



DWARIKESH SUGAR INDUSTRIES LIMITED

Corp. off.; 511, Maker Chambers V, 221, Nariman Point, Mumbai – 400021. Tel.: 2283 2486, 2204 2945, Fax: 2204 7288
E Mail: dsilbom@dwarikesh.com Website: www.dwarikesh.com, CIN: L15421UP1993PLC018642

REF: DSIL/2024-25/201

October 28, 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: 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 (Q2) and half year ended September 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,

For Dwarikesh Sugar Industries Limited

BJ Maheshwari
Managing Director & CS cum CCO
DIN: 00002075

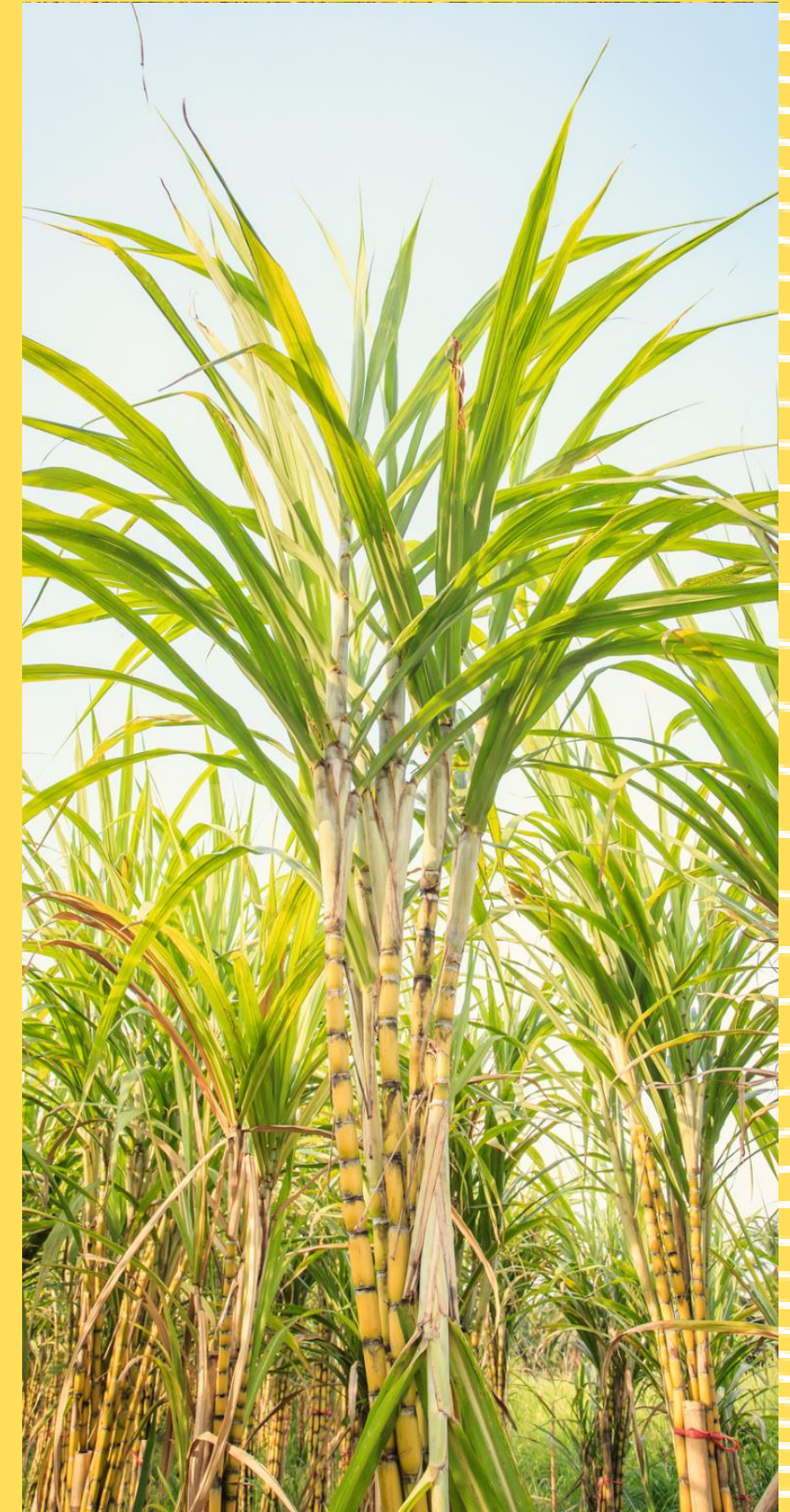
Encl: as above




Investor Presentation

Company Performance
Q2 & HI FY25 Results

Date
28 October 2024





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Safe harbor statement





You are cordially invited to Q2 and HI FY25 earnings conference call of
Dwarikesh Sugar Industries Limited
on
Tuesday, 29th October 2024 at 2.00 PM



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

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

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: USA | 866 746 2133

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Earnings Call

For further information, please contact:

Nitesh Dhoot
VP - Research

Dolat Capital Market Pvt. Ltd.
(D) +91 22 4096 9763 / 98307 97100
Email: niteshd@dolatcapital.com

Krushna Parekh
Associate

Dolat Capital Market Pvt. Ltd.
(D) +91 22 4096 9755 / 96196 94541
Email: krushnap@dolatcapital.com





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- ❑ S&P Global Commodity Insights reports that the supply and demand surplus for 2023-24 has decreased to 4.46 MMT, while the estimated surplus for 2024-25 has fallen to 3.06 MMT. In Brazil, the Center-South (CS) region experienced the largest production cut for 2023-24. S&P has also downgraded production estimates for India and Cuba, with slight increases in the U.S. and Brazil's NNE.
- ❑ For the 2024-25 season, declining production in Brazil, India and Russia is overshadowing stronger output expectations in the EU and Mexico. Specifically, CS Brazil's sugar production forecast for the national crop year has been revised down to 39.3 MMT, with the sugar mix estimate dropping to 48.4%. This downward revision is primarily due to the impact of wildfires and prolonged dry weather.
- ❑ The sharp reduction in CS Brazil's production estimate has become a key factor driving global sugar prices, prompting an upward revision in the forecasted price range from 18-22 cents per pound to 21-25 cents per pound. In September 2024, New York sugar prices surged, reaching a nine-month high of 23.64 cents per pound for the March 2025 contract. However, prices have since moderated. Meanwhile, London white sugar is currently being quoted at approximately US\$ 570 per metric ton.
- ❑ Sugar production for the 2023-24 season is pegged at around 32 million tons, after factoring for diversion of around 2 million tons for ethanol production. According to ISMA, the closing stock is estimated at 9 million tons, based on a consumption figure of approximately 28.5 million tons.
- ❑ According to the Indian Sugar & Bio-energy Manufacturers Association (ISMA), gross sugar production for the 2024-25 season is anticipated to be around 33.3 million tons. However, these forecasts are subject to change as conditions evolve, and more accurate predictions are expected in the coming months as we gain clarity on crop yields and recoveries. It is estimated that around 4 million tons of sugar production will be redirected for ethanol production. As a result, net sugar production could exceed 29 million tons. The reduced estimate for gross sugar production can be attributed to decrease in cane area, particularly in Maharashtra and Karnataka. Additionally, the beginning of the new harvest season in Maharashtra faces potential delay of 3 to 4 weeks. This delay is linked to the upcoming State Government elections, as well as the later-than-usual retreat of monsoon rains.

- ❑ As of September 30, 2024, India achieved a blending ratio of 13.8% during the Ethanol Supply Year (ESY) 2024. Of the total 733 crore liters contracted for blending, 585 crore liters have been supplied. The 13.8% blending target was met through the use of 607 crore liters of ethanol. Out of the 585 crore liters supplied, 252 crore liters were produced from sugar-based feedstock, while the remainder came from grain-based sources. Specifically, of the 252 crore liters from sugar based feedstock, 62 crore liters were derived from sugarcane juice, 137 crore liters from B-heavy molasses, and the rest from C-heavy molasses.
- ❑ The Government has lifted restrictions on the use of cane juice, syrup, and B-heavy molasses as feedstock for ethanol production. This policy shift has the potential to divert up to 4 million tons of sugar toward ethanol, with the expectation that ethanol production will increase significantly in the Ethanol Supply Year (ESY) 2025. The resumption of the ethanol blending program is a positive development for the industry. The Government is yet to announce price increase for ethanol derived from sugarcane juice, syrup, and B-heavy molasses.
- ❑ During the Sugar Season (SS) 2023-24, Uttar Pradesh 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 a notable 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. As per the initial estimates compiled by the Indian Sugar Mills Association (ISMA), gross sugar production in Uttar Pradesh for the 2024-25 sugar season (SS) is expected to be similar to the previous season (SS 2023-24). However, this projection is contingent upon several critical factors such as *a. Weather Conditions: Weather plays a vital role in determining both yields and recoveries. b. Impact of Red-Rot Disease: The full extent of the damage caused by red-rot disease will become clearer as the season progresses. c. The amount of sugarcane diverted to alternative uses, such as Khandasaris and Kolhus.*
- ❑ 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, thus depriving them of an opportunity to optimize ethanol production.

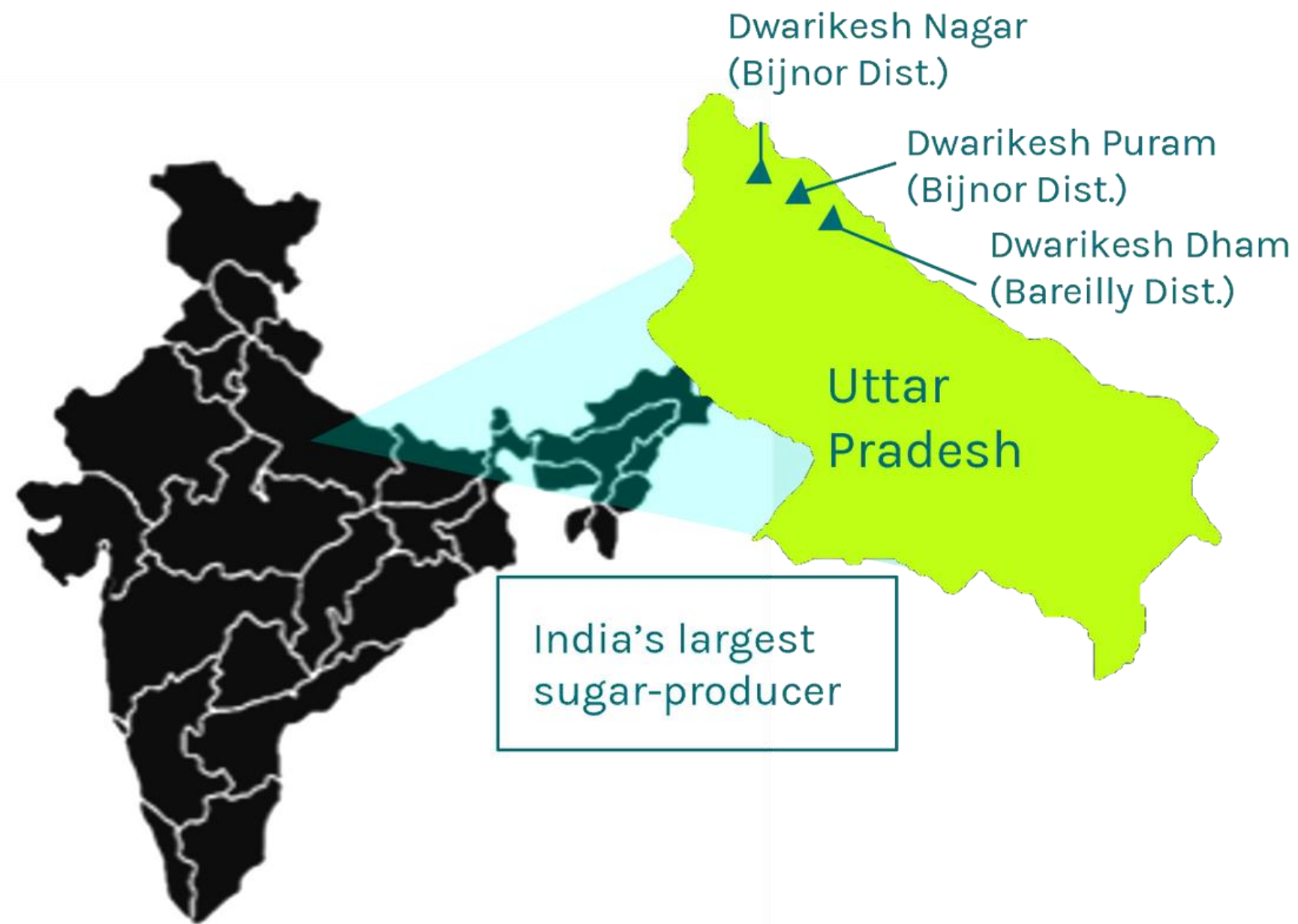
Sector outlook



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)

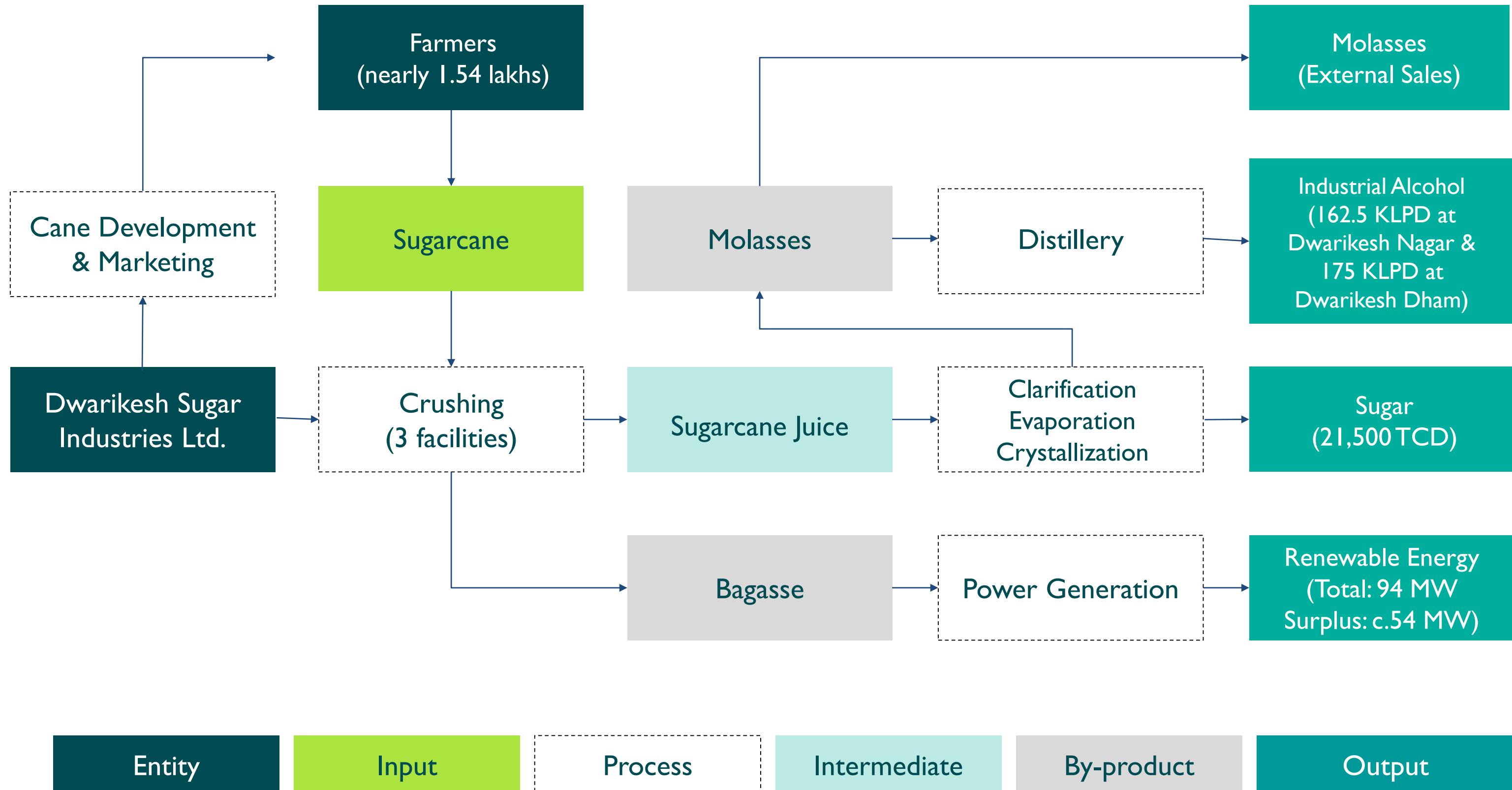


DWARIKESH DHAM

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

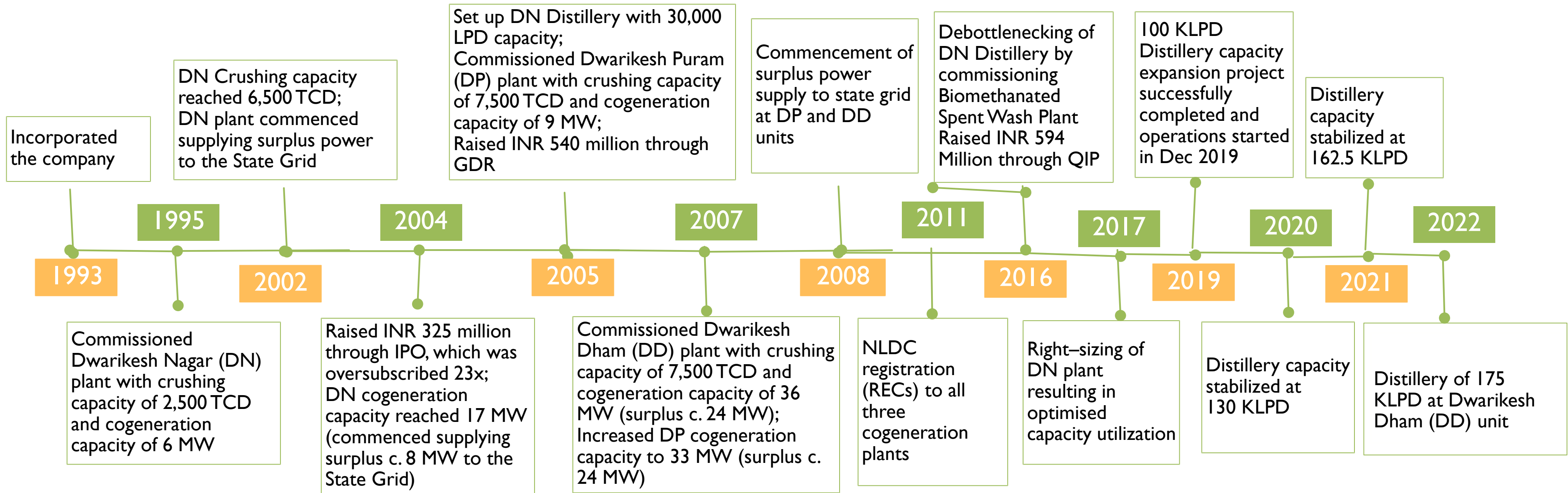
SENIOR EXECUTIVE VICE PRESIDENT (CORPORATE) & GROUP COMPLIANCE OFFICER

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

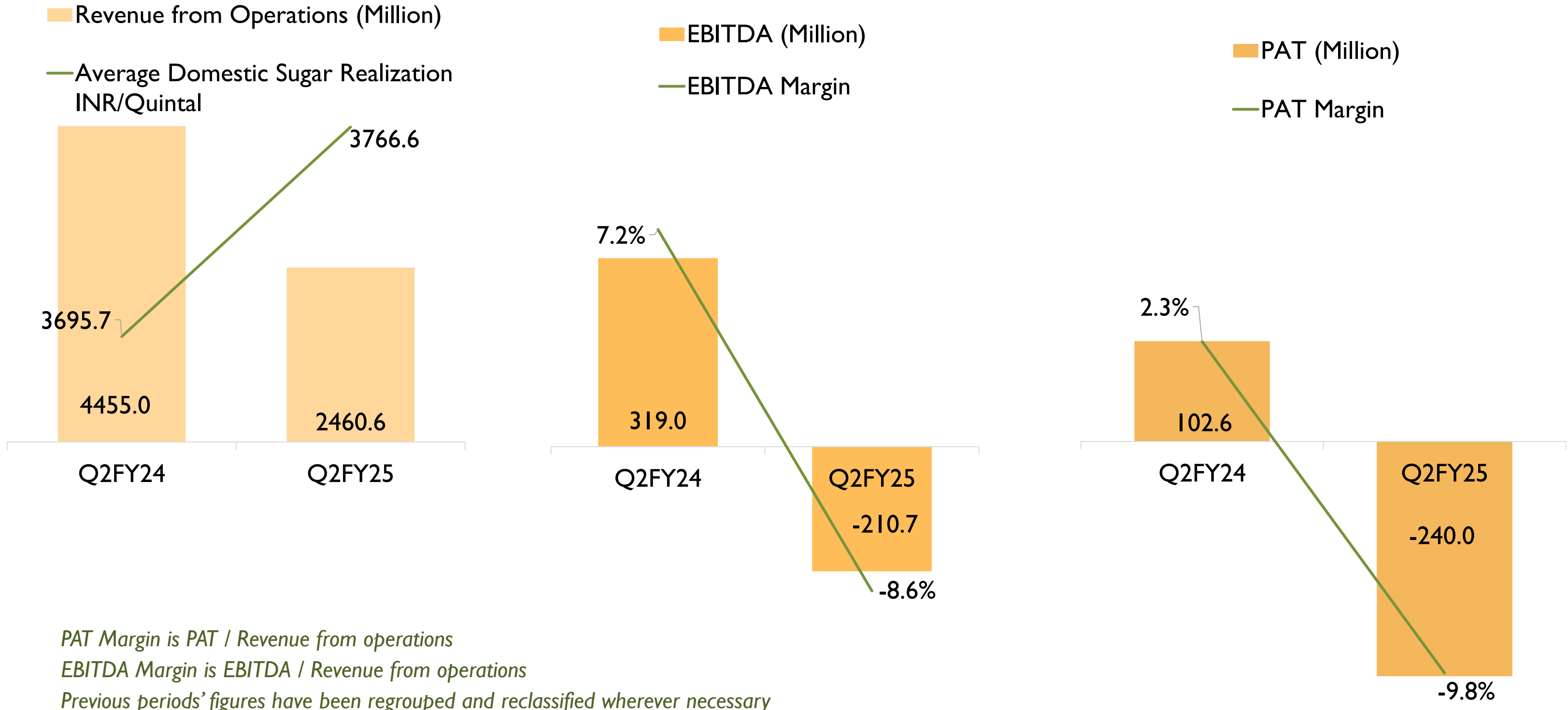
Q2 & H1 FY25

PERFORMANCE HIGHLIGHT

In INR million	Q2FY25	H1FY25	Q2FY24	H1FY24	FY24
Total Income	2,480.1	5,898.6	4,486.8	10,202.2	17,212.4
EBIDTA	-210.7	-181.8	319	1,092.9	2,166.2
PAT	-240	-337.2	102.6	508.8	835.2

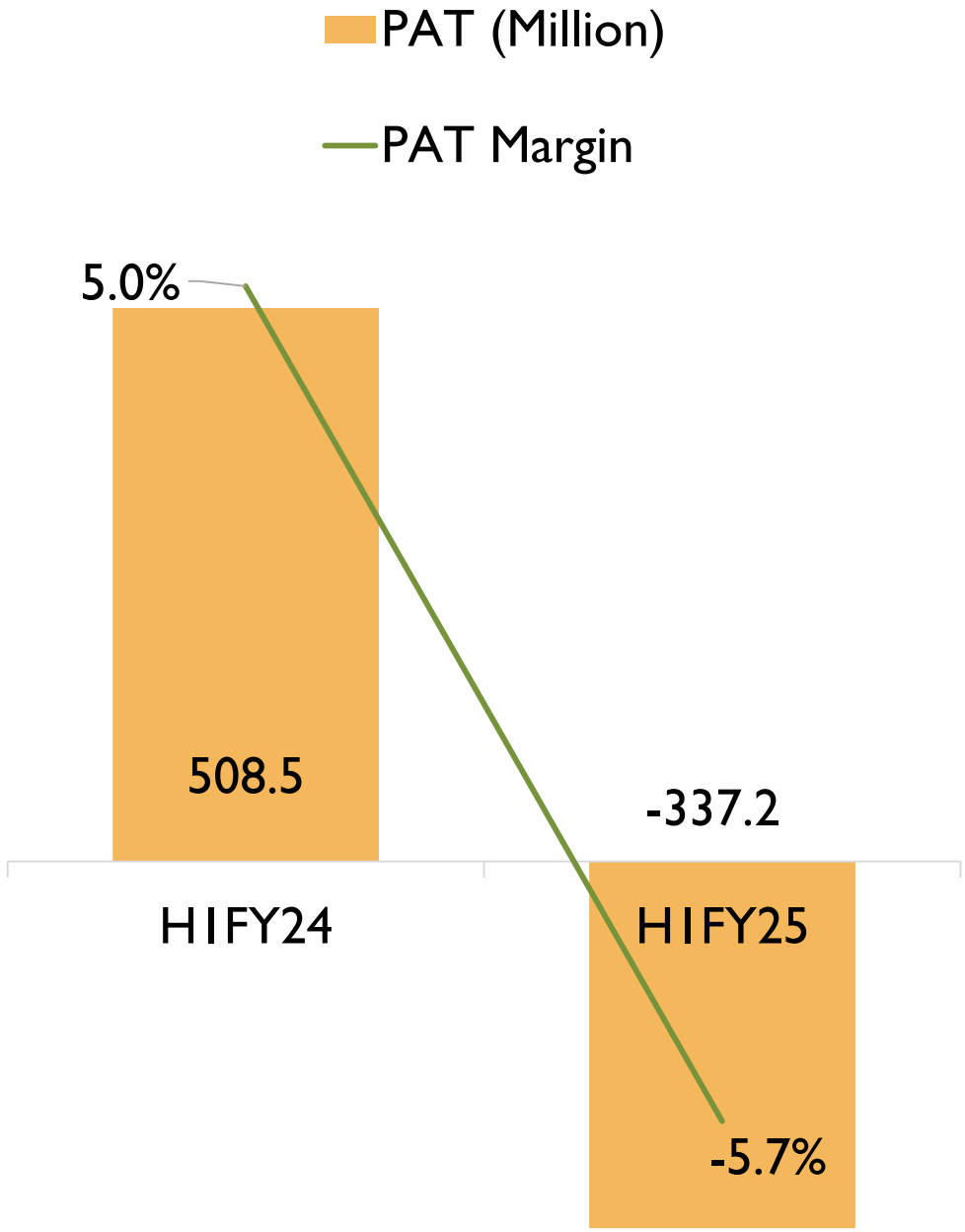
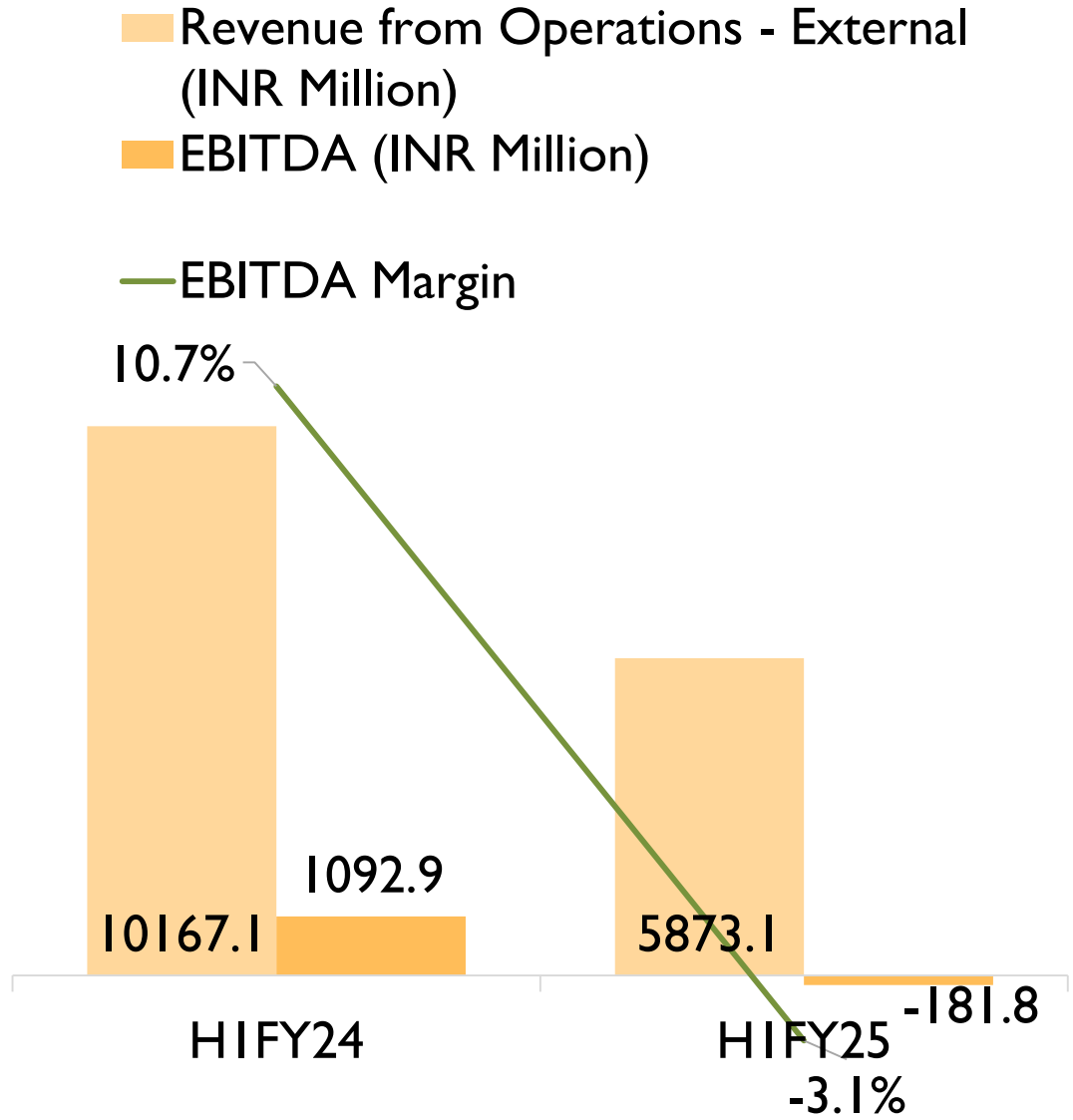
In INR	Q2FY25	H1FY25	Q2FY24	H1FY24	FY24
EPS	-1.29	-1.82	0.55	2.7	4.44

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*

Half yearly 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*

FINANCIALS - SUMMARY

In INR million

	Q2 FY25	HI FY25	Q2 FY24	HI FY24	FY24	REMARKS
INCOME						
Revenue from operations	2,460.6	5,873.1	4,455.0	10,167.1	17,095.7	<i>Lower during the Q2 & HI FY25 on account of lesser volume of sugar & ethanol sold.</i>
Other income	19.4	25.5	31.8	35.1	116.7	–
Total Revenue	2,480.0	5,898.6	4,486.8	10,202.2	17,212.4	–
EXPENDITURE						
Cost of material consumed	6.8	29.2	42.0	3,754.7	14,258.4	
Purchase of stock in trade	-6.5	55.8	5.0	84.4	111.2	–
Changes in inventories of finished goods, WIP and stock-in-trade	2,186.3	5,005.5	3,491.9	4,042.9	-1,777.3	–
Employees benefit expense	250.2	487.4	265.0	532.8	1,185.1	<i>Despite a year-on-year increase in personnel emoluments, staff costs have seen a notable decrease due to the cessation of crushing operations over the past six months. Additionally, significant reduction in distillery operations has further contributed to lower overall expenditure.</i>
Finance cost	26.5	82.2	35.0	90.1	201.3	<i>Lower on account of - Repayment of term loans as per stipulated schedule and Lesser utilization of cash credit limits.</i>

FINANCIALS - SUMMARY (continued)

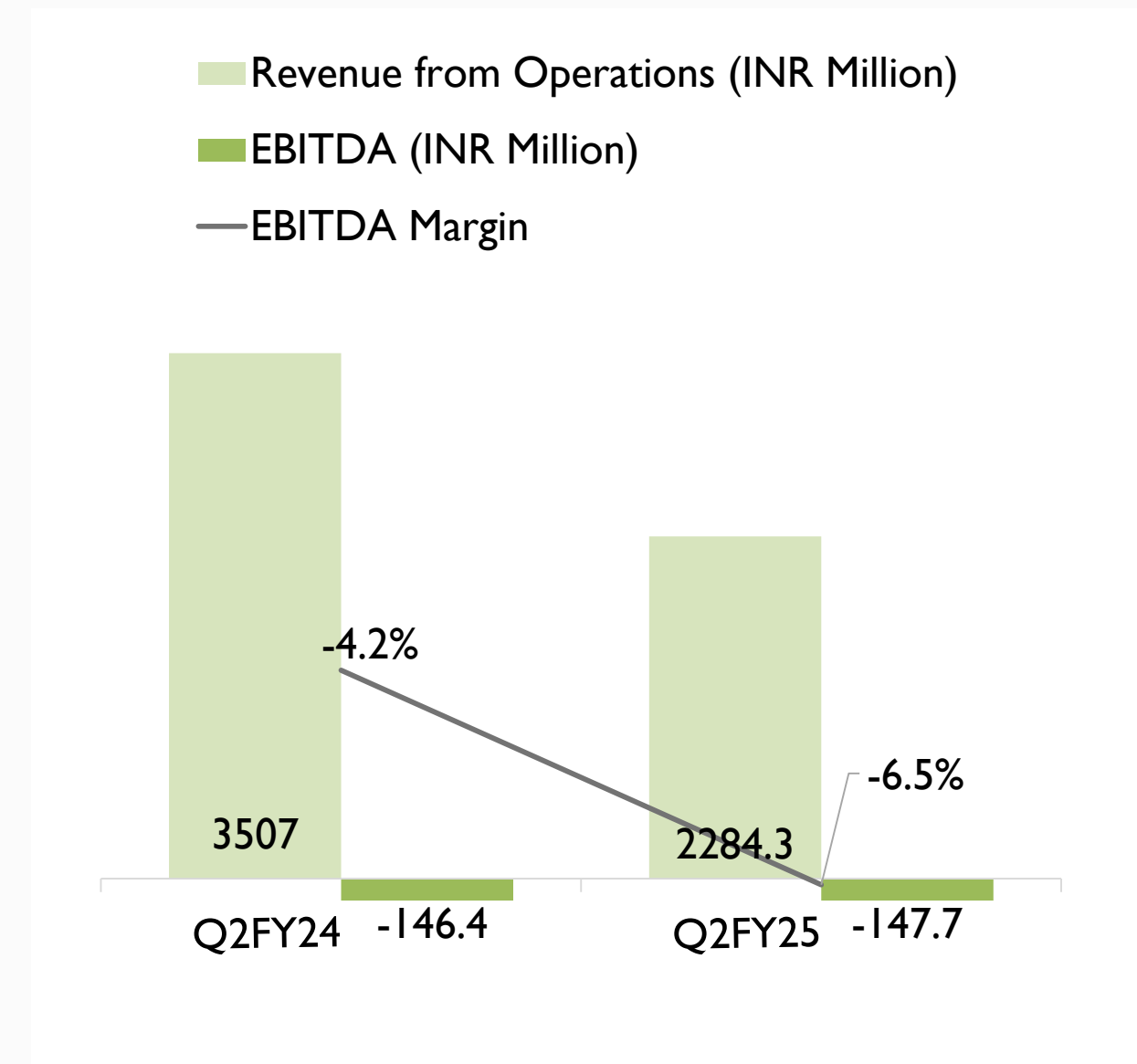
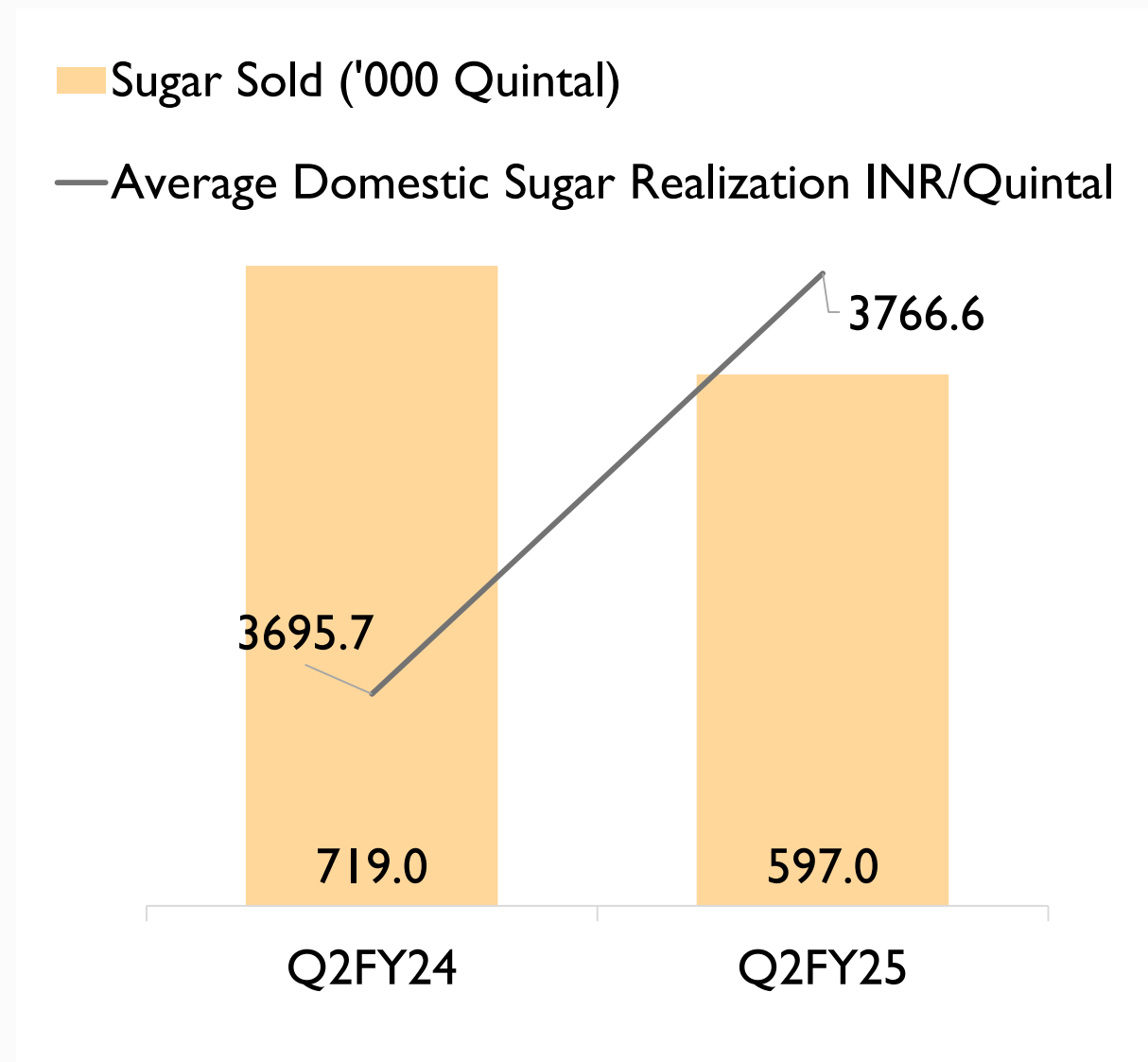
In INR million

	Q2 FY25	HI FY25	Q2 FY24	HI FY24	FY24	REMARKS
Depreciation and amortization expense	123.2	246.3	134.7	262.7	525.0	
Other expense	253.9	502.5	363.9	694.5	1,268.8	Other expenses have seen a reduction, aligning with the scale of the company's operations during the quarter & half year under review.
Total expenses	2,840.4	6,408.9	4,337.5	9,462.1	15,772.5	--
Profit / (loss) before taxes	-360.4	-510.3	149.3	740.1	1,439.9	The results for Q2 FY25 and HI FY25 were impacted by -
Tax expense	-120.4	-173.1	46.7	231.3	604.7	a. Lesser volume of sugar & ethanol sold. b. Complete cessation of sugarcane crushing activities and disrupted distillery operations during the period under review.
Profit for the period	-240.0	-337.2	102.6	508.8	835.2	c. The decreased crushing activity during the season led to a lower generation of molasses, which, after fulfilling levy obligations, further restricted the availability of molasses for ethanol production.
Other Comprehensive Income	-	-	-	-	-9.2	d. Curtailed operational activity resulted in the un-absorption of overhead costs,
Total Comprehensive Income	-240.0	-337.2	102.6	508.8	826.0	Additionally, 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.



Operational
trends

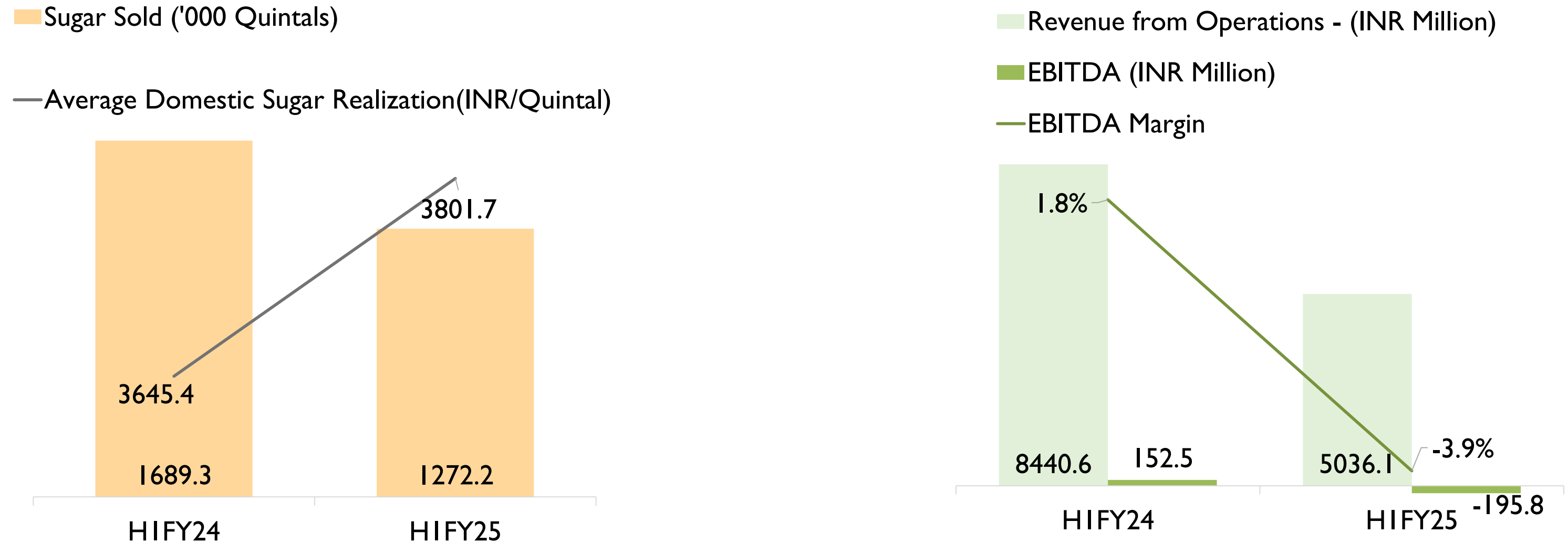
Sugar business - Quarterly snapshot



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

During Q2 FY25, domestic sugar sales volumes dropped by 17% compared to Q2 FY24. Average domestic sugar realizations though increased modestly. In Q2 FY25, the average realization rose by 2% to INR 3,767 per quintal compared to realizations of INR 3,696 per quintal during Q2 FY24. Overall it resulted in a decline in revenue from sugar sales, which decreased by 15% in Q2 FY25 compared to the same period last year.

Sugar business – Half-yearly snapshot



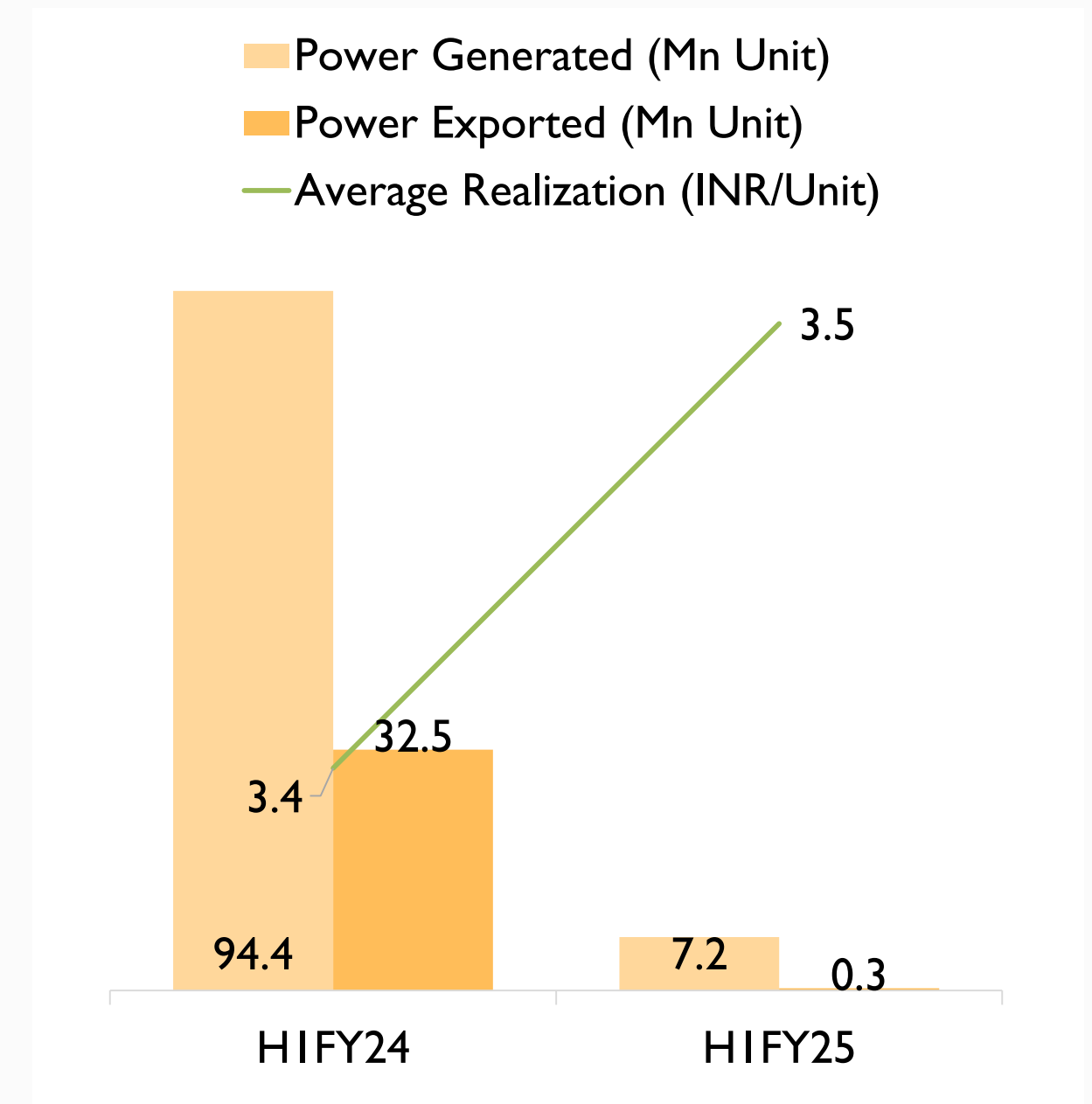
EBITDA Margin is EBITDA / Revenue from operations (including internal revenue)

- Crushing operations for the sugar season 2023-24 across all three units concluded in March 2024, resulting in no sugar production during HI FY24. However, during HI FY24, a notable 98.51 lakh quintals of sugarcane were processed.
- During HI FY25, domestic sugar sales volumes witnessed a notable decline, dropping 25% compared to HI FY24. However average domestic sugar realizations increased modestly. In HI FY25 the average realization rose by 4% to INR 3,802 per quintal, compared to realizations of INR 3,645 per quintal during HI FY24. Overall, it resulted in a decline in revenue from sugar sales, which decreased by 21% in HI FY25 compared to the same period last year.

Cogeneration data

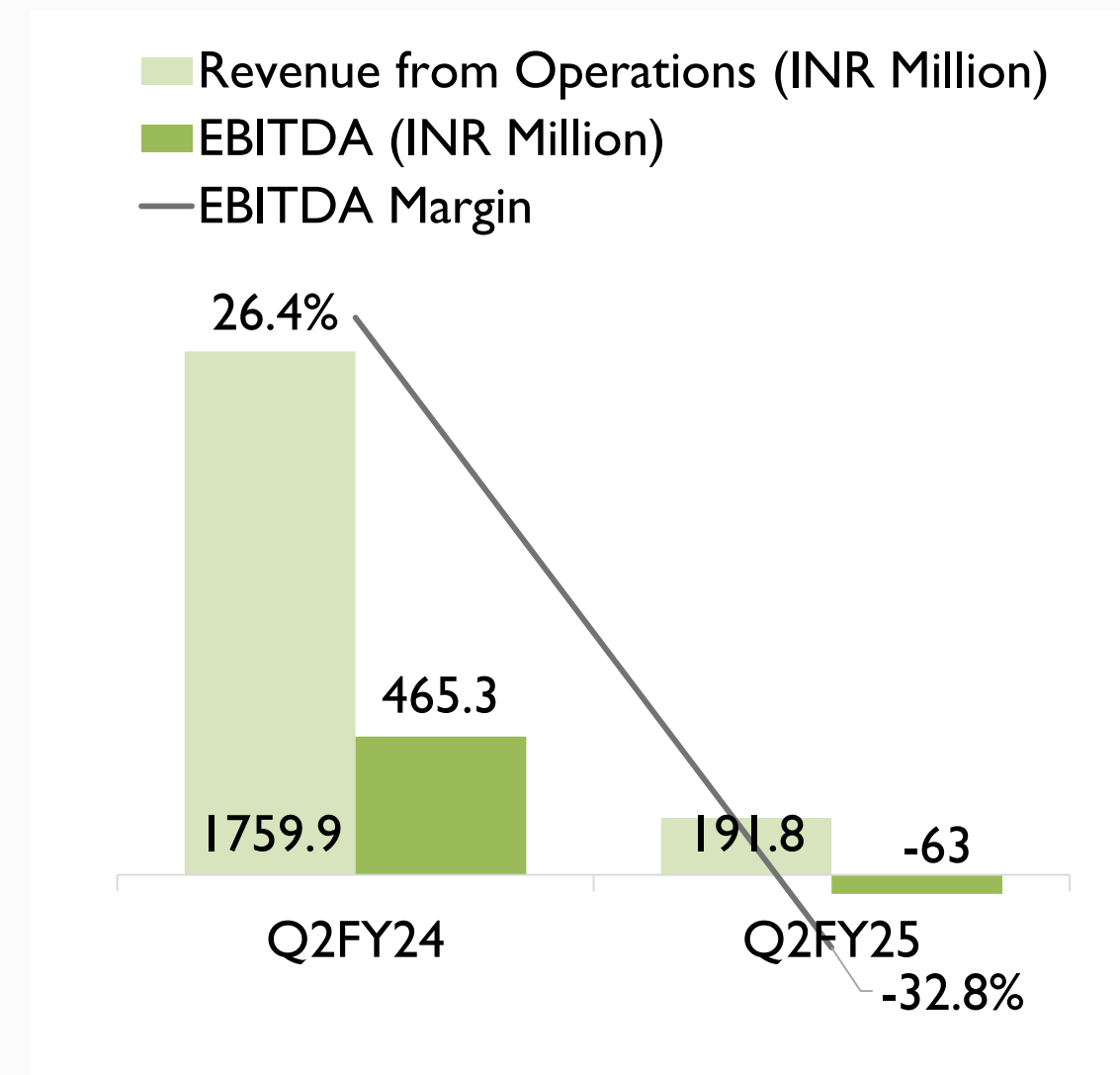
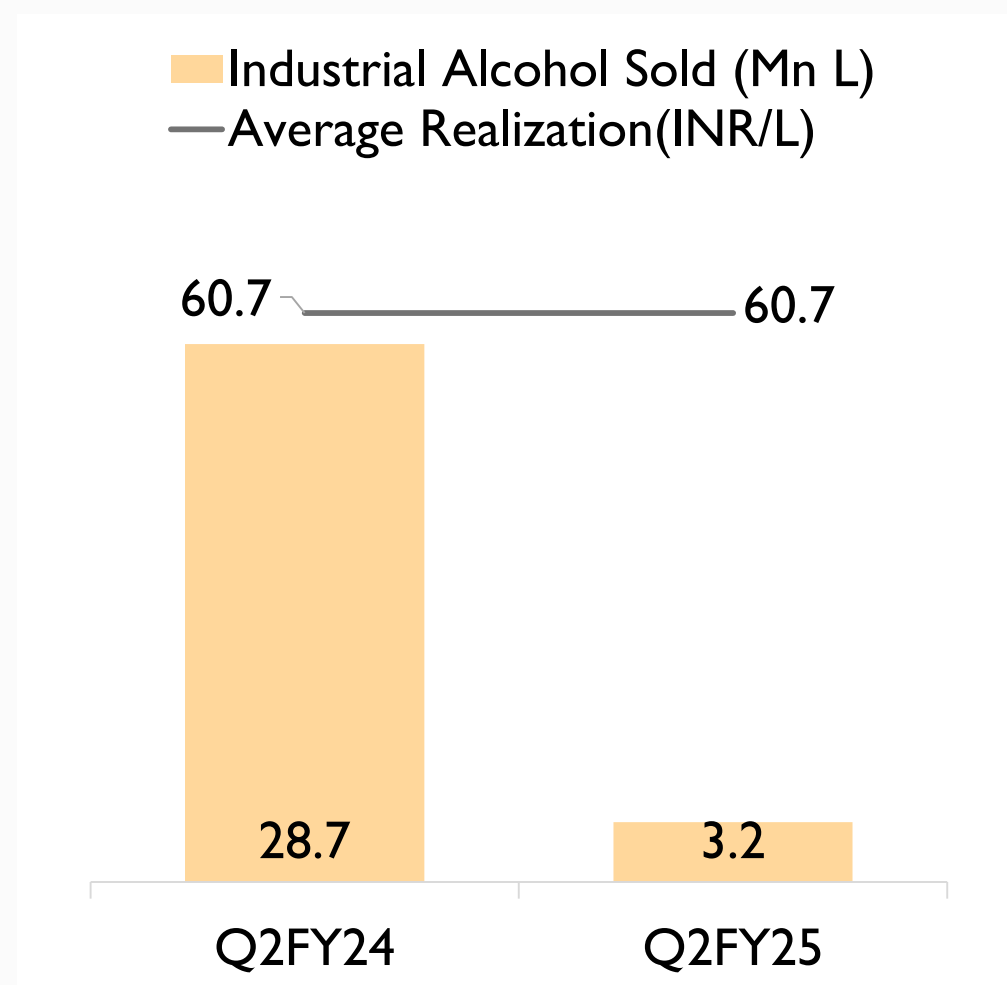
SNAPSHOT

Due to early closure of season, there was virtually no power revenue during HI FY25 whereas revenue of INR 112 million was generated from evacuation & sale of power during the corresponding period last year.



Distillery quarterly snapshot

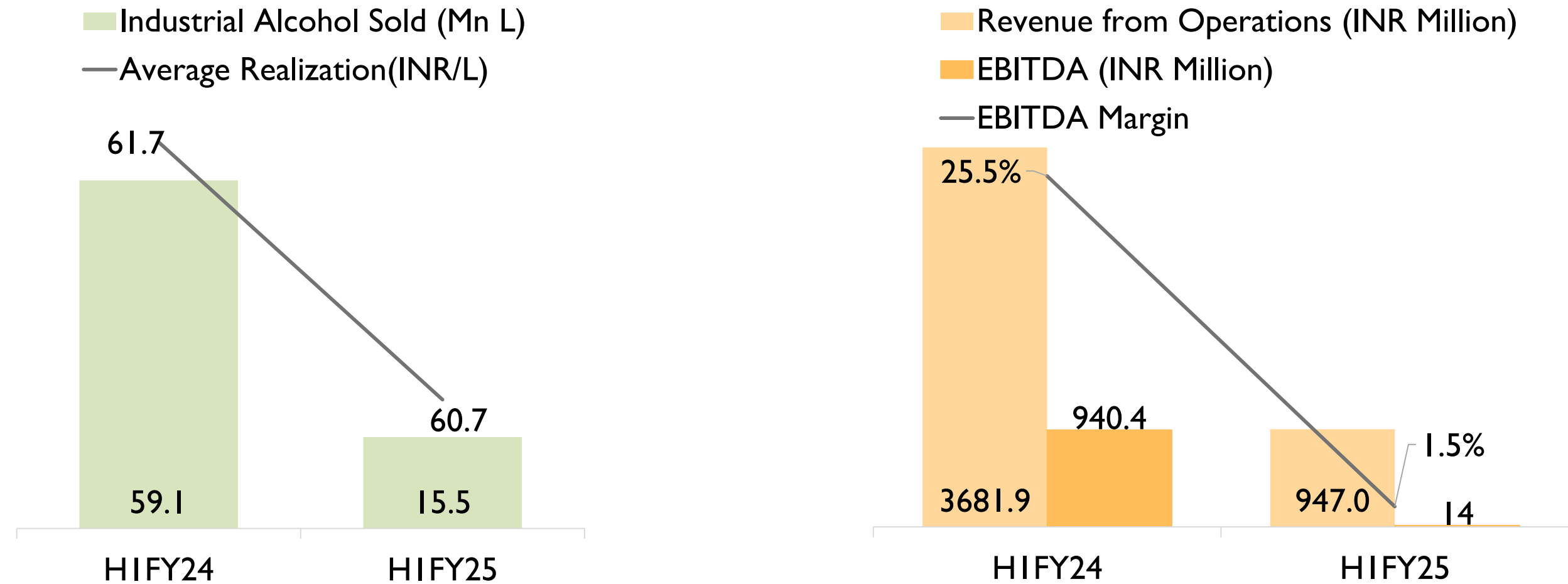
In Q2 FY25, ethanol production / sales faced challenges, as DN distillery operations ceased on May 25, 2024, and DD distillery operations ended on June 19, 2024, due to a lack of feedstock. Consequently, there was no ethanol production in Q2 FY25. This is as compared to a production of 275.90 lakh liters achieved during Q2 FY24. The sales volume and revenue from industrial alcohol also experienced decline, dropping by 89% compared to the corresponding period in FY24.



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

Distillery half-yearly snapshot

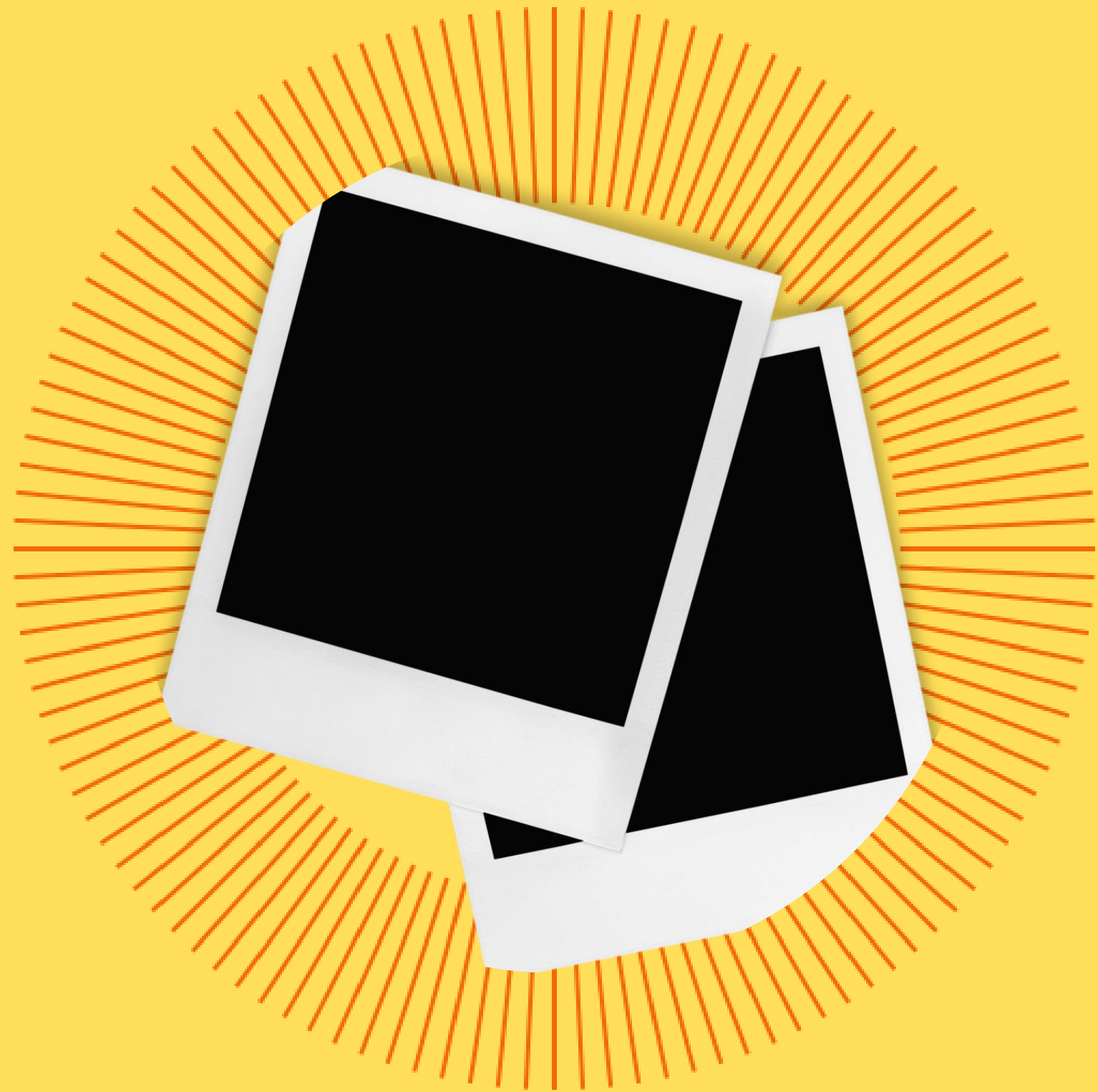
During HI FY25, a total of 98.07 lakh liters of ethanol was produced across both distilleries. This contrasts with the previous year, where production of 592.28 lakh liters was clocked during HI FY24. The sales volume and revenue during HI FY25 also dropped by 74% as compared to HI FY24.



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

Outlook

- ❑ To address the challenges faced during the 2023-24 sugar season (SS), our company has taken proactive measures. We have significantly ramped up efforts to phase out the Co 0238 variety, actively encouraging farmers to transition to newer, more resilient alternatives. There are optimistic expectations for improved crushing figures and a more diverse varietal mix, thanks to extensive efforts in crop protection and varietal enhancement aimed at tackling the challenges posed by adverse weather and red-rot pests. If weather conditions remain favorable, we could see substantial improvements within the next season or two. While the 2024-25 season may see partial recovery due to ongoing challenges, we remain optimistic about regaining our momentum by the 2025-26 season.
- ❑ However, the silver lining is that with the resumption of the ethanol blending program, our company will have the opportunity to optimize distillery operations despite the challenges of cane availability. During the season, both distilleries will utilize sugarcane juice and syrup as feedstock, while in the off-season, B-heavy molasses will be used. We expect sugarcane crushing across all units for SS 2024-25 to commence during the first week of November.



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

Vijay S. Banka

Managing Director (DSIL)
Email: vsbanka@dwarikesh.com

Poonam Saney

Adfactors PR Pvt. Ltd.
Email: poonam.saney@adfactorspr.com

Rohan Vora

Adfactors PR Pvt. Ltd.
Email: rohan.vora@adfactorspr.com