



# BALRAMPUR CHINI MILLS LIMITED

**Q3 & 9M FY2015  
RESULTS PRESENTATION  
FEB 06, 2015**



# Disclaimer

*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.*



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# Conference Call Details

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## Timing

- 12:00 noon IST, Monday, February 09, 2015

## Conference dial- in

- Primary number: +91 22 6746 8354
- Secondary number: +91 22 3938 1071

## Toll Free Number

- Singapore: 800 101 2045
  - Hong Kong: 800 964 448
  - USA: 1 866 746 2133
  - UK: 0 808 101 1573
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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 0.49 as on December 31, 2014



# Performance Highlights

## Q3 FY2015 highlights v/s Q3 FY2014

- ❑ Net Revenue grew by 21.86% to ₹ 8,416.9 million
- ❑ EBITDA stood at ₹ (267.3) million
- ❑ Net Profit stood at ₹ (656.9) million
- ❑ Diluted EPS at ₹ (2.68)per share

## 9M FY2015 highlights v/s 9M FY2014

- ❑ Net Revenue stood at ₹ 23,286.6 million as compared to ₹ 19,649.6 million in 9M FY14
- ❑ EBITDA stood at ₹ 200million
- ❑ Net Profit stood at ₹ (1,335.5) million
- ❑ Diluted EPS at ₹ (5.45) per share



# Management's Message

**Commenting on the performance for Q3 & 9M FY2015, Mr. Vivek Saraogi, Managing Director, Balrampur Chini Mills Limited (BCML), said:**

*"The entire domestic sugar industry continues to face serious headwinds in the sugar operations due to significant softness in sugar realizations as compared to sugarcane costs. Our financial results were also adversely impacted owing to negative performance of the sugar segment. On the other hand, the distillery and cogeneration segments provided support by delivering healthy performance on the back of stable sales volumes and improved realizations.*

*The Uttar Pradesh sugar industry remains hopeful that a rational and long-lasting solution to cane pricing is introduced. The state government agreed to partly reduce our burden by subsidizing cane prices for the current season.*

*Over the years a healthy balance sheet and an integrated business model have enabled us to endure such challenging business cycles. Once we have clarity on cane pricing, we believe BCML can create sustainable value for all stakeholders."*





# Company Highlights

- ❑ BCML crushed 1.88 crore quintals of cane in the current quarter of sugar season 2014-15 as against 1.36 crore quintal for the corresponding period of sugar season 2013 – 14
  - ✓ BCML targets to crush approximately 8.00 crore quintals for the current sugar season
  - ✓ Recovery for the quarter was higher at 9.43% (9.1% corresponding quarter) and expected to further improve as the season progresses
- ❑ Healthy contribution to overall performance from Distillery and Con-generation segments on account of stable sales volumes and better realizations
  - ✓ Upward revision in tariff for power sold to Uttar Pradesh Power Corporation Limited (UPPCL) has been notified
- ❑ Long-term Net Debt-Equity ratio at 0.49 on 31 December 2014
  - ✓ Long-term Debt as on 31 December 2014 is ₹ 512.63 crore
  - ✓ Short-term Debt as on 31<sup>st</sup> December is ₹ 361.14 crore





# Sector Perspectives

- ❑ According to ISMA, the India's sugar production is estimated at 26 million tonnes for the current sugar season, the annual domestic consumption is expected at around 24.2 million tonnes
  - ✓ Sugar production till January 15<sup>th</sup> 2015 was higher by 19% at 10.3 million tonnes
  - ✓ Uttar Pradesh likely to produce close to previous year's 6.5 million tonnes in the current season
  - ✓ Maharashtra production is projected to rise above 9.5 million tonnes from 7.7 million tonnes in the previous year
- ❑ The Central Government is considering extending subsidy on raw sugar exports for the ongoing year 2014/15 by giving a higher incentive of ₹ 4,000 per tonne as per media reports.



# Financial Overview

## Statement of Profit & Loss

(₹ million)	Q3 FY15	Q3 FY14	% Y-o-Y Growth	9M FY15	9M FY14	% Y-o-Y Growth
Net Operating Revenue	8,416.9	6,907.1	21.86%	23,286.6	19,649.6	18.51%
EBITDA	(267.3)	(80.7)	-	200.0	(243.2)	-
EBITDA Margin (%)	(3.18%)	(1.17%)	-	0.86%	(1.24%)	-
Depreciation	257.1	274.6	(6.37%)	875.7	824.5	6.21%
Interest	161.8	208.1	(22.25%)	755.5	949.8	(20.46%)
Profit Before Tax	(656.9)	(507.6)	-	(1,335.5)	(1,843.1)	-
Profit After Tax	(656.9)	(507.6)	-	(1,335.5)	(1,862.6)	-
Profit After Tax Margin (%)	(7.80%)	(7.35%)	-	(5.74%)	(9.48%)	-
Diluted EPS (₹)	(2.68)	(2.07)	-	(5.45)	(7.60)	-



# Segmental Overview – Sugar

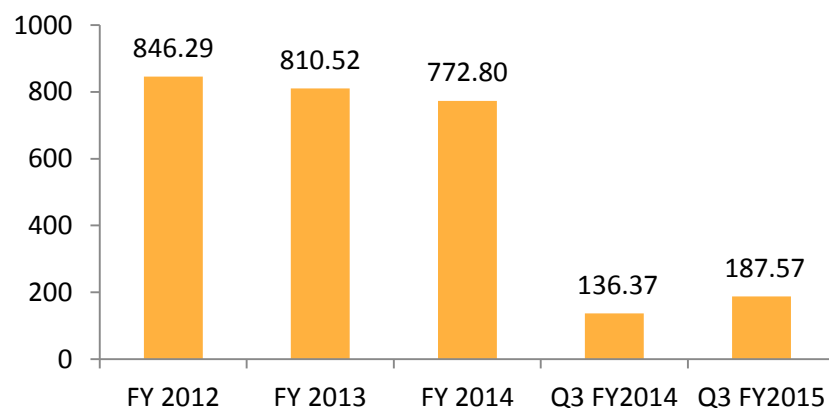
(₹ million)	Segment Revenues	% contribution to Revenues	PBIT	% contribution to PBIT
Q3 FY2015	7,363.2	80.44%	(1,408.1)	-
Q3 FY2014	6,194.3	83.53%	(772.3)	-
% Shift	18.87%	-	-	-
9M FY2015	20,133.8	81.67%	(2,652.0)	-
9M FY2014	17,265.5	82.90%	(2,190.8)	-
% Shift	16.61%	-	-	-

- ❑ Sugar segment revenues were higher on account of improved sales volumes
  - ✓ Sales volume improved to 24.00 lakh quintals as compared to 19.32 lakh quintals in Q3FY14
- ❑ Lower sugar realizations and inventory write down impacted profitability
  - ✓ Realizations for the Q3FY15 at ₹ 28.69 per kg as against ₹ 30.16 per kg in Q3FY14
  - ✓ As on December 31, 2014, sugar inventory stood at 19.74 lakh quintals and is valued at ₹ 26.75 per kg

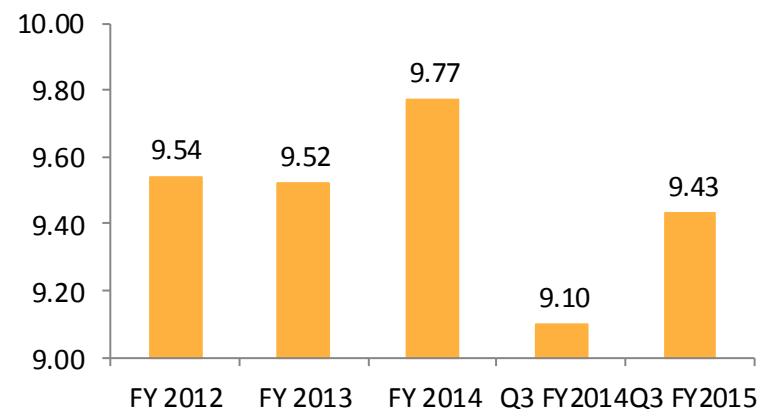


# Segmental Overview – Sugar

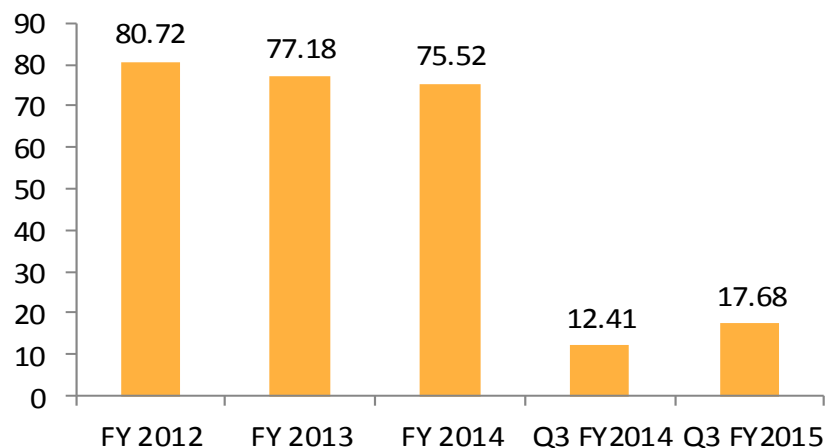
**Cane Crushed (Lakh Quintals)**



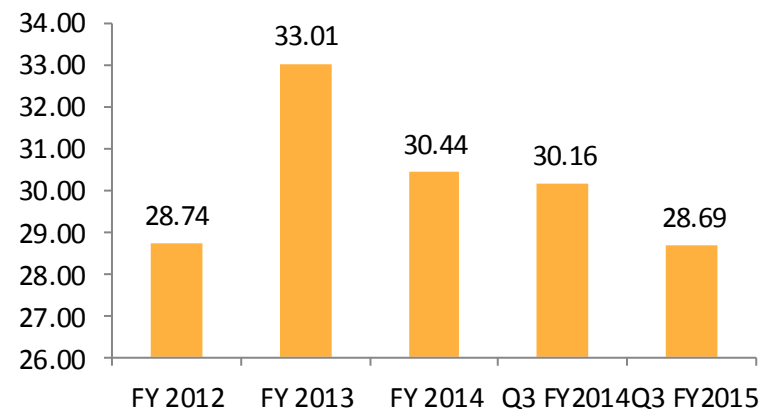
**Recovery (%)**



**Production (Lakh Quintals)**



**Avg. Realization – Free Sugar (₹ per kg)**



## Segmental Overview – Distillery

(₹ million)	Segment Revenues	% contribution to Revenues	PBIT	% contribution to PBIT
Q3 FY2015	664.5	7.26%	314.3	-
Q3 FY2014	620.5	8.37%	256.9	-
% Shift	7.09%	-	22.34%	-
9M FY2015	2,200.7	8.93%	1,113.5	-
9M FY2014	1,804.6	8.67%	786.9	-
% Shift	21.95%	-	41.50%	-

□ Distillery division delivered healthy performance on account of stable sales volume and enhanced realizations

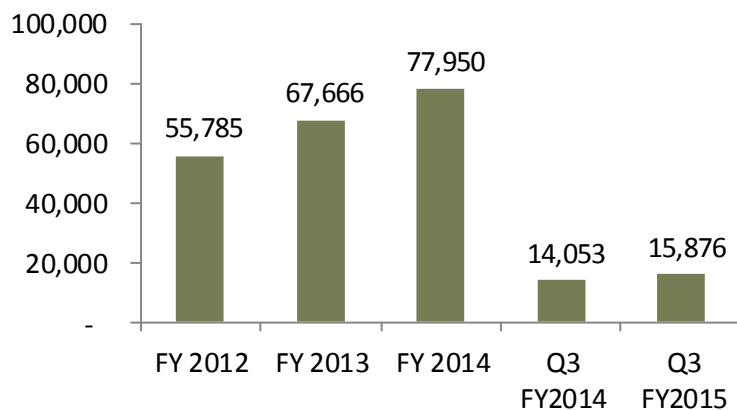
- ✓ RS and ENA sales volumes were higher at 10,166 KL as compared to 9,506 KL in Q3FY14
- ✓ Ethanol sales stood at 6,108 KL in Q3FY15 with an average realization of ₹ 39.16 per BL
- ✓ Average realizations of RS and ENA for the quarter improved to ₹ 39.36 per BL as compared to 34.17 per BL in Q3FY14

₹

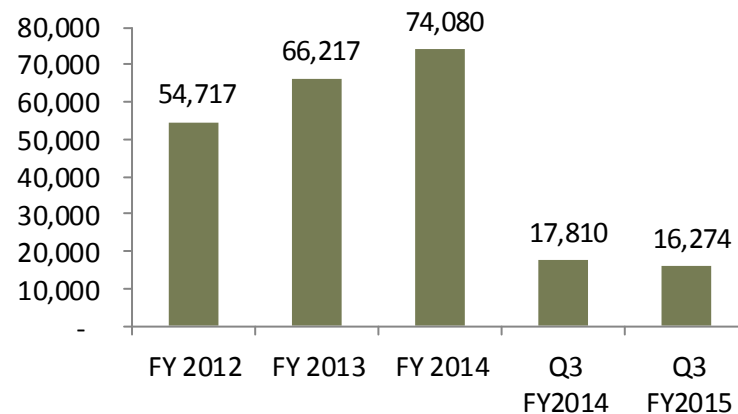


# Segmental Overview – Distillery

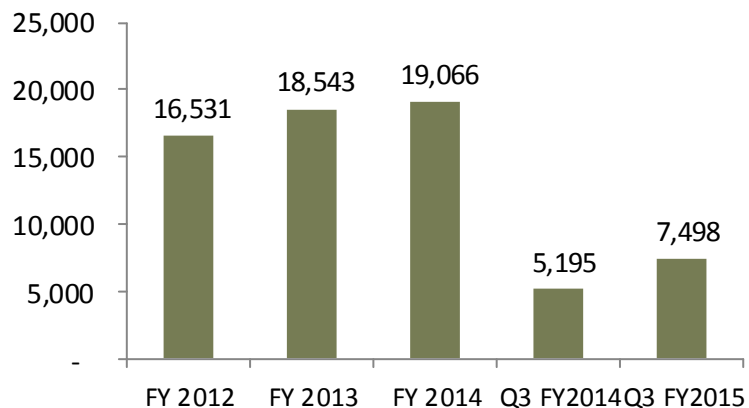
**Production (KL)**



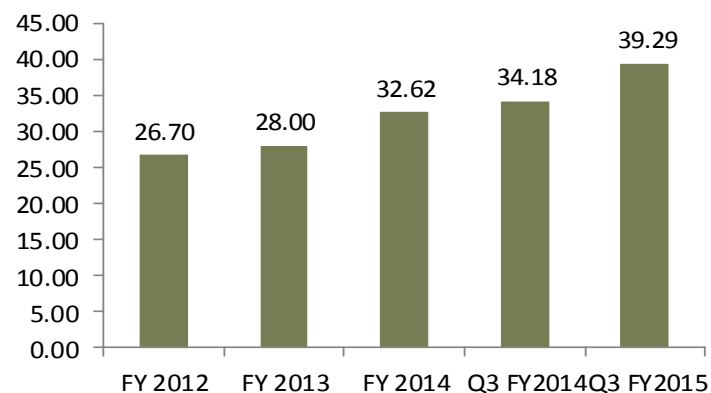
**Total Sales (KL)**



**Ethanol production (KL)**



**Blended Realizations (₹ per BL)**





# Segmental Overview – Co-generation

(₹ million)	Segment Revenues	% contribution to Revenues	PBIT	% contribution to PBIT
Q3 FY2015	1,112.0	12.15%	666.3	-
Q3 FY2014	581.6	7.84%	232.9	-
% Shift	91.20%	-	186.09%	-
9M FY2015	2,281.8	9.26%	1,137.1	-
9M FY2014	1,721.1	8.26%	753.8	-
% Shift	32.58%	-	50.85%	-

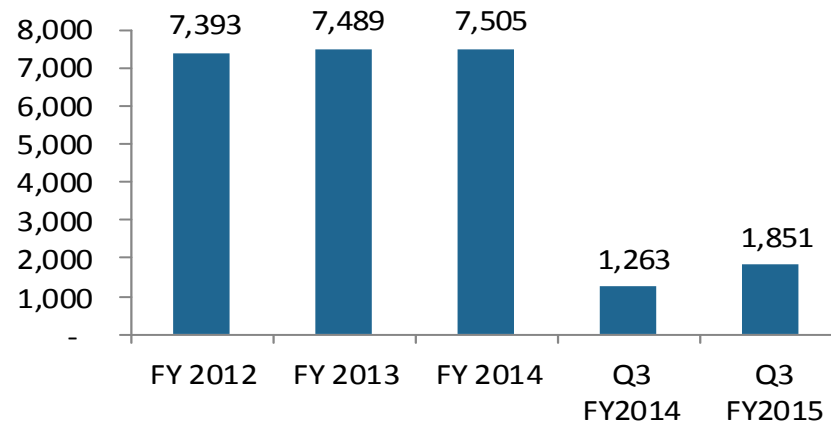
- ❑ The segment delivered good performance on account of improved volumes and realizations
  - ✓ Sold 1,371.6 lakh units in Q3FY15 at an average realization of ₹ 4.82 per unit as compared to 919.8 lakh units in Q3FY14 at an average realization of ₹ 4.29 per unit
- ❑ The upward revision in tariff for co-generation sales to Uttar Pradesh Power Corporation Limited (UPPCL) has been notified – benefit to accrue from 1st April 2014 onwards
  - ✓ Tariff increased by ₹ 0.49 per unit



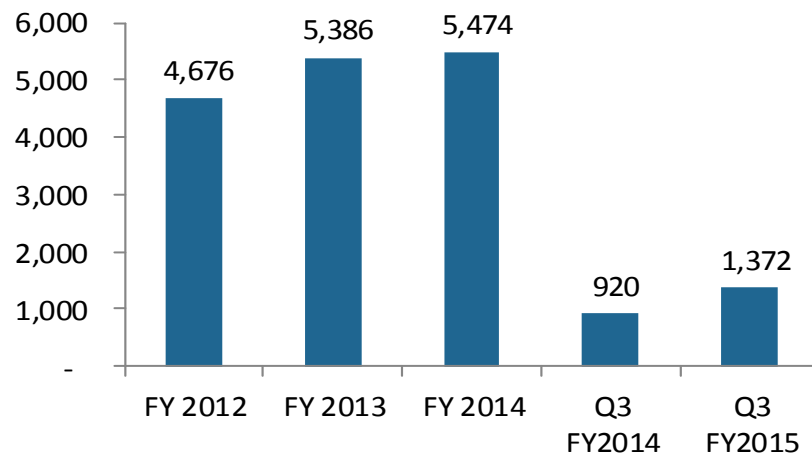


# Segmental Overview – Co-generation

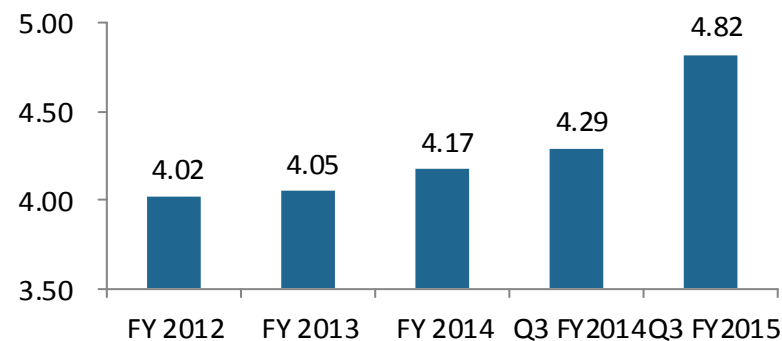
**Total Power Generation (Lakh units)**



**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.

For more information on the Company, please log on to [www.chini.com](http://www.chini.com).

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