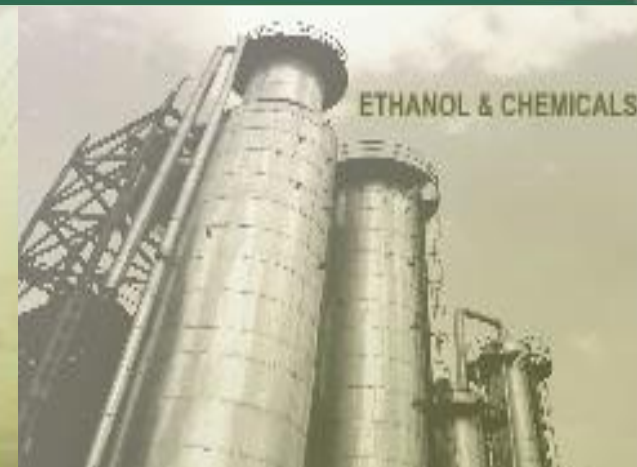


Dhampur Sugar Mills Limited

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Q2 & H1 FY16 Results Presentation November 07, 2015

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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 (₹ 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

Operational

Lac tonnes
@ Free+Levy

| Particulars | Revenues (₹ cr) | Revenue Contribution % | PBIT (₹ cr) | Cane Crushed# | Sugar Production# | Sugar Sales#@ | Free Sugar Realizations (₹/kg) |
|-------------|--------------------|------------------------------|----------------|------------------|----------------------|------------------|--------------------------------------|
| Q2 FY16 | 632.61 | 82.95 | 25.95 | -- | -- | 1.77 | 23.89 |
| Q2 FY15 | 345.90 | 87.10 | (25.35) | -- | -- | 0.98 | 32.09 |
| H1 FY16 | 1089.94 | 76.06 | (61.56) | 5.83 | 0.59 | 2.93 | 24.57 |
| H1 FY15 | 725.76 | 78.95 | (26.40) | 3.02 | 0.29 | 1.85 | 32.13 |
| FY15 | 1724.90 | 71.52 | (96.70) | 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

Financial

Operational

crore units

| Particulars | Revenues (₹ cr) | Revenue Contribution % | PBIT (` cr) | Power Generation# | Power Export to UPPCL# | Realizations (`/unit) |
|-------------|--------------------|---------------------------|----------------|----------------------|---------------------------|--------------------------|
| Q2 FY16 | 38.33 | 5.03 | 7.17 | 6.04 | 4.46 | 4.97 |
| Q2 FY15 | 5.41 | 1.36 | 0.91 | 0.66 | 0.43 | 4.30 |
| H1 FY16 | 142.00 | 9.91 | 44.18 | 20.67 | 14.73 | 5.04 |
| H1 FY15 | 61.10 | 6.65 | 20.53 | 10.70 | 7.74 | 4.49 |
| FY15 | 380.42 | 15.78 | 160.34 | 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