



DWARIKESH SUGAR INDUSTRIES LIMITED

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REF: DSIL/2016-17/399

October 22, 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 - 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 half year ended September 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. J. Maheshwari
Whole Time Director & CS cum CCO

Encl: as above



Dwarikesh Sugar Industries Limited

Q2 FY17 Investor Presentation

October 2016



An Integrated Sugar Company

Safe Harbor



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Q2/H1FY17 Financial Performance

Performance Snapshot



Q2FY17		H1FY17	
Sales	EBITDA*	Sales	EBITDA
Rs. 2,427mn	Rs. 555mn	Rs. 5,290mn	Rs. 1,096mn
+54% YoY	-7.5% YoY	+50% YoY	
PAT	LT Debt	PAT	LT D/E
Rs. 374mn	Rs. 2,049mn	Rs. 693mn	0.83x
	-29% YoY		-250bps YoY

Management Commentary

QIP

Raised Rs. 59.4cr via QIP by issuing 25,15,471 shares at Rs. 236.11/- per equity share

Repaid Debt

Used Internal Accruals and QIP monies to reduce Long term Debt by Rs. 965 mn

Sugar Realizations

For H1FY17 Sugar realization stood at 3,455 per quintal

Reduce Leverage

Aim to further reduce leverage to generate sustainable cash flows and profitability

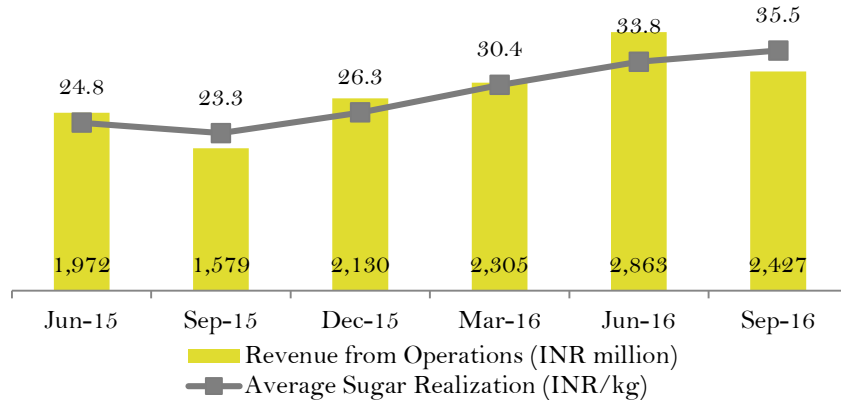
* An amount of INR 466 million, related to subsidies provided by the Government of Uttar Pradesh for cane purchased in SS 2015 but notified in August 2015, was deducted from the cost of materials consumed in the quarter ending September 30, 2015

Quarterly Financial Trends

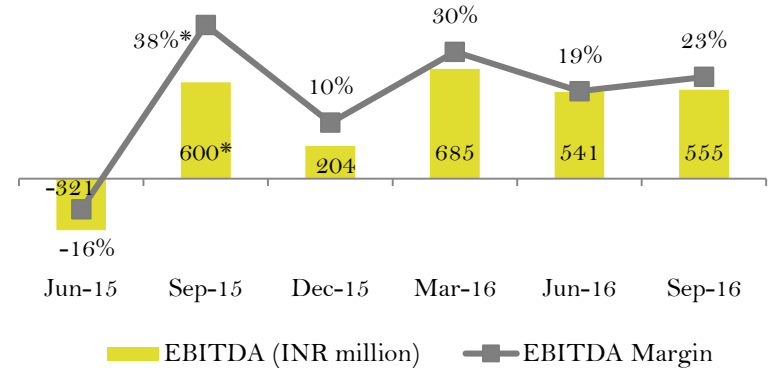


Improving Financial Performance

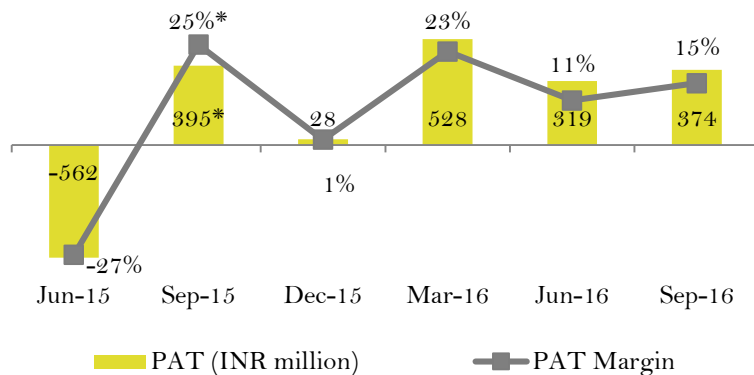
Increasing Revenues and significant improvement in realizations



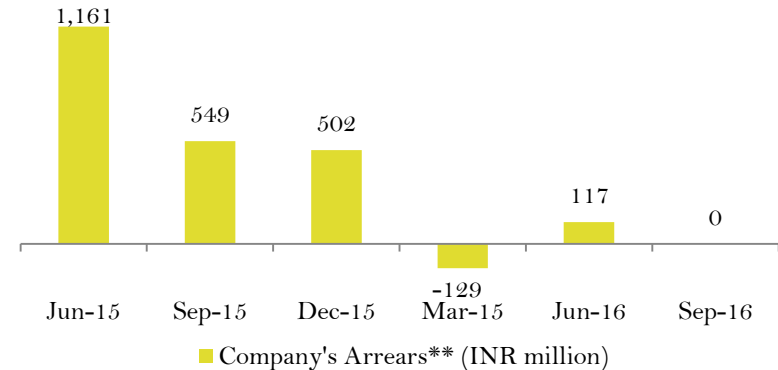
Led to sharp improvement in EBITDA and margins



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>	Mar-15 (18M)	Mar-16 (12M)	Sep-16 (6M)
LIABILITIES			
Shareholders' Funds	1,039	1,170	2457
Long-term Borrowings	1,887	2,371	1361
Short-term Borrowings	3,528	3,542	722
Trade Payables	2,010	1,426	81
Other Current Liabilities	1,351	1,302	986
	9,987	10,012	5,801
ASSETS			
Fixed Assets	3,986	3,567	3443
Inventories	4,911	5,366	1556
Trade Receivables	428	643	318
Cash and Bank Balance	8	48	6
Short-term Loans and Advances	31	51	43
Other Current Assets	318	65	163
	9,987	10,012	5,801
Long-term Debt to Equity	2.6x	2.6x	0.83x

Key Profit & Loss Items

<i>(INR million)</i>	Mar-15 (18M)	Mar-16 (12M)	Sep-15 (3M)	Sep-16 (3M)	H1-FY16 (6M)	H1-FY17 (6M)
Period Ending						
Revenue from Operations (Net)	11,361	7,943	1,570	2,426	3,535	5,285
Total Revenue	11,387	8,030	1,571	2,427	3,537	5,290
Cost of materials consumed	11,998	6,172	-465	5	237	312
Changes in inventories of finished good, work in progress and stock-in-trade	-2,823	-286	1,262	1,697	2,760	3,528
Employee benefit expenses	714	497	98	110	199	219
Other expenses	539	478	84	167	156	259
Total Expenses	11,653	7,685	1,065	2,054	3,514	4,468
EBITDA	959	1,168	601	555	280	1,096
Depreciation	472	308	85	75	163	150
EBIT	460	774	515	480	117	946
Finance cost	752	516	120	107	284	253
PBT	-266	394	395	374	-167	693
PAT	-168	390	395	374	-167	693

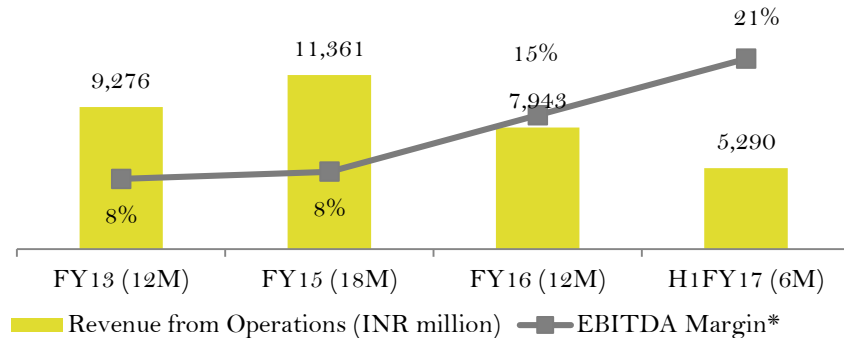
Note: Only major line items are shown
 ** As on 30 September 2016

Financial Trends

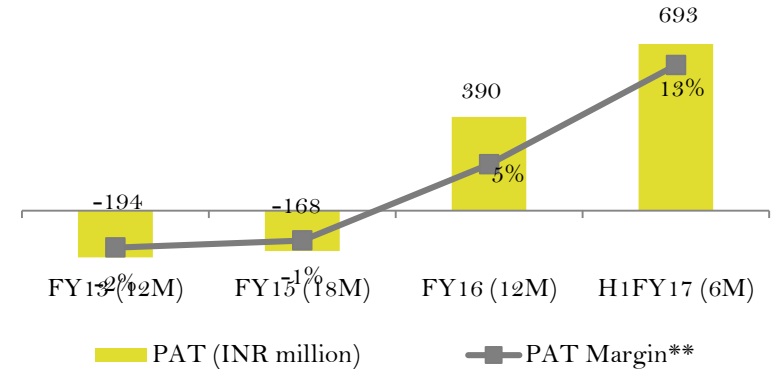


Improving Financial Performance

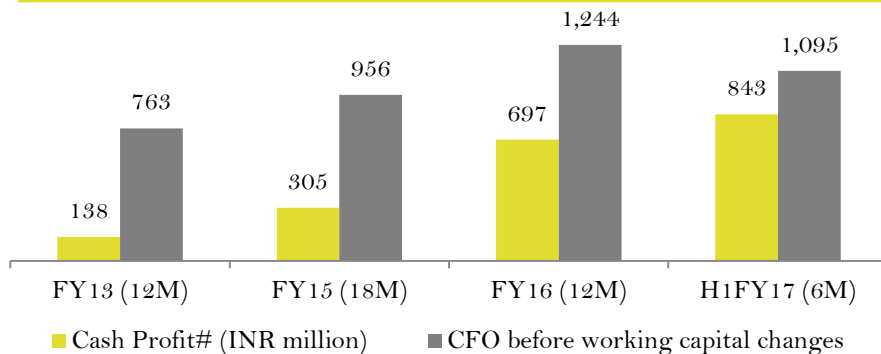
Impressive growth in EBITDA Margin in H1FY17



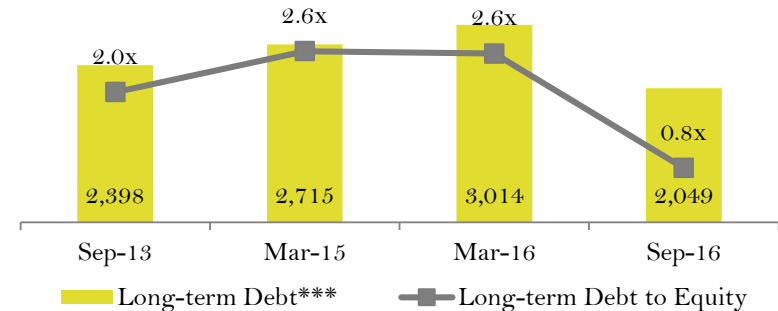
Coupled with strong bottom-line growth



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



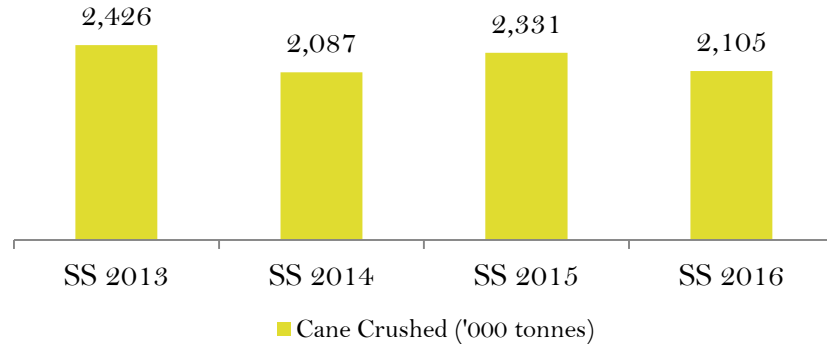
Operational Trends

Sugar

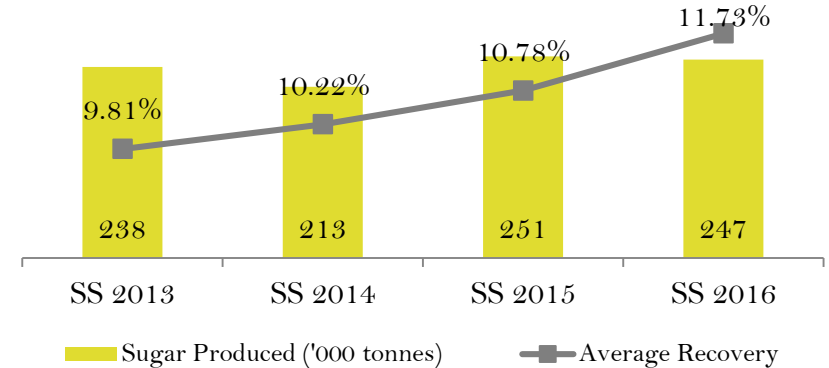


Increasing sugar prices and improving recovery rates driving the turnaround

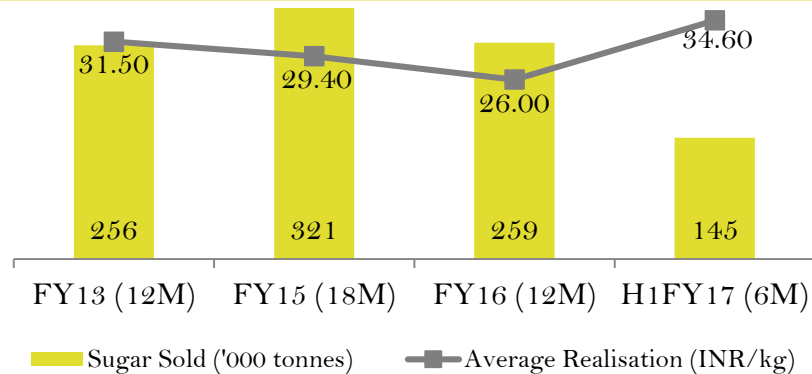
Despite lower cane crushed...



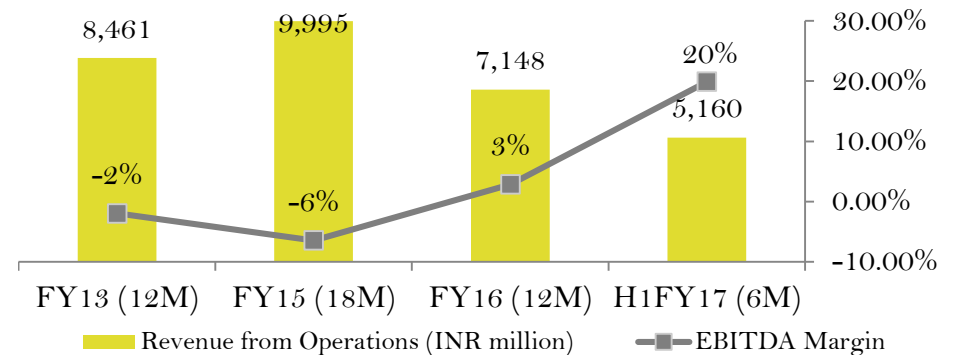
Flat sugar production due to significant improvement in recovery



Significant upswing in average realization in H1 FY17



Increased realization and higher recovery drove higher margins



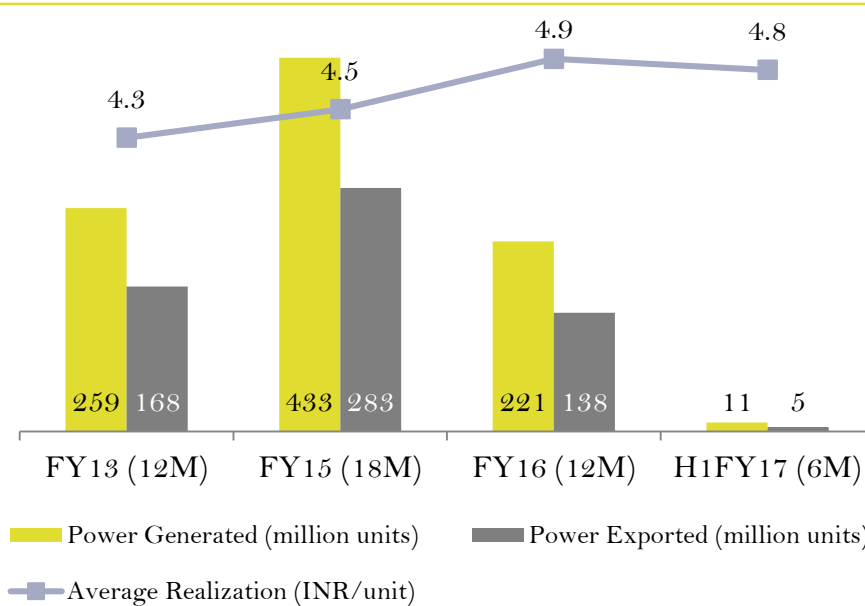
Note: FY13 – 12 month period ending September 30, 2013; FY15 – 18 month period ending March 31, 2015; FY16 – 12 month period ending March 31, 2016

Cogeneration

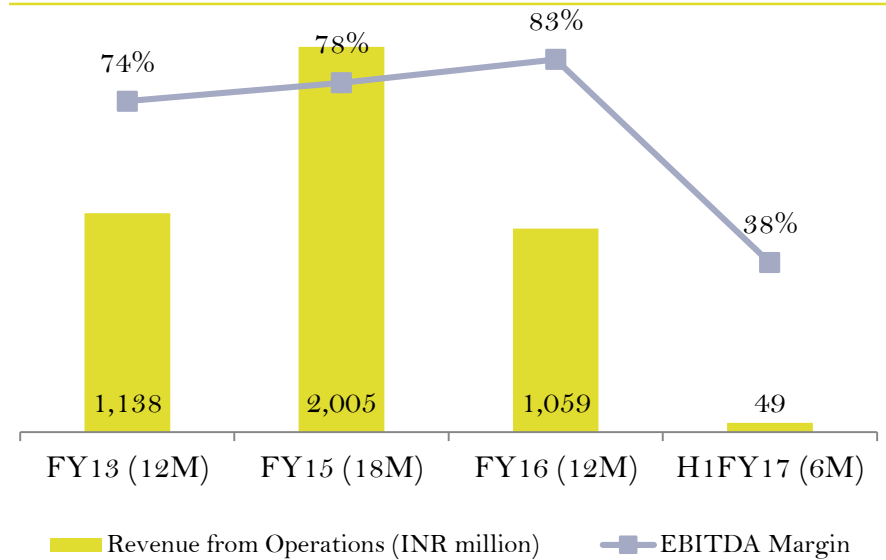


Vertical integration adding significantly to the aggregate margins

Average realizations have increased...



Generating attractive EBITDA margins



Salient Points

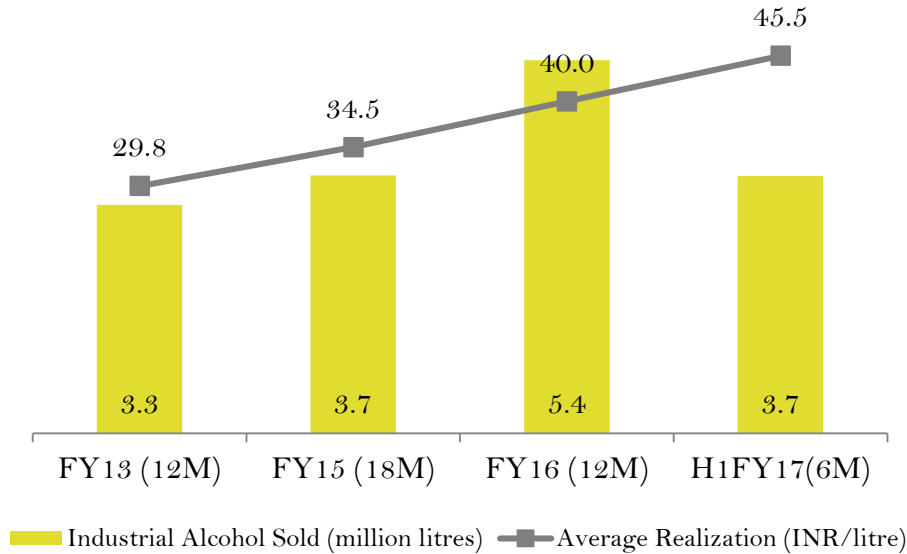
- Generation Capacity: 86 MW; Exportable capacity: approx. 56 MW
- Cogeneration capacity utilization is low during off-season as the Company has a policy of not having large bagasse inventory

Distillery

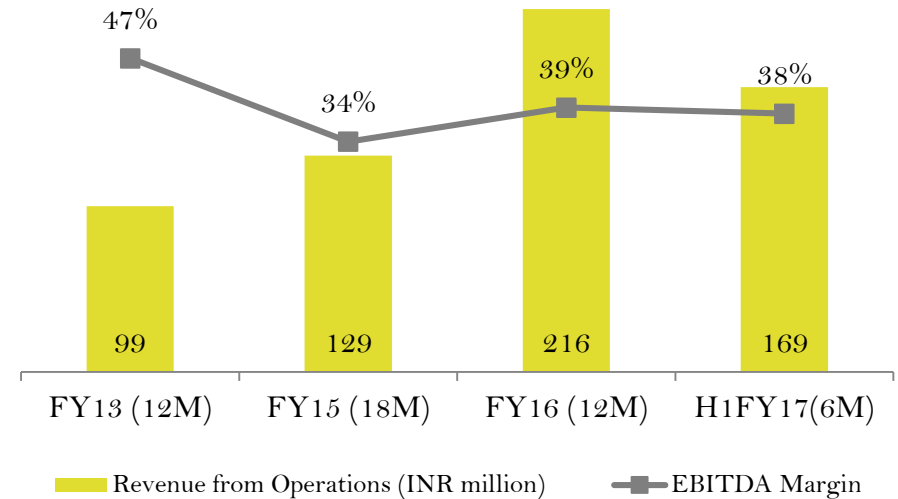


Vertical integration adding significantly to the aggregate margins

Increasing volumes and average realizations...



Driving impressive growth in EBITDA margins



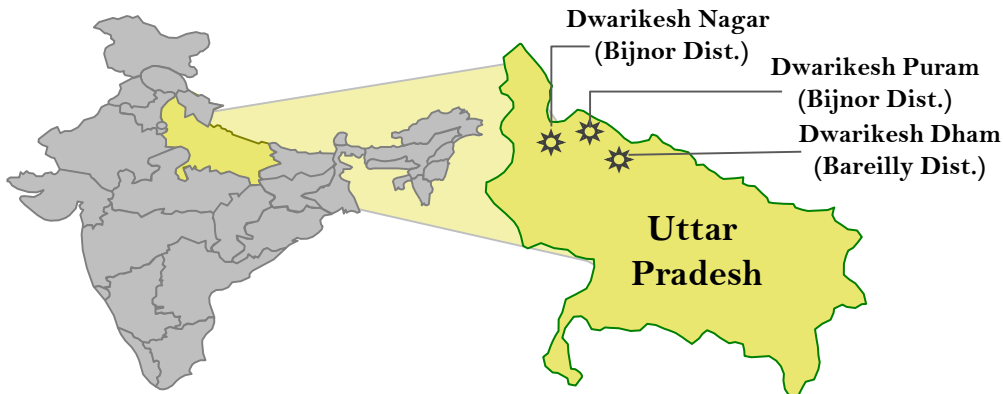
Salient Points

- Products include rectified spirit and ethanol



Business Overview

Overview – Company



Capacity (June 30, 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

(INR million) Segment	Average Realization (INR)		Revenue*		EBITDA**		PAT#	
	FY16	H1 FY17	FY16	H1 FY17	FY16	H1 FY17	FY16	H1 FY17
Sugar	26.0/kg	34.5/kg	7,148	5,095	203	1,012		
Cogeneration	4.9/unit	xxx/unit	1,059	169	880	65		
Distillery	40.0/litre	45.5/litre	216	25	85	18		
Aggregate			7,943	5,290	1,168	1,096	390	693

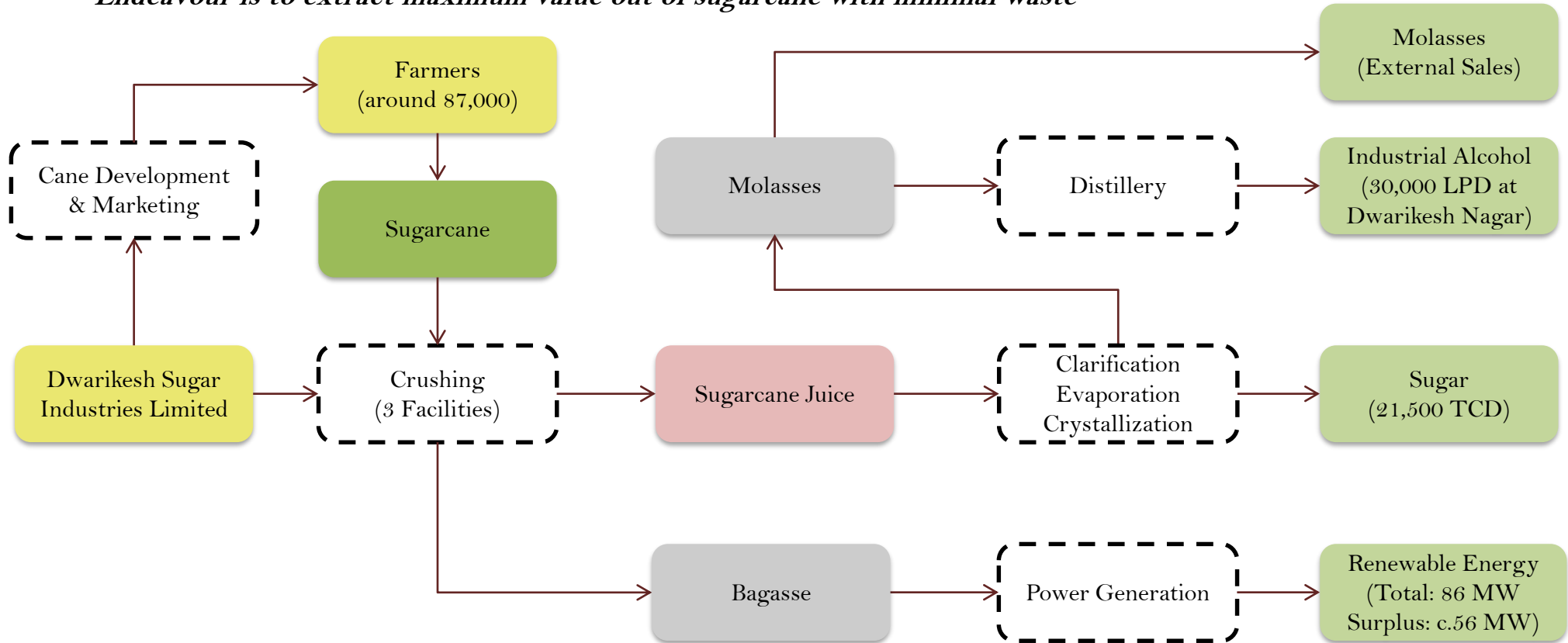
- **Achieved one of the highest Sugar Recovery amongst our peers^{###} (increased to 11.73% in SS 2016 from 10.78% in SS 2015)**
- **Generating positive cash profits[§] consistently over the last 10 years**

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

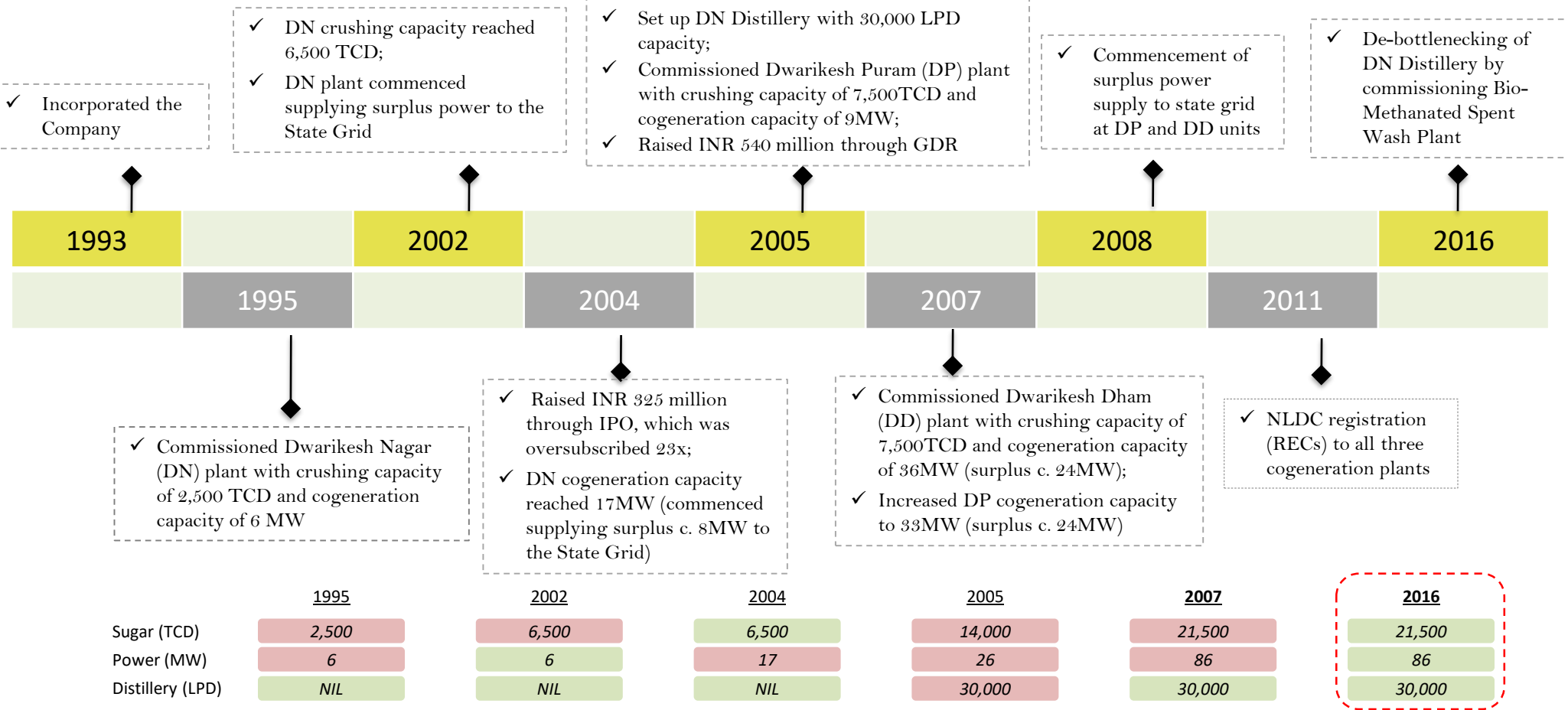
Process

Intermediate

By-product

Output

Milestones



	<u>1995</u>	<u>2002</u>	<u>2004</u>	<u>2005</u>	<u>2007</u>	<u>2016</u>
Sugar (TCD)	2,500	6,500	6,500	14,000	21,500	21,500
Power (MW)	6	6	17	26	86	86
Distillery (LPD)	NIL	NIL	NIL	30,000	30,000	30,000

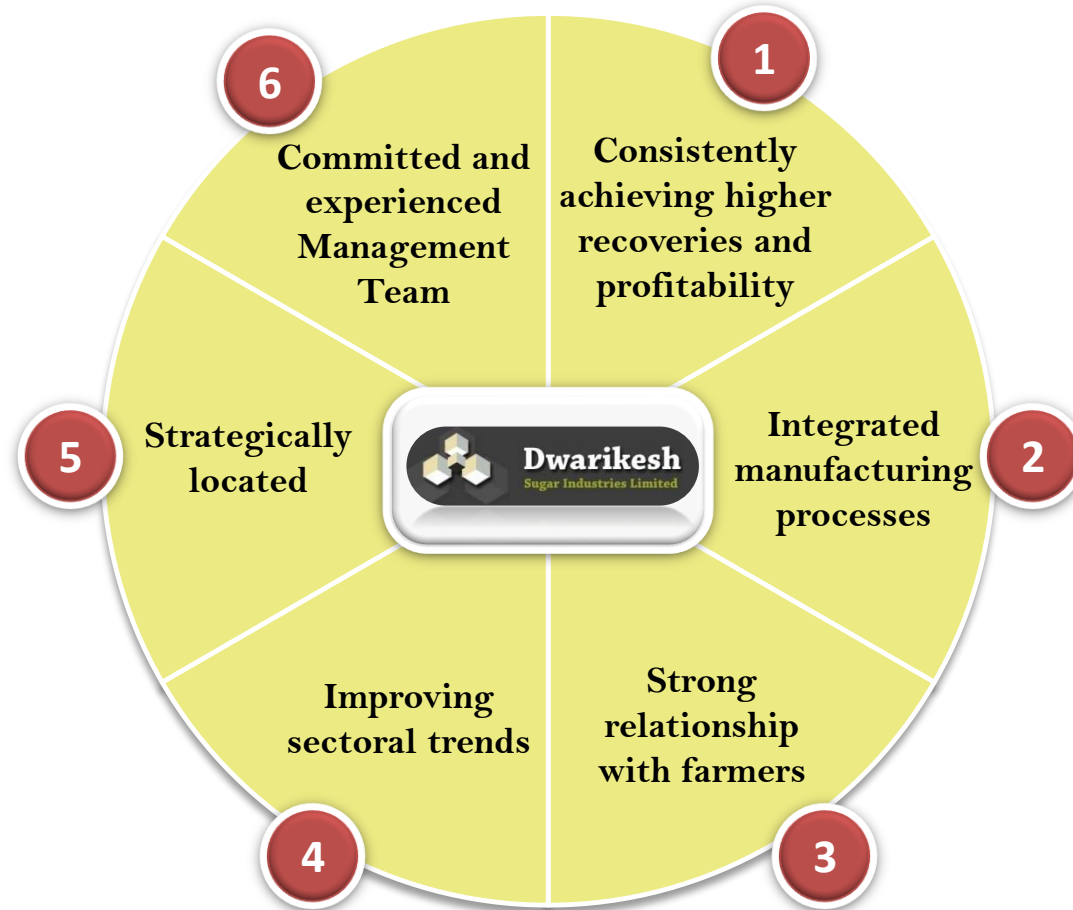
To know more about our story, please watch our documentary at http://www.dwarikesh.com/corporate_video.aspx

Indicates capacity addition years



Key Highlights

Key Highlights

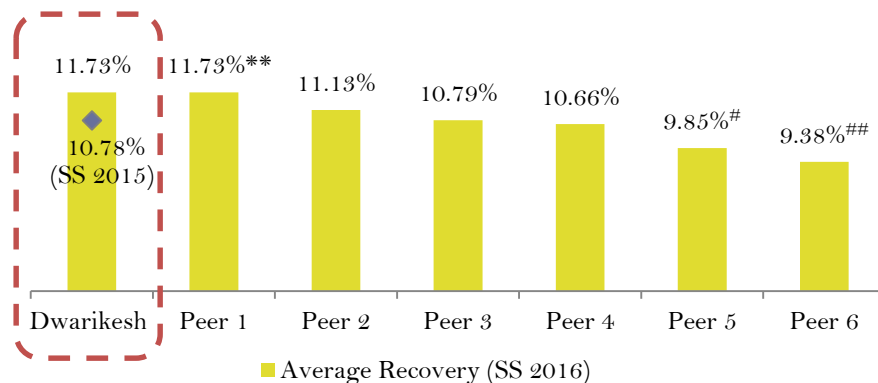


Consistently achieving higher recoveries and profitability

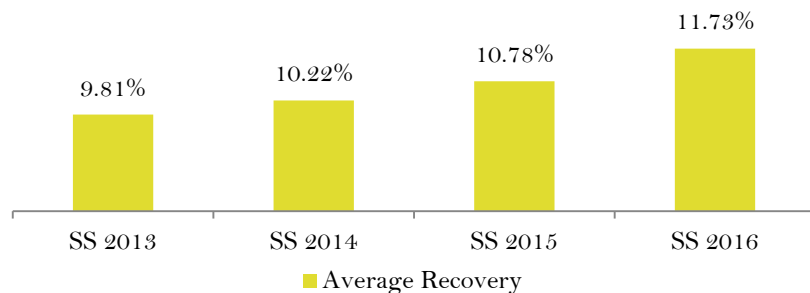


Operating efficiencies resulting into higher recovery and profitability

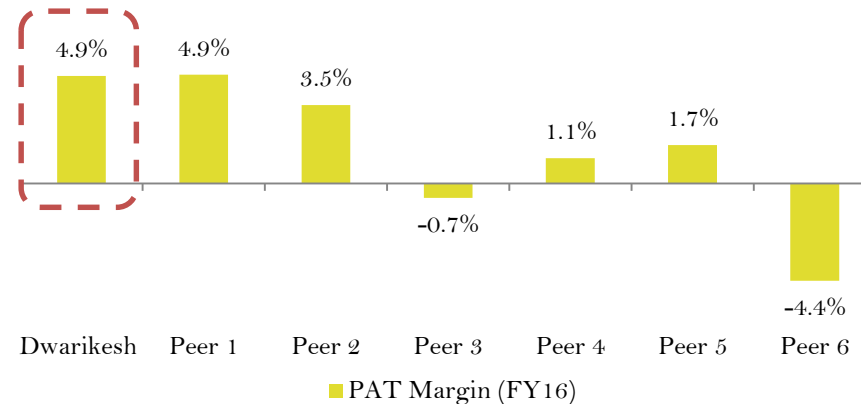
Achieved higher recovery compared to peers*...



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

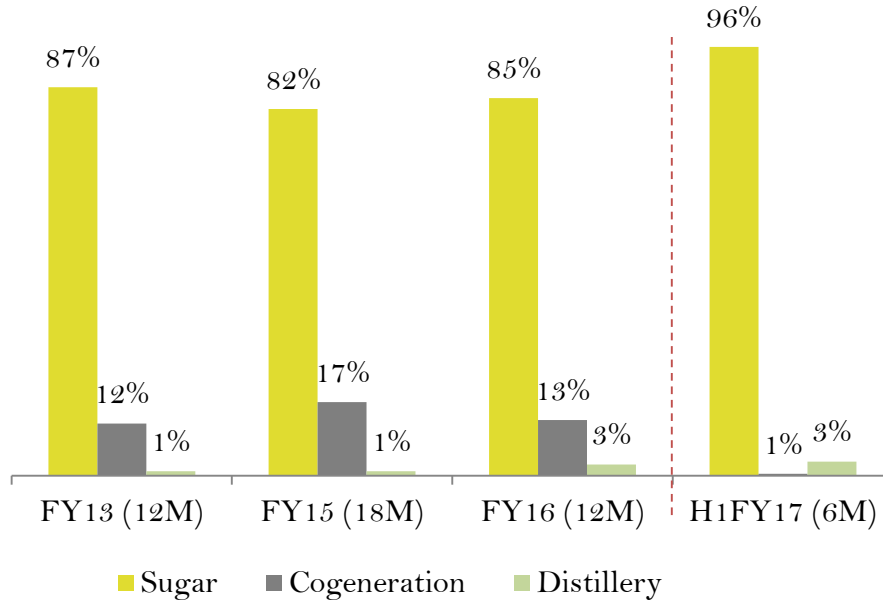


Enables diversification and supports margins

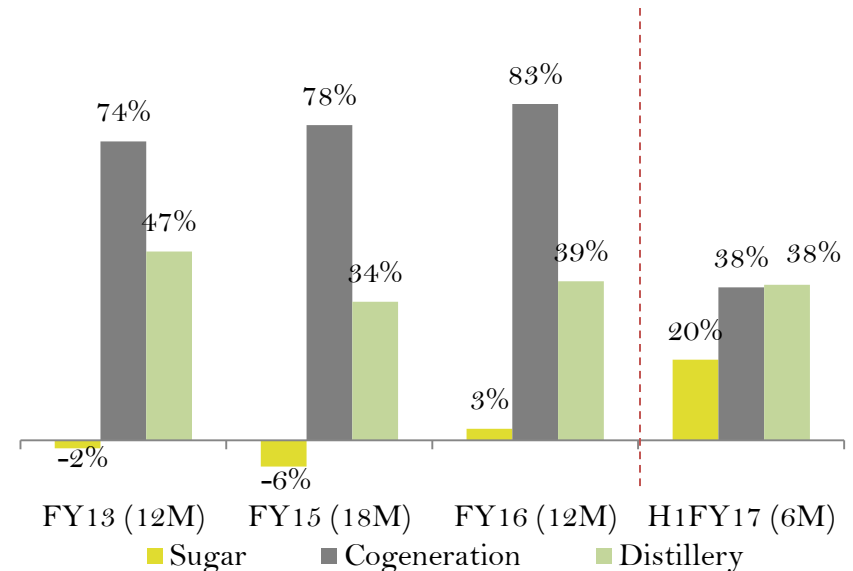
Helps in countering the effect of cyclicity in sugar business

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

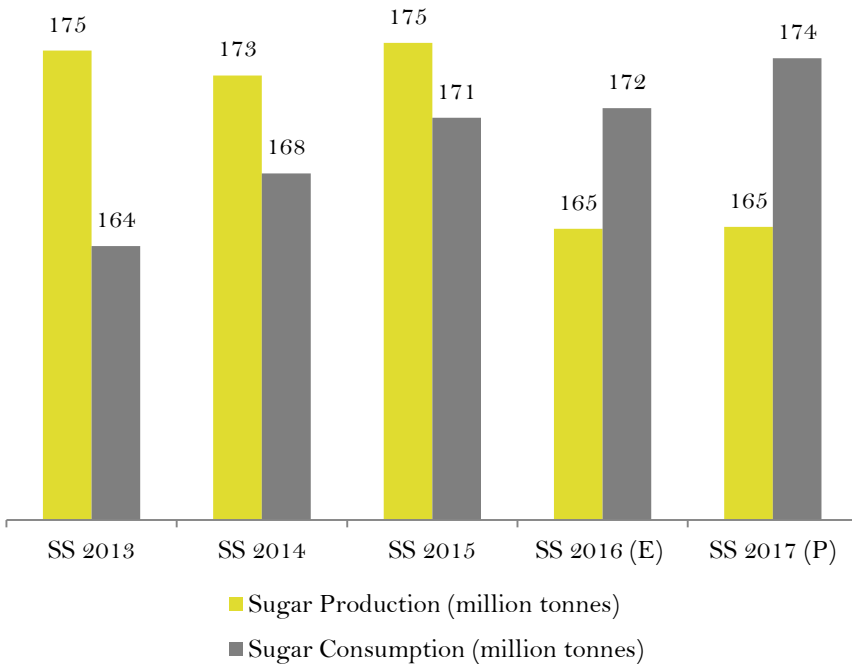
* Includes INR 418.53 million of subsidies provided by the Government of Uttar Pradesh for cane purchased in SS 2015

** 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

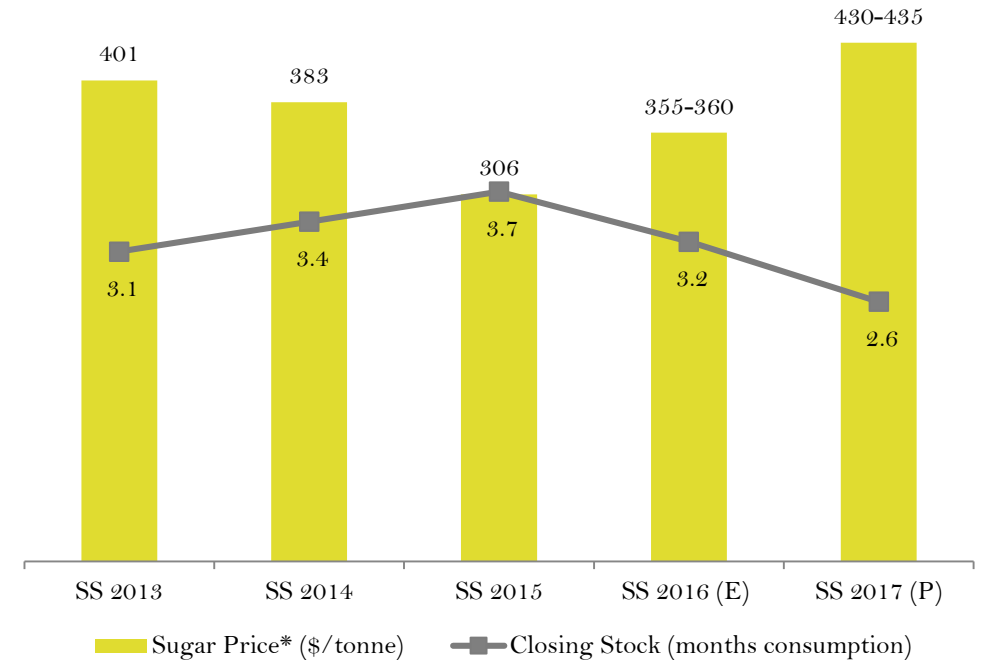


Global Trends

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



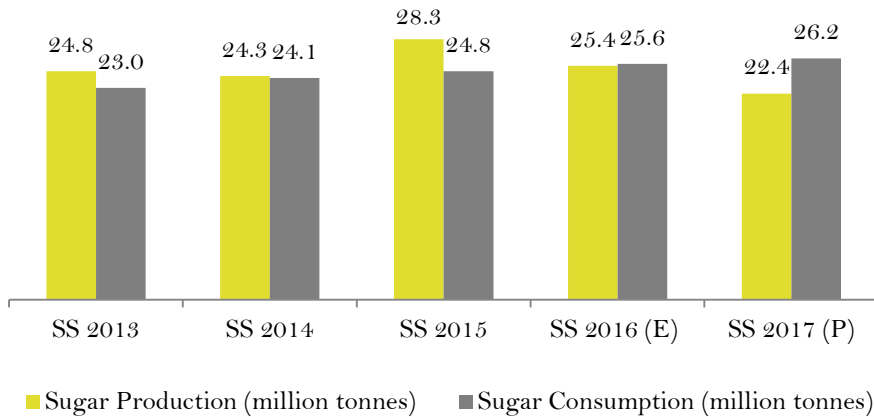
Resulting in decline in global sugar stock and a rise in global prices



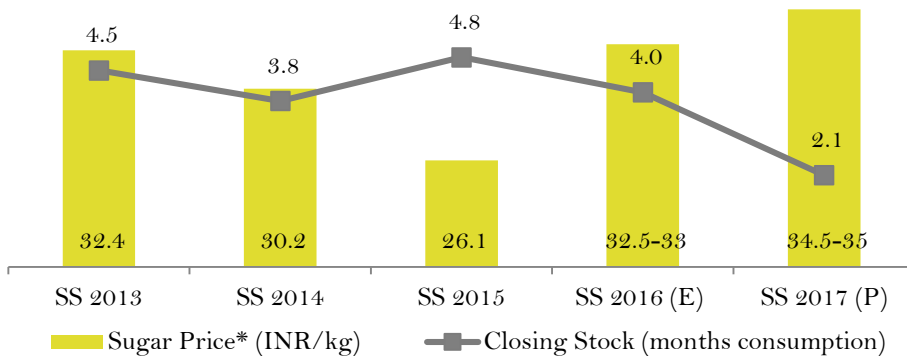


India Trends

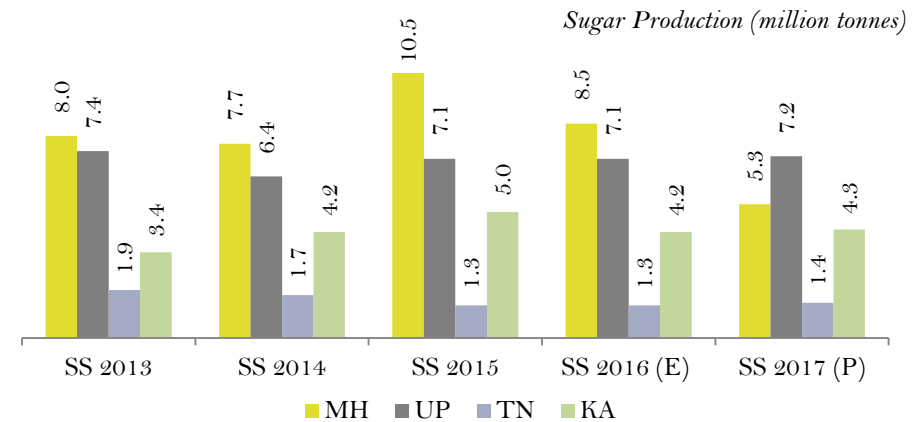
Wider deficit in domestic sugar balance expected in SS 2017



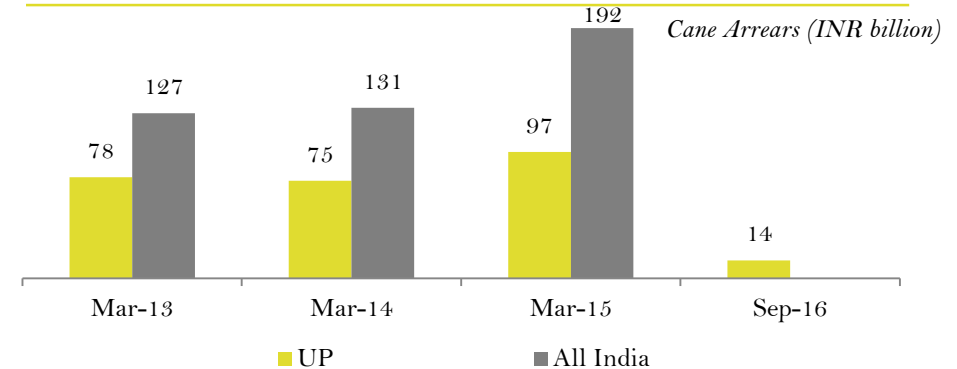
Sugar prices expected to remain firm



UP mills all set to benefit from this deficit situation



Sector recovery is reflected in the improving arrears condition

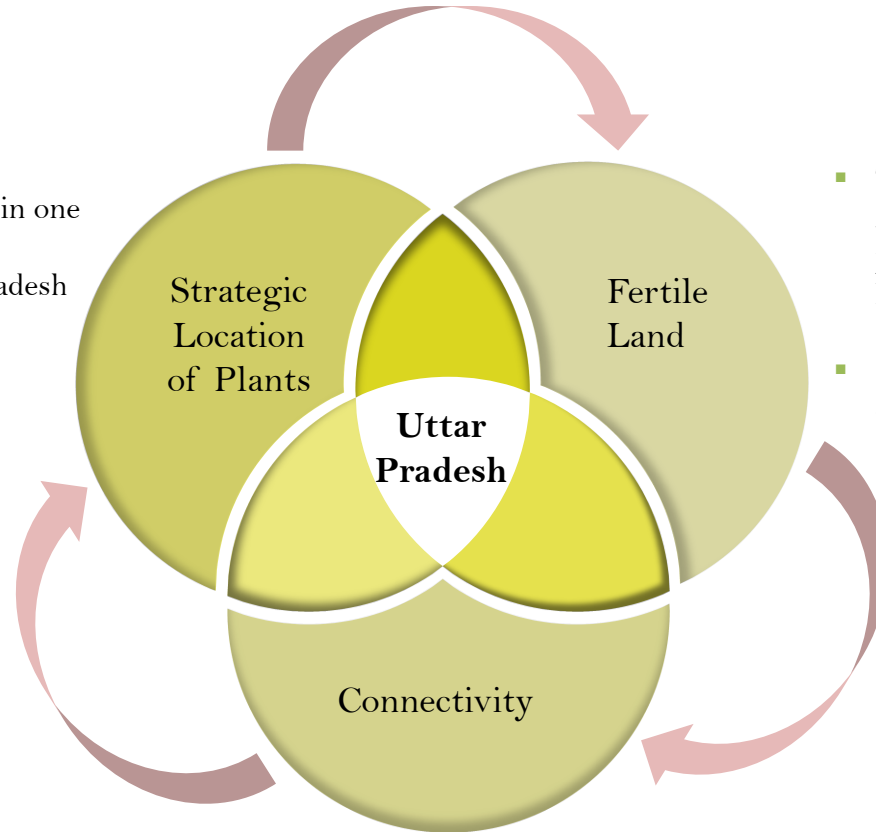


5 Strategically Located in UP



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



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

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www.dwarikesh.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

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