



# DWARIKESH SUGAR INDUSTRIES LIMITED

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REF: DSIL/2016-17/672

February 06, 2017

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 - Investor Presentation**

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 Investor Presentation for quarter and nine month ended December 31, 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. J. Maheshwari**  
Whole Time Director & CS cum CCO

Encl: as above



# Dwarikesh Sugar Industries Limited

## Investor Update

February 2017

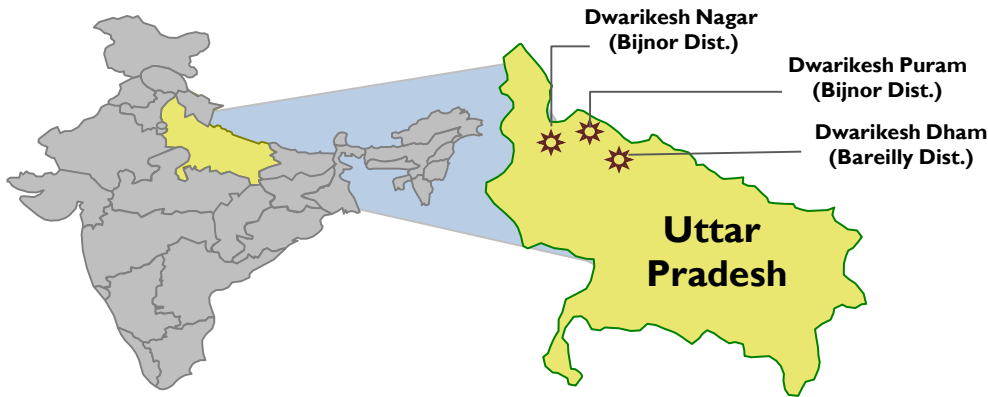


**An Integrated Sugar Company**



# 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              |

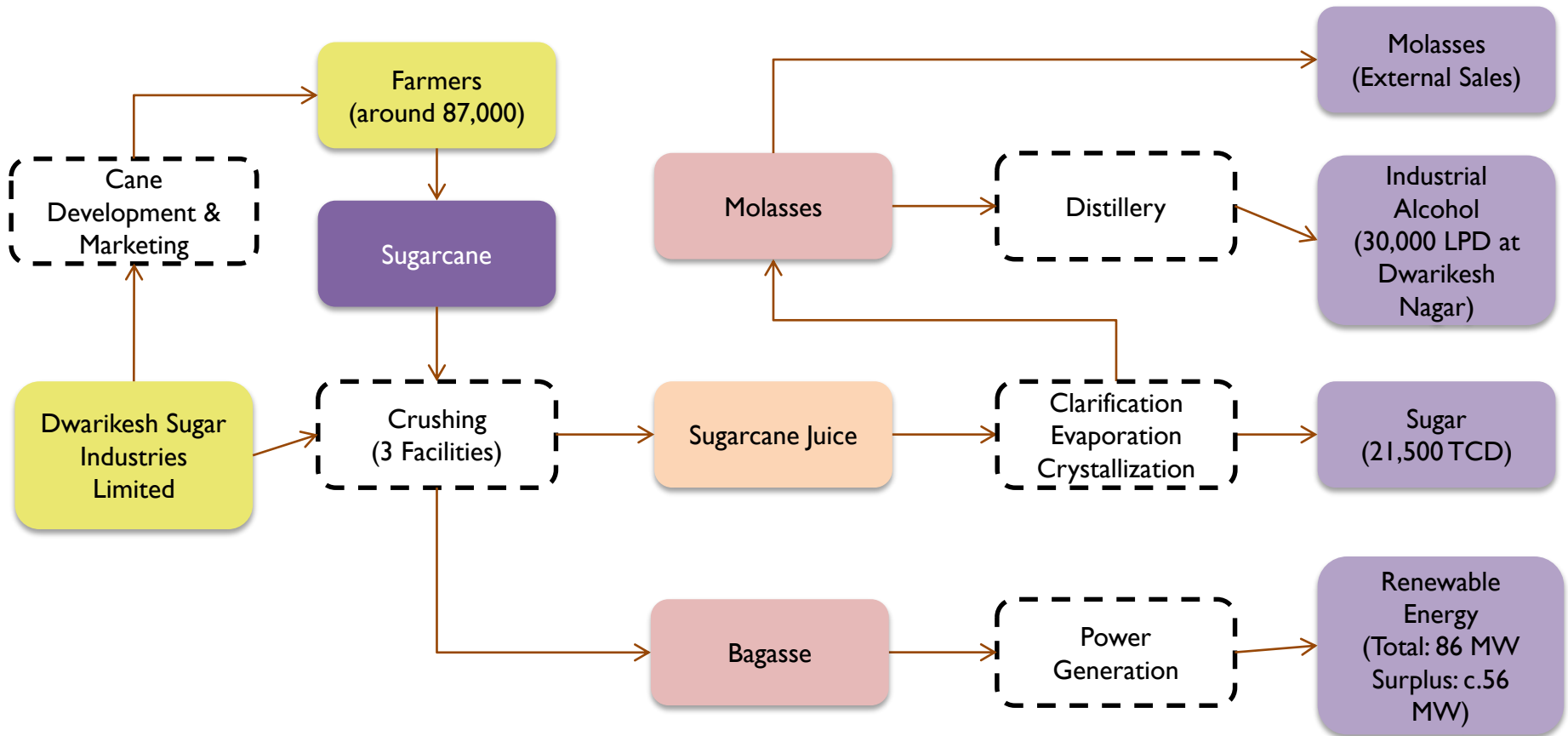
- All the 3 plants are located in one of the India's largest sugar producing state - Uttar Pradesh
- Two plants are located in Bijnor District – a District with focused concentration on cane production on highly fertile and well-irrigated land
- Plant at Bareilly – the low-lying Ganges plains district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

Entity

Input

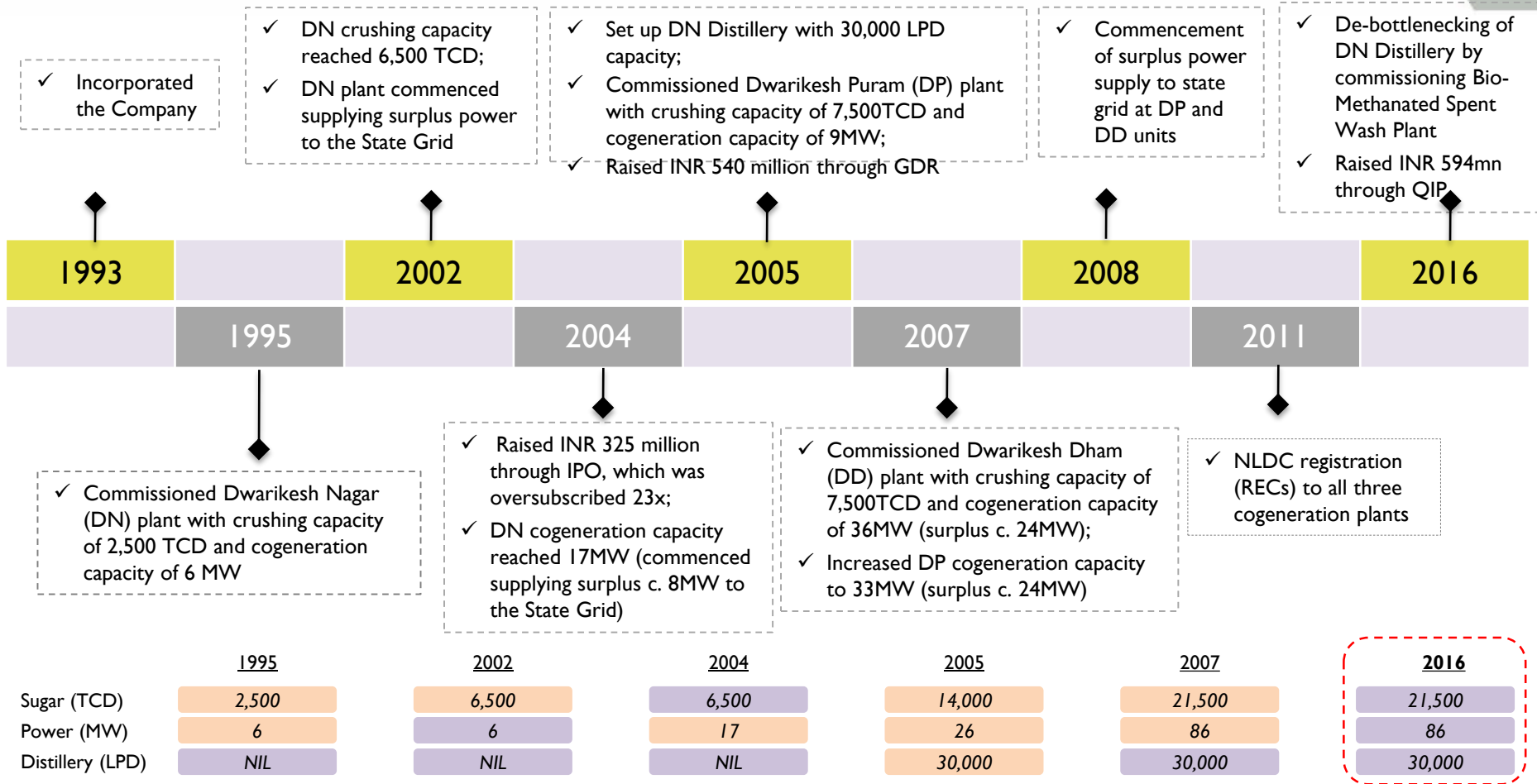
Process

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



Q3/9M FY17  
Financial  
Performance

# Performance Snapshot

INR Crores

**Q3FY17**

**9MFY17**

**Q3FY16**

**9MFY16**

**Revenue**



220.54

749.56

210.15

563.83

**EBIDTA**



56.54

166.13

20.38

48.37

**Profit**



42.34

111.64

2.84

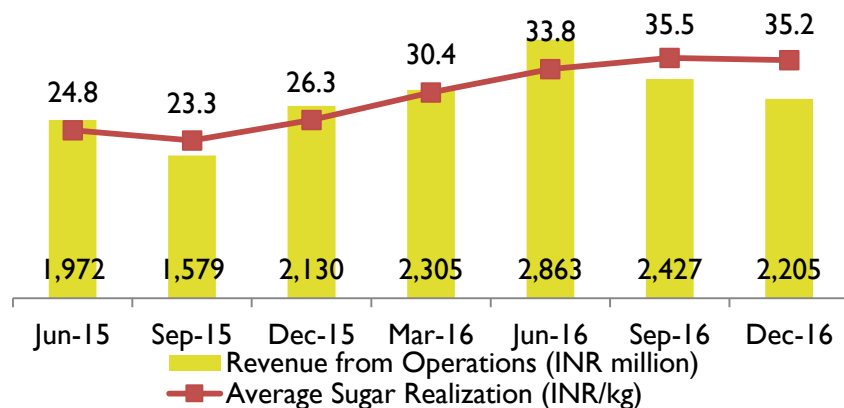
(13.86)



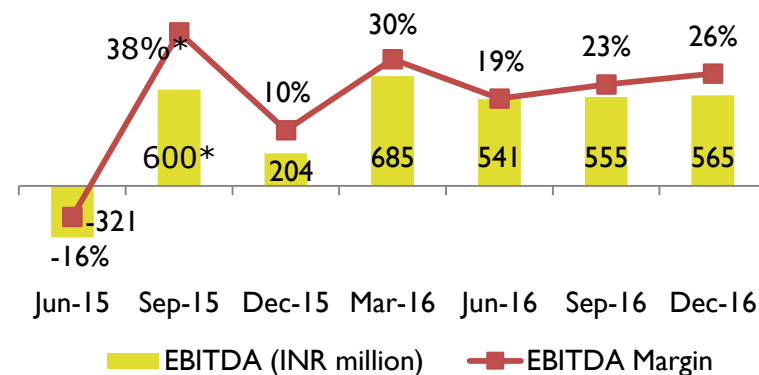
# Quarterly Financial Trends

## Improving Financial Performance

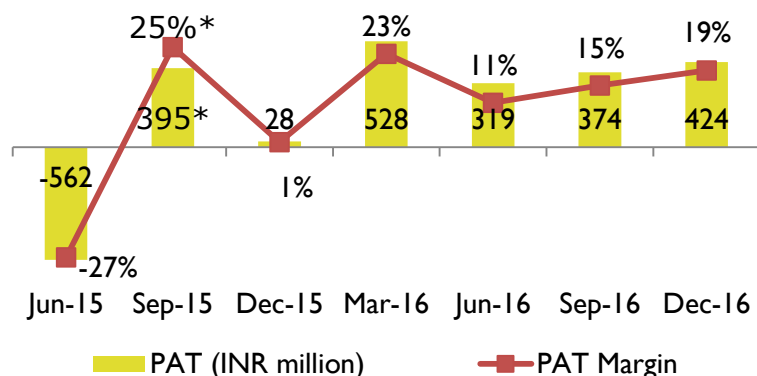
### Increasing Revenues and significant improvement in realizations



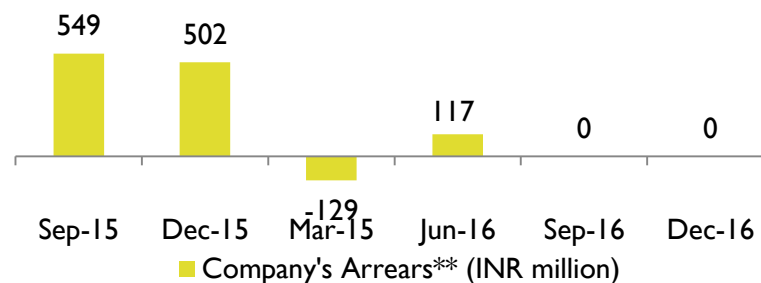
### Led to sharp improvement in EBITDA and margins



### Which was further carried over to the bottom-line



### Helping us significantly reduce our arrears to farmers



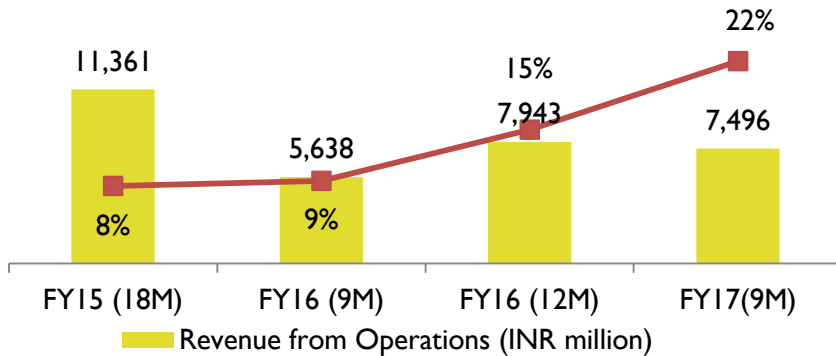
\* An amount of INR 466 million, related to subsidies provided by the Government of Uttar Pradesh for cane purchased in SS 2015 but notified in August 2015, was deducted from the cost of materials consumed in the quarter ending September 30, 2015

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

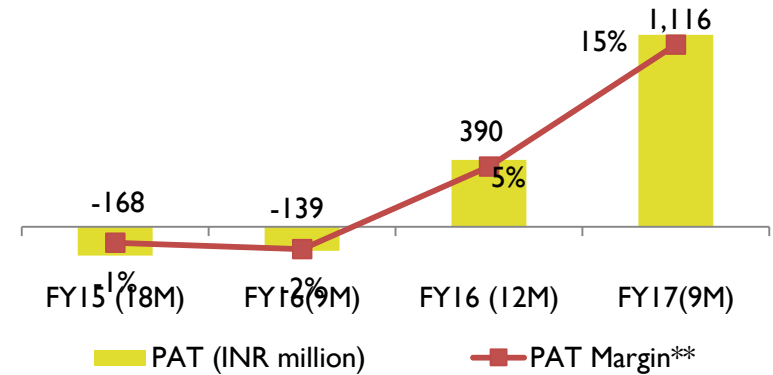
# Summary Financials (Q3 and 9M)

## Improving Financial Performance

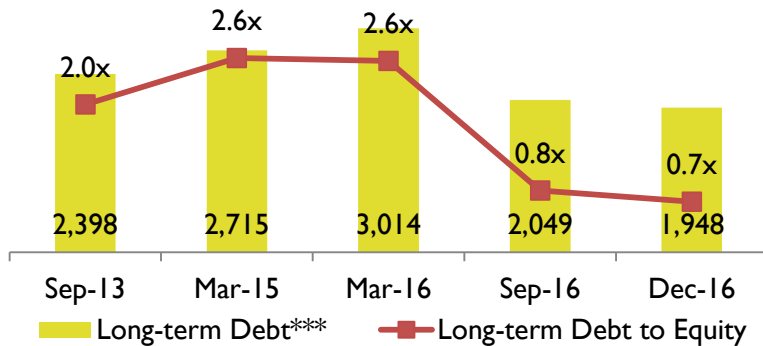
Impressive growth in EBITDA Margin in 9MFY17



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

\* 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 (Q3 and 9M-FY17): Key P&L Items

| PARTICULARS<br>( All Figures in INR Lacs)  | Quarter<br>ended<br>Dec,2016 | Quarter<br>ended<br>Dec,2015 | Nine<br>months<br>ended<br>Dec,2016 | Nine<br>months<br>ended<br>Dec,2015 | FY 2015-16    |
|--|------------------------------|------------------------------|-------------------------------------|-------------------------------------|---------------|
| <b>INCOME</b>  |                              |                              |                                     |                                     |               |
| Revenue from Operations  | 22,055                       | 21,296                       | 74,956                              | 56,812                              | 79,434        |
| Other income   | 184                          | 6                            | 1,429                               | 805                                 | 862           |
| <b>Total Revenue</b>   | <b>22,239</b>                | <b>21,302</b>                | <b>76,385</b>                       | <b>57,617</b>                       | <b>80,296</b> |
| <b>EXPENDITURE</b>   |                              |                              |                                     |                                     |               |
| Cost of material consumed  | 30,409                       | 17,800                       | 33,534                              | 20,172                              | 61,717        |
| Changes in inventories of finished goods,<br>work in-progress and stock-in-trade                     | (18,189)                     | (1,277)                      | 17,093                              | 26,319                              | (2,856)       |
| Employees benefit expenses   | 2,169                        | 1,468                        | 4,360                               | 3,460                               | 4,968         |
| Finance Cost   | 662                          | 945                          | 3,195                               | 3,785                               | 5,159         |
| Depreciation and amortization expenses   | 758                          | 809                          | 2,253                               | 2,438                               | 3,076         |
| Other expenses   | 2,195                        | 1,273                        | 4,786                               | 2,829                               | 4,785         |
| <b>Total expenses</b>  | <b>18,004</b>                | <b>21,018</b>                | <b>65,221</b>                       | <b>59,003</b>                       | <b>76,849</b> |
| <b>Profit / (loss) before exceptional item</b>   | <b>4,235</b>                 | <b>284</b>                   | <b>11,164</b>                       | <b>(1,386)</b>                      | <b>3,447</b>  |
| Exceptional Items-Remission of cane commission liability<br>relating to earlier years (net of taxes) | --                           | --                           | --                                  | --                                  | 492           |
| <b>Profit / (loss) before tax</b>  | <b>4,235</b>                 | <b>284</b>                   | <b>11,164</b>                       | <b>(1,386)</b>                      | <b>3,939</b>  |

## Summary Financials (9M FY17): Key Balance Sheet Items

| <i>(INR million)</i>                                     | 31-03-2015   | 31-03-2016    | 31-12-2016   |
|--|--------------|---------------|--------------|
| <b>LIABILITIES</b>                                       |              |               |              |
| Shareholders' Funds                                      | 900          | 1,170         | 2,880        |
| Long-term Borrowings                                     | 2,476        | 2,371         | 1,200        |
| Short-term Borrowings                                    | 249          | 3,542         | 1,704        |
| Trade Payables   | 1,720        | 1,426         | 834          |
| Other Current Liabilities                                | 1,123        | 1,302         | 1,229        |
|  | <b>6,633</b> | <b>10,012</b> | <b>8,031</b> |
| <b>ASSETS</b>  |              |               |              |
| Fixed Assets   | 3,847        | 3,567         | 3,380        |
| Inventories  | 2,163        | 5,366         | 3,515        |
| Trade Receivables  | 216          | 643           | 609          |
| Other current assets including cash and cash equivalents | 100          | 164           | 90           |
|  | <b>6,633</b> | <b>10,012</b> | <b>8,031</b> |
| Long-term Debt to Equity                                 | 2.6x         | 2.6x          | 0.7x         |

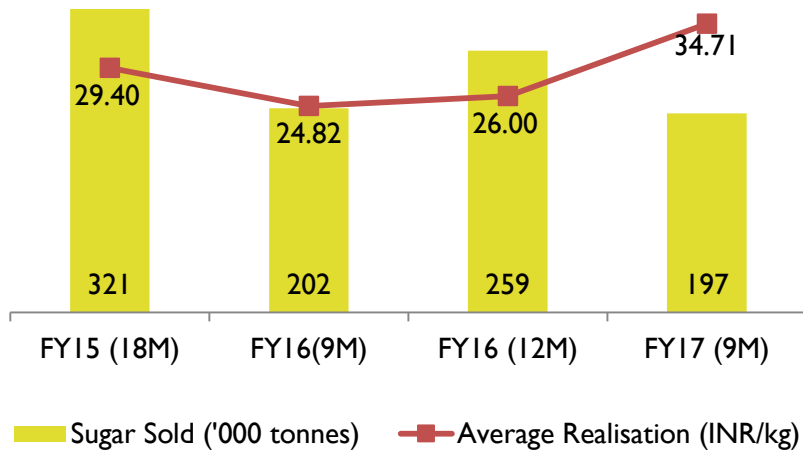


# Operational Trends

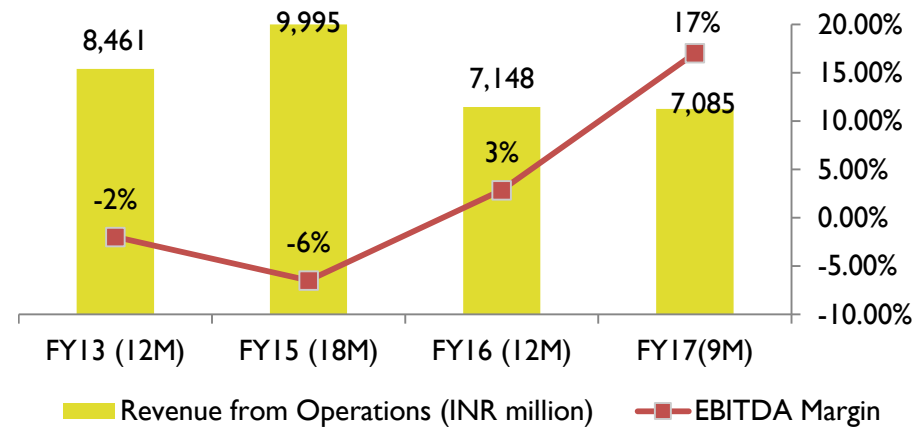
# Sugar

Increasing sugar prices and improving recovery rates driving the turnaround

## Significant upswing in average realization in 9M FY17



## Increased realization and higher recovery drove higher margins

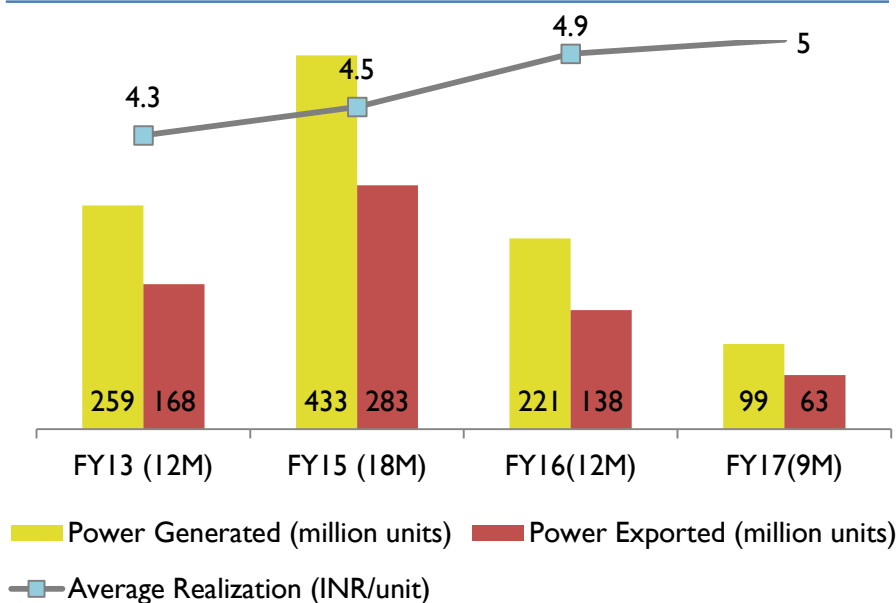


Note: FY13 – 12 month period ending September 30, 2013; FY15 – 18 month period ending March 31, 2015; FY16 – 12 month period ending March 31, 2016

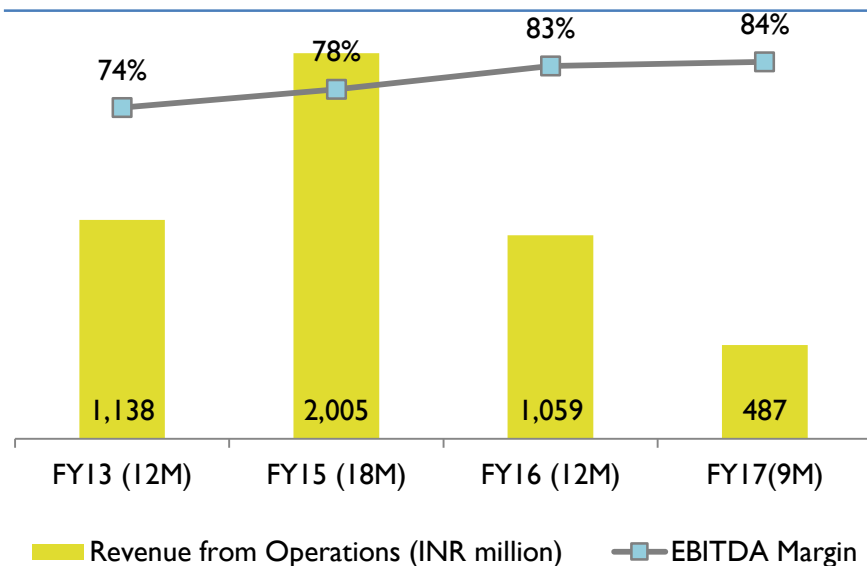
# Cogeneration

Vertical integration adding significantly to the aggregate margins

## Average realizations have increased...



## Generating attractive EBITDA margins



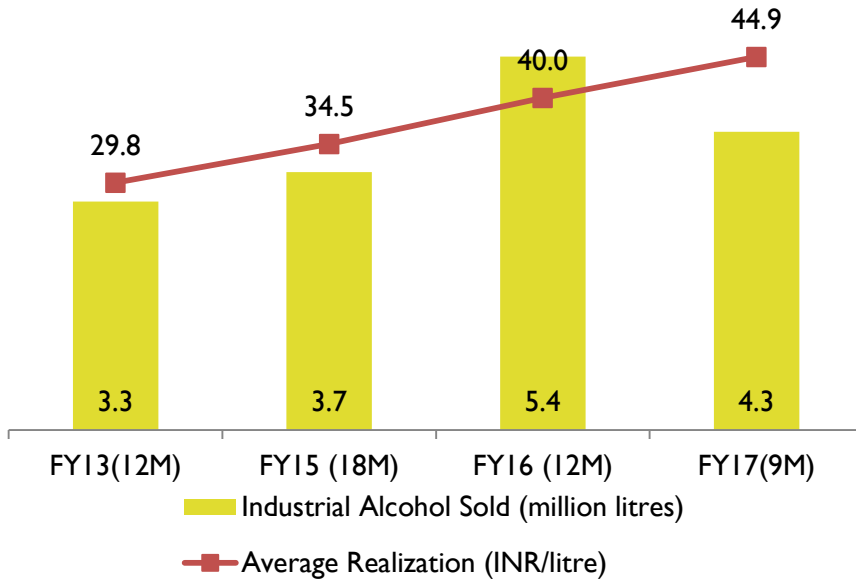
### Salient Points

- 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

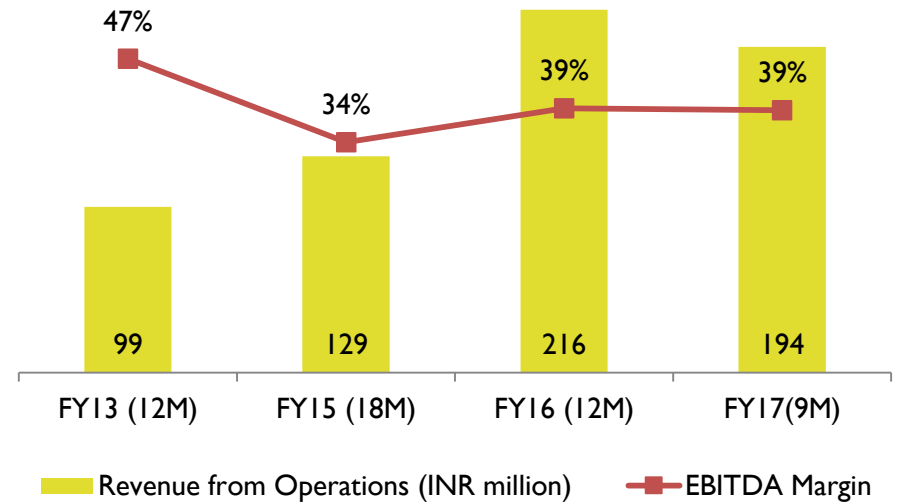
# Distillery

Vertical integration adding significantly to the aggregate margins

Increasing volumes and average realizations...



Driving impressive growth in EBITDA margins



## Salient Points

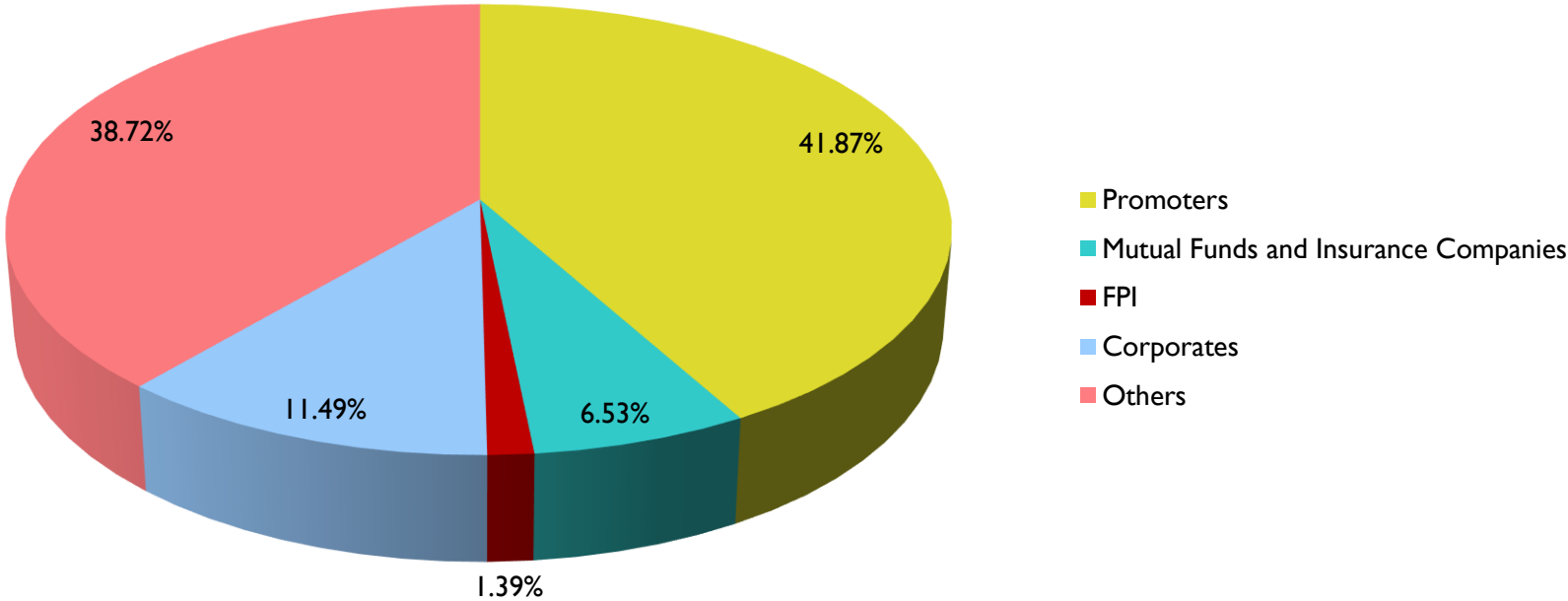
- Products include rectified spirit and ethanol





Shareholding  
pattern

# Shareholding Pattern-Q3FY17





# 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 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

***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

**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**



**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*

**Pan Station**



**24 MW TG Set**



**Clarification Section**



## Safe Harbor

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**Thank You**