

#### MSEL/SE/2020-21/26

The Manager Listing Department National Stock Exchange of India Limited 'Exchange Plaza', C - 1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai 400051 SYMBOL – MAGADSUGAR

The Manager Listing Department BSE Ltd. 1st Floor, New Trading Ring, Rotunda Building P.J. Towers, Dalal Street, Fort Mumbai-400 001

STOCK CODE - 540650

August 13, 2020

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

SCRIP CODE - 23935

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and Disclosure Requirements) Regulations, 2015 and the Company's Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, please find enclosed herewith a copy of the Investor Presentation with respect to the Financial Highlights of the quarter ended 30<sup>th</sup> June, 2020 of the Company.

Please take the same on record.

Thanking you,

Yours faithfully, For Magadh Sugar & Energy Limited

S Subramanian Company Secretary FCS – 4974

Encl – as above





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#### Magadh Sugar and Energy Limited

#### **Result Presentation Q1FY21**



Q1FY21 - Quarter Highlights

**Operational Highlights – Q1FY21** 

**Industry Scenario** 

**Growth Strategy** 



### Q1FY21 Quarter Highlights



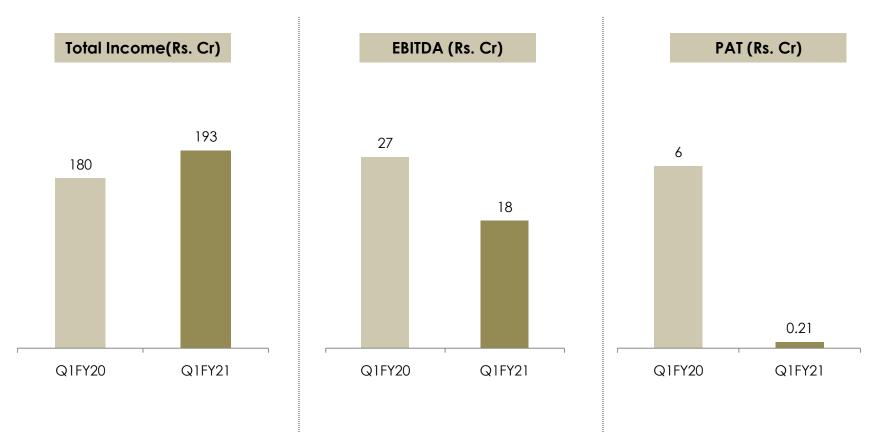
# **Business Updates Q1FY21**

- Sugar Stock as on 30<sup>th</sup> June 2020, **20.48 lakh quintals**
- Average realization in Q1FY21 Rs. 3,209/- per quintal against Q1FY20 Rs. 3335/- per quintal
  - Realisation muted due to nationwide pandemic lockdown
- The expansion of crushing capacity at Hasanpur sugar unit from 5,000 TCD to 6,500 TCD on track
- Obtained Environmental Clearance Certificate for our upcoming molasses-based Distillery at "Sidhwalia"
  - The capacity of proposed Distillery is 75 KLPD
  - Will aid the Company to benefit from changing market dynamics (increased government focus on ethanol)
- Augmentation of Capacity at Existing NSSM Distillery will enable it to run at 80 KLPD with B heavy molasses, resulting in higher volume by 50 lac litres per year
- Credit Rating ICRA assigned 'ICRA A-' rating for the Company's banking facilities

| Stock Position (Qtls)                           |            |  |  |
|-------------------------------------------------|------------|--|--|
| Opening stock as on 01 <sup>st</sup> April 2020 | 23.78 Lakh |  |  |
| Production                                      | 1.66 Lakh  |  |  |
| Sold                                            | 4.96 Lakh  |  |  |
| Closing stock as on 30 <sup>th</sup> June 2020  | 20.48 Lakh |  |  |



# Q1FY21 Result Highlights





# **Profitability Highlights**

| Rs. Crore                     | Q1FY21 | Q1FY20 | ΥοΥ          | FY20  | FY19  | YoY  |
|-------------------------------|--------|--------|--------------|-------|-------|------|
| Total Income                  | 193    | 180    | 7%           | 919   | 745   | 23%  |
| Raw Material Cost             | 152    | 128    | 19%          | 622   | 521   | 19%  |
| Employee Cost                 | 11     | 11     | -            | 48    | 45    | 9%   |
| Total Expenditure             | 12     | 14     | -14%         | 91    | 72    | 25%  |
| EBITDA                        | 18     | 27     | -33%         | 158   | 107   | 48%  |
| Depreciation                  | 4      | 4      | -            | 18    | 18    | -    |
| PBIT                          | 14     | 23     | -39%         | 140   | 89    | 57%  |
| Interest                      | 13     | 14     | -7%          | 48    | 35    | 36%  |
| PB (Exceptional Item and Tax) | 0.38   | 9      | -96%         | 92    | 54    | 70%  |
| Exceptional Item              | -      | -      | -            | 16    | -     | -    |
| Profit Before Tax             | 0.38   | 9      | -96%         | 108   | 54    | 100% |
| Тах                           | 0.17   | 3      | -94%         | 25    | 20    | 25%  |
| Profit After Tax              | 0.21   | 6      | <b>-97</b> % | 83    | 34    | 143% |
| EPS (Rs)                      | 0.15   | 4.34   | -97%         | 58.93 | 24.28 | 143% |

#### Operational Highlights – Q1FY21



# **Sugar Segment Performance**

|        | Segmental Revenues<br>(Rs. lakhs)    | PBIT<br>(Rs. Lakhs) |                               |                                   |
|--------|--------------------------------------|---------------------|-------------------------------|-----------------------------------|
| Q1FY21 | 176                                  | 3                   |                               |                                   |
| Q1FY20 | 164                                  | 14                  |                               |                                   |
| FY20   | 86,230                               | 9,540               |                               |                                   |
|        | Sugarcane Crushed<br>(lakh quintals) | Sugar Recovery (%)  | Sugar Sold<br>(Lakh quintals) | Average Realizati<br>(Rs. Per kg) |
| Q1FY21 | 13.25                                | 11.36               | 4.96                          | 32.09                             |
| Q1FY20 | 21.55                                | 10.54               | 4.64                          | 33.35                             |
| FY20   | 242.07                               | 11.12               | 23.49                         | 33.14                             |

Sugar inventory as on 30<sup>th</sup> June 2020 was 20.48 lakh quintals valued @ average rate of Rs. 29.90 per kg



## **Distillery Segment Performance**

|        | Segmental Revenues<br>(Rs. In lakhs)      | PBIT<br>(Rs. lakhs)                 |
|--------|-------------------------------------------|-------------------------------------|
| Q1FY21 | 2,302                                     | 1,087                               |
| Q1FY20 | 1,748                                     | 832                                 |
| FY20   | 7,119                                     | 3,092                               |
|        | Total Alcohol Production<br>(Lakh litres) | Total Alcohol Sales<br>(Lac litres) |
| Q1FY21 | 32.43*                                    | 41.74*                              |
| Q1FY20 | 45.01                                     | 38.67                               |
|        |                                           |                                     |

\*including B heavy



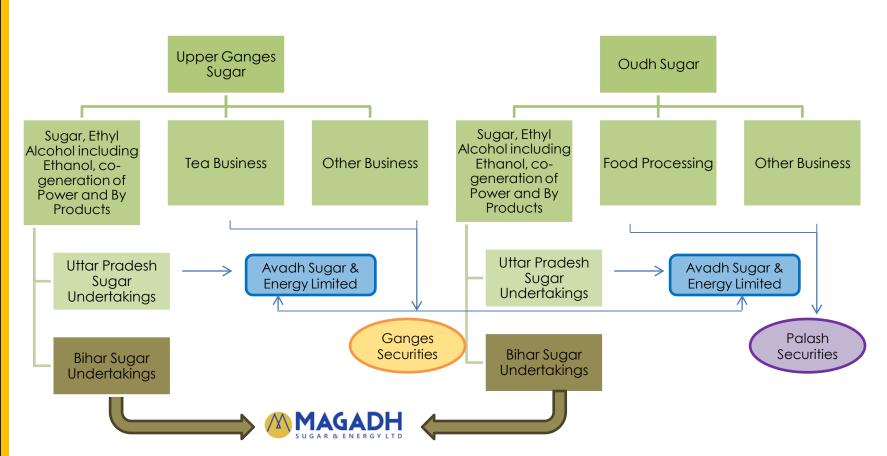
# **Co-Generation Segment Performance**

|        | Segmental Revenues (Rs. lakhs) | PBIT (Rs. lakhs)            |                                       |
|--------|--------------------------------|-----------------------------|---------------------------------------|
| Q1FY21 | 582                            | 106                         |                                       |
| Q1FY20 | 1,385                          | 366                         |                                       |
| FY20   | 8,360                          | 3,719                       |                                       |
|        | Power Generation (lakh units)  | Power Sales<br>(Lakh units) | Average Realization<br>(Rs. Per Unit) |
| Q1FY21 | 71.20                          | 43.78                       | 5.86                                  |
| Q1FY20 | 219.66                         | 141.72                      | 5.22                                  |
| FY20   | 1,144.33                       | 723.21                      | 5.33                                  |

# Company Overview



# **Background of Magadh Sugar & Energy Limited**





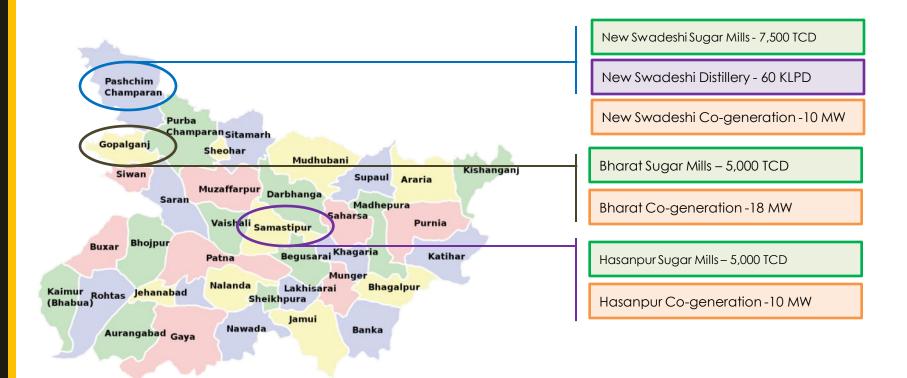
# **Company Overview**

- Incorporated in 1932 (Group in Sugar Business over 7 decades), consequent upon various schemes of merger and demerger this company formed in 2015
- Company's core business includes
  - Sugar and sugar products, Spirits and alcohol, Co-Generation of power
- Company has 3 sugar mills with a combined crushing capacity of 17,500 TCD
- Company has 1 distillery at Narkatiaganj with a total capacity of 60 KLPD
- Cogeneration facility generate 38 MW power
- Company is located in Bihar
- Narkatiaganj plant of the company showed highest recovery in Bihar

| Region                | Plant<br>(Bihar)           | Capacity  |
|-----------------------|----------------------------|-----------|
|                       | New Swadeshi Sugar Mills   | 7,500 TCD |
| Pashchim<br>Champaran | New Swadeshi Distillery    | 60 KLPD   |
|                       | New Swadeshi Co-generation | 10 MW     |
|                       |                            |           |
|                       | Bharat Sugar Mills         | 5,000 TCD |
| Gopalganj             | Bharat Co-generation       | 18 MW     |
|                       |                            |           |
| Samastipur            | Hasanpur Sugar Mills       | 5,000 TCD |
|                       | Hasanpur Co-generation     | 10 MW     |

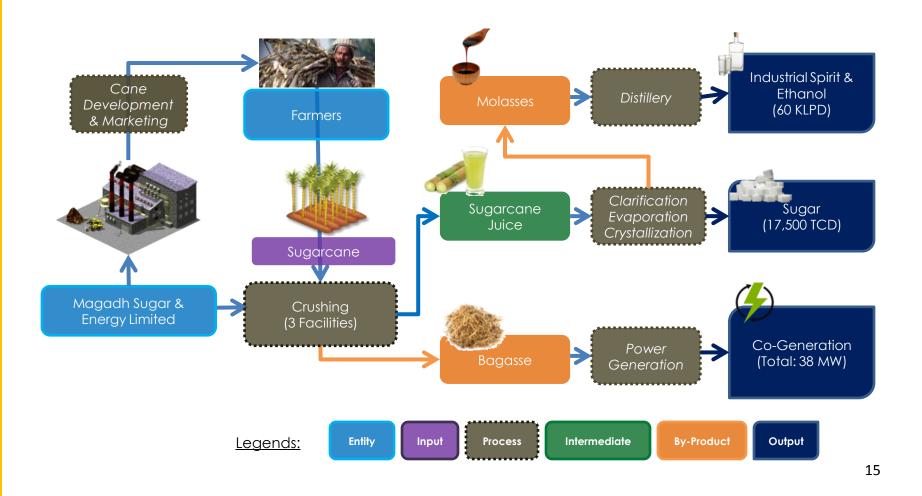


#### Ready to reap the benefits going ahead



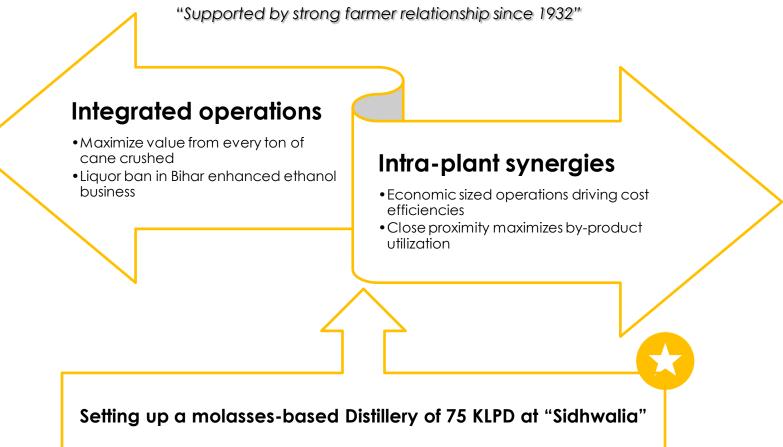


#### **Integrated Business Model**





# Continuous innovation in business model



# Industry Overview



## **Sugar Industry Updates**

**New virus outbreak threatens sugar crops in Europe:** A crop disease outbreak in Europe hits the sugar farmers. It is expected that this disease could cut sugar production by ~25% in France and even more in Germany if conditions don't improve

**Sugar Production:** India achieved sugar production of 27.02 mln tonnes so far in SS 19-20 and expected sugar production in SS 20-21 is 30.5 mln tonnes

**Raw Sugar Price:** Raw sugar prices hardened to 12.54 cents per pound for October 2020 delivery and is upto13.15 cents per pound for March 2021 delivery

MSP: The government has increased the minimum selling price (MSP) of sugar from Rs 31 per kg to Rs. 33 per kg wef 01.10.2020

**Export:** 5.2 mln tonnes has been exported for SS 2019-20 and is expected to be 5.8 mln tonnes by the end of SS 2019-20; export will continue to get benefits by Government of India resulting in stabilisation of inventory levels



## **Sugar Industry Updates**

#### Task force recommendations of one time solutions to sugar sector woes:

Niti Ayog submitted its report recommending the following:

- 1. One time increase of MSP to unburden the mills
- 2. Capping of farmers land used for sugarcane at 85% of the total land
- 3. Cash incentive of Rs. 6,000 per hector to farmers for shift to other crops from sugarcane
- 4. Cess of Rs. 50 per quintal of Sugar
- 5. Revenue sharing formula with the price stabilisation fund to protect farmers
- 6. Implementation of scientific formula suggested by C. Rangarajan committee with slightly upward adjustment in sugarcane prices



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# Let's Connect





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