



# DWARIKESH SUGAR INDUSTRIES LIMITED

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E-mail [dsilbom@dwarikesh.com](mailto:dsilbom@dwarikesh.com) • Website : [www.dwarikesh.com](http://www.dwarikesh.com)  
CIN : L15421UP1993PLC018642

REF : DSIL/2016-17/ 149

June 23, 2016

Corporate Relationship Department  
Bombay Stock Exchange  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Building, P.J.Towers  
Dalal Street, Fort  
Mumbai - 400 001

Kind Attn : General Manager, DCS

Sub : Intimation of Investors Presentation – Regulation 30 of SEBI (LODR) Regulations, 2015

Dear Sir,

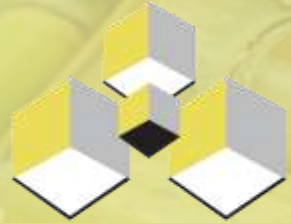
Apropos of above, please find attached the investors presentation to be uploaded on the website of the company – [www.dwarikesh.com](http://www.dwarikesh.com).

Kindly take the same on record.

Yours faithfully,

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

Encl: a/a



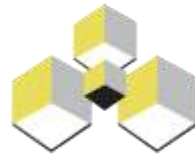
# Dwarikesh Sugar Industries Ltd

Investor Presentation - June 2016



A Fully Integrated Company

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Our Business



Industry at a Glance



Financial Performance and Operational Trends



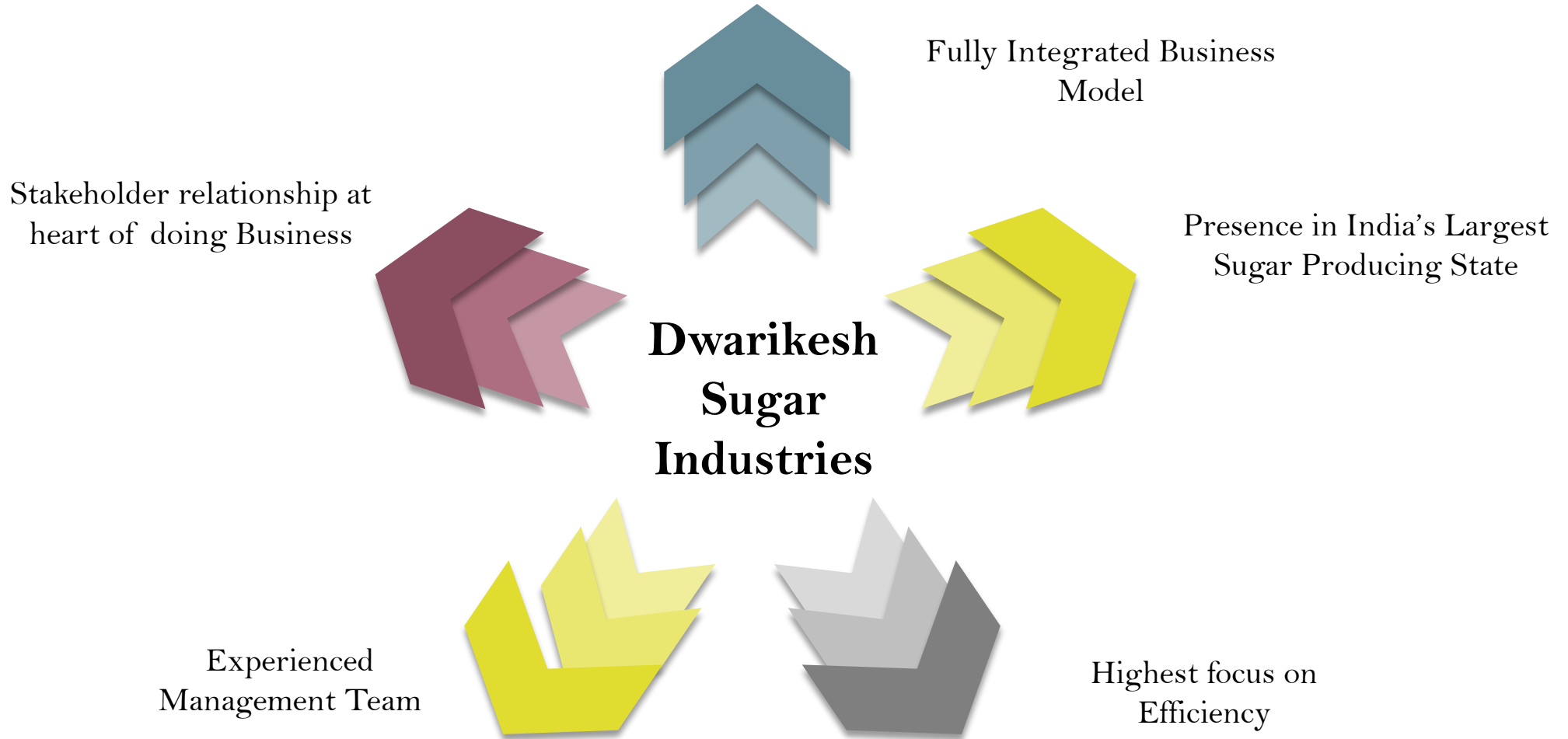
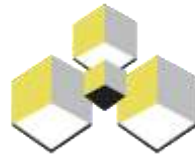
Way Forward



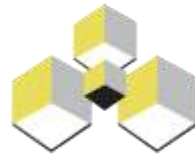


# **Our Business**

# Our Company at glance



# Our Evolution



- ✓ Incorporated Company and set up 2500 TCD Sugar Plant in Dwarikesh Nagar in Uttar Pradesh

1993-95

1996-2002

- ✓ Increased Sugar capacity gradually to 6,500 TCD
- ✓ Set up a 6MW Co-Gen Power Plant. Later expanded to 9MW

- ✓ Expanded Co-Gen Power Plant to 17MW
- ✓ Successfully Completed IPO which was oversubscribed 23x

2003-04

2005

- ✓ Set up a 30KLPD Distillery plant for manufacture of Industrial Alcohol
- ✓ Work Begins on 7500 TCD plant at Dwarikeshpuram

- ✓ Commissioned 7500 TCD Dwarikeshpuram Plant along with 9MW Co-gen Power Plant
- ✓ Work begins on new project of 7500 TCD at Dwarikeshdham (Faridpur, Bareilly District) with 36 MW co generation.
- ✓ Successful completion of GDR. Raised Rs. 54 crores

2006

2007

- ✓ Commissioned 7500 TCD Dwarikeshdham Plant in record time. Exportable Power capacity at 24 MW
- ✓ Expanded the Power capacity of the Dwarikesh Puram unit from 9 MW to 33 MW Exportable power capacity of the plant is 24 MW.

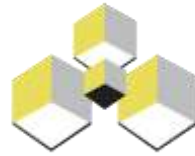
2008-11

2011-16

- ✓ De-Bottlenecking of Distillery Plant by setting up a BMSW Plant

- ✓ Commencement of Co generation for supply to state grid at Dwarikesh Puram and Dwarikesh Dham units.
- ✓ NLDC Accreditation to all three plants with captive power generation capacity

# Our Ethos



## Vision

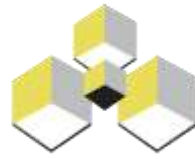
- *Corporate dynamism, business ethics and professional excellence is the Vision*
- *To develop an organization such that all other constituents feel proud to be associated with us*

## Mission

- *Produce sugar of the highest quality; be the benchmark for the industry to follow*
- *Achieve growth every year with optimum technical efficiency & minimum cost of production*
- *Ensure maximum customer satisfaction & employee/farmer welfare*
- *Protect the environment and uphold the highest standards of integrity, values, along with passion for excellence and respect for all, while striding towards achieving our objectives*



# Board of Directors



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

- A visionary and a dynamic entrepreneur with more than two decades of experience, Mr. G.R. Morarka started his career by overseeing the family run Pampasar Distillery Limited (PDL), which subsequently was divested in favour of Shaw Wallace
- Launched Dwarikesh Sugar by setting up a sugar plant at Dwarikesh Nagar, Uttar Pradesh in a record period of 14 months and further expanded business by setting up the Dwarikesh Puram and Dwarikesh Dham sugar plants alongwith co-generation plant
- A Commerce graduate and ICWA Inter, Mr. G. R. Morarka is the recipient of Indira Gandhi Priyadarshini Award for Management., “Bhamasha Award” for 2006, 2011 and 2016 by Rajasthan State Government for Social Service in the field of Education. Also awarded “Indira Gandhi Sadbhavna Award” in the year 2011 and “Swami Krishnanand Saraswati Purashkar”

**B.K. Agarwal,**  
Independent Director

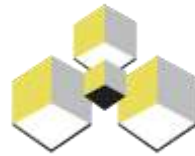
- A former representative of the Government of Maharashtra on the BSE Board, Mr. B. K. Agarwal is an IAS officer who retired as Additional Chief Secretary, Govt. of Maharashtra
- Commerce and Law graduate was also on the Boards of Industrial Investment Bank of India, SIDBI and SICOM, besides being Managing Director of the Maharashtra State Financial Corporation

**K.N. Prithviraj,**  
Independent Director

- Masters in Economics, he has done his CAIIB (I) and is associated with organizations of repute like Axis Bank Ltd., PNB Investment Services Ltd., Falcon Tyres Ltd. Retired as CMD of Oriental Bank of Commerce
- Was also a Research Fellow of Department of Economics, University of Madras
- As Independent Director on various Boards, contributed significantly to the growth of many entities, such as Can Fin Homes, Brickwork Ratings India Pvt. Ltd



# Board of Directors



## **Malathi Mohan,**

Independent Woman  
Director

- Was a professional banker, got superannuated as General Manager, Punjab National Bank (PNB) in December 2009 after 36 years of all round experience in banking and financial sector
- As a Fellow member of the Institute of Company Secretaries of India (ICSI), she has contributed as a member of the Expert Advisory Group of the ICSI on “Diligence Reporting” introduced by the RBI, as Banker Representative, under the Chairmanship of Mr. M.S. Sundararajan, ex Chairman of Indian Bank
- Was also a Nodal Officer representing PNB in the Customer Service Committee of the RBI, Banking Code and Standards Board of India (BCSBI), and the Indian Banks’ Association (IBA)

## **B. J. Maheshwari,**

Whole Time Director &  
CS cum Chief  
Compliance Officer

- Qualified Chartered Accountant cum Company Secretary
- Inducted on the Board in May, 2009 and appointed as “Whole Time Director & Company Secretary (CS) & Chief Compliance Officer (CCO).
- Associated with the Company since 1994, he has more than 32 years of relevant experience spanning Legal, Taxation, Secretarial and Administrative matters

## **Vijay S. Banka,**

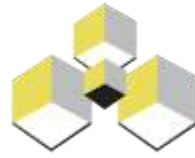
Whole Time Director &  
Chief Financial Officer

- Qualified Chartered Accountant
- Inducted on the Board in May, 2009 and appointed as “Whole Time Director & Chief Financial Officer (CFO).
- Associated with the Company since 2007, he has nearly 26 years of rich experience in handling Finance and Strategy



# Management Team

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**Ms. Priyanka G. Morarka**  
VP - Corporate Affairs

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**Mr. B.P. Dixit**  
VP - Works

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**Mr. R.K. Gupta**  
VP - Works

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**Mr. Salil Swaroop Arya**  
CGM -Administration

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**Mr. Alok Lohia**  
CGM - Finance

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**Mr. Rajendra Singh Thakur**  
CGM - Works

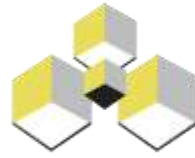
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**Mr. Surendra Pratap Singh**  
CGM - Cane

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# Our Manufacturing Facilities



## Manufacturing Units

- 3 Manufacturing Units in Uttar Pradesh, India
  - Dwarikesh Nagar (Najibabad District)
  - Dwarikesh Puram (Afzalgarh District)
  - Dwarikesh Dham (Tehsil – Faridpur)



## Sugar Capacity (TCD)

- Combined Sugar Capacity stands at 21,500 TCD



## Co-Generation Power Capacity (MW)

- State-of-the-art co-generation infrastructure with capacity of 86 MW out of which 56 MW is sold to Grid

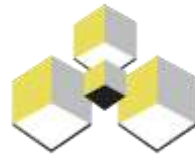


## Distillery (KLPD)

- Distillery to process 30 KL of Industrial Alcohol/Ethanol per day



# Manufacturing Capacities



Manufacturing Units

**Dwarikesh  
Nagar**

**Dwarikesh  
Puram**

**Dwarikesh  
Dham**

**Total**



Sugar Capacity (TCD)

6,500

7,500

7,500

**21,500**



Co-Generation  
Power Capacity (MW)

17

33

36

**86**



Distillery (KLPD)

30

-

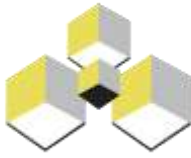
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**30**





# View of Our Facilities



**Dwarikesh Nagar**



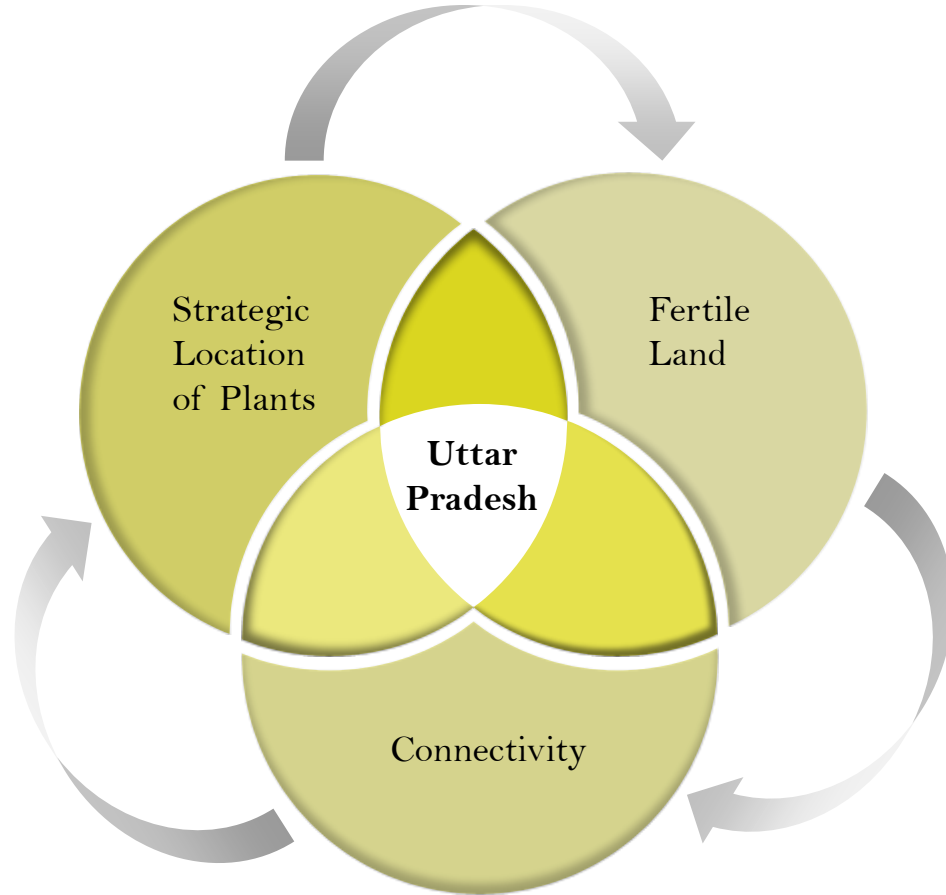
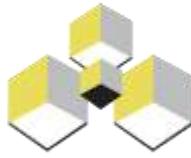
**Dwarikesh Puram**



**Dwarikesh Dham**



# Location advantage – UP is one the largest sugar producing state



## Strategic Location of Plants

Plants are located in India's largest sugar producing state - Uttar Pradesh

## Fertile Land

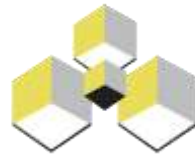
- Two plants are located in Bijnor District – a District with focused concentration on cane production on highly fertile and well-irrigated land
- Plant at Bareilly – the low-lying Ganges plains district with fertile alluvial soil

## Connectivity

- Dwarikesh enjoys access to large, clearly defined cane-producing areas in the region
- Bareilly (located on National Highway) and Bijnor are well-connected with major sugar-consuming markets of the country

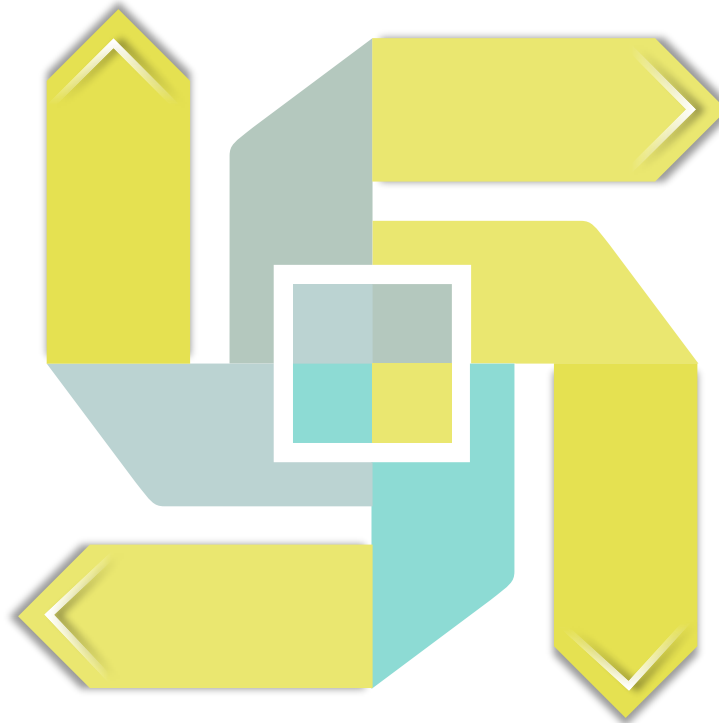


# Cane Development leading to improved efficiencies



## Dwarikesh Agriculture Research Institute

- Engaged in practical research of farming techniques to augment the crop yield and safeguard the quality of soil
- Hi-tech soil-testing laboratory and a bio-pesticides laboratory to study the application of fertilizers, the ideal sowing conditions for sugarcane seeds



## Increased Farmer Bonding

- Use of remote sensing for accurate geological surveys of the command area, using satellite images to enhance sugarcane growth and yield
- Separate web portal for farmers to access information about their calendar, payment status, survey details and loan position
- Kisan Sewa Kendras for providing good quality agrochemicals, financial assistance for nurseries and technology upgradation, with tie-ups with various banks for loan disbursement

## Healthy Relationship

- More than 73,000 hectares of Sugarcane reserved for Dwarikesh along with association with 87,000 farmers from whom Sugarcane was procured during 2015-16 season demonstrates the strength of relationship with farmers

## Operational Factors

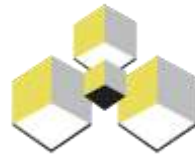
- Recovery in harvest to crushing time ensured retention of sucrose content in Sugarcane coupled with revolutionary Sugarcane variety of Co 0238 led to increased recoveries





# Industry at a Glance

# We extract Maximum Value out of Sugarcane



Bagasse

Mill Mud

Cane Received

Shredder

Extraction Station

Heaters

Clarifier

## On arrival of Cane :

- Received at an automated weighing station
- Name of the Farm & Weight of each Cane bin is recorded

- Cane billets are tipped out of cane bin to a cane carrier, which is transported to shredder
- Shredder shreds cane into fibrous material and ruptures the juice cells

- Pairs of rollers feed cane through a series of mills
- Process separates sugar juice from Bagasse
- Juice is pumped away from processing into raw sugar

- By adding lime and heating limed juice, impurities are extracted
- Lime neutralizes acids and precipitates impurities that settle out in Clarifiers

- Clear sugar juice is run off from top of each clarifier
- Muddy juice extracted from each clarifier is mixed with fine Bagasse and then filtered to receive the sugar

Sugar Storage

Sugar Dryer

Centrifugals

Pans / Crystallizers

Evaporators

- The raw sugar is then transferred for short term storage in bulk bins at the mills

- The raw sugar from the centrifugals is dried by tumbling through a stream of air in a rotating drum

- Syrup is separated from raw sugar crystals in centrifugals containing perforated baskets
- Dark syrup surrounding crystals is thrown off and passes through perforation

- Syrup (~60-70% Sugar) is put through crystallization by boiling in a vacuum pan
- The crystals are grown by adding more syrup. At the size of ~1mm the mixture is discharged from the pan

- Clear juice from clarifiers is concentrated by boiling it under vacuum in a series of connected vessels - Evaporators
- The Concentrated juice is called Syrup

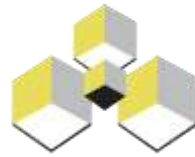
Final Sugar

Molasses





# Sugarcane Value Chain for an Integrated Sugar Unit



## Sugarcane

Sugar 10.5%

Bagasse 28%

Molasses 4.7%

Press Mud 3.5%

Steam 2.4 MT/MT

Alcohol 255 Litres/MT

Bio Fertiliser

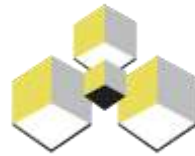
Power 0.19 Mwh/MT

Exportable Surplus 70%

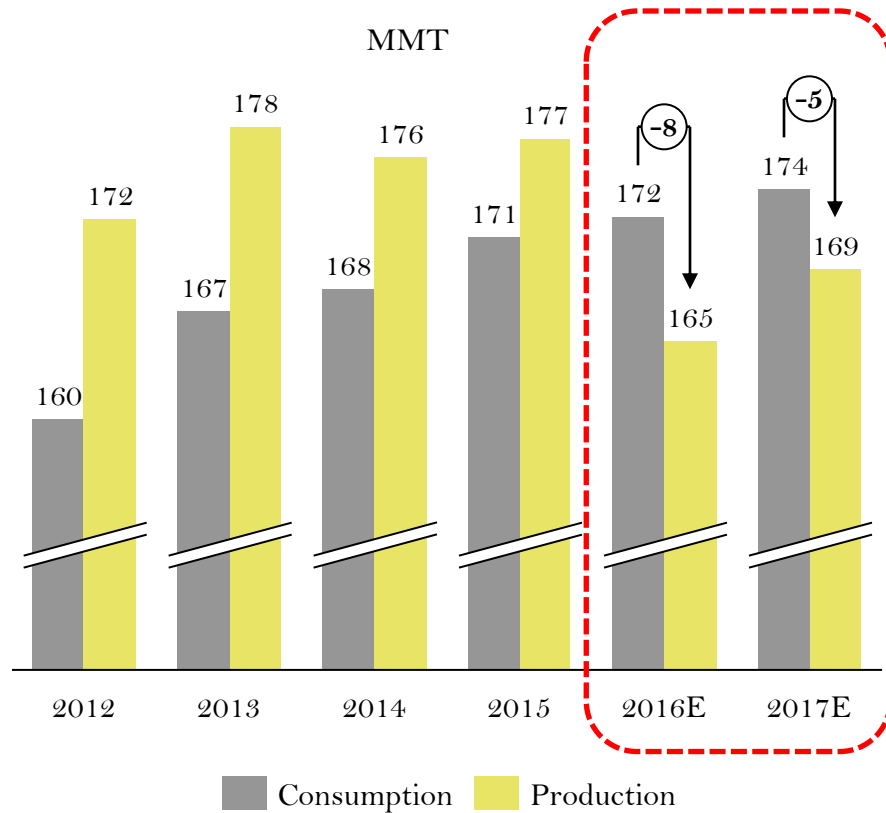
*Based on Management Estimates*



# Global Scenario : Production Downgrades & Prices Firming Up

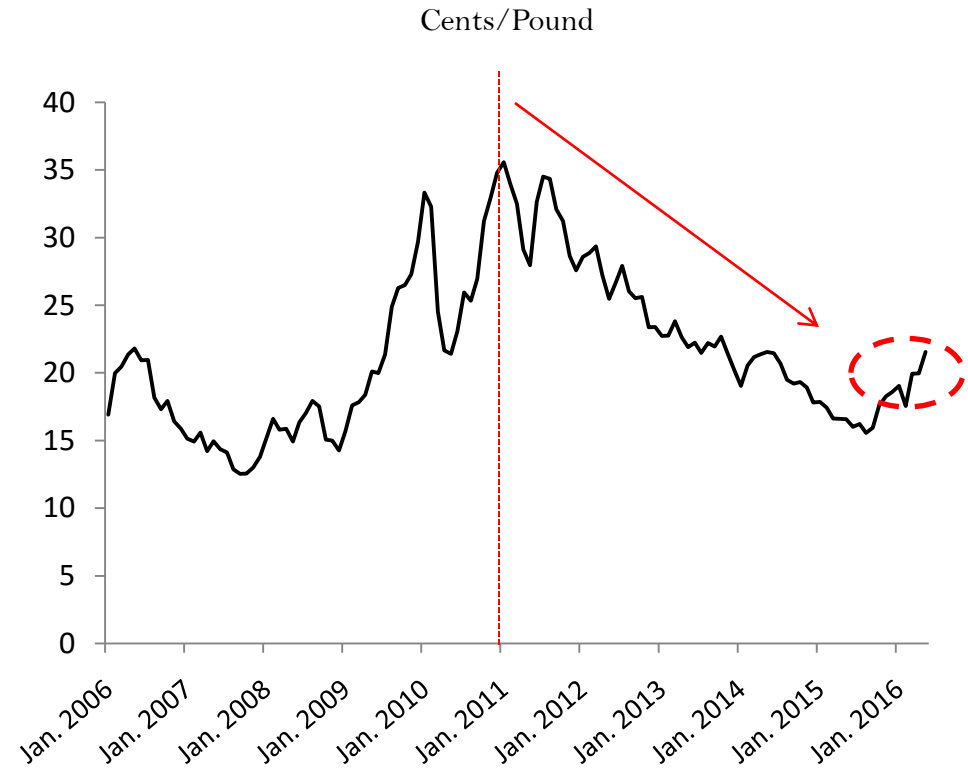


Production expected to fall short of Demand First Time in Five Years



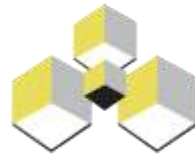
Source – USDA

Production Downgrades & Firm Demand leading to rebound in Sugar Prices for first time in several Years

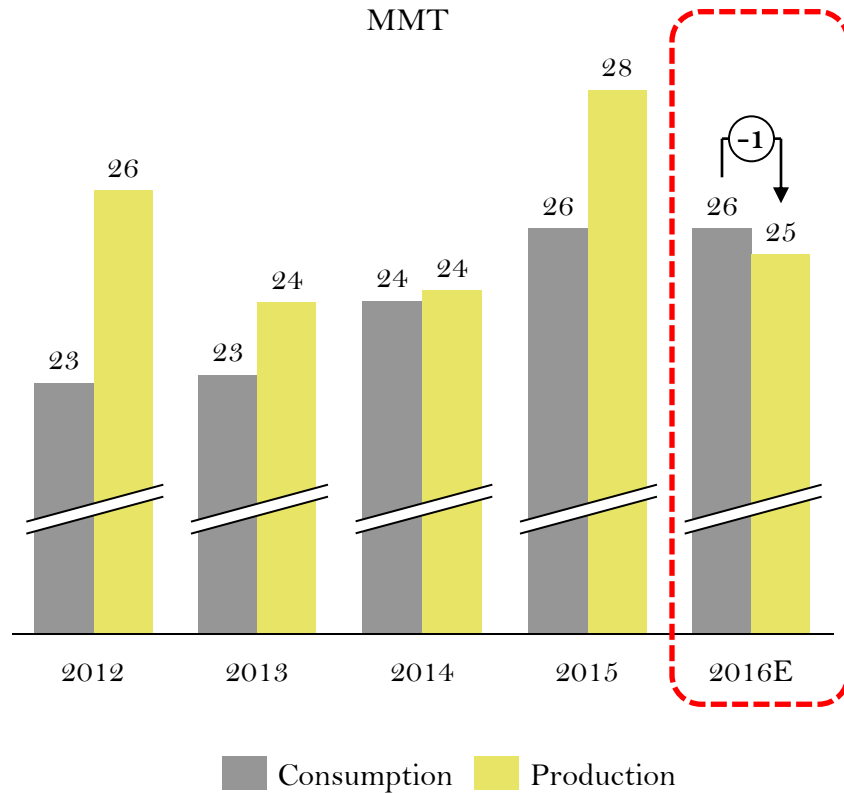


Source – USDA

# Domestic Scenario : Government Initiatives supporting Prices

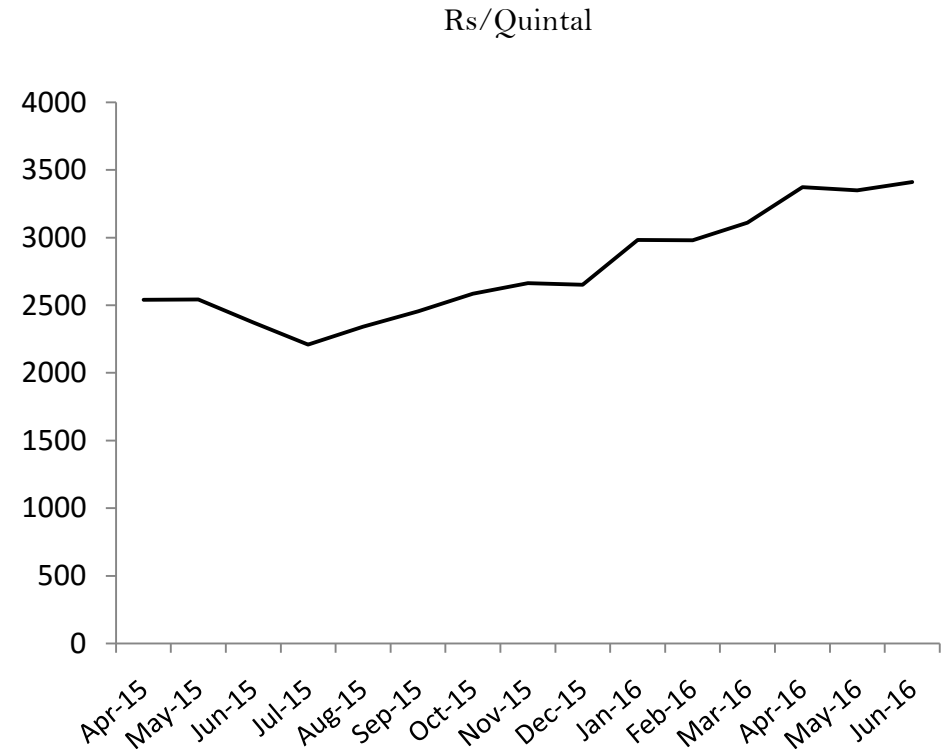


Adverse Climatic conditions is impacting availability of Cane and has led to downgrades in Production



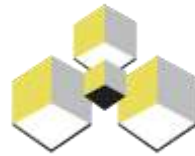
Source – ISMA

Prices revived by announcement of Compulsory Export, Higher International Prices and Lower Production estimate



Source – Industry Estimates

# Industry Dynamics Improving...More so for UP Players



Production subsidy of Rs. 4.5 per quintal of sugarcane crushed for mills fulfilling Export & Ethanol sales obligation

SAP rate unchanged for 4<sup>th</sup> Year in a row

Mandatory exports to relieve pressure on domestic surplus stock and improve domestic realisation

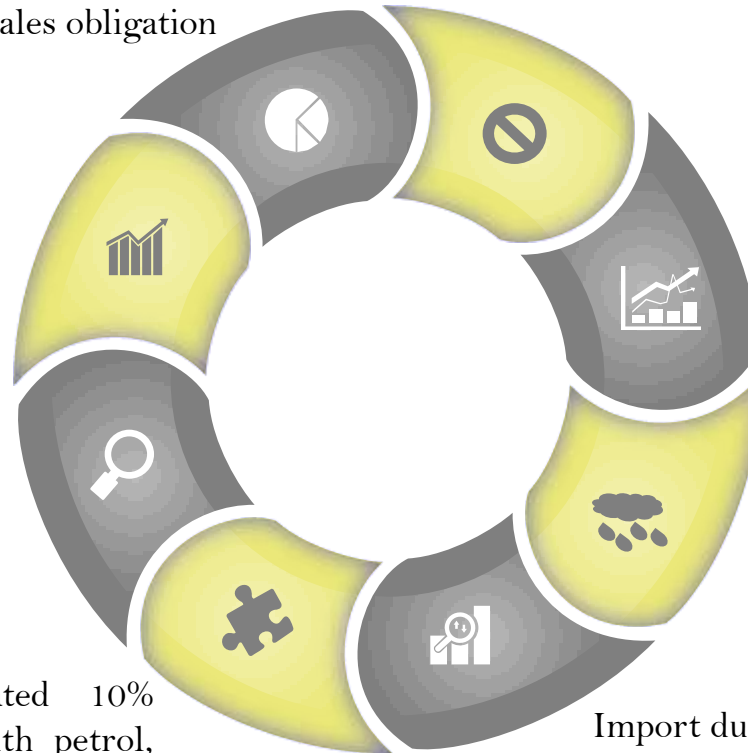
Recovery in UP improved by 1% to >10.5% on account of superior varietal mix (Co 0238) and favorable climatic conditions

Excise duty exempted on Ethanol produced from molasses generated from cane crushing for 1 year

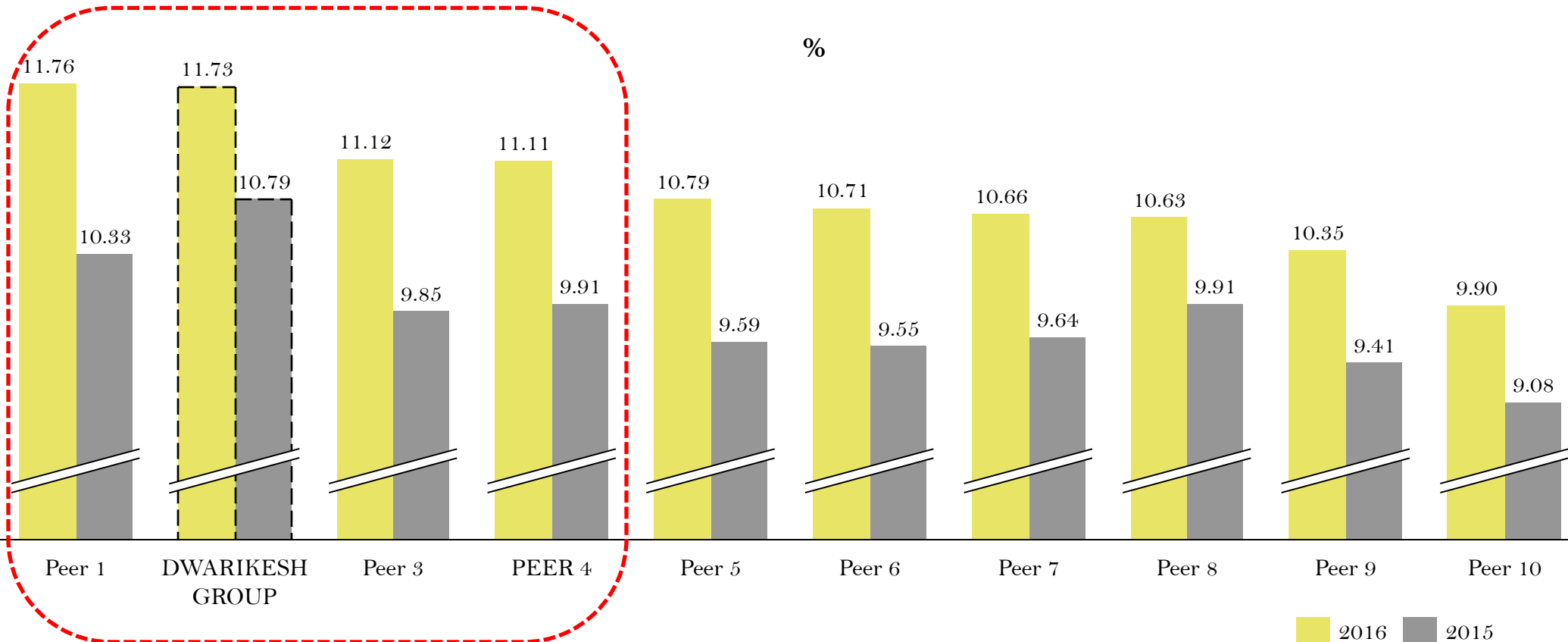
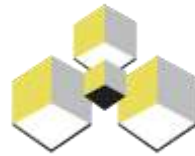
Low rainfall impacted production in Maharashtra and Karnataka by 16-20%, however production in UP was largely stable

Government mandated 10% Ethanol blending with petrol, to boost Ethanol production

Import duty on sugar raised to 40% to make imports unviable




# Uttar Pradesh : Improvement in the Recovery Rates



Consistently Generating Efficient Recovery Ratio

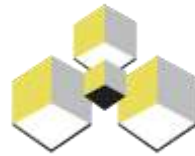






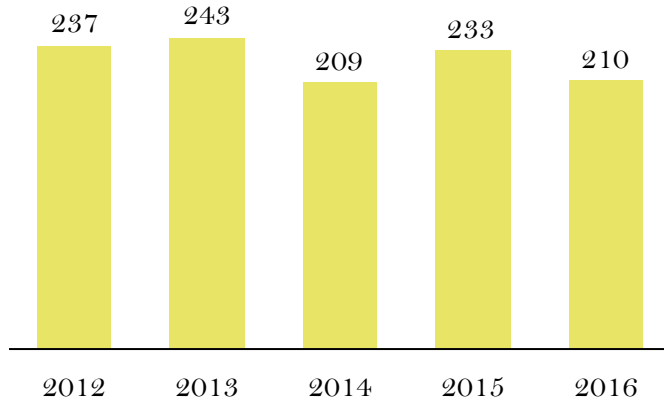
# **Financial Performance & Operational Trends**

# Sugar Season Trends

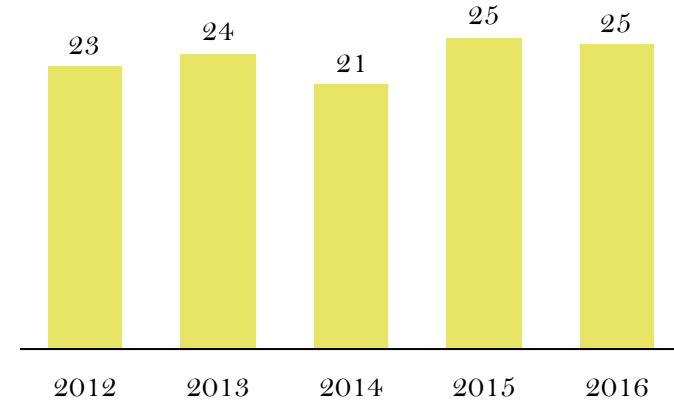


October to September Season Statistics

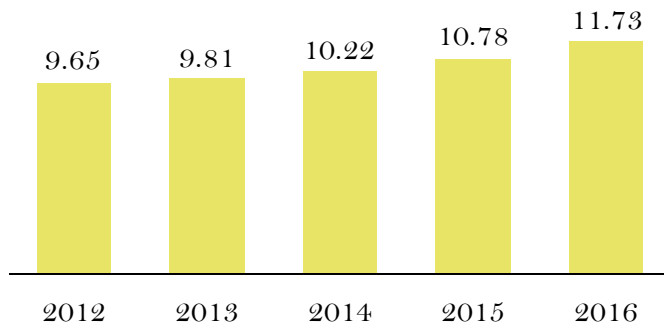
### Cane Crushed (Lakh Quintals)



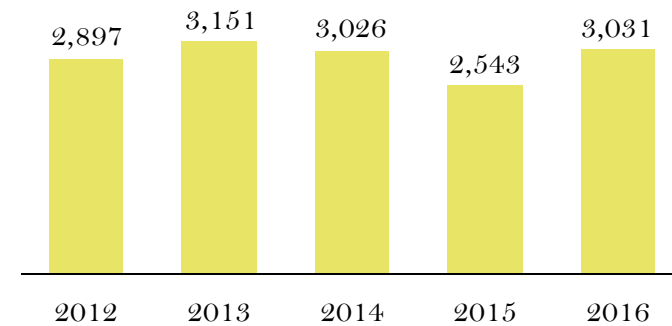
### Sugar Production (Lakh Quintals)



### Average Recovery (%)



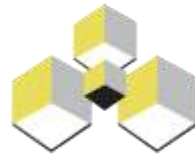
### Sugar Realisation (Rs/Quintal)



2016- Data till June 2016

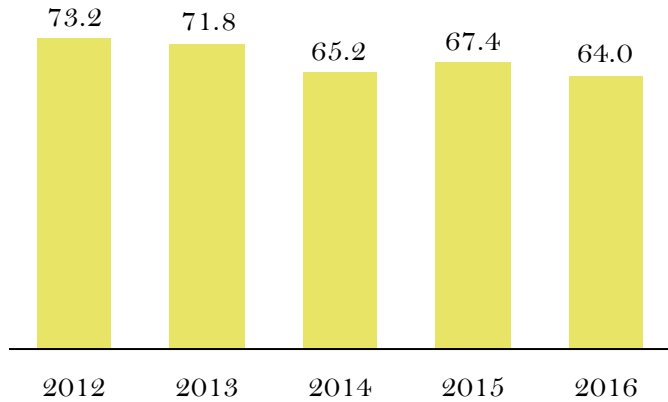


# Co-Generation Trends

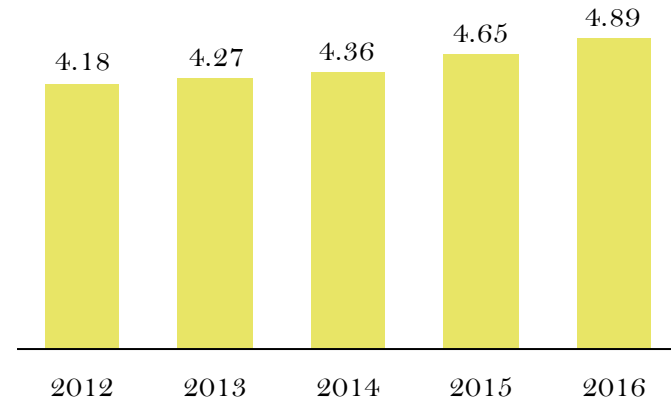


October to September Season Statistics

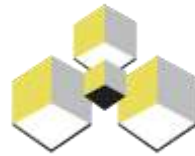
### Sales (Rs Crs)



### Realization (Rs/Unit)

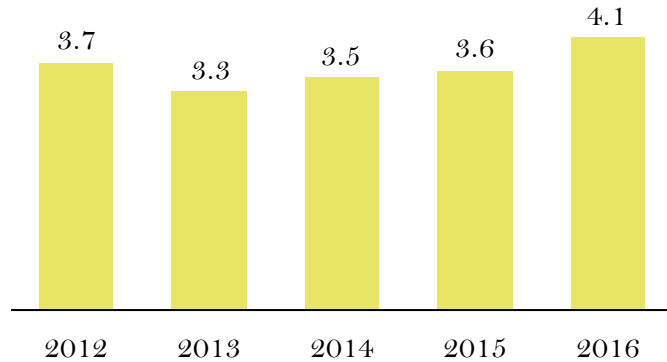


# Distillery

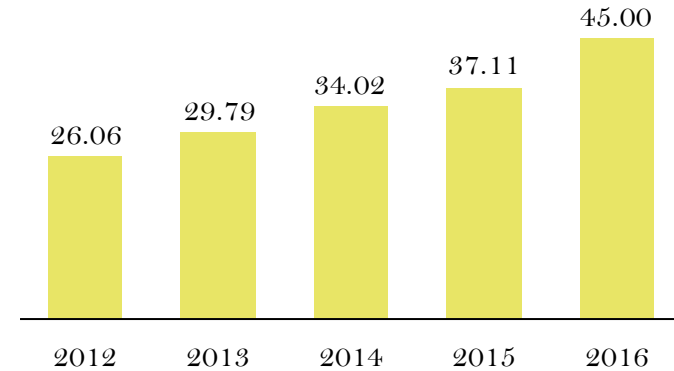


October to September Season Statistics

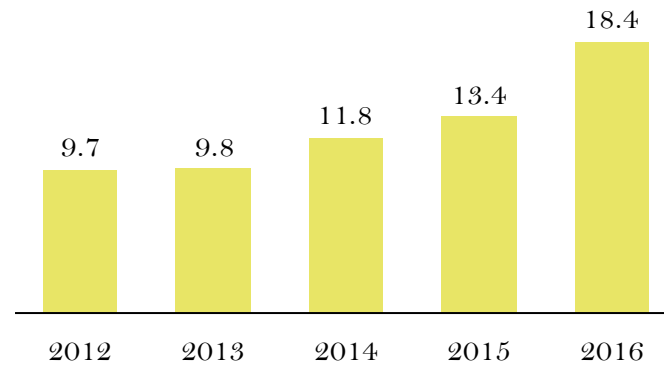
### Sales (Mn Liters)



### Realisation (Rs/Liter)



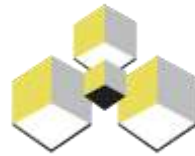
### Sales (Rs Crs)



2016- Data till June 2016



# Consolidated Profit and Loss Statement

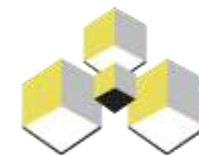


Rs. Crs.	31 <sup>st</sup> Mar'2016	31 <sup>st</sup> Mar'2015	30 <sup>th</sup> Sep'2013
	12 Months	12 Months	18 Months
<b>Revenue</b>	<b>794</b>	<b>715</b>	<b>1,128</b>
Raw Material	588	595	918
Employee Cost	50	45	71
Other Expenses	48	35	54
<b>EBITDA</b>	<b>108</b>	<b>40</b>	<b>85</b>
<i>EBITDA Margin</i>	<i>14%</i>	<i>6%</i>	<i>8%</i>
Other Income	9	8	10
Interest	52	50	75
Depreciation	31	31	47
Tax	0	-12	-10
<b>PAT (before Exceptional Items)</b>	<b>34</b>	<b>-21</b>	<b>-17</b>
Exceptional Items	5	0	0
<b>PAT (after Exceptional Items)</b>	<b>39</b>	<b>-21</b>	<b>-17</b>
<i>PAT Margin</i>	<i>5%</i>	<i>-3%</i>	<i>-1%</i>





# Consolidated Balance Sheet



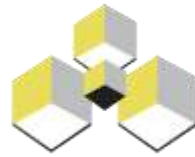
Rs. Crs.	31 <sup>st</sup> Mar'2016	31 <sup>st</sup> Mar'2015	30 <sup>th</sup> Sept'2013
<b>Shareholders Fund</b>	<b>117</b>	<b>104</b>	<b>121</b>
Share Capital	47	47	47
Reserves & Surplus	70	57	74
<b>Share Application Money pending Allotment</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Non Current Liabilities</b>	<b>254</b>	<b>204</b>	<b>169</b>
Long Term Borrowings	237	189	157
Other Long Term Liabilities	17	15	12
<b>Total Current Liabilities</b>	<b>630</b>	<b>691</b>	<b>371</b>
Short Term Borrowings	354	353	152
Trade Payables	143	201	98
Other Current Liabilities	133	137	121
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,001</b>	<b>999</b>	<b>660</b>

Rs. Crs.	31 <sup>st</sup> Mar'2016	31 <sup>st</sup> Mar'2015	30 <sup>th</sup> Sept'2013
<b>Total Non Current Assets</b>	<b>384</b>	<b>429</b>	<b>462</b>
Fixed Assets	357	399	440
Non Current Investments	0	0	0
Deferred Tax Assets (Net)	17	20	10
Other Non Current Assets	10	10	12
<b>Total Current Assets</b>	<b>617</b>	<b>570</b>	<b>198</b>
Inventories	536	491	192
Trade Receivables	64	43	2
Cash & Bank Balance	5	1	2
Other Current Assets	12	35	2
<b>TOTAL ASSETS</b>	<b>1,001</b>	<b>999</b>	<b>660</b>



# Way Forward

# Our Strategy

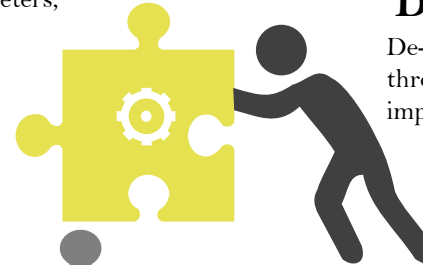


## Build on Operating Efficiencies

To build on operating efficiencies through continuous improvements in operating parameters, R&D and continuous farmer engagement

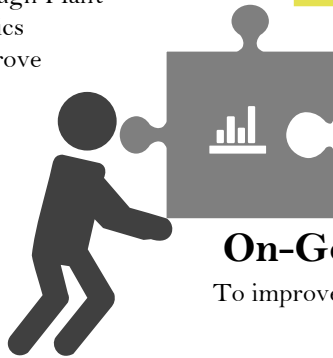
## De-leverage

De-leverage Balance Sheet through Cash Generation and improve Financial parameters



## Cost Control

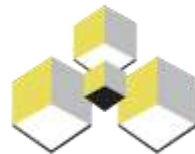
Focus on Costs through Plant efficiencies & Logistics management to improve competitive edge



## On-Going Focus on Cane Development

To improve recoveries for Sugar Mills and Yield for Farmers leading to Win-Win situation for all Stakeholders





For further information, please contact:

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CIN:L15421UP1993PLC018642

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**Investor Relations Advisors :**

**Strategic Growth Advisors Pvt. Ltd.**

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