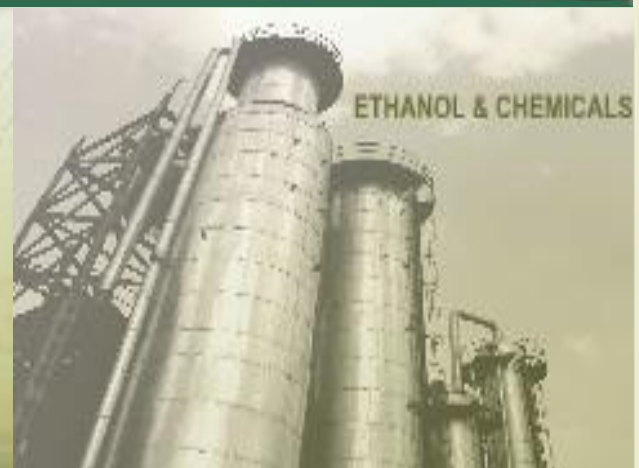


Dhampur Sugar Mills Limited

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Q1 FY14 Results Presentation
August 7, 2013

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

Table of Content

<u>Title</u>	<u>Slide No.</u>
Our Strengths	4
Update on Merger with J K Sugar	5
Financial Overview	6
Segmental Overview	7
Message from Management	8
Overview	
- Sector	9-10
- Dhampur	11-12
Segmental Performance	
- Sugar	13
- Power	14
- Chemical/Ethanol	15
About Us	16

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 co-gen plant of 35.5 MW being installed at Rajpura Unit
- Highest Power-to-sugar capacity (2.15 kw per TCD)
- Multi-feed boilers ensure sustained supply of power at high PLFs resulting in competitive operating costs

Ethanol/Chemicals

- Capacity of 270,000 LPD - Flexible manufacturing set-up enables switch between products – driven by prevailing margin scenario
- Molasses/alcohol conversion to Rectified spirits / ENA / Chemicals / Ethanol (6.8 litres per TCD)

Healthy Balance Sheet

- Leverage strong financial position to better withstand market volatility

Update on Merger with J K Sugar



- The Company received certified copies of formal orders of Hon'ble High Court at Allahabad and Kolkata. These were duly filed with the respective Registrar of Companies at Kanpur and Kolkata approving the Merger of J K Sugar Limited with the Company. Consequently, the Scheme has become effective on July 16, 2013
 - Following the approval by the Hon'ble High Courts, the annual accounts ended March 31, 2013 were revised w.e.f. April 1, 2012, to give effect of the Scheme of Amalgamation in the meeting of the Board of Directors held on July 25, 2013
- The Board of Directors of the Company, subject to approval by the Members of the Company at the Annual General Meeting for the year ended March 31, 2013, recommended:
 - Revised dividend on 6% 4,13,940 Cumulative Redeemable Preference Shares of ₹ 100 each, 1% 4,69,013 Cumulative redeemable Preference Shares of ₹ 100 each and 8% 18,01,817 Redeemable Preference Shares of ₹ 100 each
 - Revised dividend @ 12.50% on 5,72,14,935 Equity Shares (₹ 1.25 per share of ₹ 10 each)

Financial Overview

Particulars (₹ mn)	Q1 FY14 [*]	Q1 FY13	FY13 ^{**}
Revenues	4,213.6	3,629.1	14,812.2
EBIDTA	395.5	534.8	2286.7
<i>Margins %</i>	<i>9.4</i>	<i>14.7</i>	<i>15.4</i>
Depreciation	182.6	137.4	767.6
Interest	472.6	305.7	1,126.7
PBT	(259.7)	91.7	392.5
PAT	(203.8)	64.1	227.1
Diluted EPS (₹)	(3.65)	1.17	3.61

* The results of Q1 FY14 include financials of J K Sugar (the merged entity) and are hence not comparable with Q1 FY13

** FY13 financial results were revised consequent to merger of J K Sugar Limited with the Company with effect from April 01, 2012

Segmental Overview



Revenues (₹ mn)	Q1 FY14	Q1 FY13	FY13
Sugar	3,196.4	2609.0	11,947.5
Co-gen Power	637.5	379.1	3,551.6
Ethanol/Chemicals	1,119.6	881.1	3,059.4

PBIT (₹ mn)	Q1 FY14	Q1 FY13	FY13
Sugar	(21.1)	202.7	204.4
Co-gen Power	158.1	65.5	1,116.5
Ethanol/Chemicals	116.2	164.9	369.0

* The results of Q1 FY14 include financials of J K Sugar (the merged entity) and are hence not comparable with Q1 FY13

** FY13 financial results were revised consequent to merger of J K Sugar Limited with the Company with effect from April 01, 2012

Commenting on the performance for Q1 FY14, Mr. Gaurav Goel and Mr. Gautam Goel, Managing Directors, Dhampur Sugar Mills Limited, said:

“The sugar business reported below average performance due to high cost of production and comparatively lower sugar realizations. However, our ancillary businesses continued to augment performance driven by higher volumes and realizations.

The operating environment for the sugar business continues to be challenging, despite partial de-control, as the current sugar realizations does not commensurate with the higher cost of production. The government needs to take further steps to improve the fundamentals of the sugar industry keeping in view its objectives of providing a remunerative price to the Indian farmer and at the same time establishing a rationale cane pricing system, which is linked to the sugar prices. These action should result in a more stable operating environment and determine the return on capital employed in the business.

During the quarter, we concluded the merger of J K Sugar with Dhampur. The merger not only augments our capacities and presence in the sugarcane rich central belt of U.P. but also strengthen our position as a leading, highly integrated and cost efficient player in the sugar sector in the country. We are confident of deriving synergies from the combined operation to post improved results on a sustained basis going forward.”

- Sugar production for sugar season 2012-13 estimated at ~25 million tonnes
 - ❑ 8% rise in sugar production in U.P. to ~7.5 million tonnes
 - ❑ Maharashtra sugar cane production declined by 11% to ~8 million tonnes
- The closing inventory level is expected to be higher than last year levels
- For sugar season 2013-14, initial estimates suggest sugar production to be lower by ~5% at 23.7 million tonnes
 - ❑ Drought in Maharashtra & Karnataka last year is expected to result in 12.5% & 8% decrease in cane acreage and consequently sugar production
 - ❑ Improved yields in sugarcane crop compared to crops like wheat and paddy is resulting in higher acreage (up by ~3.1%) in U.P. despite high cane arrears
 - ❑ Better clarity on sugar production to be closer to the end of the season
- Domestic sugar prices at ~ ₹ 3,150 per tonne (ex-mill)
 - ❑ Current sugar realizations do not commensurate the cost of production
 - ❑ Recent notification issued by the Central Board of Excise and Customs (CBEC), to increase import duty from 10% to 15% on both, raw and white (refined) sugar
- Cane price and government policies on de-regulation to be a wild card for the next season

- Partial de-control announced by CCEA (removal of levy quota & release mechanism) are steps in the right direction
 - However, current policy environment is not enabling sugar companies to earn economic returns and remain loss making operation for sugar production and sale
 - Any rational steps undertaken by the Government on linking cane and sugar prices would make sugar production an economically viable activity
- Higher sugarcane availability to facilitate increased volumes in ancillary businesses - reduce volatility and augment earnings
 - Stable power prices to further improve earnings from co-gen power segment
 - Supply of ethanol at enhanced rate
 - Following the 5% Ethanol blending program by CCEA, OMCs have placed orders to procure 55 crore litres from sugar mills at an ex-factory rate of over ₹ 35 per litre

Sugar Segment

- Total cane crushing for sugar season 2012-13 at 4.7 million tonnes primarily due to higher cane availability
 - ❑ Recoveries at 9.34%
 - ❑ Sugar production for the season stood at 4.39 lac tonnes
- Inventories as on June 30, 2013 at 2.88 lac tonnes
 - ❑ Average cost of inventories is ₹ 31.24 per kg
- Stress in margins due to higher production costs vis-à-vis current sugar realizations

Power Segment

- The Company's exportable co-gen capacity is at 96 MW available for full year
 - ❑ Realizations expected to continue above ₹ 4.0 per unit in the sugar season
- The Company is setting up a new co-gen plant of 35.5 MW at its Rajpura Unit
 - ❑ Expect operations to commence from Q4 FY14
- The Company will continue with power sales even during the off-season given improved bagasse availability due to higher cane crush and merger of Meerganj unit

Chemicals/Ethanol Segment

- Chemical/Ethanol business expected to contribute positively largely led by improvement in volume and realizations from RS/ENA/Ethanol
- Besides, the recent approval by CCEA on 5% mandatory Ethanol blending is improving Ethanol prices and will boost earnings of this segment
 - ❑ The Company has received orders from Oil Marketing Companies (OMCs) which is to be executed over the next 6 – 12 months
- Focus on targeting business opportunities from segments that offers better margins

Financial initiatives and Interest cost

- The term debt as on June 30, 2013 stood at ₹ 5,470 million, including SDF loan of ₹ 1,311 million
 - ❑ Overall cost of funds is about 10.2%
 - ❑ Increased borrowings of working capital on account of higher sugar stocks resulted in higher interest expense for the quarter
 - ❑ The Company repaid ₹ 317 million long term debt during the quarter

Sugar Segment



Financial

Operational

* Lac tonnes

Particulars	Revenues (₹ mn)	Revenue Contribution %	PBIT (₹ mn)	Cane Crushed [#]	Recovery %	Sugar Production [#]	Sugar Sales [#]	Free Sugar Realizations (₹/kg)
Q1 FY14*	3,089.3	63.7	(21.1)	2.82	10.02	2.83	0.82	32.03
Q1 FY13	2,587.4	67.2	202.7	0.49	10.12	0.05	0.77	30.54
FY13**	11,801.3	64.1	204.4	45.1	9.35	42.19	2.97	33.28

* The results of Q1 FY14 include financials of J K Sugar (the merged entity) and are hence not comparable with Q1 FY13

** FY13 financial results were revised consequent to merger of J K Sugar Limited with the Company with effect from April 01, 2012

- Higher revenues due to increase in sales volumes
- Refined sugar '*Dhampure*', which has a premium, contributed to 39.2% of the total Sugar sales
- Earnings muted due to higher cost of production on account of higher landed cost of cane i.e. ₹ 290 per quintal without consequent increase in sugar realizations

Financial				Operational		# crore units
Particulars	Revenues (₹ mn)	Revenue Contribution %	PBIT (₹ mn)	Power Generation [#]	Power Export to UPPCL [#]	Realizations (₹/unit)
Q1 FY14*	637.5	13.2	158.1	10.89	7.51	4.30
Q1 FY13	379.1	9.9	65.5	7.58	5.63	4.25
FY13**	3,551.6	19.3	1,116.5	57.49	37.75	4.26

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- Improved contribution due to higher bagasse availability
- The segment continues to be a healthy profit contributor in a cyclical sugar business
- The Company is currently in the process of expanding its co-gen power capacity by 35.5 mw at its Rajpura plant
 - The benefits of the expanded capacities will be visible from SS 13-14
- 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 (₹ mn)	Revenue Contribution %	PBIT (₹ mn)	Chemicals (Lac KG)		RS/ Ethanol (lac BL)	
				Production	Sales	Production	Sales
Q1 FY14*	1,119.6	23.1	116.2	102.9	118.0	152.0	150.1
Q1 FY13	881.1	22.9	164.9	108.7	119.8	60.5	93.5
FY13**	3,059.4	16.6	369.0	381.3	380.4	381.9	373.4

* The results of Q1 FY14 include financials of J K Sugar (the merged entity) and are hence not comparable with Q1 FY13

** FY13 financial results were revised consequent to merger of J K Sugar Limited with the Company with effect from April 01, 2012

- Higher sales volume combined with enhanced realizations improved performance
- Average realizations for Chemicals stood at ₹ 49,390 per tonne in Q1 FY14
- For Rectified Spirits/Ethanol/ENA/SDS, average realizations stood at ₹ 34,350 per KL compared to ₹ 27,750 per KL in Q1 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 44500 TCD, 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 KLPD 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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