



BALRAMPUR CHINI MILLS LIMITED

**Q1 FY2015
RESULTS PRESENTATION
AUG 07, 2014**



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A Leading Integrated Sugar Player in India

Large Capacities

Sugarcane crushing capacity at 79,000 TCD, Distillery and Co-generation operations of 320 KLPD and 148.2 MW (Saleable) respectively

Focus on Value Maximization

One of the pioneers of Integrated Business Model in India that stabilizes revenue streams along with providing a hedge against the sugar cycle

Management expertise

Strong management team with years of sugar industry experience

Operational efficiencies

Latest technology implemented to achieve highest operational results and leverage inter-plant synergies to maximize by-product utilization

Healthy Balance sheet

Debt-equity ratio stood at 0.45 as on June 30, 2014



Performance Highlights

Q1 FY2015 highlights v/s Q1 FY2014

- ❑ Net Revenue grew by 18% to ₹ 8,043.6 million as compared to ₹ 6,816.2 million in Q1FY2014
- ❑ EBITDA stood at ₹ 466.4 million as compared to ₹ 489.4 million in Q1 FY2014
- ❑ Net Profit stood at ₹ (39.6) million as compared to ₹ (97.7) million in Q1 FY2014
- ❑ EPS at ₹ (0.16) per share as compared to (0.40) in Q1 FY2014



Management's Message

Commenting on the performance for Q1 FY2015, Mr. Vivek Saraogi, Managing Director, Balrampur Chini Mills Limited (BCML), said:

“The entire sugar industry in Uttar Pradesh has been under tremendous pressure as sugar operations have been unviable after making losses for multiple years in a row. Similarly, the Company’s sugar segment performance continues to be adversely affected owing to unreasonably high sugar cane prices as compared to the sugar realizations. We remain hopeful that the Uttar Pradesh state government will address industry concerns by achieving a long-term solution for cane pricing which is comparable to other key sugar producing states such as Maharashtra and Karnataka.”



Company Highlights

- ❑ BCML crushed 7.82 crore quintals of sugarcane in the current sugar season, as compared to 8.63 crore quintals in the sugar season 2013-14
 - ✓ Sugar production for the season stood at 76.53 lakh quintals as compared to 82.33 lakh quintals in previous sugar season
 - ✓ Recovery enhanced to 9.78% as compared to 9.54 % in the previous sugar season
- ❑ In Q1FY2015, Distillery and Co-generation segments contributed positively to overall performance, enabling the Company to benefit from an integrated business model
- ❑ As on 30 June 2014, the Company's Long Term Debt stood at ₹ 534 crores
 - ✓ Working Capital borrowings as on 30 June 2014 stood at ₹ 899 crores
 - ✓ Long-term Net Debt-Equity ratio at 0.45 on 30 June 2014



Sector Perspectives

- ❑ According to ISMA, the country's sugar production is estimated at 24.7 million tonnes in the ensuing sugar season, as compared to 24.3 million production in the previous season
 - ✓ In Maharashtra, cane acreage is estimated to be ~13% higher over previous season
 - ✓ Sugarcane acreage in U.P. is expected to be lower by 9%, leading to lower sugar production
- ❑ Sugarcane arrears in Uttar Pradesh are estimated at ~ ₹ 5,000 crore
 - ✓ Huge differential between sugarcane price and sugar realizations has deteriorated the financial health of the sugar industry leading to cane arrears
- ❑ Maharashtra formally adopted the linkage and set up Sugarcane Control Board for computation of sugarcane price (applicable from sugar season 2014-15)
 - ✓ Maharashtra contributes 35.3% of the national sugar output, followed by Uttar Pradesh (23.7%)



Financial Overview

Statement of Profit & Loss

(₹ million)	Q1 FY15	Q1 FY14	% Q-o-Q Growth
Net Operating Revenue	8,043.6	6,816.2	18.01%
EBITDA	466.4	489.4	-4.70%
<i>EBITDA Margin (%)</i>	5.80%	7.18%	-
Depreciation	218.7	265.8	-17.72%
Interest	314.2	400.4	-21.53%
Profit Before Tax	(39.6)	(97.7)	-
Profit After Tax	(39.6)	(97.7)	-
<i>Profit After Tax Margin (%)</i>	-0.49%	-1.43%	-
Diluted EPS (₹)	(0.16)	(0.40)	-



Segmental Overview – Sugar

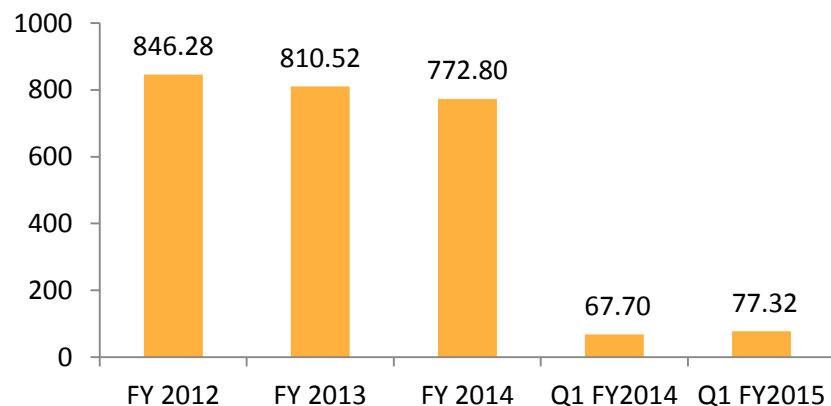
(₹ million)	Segment Revenues	% contribution to Revenues	PBIT	% contribution to PBIT
Q1 FY2015	6,819.8	80.09%	(601.3)	-
Q1 FY2014	5,787.4	79.24%	(412.6)	-
% Shift	17.84%	-	-	-

- ❑ Revenues in the sugar segment was higher in Q1FY15 as compared to the same quarter previous year owing to higher sales volumes
 - ✓ During the quarter, sugar sales stood at 20.18 lakh quintals as compared to 17.14 lakh quintals in Q1FY14
- ❑ Profitability was impacted due to subdued realizations as compared to input costs, incurred naked costs owing to a non-productive quarter, and inventory write downs
 - ✓ Realizations for the Q1FY15 stood at ₹ 31.70 per kg as compared to ₹ 31.90 per kg in Q1FY14

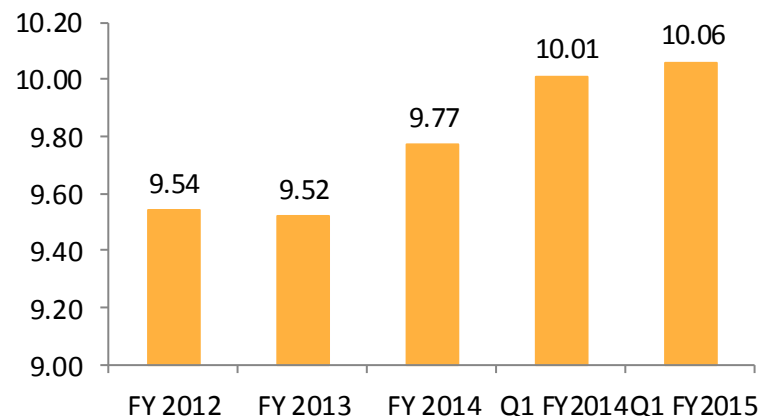


Segmental Overview – Sugar

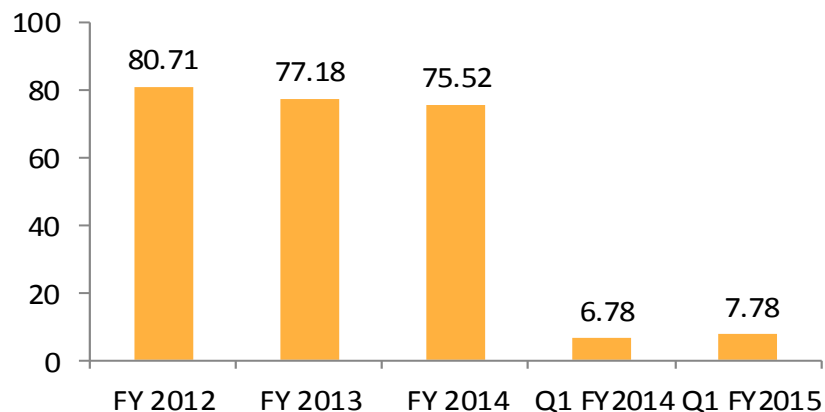
Cane Crushed (Lakh Quintals)



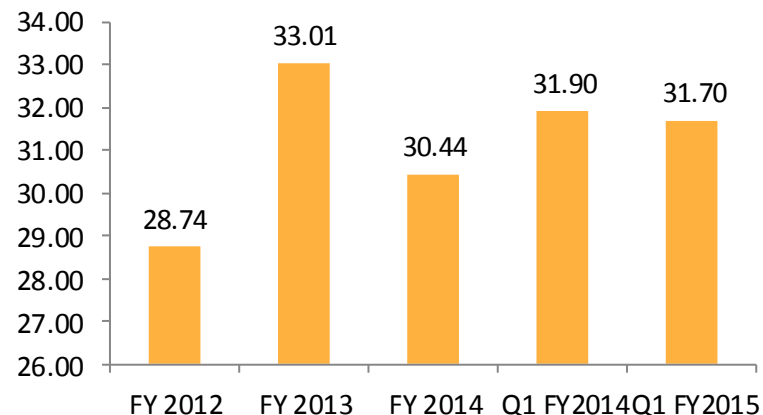
Recovery (%)



Production (Lakh Quintals)



Avg. Realization – Free Sugar (₹ per kg)



Segmental Overview – Distillery

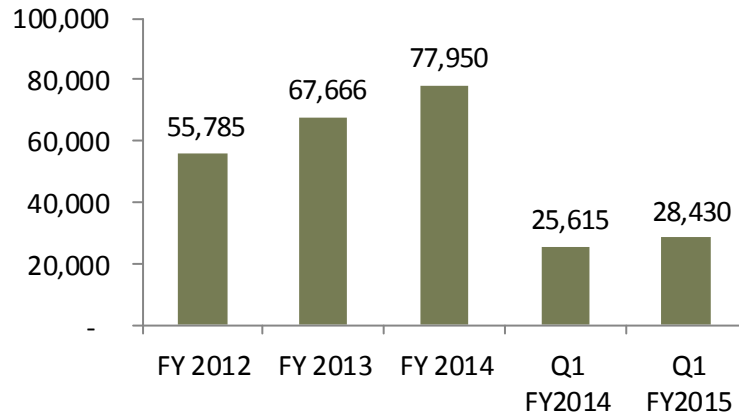
<i>(₹ million)</i>	<i>Segment Revenues</i>	<i>% contribution to Revenues</i>	<i>PBIT</i>	<i>% contribution to PBIT</i>
Q1 FY2015	693.2	8.14%	363.9	-
Q1 FY2014	563.3	7.71%	272.0	-
% Shift	23.06%	-	33.79%	-

- Healthy overall performance registered by the distillery division on account of higher sales volumes
 - ✓ RS and ENA sales volumes for Q1FY15 stood at 12,771 KL as against 18,725 KL in Q1FY14
 - ✓ Average realizations for RS and ENA for the quarter stood at ₹ 35.17 per BL versus ₹ 29.52 per BL in Q1FY14
 - ✓ Ethanol sales stood at 6,404 KL in Q1FY15 as compared to 145 KL in Q1FY14
- Production increased by 11% to 28,430 KL in Q1FY15 owing to higher molasses availability

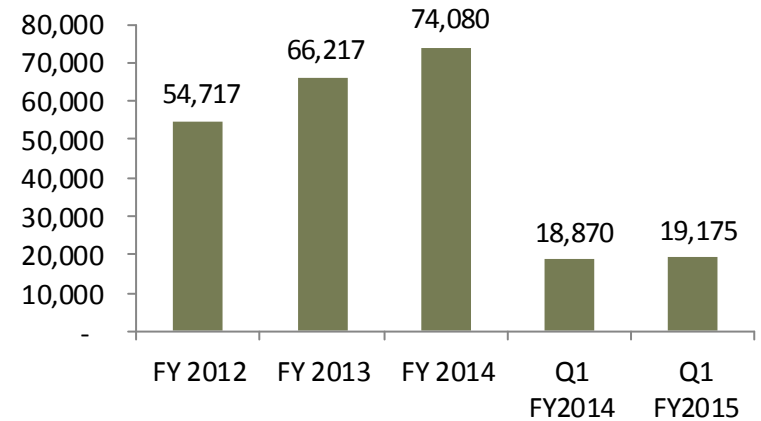


Segmental Overview – Distillery

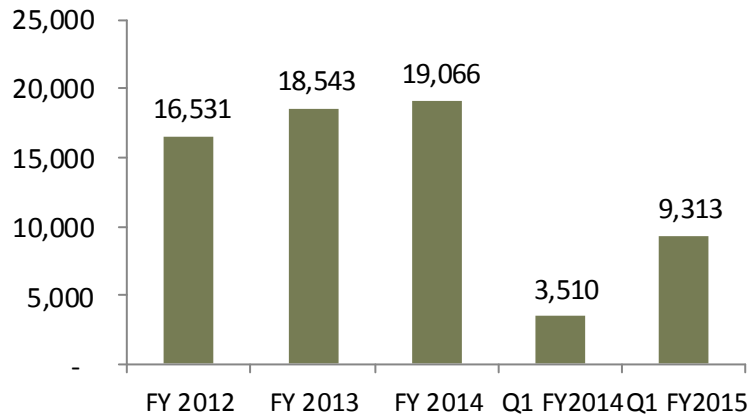
Production (KL)



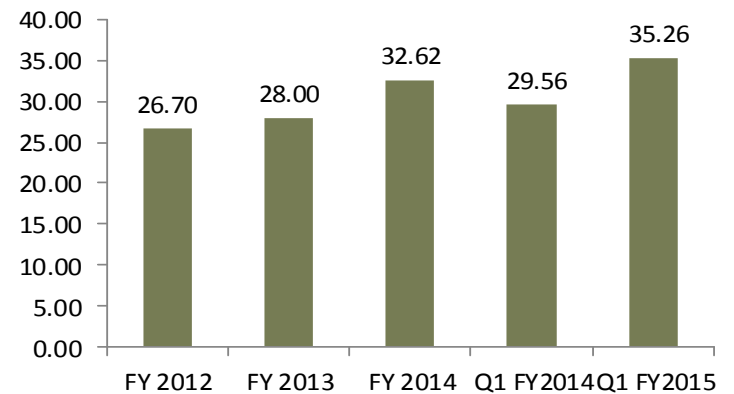
Total Sales (KL)



Ethanol production (KL)



Blended Realizations (₹ per BL)



Segmental Overview – Co-generation

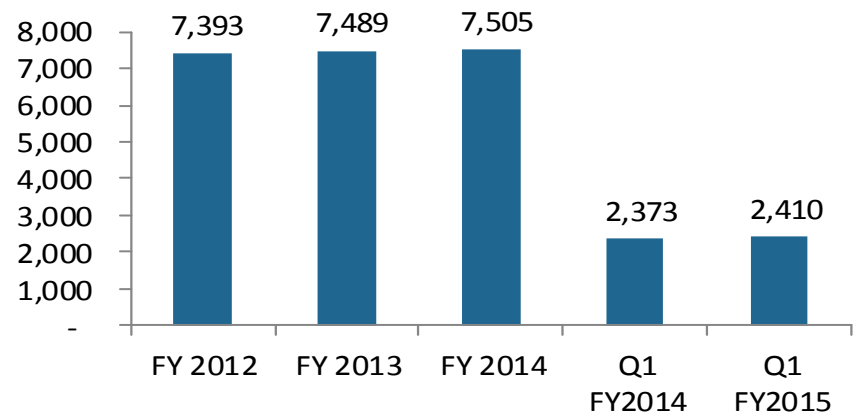
(₹ million)	Segment Revenues	% contribution to Revenues	PBIT	% contribution to PBIT
Q1 FY2015	985.8	11.58%	561.4	-
Q1 FY2014	939.3	12.86%	563.7	-
% Shift	4.95%	-	-0.41%	-

- ❑ Co-generation segment registered stable sales and production volumes during the quarter
 - ✓ This segment reported 2017 lakh units of sales in Q1FY15 as compared 1944 lakh units in Q1FY14
- ❑ During the quarter under review, income from Renewable Energy Certificate (REC) sales stood at ₹ 20.44 million
- ❑ The Company's expects upward revision in Co-generation realizations for units sold to Uttar Pradesh Power Corporation Limited (UPPCL)
 - ✓ Revised rates to be applicable from April 1st, 2014

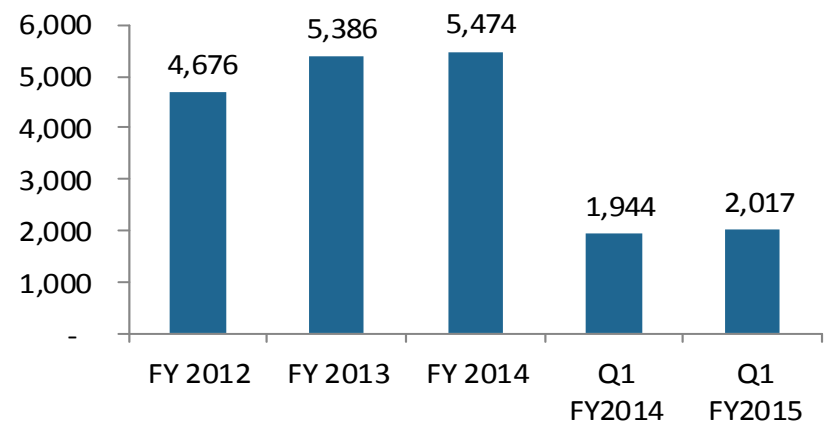


Segmental Overview – Co-generation

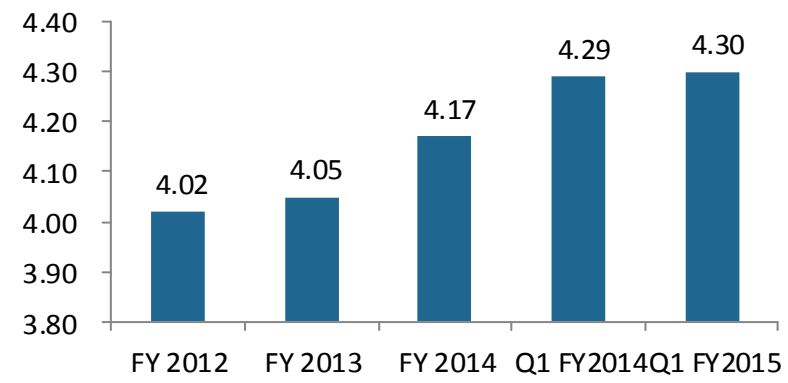
Total Power Generation (Lakh units)



Power sales from Bagasse (Lakh units)



Realization from Bagasse Based Sales (₹ per unit)



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 organic manure. The Company presently has eleven sugar factories located in Uttar Pradesh (India) having an aggregate sugarcane crushing capacity of 79,000 TCD, distillery and co-generation operations of 320 KLPD and 148.2 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.

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