



DWARIKESH SUGAR INDUSTRIES LIMITED

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REF: DSIL/2023-24/226

October 20, 2023

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 Unaudited financial results for (Q2) quarter & half year ended September 30, 2023 and outlook

Dear Sir,

In furtherance of our letter no. DSIL/2023-24/221 dated October 27, 2023 with regard to financial results for (Q2) quarter and half year ended September 30, 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 (Q2) quarter and half year ended September 30, 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

Q2 & H1 FY24 RESULTS

DWARIKESH SUGAR INDUSTRIES LIMITED | 27 October 2023

QUARTER REVIEW | 1



SNAPSHOT

Mumbai, October 27, 2023: Dwarikesh Sugar Industries Ltd., today announced its unaudited financial results for the quarter and six months ended September 30, 2023.

In Q2 FY24, the company reported profit before tax (PBT) of Rs. 14.93 crore and profit after tax (PAT) of Rs. 10.26 crore as compared to PBT of Rs. 11.19 crores and PAT of Rs. 7.84 crores reported during Q2 FY23.

	Total Income	PBT	PAT	EPS
Q2 FY24	Rs. 448.68 crore	Rs. 14.93 crore	Rs. 10.26 crore	Rs. 0.55 per share
Q2 FY23	Rs. 542.42 crore	Rs. 11.19 crore	Rs. 7.84 crore	Rs. 0.42 per share
HI FY24	Rs. 1,020.22 crore	Rs. 74.01 crore	Rs 50.88 crore	Rs 2.70 per share
HI FY23	Rs. 1,190.83 crore	Rs. 67.89 crore	Rs 47.54 crore	Rs 2.52 per share
FY23	Rs. 2,117.00 crore	Rs. 152.51 crore	Rs. 104.81 crore	Rs. 5.57 per share

ISMA has announced the estimated sugar production for the current season is 31.7 million tons. This marks a decrease from 32.8 million tons of sugar produced during SS 2021-22. Estimated production number factors for 5 million tons of sugar redirected towards ethanol production. The weather has played truant and the onset of the monsoon was delayed, and there was heavy and persistent rainfall during the months of August and September in 2023.

In terms of sugar prices, there has been a notable resurgence. This comes after an extended period during which sugar prices remained stagnant and showed little fluctuation. Currently, sugar prices are ranging between Rs. 3,800 and Rs. 3,900 per quintal.

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



Key Numbers of P&L statement

Figures in INR crore except EPS

	Q2FY24	Q2FY23	H1FY24	H1FY23	FY23
Total Income	448.68	542.42	1,020.22	1,190.83	2,117.00
EBIDTA *	31.90	30.62	109.29	105.86	228.57
Finance cost *	3.50	6.16	9.01	13.93	25.85
EBDT *	28.40	24.46	100.28	91.93	202.72
PBT	14.93	11.19	74.01	67.89	152.51
Tax	4.67	3.35	23.13	20.35	47.70
PAT	10.26	7.84	50.88	47.54	104.81
EPS Rs. Per share	0.55	0.42	2.70	2.52	5.57

- Depreciation has been suitably adjusted to exclude amounts pertaining to pre-operative & trial period. Accordingly, EBIDTA & EBDT have been computed for H1 FY23.



SYNOPSIS

- During the second quarter of the fiscal year 2024 (Q2FY24), the quantity of sugar sold was 7.19 lakh quintals. This marks a decline from the domestic sugar sales of 11.49 lakh quintals during the corresponding quarter in the previous year. Average realization on sugar sold during the quarter was Rs. 3696 per quintal vis-à-vis realization of Rs. 3493 per quintal during the corresponding quarter last year.
- During H1FY24 is 16.89 lakhs quintals (all domestic) of sugar was sold as compared to 26.78 lakh (including export of 5 lakh quintals) quintals of sugar sold during corresponding quarter last year. Average realization on sugar sold during the H1 was 3645 per quintal vis-à-vis realization of Rs. 3480 per quintal during the corresponding H1 last year.
- Sugar stock as on 30th September 2023 was 2.68 lakh quintals as compared to stock of 1.81 lakh quintal as on 30th September 2022. The sugar stock at the end of H1FY24 is valued at Rs. 3534 per quintal.
- Industrial Alcohol sold during Q2FY24 and H1FY24 is 28,736 KL and 59,090 KL respectively as compared to 22,257 KL and 37,892 KL sold during corresponding periods last year. During H1FY24, 11,388 KL of industrial alcohol sold was made from sugarcane juice / syrup directly. Rest of the quantity sold was made from B heavy molasses whereas during H1FY23 entire quantity of industrial alcohol sold was made from B heavy molasses.
- On 30th September 2023, the company had outstanding long-term loans of Rs. 258.37 crore including SEFASU 2018 loan of Rs. 20.17 crore. Balance amount of Rs. 238.20 crore is in respect of loans availed for the distillery projects, which includes loan of Rs. 185.60 crores for the new distillery project at DD unit. All the outstanding long-term loans are at concessional rate of interest.



- 🌱 The sugar industry in Uttar Pradesh is burdened with a significant increase in molasses levy obligations, primarily due to a flawed calculation method introduced in the amended molasses policy on April 28, 2023. This amendment pertains to the Molasses Year 2022-23. Under this revised policy, B heavy and C heavy molasses are treated as equivalent, disregarding the traditional distinction made based on their respective alcohol output. This departure from the original Molasses Policy, as initially notified by the State Government is a retrograde step.
- 🌱 In the financial results for the quarter ending September 30, 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 crores for the quarter ending September 30, 2023. This has also resulted in the deprivation of the opportunity to utilize B heavy molasses for ethanol production and hinders the sugar mills from capitalizing on the potential for ethanol production.
- 🌱 The crushing operations for the sugar season 2023-24 at the DN & DP unit are scheduled to begin on the 31st of October, while the DD unit is set to commence its operations on the 5th of November, 2023. Higher-than-normal rainfall experienced during the months of August and September, as well as the presence of the red-rot pest in the Bijnor district has cast uncertainty over the potential for higher crushing and recovery rates, although every effort will be made to mitigate the adverse impact. 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.



- 🌱 In the upcoming SS 2023-24, we shall adhere to the same production template that was implemented during the previous season, SS 2022-23. This involves the direct production of ethanol from cane juice / syrup at both of our distilleries throughout the season. Additionally, we will continue to generate B heavy molasses across all our units. The B heavy molasses will be used for ethanol production during the off-season.
- 🌱 Your company enjoys long term rating of (ICRA) AA- (pronounced as AA minus). The outlook assigned is 'Stable'. Your company has also retained the highest rating of A1+ from ICRA for its CP program of ₹ 300 crores.



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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