



Dwarikesh Sugar Industries Limited

Investor Update

May 2017

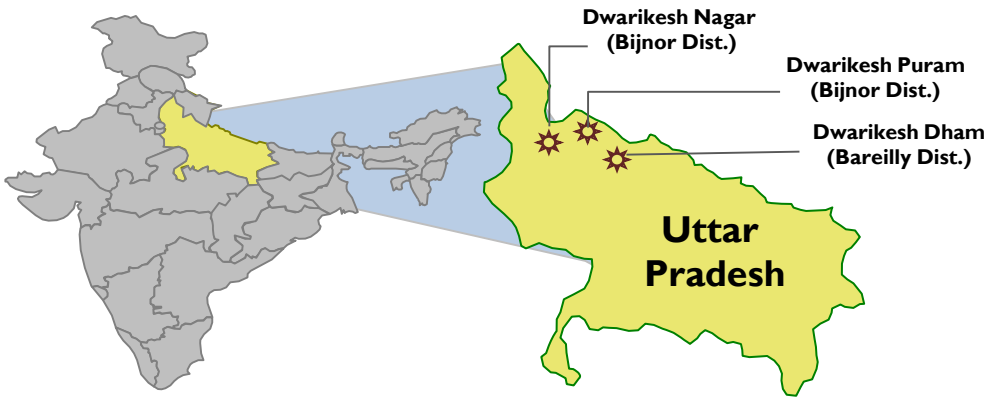


An Integrated Sugar Company



Business Overview

At a Glance



Capacity (Dec 31, 2016)	Dwarikesh Nagar	Dwarikesh Puram	Dwarikesh Dham	Aggregate
Sugar (TCD)	6,500	7,500	7,500	21,500
Cogeneration (MW)	17	33	36	86 (Surplus: c. 56)
Distillery (LPD)	30,000	-	-	30,000

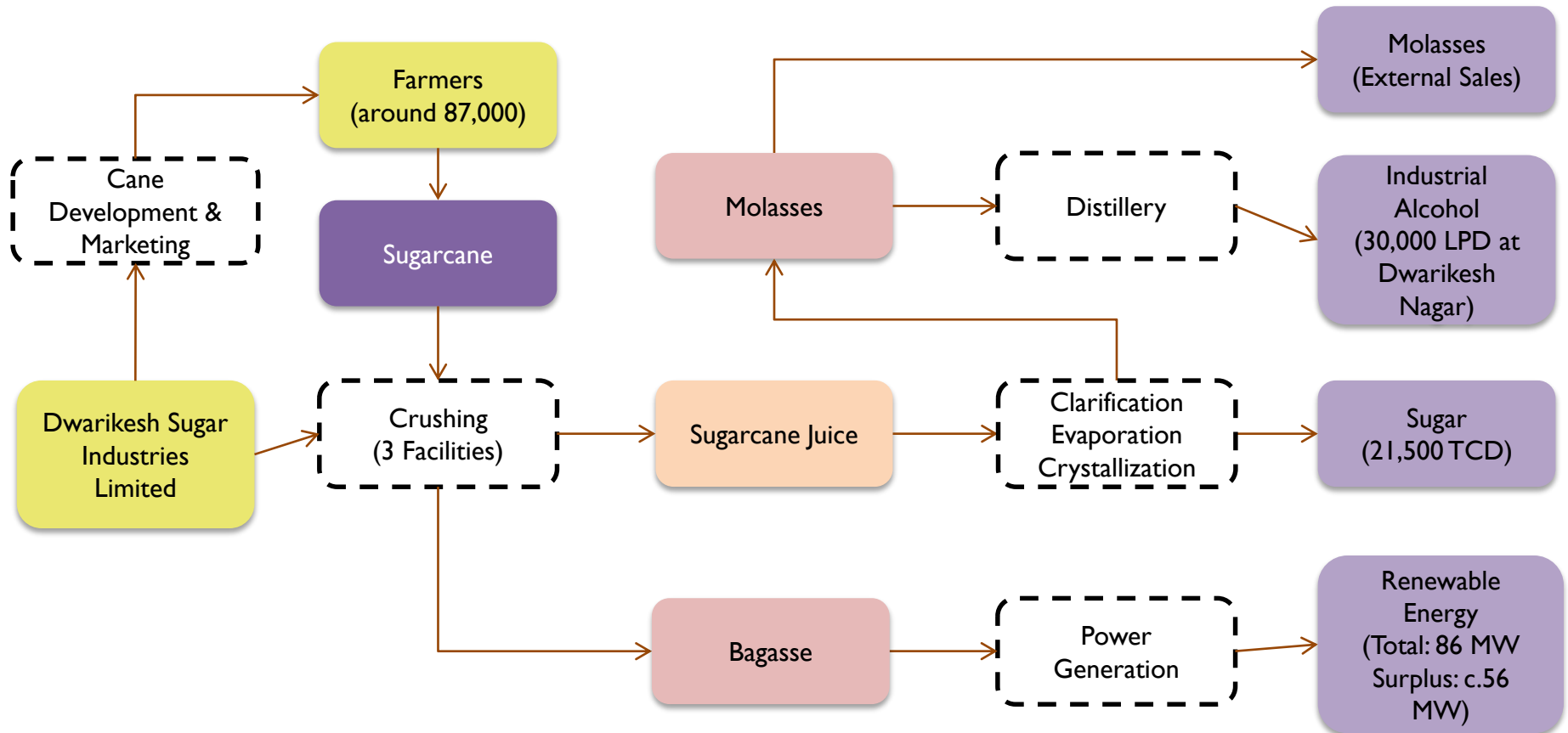
- All the 3 plants are located in one of the India’s largest sugar producing state - Uttar Pradesh
- Two plants are located in Bijnor District – a District with focused concentration on cane production on highly fertile and well-irrigated land
- Plant at Bareilly – the low-lying Ganges plains district 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

UP is the largest sugar producing State in the country

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;

Overview - Operations

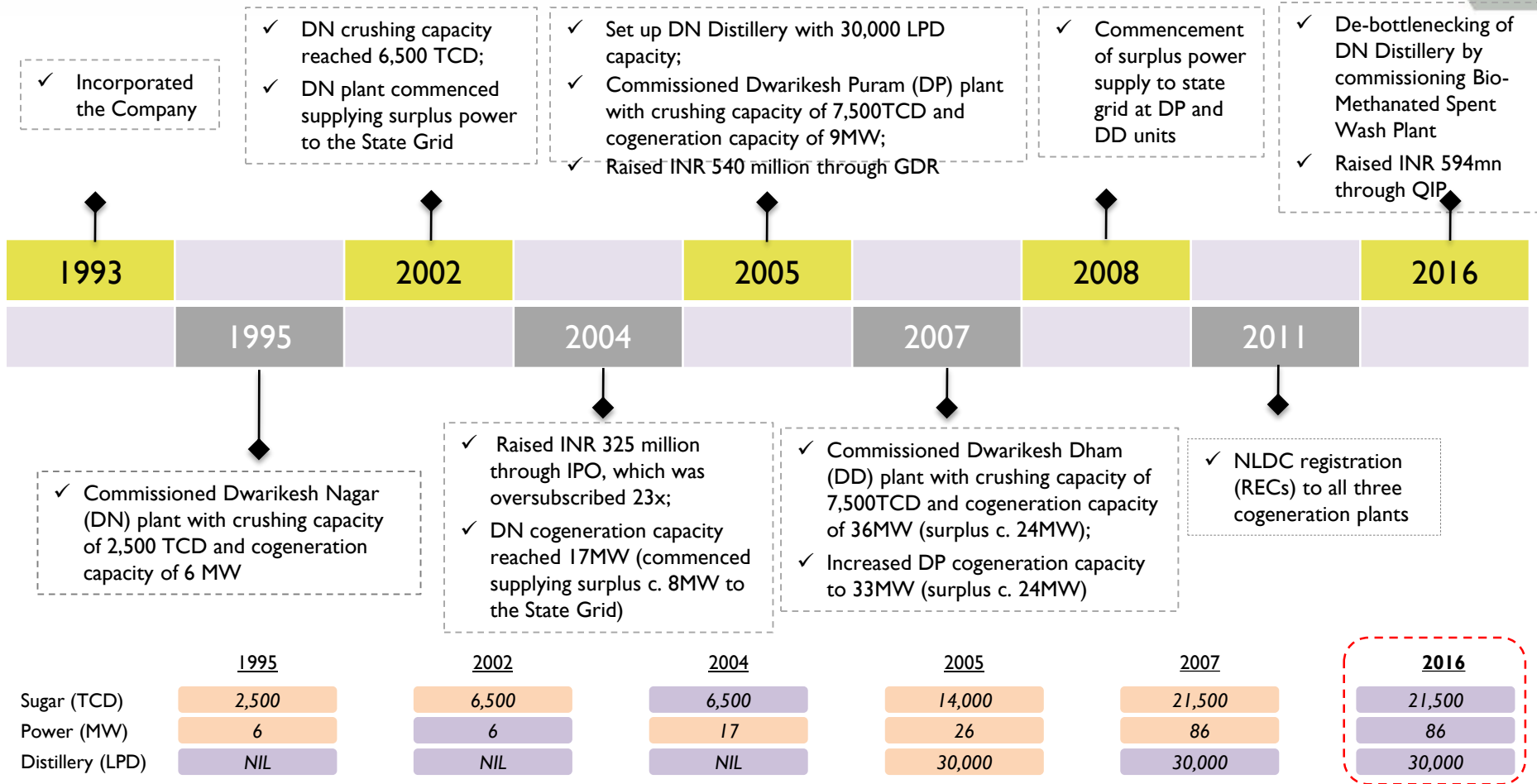
Endeavour is to extract maximum value out of sugarcane with minimal waste



Legends



Milestones



To know more about our story, please watch our documentary at https://www.youtube.com/watch?v=_kCF2PAZHqI

 Indicates capacity addition years



Q4/I2M FY17 Financial Performance

Performance Highlights

In INR Crores	FY 17	FY 16	% Change	Q4 FY17	Q4 FY16	% Change
Gross Revenue	1256.1	831.51	51.06%	464.89	241.9	92.18%
EBIDTA	284.03	121.75	133.29%	117.9	73.38	60.67%
PAT	158.47	38.97	306.65%	46.82	52.82	(11.36)%



In INR	FY 17	FY 16	% Change	Q4 FY17	Q4 FY16	% Change
EPS	88.36	22.02	301.27%	24.46	31.91	(23.35)%
CEPS	135.08	41.08	228.82%	56.14	36.03	55.81%

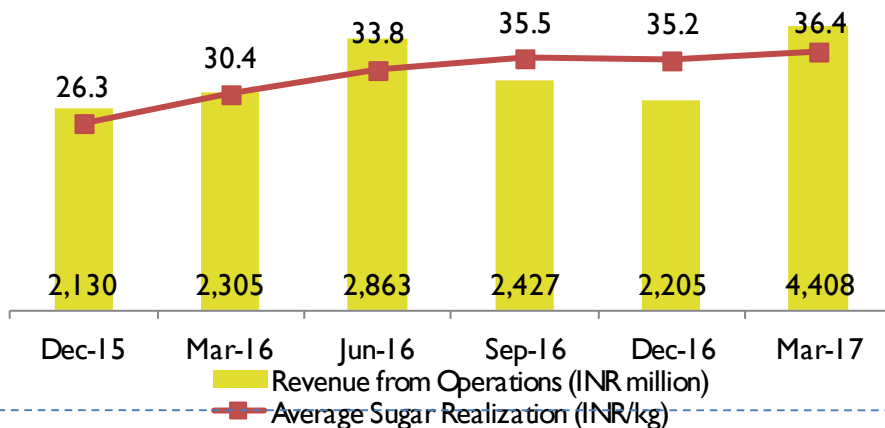


*Lower PAT and lower EPS in Q4 is mainly on account of deferred tax provisioning. As per policy hitherto followed by the company, provision for taxation is made in the last quarter.

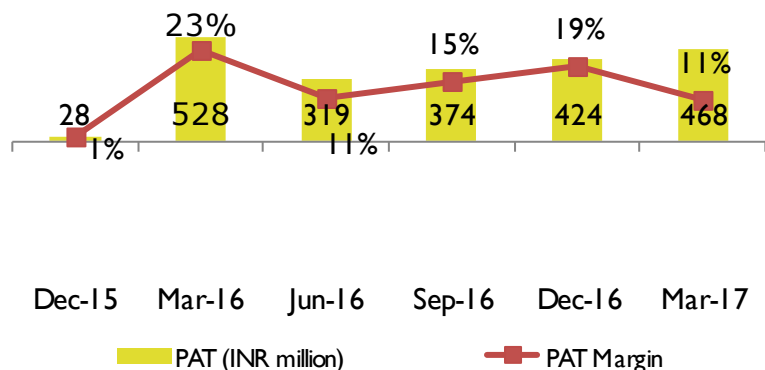
Quarterly Financial Trends

Improving Financial Performance

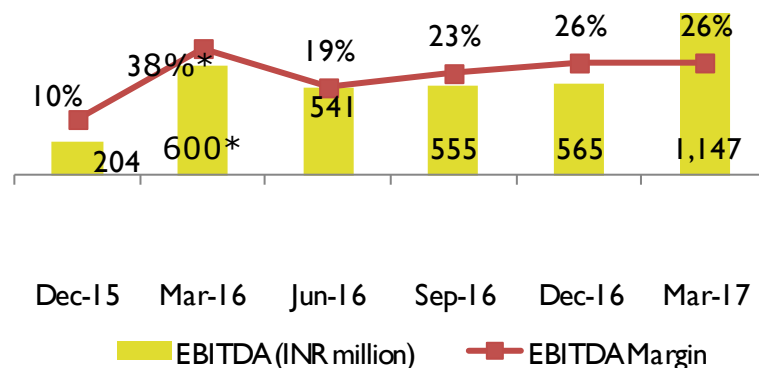
Increasing Revenues and significant improvement in realizations



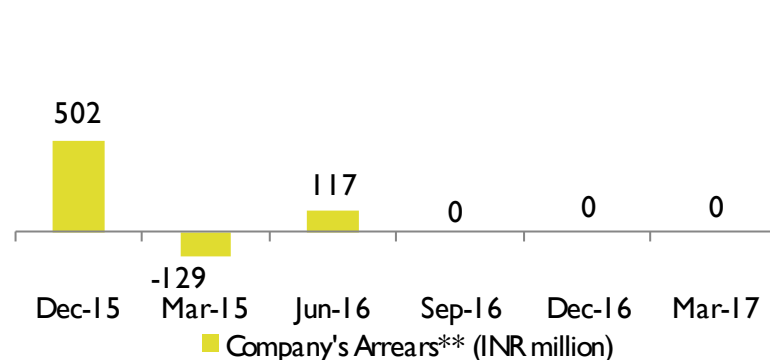
Which was further carried over to the bottom-line



Led to sharp improvement in EBITDA and margins



Helping us significantly reduce our arrears to farmers



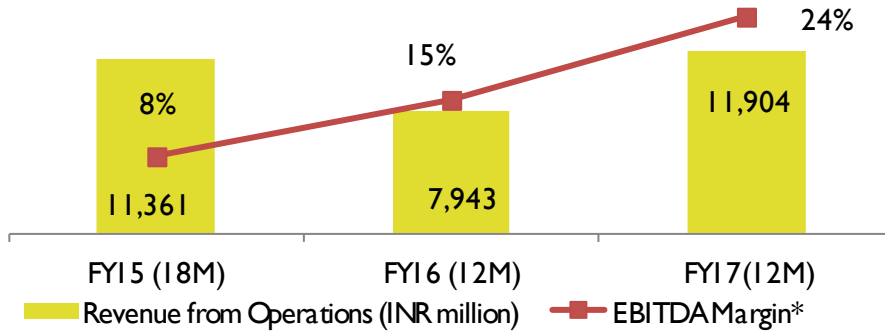
* An amount of INR 466 million, related to subsidies provided by the Government of Uttar Pradesh for cane purchased in SS 2015 but notified in August 2015, was deducted from the cost of materials consumed in the quarter ending September 30, 2015

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

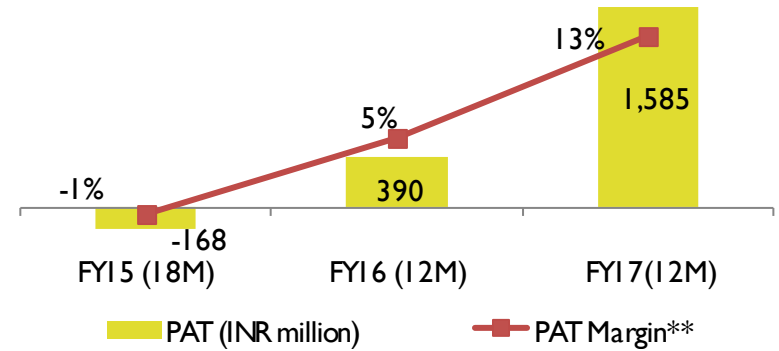
Summary Financials (FY17)

Improving Financial Performance

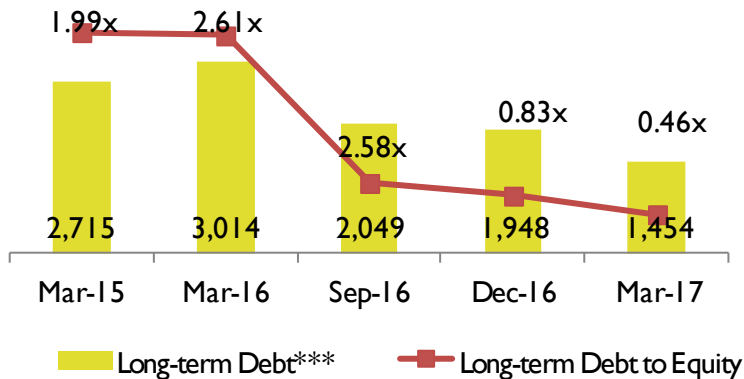
Impressive growth in EBITDA Margin in 9MFY17



Coupled with strong bottom-line growth



Stable leverage, with plans to reduce it judiciously



The outlook on long term rating has been revised to **STABLE(A-)** this quarter by ICRA

There has also been a substantial reduction in debt to the tune of INR 156 crore

* 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

Summary Financials (Q4 and 12M-FY17): Key P&L Items

PARTICULARS (All Figures in INR Lacs)	Quarter ended Mar,2017	Quarter ended Mar,2016	FY 2016-17	FY 2015-16
INCOME				
Revenue from Operations	44,085	22,622	119,041	79,434
Other income	(485)	57	944	862
Total Revenue	43,600	22,679	119,985	80,296
EXPENDITURE				
Cost of material consumed	52,390	41,545	85,923	61,717
Changes in inventories of finished goods, work in-progress and stock-in-trade	(24,107)	(29,176)	(7,014)	(2,856)
Employees benefit expenses	3,006	1,508	7,366	4,968
Finance Cost	999	1,374	4,194	5,159
Depreciation and amortization expenses	741	639	2,994	3,076
Other expenses	844	1,956	5,630	4,785
Total expenses	33,873	17,846	99,093	76,849
Profit / (loss) before exceptional item	9,727	4,833	20,892	3,447
Exceptional Income / expenses (net of taxes)	323	492	323	492
Profit / (loss) before tax	10,050	5,325	21,215	3,939
Tax expenses	5,368	43	5,368	43
Profit after tax	4,682	5,282	15,847	3,896

Summary Financials (12M FY17): Balance Sheet Items

<i>(INR million)</i>	Mar-15 (12M)	Mar-16 (12M)	Mar-17 (12M)
LIABILITIES			
Shareholders' Funds	1,039	1,170	3,166
Long-term Borrowings	1,888	2,371	1,032
Deferred tax liability (net)	--	--	369
Other long term liabilities & provision	149	123	149
Short-term Borrowings	3,528	3,542	3,578
Trade Payables	2,010	1,432	770
Other Current Liabilities	1,373	1,374	1,493
	9,987	10,012	10,557
ASSETS			
Fixed Assets	3,986	3,567	3,319
Deferred tax assets (net)	200	171	--
Other long term assets & investments	105	107	540
Inventories	4,910	5,366	6,099
Trade Receivables	428	642	547
Other current assets including cash and cash equivalents	358	159	52
	9,987	10,012	10,557

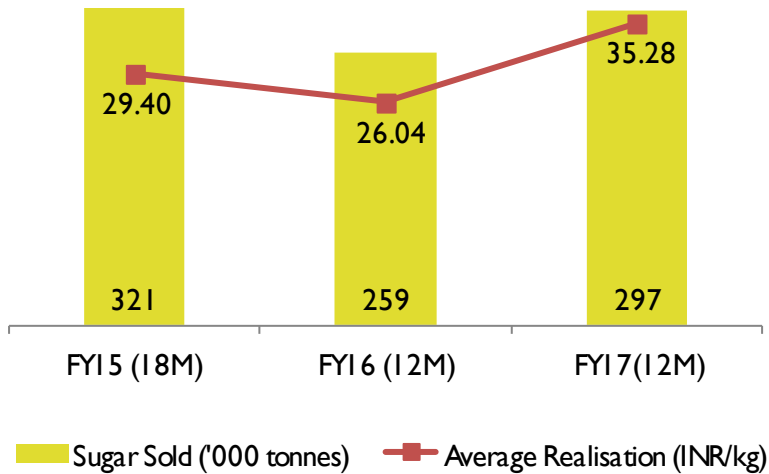


Operational Trends

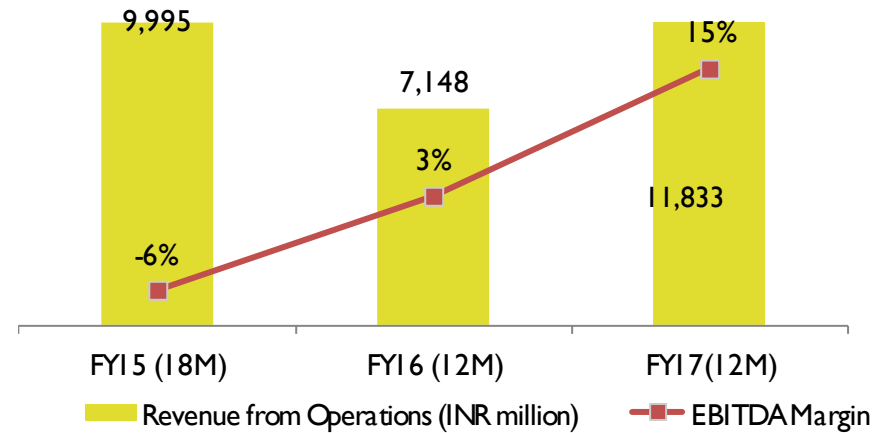
Sugar

Increasing sugar prices and improving recovery rates driving the turnaround

Significant upswing in average realization in 12M FY17



Increased realization and higher recovery drove higher margins

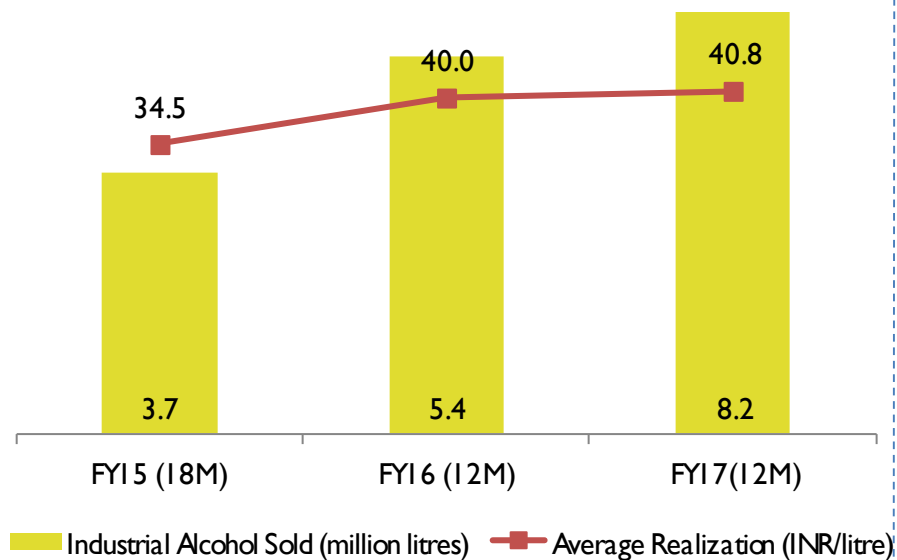


Note: FY13 – 12 month period ending September 30, 2013; FY15 – 18 month period ending March 31, 2015; FY16 – 12 month period ending March 31, 2016

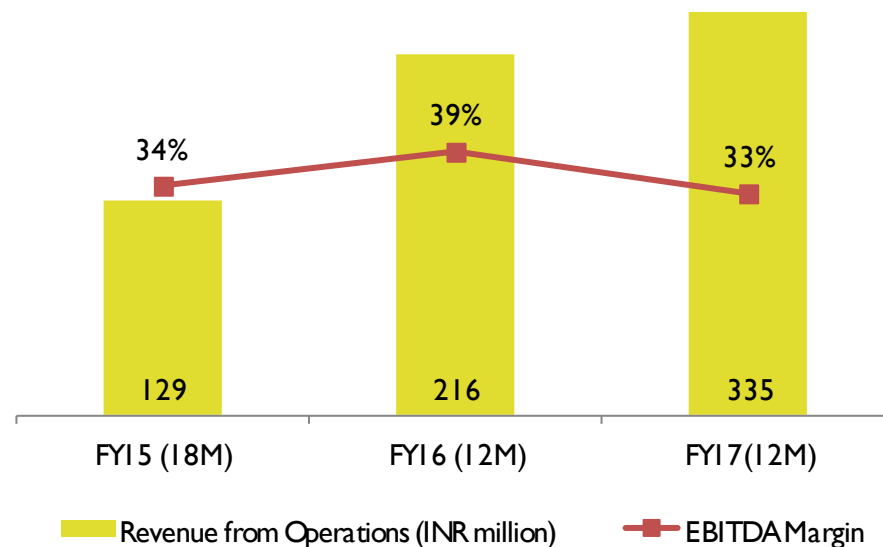
Distillery

Vertical integration adding significantly to the aggregate margins

Increasing volumes and average realizations...



Driving impressive growth in EBITDA margins



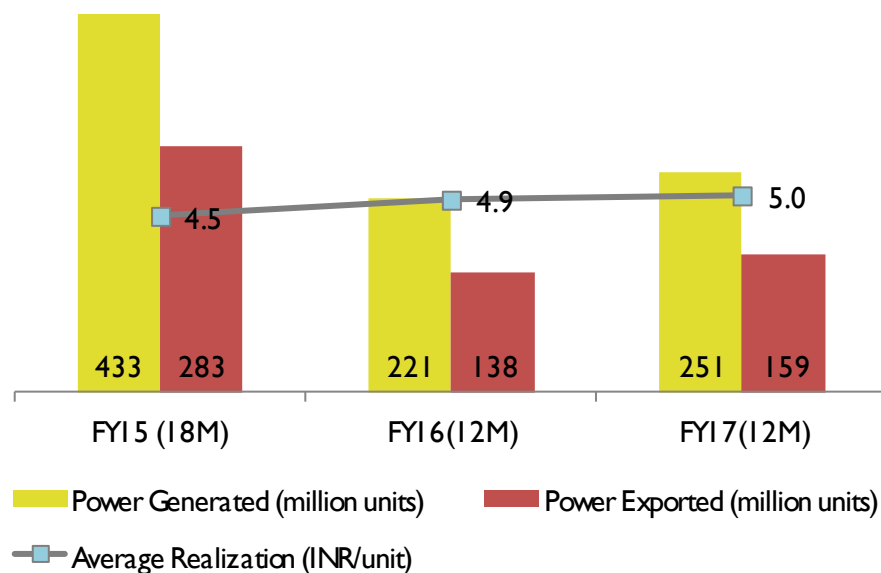
Salient Points

- Products include rectified spirit and ethanol

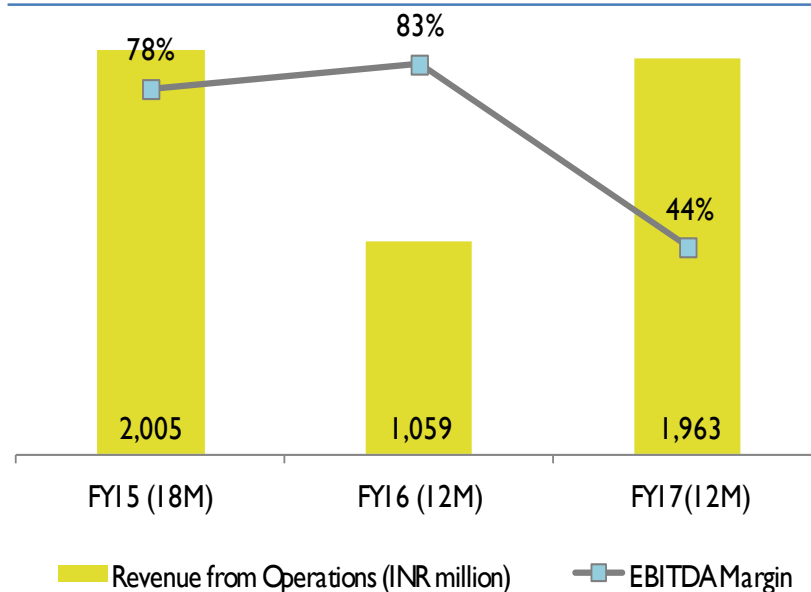
Cogeneration

Vertical integration adding significantly to the aggregate margins

Average realizations have increased...



Generating attractive EBITDA margins



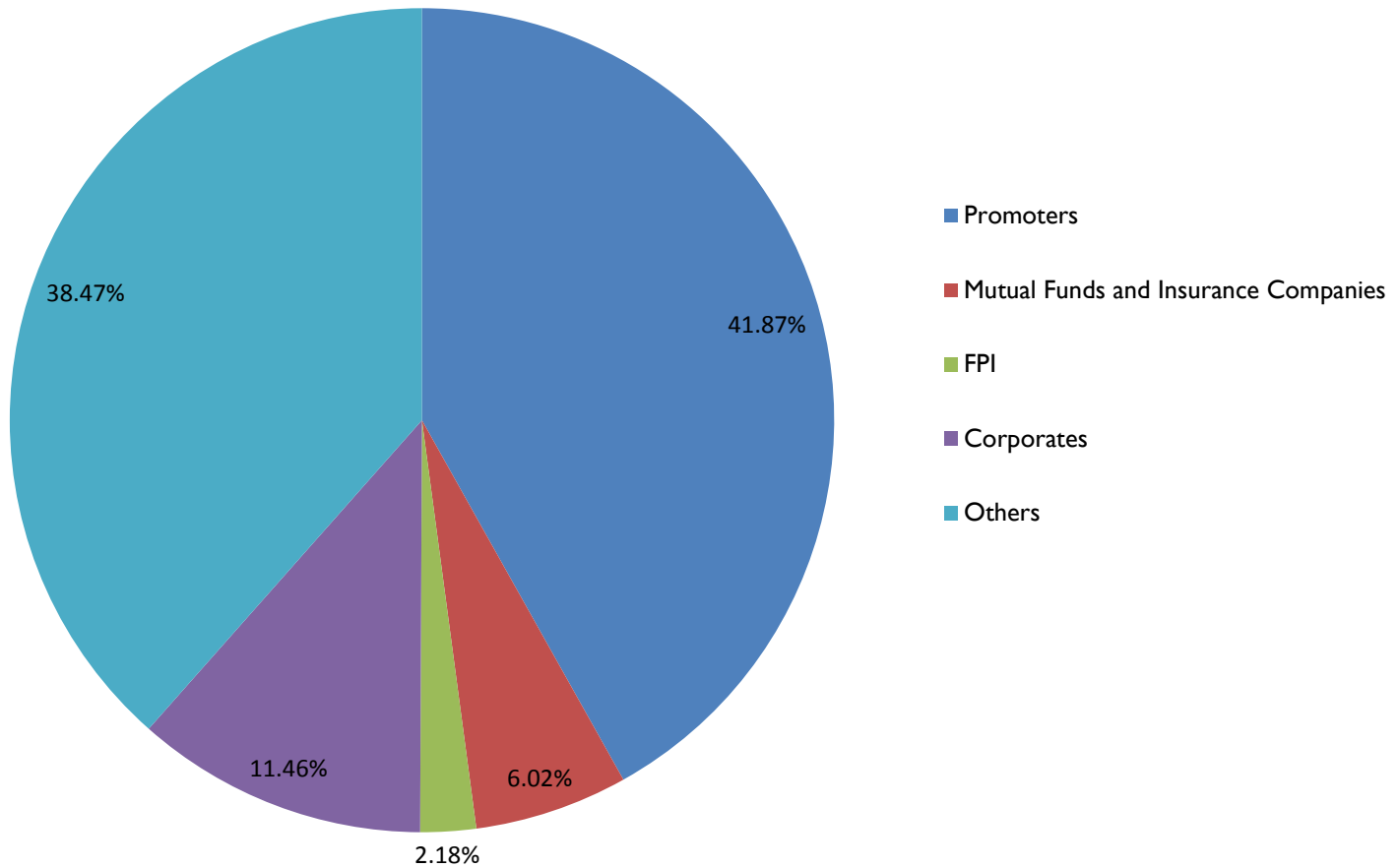
Salient Points

- 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



Shareholding
pattern

Shareholding Pattern-Q4FY17





Management Team & Business Strategy

Committed and Experienced Management Team

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

Alok Lohia
CGM - Finance

Rajendra Singh Thakur
CGM - Works

Surendra Pratap Singh
CGM - Cane

Strong Relationship with Farmers

Increased Farmer Bonding

- Associated with around 87,000 farmer families
- Purchased sugarcane of INR 8,421* million and INR 6,444** million in FY17 (12M) and FY16 (12M) 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 Goshti' 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

Trust and goodwill of the farmers of our reserved areas

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



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



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



Distillation House & Multi-Effect Evaporator



Bagasse Silos & Feeders of Boiler



Continuous Pan



Dwarikesh Puram Facility (Bijnor District)

Juice Evaporator



Centrifugal Station



Cogeneration Control Panel



Switch Yard



Dwarikesh Puram Facility (Bijnor District)

Facility Overview



Pan Station



24 MW TG Set



Clarification Section





Safe Harbor

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