



DWARIKESH SUGAR INDUSTRIES LIMITED

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REF: DSIL/2024-25/139

July 31, 2024

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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 ended June 30, 2024 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
Managing Director & CS cum CCO
(DIN: 00002075)

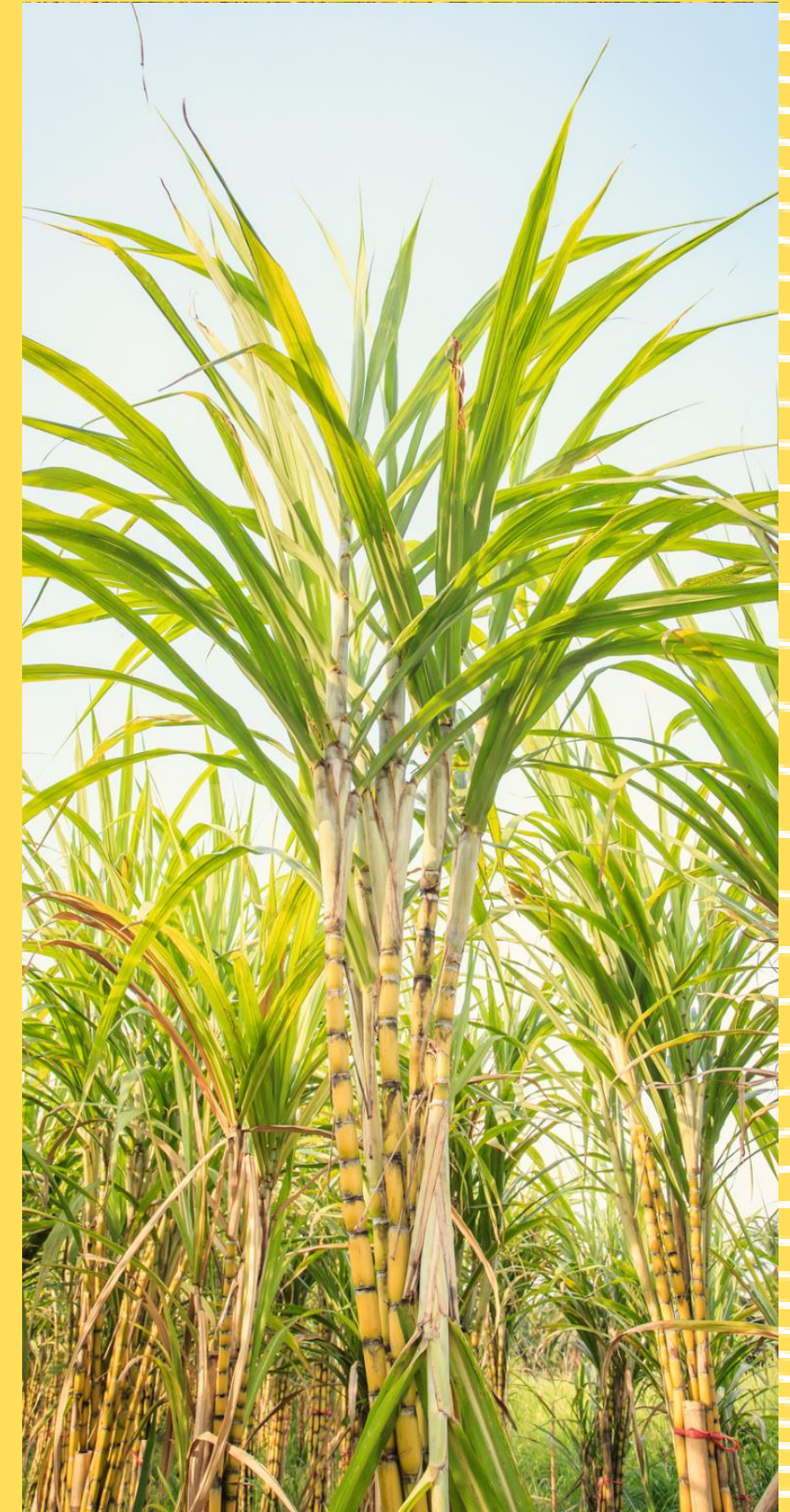
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Investor update

Company Performance
Q1 FY25 Results

Date
31 July 2024





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Safe harbor statement





You are cordially invited to Q1 FY25 earnings conference call of
Dwarikesh Sugar Industries Limited
on
Thursday, 1st August 2024 at 2.00 PM



Represented By
Mr. Vijay S Banka - Managing Director
Mr. B J Maheshwari - Managing Director
Company secretary & CCO
Ms. Priyanka Morarka - President (Corporate Affairs)

Pre-register to avoid the waiting queue, join with Diamond Pass link: [Registration Link](#)

Conference Dial-In Numbers (If join in without Diamond pass)

Universal Access +91 22 6280 1116 / 7115 8017
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Earnings Call

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Table of contents

- Sector outlook ... 5
- Business overview ... 7
- Financial performance ... 12
- Operation trends ... 17
- Pictures of our facilities ... 22

- ❑ According to the latest insights from S&P Global, the projected surplus for the 2023-24 period is high at 5.4 million metric tons, marking the largest surplus since the 2017-18 season. This upward revision is on account of increased production. Brazil stands out prominently in this shift, leveraging favorable weather conditions, a higher sugar mix in cane processing, and expanded crystallization capacity to significantly boost its sugar output.
- ❑ Recent months have seen a significant decline in international sugar prices, dropping below the levels observed in SY2023. The primary driver behind this price moderation has been Brazil's increased exports, which have bolstered global supply, thereby alleviating pricing pressures. Looking ahead, the outlook for global sugar prices remains subdued. This is largely attributed to anticipated continued strong supply from Brazil, which is expected to enhance overall market conditions. Presently raw sugar is traded below 19 cents per pound while white sugar is traded around US\$ 540 PMT. Looking ahead to SY2025, the USDA anticipates a marginal 1% year-on-year increase in both global sugar production and consumption. Production is forecasted to reach 186 million metric tons, a slight uptick from the 183 million tons in SY 2024.
- ❑ India's net domestic sugar production stood at 31.7 million metric tons (MT) for SY2024, slightly lower than the previous season. Maharashtra continues to lead the nation in sugar production, followed by Uttar Pradesh. Looking ahead, for the remainder of SY2024, net sugar production is expected to reach around 32 million MT, factoring in the diversion of approximately 1.7 million MT towards ethanol production. The closing stock is projected to be at 9 million MT as of September 30, 2024, higher than the 5.6 million MT recorded on the same date in 2023.
- ❑ According to the recent estimates from the Indian Sugar & Bio-energy Manufacturers Association (ISMA), the gross sugar production for the sugar season 2024-25 is projected to reach 33.3 million tons. However, much depends on the remainder of the monsoon season. More accurate forecasts are expected in the coming months, as the intensity and distribution of rainfall during the monsoon will play a crucial role in determining crop yields and overall production levels.
- ❑ Although there is potential for the resumption of the ethanol blending program, policy regarding possible allowances for sugar exports will perhaps be crafted once more clearer sugar production estimates are available.

Sector outlook

- ❑ Domestic prices remain elevated with favorable demand-supply balance, The prices have remained in the range of Rs. 38-39/kg with the closure of the crushing season. However, the scenario took a slight turn in July 2024 when sugar prices experienced some downturn. Heavy and continuous rainfall across the country resulted in some logistic challenges, thereby impacting the demand dynamics. However, sugar prices have once again surged towards the end of July 2024.
- ❑ India achieved blending ratio of 12.48% till May 2024 in ESY2024. For ESY2024, Considering the feedstock-wise contribution, the share of sugarcane juice, B-heavy molasses and C-heavy molasses, together, declined in ESY2024. The diversion towards ethanol production is expected to increase in ESY2025.
- ❑ During the Sugar Season (SS) 2023-24, Uttar Pradesh (U.P.) maintained its sugar production levels, yielding approximately 10.4 million tons, which closely mirrors the output of the previous season, SS 2022-23. However, there was reduction in the diversion of sugarcane towards ethanol in SS 2023-24 compared to the preceding season. SS 2022-23 thereby indicating lower gross sugar production.
- ❑ The sugar output in Uttar Pradesh for the sugar season (SS) 2024-25 hinges on two main factors: viz. a) Weather Conditions: Particularly, heavy rains during August and September are potentially detrimental to the sugarcane crop and its yield. b) Control of Red-Rot Menace: This also plays a critical role, especially in areas where red-rot caused significant damage in the previous season.
- ❑ The Wonder variety Co 0238, credited with the renaissance in Uttar Pradesh's sugar sector, is now facing existential crisis.
- ❑ The performance and profitability of sugar companies in Uttar Pradesh for the sugar season (SS) 2024-25 is also dependent on Molasses Policy for SS 2024-25: The current molasses policy has led to sugar mills allocating a significant portion of their molasses production to country liquor manufacturers at prices well below market value. This practice deprives sugar companies of the opportunity to utilize molasses for ethanol production or sell it at competitive market prices.

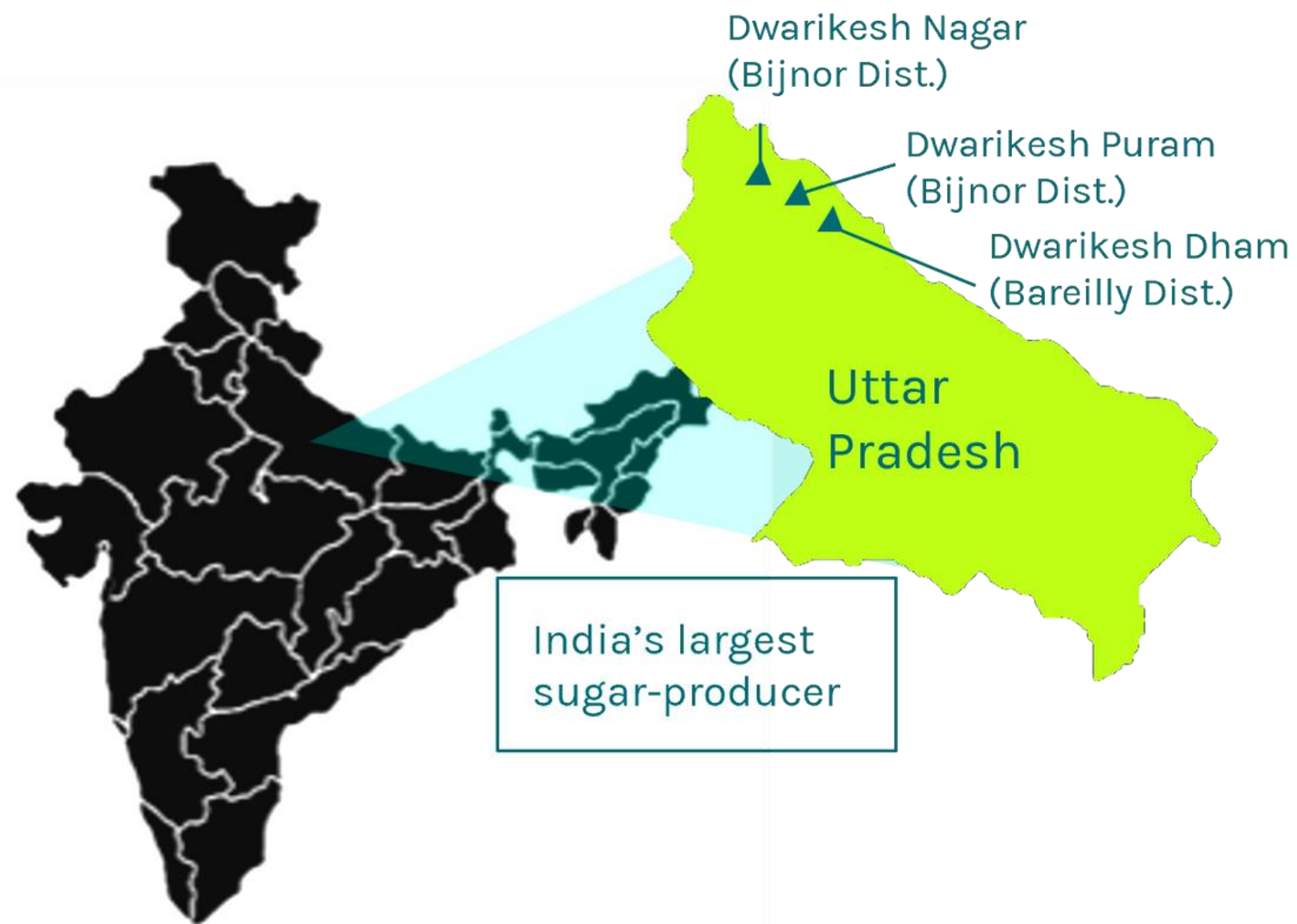
Sector outlook



Business overview

A brief run through

At a glance



- All 3 Plants located in UP-India's largest sugar producing state.
- 2 Plants located in Bijnor District– a District with focused concentration on cane production on highly fertile & 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.



DWARIKESH NAGAR

6500TCD (Sugar) | 20 MW (Power) | 162.5 KLPD (Ethanol)



DWARIKESH PURAM

7500TCD (Sugar) | 33 MW (Power)

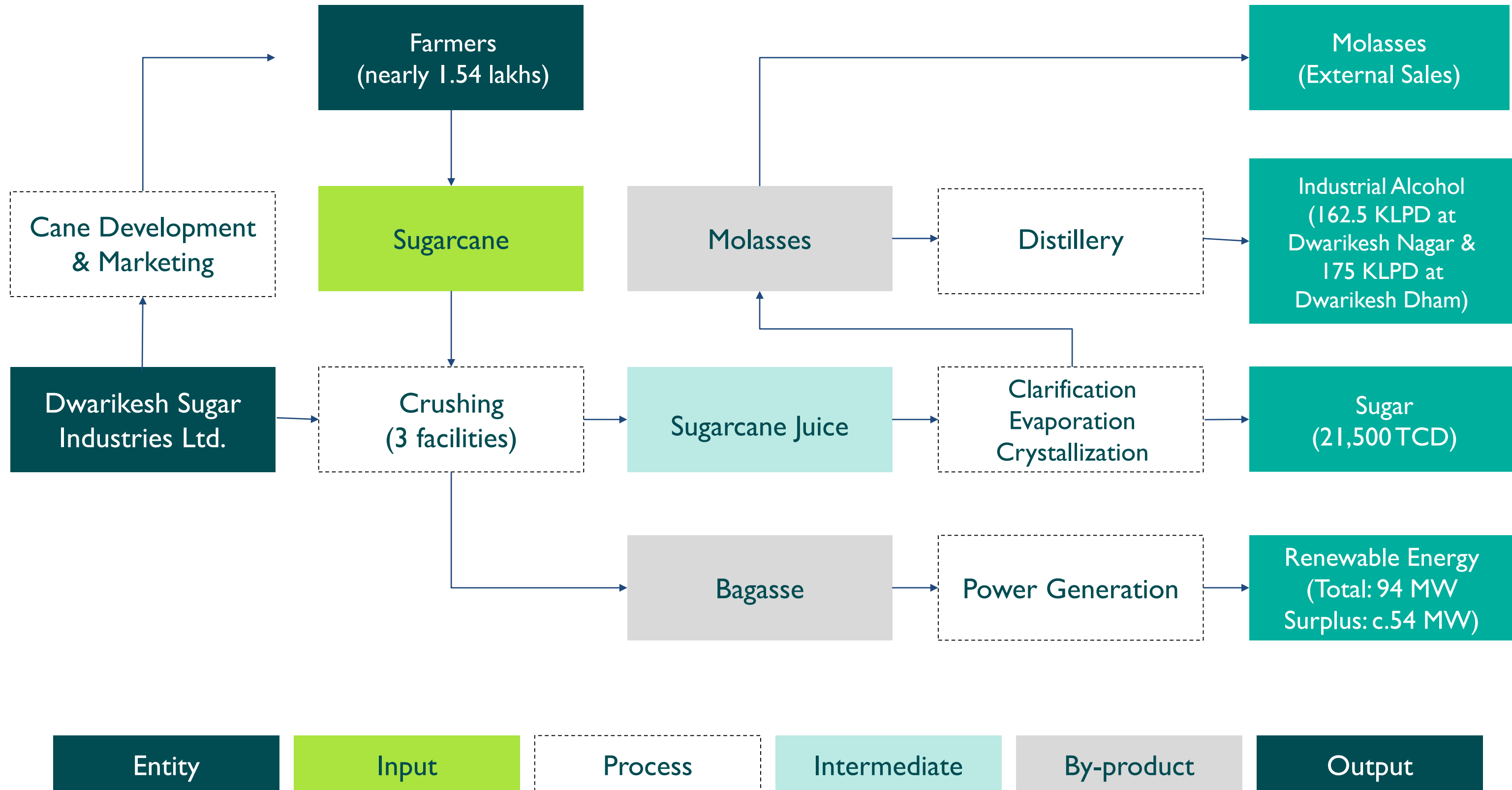


DWARIKESH DHAM

7500TCD (Sugar) | 41 MW (Power) 175 KLPD (Ethanol)

Note: TCD stands for tons of cane per day, MW stands for Megawatts, KLPD stands for thousands liters per day; SS stands for Sugar Season defined as 12 months period ending September 30 of the particular year;

Operations Overview



G R Morarka



- Founder and Promoter
- Executive Chairman
- Commerce graduate & ICWA Inter
- Received 'Indira Gandhi Priyadarshini Award for Management', 'Bhamasha Award', 'Indira Gandhi Sadbhavna Award' & 'Swami Krishnanad Saraswati Purashkar' for exemplary achievements in various fields

Vijay S Banka



- Managing Director
- Chartered Accountant
- Associated with the company since 2007
- Over three decades of experience in Finance and Strategy

B J Maheshwari



- Managing Director, Company Secretary cum Chief Compliance Officer
- Associated with the company since 1994
- Over three decades of experience in Legal, Taxation, Secretarial & Administrative matters

Priyanka Morarka

PRESIDENT (CORPORATE AFFAIRS)

R K Gupta

SENIOR EXECUTIVE VICE PRESIDENT (WORKS)

Salil Arya

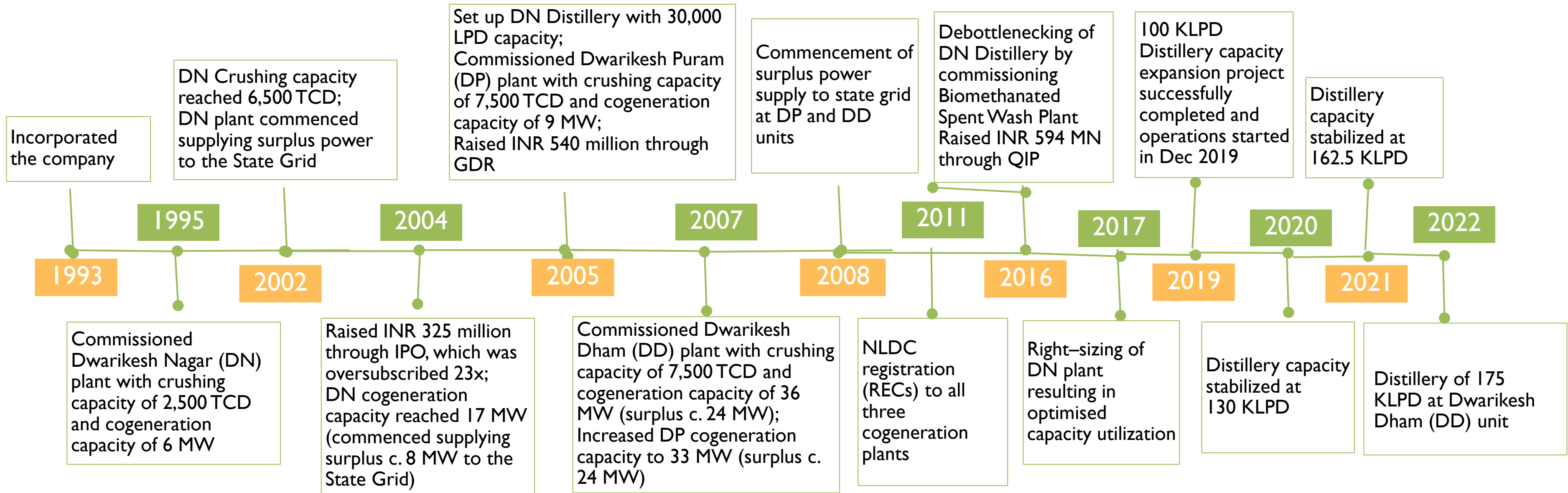
SENIOR EXECUTIVE VICE PRESIDENT & GROUP COMPLIANCE OFFICER

Sunil Kumar Goel

CHIEF FINANCIAL OFFICER

Management

Key Milestones



	1995	2002	2004	2005	2007	2019	2020	2021	2022	2024
Sugar (TCD)	2500	6500	6500	14000	21500	21500	21500	21500	21500	21500
Power (MW)	6	6	17	26	86	91	91	91	96	94
Distillery (LPD)	Nil	Nil	Nil	30000	30000	100000	130000	162500	337500	337500





Financial performance

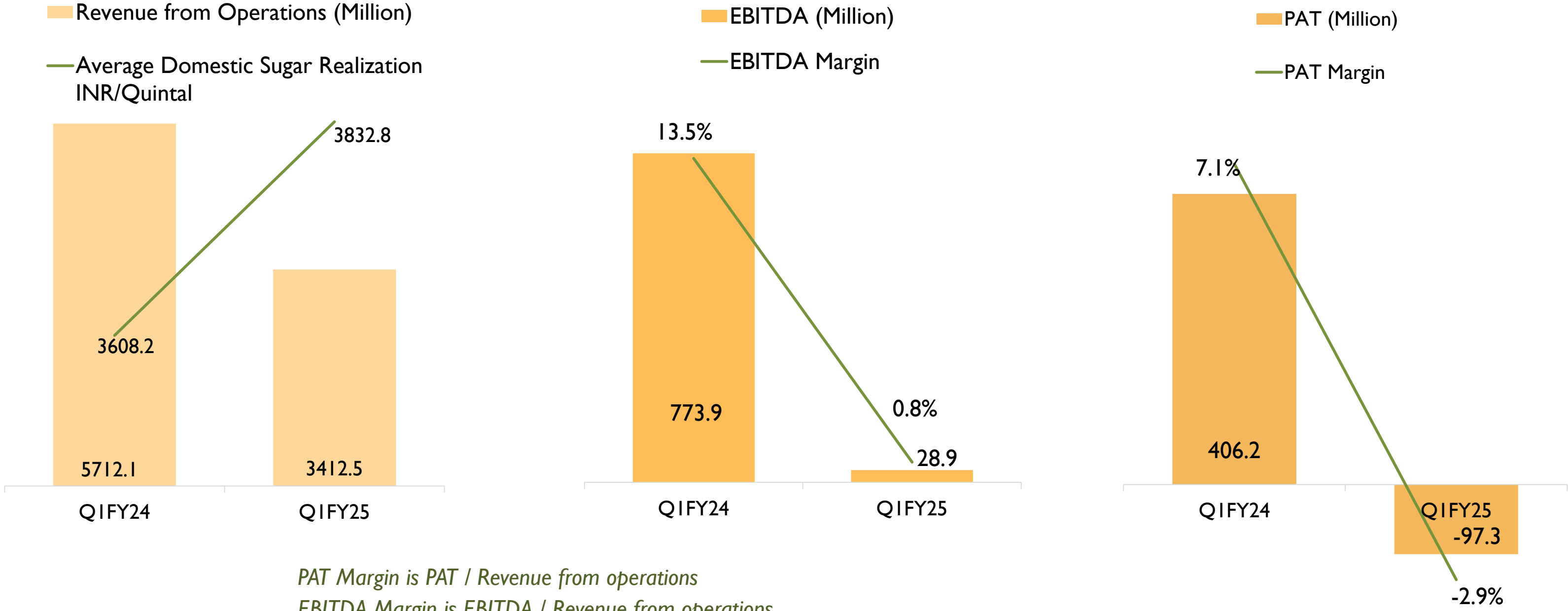
Q1 FY25

Financial performance

In INR million	Q1FY25	Q1FY24	FY24
Total Income	3,418.5	5,715.4	17,212.4
EBIDTA	28.9	773.9	2,166.2
PAT	(97.3)	406.2	835.2

In INR	Q1FY25	Q1FY24	FY24
EPS	(0.52)	2.16	4.44

Quarterly trends



PAT Margin is PAT / Revenue from operations

EBITDA Margin is EBITDA / Revenue from operations

Previous periods' figures have been regrouped and reclassified wherever necessary for the purpose of clarification

Financial summary

All amounts in INR million

INCOME	Q1 FY 25	Q1 FY 24	FY24	Q o Q REMARKS
Revenue from operations	3,412.5	5,712.1	17,095.7	Revenue has decreased due to lower volumes of sugar sold and reduced ethanol sales, influenced by government policies restricting the use of cane juice and B heavy molasses as feedstock for ethanol production
Other income	6.0	3.3	116.7	--
Total Revenue	3,418.5	5,715.4	17,212.4	--
EXPENDITURE				
Cost of material consumed	22.4	3,712.7	14,258.4	Cost of raw materials consumed has decreased due to the early closure of the sugar season in March 2024, which led to no sugarcane crushing activities in the first quarter of FY 25. In contrast, during the same period in the previous year, a substantial 98.51 lakhs quintals of sugarcane were processed.
Purchase of stock in trade	62.3	79.4	111.2	--
Changes in inventories of finished goods, WIP and stock-in-trade	2,819.2	550.9	-1,777.3	--
Employees benefit expense	237.2	267.8	1,185.1	<ul style="list-style-type: none"> • Lower on account of absence of crushing operations throughout the quarter • Higher on account of year-on-year increase in employee cost
Finance cost	55.8	55.1	201.3	<ul style="list-style-type: none"> • Higher on account of higher utilization of working capital limits • Lower on account of repayment of term loan obligations

Financial summary

All amounts in INR million

INCOME	Q1 FY 25	Q1 FY 24	FY24	REMARKS
Depreciation and amortization expense	123.0	128.0	525.0	
Other expense	248.5	330.6	1,268.8	<i>Lower on account of absence of crushing operations throughout the quarter and partial cessation of distillery operations.</i>
Total expenses	3,568.4	5,124.5	15,772.5	--
Profit / (loss) before taxes	-149.9	590.9	1,439.9	<i>The profitability for Q1 FY25 was impacted by the cessation of crushing activities during the quarter. This halt resulted in the un-absorption of overhead costs, which typically spread over operational periods when crushing and production are active. Due to the premature cessation of sugarcane crushing, revenue from the sale of power was also adversely affected.</i>
Tax expense	-52.6	184.7	604.7	
Profit for the period	-97.3	406.2	835.2	
Other Comprehensive Income	-	-	-9.2	<i>Additionally, the restrictions imposed by the government on the use of cane juice and B heavy molasses for ethanol production curtailed the production and availability of ethanol for sale.</i>
Total Other Comprehensive Income	-97.3	406.2	826.0	



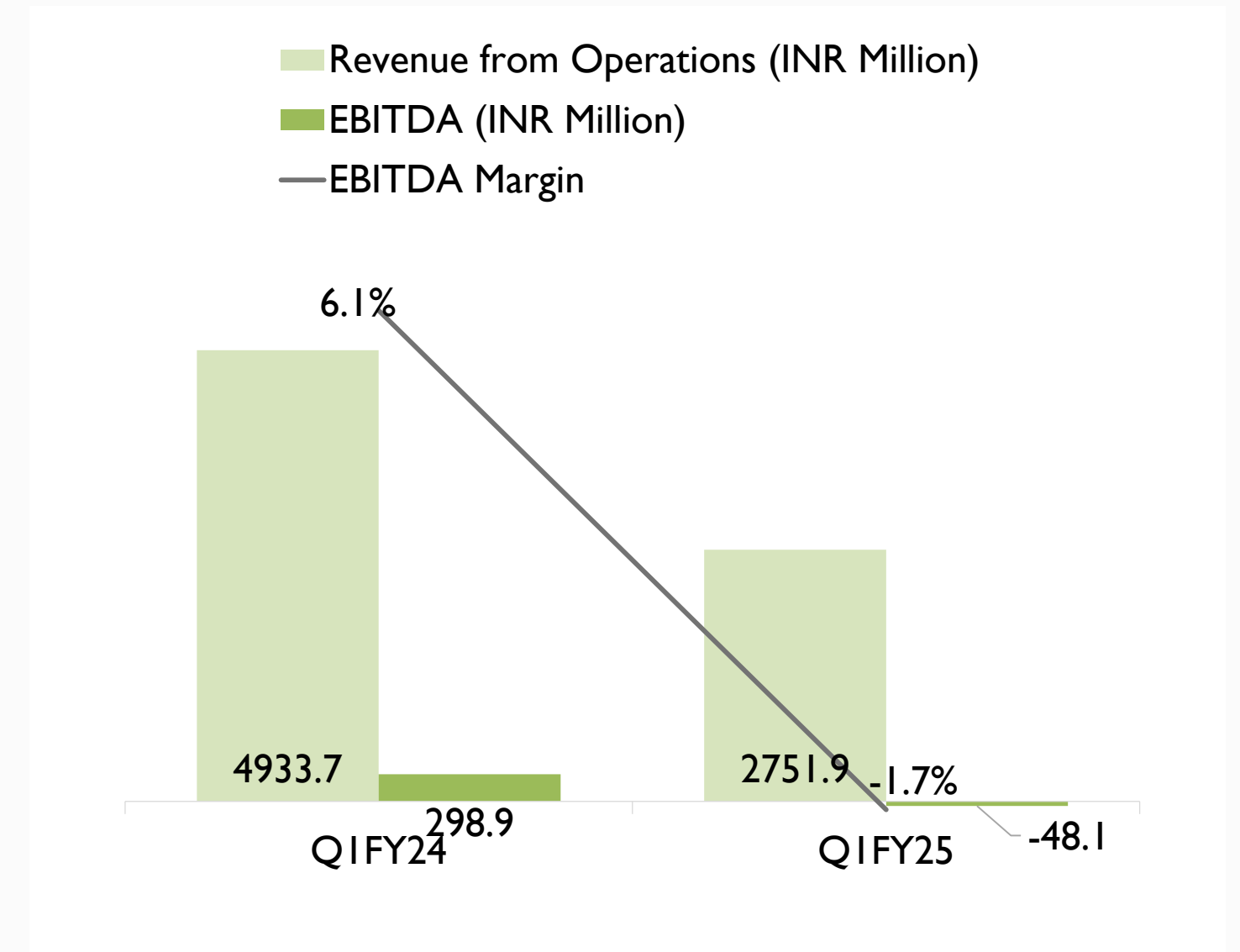
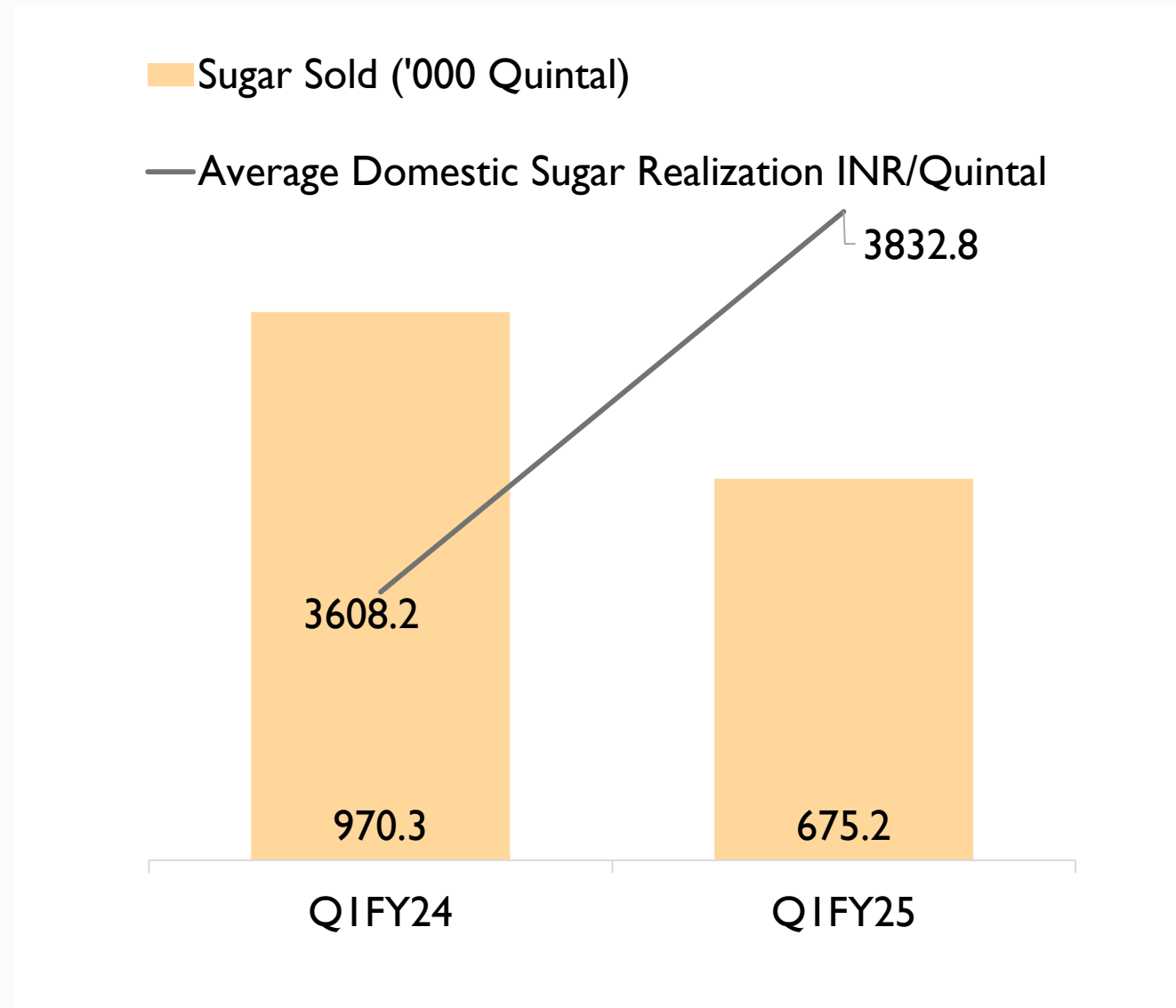
Operational trends

- Because of the early closure of the sugar season 2023-24 in March 2024, sugarcane crushing activities in the first quarter of FY25 were completely halted. In contrast, during the same period in the previous year, a substantial 9.85 million quintals of sugarcane were processed.
- Bijnor district, where 2 of our 3 units are located, experienced untimely and persistent rainfall, intensifying the impact of a widespread red-rot attack. These adverse conditions affected sugarcane availability, resulting in the disappointing crushing numbers. In total, our company managed to crush only 268 lakh quintals of sugarcane. Due to the challenging circumstances, our DD plant had to cease operations earlier than anticipated, closing on March 11, 2024. Subsequently, crushing operations at the DP plant concluded on March 23, 2024, followed by the DN plant on March 30, 2024.
- There was decline in revenue from sale of sugar in Q1 FY25 with the corresponding period of the previous year. Revenue is down by 26%, amounting to ₹ 2,588 million in the current quarter compared to ₹ 3,501 million in the same quarter of the previous year. The primary reason for this decline is attributable to lesser release of sugar for sale.
- Overall quantity of sugar sold is lower by 30% in Q1 FY25 as compared to the corresponding period in FY24.
- The average sugar realization in Q1 FY25 increased by 6%. The same is ₹ 3,833/- per quintal, compared to ₹ 3,608/- per quintal during Q1 FY24.



Sugar business - Synopsis

Sugar business - Quarterly snapshot

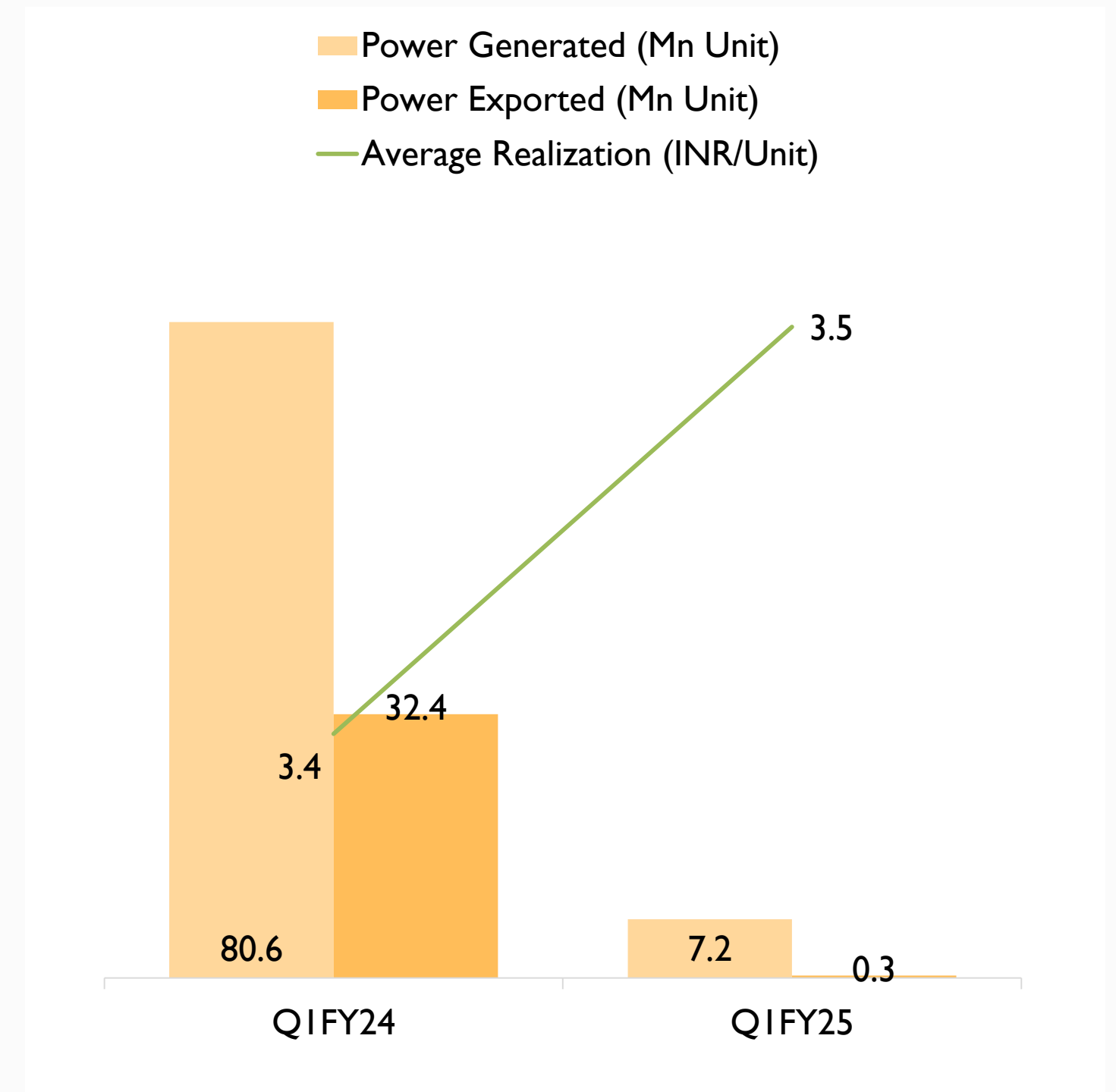


EBITDA Margin is EBITDA / Revenue from operations (including internal revenue)

Cogeneration data

SNAPSHOT

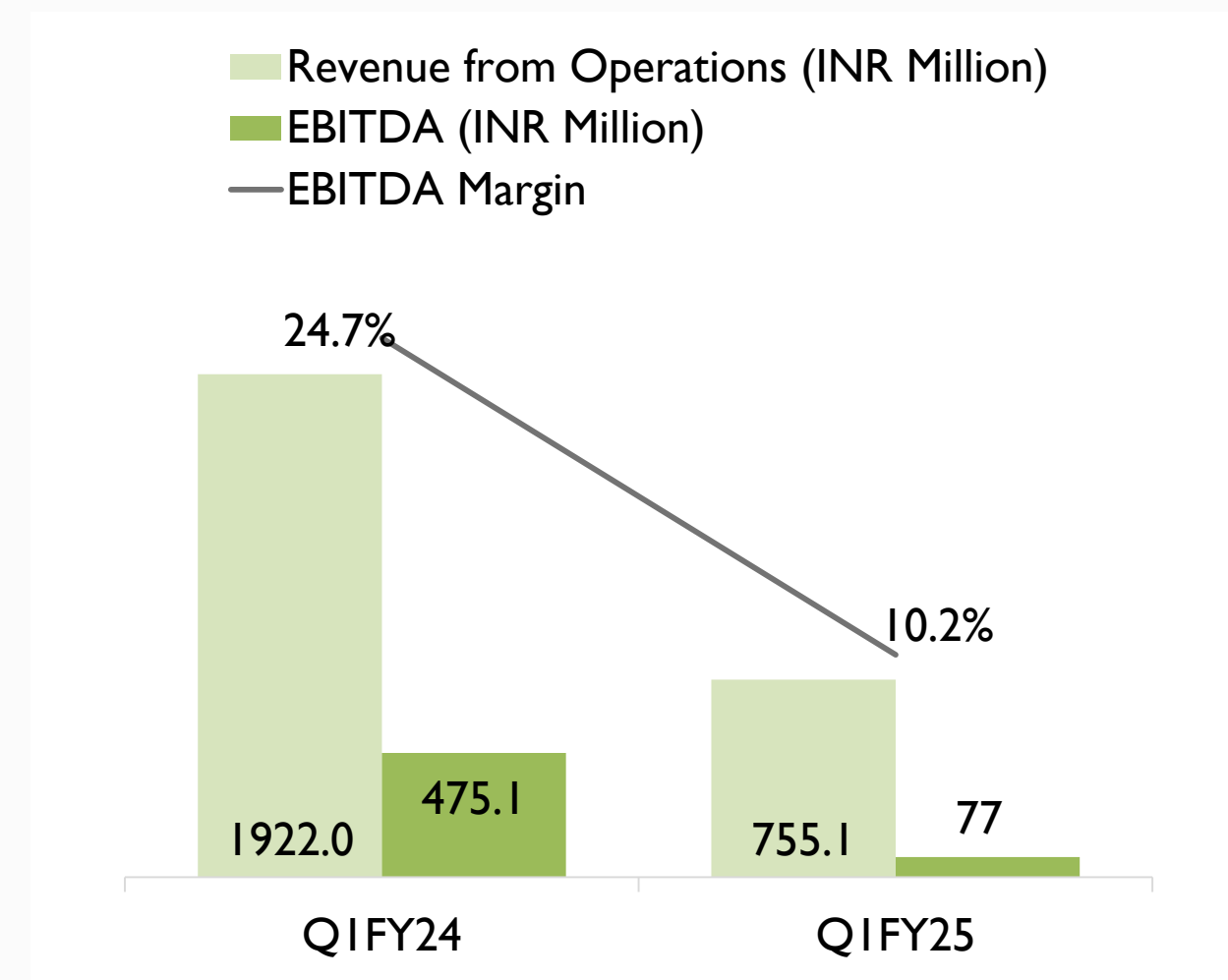
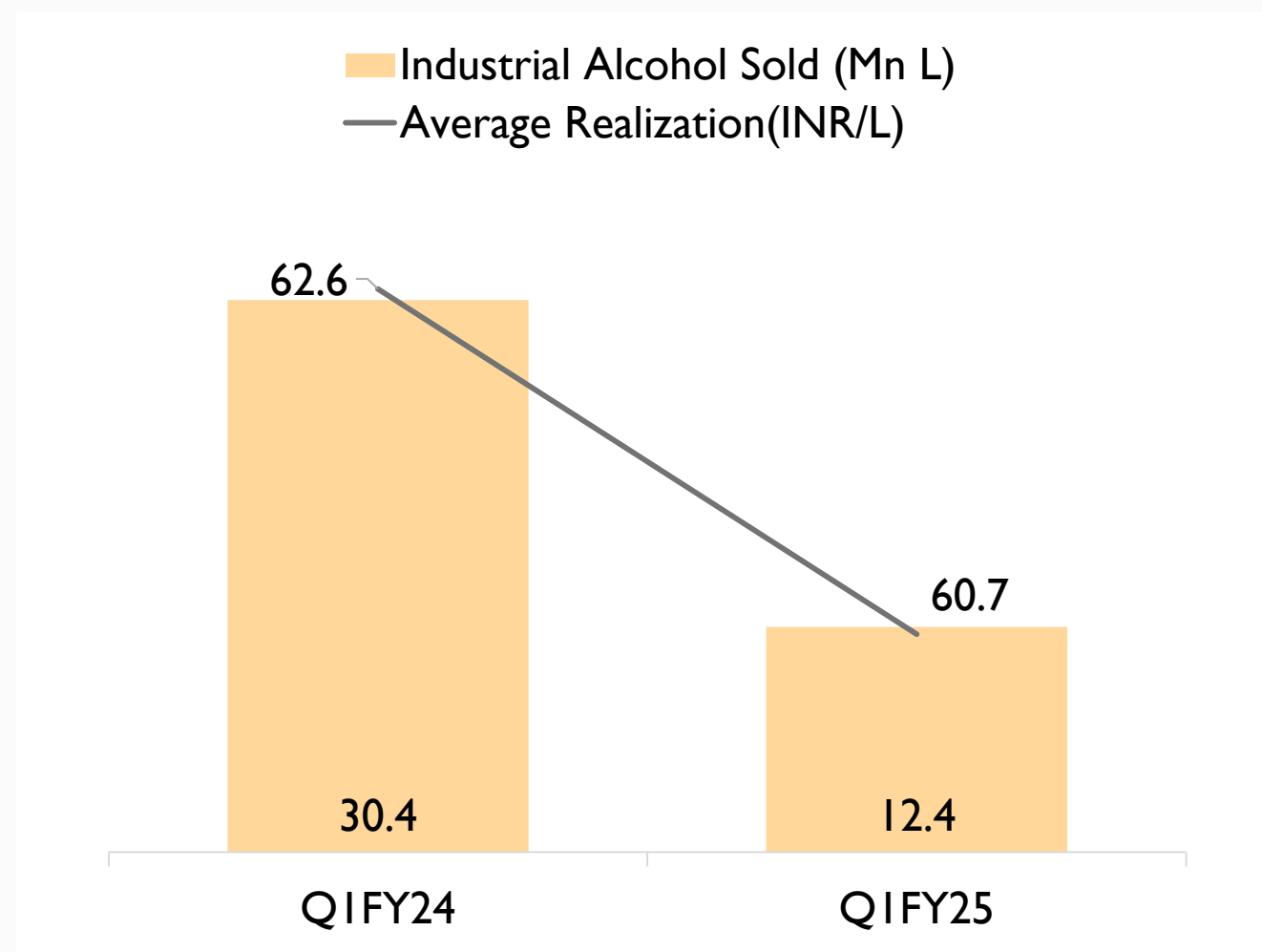
Due to early closure of season, there was virtually no power revenue during Q1 FY 25 whereas revenue of ₹ 112 million was generated from evacuation & sale of power during the corresponding quarter last year



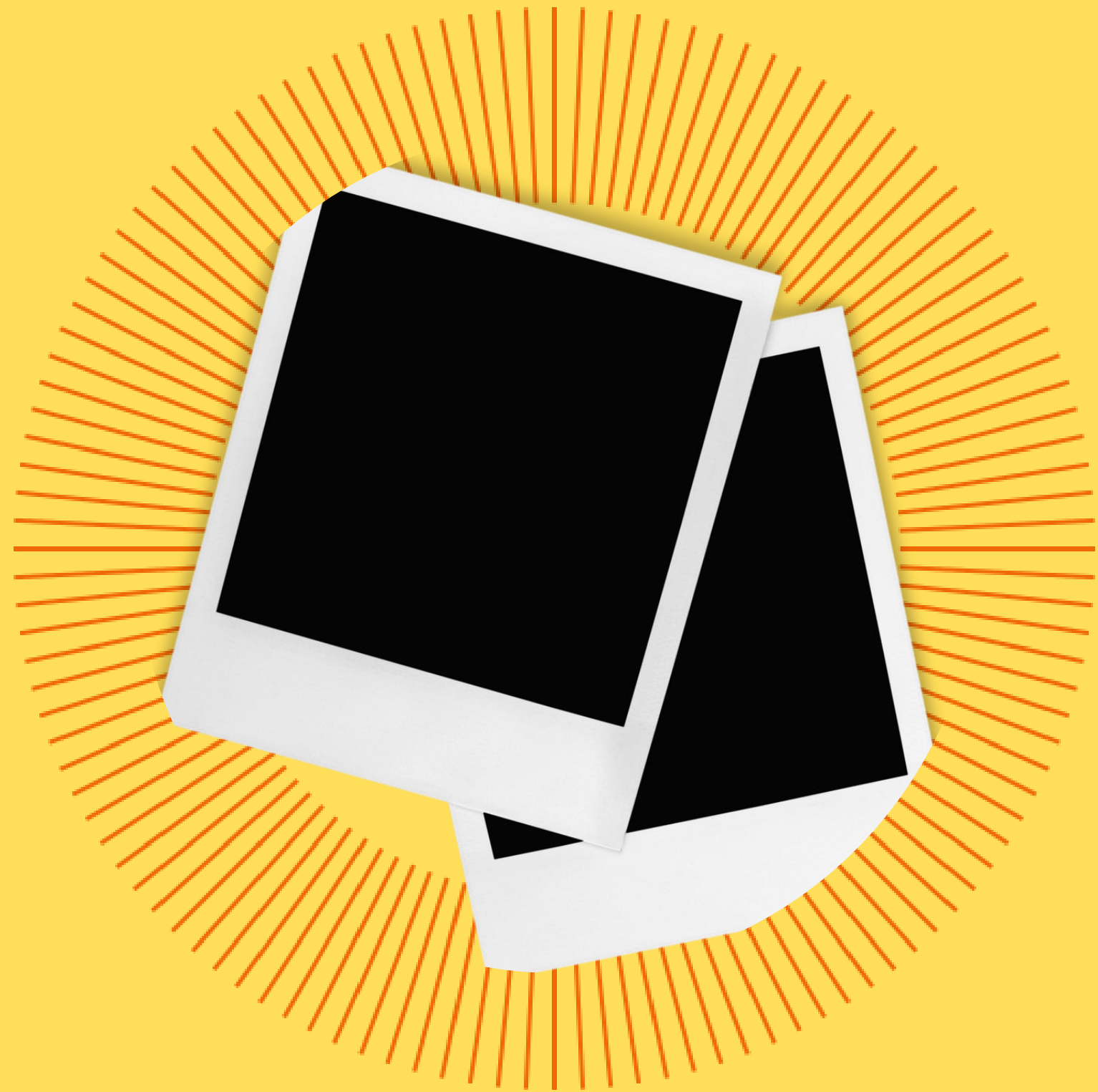
Distillery quarterly snapshot

The sale volume of Industrial Alcohol saw a decline of 60% in Q1 FY25 compared to the corresponding quarter of FY24.

Correspondingly, revenue also dropped by 59% during Q1 FY25 compared to the same period last year.



EBITDA Margin is EBITDA / Revenue from operations (including internal revenue)



Pictures of
our facilities

Dwarikesh Nagar unit (Bijnor district)



Dwarikesh Puram unit (Bijnor district)



Dwarikesh Dham unit (Bareilly district)



Dwarikesh Nagar distillery (Bijnor district)



Dwarikesh Dham distillery (Bareilly district)





THANK YOU