Dhampur Sugar Mills Limited
241, Okhla Industrial Estate, Phase III
New Delhi - 110 020, India
Tel: +91-11-3065 9400, 4161 2456
Tele Fax: +91-11-2693 5697
E-mail: corporateoffice@dhampur.com
Website: www.dhampur.com

09th August, 2016

Mr Suprabhat Lala (Asst. Vice President)
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051.

Dear Sir,

Sub: Submission under Regulation 46 (2) (o) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please find attached Statement giving highlights of Perspective on the Sugar Sector and Company's Operational and Financial Performance for the First Quarter ended 30th June, 2016 in addition to the Investor presentation submitted vide our letter dated 08.08.2016.

Kindly take the information on record.

Thanking you,
Yours faithfully,
For DHAMPUR SUGAR MILLS LIMITED

(ARHANT JAIN)
Executive President (Finance) & Company Secretary

Dhampur Sugar Mills Limited
www.dhampur.com
241, OKHLA INDUSTRIAL ESTATE PHASE-III NEW DELHI- 110020

Perspective on the Sugar Sector

The country's sugar production for the current sugar season 2015-16 is estimated at 25.1 million tonnes; 8% lower than 28.3 million tonnes in the previous season mainly due to drop in production in Maharashtra and Karnataka. For the next sugar season, early estimates suggest cane production to be lower by around 7% and consequently sugar production for season 2016-17 is pegged at 23.2 million tonnes. While sugar production in U.P. is expected to increase by 0.7 million tonnes from 6.8 million tonnes to 7.5 million tonnes, due to maximum usage of new cane variety, which gives better yields; production in Maharashtra and Karnataka is expected to decline, by about 27% and 20% respectively, given situation of water scarcity. Further, clarity on the overall sugar production will be available closer to the beginning of the next season. The domestic sugar consumption stands at 25.6 million tonnes and is growing. Domestic realizations witnessed an upward trend and are currently ruling at ₹ 35.50 to ₹36 per kg ex-mill.

Company's Operational and Financial Performance for the First Quarter ended 30th June, 2016

During the quarter, The Company has issued and allotted 61,72,655 Equity Shares of ₹10/- each at a premium of ₹88.68 per equity share by way of qualified institutional placement.

The Company has started pre-payment of Long Term Loans and has repaid of ₹89 crores, including pre-payment of ₹61.4 crores in the first four months starting from April, 1, 2016 to July, 31, 2016, resulting in reduction in loans from ₹679 crores on March 31, 2016 to ₹590 crores on July, 31, 2016.

To give an overview on the operations for Dhampur for the current sugar season 2015-16, The Company crushed 45.2 lakh tonnes of cane. Sugar recoveries for the current season enhanced to 10.66% compared to 9.59% in sugar season 2014-15. Sugar production for the current season was 4.81 lakh tonnes against 4.66 lakh tonnes in last season.

Dhampur Sugar Mills Limited New Delhi

There was improvement in sugar realizations from ₹25.60 per kg in Q1 FY16 to ₹34.62 per kg in Q1 FY 17. In terms of inventories, the total inventory as on June 30, 2016 stands at 2.76 lakh tonnes of sugar, which is around 58% of the Company's sugar production, valued at an average cost of ₹29.35 per kg.

On the other hand, the ancillary businesses continued to augment performance driven by higher realizations, substantiating the fact of having built a strong and an integrated business model.

The Ethanol/Chemical division delivered a robust performance, as a result of improvement in sales volume at higher realizations. The Company sold 223.4 lakhs bulk litres of Ethanol/RS at average realization of ₹43.2 per litre during the quarter. The Company during the quarter also sold 28.78 lakhs kg of Chemical at an average realization of ₹47.8 per kg. The Company in this business continues to utilise its swing capacities to produce and sell either Ethanol or Chemicals, or Rectified Spirits that offer better margins.

During the quarter ended June 30, 2016, Dhampur in its power segment generated 8.45 crores units of power and exported 5.58 crores units. The average realization for the quarter stood at ₹5.24 per unit compared to ₹5.07 per unit in Q1 FY16.

The total revenues, EBITDA and PBIT for the quarter stood at ₹495.4 crores, ₹106.9 crores and ₹99.6 crores compared to ₹511.7 crores, Loss of ₹26.45 crores and ₹36.2 crores respectively in Q1 FY16. Rise in PBIT was primarily a result of better realizations and higher sugar recovery, combined with improved performance of the Company's ancillary businesses. PBIT for all the segments was positive during the quarter. The interest cost was marginally lower at ₹46.9 crores compared to ₹48.1 crores in the corresponding quarter last year. Profit before tax stood at ₹47.7 crores compared to Loss of ₹88.1 crores in the corresponding quarter of last year. Profit after tax stood at ₹33.08 crores against Loss ₹88.1 crores in same period last year.

For the quarter ended June 30, 2016, the sugar division reported revenues of ₹410.9 crores on the back of better realizations, which contribute to 69.6% of the total revenues, as compared to 68.3% at ₹457.3 crores in the same period last year. Moreover, PBIT in this segment was higher at Rs.47.1 crores as compared to Loss of ₹87.9 crores in the corresponding quarter of last year, as a result of higher realizations coupled with higher recovery.

The Ethanol/Chemical operations continue to contribute positively to the Company's earnings performance. Revenues from Ethanol/Chemical business for the quarter improved to ₹124.9 crores from ₹109.3 crores in the corresponding quarter last year. PBIT for Q1 FY17 more than doubled at ₹32.3 crores against ₹14.6 crores in Q1 FY16, due to higher volumes and realizations. Going forward, the Company continue to focus

Dhampur Sugar Mills Limited New Delhi

on targeting business opportunities from the ethanol, chemicals or rectified spirit segment that offer better margins.

During the quarter under review, power revenues stood at ₹54.3 crores and PBIT for the quarter stood at ₹20.1 crores. Power realizations were higher at ₹5.24 per unit against ₹5.07 per unit in corresponding quarter last year.

On an overall basis the Company is enthused by its strong performance and is confident of its ability to perform well, going forward. The Company believes that it has built a strong operating platform making it well placed to deliver sustainable results and outlook for the future remains optimistic.

