectares in SS 2020-21, which is about 9% higher than SS 2019-20 sugarcane area of around 48.41 lakh hectares

- Uttar Pradesh is estimated to have sugarcane area at 23.07 lakh hectares, as against 23.21 lakh hectares in 2019-20 SS, i.e. a marginal decrease of ~0.5%

Export Subsidy: The Government has announced an export subsidy of Rs. 3,500 crores on export of upto 6 million tonne of sugar limited to Maximum Admissible Export Quota (MAEQ) allocated to sugar mills for sugar season 2020-21; export subsidy is lower by ~44% on y-o-y basis, due to Increase Export realization in International Market.

Sugar Industry Updates (3/3)

Exports to Europe (TRQ): The government has permitted export of an additional 3,675 tonnes of raw/refined sugar under tariff-rate quota to the United Kingdom

Indian Exports: Sugar mills in India have exported 24.96 lakh tonne of the commodity in the ongoing 2020-21

- The country is well on course to complete the 60-lakh tonne mill export target this year with Indonesia, Afghanistan and Sri Lanka emerging as the top three buyers
- Mills have contracted to export 33.38 lakh tonne of sugar (April 21') against the 60 lakh tonne quota assigned

FRP: Fair and Remunerative Price (FRP) for sugar season 2020-21 has been increased by Rs.10/Qtl to Rs. 285 per quintal linked to a basic recovery rate of 10%; providing a premium of Rs. 2.85 per quintal for every 0.1% increase in recovery above that level

SAP: No Change in State Advised Price (SAP) for U.P. for Sugar Season 2020-21 at Rs. 315/ Qtl.

Firm Sugar Prices: Global sugar prices are also on rise (~15% in last 2 months). The current raw & white sugar prices are above cost of production for Indian millers. The global raw sugar prices may further firm up in the next six months given Brazil is expected to witness 20% production decline in 2021-22 season

MSP: The government has announced increased the minimum selling price (MSP) of sugar from Rs 31 per kg to Rs. 33 per kg which is yet to be notified

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