

Alpha Delivery Picks execution plan

| Scrip | Exposure (%) | CMP (Rs) | Buying Range | Avg. Buy price (Rs) | Stop loss (Rs) | Target (Rs) | Gain (%) | Loss (%) |
|-----------------|--------------|----------|--------------|---------------------|----------------|-------------|----------|----------|
| BALRAMPUR CHINI | 7 | 159 | 157-159 | 158 | 149 | 180 | 13.9% | -5.70% |

PL. NOTE : Exposure for “BALRAMCHINI” should not be more than 7% of the Total Corpus (As a money management discipline)

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Key rationales

- ◆ Incorporated in 1975, BalrampurChini Mills (BCML) is one of the largest sugar mills in India, located in Uttar Pradesh, the second highest sugar producing state in India. The company has sugarcane crushing capacity of 76,500 tonne crushed per day (TCD). It has Distillery and Co-generation operations of 320 KLPD and 148.2 MW (saleable), respectively. Access to power during off-season (through dual power generation facility), excellent relationships with the cane farmers and its ability to refine sugar during off-season (due to refined sugar capacity and off-season power) make it one of the better sugar mills in India.
- ◆ FY2018 is expected to be yet another of better performance for UP based sugar companies based on increased production that will lead to a better yield. The sugar production for season 2017-18 is expected to be higher at ~25 million tonne due to a good monsoon. This would result in better recovery rates and would yield higher volumes for FY2018. Thus, despite the expected fall in sugar prices, we believe BCML would be able to post better operating margins (but will be lower than FY2017). Also, the profitability will be supported by a higher EBIT margin (40-45%) in Co-gen and Alcohol segments.
- ◆ BCML's leverage position is much better as compared to other UP based sugar mills in India. There is no major capex in pipeline, its Long term debt as on Mar 31, 2017 stood at Rs205 crore down from Rs677 crore as on Mar 31, 2016. The total debt/equity ratio improved to 1.17x in FY2017 from 1.40x in FY2016.



Alpha Delivery Picks

This is a long only, cash market delivery product where ideas are rolled out based on short-term triggers with proper fundamental rationales for a maximum period of two months.

How to use Alpha Delivery Picks

- This is a non-leveraged product, so kindly refrain from buying in the F&O market
- Ideally, clients should follow all Alpha Delivery Picks
- Exposure to each Alpha Delivery Picks should not be more than 7% of the total corpus allocated to the product, Alpha Delivery Picks
- Exit the stock in case it does not perform and hits the stop loss level

Summary

| No of calls | Open Calls | Profit booked | Loss booked | Strike rate (%) |
|-------------|------------|---------------|-------------|-----------------|
| 27 | 8 | 7 | 12 | 37 |

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