



# Balrampur Chini Mills Limited

## Q1 FY2010

**Net Revenues at Rs. 4,394.8 million**

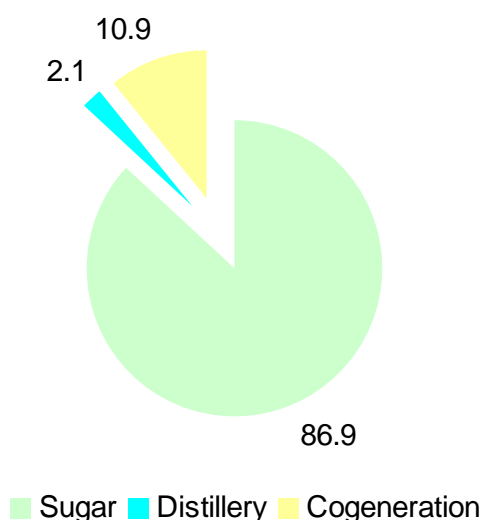
**Operating profits increases 13.8% to Rs. 1,316.4 million**

**PAT enhances 49.2% to Rs. 765.5 million**

**Kolkata, January 29, 2010:** Balrampur Chini Mills Limited (BCML), one of the largest integrated sugar manufacturing companies in India, announced its results for the first quarter ended 31 December 2009.

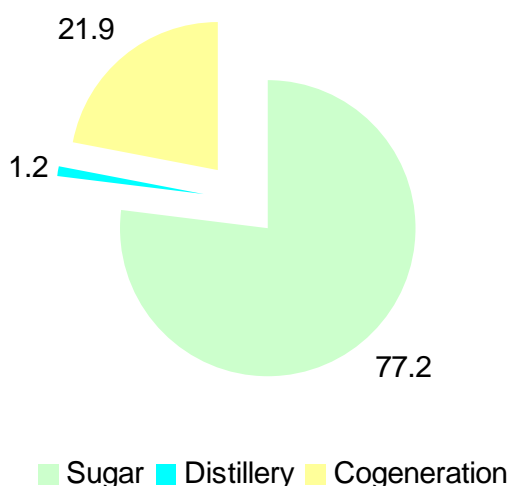
### Financial breakup (Q1 FY2010)

#### Revenues (%)



- Sugar revenues increased to Rs. 4065.3 million during the quarter as compared to Rs. 3,791.5 million in Q1 FY2009. This was primarily on account of enhanced realizations
- Allied businesses continued to contribute to top-line with 13.0% of the total revenues
- With an increase in co-generation tariffs over last year and open access policy announced by the UP government, the Company expects the power division to post improved revenues going forward.

#### PBIT (Rs. million)



- The core sugar segment continues to be a key contributor to PBIT
- 77.2 % of PBIT on account of the sugar division



## **Highlights for the quarter**

- In Q1 FY2010, sugar production for the Company was marginally lower by 3.5% when compared to corresponding period last year
  - BCML crushed 181.9 lakh quintal during the quarter as compared to 191.5 lakh quintal in Q1 FY2009
- The Company achieved comparatively high recoveries – recoveries for the quarter stood at 8.96% as compared to 8.82% in Q1 FY2009
  - Recoveries are expected to improve during the season
- Modification of boilers at the Haidergarh and Mankapur units into multi feed units under implementation – Haidergarh to be commissioned by April 2010 and Mankapur unit during season 2010-11.
  - Will enable BCML to capitalize on the Uttar Pradesh government's open- access power policy and sell power in the during off-season
  - The continuous availability of power during off-season will enable the Company to refine raw sugar throughout the year
- BCML plans to install a 500 metric tonne refinery at the Haidergarh - which will result in higher asset utilization
  - Refinery to process raw sugar using coal as alternative fuel as feedstock during off-season
- Current imports for BCML stands at 81,750 tonnes of raw sugar
  - Of the total imported raw sugar, 21,000 tonnes already reached the factory of which 8,180 tonnes has been processed during the quarter



## **Sector update**

- Sugar demand supply mismatch continues in the current season
  - India's sugar production expected to be around 15 million tonnes in the current season
  - Sugar consumption continues to rise steadily and stands at around 23 million tonnes for the current year
  - Global sugar market witnessing sugar deficit on account of lower production in Brazil due to excess rain and high import demand from India
- On account of global sugar deficit, realizations have continued to remain firm

### **Commenting on the performance for Q1 FY2010, Mr. Vivek Saraogi, Managing Director, Balrampur Chini Mills Limited, said:**

*"The Company continues to deliver healthy results quarter on quarter. Sugar segment reported a strong performance on the back of enhanced realizations.*

*Due to the cane shortage, the key challenge for us this year would be procurement of cane. Our good relationship with farmers should help us tide this problem with some ease. While we simultaneously continue to work with farmers to encourage them to grow more cane.*

*At BCML, our goal is to achieve optimal utilization of our units and improve cost efficiencies which would further enhance our profitability going ahead and thus improve the earnings ability of the Company."*



## Q1 FY2010 performance overview (Compared with Q1 FY2009)

- Net revenues stood at Rs. 4,394.8 million as compared to Rs. 4,294.5 million
- Operating profits increases 13.8% to Rs. 1,316.4 million from Rs. 1,157.2 million
- Net profits enhances 49.2% to Rs. 765.5 million versus Rs. 512.9 million
- Cash Profit higher by 31.2% at Rs. 1034.20 million from 788.3 million

## Q1 FY2010 Operating overview (Compared with Q1 FY2009)

- Company produced 16.3 lakh quintals of sugar during the quarter as compared to 16.9 lakh quintals in Q1 FY2009. BCML has crushed 181.9 lakh quintals during the quarter as compared to 191.5 lakh quintals
  - Recovery of Sugar for the quarter increased to 8.96% as compared to 8.82% in Q1FY2009
  - Realizations (blended) improves 71.5% and now stand at Rs. 30.30 per kg in Q1 FY2010 versus Rs. 17.66 per kg in the corresponding quarter of last year.
- Distillery division production stood at 2189.6 KL in Q1 FY2010, as compared to 12,346.2 KL in Q1 FY2009.
- Production from Co-generation segment was 1235.6 lakh units in the first quarter as compared to 1,684.1 lakh units in Q1 FY2009.



**Attached: Details to the announcement and results table**

## **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 has nine sugar factories located in Uttar Pradesh (India) having an aggregate sugarcane crushing capacity of 73,500 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. Over the years, BCML has grown its capacity through well-planned capacity expansion projects and acquisition of existing companies.

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

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*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.*



## Details to the announcement Discussions and Financial Overview

(All comparisons with Q1 FY2009 figures)

(All rupee figures in Rs. million unless stated otherwise)

### Revenues

Particulars	Net income	PBIDT
Q1 FY2010	4,394.8	1,316.4
Q1 FY2009	4,294.5	1,157.2
<i>% Shift</i>	2.3	13.8

Revenues for the quarter were higher at Rs. 4,394.8 million as compared to Rs. 4,294.5 million in Q1FY2009.

PBIDT for the quarter stood at Rs. 1,316.4 million, a 13.8% increase when compared to Q1 FY2009. The core sugar segment continues to drive overall revenues and PBIDT for the Company.

Operating margins for the quarter improved to 30.0% on account of enhanced realisations from the sugar segment.

Sugar segment	Gross Revenues	% Contribution to revenues
Q1 FY2010	4,065.3	86.9
Q1 FY2009	3,791.5	80.9
<i>% Shift</i>	7.2	-

Sugar segment revenues were at Rs. 4,065.3 million in Q1 FY2010 when compared to Rs. 3791.5 million in corresponding period in the previous year.

The Company's production was stable at 16.30 lakh quintals In Q1 FY2010 as compared to 16.89 lakh quintals in the corresponding quarter of the previous year.

Sugar sales for the quarter were 1.26 lakh tonnes when compared to 2.01 lakh tonnes in Q1 FY2009. Improved realisations made up for lower sugar volumes reported during the quarter.



<b>Distillery segment</b>	<b>Gross Revenues</b>	<b>% Contribution to revenues</b>
<b>Q1 FY2010</b>	<b>99.7</b>	<b>2.1</b>
Q1 FY2009	331.5	7.1
<i>% Shift</i>	<i>(69.9)</i>	-

Revenues from this segment stood at Rs. 99.7 million in the current quarter. This was primarily due to lower sales.

Distillery sales during the quarter were lower at 3,559.9 KL as compared to 12,266.0 KL in Q1 FY2009.

Ethanol sales for the quarter stood at 152 KL compared to 2,430 KL in the corresponding quarter last year.

<b>Cogeneration segment</b>	<b>Gross Revenues</b>	<b>% Contribution to revenues</b>
<b>Q1 FY2010</b>	<b>508.5</b>	<b>10.9</b>
Q1 FY2009	556.6	11.9
<i>% Shift</i>	<i>(8.6)</i>	-

Cogeneration revenues were stable at Rs. 508.5 million during the quarter on account of increased tariff.

As the sugar season progresses, the Company expects a pick up in performance from this segment with improving bagasse availability leading to better capacity utilisation.



## PBIT

Sugar segment	PBIT	% Contribution to PBIT
Q1 FY2010	861.4	77.1
Q1 FY2009	605.3	60.4
% Shift	42.3	-

The Company achieved a healthy 42.3% increase in PBIT on account of better realizations witnessed during the quarter.

Average realisations for the quarter were at Rs. 30.30 per kg an increase of 72% from Rs. 17.66 per kg in Q1 FY2009..

The inventory at the end of the quarter stood at 11.96 lakh quintals and was valued at Rs. 26.66 per kg. The inventory of Sugar refined from Raw Sugar stands at 0.79 lakh qntls valued at Rs.24/- per Kg.

Distillery segment	PBIT	% Contribution to PBIT
Q1 FY2010	12.9	1.2
Q1 FY2009	148.5	14.8
% Shift	(91.3)	-

PBIT income was Rs. 12.9 million in the current quarter as compared Rs. 148.5 million in the corresponding period last year on account of lower production and sales.

Average realisations in the segment were marginally higher at Rs. 27.63 per BL in Q1 FY2010 as compared to Rs. 26.84 per BL in Q1 FY2009. Average realisations for ethanol stood at Rs. 22/- per BL during the quarter. During the quarter RS and ENA witnessed realisations of Rs. 27.76 and Rs. 29.32 per litre.



Cogeneration segment	PBIT	% Contribution to PBIT
Q1 FY2010	244.9	21.9
Q1 FY2009	245.9	24.5
% Shift	(0.4)	-

Cogeneration PBIT stood at Rs. 244.9 million for the quarter versus Rs. 245.9 million in Q1 FY2009.

Average realization per unit of power sold to state power grid was around Rs. 3.93 per unit during the quarter as against Rs. 3.05 per unit in Q1 FY2009.

## Earnings Overview

Particulars	PBT	PAT	Post Tax Cash Profits
Q1 FY2010	894.2	765.5	1034.2
Q1 FY2009	637.8	512.9	788.3
% Shift	40.2	49.2	31.2

Interest cost came in at Rs. 173.1 million in Q1 FY2010 as compared to Rs. 249.3 million in Q1 FY2009. The Company expects lower interest costs going ahead as well. At the end of the quarter, BCML's long-term loan stood at Rs 9676.9 million and working capital was at Rs. 1405.6 million. However, total net debt (Net of Cash & Cash Equivalents) stood at Rs.8748 million.

PAT for the quarter increased by 49.2% to Rs. 765.5 million as compared to Rs. 512.9 million in Q1 FY2009.



## Operational overview

### Sugar production (Lakh quintals)

Particulars	Q1 FY2010	Q1 FY2009	Season 2008 - 09
Sugar crushed	181.91	191.54	483.22
Production	16.30	16.89	44.17
Average recoveries (%)	8.96	8.82	9.14

Sugarcane crushed during the quarter was marginally lower at 5.0%, to 181.91 lakh quintals compared to 191.54 lakh quintals in the corresponding period last year.

BCML witnessed improved recoveries of 8.96% during the quarter as compared to 8.82% in Q1 FY2009.

### Distillery operations (KL)

Particulars	Q1FY2010	Q1FY2009
Distillery production	2189.6	12,346.2
% Shift	(82.3)	-

Distillery production came at 2189.6 KL during the quarter from the 12,346.6 KL produced in previous corresponding quarter. The Company expects to produce 4 crore Ltrs during the year 2009-10.



### Cogeneration operations (Lakh units)

Particulars	Q1FY2010	Q1FY2009
Power production	1,235.6	1,684.1
% Shift	(26.7)	-
Power sales to UPPCL	836.1	1,186.5
% Shift	(29.5)	-

During the quarter the Company sold 836.1 million units to UPPCL as compared to 1,186.5 million units in Q1 FY2009. Average realization per unit of power sold to UPPCL was around Rs. 3.93 per unit for the quarter versus Rs. 3.05 per unit of power in Q1FY 2009.

The total power production for the quarter stood at 1,235.6 million units.

- ENDS -

**S.T.R.E.T.C.H**  
**Unaudited Financial Results**  
for the quarter ended 31st December, 2009

(Rs. In Lacs)				
Sl. No.	Particulars	Quarter Ended		Year Ended
		31.12.2009 Unaudited	31.12.2008 Unaudited	30.09.2009 Audited
1	a) Net Sales/Income from Operations	43360	42874	170004
	b) Other Operating Income	588	71	454
	<b>Total Income (a+b)</b>	<b>43948</b>	<b>42945</b>	<b>170458</b>
2	Expenditure			
	a) (Increase)/Decrease in Stock in trade and Work- in- Process	(16835)	(4191)	26328
	b) Consumption of Raw Materials	41663	29109	76338
	c) Employees Cost	2370	2040	9019
	d) Depreciation & Amortisation	2687	2754	10794
	e) Other Expenditure	3586	4415	13502
	<b>Total Expenditure</b>	<b>33471</b>	<b>34127</b>	<b>135981</b>
3	<b>Profit from Operations before Other Income, Interest &amp; Exceptional Items (1-2)</b>	<b>10477</b>	<b>8818</b>	<b>34477</b>
4	Other Income	196	53	169
5	<b>Profit before Interest &amp; Exceptional Items (3+4)</b>	<b>10673</b>	<b>8871</b>	<b>34646</b>
6	Interest	1731	2493	9685
7	<b>Profit after Interest but before Exceptional Items (5-6)</b>	<b>8942</b>	<b>6378</b>	<b>24961</b>
8	Exceptional Items	-	-	-
9	<b>Profit from Ordinary Activities before Tax (7+8)</b>	<b>8942</b>	<b>6378</b>	<b>24961</b>
10	Tax Expense	1287	1249	2310
11	<b>Net Profit from Ordinary Activities after Tax (9-10)</b>	<b>7655</b>	<b>5129</b>	<b>22651</b>
12	Extraordinary Items (Net of tax expense)	-	-	-
13	<b>Net Profit (11-12)</b>	<b>7655</b>	<b>5129</b>	<b>22651</b>
14	Paid up Equity Share Capital (Face value of Re.1/- each)	2584	2555	2568
15	<b>Reserves excluding Revaluation Reserve as per last Balance Sheet</b>	-	-	<b>114939</b>
16	<b>Basic EPS (Rs.) (before &amp; after Extraordinary Items)</b>	<b>2.98</b>	<b>2.01</b>	<b>8.86</b>
17	<b>Diluted EPS (Rs.) (before &amp; after Extraordinary Items)</b>	<b>2.97</b>	<b>2.01</b>	<b>8.84</b>
18	<b>Public Shareholding</b>			
	- Number of Shares	164252020	161385420	162604170
	- Percentage of Shareholding	63.56	63.16	63.33
19	<b>Promoters and Promoter Group Shareholding</b>			
	<b>a) Pledged/ Encumbered</b>			
	- Number of Shares	-	N.A.	-
	- Percentage of Shares (as a % of the total Shareholding of Promoters and Promoter Group)	-	N.A.	-
	- Percentage of Shares (as a % of the Share Capital of the Company)	-	N.A.	-
	<b>b) Non - Encumbered</b>			
	- Number of Shares	94150890	N.A.	94150890
	- Percentage of Shares (as a % of the total Shareholding of Promoters and Promoter Group)	100	N.A.	100
	- Percentage of Shares (as a % of the Share Capital of the Company)	36.44	N.A.	36.67

**Segment Wise Revenue, Results and Capital Employed**

(Rs. in Lacs)				
Sl. No.	Particulars	Quarter Ended		Year Ended
		31.12.2009 Unaudited	31.12.2008 Unaudited	30.09.2009 Audited
1	<b>Segment Revenue</b>			
	a) Sugar	40653	37915	150979
	b) Distillery	997	3315	13121
	c) Cogeneration	5085	5566	18338
	d) Organic Manure	68	86	256
	<b>Total</b>	<b>46803</b>	<b>46882</b>	<b>182694</b>
	Less: Inter Segment Revenue	2845	3928	12197
	<b>Net Segment Revenue</b>	<b>43958</b>	<b>42954</b>	<b>170497</b>
2	<b>Segment Results - Profit/(Loss) before Tax and Interest</b>			
	a) Sugar	8614	6053	24949
	b) Distillery	129	1485	4992
	c) Cogeneration	2449	2459	8033
	d) Organic Manure	(27)	20	(77)
	<b>Total</b>	<b>11165</b>	<b>10017</b>	<b>37897</b>
	Less: i. Interest	1731	2493	9685
	ii. Other un-allocable expenditure net off Un-allocable income	492	1146	3251
	<b>Profit before Tax</b>	<b>8942</b>	<b>6378</b>	<b>24961</b>
3	<b>Capital Employed (Segment Assets-Segment Liabilities)</b>			
	a) Sugar	161902	167469	146967
	b) Distillery	13474	15672	13836
	c) Cogeneration	57361	60006	54771
	d) Organic Manure	1232	1312	1294
	e) Unallocable	2908	(12108)	(2140)
	<b>Total</b>	<b>236877</b>	<b>232351</b>	<b>214728</b>

**Notes :**

- 1 The Company has allotted 1647850 Equity Shares of Re.1/- each on 30.12.2009 at a price of Rs.45/-per Share (including premium of Rs.44/- per Share) to the employees under the Employees Stock Option Scheme of the Company.
- 2 Employees cost for the quarter includes an amount of Rs. 127 lacs (Previous quarter Rs. (-) 4 lacs ) on account of Employees Stock Option compensation expenses accounted for in accordance with SEBI Guidelines.
- 3 Sugar being a Seasonal Industry, the performance of the Company varies from quarter to quarter.
- 4 The Statutory Auditors have carried out a " Limited Review "of the Results for the quarter ended 31st December, 2009.
- 5 The above Financial Results were reviewed by the Audit Committee and were taken on record by the Board of Directors at its meeting held on 29th January , 2010 at Kolkata.
- 6 During the quarter ended 31st December, 2009, 47 (forty seven ) Investor complaints were received and redressed. No complaints were pending either at the beginning or at the end of the quarter.
- 7 Previous quarter's / year's figures have been regrouped/ rearranged wherever considered necessary.

For and on behalf of the Board of Directors of  
Balrampur Chini Mills Limited  
sd/-

Kolkata  
29th January , 2010

Vivek Saraogi  
Managing Director

BALRAMPUR CHINI MILLS LTD.

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