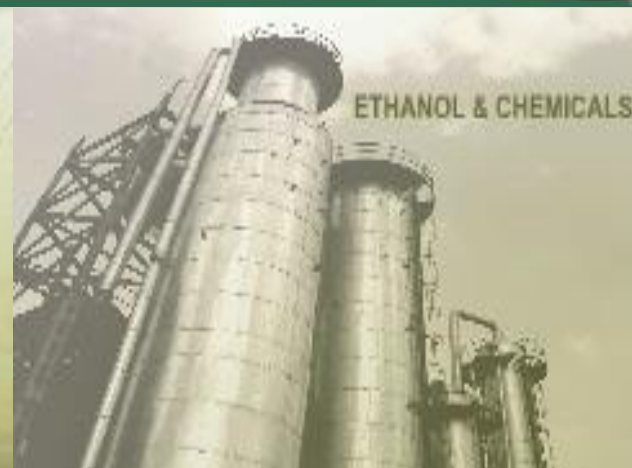


Dhampur Sugar Mills Limited

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Q4 & FY13 Results Presentation
May 21, 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

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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 39,500 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

- 150 MW capacity with 85 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-fuel boilers & Bagasse Dryer System 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 conversion to Rectified spirits / ENA / Chemicals / Ethanol (6.8 litres per TCD)

Healthy Balance Sheet

- Leverage strong financial position to better withstand market volatility

Financial Snapshot



Particulars (₹ crore)	Q4 FY13	Q4 FY12	Shift %	FY13	FY12	Shift %
Revenues	357.7	416.2	(14.1)	1,376.9	1,536.3	(10.4)
EBIDTA	77.8	76.8	1.3	228.2	207.6	9.9
PAT	16.6	22.3	(25.6)	39.2	29.6	32.4
Cash Profits	42.4	47.0	(9.8)	110.3	97.3	13.4

Board Recommends a Dividend of ₹ 1.25 per equity share of ₹ 10 each; translating to 12.50% of face value

Segmental Overview



Revenues (₹ crore)	Q4 FY13	Q4 FY12	Shift %	FY13	FY12	Shift %
Sugar	277.9	420.3	(33.9)	1,078.8	1,425.5	(24.3)
Co-gen Power	181.4	181.0	0.2	349.8	333.9	4.8
Ethanol/Chemicals	93.6	59.3	57.8	305.9	160.6	90.5

PBIT (₹ crore)	Q4 FY13	Q4 FY12	Shift %	FY13	FY12	Shift %
Sugar	(14.5)	(15.6)	--	25.8	38.5	(33.0)
Co-gen Power	66.2	56.8	16.5	111.4	90.8	22.7
Ethanol/Chemicals	5.6	15.3	(63.4)	36.9	26.5	39.2

Q4 FY13 – Performance Review



All comparisons with Q4 FY12 unless otherwise stated

- **Net Sales stood at ₹ 357.7 crore**
 - ❑ Sugar revenues at ₹ 277.9 crore - lower sugar sales volumes subdued growth; partly mitigated by improved sugar realizations compared to corresponding last quarter
 - ❑ Power revenues stood at ₹ 181.4 crore – stable sales volumes
 - ❑ Ethanol/Chemicals revenues at ₹ 93.6 crore; up 57.8% - led by increase in sales volumes combined with enhanced realizations
- **PBIT at ₹ 57.4 crore as compared to ₹ 56.5 crore**
 - ❑ Sugar PBIT at ₹ (14.5) crore - subdued earnings from the Sugar segment as free sale sugar realizations did not commensurate increase in cane cost; partially moderated by write-back of levy inventories
 - ❑ Power PBIT higher at ₹ 66.2 crore vis-à-vis ₹ 56.8 crore - enhanced power sales volumes at increased realizations
 - ❑ Ethanol/Chemical PBIT Stood at ₹ 5.6 crore
- **PAT at ₹ 16.6 crore as compared to ₹ 22.3 crore**
- **Cash Profit at ₹ 42.4 crore as against ₹ 47.0 crore**

Message from Management



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

“We are encouraged to close the year on a healthy note in light of the current sugar situation wherein increased cane costs and subdued sugar realizations have depressed margins. While sugar business continued to report muted performance, robust performance of our ancillary businesses viz. power and ethanol have partially offset this impact.

FY13 has been a landmark year for the sugar industry in terms of policy actions. The removal of levy sugar obligation and release mechanism by the government is a positive step in the decontrol of the sugar industry and will have a long term bearing on the performance of the sugar sector. Secondly, the approval of the ethanol blending program by CCEA at market determined price will ensure stability for both, oil companies and the sugar industry. While these moves are encouraging, further action by the government on sugar exports, linking of cane and sugar prices should result in a more stable operating environment.

Overall, we believe that we are one of the most efficient and integrated mills in the country with a strong balance sheet. This makes us well poised to leverage our position to capitalize on the structural changes and deliver superior performance on a sustained basis going forward.”

- India's sugar production for sugar season (SS) 12-13 estimated at ~25 million tonnes
 - Sugar production in U.P. to be higher at ~7.5 million tonnes from 6.9 million tonnes in SS 11-12 on the back of improved cane acreage, increased availability of cane and marginally better yields
 - On the other hand, production in Maharashtra & Karnataka lower by 10% at ~8.0 million tonnes and ~3.4 million tonnes respectively
- Consumption estimated at ~22-22.5 million tonnes
- Despite lower sugar production expected in SS 12-13, domestic sugar realizations are now trading at ~ ₹ 31,500 per tonne (ex-mill)
- Partial decontrol of sugar industry announced by CCEA to benefit all parties in the sugar value chain
- Margins of the sugar business to be dependent on Government's action towards exports and linking cane and sugar price. Any rational development on de-regulation expected to improve sugar scenario
- Higher sugarcane availability in U.P. to facilitate increased volumes in ancillary businesses - reduce volatility and augment earnings
- Stable power prices to further improve earnings from co-gen power segment
- Chemical/Ethanol business expected to contribute positively – mandatory Ethanol blending (5%) program approved by CCEA - fresh tenders for Ethanol invited and finalized

Sugar Segment

- Higher cane availability in SS 12-13 combined with improvement in recoveries enabled increase in sugar production by 3%
 - ❑ Total cane crushing at 38.6 million quintal; up 3% compared to last year
 - ❑ Marginal improvement in recoveries at 9.41% in SS 12-13 vis-à-vis 9.22% in SS 11-12
- Expect stress in margins as current free sale sugar margins do not commensurate cost of production

Power Segment

- The Company's current exportable co-gen capacity is at 85 MW available for full year
- The Company is currently in the process of installing co-gen power plant by 35.5 MW at its Rajpura plant. The full benefits from the commencement of these additional capacities will be visible from SS 13-14
- Realizations to continue above ₹ 4.0 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

Chemicals/Ethanol Segment

- Chemical/Ethanol business expected to contribute positively largely led by improvement in volume and realizations from chemicals
- Besides, the recent approval by CCEA on enhancing Ethanol prices to boost earnings of this segment
- Focus on targeting business opportunities from segments that offers better margins

Financial initiatives and Interest cost

- The term debt as on March 31, 2013 stood at ₹ 458.5 crore, including ₹ 133.20 crore of SDF loan
- Working Capital borrowings as on 31 March 2013 stood at ₹ 779.0 crore on account of increase in sugar inventories

Update on Merger with J.K. Sugar



- The Board of Directors of the Company has given approval to the amalgamation of J.K. Sugar Limited with the Company w.e.f. April 1, 2012 in accordance with the provisions of section 391 & 394 of the Companies Act, 1956 subject to requisite approvals from various statutory authorities and the Jurisdictional Hon'ble High Courts. Post approval by the shareholders of the respective Companies, petitions were filed in the respective Jurisdictional High Courts. The Hon'ble High Court of Judicature at Allahabad by its order dated April 15, 2013 approved the Scheme of Amalgamation and the orders from the Hon'ble High Court of Kolkata are still awaited and as such the merger effect could not be given in the present accounts of the Company
- The Board of Directors has approved the financial results, subject to the condition that if Hon'ble High Court of Judicature at Kolkata approves the Scheme of Amalgamation and both companies have obtained all other requisite approvals before 15th August 2013, the annual accounts should be revised to give effect the Scheme of Amalgamation and the merged annual accounts should be placed before the Board and Shareholders in its annual general meeting for approval

Sugar Segment



Financial

Operational

* Lac tonnes

Particulars	Revenues (₹ cr)	Revenue Contribution %	PBIT (₹ cr)	Cane Crushed*	Recovery %	Sugar Production*	Sugar Sales*	Free Sugar Realizations (₹/kg)
Q4 FY13	277.9	50.3	(14.5)	25.85	9.41	2.45	0.48	33.32
Q4 FY12	420.3	63.6	(15.6)	23.77	9.51	2.30	0.97	29.81
FY13	1,078.8	62.2	25.8	38.60	9.39	3.58	2.64	33.51
FY12	1,425.5	74.3	38.5	37.54	9.23	3.47	3.73	29.59

- Better realizations compared to corresponding quarter last year
- Earnings subdued due to higher production cost due to enhanced cane price, compared to realizations
- Refined sugar '*Dhampure*', which has a premium, contributed to 38.8% of the total quantitative Sugar sales during FY13

Financial

Particulars	Revenues (₹ cr)	Revenue Contribution %	PBIT (₹ cr)
Q4 FY13	181.4	32.8	66.2
Q4 FY12	181.0	27.4	56.8
FY13	349.8	20.2	111.4
FY12	333.9	17.4	90.8

Operational

* crore units

Power Generation*	Power Export to UPPCL*	Realizations (₹/unit)
25.2	16.0	4.25
24.6	15.4	4.05
53.6	36.4	4.26
46.9	30.9	4.22

- Higher revenue contribution driven by improved bagasse availability
- 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
- The Company is currently in the process of expanding its co-gen power capacity by 35.5 mw at its Rajpura plant, the full benefits of which, will be visible from SS 13-14

Chemical/Ethanol Segment



Financial

Operational

Particulars	Revenues (₹ cr)	Revenue Contribution %	PBIT (₹ cr)	Chemicals (Lac KG)		RS/ Ethanol (lac BL)	
				Production	Sales	Production	Sales
Q4 FY13	93.6	16.9	5.6	1062.2	103.1	140.2	135.6
Q4 FY12	59.3	8.9	15.3	87.8	69.9	126.6	95.9
FY13	305.9	17.6	36.9	381.3	380.4	381.9	373.4
FY12	160.6	8.3	26.5	184.2	166.7	297.4	277.0

- Higher sales volume combined with stable realizations improved performance
- Average realizations for Chemicals stood at ₹ 49,210 per tonne in Q4 FY13 compared to ₹ 46,310 per tonne in Q4 FY12
- For Rectified Spirits/Ethanol/ENA/SDS, average realizations stood at ₹ 34,150 per KL compared to ₹ 26,680 per KL in Q4 FY12

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 four sugar factories located in Central & Western Uttar Pradesh (India) having an aggregate sugarcane crushing capacity of 39,500 TCD, of which 43% is refined sugar capacity, i.e. 1,700 MT of refinery capacity, Co-generation and distillery operations of 150 MW (85 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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