BALRAMPUR CHINI MILLS LIMITED

Q1 FY2016
RESULTS PRESENTATION
AUG 12, 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

Timing	• 12.30 pm IST on Thursday, August 13, 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 expertize	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 0.47 as on June 30, 2015

Performance Highlights

Q1 FY2016 highlights v/s Q1 FY2015

- Net Revenue stood at ₹ 6,361.20 million as compared to ₹ 8,043.60 million
- EBITDA stood at ₹ (152.30) million as compared to ₹ 466.40 million
- Net Loss stood at ₹727.4 million as compared to loss of ₹39.60 million
- Diluted EPS at ₹(2.97) per share

Management's Message

Commenting on the performance for Q1 FY2016, Mr. Vivek Saraogi, Managing Director, Balrampur Chini Mills Limited (BCML), said:

"The industry is currently going through its worst down cycles owing to the huge increase in sugar production this season and large carryover sugar stocks from previous year which led to low sugar prices. In addition, unreasonably high sugarcane prices fixed by state governments further impacted the financials of the industry. Given the large disparity in raw material and end product prices, sugar operations were highly unviable in the current season. This resulted in cane arrears across India reaching levels of over ₹21,000 crore.

A normalized performance from the sugar division will only be achieved if sugarcane prices are linked to sugar realizations. We remain hopeful that the Central and State governments will address industry concerns soon, which would aid the sustainability of the sugar sector and benefit all stakeholders involved."

Company Highlights

- BCML crushed 7.72 crore quintals of sugarcane in the current sugar season, as compared to 7.82 crore quintals in the sugar season 2013-14
  - ✓ Sugar production for the season stood at 75.80 lakh quintals as compared to 76.53 lakh quintals in previous sugar season
  - ✓ Recovery enhanced to 9.82% as compared to 9.78 % in the previous sugar season
- In Q1FY2016, Distillery and Co-generation segments contributed positively to overall performance, enabling the Company to benefit from an integrated business model
- As on 30 June 2015 the Company's
  - ✓ Long Term Debt stood at ₹ 4,916.4 million
  - ✓ Working Capital borrowings stood at ₹ 7,409.3 million
  - ✓ Long-term Debt-Equity ratio at 0.47
  - ✓ Cane Dues stood at ₹ 6,005.7 million
  - ✓ Financial assistance receivable from UP Govt. ₹ 2,211.4 million
  - ✓ Soft loans of ₹ 1,990.7 million is awaiting sanction which would be utilized for clearance of cane dues
  - ✓ Power receivables of ₹ 1,168.7 million

Sector Perspectives

- Output is estimated at a record 28.3 mt in 2014-15 sugar season as against 24.3 mt in previous season. Demand is pegged at 24.5 mt
- Central government has initiated certain positive measures to facilitate payment of cane dues
  - ✓ Soft Loan of ₹ 6000 crore
  - ✓ Financial assistance on production and exports of raw sugar @₹4000 per MT
  - ✓ Waiver of excise duty on Ethanol for blending, for the sugar season 2015-16
  - ✓ Mandatory blending of Ethanol at present is 5%. However Govt. has given consent to mix upto 10% wherever sufficient Ethanol is available

Financial Overview

Statement of Profit & Loss

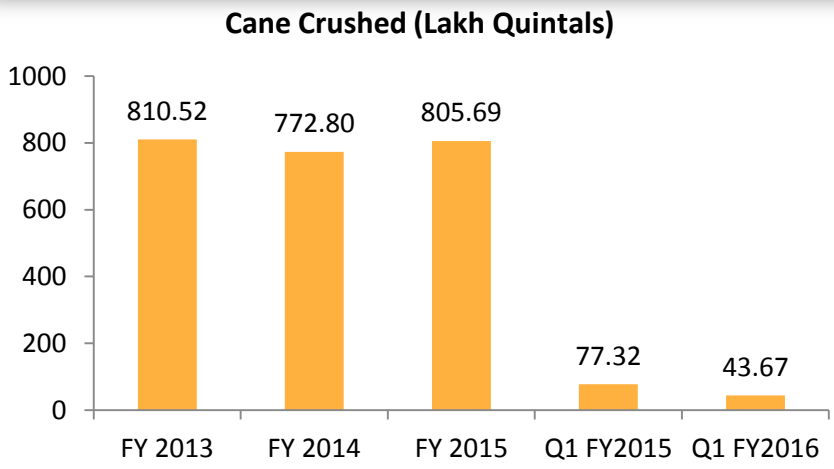
(₹ million)	Q1 FY16	Q1 FY15	% Y-o-Y Growth
Net Operating Revenue	6,361.20	8,043.60	*(20.92%)*
EBITDA	(152.30)	466.40	-
EBITDA Margin (%)	*(2.39%)*	*5.80%*	-
Depreciation	280.50	218.70	*28.26%*
Interest	*296.80*	*314.20*	*(5.54%)*
Profit Before Tax	*(727.40)*	*(39.60)*	-
Profit After Tax	(727.40)	(39.60)	-
Profit After Tax Margin (%)	-	-	-
Diluted EPS (₹)	(2.97)	(0.16)	-

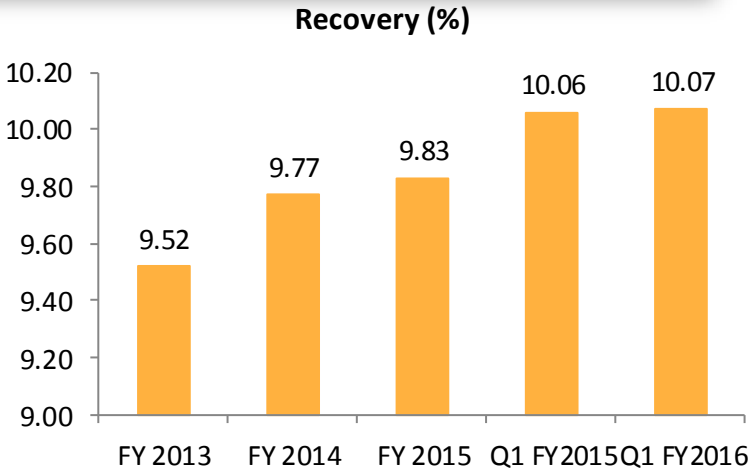
Segmental Overview – Sugar

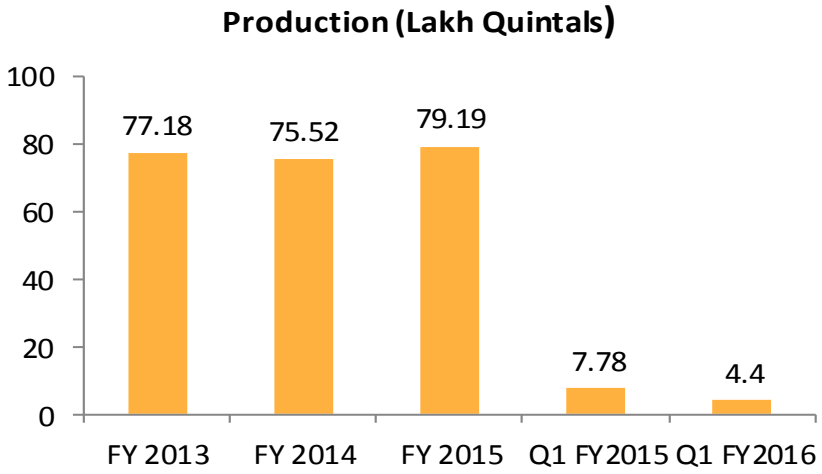
(₹ million)	Segment Revenues	% contribution to Revenues	PBIT	% contribution to PBIT
Q1 FY2016	5,258.10	77.17%	*(1,188.60)*	-
Q1 FY2015	6,819.80	80.09%	*(601.30)*	-
% Shift	(22.90%)	-	-	-

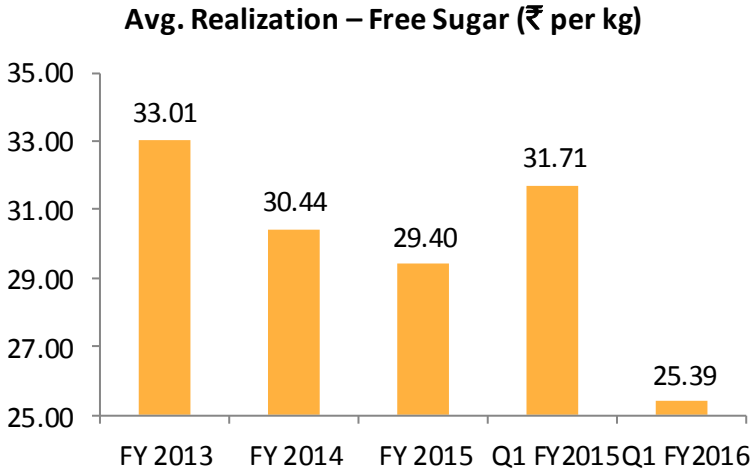
- Revenues in the sugar segment was lower in Q1FY16 as compared to the corresponding quarter previous year owing to lower sales volumes and subdued realizations
  - ✓ During the quarter, sales volume stood at 19.09 lakh quintals as compared to 20.18 lakh quintals in Q1FY15
- Profitability was impacted due to subdued realizations, naked costs owing to a non-productive quarter, and inventory write downs
  - ✓ Realizations for the Q1FY16 stood at ₹ 25.39 per kg as compared to ₹ 31.71 per kg in Q1FY15
  - ✓ As on June 30, 2015, sugar inventory stood at 41.47 lakh quintals and is valued at ₹ 24.28 per kg

Segmental Overview – Sugar







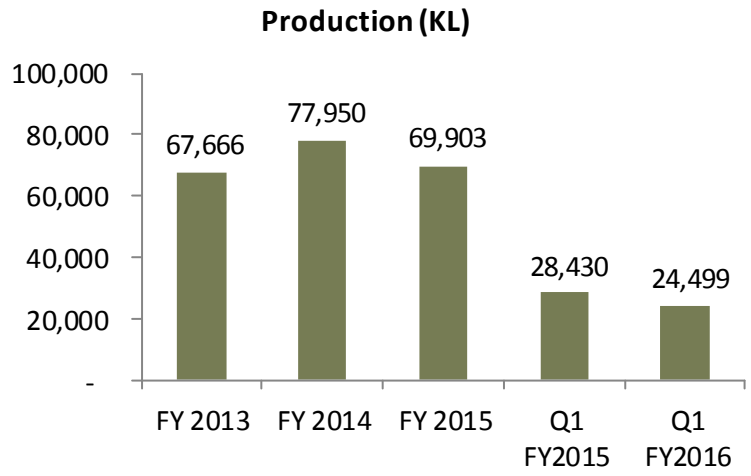


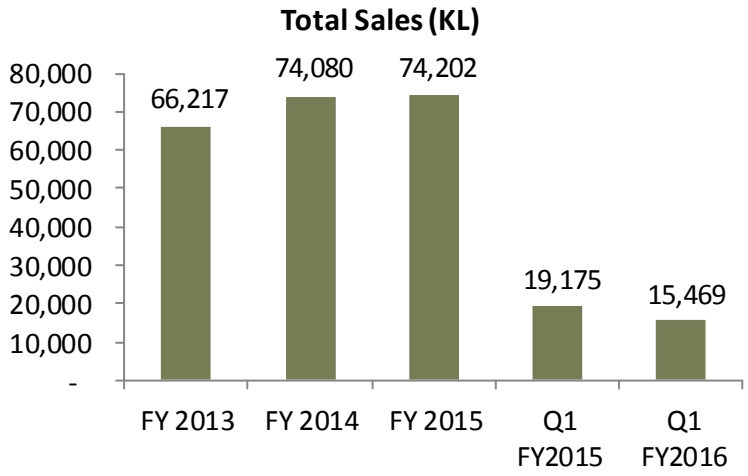
Segmental Overview – Distillery

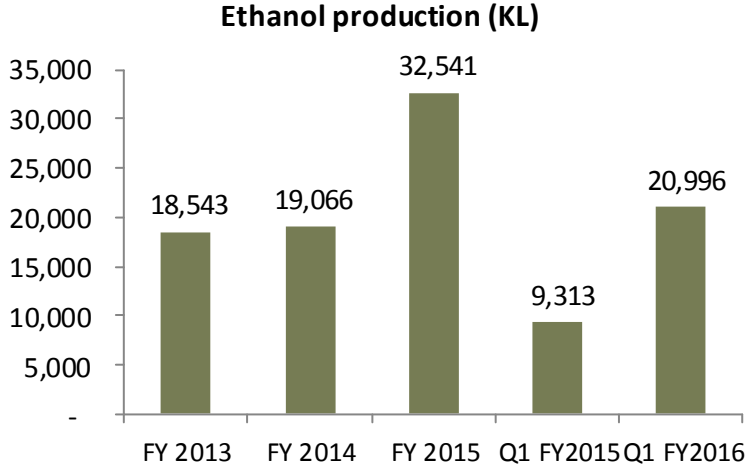
(₹ million)	Segment Revenues	% contribution to Revenues	PBIT	% contribution to PBIT
Q1 FY2016	638.60	9.37%	*335.50*	-
Q1 FY2015	693.20	8.14%	*363.90*	-
% Shift	(7.88%)	-	*(7.80%)*	-

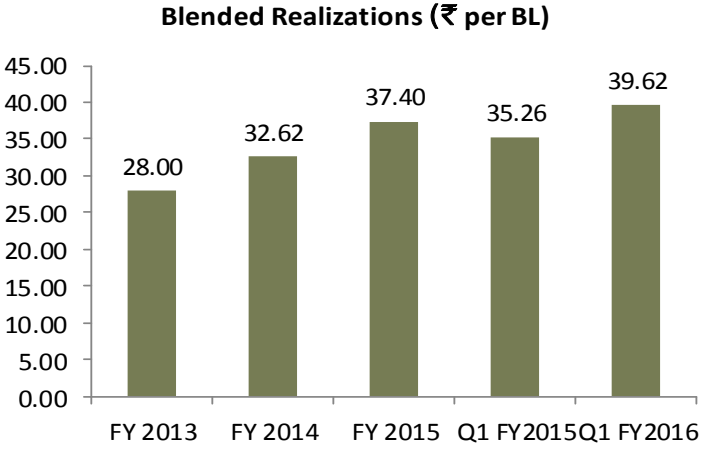
- Distillery division registered lower sales volumes but achieved higher realizations
  - ✓ RS and ENA sales volumes for Q1FY16 stood at 1,085 KL as against 12,771 KL in Q1FY15
  - ✓ Ethanol sales stood at 14,384 KL in Q1FY16 as compared to 6,404 KL in Q1FY15
  - ✓ Average blended realizations for the quarter stood at ₹ 39.62 per BL versus ₹ 35.26 per BL in Q1FY15

Segmental Overview – Distillery







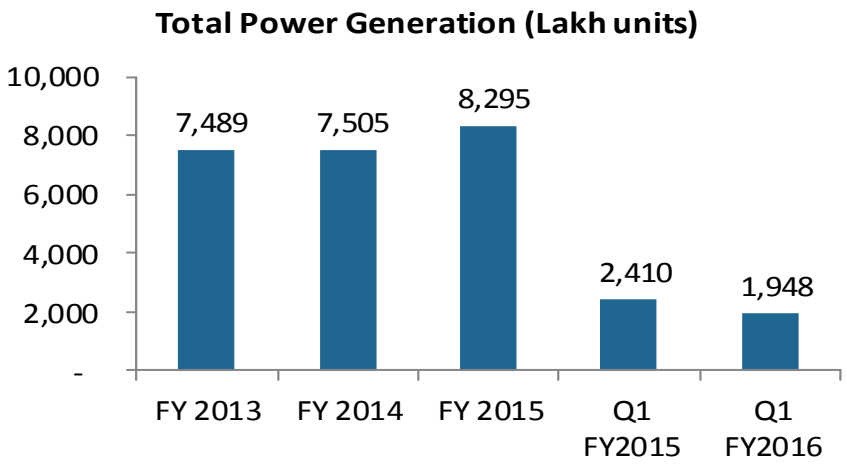


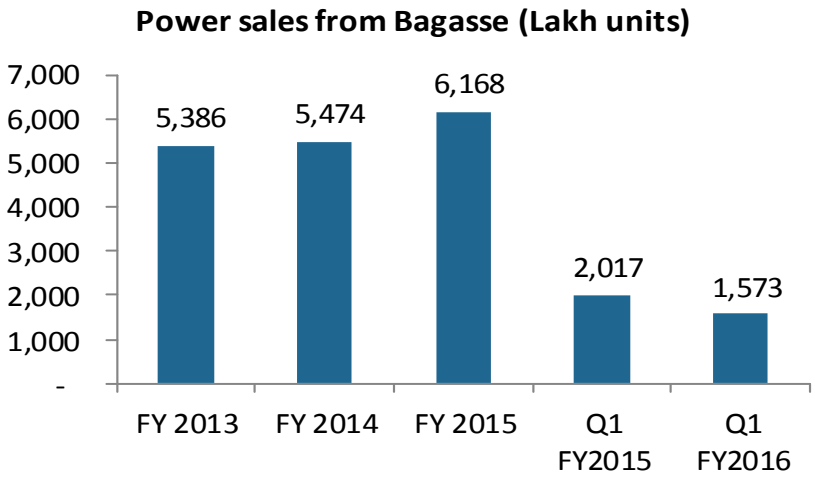
Segmental Overview – Co-generation

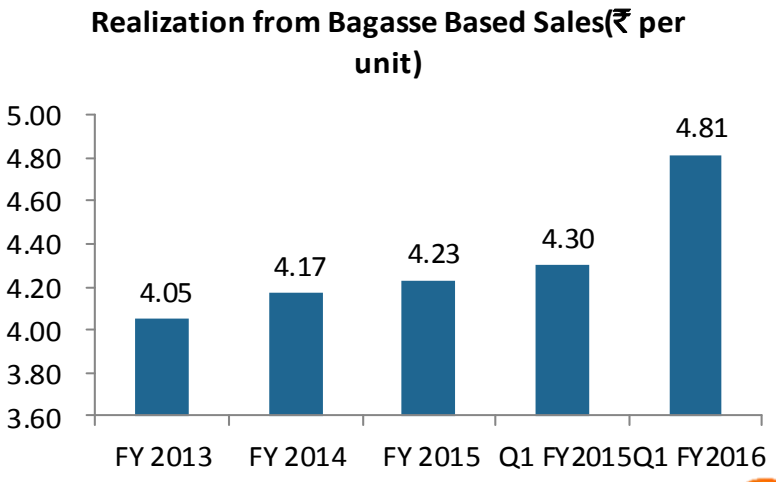
(₹ million)	Segment Revenues	% contribution to Revenues	PBIT	% contribution to PBIT
Q1 FY2016	897.00	13.16%	453.30	-
Q1 FY2015	985.80	11.58%	561.40	-
% Shift	(9.01%)	-	(19.26%)	-

- Co-generation segment registered lower sales and production volumes during the quarter
  - ✓ Sales during QIFY2016 stood at 1573.2 lakh units compared 2017.2 lakh units in Q1FY15
  - ✓ Average realizations for the quarter stood at ₹ 4.81 per unit as compared to ₹ 4.30 in Q1FY2015
  - ✓ With effect from 01.04.2015 transfer price of bagasse has been increased to ₹1000 per MT from ₹600 per MT

Segmental Overview – Co-generation







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.

For further information contact:

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