

AVADH/SE/2022-23/24

November 09, 2022

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and Disclosure Requirements) Regulations, 2015 and the Company's Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, kindly find enclosed herewith a copy of the Investor Presentation with respect to the Financial Highlights of the Company for the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 ended 30th September, 2022.

Please take the same on record.

Thanking you,

Yours faithfully,
For Avadh Sugar & Energy Limited

DEVINDER
KUMAR JAIN

Digitally signed by
DEVINDER KUMAR JAIN
Date: 2022.11.09
12:46:19 +05'30'

Devinder Kumar Jain
Company Secretary
ACS – 14674



K.K. BIRLA GROUP OF SUGAR COMPANIES

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Avadh Sugar & Energy Ltd

Making Sustainable Impact





Q2FY23 Highlights



SUGAR

- Sugar Stock as on 30th Sept 2022, 11.13 lakh quintals (19.07 lakh quintal as on 30th Sept 2021)

Stock Position (Lakh Qtls)	
Opening stock as on 1 st July 2022	24.13
Production	-
Sold	13.00
Closing stock as on 30 th September 2022	11.13

- Average domestic sale realization:
Q2FY23 Rs. 3496 /- per quintal; Q2FY22 Rs. 3,419 /- per quintal
- The Capex for better efficiency and other energy efficiency improvement measures at Seohara and Rosa units are completed.



ETHANOL

- Ethanol production capacity on B-heavy molasses increased to **325 KLPD in FY22**

- **Distillery Performance:-**

Particulars	Q2FY23	Q2 FY22
UOM	Lac/Qtls.	Lac/Qtls.
Production	207.11	195.38
Sales	193.07	232.73

- Government announces achieving 10% blending target ahead of the schedule

Profitability Impact due to :-

- **Wage Revision by Government of Uttar Pradesh, additional cost of Rs. 1180 Lacs.**
- **Additional earmarking of Molasses due to increases in Levy obligation for Sugar Season 2021-22 and consequential opportunity loss.**
- **Impact of Higher Sugar cane price in the Sugar Season 2021-22 not fully compensated by increase in Sugar Realisation.**
- **Increase Transfer price of B Heavy Molasses.**

- Details of Outstanding position

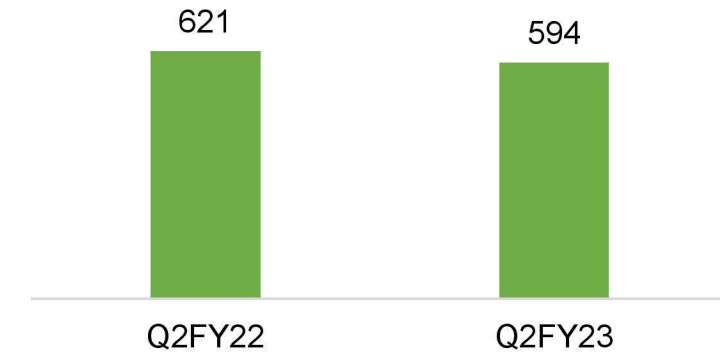
Particulars (Rs. In Crores)	30-Sep-2022	30-June-2022	31-March-2022
Term Loan	462 *	489	522
Cash Credit / Short Term Loan	377 **	696	690
Total Debt	839	1,185	1,212
Cane Dues & Other Payables	-	41	306
Total Outside Liability	839	1,226	1,518

* Including UP govt soft Loan & SEFASU Loan for Distillery Project aggregating to Rs. 161 Cr.

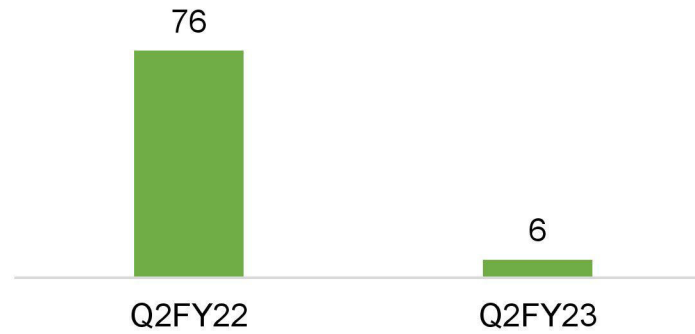
**Against this, inventory at cost as on 30th September 2022 is 452 crores

- Substantial reduction in Debt in current quarter.
- India ratings and research has assigned ASEL's rating with a stable Outlook to long term issuer rating of "IND A"

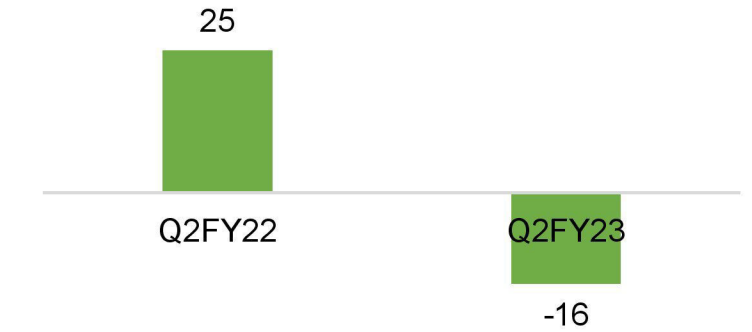
Total Income (Rs. Cr)



EBITDA (Rs. Cr)



PAT (Rs. Cr)



1,240

H1FY22

1,282

H1FY23

147

H1FY22

70

H1FY23

44

H1FY22

3

H1FY23

Profit & Loss Highlights

Rs. Crore	Q2FY23	Q2FY22	H1FY23	H1FY22
Total Income	594	621	1282	1,240
Raw Material Cost	507	474	1056	957
Employee Cost	36	22	60	44
Other Expenditure	45	49	96	92
EBITDA	6	76	70	147
Depreciation	13	13	25	26
PBIT	(7)	63	45	121
Interest	18	24	40	53
Profit Before Tax	(25)	39	5	68
Tax	(9)	14	2	24
Profit After Tax	(16)	25	3	44
EPS (Rs) *	(8.14)	12.61	1.70	22.08

**Not annualised*

Balance Sheet Highlights



Rs. Crore	Sep-22	Mar-22
Shareholder's Funds	791	810
Share capital	20	20
Other Equity	771	790
Non-current liabilities	366	430
Long term borrowings	338	403
Long-Term Provisions	6	5
Deferred tax liability	22	22
Current liabilities	584	1189
Short Term Borrowings	501	810
Trade Payables	26	310
Other Financial Liabilities / Provisions	57	69
Total Equities & Liabilities	1741	2429

Rs. Crore	Sep-22	Mar-22
Non-current assets	1218	1156
Fixed assets	1053	1077
Capital W.I.P	87	9
Other non-current assets	78	70
Current Assets	523	1274
Inventories	452	1170
Trade receivables	50	86
Others	21	18
Total Assets	1741	2429



Segmental Performance

Sugar Segment Performance



	Q2FY23	Q2FY22
Segmental Revenues (Rs. Lakh)	50,075	52,992
PBIT (Rs. Lakh)	(2,080)	2,649
Dispatched Qty (In Lacs)	13.00	13.81
Average Realization (Per Quintal)	3,496	3,419
Sugar cane Crushed (Lakh Qtls)	-	-
Sugar Recovery (%)	-	-

	H1FY23	H1FY22
	1,13,090	1,10,202
	(423)	4,052
	26.88	28.68
	3,485	3,347
	89.17	82.04
	9.71	10.88

Distillery Segment Performance

	Q2FY23	Q2FY22	H1FY23	H1FY22
Segmental Revenues (Rs. Lakh)	11,700	13,410	27,869	24,386
PBIT (Rs. Lakh)	2,603	4,680	6,604	9,353
Total Ethanol Production (Lakh litres) – B Heavy	207.11	195.4	430.30	400.54
Total Ethanol Production (Lakh litres) – From Syrup	-	-	29.78	-
Total Ethanol Sales (Lakh litres) – B Heavy	192.34	232.6	410.93	422.10
Total Ethanol Sales (Lakh litres) – From Syrup	-	-	48.59	-

Co-Generation Segment Performance



	Q2 FY23	Q2 FY22	H1FY23	H1FY22
Segmental Revenues (Rs. Lakh)	972	1,047	4,505	4,236
PBIT (Rs. Lakh) *	(752)	(567)	(773)	(514)
Power Generation (Lakh Units)	133.42	141.14	644	635.0
Power Sales (Lakh Units)	9.25	22.2	242	256.9
Average Realisation (Rs. Per Unit)	2.60	2.75	2.92	3.06

**Loss Due to Transfer of Bagasse at Higher Rate*



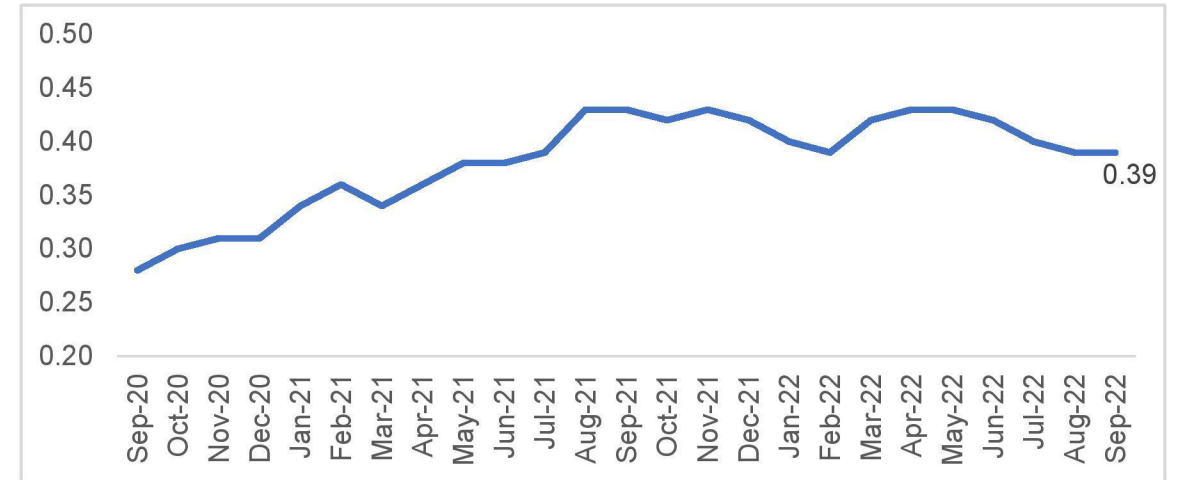
Industry Updates

Global Sugar Inventory Update

Global Sugar Balance Sheet (Million MT)	2021-22	2022-23 (E)
Opening Balance of Sugar Inventory	52.0	49.8
Production during the year	181.2	182.9
Consumption during the year	175.5	178.8
Import/Export	7.9	6.8
Closing Balance for the year	49.8	47.0

Source: USDA

Global Sugar Price Trend (USD/Kg)



Source: ISO

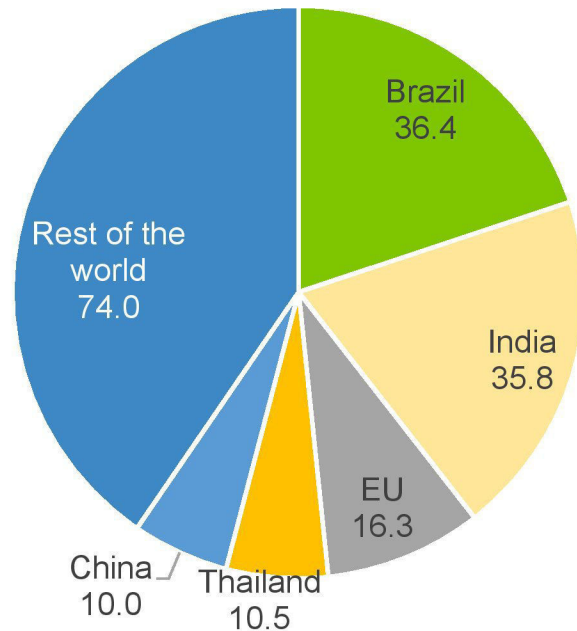
Global Sugar Outlook for SS 2022-23

- **Global Production forecast** up 1.7 million tonnes to 182.9 million tonnes as higher production in Brazil, China, and Russia is expected to more than offset declines in India and Ukraine
- **Global Consumption** is anticipated to rise to a new record due to growth in markets including China, India, Indonesia, and Russia
- **Exports** are projected down as the drop in India more than offsets higher exports from Brazil and Thailand
- **Closing Stock** is forecasted lower as growth in global consumption is likely to exceed the production

Source: USDA

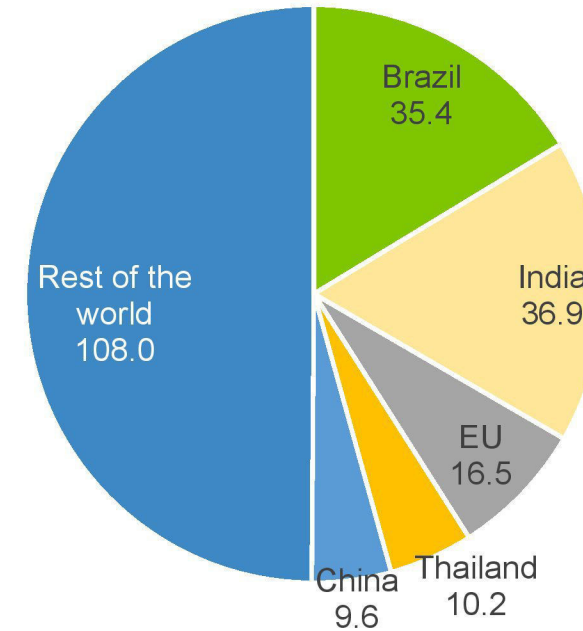
SS 2022-23 (E)

Global Production estimated at 182.89 MMT



SS 2021-22

Global Production estimated at 181.18 MMT



- **Brazil production** forecast higher this season as favourable weather to boost sugarcane yields and thereby higher sugarcane for crushing, despite lower harvested area (as marginal sugarcane areas switch to soybean and corn)
- **India production** is forecast to decline as less sugarcane is processed for sugar on account of diversion to ethanol production

Sugar Production/ Procurement

- All India Sugar Production in SS 2021-22 stood at **360 lakh tonnes** after considering diversion of 35 lakh tonnes of sugar equivalent to ethanol production
- FRP of Sugar Cane for Sugar Season 22-23 fixed at Rs. 305 / Qtl for a base recovery of Rs. 10.25% (P.Y.) Rs. 290 / Qtl for 10%

Sugar Balance Sheet for SS FY22

- Opening stock **82 lakh tons** as on 1st October 2021
- Domestic consumption of 272 lakh tons, Sugar exports of 110 lakh tons (cap by GOI)
- The closing stock as on 30th September 2022 is **60 lakh tons**

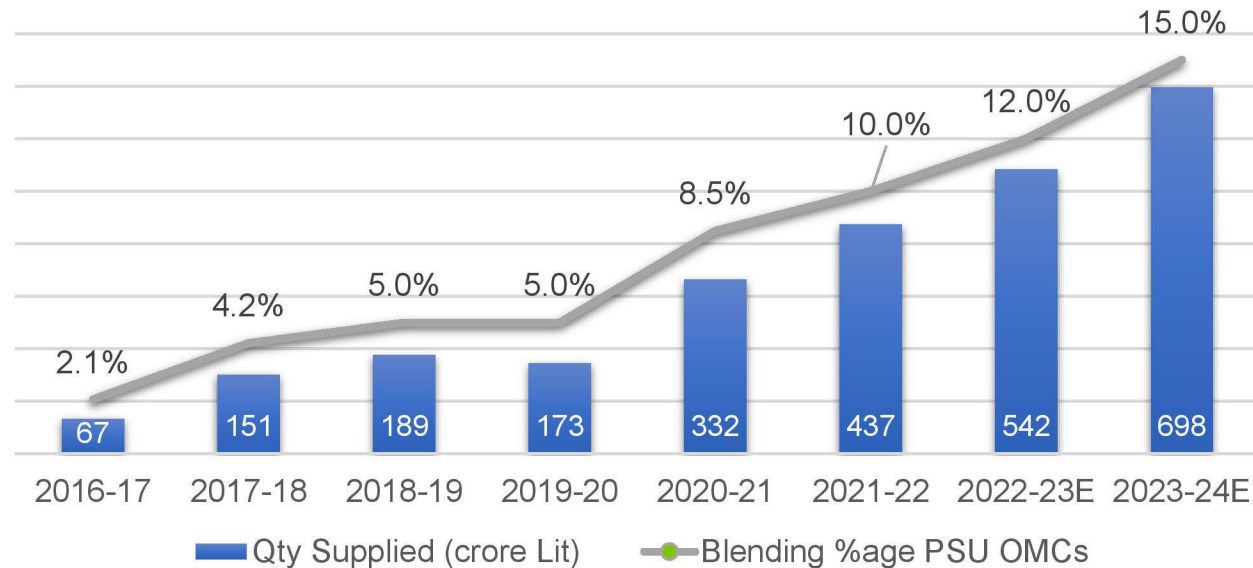
Exports

- **Highest ever exports of about 110 lakh tons, with no financial assistance**
- Supportive international prices and Indian government policy led to this feat of the Indian Sugar Industry
- These exports earned foreign currency of about Rs. 40,000 crore for the country

Outlook

- ISMA estimates Net Sugar Production for SS 2022-23 at 400 lakh tonnes (394 lakh tonne for SS 2021-22). However, a higher diversion towards ethanol production to meet the blending target of over 10% in 2022-23 is likely to **dip the sugar output by 1.4% YoY to 355 lakh tonnes**

Quantity Supplied (Ethanol) and % Blending Trends



Increase in ETHANOL Price ESY 2022-23

Sources	Price per Litre
Sugarcane juice/ sugar syrup	Rs. 65.61
B Heavy molasses	Rs. 60.73
C Heavy Molasses	Rs. 49.41

- India has achieved the 10% Ethanol blending target in petrol
- The achievement of E10 resulted in additional revenue of about Rs 18,000 crores in revenue of sugar mills / distilleries which is likely to exceed Rs 35,000 crores on achievement of E20 blending with petrol by 2025
- In SS 2021-22, about 35 lakh metric tonnes of sugarcane has been diverted from ethanol making
- Toyota's much-awaited Corolla Altis Hybrid, India's first ethanol-ready flex fuel hybrid car (FFV – SHEV) is launched in Oct, 2022. It is first of its kind pilot project vehicle and is powered by a 1.8 litre ethanol ready petrol-hybrid engine.

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