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Balrampur Chini Mills Limited

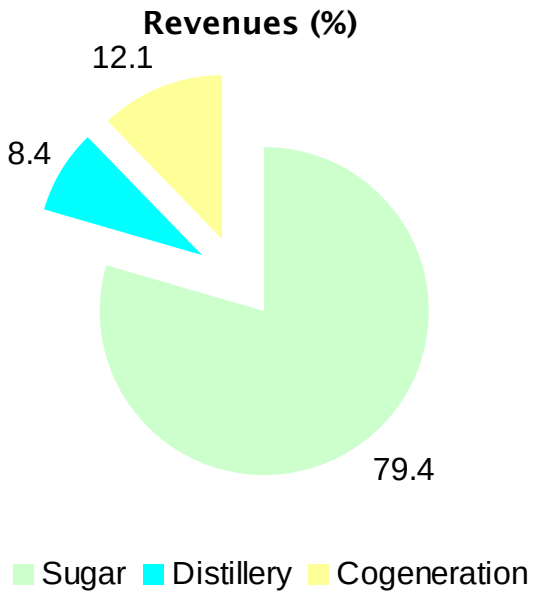
Q1 FY2012

Net Revenues increase to ₹ 5,718 million

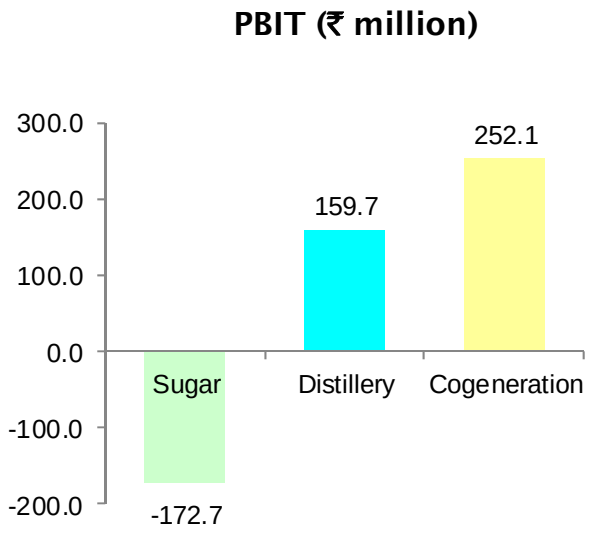
Operating profits at ₹ 443.1 million

Kolkata, July 23, 2011: Balrampur Chini Mills Limited (BCML), one of the largest integrated sugar manufacturing companies in India, today announced its results for the first quarter ended 30 June 2011.

Financial breakup (Q1 FY2012)



- Sugar segment revenues at ₹ 4706.1 million, accounted for 79.4% of total revenues
- Cogen segment revenues at ₹ 717.7 million, accounted for 12.1% of total revenues
- Distillery segment revenues at ₹ 497.8 million, accounted for 8.4% of total revenues



- PBIT from Distillery and Cogeneration business stood at ₹ 159.7 million and ₹ 252.1 million respectively

Company Highlights

- Company crushed 694.6 lakh quintals of sugarcane for the sugar season 2010-11
  - Sugar production for the season 2010-11 was higher at 65.30 lakh quintals as compared to 50.34 lakh quintals last season
  - Recoveries for the season marginally rose to 9.40 % as compared to 9.35% last season

- Allied businesses continue to increase their contribution towards the Company's performance
  - During the quarter, the Company sold 6493 KL of ethanol and 14,291 KL of other products at a rate of ₹ 27 per liter and ₹ 22.27 per BL respectively
  - The Cogeneration business sold 932.5 lakh units out of power generation from bagasse and 536.2 lakh units out of power generation from coal

- BCML completed the Buy-back program by acquiring 15,410,135 Equity Shares for an aggregate amount of ₹ 109.67 crore at an average price of ₹ 71.17 per share

- During the quarter, the Company received ₹ 33 million from sale of its entitlement of 12949.7 tonnes of sugar under the Open General Licence

- As on 30 June 2011, the Company's Long Term Debt stood at ₹ 684.1 crore as compared to ₹ 716.7 crore as on 31st March 2011
  - Interest costs for the quarter were higher on account of rising interest rates and higher working capital requirements

Sector update

- The current year's sugar production stands at 24.3 million tonnes, as per latest update
- Sugar production for the next sugar season is estimated to be around 26 million tonnes – to have better clarity closer to the start of sugar season
    - Higher production on account of increase in acreage across sugar growing states and combined with improvement in recoveries from current levels
- The Government has permitted sugar exports in two tranches of 0.5 million tonnes each under the Open General License (OGL)
    - This is in addition to 1.2 million tonnes exports permitted under the Advance License Scheme (ALS) earlier
- International sugar prices witnessed a firm trend – primarily attributed to uncertainty around Brazil's sugar production

Commenting on the performance for Q1 FY2012, Mr. Vivek Saraogi, Managing Director, Balrampur Chini Mills Limited, said:

"Our performance this quarter is reflective of the current sugar scenario where, on one hand, higher sugar production has depressed sugar realizations while on the other increased cane costs have crimped margins. However, our integrated business model helped in mitigating losses. It has always been our endeavor to strengthen the value creation from every tonne of cane crushed.

For the past few months, global sugar prices have improved significantly in anticipation of lower sugar production in Brazil. Further exports would allow local producers to take advantage of this scenario. At the domestic front, the progress and quality of the monsoon will have a bearing on the overall sugar production in the ensuing sugar season. The expected improvement in sugarcane production will help us augment volumes across segments leading to better efficiencies and improved profitability."

Q1 FY2012 performance overview (Compared with Q3 FY2011)

- Net revenues stable at ₹ 5,718.0 million from ₹ 5,403.2 million
- PBIDT at ₹ 443.1 million as against as compared to ₹ 641.2 million
- PAT came in at ₹ (198.6) million as compared ₹ 111.3 million
- EPS stood at ₹ (0.79) versus ₹ 0.43

Q1 FY2012 Operating overview (Compared with Q3 FY2011)

- Sugar realizations for the quarter stood at ₹ 27.23 per kg as compared to ₹ 28.01 per kg in Q3 FY2011.
- Distillery division produced 19,750 KL during the quarter as against 11,869 KL during the corresponding quarter in the previous year
    - Alcohol sales during the quarter were higher at 20,784 BL as compared to 13,364 BL in Q3 FY2011
    - Distillery realizations were higher by 8.0% at ₹ 23.75 per BL in Q1 FY2012 versus ₹ 21.99 per BL in Q3 FY2011
- During the quarter, the Co-generation segment generated 1,719 lakh units versus 1,091 lakh units in Q3 FY2011
    - In Q1 FY2012, the Company exported 931.5 lakh units out of power generation from bagasse and 536.2 lakh units out of power generation from coal
    - Average realization from sale of power generated through bagasse stood at ₹ 4.13 per unit for the quarter as against ₹ 4.02 per unit for Q3 FY2011
    - Average realization from sale of power generated through coal stood at ₹ 4.96 per unit as compared to ₹ 5.26 per unit in the corresponding period last year.

– ENDS –

Attached: Details to the announcement and results table

About Balrampur Chini Mills Limited

Balrampur Chini Mills Limited (BCML) is one of the largest integrated sugar companies in India. The allied businesses of the Company comprise distillery operations, cogeneration of power and manufacturing of bio-compost. The Company presently has ten sugar factories located in Uttar Pradesh (India) having an aggregate sugarcane crushing capacity of 76,500 TCD, distillery and co-generation operations of 320 KLPD and 126 MW (Saleable) respectively.

BCML is one of the most efficient integrated sugar producers in the country. The Company has grown its capacity by well-planned capacity expansion projects and the acquisition of existing companies over recent years.

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

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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. Balrampur Chini 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 Q3 FY2011 figures)

(All rupee figures in ₹ million unless stated otherwise)

Financial overview

Particulars	Net revenues	PBIDT
Q1 FY2012	**5,718.0**	**443.1**
Q3 FY2011	5,403.2	641.2
% Shift	*5.83*	*(30.9)*

Net revenues were stable on account increased volumes and realizations from the allied segments.

PBIDT for the quarter was lower at ₹ 443.1 million on account of a loss in the sugar segment while the allied businesses continued improved performance.

Sugar segment	Revenues	% Contribution to revenues
Q1 FY2012	**4,706.1**	**79.4**
Q3 FY2011	4,800.3	85.3
% Shift	*(2.0)*	-

Sugar sales during the quarter stood at 16.39 lakh quintals versus 16.53 lakh tonne in Q3 FY2011.

Average sugar realization for the current quarter stood at ₹ 27.23 per Kg compared to ₹ 28.01 per kg in Q3 FY2011.

Distillery segment	Revenues	% Contribution to revenues
Q1 FY2012	**497.8**	**8.4**
Q3 FY2011	296.5	5.3
% Shift	*67.9*	-

Revenues from this segment during the quarter were higher on account of increased volumes and slightly improved realisations.

Distillery sales were higher at 20,784 KL in Q1 FY2012 as compared to 13,364 KL in the corresponding period last year.

Average realizations for the quarter under review stood at ₹ 23.75 per BL as compared to ₹ 21.99 per BL in Q3 FY2011. During the quarter, Ethanol realizations for the quarter stood at ₹ 27 per BL and blended realizations of RS and ENA stood at ₹ 22.27 per BL.

Cogeneration segment	Revenues	% Contribution to revenues
Q1 FY2012	**717.7**	**12.1**
Q3 FY2011	521.6	9.3
% Shift	*37.6*	

Sales in this segment were higher at 1,467.7 lakh units in Q1 FY2012 compared to 919.8 lakh units in Q3 FY2011.

Average realizations from bagasse based supply for the quarter stood at ₹ 4.13 per unit as compared to ₹ 4.02 per unit in Q3 FY2012. Average realizations from coal based supply stood at ₹ 4.96 per unit as compared to ₹ 5.26 per unit in the corresponding quarter last year.

PBIT

Sugar manufacturing	PBIT	% Contribution to PBIT
Q1 FY2012	**(172.7)**	**-**
Q3 FY2011	194.6	43.4
% Shift	-	
The segment reported loss on account of subdued sugar realizations. Further as there was no production in this quarter all the naked expenditure had to be borne in.		

Distillery segment	PBIT	% Contribution to PBIT
Q1 FY2012	**159.7**	**67.4**
Q3 FY2011	66.0	14.7
% Shift	*142.0*	
Higher realisations and volumes have led to improved performance from this segment. .		

Cogeneration segment	PBIT	% Contribution to PBIT
Q1 FY2012	**252.1**	**106.4**
Q3 FY2011	185.7	41.4
% Shift	*35.8*	
Higher volumes leading to improved capacity utilization has boosted the operating performance from this segment.		

Earnings Overview

Particulars	PBT	PAT	Post Tax Cash Profits
Q1 FY2012	**(198.6)**	**(198.6)**	**77.1**
Q3 FY2011	115.6	111.3	391.5
% Shift	-	-	*(80.3)*

Interest costs during the quarter stood at ₹ 379.4 million as compared to ₹ 247.8 million in Q3 FY 2011. This increase was account of a high interest rate scenario and also higher working capital requirements.

The Company reported a loss during the quarter on the back of loss in the sugar division and high interest costs.

Operational overview

Sugar production (Lakh quintals)

Particulars	Q1FY2012	Q3FY2011	SS 2010-11	SS 2009-10
Sugar cane crushed	**1.67**	-	**694.60**	**538.58**
Production	**0.17**	-	**65.30**	**50.34**
Recovery (%)	**10.63**	-	**9.40**	**9.35**

Distillery operations (KL)

Particulars	Q1 FY2012	Q3 FY2011
Production	**19,749.7**	**11,869.4**
% Shift	*66.4*	

Cogeneration operations (Lakh units)

Particulars	Q1FY2012	Q3FY2011
Power production	**1,719.0**	1,090.7
% Shift	*57.6*	-
Power sales from Bagasse based generation	**931.5**	714.2
% Shift	*30.4*	-
Power sales from Coal based generation	**536.2**	205.5
% Shift	*160.8*	-

S.T.R.E.T.C.H

Unaudited Financial Results

for the Quarter ended 30th June, 2011

(₹ In Lacs)

Sl. No.	Particulars	Quarter Ended 30.06.2011 Unaudited	Quarter Ended 30.06.2010 Unaudited	18 Months Period Ended 31.03.2011 Audited
1	a) Net Sales/Income from Operations	56367	53882	297239
	b) Other Operating Income	813	150	1506
	Total Income (a+b)	**57180**	**54032**	**298745**
2	**Expenditure**			
	a) (Increase)/Decrease in Stock in trade and Work- in- Process	44518	32123	(116699)
	b) Consumption of Raw Materials	2873	10709	319999
	c) Employees Cost	2284	2103	15858
	d) Depreciation & Amortisation	2757	2802	16811
	e) Other Expenditure	3074	2685	26839
	Total Expenditure	**55506**	**50422**	**262808**
3	**Profit from Operations before Other Income, Interest & Exceptional Items (1-2)**	**1674**	**3610**	**35937**
4	Other Income	134	24	477
5	**Profit before Interest & Exceptional Items (3+4)**	**1808**	**3634**	**36414**
6	Interest	3794	2478	13814
7	**Profit /(Loss) after Interest but before Exceptional Items (5-6)**	**(1986)**	**1156**	**22600**
8	Exceptional Items	-	-	-
9	**Profit /(Loss) from Ordinary Activities before Tax (7+8)**	**(1986)**	**1156**	**22600**
10	Tax Expense	-	43	6159
11	**Net Profit /(Loss) from Ordinary Activities after Tax (9-10)**	**(1986)**	**1113**	**16441**
12	Extraordinary Items (Net of tax expense)	-	-	-
13	**Net Profit /(Loss) (11-12)**	**(1986)**	**1113**	**16441**
14	**Paid up Equity Share Capital** (Face value of ₹ 1/- each)	2468	2593	**2563**
15	Reserves excluding Revaluation Reserve as per last Balance Sheet	**-**	**-**	**126354**
16	**Basic EPS (₹) (before & after Extraordinary Items)**	**(0.79)**	0.43	**6.35**
17	**Diluted EPS (₹) (before & after Extraordinary Items)**	**(0.79)**	0.43	**6.35**
18	**Public Shareholding**			
	- Number of Shares	148840533	161318570	**158275021**
	- Percentage of Shareholding	60.30	62.21	**61.76**
19	**Promoters and Promoter Group Shareholding**			
	a) Pledged/ Encumbered			
	- Number of Shares	-	-	-
	- Percentage of Shares (as a % of the total Shareholding of Promoters and Promoter Group)	-	-	-
	- Percentage of Shares (as a % of the Share Capital of the Company)	-	-	-
	b) Non - Encumbered			
	- Number of Shares	97999890	97998890	**97999890**
	- Percentage of Shares (as a % of the total Shareholding of Promoters and Promoter Group)	100.00	100.00	**100.00**
	- Percentage of Shares (as a % of the Share Capital of the Company)	39.70	37.79	**38.24**

Segment Wise Revenue, Results and Capital Employed

(₹ In Lacs)

Sl. No.	Particulars	Quarter Ended 30.06.2011 Unaudited	Quarter Ended 30.06.2010 Unaudited	18 Months Period Ended 31.03.2011 Audited
1	**Segment Revenue**			
	a) Sugar	47061	48003	268697
	b) Distillery	4978	2965	16008
	c) Cogeneration	7177	5216	43515
	d) Others	47	67	385
	Total	**59263**	**56251**	**328605**
	Less: Inter Segment Revenue	2070	2208	30168
	Net Segment Revenue	**57193**	**54043**	**298437**
2	**Segment Results - Profit /(Loss) before Tax and Interest**			
	a) Sugar	(1727)	1946	17435
	b) Distillery	1597	660	4466
	c) Cogeneration	2521	1857	18417
	d) Others	(21)	19	(57)
	Total	**2370**	**4482**	**40261**
	Less: i. Interest	3794	2478	13814
	ii.Other un-allocable expenditure net of Un-allocable income	562	848	3847
	Profit /(Loss) before Tax	**(1986)**	**1156**	**22600**
3	**Capital Employed (Segment Assets -Segment Liabilities)**			
	a) Sugar	210497	193002	253101
	b) Distillery	13947	13710	15813
	c) Cogeneration	54508	56918	58422
	d) Others	1150	1227	1193
	e) Unallocable	(10866)	(6721)	1076
	Total	**269236**	**258136**	**329605**

Notes :

1. **The Company has closed its buy back programme of Equity Shares on 05.07.2011 by acquiring a total of 1,54,10,135 Equity Shares for an aggregate amount of ₹ 10967.56 Lacs. Out of this, 1,28,83,635 Equity Shares have been extinguished upto 30th June ,2011 and balance 25,26,500 shares on 5th July,2011.**
2. **The Statutory Auditors have carried out a " Limited Review " of the Results for the quarter ended 30th June, 2011.**
3. **The above Financial Results were reviewed by the Audit Committee and were taken on record by the Board of Directors at their meeting held on 23rd July, 2011 at Kolkata.**
4. **Sugar being a Seasonal Industry, the performance of the Company varies from quarter to quarter.**
5. **During the quarter ended 30th June, 2011, 29 (Twenty Nine) Investor complaints were received and redressed. No complaint was pending either at the beginning or at the end of the quarter.**
6. **Figures for the corresponding previous period/year have been regrouped/ rearranged wherever considered necessary.**

For and on behalf of the Board of Directors of
Balrampur Chini Mills Limited
sd/-
Vivek Saraogi
Managing Director

Kolkata
23rd July, 2011

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