



***Dalmia***  
***Bharat Sugar***

Earnings Release for the Quarter and Nine Months Ended 31<sup>st</sup> December, 2012  
7<sup>th</sup> February, 2013



# *Presentation Plan*

Corporate Highlights

Standalone Financial Results

Integrated Sugar Business

Sugar Industry Highlights

Contact Us

# *Corporate Highlights*

# Key Highlights

## Q3 FY13

- **Net Revenue grew by 19% to ₹ 257 Cr.**
  - Sugar realization Up by 17% YoY at ₹ 3,332/ Qtl.
- **EBIDTA at ₹ 28 Cr as against ₹ 13 Cr in corresponding period.**
  - Significant growth in Distillery volume coupled with better realization, resulted in improved margin.
- **SAP in UP fixed at Rs 280/Qtl for General variety as against Rs 240/Qtl last year.**
  - Basic Cane Price at Kolhapur District, Maharashtra fixed at Rs 250/Qtl.

## Nine Months FY13

- **Net Revenue growth of 37% to ₹ 723 Cr.**
  - EBIDTA at ₹ 83 Cr as against ₹ 23 Cr in corresponding period.

# Corporate Social Responsibility



- Maternal and Child health care interventions targeting 100 percent immunization, pre and post natal care with the aim of bringing down infant and maternal mortality rate.
- Zero maternal deaths have been recorded in the target areas of Nigohi and Jawaharpur.
- Zero child mortality in Nigohi and Jawaharpur.
- Street theatre used as a medium for imparting social messages in Nigohi about the importance of education, explain the ills of child marriage and so on.
- Women registered as a part of self help groups and given training on vermi composts. This has made them economically self reliant.
- 8 dropout students were enrolled in school in Ramgarh, Kesvamau village.

# *Standalone Financial Results*

# Q3 FY13- Financial Results Highlights

## Income

Q3 FY13

Q3 FY12

- Net Sales : ₹ 257 cr ↑ 19% YoY ₹ 216 cr
- Total Income : ₹ 258 cr ↑ 16% YoY ₹ 222 cr

## Profit

Q3 FY13

Q3 FY12

- EBITDA : ₹ 28 cr ↑ 120% YoY ₹ 13 cr
- Net Profit : ₹ 5 cr ↑ ₹ (4) cr

➤ Higher Net Sales in Q3'13 on account of increased sales volume for sugar & Ethanol, also coupled with better Realization.



## Q3 FY13 Results – Business wise

₹ In crores)	Q3 FY13			Q3 FY12			YoY%		
	Integrated Sugar	Others	Total	Integrated Sugar	Others	Total	Integrated Sugar	Others	Total
Net Sales	250	7	257	208	8	216	20%	-12%	19%
Other Operating Income	1	0	1	3	2	6			
<b>Total Income</b>	<b>251</b>	<b>7</b>	<b>258</b>	<b>211</b>	<b>10</b>	<b>222</b>	<b>19%</b>	<b>-31%</b>	<b>16%</b>
Operating Expenses	222	8	229	202	7	209			
<b>EBITDA</b>	<b>29</b>	<b>(1)</b>	<b>28</b>	<b>10</b>	<b>3</b>	<b>13</b>	<b>194%</b>	<b>-117%</b>	<b>120%</b>
<b>EBITDA Margins %</b>	12%	-8%	<b>11%</b>	5%	30%	<b>6%</b>			
Other Income			2			1			
Depreciation			12			10			
Interest			14			9			
<b>Profit Before Tax</b>			<b>4</b>			<b>(6)</b>			
Tax			(0)			(2)			
<b>PAT</b>			<b>5</b>			<b>(4)</b>			

Note: Sugar segment includes Cogen & Distillery; Others include Windfarm, Magnesite, etc..

- Average Sugar Realization for the quarter at ₹. 33,321/MT , increase of 17% on YoY basis.
- 472% YoY increase in Distillery sales volume at 6,617 KL, boosted revenue and EBITDA.



# YTD FY13- Financial Results Highlights

## Income

YTD FY13

YTD FY12

- Net Sales : ₹ 723 cr ↑ 37% YoY ₹ 529 cr
- Total Income : ₹ 729 cr ↑ 34% YoY ₹ 545 cr

## Profit

YTD FY13

YTD FY12

- EBITDA : ₹ 83 cr ↑ 260% YoY ₹ 23 cr
- Net Profit : ₹ 11 cr ↑ ₹ (27) cr

# Nine Months FY13 Results – Business wise



Period ending (₹ In crores)	YTD FY13			YTD FY12			YoY%		
	Integrated Sugar	Others	Total	Integrated Sugar	Others	Total	Integrated Sugar	Others	Total
Net Sales	694	28	723	502	26	529	38%	7%	37%
Other Operating Income	4	3	7	10	6	16			
<b>Total Income</b>	<b>698</b>	<b>31</b>	<b>729</b>	<b>512</b>	<b>33</b>	<b>545</b>	<b>36%</b>	<b>-5%</b>	<b>34%</b>
Operating Expenses	624	22	646	502	20	522			
<b>EBITDA</b>	<b>74</b>	<b>9</b>	<b>83</b>	<b>11</b>	<b>13</b>	<b>23</b>	<b>601%</b>	<b>-29%</b>	<b>260%</b>
<b>EBITDA Margins %</b>	11%	29%	<b>11%</b>	2%	39%	<b>4%</b>			
Other Income			9			3			
Depreciation			33			31			
Interest			48			36			
<b>Profit Before Tax</b>			<b>11</b>			<b>(41)</b>			
Tax			0			(14)			
<b>PAT</b>			<b>11</b>			<b>(27)</b>			

Note: Sugar segment includes Cogen & Distillery; Others include Windfarm, Magnesite, etc..

➤ Average YTD Sugar Realization at ₹. 31,080 /MT , increased 13% on YoY basis.

➤ 16% YoY increase in Sugar sales volume at 1,80,109 MT.

## Consolidated financial position

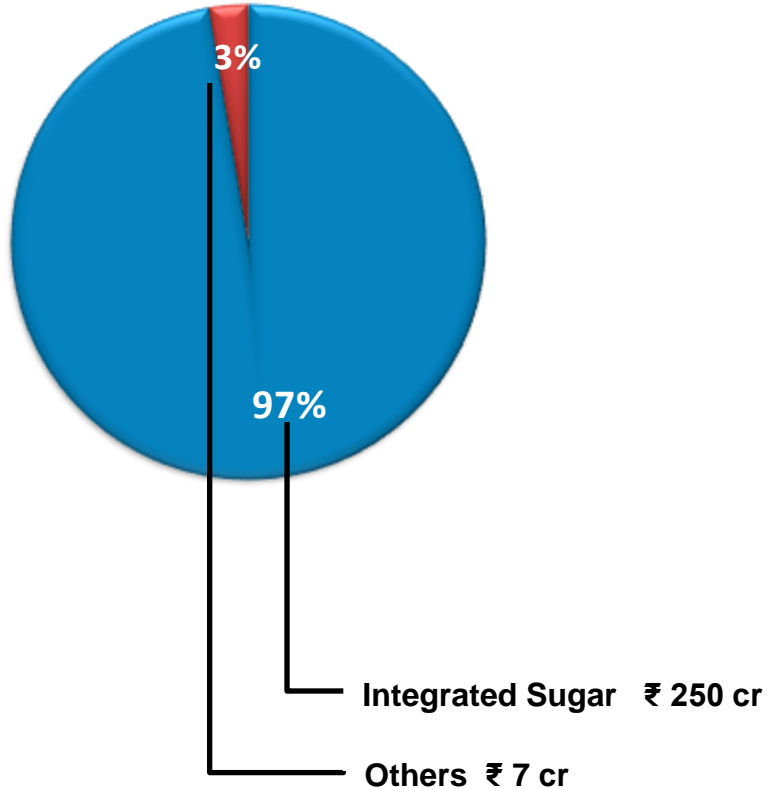


₹ Crore	31-Dec-12
Net Worth	452
Debt	557
Deferred Tax	75
<b>Total</b>	<b>1,085</b>
Fixed Assets	679
Investments	19
Cash and equivalents	77
Net Current Assets	311
<b>Total</b>	<b>1,085</b>
Net Debt to Equity	1.1

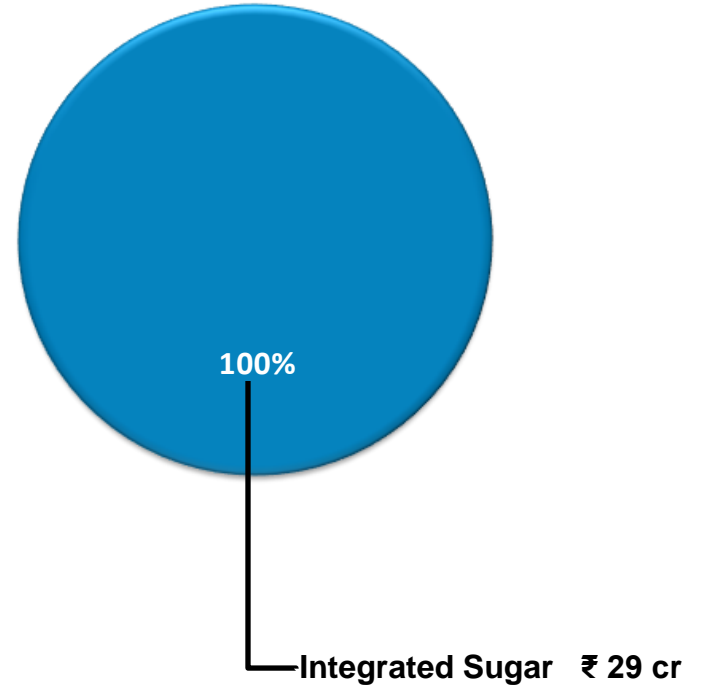


## Q3 FY13 Business Mix

### Total Revenue Mix



### Total EBITDA Mix



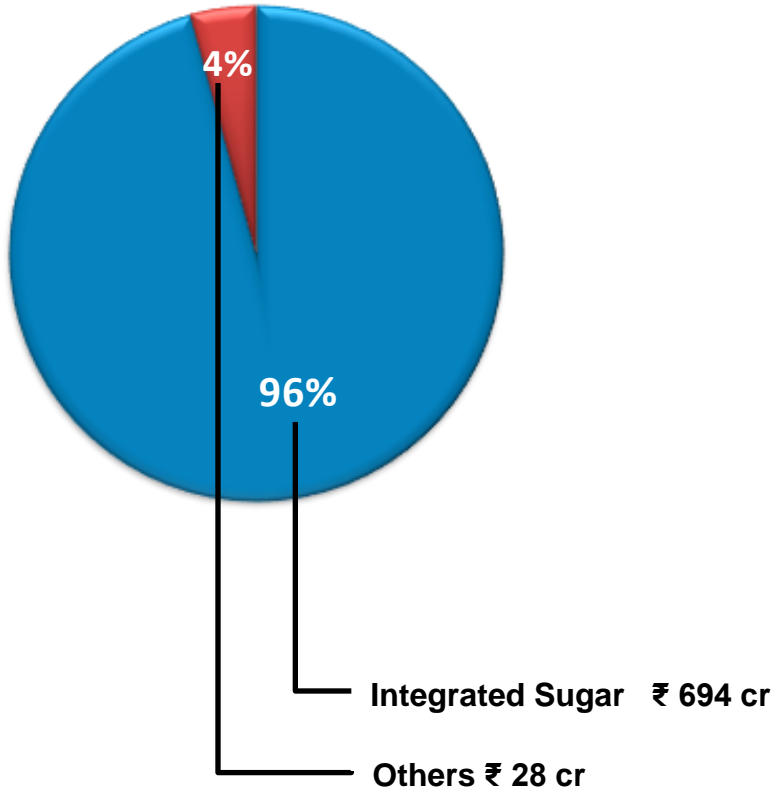
**Integrated Sugar Business contribute about 97% and 5% by Other Business segments to the overall revenue mix**

*•Sugar segment includes Cogen & Distillery; Others include Windfarm, Magnesite, etc*

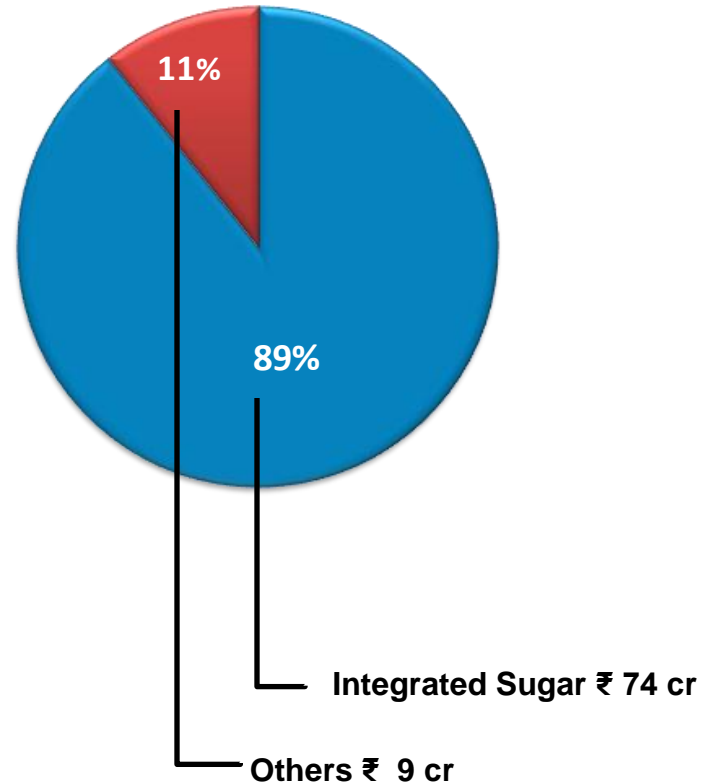


# YTD FY13 Business Mix

## Total Revenue Mix



## Total EBITDA Mix



**Integrated Sugar & Other Business contribute about 89% and 11% respectively to the overall EBITDA mix**

*•Sugar segment includes Cogen & Distillery; Others include Windfarm, Magnesite, etc*

# ***Integrated Sugar Business***

## Integrated Metrics

Operational Metrics Sugar	Units	Q3 FY13	Q3 FY12	Growth %/bps	YTD FY13	YTD FY12	Growth%/bps
Crushed cane	MT	776,790	754,060	3%	1,011,442	786,724	29%
Recovery	%	9.4%	8.5%	11%	9.5%	8.5%	12%
Crushing Duration	Days	39	45	-13%	56	48	16%
Production Volume	MT	73,051	63,728	15%	97,136	66,879	45%
Sales Volumes	MT	58,795	62,132	-5%	180,109	155,718	16%
Sales Realizations	₹/T	33,321	28,379	17%	31,080	27,547	13%
Cogeneration Units	Units	Q3 FY13	Q3 FY12	Growth %	YTD FY13	YTD FY12	Growth%
Installed Capacity	MW	79	79	-	79	79	-
Average Operating Duration	Days	51	58	-12%	128	100	28%
Power generated	lakh kwh	852	842	1%	2,108	1,627	30%
Power Exported	lakh kwh	46	42	9%	53	53	1%
Power Realization	₹/Kwh	4.4	4.2	5%	4.3	4.4	-3%
Distillery	Units	Q3 FY13	Q3 FY12	Growth %	YTD FY13	YTD FY12	Growth%
Installed Capacity	KLPD	80	80	-	80	80	-
Running Duration	Days	66	16	328%	159	44	261%
Production Volume	KL	5,496	1,263	335%	13,119	3,718	253%
Sales Volumes	KL	6,617	1,157	472%	16,326	3,324	391%

➤ Significant growth in Distillery volumes boosted revenue and realizations led to increased bottom line.

# *Sugar Industry Highlights*



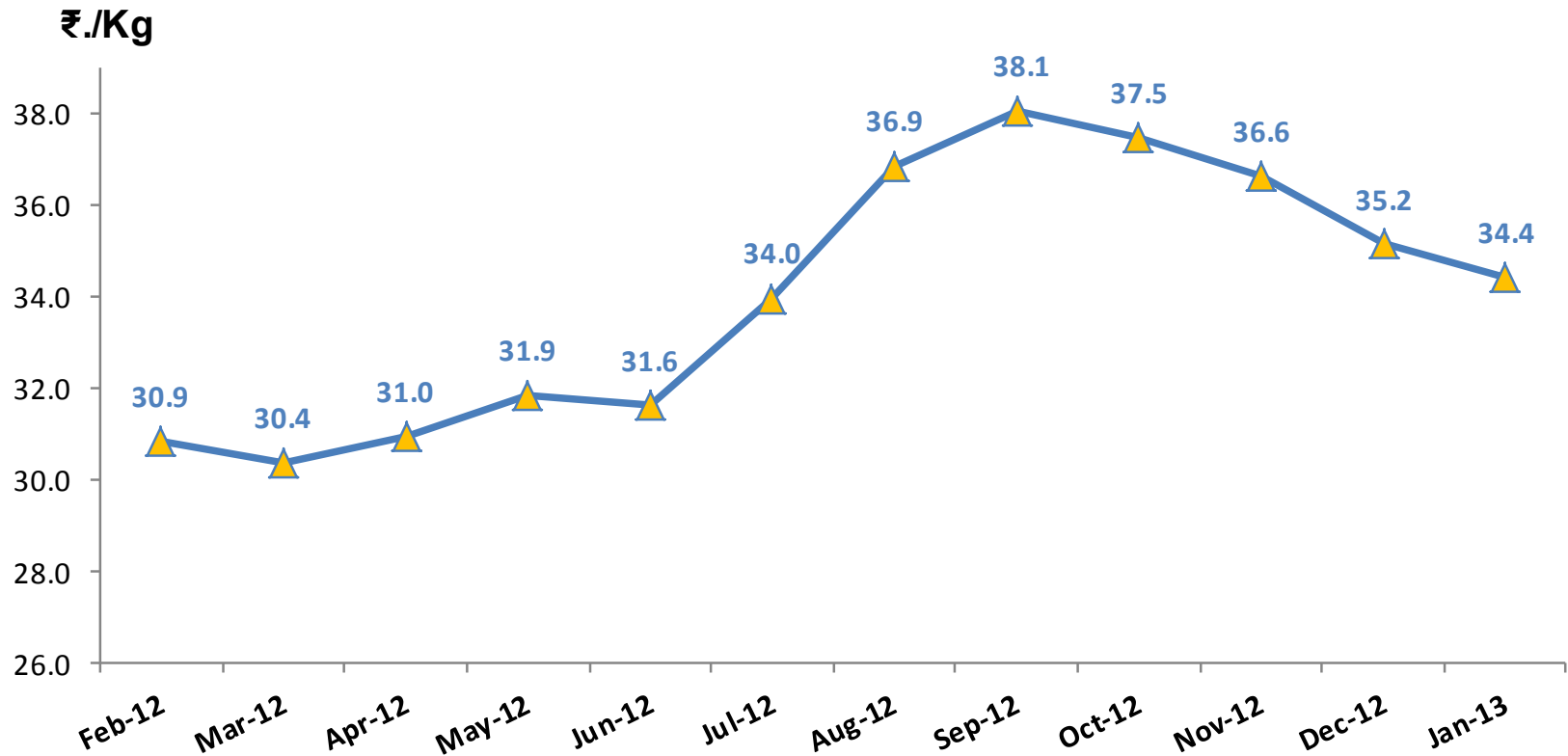
# Sugar Demand - Supply Situation in India

(Lac MT)

Particulars	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (E)
Opening Stock as on 1st Oct.	113	116	85	48	36	92	100	44	50	55	65
Production during the Season	201	140	127	193	283	263	148	189	244	263	243
Imports	0	4	21	-	-	-	25	41		-	2
<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>294</b>	<b>318</b>	<b>310</b>
<b>Off-take:</b>											
i) Internal Consumption	184	173	185	185	210	225	227	213	208	220	225
ii) Exports	15	2	0	11	17	50	2	2	26	33	
<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>216</b>	<b>234</b>	<b>253</b>	<b>225</b>
<b>Closing Stock as on 30th Sept.</b>	<b>116</b>	<b>85</b>	<b>48</b>	<b>45</b>	<b>93</b>	<b>81</b>	<b>44</b>	<b>58</b>	<b>60</b>	<b>65</b>	<b>85</b>
<b>Stock as % of Off take</b>	<b>63%</b>	<b>49%</b>	<b>26%</b>	<b>24%</b>	<b>44%</b>	<b>36%</b>	<b>19%</b>	<b>27%</b>	<b>29%</b>	<b>30%</b>	<b>38%</b>
Sugar Prices ₹./Kg (Ex-Mill)	11	13	16	17	13	14	21	29	28	30	31
<u>International Sugar Prices ₹./Kg</u>											
<u>CNF Indian Port</u>	10	10	12	18	14	15	20	27	33	31	31

- Free Sale stock of 47.5 Lakh MT and Levy Stock of 18.5 Lakh MT.( Including 12 Lakh MT of 2011-12). Levy Stock however may be lower by 5 lakh MT as mills could have sold most of the levy stock of 2010-11 production. According Actual stock as estimated would be 60 Lakh MT.
- Expected export of 10 Lakh MT and thus closing stock could be 70 Lakh MT and stock as % of off take would be 31%.

# Free Spot Sugar Pricing

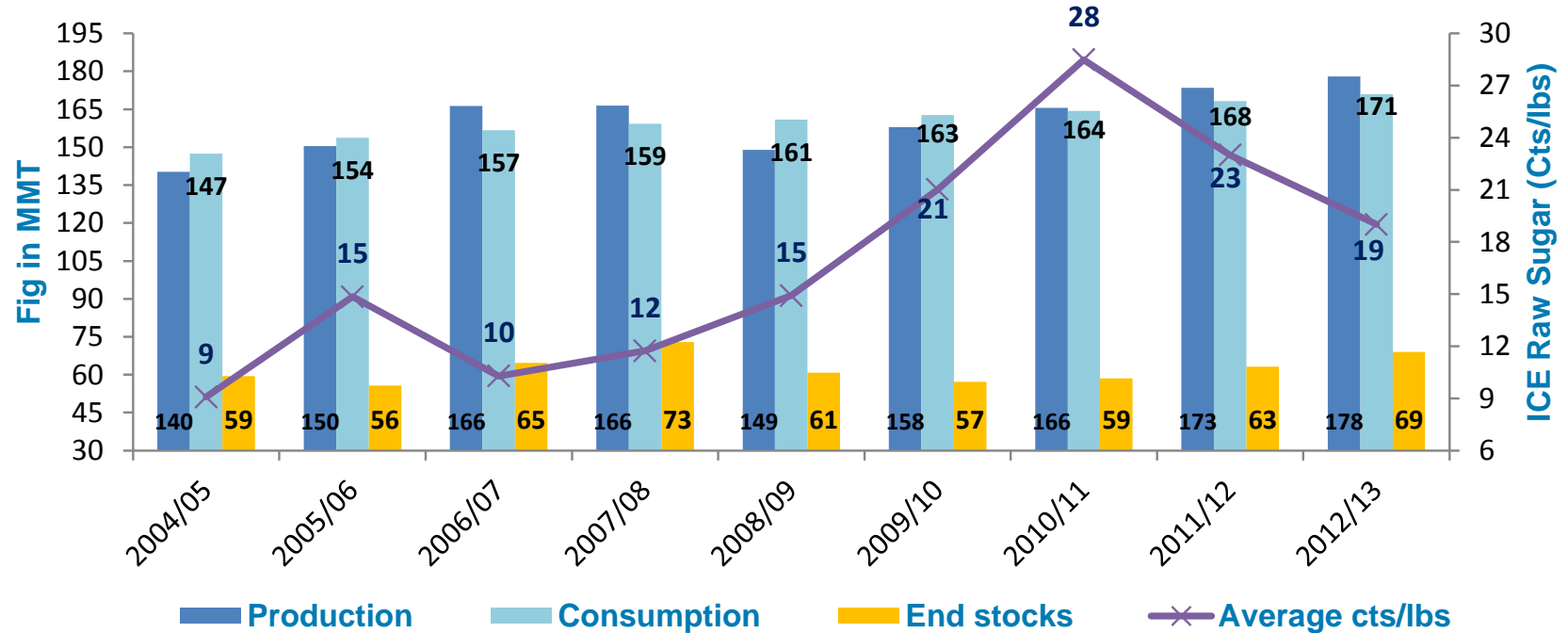


➤ Sugar prices witnessed 13% increase during the quarter on YoY basis, prices are currently hovering around ₹ 34/Kg, compared to ₹ 31/Kg in January'12, current fiscal also witnessed the high of ₹ 38/Kg on the back of anticipated fall in production.



# Global Sugar Scenario

## World Production, Consumption, Stock & ICE raw sugar prices



## Decontrol of Sugar

- **Rangarajan Committee has submitted its report to PMO & has recommended complete decontrol of Sugar industry. Following are the key recommendations:-**

- Abolition of Levy sugar.
- Abolition of Release Mechanism.
- Stable Trade policy with appropriate tariff on imports and exports.
- To do away with the compulsory jute packaging guidelines.
- Market determined Pricing of by- products.
- Revenue sharing model under which 70% of sugar value and each of its three major by products would be paid to farmers.
- To dispense with the present minimum distance between two sugar mills at 15 kms/25 kms.
- Freedom to farmers to sell cane to any mill irrespective of distance.

- ✓ **The recommendations are currently under evaluation by the government and the outcome is expected to be announced soon – objective is to achieve inclusive growth for all parties involved (from farmers to mill owners).**
- ✓ **Levy abolition is expected and is quiet likely to be implemented.**

## Demand Supply Scenario

- India's sugar production for the sugar season 2012-13 is estimated at 24 million tonnes as compared to 26 million tonnes in the previous sugar season
- Supply remains ahead of demand in-spite of the lower anticipated production.
- Global sugar prices remain subdued owing to better than expected output in Brazil, Mexico, United States and other countries
- Concurrently, the domestic prices have come under pressure.
- However proposed import duty on Raw Sugar and on white sugar on implementation should result in stabilization of sales prices.

*thankyou*



**Dalmia**  
Bharat Sugar

## Investor Relations Contact:

For more information about Dalmia Group, please visit our website [www.dalmiabharat.com](http://www.dalmiabharat.com) or contact us.

Himmi Gupta  
Assistant General Manager  
Investor Relations  
Phone: 91 11 2346 5201/200  
Email: [gupta.himmi@dalmiabharat.com](mailto:gupta.himmi@dalmiabharat.com)  
[investorquery@dalmiabharat.com](mailto:investorquery@dalmiabharat.com)

Pavleen Taneja  
Investor Relations  
Phone: + 91 11 2346 5265/200  
Email: [taneja.pavleen@dalmiabharat.com](mailto:taneja.pavleen@dalmiabharat.com)  
[investorquery@dalmiabharat.com](mailto:investorquery@dalmiabharat.com)