

MSEL/SE/2021-22/10

May 13, 2021

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

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

SYMBOL – MAGADSUGAR

STOCK CODE – 540650

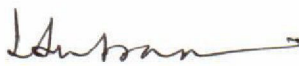
Sub: Disclosure of information pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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and Disclosure Requirements) Regulations, 2015 and the Company's Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, please find enclosed herewith a copy of the Investor Presentation of the Company with respect to the Financial Highlights of the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 31st March, 2021.

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

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Magadh Sugar and Energy Limited

Creating Capabilities – Spurring Future Growth





Agenda

- **Q4FY21/FY21 Quarter Highlights**
- **Segmental Performance**
- **Company Overview**
- **Industry Updates**



Q4FY21/FY21 - Quarter Highlights

Business Updates Q4FY21/FY21 (1/2)

- Sugar Stock as on 31st March 2021, **19.04 lakh quintals**
- Average realization in **FY21 Rs. 3,280/- per quintal** against FY20 Rs. 3,314/- per quintal
- Expansion of crushing capacity at Hasanpur sugar unit from 5,000 TCD to **6,500 TCD** completed
- **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 increased government focus on ethanol**
 - Sidwalia distillery expansion is on schedule despite second wave of covid-19, operations will commence from **January 2022**
- **Company’s credit rating** has improved from **BBB+ to A-** for long-term bank facilities
- Details of Stock Position mentioned below :-

Stock Position (Lakh Qtls)	Quarter ended 31/03/2021	FY ended 31/03/2021
Opening stock	15.73	23.78
Production	11.78	19.83
Sold	8.47*	24.56*
Closing stock as on 31st March 2021	19.04	19.04

*Including Export 3.66 Lakh Qtls

Business Updates Q4FY21/FY21 (2/2)

- Details of Outstanding position

Particulars (Rs. In Crores)	2020-21	2019-20
Term Loan	122	152
Cash Credit	415	382
Total Debt	537	534
Cane Dues	152	267
Total Outside Liability	689	801

- Reduction in **Total Outside liability** by **Rs. 112 Cr** from last Year 2019-20
- Debt of the company is at very **comfortable levels** at **Debt-to-Equity ratio of 0.22x** against 0.28x last year

Operational Highlights – FY2020-21

Consolidated crushing operation and recovery data for the financial year 2020-2021 in comparison to last financial year 2019-2020

S. No.	Rs. Crore	FY 2020-21	FY 2019-20
1	Sugarcane crushed for Financial Year (Lac MT)	18.84	24.21
2	Sugarcane diverted for B-heavy molasses route (%)	44.35	12.42
3	Sugar Recovery (Pre-sacrifice) (%)	11.21	11.27
4	Sugar Recovery (Post-sacrifice) (%)	10.45	11.12
5	Impact of diversion to B-heavy on sugar recovery (%)	0.76	0.15
6	Sugar Sacrificed under B-heavy molasses route (Lac MT)	0.14	0.03
7	Net sugar produced (Post sacrifice) (Lac MT)	1.98	2.69

Profitability Highlights

Rs. Crore	Q4FY21	Q4FY20	FY21	FY20
Total Income	327	292	954	919
Raw Material Cost	232	179	712	622
Employee Cost	14	16	48	48
Total Expenditure	28	34	77	91
EBITDA	53	63	117	158
Depreciation	5	4	20	18
PBIT	48	59	97	140
Interest	14	12	55	48
PBT before Exceptional Item	34	47	42	92
Exceptional Item	-	16	-	16
Profit Before Tax	34	63	42	108
Tax	12	9	15	25
Profit After Tax	22	54	27	83
EPS (Rs)	15.48	38.57	19.22	58.93

Balance Sheet Highlights

Rs. Crore	Mar-21	Mar-20
Shareholder's Funds	558	536
Share capital	14	14
Other Equity	544	522
Non-current liabilities	117	147
Long term borrowings	85	123
Long-Term Provisions	3	3
Deferred tax liability	29	21
Current liabilities	755	861
Short Term Borrowings	509	489
Trade Payables	165	313
Other Financial Liabilities	48	42
Short-term provisions	6	6
Other Current liabilities	25	5
Current tax liability	2	6
Total Equities & Liabilities	1,430	1,544

Rs. Crore	Mar-21	Mar-20
Non-current assets	716	680
Fixed assets	691	670
Capital W.I.P	15	7
Other non-current assets	10	3
Current Assets	714	864
Inventories	658	770
Biological Assets other than bearer plants	1	1
Trade receivables	12	9
Bank, Cash & Cash equivalents	1	1
Loans & advances	1	0
Other financial assets	3	6
Other Current Assets	1	75
Current Tax Assets (net)	37	2
Total Assets	1,430	1,544



Segmental Performance

Sugar Segment Performance

	Segmental Revenues (Rs. lakhs)	PBIT (Rs. Lakhs)		
Q4FY21	30,762	1,421		
Q4FY20	27,799	4,086		
FY21	88,239	3,055		
FY20	86,230	9,540		
	Sugarcane Crushed (lakh quintals)	Sugar Recovery (%)	Sugar Sold (Lakh quintals)	Average Realization (Rs. Per kg)
Q4FY21	108.57	10.60 *	8.47	32.27
Q4FY20	151.21	11.29	7.21	32.52
FY21	188.37	10.45 *	24.57	32.80
FY20	242.07	11.12	23.49	33.14

* Lower due to B heavy Molasses

Distillery Segment Performance

	Segmental Revenues (Rs. In lakhs)		PBIT (Rs. lakhs)			
Q4FY21	3,086		1,857			
Q4FY20	2,191		1,101			
FY21	9,867		4,782			
FY20	7,119		3,092			
	Total Alcohol Production (Lakh litres)		Total Alcohol Sales (Lac litres)		Average Realization (Rs./litre)	
	B	C	B	C	B	C
Q4FY21	71.81	-	51.10	-	57.61	-
Q4FY20	28.77	32.07	14.45	29.30	54.27	43.75
FY21	123.15	54.12	110.13	71.54	56.23	43.75
FY20	28.77	142.06	14.45	136.67	54.27	43.54

Co-Generation Segment Performance

	Segmental Revenues (Rs. lakhs)	PBIT (Rs. lakhs)	
Q4FY21	3,468	1,645	
Q4FY20	4,936	2,495	
FY21	6,188	2,592	
FY20	8,360	3,719	
	Power Generation (lakh units)	Power Sales (Lakh units)	Average Realization (Rs. Per Unit)
Q4FY21	468.49	300.10	5.48
Q4FY20	663.15	423.11	5.33
FY21	807.74	517.40	5.43
FY20	1,144.33	723.21	5.33



Company Overview

Company Overview

- **Incorporated in 1932 (Group in Sugar Business over 7 decades)**, pursuant to the scheme 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 **19,000 TCD**
- Company has **1 distillery** at Narkatiaganj with a total capacity of **80 KLPD**
- Cogeneration facility generate **38 MW power**
- Company is located **in Bihar**

Region	Plant (Bihar)	Capacity
Pashchim Champaran	New Swadeshi Sugar Mills	7,500 TCD
	New Swadeshi Distillery	80 KLPD
	New Swadeshi Co-generation	10 MW
Gopalganj	Bharat Sugar Mills	5,000 TCD
	Bharat Co-generation	18 MW
Samastipur	Hasanpur Sugar Mills	6,500 TCD
	Hasanpur Co-generation	10 MW



Industry Overview

Sugar Industry Updates (1/3)

International Industry Updates:

As per ISO's recent report, world sugar production in SS 20-21 is expected to decrease by (1.2)% y-o-y to 169.04 mln tonnes, deficit is largely on account of driven by lower production in major exporting countries like Europe, Brazil and Thailand

Global Consumption is expected to increase by 2.08% 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

Positive for Domestic Exporters: Significant shortfall in production across major sugar producing countries in world. Brazil and Thailand's output is expected to be lower by 15 MMT lower compared to last sugar season leading to higher opportunities for domestic exporters

Domestic Sugar Production & Consumption:

Sugar Production in SS 2020-21: ISMA estimates total sugar production at 29.92 million tons for SS 2020-21 (Oct'20-Apr'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

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

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 31st March 2021 is expected to be much lower at around 8.9 million tons

Sugar Industry Updates (2/3)

Sugar Exports:

Exports to Europe (TRQ): The government has permitted export of an additional 3,675 tonnes of raw/refined sugar under tariff-rate quota to the United Kingdom

Indian Exports: Sugar mills in India have exported 24.96 lakh tonne of the commodity in the ongoing 2020-21

- The country is well on course to complete the 60-lakh tonne mill export target this year with Indonesia, Afghanistan and Sri Lanka emerging as the top three buyers
 - Mills have contracted to export 33.38 lakh tonne of sugar (April 21') against the 60 lakh tonne quota assigned
-

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, due to higher international price

Sugar Industry Updates (3/3)

Sugar Price:

Sugarcane Prices increased by Rs. 5/Qtl to Rs. 295 /Qtl in bihar in sugar season 2020-21

Firm Sugar Prices: Global sugar prices are also on rise (~15% in last 2 months). The current raw & white sugar prices are above cost of production for Indian millers. The global raw sugar prices may further firm up in the next six months given Brazil is expected to witness 20% production decline in 2021-22 season

MSP: The government has announced increase in minimum selling price (MSP) of sugar from Rs 31 per kg to Rs. 33 per kg which is yet to be notified

Structural Changes in Ethanol to Drive Profitability

Ethanol Supply (April 21)

- Ethanol supply - Total LOI quantity of **325.93 cr ltrs**, **302.53 cr ltrs** have been contracted
- **117.72 Cr ltrs** of ethanol have been supplied as on 19th April' 2021
- Out of the total supply ~ 77% comprises of ethanol made from sugarcane juice /**B-heavy molasses**

India is marching towards higher blending

- India has achieved a blending of average 7.36%
- 11 major States like Uttar Pradesh have achieved even higher blending **percentage of upto 10%** (April '21)

Favorable Realizations

- 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**
- Sugarcane juice by **Rs. 3.17/ltr to Rs. 62.65/ltr**

GOI's firm Target & Vision

- **20% Ethanol** Blending by 2025
- Helps sugar sector by resolving the **problem of excess sugar production** and would translate to improved realization of sugar mills



Adding distillery capacity to 155 KLPD from 80 KLPD at present



Focus on manufacturing B-Heavy ethanol, to boost overall profitability



Huge potential to enhance operating margins and operating profitability

Let's Connect



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