Stable sugar recovery, ethanol expansion to aid profits

About the stock: Dhampur Sugar (DSL) is one of the integrated sugar companies in UP with sugar crushing capacity of 23,000 tonnes crushed per day (tcd), distillery capacity of 250 kilolitres per day (KLD) and 121 MW of co-generation capacity. It also has ethyl acetate production capacity of 140 tonnes per day.

- Dhampur Sugar is expanding its distillery capacity by 130 KLD, which includes 100 KLD fungible grain-based distillery. Post expansion, it would be able to produce 15 crore ethanol per annum at peak capacity utilisation

Q3FY23 Results: DSL reported weak numbers with 3.2% sales de-growth.

- Sales were down 3.2% YoY due to lower domestic sugar sales quota
- EBITDA was at ₹ 86.2 crore, down 14.2% YoY, with margins at 15.8%
- Consequent PAT was at ₹ 46.4 crore (down 20.1% YoY)

What should investors do? DSL’s share price is down 25% in the last eight months from May-2022 (considering adjusted share price after de-merger in May 2022).

- We expect 2x increase in distillery volumes from 7.4 crore litre to 14.5 crore litre by FY25E, which would aid earnings CAGR to 16.4% during FY22-25E
- We assign BUY rating on the stock

Target Price and Valuation: We value the stock at ₹ 270, valuing the business at 10x FY24 PE.

Key triggers for future price performance:

- DSL will be commissioning its 130 KLD distillery capacity by March-2023, which would take its annual distillery capacity to 15 crore litre. Ethanol would contribute 36% to overall sales by FY25
- The company would be diverting more than 20% of its sugarcane towards sugarcane juice route to produce ethanol. This would result in 0.9-1.0 lakh tonnes sugar sacrifice compared to FY21
- We expect cumulative free cash flow of ₹ 650 crore in the next three years, which would fund capex, reduce debt levels & increase dividend payout

Alternate Stock idea: We also like Triveni Engineering in our sugar coverage.

- With distillery capex, it would increase its ethanol volumes from 11.8 crore litre in FY22 to 31.8 crore litre in FY25. Distillery sales to contribute 30% to total revenues in the next three years
- We value the stock at ₹ 360/share with BUY recommendation

Key Financial Summary

<table>
<thead>
<tr>
<th>Particulars</th>
<th>FY21 (₹ crore)</th>
<th>FY22 (₹ crore)</th>
<th>5 Year CAGR (FY17-22)</th>
<th>FY23E (₹ crore)</th>
<th>FY24E (₹ crore)</th>
<th>FY25E (₹ crore)</th>
<th>CAGR (FY22-25E)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Income</td>
<td>2158.1</td>
<td>1904.1</td>
<td>-5.92%</td>
<td>2429.8</td>
<td>2433.5</td>
<td>2528.4</td>
<td>9.9%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>276.7</td>
<td>291.4</td>
<td>-10.81%</td>
<td>308.4</td>
<td>346.3</td>
<td>366.9</td>
<td>9.9%</td>
</tr>
<tr>
<td>EBITDA Margin %</td>
<td>12.8</td>
<td>15.3</td>
<td></td>
<td>12.7</td>
<td>14.2</td>
<td>15.3</td>
<td></td>
</tr>
<tr>
<td>Net Profit</td>
<td>143.4</td>
<td>144.0</td>
<td>-8.90%</td>
<td>156.3</td>
<td>178.0</td>
<td>226.9</td>
<td>16.4%</td>
</tr>
<tr>
<td>EPS (₹)</td>
<td>21.60</td>
<td>21.70</td>
<td>-9.28%</td>
<td>23.54</td>
<td>26.82</td>
<td>34.18</td>
<td>16.4%</td>
</tr>
<tr>
<td>P/E</td>
<td>10.5</td>
<td>10.5</td>
<td></td>
<td>9.6</td>
<td>8.5</td>
<td>6.6</td>
<td></td>
</tr>
<tr>
<td>RoNW %</td>
<td>9.2</td>
<td>16.3</td>
<td></td>
<td>15.8</td>
<td>16.2</td>
<td>18.2</td>
<td></td>
</tr>
<tr>
<td>RoCE (%)</td>
<td>8.6</td>
<td>13.9</td>
<td></td>
<td>15.3</td>
<td>17.7</td>
<td>19.9</td>
<td></td>
</tr>
</tbody>
</table>

Source: Company, ICICI Direct Research
Key takeaways of recent quarter

Q3FY22 Results: Distillery expansion to increase ethanol capacity to 15 crore litre by FY25

- Revenue witnessed a dip of 3.2% to ₹543.8 crore, mainly impacted by 4.1% drop in sugar segment sales. Distillery sales & potable alcohol sales grew at a robust pace led by significant jump in volume.

- The decline in sugar segment sales was mainly due to 25.5% decline in sugar sales volumes to 0.73 lt. Domestic sugar sale quota dipped by 38% to 0.47 lakh tonnes (lt) during the quarter.

- The company received 0.71 lakh tonnes of export quota. Out of this, it exported 0.26 lt of sugar during the quarter. It sold off remaining 0.45 lt, which generated ₹16 crore of revenue in Q3FY23.

- Sugar realisation remained flat for both domestic & exports. Blended sugar realisation was ₹35.1 / kg. Sugar prices have remained in a tight range of ₹34-36 / kg from last one year despite lowest sugar inventory in last five years.

- The company is holding 0.71 lt of sugar inventory as of December 2022 at a valuation of ₹33.6 / kg compared to 1.03 lt valued at ₹32.3 / kg.

- Distillery sales grew by a robust 59% led by 43.7% growth in ethanol volumes & 9.9% growth in distillery realisation. The company sold 2.3 crore litre of ethanol at an average price of ₹63/litre.

- B-heavy ethanol contributed 32.5% (0.75 crore litre) to the total distillery volumes while ethanol produced from juice contributed remaining 67.5% (1.57 crore litre).

- Chemical business (Ethyl Acetate) sales were down 2.2% to ₹70.2 crore. The segment volume was up 26.5% to 85.34 lakh kg but realisation was down significantly. It is a low margin business (average 7-8%).

- In potable alcohol business, volumes grew 44.3% to 4.43 lakh cases. Net of excise, sales grew 32% to ₹11.1 crore in Q3. The company is merely breaking-even in this business. It is largely to fulfil state government’s levy obligation of 20% molasses / ENA supply at concessional price.

- Power sales were up 11.1% to ₹70 crore. Power volumes de-grew 5.6% to 5.7 crore units & power realisation was higher by 2.6% to ₹3.58 / units. Transfer pricing for bagasse of ₹1000/ tonne.

- Sugarcane crushing for the 2022-23 season is higher by 8.9% to 12.98 lakh tonnes. Gross sugar recovery is higher by 12 bps to 11.34%. The company is expected to divert 22% of sugarcane toward juice route for ethanol whereas remaining 78% towards B-heavy route.

- The company is expected to crush ~37 lt in FY23 while sugar recovery is likely to remain to the previous year levels (12.16% in FY22).

- Operating profit saw a decline of 14.2% to ₹86.2 crore mainly on account of lower profitability in sugar segment given sugar prices remain flat compared to increase in cost in 2021-22 season due to increase in sugarcane SAP prices. Distillery segment profit grew 30.5% to ₹35.9 crore on account of higher ethanol volumes.

- Net profit saw a dip of 20.1% to ₹46.4 crore impacted by de-growth in operating profit & higher tax provisioning. Long term debt was at ₹234.1 crore, a reduction of ₹78 crore.

- Transfer pricing for B-heavy molasses is ₹11 / litre. The cost of production for B-heavy & sugarcane juice ethanol is ₹43 / litre & ₹50/litre.
ICICI Direct Research

- Given, the difference is B-heavy ethanol & Juice ethanol realisation ₹ 5/ litre, profitability in sugarcane juice ethanol is lower by ₹ 2/litre. However, the company would be still producing Sugarcane juice ethanol to utilise its full distillery capacity. Moreover, this would further reduce the company’s dependency on sugar.

- Dhampur would be commissioning its 130 KLD distillery capacity, which would be fungible to produce grain, b-heavy & sugarcane juice ethanol. Though grain-based ethanol margins are currently very low, it would evaluate production on grain-based ethanol on prices of available grain & DDGS (by-product) prices.

- Sugar industry is expected to produce 34 million tonnes (MT) in 2022-23 sugar season whereas sugar consumption is likely to remain 27.5 MT according to latest estimate by ISMA.

- With export of 6.1 MT, sugar inventory is likely to remain ~6 MT (higher by 0.5 MT) as on September-2023. Any further reduction in sugar production would lead to ₹ 2-3/ kg increase in sugar prices from current ₹ 34.5 / kg.

Exhibit 1: Peer Comparison

<table>
<thead>
<tr>
<th>Sector / Company</th>
<th>CMP (₹)</th>
<th>TP (₹)</th>
<th>EPS growth (%)</th>
<th>EBITDA margins (%)</th>
<th>PE (x)</th>
<th>P/B (x)</th>
<th>RoCE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balrampur Chini (BALCHI)</td>
<td>364</td>
<td>485</td>
<td>Buy</td>
<td>FY22</td>
<td>FY23E</td>
<td>FY24E</td>
<td>FY22</td>
</tr>
<tr>
<td>Dalmia Bharat Sugar (DALSUG)</td>
<td>350</td>
<td>490</td>
<td>Buy</td>
<td>2834</td>
<td>10.0</td>
<td>14.2</td>
<td>13.5</td>
</tr>
<tr>
<td>Triveni Engineering (TRIENG)</td>
<td>273</td>
<td>360</td>
<td>Buy</td>
<td>6596</td>
<td>45.9</td>
<td>17.2</td>
<td>23.3</td>
</tr>
<tr>
<td>Dwarkesh sugar (DWASUG)</td>
<td>96</td>
<td>135</td>
<td>Buy</td>
<td>1802</td>
<td>6.6</td>
<td>4.4</td>
<td>56.1</td>
</tr>
<tr>
<td>Dhampur Sugar (DHASUG)</td>
<td>227</td>
<td>270</td>
<td>Buy</td>
<td>1509</td>
<td>0.5</td>
<td>8.5</td>
<td>13.9</td>
</tr>
<tr>
<td>Avadh Sugar (AVASUG)</td>
<td>484</td>
<td>750</td>
<td>Buy</td>
<td>969</td>
<td>60.3</td>
<td>25.2</td>
<td>28.4</td>
</tr>
</tbody>
</table>

Source: Company, ICICI Direct Research

Dhampur Sugar is aggressively diverting its sugarcane towards ethanol production, which has significantly reduced its dependence on sugar sales. We expect 2x increase in distillery volumes to 14.5 crore litre in FY25 from 7.4 crore litre in FY22. The higher ethanol sales & lower sugar sales would improve margins considerably for the company. Further, the company is experiencing higher sugarcane crushing & better sugar recovery in 2022-23 season compared to lower recovery by other companies. The better sugar recovery would reduce cost of production for the company. We expect strong 16.4% earning CAGR during FY22-25E. We remain positive on sugar industry on strong profitability growth in next two years. We assign BUY recommendation on the stock with a target price of ₹ 270 / share.
**Exhibit 2: Variance Analysis**

<table>
<thead>
<tr>
<th></th>
<th>Q3FY23</th>
<th>Q3FY22</th>
<th>YoY (%)</th>
<th>Q2FY23</th>
<th>QoQ (%)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Income</td>
<td>543.8</td>
<td>561.7</td>
<td>-3.2</td>
<td>541.2</td>
<td>0.5</td>
<td>Net sales witnessed a decline of 3.2% on account of 25% decline in sugar sales volumes. However, sugar exports &amp; 59% growth in distillery segment off-set negative impact of lower volumes</td>
</tr>
<tr>
<td>Other Operating Income</td>
<td>0.0</td>
<td>0.0</td>
<td>N.A.</td>
<td>0.0</td>
<td>N.A.</td>
<td></td>
</tr>
<tr>
<td>Raw Material Expenses</td>
<td>386.5</td>
<td>396.4</td>
<td>-2.5</td>
<td>450.4</td>
<td>-14.2</td>
<td></td>
</tr>
<tr>
<td>Employee Expense</td>
<td>22.1</td>
<td>19.0</td>
<td>16.2</td>
<td>22.2</td>
<td>-0.3</td>
<td></td>
</tr>
<tr>
<td>Other operating Expenses</td>
<td>49.1</td>
<td>45.8</td>
<td>7.0</td>
<td>37.7</td>
<td>30.2</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>86.2</td>
<td>100.4</td>
<td>-14.2</td>
<td>31.0</td>
<td>178.3</td>
<td>Operating profit was down by 14.2% mainly on account of higher cost of production given increase in sugarcane prices &amp; subdued recovery last season</td>
</tr>
<tr>
<td>EBITDA Margin (%)</td>
<td>15.8</td>
<td>17.9</td>
<td>-204 bps</td>
<td>5.7</td>
<td>1012 bps</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>13.8</td>
<td>13.3</td>
<td>3.8</td>
<td>10.3</td>
<td>-48.3</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>5.5</td>
<td>8.8</td>
<td>-38.0</td>
<td>10.5</td>
<td>34.6</td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td>0.2</td>
<td>0.5</td>
<td>6.6</td>
<td></td>
<td>-86.4</td>
<td></td>
</tr>
<tr>
<td>PBT</td>
<td>67.1</td>
<td>78.8</td>
<td>-14.8</td>
<td>16.7</td>
<td>301.3</td>
<td></td>
</tr>
<tr>
<td>Tax Outgo</td>
<td>20.7</td>
<td>20.7</td>
<td>0.0</td>
<td>5.2</td>
<td>298.7</td>
<td></td>
</tr>
<tr>
<td>PAT</td>
<td>46.4</td>
<td>58.1</td>
<td>-20.1</td>
<td>11.5</td>
<td>302.4</td>
<td>Net profit de-grew by 20.1% due to lower operating profit &amp; higher tax rate</td>
</tr>
</tbody>
</table>

**Exhibit 3: Change in estimates**

<table>
<thead>
<tr>
<th></th>
<th>FY23E</th>
<th>FY24E</th>
<th>FY25E</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>2,429.8</td>
<td>2,433.5</td>
<td>2,528.4</td>
<td>After de-merger of Dhampur Bio, we have prepared numbers separately</td>
</tr>
<tr>
<td>EBITDA</td>
<td>308.4</td>
<td>346.3</td>
<td>386.9</td>
<td></td>
</tr>
<tr>
<td>EBITDA Margin (%)</td>
<td>12.7</td>
<td>14.2</td>
<td>15.3</td>
<td></td>
</tr>
<tr>
<td>PAT</td>
<td>156.3</td>
<td>178.0</td>
<td>226.9</td>
<td></td>
</tr>
<tr>
<td>EPS (`)</td>
<td>23.5</td>
<td>26.8</td>
<td>34.2</td>
<td></td>
</tr>
</tbody>
</table>

**Exhibit 4: Assumptions**

<table>
<thead>
<tr>
<th></th>
<th>FY21</th>
<th>FY22</th>
<th>FY23E</th>
<th>FY24E</th>
<th>FY25E</th>
<th>FY23E</th>
<th>FY24E</th>
<th>FY25E</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sugar Sold (in tonne)</td>
<td>4,50,000</td>
<td>3,21,000</td>
<td>3,93,000</td>
<td>3,14,400</td>
<td>3,17,544</td>
<td>3,93,000</td>
<td>3,14,400</td>
<td>3,17,544</td>
<td>After de-merger of Dhampur Bio, we have prepared numbers separately</td>
</tr>
<tr>
<td>Sugar Price (` per tonne)</td>
<td>32,763</td>
<td>33,783</td>
<td>35,405</td>
<td>35,570</td>
<td>35,600</td>
<td>35,405</td>
<td>35,570</td>
<td>35,600</td>
<td></td>
</tr>
<tr>
<td>Distillery volume (KL)</td>
<td>75,099</td>
<td>73,718</td>
<td>95,300</td>
<td>1,35,000</td>
<td>1,45,000</td>
<td>95,300</td>
<td>1,35,000</td>
<td>1,45,000</td>
<td></td>
</tr>
<tr>
<td>Distillery price (` KL)</td>
<td>63.0</td>
<td>57.3</td>
<td>9.9</td>
<td>58.9</td>
<td>6.9</td>
<td>58.9</td>
<td>6.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Units sold</td>
<td>18.0</td>
<td>19.5</td>
<td>19.9</td>
<td>20.3</td>
<td>20.7</td>
<td>19.9</td>
<td>20.3</td>
<td>20.7</td>
<td></td>
</tr>
<tr>
<td>Price per unit (` per units)</td>
<td>3.4</td>
<td>3.5</td>
<td>3.5</td>
<td>3.6</td>
<td>3.6</td>
<td>3.5</td>
<td>3.6</td>
<td>3.6</td>
<td></td>
</tr>
</tbody>
</table>

Source: Company, ICICI Direct Research
### Key Metrics

#### Exhibit 5: Sugar sales volume (in lakh tonne)

Source: ICICI Direct Research, Company

#### Exhibit 6: Reduction in sugar recovery rate after higher proportion of sugarcane diversion towards B-heavy ethanol

Source: ICICI Direct Research, Company

#### Exhibit 7: Ethanol volumes (in crore litre)

Source: Company, ICICI Direct Research

#### Exhibit 8: Distillery segment (Ethanol) sales (₹ crore)

Source: Company, ICICI Direct Research

#### Exhibit 9: Revenue trend (₹ crore)

Source: Company, ICICI Direct Research

#### Exhibit 10: Adjusted PAT trend (₹ crore)

Source: Company, ICICI Direct Research

#### Exhibit 11: Valuation

<table>
<thead>
<tr>
<th></th>
<th>Sales (₹ cr)</th>
<th>Growth (%)</th>
<th>EPS (₹)</th>
<th>Growth (%)</th>
<th>PE</th>
<th>EV/EBITDA</th>
<th>RoNW (%)</th>
<th>RoCE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY22</td>
<td>1904.1</td>
<td>-11.8</td>
<td>21.7</td>
<td>0.5</td>
<td>10.5</td>
<td>7.9</td>
<td>16.3</td>
<td>13.9</td>
</tr>
<tr>
<td>FY23E</td>
<td>2429.8</td>
<td>27.6</td>
<td>23.5</td>
<td>8.5</td>
<td>9.6</td>
<td>7.1</td>
<td>15.8</td>
<td>15.3</td>
</tr>
<tr>
<td>FY24E</td>
<td>2433.5</td>
<td>0.2</td>
<td>26.8</td>
<td>13.9</td>
<td>8.5</td>
<td>5.9</td>
<td>16.2</td>
<td>17.7</td>
</tr>
<tr>
<td>FY25E</td>
<td>2528.4</td>
<td>3.9</td>
<td>34.2</td>
<td>27.4</td>
<td>6.6</td>
<td>4.8</td>
<td>18.2</td>
<td>19.9</td>
</tr>
</tbody>
</table>
Financial Summary

Exhibit 12: Profit and loss statement _crore_  
(Year-end March) FY22E FY23E FY24E FY25E  
**Total Operating Income** 1,904.1 2,429.8 2,433.5 2,528.4  
Growth (%) -11.8 27.6 0.2 3.9  
Raw Material Expenses 1,350.3 1,855.9 1,811.4 1,845.6  
Employee Expenses 78.2 81.3 86.2 94.8  
Other expenses 184.2 184.2 189.8 201.1  
**Total Operating Expenditure** 1,612.7 2,121.4 2,087.3 2,141.5  
**EBITDA** 291.4 308.4 346.3 386.9  
Growth (%) 5.3 5.8 12.3 11.7  
Depreciation 50.3 50.7 59.9 63.4  
Interest 50.2 43.7 41.2 29.9  
Other Income 10.6 12.6 12.8 12.9  
PBT 190.9 213.9 245.2 293.7  
Exceptional items 0.0 0.0 0.0 0.0  
**Total Tax** 57.6 70.2 80.0 97.7  
**PAT** 144.0 156.3 178.0 226.9  
Growth (%) 0.5 8.5 13.9 27.4  
EPS (₹) 21.7 23.5 26.8 34.2  
**Source:** Company, ICICI Direct Research

Exhibit 13: Cash flow statement _crore_  
(Year-end March) FY22E FY23E FY24E FY25E  
**Profit/Loss after Tax** 201.6 156.3 178.0 226.9  
Add: **Depreciation** 50.3 50.7 59.9 63.4  
Add: **Interest** 50.2 0.0 0.0 0.0  
**(Inc)/dec in Current Assets** -312.1 141.3 42.4 2.6  
**(Inc)/dec in Current Liabilities** 47.0 9.8 106.8 89.8  
**CF from operating activities** -0.2 358.1 387.1 382.7  
**(Inc)/dec in Investments** 0.0 -5.0 -5.0 0.0  
**(Inc)/dec in Fixed Assets** -87.5 -190.7 -139.9 -143.4  
**Others** -3.4 14.0 0.0 0.0  
**CF from investing activities** -90.9 -181.7 -144.9 -148.4  
**Issue/(Buy back) of Equity** 0.0 0.0 0.0 0.0  
**(Inc)/dec in loan funds** 126.0 -150.0 -180.0 -150.0  
**Dividend paid & dividend tax** -0.1 -53.1 -66.4 -79.7  
**(Inc)/dec in Sec. premium** 0.0 0.0 0.0 0.0  
**Others** -48.7 0.0 0.0 0.0  
**CF from financing activities** 77.1 -203.1 -246.4 -229.7  
**Net Cash flow** -13.9 -26.7 -4.1 4.7  
**Opening Cash** 72.5 44.6 17.8 13.7  
**Cash & cash equivalents** -14.0 0.0 0.0 0.0  
**Cash with bank** 14.0 0.0 0.0 0.0  
**Closing Cash** 58.6 17.8 13.7 18.4  
**Source:** Company, ICICI Direct Research

Exhibit 14: Balance Sheet _crore_  
(Year-end March) FY22E FY23E FY24E FY25E  
**Total Liabilities** 1,814.9 1,762.2 1,691.9 1,687.1  
**Total Assets** 1,814.9 1,762.2 1,691.9 1,687.1  
**Source:** Company, ICICI Direct Research

Exhibit 15: Key ratios  
(Year-end March) FY22E FY23E FY24E FY25E  
**Per share data (₹)**  
EPS 21.7 23.5 26.8 34.2  
Cash EPS 29.3 31.2 35.8 43.7  
**BV** 133.3 148.9 165.7 187.9  
**DPS** 6.0 8.0 10.0 12.0  
**Cash Per Share** 166.3 173.9 182.9 192.5  
**Operating Ratios (%)**  
**EBITDA Margin** 15.3 12.7 14.2 15.3  
**PBT / Net Sales** 0.1 0.1 0.1 0.1  
**PAT Margin** 7.6 6.4 7.3 9.0  
**Inventory days** 163.4 101.4 96.3 91.3  
**Debtors days** 30.7 32.4 32.4 32.4  
**Creditor days** 44.4 32.7 35.3 34.9  
**Return Ratios (%)**  
RoE 16.3 15.8 16.2 18.2  
**RoCE** 13.9 15.3 17.7 19.9  
**Valuation Ratios (x)**  
P/E 10.5 9.6 8.5 6.6  
EV / EBITDA 7.9 7.1 5.9 4.8  
EV / Net Sales 1.2 0.9 0.8 0.7  
Market Cap / Sales 0.8 0.6 0.6 0.6  
Price to Book Value 1.7 1.5 1.4 1.2  
**Solvency Ratios**  
Debt/EBITDA 3.0 2.4 1.6 1.0  
Debt / Equity 1.0 0.7 0.5 0.3  
Current Ratio 3.9 3.0 2.3 2.0  
Quick Ratio 0.7 0.8 0.6 0.5  
**Source:** Company, ICICI Direct Research
### Exhibit 16: ICICI Direct coverage universe (Sugar)

| Sector / Company         | CMP (₹) | TP (₹) | M Cap (₹ Cr) | EPS (₹) FY22 | EPS (₹) FY23E | EPS (₹) FY24E | P/E FY22 | P/E FY23E | P/E FY24E | EV/EBITDA FY22 | EV/EBITDA FY23E | EV/EBITDA FY24E | EPS Growth FY22 | EPS Growth FY23E | EPS Growth FY24E | P/B FY22 | P/B FY23E | P/B FY24E | RoCE (%) |
|--------------------------|---------|--------|--------------|--------------|--------------|--------------|----------|----------|----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------|----------|----------|----------|
| Balrampur Chini (BALCHI)| 364     | 485    | Buy          | 7,419        | 22.8         | 23.0         | 36.6     | 16.0     | 15.8     | 9.9           | 11.2          | 10.6          | 7.0           | 2.4           | 2.3           | 2.0           | 15.3         | 14.9      | 22.3      |
| Dalmia Bharat Sugar (DALSUG)| 350 | 490    | Buy          | 2,834        | 36.7         | 42.0         | 49.5     | 9.5      | 8.3      | 7.1           | 7.3           | 5.4           | 4.3           | 1.1           | 1.1           | 1.0           | 12.3         | 15.8      | 17.7      |
| Triveni Engineering (TRIENG)| 273 | 360    | Buy          | 6,596        | 17.7         | 20.8         | 25.7     | 15.4     | 13.1     | 10.6          | 12.7          | 10.7          | 8.4           | 3.4           | 2.2           | 2.1           | 15.8         | 17.4      | 18.9      |
| Dwarikesh sugar (DWASUG)| 96     | 135    | Buy          | 1,802        | 8.2          | 8.6          | 13.4     | 11.6     | 11.1     | 7.1           | 7.3           | 7.3           | 4.5           | 2.5           | 2.0           | 1.6           | 20.6        | 18.5      | 28.5      |
| Dhampur Sugar (DHASUG)| 227    | 270    | Buy          | 1,509        | 21.7         | 23.5         | 26.8     | 10.5     | 9.6      | 8.5           | 7.9           | 7.1           | 5.9           | 1.7           | 1.5           | 1.4           | 13.9        | 15.3      | 17.7      |
| Avadh Sugar (AVASUG)| 484    | 750    | Buy          | 969          | 62.2         | 77.9         | 100.0    | 7.8      | 6.2      | 4.8           | 7.1           | 5.4           | 3.8           | 1.2           | 1.0           | 0.9           | 12.5        | 15.3      | 19.8      |

Source: Bloomberg, ICICI Direct Research
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Buy: >15%
Hold: -5% to 15%;
Reduce: -15% to -5%;
Sell: <-15%

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