



# BALRAMPUR CHINI MILLS LIMITED

**Q2 & H1 FY2013  
RESULTS PRESENTATION  
NOVEMBER 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 which 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

Uses latest technology to achieve highest operational results and leverages inter-plant synergies to maximize by-product utilization

## Healthy Balance sheet

One of the strongest balance sheet in the industry



# Performance Highlights

## Q2 FY2013 highlights v/s Q2 FY2012

- ❑ Net Revenue grew by 76.7% to ₹ 8,882.2 million
- ❑ EBITDA stood at ₹ 1,206.6 million
- ❑ Net Profit stood at ₹ 488.8 million as compared to loss of ₹ 394.4 million in Q2 FY12
- ❑ Diluted EPS at ₹ 2.00 per share

## H1 FY2013 highlights v/s H1 FY2012

- ❑ Net Revenue grew by 47.7% to ₹ 15,801.8 million
- ❑ EBITDA stood at ₹ 1,778.5 million
- ❑ Net Profit stood at ₹ 308.3 million as against loss of ₹ 593.0 million in H1FY12
- ❑ Diluted EPS at ₹ 1.26 per share



# Management's Message

**Commenting on the performance for Q2 FY2013, Mr. Vivek Saraogi, Managing Director, Balrampur Chini Mills Limited (BCML), said:**

*“The most notable development for the sugar sector has been the recommendations of the Rangaranjan committee involving de-regulation of the sector. We are extremely pleased to note that the government is proactively evaluating the recommendation that will be beneficial to the farmers, consumers and millers.*

*We are happy to share with you that the quarter gone by has been marked by encouraging overall performance - especially on the back of the sugar segment which witnessed enhanced volumes and realizations. Moving into the upcoming sugar season, we remain optimistic on the prospects of the sector and the Company as we continue to have advantage from an integrated model.”*



# Company Highlights

- ❑ The Company expects to crush 9.20 crore quintals of cane in the upcoming sugar season 2012-13 as compared to 8.60 crore quintal during the sugar season 2011 – 12
  - ✓ This is anticipated on the back of expected greater cane availability resulting from increased acreage under sugar cultivation particularly in East UP
  - ✓ Average sugar recovery to improve in the coming sugar season
- ❑ Robust performance was registered by the sugar division primarily on account of higher volumes combined with enhanced realization as compared to the corresponding quarter of the previous year
- ❑ Distillery business witnessed improved volumes - positively impacting the operation leverage of the business and thereby profitability



# Company Highlights

- ❑ The Company has one of the strongest Balance Sheets within the sector – as on 30 September 2012, the Company's Long Term Debt stood at ₹ 661.7 crore and as on 7<sup>th</sup> November 2012 stands at ₹ 599 crore
  - ✓ Debt-equity ratio stood at 0.53 on 30 September 2012
  - ✓ De-leveraged Balance-sheet along with promising sector prospects should positively impact the Company's bottom-line
  - ✓ Working Capital borrowings as on 7<sup>th</sup> November 2012 stand at ₹ 200 crore





# Sector Perspectives

- ❑ In the most recent development, Dr. C Rangarajan Committee made recommendations related to the reform process on the de-regulation of the sugar sector
  - ✓ The recommendations are currently under evaluation by the government and the outcome is expected to be announced soon – objective is to achieve inclusive growth for all parties involved (from farmers to mill owners)
- ❑ India's sugar production for the sugar season 2012-13 is estimated at 23.5-24 million tonnes as compared to 26 million tonnes in the previous sugar season
  - ✓ 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 9 million tonnes as compared to 13 million tonnes
  - ✓ Production remains ahead of demand in spite of the lower anticipated production





# Sector Perspectives

- ❑ Increase in acreage and stable climatic conditions in East 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 healthy growth in production

# Financial Overview

## Statement of Profit & Loss

(₹ million)	Q2 FY13	Q2 FY12	% Y-o-Y Growth	H1 FY13	H1 FY12	% Y-o-Y Growth
Net Operating Revenue	8,882.2	5,027.5	76.7%	15,801.8	10,697.2	47.7%
EBITDA	1,206.6	148.5	712.5%	1,778.5	547.6	224.8%
EBITDA Margin (%)	13.6%	2.9%	-	11.3%	5.1%	-
Depreciation	275.6	275.7	(.04%)	549.5	551.4	(0.34%)
Interest	421.0	353.6	19.1%	956.2	768.7	24.4%
Profit Before Tax	565.9	(394.4)	-	385.4	(593.0)	-
Profit After Tax	488.8	(394.4)	-	308.3	(593.0)	-
Profit After Tax Margin (%)	5.5%	(7.8%)	-	1.9%	(5.5%)	-
Diluted EPS (₹)	2.00	(1.61)	-	1.26	(2.40)	-



## Segmental Overview – Sugar

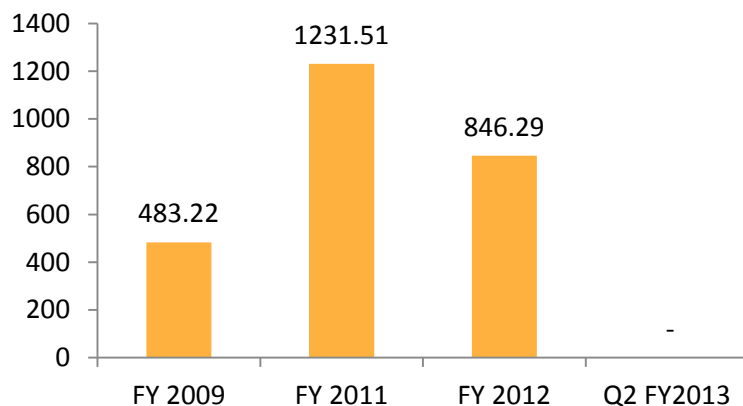
(₹ million)	Segment Revenues	% contribution to Revenues	PBIT	% contribution to PBIT
Q2 FY2013	8,243.2	91.2%	749.4	-
Q2 FY2012	4,701.0	91.0%	(29.9)	-
% Shift	75.4%	-	-	-
H1 FY2013	14,062.4	86.7%	521.7	-
H1 FY2012	9,402.9	84.8%	(202.5)	-
% Shift	49.6%	-	-	-

- Higher volumes and better sugar realizations translated into improved performance for the segment
  - ✓ Sugar sales during the quarter stood at 23.98 lakh quintals as compared to 15.92 lakh quintals in the corresponding quarter of the previous year
  - ✓ Q2 FY13 free sale realizations stood at ₹ 34.3 per kg as compared to ₹ 28.2 per kg for Q2 FY12

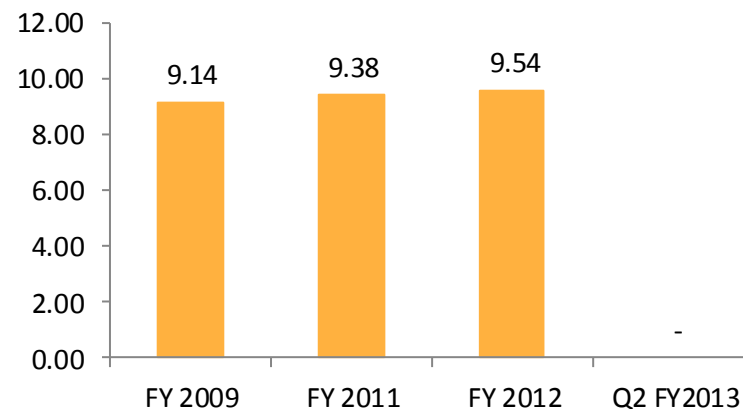


# Segmental Overview – Sugar

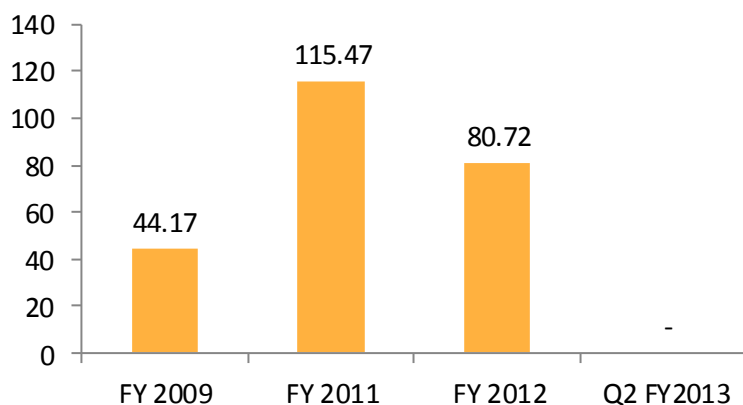
**Cane Crushed (Lakh Quintals)**



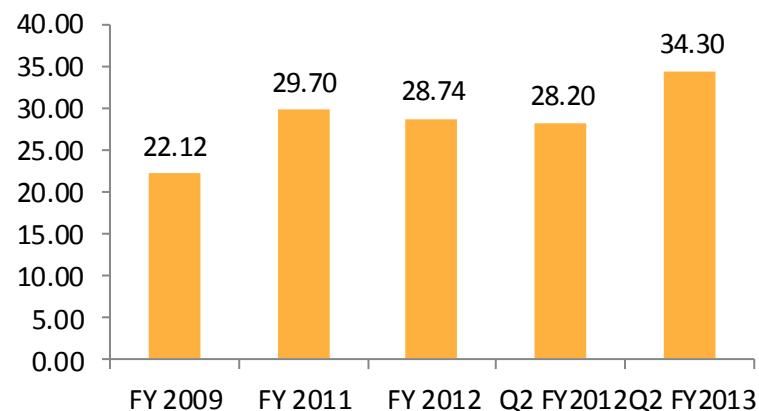
**Recovery (%)**



**Production (Lakh Quintals)**



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



## Segmental Overview – Distillery

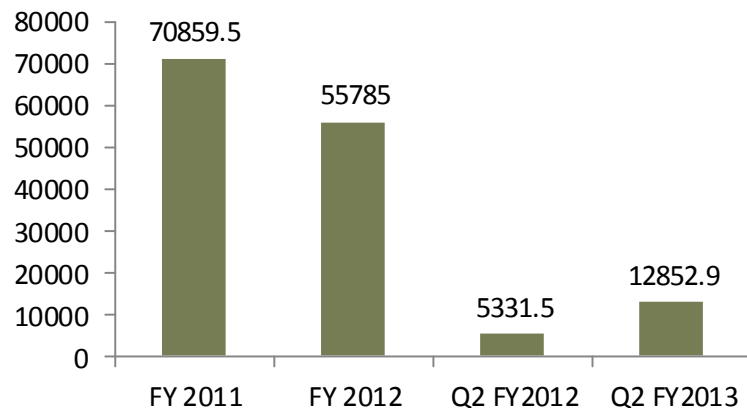
(₹ million)	Segment Revenues	% contribution to Revenues	PBIT	% contribution to PBIT
Q2 FY2013	590.8	6.5%	232.3	-
Q2 FY2012	290.1	5.6%	92.1	-
% Shift	103.6%		152.2%	-
H1 FY2013	1,124.5	6.9%	461.4	-
H1 FY2012	787.9	7.1%	251.8	-
% Shift	42.7%	-	83.3%	-

- ❑ Sales volumes increased by 110% as compared to the corresponding quarter previous year while the blended realization remained stable during the quarter
  - ✓ RS and ENA sales volumes stood at 11,215.8 KL in Q2 FY13 as compared to 5,515.1 KL in Q2 FY12; Ethanol sales stood at 10,122 KL as compared to 4,663 KL in Q2 FY12
  - ✓ Q2 FY13 blended realizations stood at ₹ 27.55 per BL as compared to ₹ 27.9 per BL in Q2 FY12

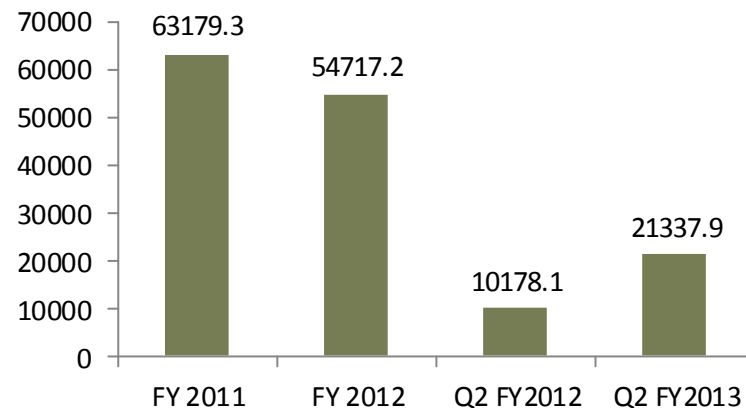


# Segmental Overview – Distillery

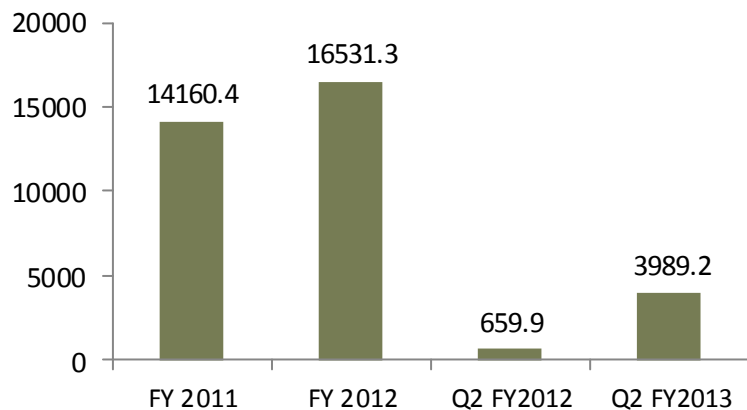
**Production (KL)**



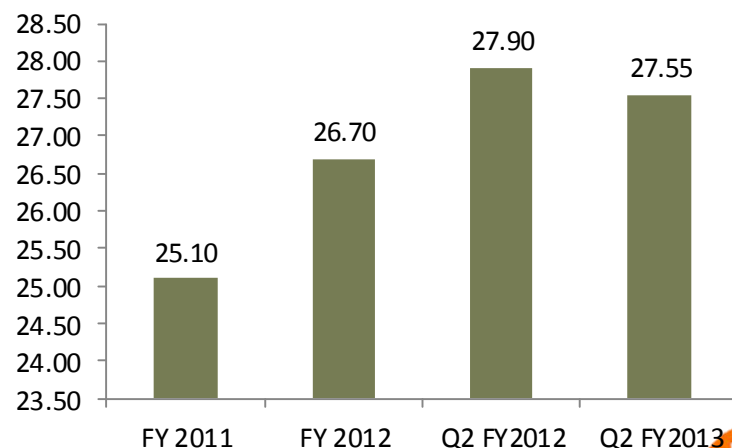
**Total Sales (KL)**



**Ethanol production (KL)**



**Blended Realizations (₹ per BL)**



14 \*FY 2011 was for a period of 18 months



# Segmental Overview – Co-generation

(₹ million)	Segment Revenues	% contribution to Revenues	PBIT	% contribution to PBIT
Q2 FY2013	230.7	2.3%	(4.5)	-
Q2 FY2012	175.5	3.4%	(35.8)	-
% Shift	16.1%	-	-	-
H1 FY2013	1,002.6	6.2%	441.2	-
H1 FY2012	893.1	8.1%	216.2	-
% Shift	12.3%	-	104.1%	-

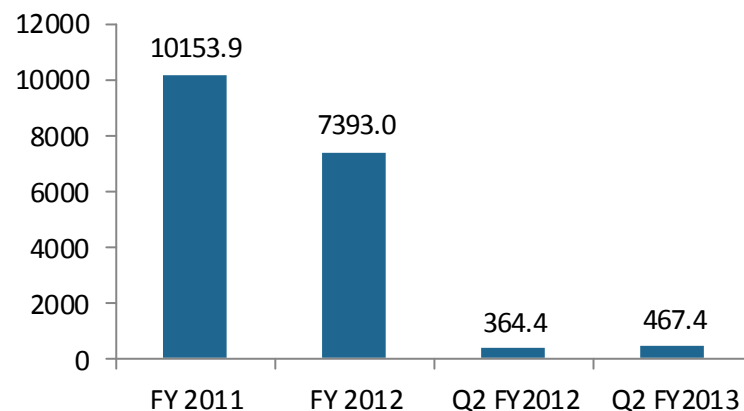
- ❑ Overall performance of this business vertical remained stable
  - ✓ Power generation during Q2 FY2013 increased to 467.6 lakh units as compared to 364.4 lakh units in Q2FY12. The power generation of 364.4 lakh units during Q2 FY2012 includes 63.07 lakh units generated though coal
  - ✓ Higher realization facilitated improvement in profitability



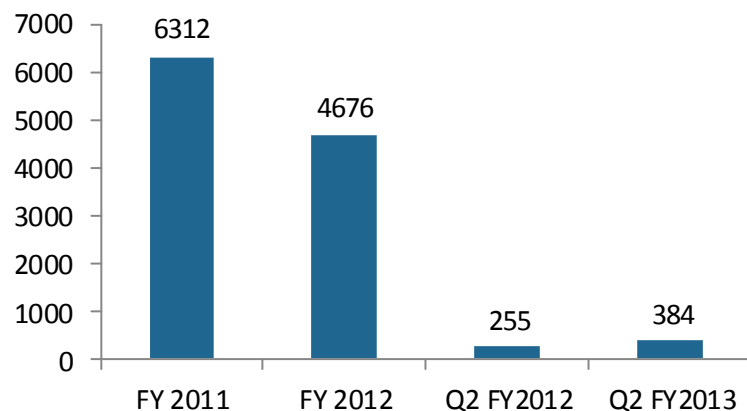


# Segmental Overview – Co-generation

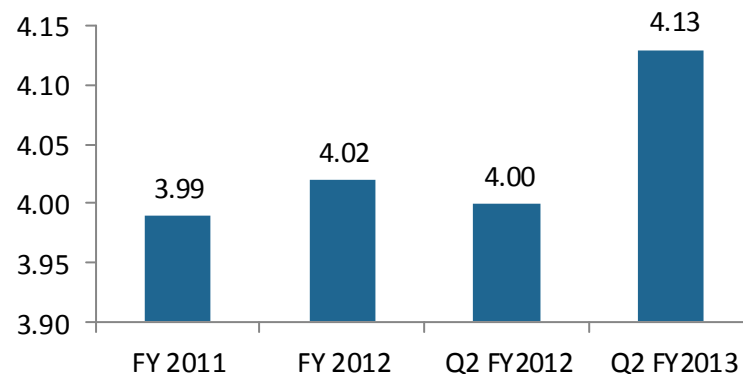
**Total Power Generation (Lakh units)**



**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](http://www.chini.com).

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