



DWARIKESH SUGAR INDUSTRIES LIMITED

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REF: DSIL/2023-24/290

January 30, 2024

Corporate Relationship Department
BSE Limited
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: Press release with respect to financial results for (Q3) quarter & nine months ended December 31, 2023 and outlook

Dear Sir,

In furtherance of our letter no. DSIL/2023-24/285 dated January 30, 2024 with regard to financial results for (Q3) quarter and nine months ended December 31, 2023 and pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we annex herewith press release on the unaudited financial results for (Q3) quarter and nine months ended December 31, 2023 and outlook of the company.

Kindly acknowledge the receipt and take the same on record.

Thanking you,

Yours faithfully,

B. J. Maheshwari
Managing Director & CS cum CCO
DIN: 00002075

Encl: as above.



MEDIA RELEASE

Q3 & 9M FY24

DWARIKESH SUGAR INDUSTRIES LIMITED |
30 JANUARY 2024

QUARTER REVIEW | 1



SNAPSHOT

Mumbai, January 30, 2024: Dwarikesh Sugar Industries Ltd., today announced its unaudited financial results for the quarter and nine months ended December 31, 2023.

In Q3 FY24, the company reported profit before tax (PBT) of Rs. 14.17 crore and profit after tax (PAT) of Rs. 9.81 crore as compared to PBT of Rs. 15.02 crore and PAT of Rs. 10.52 crore reported during Q3 FY23. During 9M FY24, the company reported PBT of Rs. 88.19 crore and PAT of Rs. 60.69 crore as compared to PBT of Rs. 82.91 crore and PAT of 58.06 crore reported during 9M FY23.

	Total Income	PBT	PAT	EPS
Q3 FY24	Rs. 318.96 crore	Rs. 14.17 crore	Rs. 9.81 crore	Rs. 0.52 per share
Q3 FY23	Rs. 391.73 crore	Rs. 15.02 crore	Rs. 10.52 crore	Rs. 0.56 per share
9M FY24	Rs. 1,339.18 crore	Rs. 88.19 crore	Rs 60.69 crore	Rs 3.22 per share
9M FY23	Rs. 1,582.57 crore	Rs. 82.91 crore	Rs 58.06 crore	Rs 3.08 per share
FY23	Rs. 2,117.00 crore	Rs. 152.51 crore	Rs. 104.81 crore	Rs. 5.57 per share

As per the last estimate by the Indian Sugar & Bio-energy Manufacturers, the gross production of sugar was projected at 32.5 million tons. Initially, adverse weather conditions, including a delayed monsoon, posed challenges to sugar production. However, the situation improved with late rainfall, raising hopes for a better sugar output.

After experiencing a brief period of resurgence, sugar prices have recently moderated, and are currently at around Rs. 3800 per quintal. This adjustment is due to the implementation of a revised ethanol policy, which aims to restrict sugar diversion towards ethanol to only 1.7 million tons.

Vijay S. Banka,
Managing Director,
Dwarikesh Sugar Industries Ltd



Key Numbers of P&L statement

Figures in INR crore except EPS

	Q3FY24	Q3FY23	9MFY24	9MFY23	FY23
Total Income	318.96	391.73	1,339.18	1,582.57	2,117.00
EBIDTA *	32.02	34.39	141.32	140.25	228.57
Finance cost *	4.26	6.00	13.27	19.92	25.85
EBDT *	27.76	28.39	128.05	120.33	202.72
PBT	14.17	15.02	88.19	82.91	152.51
Tax	4.36	4.50	27.50	24.85	47.70
PAT	9.81	10.52	60.69	58.06	104.81
EPS Rs. Per share	0.52	0.56	3.22	3.08	5.57

** Depreciation has been suitably adjusted to exclude amounts pertaining to pre-operative & trial period. Accordingly, EBIDTA & EBDT have been computed for 9M FY23.*



SYNOPSIS

- During the third quarter of the fiscal year 2024 (Q3FY24), the quantity of sugar sold was 4.94 lakh quintals (all domestic) as compared to 6.47 lakh quintals (including export of 4.34 lakh quintals) during the corresponding quarter in the previous year. Average realization on domestic sugar sold during the quarter was Rs. 3852 per quintals vis-à-vis realization of Rs. 3560 per quintals during the corresponding quarter last year.
- During 9MFY24, 21.83 lakh quintals (all domestic) of sugar was sold as compared to 33.25 lakh (including export of 9.34 lakh quintals) quintals of sugar sold during corresponding period of 9M last year. Average realization on domestic sugar sold during the 9M was Rs. 3692 per quintal vis-à-vis realization of Rs. 3483 per quintal during the corresponding period of 9M last year.
- Sugar stock as on 31st December 2023 was 7.71 lakh quintals as compared to stock of 4.72 lakh quintals as on 31st December 2022. The sugar stock at the end of 9MFY24 is valued at Rs. 3608 per quintal.
- Industrial Alcohol sold during Q3FY24 and 9MFY24 is 14,172 KL and 73,262 KL respectively as compared to 16,782 KL and 54,674 KL sold during corresponding periods last year. During 9MFY24, 20,944 KL of industrial alcohol sold was made from sugarcane juice / syrup directly as compared to 16,782 KL sold (made from sugarcane juice directly) during corresponding period last year.
- On 31st December 2023, the company had outstanding long-term loans of Rs. 236.52 crore including SEFASU 2018 loan of Rs. 13.45 crore. Balance amount of Rs. 223.07 crore is in respect of loans availed for the distillery projects. All the outstanding long-term loans are at concessional rate of interest.



- 🌱 The company enjoys long term rating of (ICRA) AA- (pronounced as AA minus). The outlook assigned is 'Stable'. The company has also retained the highest rating of A1+ from ICRA for its CP program of Rs. 300 crore.
- 🌱 Q3FY24 was marked by significant events in the sugar industry. Sugar prices for a brief period experienced a notable surge and were within a striking distance of Rs. 4000 per quintal. The anticipated shortage in sugar production prompted the Central Government to reassess its policies.
- 🌱 In a swift response, the government took measures to discourage the use of sugarcane juice for ethanol production and issued orders to curtail the use of cane juice for ethanol production. The quantity of ethanol to be procured, made from B heavy molasses as feedstock was limited to the original quantity offered by sugar mills/distilleries to the Oil Marketing Companies (OMCs). Notably, there was no upward revision in the prices of ethanol made from juice and B heavy molasses, thus breaking the convention observed in the past.
- 🌱 However, there was an increase in the price of ethanol derived from C heavy molasses, and a similar adjustment for ethanol produced from grains. This move aims to restrict the sacrifice of sugar production to 1.7 million tons while concurrently boosting overall sugar production.
- 🌱 In the financial results for the 9 months ending December 31, 2023, the impact of the higher levy obligations for 'B' heavy molasses, as determined by State Government Authorities for the Molasses Year 2022-23, has been taken into account. This has led to increase in expenditure, amounting to Rs. 19.92 crore for the 9 months ending December 31, 2023. This has also resulted in the deprivation of the opportunity to utilize molasses for ethanol production.



- 🌱 The Uttar Pradesh State Government has unveiled its molasses policy for the molasses year 2023-24, introducing an elevated levy obligation. In case of C heavy molasses, sugar mills are now mandated to allocate 26% of their molasses generation for country liquor purposes and in case of B heavy molasses they are obligated to allocate 19% of their B heavy molasses generation for country liquor purposes. Thus, by casting different levy obligation in respect of C heavy and B heavy molasses, State Government has recognized the crucial distinction in their respective ethanol output.
- 🌱 The UP State Government has announced State Advised Price (SAP) for the sugar season 2023-24, with an increase of Rs. 20 per quintal. Additionally, the society commission rate has been maintained at Rs. 5.50 per quintal. There is revision in the transportation rebate, now standing at Rs. 9 per quintal, up from the previous Rs. 8.35 per quintal. Furthermore, the slab rate within the transport rebate has been adjusted to Rs. 0.45 per quintal per KM from the earlier Rs. 0.42 per quintal per KM.
- 🌱 During sugar season (SS) 2022-23, the company crushed 4.01 crore quintals of sugarcane and achieved gross recovery of 11.70%. Crushing for SS 2023-24 commenced at DN & DP units on 31st October, 2023 and at DD unit on 5th November, 2023. Unfortunately, the onset of untimely and persistent rainfall in Bijnor district, coupled with a widespread red-rot attack, has created a challenging scenario at DN & DP units for SS 2023-24. These adverse conditions are expected to impact the outlook for replicating higher crushing numbers. Crushing numbers are also facing challenge due to the increased prices offered by Jaggery and Khandsari manufacturers for sugarcane, leading to outward diversion of sugarcane.



- 🌱 The revised ethanol policy by the Central Government has altered the dynamics of molasses generation and ethanol production. The utilization of sugarcane juice for ethanol production has been discontinued, restricting the process to B heavy molasses at both the distilleries. In a departure from the past C heavy molasses is now generated at the DP unit to fulfil the country liquor obligation.
- 🌱 It's important to emphasize our commitment to continually enhance operational efficiencies and maintain strict cost controls. Despite the challenges posed by weather and pests, we remain dedicated to optimizing our operations and ensuring sustainable performance.



ABOUT DWARIKESH

Dwarikesh Sugar Industries Ltd. is a leading sugar producer. The company has three fully automated and highly efficient sugar mills, located in Uttar Pradesh’s sugarcane-rich belt of Bijnor and Bareilly districts. The company’s combined production capacity is to crush 21,500 tons of sugarcane per day. Modern and technologically advanced units help the company to harness sugar by-products and produce ethanol/ industrial alcohol and bagasse-based power as growth enablers. Going forward, ethanol will be the key business driver for propelling growth as the company has achieved full integration to optimize its operations

High recovery, plant efficiencies, cane development initiatives and ethical & transparent conduct of business are the key USPs of the company. The company’s collaborative approach has helped farmers to improve their yield and maximize their returns. Focused R&D initiatives have enabled the company to ensure streamlined operations & quality supply of sugarcane, enabling high recovery and proficient production levels.

SAFE HARBOUR STATEMENT

This press release and the accompanying results table, which have been prepared by Dwarikesh Sugar Industries Ltd (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

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