

AVADH/SE/2020-21/15

June 25, 2020

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 - 510649**

The Secretary  
The Calcutta Stock  
Exchange Ltd.  
7, Lyons Range  
Kolkata 700 001

**Scip Code - 11610**

Dear Sirs/Madam,

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

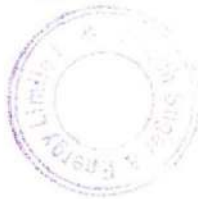
In compliance with Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company's Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, kindly find enclosed herewith a copy of the Investor Presentation with respect to the Financial Highlights of the Company for the quarter and financial year ended 31<sup>st</sup> March, 2020.

Please take the same on record.

Thanking you,

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

  
Anand Sharma  
**Company Secretary**  
FCS - 7305



Encl : as above



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Regd Office: P.O. Hargaon, Dist. Sitapur, U.P., PIN 261 121 • Website : [www.birla-sugar.com](http://www.birla-sugar.com) • CIN: L15122UP2015PLC069635



# Avadh Sugar and Energy Limited

*Strengthening Roots for Better Tomorrow*

**Result Presentation | Q4FY20/FY20**

# Agenda



**Q4FY20 & FY20 Highlights**

**Industry Updates**

## Q4FY20 & FY20 Financial Highlights



# Covid-19 Impact

- **Impact of the Covid-19 pandemic on the business:**
  - There has been no material impact on the business of the Company
- **Ability to maintain operations including the factories/units/office spaces functioning and closed down:**
  - The Company is engaged in manufacturing of essential commodities and thus the operations of the Company are being carried out in the normal course
    - **Sugar Segment:** All sugar plants were in operation throughout the lock-down period
    - **Cogen Segment:** All cogeneration plants were in operation throughout the lock-down period
    - **Distillery Segment:** All distilleries have been continuing with their operations throughout the lock-down
- **Capital and financial resources**
  - The Company's capital and financial resources are well placed and have not been impacted because of the Covid-19
- **Ability to service debt and other financing arrangements:**
  - All the debts/instalments/interests/ dues as per repayment schedule have been made even during this lock-down period without any extensions/ defaults and the Company does not foresee any difficulty in meeting its future financial commitments as well
- **Assets:**
  - The Company does not foresee any challenge in realizing its assets
- **Demand for its products/services:**
  - Owing to the lock-down demand for sugar, was impacted amid lower consumption of soft drinks and ice cream (bulk sugar)
  - With the opening of lockdown the demand of sugar is gradually coming to its normal level
  - In the distillery segment the Oil Marketing Companies had actively re-allocated the quantities to the new depots to arrest the initial impact on lifting of Ethanol.; Demand for ethanol is also showing revival

# Key Business Updates – FY20

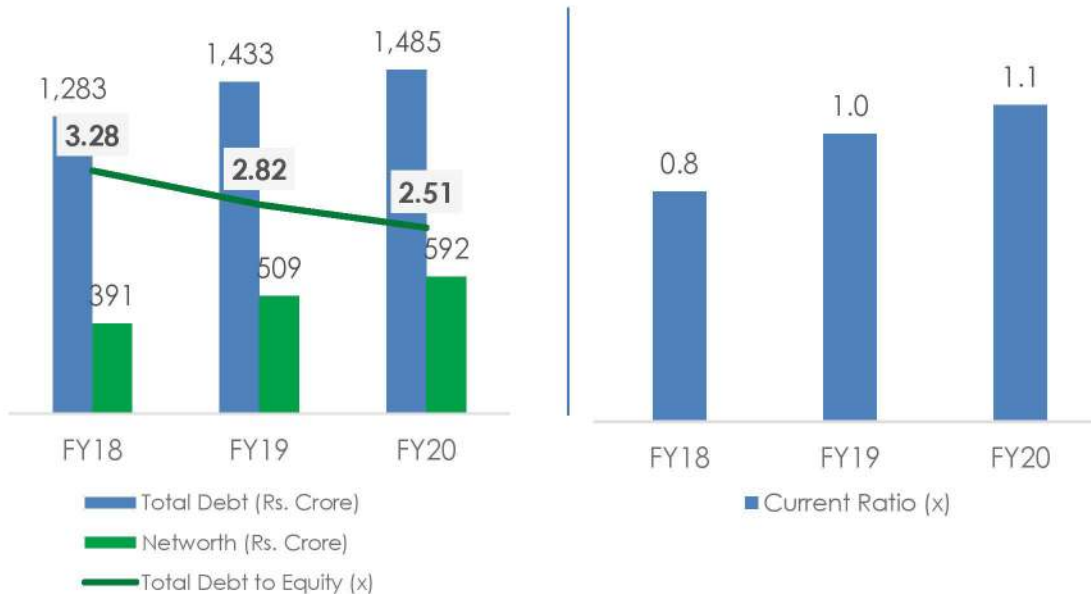
- Sugar Stock as on **31st March 2020, 45.61 lakh quintals**
- Average realization in **FY20 Rs. 3,250/- per quintal; FY19 Rs. 3,003/- per quintal.**
- Crushing during current **FY 600.28 Lac Quintal compared to 568.96 in FY19; up by 5.50%**
- Average recovery during the **Sugar Season 2019-20 (till 31st March, 2020) 11.44 % (Based on “B” Molasses)**
- **Financial Assistance for export** accounted for in financials, based on export of 12.91 lakh Qtls, under **MAEQ 19-20**
- Expansion at **Hargaon & Seohara Distillery** on track; to be commissioned by Sept 2020
- Ethanol production **was 233.78 Lac from B heavy molasses** during the current sugar season 2019-20

Stock Position	
Opening stock as on 31 <sup>st</sup> March 2019	44.95 Lakh Qtls
Production	68.62 Lakh Qtls
Sold	67.96 (incl 16.31 Lakh Qtls exports)
Closing stock as on 31 <sup>st</sup> March 2020	45.61 Lakh Qtls

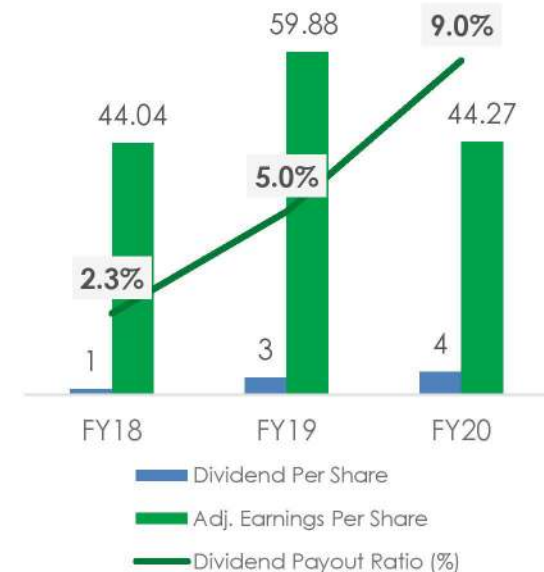
# Strengthen Balance Sheet & Rewarding Shareholders

- Long term and Short-Term ratings stands at **BBB+** stable and **A2** respectively as assigned by CARE
- Board of Directors of the Company recommended dividend of Rs. 4/- (40%) per Equity Share of Rs. 10/- each for FY20; involving a total outgo of Rs. 800.74 lakhs

Focus on improving Liquidity Position...

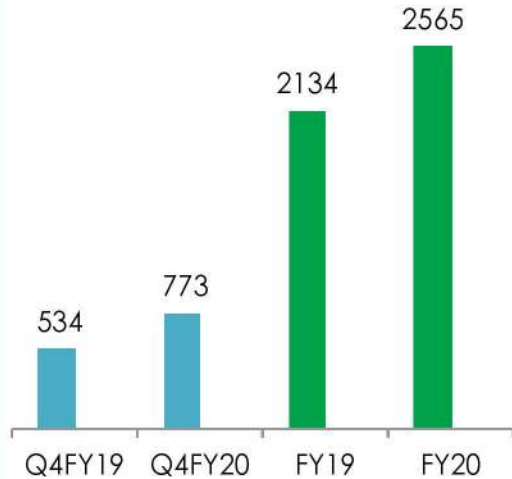


...with equal focus on rewarding shareholders

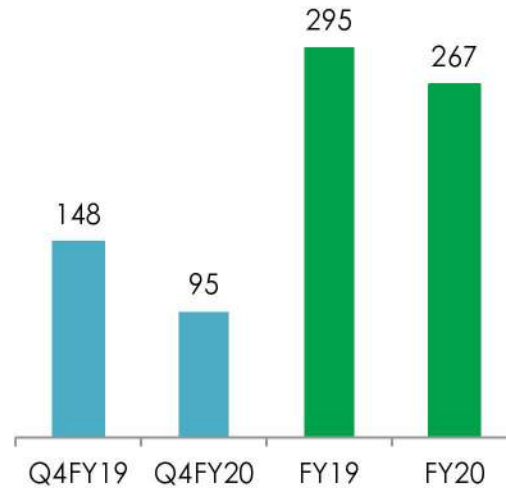


# Q4 & FY20 Result Highlights

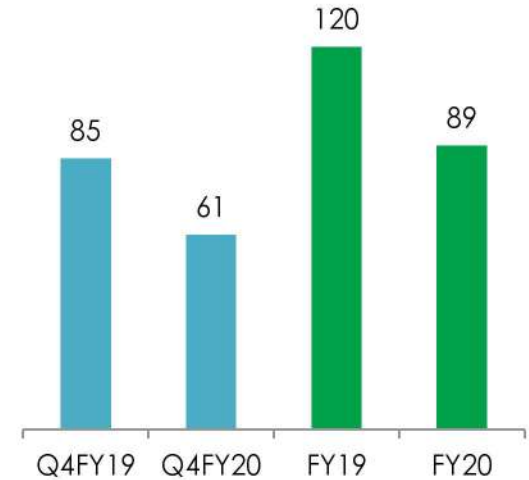
Total Income (Rs. Cr)



EBITDA (Rs. Cr)



PAT (Rs. Cr)





# Profitability Highlights

Rs. Crore	Q4FY20	Q4FY19	YoY	FY20	FY19	YoY
<b>Total Income</b>	<b>773</b>	<b>534</b>	<b>45%</b>	<b>2565</b>	<b>2134</b>	<b>20%</b>
Raw Material Cost	579	287	102%	1974	1528	29%
Employee Cost	27	25	8%	92	85	8%
Total Expenditure	72	74	-3%	232	226	3%
<b>EBITDA</b>	<b>95</b>	<b>148</b>	<b>-36%</b>	<b>267</b>	<b>295</b>	<b>-9%</b>
<b>EBIDTA margin (%)</b>	<b>12.3%</b>	<b>27.7%</b>		<b>10.4%</b>	<b>13.8%</b>	
Depreciation	11	11	-	45	44	2%
<b>PBDT</b>	<b>84</b>	<b>137</b>	<b>-39%</b>	<b>222</b>	<b>251</b>	<b>-12%</b>
Interest	23	28	-18%	116	97	20%
<b>Profit Before Tax</b>	<b>61</b>	<b>109</b>	<b>-44%</b>	<b>106</b>	<b>154</b>	<b>-31%</b>
Tax	-	24	-	17	34	-50%
<b>Profit After Tax</b>	<b>61</b>	<b>85</b>	<b>-28%</b>	<b>89</b>	<b>120</b>	<b>-26%</b>
EPS (Rs)	30.23	42.57	-29%	44.27	59.88	-26%

# Balance Sheet Highlights

Rs. Crore	Mar-20	Mar-19
<b>Shareholder's Funds</b>	<b>592</b>	<b>509</b>
Share capital	20	10
Other Equity	572	499
<b>Non-current liabilities</b>	<b>603</b>	<b>500</b>
Long term borrowings	588	479
Long-Term Provisions	3	2
Deferred tax liability	12	20
<b>Current liabilities</b>	<b>1,664</b>	<b>1,600</b>
Short Term Borrowings	897	954
Trade Payables	599	475
Other Financial Liabilities	140	135
Short-term provisions	7	7
Other Current liabilities	19	19
Current tax liability	2	9
<b>Total Equities &amp; Liabilities</b>	<b>2,859</b>	<b>2,609</b>

Rs. Crore	Mar-20	Mar-19
<b>Non-current assets</b>	<b>1,063</b>	<b>997</b>
Fixed assets	967	974
Capital W.I.P	69	4
Financial assets	11	13
Other non-current assets	12	2
Deferred Tax Assets (net)	3	0
Non-current Tax assets	3	3
<b>Current Assets</b>	<b>1,796</b>	<b>1,612</b>
Inventories	1,485	1,427
Biological Assets other than bearer plants	0	0
Trade receivables	109	111
Bank, Cash & Cash equivalents	7	5
Loans & advances	1	1
Other financial assets	8	15
Other Current Assets	185	53
<b>Total Assets</b>	<b>2,859</b>	<b>2,609</b>

## Q4 & FY20 Segmental Highlights



# Sugar Segment Performance

	Segmental Revenues (Rs. Lakh)	Dispatched Qty (In Lacs)	PBIT (Rs. Lakh)
Q4FY20	76,000	20.15	4,565
Q4FY19	46,996	12.27	6,298
FY20	2,49,213	67.96	12,102
FY19	1,91,228	55.64	6,801
	Sugarcane Crushed (lakh quintals)	Sugar Recovery (%)	Average Sugar Realization (per Kg)
Q4FY20	294.93	11.81	31.71
Q4FY19	285.07	12.37	30.51
FY20	600.28	11.44	32.5
FY19	568.96	11.81	30.02

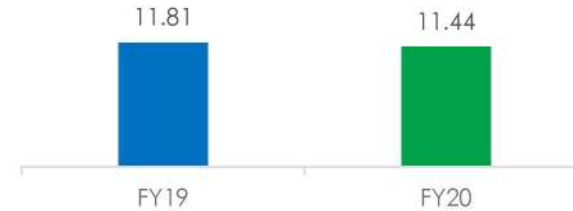
Sugar inventory as on 31<sup>st</sup> March 2020 was 45.61 lakh quintals valued @ average rate of Rs. 29.38/- per kg

# Sugar Segment Performance

Cane Crushed (Lakh Quintals)



Sugar Recovery (%)



Production (lakh Quintals)



Dispatched (lakh Quintals)



Average Realization (Per Kg)



# Distillery Segment Performance

	Segmental Revenues (Rs. Lakh)		PBIT (Rs. Lakh)			
Q4FY20	7,476		3,248			
Q4FY19	7,765		4,526			
FY20	23,624		10,791			
FY19	25,446		14,213			
	Total Ethanol Production (Lakh litres)		Total Ethanol Sales (Lakh litres)		Average Realization of Ethanol (Rs./litre)	
	B	C	B	C	B	C
Q4FY20	183.33	--	130.39	6.06	54.27	43.75
Q4FY19	--	173.46	--	172.80	--	43.52
FY20	233.79	345.94	154.70	322.14	54.27	43.62
FY19	--	572.55	--	580.86	--	41.91

UP Govt has increased reservation of Molasses from 16% to 18% , including for captive consumption (not applicable in previous years), impacting profitability

# Distillery Segment Performance

### Total Ethanol Production (lakh Liters)

■ B Molasses ■ C Molasses



### Total Ethanol Sales (lakh Liters)

■ B Molasses ■ C Molasses



### PBIT (Rs. Lakh)



### Average Ethanol Realization (Rs./ Liters)

■ B Molasses ■ C Molasses



# Co-Generation Segment Performance

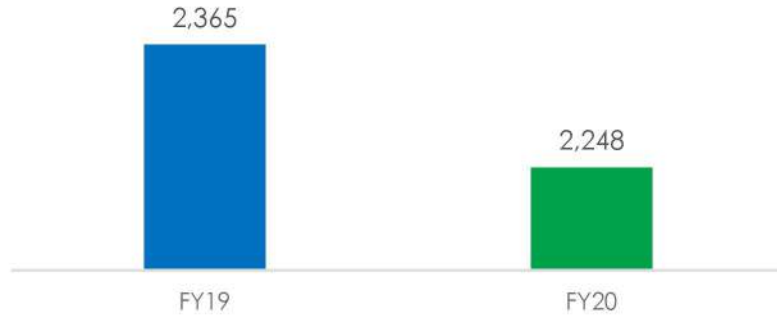
	Segmental Revenues (Rs. Lakh)	PBIT (Rs. Lakh)	
Q4FY20	7,055	1,255	
Q4FY19	9,515	3,375	
FY20*	15,555	1,130	
FY19	19,486	5,460	
	Power Generation (lakh units)	Power Sales (Lakh units)	Average Realization (Rs. Per Unit)
Q4FY20	1,029	811	2.94
Q4FY19	1,186	971	5.01
FY20	2,248	1,755	2.94
FY19	2,365	1,903	5.00

\*Impact due to revision in Power tariff is Rs 36.25 crores



# Co-Generation Segment Performance

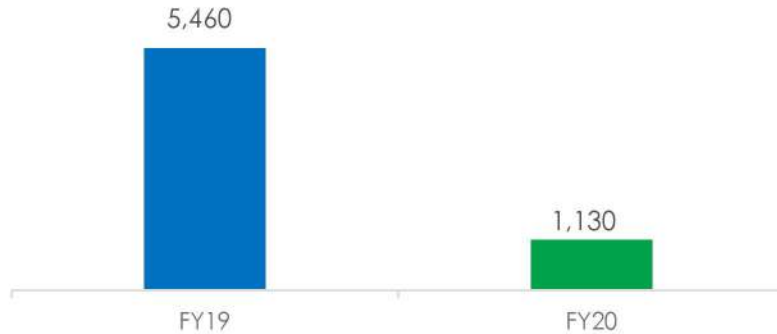
Power Generation (lakh units)



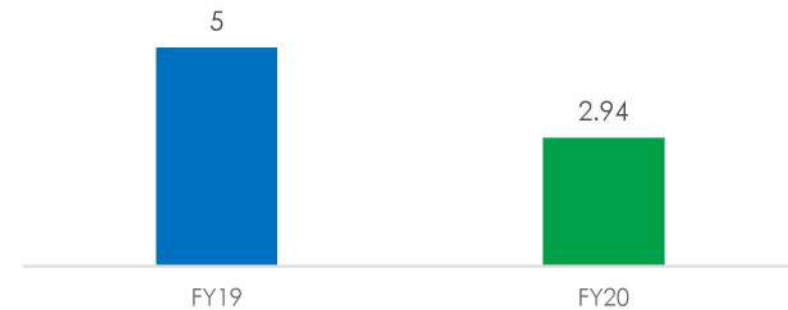
Power Sales (lakh units)



PBIT (Rs. Lakh)



Power Realization (Rs. per unit)



# Industry updates



# Sugar Industry Updates

As per recent data\*, world sugar production in SS 19-20 is expected to fall to 166.8 mln tonnes (39.7 mln tonnes beet sugar and 127.10 Cane sugar) from 174.60 mln tonnes (38.80 mln tonnes beet sugar and 135.80 mln tonnes Cane sugar) last season.

Consumption is expected to increase by 1.33 % year-over-year to 176.09 mln tonnes leading to a deficit of 9.29 mln tonnes from 0.82 mln tonnes surplus in last season.

**Sugar Production:** India achieved sugar production of 27.10 mln tonnes for SS 19-20, lower against the previous year during SS 2018-19. During the SS 2019-20 Uttar Pradesh produced 12.60 mln tonnes of sugar, followed by Maharashtra at over 6.08 mln tonnes, while Karnataka produced around 3.50 mln tonnes of sugar.

**Claims receivables:** Company has Rs. 169.64 crores receivable as export subsidy from the Government of India, out of which Rs. 68 crores was received subsequently.

**Soft Loan:** Company has received a soft loan from the Government of India, of interest 8.95% amounting to Rs. 220.21 crores repayable by March, 2024.

# Sugar Industry Updates

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**Export quota:** Under MAEQ export quota, GOI has allocated 60 lac MT to sugar mills for SS 2019-20, of which 1.29 lac MT was allocated to Avadh Sugar.

**Raw Sugar Price:** The prices of raw sugar has rebound from 10 cents per pound to cent 12 cents per pound currently

**MSP:** The government is considering a proposal to increase the minimum selling price (MSP) of sugar from Rs 31 per kg in order to help millers clear cane dues. A task force constituted by Niti Aayog on sugarcane and sugar industry has recommended a one-time increase of Rs 2 per kg.

It may be noted that in **SS 2020-21**, the Government is planning to allocate buffer stock, export quota and disburse soft loans.

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## Let's Connect



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