



New beginning

BALRAMPUR CHINI MILLS LIMITED

ANNUAL REPORT 2018-19

Contents

Strategic Review

1	New beginning
13	The world of Balrampur Chini Mills Limited
14	Financial performance 2018-19
16	Managing Director's statement
22	How we have been enhancing value for our shareholders
24	Our value-creation business model
26	Our integrated value creation report
28	Our robust business model
30	Our report card, 2018-19
32	The outcomes of our business model

Board's Report

34	Management discussion and analysis
38	Segment-wise performance
41	Business support
42	Financial review
44	SWOT analysis
45	Risk management at Balrampur
49	Report of the Board of Directors
88	Corporate Governance Report
105	Business Responsibility Report

Financial Statements

117	Standalone Financial Statements
191	Consolidated Financial Statements

Major achievements, 2018-19

4,285.78

Revenue from
operations
(₹ cr)

689.07

EBIDTA
(₹ cr)

565.50

Total comprehensive
income for the year
(₹ cr)

110.36

Cane crushed
(lac tonnes)

12.78

Sugar produced
(lac tonnes)

10.66

Alcohol produced
(cr litres)

104.97

Power produced
(cr units)

3,850

Number of employees

Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in making assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



New beginning

Balrampur Chini Mills Limited has been in business for ~5 decades.

Policy reforms directed at the sugar industry in the last year have inspired new sectoral hope.

Balrampur Chini Mills is responding to this inflection with speed and sensitivity.

The Company is engaged in transforming from an integrated sugar manufacturer to a predominantly 'green energy' organisation.

Two words capture our mood and mindset.

New beginning.

To appraise
where we are
going, it is
important to
appreciate
where we
come from

25,000

TCD, aggregate sugar
manufacturing capacity, 2002-03



76,500

TCD, aggregate sugar
manufacturing capacity, 2018-19

19.55

MW, aggregate saleable
cogeneration capacity, 2002-03



165.2

MW, aggregate saleable
cogeneration capacity, 2018-19

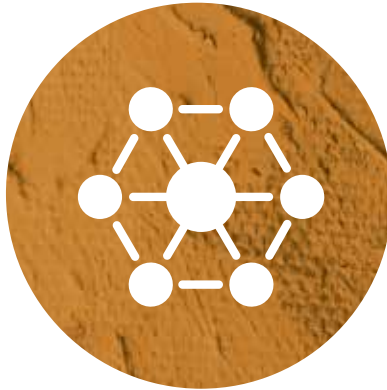
100

KLPD, distillery
capacity, 2002-03



360

KLPD, distillery
capacity, 2018-19



New Beginning

WHAT IT STANDS FOR

Bringing to the existing opportunity the same commitment (de-risking and growth) that we brought to our business in the last few decades

Bringing to the business of green energy, the same focus we brought to building an integrated business

Bringing to value-creation the same passion that we have shown in emerging as India's most valuable sugar company

Green energy

A BUSINESS WHOSE
TIME HAS COME

- ▣ Direction accepted as a global priority
- ▣ Multi-year market potential
- ▣ Base market growing year-on-year
- ▣ Room to address market growth
- ▣ Virtually unlimited room to replace conventional fuels
- ▣ Attracting government policy support

Green energy and the Indian sugar industry

POISED AT AN INFLECTION POINT

- ▣ Green energy is core to the industry's integrated model
- ▣ Agriculture linked to moderated carbon footprint
- ▣ Farmer prosperity central to a cleaner world
- ▣ Broadbasing of the industry's revenues
- ▣ Moderating an excessive dependence on sugar
- ▣ Business now woven around profitable sustainability

India's industrial growth and environment integrity

HOW THE RECONCILIATION OF THESE TWO
SEEMINGLY DIVERGENT OBJECTIVES IS
NOW A GLOBAL PRIORITY

India is likely to grow from a US\$ 2.8 trn economy size to a US\$ 5 trn one in the next five to six years.

This unprecedented growth is likely to generate a significant increase in India's energy appetite.

The world watches with concern as this growing energy appetite could affect global carbon footprint and environmental balance.

This is putting a bigger premium on India's need to reconcile industrial growth with environmental integrity.

The importance of 'Green energy'

OUR BUSINESS MODEL IN TWO WORDS

In the last couple of decades, India encountered a disproportionate increase in oil consumption.

The country's crude import bill increased from ₹171,702 crore in FY06 to ₹8,81,282 crore in FY19.

The outlook is grim.

OPEC indicates that India could report the fastest average annual oil demand growth of 3.7% per annum through to 2040.

WHO indicates 14 of the world's 20 most polluted cities are in India.

Modern India needs to reduce crude oil imports and pollution.

At Balrampur, we are addressing this critical national priority with a business model centred around 'green energy'.