Beyond sugar

Dhampur Sugar Mills Limited
Annual Report, 2011-12

Caution regarding forward-looking statements

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

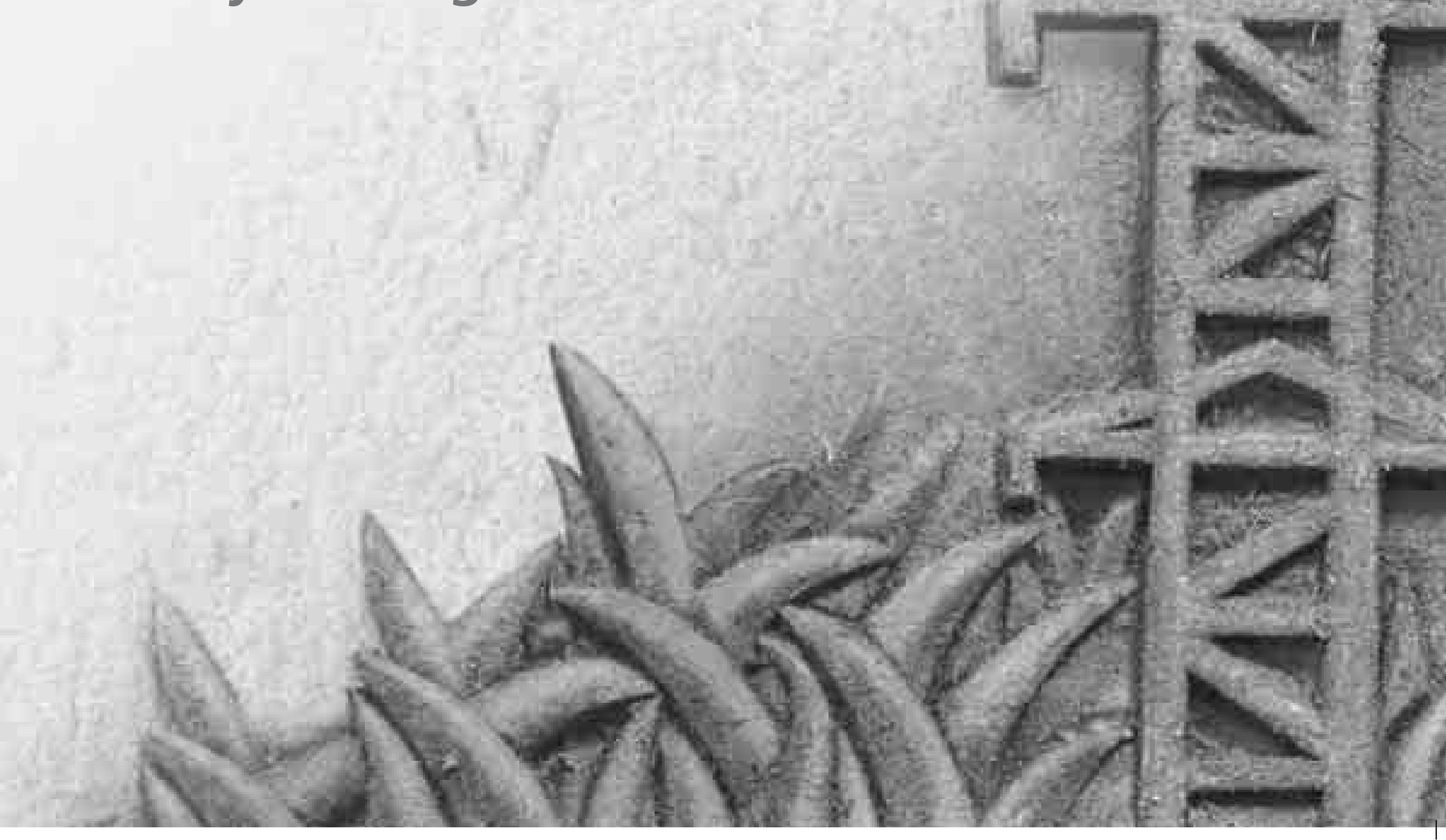
We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Across the pages

Peak cane prices, high interest costs, low sugar realisations, low ethanol prices, low yielding cane, global turmoil, controlled sector, export quota and industry cyclicality.

The year 2011-12 was possibly the most challenging year for India's sugar industry. And yet, Dhampur reported a net profit growth of 126% and proposed a dividend of ₹ 1.25 per share for the year under review. This contrarian performance was derived from a business strategy that can be concised in just two words.

Beyond sugar.



Corporate identity

Dhampur Sugar Mills Ltd is one of India's leading sugar companies.

One of the first in the industry to extend its portfolio beyond sugar.

Enhancing overall viability. And emerging as one of India's most efficient sugar companies.

Pedigree

Dhampur Sugar Mills was founded by the late Shri Ram Narain in 1933 at Dhampur, Uttar Pradesh, with a crushing capacity of 300 TCD. Over the years, Dhampur emerged as one of the largest sugarcane derivate companies in India (39,500 TCD as on 31 March, 2012)

Vision

- To de-risk from the cyclical nature of a commodity business, by enhancing value and generating revenues from our by-products
- To be one of the most efficient and profitable companies in our sector
- To incorporate technology as the key differentiator, leading to growth and industry leadership
- To create value for our customers and stakeholders

Manufacturing capacities

Business segment	Manufacturing locations	Installed capacity
Sugar production (TCD)	Dhampur, Asmoli, Mansurpur, Rajpura	39,500 TCD
Sugar refinery (TPD)	Asmoli, Mansurpur	1,700 TPD
Cogeneration (MW)	Dhampur, Asmoli, Mansurpur, Rajpura	150 MW
Distillery (LPD)	Dhampur, Asmoli	2,70,000 LPD

Product basket

Sugar	Power	Chemical
Refined sugar, plantation white sugar and retail sugar (branded as Dhampure)	Exportable capacity of 87 MW	Ethanol, rectified spirit, extra neutral alcohol and ethyl acetate

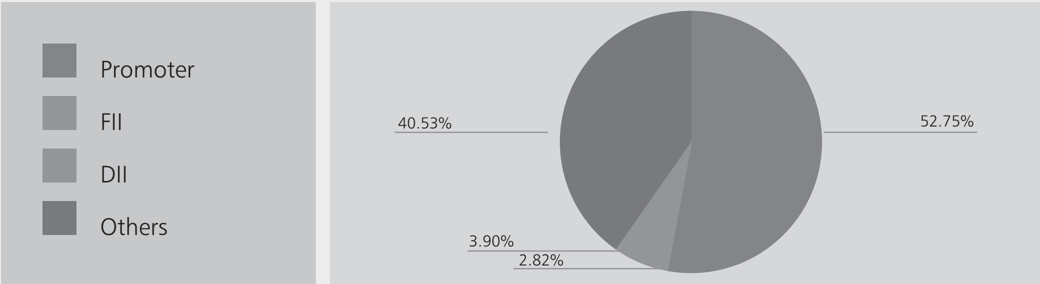
Presence

The Company has its corporate office in New Delhi and integrated manufacturing facilities located in Dhampur, Asmoli, Mansurpur and Rajpura in Uttar Pradesh.

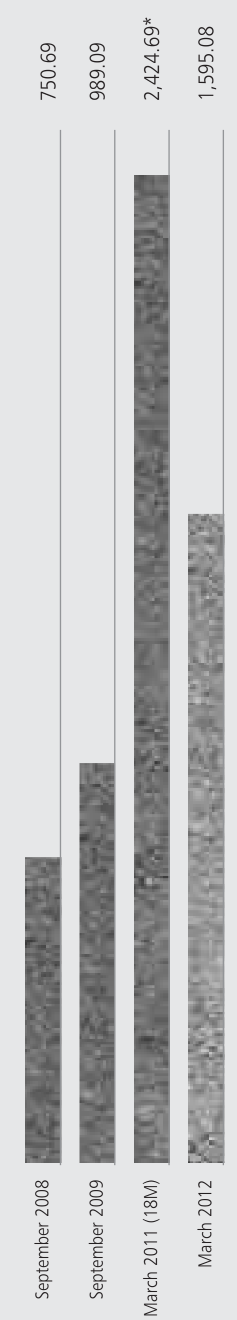
Pioneering

- First Indian sugar company...
  - To install a sugar refinery in 1993
  - To launch sulphurless sugar in consumer packs in 2000
  - To provide energy alternatives through cogeneration and ethanol
  - To install multi-fuel, high-pressure boilers (105 kg per sq. cm and 170 tonnes per hour capacities)
- One of the highest power-to-sugar capacities (3.8 kw per tonne)
- One of the largest producers of molasses-based alcohol, including diverse value-added chemicals
- One of the largest 'exporters' of agro fuel-produced power in India and among the most efficient sugarcane product companies in North India

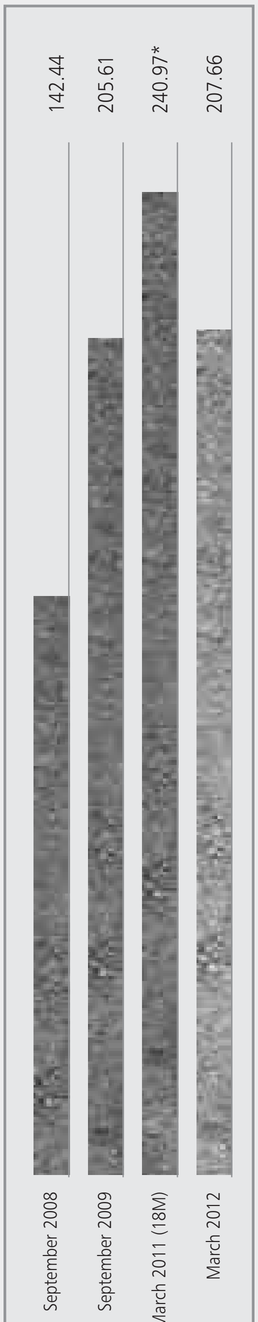
Shareholding pattern (as on 31st March, 2012)



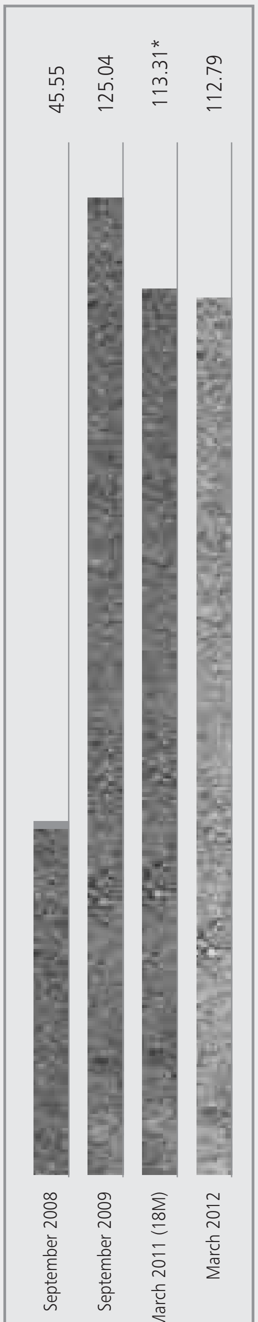
Extending beyond sugar has worked.
The evidence is here.



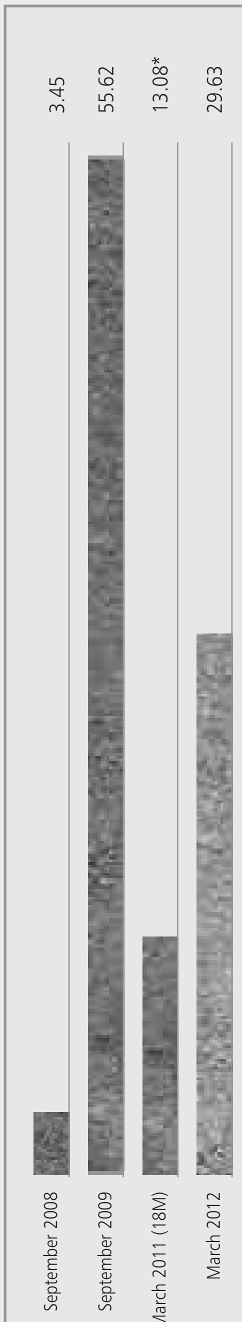
Income from operations
(in ₹ crores)



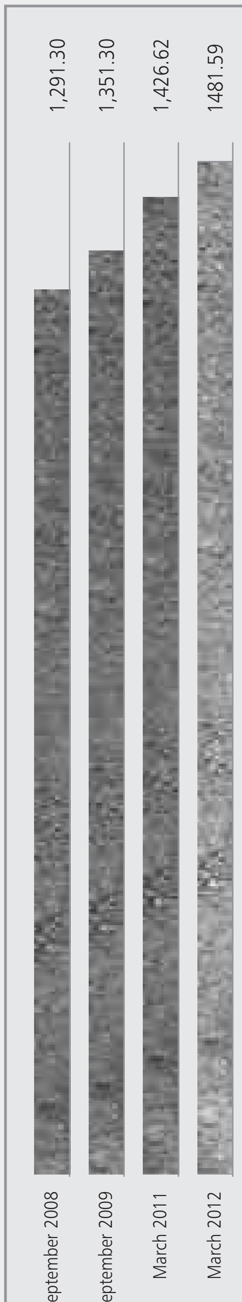
Operating profit
(in ₹ crores)



Cash profit
(in ₹ crores)

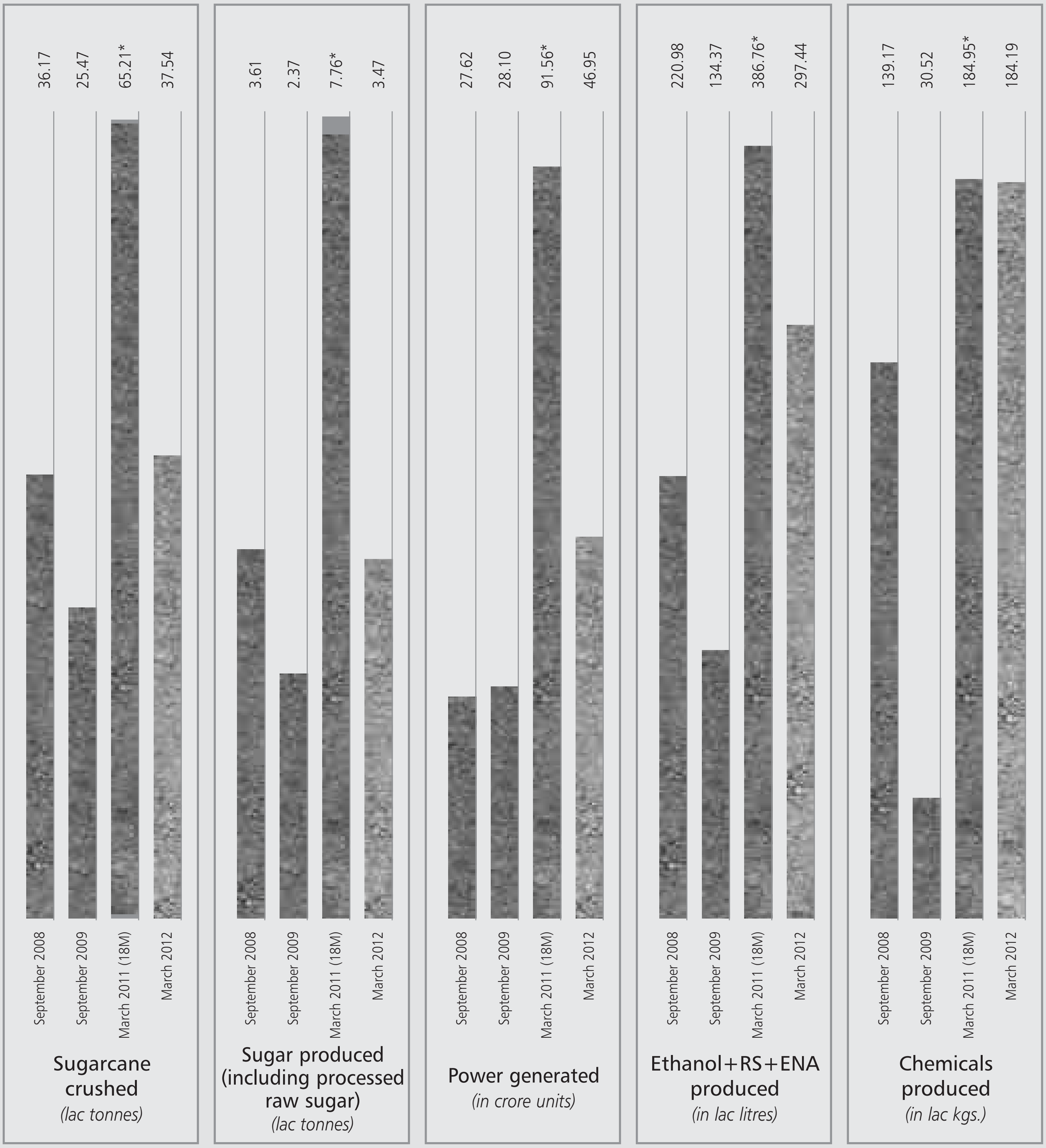


Post-tax profit
(in ₹ crores)



Gross block (including capital work in progress)
(in ₹ crores)

All the figures are pertaining to consolidated accounts



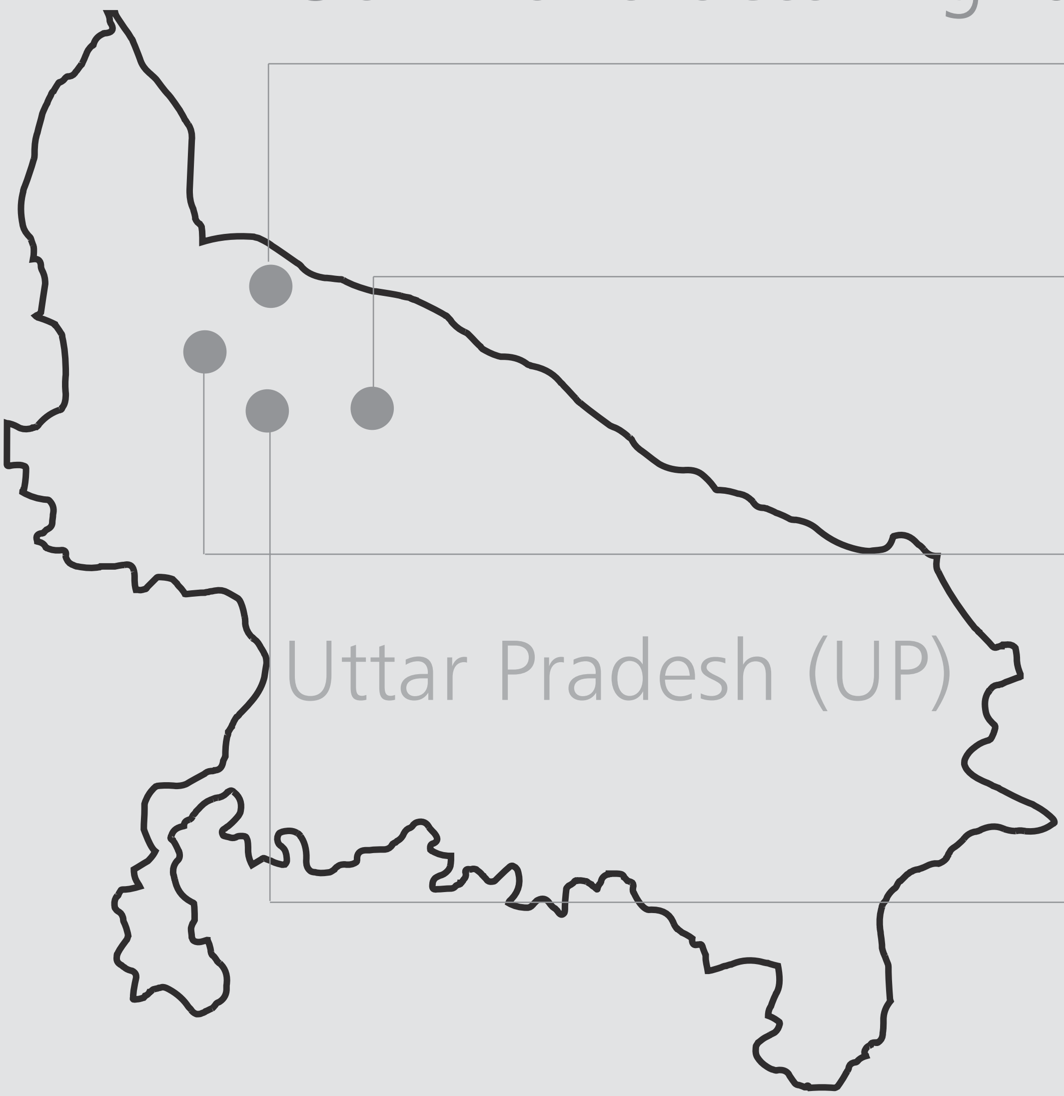
**The figures are for the 18 months (18M) ending 31 March 2011*

Dhampur's journey.

1933	Incorporated as Dhampur Sugar Mills Limited with a cane crushing capacity of 300 TCD at Dhampur
1987	Leased a sick sugar unit at Mansurpur (1,800 TCD)
1991	Established a chemical unit at Dhampur to process molasses into alcohol and other chemicals (7,600 TPA)
1993	Increased crushing capacity of Dhampur unit to 5000 TCD
1994	Installed new sugar unit at Asmoli of 2,500 TCD
1995	Increased capacity of Dhampur unit to 9,000 TCD
1996	Increased capacity of Dhampur unit to 10,000 TCD

1997	Improved capacity of the chemical plant at Dhampur to 16,500 TPA
1999	Enhanced capacity of Asmoli unit to 5,000 TCD
2006	■ Improved capacity of Dhampur unit to 12,000 TCD and Asmoli unit to 6,000 TCD ■ Merged Mansurpur sugar unit with Dhampur Sugar Mills Limited (DSML)
2007	■ Established greenfield Rajpura unit (7,500 TCD) ■ Enhanced a power generation capacity of plant at Dhampur unit to 65MW, plant at Asmoli unit to 40MW and plant at Mansurpur unit to 28 MW ■ Set-up a distillery plant at Asmoli with a capacity of 100000 LPD through a joint venture with Falck Energy
2008	Expanded Dhampur unit to 15,000 TCD, Asmoli unit to 9,000 TCD and Mansurpur unit to 8000 TCD
2010	Distillery at Asmoli became a wholly-owned subsidiary in June, 2010
2011	Enhanced power generation capacity of Mansurpur unit to 33 MW
2012	Distillery at Asmoli merged with DSML vide Honourable High Court Order in January, 2012

Our manufacturing facilities



(map not to scale)

39,500 TCD
Total sugar production capacity

150 MW
Total cogeneration capacity