

Boost productivity in farm sector'

3 times the cost of production.

Farmers obviously are still not prepared to react positively to market-determined prices and take a call on their produce. As such, MSP comes in as a viable solution.

"MSP will trigger productivity across the farm sector. I do not think it should lead to a rise in food inflation. However, the increased farm productivity will lead to a spurt in rural growth and consumer spend," he told *BusinessLine* on the sidelines of a seminar organised by the Merchants' Chamber of Commerce and Industry.

In order to produce \$1 worth of rice, the United States

provides a subsidy (both direct and indirect put together) of 45 per cent and Europe provides around 65 per cent. Compared to it, the subsidy component in India is just 12 per cent.

As Banik points out, Indian farming has to be more efficient and this will need some people to move out of the sector. But for that to happen, manufacturing activity needs to pick up.

No inflationary pressure

Moreover, it is unlikely that the newly-announced MSP calculations will breed inflationary pressures as has been the fear in many quarters.

According to Mayank Jalan, CMD, Keventer Agro, the government may not use comprehensive cost of production, or C2 costs, as the benchmark for calculating returns. C2 takes into account multiple components. This includes A2 costs or costs incurred by farmers on seeds, fertilisers, chemicals, hired labour, fuel and irrigation, the imputed value of unpaid family labour, and the rentals and interest forgone on owned land and fixed capital assets.

"In the past MSP was set at C2 plus 10-15 per cent. When the announcement of offering 1.5 times MSP came, we thought that it will lead to food infla-

tion. We wanted it to be done in a phased manner. However, we, later realised that the formula of calculation has changed," said Jalan at a post-Budget interactive session, which was organised by FICCI on Friday.

The MSP is likely to be offered 1.5 times on A2. "Hence it will not lead to inflation," he pointed out. With the Centre looking to push through its flagship social-sector schemes, including the Modicare health project, it is most likely that it will resort to market borrowings. This means an end to the low interest rate regime and infrequent rate cuts by the RBI, said IMEI's Banik.

Dalmia
Bharat Sugar

DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED

Regd. Office : Dalmiapuram - 621 651, Distt. Tiruchirapalli (Tamil Nadu)

Phone : 011 23465100, Fax (011) 23313303

Email : invhelp@dalmiasugar.com . Website : www.dalmiasugar.com . CIN : L26942TN1951PLC000640

Extract of Standalone Unaudited Financial Results for the Quarter/Nine Months ended 31-12-2017 (₹ Lakhs)

S.No.	Particulars	Standalone			Standalone	
		For the Quarter ended			For the Nine months ended	
		31-12-17	30-09-17	31-12-16	31-12-17	31-12-16
1	Total Income from Operations	61,148	52,969	51,221	1,81,594	1,33,402
2	Net Profit/ (Loss) for the period (before Tax, Exceptional and/or Extraordinary items.)	7,202	4,486	8,149	18,201	18,066
3	Net Profit/ (Loss) for the period before Tax (After Exceptional and/or Extraordinary items.)	7,202	4,486	8,149	18,201	18,066
4	Net Profit/ (Loss) for the period after Tax (After Exceptional and/or Extraordinary items.)	5,424	3,731	4,850	14,665	14,767
5	Total Comprehensive Income for the period [comprising profit/(Loss) for the period (after tax) and other comprehensive income (after tax)]	11,342	4,594	-14	26,098	19,886
6	Equity Share Capital	1,619	1,619	1,619	1,619	1,619
7	Earning per Share (of ₹ 2 each)					
a)	Basic	6.70	4.61	5.99	18.12	18.24
b)	Diluted	6.70	4.61	5.99	18.12	18.24

Notes :-

- The above results have been approved and taken on record by the Board of Directors in their meeting held on February 2, 2018.
- Post the applicability of Goods and Service Tax (GST) with effect from 1 July 2017, revenue from operations are disclosed net of GST. Accordingly, the revenue from operations and excise duty expenses for the quarter and period ended 31st December 2017 are not comparable with the previous periods presented in the results.
- The above is the extract of the detailed format of quarterly/nine months' financial results filed with the stock exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the quarterly/nine months' financial results are available on the Stock Exchange websites, www.nseindia.com and www.bseindia.com and on the Company website www.dalmiasugar.com.

For Dalmia Bharat Sugar and Industries Limited

Place: New Delhi
Date: February 2, 2018

J. S. Baijal
Chairman



Business Line

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