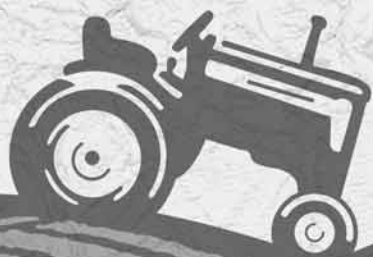


Balrampur Chini Mills Limited
Annual Report, 2011-12

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ONLY
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Forward-looking statement

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.

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Balrampur Chini Mills Limited

"FMC Fortuna", 2nd Floor, 234/3A, A.J.C. Bose Road, Kolkata – 700 020

Notice

Notice is hereby given that the 36th Annual General Meeting of the members of **Balrampur Chini Mills Limited** will be held on Tuesday, the 7th August, 2012 at 10.00 A.M. at 'Kalakunj', 48, Shakespeare Sarani, Kolkata - 700017 to transact the following business:-

1. To receive, consider and adopt the audited Accounts of the Company for the year ended 31st March, 2012 and the Balance Sheet as at that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri Naresh Chandra who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Shri R. Vasudevan who retires by rotation and is eligible for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"Resolved that Shri R. N. Das be and is hereby appointed as a Director of the Company pursuant to Section 257 of the Companies Act, 1956."

6. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

"In supersession of the resolution passed by the shareholders at the 34th Annual General Meeting held on 29th January, 2010 and pursuant to the provision of sections 198, 309 and 310 of the Companies Act, 1956 and Article 76 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the payment to its Non-Executive Directors commission up to 1% of the net profit of the Company in any financial year to be computed in accordance with the provisions of the Companies Act, 1956 or ₹25 lacs in aggregate, whichever is lower, over and above the usual sitting fees for a period of 3 years commencing from 1st April, 2012 and that the said commission be divided among the Directors in such proportion and in such manner as may be determined by the Board."

By order of the Board

S. K. Agrawala

Company Secretary

Place: Kolkata

Date: 28th May, 2012

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxy form, in order to be effective, must be duly completed, stamped and lodged with the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 31st July, 2012 to 7th August, 2012 (both days inclusive).
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed thereto.
4. Members who hold shares in dematerialised form are requested to bring their Demat Statement mentioning therein the Client ID and DP ID numbers for easy identification of attendance at the meeting.
5. Corporate members are requested to send a duly certified copy of the Board Resolution, pursuant to section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the AGM.
6. Shareholders holding shares in physical form are requested to advise the company and the members holding shares in dematerialized form are requested to advise their Depository Participants immediately about any change in their address.
7. Shareholders of the Company are informed that pursuant to the provisions of the Companies Act, 1956 the amount of dividend which remains unclaimed/unpaid for a period of 7 years would be transferred to the Investor Education and Protection Fund constituted by the Central Government and the shareholders would not be able to claim any amount of the dividend so transferred to the Fund. The Company had sent reminders to the Members in this regard. As such, shareholders who have not encashed their dividend warrants are requested in their own interest to write to the company immediately for claiming outstanding dividends declared by the Company for the financial years 2004-05 to 2009-11 (Except 2006-07 where no dividend declared).
8. The Company has sub-divided the equity shares of ₹10 each into 10 equity shares of ₹1 each with effect from 31st March, 2005. Shareholders who are holding shares in physical form must surrender their ₹10/- share certificate immediately to the Company so that the Company can despatch the new share certificate of ₹1 each.
9. For Shareholders of erstwhile Babhnan Sugar Mills Limited (BSML) and Tulsipur Sugar Company Limited (TSCL): Pursuant to the merger scheme, two companies viz, BSML and TSCL were merged with the Company in the year 1994 and 1999 respectively. As per the terms of the respective merger schemes, the then shareholders of BSML and TSCL were allotted Equity Shares of the company in the ratio of 2:5 and 1:7 respectively. Hence, those shareholders who have not yet surrendered the Share Certificates of erstwhile BSML and TSCL are reminded to do so directly to the Company to enable despatch of new sub-divided share certificates.
10. The Company has allotted shares to the shareholders of Indo Gulf Industries Ltd (IGIL) in the ratio of 1 equity share of ₹1 each of the Company for every 100 equity shares of ₹1 each (post restructuring) held in IGIL as on Record Date 24th August, 2010 vide Hon'ble BIFR Order dated 24th June, 2010. If any shareholders of IGIL has not yet received the share certificate of the Company so allotted are requested to write to the Company for non-receipt of such share certificate.

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 5 :

Shri R.N.Das was appointed as an additional Director (independent) of the Company with effect from 23rd July, 2011. Pursuant to Section 260 of the Companies Act, 1956, Shri Das will hold office as director only upto the date of forthcoming Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member of the Company signifying his intention to propose Shri Das for

appointment as a Director at the forthcoming Annual General Meeting.

The Board considers that the Company would be benefited by his rich experience and guidance. The Board of Directors, therefore, recommends the resolution for approval of the members.

None of the directors except Shri R. N. Das is concerned or interested in the proposed resolution.

Profile of Shri R. N. Das

Date of birth	25th December, 1946
Qualifications	M.A. in Political Science, M.P.A. degree from Harvard University, USA, Member – Indian Administrative Services (IAS) (Retd.).
Expertise in specific functional areas	He joined the Indian Administrative Service in 1971 and served many distinguished posts in Government of India and Government of Gujarat, including : <ul style="list-style-type: none"> • Chief Information Commissioner, Gujarat Information Commission • Secretary, Department of Food & Public Distribution, Government of India • Enforcement Director (ED), New Delhi • Charge of AS & FA (Defence Acquisition), Ministry of Defence • Joint Secretary, Department of Food & Public Distribution • Managing Director of Gujarat Alkalies & Chemicals Ltd • Chairman, Gujarat Electricity Board • Managing Director of Central Warehousing Corporation. Other positions were held by him include • Development Commissioner – Gujarat • Secretary and Commissioner - Rural Development, Gujarat • Additional Chief Secretary - Food and Civil Supplies, Government of Gujarat • Municipal Commissioner – Baroda • Dy. Secretary (Drug Pricing), Dept. of Chemicals, Govt. of India.
Directorship in other Companies	Nil
Membership in other Board Committees	Nil
Shareholding as on 31.03.2012	Nil

Item No. 6 :

The Company at the 34th Annual General Meeting held on 29th January, 2010 had approved the payment of commission to the Non-Executive Directors of the Company upto 1% of the net profits of the Company in aggregate in any financial year or ₹25 lakhs, whichever is lower, over and above the usual sitting fees for a period of 3 years commencing from 1st October, 2009. The Non-Executive Directors of the Company contribute significantly to the growth of the organization by bringing with them professional expertise, rich and wide experience.

Due to change in the accounting year of the company from October-September to April-March it is proposed to pay commission to the Non-Executive Directors of the Company upto

1% of the net profits of the Company in aggregate in any financial year or ₹25 lakhs, whichever is lower, over and above the usual sitting fees for a further period of 3 years commencing from 1st April, 2012. The said commission shall be divided among the Non-Executive Directors in such proportion and in such manner as may be determined by the Board. The payment is subject to approval of the shareholders by way of special resolution.

Shri Naresh Chandra, Shri R.K. Choudhury, Shri R. Vasudevan and Shri R. N. Das all being the Non-Executive Directors of the Company, may be deemed to be concerned or interested in this resolution.

The Board of Directors recommends passing of the resolution as set out at Item No. 6 of the Notice.

Profiles of Directors seeking re-appointment pursuant to Clause 49 of the Listing Agreement

Profile of Shri Naresh Chandra (Item No.2)

Date of birth	1st August, 1934
Qualifications	Post-Graduate in Mathematics and alumnus of the prestigious Allahabad University, Member – Indian Administrative Services (IAS) (Retd.).

Profile of Shri Naresh Chandra (Item No.2)

Expertise in specific functional areas	<p>He joined the Indian Administrative Service in May 1956 and had served on many distinguished panels and committees, including :</p> <ul style="list-style-type: none"> • Chairman of the Committee on Civil Aviation Policy set up by the Government of India in 2003 • Chairman of the Naresh Chandra Committee on Corporate Audit and Governance appointed by the Government of India in 2002 • Ambassador of India to the U.S.A. in April, 1996 • Governor of the state of Gujarat (1995-96) • Senior advisor to the Prime Minister of India (1992-95) • Cabinet Secretary (1990-92), Home Secretary (1990), Defence Secretary (1989), Secretary, Water Resources (1987-89), Joint Secretary, Ministry of Industry (1977-81) • Advisor to the Governor of Jammu & Kashmir during President Rule in 1986 • Chief Secretary to the Government of Rajasthan • Commonwealth Secretariat Advisor on Export Development and Policy with Government of Sri Lanka (1981-84) • Member of the India-US Sub-Commission on Economic Affairs and Commerce and Co-Chairman of India-US Working Group on Technology Transfer (1979-81)
Directorship in other Companies	<ul style="list-style-type: none"> • Hindustan Motors Ltd • Electrosteel Castings Ltd • Bajaj Auto Ltd • Bajaj Finserv Ltd • Bajaj Holdings & Investments Ltd • ACC Ltd • Ambuja Cements Ltd • Cairn India Ltd • Gammon Infrastructure Projects Ltd • EROS International Media Ltd • AVTEC Ltd • G4S Corporate Services (India) Pvt. Ltd • Emergent Ventures India Pvt. Ltd • Vedanta Resources Plc • EROS International Plc and • Cairn Energy Asia Pty Ltd.
Membership in other Board Committees	<ul style="list-style-type: none"> • Chairman, Audit Committee of Hindustan Motors Ltd • Member, Audit Committee of Electrosteel Castings Ltd • Member, Shareholders'/Investors' Committee and Member, Audit Committee of Bajaj Auto Ltd • Member, Audit Committee of Bajaj Finserv Ltd • Member, Audit Committee of Bajaj Holdings & Investments Ltd • Member, Audit Committee of ACC Ltd • Member, Audit Committee of Cairn India Ltd • Member, Audit Committee of Gammon Infrastructure Projects Ltd • Member, Audit Committee of EROS International Media Ltd.
Shareholding as on 31.03.2012	Nil

Profile of Shri R. Vasudevan (Item No.3)

Date of birth	14th June, 1937
Qualifications	B.A. (Hons.), M.A., M.P.A. (Development Economics) from Harvard University, USA, Member – Indian Administrative Services (IAS) (Retd.).
Expertise in specific functional areas	<p>He joined the Indian Administrative Service in 1959 and had served on many distinguished panels and committees, including :</p> <ul style="list-style-type: none"> • Secretary in the Department of Cane Development and Sugar Industry (Govt. of U.P.) • Dy. Secretary, Ministry of Home Affairs • Chief of Division, Planning Commission • Director in Ministry of Energy • Jt. Secretary & Financial Advisor, Ministry of Petroleum • Jt. Secretary, Addl. Secretary & Special Secretary to the Prime Minister of India • Secretary, Small Scale Industries • Secretary, Ministry of Steel • Secretary, Ministry of Power (Govt. of India). <p>Since 1996 he has been undertaking consultancy in the areas of infrastructure, industry and finance.</p>
Directorship in other Companies	<ul style="list-style-type: none"> • Haldia Petrochemicals Ltd • Hindustan Oil Exploration Co. Ltd • Purearth Infrastructure Ltd and • Cosmo Films Ltd.
Membership in other Board Committees	<ul style="list-style-type: none"> • Member, Compensation Committee of Haldia Petrochemicals Ltd • Member, Audit Committee, Chairman, Shareholders/ Investors Grievance Committee and Chairman, Remuneration Committee of Hindustan Oil Exploration Co. Ltd • Member, Audit Committee of Purearth Infrastructure Ltd and • Member, Audit Committee & Shareholder & Investor Grievance Committee of Cosmo Films Ltd.
Shareholding as on 31.03.2012	Nil

**DIFFERENT YEAR.
SAME STORY.**

**A SECTOR THAT CAN FEED THE
WORLD. FIGHT POVERTY.
ENERGISE RURAL INDIA.
PREVENT RURAL MIGRATION.
CREATE A CLEANER
ENVIRONMENT. STRENGTHEN
GRASSROOTS.
PROTECT BANK LOANS.
THE SAME SECTOR EXPLOITED.
DROWNED IN ARREARS.
AFFECTING FARMERS.
THREATENING BANK LOANS.
ERODING SHAREHOLDER VALUE.
ONLY ONE REASON.
GOVERNMENT INACTION.
IF ONLY...**

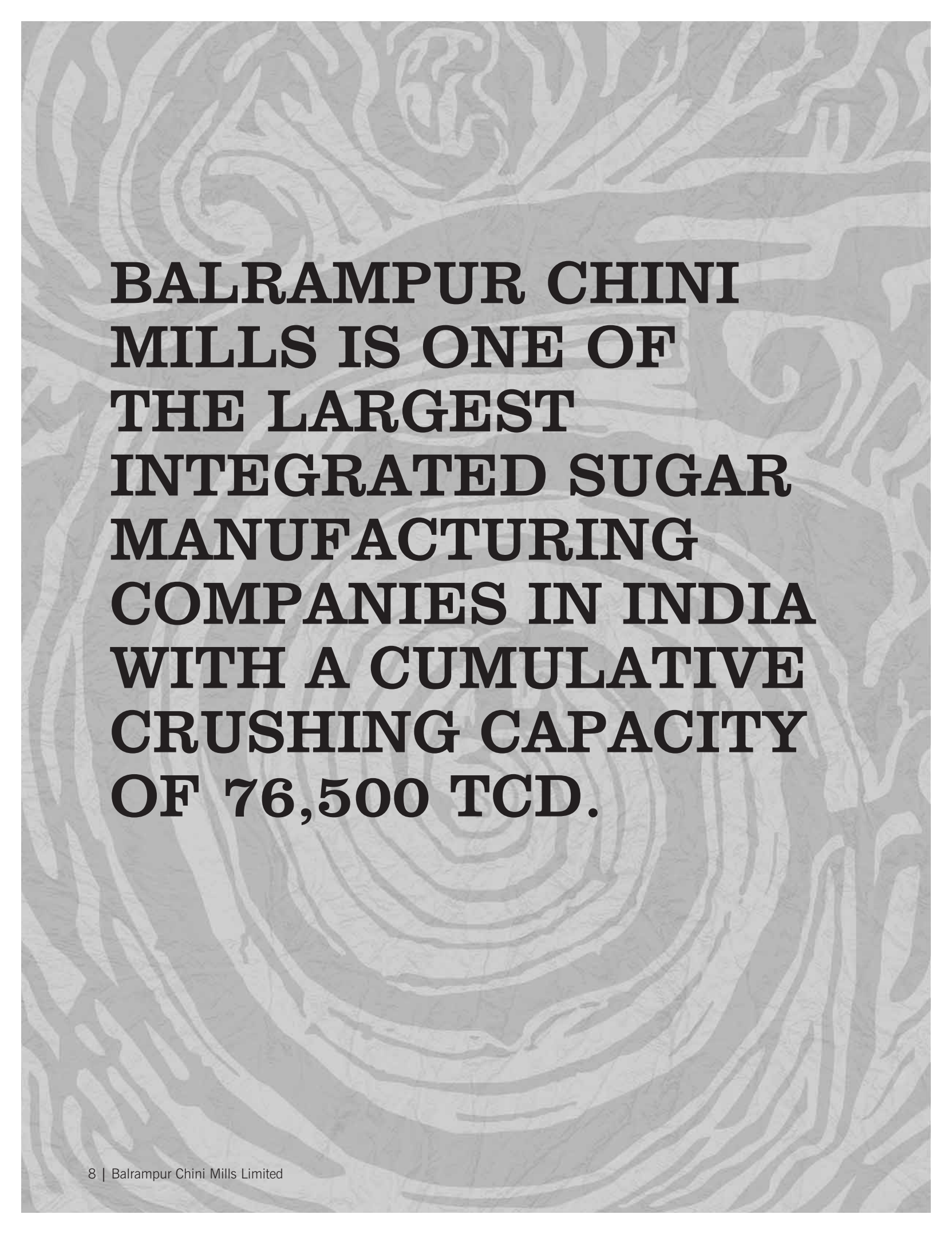
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WHAT IS THIS ANNUAL REPORT ABOUT?

**NOT AS MUCH
ABOUT WHAT
WE DID LAST
YEAR.***

**AS MUCH ABOUT
WHAT THE
GOVERNMENT
NEEDS TO DO
TO REVIVE THE
PROSPECTS OF
INDIA'S ₹80,000
CR SUGAR
INDUSTRY FOR
THE NEXT
MANY YEARS.**

* Balrampur Chini Mills reported a profit of ₹6.62 cr on revenues of ₹2,337.28 cr in 2011-12. Nothing much to write more about. For reasons, read this report in detail



**BALRAMPUR CHINI
MILLS IS ONE OF
THE LARGEST
INTEGRATED SUGAR
MANUFACTURING
COMPANIES IN INDIA
WITH A CUMULATIVE
CRUSHING CAPACITY
OF 76,500 TCD.**