

AVADH/SE/2021-22/39

10th November, 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,

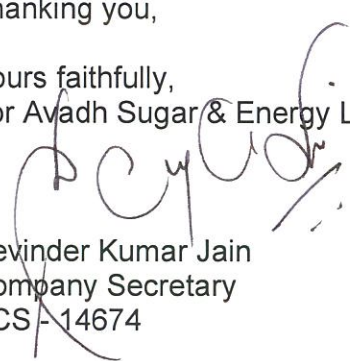
Sub: Disclosure of information pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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and Disclosure Requirements) Regulations, 2015 and the Company's Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, kindly find enclosed herewith a copy of the Investor Presentation with respect to the Financial Highlights of the Company for the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 half-year ended 30th September, 2021.

Please take the same on record.

Thanking you,

Yours faithfully,
For Avadh Sugar & Energy Limited


Devinder Kumar Jain
Company Secretary
ACS-14674



Encl – as above



K.K. BIRLA GROUP OF SUGAR COMPANIES

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Avadh Sugar & Energy Limited

Capitalizing Opportunities to Deliver a Promising Future

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



Agenda

1 Q2FY22 Highlights

2 Segmental Performance

3 Industry Updates



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1 Q2FY22 Highlights



Key Business Updates – Q2FY22 (1/2)

- Sugar Stock as on 30th Sep 2021, 19.07 (30.40 as on 30th September 2020) lakh quintals
- Average domestic sale realization:
 - Q2FY22 Rs. 3,419/- per quintal; Q2FY21 Rs. 3,274/- per quintal
 - H1FY22 Rs. 3,347/- per quintal; H1FY21 Rs. 3,207/- per quintal
- Receivable from Government department as on 30th Sep 2021 was Rs. 29.99 Cr (i.e. for Export Subsidy & Interest subsidy mainly)
- Firm sugar prices both in domestic and international market
- Focus on variety substitution program to reduce dependence on **Co - 0238** variety of Sugar Cane

Stock Position (Lakh Qtls)	
Opening stock as on 30 th June 2021	32.88
Production	-
Sold	13.81
Closing stock as on 30 th September 2021	19.07

Key Business Updates – Q2FY22 (2/2)

▪ Details of Outstanding position

Particulars (Rs. In Crores)	As on Sep'21	March'21	March'20
Term Loan	581	653	699
Cash Credit / Short Term Loan	501*	720	897
Total Debt	1,082	1,373	1,596
Cane Dues	-	491	556
Total Outside Liability	1,082	1,864	2,152

* Against this, inventory at cost as on 30th September 2021 is Rs 683 crores

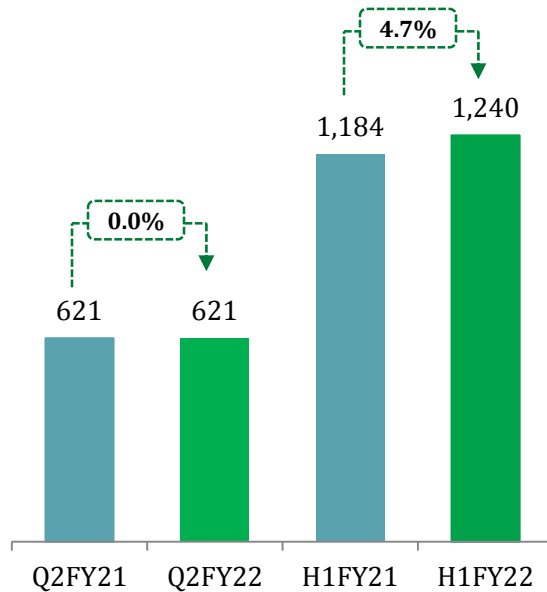
- Continuous effort to bring down overall borrowing with initiatives like ethanol production under cane syrup / B heavy route
- Efficient working capital management and repayment on account of healthy cashflow generation
- India Ratings and Research has assigned Avadh Sugar a Long-Term Issuer Rating of '**IND A**'

▪ Robust Performance

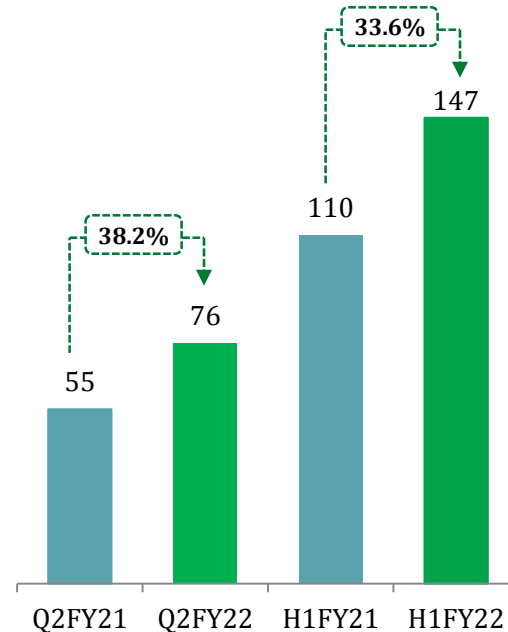
- ✓ Profit Before Tax for Q2FY21 grew by 293% YoY at Rs. 39 crores
- ✓ Profit After Tax for Q2FY21 reported a growth of 250% YoY at Rs. 25 crores

Q2FY22 Result Highlights

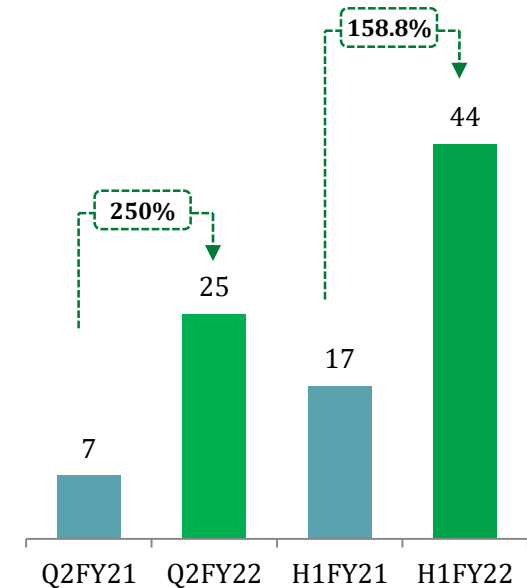
Total Income (Rs. Cr)



EBITDA (Rs. Cr)



PAT (Rs. Cr)



Profitability Highlights

Rs. Crore	Q2FY22	Q2FY21	H1FY22	H1FY21
Total Income	621	621	1,240	1,184
Raw Material Cost	474	500	957	935
Employee Cost	22	21	44	44
Other Expenditure	49	45	92	95
EBITDA	76	55	147	110
Depreciation	13	12	26	23
PBIT	63	43	121	87
Interest	24	33	53	61
Profit Before Tax	39	10	68	26
Tax	14	3	24	9
Profit After Tax	25	7	44	17
EPS (Rs) *	12.61	3.6	22.08	8.62

* Not Annualised

Balance Sheet

Rs. Crore	Sep'21	Mar'21
Shareholder's Funds	728	666
Share capital	20	20
Other Equity	708	646
Non-current liabilities	498	513
Long term borrowings	467	495
Deferred tax liability	19	4
Other Non-Current Liability	12	14
Current liabilities	706	1,470
Short Term Borrowings	614	877
Trade Payables	34	539
Other Financial Liabilities	19	19
Short-term provisions	31	24
Other Current liabilities	7	7
Current Tax Liability	1	5
Total Equities & Liabilities	1,932	2,649

Rs. Crore	Sep'21	Mar'21
Non-current assets	1,143	1,122
Fixed assets	1,075	1,084
Capital W.I.P	9	15
Investments	44	15
Financial assets	1	1
Non-current Tax assets	5	4
Other non-current assets	9	3
Current Assets	789	1,527
Inventories	683	1,351
Trade receivables	66	61
Bank, Cash & Cash equivalents	3	7
Loans & Other financial assets	1	1
Other Current Assets	36	107
Total Assets	1,932	2,649

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2 Segmental Performance



Sugar Segment Performance

	Segmental Revenues (Rs. Lakh)	Dispatched Qty (In Lacs)	PBIT (Rs. Lakh)
Q2FY22	52,992	13.81	2,649
Q2FY21	55,629	16.06	3,070
H1FY22	1,10,202	28.68	4,052
H1FY21	1,08,597	30.36	4,176
	Sugar cane Crushed (Lakh Qtls)	Sugar Recovery (%)	Average Realization (Per Quintal)
Q2FY22	-	-	3,419
Q2FY21	-	-	3,274
H1FY22	82.04	10.88%*	3,347
H1FY21	130.30	11.65%	3,207

* Lower due to B heavy Molasses

Distillery Segment Performance

	Segmental Revenues (Rs. Lakh)		PBIT (Rs. Lakh)	
Q2FY22	13,410		4,680	
Q2FY21	7,705		1,947	
H1FY22	24,386		9,353	
H1FY21	15,762		5,206	
	Total Ethanol Production (Lakh litres)		Total Ethanol Sales (Lakh litres)	
	B	C	B	C
Q2FY22	195.39	-	232.63	-
Q2FY21	0.07	55.14	46.07	92.57
H1FY22	400.54	-	422.10	-
H1FY21	92.29	143.27	170.71	104.08

Co-Generation Segment Performance

	Segmental Revenues (Rs. Lakh)	PBIT (Rs. Lakh)	
Q2FY22	1,047	(567)	
Q2FY21	99	(492)	
H1FY22	4,236	(514)	
H1FY21	3,415	(195)	
	Power Generation (lakh units)	Power Sales (Lakh units)	Average Realization (Rs. Per Unit)
Q2FY22	141.14	22.16	2.75
Q2FY21	-	-	-
H1FY22	635	256.88	3.06
H1FY21	511.97	279.45	3.00

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3 Industry Updates



Global Sugar Industry Updates

The **Global Sugar Balance Sheet** for SS 2021-22 is estimated at Opening Stock 92.8 million MT, Production at 172.5 million MT, Consumption 175.0 million MT, Closing balance at 90.3 million MT

Total Global sugar production for SS 21-22 is estimated at 172.5 million MT. The estimated Major country wise production: Brazil 31.7 million MT, India at 30.5 million MT, Thailand at 10 million MT, EU at 17.7 million MT, China 10.5 million MT

Brazil is expected to witness significant lower production because of worst droughts seen after ~9 decades in country's history

Sugar production in Thailand is likely to increase in next season, but still will be lower than its normal production of 14 – 14.5 million tons, by almost 3 – 3.5 million tons. Thailand sugar would come into the market only after January 2022

Domestic Sugar Industry Updates (1/2)

The Indian sugar balance sheet

Sugar season	(in million tons)			
	2018-19	2019-20	2020-21	2021-22 E
Opening balance (as on 1st Oct)	10.7	14.5	10.7	8.2 ↓
Estimated sugar production	33.1	27.4	31.2	30.5 ↓
Sugar availability during the season	43.8	41.9	41.8	38.7
Estimated sugar consumption	25.5	25.3	26.5	27.0 ↑
Estimated exports	3.8	5.9	7.2	5.5
Closing balance (as on 30th Sept)	14.5	10.7	8.2	6.2 ↓

Total Acreage under sugarcane: As per industry estimates, the total acreage under sugarcane in the country is estimated to be around 54.37 lakh hectares in SS 2021-22, which is about 3% higher than SS 2020-21 sugarcane area of around 52.88 lakh hectares

- Uttar Pradesh is estimated to have sugarcane area at 23.08 lakh hectares, as against 23.07 lakh hectares in 2020-21 SS
- In Maharashtra, sugarcane area has gone up by 11% y-o-y, from 11.48 lakh hectare in 2020-21 SS to 12.78 lakh hectare in 2021-22

Domestic Sugar Industry Updates (2/2)

UP Government has announced increase in cane price or State Administered Price (SAP) by Rs 250 per tonne for the Sugar Season (SS) 2021-22

Sugarcane FRP for SS 2021-22: Fair and Remunerative Price (FRP) of sugarcane for sugar season 2021-22 at ~ 290 per quintal for a basic recovery rate of 10%

Sugar Prices: Domestic sugar prices have remained in the range of Rs. 35-38 / per Kg in Aug–Nov 2021 (Average Ex-Mill Sugar Price)

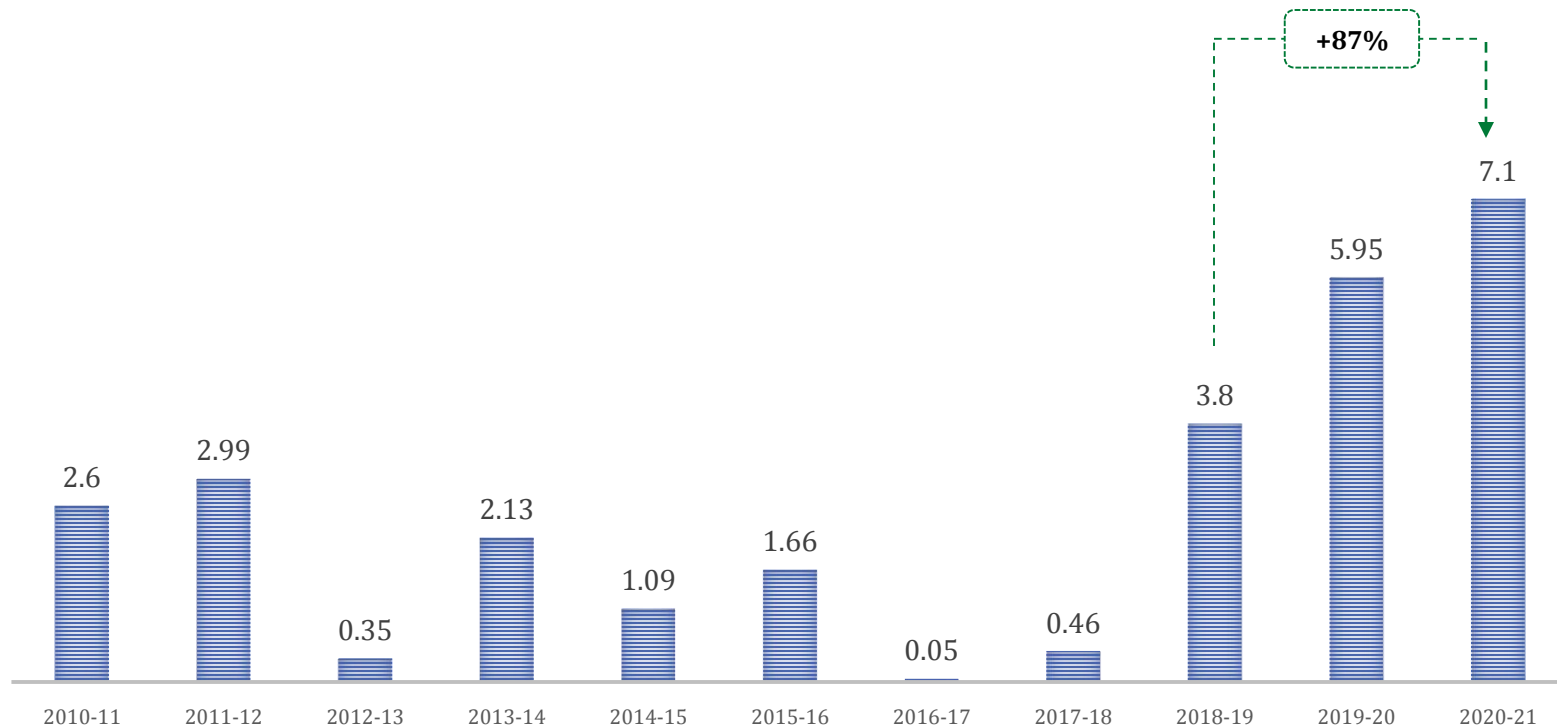
Extension of MAEQ Timeline: Meanwhile, in view of the logistic issues being faced by the sugar mills, Central government has decided that those sugar mills which had partially exported their MAEQ quota of sugar season 2020-21 till 30th September 2021, will be allowed to export the balance quantity of their export quota by 30th November 2021

Sugar Exports (SS 2021-22): India's sugar export is estimated to decline to ~5-6 million tonnes in the current marketing year ending September from a record 7.1 million tonnes in 2020-21. However, India does not need to export 7 million tonnes in the current season as the country is diverting surplus sugarcane molasses for ethanol manufacturing

Crushing (SS 2021-22): Crushing in most of Indian sugar units is expected to start post Diwali due to recent excessive rains and water logging

India achieved highest ever Exports

Sugar Exports from India Trend (In Million Tonnes)



Source: ISMA & various business articles

India: Strong Steps towards being Ethanol Ready (1/2)

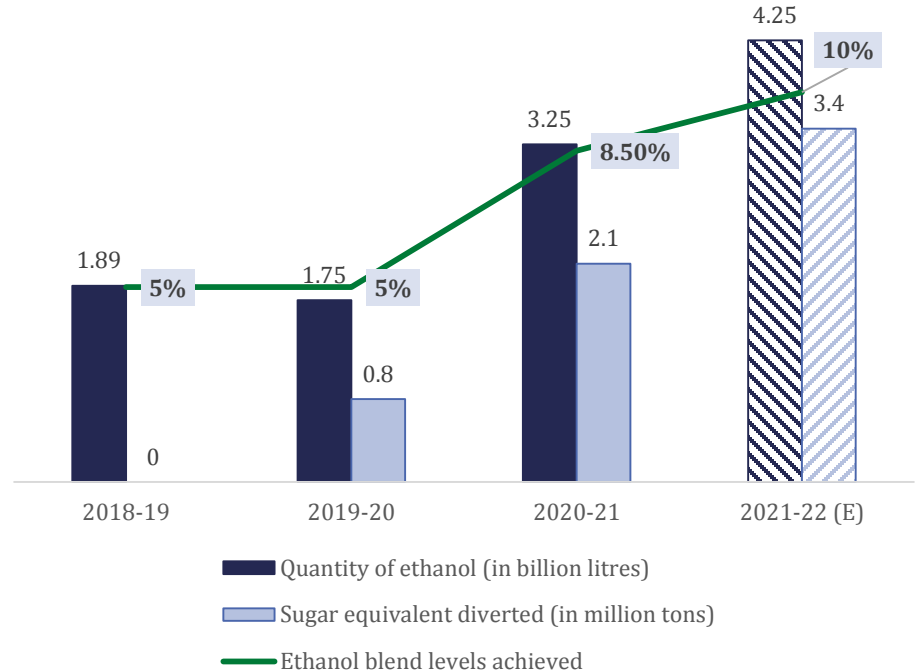
Strong incentives for investments from Govt. to augment ethanol capacities



From 3.5 billion litres of annual capacity in 2018 to a target of **14 billion litres by 2025**



Targeting to divert **6 million tons of surplus to ethanol by 2025**



India: Strong Steps towards being Ethanol Ready (2/2)

- Distillery Sales Yearly Trend

Particulars	FY21	FY20	FY19	FY18	FY17	FY16
Ethanol Production (Lakh Liters)	647.65	579.73	572.55	495.25	541.11	539.59
Ethanol Sales (Lakh Liters)	665.60	508.77	616.19	484.31	571.81	541.57
Blended Realization (Rs. In Lakhs)	33,704	23,451	25,294	18,875	23,385	21,797

To achieve, further higher Revenue post expansion of distillery capacity

Capacity Expansion to drive Business Growth



Distillery capacity expansion underway to expand capacity from **240 KLPD to 320 KLPD**



Focus on manufacturing **B-Heavy ethanol** and directly through juice to boost overall profitability



Huge potential to enhance **Operating Margins and Operating Profitability**



Focus on **Strengthening the Balance Sheet**

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