

MSEL/SE/2020-21/12

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 – 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**

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and Disclosure Requirements) Regulations, 2015 and the Company's Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, please find enclosed herewith a copy of the Investor Presentation of the Company with respect to the Financial Highlights of the quarter and financial year ended 31<sup>st</sup> March, 2020.

Please take the same on record.

Thanking you,

Yours faithfully,  
For Magadh Sugar & Energy Limited

  
S Subramanian  
Company Secretary  
FCS – 4974



Encl – as above



K.K. BIRLA GROUP OF SUGAR COMPANIES



**Magadh Sugar and Energy Limited**

**Result Presentation Q4FY20**

# **Agenda**

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**Q4FY20/FY20 - Quarter Highlights**

**Operational Highlights – Q4FY20/FY20**

**Industry Scenario**

**Growth Strategy**

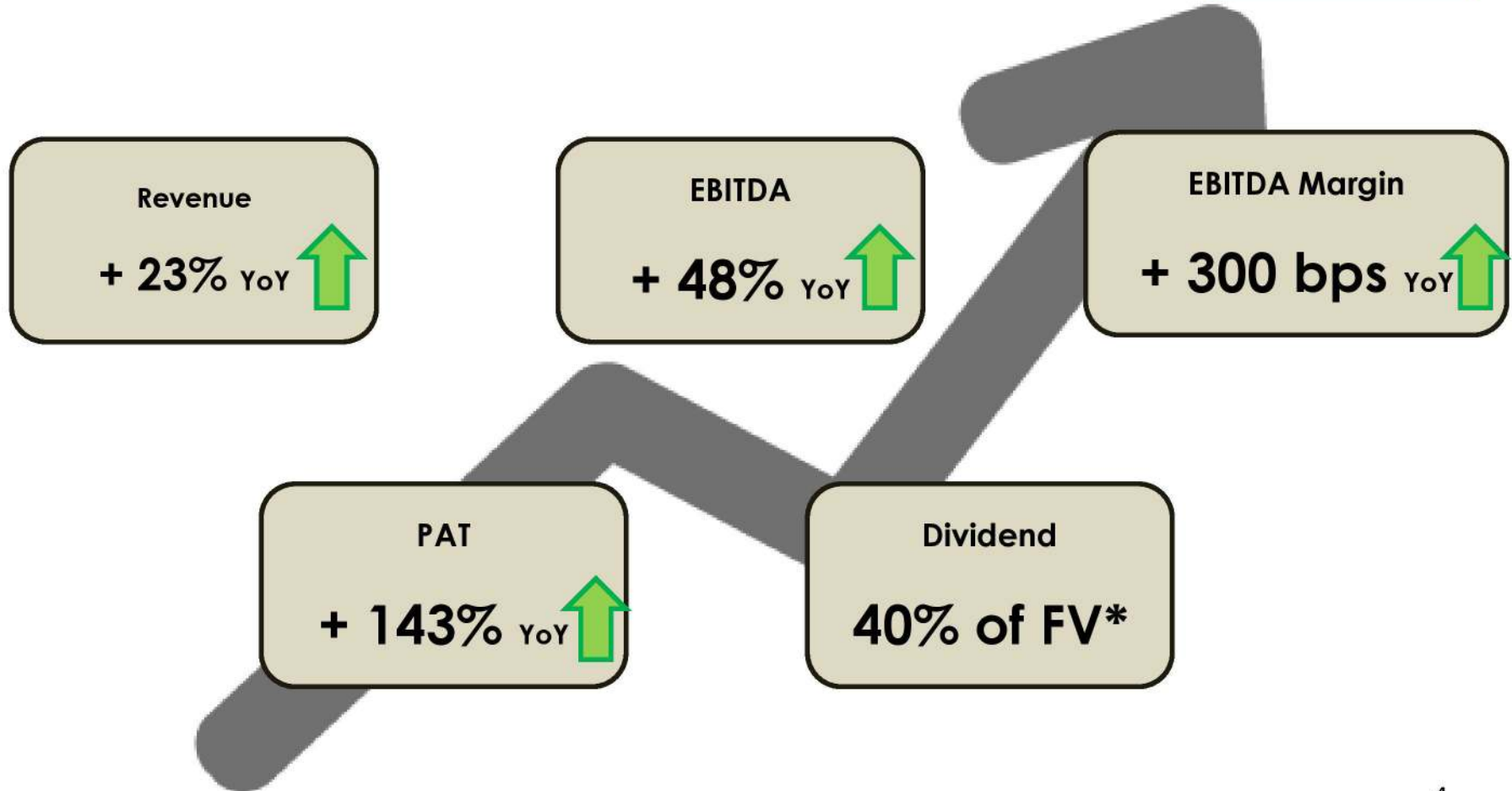






Q4FY20 Quarter Highlights

# FY20 - Highlights



\*Post 4:10 bonus declared on 27<sup>th</sup> June 2019

# 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

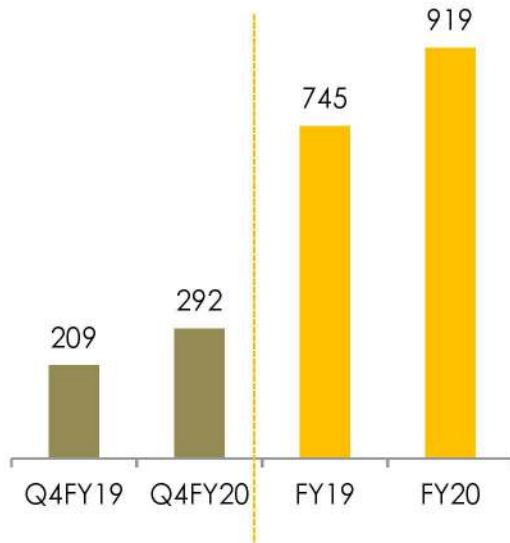
# Business Updates Q4FY20

- Sugar Stock as on 31st March 2020, **23.78 lakh quintals**
- Average realization in **FY20 Rs. 3,314/- per quintal** against FY19 Rs. 3,090/- per quintal ; **Q4FY20 Rs. 3,252/- per quintal**
- FY 19-20 closed with total crushing 242.07 **lac quintal** at average recovery of 11.12 % **(including "B" Heavy )**
- **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)

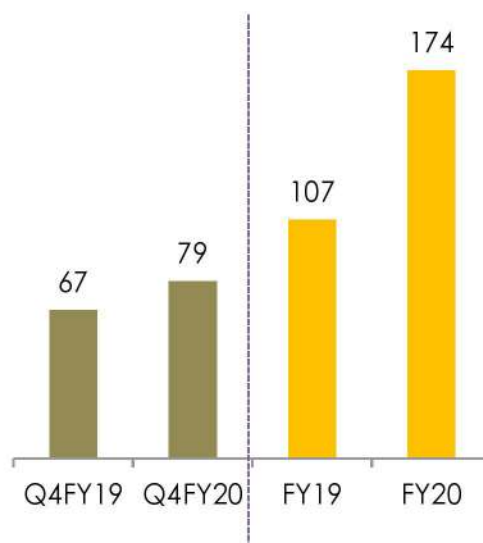
<b>Stock Position</b>	
<b>Opening stock as on 31<sup>st</sup> March 2019</b>	<b>20.29 Lakh</b>
Production	26.98 Lakh
Sold	23.49 Lakh (incl 1.05 lakh qtls export)
<b>Closing stock as on 31<sup>st</sup> March 2020</b>	<b>23.78 Lakh</b>

# Q4FY20/FY20 Result Highlights

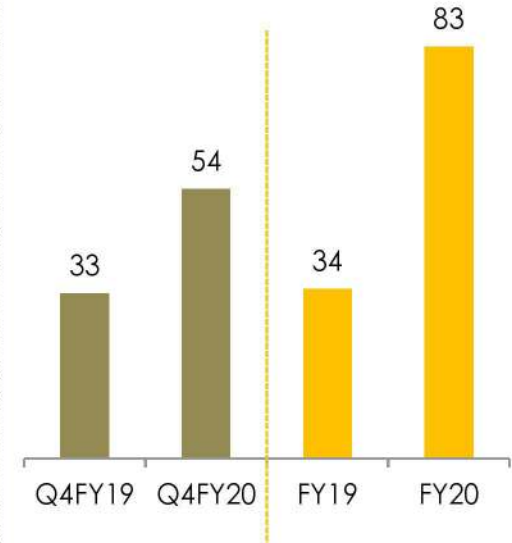
**Total Income (Rs. Cr)**



**EBITDA (Incl. Excep. Item) (Rs. Cr)**



**PAT (Rs. Cr)**





# Profitability Highlights

Rs. Crore	Q4FY20	Q4FY19	YoY	FY20	FY19	YoY
<b>Total Income</b>	<b>292</b>	<b>209</b>	<b>40%</b>	<b>919</b>	<b>745</b>	<b>23%</b>
Raw Material Cost	179	100	80%	622	521	19%
Employee Cost	16	14	10%	48	45	9%
Total Expenditure	33	28	17%	91	72	25%
<b>EBITDA</b>	<b>64</b>	<b>67</b>	<b>-5%</b>	<b>158</b>	<b>107</b>	<b>48%</b>
<b>EBIDTA margin (%)</b>	<b>22%</b>	<b>32%</b>	<b>-</b>	<b>17%</b>	<b>14%</b>	<b>-</b>
Depreciation	5	4	11%	18	18	-
<b>PBIT</b>	<b>59</b>	<b>62</b>	<b>-6%</b>	<b>140</b>	<b>89</b>	<b>57%</b>
Interest	12	11	10%	48	35	36%
<b>PB (Exceptional Item and Tax)</b>	<b>47</b>	<b>52</b>	<b>-9%</b>	<b>92</b>	<b>54</b>	<b>70%</b>
Exceptional Item	16	0	-	16	0	-
<b>Profit Before Tax</b>	<b>63</b>	<b>52</b>	<b>22%</b>	<b>108</b>	<b>54</b>	<b>100%</b>
Tax	9	19	-53%	25	20	25%
<b>Profit After Tax</b>	<b>54</b>	<b>33</b>	<b>63%</b>	<b>83</b>	<b>34</b>	<b>143%</b>
<b>PAT Margin (%)</b>	<b>19%</b>	<b>16%</b>	<b>-</b>	<b>9%</b>	<b>5%</b>	<b>-</b>
EPS (Rs)	39.57	23.62	63%	58.93	24.28	143%

# Balance Sheet Highlights

Rs. Crore	Mar-20	Mar-19
<b>Shareholder's Funds</b>	<b>536</b>	<b>456</b>
Share capital	14	10
Other Equity	522	446
<b>Non-current liabilities</b>	<b>147</b>	<b>102</b>
Long term borrowings	123	84
Long-Term Provisions	3	3
Deferred tax liability	21	15
<b>Current liabilities</b>	<b>861</b>	<b>828</b>
Short Term Borrowings	489	413
Trade Payables	313	348
Other Financial Liabilities	42	51
Short-term provisions	6	5
Other Current liabilities	5	6
Current tax liability	6	4
<b>Total Equities &amp; Liabilities</b>	<b>1,544</b>	<b>1,386</b>

Rs. Crore	Mar-20	Mar-19
<b>Non-current assets</b>	<b>680</b>	<b>660</b>
Fixed assets	670	657
Capital W.I.P	7	2
Other non-current assets	3	1
<b>Current Assets</b>	<b>864</b>	<b>726</b>
Inventories	770	651
Biological Assets other than bearer plants	1	1
Trade receivables	9	21
Bank, Cash & Cash equivalents	1	1
Loans & advances	0	0
Other financial assets	6	2
Other Current Assets	75	48
Current Tax Assets (net)	3	2
<b>Total Assets</b>	<b>1,544</b>	<b>1,386</b>



Operational Highlights – FY20/Q4FY20

# Sugar Segment Performance

	Segmental Revenues (Rs. lakhs)	PBIT (Rs. Lakhs)		
Q4FY20	27,799	4,086		
Q4FY19	19,427	2,642		
FY20	86,230	9,540		
FY19	66,934	1,669		
	Sugarcane Crushed (lakh quintals)	Sugar Recovery (%)	Sugar Sold (Lakh quintals)	Average Realization (Rs. Per kg)
Q4FY20	151.21	11.29	7.21	32.52
Q4FY19	151.86	11.14	5.25	31.59
FY20	242.07	11.12	23.49	33.14
FY19	242.25	10.88	19.66	30.90

Sugar inventory as on 31<sup>st</sup> March 2020 was 23.78 lakh quintals valued @ average rate of Rs. 29.69/- per kg



# Sugar Segment Performance

### Cane Crushed (Lakh Quintals)



### Sugar Recovery (%)



### Production (Lakh Quintals)



### Average Realization (Per Kg)



# Distillery Segment Performance

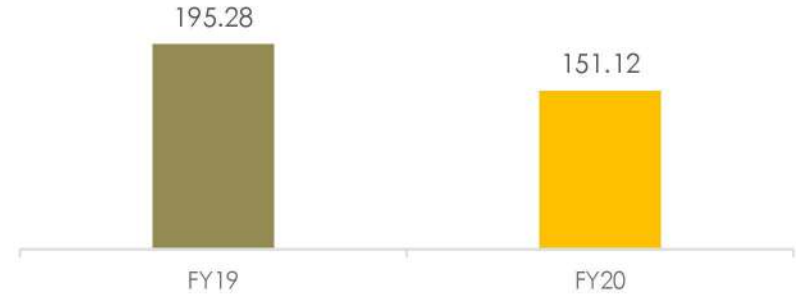
	Segmental Revenues (Rs. In lakhs)	PBIT (Rs. lakhs)	
Q4FY20	2,191	1,101	
Q4FY19	2,257	1,182	
FY20	7,119	3,092	
FY19	8,335	3,728	
	Total Alcohol Production (Lakh litres)	Total Alcohol Sales (Lac litres)	Average Realization (Rs./litre)
Q4FY20	60.84	43.75	47.22
Q4FY19	58.22	50.66	43.46
FY20	170.83	151.12	44.57
FY19	181.73	195.28	41.78

# Distillery Segment Performance

Total Alcohol Production (lakh Liters)



Total Alcohol Sales (lakh Liters)



PBIT (Rs. lakhs)



Average Realization (Rs./ Liters)



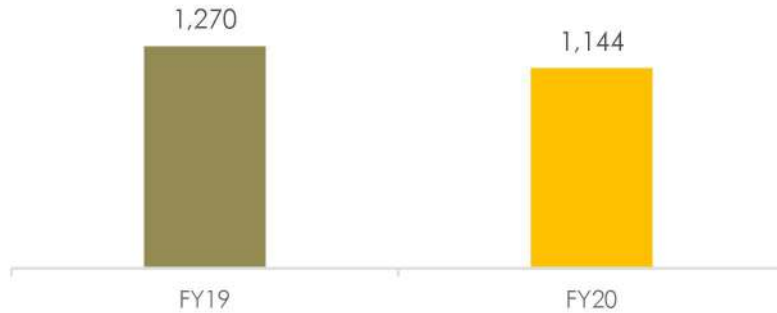
# Co-Generation Segment Performance

	Segmental Revenues (Rs. lakhs)	PBIT (Rs. lakhs)	
Q4FY20	4,936	2,495	
Q4FY19	4,657	2,570	
FY20	8,360	3,719	
FY19	8,418	3,759	
	Power Generation (lakh units)	Power Sales (Lakh units)	Average Realization (Rs. Per Unit)
Q4FY20	663.15	423.11	5.33
Q4FY19	670.19	391.22	5.10
FY20	1,144.33	723.21	5.33
FY19	1,270.16	803.92	4.98

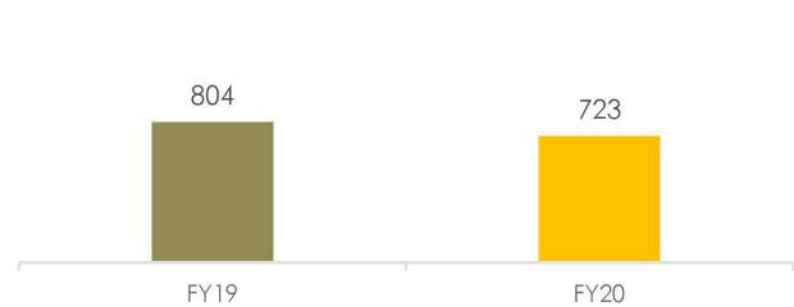


# Co-Generation Segment Performance

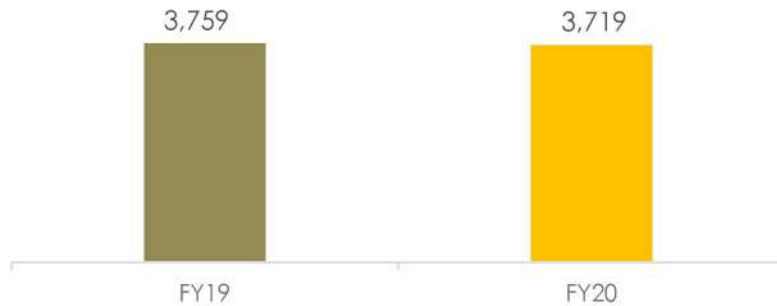
Power Generation (lakh units)



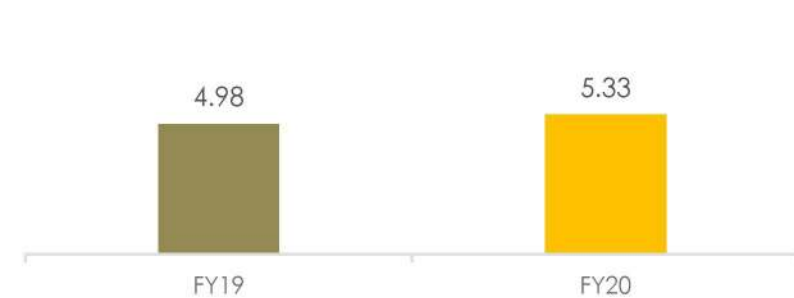
Power Sales (lakh units)



PBIT (Rs. lakhs)



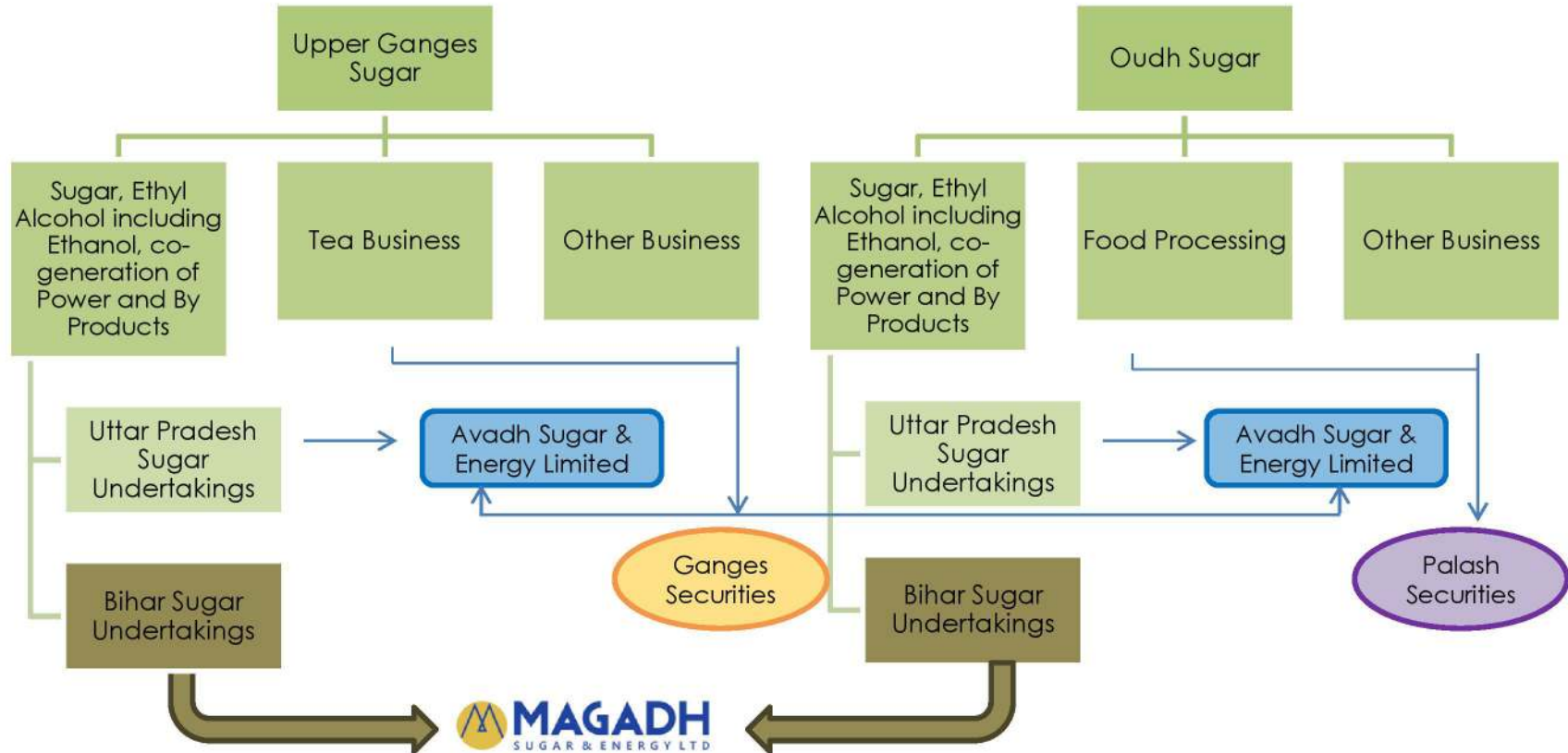
Power Realization (Rs. per unit)





## Company Overview

# Background of Magadh Sugar & Energy Limited



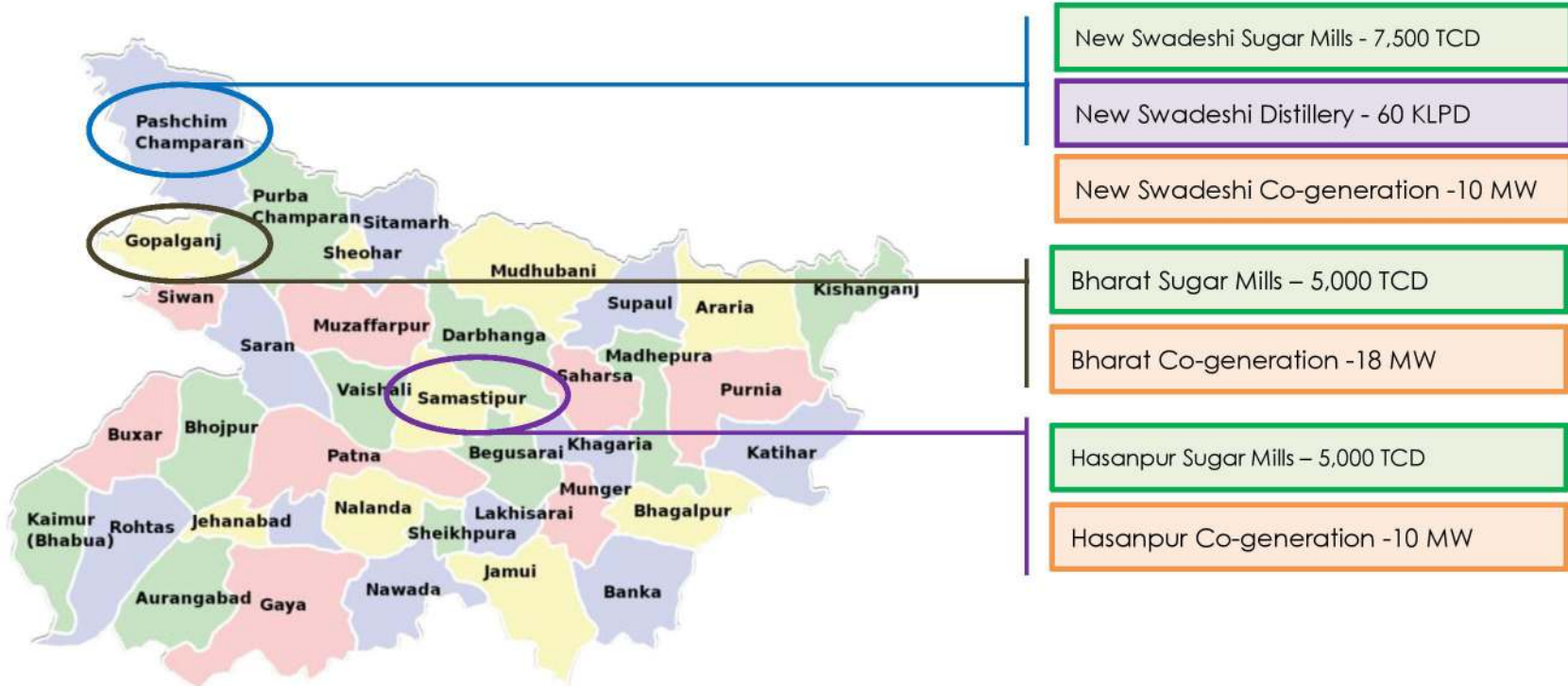
# Company Overview

- 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**

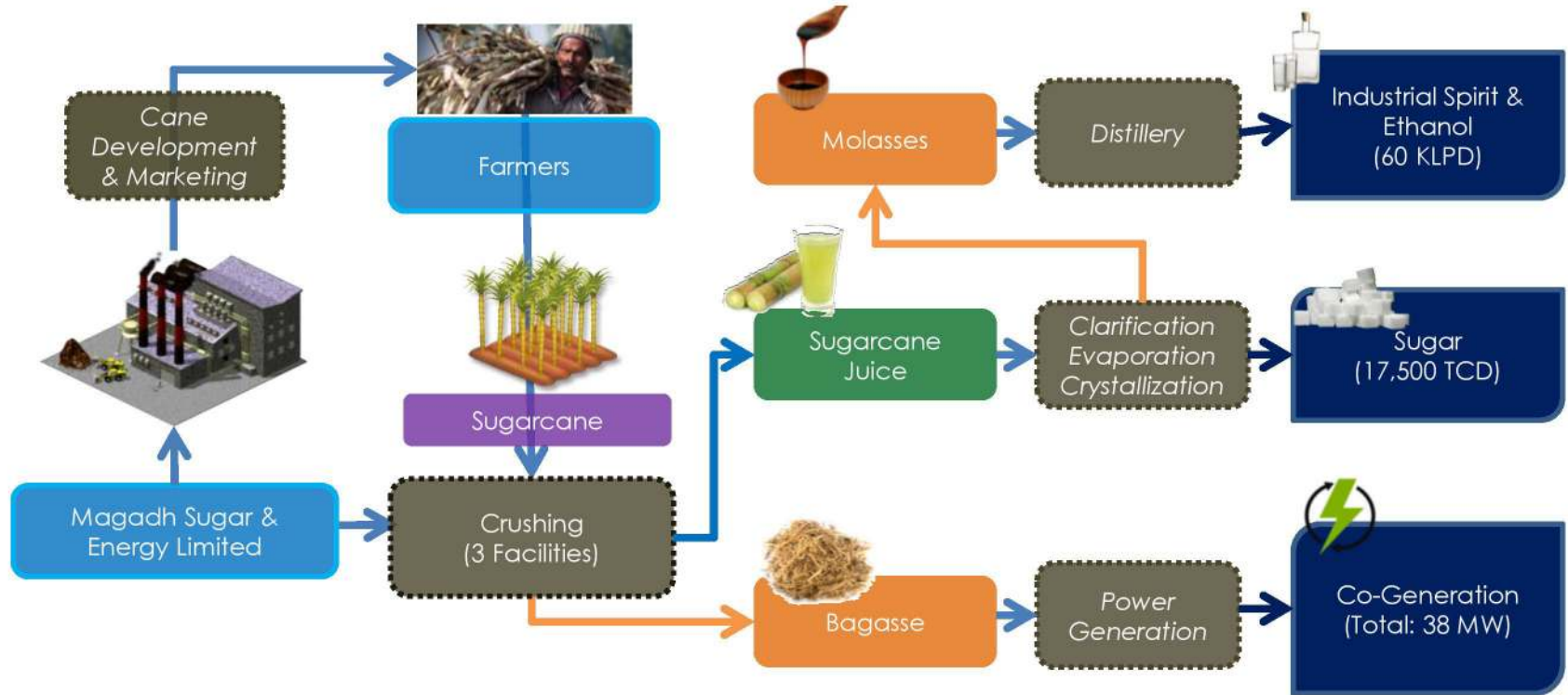
Region	Plant (Bihar)	Capacity
Pashchim Champaran	New Swadeshi Sugar Mills	7,500 TCD
	New Swadeshi Distillery	60 KLPD
	New Swadeshi Co-generation	10 MW
Gopalganj	Bharat Sugar Mills	5,000 TCD
	Bharat Co-generation	18 MW
Samastipur	Hasanpur Sugar Mills	5,000 TCD
	Hasanpur Co-generation	10 MW



# Ready to reap the benefits going ahead



# Integrated Business Model



Legends:



# Continuous innovation in business model

*"Supported by strong farmer relationship since 1932"*

## Integrated operations

- Maximize value from every ton of cane crushed
- Liquor ban in Bihar enhanced ethanol business

## Intra-plant synergies

- Economic sized operations driving cost efficiencies
- Close proximity maximizes by-product utilization

**Setting up a molasses-based Distillery of 75 KLPD at "Sidhwalia"**



## Industry Overview



# Sugar Industry Updates

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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.

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**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 Bihar produced around 0.073 mln tonnes of sugar.

**Claims receivables:** Company has Rs. 46.56 crores receivable as export subsidy from the Government of India.

**Soft Loan:** Company has received a soft loan from the Government of India, of interest 9.0% amounting to Rs. 70.80 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 4.45 lac MT was allocated to Magadh Sugar.

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