



BALRAMPUR CHINI MILLS LIMITED

**Q1 FY2013
RESULTS PRESENTATION
AUGUST 07, 2012**



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A Leading Integrated Sugar Player in India

Large Capacities

Sugarcane crushing capacity at 76,500 TCD, Distillery and Co-generation operations of 320 KLPD and 126 MW (Saleable) respectively

Focus on Value Maximization

One of the pioneers of Integrated Business Model in India
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

Employ latest technology to achieve highest operational results
Leveraging inter-plant synergies to maximize by-product utilization

Healthy Balance sheet

One of the strongest balance sheet in the industry



Financial Highlights

Q1 FY2013 highlights

- ❑ Net Revenue grew by 22% to ₹ 6,919.6 million
- ❑ EBITDA stood at ₹ 571.9 million
- ❑ Net Profit stood at ₹ (180.5) million
- ❑ EPS at ₹ (0.74) per share



Management's Message

Commenting on the performance for Q1 FY2013, Mr. Vivek Saraogi, Managing Director, Balrampur Chini Mills Limited (BCML), said:

"The prospects for the sector have been more balanced since the start of the fiscal and we are hopeful of sustaining the performance momentum in the coming quarters.

In the domestic market, the anticipated decline in sugar production owing to inadequate rainfall in some of the key sugar producing states could result in market prices stabilizing at the equilibrium level. On the policy front, the outcome of the debate over propositions made by an expert committee set-up directly by Honorable Prime Minister, is expected to be announced soon and are we confident of the government's intentions of de-regulating the sector with benefits flowing to all parties involved – from farmers to mill owners.

During the quarter, higher realizations and volumes growth contributed to enhanced overall performance of BCML. We, as a Company, stay committed to highest levels of efficiency, benchmarking ourselves to best operating performance to deliver superior results across business cycles.

As on 30th June 2012 Company holds 4.66 lac tones of sugar, one of the highest among the industry. The said inventory is carried at ₹29/- per kg."



Company Highlights

- ❑ Total cane crushed for the sugar season 2011 – 12 stood at 8.60 crore quintals as compared to 6.95 crore quintal during the sugar season 2010 - 11
 - ✓ This was achieved on account of higher cane availability
 - ✓ Total sugar produced, at 8.22 lakh tonnes, increased by 26% in the current season as compared to the previous season
 - ✓ Average sugar recovery of 9.55% was recorded in the current sugar season – second highest in the State of Uttar Pradesh (U.P.)
- ❑ Co-generation and Distillery segments contributed significantly to the overall performance during the quarter
 - ✓ Higher realizations and moderate improvement in volumes facilitated enhanced growth numbers – further enabling the Company to reap benefits of an highly integrated business model
- ❑ The Company has one of the strongest balance sheet within the sector – as on 30 June 2012, the Company's Long Term Debt stood at ₹. 713.7 crore
 - ✓ Long-term debt-equity ratio stood at 0.59 as on 30 June 2012



Sector Perspectives

- ❑ India's estimated sugar production for the next season has been revised lower to 24.5-25 million tonnes from 26 million tonnes
 - ✓ Inadequate rainfall in some of the key sugar producing states of Maharashtra and Karnataka to adversely impact production – in the coming season combined production of these two states is expected to be lower at about 10 million tonnes as compared to 13 million tonnes
- ❑ Increase in acreage and stable climatic conditions in Uttar Pradesh (U.P.) are expected to assist the state in reporting higher production
 - ✓ As per the latest update, sugar production in U.P. is expected to be higher by about 10%
 - ✓ Majority of BCML's capacity is located in Eastern U.P., which is expected to witness growth in production on account of better production in comparison to other parts of U.P.



Sector Perspectives

- ❑ Firm realizations will assist the sugar industry improve earnings
- ❑ International sugar prices have witnessed a positive trend – primarily attributed to delay in Brazil's sugarcane harvest owing to excessive rains
 - ✓ In the recent past, sugar prices in the international markets have stabilized between 22-23 cents/lb as sugar production scenario in Brazil is improving; however the country's production is anticipated to be lower than last year



Financial Overview

Profit & Loss Statement

(₹ million)	Q1 FY2013	Q1 FY2012	% Y-o-Y Growth
Net Operating Revenue	6,919.6	5,669.7	22.1%
EBITDA	571.9	399.0	43.3%
<i>EBITDA Margin (%)</i>	8.3%	7.0%	
Depreciation	273.9	275.7	(0.7%)
Interest	535.2	415.1	28.9%
Profit Before Tax	(180.5)	(198.6)	9.1%
Profit After Tax	(180.5)	(198.6)	9.1%
<i>Profit After Tax Margin (%)</i>	(2.6%)	(3.5%)	
EPS (₹)	(0.74)	(0.79)	



Segmental Overview – Sugar

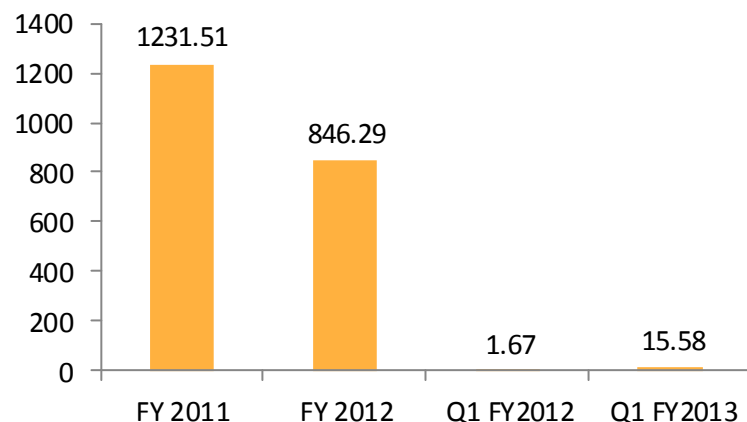
(₹ million)	Segment Revenues	% contribution to Revenues	PBIT	% contribution to PBIT
Q1 FY2013	5,819.2	81.1%	(227.7)	-
Q1 FY2012	4,701.9	79.4%	(172.7)	-
% Shift	23.8%		-	

- ❑ Production for the quarter (crushing continued in April also) was higher at 1.6 lakh quintals taking the total sugar produced during the season to 82.2 lakh quintals
 - ✓ Recoveries for the current season stood at 9.55% as compared to 9.40% in previous season
- ❑ Q1 FY13 sugar sales at 19.2 lakh quintals were higher by 17.1% as compared to the corresponding quarter of the previous year
- ❑ Improved realizations contributed to enhanced operating performance during the quarter
 - ✓ Q1 FY13 free sale realizations stood at ₹ 29.67 per kg as compared to ₹ 27.84 per kg for Q1 FY12

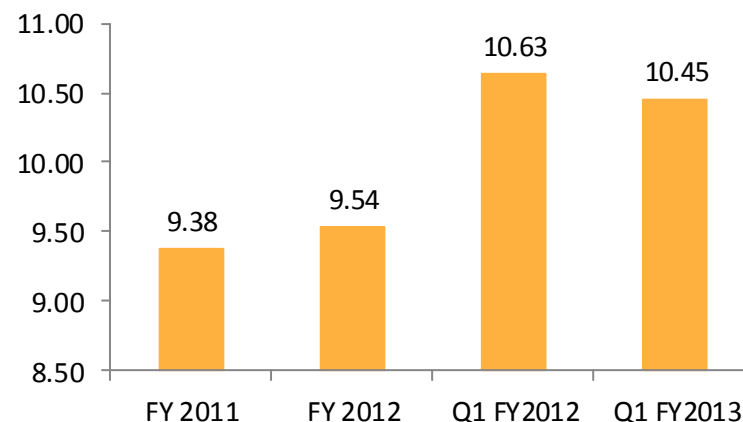


Segmental Overview – Sugar

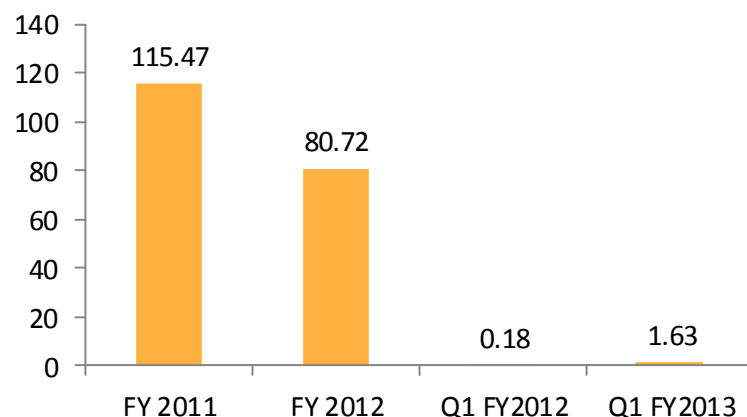
Cane Crushed (Lakh Quintals)



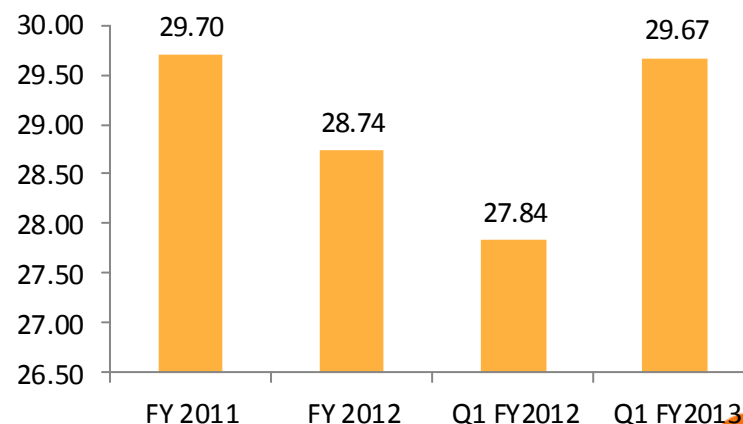
Recovery (%)



Production (Lakh Quintals)



Avg. Realization – Free Sugar (₹ per kg)



Segmental Overview – Distillery

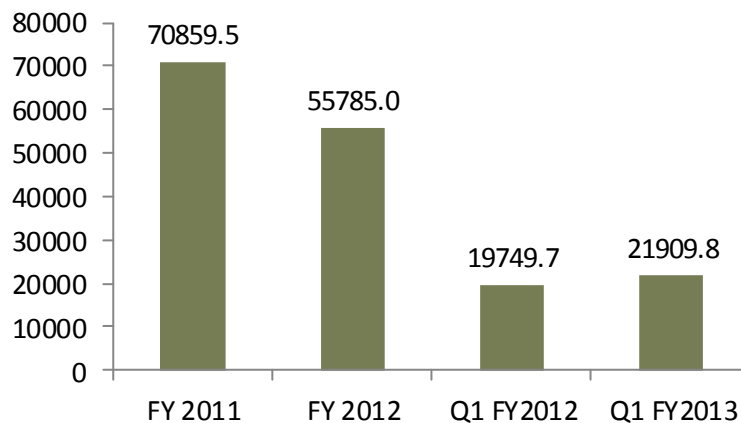
(₹ million)	Segment Revenues	% contribution to Revenues	PBIT	% contribution to PBIT
Q1 FY2013	533.7	7.4%	229.1	
Q1 FY2012	497.8	8.4%	159.7	
% Shift	7.2%		43.5%	

- ❑ Stable volumes at higher blended realizations resulted in enhanced performance reported by the segment during the quarter
 - ✓ Q1 FY13 volumes for RS and ENA stood at 12,387 KL as compared to 14,290 KL in Q1 FY2012
 - ✓ Blended realizations for RS and ENA were higher at ₹ 26.07 per BL as compared to ₹ 22.27 per BL in the corresponding quarter of the previous year
 - ✓ Ethanol sales during the quarter stood at 7,630 KL as compared to 6,493 KL in Q1 FY12; average realizations stood at ₹ 27 per BL

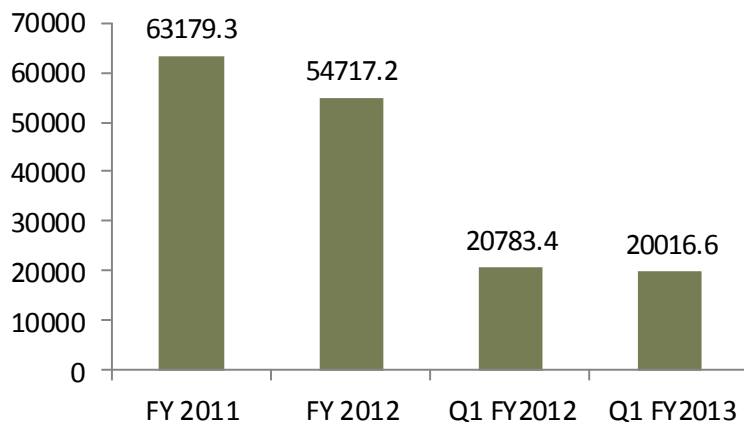


Segmental Overview – Distillery

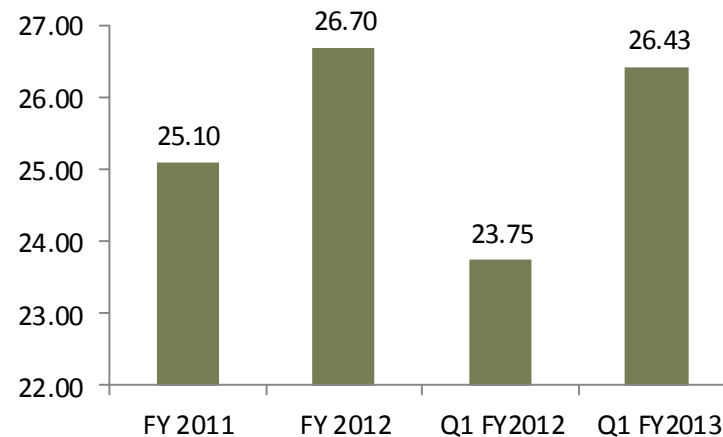
Production (KL)



Total Sales (KL)



Blended Realizations (₹ per BL)



Segmental Overview – Co-generation

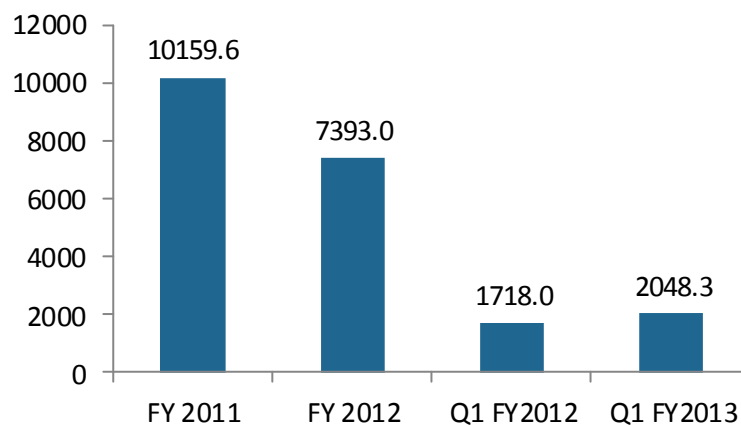
<i>(₹ million)</i>	<i>Segment Revenues</i>	<i>% contribution to Revenues</i>	<i>PBIT</i>	<i>% contribution to PBIT</i>
Q1 FY2013	798.9	11.1%	445.7	-
Q1 FY2012	717.7	12.1%	252.1	-
% Shift	11.3%		76.8%	

- ❑ During the quarter, the Company operated the plant to generate power only from bagasse
- ❑ Improved volumes and higher realizations reported during the quarter assisted the segment register healthy profitability
- ❑ The Company sold 17.34 crore units in Q1 FY13 as compared to 14.68 crore units (including 5.36 crore units out of coal) in the corresponding quarter previous year - marking a growth of 18.1%
- ❑ Power segment continues to contribute positively to the overall performance of BCML

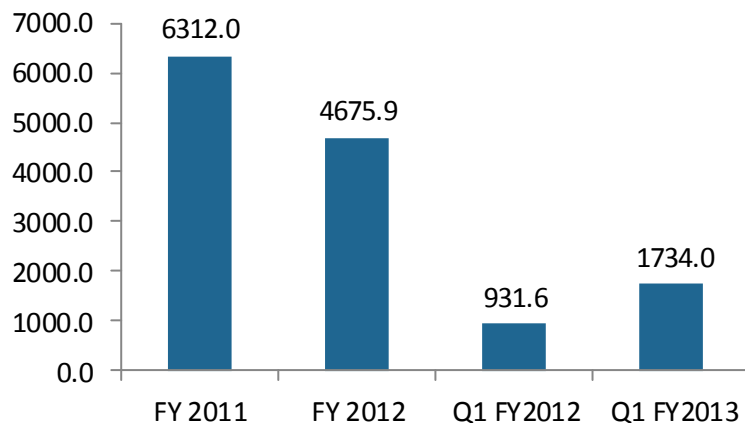


Segmental Overview – Co-generation

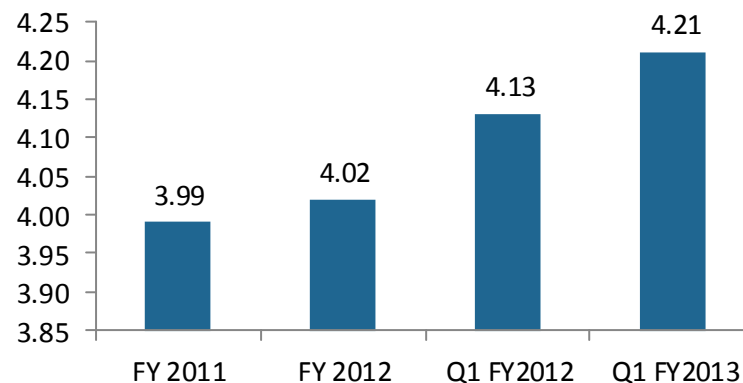
Total Power Generation (Lakh units)



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 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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