



# Financial Results: for quarter and nine months ended December 31, 2011

January 24, 2012



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# *Corporate Highlights*



## Key Highlights – Q3 FY12

### Continued Improvement in Sugar Realization on sequential basis

- Net Sales Realization improved 4% sequentially & YoY to Rs 28,379/MT
- The stability in prices continues in the month of January.

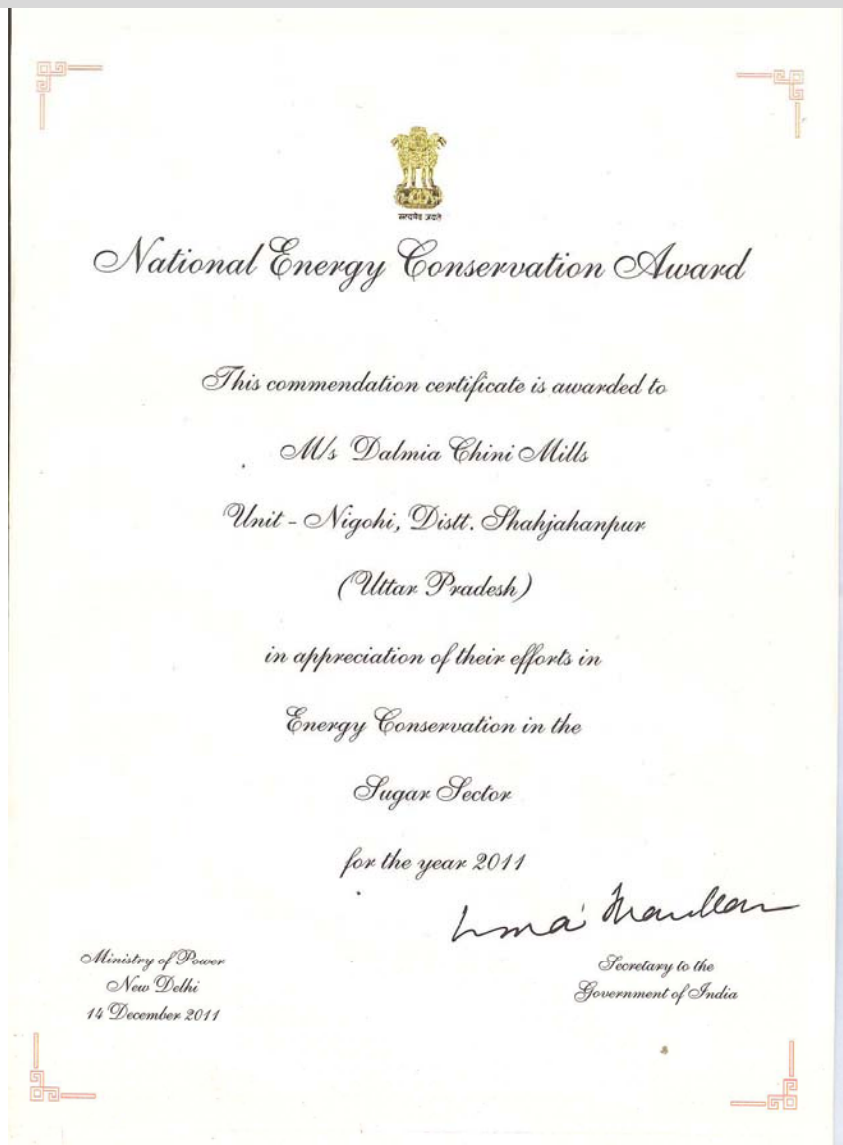
### Nigohi Unit was awarded Merit Certificate for Energy Conservation for 2011

- Awarded by Ministry of Power, Govt. of India

### Sold export rights of processed sugar

- Income on account of sale Rs 2 Cr for Q3'12 and Rs 8 Cr YTD.

# Merit certificate for Energy Conservation 2011



## Corporate Social Responsibility

- **Children and Education – 420 children in 16 village schools** are enrolled in remedial centres - previous years' experience show that such initiative has resulted in zero drop out during intervention period and improvement in subject performance by at least 50%.
- **Village empowerment and institutional strengthening – 14 Self Help Groups** formed with **176 members** having modest savings with future plans of bank linkage and institutional loans
- **Health Services**
  - **6,105 health interventions** through the government's national health days (NHD) programme done, providing for pregnant women, post-natal care, and immunization for young children in all our target villages.
  - Nearly **700 men, women and children** have been diagnosed and referred for various illnesses as part of our health and medical camps.

# *Standalone Financial Results*



## Standalone Financial Results Highlights

Income	Q3 FY12	9M FY12
• Gross Sales	: Rs. 223 cr; ↑ 19% YoY	Rs. 547 cr; ↑ 5% YoY
• Net Sales	: Rs. 216 cr; ↑ 19% YoY	Rs. 529 cr ;↑ 5% YoY
• Total Income	: Rs. 222 cr; ↑ 20% YoY	Rs. 546 cr ;↑ 6% YoY

Profits	Q3 FY12	9M FY12
• EBITDA	: Rs. 13 cr; ↓ 66% YoY	Rs. 24 cr; ↑ 143% YoY
• Net Profit	: Rs. (4) cr; ↓ 133% YoY	Rs. (27) cr; ↑ 28% YoY

- Higher sales in the quarter on account of higher production volume and increased crushing
- Lower EBITDA due to higher cane cost and lower recovery



## Q3 FY12 Results – Business wise

(Rs In crores)	Q3 FY11			Q3 FY12			YoY%		
	Integrated Sugar	Others	Total	Integrated Sugar	Others	Total	Integrated Sugar	Others	Total
Gross Sales	174	15	188	215	8	223	24%	-45%	19%
Net Sales	168	14	182	208	8	216	24%	-46%	19%
Other Operating Income	2	2	3	4	2	6			
<b>Total Income</b>	<b>169</b>	<b>16</b>	<b>185</b>	<b>212</b>	<b>10</b>	<b>222</b>	<b>25%</b>	<b>-36%</b>	<b>20%</b>
Operating Expenses	136	10	146	202	7	209			
<b>EBITDA</b>	<b>33</b>	<b>6</b>	<b>39</b>	<b>10</b>	<b>3</b>	<b>13</b>	<b>-70%</b>	<b>-45%</b>	<b>-66%</b>
<b>EBITDA Margins %</b>	20%	36%	<b>21%</b>	5%	30%	<b>6%</b>			
Other Income			1			0			
Depreciation			11			10			
Interest			9			9			
<b>Profit Before Tax</b>			<b>19</b>			<b>(6)</b>			
Tax			8			(2)			
<b>PAT</b>			<b>12</b>			<b>(4)</b>			

Sugar Net Sales grows 24% ...

• **Realizations:**

- Sugar 4% ↑

• **Volume:**

- Sugar 14% ↑

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

## Nine Month FY12 Results – Business wise

Period ending (Rs In crores)	9M FY11			9M FY12			YoY%		
	Integrated Sugar	Others	Total	Integrated Sugar	Others	Total	Integrated Sugar	Others	Total
Gross Sales	481	40	522	520	27	547	8%	-32%	5%
Net Sales	464	39	504	502	26	529	8%	-33%	5%
Other Operating Income	8	4	12	11	6	17			
<b>Total Income</b>	<b>472</b>	<b>44</b>	<b>516</b>	<b>513</b>	<b>33</b>	<b>546</b>	<b>9%</b>	<b>-25%</b>	<b>6%</b>
Operating Expenses	478	28	506	502	20	522			
<b>EBITDA</b>	<b>(6)</b>	<b>16</b>	<b>10</b>	<b>12</b>	<b>13</b>	<b>24</b>	<b>292%</b>	<b>-21%</b>	<b>143%</b>
<b>EBITDA Margins %</b>	-1%	36%	<b>2%</b>	2%	39%	<b>4%</b>			
Other Income			2			2			
Depreciation			31			31			
Interest			35			36			
<b>Profit Before Tax</b>			<b>(54)</b>			<b>(41)</b>			
Tax			(16)			(14)			
<b>PAT</b>			<b>(38)</b>			<b>(27)</b>			

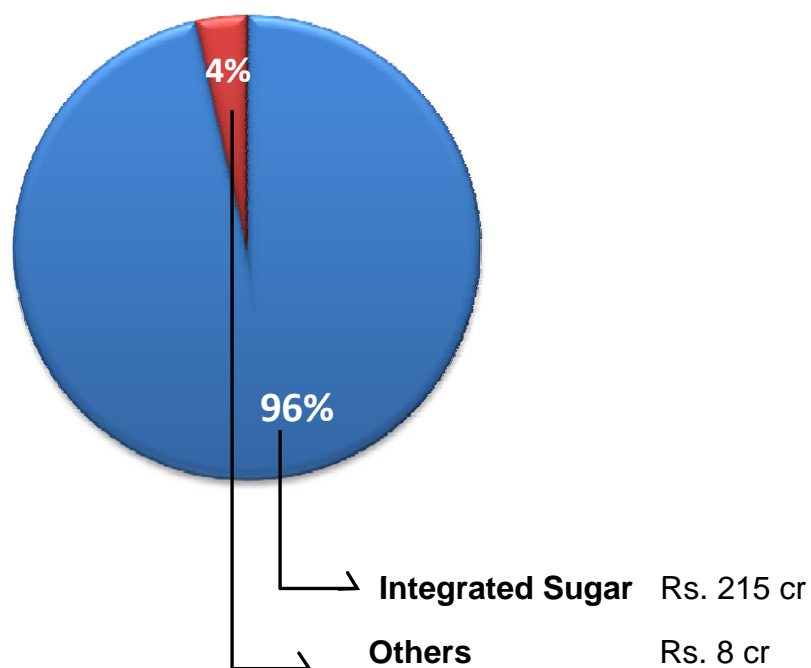
Sugar Net Sales grows 8% ...

- **Realizations:**
  - Sugar 4% ↑

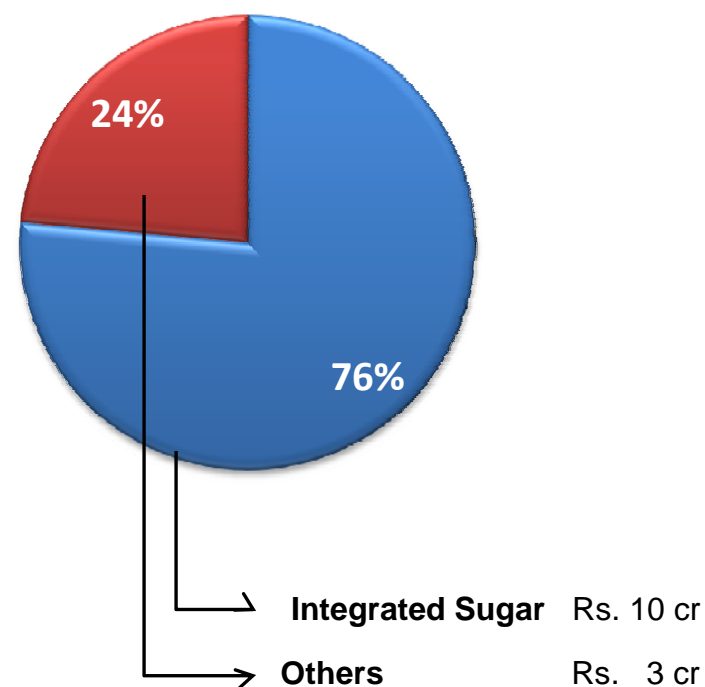
\* Sugar segment includes Cogen & Distillery; Others include Windfarm, Magnesite and miscellaneous businesses

## Q3 FY12 Business Mix

**Total Net Revenue Mix**



**Total EBITDA Mix**



**Integrated Sugar & Other Business contribute about 96% and 4% respectively to the overall revenue mix**

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

# *Integrated Sugar Business*



## Integrated Metrics

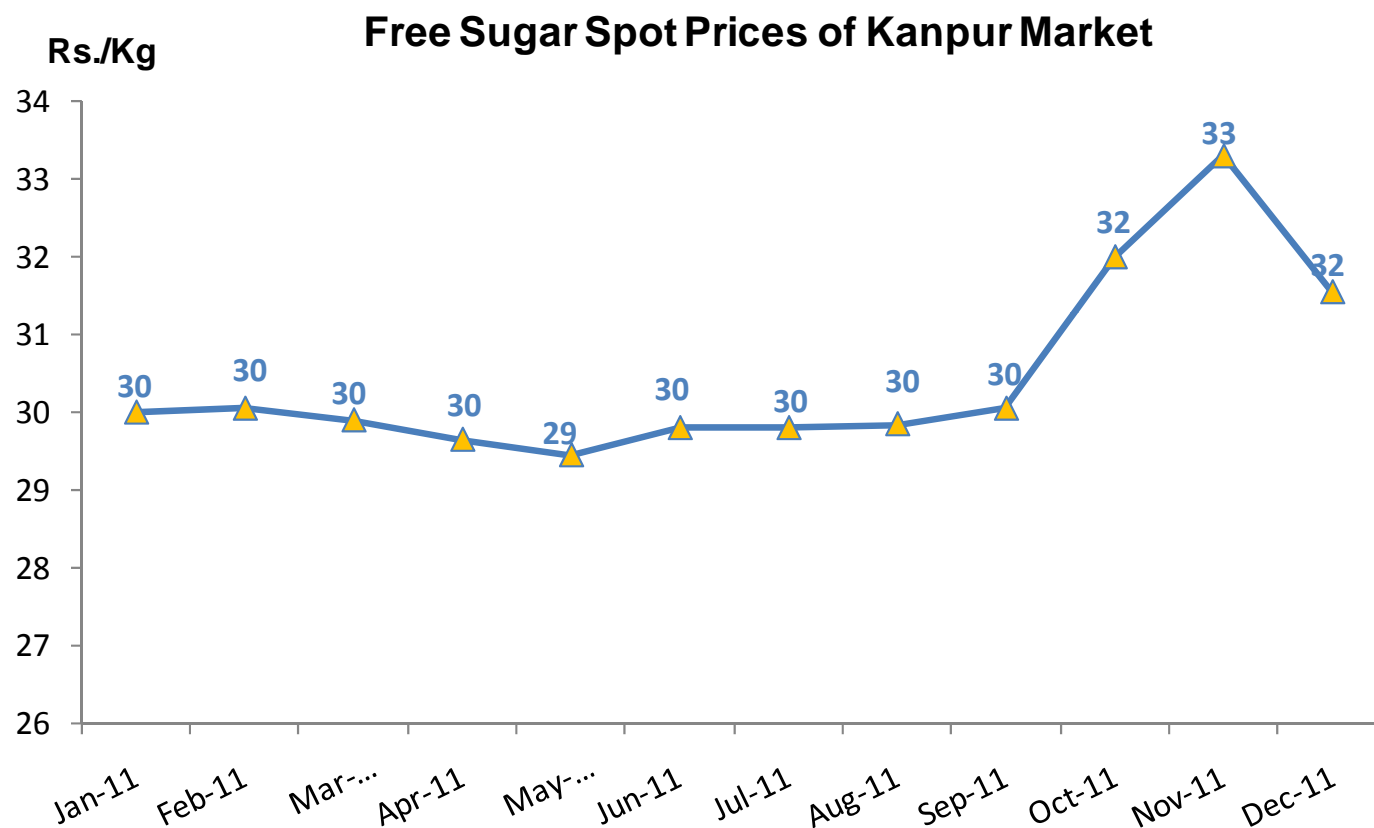
Operational Metrics Sugar	Units	Q3 FY11	Q3 FY12	Growth %/bps	9M FY11	9M FY12	Growth %/bps
Crushed cane	T	573,180	754,060	32%	573,180	786,724	37%
Recovery	%	9.0%	8.5%	(52)	9.0%	8.5%	(47)
Production Volume	T	57,603	63,728	11%	67,609	66,879	-1%
Sales Volumes	T	54,311	62,132	14%	155,132	155,718	0%
Sales Realizations	Rs/T	27,286	28,379	4%	26,480	27,547	4%

Cogeneration Units	Units	Q3 FY11	Q3 FY12	Growth%	9M FY11	9M FY12	Growth %/bps
Installed Capacity	MW	79	79	-	79	79	-
Power generated	lakh kwh	629	842	34%	1,255	1,627	30%
Power Exported	lakh kwh	415	564	36%	969	1,260	30%
Power Realization	Rs/Kwh	4.0	4.2	6%	4.7	4.4	-7%

Distillery	Units	Q3 FY11	Q3 FY12	Growth%	9M FY11	9M FY12	Growth
Installed Capacity	KLPD	80	80	-	80	80	-
Sales Volumes	KL	-	1,157	-	1,207	3,324	175%

- Steam saving devise being installed at Ramgarh, benefits up to Rs 5.5 Cr of EBITDA will be reflected from next year onwards due to higher bagasse savings
- About 67,437 T of sugar Inventory as on December 31, 2011, valued at Rs. 27,575/T

# Free Spot Sugar Pricing



- Sugar prices have been in the range of Rs. 30-33/kg
- Spot prices as on date at Rs. 31/kg (M Grade: Kanpur Market)

# *Sugar Industry Highlights*



# Sugar Demand - Supply Situation in India

## Indian Sugar Balance

(Lac MT)

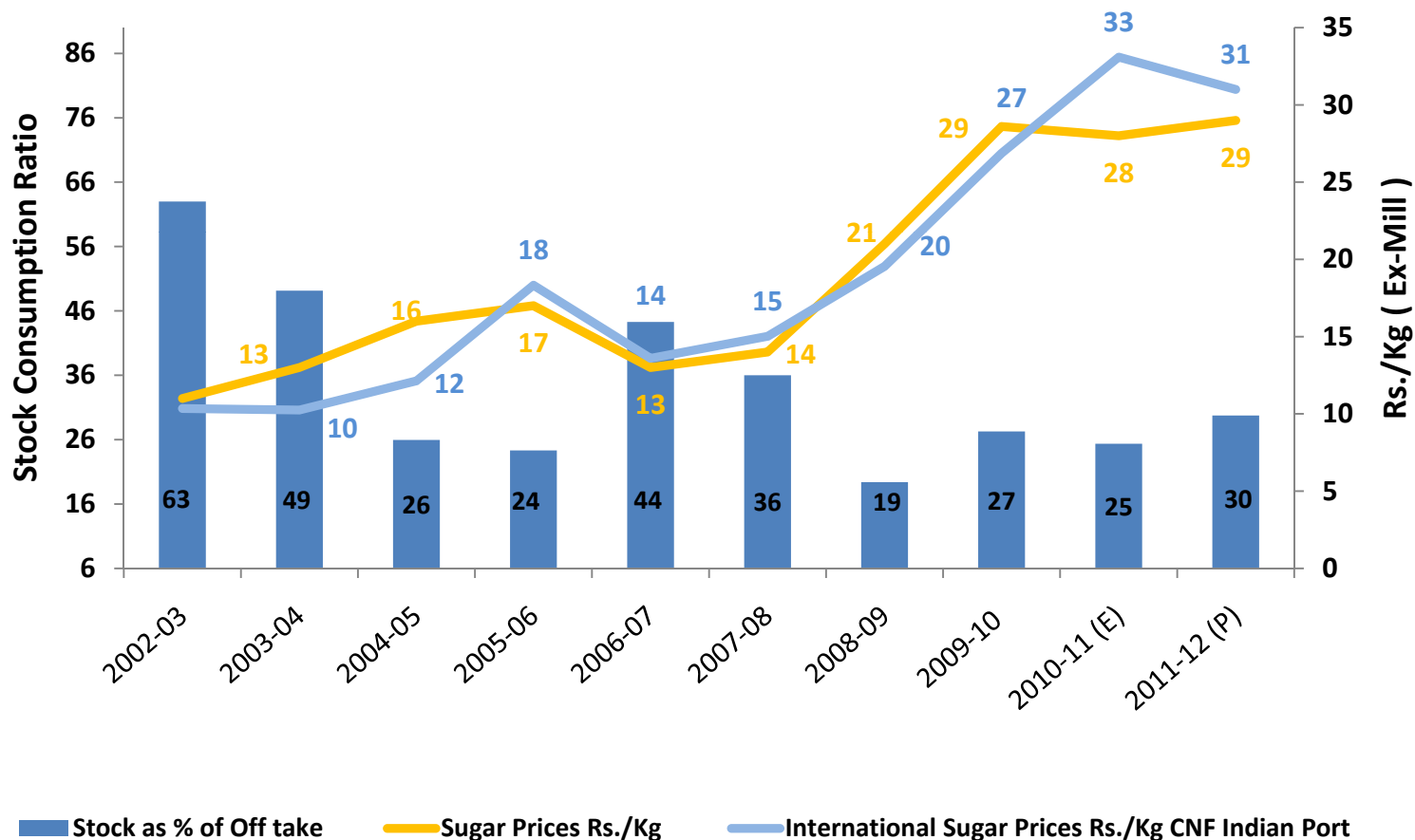
Particulars	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 (E)	2011-12 (P)
Opening Stock as on 1st Oct.	113	116	85	48	36	92	100	44	50	55
Production during the Season	201	140	127	193	283	263	148	189	242	255
Imports	0	4	21	-	-	-	25	41	3	-
<b>Total Availability</b>	<b>315</b>	<b>260</b>	<b>233</b>	<b>241</b>	<b>320</b>	<b>356</b>	<b>273</b>	<b>274</b>	<b>296</b>	<b>310</b>
<b>Off-take:</b>										
i) Internal Consumption	184	173	185	185	210	225	227	213	215	219
ii) Exports	15	2	0	11	17	50	2	2	26	25
<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>244</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>55</b>	<b>65</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>25%</b>	<b>30%</b>
<b>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>	<b>29</b>
<b><u>International Sugar Prices</u></b>										
<b><u>Rs./Kg CNF Indian Port</u></b>	<b>10</b>	<b>10</b>	<b>12</b>	<b>18</b>	<b>14</b>	<b>15</b>	<b>20</b>	<b>27</b>	<b>33</b>	<b>31</b>

➤ Sugar prices in Q3 FY 2011-12, have remained range bound, but may come under pressure in the season 2011-12 due to higher production. Redeeming factors could be announcement of Export Quota.



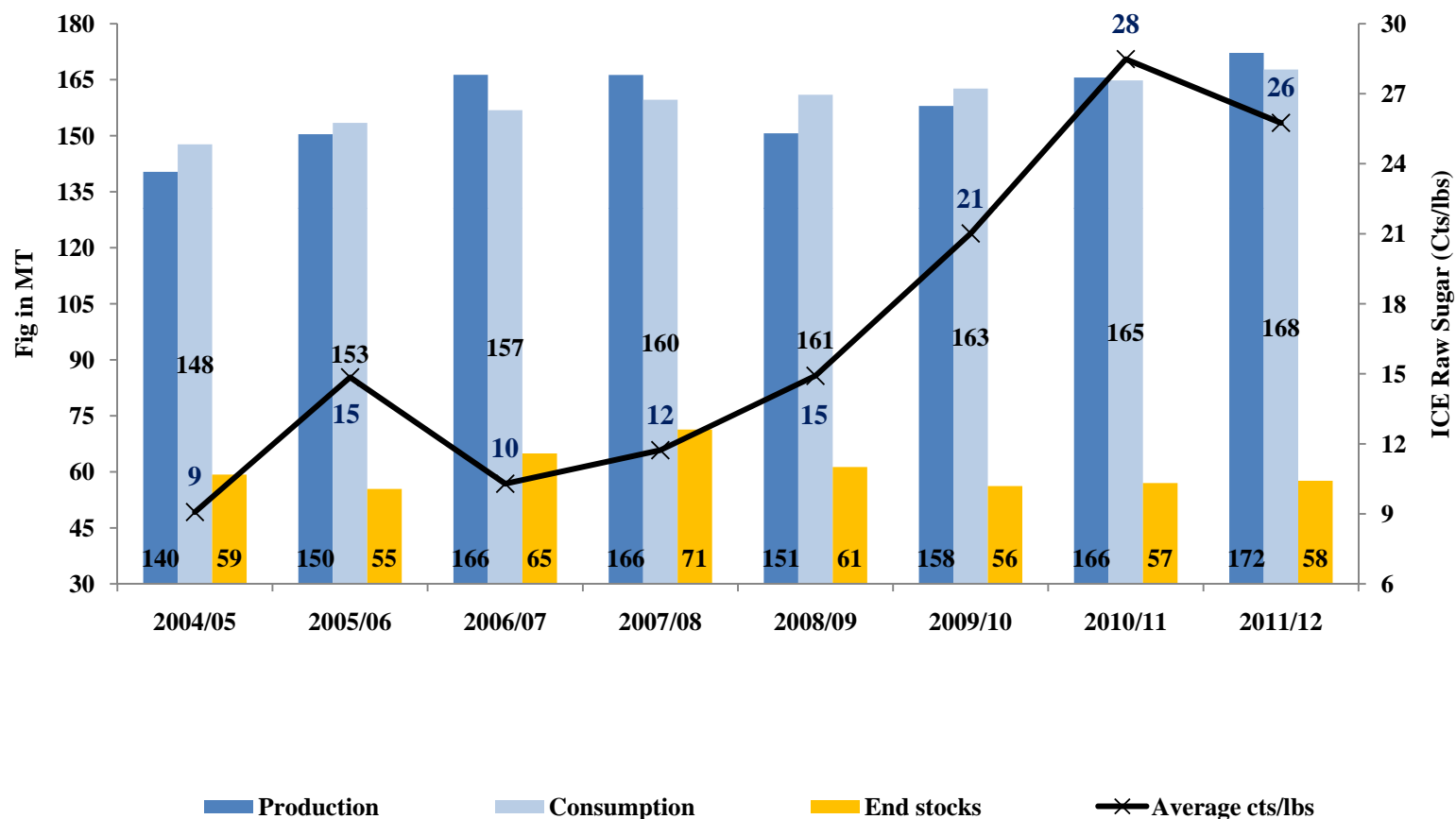
# Sugar - Supply Situation in India

Stock Consumption ratio & Sugar Prices



# Global Sugar Scenario

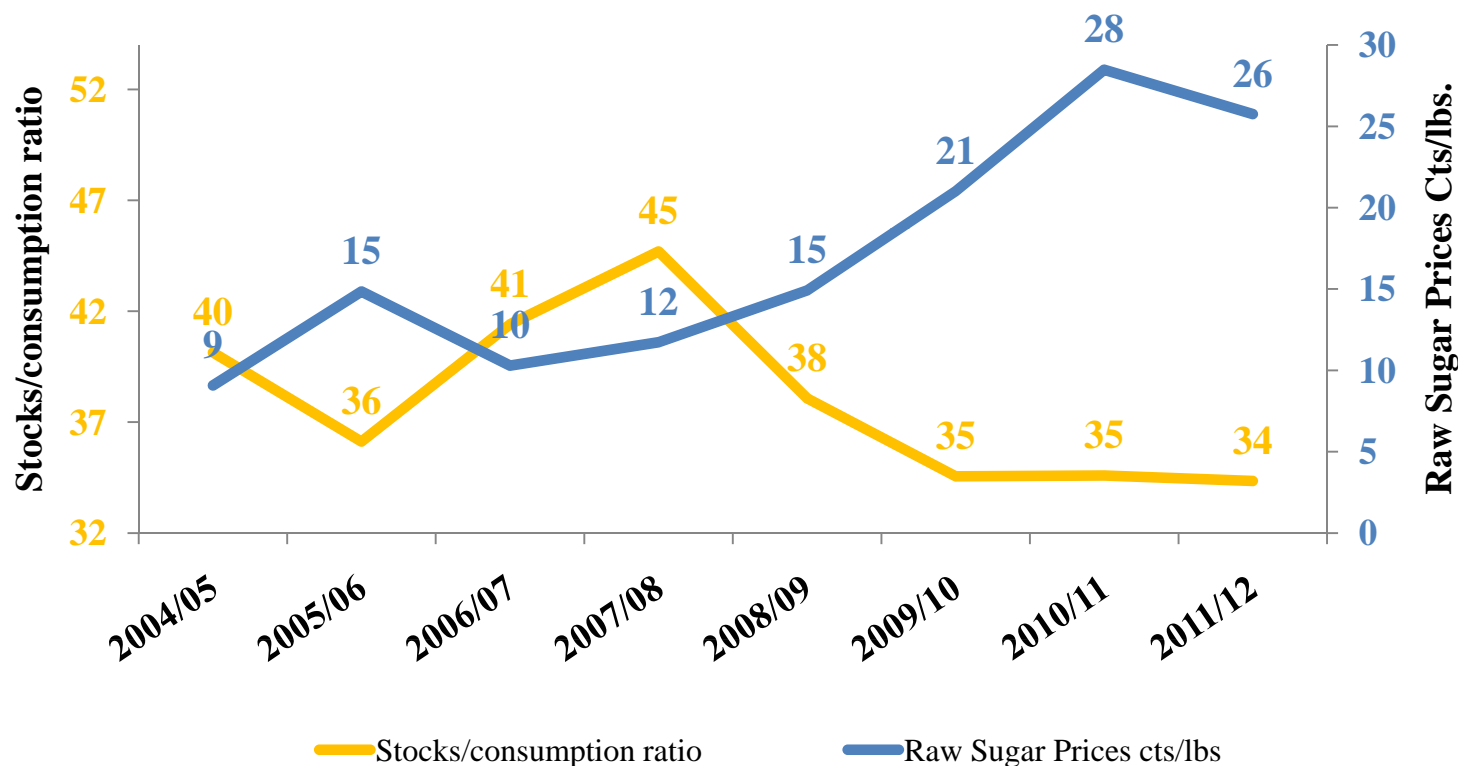
World Production, Consumption, Stock & ICE Raw Sugar prices



Source : International Sugar Organization

# Global Sugar Scenario

Stock Consumption Ratio & ICE Raw Sugar Prices



➤ International Sugar Prices which were showing weak trend in the recent past has stabilized to 26 cents due to drop in Thailand production on account of floods.

# Regulatory Updates

## Decontrol of Sugar

- **ISMA delegation** in its meeting with the Finance Minister on 16th January has given following representations:-
  - **Abolition of Levy.**
  - **Ethanol Pricing.**
  - **Sugar Exports.**
  - **Sugar release mechanism abolition/ modification.**
- Finance minister has assured ISMA to discuss these matters in the EGOM.

## Other Matters

- Adverse judgment passed by the Supreme Court in respect of 06-07 & 07-08 cane matter case, dues to be paid within 3 months.
- SAP for the current season has been announced with effective rate of Rs 240/ Qtl.
- Notification of stock limit for dealers which was extended up to 30<sup>th</sup> November 2011 has now lapsed.

## Contact Us



### For Queries and Comments

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# THANK YOU

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