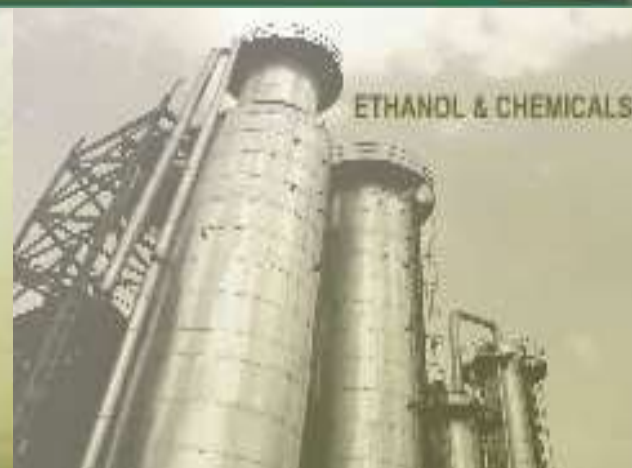


Dhampur Sugar Mills Limited

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Q3 & 9M FY14 Results Presentation
February 13, 2014

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. Dhampur Sugar Mills Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

All figures are consolidated unless otherwise mentioned

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Our Strengths



Multifaceted Operations

- Integrated operations comprising sugar, co-gen power and ethanol/chemicals
- Designed to overcome cyclicalities in the sugar segment

Sugar

- Capacity of 44,500 TCD with over 1,700 TCD refined sugar capacity
- Ensure optimal mix between refined and crystallized sugar - results in higher blended realizations

Co-gen Power

- 169 MW capacity with 96 MW saleable capacity
- New Power plant of 35.5 MW to be commissioned during last fortnight of February 2014
- Highest Power-to-sugar capacity
- Multi-feed boilers ensure sustained supply of power

Ethanol/Chemicals

- Capacity of 2,70,000 LPD- Flexible manufacturing set-up enables switch between products - driven by prevailing margin scenario - Flexible manufacturing set-up enables switch between products
- Highest Distillery/Chemical- to- Sugar capacity

Healthy Balance Sheet

- Leverage strong financial position to better withstand market volatility

Financial Snapshot



Particulars (₹ crore)	Q3 FY14*	Q3 FY13	9M FY14*	9M FY13
Revenues	434.5	315.7	1,370.3	1,000.5
EBIDTA	(29.7)	45.7	32.3	150.5
Depreciation	18.0	18.8	52.4	45.4
Interest	27.0	19.4	114.2	72.9
PBT	(74.7)	7.6	(134.3)	32.2
PAT	(74.7)	5.3	(128.7)	22.5

* The results of Q3 & 9M FY14 include financials of J K Sugar (the merged entity) and are hence not comparable with Q3 & 9M FY13

Segmental Overview



Revenues (₹ crore)	Q3 FY14*	Q3 FY13	9M FY14*	9M FY13
Sugar	398.6	289.7	1,130.8	800.9
Co-gen Power	58.9	104.6	152.3	168.4
Ethanol/Chemicals	102.6	46.6	315.1	212.4

PBIT (₹ crore)	Q3 FY14*	Q3 FY13	9M FY14*	9M FY13
Sugar	(72.5)	(10.4)	(84.0)	40.3
Co-gen Power	17.0	36.1	36.2	45.2
Ethanol/Chemicals	12.1	5.1	39.9	31.3

* The results of Q3 & 9M FY14 include financials of J K Sugar (the merged entity) and are hence not comparable with Q3 & 9M FY13

Message from Management



Commenting on the performance, Mr. Gaurav Goel and Mr. Gautam Goel, Managing Directors, Dhampur Sugar Mills Limited, said:

“The muted performance in the sugar division is a reflection of widening gap between the cost of sugar production and its realizations. The operating environment in sugar remains unviable as the current sugar prices are quite low as compared to Cane Price. This resulted in negative sugar margins in Q3 FY14 vis-à-vis last year.

In a difficult operating environment like this, it is of utmost importance that the government takes a balanced and stable policy framework to improve the fundamentals of the sugar industry. Simultaneously, it is required to establish some rationale cane pricing system to make the operating environment sustainable.

Overall, while the challenges in the sugar industry continue, we, at Dhampur have been working on enhancing efficiencies. Healthy volumes and realizations of our ancillary businesses will assist us to ride the sugar cycle.”

- The sugar season (SS) 13-14 commenced with an opening inventory of 8 million tonnes
- India's sugar production for SS 13-14 estimated to be lower at 23.5 million tonnes
- Consumption estimated at 22.5-23.0 million tonnes
- SAP for SS 2013-14 at ₹ 280 per quintal, same level as last year, with following concessions:
 - ❑ Waiver /refund of taxes/ Society commission of ₹ 11.03 per quintal
 - ❑ Payable in two installments of ₹ 260 per quintal initially and ₹ 20 per quintal at end of year
 - ❑ Formed a committee to decide on payment of ₹ 8.97 per quintal either by UP Government or Sugar Mills, depending on Sugar Sale Price
 - ❑ Current cane prices not enabling sugar companies to earn economic returns and remain loss making operation for sugar production and sale
- Domestic sugar realizations are now trading at ₹ 28,500 per tonne (ex-mill)

- Margins of the sugar business to be dependent on Government's action towards linking cane and sugar price, for which a committee formed by UP Government. 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 of ₹ 3,333 /MT on export of raw Sugar
- Stable power prices to further improve earnings from co-gen power segment
- Chemical/Ethanol business expected to contribute positively
 - ❑ Supply of Ethanol at enhanced realizations of ₹ 36 per litre following the 5% Ethanol blending program by CCEA

Sugar Segment

- Sugar Production in SS 13-14 to be lower than last year
- Stress in margins, given widening gap between free sale sugar prices and cost of production

Power Segment

- The Company's current exportable co-gen capacity is at 96 MW available for full year
- New Power project of 35.5 MW capacity at Rajpura Plant to commence generation in last fortnight of February, 2014
- Realization near to ₹ 5.00 per unit from new Power plant at Rajpura
- Realizations to continue above ₹ 4.0 per unit in other plant
 - The benefit of this additional capacity will be visible from Q4 FY14
- The Company will continue with power sales even during the off-season given improved bagasse availability due to merger of Meerganj unit
- Issuance of REC's to the Company has started

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 boost earnings of this segment
 - ❑ The Company has received orders from OMC's which are to be executed over the next 6 – 12 months
- Expansion of Distillery capacity at Dhampur and Asmoli plants from 270,000 LPD to 350,000 LPD under implementation – to further augment performance
 - ❑ The benefits of these additional capacities will be available from Q4 FY14
- Focus on targeting business opportunities from segments that offers better margins

Financial initiatives and Interest cost

- The term debt as on December 31, 2013 stood at ₹ 591 crore
- ₹ 115 crore of SDF loan reflected in term loan
- Working Capital borrowings as on December 31, 2013 stood at ₹ 351 crore
- Term Loan of ₹ 109.53 crore was sanctioned with 100% interest subvention by Government of India for a period of five years, for payment of Cane price

Sugar Segment



Financial

Particulars	Revenues (₹ cr)	Revenue Contribution %	PBIT (₹ cr)
Q3 FY14*	398.6	71.2	(72.5)
Q3 FY13	289.7	65.7	(10.4)
9M FY14*	1,130.8	70.7	(84.0)
9M FY13	800.9	67.8	40.3

Operational

Lac tonnes
@ Free+Levy

Cane Crushed#	Sugar Production#	Sugar Sales#	Free Sugar Realizations (₹/kg)
8.5	0.75	1.04	30.73
12.3	1.12	0.68	35.45
11.4	1.03	3.15	31.29
12.7	1.16	2.16	33.56

* The results of Q3 & 9M FY14 include financials of J K Sugar (the merged entity) and are hence not comparable with Q3 & 9M FY13

- Higher sugar sales volumes drive topline
- Lower sugar realizations vis-à-vis production cost subdued earnings
- Refined sugar '*Dhampure*', which has a premium, contributed to 40.6% of the total quantitative Sugar sales during Q3 FY14

Financial				Operational			# crore units
Particulars	Revenues (₹ cr)	Revenue Contribution %	PBIT (₹ cr)	Power Generation [#]	Power Export to UPPCL [#]	Realizations (₹/unit)	
Q3 FY14*	58.9	10.5	17.0	8.22	5.43	4.18	
Q3 FY13	104.6	23.7	36.1	15.33	10.43	4.24	
9M FY14*	152.3	9.5	36.2	24.28	16.68	4.27	
9M FY13	168.4	14.3	45.2	28.38	20.39	4.26	

* The results of Q3 & 9M FY14 include financials of J K Sugar (the merged entity) and are hence not comparable with Q3 & 9M FY13

- Late start of sugar crushing season resulted in lower generation and export
- This segment continues to be a healthy contributor to profitability in a cyclical sugar business
- The Company is commissioning the 35.5 MW co-gen power capacity at its Rajpura plant; the benefits of which, will be visible from Q4 FY14
- 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
Q3 FY14*	102.6	18.3	12.1	63.21	70.34	172.38	168.52
Q3 FY13	46.6	10.6	5.1	98.32	75.41	57.52	35.97
9M FY14*	315.1	19.7	39.9	256.50	268.24	401.68	467.39
9M FY13	212.4	18.0	31.3	275.10	277.28	205.48	237.72

* The results of Q3 & 9M FY14 include financials of J K Sugar (the merged entity) and are hence not comparable with Q3 & 9M FY13

- Higher sales volume at better realizations improved performance
- Average realizations for Chemicals stood at ₹ 54,560 per tonne vis-à-vis ₹ 49,393 per tonne in Q3 FY13
- For Rectified Spirits/Ethanol/ENA/SDS, average realizations stood at ₹ 37,050 per KL compared to ₹ 31,730 per KL in Q3 FY13

Dhampur Sugar Mills Limited (Dhampur) is a focused Company having core competencies of being one of the largest and most integrated sugar companies in India. This has been built on a record of accomplishment of continuous value additions, process optimizations and innovations. The allied businesses of the Company comprise distillery operations, cogeneration of power and manufacturing of bio-compost. The Company has five sugar factories located in Central & Western Uttar Pradesh (India) having an aggregate sugarcane crushing capacity of 44,500 TCD, presently of which 38% is refined sugar capacity, i.e. 1,700 MT of refinery capacity, Co-generation and distillery operations of 169 MW (96 MW Saleable) and 270,000 LPD respectively.

Over the years, Dhampur has become the most integrated company.

For more information on the Company, please log on to www.dhampur.com or contact:

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