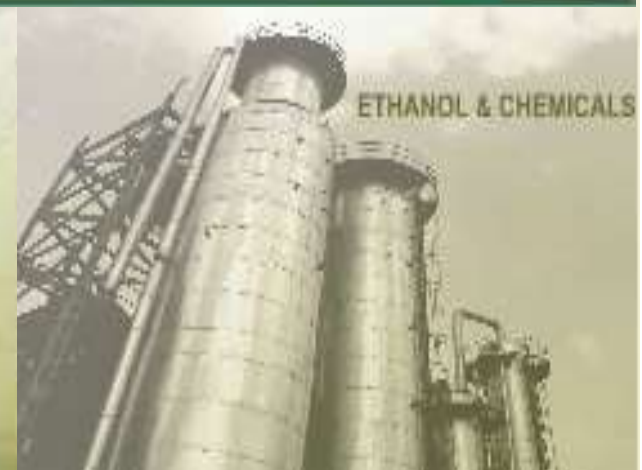


# Dhampur Sugar Mills Limited

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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



<b>Particulars (Rs. in Crore)</b>	<b>Q1 FY16</b>	<b>Q1 FY15</b>	<b>FY15</b>	<b>FY14</b>
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)
<b>PAT</b>	<b>(88.11)</b>	<b>(9.42)</b>	<b>(12.83)</b>	<b>(78.35)</b>

# Segmental Overview



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

<b>PBIT (Rs. in crore)</b>	<b>Q1 FY16</b>	<b>Q1 FY15</b>	<b>FY15</b>	<b>FY14</b>
<b>Sugar</b>	(87.86)	1.44	(96.70)	(83.89)
<b>Power</b>	37.02	19.63	160.34	106.85
<b>Ethanol/Chemicals</b>	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 1<sup>st</sup> October, 2014 to 31<sup>st</sup> 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

Particulars	Financial			Operational			
	Revenues (Rs. in cr)	Revenue Contribution %	PBIT (Rs. In cr)	Cane Crushed #	Sugar Production #	Sugar Sales <sup>#</sup>	Sugar Realizations (Rs./kg)
<b>Q1 FY16</b>	457.33	68.23	(87.86)	5.83	0.59	1.16	25.60
<b>Q1 FY15</b>	379.86	72.76	1.44	3.02	0.29	0.87	32.16
<b>FY15</b>	1724.90	71.52	(96.70)	45.82	4.36	3.97	30.17
<b>FY14</b>	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

# Power Segment



# crore units

Financial				Operational		
Particulars	Revenues (Rs. In cr)	Revenue Contribution %	PBIT (Rs. In cr)	Power Generation <sup>#</sup>	Power Export to UPPCL <sup>#</sup>	Realizations (Rs/unit)
<b>Q1 FY16</b>	103.67	15.47	37.02	14.66	10.27	5.07
<b>Q1 FY15</b>	55.69	10.67	19.63	10.04	7.31	4.50
<b>FY15</b>	380.42	15.77	160.34	57.06	37.31	4.71
<b>FY14</b>	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	
<b>Q1 FY16</b>	109.28	16.30	14.63	208.17	179.19	64.58	62.49
<b>Q1 FY15</b>	86.54	16.58	14.27	178.48	148.67	62.72	44.62
<b>FY15</b>	306.31	12.70	47.02	371.94	375.44	245.35	235.48
<b>FY14</b>	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