



## Financial Results: for quarter ended June 30, 2011

August 10, 2011



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# *Corporate Highlights*



## Key Highlights – Q1 FY12

### Clean Development Mechanism registration complete for all sugar units

- Total estimated yearly realization for sale of carbon credit at Rs. 8 crore
- Benefits to accrue from current year

### Renewable Energy Certificate accreditation (REC) obtained from NEDA

- Total estimated yearly revenue around Rs. 7.5 crore
- Benefits to accrue from current year

### Sold export rights of 7,000 MT of processed sugar

- As per the directive by the Government



## Corporate Social Responsibility

- **Children and Education – 286 children enrolled in 10 village schools** are enrolled in remedial centres-past experience shows that such initiative has resulted in zero drop out during intervention period and improvement in subject performance
- **Village empowerment and institutional strengthening – 6 Self Help Groups formed with 72 members**
- **Health Services - 4,123 health interventions through the government's national health days (NHD) programme** done, primarily benefitting pregnant women, post-natal care and immunization for young children

# *Standalone Financial Results*



## Standalone Financial Results Highlights

### Income

Q1'12

Q1'11

- Gross Sales : Rs. 169 cr      Rs. 200 cr
- Net Sales : Rs. 163 cr      Rs. 195 cr
- Total Income : Rs. 168 cr      Rs. 200 cr

### Profits

Q1'12

Q1'11

- EBITDA : Rs. 16 cr;      Rs. (18) cr
- Net Profit : Rs. (6) cr      Rs. (27) cr

### Margin

- EBITDA : 10%

- Lower sales on account of lower releases from the Government
- Higher EBITDA due to much lesser write down of inventory valuation in Q1'12 as compared to Q1'11

## Q1'12 Results – Business wise

(Rs In crores)	Q1'11			Q1'12		
	Sugar	Others	Total	Sugar	Others	Total
Gross Sales	187	13	200	160	9	169
Net Sales	182	13	195	155	8	163
Other Operating Income	4	1	5	4	1	5
<b>Total Income</b>	<b>185</b>	<b>14</b>	<b>200</b>	<b>159</b>	<b>10</b>	<b>168</b>
Operating Expenses	209	9	218	147	6	153
<b>EBITDA</b>	<b>(23)</b>	<b>5</b>	<b>(18)</b>	<b>12</b>	<b>4</b>	<b>16</b>
<b>EBITDA Margins %</b>	<b>-12%</b>	<b>36%</b>	<b>-9%</b>	<b>7%</b>	<b>40%</b>	<b>9%</b>
Other Income			2			1
Depreciation			10			10
Interest			15			15
<b>Profit Before Tax</b>			<b>(42)</b>			<b>(9)</b>
Tax			(15)			(3)
<b>PAT</b>			<b>(27)</b>			<b>(6)</b>

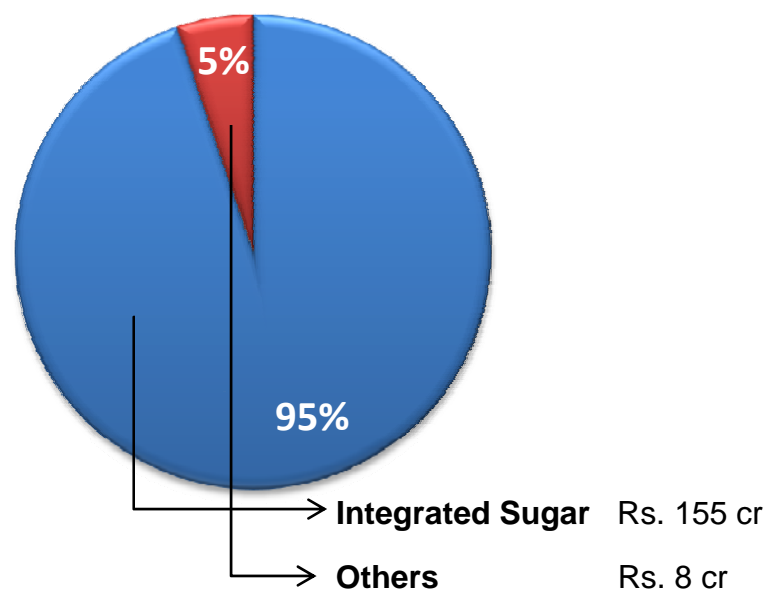
\* Sugar segment includes Cogen & Distillery; Others include Windfarm, Magnesite and miscellaneous businesses

\*\* Previous period numbers have been reclassified/regrouped as per current quarter groupings

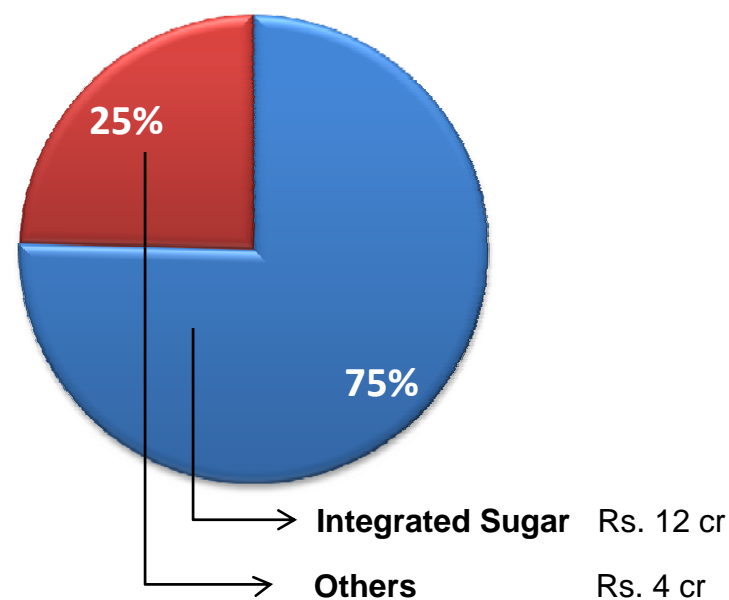


## Q1'12 Business Mix

**Total Net Revenue Mix**



**Total EBITDA Mix**



**Sugar and co-gen contribute about 80% and 20% respectively to the overall revenue mix**

\* Sugar segment includes Cogen & Distillery; Others include Windfarm, Magnesite and miscellaneous businesses

\*\* Previous period numbers have been reclassified/regrouped as per current quarter groupings

# *Integrated Sugar Business*



## Integrated Sugar Highlights – Q1'12

### Significant YoY growth in sugar cogen export volumes

- Due to higher availability of bagasse on account of longer crushing season in SY11
- Power export up 122% YoY at 696 lakh kwh

### Sugar inventory volumes up 23% YOY at 1.1 lakh tonnes

- On account of lower releases from Government in June quarter
- Valued at Rs. 26,220/T vs. 25,277 in Q1'11

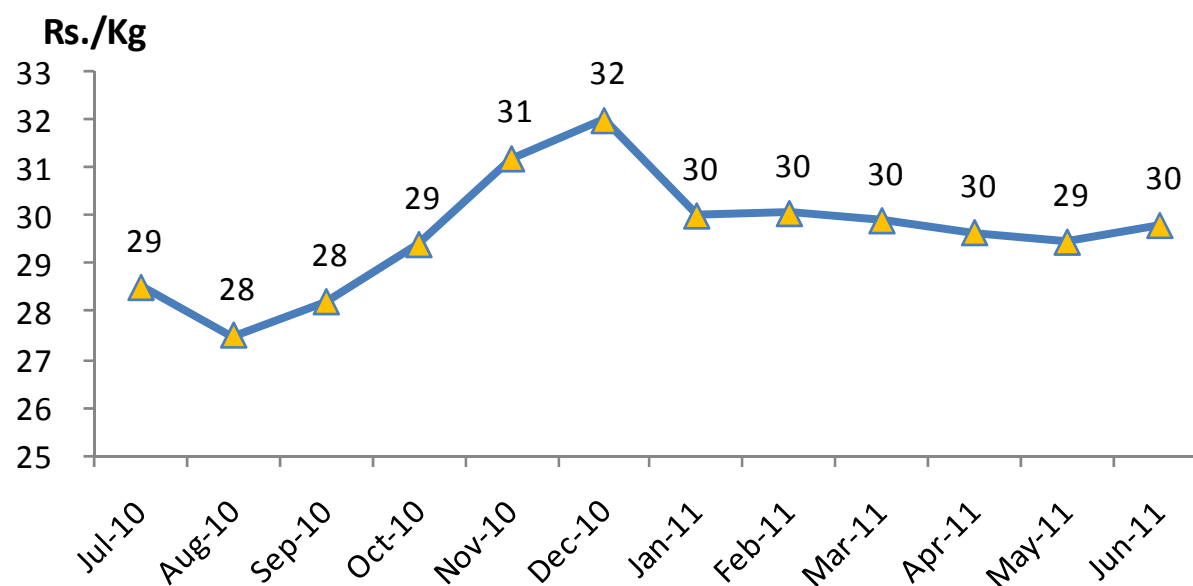
## Integrated Metrics

Operational Metrics Sugar	Units	Q1'11	Q1'12	Growth%/bps
Crushed cane	T	-	32,664	-
Recovery	%	0.0%	9.6%	965
Production Volume	T	10,006	3,151	-69%
Sales Volumes	T	60,784	45,224	-26%
Sales Realizations	Rs/T	26,432	26,790	1%

Cogeneration Units	Units	Q1'11	Q1'12	Growth%
Installed Capacity	MW	79	79	-
Power generated	lakh kwh	360	785	118%
Power Exported	lakh kwh	314	696	122%
Power Realization	Rs/Kwh	5.5	4.4	-20%

# Free Sugar Pricing

## Free Sugar Spot Sale Prices of Kanpur Market



- Sugar prices have stabilized in the range of Rs. 29-30/kg
- Spot prices as on date at Rs. 29.5/kg

# *Sugar Industry Highlights*



# Sugar Demand - Supply Situation in India

Indian Sugar Balance									(Lac MT)
Particulars	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 (E)
Opening Stock as on 1st Oct.	113	116	85	48	36	92	100	44	50@
Production during the Season	201	140	127	193	283	263	148	189	242
Imports	0	4	21	-	-	-	25	41	3
<b>Total Availability</b>	<b>315</b>	<b>260</b>	<b>233</b>	<b>241</b>	<b>320</b>	<b>356</b>	<b>273</b>	<b>274</b>	<b>295</b>
<b>Off-take:</b>									
i) Internal Consumption	184	173	185	185	210	225	227	213	215
ii) Exports	15	2	0	11	17	50	2	2	26
<b>Total Off take</b>	<b>199</b>	<b>175</b>	<b>185</b>	<b>196</b>	<b>227</b>	<b>275</b>	<b>229</b>	<b>215</b>	<b>241</b>
<b>Closing Stock as on 30th Sept.</b>	<b>116</b>	<b>85</b>	<b>48</b>	<b>36</b>	<b>92</b>	<b>81</b>	<b>44</b>	<b>58</b>	<b>54</b>
<b>Stock as % of Off take</b>	<b>63%</b>	<b>49%</b>	<b>26%</b>	<b>19%</b>	<b>44%</b>	<b>36%</b>	<b>19%</b>	<b>27%</b>	<b>22%</b>
<b>Free Sugar Prices Rs./Kg (Ex-Mill)</b>	<b>11</b>	<b>13</b>	<b>16</b>	<b>17</b>	<b>13</b>	<b>14</b>	<b>21</b>	<b>29</b>	<b>28</b>

- @ As per Govt. estimates and after adjustments of quantity sold under court order (5 Lakh MT) and considering all releases of export orders (2 Lakh MT)
- Initial production estimates for the season 11-12 is expected between 255 to 260 Lakhs MT, thus sugar prices are expected to be range bound.

# Regulatory Updates

## Decontrol of Sugar

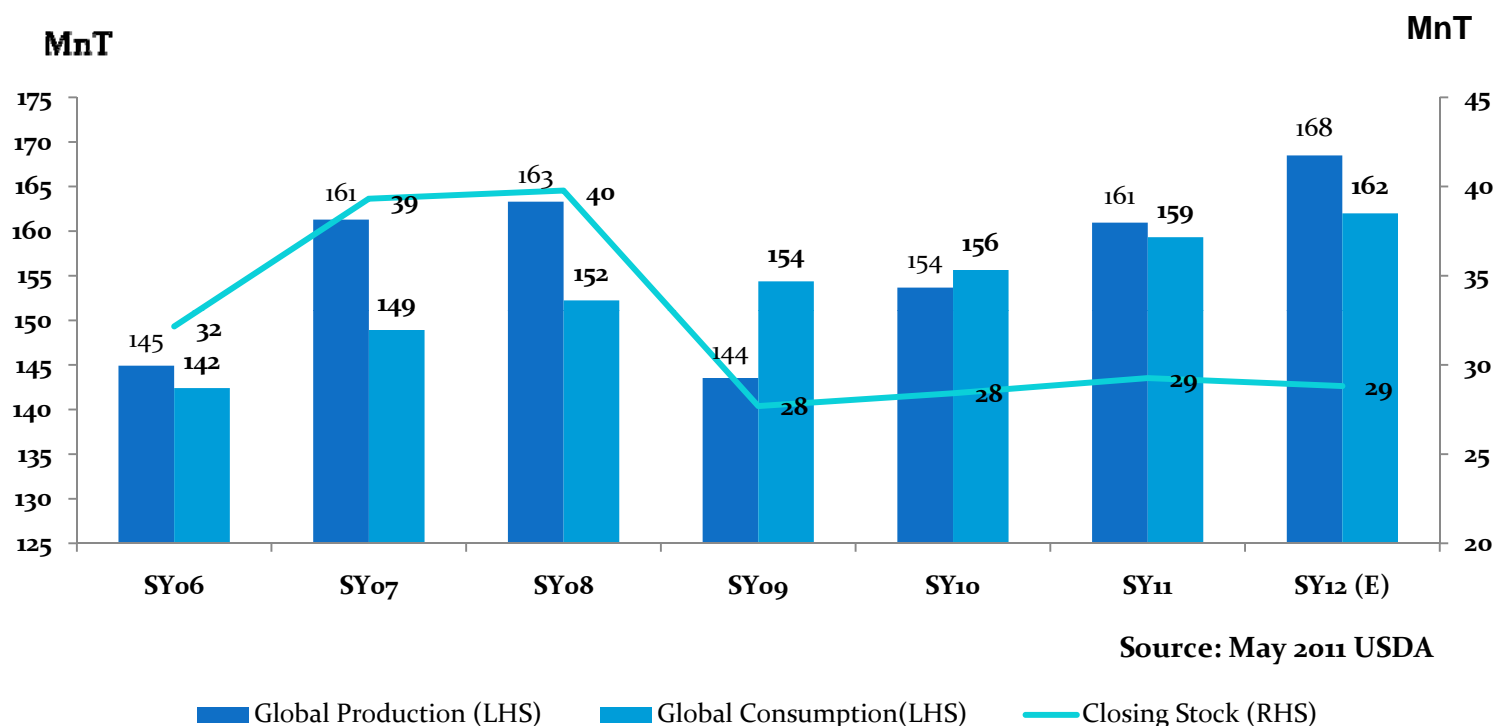
- The issue of Decontrol which was on backburner has been revived with Government contemplating partial Decontrol in the near future. This can go a long way in stabilizing the sugar prices in the long term.

## Other Matters

- 0% import duty on Sugar extended up to September 2011.
- Extension of stock holding limits of traders up to 14<sup>th</sup> August 2011.
- Further Export of Sugar under OGL of 5 Lac MT allowed by the Government, in total 10 lac MT has been allowed.
- Bajaj Hindustan's petition of the levy price admitted by the supreme court. ISMA's petition may also be tagged along with this petition in respect of relief in fixation of levy price by considering SAP instead of FRP.



# Global Sugar Demand Supply Scenario



- As per initial estimates USDA has indicated a global surplus of 6 Mnt for SY 12. However this surplus could go down because of lower production of 1.5 Mnt expected in Brazil.
- Due to tight availability of sugar from Brazil the prices have increased to 29 cts.

## Contact Us



### For Queries and Comments

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# THANK YOU

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