

MSEL/SE/2021-22/32

10th November, 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

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and Disclosure Requirements) Regulations, 2015 and the Company's Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, kindly find enclosed herewith a copy of the Investor Presentation with respect to the Financial Highlights of the Company for the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 and half-year ended 30th September, 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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Regd Office: P.O. Hargaon, Dist. Sitapur, U.P., PIN 261 121 • Website : www.birla-sugar.com • CIN: L15122UP2015PLC069632

Magadh Sugar and Energy Limited

Creating Capabilities – Spurring Future Growth





Agenda

- **Q2FY22 Highlights**
- **Segmental Performance**
- **Company Overview**
- **Industry Updates**



Q2FY22 Highlights

Business Updates Q2FY22

- Sugar Stock as on 30th September 2021, **7.59 lakh quintals (14.72 Lakh quintals on 30th Sep 2020)**
- Average domestic sales realization
 - **Q2FY22 Rs. 3,511/- per quintal** against Q2FY21 Rs. 3,359/- per quintal
 - **H1FY22 Rs. 3,438/- per quintal** against H1FY21 Rs. 3,288/- per quintal
- India Ratings and Research has assigned Magadh Sugar Long term Issuer Rating of “IND A”; with **Stable Outlook**.
- Details of Stock Position mentioned below :-

Stock Position (Lakh Qtls)	Quarter ended 30/06/2021
Opening stock	12.54
Production	-
Sold	4.95
Closing stock as on 30th September 2021	7.59

Focus on Strengthening the Balance Sheet

- Details of Outstanding position

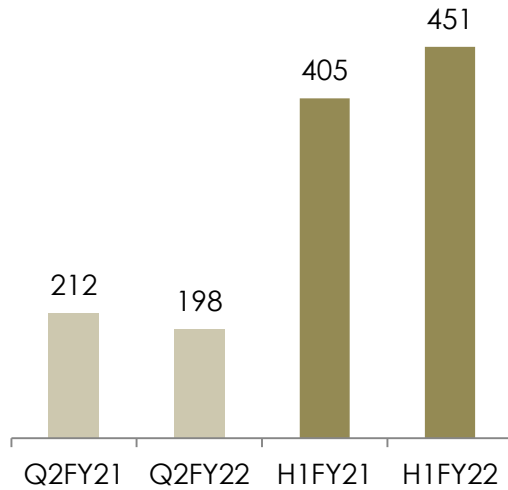
Particulars (Rs. In Crores)	Sep' 2021	March'21	March'20
Term Loan	136	122	152
Cash Credit	278 *	415	382
Total Debt	414	537	534
Cane Dues	-	152	267
Total Outside Liability	416	689	801

*Against this, inventory at cost as on 30th September 2021 is Rs 280 crores.

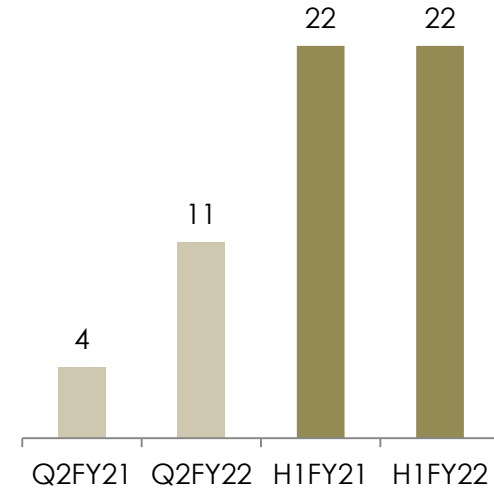
- No Cane Outstanding as on 30th September 2021

Q2/H1FY21 Result Highlights

Total Income (Rs. Cr)



EBITDA (Rs. Cr)



Profitability Highlights

Rs. Crore	Q2FY22	Q2FY21	H1FY22	H1FY21
Total Income	198	212	451	405
Raw Material Cost	163	183	383	336
Employee Cost	11	10	21	21
Other Expenditure	13	16	25	26
EBITDA	11	4	22	22
Depreciation	5	4	10	9
PBIT	6	0	12	13
Interest	10	15	22	28
Profit Before Tax	(4)	(15)	(10)	(14)
Tax	(1)	(5)	(3)	(5)
Profit After Tax	(3)	(10)	(7)	(9)
EPS (Rs) *	(2.15)	(6.79)	(4.95)	(6.64)

* Not Annualised

Balance Sheet Highlights

Rs. Crore	Sep-21	Mar-21
Shareholder's Funds	545	558
Share capital	14	14
Other Equity	531	544
Non-current liabilities	131	117
Long term borrowings	103	85
Long-Term Provisions	3	3
Deferred tax liability	25	29
Current liabilities	435	755
Short Term Borrowings	398	547
Trade Payables	13	165
Other Financial Liabilities	15	10
Short-term provisions	6	6
Other Current liabilities	3	25
Current tax liability	-	2
Total Equities & Liabilities	1,111	1,430

Rs. Crore	Sep-21	Mar-21
Non-current assets	770	716
Fixed assets	684	691
Capital W.I.P	82	15
Other non-current assets	4	10
Current Assets	341	714
Inventories	280	658
Biological Assets other than bearer plants	2	1
Trade receivables	11	15
Bank, Cash & Cash equivalents	1	1
Other Current Assets	42	39
Current Tax Assets (net)	5	-
Total Assets	1,111	1,430



Segmental Performance

Sugar Segment Performance

	Segmental Revenues (Rs. lakhs)	PBIT (Rs. Lakhs)		
Q2FY22	17,444	(178)		
Q2FY21	19,565	(237)		
H1FY22	40,565	(1,261)		
H1FY21	37,146	20		
	Sugarcane Crushed (lakh quintals)	Sugar Recovery (%)	Sugar Sold (Lakh quintals)	Average Realization (Rs. Per kg)
Q2FY22	-	-	4.95	3,511
Q2FY21	-	-	5.55	3,359
H1FY22	-	-	11.43	3,438
H1FY21	13.25	11.36%	10.52	3,288

Distillery Segment Performance

	Segmental Revenues (Rs. In lakhs)	PBIT (Rs. lakhs)
Q2FY22	2,417	1,067
Q2FY21	1,688	559
H1FY22	5,566	2,839
H1FY21	3,990	1,646
	Total Alcohol Production (Lakh litres)	Total Alcohol Sales (Lac litres)
Q2FY22	13.37	42.93
Q2FY21	16.80	33.53
H1FY22	74.04	96.60
H1FY21	49.23	75.27

Co-Generation Segment Performance

	Segmental Revenues (Rs. lakhs)	PBIT (Rs. lakhs)	
Q2FY22	-	(230)	
Q2FY21	-	(206)	
H1FY22	218	(254)	
H1FY21	582	(99)	
	Power Generation (lakh units)	Power Sales (Lakh units)	Average Realization (Rs. Per Unit)
Q2FY22	-	-	-
Q2FY21	-	-	-
H1FY22	39.64*	32.90	6.22
H1FY21	71.20	43.78	5.86

*due to lower crushing



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**
- **New Distillery** at Sidwalia with a total capacity of 75 KLPD will be operational by Jan 22.
- 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

Global Sugar Industry Updates

The **Global Sugar Balance Sheet** for SS 2021-22 is estimated at Opening Stock 92.8 million MT, Production at 172.5 million MT, Consumption 175.0 million MT, Closing balance at 90.3 million MT

Total Global sugar production for SS 21-22 is estimated at 172.5 million MT. The estimated Major country wise production: Brazil 31.7 million MT, India at 30.5 million MT, Thailand at 10 million MT, EU at 17.7 million MT, China 10.5 million MT

Sugar production in Thailand is likely to increase in next season, but still will be lower than its normal production of 14 – 14.5 million tons, by almost 3 – 3.5 million tons. Thailand sugar would come into the market only after January 2022.

Brazil is expected to witness significant lower production because of worst droughts seen after ~9 decades in country's history

Domestic Sugar Industry Updates (1/3)

The Indian sugar balance sheet

Sugar season	(in million tons)				
	2018-19	2019-20	2020-21	2021-22 E	
Opening balance (as on 1st Oct)	10.7	14.5	10.7	8.2	↓
Estimated sugar production	33.1	27.4	31.2	30.5	
Sugar availability during the season	43.8	41.9	41.8	38.7	↓
Estimated sugar consumption	25.5	25.3	26.5	27.0	↑
Estimated exports	3.8	5.9	7.2	5.5	
Closing balance (as on 30th Sept)	14.5	10.7	8.2	6.2	↓

Domestic Sugar Industry Updates (2/3)

Total Acreage under sugarcane: As per industry estimates, the total acreage under sugarcane in the country is estimated to be around 54.37 lakh hectares in SS 2021-22, which is about 3% higher than SS 2020-21 sugarcane area of around 52.88 lakh hectares

- In Bihar Cane Area has come down by 5%
- In Maharashtra, sugarcane area has gone up by 11% y-o-y, from 11.48 lakh hectare in 2020-21 SS to 12.78 lakh hectare in 2021-22

Sugar Production in SS 2021-22: ISMA estimates total sugar production at 30.50 million tons for SS 2021-22; sugar production is after consideration of 3.4 million tons of sugar diversion for production of Ethanol using B heavy molasses / juice / syrup

Sugarcane FRP for SS 2021-22: Fair and Remunerative Price (FRP) of sugarcane for sugar season 2021-22 is increased to Rs. 290 per quintal for a basic recovery rate of 10%. Bihar is yet to announce sugarcane price for SS 2021-22.

Sugar Prices: Domestic sugar prices have remained in the range of Rs. 35-38 / per Kg in Aug–Nov 2021 (Average Ex-Mill Sugar Price)

Crushing (SS 2021-22): Crushing in our sugar units is expected to start post Diwali due to recent excessive rains and water logging

Sugar FRP : FRP has doubled in 9-10 years, causing surplus Sugar cane production resulting in global glut

Domestic Sugar Industry Updates (3/3)

Sugar Exports: As per port information and market sources, about 70.91 lac tons of sugar has been physically exported in 2020-21 SS i.e., during October 2020 – September 2021 period. This also includes about 4.49 lac tons of exports done under MAEQ of 2019-20 SS, which was extended upto 31st Dec'20

Extension of MAEQ Timeline: Meanwhile, in view of the logistic issues being faced by the sugar mills, Central government has decided that those sugar mills which had partially exported their MAEQ quota of sugar season 2020-21 till 30th September 2021, will be allowed to export the balance quantity of their export quota by 30th November 2021

Sugar Exports (SS 2021-22): India's sugar export is estimated to decline to ~5-6 million tonnes in the current marketing year ending September from a record 7.1 million tonnes in 2020-21. However, India does not need to export 7 million tonnes in the current season as the country is diverting surplus sugarcane molasses for ethanol manufacturing

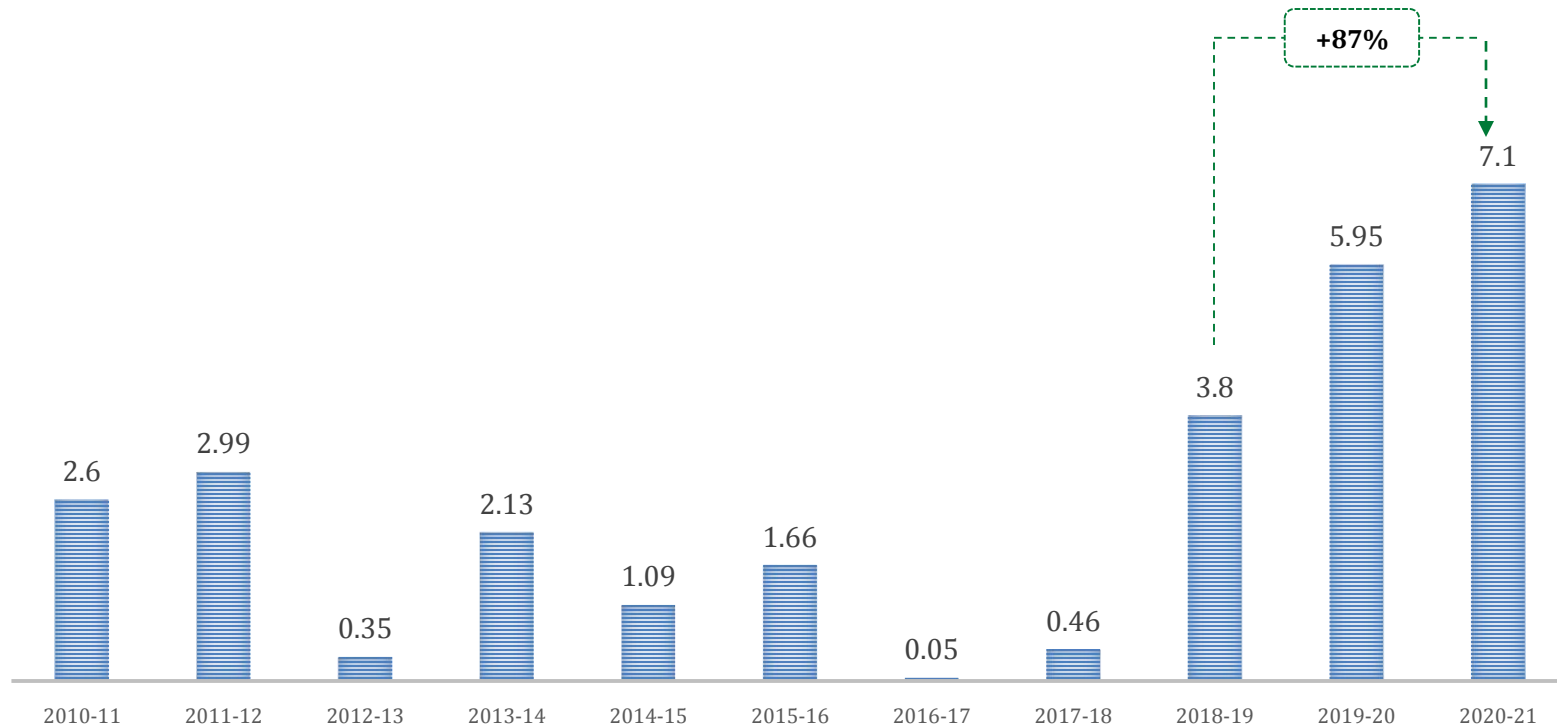
India Pays highest Sugar cane Prices in comparison to other Sugar producing countries :-
Brazil pays 20.51 (USD/Ton), Thailand pays 30 (USD/Ton) and India pays 43 (UDS/ton)

Return from Sugarcane crop continues to be high in comparison to other crops

Raw Sugar prices is 20 (Cent/lb) in international market and white sugar in London Market is 508-510 USD/ TON

India achieved highest ever Exports

Sugar Exports from India Trend (In Million Tonnes)



India: Strong Steps towards being Ethanol Ready

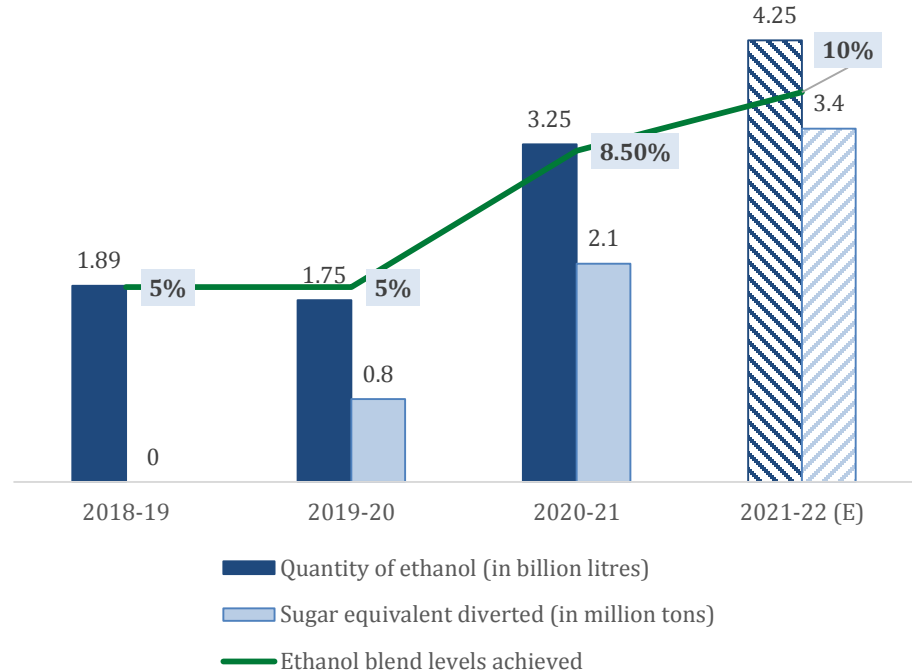
Strong incentives for investments from Govt. to augment ethanol capacities



From 3.5 billion litres of annual capacity in 2018 to a target of **14 billion litres by 2025**



Targeting to divert **6 million tons of surplus to ethanol by 2025**



Business Entering next Growth Phase



Distillery Capacity
Expansion
from **80KLPD to 155 KLPD**
(to be commissioned by
Jan'22)



Leading to Improved
Profitability thereby,
improving Cash Flows



Focus on strengthening
Balance Sheet

Favourable Government policies likely to push ethanol sales thereby, translating into improved Credit Profile

Let's Connect



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