Balrampur Chini Mills

India | Sugar | **Result Update | Rating Upgrade**

Sweetening growth prospects

Balrampur Chini Mills (BRCM IN) reported strong growth in topline (+12%) and EBITDA (+42%) but below our estimates of 22% and 131%, respectively. The underperformance was mainly due to lower-than-expected margin and lower sales volume in the sugar segment. Sugar sales volume was up 8%, while realizations grew 15% YoY to INR 46.4 per kg. Even though cane crushing has started for Sugar Season (SS) 26-27, sugar prices continue to surge and prices are up more than 25% YoY, primarily due to lower production expectation this year. We expect some increase in state advised price (SAP) of cane in Uttar Pradesh (UP). BRCM has invested INR 24bn in Poly Lactic Acid (PLA) project till date, which is slated for commissioning this year and will be a key earnings growth driver for the next two years. We continue to be bullish on BRCM and the sugar sector as a whole. Revise to Buy (from Accumulate) with SoTP-TP of INR 874.

PLA plant construction in full swing: BRCM invested ~INR 24bn till date of total stated capex of INR 31bn. Construction is in full swing with many portions of the plant under different stages of completion. Product development and analysis are continuing at full scale.

About 83% of debt is long-term by tenure: Out of total gross debt of INR 15.4bn, INR 13bn is long-term debt. Nearly 50% of investment in PLA is funded through debt (INR 12.2bn). About INR 0.53bn of long-term debt is due for repayment in the next 18 months. BRCM has availed INR 3.2bn of long-term debt, which is eligible for 5% interest subvention under UP Bioplastic Industrial Policy.

Ethanol sales volume down 20%: Ethanol sales volume declined due to lower contribution from both sugar/molasses-based as well as grain-based feedstock. Cane/molasses-based ethanol declined 11% YoY to 25,900kilolitres while grain based ethanol declined 31% to 16,500kilolitres. Contribution of cane/molasses-based feedstock will reduce significantly driven by government directions to address the sugar shortage. Contribution of Maize ethanol will increase meaningfully but overall volumes for the year will be lower.

Sugar realisations up 15% YoY: Sugar realisations surged to INR 46.4 per kg vs. INR 40.5 last year and INR 41.6 in Q1FY27, driven by concerns around sugar shortages in India. Current sugar prices are ~INR 50-55, up 25% YoY. We expect both sugar sales volume as well as realisations to increase in FY28E.

Revise to Buy with a TP of INR 874: Rising sugar prices have come at a very opportune time to offset the input cost pressure in both sugar and distillery segments. Growth in and beyond FY28 will be driven by commencement of PLA plant as well as improving sugar realizations. Hence, expect BRCM to be on good growth trajectory in the next two to three years. We retain FY28E EBITDA estimates but reduce FY27E EBITDA estimates by ~11%.Due to Due to 11% decline in stock price in the last 2.5 months, we Upgrade to **Buy** (from Accumulate) with TP of INR 874 based on SoTP. A steep decline in sugar price from current levels is a key risk to our call.

Key Financials

YE March (INR mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (INR mn)	54,154	62,711	69,556	85,423	92,315
YoY (%)	(3.2)	15.8	10.9	22.8	8.1
EBITDA (INR mn)	7,042	7,413	10,874	16,995	17,835
EBITDA margin (%)	13.0	11.8	15.6	19.9	19.3
Adj PAT (INR mn)	4,369	3,785	6,273	9,969	11,098
YoY (%)	(18.3)	(13.4)	65.8	58.9	11.3
Fully DEPS (INR)	21.6	18.7	29.7	47.2	52.5
RoE (%)	12.1	9.5	13.4	17.4	16.4
RoCE (%)	9.0	8.2	10.6	15.2	15.4
P/E (x)	31.4	36.3	22.9	14.4	12.9
EV/EBITDA (x)	24.9	23.7	16.1	10.3	9.8

Note: Pricing as on 05 November 2026; Source: Company, Elara Securities Estimate

5 November 2026

Rating: Buy
Target Price: INR 874
Upside: 29%
CMP: INR 680
As on 05 November 2026

Key data	
Bloomberg	BRCM IN
Reuters Code	BACH.NS
Shares outstanding (mn)	212
Market cap (INR bn/USD mn)	144/1,522
EV (INR bn/USD mn)	175/1,857
ADTV 3M (INR mn/USD mn)	2,459/26
52 week high/low	781/393
Free float (%)	54

Note: as on 05 November 2026; Source: Bloomberg

Price chart



Source: Bloomberg

Shareholding (%)	Q3 FY26	Q4 FY26	Q1 FY27	Q2 FY27
Promoter	42.9	42.9	42.9	42.8
% Pledge	0.0	0.0	0.0	0.0
FII	10.6	10.4	9.3	9.0
DII	27.5	27.7	29.1	30.9
Others	19.1	19.1	18.7	17.3

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	(0.4)	2.1	(4.1)
Balrampur Chini Mills	6.9	28.0	51.0
NSE Mid-cap	(2.8)	1.3	(1.1)
NSE Small-cap	(4.3)	3.6	1.2

Source: Bloomberg

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Global Markets Research

Financials (YE March)

Income Statement (INR mn)	FY25	FY26	FY27E	FY28E	FY29E
Total Revenue	54,154	62,711	69,556	85,423	92,315
Gross Profit	15,574	16,617	21,027	29,564	31,472
EBITDA	7,042	7,413	10,874	16,995	17,835
EBIT	5,317	5,641	8,668	13,669	14,048
Interest expense	935	772	1,119	1,247	641
Other income	888	368	525	663	1,135
Exceptional/ Extra-ordinary items	-	-	-	-	-
PBT	5,271	5,237	8,074	13,085	14,542
Tax	1,253	1,817	2,220	3,598	3,999
Minority interest/Associates income	352	365	419	482	555
Reported PAT	4,369	3,785	6,273	9,969	11,098
Adjusted PAT	4,369	3,785	6,273	9,969	11,098
Balance Sheet (INR mn)	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Shareholders' Equity	37,955	41,381	52,289	62,235	73,337
Minority Interest	-	-	-	-	-
Trade Payables	2,766	2,823	3,191	3,673	4,001
Provisions & Other Current Liabilities	1,432	4,614	2,226	2,734	2,954
Total Borrowings	26,262	31,694	38,121	27,621	19,546
Other long term liabilities	2,875	3,551	3,144	3,176	3,190
Total liabilities & equity	**71,290**	**84,063**	**98,971**	**99,438**	**103,028**
Net Fixed Assets	27,512	43,512	55,599	51,702	47,344
Goodwill	-	-	-	-	-
Intangible assets	-	-	-	-	-
Business Investments / other NC assets	10,770	6,715	6,772	6,795	6,806
Cash, Bank Balances & treasury investments	34	42	322	6,846	21,618
Inventories	31,187	31,346	33,954	31,240	24,176
Sundry Debtors	1,430	1,792	1,906	2,340	2,529
Other Current Assets	357	656	418	514	555
Total Assets	**71,290**	**84,063**	**98,971**	**99,438**	**103,028**
Cash Flow Statement (INR mn)	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Cashflow from Operations	**4,251**	**5,994**	**5,303**	**18,238**	**23,454**
Capital expenditure	(8,924)	(9,487)	(14,294)	571	571
Acquisitions / divestitures	-	-	-	-	-
Other Business cashflow	120	20	-	-	-
Free Cash Flow	**(4,554)**	**(3,473)**	**(8,991)**	**18,809**	**24,026**
Cashflow from Financing	4,558	3,481	9,270	(12,285)	(9,254)
Net Change in Cash / treasury investments	5	8	280	6,524	14,772
Key assumptions & Ratios	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Dividend per share (INR)	3.0	3.5	2.5	2.5	2.5
Book value per share (INR)	188.0	204.9	247.5	294.6	347.1
RoCE (Pre-tax) (%)	9.0	8.2	10.6	15.2	15.4
ROIC (Pre-tax) (%)	9.0	8.2	10.6	15.8	18.2
ROE (%)	12.1	9.5	13.4	17.4	16.4
Asset Turnover (x)	2.0	1.8	1.4	1.6	1.9
Net Debt to Equity (x)	0.7	0.8	0.7	0.3	0.0
Net Debt to EBITDA (x)	3.7	4.3	3.5	1.2	(0.1)
Interest cover (x) (EBITDA/ int exp)	7.5	9.6	9.7	13.6	27.8
Total Working capital days (WC/rev)	191.0	164.9	172.1	162.7	172.2
Valuation	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
P/E (x)	31.4	36.3	22.9	14.4	12.9
P/Sales (x)	2.7	2.3	2.1	1.7	1.6
EV/ EBITDA (x)	24.9	23.7	16.1	10.3	9.8
EV/ OCF (x)	41.3	29.3	33.1	9.6	7.5
FCF Yield	0.0	0.0	(0.1)	0.1	0.1
Price to BV (x)	3.6	3.3	2.7	2.3	2.0
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0

Note: Pricing as on 05 November 2026; Source: Company, Elara Securities Estimate

Exhibit 1: Quarterly financials

Consolidated financials (INR mn)	Q2FY27	Q2FY26	YoY, %	Q1FY27	QoQ, %	Q2FY27E	Variance (%)	H1FY27	H1FY26	YoY, %
Cons net sales	18,763	16,708	12.3	16,368	14.6	20,420	(8.1)	35,131	32,130	9.3
Raw Materials	14,994	13,550	10.7	13,081	14.6	15,391	(2.6)	28,075	25,785	8.9
% of Net Sales	79.9	81.1	(118)bp	79.9	bp	75.4	454bp	79.9	80.3	(34)bp
Employee Cost	1,036	996	4.0	997	3.9	1,055	(1.8)	2,033	1,925	5.6
Other Expenses	1,019	959	6.3	1,151	(11.5)	1,198	(15.0)	2,170	1,874	15.8
Total Expenditure	17,049	15,504	10.0	15,229	12.0	17,645	(3.4)	32,277	29,584	9.1
EBITDA	**1,714**	**1,204**	**42.4**	**1,139**	**50.4**	**2,775**	**(38.2)**	**2,853**	**2,547**	**12.0**
Margin (%)	9.1	7.2	193bp	7.0	217bp	13.6	(446)bp	8.1	7.9	20bp
Depreciation	449	443	1.4	443	1.4	445	1.0	892	880	1.4
EBIT	1,265	761	66.2	696	81.7	2,330	(45.7)	1,961	1,666	17.7
Interest	159	142	11.8	325	(51.0)	340	(53.2)	484	479	1.0
Other Income	336	87	284.3	149	125.1	110	205.2	485	150	222.4
Exceptional Items / Share of Profit of Associate	74	93	(19.8)	65	14.5	60	NA	139	192	(27.4)
PBT	**1,516**	**799**	**89.8**	**585**	**158.9**	**2,160**	**(29.8)**	**2,101**	**1,529**	**37.4**
Tax	493	260	89.8	144	242.5	693	(28.9)	636	475	34.1
Tax Rate (%)	32.5	32.5	-	24.6	793bp	32.1	42bp	30.3	31.0	(74)bp
RPAT	949	446	112.6	377	151.9	1,407	(32.6)	1,325	863	53.6
APAT	**1,023**	**539**	**89.8**	**441**	**131.7**	**1,467**	**(30.3)**	**1,464**	**1,055**	**38.9**
Adj EPS (INR)	4.8	2.7	81.1	2.1	131.3	7.27	(33.5)	6.9	5.2	32.6

Source: Company, Elara Securities Research

Exhibit 2: Sugar segment – 14.5% YoY growth in realization

Segment performance (INR mn)	Q2FY27	Q2FY26	YoY, %	Q1FY27	QoQ, %	H1FY27	H1FY26	YoY, %
Sugar								
Volumes (mn MT)	0.329	0.303	8.3	0.245	34.1	0.6	0.6	2.8
Realisation (INR/MT)	46,400	40,530	14.5	41,550	11.7	44,329	40,576	9.2
Revenue	15,781	13,170	19.8	12,253	28.8	28,033	24,847	12.8
EBIT	1,408	528	166.4	388	263.1	1,795	1,009	77.9
Margin (%)	8.9	4.0	491bp	3.16	576bp	6.4	4.1	234bp
Distillery								
Volumes (Kl)	42,400	52,900	(19.8)	75,000	(43.5)	117,400	115,300	1.8
Revenue	3,246	4,050	(19.9)	5,396	(39.8)	8,642	8,665	(0.3)
EBIT	391	594	(34.1)	804	(51.3)	1,195	1,370	(12.8)
Margin (%)	12.1	14.7	(260)bp	14.9	(284)bp	13.8	15.8	(199)bp

Source: Company, Elara Securities Research

Exhibit 3: Changes in estimates

	Earlier estimates			Revised estimates			Change (%)		
(INR mn)	**FY27E**	**FY28E**	**FY29E**	**FY27E**	**FY28E**	**FY29E**	**FY27E**	**FY28E**	**FY29E**
Net Sales	72,974	88,835	93599	69,556	85,423	92,315	(4.7)	(3.8)	(1.4)
EBITDA	12,212	17,024	17216	10,874	16,995	17,835	(11.0)	(0.2)	3.6
EBITDA Margin	16.7	19.2	18.4	15.6	19.9	19.3	(110)bp	73bp	93bp
Adjusted PAT	7,003	9,869	10325	6,273	9,969	11,098	(10.4)	1.0	7.5
EPS (INR)	33.1	46.7	48.9	29.7	47.2	52.5	(10.4)	1.0	7.5
Rating			**Accumulate**			**Buy**			

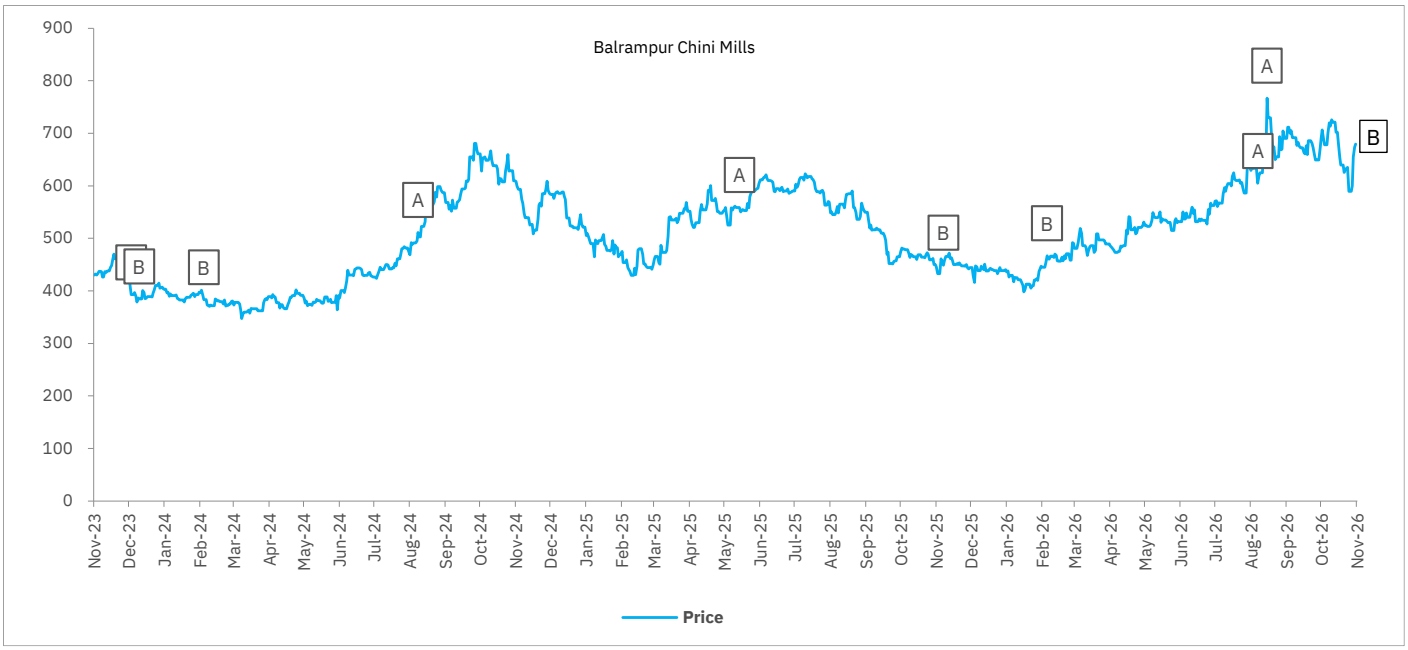
Source: Elara Securities Estimate

Exhibit 4: Valuation

(INR mn)	Q1FY29E
Sugar Business EBITDA	12,792
EV/EBITDA multiple (x)	11
EV (INR mn)	135,598
PLA Business EBITDA	4,413
EV/EBITDA multiple (x)	15
EV (INR mn)	64,025
Total EV (INR mn)	199,623
Net Debt (INR mn)	15,000
Target M. Cap (INR mn)	184,623
O/S Shares (mn)	211
Target price (INR)	874
CMP (INR)	680
Upside (%)	29%
Implied P/E (x)	17.5
Implied EV/EBITDA (x)	11.5

Note: pricing as on 5 November 2026; Source: Elara Securities Estimate

Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
14-Sep-2023	Accumulate	464	435
08-Dec-2023	Accumulate	431	393
15-Dec-2023	Buy	483	385
09-Feb-2024	Buy	519	383
13-Aug-2024	Accumulate	568	511
19-May-2025	Accumulate	602	559
12-Nov-2025	Buy	584	449
10-Feb-2026	Buy	667	467
12-Aug-2026	Accumulate	696	605
20-Aug-2026	Accumulate	874	767
05-Nov-2026	Buy	874	680

Guide to Research Rating

BUY (B)	Absolute Return >+20%
ACCUMULATE (A)	Absolute Return +5% to +20%
REDUCE (R)	Absolute Return -5% to +5%
SELL (S)	Absolute Return < -5%

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