

# PRINCIPLES AT WORK

HOW TIME-TESTED FUNDAMENTALS HELPED TRANSFORM  
A CHALLENGING REALITY INTO A VIGOROUS TURNAROUND



## Balrampur Chini Mills in 2015-16

**Our aspiration** is to sustain our position as one of the most efficient and profitable Indian sugar companies across business cycles.

**Our purpose** is to enhance value for all our stakeholders – sugarcane providers, employees, customers, communities, government and our shareowners.

**Our aspiration** is supported by an overarching organisational culture translating into sustained outperformance.

*Read more on pages 4 to 13*

Sticking to fundamentals has created a robust business model.

*Read more on pages 18 and 19*

Over the years, we have created successful business verticals.

*Read more on pages 30 to 33*

### Balrampur Chini Mills Limited

is listed on the BSE Ltd., National Stock Exchange of India Ltd. and The Calcutta Stock Exchange Ltd.

This is the Annual Report of Balrampur Chini Mills Limited for the year ended 31st March 2016 and is also available on the Company's website.

Balrampur Chini Mills Limited is among India's largest integrated sugar mills. This multi-decade Company is engaged in the manufacturing of sugar, ethanol and power.

The Company has sugar crushing capacity of 76,500 tonnes of cane per day, distillery capacity of 320 KL per day and saleable cogeneration capacity of 153.20 MW.

The Company (headed by Vivek Saraogi, Managing Director) is headquartered in Kolkata, West Bengal and possesses 10 manufacturing units at Balrampur, Babhnan, Tulsipur, Haidergarh, Akbarpur, Rauzagaon, Mankapur, Kumbhi, Gularia and Maizapur in Uttar Pradesh.

For more information about Balrampur Chini Mills Limited, our plants and people, visit [www.chini.com](http://www.chini.com)

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## Capacities

Units	Sugar capacity (tonnes of cane per day)	Distillery (KL per day)	Installed power (MW)	Saleable power (MW)
Balrampur	12000	160	43.55	27.25
Babhnan	10000	60	15.00	3.00
Tulsipur	7000	-	9.50	-
Haidergarh	5000	-	23.25	20.95
Akbarpur	7500	-	18.00	11.00
Mankapur	8000	100	37.00	25.00
Rauzagaon *	8000	-	30.75	23.00
Kumbhi	8000	-	32.70	23.00
Gularia	8000	-	31.30	20.00
Maizapur	3000	-	6.00	-
<b>Total</b>	<b>76500</b>	<b>320</b>	<b>247.05</b>	<b>153.20</b>

\* Saleable power at Rauzagaon during the sugar season is 16 MW

Net revenues	Net profit	Recovery rate*	Ethanol production	Power sold
2801.22	99.42	11.06%	61648.15	5307.41
2015-16 (₹/Crore)	2015-16 (₹/Crore)	2015-16	2015-16 (KL)	2015-16 (Lac units)

\* For the sugar season 2015-16, recovery rate was 11.13%

Balrampur Chini Mills Limited posted a vigorous transformation in its FY 2015-16 bottomline.

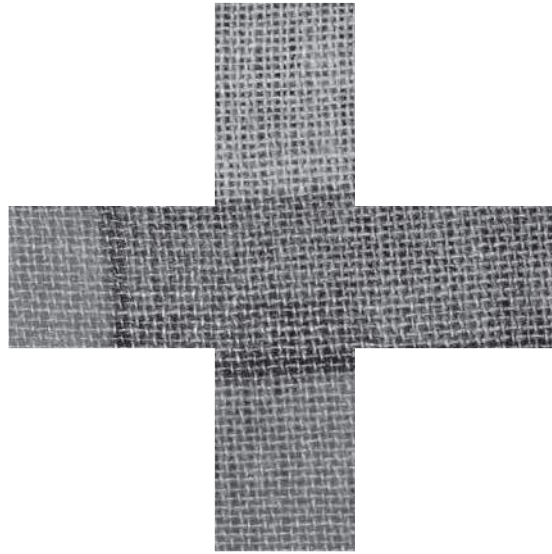
One of the first within the industry to report a handsome increase in profits following a sectoral rebound.

A PAT of ₹99.42 Crore in 2015-16 compared to loss of ₹57.73 Crore in 2014-15.

The Company outperformed its sector – decisively and substantially – by putting more than its principal to work.

*Its principles instead.*





Our principles  
explained in a  
few sentences.

Just do it. No frills. Urgency.  
Drill-down. Push the envelope.  
Maximise efficiency. Create  
benchmarks. More out of less.  
Recheck. Do whatever it takes.  
Never let go. Watch everything.  
Outperform. Sweat the small  
stuff. Squeeze the last drop.  
*Repeat.*



# Our principles explained in strategy.

**At Balrampur,** we did not aggressively increase capacities over the last decade; we focused on sweating our assets instead.

**At Balrampur,** we preferred to invest in integrated multi-product complexes over standalone cane crushing capacities instead.

**At Balrampur,** we stopped waiting for realisations to increase; we began to generate surpluses from within instead.

**At Balrampur,** we did not grow our sugar capacity significantly beyond 2007; we selected to debottleneck instead.

**At Balrampur,** we did not chase fancy strategies; we selected to do what we had always been doing - only significantly better instead.

**At Balrampur,** we did not acquire or build assets beyond our core geographies; we continued to invest proximate to our existing locations instead.

**At Balrampur,** we did not seek to maximise output alone; we invested in futuristic environment management technologies instead.

This then really  
is our story.







# Principles mean paranoia.

AT BALRAMPUR, WE DON'T JUST REQUEST FARMERS TO GROW MORE CANE, COLLECT ON HARVEST AND PAY FOR WHAT WE BUY. OVER THE YEARS, WE HAVE VIRTUALLY TRANSFORMED THIS SEEMINGLY SIMPLE ACTIVITY INTO A WATERTIGHT CASE FOR EXCELLENCE.

We conduct village meetings to encourage greater cane planting.  
We advise farmers on superior cane varieties.

We showcase these varieties via demonstration farms. We make periodic farm visits to evaluate standing cane quality.

We employ handheld digital equipment for cane survey.

We deploy a second team to appraise whether the first team got all its evaluations right.

We appraise the cane (variety, freshness and extraneous materials) delivered to our factory gates.

We replicate the best practices across plants. We focus on arresting problems at source.

We measure cut-to-crush tenures.

**The moral of our story:** Only the paranoid survive.

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Extraneous material (%)  
in our cane, FY2010-11

2

Extraneous material (%)  
in our cane, FY2015-16



300

Per hectare cane yield  
(quintals) before using  
superior cane varieties,  
FY2010-11

450

Per hectare cane yield  
(quintals) after using  
superior cane varieties,  
FY2015-16

600

Peak per hectare cane  
yield (quintals) after  
using superior cane  
varieties, FY2015-16