



Dhampur Sugar Mills Limited

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www.dhampur.com

New Delhi, April 29, 2010: Dhampur Sugar Mills Limited (Dhampur), one of the largest and one of the most integrated Sugar manufacturing companies in India, announced its results for the second quarter ended and half year ended 31 March 2010.

Results Highlights – H1 FY2010

- **Revenues higher at Rs. 6,453.85 million; up 69.93%**
 - Average free sale realizations at Rs. 34.18 per kg as compared to Rs. 18.41 per kg in H1 FY2009
- **PAT up 124.93% at Rs. 701.64 million**
- **Crushing higher by 28.64% for sugar season 2009-10**
 - Total cane crushed 32.76 lac tons
 - Recoveries at 9.23%
- **Higher contribution from co-generation segment further augments performance**
 - Revenues increased by 100.35% at Rs. 2,781.90 million;
 - PBIT higher by 58.72% at Rs. 681.4 million
- **Total imports of raw sugar at 2.49 lac tons**

Q2 FY2010 performance overview (Compared with Q2 FY2009)

- Net revenues at Rs. 3,015.05 million from Rs. 1,153.21 million
- PBDIT at Rs. 577.69 million from Rs. 623.04 million
- PAT at Rs. 123.86 million compared to Rs. 175.25 million
- Cash Profit at Rs. 306.22 million against Rs. 407.94 million

H1 FY2010 performance overview (Compared with H1 FY2009)

- Net revenues at Rs. 6,453.85 million from Rs. 3,798.03 million
- PBDIT at Rs. 1,700.82 million from Rs. 1,139.47 million
- PAT at Rs. 701.64 million compared to Rs. 311.93 million
- Cash Profit at Rs. 1,054.05 million against Rs. 720.27 million

Performance Review – Q2 FY2010 (All comparison with Q2 FY2009)

1. Net revenues increased by 161.45% at Rs. 3,015.05 million

- Co-generation revenues improved at Rs. 1,684.07 million compared to Rs. 815.8 million; contributed 32.75% to total revenues
- Sugar business revenues were higher by 163.13% at Rs. 3,223.66 million as a result of improved sale volume and realizations. This business contributed to 62.69% to total revenues
- Chemical/Ethanol business sustained performance at Rs. 234.27 million; contributing to 4.56% to total revenues

2. PBDIT for the quarter stood at Rs. 577.69 million

- Increased contribution from the Co-generation business PBIT up by 58.44% at Rs. 423.30 million owing to improved volume and realizations
- Sugar division contributed to total PBIT at Rs. 6.56 million
- Chemical/Ethanol segment contributed to 5.37% at Rs. 24.38 million

3. PAT for the quarter stood at Rs. 123.86 million compared to Rs. 175.25 million

Performance Review – H1 FY2010 (All comparison with H1 FY2009)

1. Net revenues increased by 69.93% at Rs. 6,453.85 million

- Co-generation revenues were up by 100.35% at Rs. 2,781.94 million compared to Rs. 1,388.53 million
- Sugar business revenues were up by 62.54% at Rs. 6,403.90 million largely led by higher sugar realizations
- Chemical/Ethanol revenues were higher at Rs. 440.11 million compared to Rs. 154.38 million

2. PBDIT at Rs. 1,700.82 million

- Largely due to healthy contribution from the Co-generation business on account of higher volumes and realizations

3. PAT stood at Rs. 701.64 million as compared to Rs. 311.93 million

Outlook

Sector

- Initial estimates suggest that the cane production in India is estimated to be higher by approx 25%-30% than last year on the back of anticipated higher yields and increased diversion of cane towards sugar
- Further, sugar production in sugar season 2010-11 is estimated to be higher than expectation resulting from higher cane acreage and increased diversion of cane towards sugar
- Domestic sugar prices likely to mirror international trends
 - Volatility in international sugar prices largely dependent on production numbers from the world's largest sugar producer (Brazil)
- Per unit price of power sale to the state grid increased from Rs. 3 to Rs. 4 from 1st Oct., 2009
 - Open access of power sale will further improve earnings from the co-generation segment

Dhampur

Dhampur is expected to deliver reasonable performance on account of complete integration into Co-generation and Chemical/Ethanol

Co-generation business

- The Company's exportable co-gen capacity is at 80 MW in sugar season and off season also
 - Realizations expected to continue at more than Rs. 5 per unit
 - This is expected to offset the cyclicity in the sugar business
- In addition, Dhampur is the first sugar Company in Uttar Pradesh to adopt the model of installing coal feeding and handling systems at boilers in Dhampur and Asmoli plants
 - Reduce dependence on bagasse for off-season refining of raw sugar and have capacity to continue with power sales even during the off-season
 - Open access of power sales to augment earnings

Sugar business

- Sugar realizations are likely to be subdued in next year due to higher sugar production
- Total sugar production as on March 31, 2010 stands at 3.95 lac tons
 - Total crushing 31.17 lac tons
 - Recoveries at 9.23%
 - Average cost of inventories as on March 31, 2010 – Rs. 26.32 per kg and inventory of 3.17 lac ton (including reprocessed raw sugar of 0.80 lac tons)
- The Company contracted for import of 2.49 lac tons of raw sugar up till March 31, 2010
 - Bagasse inventories to be utilized for generating power, along with processing of raw sugar in the off-season

Chemical/Ethanol business

- Chemical/Ethanol business expected to contribute positively due to reduced raw material cost
- Ethanol to contribute positively going forward

Commenting on the performance for Q2 & H1 FY2010, Mr. Gaurav Goel and Mr. Gautam Goel, Managing Directors, Dhampur Sugar Mills Limited, said:

“We are glad to announce a healthy growth in our topline as well as bottom-line during the half year. The sugar year began on a strong note owing to the improved sugar realizations; however, some volatility in prices during this quarter partially muted performance. We believe that the domestic prices will mirror international trends and the sector will have to face some challenges going forward.

Our cane sugar production for this season is higher by 28% of which substantial part is lying as inventories and our ability to process raw sugar even during the off-season is expected to hold us in good stead. Co-generation operation is showing encouraging results. Chemical/Ethanol business shall also contribute positively going forward due to reduced raw material cost.

While the outlook for the sugar sector remains volatile, we do believe that we are one of the best players in the sector with a well-integrated model, strong financial position and efficient production costs.”

Attached: Details to the announcement and results table

About Dhampur Sugar Mills Limited

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. 1700 MT of refinery capacity, Co-generation and distillery operations of 145 MW (80 MW Saleable) and 270 KLPD respectively.

Over the years, Dhampur has grown become the most integrated company.

For more information on the Company, please log on to www.dhampur.com.

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Note: *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, agricultural policies, climatic conditions, 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.*

Details to the announcement

Discussions and Financial Overview

(All comparisons with Q2 & H1 FY2009 figures)

(All rupee figures in Rs. million unless stated otherwise)

Revenues

Particulars	Q2 FY2010	Q2 FY2009	% Shift	H1 FY2010	H1 FY2009	% Shift
Net Income	3,015.05	1,153.21	161.45	6,453.85	3,798.03	69.93
PBIT	395.33	390.35	1.28	1,348.41	731.13	84.43

- Strong revenue growth resultant to:
 - Revenues from Co-generation were higher in Q2 & H1 FY2010 on the back of higher generation of power and improved realisations effective October 2009 from Rs. 3 per unit to Rs. 4 per unit from the state grid and even higher realisation in open access
 - Improved realization in Sugar prices in Q2 & H1 FY2010 resulted in higher revenues
 - Revenues from Chemical/Ethanol were higher due to higher production and sale

Co-generation Segment	Q2 FY2010	Q2 FY2009	% Shift	H1 FY2010	H1 FY2009	% Shift
Net Revenue	1,684.07	815.79	106.43	2,781.94	1,388.53	200.35
Contribution to revenues (%)	32.75	39.23	(16.52)	28.90	25.32	14.14

- Higher revenues were primarily driven by healthy sales volume (including under open access policy) at increased power rate
- Dhampur continues to focus on this division to offset the cyclical nature of the sugar business and expects this division to provide an earnings cushion during a down-cycle

Sugar Segment	Q2 FY2010	Q2 FY2009	% Shift	H1 FY2010	H1 FY2009	% Shift
Net Revenue	3,223.66	1,225.14	163.13	6,403.90	3,939.98	64.54
Contribution to revenues (%)	62.69	58.92	6.40	66.53	71.86	(7.42)

- Revenues during Q2 & H1 FY2010 were higher owing to the improved realizations
- Average free sale Sugar realization for the quarter under review improved to Rs. 37.80 per kg compared to Rs. 20.53 per kg in the corresponding quarter last year. For H1 FY2010, free sale Sugar realizations were higher at Rs. 34.18 per kg compared to Rs. 18.41 per kg in the corresponding period last year
- Refined Sugar, sold under the brand 'Dhampure', which has a premium, contributed to 57% of the total Sugar sales

Chemical/Ethanol	Q2 FY2010	Q2 FY2009	% Shift	H1 FY2010	H1 FY2009	% Shift
Net Revenue	234.27	38.42	509.76	440.11	154.38	185.08
Contribution to revenues (%)	4.56	1.85	146.49	4.57	2.82	62.06

- This business faced input cost pressures led by increase in price of raw material without corresponding increase in realizations

PBIT

Co-generation Segment	Q2 FY2010	Q2 FY2009	% Shift	H1 FY2010	H1 FY2009	% Shift
PBIT	423.30	267.16	58.44	681.44	429.34	58.72
Contribution to PBIT (%)	93.19	73.52	26.75	47.54	55.49	(14.33)

- The segment continues to be a strong profit contributor in a cyclical sugar business
- PBIT contribution from the Co-gen division increased from 267.16 million to Rs. 423.30 million during the quarter under review
- During the Q2 and H1 FY2010, the Company sold power at an average realization of Rs. 3.93 & Rs. 4.23 per unit respectively

Sugar Segment	Q2 FY2010	Q2 FY2009	% Shift	H1 FY2010	H1 FY2009	% Shift
PBIT	6.56	80.99	(91.90)	751.39	319.09	135.48
Contribution to PBIT (%)	1.44	22.29	(93.54)	52.43	41.24	27.13

- Sugar division delivered higher operating profits during H1 FY2010 on the back of higher sugar realizations

Chemical/Ethanol Segment	Q2 FY2010	Q2 FY2009	% Shift	H1 FY2010	H1 FY2009	% Shift
PBIT	24.38	15.25	59.87	0.43	25.30	(98.30)
Contribution to PBIT (%)	5.37	4.20	27.86	0.03	3.27	(99.08)

- The Chemical/Ethanol segment delivered a subdued performance as a result of higher raw material (molasses) price without consequent increase in realizations
- Going forward, with mandatory ethanol-blending programme being implemented by the Central government, the Company expects increased off-take of ethanol to oil-marketing companies

Earnings Overview

Particulars	Q2 FY2010	Q2 FY2009	% Shift	H1 FY2010	H1 FY2009	% Shift
PAT	123.86	175.25	(29.32)	701.64	311.93	124.94
Cash Profits (Post tax)	306.22	407.94	(24.94)	1,054.05	720.27	46.34

- Interest cost for Q2 FY2010 was higher by 16.81% due to higher working capital availment on account of enhanced sugar stocks, which shall be liquidated in next two quarters
- Interest cost for H1 was lower by 6.45% at Rs. 377.3 million due to repayment of term loan
- The term debt as on March 31, 2010 was at Rs. 5,660.5 million which was and Rs. 6,151.03 million as on March 31, 2009 and Rs. 5,922.2 million as on December 31, 2009

Operational overview

Sugar operations

Particulars	Q2 FY2010	Q2 FY2009	% Shift	H1 FY2010	H1 FY2009	% Shift
Cane crushing (lac tonne)	20.49	13.60	50.66	31.17	25.34	23.00
Total Sugar Production (lac tonne)	2.56	1.36	88.23	3.95	2.36	67.37
- Cane Sugar	1.95	1.33	46.62	2.84	2.33	21.89
- Raw Sugar	0.61	0.03	--	1.11	0.03	--
Sugar Sales (lac tons)	0.53	0.35	51.43	1.34	1.62	(17.28)
Free Sugar Realization (Rs./Kg)	37.80	20.53	84.12	34.18	18.41	85.66
Recoveries (%)	9.54	9.77	(2.35)	9.23	9.29	(0.65)

- Reprocessed 1.11 lac tons of raw sugar till H1 FY2010
- Sugar inventories stood at 3.17 lac tons including reprocessed raw sugar of 0.80 lac tons as on March 31, 2010

Co-generation operations (Crore Units)

Particulars	Q2 FY2010	Q2 FY2009	% Shift	H1 FY2010	H1 FY2009	% Shift
Power generation	20.36	14.23	43.08	34.44	24.45	40.86
Power export to UPPCL	12.53	7.79	60.85	22.24	13.91	59.88
Realization (Rs. per unit)	3.93	3.20	22.81	4.23	3.08	37.33

- The Company exported 22.24 Crore units at an average rate of Rs. 4.23 per unit

Chemical/Ethanol operations

Particulars	Q2 FY2010	Q2 FY2009	% Shift	H1 FY2010	H1 FY2009	% Shift
Chemicals sale(Tons)	2,902.06	475.61	510.18	5,022.27	1,978.29	153.87
Rectified Spirit / Ethanol sale (KL)	3,863.0	430.00	798.37	8,156.00	1,834.13	344.68

- For the quarter and half year under review
 - Sales volume of chemicals enhanced to 2,902 and 5,022 tons respectively
 - Rectified Spirits/Ethanol volumes were higher 3,863 and 8,156 KL respectively

– ENDS –



DHAMPUR SUGAR MILLS LIMITED

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE SECOND QUARTER ENDED 31.03.2010

Rs. in Lacs

Sl. No.	Particulars	Quarter ended		Six months ended		Rs. in Lacs
		Mar.,10 (Unaudited)	Mar.,09 (Unaudited)	Mar.,10 (Unaudited)	Mar.,09 (Unaudited)	Year ended Sep.,09 (Audited)
1.	(a) Sales / Income from Operations	29956.14	11494.56	64070.99	39798.58	97721.24
	(b) Less : Excise Duty & Other Taxes	942.63	561.59	1852.82	2083.59	4166.22
	(c) Net Sales / Income from Operations {1(a)-1(b)}	29013.51	10932.97	62218.17	37714.99	93555.02
	(d) Other Operating Income	1136.96	599.12	2320.33	265.29	1248.63
	Total Revenue {1(c)+1(d)}	30150.47	11532.09	64538.50	37980.28	94803.65
2.	Total Expenditure					
	(a) (Increase) /Decrease in Stocks	(58046.10)	(23533.11)	(77149.69)	(24811.09)	9950.41
	(b) Consumption of Raw Materials	75804.19	24687.86	112860.96	42888.17	47063.29
	(c) Purchases of Goods	350.83	208.74	538.32	416.48	3572.48
	(d) Employees Cost	1870.41	1400.67	3248.21	2583.76	4468.10
	(e) Depreciation	1823.62	2326.87	3524.08	4083.37	6157.25
	(f) Other Expenditure	4412.56	2553.71	8098.13	5577.65	9394.21
	(g) Total {2(a) to 2(f)}	26215.51	7644.73	51120.01	30738.33	80605.74
3.	Net Profit (+) / Loss (-) before Other Income, Interest, Extra Ordinary Items and Taxes (1-2)	3934.96	3887.36	13418.49	7241.95	14197.91
4.	Other Income	18.30	16.12	65.62	69.35	112.08
5.	Net Profit (+) / Loss (-) before Interest, Extra Ordinary Items and Taxes (3+4)	3953.26	3903.48	13484.11	7311.30	14309.99
6.	Interest	2496.10	2136.80	3772.96	4033.02	8098.78
7.	Net Profit(+)/ Loss (-) after Interest but before Extra Ordinary Items and Taxes (5-6)	1457.16	1766.68	9711.15	3278.28	6211.21
8.	Extra Ordinary Income (+)/ Expenses (-) (Net Others)	0.00	0.00	0.00	0.00	0.00
9.	Profit(+)/ Loss (-) before Tax (7-8)	1457.16	1766.68	9711.15	3278.28	6211.21
10.	Provision for Taxation					
	Current Tax (including MAT)	247.90	14.20	1650.90	34.00	(31.38)
	Less: MAT credit entitlement	(247.90)	0.00	(1650.90)	0.00	0.00
	Deferred Tax	218.58	0.00	2694.77	125.00	624.00
11.	Net Profit (+) / Loss (-) (9-10)	1238.58	1752.48	7016.38	3119.28	5618.59
12.	Paid-up Equity Share Capital (Face Value per Share Rs.10/-Each)	5390.60	5270.60	5390.60	5270.60	5270.60
13.	Reserves excluding Revaluation Reserves (After adjusting Deferred Tax Asset)	N.A	N.A	N.A	N.A	43700.97
14.	EPS :					
	Basic	2.28	3.31	13.08	5.89	10.59
	Diluted	2.28	3.23	13.08	5.75	10.36
15.	Public Shareholding*					
	- No. of Shares	29844461	30116596	29844461	30116596	30237461
	- Percentage of Shareholding	55.36%	57.14%	55.36%	57.14%	57.37%
16.	Promoter and Promoter Group Shareholding:					
	(a) Pledged / Encumbered**					
	- No. of Shares	6299431	8739431	6299431	8739431	8739431
	- Percentage of Shares(as a % of the Total Shareholding of the Promoter and Promoter Group)	26.18%	38.93%	26.18%	38.93%	38.90%
	- Percentage of Shares(as a % of the Total Share Capital of the Co	11.69%	16.58%	11.69%	16.58%	16.58%
	(b) Non-encumbered					
	- No. of Shares	17762083	13706883	17762083	13706883	13729083
	- Percentage of Shares(as a % of the Total Shareholding of the Promoter and Promoter Group)	73.82%	61.07%	73.82%	61.07%	61.10%
	- Percentage of Shares(as a % of the Total Share Capital of the Co	32.95%	26.01%	32.95%	26.01%	26.05%

*Total public shareholding as defined under clause 40A of the Listing Agreement (excluding shares held by Global Depository Receipt holders).

** Equity Shares have been pledged by the promoters with banks and financial institutions as collateral security for loans taken by the company.

NOTES:

- 1 The results were reviewed by the Audit Committee and approved by the Board in their meeting held on 29.04.2010.
- 2 The Auditors of the Company have carried out the Limited Review of the above financial results.
- 3 Sugar being a seasonal industry, the performance for the quarter may not be representative of the annual performance of the Company.
- 4 The Consolidated financial results information, which includes the results of its subsidiary, M/S Dhampur Sugar Distillery Pvt. Ltd. (DSML holding - 51%), for the six months ended 31st March,2010 are as follows : Turnover - Rs.63850.35 lacs, Net profit after tax - Rs. 6970.46 lacs and EPS (Basic/Diluted) - Rs.12.99/Rs.12.99.
- 5 There were no outstanding complaints from the share holders at the beginning and end of the quarter and all the 7 complaints received during the quarter have been dealt with satisfactorily.
- 6 Figures for the previous corresponding periods have been regrouped, wherever considered necessary.

**QUARTERLY REPORTING OF SEGMENT WISE REVENUE,RESULTS AND CAPITAL EMPLOYED
UNDER CLAUSE 41 OF LISTING AGREEMENT**

Sl. No.	Particulars	Quarter ended		Six months ended		Year ended
		Mar.,10 (Unaudited)	Mar.,09 (Unaudited)	Mar.,10 (Unaudited)	Mar.,09 (Unaudited)	Sep.,09 (Audited)
1	Segment Revenue (Net of Excise & Other Taxes)					
	a) Sugar	31878.35	11995.68	63477.18	38918.89	93011.29
	b) Power	16840.66	8157.92	27819.35	13885.33	15552.34
	c) Chemicals / Ethanol	2342.71	384.24	4401.12	1543.81	3550.02
	d) Others	358.28	255.68	561.82	480.95	604.37
	Total	51420.00	20793.52	96259.47	54828.98	112718.02
	Less : Inter Segment Revenue (Net of Excise)	22406.49	9860.55	34041.30	17113.99	19163.00
	Net Sales / Income from Operation	29013.51	10932.97	62218.17	37714.99	93555.02
2	Segment Results (Net Profit(+)/Loss(-) before Tax & Interest from each Segment)					
	a) Sugar	11.78	784.76	7447.75	3156.58	10833.65
	b) Power	4232.98	2671.64	6814.37	4293.35	4134.40
	c) Chemicals / Ethanol	243.81	152.53	4.29	252.97	203.21
	d) Others	53.79	25.13	66.10	34.27	43.66
	Total	4542.36	3634.06	14332.51	7737.17	15214.92
	Less :Interest	2496.10	2136.80	3772.96	4033.02	8098.78
	Less : Other Unallocable Expenses and Extra Ordinary Items					
	Net of Unallocable Income	(589.10)	269.42	(848.40)	(425.87)	(904.93)
	Net Profit (+) / Loss(-) before Tax	1457.16	1766.68	9711.15	3278.28	6211.21
3	Capital Employed (Segment Assets - Segment Liabilities)					
	a) Sugar	131250.49	92474.54	131250.49	92474.54	60165.60
	b) Power	50746.74	45266.96	50746.74	45266.96	46754.45
	c) Chemicals / Ethanol	11114.38	10743.32	11114.38	10743.32	11115.31
	d) Others	99.98	71.44	99.98	71.44	71.06
	Total	193211.59	148556.26	193211.59	148556.26	118106.42
4	Statement of Assets and Liabilities :			As at 31/Mar/10 (Unaudited)	As at 31/Mar/09 (Unaudited)	As at 30/Sep/09 (Audited)
	Shareholders' Funds :					Rs. In lacs
	(a) Share Capital			6279.97	6243.97	6243.97
	(b) Reserves and Surplus			51415.74	42156.30	43701.49
	Loan Funds			137141.13	104971.67	73602.49
	Deferred Tax Liability			1152.79	0.00	0.00
	Total			195989.63	153371.94	123547.95
	Fixed Assets			100847.87	98322.50	100231.51
	Investments			2778.04	2774.70	2778.04
	Deferred Tax Asset			0.00	2040.98	1541.98
	Current Assets , Loans & Advances:					
	Inventories			112871.20	53376.38	41958.03
	Sundry Debtors			10340.32	6146.56	8929.92
	Cash and Bank Balances			6262.76	3268.40	3704.09
	Loans and Advances			12374.94	9342.20	9436.38
	Less : Current Liabilities & Provisions					
	Current Liabilities			48072.66	19971.66	42663.49
	Provisions			1412.84	1928.12	2368.51
	Net Current Assets			92363.72	50233.76	18996.42
	Total			195989.63	153371.94	123547.95

For Dhampur Sugar Mills Ltd.

Place : New Delhi
Date : 29.04.2010

V.K.GOEL
Chairman