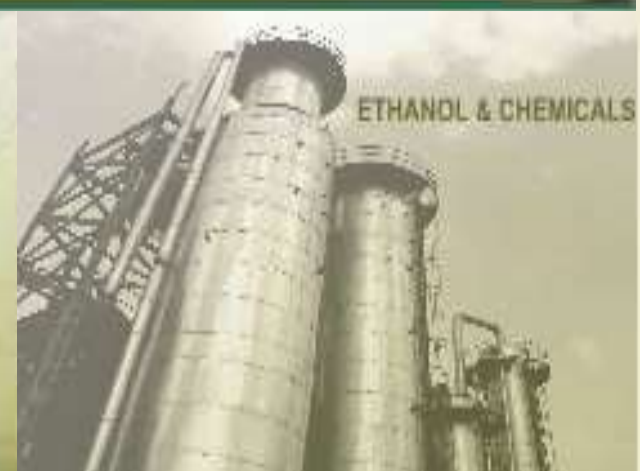


Dhampur Sugar Mills Limited

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Q1 & FY16 Results Presentation August 08, 2015

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Our Strengths



Multifaceted Operations

- Integrated operations comprising sugar, power generation and ethanol/chemicals
- Designed to overcome cyclicity in the sugar segment

Sugar

- Capacity of 45,500 TCD with over 1,700 TCD refined sugar capacity
- Ensure optimal mix between refined and crystallized sugar - results in higher blended realizations

Power Generation

- 205 MW capacity with 124 MW saleable capacity
- Highest Power-to-sugar capacity
- Multi-feed boilers ensure sustained supply of power

Ethanol/Chemicals

- Capacity of 3,00,000 LPD - Flexible manufacturing set-up enables switch between products - driven by prevailing margin scenario
- High Distillery / Chemical to Sugar Capacity

Financial Snapshot



Particulars (Rs. in Crore)	Q1 FY16	Q1 FY15	FY15	FY14
Revenues	511.73	388.89	1790.24	1822.80
EBIDTA	(26.45)	43.81	150.73	134.15
Depreciation	13.53	12.42	55.23	75.88
Interest	48.13	40.81	149.66	142.20
PBT	(88.11)	(9.42)	(54.16)	(83.94)
PAT	(88.11)	(9.42)	(12.83)	(78.35)

Segmental Overview



Revenues (Rs. in crore)	Q1 FY16	Q1 FY15	FY15	FY14
Sugar	457.33	379.86	1724.90	1618.67
Power	103.67	55.69	380.42	345.82
Ethanol/Chemicals	109.28	86.54	306.31	412.49

PBIT (Rs. in crore)	Q1 FY16	Q1 FY15	FY15	FY14
Sugar	(87.86)	1.44	(96.70)	(83.89)
Power	37.02	19.63	160.34	106.85
Ethanol/Chemicals	14.63	14.27	47.02	51.71

- India's sugar production for SS 14-15 estimated at around 28.30 million tonnes
- Consumption estimated at 25.0 million tonnes.
- SAP for SS 2014-15 at Rs. 280 per quintal, same level as last year, with following concessions:-
 - Waiver /refund of taxes/ Society commission of Rs. 11.40 per quintal.
 - Payable in two installments of Rs. 240 per quintal initially and Rs. 40 per quintal within three months of close of season.
 - Financial assistance upto Rs. 28.60 per quintal based on average sugar and its by-products and sale price from 1st October, 2014 to 31st May, 2015. Considering the said average price the company has accounted for Rs. 28.60 as financial assistance in FY 15 and Q1 FY16.
- Domestic sugar realizations are now trading at Rs. 23500 per tonne (ex-mill).
- Margins of the sugar business to be dependent on Government's action towards full linking of cane and sugar price. Any rational development on de-regulation expected to improve sugar scenario.

- The industry is making a strong representation to the government to take a balanced policy approach to improve the fundamentals of the sugar industry by implementing the recommendations of the Rangarajan Committee of linking cane and sugar prices.
- CCEA announced subsidy at Rs. 4000/MT on export of Raw Sugar from 01.04.2015
- Import duty on Raw Sugar enhanced from 25% to 40% w.e.f. 01.05.2015
- Enhanced power prices to further improve earnings from power segment
- Chemical/Ethanol business expected to contribute positively
- ❑ Supply of Ethanol at enhanced realizations of Rs. 41 per litre approx. following the 5% Ethanol blending program by CCEA
- ❑ Excise duty on Ethanol is reduced to zero for ensuing sugar season 2015-16.

Sugar Segment

- Cane crush for SS 14-15 is higher by 16.05% at 48.63 lakh tonnes against last year crushing of 40.83 lakh tonnes
- Sugar Production for SS 14-15 is higher by 23.94% at 4.66 lakh tonnes against last year production of 3.76 lakh tonnes
- Recovery % is also higher at 9.59% against last year figure of 9.21%
- Loss in Sugar Segment, given widening gap between sugar prices and cost of production

Power Segment

- The Company's current exportable co-gen capacity is at 124 MW available for full year
- Realizations to continue above Rs. 5 per unit
- The Company will continue with power sales even during the off-season given improved Bagasse availability due to higher Cane Crush
- Issuance and sale of REC's

Chemicals/Ethanol Segment

- Chemical/Ethanol business expected to contribute positively largely led by improvement in volume and realizations from RS/ENA/Ethanol
- Besides, the approval by CCEA on enhancing Ethanol prices to Rs. 41/- per litre approx. to boost earnings of this segment
 - The Company has received orders from OMC's which are being executed
 - Expanded Distillery capacity at Dhampur and Asmoli plants to 300,000 LPD running successfully
 - Focus on targeting business opportunities from segments that offers better margins

Financial initiatives and Interest cost

- The term debt as on June 30, 2015 stood at Rs. 632.20 Crore
- Rs. 63.55 Crore of SDF loan reflected in term loans
- Working Capital borrowings as on June 30, 2015 stood at Rs. 853 crore

Sugar Segment



Lac tonnes

Financial				Operational			
Particulars	Revenues (Rs. in cr)	Revenue Contribution %	PBIT (Rs. In cr)	Cane Crushed #	Sugar Production #	Sugar Sales [#]	Sugar Realizations (Rs./kg)
Q1 FY16	457.33	68.23	(87.86)	5.83	0.59	1.16	25.60
Q1 FY15	379.86	72.76	1.44	3.02	0.29	0.87	32.16
FY15	1724.90	71.52	(96.70)	45.82	4.36	3.97	30.17
FY14	1618.67	68.10	(83.89)	40.62	3.76	4.15	30.96

- Higher sugar sales volumes drive top line
- Lower sugar realizations subdued earnings
- Refined sugar '*Dhampure*', which has a premium, contributed to 43.34% of the total quantitative Sugar sales during Q1 FY16

crore units

Financial				Operational		
Particulars	Revenues (Rs. In cr)	Revenue Contribution %	PBIT (Rs. In cr)	Power Generation [#]	Power Export to UPPCL [#]	Realizations (Rs/unit)
Q1 FY16	103.67	15.47	37.02	14.66	10.27	5.07
Q1 FY15	55.69	10.67	19.63	10.04	7.31	4.50
FY15	380.42	15.77	160.34	57.06	37.31	4.71
FY14	345.82	14.55	106.85	53.75	33.25	4.31

- Enhanced Power generation at 14.66 cr. Units in Q1 FY16 against 10.04 cr. Units in Q1 FY15.
- Average realization per unit of power is enhanced to Rs. 5.07 in Q1 FY16 against Rs. 4.50 in Q1 FY 15.
- This segment continues to be a healthy contributor to profitability in a cyclical sugar business

Chemical/Ethanol Segment



Financial				Operational			
Particulars	Revenues (Rs.in cr)	Revenue Contribution %	PBIT (Rs. in cr)	RS/ Ethanol (Lac BL) Production Sales		Chemicals (Lac KG) Production Sales	
Q1 FY16	109.28	16.30	14.63	208.17	179.19	64.58	62.49
Q1 FY15	86.54	16.58	14.27	178.48	148.67	62.72	44.62
FY15	306.31	12.70	47.02	371.94	375.44	245.35	235.48
FY14	412.49	17.35	51.71	612.89	595.84	311.77	333.25

- Enhanced production and sale of Chemicals/Ethanol in Q1 FY16
- Average realizations for Chemicals stood at Rs. 53,021 per tonne in Q1 FY16 vis-à-vis Rs. 61,401 per tonne in Q1 FY15
- For Rectified Spirits/Ethanol/ENA/SDS, average realizations stood at Rs. 40,274 per KL in Q1 FY16 compared to Rs. 36,978 per KL in Q1 FY15