

Dhampur Sugar Mills Limited

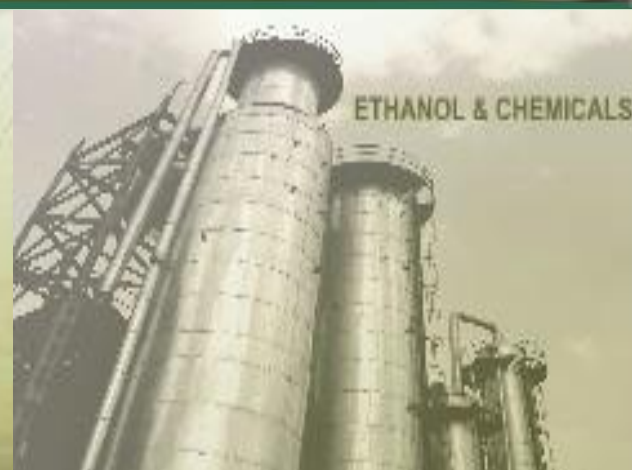
241, Okhla Industrial Estate Phase III, New Delhi – 110 020
www.dhampur.com



SUGAR



RENEWABLE POWER



ETHANOL & CHEMICALS

Q2 & H1 FY16 Results Presentation November 07, 2015

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Our Strengths



Multifaceted Operations

- Integrated operations comprising sugar, power generation and ethanol/chemicals
- Designed to overcome cyclicalities 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 (₹ crore)	Q2 FY16	Q2 FY15	H1 FY16	H1 FY15	FY15
Revenues	645.89	365.73	1157.62	754.61	1790.24
EBIDTA	45.39	(12.28)	18.94	31.52	150.73
Depreciation	11.36	10.25	24.89	22.67	55.23
Interest	41.07	36.88	89.19	77.68	149.66
PAT	(7.04)	(59.41)	(95.14)	(68.83)	(12.83)

Segmental Overview

Revenues (₹ crore)	Q2 FY16	Q2 FY15	H1 FY16	H1 FY15	FY15
Sugar	632.61	345.90	1089.94	725.76	1724.90
Power	38.33	5.41	142.00	61.10	380.42
Ethanol/Chemicals	91.70	45.85	200.98	132.39	306.31

PBIT (₹ crore)	Q2 FY16	Q2 FY15	H1 FY16	H1 FY15	FY15
Sugar	25.95	(25.35)	(61.56)	(26.40)	(96.70)
Power	7.17	0.91	44.18	20.53	160.34
Ethanol/Chemicals	5.31	5.86	19.95	20.13	47.02

- India's sugar production for SS 14-15 is 28.30 million tonnes & estimated production for the SS 15-16 is around 26.00 million tonnes
- Consumption estimated at 24.00 million tonnes for SS 15-16
- The U.P. Sugar Industries is awaiting announcement of SAP for the ensuing season
- 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
- Higher power prices to further improve earnings from power segment
- Chemical/Ethanol business expected to contribute positively
- Supply of Ethanol at enhanced realizations of ₹ 45 per litre approx., following exemption of Excise Duty on Ethanol for 2015-16 sugar season.
- Central Government has announced export of 4.00 million tonnes of Sugar against the production of SS 15-16, resulting in enhanced domestic realization

Sugar Segment

- Sugar Production for SS 15-16 is estimated higher as against the production of SS 14-15 at 4.66 lakh tonnes
- Recovery for the SS 15-16 is estimated higher as against the average recovery of 9.59% in SS 14-15

Power Segment

- The Company's current exportable power capacity is at 124 MW available for full year
- Realizations to continue above ₹ 5.00 per unit in the sugar season
- 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 is continued

Chemicals/Ethanol Segment

- Chemical/Ethanol business expected to contribute positively largely led by improvement in volume and realizations from RS/ENA/Ethanol
- Supply of Ethanol at enhanced realizations of ₹ 45 per litre approx., following exemption of Excise Duty on Ethanol for 2015-16 sugar season.
 - 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 Sept. 30, 2015 stood at ₹ 718.69 crore
- ₹ 55.50 crore of SDF loan reflected in term loan
- Working Capital borrowings as on Sept 30, 2015 stood at ₹ 446.64 crore

Sugar Segment



Financial

Particulars	Revenues (₹ cr)	Revenue Contribution %	PBIT (₹ cr)
Q2 FY16	632.61	82.95	25.95
Q2 FY15	345.90	87.10	(25.35)
H1 FY16	1089.94	76.06	(61.56)
H1 FY15	725.76	78.95	(26.40)
FY15	1724.90	71.52	(96.70)

Operational

Lac tonnes
@ Free+Levy

Cane Crushed#	Sugar Production#	Sugar Sales#@	Free Sugar Realizations (₹/kg)
--	--	1.77	23.89
--	--	0.98	32.09
5.83	0.59	2.93	24.57
3.02	0.29	1.85	32.13
45.82	4.36	3.97	30.17

- Earnings subdued due to higher production cost due to high cane price, compared to realizations
- Refined sugar '*Dhampure*', which has a premium, contributed to 44.28% of the total quantitative Sugar sales during Q2 FY16

Power Segment



Financial

Particulars	Revenues (₹ cr)	Revenue Contribution %	PBIT (` cr)
Q2 FY16	38.33	5.03	7.17
Q2 FY15	5.41	1.36	0.91
H1 FY16	142.00	9.91	44.18
H1 FY15	61.10	6.65	20.53
FY15	380.42	15.78	160.34

Operational

crore units

Power Generation [#]	Power Export to UPPCL [#]	Realizations (`/unit)
6.04	4.46	4.97
0.66	0.43	4.30
20.67	14.73	5.04
10.70	7.74	4.49
57.06	37.31	4.71

- Average realization per unit of power is enhanced to Rs. 5.04 in H1 FY 16 against Rs. 4.49 in H1 FY 15
- This segment continues to be a healthy contributor to profitability in a cyclical sugar business
- Dhampur continues to focus on this division to offset the cyclicity of the sugar business and expect this division to provide an earnings cushion during a down-cycle

Chemical/Ethanol Segment



Financial

Operational

Particulars	Revenues (₹ cr)	Revenue Contribution %	PBIT (` cr)	Chemicals (Lac KG)		RS/ Ethanol (lac BL)	
				Production	Sales	Production	Sales
Q2 FY16	91.70	12.02	5.31	26.20	38.79	110.74	166.69
Q2 FY15	45.85	11.54	5.86	11.68	33.89	27.27	54.83
H1 FY16	200.98	14.03	19.95	90.78	101.28	318.91	345.88
H1 FY15	132.39	14.40	20.13	74.40	78.51	205.75	203.49
FY15	306.31	12.70	47.02	371.94	375.44	245.35	235.48

- Higher sales volume combined with stable realizations improved performance
- Average realizations for Chemicals stood at ₹ 53240 per tonne in Q2 FY16
- For Rectified Spirits/Ethanol/ENA/SDS, average realizations stood at ₹ 40730 per KL in Q2 FY16