



# BALRAMPUR CHINI MILLS LIMITED

Q2 & H1 FY2016  
RESULTS PRESENTATION  
NOVEMBER 3, 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.*



# Contents

<b>Title</b>	<b>Slide No</b>
<b>Conference Call Details</b>	<b>4</b>
<b>Performance Highlights</b>	<b>6</b>
<b>Management's Message</b>	<b>7</b>
<b>Company Highlights</b>	<b>8</b>
<b>Sector Perspectives</b>	<b>10</b>
<b>Financial Overview</b>	<b>11</b>
<b>Segmental Overview</b>	<b>12</b>



# Conference Call Details

---

## Timing

- 4.30 pm IST on Tuesday, November 3, 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
- 



# 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 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 0.62 as on September 30, 2015



# Performance Highlights

## Q2 FY2016 highlights v/s Q2 FY2015

- ❑ Net Revenue stood at ₹ 5,010.7 million as compared to ₹ 6,826.1
- ❑ EBITDA stood at ₹ 33.9 million as compared to ₹ 0.9
- ❑ Net Loss stood at ₹ 144.2 million as compared to loss of ₹ 639.0
- ❑ Diluted EPS at ₹ (0.59) per share

## H1 FY2016 highlights v/s H1 FY2015

- ❑ Net Revenue stood at ₹ 11,371.9 million as compared to ₹ 14,869.7 million
- ❑ EBITDA stood at ₹ (118.4) million as compared to ₹ 467.3 million
- ❑ Net Loss stood at ₹ 871.6 million as compared to loss of ₹ 678.6
- ❑ Diluted EPS at ₹ (3.56) per share



# Management's Message

**Commenting on the performance for Q2 & H1 FY2016, Mr. Vivek Saraogi, Managing Director, Balrampur Chini Mills Limited (BCML), said:**

*“We reported subdued results during the quarter on the back of losses witnessed in the sugar segment. In addition to the mismatch between sugarcane and sugar prices, overall results were further affected as it was a non-production quarter. We are pleased with the performance delivered by the distillery segment and anticipate healthy contribution to earnings from the division going forward.*”

*The Central Government has announced a slew of measures for the ailing industry. We welcome these steps to help resolve the problems being faced by the sugarcane farmers and the sugar industry. We remain hopeful that as the new crushing season commences a longer-term solution on cane pricing is arrived at, which would ensure the sustainability of the sugar sector and is beneficial for all stakeholders.”*



# Company Highlights

- ❑ In the upcoming sugar season 2015 - 16, BCML expects to crush 7.6 million tones of sugarcane as compared to the previous season
- ❑ Uttar Pradesh continues to witness sugarcane arrears owing to unviable sugar operations given high State Advised Price (SAP) for sugarcane even after accounting for the subsidy announced earlier. Arrears in the state are estimated at ~ 3300 crore. Soft loans has helped in clearing outstanding cane dues.
  - ✓ BCML's current cane dues stands at ₹ 119.4 crores
- ❑ Distillery segment contributed positively to overall performance on account of improved sales realizations
  - ✓ Emphasis of the Central Government on Ethanol blending and waiver of Excise Duty on sale of Ethanol out of production of sugar season 2015-16, should assist in enhancing volumes and realizations going forward





# Company Highlights

- ❑ Long-term Debt-Equity ratio at 0.62 on September 30, 2015
  - ✓ Long-term debt at ₹ 6508.3 million on September 30, 2015
  - ✓ Interest cost stood at ₹ 492.2 million in H1 FY16 as compared to ₹ 593.7 million in H1 FY15
- ❑ During the quarter under review a sum of ₹ 1990.4 million was disbursed as soft loan to the Company by the Working Capital Lenders for a tenor of 5 years
  - ✓ The said loan amount was utilized for payment of cane dues
  - ✓ The aforesaid soft loan shall carry interest subvention @ 10.00% p.a. for a period of 12 months from the date of disbursement
- ❑ The cash subsidy announced by UP Govt. @ ₹ 28.60 per quintal of cane for the sugar season 2014-15 has been received by the Company
  - ✓ The said subsidy amount was utilized for payment of cane dues



# Sector Perspectives

- ❑ India's sugar production for SS 2015-16 is estimated at 26.5 million tonnes as per initial estimates of ISMA, the annual domestic consumption is expected at ~25 million tonnes
  - ✓ Production in UP is estimated at around 7.3 million tonnes
  - ✓ Production in Maharashtra is estimated at 8.5 million tonnes
- ❑ The Government also announced mill-wise Minimum Indicative Export Quota of 4 million tones to be made by all the mills in India.
  - ✓ This would reduce inventory of sugar in the country which in turn will ease the pressure on sugar prices



# Financial Overview

## Statement of Profit & Loss

<i>(₹ million)</i>	Q2 FY2016	Q2 FY2015	% Y-o-Y Growth	H1 FY2016	H1 FY2015	% Y-o-Y Growth
Net Operating Revenue	5,010.7	6826.1	(26.59%)	11,371.9	14,869.7	(23.52%)
EBITDA	33.9	0.9	-	(118.4)	467.3	-
<i>EBITDA Margin (%)</i>	<i>0.68%</i>	<i>0.01%</i>	-	<i>(1.04%)</i>	<i>3.14%</i>	-
Depreciation	283.7	399.9	(29.06%)	564.2	618.6	(8.79%)
Interest	195.4	279.5	(30.09%)	492.2	593.7	(17.10%)
Profit Before Tax	(144.2)	(639.0)	-	(871.6)	(678.6)	-
Profit After Tax	(144.2)	(639.0)	-	(871.6)	(678.6)	-
<i>Profit After Tax Margin (%)</i>	<i>(2.88%)</i>	<i>(9.36%)</i>	-	<i>(7.66%)</i>	<i>(4.56%)</i>	-
Diluted EPS (₹)	(0.59)	(2.61)	-	(3.56)	(2.77)	-



## Segmental Overview – Sugar

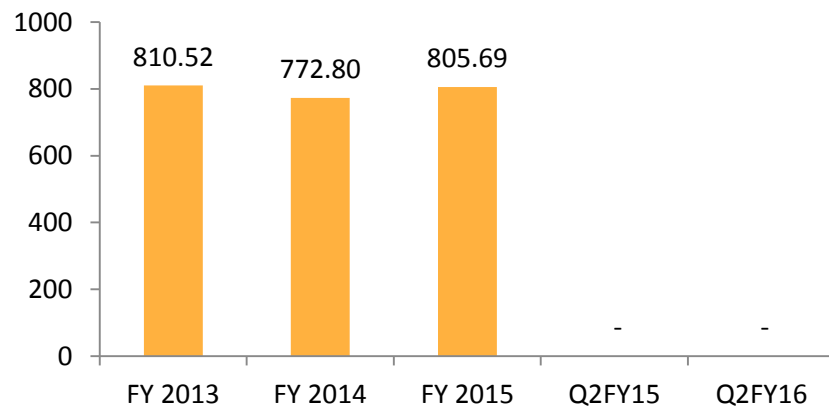
(₹ million)	Segment Revenues	% contribution to Revenues	PBIT	% contribution to PBIT
<b>Q2 FY2016</b>	4,532.3	83.89%	(139.5)	
<b>Q2 FY2015</b>	5,950.8	85.22%	(642.6)	
<b>% Shift</b>	(23.84%)	-	-	-
<b>H1FY2016</b>	9,790.4	80.14%	(1,328.1)	
<b>H1FY2015</b>	12,770.6	82.40%	(1,243.9)	
<b>% Shift</b>	(23.34%)	-	-	-

- ❑ Sugar segment were revenues lower on account of lower sales volumes and realizations
  - ✓ Sales volume during the quarter stood at 17.19 lakh quintals versus 18.81 lakh quintals in Q2FY2015
  - ✓ Realizations for Q2FY2015 lower at ₹ 24.28 per kg versus ₹ 30.97 per kg in Q4FY2015
- ❑ Fixed overheads due to a non-productive quarter and high cost of inventory as compared to realizations affected the segments profitability during the quarter
  - ✓ As on September 30, 2015, sugar inventory stood at 24.28 lakh quintals and is valued at ₹ 25.39 per kg

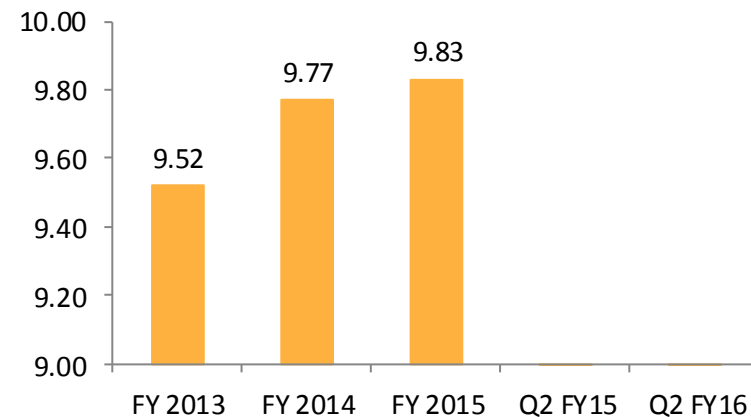


# Segmental Overview – Sugar

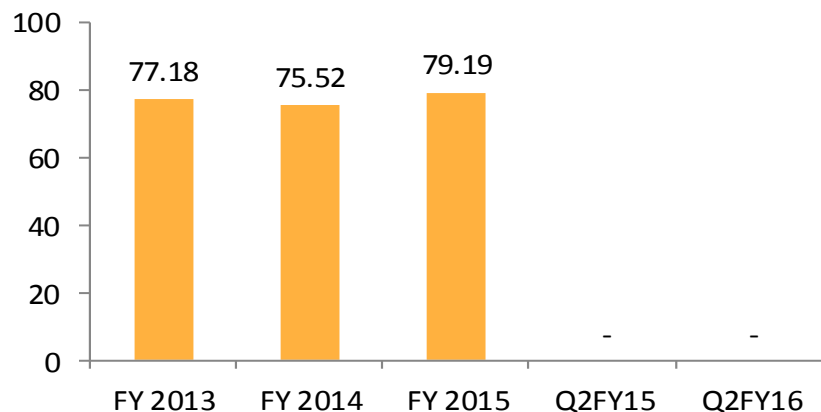
**Cane Crushed (Lakh Quintals)**



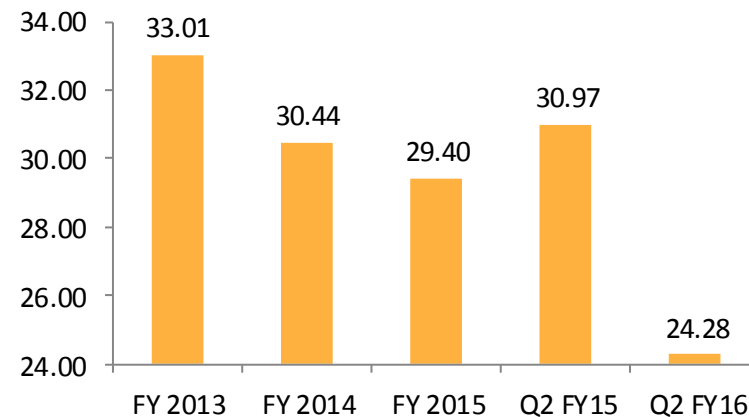
**Recovery (%)**



**Production (Lakh Quintals)**



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



## Segmental Overview – Distillery

(₹ million)	Segment Revenues	% contribution to Revenues	PBIT	% contribution to PBIT
<b>Q4 FY2016</b>	720.9	13.34%	323.9	
<b>Q4 FY2015</b>	843.0	12.07%	435.3	
<b>% Shift</b>	(14.48%)	-	(25.59%)	
<b>H1FY2016</b>	1,359.5	11.13%	659.4	
<b>H1FY2015</b>	1,536.2	9.91%	799.2	
<b>% Shift</b>	(11.50%)	-	(17.49%)	

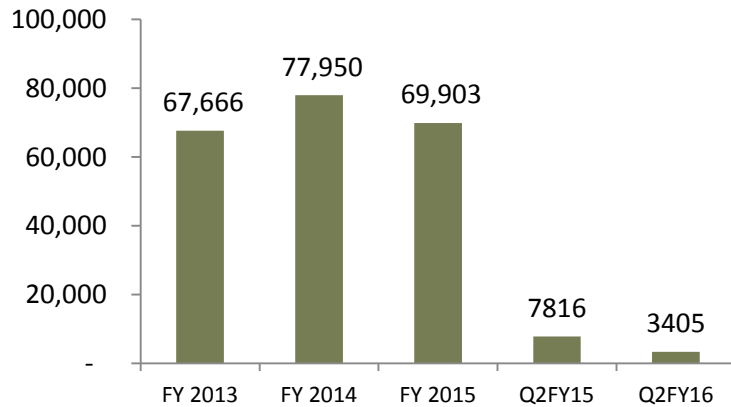
□ The segment delivered subdued performance owing to lower volumes

- ✓ Average realizations for the quarter improved to ₹ 39.01 per BL versus ₹ 36.86 per BL in Q2FY2015
- ✓ Ethanol sales at 14,572 KL in Q2FY2015 with an average realization of ₹ 40.40 per BL as compared to 5,076 KL in Q2FY2014 with an average realization of ₹ 37.38 per BL
- ✓ RS and ENA sales volumes were lower at 3,387 KL as compared to 17,504 KL in Q2FY2015, average realizations stood at ₹ 33.00 per BL as against ₹ 36.72 per BL in Q2FY2015

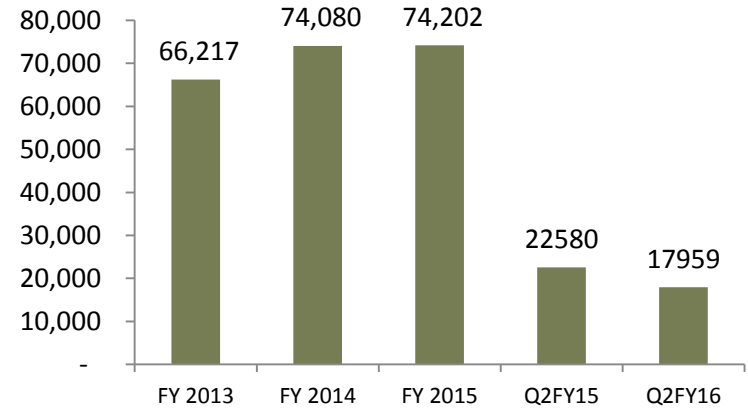


# Segmental Overview – Distillery

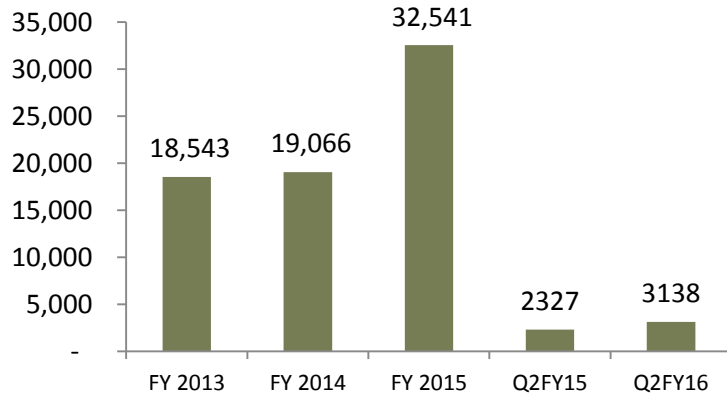
**Production (KL)**



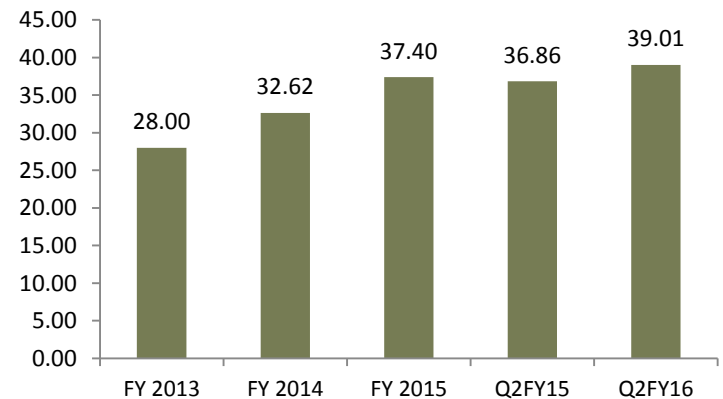
**Total Sales (KL)**



**Ethanol production (KL)**



**Blended Realizations (₹ per BL)**



## Segmental Overview – Co-generation

(₹ million)	Segment Revenues	% contribution to Revenues	PBIT	% contribution to PBIT
<b>Q2 FY2016</b>	144.5	2.67%	(67.8)	
<b>Q2 FY2015</b>	184.0	2.64%	(90.6)	
<b>% Shift</b>	(21.47%)	-	-	
<b>H1FY2016</b>	1,041.5	8.53%	385.5	
<b>H1FY2015</b>	1,169.8	7.55%	470.8	
<b>% Shift</b>	(10.97%)	-	(18.12%)	

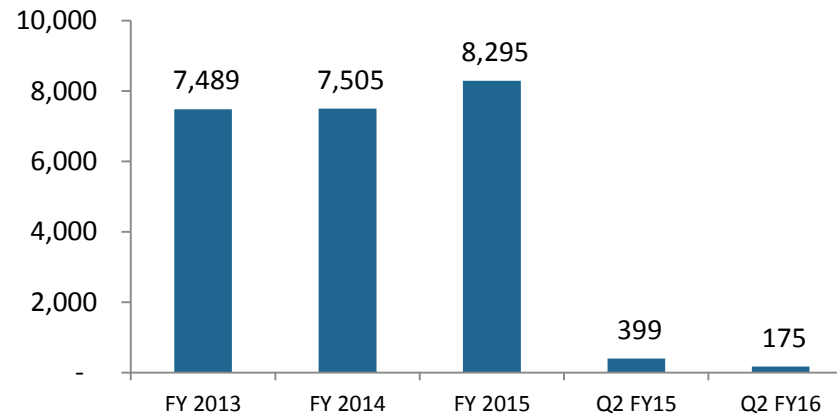
- ❑ Co-generation delivered subdued performance on account of lower volumes
  - ✓ 145.18 lakh units of volume sold in Q2FY2016 as compared to 339.66 lakh units Q2FY2015
  - ✓ Realizations for sale to UPPCL higher at ₹ 4.60 per unit as compared to ₹ 4.25 per unit in Q2FY2015



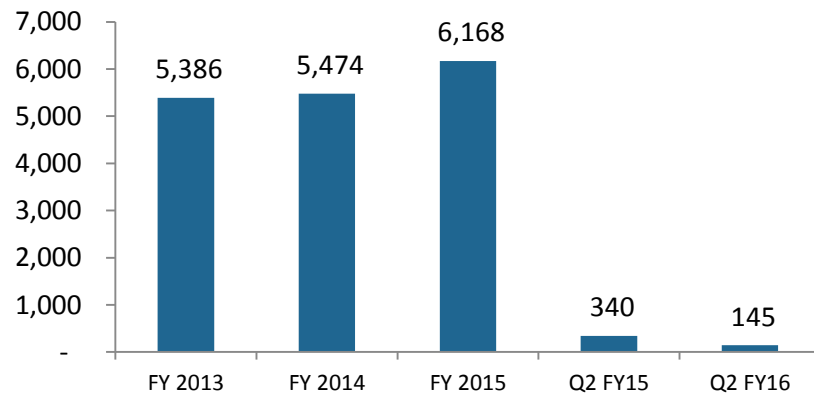


# Segmental Overview – Co-generation

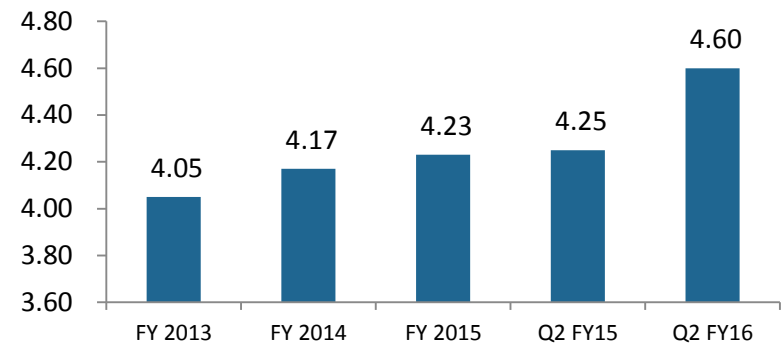
**Total Power Generation (Lakh units)**



**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 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 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).

### For further information contact:

Kishor Shah / Pramod Patwari  
Balrampur Chini Mills Limited  
Registered Office: FMC Fortuna, 2nd Floor,  
234/3A, A. J. C. Bose Road, Kolkata 700020.  
CIN : L15421WB1975PLC030118  
Tel : +91 33 2287 4749  
Fax : +91 33 2289 2633  
Email : kishor.shah@bcml.in  
pramod.patwari@bcml.in

Anoop Poojari / Karl Kolah  
CDR India  
Tel: +91 22 6645 1211 / 1220  
Fax: +91 22 6645 1213  
Email: [anoop@cdr-india.com](mailto:anoop@cdr-india.com) /  
[karl@cdr-india.com](mailto:karl@cdr-india.com)

