

AVADH/SE/2020-21/59

8th February, 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

The Secretary
The Calcutta Stock
Exchange Ltd.
7, Lyons Range
Kolkata 700 001
Scrip 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and Disclosure Requirements) Regulations, 2015 and the Company's Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, kindly find enclosed herewith a copy of the Investor Presentation with respect to the Financial Highlights of the third quarter ended 31st December, 2020 of the Company.

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

Agenda



Q3/9M FY21 Highlights

Industry Updates

Q3/9M FY21 Financial Highlights



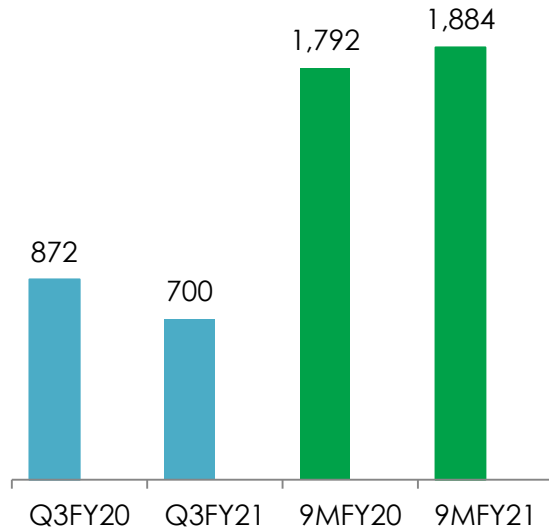
Key Business Updates – Q3/9M FY21

- Sugar Stock as on **31st December 2020, 30.05 lakh quintals**
- Average realization in **Q3FY21 Rs. 3184/- per quintal; Q3FY20 Rs. 3270/- per quintal**
- Successful installation of incineration boiler and turbine at **Hargaon & Seohara Distillery.**
- Cane dues as on **31st Dec 2020 was of Rs. 426 Cr**; Presently, outstanding stands at only **Rs. 397 Cr**
- Receivable from Government department as on **31st Dec 2020 was Rs. 49.09 Cr** (i.e. for Export Subsidy & Buffer Stock Interest subsidy mainly) further, also **Rs. 54.55 Crs** is due on account of power supply to Grid.
- Sugar Despatches and sales at **17.53 lac** qtls as against **24.05 lac** qtls in Q3 FY 20 (including export of 10.24 Lac Qtls).
- Company's credit rating has improved from **BBB+ to A-** for long term bank facilities

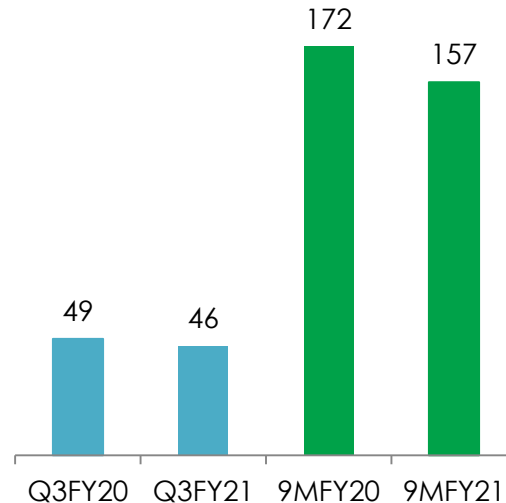
Stock Position	
Opening stock as on 30 th September 2020	30.91 Lakh Qtls
Production	16.67
Sold	17.53
Closing stock as on 31 st December 2020	30.05

Q3/9MFY21 Result Highlights

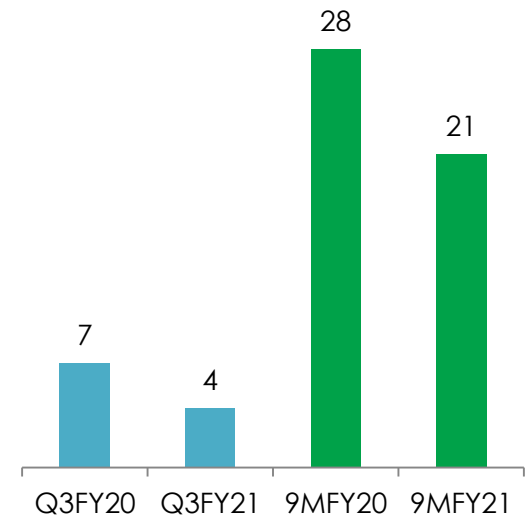
Total Income (Rs. Cr)



EBITDA (Rs. Cr)



PAT (Rs. Cr)



Profitability Highlights

Rs. Crore	Q3FY21	Q3FY20	9MFY21	9MFY20
Total Income	700	872	1884	1,792
Raw Material Cost	565	727	1500	1,396
Employee Cost	26	24	69	65
Other Expenditure	63	72	158	160
EBITDA	46	49	157	172
Depreciation	13	11	36	33
PBIT	33	38	121	138
Interest	26	25	88	93
Profit Before Tax	7	13	33	45
Tax	3	6	12	17
Profit After Tax	4	7	21	28
EPS (Rs)	1.86	3.74	10.48	14.04

Q3/9M FY21 Segmental Highlights



Sugar Segment Performance

	Segmental Revenues (Rs. Lakh)	Dispatched Qty (In Lacs)	PBIT (Rs. Lakh)
Q3FY21	65,969	17.53	(31)
Q3FY20	87,869	24.05	1,434
9MFY21	1,74,566	47.89	4,145
9MFY20	1,73,213	47.82	7,537
	Sugar cane Crushed (Lakh Qtls)	Sugar Recovery (%)	
Q3FY21	176.96	9.68*	
Q3FY20	164.03	10.52	
9MFY21	307.26	10.52	
9MFY20	305.35	11.08	

* Both Hargaon and Seohara Units operated at B Heavy Molasses only.

Distillery Segment Performance

	Segmental Revenues (Rs. Lakh)		PBIT (Rs. Lakh)			
Q3FY21	9,450		3,099			
Q3FY20	6,201		2,406			
9MFY21	25,212		8,304			
9MFY20	16,147		7,542			
	Total Ethanol Production (Lakh litres)		Total Ethanol Sales (Lakh litres)		Average Realization of Ethanol (Rs./litre)	
	B	C	B	C	B	C
Q3FY21	73.96	130.74	60.58	135.22	57.59	43.75
Q3FY20	49.91	128.75	24.31	113.77	54.27	43.52
9MFY21	166.25	274.02	231.29	269.63	55.14	43.75
9MFY20	49.91	345.98	24.31	346.26	54.27	43.62

Co-Generation Segment Performance

	Segmental Revenues (Rs. Lakh)	PBIT (Rs. Lakh)	
Q3FY21	5,483	597	
Q3FY20	4,110	164	
9MFY21	8,897	402	
9MFY20	8,500	(125)	
	Power Generation (lakh units)	Power Sales (Lakh units)	Average Realization (Rs. Per Unit)
Q3FY21	757	516	3.02
Q3FY20	552	428	2.93
9MFY21	1,282	796	3.02
9MFY20	1,219	943	2.94

Industry updates



Sugar Industry Updates

As per recent report, world sugar production in SS 20-21 is expected to increase by 10% y-o-y to 181.9 mln tonnes, mainly driven by the expected increase in production in Brazil & India by 32% and 13% y-o-y respectively

Global Consumption is expected to increase by 2.1% 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

Sugar Production in SS 2020-21: ISMA lowered its total sugar production estimates by 8 lakh tonne to 30.2 million tons for SS 2020-21; 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

Sugar Industry Updates

Sugar Output (Oct-Jan 2021): Sugar production is at 17.68 million tons for Oct – Jan 2021, an increase of 25.37% on y-o-y basis.

- Production in UP remained slightly lower at 5.44 million tons till January of SS 2020-21, as against 5.49 million tons in corresponding period last year. However, production in Maharashtra increased by 84% y-o-y to 6.38 million tons and in Karnataka recorded a increase of ~23% y-o-y to 3.43 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 30th September 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

Sugar Industry Updates

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

- State Advised Price (SAP) for U.P. for Sugar Season 2020-21 is yet to be announced

MSP: The government has announced increased the minimum selling price (MSP) of sugar from Rs 31 per kg to Rs. 33 per kg has yet not been made effective; awaiting for the approval from the cabinet

Government Initiatives to aid Ethanol Production

Ethanol Price revision : 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 and Sugarcane juice by Rs. 3.17/ltr to Rs. 62.65/ltr for supply period from '1st December 2020 to 30th November 2021'

For SS 2020-21, UP Government approved reservation of 18% of molasses for production of Country liquor

Interest Subvention Scheme: The Government has announced interest subvention loans for augmentation of distillery capacities. The financial assistance is extended for 5 years on the loan availed from banks @ 6% per annum or 50% of the rate of interest charged by banks whichever is lower for enhancement of ethanol distillation capacity or to set up distilleries for producing 1st Generation ethanol from feed stocks or converting molasses-based distilleries to dual feedstock

Increase of Import Duty on Ethyl Alcohol: The Government propose to increase import duty on denatured ethyl alcohol to 5% from the current 2.5% which in-turn will aid the demand for domestic molasses and alcohol

20% Ethanol Blending by 2025 – Government is targeting to achieve ethanol blending of 20% by 2025; this would support sugar sector by resolving the problem of excess sugar production and would translate to improved realization of sugar mills

Disclaimer

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