

AVADH/SE/2022-23/17

August 04, 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and Disclosure Requirements) Regulations, 2015 and the Company's Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, kindly find enclosed herewith a copy of the Investor Presentation with respect to the Financial Highlights of the Company for the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 June, 2022 .

Please take the same on record.

Thanking you,

Yours faithfully,
For Avadh Sugar & Energy Limited


Devinder Kumar Jain
Company Secretary
ACS – 14674



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Avadh Sugar & Energy Ltd

Making Sustainable Impact





Q1FY23 Highlights



SUGAR

- Sugar Stock as on **30th June 2022, 24.13 lakh quintals (32.88 lakh quintal as on 30th June 2021)**

Stock Position (Lakh Qtls)

Opening stock as on 31 st March 2022	29.06
Production	8.95
Sold (Including Export 2.11 lacs qtls)	13.88
Closing stock as on 30 th June 2022	24.13

- Average domestic sale realization: **Q1FY23 Rs. 3,472 /- per quintal; Q1FY22 Rs. 3,262 /- per quintal**
- Government allowed export through permit and fixed maximum quota of 10 million tons for the season 2021-2022



ETHANOL

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

- **Phenomenal Performance by Distillery :-**

Particulars	Q1 FY23	Q1 FY22
UOM	Lac/Qtls.	Lac/Qtls.
Production	253	205
Sales	268	190

- Government announces achieving 10% blending target ahead of the schedule.
- Incentive declared for ethanol supply for June 2022 to Nov 2022 ranging from Rs. 1 to Rs. 2 per liter depending upon type of feed stock.

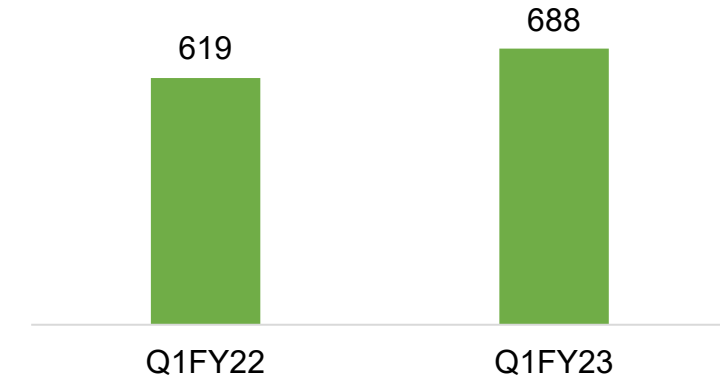
- Details of Outstanding position

Particulars (Rs. In Crores)	30-Jun-2022	31-Mar-2022	30-June-2021
Term Loan	489	522	617
Cash Credit / Short Term Loan	696	690	845
Total Debt	1185	1,212	1,462
Cane Dues & Other Payables	41	306	225
Total Outside Liability	1226	1,518	1,687

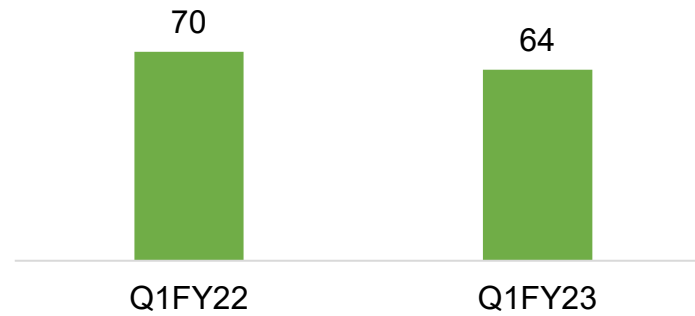
- Substantial reduction in inventory resulting in decline in total outstanding liability by Rs. 461 crores, compared to 30/06/2021.
- India ratings and research has assigned ASEL's rating with a stable Outlook to **long term issuer rating of "IND A"**

Performance in Q1FY23

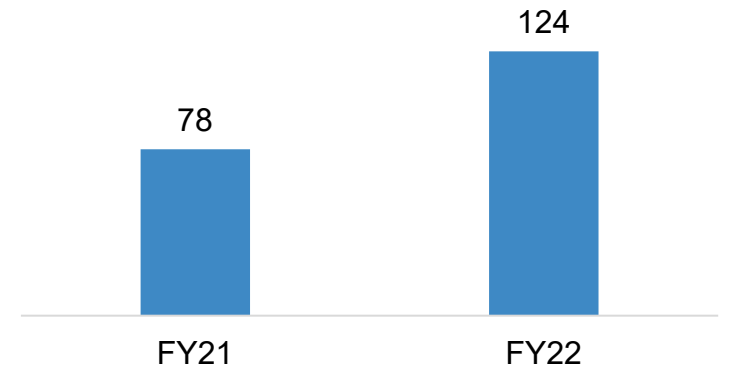
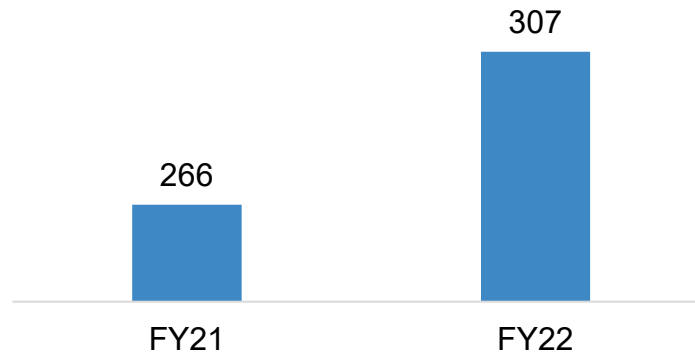
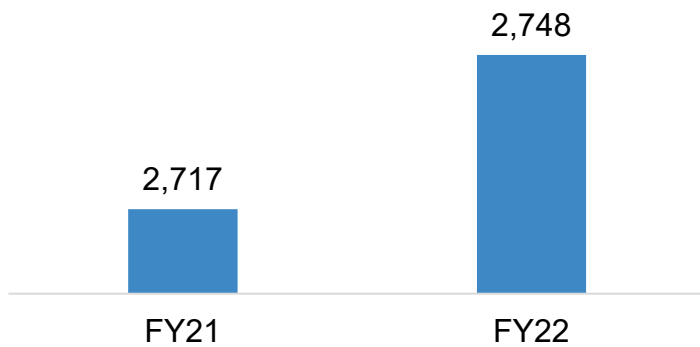
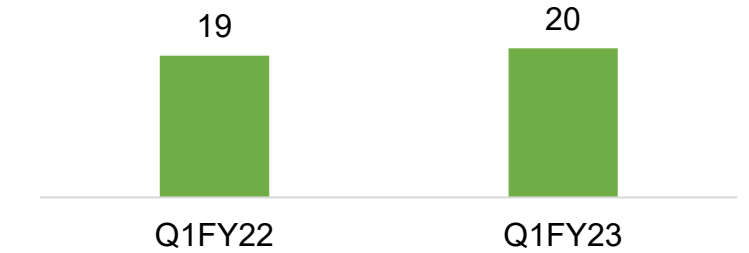
Total Income (Rs. Cr)



EBITDA (Rs. Cr)



PAT (Rs. Cr)



Profit & Loss Highlights

Rs. Crore	Q1FY23	Q1FY22	FY22	FY21
Total Income	688	619	2,748	2,717
Raw Material Cost	550	483	2,115	2,128
Employee Cost	24	23	100	97
Other Expenditure	50	43	226	226
EBITDA **	64	70	307	266
Depreciation	12	13	51	48
PBIT	52	57	256	217
Interest	22	28	88	116
Profit Before Tax	30	29	168	101
Tax	10	10	43	24
Profit After Tax	20	19	124	78
EPS (Rs)	9.84*	9.47*	62.15	38.76

*Not annualised

** EBITDA for corresponding quarter (Q1FY 22) includes net income of Rs. 19.34 Cr. on account of export subsidy



Segmental Performance

Sugar Segment Performance

	Q1FY23	Q1 FY22	FY22
Segmental Revenues (Rs. Lakh)	63,014	57,210	2,60,696
PBIT (Rs. Lakh)	1,657	1,403	12,815
Dispatched Qty (In Lacs)	13.88 *	14.86 *	62.09 **
Average Realization (Per Quintal)	3,472	3,262	3,390
Sugar cane Crushed (Lakh Qtls)	89.17	82.04	526.36
Sugar Recovery (%) #	9.88	10.88	10.27

*Including exports of 2.11 (PY 3.22) lakh quintals for Q1 FY23

**Including exports of 13.43 (PY 9.51) lakh quintals for FY22

#Sugar Recovery on B-Heavy Molasses

Distillery Segment Performance

	Q1FY23	Q1 FY22	FY22
Segmental Revenues (Rs. Lakh)	16,169	10,975	48,437
PBIT (Rs. Lakh)	4,000 *	4,673	14,673
Total Ethanol Production (Lakh litres) – B Heavy	223.19	205.15	641.95
Total Ethanol Production (Lakh litres) – From Syrup	29.77	-	149.36
Total Ethanol Sales (Lakh litres) – B Heavy	218.59	189.47	690.69
Total Ethanol Sales (Lakh litres) – From Syrup	48.59	-	130.46

* Lower due to Transfer of 'B-Heavy' Molasses at Higher Rate.

Co-Generation Segment Performance



	Q1 FY23	Q1 FY22	FY22
Segmental Revenues (Rs. Lakh)	3,533	3,189	16,816
PBIT (Rs. Lakh)	(22)*	53	157
Power Generation (Lakh Units)	510	494	2,351
Power Sales (Lakh Units)	233	235	1,355
Average Realisation (Rs. Per Unit)	3.21	3.09	3.07

* Lower due to transfer of Bagasse at Higher Rate



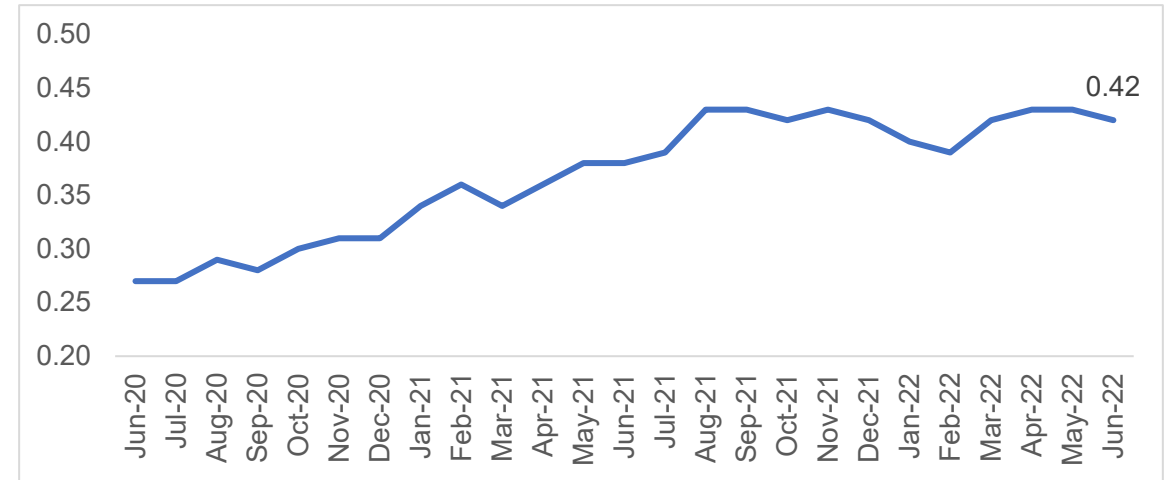
Industry Updates

Global Sugar Inventory is on the decline...

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

...Reflected in the strengthening of prices (USD/Kg)



Source: ISO

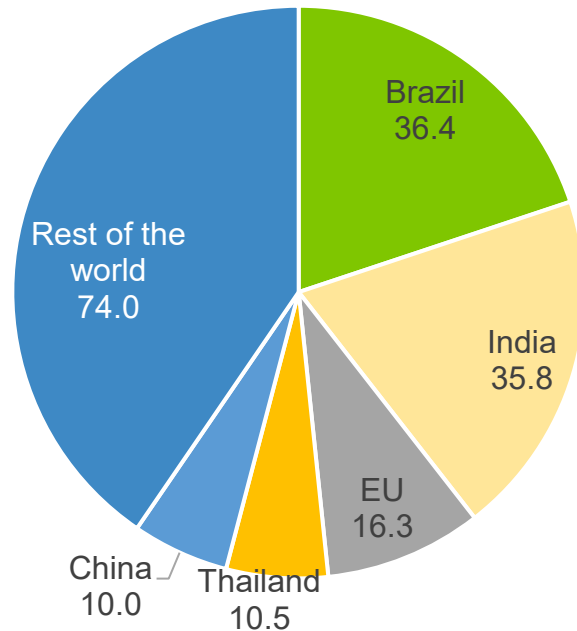
Global Sugar Outlook for SS 2022-23

- **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

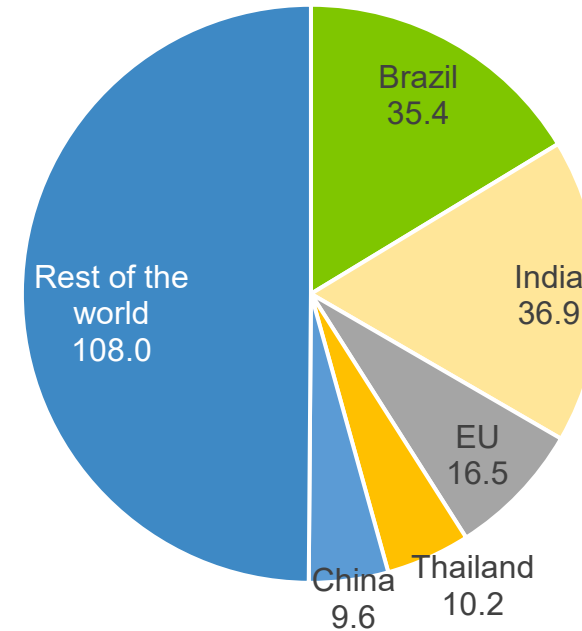
SS 2022-23 (E)

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 expected at **360 lakh tonnes** (from 350 lakh tonnes earlier) after considering diversion of 34 lakh tonnes of sugar equivalent into ethanol
- 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 275 lakh tons, Sugar exports of 100 lakh tons (cap by GOI)
- The closing stock as on 30th September 2022 is expected at **~67 lakh tons**

Exports

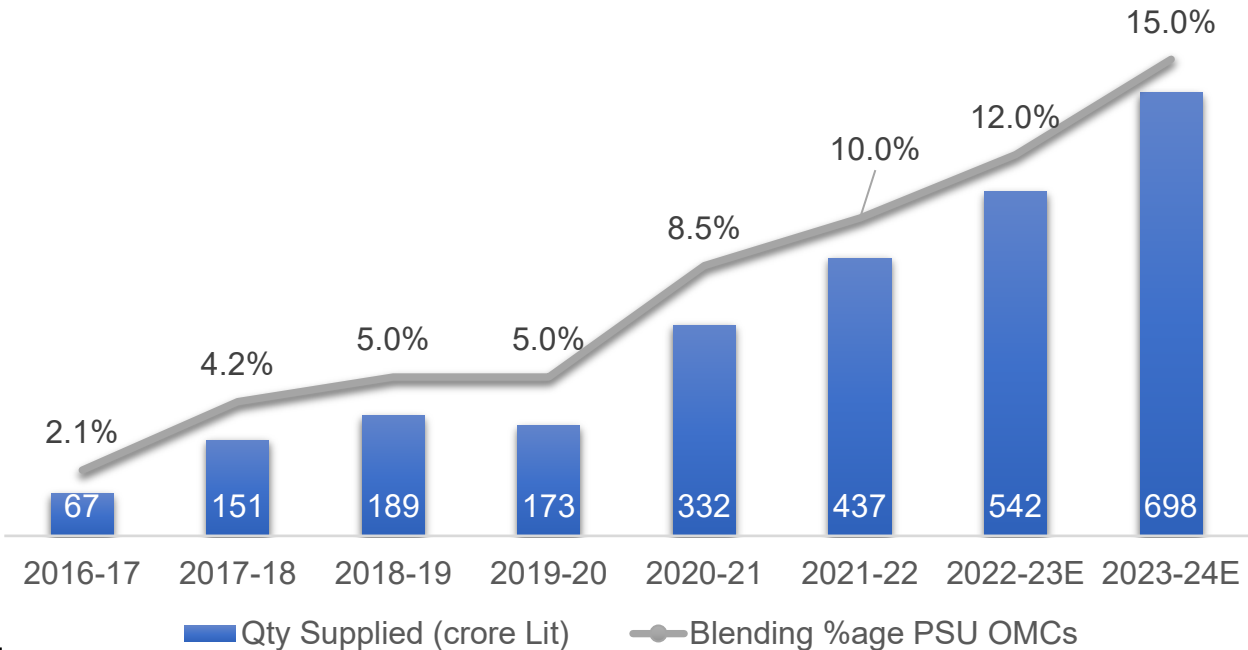
- **94 - 95 lakh tonnes of export contracts** have already been entered into so far
- Of which, ~86 lakh tonnes is reported to be physically exported till end of May 2022
- The government has considered allowing export of additional 10.2 lakh tonnes of Sugar

Outlook

- ISMA estimates an increase of ~4% in sugarcane acreage for SS 2022-23 which is likely to result into higher net sugar production at 399.9 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**

Indian Ethanol Play gets Stronger

Quantity Supplied (Ethanol) and %Blending Trends



- India has achieved the 10% Ethanol blending target in Petrol in May 2022
- India is targeting 20 percent ethanol blending by 2024-25. India's current ethanol distillation capacity stands at around 722 crore litres per annum. It will have to be increased to 1,500 crore litres per annum to meet the requirement of 20% blending
- New Bio Fuel Policy allows the manufacturing of ethanol from B-heavy molasses as well as from direct sugar cane juice/syrup
- OMCs finalized 449 Cr litres for the Ethanol Supply Year 2021-22 (Dec – Nov). Contracts for 445 Cr litres have been executed till 17th July, 2022

- Basic price of ethanol – from C heavy molasses stood at Rs 46.66/litre, from B heavy molasses at Rs. 59.08/litre and from sugar cane juice at Rs. 63.45/litre Q1 & Q2 ESY 22.
- Basic price of ethanol – from C heavy molasses stood at Rs. 47.84/litre, from B heavy molasses at Rs. 60.57/litre and from sugar cane juice at Rs. 65.05/litre for Q3 & Q4 ESY 22.

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