



Balrampur Chini Mills Limited

Q2 & H1 FY2009

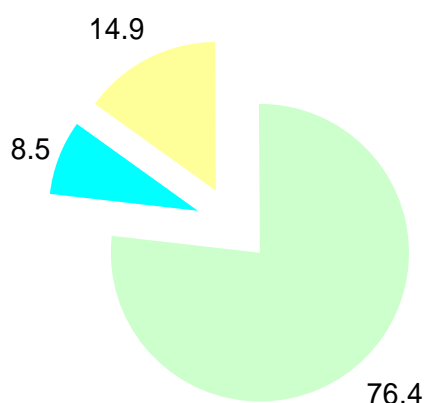
Revenues at Rs. 7,866 million

PAT at Rs. 1,175 million

Kolkata, April 25, 2009: Balrampur Chini Mills Limited (BCML), second largest integrated sugar manufacturing company in India, announced its results for the second quarter & half year ended 31 March 2009.

Financial breakup (H1 FY2009)

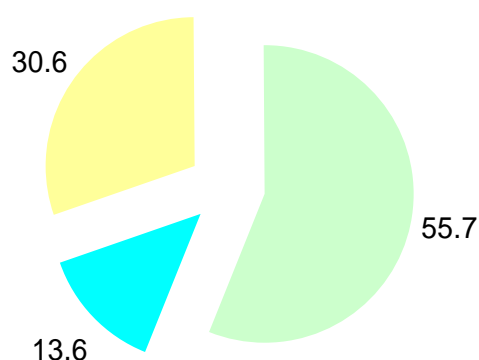
Revenues



■ Sugar ■ Distillery ■ Cogeneration

- Sugar segment revenue at Rs. 6,730.0 million, contributing 76.4% to the overall revenues
- In H1 FY2009, sugar segment revenues were higher owing to higher sugar realizations, though sales volumes were lower

PBIT



■ Sugar ■ Distillery ■ Cogeneration

- Sugar segment reported strong earnings at Rs. 1,229.9 million in H1 FY2009 as compared to Rs. 202.3 million in the corresponding period last year.
- This was primarily driven by higher realizations.



Sector update

- India's sugar production seen at around 14.5 million tonnes, which is sharply lower than last season as well as earlier estimates
 - Key sugar producing states witness 40-45% drop in sugar production
 - Conversion of significant cane area into other remunerative crops like rice and wheat
 - Adverse climatic conditions impacted quality of crop – recoveries across the country significantly lower
- Sugar prices likely to remain firm on account of lower production.
- Government has allowed duty-free import of raw sugar without re-export obligation until this September in a bid to reduce the sugar shortfall
- Global sugar market also facing a deficit
 - Lower production witnessed in other sugar producing countries like Australia, Thailand, Pakistan, etc
 - Brazil facing limitations in diverting higher cane towards sugar due to plant specifications

Company Highlights

- Inline with the sector, BCML's sugar production for the season notably lower than earlier expectations
- Fall in sugar production and recoveries leading to increased cost of production
- Operational performance of allied businesses also impacted due to lower cane availability
 - Fall in distillery volumes due to lower availability of molasses. Revenues from the distillery segment are down marginally.
 - Similarly, cogeneration segment witnessed lower revenues due to lower generation of Power.



Commenting on the performance for Q2 & H1 FY2009, Mr. Vivek Saraogi, Managing Director, Balrampur Chini Mills Limited, said:

“The sugar industry is passing through an unprecedented period led by a sharp decline in production in the current season primarily due to diversion of sugarcane to more remunerative crops and unfavorable climatic condition. This scenario has prompted the Government to allow duty-free import of raw sugar without re-export obligation until this September.

We have delivered steady performance in the second quarter driven by the sugar segment, which witnessed better realizations. However, inline with the overall drop in sugarcane availability, BCML’s sugar production volumes were affected during the season. This adversely influenced the operational performance of our allied businesses also. Given the present circumstances, we expect stable to firm sugar pricing for the next few quarters. This should enable us ride the cycle with limited economic impact”

Q2 FY2009 performance overview (Compared with Q2 FY2008)

- Net revenues at Rs. 3,571.1 million compared to Rs. 3,108.4 million
- Operating profits at Rs. 1,313.9 million compared to Rs.1,345.2 million
- PAT enhances to Rs. 661.9 million from Rs. 656.5 million, up 0.82%
- EPS stood at Rs. 2.59 from Rs. 2.57

H1 FY2009 performance overview (Compared with H1 FY2008)

- Net revenues at Rs 7,865.6 million from Rs 7,423.0 million
- Operating profits better by 43.3% to Rs 2,476.5 million from Rs 1,727.7 million
- PAT increases 79.1% to Rs 1,174.9 million from Rs 655.9 million
- EPS improves to Rs 4.60 from Rs 2.60



Q2 & H1 FY2009 Operating overview (Compared with Q2 & H1 FY2008)

- BCML produced 44.17 lakh quintals sugar in the current year as compared to 81.86 lakh quintals in the previous year.
 - The Company crushed 483.22 lakh quintals during the current year as compared to 805.79 lakh quintals in the last year
 - Sugar recoveries came in lower at 9.14% this season as compared to 10.16% in the last season
 - Sugar shortage lead to higher realizations at Rs. 20.30 per kg, an increase of 39.72% from Rs. 14.53 per kg in the corresponding quarter last year
- Distillery division produced 19,662.6 KL in Q2 FY09, as compared to 27,766.0 KL in Q2 FY08.
- Co-generation division produced 2,283.4 lakh units in Q2 FY09 as compared to 3,360.3 lakh units in Q2 FY08.



Attached: Details to the announcement and results table

About Balrampur Chini Mills Limited

Balrampur Chini Mills Limited (BCML) is the second largest integrated sugar Company in India. The allied businesses of the Company comprise distillery operations, cogeneration of power and manufacturing of Organic Manure. The Company presently has nine sugar factories located in Uttar Pradesh (India) having an aggregate sugarcane crushing capacity of 73,500 TCD, distillery and cogeneration operations of 320 KLPD and 126 MW (Saleable) respectively.

BCML is one of the most efficient and profitable 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 the years.

For more information on the Company, please log on to 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 Q2 & H1 FY2008 figures)

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

Financial overview

Particulars	Net income	PBIDT
Q2FY2009	3,571.1	1,313.9
Q2FY2008	3,108.4	1,345.2
<i>% Shift</i>	<i>14.9</i>	<i>(2.3)</i>
H1FY2009	7,865.6	2,476.5
H1FY2008	7,423.0	1,727.7
<i>% Shift</i>	<i>6.0</i>	<i>43.3</i>

Revenues for H1 FY2009 were higher at Rs. 7,865.6 million compared to Rs. 7,423.0 million in the corresponding period last year owing to better sugar realisations though volumes across all the segments were lower. Allied businesses continued to contribute to overall performance during the period under review.

Operating profits improved during H1 FY2009 primarily due to better performance in the sugar segment.



Sugar segment	Revenues	% Contribution to revenues
Q2FY2009	2,938.5	71.3
Q2FY2008	2,476.6	64.0
<i>% Shift</i>	<i>18.7</i>	-
H1FY2009	6,730.0	76.4
H1FY2008	6,216.9	73.3
<i>% Shift</i>	<i>8.3</i>	-

Revenues from the sugar division increased due to better realisations. Sales during the Q2 & H109 stood at 1.24 lakh tonne and 3.26 lakh tonne respectively as against 1.34 lakh tonne and 3.94 lakh tonne in the corresponding period.

Distillery segment	Revenues	% Contribution to revenues
Q2FY2009	413.4	10.0
Q2FY2008	450.0	11.6
<i>% Shift</i>	<i>(8.1)</i>	-
H1FY2009	744.9	8.5
H1FY2008	764.1	9.0
<i>% Shift</i>	<i>(2.5)</i>	-

Distillery sales during Q2 & H1 FY2009 were lower at 16,317.0 KL and 28,583.2 KL respectively as compared to 24,350.1 KL and 42,897.9 KL in the corresponding period last year. However, realisations have improved during this period.

Ethanol sales were at 1,912 KL in Q2 FY2009 as compared to 4,559 KL in the corresponding quarter last year.



Cogeneration segment	Revenues	% Contribution to revenues
Q2FY2009	758.4	18.4
Q2FY2008	936.1	24.2
<i>% Shift</i>	<i>(19.0)</i>	-
H1FY2009	1,314.9	14.9
H1FY2008	1,492.5	17.6
<i>% Shift</i>	<i>(11.9)</i>	-

Cogeneration revenues were at Rs. 758.4 million for the quarter as compared to Rs. 936.1 million last year due to lower export of units. The Company operated some of its facilities for lower number of days on account of lower bagasse availability.

PBIT

Sugar segment	PBIT	% Contribution to PBIT
Q2FY2009	624.6	51.8
Q2FY2008	442.0	40.6
<i>% Shift</i>	<i>41.3</i>	-
H1FY2009	1,229.9	55.7
H1FY2008	202.3	16.3
<i>% Shift</i>	<i>508.0</i>	-

PBIT from this division were higher at Rs. 624.6 million in Q2 FY2009 due to better realisations.

During the Q2 FY2009, average realisations were higher at Rs. 20.30 per kg compared to Rs. 14.52 per kg in Q2 FY2008. Similarly, in H1 FY2009, average realisations were at Rs. 18.67 per kg as compared to Rs. 13.95 per kg in the corresponding period last year.



Distillery segment	PBIT	% Contribution to PBIT
Q2FY2009	151.2	12.6
Q2FY2008	170.6	15.7
<i>% Shift</i>	<i>(11.4)</i>	-
H1FY2009	299.8	13.6
H1FY2008	317.7	25.6
<i>% Shift</i>	<i>(5.6)</i>	-

PBIT from the distillery segment was Rs. 151.2 million in Q2 FY2009 as compared to Rs. 170.6 million in Q2 FY2008

Average realisations in the segment increased to Rs 25,140 per KL in Q2FY09 as compared to Rs. 17,780 per KL in Q2FY08.

Cogeneration segment	PBIT	% Contribution to PBIT
Q2FY2009	429.6	35.7
Q2FY2008	484.1	44.4
<i>% Shift</i>	<i>(11.3)</i>	-
H1FY2009	675.5	30.6
H1FY2008	731.5	58.8
<i>% Shift</i>	<i>(7.7)</i>	-

PBIT stood at Rs. 429.6 million and Rs. 675.5 million during Q2 & H1 FY2009 respectively. Average realization per unit of power sold to state power grid was Rs. 3.33 per unit during the quarter and at Rs. 3.20 per unit during H1 FY2009.



Earnings Overview

Particulars	PBT	PAT	Post Tax Cash Profits
Q2FY2009	747.6	661.9	928.9
Q2FY2008	808.8	656.5	962.2
% Shift	(7.6)	0.8	(3.5)
H1FY2009	1,385.5	1,174.9	1,717.3
H1FY2008	810.1	655.9	1,209.2
% Shift	71.0	79.1	42.0

BCML has reported marginally better profitability of Rs. 661.9 million in Q2 FY2009 as compared to Rs. 656.5 million last year. Sugar segment was the main contributor to performance due to healthy realisations.

Operational overview

Sugar production (Lakh quintals)

Particulars	Q2FY2009	Q2FY2008	H1 FY2009	H1FY2008
Sugar crushed	291.68	546.2	483.22	726.90
Production	27.28	56.87	44.17	73.78
Recovery (%)	9.35	10.41	9.14	10.15

Sugar production was at 44.17 lakh quintals in the current sugar season as compared to 73.78 lakh quintals in the corresponding previous period primarily due to significant drop in sugarcane acreage and adverse climatic conditions impacting recoveries.



Distillery operations (KL)

Particulars	Q2FY2009	Q2FY2008	H1FY2009	H1FY2008
Production	19,662.6	27,766.0	32,009.9	46,603.0
<i>% Shift</i>	<i>(29.2)</i>		<i>(31.3)</i>	

Distillery volumes for H1 FY2009 came in at 32009.9 KL as compared to 46,603.0 KL in H1 FY2008 respectively. Closing stock for the quarter stood at 9,834.19 KL as compared to 5,967.19 KL for the corresponding period last year.

Cogeneration operations (Lakh units)

Particulars	Q2FY2009	Q2FY2008	H1FY2009	H1FY2008
Power production	2,283.4	3,360.3	3,969.7	5,207.3
<i>% Shift</i>	<i>(32.1)</i>	-	<i>(23.8)</i>	
Power sales to UPPCL	1,534.0	2,181.7	2,720.5	3,510.8
<i>% Shift</i>	<i>(29.7)</i>	-	<i>(22.5)</i>	-

The Company sold 153.4 million units to the state grid during the quarter. The total units generated by the company amounted to 228.3 million units in the same period.

- ENDS -

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

(Rs. Lacs)

Sl. No.	Particulars	Quarter Ended		Half Year Ended		Year Ended
		31.03.2009 Unaudited	31.03.2008 Unaudited	31.03.2009 Unaudited	31.03.2008 Unaudited	30.09.2008 Audited
1	a) Net Sales/Income from Operations	35506	30803	78380	73549	146354
	b) Other Operating Income	205	281	276	681	1202
	Total Income (a+b)	35711	31084	78656	74230	147556
2	Expenditure					
	a) (Increase)/Decrease in Stock in trade and Work- in- Process	(31257)	(58661)	(35448)	(47855)	(12366)
	b) Consumption of Raw Materials	45910	67156	75019	89826	101416
	c) Employees Cost	2395	2611	4434	4481	8197
	d) Depreciation & Amortisation	2670	3057	5424	5533	11721
	e) Other Expenditure	5547	6557	9962	10636	17570
	Total Expenditure	25265	20720	59391	62621	126538
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	10446	10364	19265	11609	21018
4	Other Income	23	31	76	135	211
5	Profit before Interest & Exceptional Items (3+4)	10469	10395	19341	11744	21229
6	Interest	2993	2307	5486	3643	8965
7	Profit after Interest but before Exceptional Items (5-6)	7476	8088	13855	8101	12264
8	Exceptional Items	-	-	-	-	-
9	Profit from Ordinary Activities before Tax (7+8)	7476	8088	13855	8101	12264
10	Tax Expense	857	1523	2106	1542	2561
11	Net Profit from Ordinary Activities after Tax (9-10)	6619	6565	11749	6559	9703
12	Extraordinary Items (Net of tax expense)	-	-	-	-	-
13	Net Profit after Extraordinary Items (11-12)	6619	6565	11749	6559	9703
14	Paid up Equity Share Capital (Face value of Re.1/- each)	2555	2555	2555	2555	2555
15	Reserves excluding Revaluation Reserve as per last Balance Sheet	-	-	-	-	98935
16	Basic EPS (Rs.) (before & after Extraordinary Items)	2.59	2.57	4.60	2.60	3.83
17	Diluted EPS (Rs.) (before & after Extraordinary Items)	2.59	2.57	4.59	2.60	3.82
18	Public Shareholding					
	- Number of Shares	161385420	164351820	161385420	164351820	164385420
	- Percentage of Shareholding	63.16	64.32	63.16	64.32	64.33
19	Promoters and Promoter Group Shareholding					
	a) Pledged/ Encumbered					
	- Number of Shares	-	-	-	-	-
	- Percentage of Shares (as a % of the total Shareholding of Promoters and Promoter Group)	-	-	-	-	-
	- Percentage of Shares (as a % of the Share Capital of the Company)	-	-	-	-	-
	b) Non - Encumbered					
	- Number of Shares	94150890	-	94150890	-	-
	- Percentage of Shares (as a % of the total Shareholding of Promoters and Promoter Group)	100.00	-	100.00	-	-
	- Percentage of Shares (as a % of the Share Capital of the Company)	36.84	-	36.84	-	-

Segment Wise Revenue, Results and Capital Employed

Sl. No.	Particulars	Quarter Ended		Half Year Ended		Year Ended
		31.03.2009 Unaudited	31.03.2008 Unaudited	31.03.2009 Unaudited	31.03.2008 Unaudited	30.09.2008 Audited
1	Segment Revenue					
	a) Sugar	29385	24766	67300	62169	123064
	b) Distillery	4134	4500	7449	7641	16840
	c) Cogeneration	7584	9361	13149	14925	23846
	d) Organic Manure	87	44	174	95	152
		41190	38671	88072	84830	163902
	Less: Inter Segment Revenue	5473	7559	9402	10755	16485
	Net Sales / Income from Operations	35717	31112	78670	74075	147417
2	Segment Results - Profit /(Loss) before Tax and Interest					
	a) Sugar	6246	4420	12299	2023	6531
	b) Distillery	1512	1706	2998	3177	6511
	c) Cogeneration	4296	4841	6755	7315	10779
	d) Organic Manure	(4)	(67)	14	(83)	(197)
	Total	12050	10900	22066	12432	23624
	Less: i. Interest	2993	2307	5486	3643	8965
	ii. Other un-allocable expenditure	1598	508	2787	978	2745
	iii. Un-allocable income	(17)	(3)	(62)	(290)	(350)
	Profit before Tax	7476	8088	13855	8101	12264
3	Capital Employed (Segment Assets-Segment Liabilities)					
	a) Sugar	201539	184880	201539	184880	173406
	b) Distillery	16184	15880	16184	15880	14906
	c) Cogeneration	60027	64856	60027	64856	58657
	d) Organic Manure	1324	1365	1324	1365	1286
	e) Unallocable	2026	10580	2026	10580	(10759)
	Total	281100	277561	281100	277561	237496

Notes :

- The Company has accounted for Cane Price for the Sugar Season 07-08 @ Rs.110/- per quintal in accordance with the interim order dt. 8th September, 2008 of the Hon'ble Supreme Court of India.
For the Season 08-09 the Cane Price have been accounted for at the State Advised Price (SAP) of Rs.140/- per quintal.
- Sugar being a Seasonal Industry, the performance of the Company varies from quarter to quarter.
- The Statutory Auditors have carried out a " Limited Review" of the Results for the quarter ended 31st March, 2009.
- The above Financial Results were reviewed by Audit Committee and were taken on record by the Board of Directors at its meeting held on 25th April, 2009 at Kolkata.
- During the quarter ended 31st March, 2009, thirty two (32) Investor complaints were received and redressed. No complaints were pending either at the beginning or at the end of the quarter.
- 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
25th April, 2009

Vivek Saraogi
Managing Director

BALRAMPUR CHINI MILLS LTD.

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