



# DWARIKESH SUGAR INDUSTRIES LIMITED

Corp. Off.: 511, Maker Chambers V, 221, Nariman Point, Mumbai - 400 021. Tel.: 2283 2486, 2204 2945 Fax : 2204 7288  
E-mail: dsil\_bom@dwarikesh.com • Website : www.dwarikesh.com  
CIN : L15421UP1993PLC018642

REF: DSIL/2016-17/222

August 8, 2016

Corporate Relationship Department  
Bombay Stock Exchange  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort, Mumbai - 400 001  
Fax: 22723 2082 /3132

National Stock Exchange of India Limited  
"Exchange Plaza"  
Bandra - Kurla Complex,  
Bandra [E], Mumbai - 400 051

**Scrip Code - 532610**

**Scrip Code - DWARKESH**

**Sub: Disclosure under regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

Dear Sir,

Pursuant to regulation 30 - Schedule III - Part A - Item no.15 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith the presentation on Investor Update for quarter ended June 30, 2016 for the purpose of making disclosures under regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to the stock exchange(s)

Kindly take the same on record.

Yours faithfully,

  
**B. Maheshwari**  
Whole Time Director & CS cum CCO

Encl: as above



# Dwarikesh Sugar Industries Limited

Q1 FY17 Investor Presentation

August 2016



An Integrated Sugar Company

# Safe Harbor



This presentation is strictly confidential and may not be copied, published, distributed or transmitted. The information in this presentation is being provided by Dwarikesh Sugar Industries Limited (also referred to as the 'Company'). By attending the meeting where this presentation is being made or by reading the presentation materials, you agree to be bound by following limitations:

The information in this presentation has been prepared for use in presentations by the Company for information purposes only and does not constitute, or should not be regarded as, or form part of any offer, invitation, inducement or advertisement to sell or issue, or any solicitation or initiation of any offer to purchase or subscribe for, any securities of the Company in any jurisdiction, including the United States and India, nor shall it, or the fact of its distribution form the basis of, or be relied on in connection with, any investment decision or any contract or commitment to purchase or subscribe for any securities of the Company in any jurisdiction, including the United States and India. This presentation does not constitute a recommendation by the Company or any other party to sell or buy any securities of the Company.

This presentation and its contents are not and should not be construed as a prospectus or an offer document, including as defined under the Companies Act, 2013, to the extent notified and in force) or an offer document under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended.

This presentation and its contents are strictly confidential to the recipient and should not be further distributed, re-transmitted, published or reproduced, in whole or in part, or disclosed by recipients directly or indirectly to any other person or press, for any purposes. In particular, this presentation is not for publication or distribution or release in any country where such distribution may lead to a breach of any law or regulatory requirement. No person is authorized to give any information or to make any representation not contained in or inconsistent with this presentation or and if given or made, such information or representation must not be relied upon as having been authorized by us. Receipt of this presentation constitutes an express agreement to be bound by such confidentiality and the other terms set out herein. Any failure to comply with this restriction may constitute a violation of applicable securities laws.

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither the Company nor any of its affiliates, advisors or representatives shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. This presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof. It should be understood that subsequent developments may affect the information contained in this presentation, which neither the Company nor its affiliates, advisors or representatives are under an obligation to update, revise or affirm.

This presentation contains forward-looking statements based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Unless otherwise indicated, the information contained herein is preliminary and indicative and is based on management information, current plans and estimates. Industry and market-related information is obtained or derived from industry publications and other sources and has not been independently verified by us. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.

**THIS PRESENTATION IS NOT AN OFFER FOR SALE OF SECURITIES IN INDIA OR ELSEWHERE.**





Business Overview



Operational Trends



Key Highlights



Financial Performance



Business Strategy

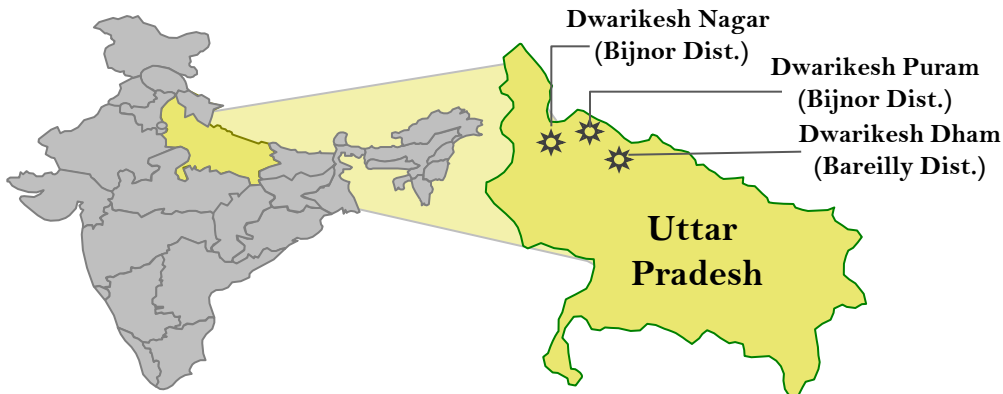


Annexure - Facilities



# Business Overview

# Overview – Company



Capacity (June 30, 2016)	Dwarikesh Nagar	Dwarikesh Puram	Dwarikesh Dham	Aggregate
Sugar (TCD)	6,500	7,500	7,500	<b>21,500</b>
Cogeneration (MW)	17	33	36	<b>86</b> (Surplus: c. 56)
Distillery (LPD)	30,000	-	-	<b>30,000</b>

(INR million) Segment	Average Realization (INR)		Revenue*		EBITDA**		PAT#	
	FY16	Q1 FY17	FY16	Q1 FY17	FY16	Q1 FY17	FY16	Q1 FY17
Sugar	26.0/kg	33.8/kg	7,148	2,789	203	455		
Cogeneration	4.9/unit	4.8/unit	1,059	49	880	39		
Distillery	40.0/litre	45.1/litre	216	103	85	46		
<b>Aggregate</b>			<b>7,943</b>	<b>2,863</b>	<b>1,168</b>	<b>541</b>	<b>390</b>	<b>319</b>

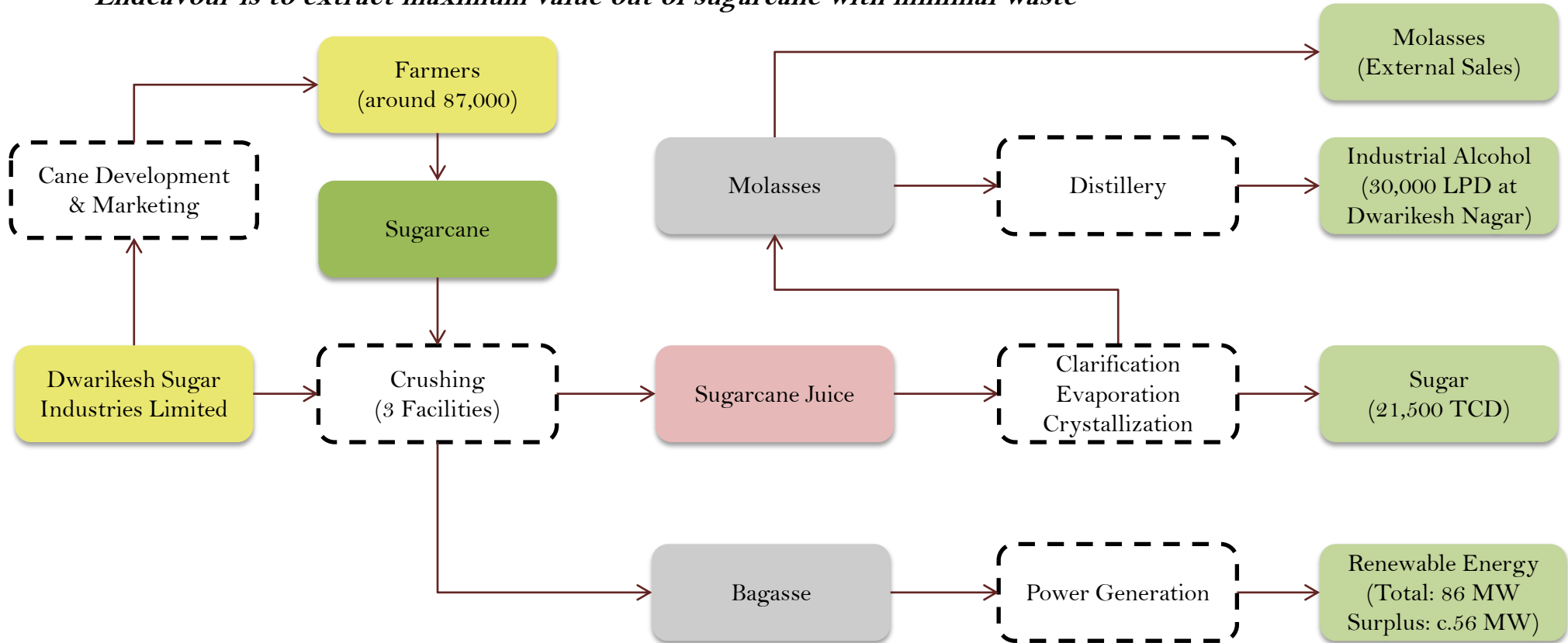
- **Achieved one of the highest Sugar Recovery amongst our peers<sup>###</sup> (increased to 11.73% in SS 2016 from 10.78% in SS 2015)**
- **Generating positive cash profits<sup>§</sup> consistently over the last 10 years**

Note: TCD stands for tonnes of cane per day, MW stands for Megawatts, LPD stands for litres per day; SS stands for Sugar Season defined as 12 months period ending September 30 of the particular year; \* Segment Revenue is Revenue from Operations inclusive of intersegment sales, Aggregate Revenue is sum total of Segment Revenue adjusted for intersegment sales; \*\* Segmental EBITDA is calculated as "Profit/(Loss) before tax, interest and exceptional items from each segment plus depreciation allocated to that segment"; # PAT stands for "Net Profit/(Loss) for the period after tax"; ## See page no 14 for further details; § Calculated as Net Profit/(Loss) for the period after tax plus depreciation and amortization

# Overview - Operations



*Endeavour is to extract maximum value out of sugarcane with minimal waste*



## Legends

Entity

Input

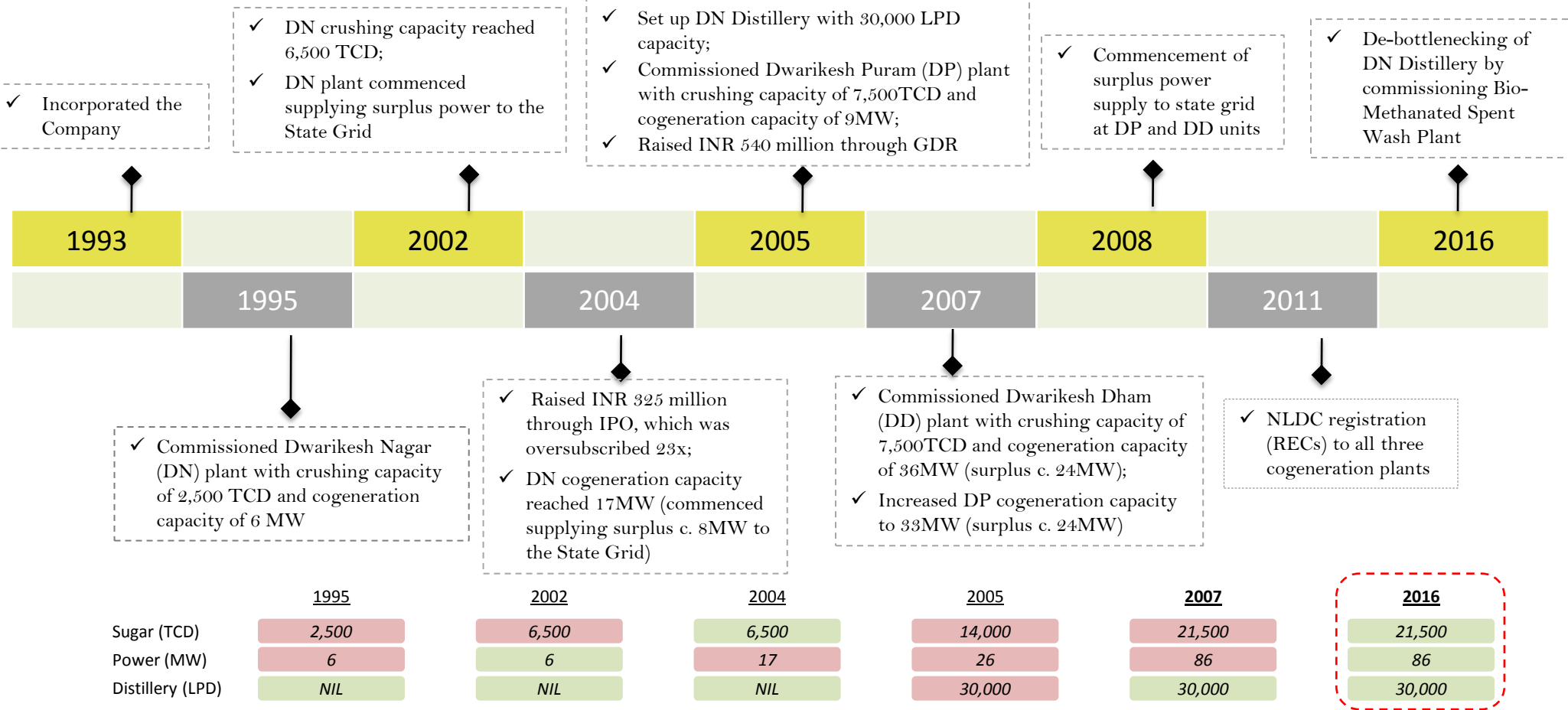
Process

Intermediate

By-product

Output

# Milestones



To know more about our story, please watch our documentary at [http://www.dwarikesh.com/corporate\\_video.aspx](http://www.dwarikesh.com/corporate_video.aspx)

Indicates capacity addition years





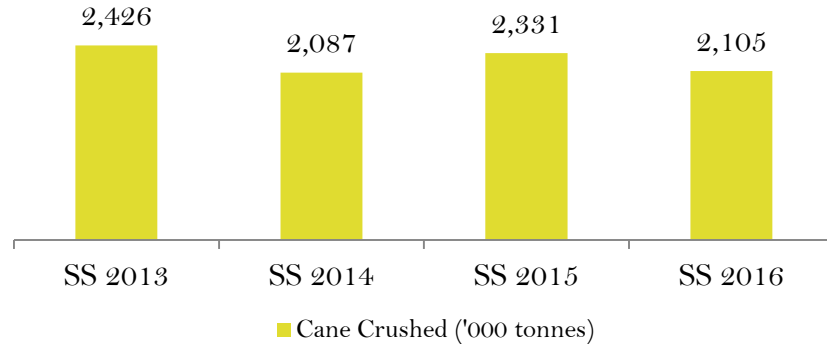
# Operational Trends

# Sugar

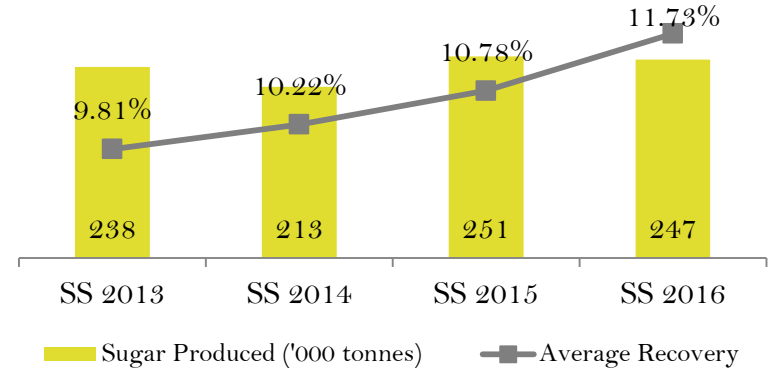


## *Increasing sugar prices and improving recovery rates driving the turnaround*

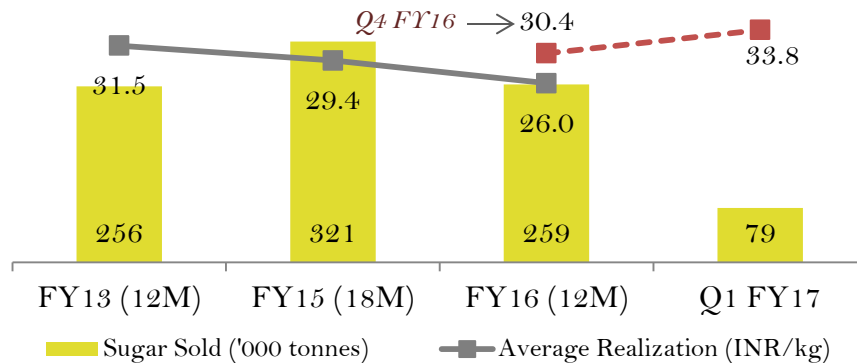
### Despite lower cane crushed...



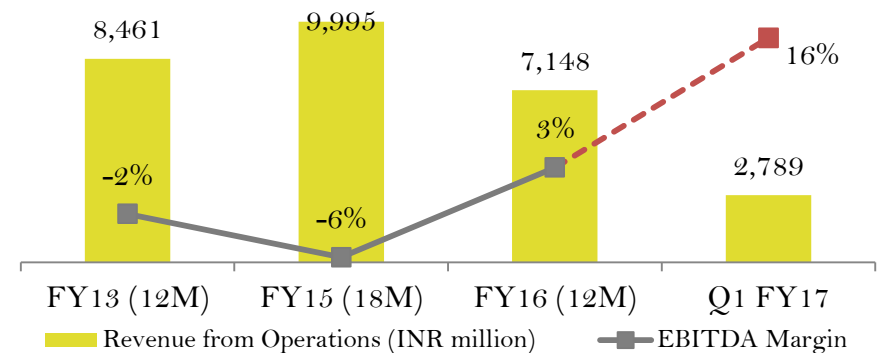
### Flat sugar production due to significant improvement in recovery



### Significant upswing in average realization in Q4 FY16



### Increased realization and higher recovery drove higher margins



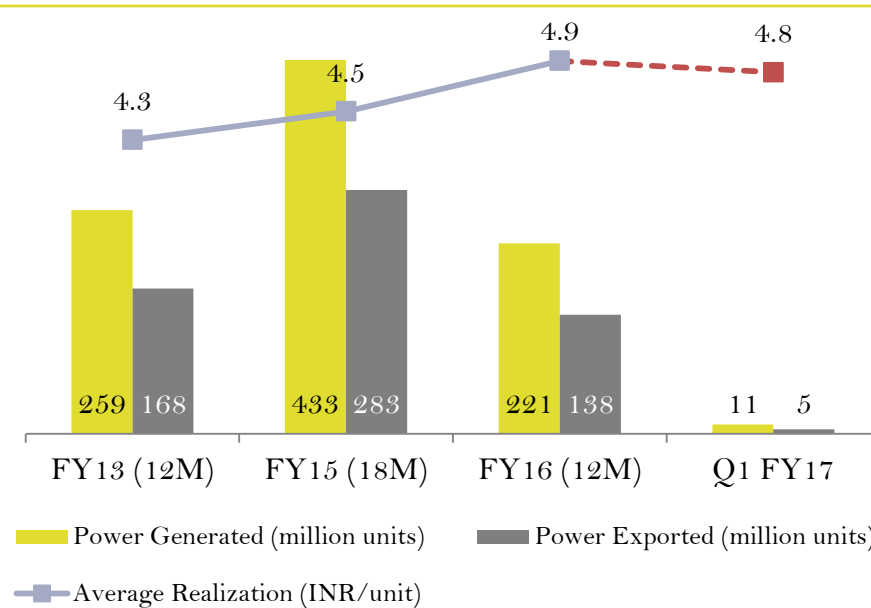
Note: FY13 – 12 month period ending September 30, 2013; FY15 – 18 month period ending March 31, 2015; FY16 – 12 month period ending March 31, 2016

# Cogeneration

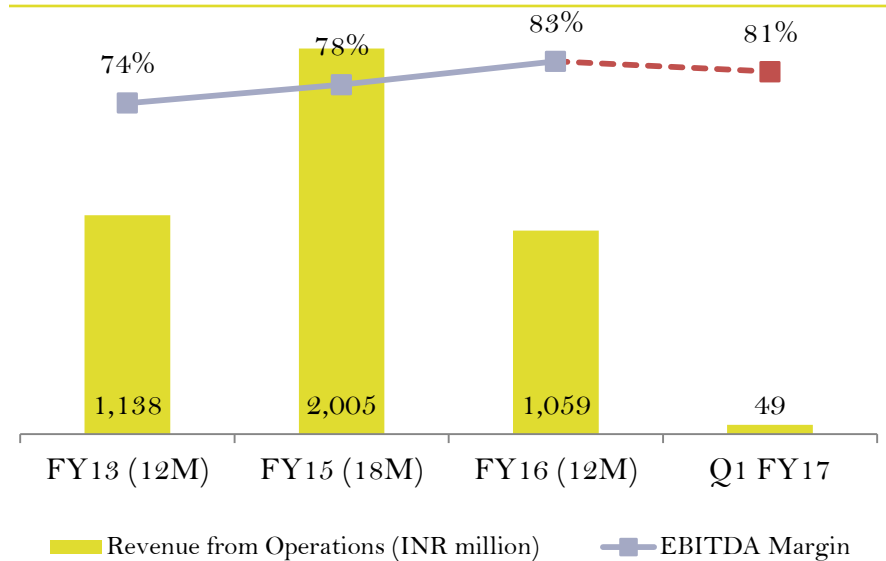


*Vertical integration adding significantly to the aggregate margins*

Average realizations have increased...



Generating attractive EBITDA margins



## Salient Points

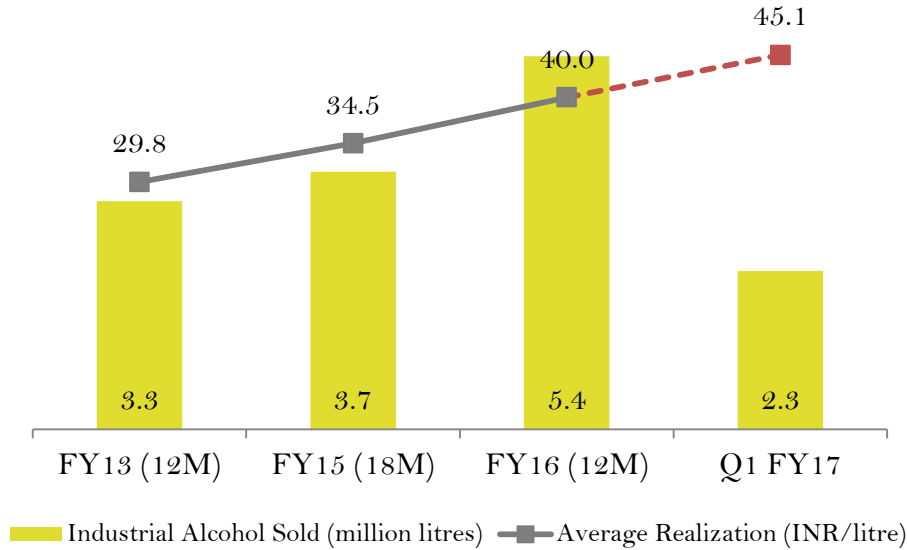
- Generation Capacity: 86 MW; Exportable capacity: approx. 56 MW
- Cogeneration capacity utilization is low during off-season as the Company has a policy of not having large bagasse inventory

# Distillery

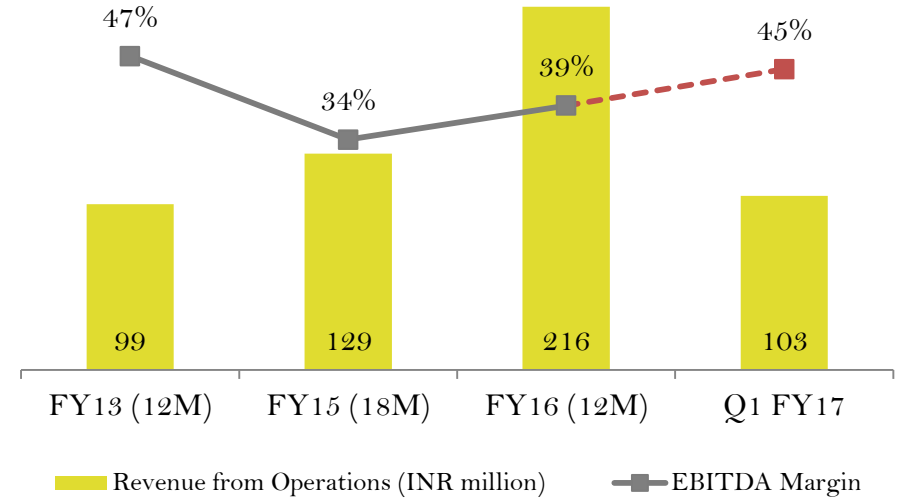


*Vertical integration adding significantly to the aggregate margins*

Increasing volumes and average realizations...



Driving impressive growth in EBITDA margins



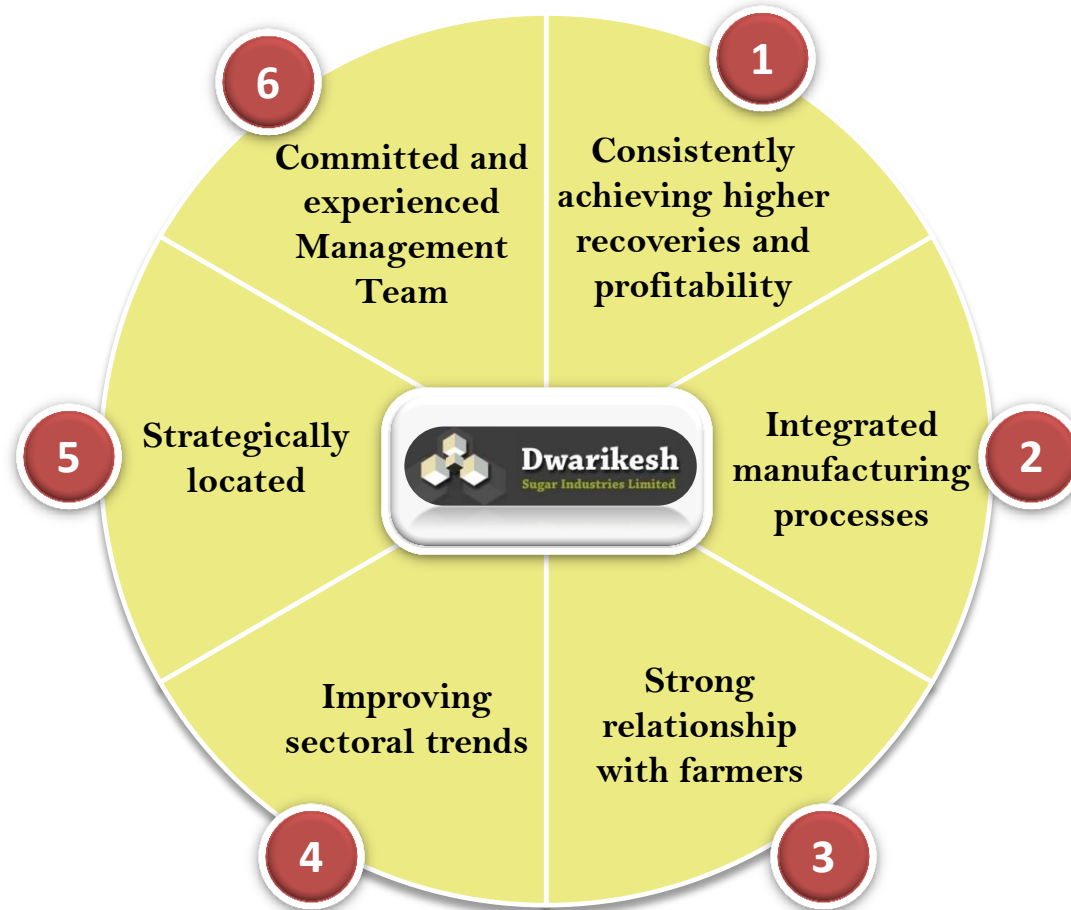
## Salient Points

- Products include rectified spirit and ethanol



# Key Highlights

# Key Highlights

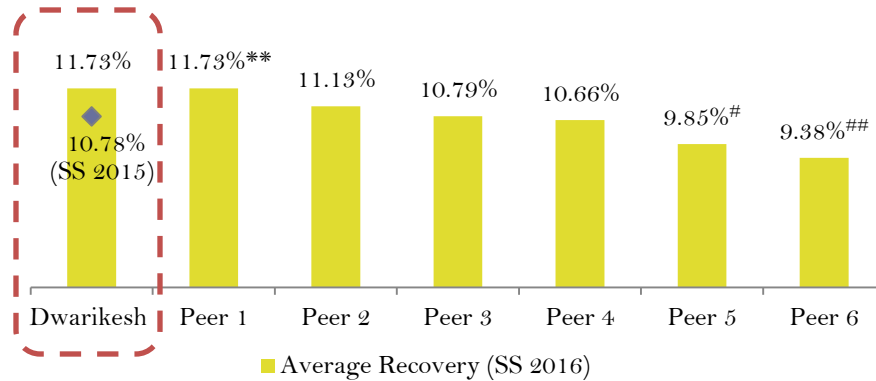


# Consistently achieving higher recoveries and profitability

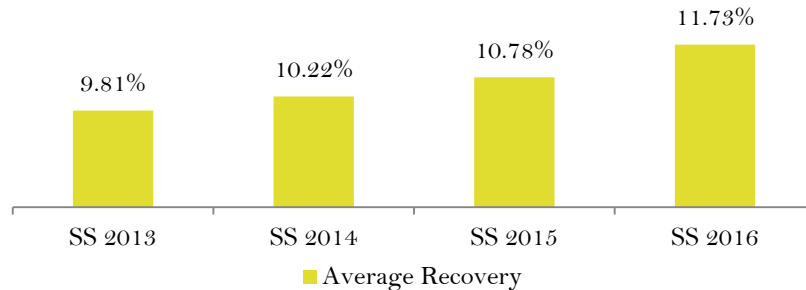


## Operating efficiencies resulting into higher recovery and profitability

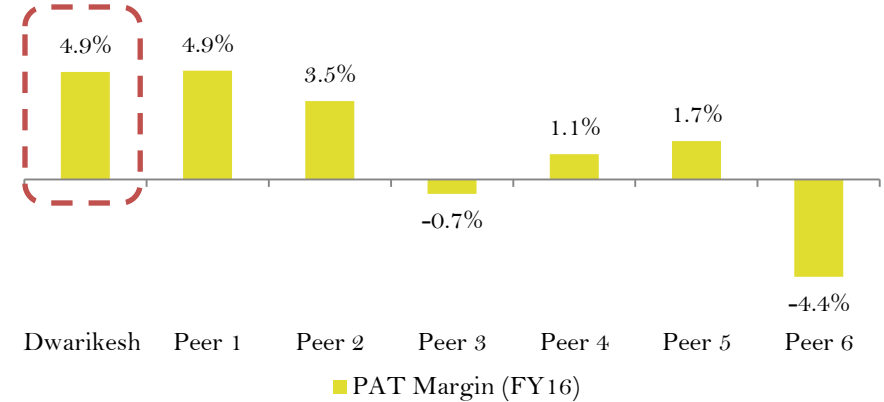
Achieved higher recovery compared to peers\*...



On the back of increasing y-o-y recoveries



And higher profit margins compared to peers\*...



On account of successfully managing the input factors

- Better logistics management
- Reduced cut-to-crush time
- Successfully propagating high yielding and higher sugar content seed varieties

\* Peers used for comparison include all sugar manufacturing companies listed on the National Stock Exchange (NSE) having market capitalization of more than INR 5,000 million (as on August 4, 2016) and deriving major portion of their revenue from mills located in Uttar Pradesh;

\*\* Average Recovery from UP mills in FY16; # For SS 2015; ## For FY15

# Integrated Manufacturing Processes

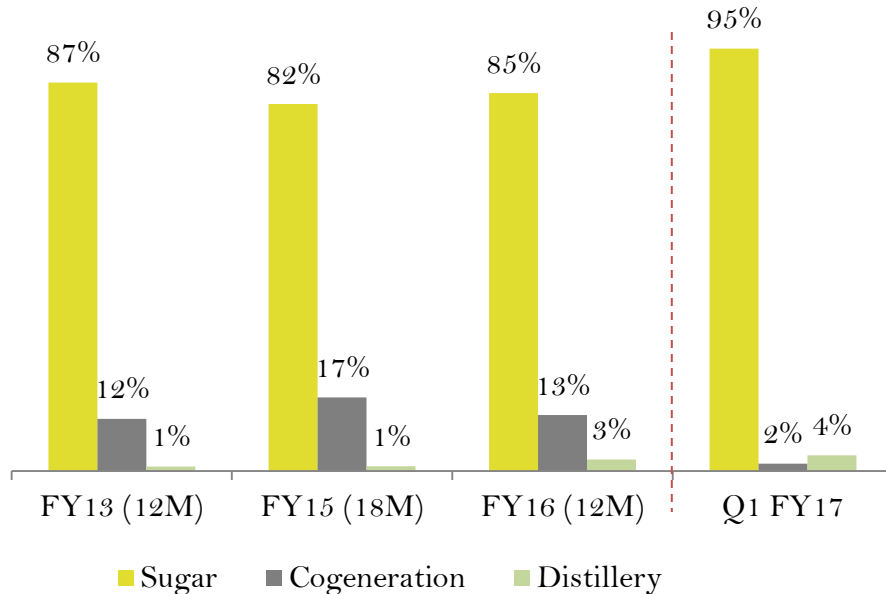


*Enables diversification and supports margins*

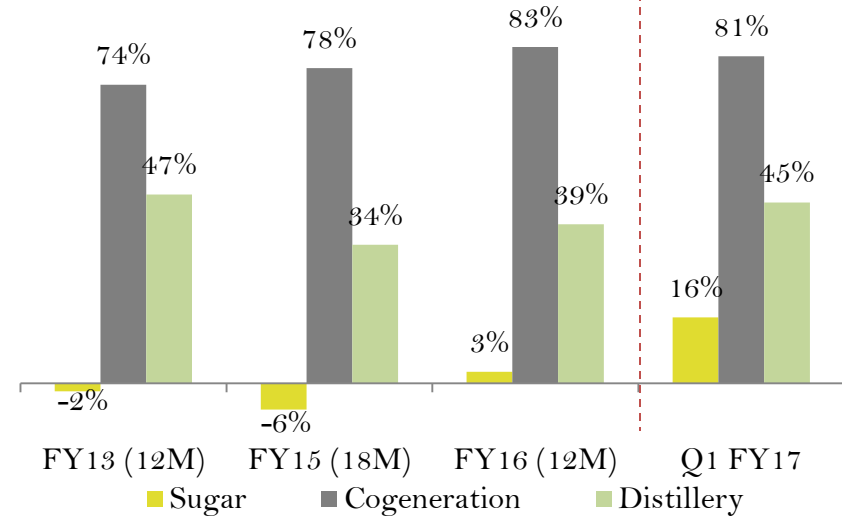
Helps in countering the effect of cyclicity in sugar business

Higher EBITDA margins in the Cogeneration and the Distillery segments supporting the aggregate margins

## Revenue Contribution



## EBITDA Margin







## *Trust and goodwill of the farmers of our reserved areas*

### Increased Farmer Bonding

- Associated with around 87,000 farmer families
- Purchased sugarcane of INR 6,444\* million and INR 12,011\*\* million in FY16 (12M) and FY15 (18M) respectively from farmers in our reserved area providing impetus to rural economy
- Dedicated web portal for farmers giving them access to their calendar, payment status, survey details and loan position
- Regular farmer interaction through 'Kisan Goshthi' and 'Nukkad Natak'

### Cane Development

- Dedicated cane department to supervise cane development and procurement
- 'Kisan Sewa Kendra' for promotion of high yield seed varieties (e.g.: Co 0238) and more efficient pesticides
- Monitoring harvesting program to obtain desired quality and quantity of cane
- Use of remote sensing for accurate geological surveys of the command area
- Soil testing laboratory to study the most efficient usage of land
- Demonstration plots, in arrangement with farmers having roadside fields, to attract other farmers to adopt the best agricultural practices
- Autumn planting, to compensate for the loss of ratoon, giving higher yield and better recovery
- Fertilizer and other input subsidies to farmers

### Timely Payment

- Timely payment to sugarcane farmers
- Competitive advantage assuring unhindered raw material supply

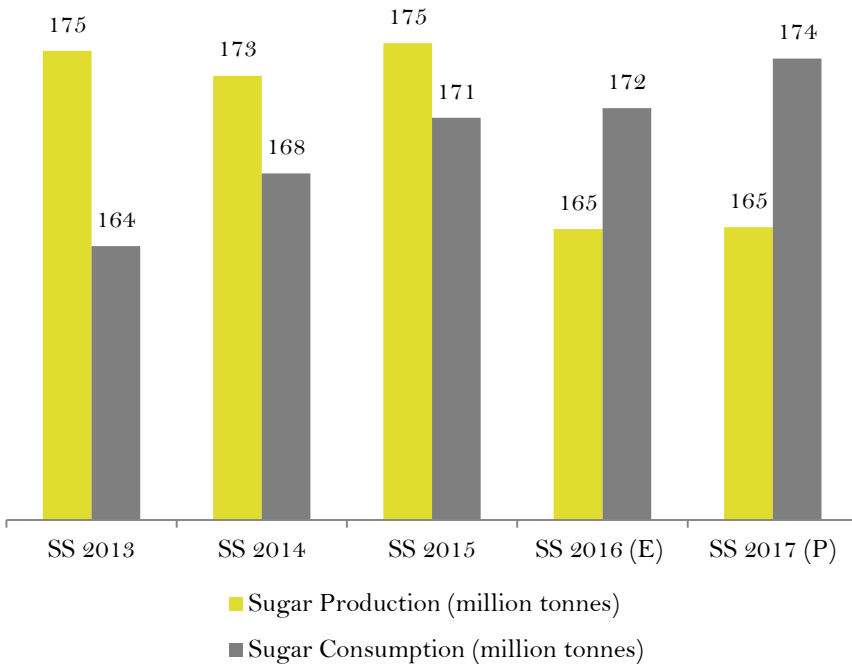
\* Includes INR 418.53 million of subsidies provided by the Government of Uttar Pradesh for cane purchased in SS 2015

\*\* Includes INR 179.97 million and INR 125.25 million of subsidies provided by the Government of Uttar Pradesh for cane purchased in SS 2015 and SS 2014 respectively

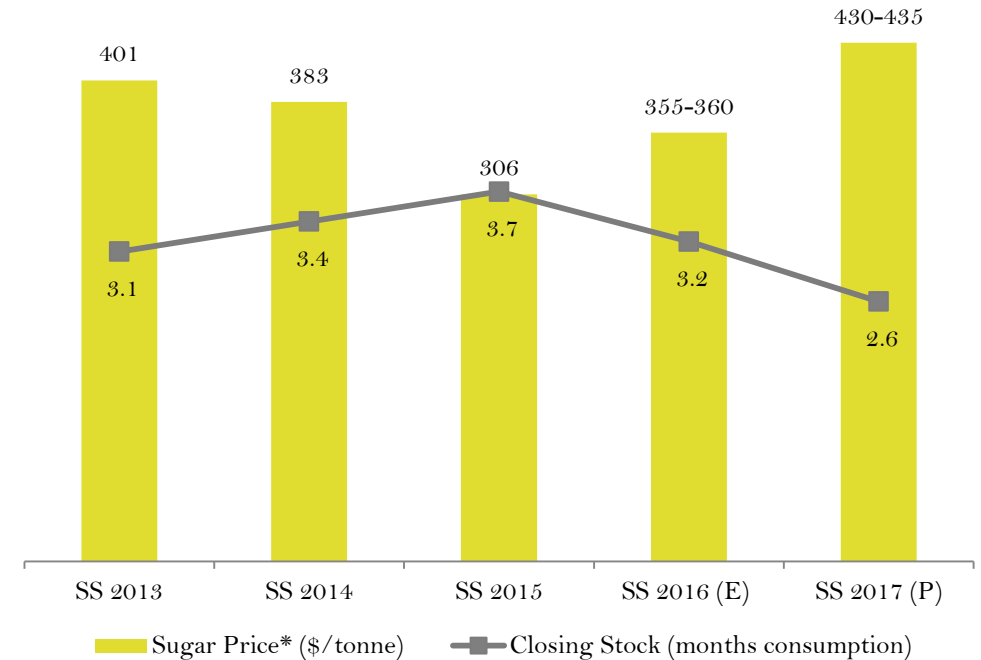


### Global Trends

Deficit in global sugar balance, which is expected to widen further



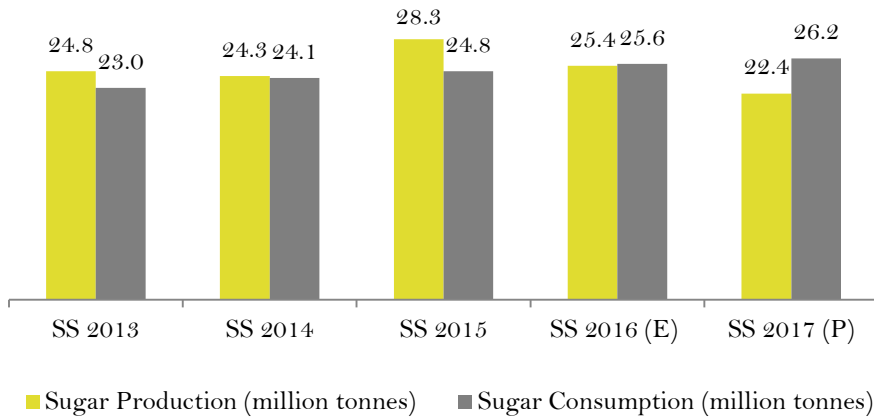
Resulting in decline in global sugar stock and a rise in global prices



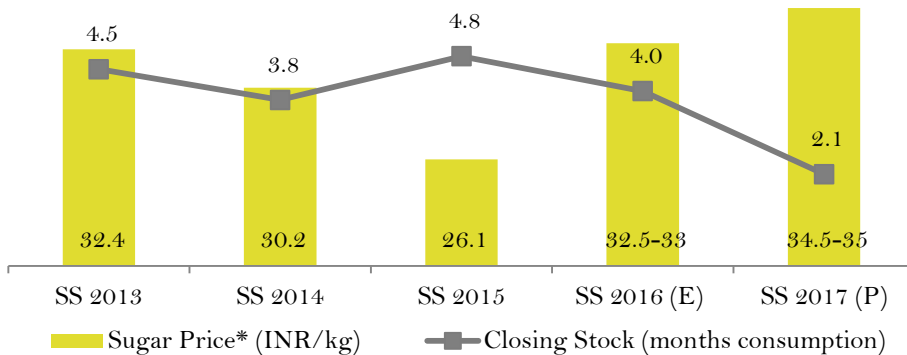


### India Trends

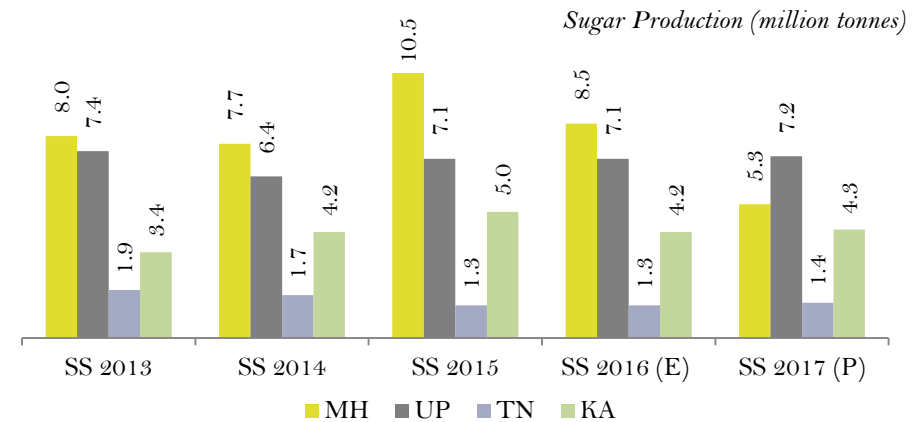
#### Wider deficit in domestic sugar balance expected in SS 2017



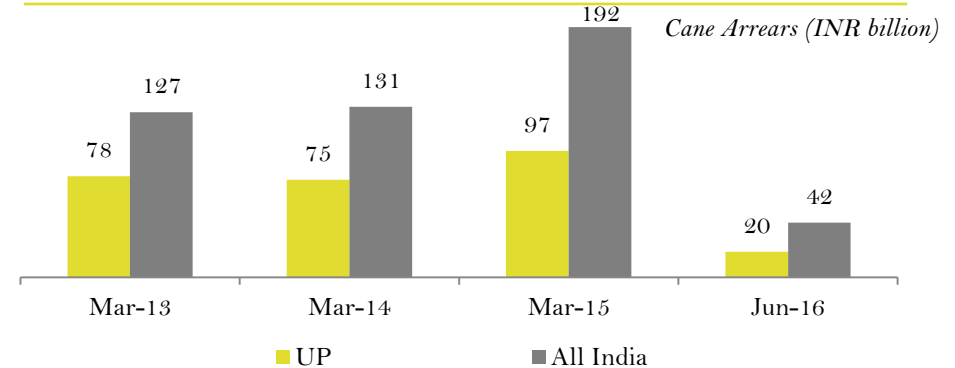
#### Sugar prices expected to remain firm



#### UP mills all set to benefit from this deficit situation



#### Sector recovery is reflected in the improving arrears condition

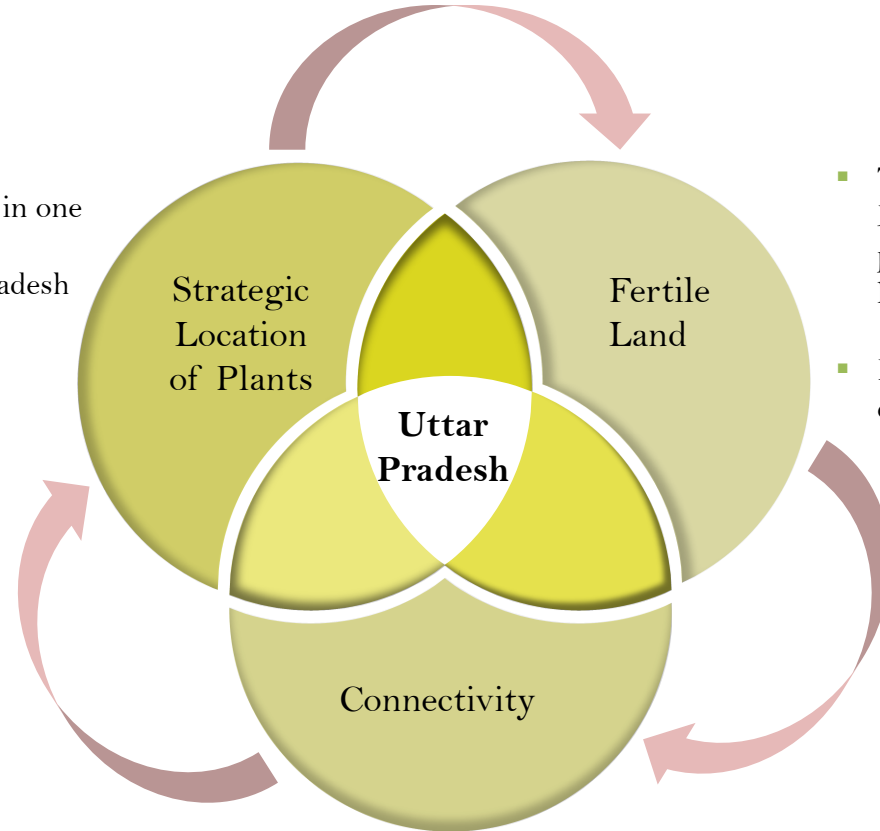


## 5 Strategically Located in UP



*UP is among the largest sugar producing states in the country*

- All the 3 plants are located in one of the India's largest sugar producing state - Uttar Pradesh



- Two plants are located in Bijnor District – a District with focused concentration on cane production on highly fertile and well-irrigated land
- Plant at Bareilly – the low-lying Ganges plains district with fertile alluvial soil
- Access to large, clearly defined cane-producing areas in the region
- All the three plants are well connected with major sugar consuming markets of the country, the Bareilly plant being located on the National Highway itself



## *Hands-on promoter involvement across two generations*



**G. R. Morarka**  
*Managing Director*

- Founder Promoter with over two decades of experience
- Commerce graduate and ICWA Inter
- Received 'Indira Gandhi Priyadarshini Award for Management', 'Bhamasha Award', 'Indira Gandhi Sadbhavna Award' and 'Swami Krishnanad Saraswati Purashkar'

- Chartered Accountant cum Company Secretary
- Associated with the Company since 1994
- Whole Time Director since 2009
- Over two decades of experience in Legal, Taxation, Secretarial and Administrative matters



**B. J. Maheshwari**  
*Whole Time Director & CS cum CCO*



**Vijay S. Banka**  
*Whole Time Director & CFO*

- Qualified Chartered Accountant
- Associated with the Company since 2007
- Whole Time Director and CFO since 2009
- Over two decades of experience in Finance and Strategy

**Priyanka G. Morarka**  
*VP – Corporate Affairs*

**B. P. Dixit**  
*VP – Works*

**R. K. Gupta**  
*VP – Works*

**Salil Swaroop Arya**  
*CGM - Administration*

**Alok Lohia**  
*CGM - Finance*

**Rajendra Singh Thakur**  
*CGM - Works*

**Surendra Pratap Singh**  
*CGM - Cane*

*Promoters*



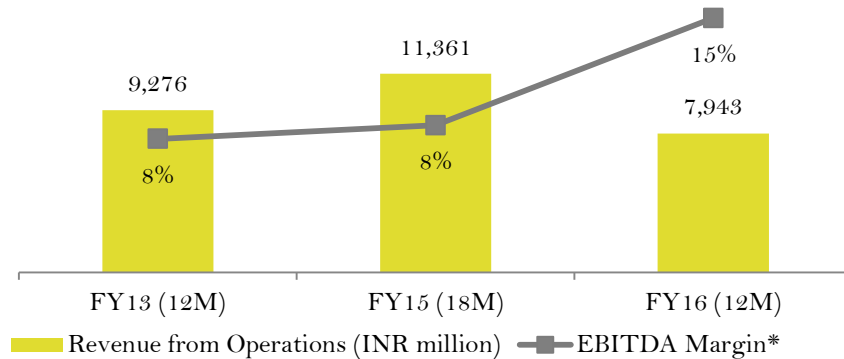
# Financial Performance

# Annual Financial Trends

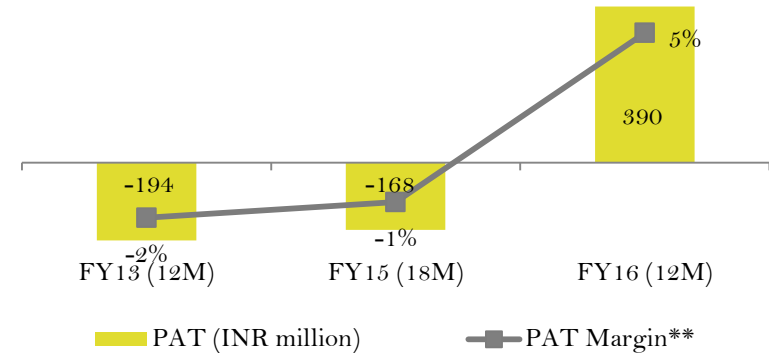


## Improving Financial Performance

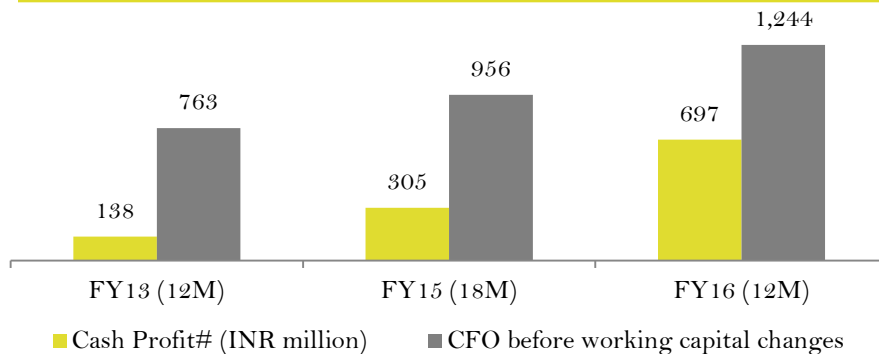
Impressive growth in EBITDA Margin in FY16



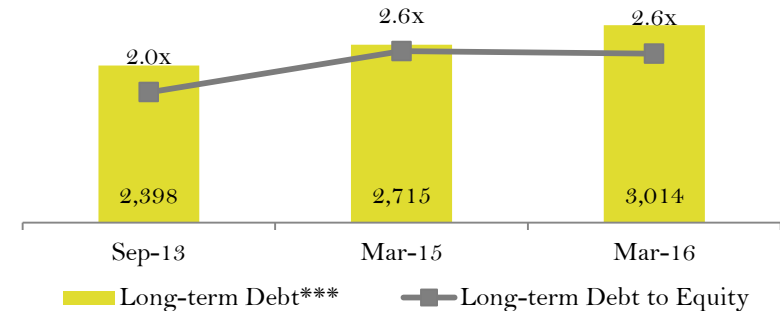
Coupled with strong bottom-line growth



Positive cash profits through the prolonged sectoral down cycle



Stable leverage, with plans to reduce it judiciously



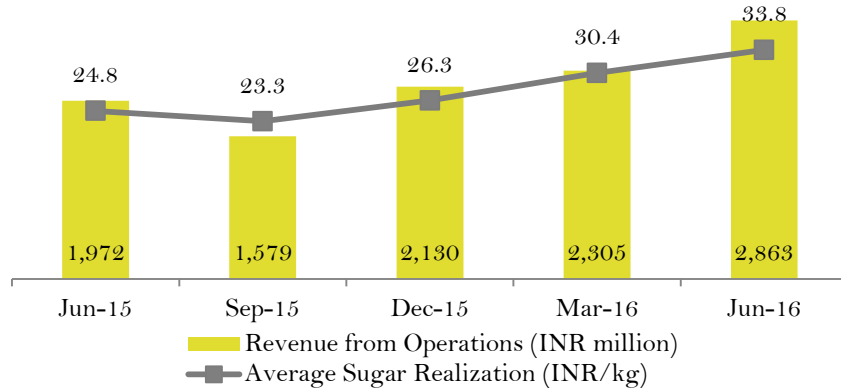
\* EBITDA is calculated as "Profit/(Loss) before exceptional item and tax plus depreciation and amortization expenses plus finance cost. EBITDA Margin is calculated as EBITDA divided by Total Revenue; \*\* Calculated as PAT divided by Total Revenue; \*\*\* Includes current maturities of long term debts

# Quarterly Financial Trends

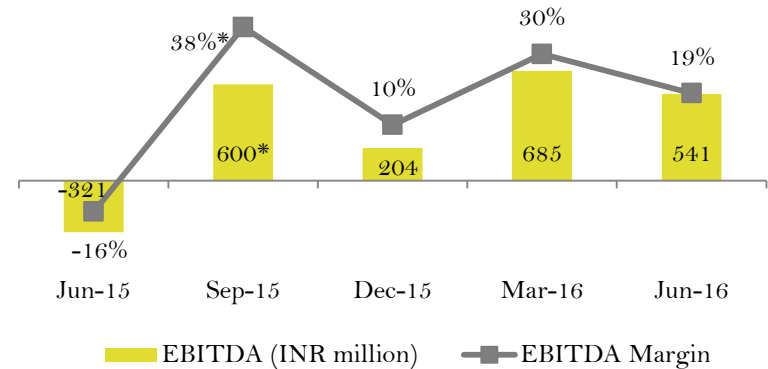


## Improving Financial Performance

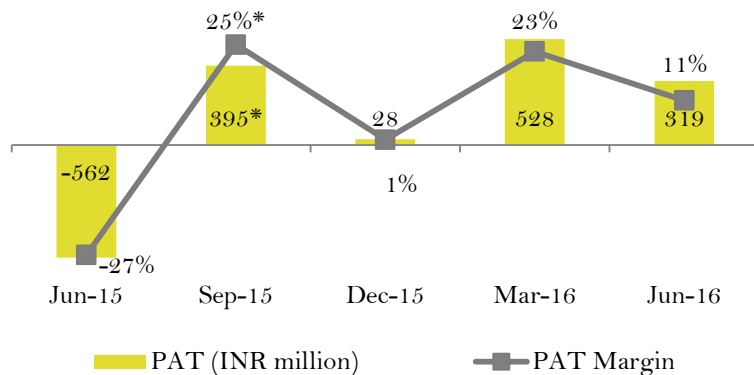
Increasing Revenues and significant improvement in realizations



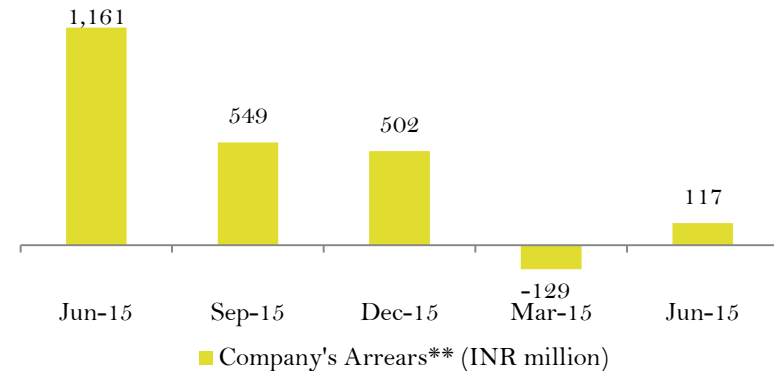
Led to sharp improvement in EBITDA and margins



Which was further carried over to the bottom-line



Helping us significantly reduce our arrears to farmers



\* An amount of INR 466 million, related to subsidies provided by the Government of Uttar Pradesh for cane purchased in SS 2015 but notified in August 2015, was deducted from the cost of materials consumed in the quarter ending September 30, 2015

\*\* Includes amounts actually due for payments as on respective quarter end.



# Summary Financials



## Key Balance Sheet Items

<i>(INR million)</i> Period Ending	Sep-13 (12M)	Mar-15 (18M)	Mar-16 (12M)
<b>EQUITY AND LIABILITIES</b>			
Shareholders' Funds	1,206	1,039	1,170
Long-term Borrowings	1,567	1,887	2,371
Short-term Borrowings	1,524	3,528	3,542
Trade Payables	981	2,010	1,426
Other Current Liabilities	1,186	1,351	1,302
	<b>6,605</b>	<b>9,987</b>	<b>10,012</b>
<b>ASSETS</b>			
Fixed Assets	4,404	3,986	3,567
Inventories	1,920	4,911	5,366
Trade Receivables	20	428	643
Cash and Bank Balance	21	8	48
Short-term Loans and Advances	23	31	51
Other Current Assets	0.03	318	65
	<b>6,605</b>	<b>9,987</b>	<b>10,012</b>
Long-term Debt to Equity	2.0x	2.6x	2.6x

## Key Profit & Loss Items

<i>(INR million)</i> Period Ending	Sep-13 (12M)	Mar-15 (18M)	Mar-16 (12M)	Jun-15 (3M)	Mar-16 (3M)	Jun-16 (3M)
Revenue from Operations (Net)	9,276	11,361	7,943	1,972	2,305	2,863
<b>Total Revenue</b>	<b>9,407</b>	<b>11,387</b>	<b>8,030</b>	<b>2,052</b>	<b>2,268</b>	<b>2,880</b>
Cost of materials consumed	7,425	11,998	6,172	702	4,155	308
Changes in inventories of finished good, work in progress and stock-in-trade	451	-2,823	-286	1,498	-2,918	1,831
Employee benefit expenses	403	714	497	102	151	109
Other expenses	410	539	478	71	196	92
<b>Total Expenses</b>	<b>9,726</b>	<b>11,653</b>	<b>7,685</b>	<b>2,450</b>	<b>1,647</b>	<b>2,414</b>
<b>EBITDA</b>	<b>718</b>	<b>959</b>	<b>1,168</b>	<b>-321</b>	<b>685</b>	<b>541</b>
Depreciation	332	472	308	77	64	75
<b>EBIT</b>	<b>255</b>	<b>460</b>	<b>774</b>	<b>-398</b>	<b>621</b>	<b>466</b>
Finance cost	706	752	516	164	137	147
<b>PBT</b>	<b>-319</b>	<b>-266</b>	<b>394</b>	<b>-562</b>	<b>533</b>	<b>319</b>
<b>PAT</b>	<b>-194</b>	<b>-168</b>	<b>390</b>	<b>-562</b>	<b>528</b>	<b>319</b>

Note: Only major line items are shown  
 \*\* As on 30 June, 2016



# Business Strategy

# Business Strategy



*We are currently one of the most efficient integrated sugar companies in Uttar Pradesh. We plan to further improve on our performance matrices while continuing with our best practices*

- Focus on cost control through plant efficiencies & logistics management

**Cost Control**

**Cane Development**

- Continue educating farmers on best farming practices, high yield / sugar content seeds, pesticides etc.
- Making timely payment to farmers to incentivize increase in area under sugarcane

- Reduce leverage through a combination of prudent financial management and prepayment/repayment of debt

**Deleveraging**

**Operating Efficiently**

- Through continuous improvements in operating parameters, research and development and continuous farmer engagement



## **Annexure - Facilities**

# Dwarikesh Nagar Facility (Bijnor District)



*Sugar Plant Overview*



*Bagasse Silos & Feeders of Boiler*

*Distillation House & Multi-Effect Evaporator*



*Continuous Pan*



# Dwarikesh Puram Facility (Bijnor District)



*Juice Evaporator*



*Centrifugal Station*



*Cogeneration Control Panel*



*Switch Yard*



# Dwarikesh Dham Facility (Bareilly District)



*Facility Overview*



*Pan Station*



*24 MW TG Set*



*Clarification Section*





For further information, please contact:

**Company :**

**Dwarikesh Sugar Industries Ltd**

CIN:L15421UP1993PLC018642

Mr. Vijay S Banka, Whole Time Director & CFO

[vsbanka@dwarikesh.com](mailto:vsbanka@dwarikesh.com)

[www.dwarikesh.com](http://www.dwarikesh.com)

**Investor Relations Advisors :**

**Strategic Growth Advisors Pvt. Ltd.**

CIN: U74140MH2010PTC204285

Ms. Payal Dave/ Mr. Shogun Jain

+91 98199 16314 / +91 77383 77756

[www.sgapl.net](http://www.sgapl.net)

