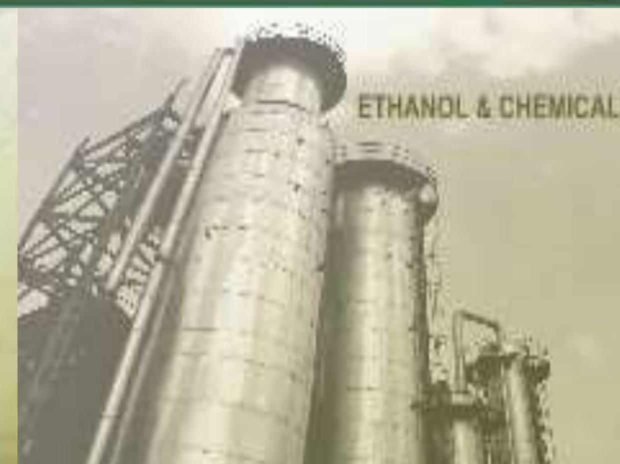
Dhampur Sugar Mills Limited

241, Okhla Industrial Estate Phase III, New Delhi – 110 020
www.dhampur.com



Q2 & H1 FY14 Results Presentation
November 13, 2013

Safe Harbour

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

Our Strengths

Multifaceted Operations

- Integrated operations comprising sugar, co-gen power and ethanol/chemicals
- Designed to overcome cyclicality 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 is under installation at Rajpura Unit
- Highest Power-to-sugar capacity (2.15 kw per TCD)
- Multi-feed boilers ensure sustained supply of power

Ethanol/Chemicals

- Capacity of 270,000 LPD - Flexible manufacturing set-up enables switch between products - driven by prevailing margin scenario
- Enhancing distillery capacity to 330,000 LPD
- 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

Financial Snapshot

Particulars (₹ crore)	Q2 FY14*	Q2 FY13	H1 FY14*	H1 FY13
Revenues	532.5	340.5	953.9	703.4
EBIDTA	22.4	51.3	61.9	104.7
Margins %	*4.2*	*15.1*	*6.5*	*14.9*
Depreciation	16.1	12.9	34.4	26.6
Interest	39.9	23.0	87.1	53.5
PBT	(33.6)	15.4	(59.6)	24.6
PAT	(33.6)	10.8	(54.0)	17.2

* The results of Q2 & H1 FY14 include financials of J K Sugar (the merged entity) and are hence not comparable with Q2 & H1 FY13

Segmental Overview

Revenues ** (₹ crore)	Q2 FY14*	Q2 FY13	H1 FY14*	H1 FY13
Sugar	445.9	252.5	746.5	511.2
Co-gen Power	29.6	25.9	93.4	63.8
Ethanol/Chemicals	100.6	77.7	212.5	165.8

PBIT *** (₹ crore)	Q2 FY14*	Q2 FY13	H1 FY14*	H1 FY13
Sugar	(9.2)	30.4	(11.5)	50.7
Co-gen Power	3.4	2.5	19.2	9.0
Ethanol/Chemicals	16.2	9.7	27.8	26.2

- The results of Q2 & H1 FY14 include financials of J K Sugar (the merged entity) and are hence not comparable with Q2 & H1 FY13
- ** includes Inter Unit sales
- *** Exclude unallocable expenses/income

Message from Management

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

"The performance during the quarter reflects the challenges faced in the sugar segment. Sugar realizations dipped and cost of sugar production increased due to very high cane price, resulting in negative margins vis-à-vis positive margins last year.

We enter the new crushing season with apprehension given uncertainty on cane prices and existing sugar realizations which continues to be lower than the cost of production. We are in constant dialogue with the government to take a balanced policy approach to improve industry dynamics by linking cane prices to sugar realizations which should translate to a stable operating conditions for all stakeholders in the sugar production chain.

We are eagerly awaiting the decision from the government which will decide the long term stability of the industry, farmers and the UP government."

Overview - Sector

- The sugar season (SS) 13-14 commenced with an opening inventory of 8.5 million tonnes vis-à-vis 6.5 million tonnes in SS 12-13
- India's sugar production for SS 13-14 estimated at 25 million tonnes
  - Sugar production in U.P. likely to be at same level as last year
  - Maharashtra & Karnataka production expected to be similar to last year levels i.e. 7.8 million tonnes and 3.4 million tonnes respectively
- Consumption estimated at 22.5-23.0 million tonnes
- Domestic sugar realizations are now trading at ₹ 30,000 per tonne (ex-mill)
  - Current sugar realizations are not commensurate to the cost of production
- The sugar industry is awaiting announcement of SAP for the ensuing season
  - The industry is making a strong representation to the government to take a balanced policy approach to improve the fundamentals of the sugar industry and to implement the Rangarajan Committee recommendation of linkage of cane price and sugar price

Overview - Sector

- Partial decontrol of sugar industry announced by CCEA (removal of levy quota & release mechanism) and CBEC (increased import duty on both, raw and refined sugar) are steps in the right direction
  - Current policy environment not enabling sugar companies to earn economic returns and remain loss making operation for sugar production and sale
  - Margins of the sugar business to be dependent on Government's action towards linking cane and sugar price. Any rational development on linkage expected to improve sugar scenario
  - 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 onwards, following the 5% Ethanol blending program by CCEA

Overview - Dhampur

Sugar Segment

- Cane availability in SS 13-14 to be same as last year
- Recoveries likely to be higher on account of good monsoons
- Expect stress in margins as current free sale sugar margins are not commensurate to the cost of production

Power Segment

- The Company's current exportable co-gen capacity is at 96 MW available for full year
- Realizations to continue above ₹ 4.0 per unit in the sugar season
- The Company is currently setting up 35.5 MW at its Rajpura plant and is expected to commerce operations in January, 2014
  - The full benefit of this additional capacity will be available 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

Overview - Dhampur

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 enhancing Ethanol prices to boost earnings of this segment
  - The Company has received orders from OMC's which is to be executed over the next 6 – 12 months
- Enhancing distillery capacity from 270,000 LPD to 330,000 LPD at Dhampur and Asmoli plants, which are expected to start form January 2014
  - The full 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 September 30, 2013 stood at ₹ 565.0 crore vis-à-vis ₹ 490.2 crore on September 30, 2012
  - ₹ 121.1 crore of SDF loan reflected in term debt
- Working Capital borrowings as on September 30, 2013 stood at ₹ 610.0 crore on account of increase in sugar inventories

Sugar Segment

	Financial			Operational				
Particulars	Revenues (₹ cr)	Revenue Contribution %	PBIT (₹ cr)	Cane Crushed#	Recovery %	Sugar Production#	Sugar Sales# @	Free Sugar Realizations (₹/kg)
Q2 FY14*	**445.9**	**77.4**	**(9.2)**	**--**	**--**	**--**	**1.30**	**31.29**
Q2 FY13	252.5	70.9	30.4	--	--	--	0.71	35.22
H1 FY14*	**746.5**	**70.9**	**(11.5)**	**2.82**	**10.02**	**0.28**	**2.12**	**31.57**
H1 FY13	511.2	69.0	50.7	0.49	10.12	0.05	1.48	32.81

Lac tonnes
@ Free+Levy

* The results of Q2 & H1 FY14 include financials of J K Sugar (the merged entity) and are hence not comparable with Q2 & H1 FY13

- Revenues driven by improved sales volumes
- Earnings subdued due to higher production cost due to enhanced cane price, compared to realizations
- Refined sugar '*Dhampure*', which has a premium, contributed to 44% of the total quantitative Sugar sales during Q2 FY14

Power Segment

	Financial			Operational		# crore units
Particulars	**Revenues (₹ cr)**	**Revenue Contribution %**	**PBIT (₹ cr)**	**Power Generation#**	**Power Export to UPPCL#**	**Realizations (₹/unit)**
Q2 FY14*	**29.6**	**5.1**	**3.4**	**5.26**	**3.76**	**4.32**
Q2 FY13	25.9	7.3	2.5	5.47	4.34	4.31
H1 FY14*	**93.4**	**8.9**	**19.2**	**16.06**	**11.25**	**4.31**
H1 FY13	63.8	8.6	9.0	9.68	7.35	4.27

* The results of Q2 & H1 FY14 include financials of J K Sugar (the merged entity) and are hence not comparable with Q2 & H1 FY13

- Higher revenue contribution driven by improved bagasse availability
- This segment continues to be a healthy contributor to profitability 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 full benefit of which, will be available from Q4 FY14
- Dhampur continues to focus on this division to offset the cyclicality of the sugar business

Chemical/Ethanol Segment

Particulars	Financial: Revenues (₹ cr)	Financial: Revenue Contribution %	Financial: PBIT (₹ cr)	Operational: Chemicals (Lac KG) Production	Operational: Chemicals (Lac KG) Sales	Operational: RS/ Ethanol (lac BL) Production	Operational: RS/ Ethanol (lac BL) Sales
Q2 FY14*	**100.6**	**17.5**	**16.2**	**90.41**	**79.93**	**104.14**	**148.72**
Q2 FY13	77.7	21.8	9.7	68.06	82.07	74.19	108.22
H1 FY14*	**212.5**	**20.2**	**27.8**	**193.29**	**197.90**	**229.29**	**298.86**
H1 FY13	165.8	22.4	26.2	176.78	201.87	147.96	201.75

* The results of Q2 & H1 FY14 include financials of J K Sugar (the merged entity) and are hence not comparable with Q2 & H1 FY13

- Higher sales volume combined with higher realizations improved performance
- Average realizations for Chemicals stood at ₹ 52,650 per tonne vis-à-vis ₹ 49,160 per tonne in Q2 FY13
- For Rectified Spirits/Ethanol/ENA/SDS, average realizations stood at ₹ 38,420 per KL compared to ₹ 29,480 per KL in Q2 FY13

About Us

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, 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 2,70,000 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:

Arhant Jain

Dhampur Sugar Mills Limited

Tel: +91 11 3065 9418 / 9400

Fax: +91 11 2693 5697

Email: arhantjain@dhampur.com

Ishan Selarka

CDR India

Tel: +91 22 6645 1232

Fax: +91 22 6645 1213

Email: ishan@cdr-india.com