



**BALRAMPUR CHINI MILLS LIMITED**

CIN - L15421WB1975PLC030118  
Reg.Off. : FMC Fortuna, 2nd Floor, 234/3A, A. J. C. Bose Road, Kolkata - 700 020  
P : 033 2287 4749  
F : 033 2283 4487  
E : bcml@bcml.in  
W : www.chini.com

11<sup>th</sup> May, 2023

<b>National Stock Exchange of India Limited</b> Listing Department, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E) Mumbai- 400051	<b>BSE Limited</b> The Corporate Relationship Department 1st Floor, New Trading Wing, Rotunda Building, Phiroze Jeejeebhoy Tower, Dalal Street, Fort, Mumbai- 400001
<b>Scrip Code: BALRAMCHIN</b>	<b>Scrip Code: 500038</b>

Dear Sir/ Madam,

**Sub: Investor Presentation**

Please find attached herewith, Investor Presentation in relation to the Financial Results of the Company for the Quarter and Year ended 31st March, 2023, declared on 11<sup>th</sup> May, 2023.

This is for your information and record.

Thanking you,

Yours faithfully,

**For Balrampur Chini Mills Limited**

**Manoj Agarwal**  
**(Company Secretary and Compliance Officer)**



# Balrampur Chini Mills Limited

Q4FY23 Results

Analysts Presentation

11<sup>th</sup> May 2023

**“STRETCH”**

*Graduating the Company from one level to another*





# Safe Harbour

*Certain statements made in this document may constitute forward-looking statements. These forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, agricultural policies, climatic conditions, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Balrampur Chini Mills Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*

# Conference Call Details



<b>Timing</b>	12:00 noon IST on Friday, May 12, 2023
---------------	--

<b>Conference dial-in</b>	Primary number: +91 22 6280 1141 / 7115 8042
---------------------------	--

<b>Toll free Number</b>	Singapore: 800 101 2045
-------------------------	-------------------------

	Hong Kong: 800 964 448
--	------------------------

	USA: 1 866 746 2133
--	---------------------

	UK: 0 808 101 1573
--	--------------------

# Table of Contents



1	Message from the Chairman and Managing Director	5
2	Brief perspective about our company	6-8

## This presentation comprises of eight parts

1	Q4 performance in numbers	9-14
2	The performance of our principal business	15-31
3	Treasury management	32-37
4	Global and Indian sugar sector overview	38-47
5	The strategic direction of our company	48-49
6	ESG and enhanced stakeholder value	50-56
7	Shareholding pattern & Top 10 Shareholders list	57-58
8	Key factors to watch out	59

## A message from the Chairman and Managing Director

Commenting on the performance for Q4FY23, Mr. Vivek Saraogi, Chairman and Managing Director, Balrampur Chini Mills Limited, said:



" Company was able to deliver satisfactory results in Q4FY23 as compared to subdued performance in 9MFY23. Legacy effect of last year's lower crushing volume and delayed start of current season coupled with untimely rains impacted our 9MFY23 results. However, we achieved better capacity utilization across segments which helped us report satisfactory results in Q4FY23.

Cane crushing during the quarter was higher owing to higher cane area and better yield at farm level. During the quarter Company diverted ~11% cane towards syrup route and ~65% towards B-heavy route which resulted in higher sugar sacrifice and thereby net lower sugar recovery.

After two consecutive years of subdued crushing, we registered increased crushing during the season. This achievement is a result of the hard work and dedication of our teams on the ground, who have been working tirelessly with farmers to improve the cane quality.

Crushing at all our mills have completed and we have ended the season with more than 15% higher crushing. We are hopeful of further increase in cane crushing by 10% in the next season, if not more, subject to weather conditions.

Distillery segment also performed well during the quarter and with expanded capacity being operating at full capacity now we are hopeful of achieving the target of ~34-35 cr BL in the next financial year.

Further Company has embarked on enhancing cane crushing capacity at its Kumbhi unit from 8000 TCD to 10000 TCD which will be entirely funded through internal accruals.

During FY2023 Company has invested more than ₹ 1100 crs in capex (₹ 466 crs through debt and balance through internal accruals) which is expected to result in better performance going ahead.

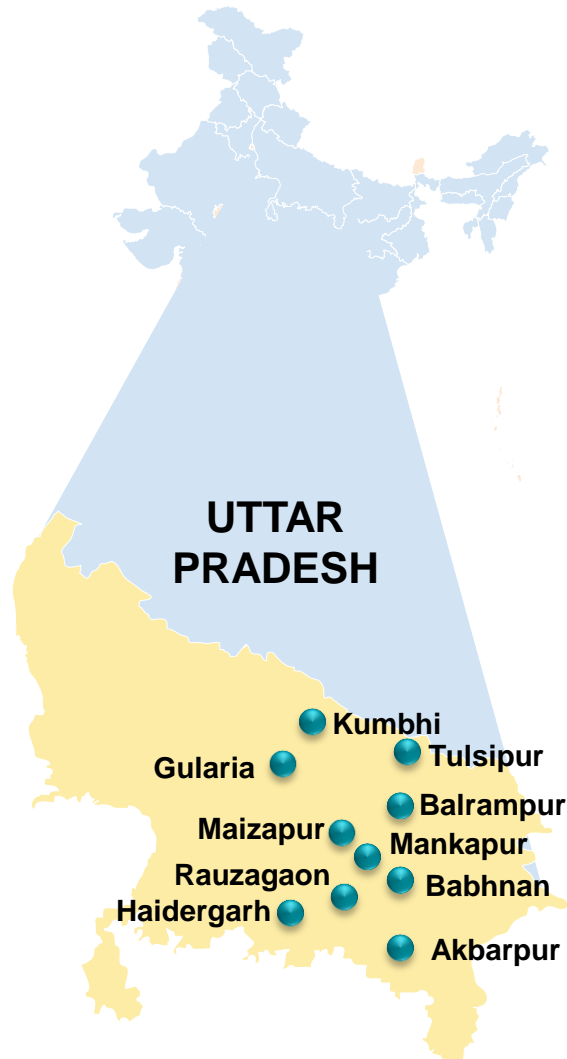
We remain committed to creating value for all our stakeholders through prudent investment and capital allocation plans. Keeping this commitment, an interim dividend of Rs. 2.50 per Equity Share of Re. 1 each was paid during the year. Additionally, we commenced our 6th consecutive buy-back of equity shares on November 16, 2022, as per the announcement made by the Board on November 9, 2022. The Company has bought back a total of 22,90,755 equity shares, upto 31st March, 2023. The said buy-back is open till 15<sup>th</sup> May 2023"



# A Brief perspective about our company



**BCML – A multi-product integrated Company with manufacturing capability of Sugar, Ethanol and Co-Generation**



● FACTORY LOCATIONS

10

manufacturing units in close proximity

80000 \*

Aggregate cane crushing capacity (TCD)

1050

Aggregate distillery capacity (KLPD)

175.7

Aggregate Saleable co-generation capacity (MW)

Among the largest integrated sugar companies

Principle business sugar + distillery

Rs. 7984.23 cr. market capitalization as on 31st March 2023

42.90% promoter shareholding

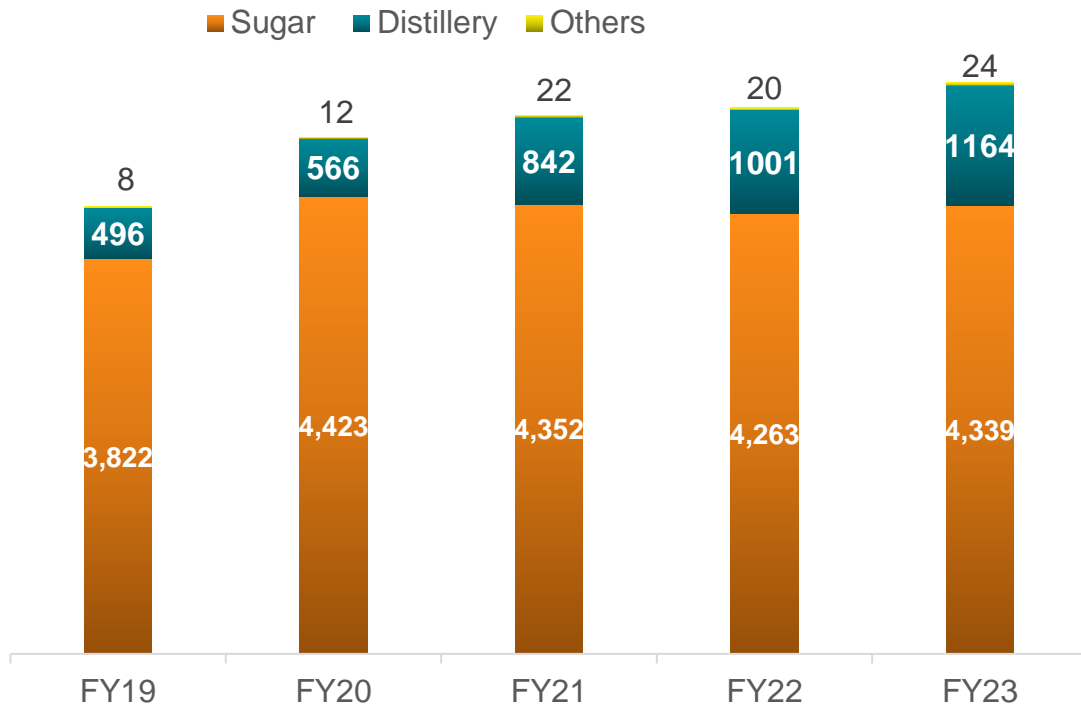
\* 2000 TCD expansion under implementation



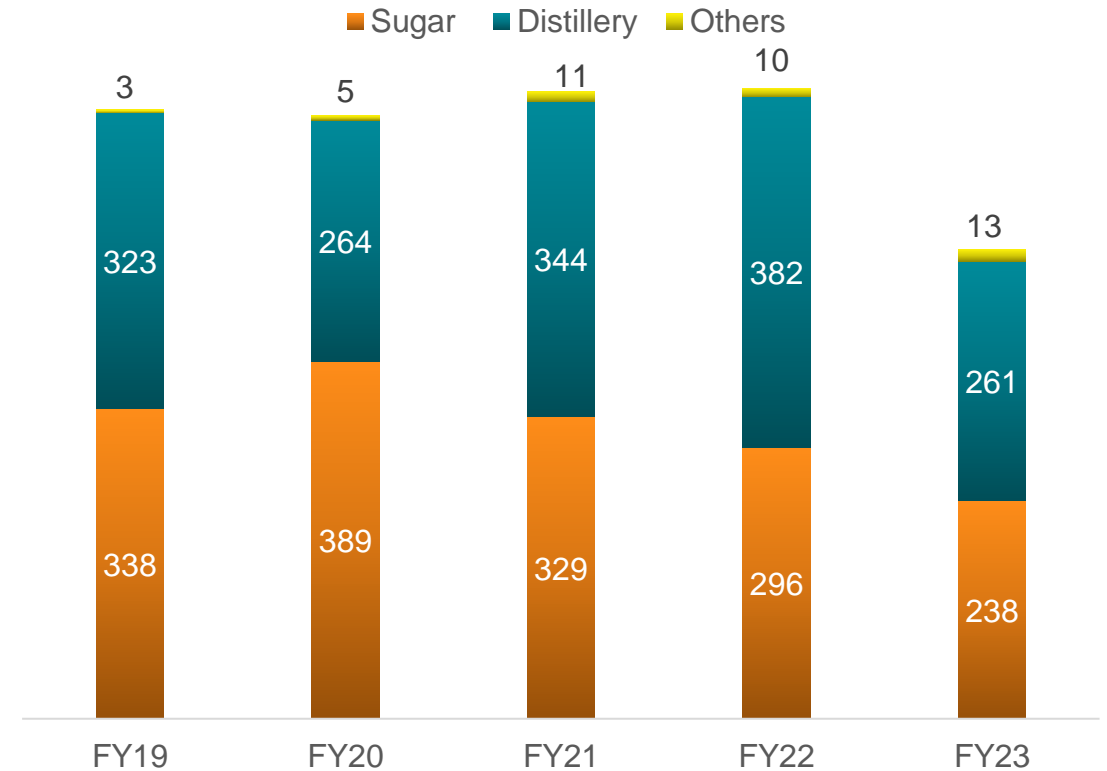
# 5 Year Historical Financial Performance



### Segmental Revenues (Rs. Cr.) \*



### Segmental PBIT (Rs. Cr.)



- Revenues includes inter segment revenues

Revenue from distillery segment contributed ~21% of overall revenues in FY23 as compared to 11% in FY19

Going forward distillery segment is expected to contribute around 35% of overall revenues

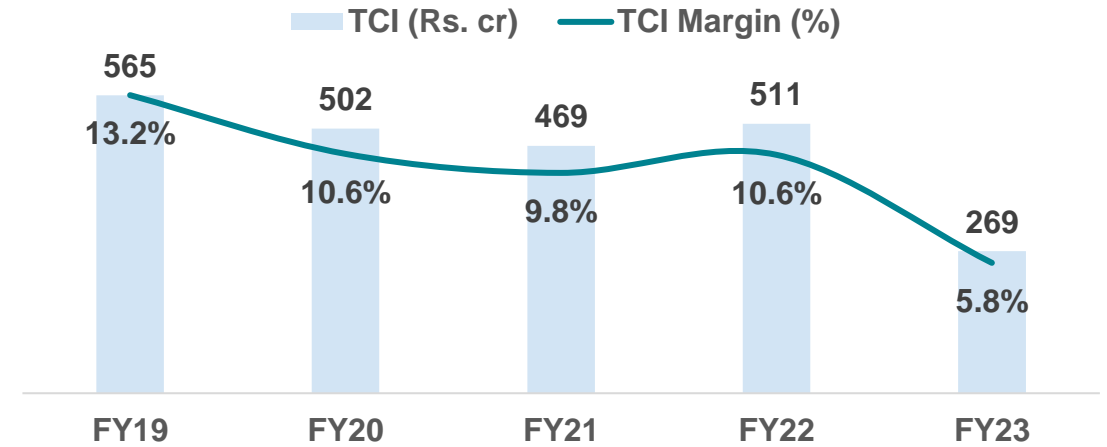
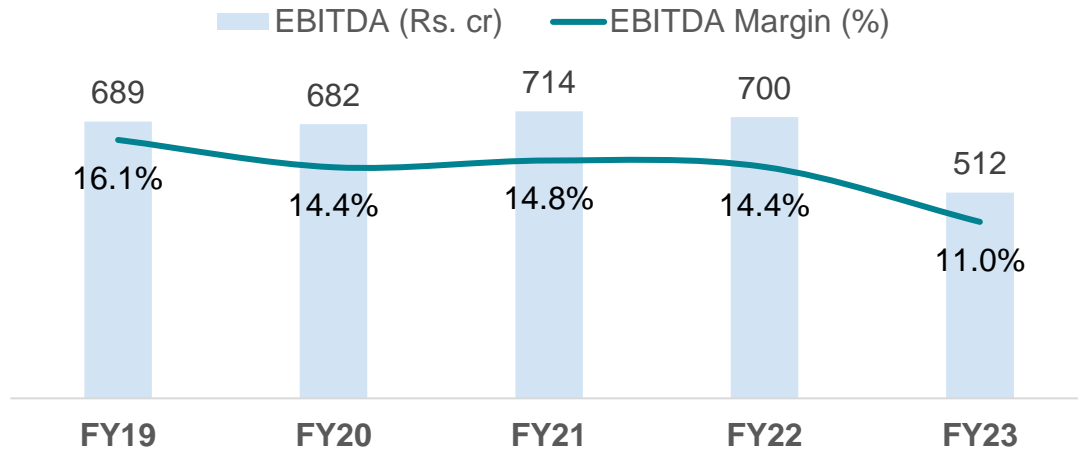
Distillery segment contributed ~51% of PBIT in FY23

Company is focusing on increasing the share of revenue / profit from distillery segment

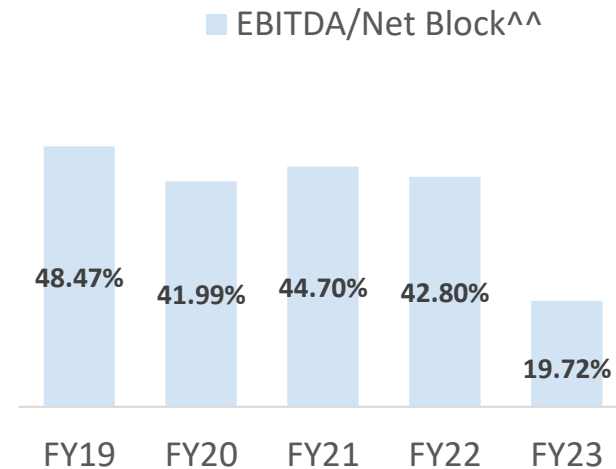
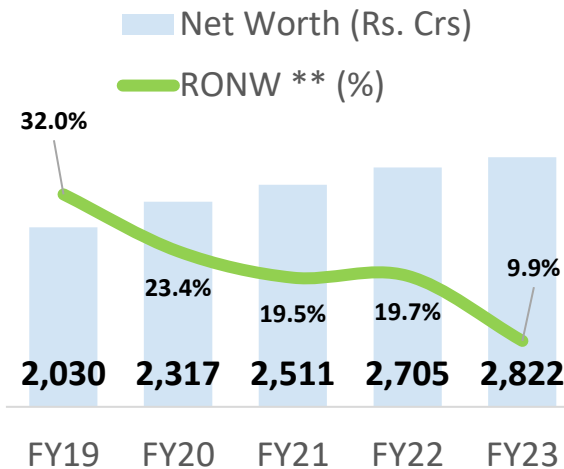
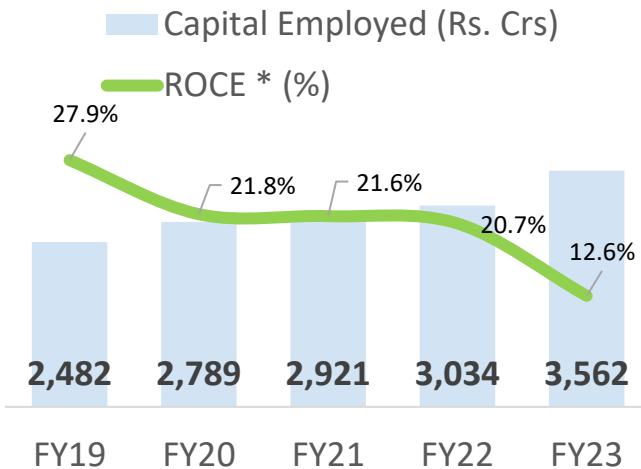




# 5 Year Historical Financial Performance (contd.)



Sustainable profitability on the back of structural changes in the industry



\* EBIT / Avg. Capital Employed where Capital Employed is sum of Long Term Borrowings + Deferred Tax Liabilities + Tangible Net-worth

\*\* PAT / Avg. Net-worth where Net-worth excludes Capital Reserve & Amalgamation Reserve

^^ excluding CWIP



➤ PART ONE

# Q4 performance in numbers

# This is what we achieved in Q4 FY23 (standalone numbers)



**252.35**

Rs. cr. of total  
comprehensive  
income (TCI)

*Rs. 285.10 cr. in the  
corresponding quarter,  
Q4 FY22*

**404.17**

Rs. cr. of EBITDA

*Rs. 331.04 cr. in the  
corresponding quarter,  
Q4 FY22*

**12.33**

Rs. earnings  
per share

*Rs. 14.16 in the  
corresponding quarter,  
Q4 FY22*

**75.77%**

% revenues from sugar

*79.05% in the corresponding  
quarter, Q4 FY22*

**23.78%**

% revenues from distillery

*20.41% in the corresponding  
quarter, Q4 FY22*

**0.45%**

% revenues from others

*0.54% in the corresponding  
quarter, Q4 FY22*

# Financial performance (standalone numbers)



Q4 FY23 (Rs. Cr)	Q4 FY22 (Rs. Cr)	Change (%)	Particulars	FY23 (Rs. Cr.)	FY22 (Rs. Cr.)	Change (%)	FY21 (Rs. Cr.)	FY20 (Rs. Cr)	FY19 (Rs. Cr)
1491.52	1279.61	16.6%	Revenue from Operations	4665.86	4846.03	-3.7%	4811.66	4741.29	4285.78
404.17	331.04	22.1%	EBITDA	512.33	699.70	-26.8%	713.83	681.97	689.07
27.1%	25.9%	-	EBITDA Margin (%)	11.0%	14.4%	-	14.8%	14.4%	16.1%
40.17	28.41	41.4%	Depreciation & amortization	129.50	113.86	13.7%	111.88	101.42	95.85
21.14	7.78	171.7%	Finance Costs	48.65	30.87	57.6%	39.30	64.17	40.94
-	52.74	-	Exceptional income	-	52.74	-	-	-	-
359.35	359.34	0.0%	Profit Before Tax	396.96	655.62	-39.5%	596.11	554.93	595.03
24.1%	28.1%	-	PBT Margin (%)	8.5%	13.5%	-	12.4%	11.7%	13.9%
108.55	70.39	54.2%	Tax	121.44	140.96	-13.9%	126.34	45.65	24.39
1.56	(3.86)	-	Other Comprehensive Income	(6.22)	(3.62)	-	(0.56)	(7.01)	(5.14)
252.35	285.09	-11.5%	Total Comprehensive Income	269.31	511.04	-47.3%	469.21	502.27	565.50
12.33	14.16	-	EPS (Rs.)	13.51	24.86	-	22.01	22.98	24.98

Footnote:

- Seasonal nature of the industry.
- Lower cane availability in the sugar season 2020-21 & 2021-22 owing to weather conditions / pest attack on crop.
- Higher cane availability in the sugar season 2022-23 owing to increased cane area along with higher yield at farm level.
- The Company is actively working on varietal re-balancing of cane / disease management activities.

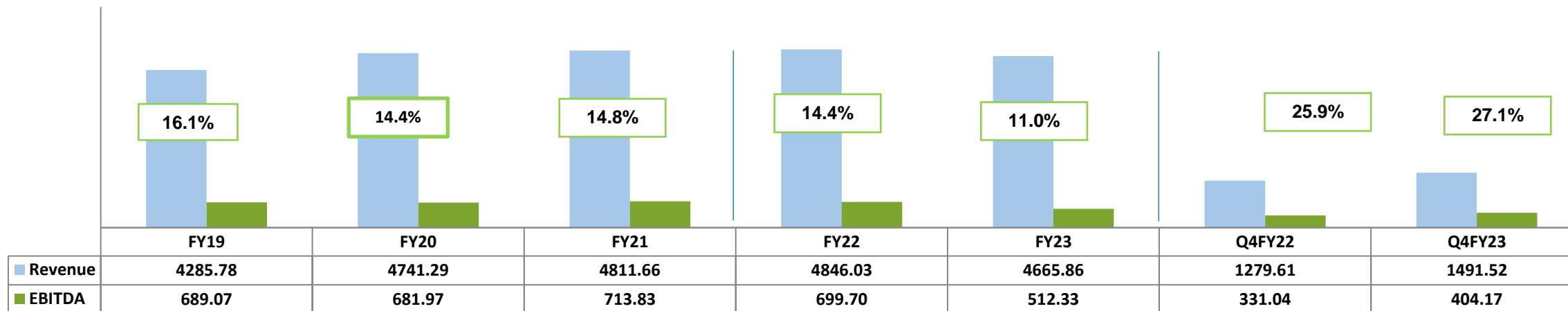
**Outcome: In view of the aggressive diversion of cane towards B-heavy molasses route and Syrup route resulting in sacrifice of sugar for production of Ethanol, sugar inventory is moderating which in turn is supporting the domestic sugar prices.**

# Performance highlight (standalone numbers)

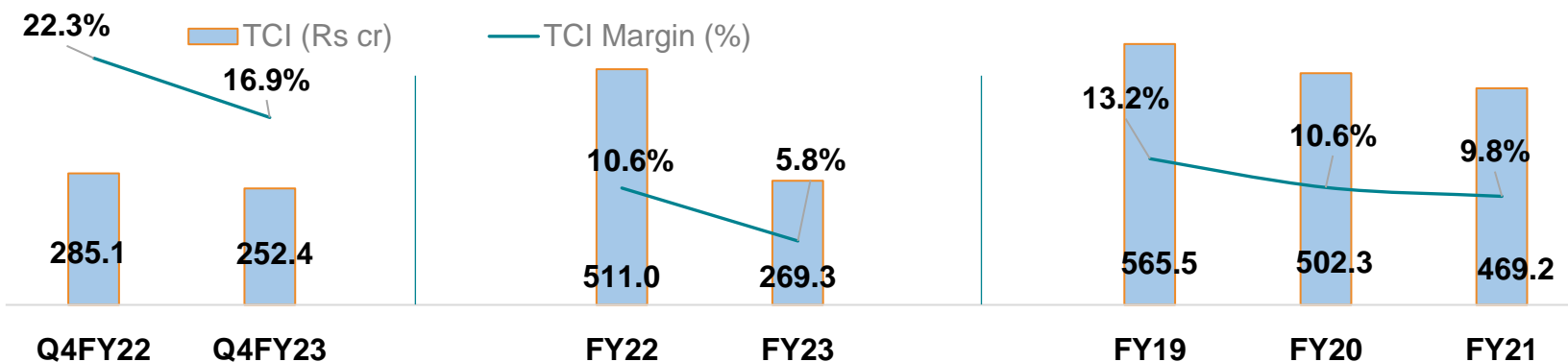


Rs. in Crs

## Revenue, EBIDTA & EBIDTA Margins



16.6% increase in revenue in Q4FY23 as compared to Q4FY22 is primarily due to higher exports and higher distillery volumes along with better realizations.



Sugar being a seasonal industry, it is recommended that the performance of the Company be evaluated on annual basis and not on quarterly basis.

TCI - Total Comprehensive Income

## Q4 performance (standalone numbers) explained

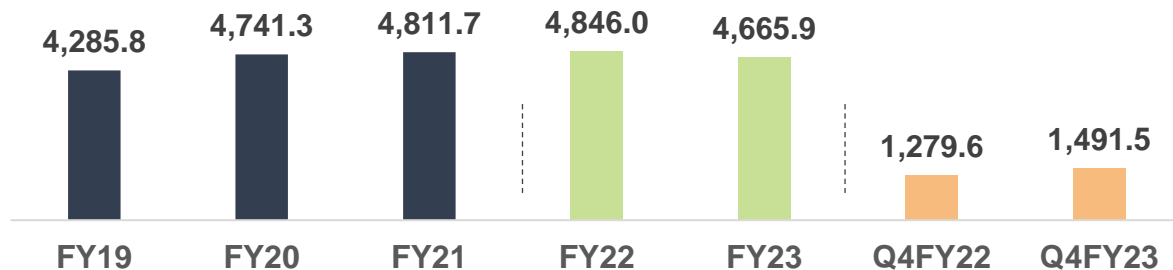


	Q4FY23 (Rs. Cr)	Q4FY22 (Rs. Cr)	Variance (%)	Key Reasons
Revenue from operations	1491.53	1279.61	16.6%	<i>Higher distillery volumes coupled with higher realizations in both sugar &amp; distillery</i>
Other income	16.49	11.76	40.2%	<i>Mainly owing to sale of scrap and gain on sale of highly liquid investments</i>
Cost of materials consumed	2204.15	2090.68	5.4%	<i>In line with increased cane crushing</i>
Changes in inventories of finished goods, by-products and work-in-progress	(1365.32)	(1362.20)	0.2%	-
Employee benefits expense	101.01	88.92	13.6%	<i>Impact of increment</i>
Finance costs	21.14	7.78	171.7%	<i>Higher interest rates &amp; Deployment of internal accruals into project resulting in higher working capital deployment to fund operations</i>
Depreciation and amortization expense	40.17	28.41	41.4%	<i>Impact of capex</i>
Other expenses	147.51	131.17	12.5%	<i>Mainly owing to levy of regulatory fee on molasses (₹ 7.86 crs)</i>
Tax expense	108.55	70.39	54.2%	<i>Increased provision for Deferred tax</i>
Other comprehensive income	1.55	(3.86)	-	-

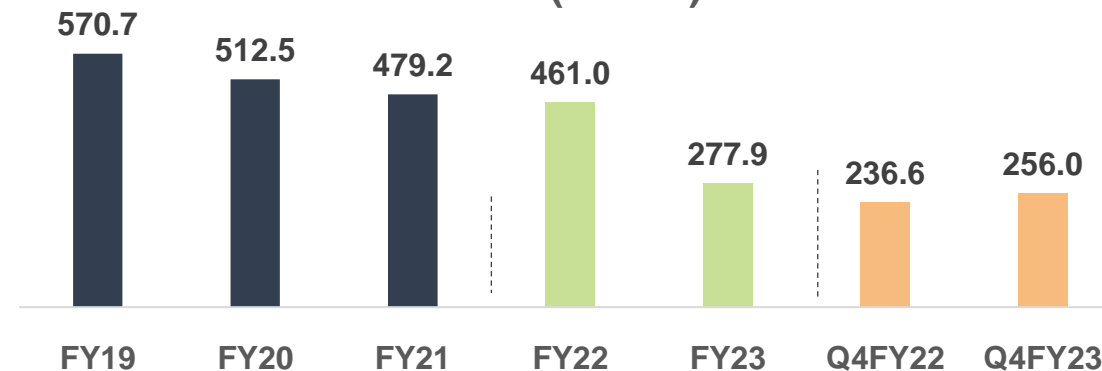
# Consolidated Financial Performance



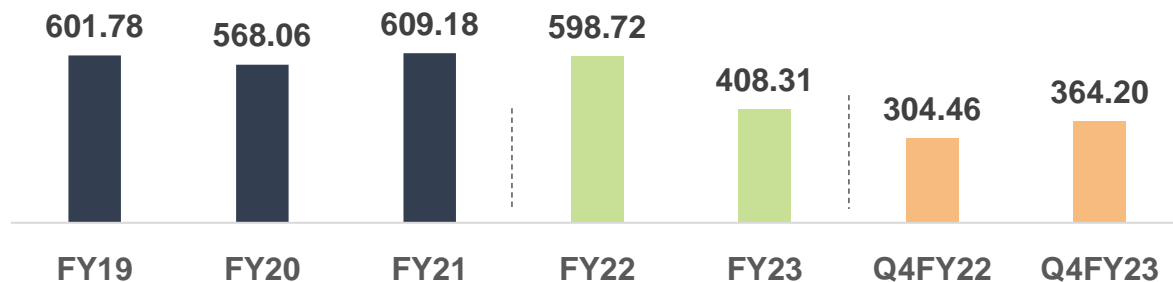
### Revenue (Rs. Cr)



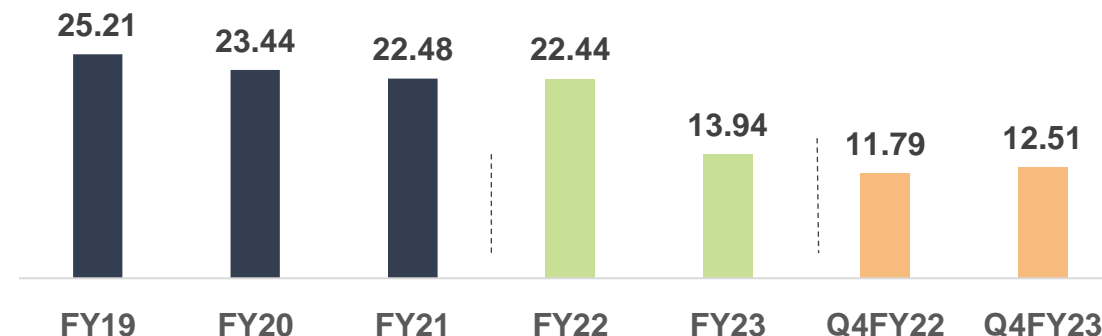
### TCI \* (Rs. Cr)



### PBT (Rs. Cr)



### EPS (Rs.)



#### Note:

- Consolidated results of the Company for the year ended 31<sup>st</sup> March 2023 includes results of one Associate of the Company viz. Auxilo Finserve Pvt. Ltd.
- During Q4FY22, Company sold its entire Investment in Visual Percept Solar Projects Pvt. Ltd.
- Company's share in Auxilo Finserve Pvt. Ltd. as on 31<sup>st</sup> March 2023 stands at 43.93%.

\* TCI - Total Comprehensive Income





➤ PART TWO

# The performance of our principal businesses

# Business Overview - Sugar



75.77

% of Company's  
revenues,  
Q4 FY23

1522.31

Rs. cr. revenues  
in Q4 FY 23

1173.41

cr. revenues in  
Q4 FY 22

29.73% increase



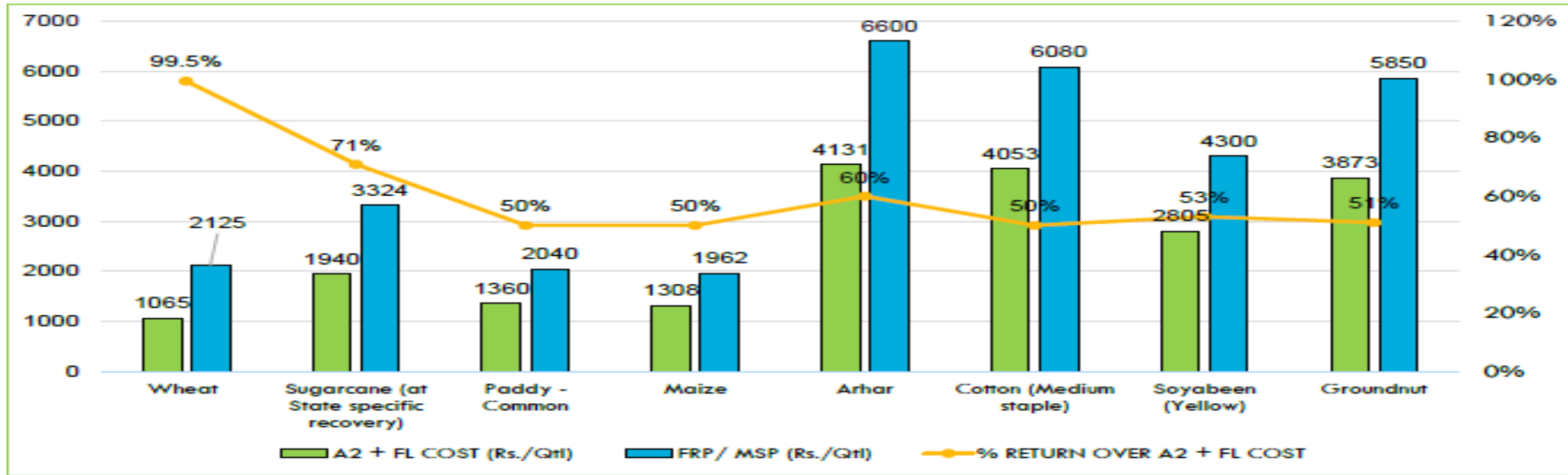
# Policy intervention from Government

- **FRP:** Fair & Remunerative Price (FRP) of sugarcane for the sugar season 2022-23 was revised to ₹305 per quintal from ₹290 per quintal in the previous season (linked to a basic recovery of 10.25%).
- **SAP:** State Advised Price (SAP) of sugarcane **for the sugar season 2022-23 remained unchanged.** In sugar season 2021-22 the state of Uttar Pradesh increased the SAP by Rs. 25 to Rs. 350 per quintal for early variety of cane, revised after a period of 4 years.
- **MSP:** Minimum Selling Price (MSP) of sugar was first fixed at Rs. 29 per kg in June 2018 and later increased to Rs. 31 per kg in February 2019. MSP is the ex-factory price (excluding GST and transportation charges) below which no mill can sale sugar in India. **However, the prevailing selling price of sugar is much above the MSP.**
- **Stock Holding:** Along with MSP, stock holding limits on mills regulates the supply of sugar in domestic market which in turn provides stability to the domestic prices.
- **Export:** Export of sugar continues to attract zero customs duty. **Export quota for sugar season 2022-23 announced for 6.1 million metric tonnes.**
- **Import:** A higher customs duty continues on import of sugar.
- **Soft Loans:** Soft loans through banks for encouraging new distillery capacities or the augmentation of existing capacities, which facilitate higher ethanol production and reduces surplus sugar by diversion through B-heavy molasses and cane juice/sugar syrup to ethanol.
- **Taxes:** A lower GST of 5% on ethanol.

The above interventions by both the Central Government and the State Government reflects a clear shift in the mind-set of policy makers which augurs well for the industry

Still some measures need to be taken to enable the industry to become self-sufficient viz. increase in MSP and higher prices of Ethanol from Syrup/Juice to encourage capex and allow mills to have desired level of returns on investments

# Economics of Sugarcane vs Other Crops



Crops	Relative Gross Returns over A2+FL cost with respect to sugarcane		
	2020-21	2021-22	2022-23
Sugarcane	100	100	100
Cotton + Wheat	50	45	53
Paddy + Wheat	47	51	49
Paddy + Paddy	31	39	35
Soybean + Wheat	37	34	39
Soybean + Gram	28	20	24

Source:  
CACP Report –  
Sugarcane 2022-23;  
Kharif 2022-23;  
Rabi 2023-23

**In addition to being 2nd most remunerative crop after wheat, sugarcane has the advantage of being a sturdy crop, has an assured buyer, gets the assured price and does not have any middleman between farmers and mills**

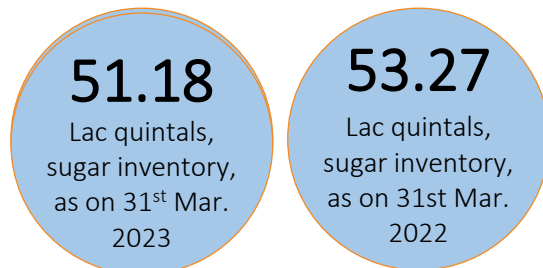
**Returns from sugarcane continues to be very high as compared to other crops**

# This is what sugar business achieved

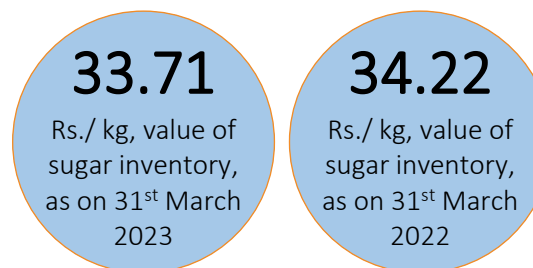


- **1.12%** decrease in sugar sales volume in Q4 FY23 (compared with Q4 FY22)
- **4.87%** increase in blended sugar realizations in Q4 FY23 (compared with Q4 FY22)
- **Bottomline:** Lower domestic sugar volumes off-set by higher export sales coupled with higher realizations

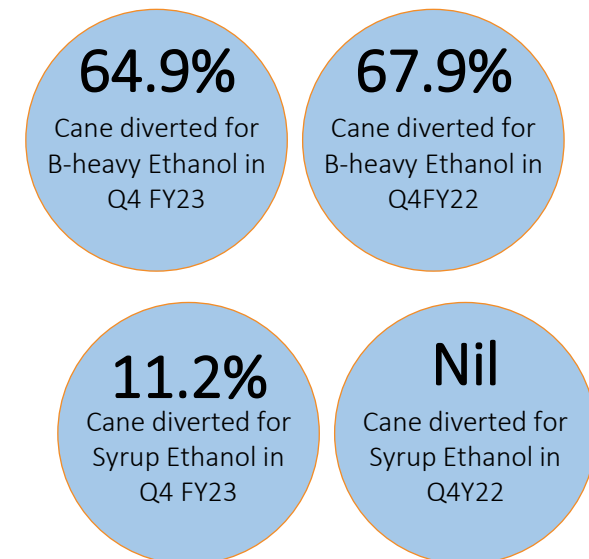
## Inventory size



## Inventory valuation



## Cane diversion





# Performance Overview – Sugar



Financial data	U.O.M.	Q4 FY23	Q4 FY22	Change (%)	FY23	FY22	Change (%)	FY21	FY20	FY19
Segment Revenues *	(Rs. Cr)	1522.31	1173.41	29.73%	4338.57	4262.98	1.77%	4351.68	4423.26	3822.44
Segment PBIT	(Rs. Cr)	313.80	229.26	36.88%	238.49	296.30	-	329.47	389.04	338.41
PBIT %	%	20.6%	19.5%	-	5.5%	6.9%	-	7.6%	8.8%	8.9%

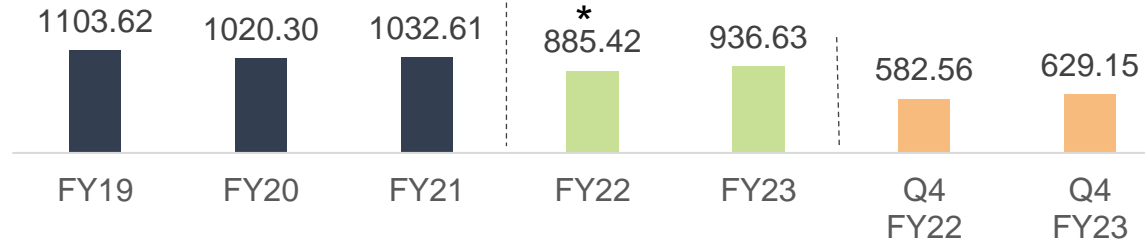
* Includes	U.O.M.	Q4 FY23	Q4 FY22	Change (%)	FY23	FY22	Change (%)	FY21	FY20	FY19
Financial assistance from Government on exports has been accounted under "Other Operating Revenues	(Rs. Cr)	-	-	-	-	72.76	-	136.77	272.25	49.31

India has been exporting sugar without any financial assistance from Government of India since sugar season 2021-22

# Business Overview: Sugar - Operational numbers

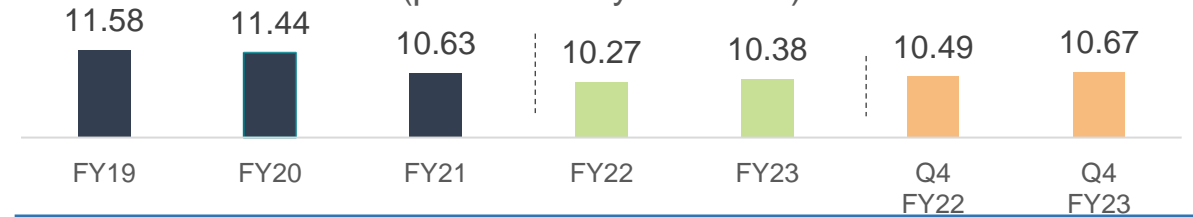


Sugarcane Crushed (lac quintals)



\* Lower cane availability owing to weather conditions / pest attack on crop

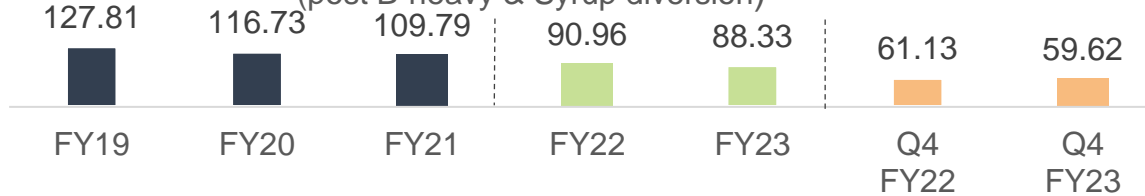
Sugar Recovery (%)  
(post B-heavy diversion)



Pre-diversion (B-heavy) sugar recovery (%)

11.58	11.93	11.77	11.55	11.51	11.74	11.80
-------	-------	-------	-------	-------	-------	-------

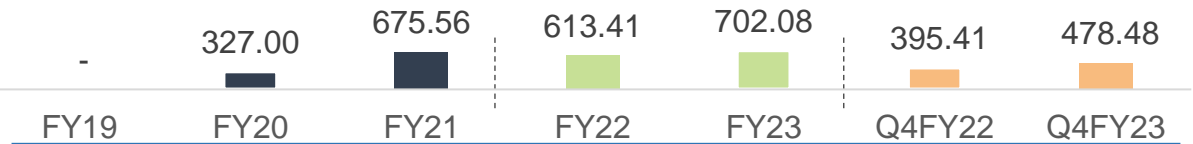
Sugar Production (lac quintals)  
(post B-heavy & Syrup diversion)



Sugar Sacrifice (under B-heavy route) (lac quintals)

-	5.10	11.73	11.27	9.64	7.29	6.07
---	------	-------	-------	------	------	------

Cane diverted towards B-heavy molasses & Syrup route (lac qtls.)



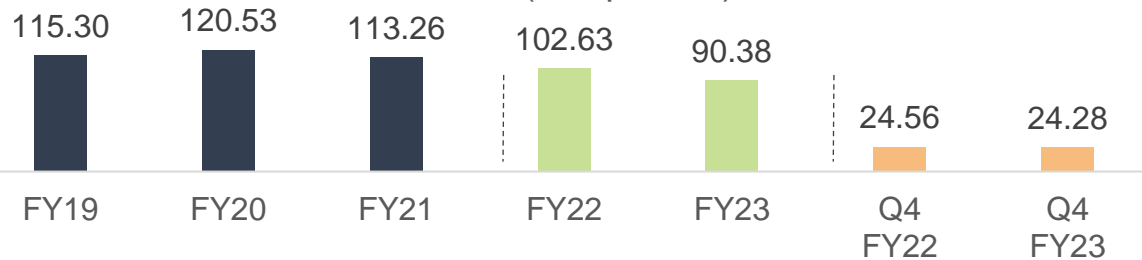
Cane diverted towards B-heavy molasses route (%)

-	32.0%	65.4%	69.3%	65.8%	67.9%	64.9%
---	-------	-------	-------	-------	-------	-------

Cane diverted towards Syrup route (%) resulting in Nil sugar production

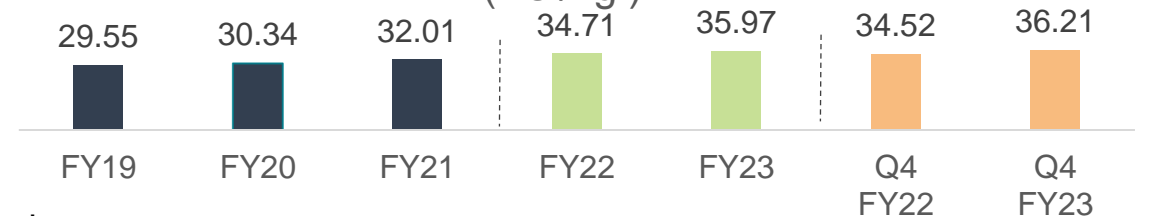
-	-	-	-	9.2%	-	11.2%
---	---	---	---	------	---	-------

Sales \* (lac quintals)



\* Includes export

Average blended realization of sugar  
(Rs./kg.) \*



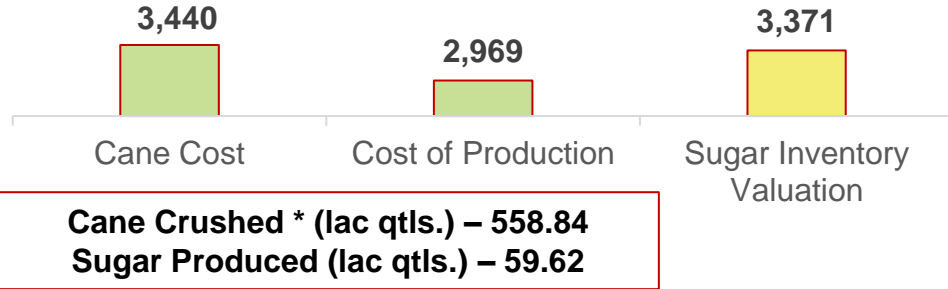
\* Excluding Government assistance on exports



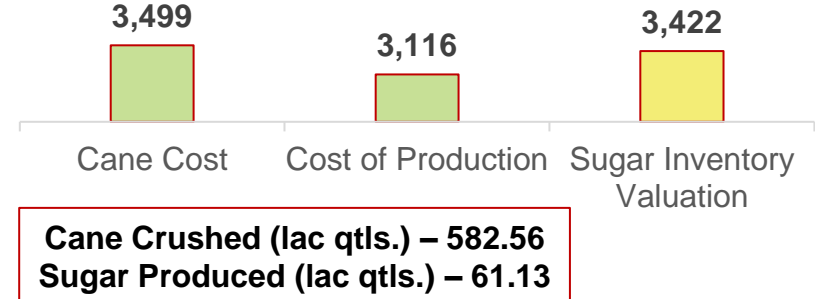


# Movement in Sugar Costs & Valuation (Rs./qtl. of sugar)

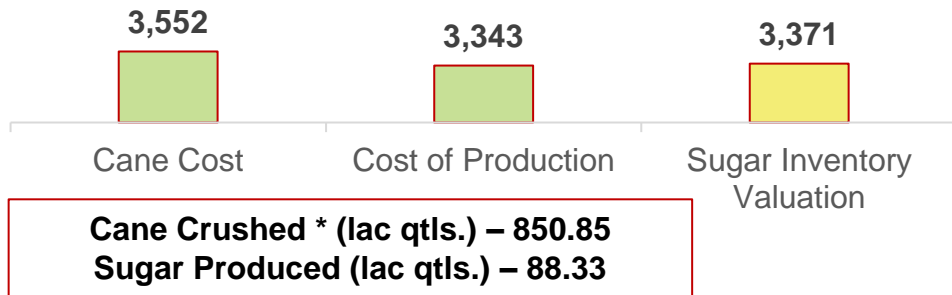
Q4FY23



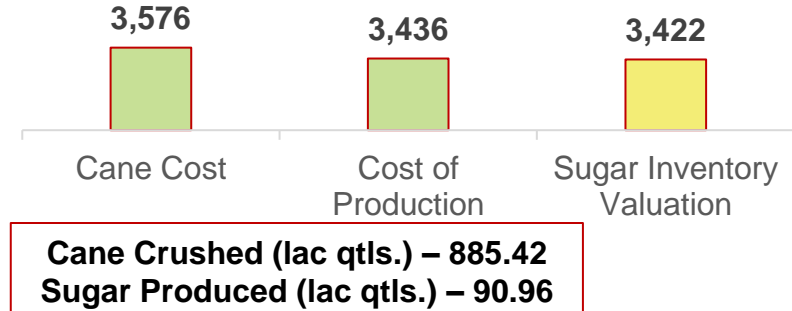
Q4FY22



FY23



FY22



**Sugar inventory as on 31<sup>st</sup> Mar. 2023 stood at 51.18 lac quintals (including WIP) valued at an average rate of Rs. 33.71 per kg as compared to 53.27 lac quintals as on 31<sup>st</sup> Mar. 2022 valued at an average rate of Rs. 34.22 per kg**

- Note:**
- ❖ *Cost of production (including cane cost) is net of credit for bagasse, molasses, syrup and pressmud*
  - ❖ *Sugar inventory being valued at lower of net realizable value (NRV) or cumulative year to date costing*

**\* Cane crushed excludes quantity diverted towards syrup:**  
**Q4FY23 - 70.31 lac qtls.**  
**FY23 - 85.79 lac qtls**

# This is the outlook of sugar business



- Expectation of better cane availability in next season for the Company
- Improvement in varietal balance which will lead to enhanced sugar recoveries
- With depleting inventory, domestic sugar realization to improve
- Export quota allocated for sugar season 2022-23 has been despatched / swapped.
- Asset modernization and upgradation completed in November/December 2022 expected to be fully utilized from 2023-24 onward
- Company has embarked on expansion of crushing capacity at one of its plant by 2000 TCD.

# Business overview: Distillery



## Distillery revenues

477.78

Rs. cr. Q4FY 23

302.82

Rs. cr. Q4FY 22

57.78% higher

## Distillery PBIT

83.97

Rs. cr. Q4FY 23

104.87

Rs. cr. Q4FY 22

19.93% lower

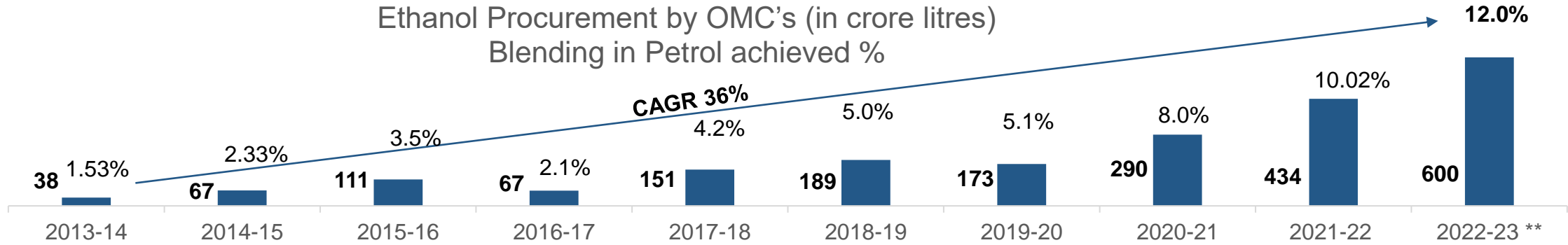
23.78

% of revenues,  
Q4, FY23



# Trend in Ethanol Supply fulfilling the domestic demand

Ethanol Procurement by OMC's (in crore litres)  
Blending in Petrol achieved %



**\*\* OMC have finalized tenders for 518.35 crore litres out of which 513.66 crore litres has been contracted and 220.31 crore litres has been delivered till 23rd April 2023 resulting in Pan India Ethanol blending of 11.61%. Targeted blending for 2022-23 is 12.0%**

Price fixed by Government (Rs./BL)	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23*/
C-route Ethanol	39.00	40.85	43.46	43.75	45.69	46.66	49.41
B-route Ethanol	-	-	52.43	54.27	57.61	59.08	60.73
Juice-/Syrup route Ethanol	-	-	59.19	59.48	62.65	63.45	65.61

**\*/ Prices for 2022-23 are effective from December 2022 and are valid till 31<sup>st</sup> October 2023**

Central Government approved the National Policy on Biofuels to achieve 20% blending of Ethanol in petrol. Key benefits highlighted by the government include:

Take care of surplus sugar (target to sacrifice ~6 million tonnes of sugar by 2025-26)		Employment generation
Reduce import dependency of fuels (savings of ~\$4 billion forex i.e. more than Rs. 30,000 crs.)		Health benefits
Cleaner environment through E20 fuel. Carbon Monoxide emissions will be 50% lower in two-wheelers and 30% lower in four-wheelers. Hydrocarbon emissions will be 20% lower in both		Municipal Solid Waste Management
Additional income to farmers, Infrastructural investment in rural areas		

**In January 2021, the target of achieving 20% Ethanol-blending with petrol was preponed to 2025. For the same, the country will need to produce ~1016 crore litres of Ethanol**

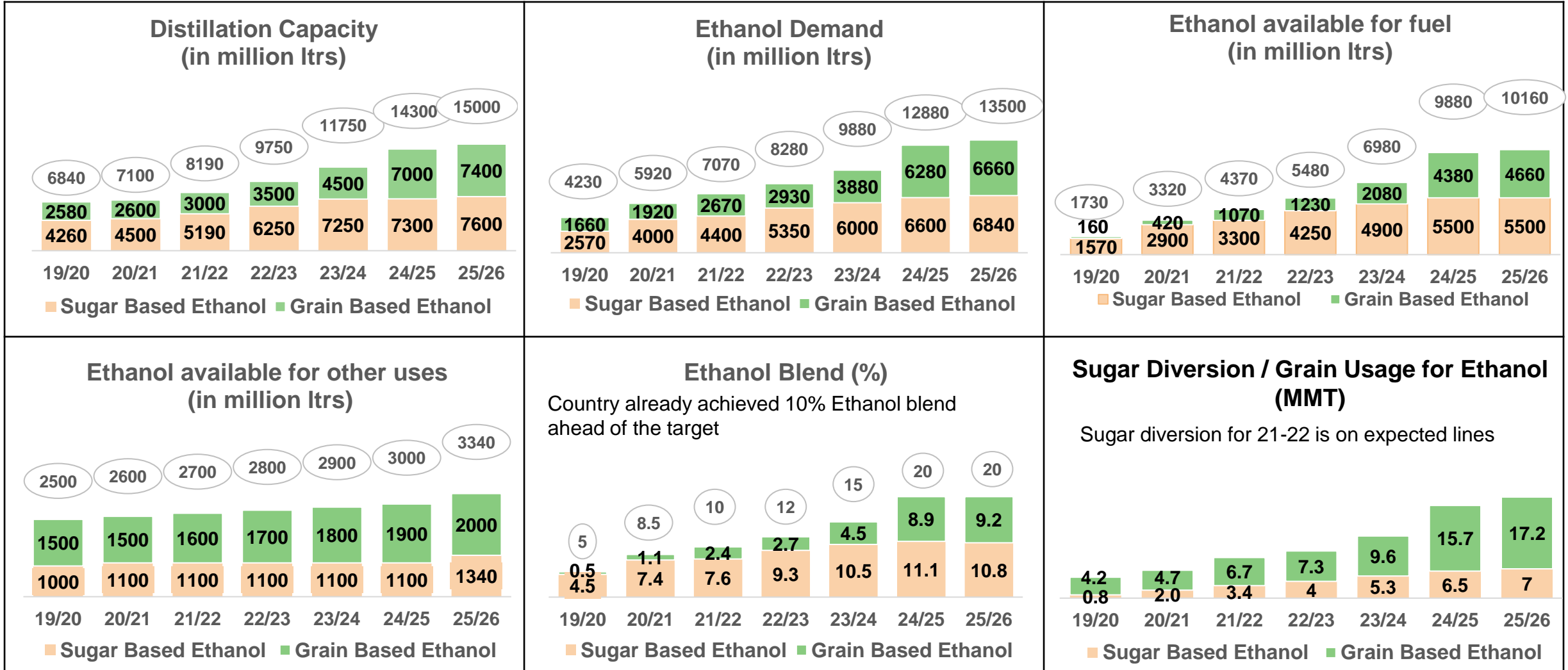
**E20 fuel at ~100 retail outlets has been launched to fast track the 20% blending percentage.**



# Road-map for Ethanol Blending in India 2025-26



○ = total



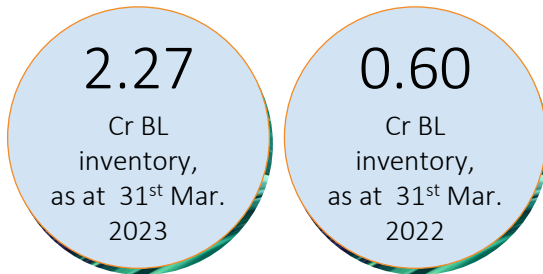
Source: Report of the Expert Committee, NITI Aayog | Ministry of Petroleum and Natural Gas

# Performance of distillery business

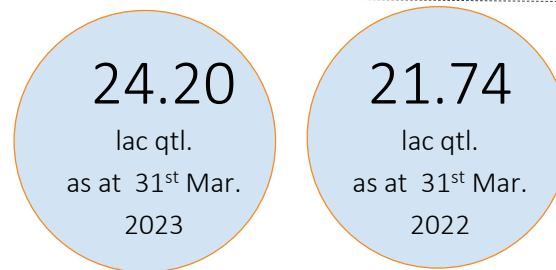


- **50.2%** higher sales volumes (compared to Q4FY22) owing to capacity expansion as well as production of Ethanol from sugar syrup
- **6.5%** higher realizations (compared to Q4FY22)

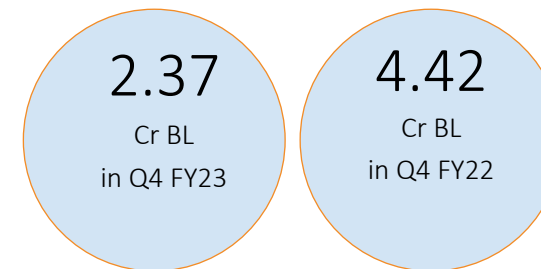
## Alcohol Stock



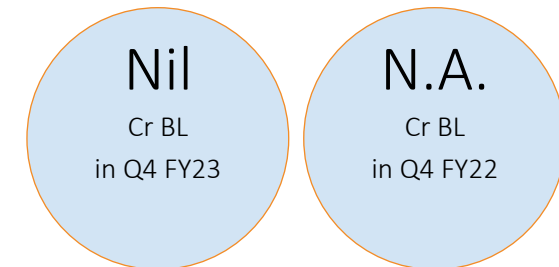
## B-heavy Molasses Stock



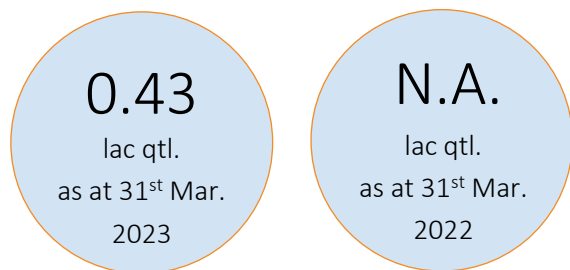
## Ethanol Sale (B-heavy)



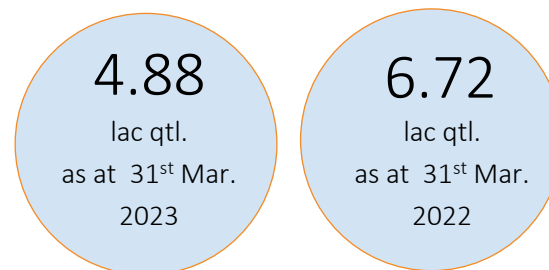
## Ethanol Sales (Grains)



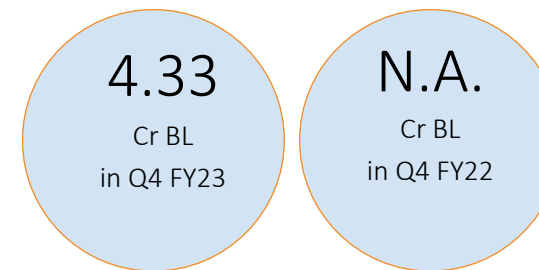
## Syrup Stock



## C-heavy Molasses Stock



## Ethanol Sale (Syrup route)



# Business Overview – Distillery



Financial data	U.O.M.	Q4 FY23	Q4 FY22	Change (%)	FY23	FY22	Change (%)	FY21	FY20	FY19
Segment Revenues *	(Rs. Cr)	477.78	302.82	57.8%	1163.98	1001.41	16.2%	841.52	566.38	495.82
Segment PBIT	(Rs. Cr)	83.97	104.87	-19.9%	261.30	382.36	-31.6%	344.09	264.19	322.87
PBIT %	%	17.6%	34.6%	-	22.5%	38.2%	-	40.9%	46.7%	65.1%
Transfer price of B-heavy molasses	Rs./qtl.	1090	1030	5.8%	1090 w.e.f Dec-22	1030 w.e.f Oct-21	5.8%	700	700	N.A.
Transfer price of Syrup	Rs./qtl.	1663	N.A.	-	1709	N.A.	-	N.A.	N.A.	N.A.

## Notes:

* Includes Freight reimbursement on the sale of Ethanol	(Rs. Cr)	13.03	13.67		30.09	32.61		22.44	12.28	5.37
Transport charges incurred on sales booked on the expense side of the P/L account	(Rs. Cr)	18.95	18.74		46.45	50.35		40.89	25.78	21.15
Net freight expenses	(Rs. Cr)	5.91	5.07		16.36	17.74		18.45	13.50	15.78
Incidence of net freight expenses per/BL of ethanol despatch	(Rs./BL)	0.87	1.08		0.96	1.13		1.27	1.24	1.46

## Status of Ethanol contracts by the Company for the Ethanol Year 2022-23

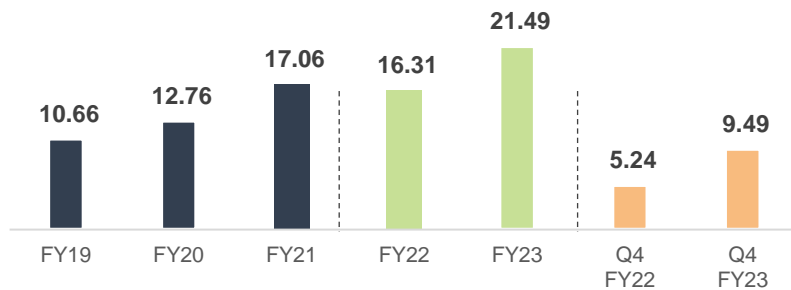
Syrup route Ethanol (Cr. BL)	Total	B-heavy Ethanol (Cr. BL)	Total	C-heavy Ethanol (Cr. BL)	Total	Grain route Ethanol (Cr. BL)	Total
Contracted volume	8.79	Contracted volume	12.34	Contracted volume	0.25	Contracted volume	5.37



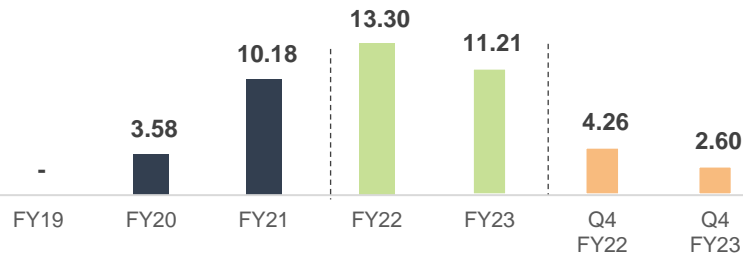
# Business Overview – Distillery - Operational numbers



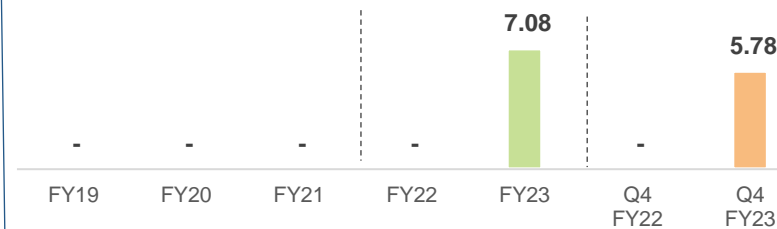
Total Production \* (Cr BL)



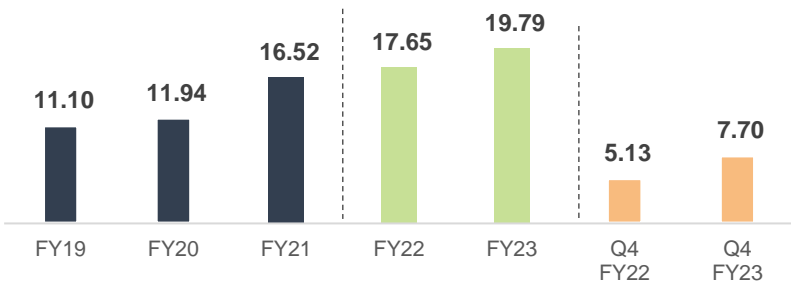
Ethanol Production from B-heavy molasses route (Cr BL)



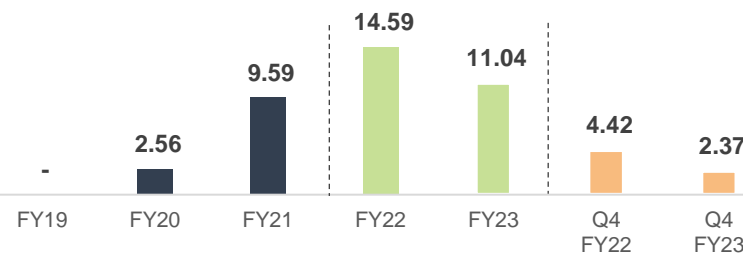
Ethanol Production from Syrup & Grain route (Cr BL)



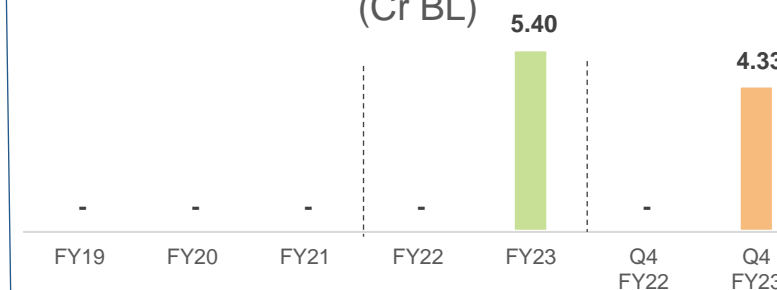
Total Sales \* (Cr BL)



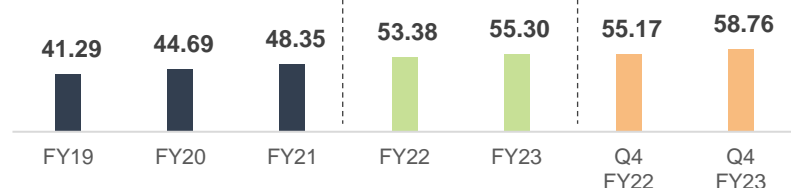
Ethanol Sales from B-heavy molasses route (Cr BL)



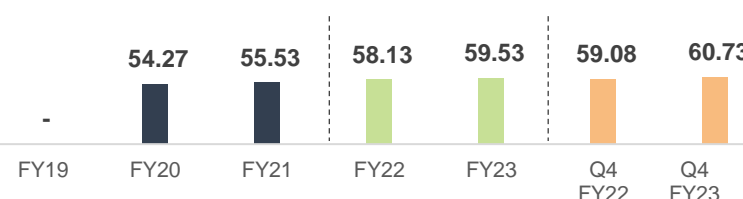
Ethanol Sales from Syrup & Grain route (Cr BL)



Average Blended Realization – Alcohol (Including ENA / Others) (Rs./BL) \*\*



Average Realization – B-heavy Ethanol (Rs./BL) \*\*



Average Blended Realization – Syrup & Grain (Rs./BL)



- Includes ENA & Other products
- \*\* Does not include relief amount / freight from sales

**We are focusing on Syrup & B-heavy route Ethanol over C-heavy route Ethanol**

# This is the outlook of distillery business



- Encouraging long-term government policy on increasing the use of ethanol in India's vehicular fuel mix
- Profitable foundation for sustainable growth
- Increased distillation capacity from 560 KLPD to 1050 KLPD.
- Projected increase from ~21% of the company's revenues in FY23 to ~35% by FY2023-24
- Ethanol business to have increased contribution to top-line
- Government has recently announced ethanol prices under the EBP Programme for ESY 2022-23, as under:

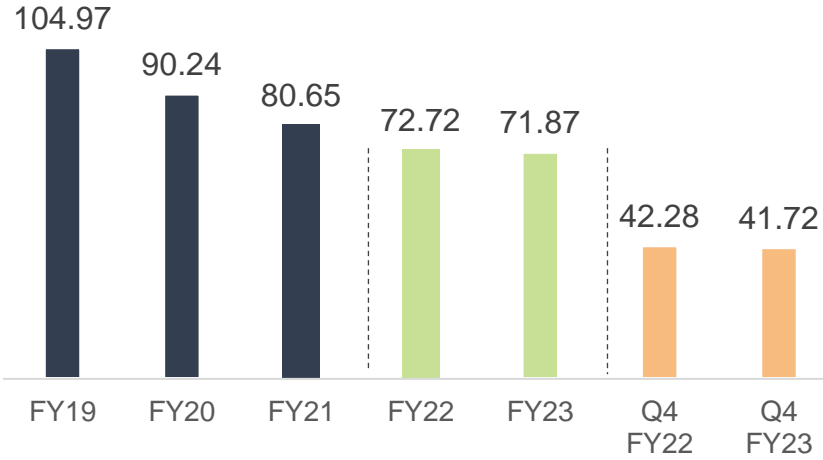
Period		C-route	B-route	Syrup	Damaged Grains	Surplus Rice
Dec 22 - Oct 23	(ESY 2022-23)	49.41	60.73	65.61	55.54	58.50
Dec 21 - Nov 22	(ESY 2021-22)	47.84	60.57	65.05	55.26	58.31
	(including incentive w.e.f. 1st June,22)	(1.18)	(1.49)	(1.60)	(2.34)	(1.44)
	<b>% change (in ESY 2022-23 w.r.t. ESY 2021-22)</b>	<b>5.89%</b>	<b>2.79%</b>	<b>3.40%</b>	<b>4.95%</b>	<b>2.87%</b>

- OMC's have floated tenders for ESY 2022-23 for 600 cr BL as compared to 455.57 cr BL in ESY 2021-22
- Against the same OMC's have finalized LOI for 518.35 crore BL out of which 513.66 crore BL has been contracted
- Ethanol prices are announced annually by the Central Government based on a formula, which factors in the price of sugar and FRP of sugarcane to calculate ethanol procurement prices. Ethanol prices are delinked from crude or petrol prices.

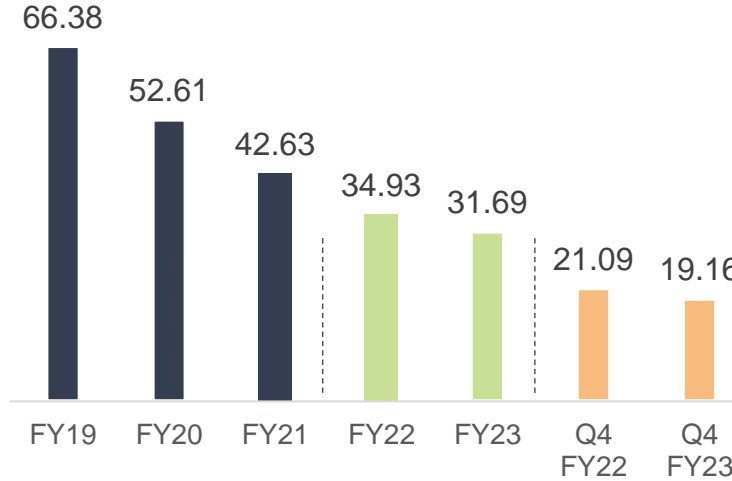
# Business overview: Cogeneration



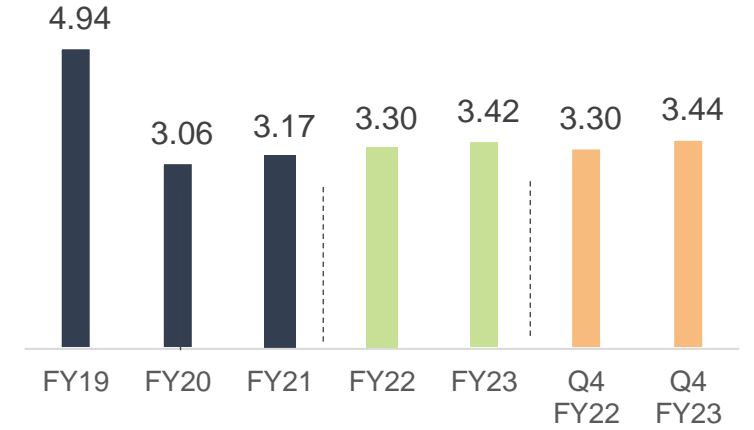
Production (Cr units)



Power sales (Cr units)



Average Realization (Rs. per unit)



**As at 31st March 2023 stock of bagasse stood at 3.88 lac MT as compared to 2.67 lac MT as on 31st March 2022**

**Transfer price of bagasse currently stands at Rs. 1800/MT as compared to Rs 1400/MT earlier.**

UPERC had reduced the tariff for power w.e.f. 1st April 2019 which resulted in lower revenue and profit.

The same is being contested and presently the case is lying with Hon'ble High Court at Allahabad. Next date for hearing is yet to be fixed.

Owing to reduced power tariff, Company has decided to operate Cogen plants for lower number of days during off-season and sell surplus bagasse.





➤ PART THREE

# Treasury management

# Factors influencing our treasury management

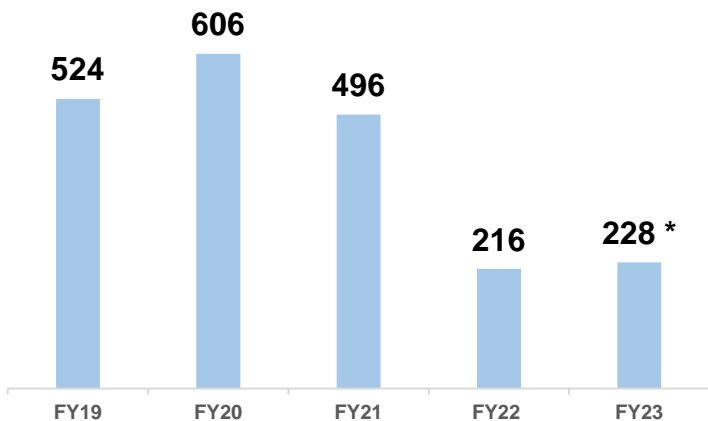


- Our product mix (to manufacture sugar or produce ethanol)
- To sell sugar within India or export
- The government's allocation of sugar sale quota to the company
- The terms of trade related to sales
- The cost of debt on the company's books / external credit rating

# Major Working Capital Components / Long Term Debt

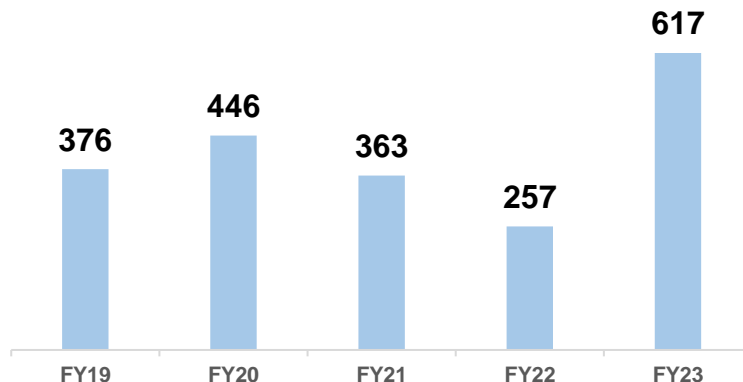


Cane price payable  
(Rs. Cr.)



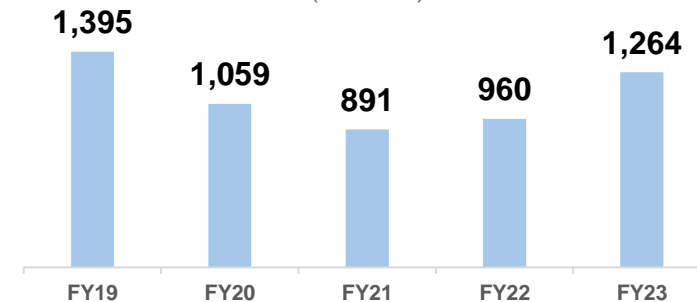
\* No overdue

Long Term Debt  
(including current maturities)  
(Rs. Cr.)



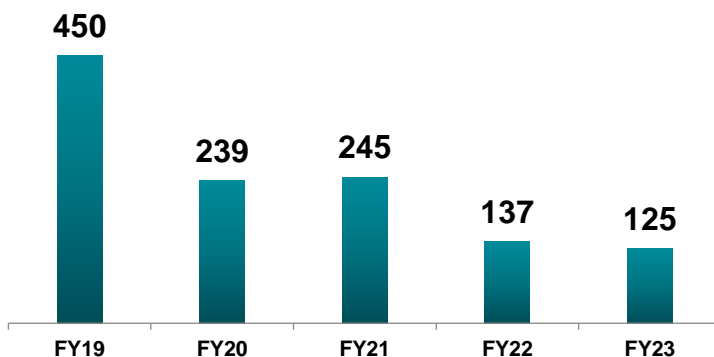
Borrowings increased to fund capex

Short Term Debt [excluding current maturities of long term debt]  
(Rs. Cr.)



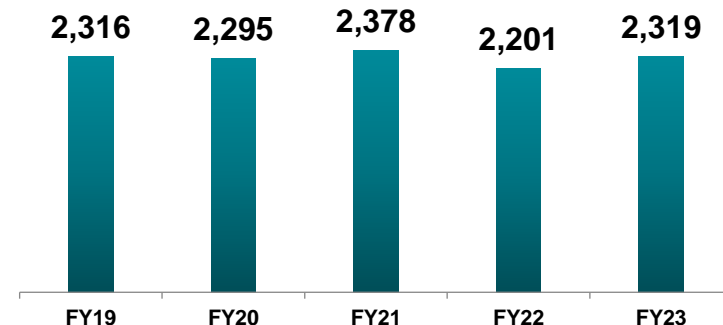
Debt reduced/moderated over the years  
Increase in FY22 owing to speedy cane price payments  
Increase in FY23 owing to deployment of internal accruals into project

Debtors  
(Rs. Cr.)



Increase in distillery volumes will lead to better debtors management as the cycle is ~30 days

Inventories  
(Rs. Cr.)



# Cash Flow Analysis – (standalone)



Rs. Cr

Sl. no.	Particulars	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
1	Profit before tax	595.03	554.93	596.11	655.61	396.97
2	Cash generated from / (used) in operating activities	(523.01)	849.61	649.21	694.65	452.91
3	Net cash (used) in investing activities	(159.20)	(304.71)	(81.13)	(309.38)	(858.75)
4	Net cash (used) / generated in financing activities	681.88	(545.52)	(569.12)	(385.39)	405.83
5	Cash & Cash equivalents as on the reporting date	2.12	1.49	0.45	0.32	0.31

**Note:**

In March 2018, sugar inventory was valued at Rs. 26.80 per kg whereas the cost of production was Rs. 31.08 per kg.

During June 2018, Central Government introduced the concept of Minimum Selling Price (MSP) of sugar.

This policy change/intervention resulted in sustainable revenues and profit while negating variations and induced cyclicity.



# Treasury management update

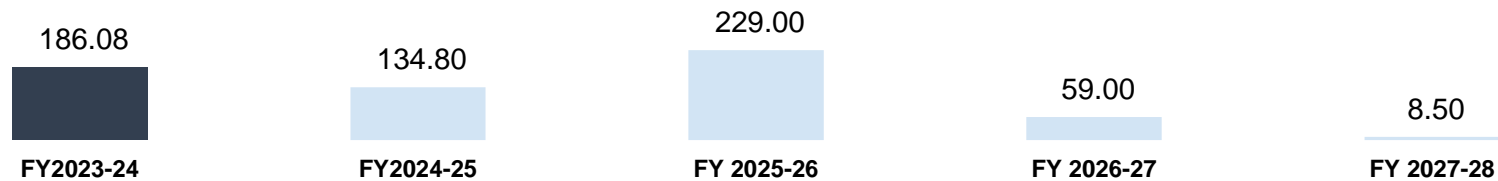


- Long-term credit rating re-affirmed at AA+ (Stable) and the short-term rating at A1+ by CRISIL



As of 31st March 2023, long term borrowings of the Company stands at Rs. 617.38 crores which carries low interest rate of ~4.1%-8.9%. Repayment obligation towards long-term borrowings is as under:

## Yearly repayment schedule as per terms of sanction (₹ in crores)



During FY2023, Company availed Long Term borrowings of Rs. 326 crores for the capex in the Distillery segment which is eligible for 50% interest subvention  
In addition, Rs. 140 crores via NCD was raised to fund the capex in the sugar segment



5

Number of successive  
share buybacks  
in five years

42.90%

% shareholding of  
promoter  
as at 31.03.23

6<sup>th</sup>

Buy-back approved by  
the Board in its  
meeting held on 9<sup>th</sup>  
November 2022 & is  
currently under  
progress \*

\* Company has bought back  
2290755 equity shares till  
10th May 2023

40.40

Lakh maximum shares  
at maximum price,  
(size of the sixth share  
buyback)

360.00

Rs. per share,  
maximum price of  
sixth share buyback

145.44

Rs. cr. Maximum  
outflow in the sixth  
share buyback,  
excluding taxes



➤ PART FOUR

# Global & Indian Sugar Sector Overview

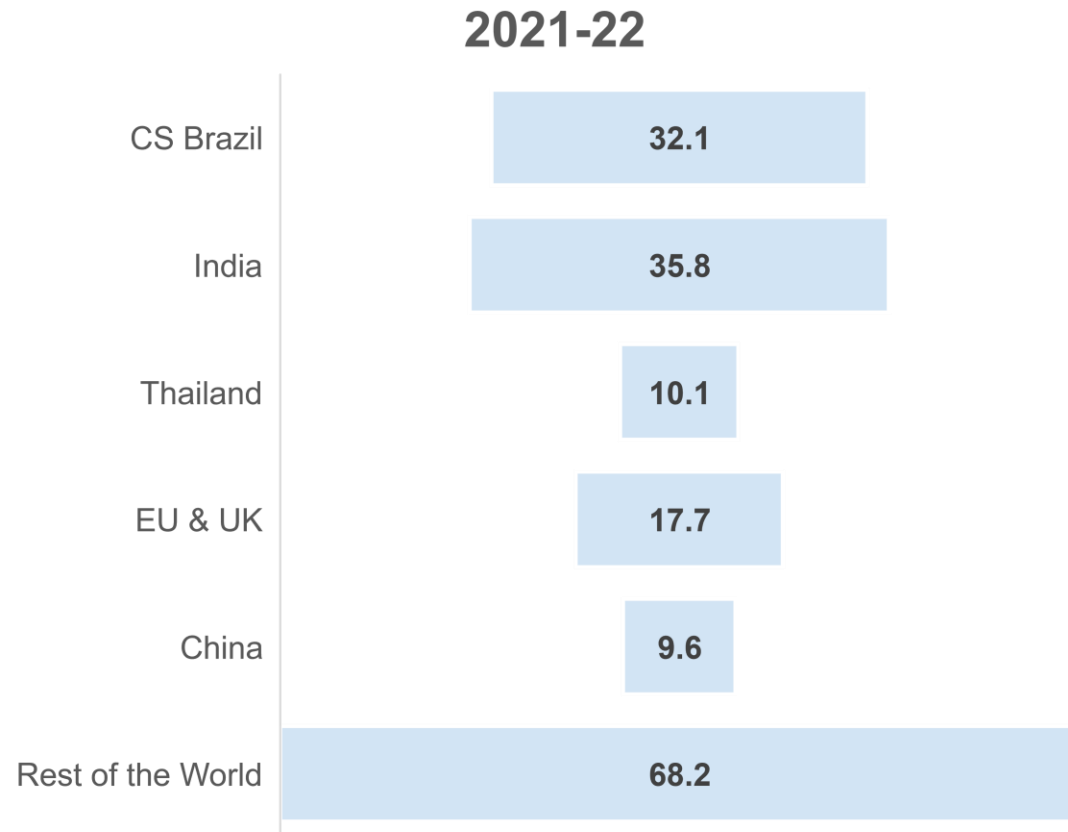


The company's sugar prospects are influenced by trends in the global and domestic sugar markets

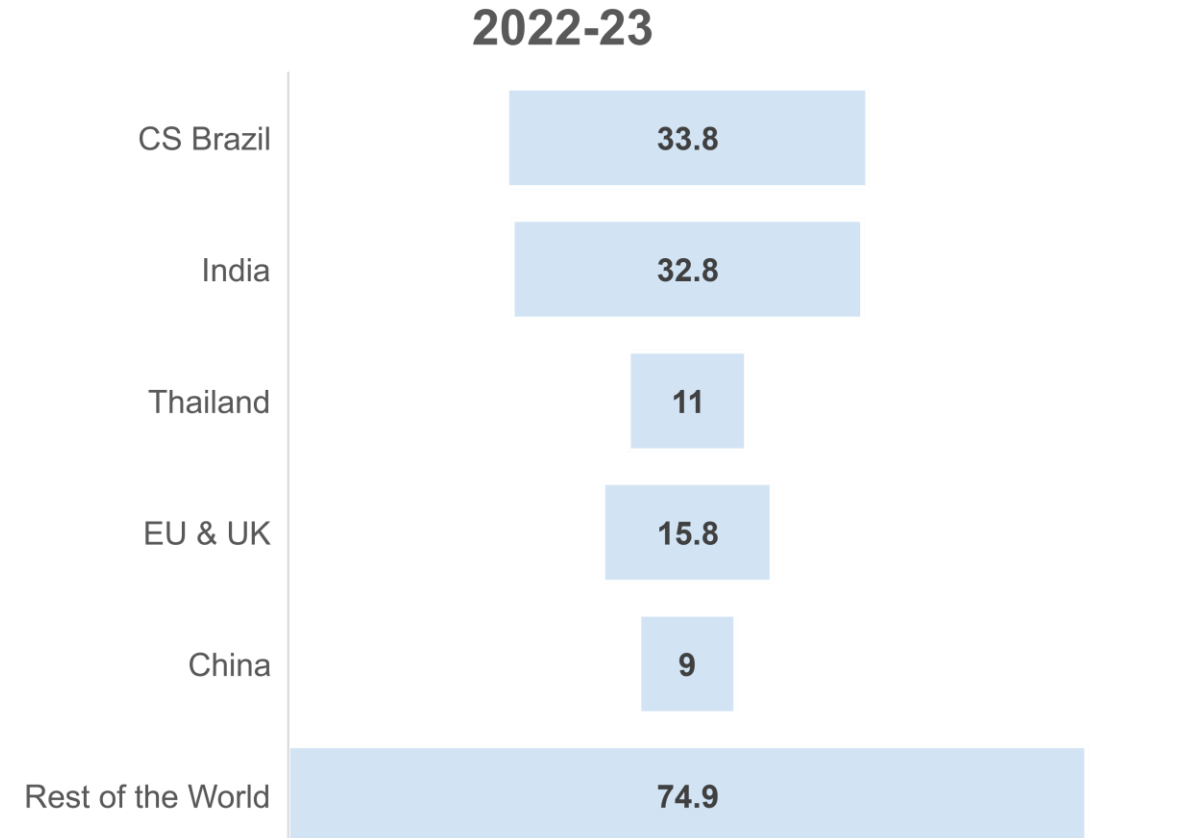
# Global Sugar Production Outlook



( metric million tonnes)



**Total Global production at 173.5 MMT**



**Total Global production estimated at 177.3 MMT**

In Brazil higher sugar mix along with reduction in gasoline prices by Petrobras has resulted in higher sugar production. Thailand have produced more sugar in 2022-23 whereas lower production seen in India, China, EU & UK.

# Factors influencing global sugar industry trends



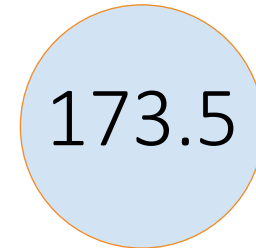
1	Global oil prices
2	Government policies catalyzing the shift between sugar to ethanol
3	Climatic impact on sugar production in Brazil, India, EU & Thailand, among the largest sugar producers in the world
4	Global sugar consumption

Global sugar Balance Sheet, 2021-22 (in million tones)

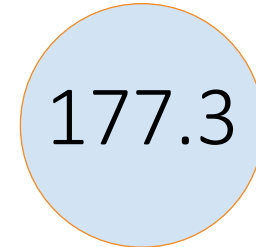
Opening	95.3
Production	173.5
Consumption	173.8
Closing	95.0

Global sugar Balance Sheet, 2022-23 (Estimated) (in million tonnes)

Opening	95.0
Production	177.3
Consumption	175.7
Closing	96.6



Million tonnes, global sugar production, 2021-22



Million tonnes (estimated), global sugar production, 2022-23

## Conclusions

- Stable global sugar inventory
- Possibility of firm sugar realizations
- Attractive export from India

### Global Price Outlook:

- The global Raw Sugar (Mar-23 contract) price traded in the range of ~19-22 c/lb during Q4FY23 quarter  
Downside on NY11 raw sugar price seems to be limited while on the upside it is expected to remain strong with upward bias.
- Brazilian currency value to play an important role on the prices.

### Brazil (22-23):

- Energy taxes were reduced in Brazil which brought the Ethanol parity down.
- Govt. also reduced gas oil price to fight inflation.
- All these are forcing millers to go for max sugar production.

### Production Outlook (23-24):

- Brazil production expected to go up to ~37-38 million tonnes
- Thailand facing competition from Casava along with impact of dry weather conditions
- Impact of possible El Nino

### Global Consumption Outlook:

- Increase in consumption will help check the inventory as there are availability concern on one hand along with declining production.



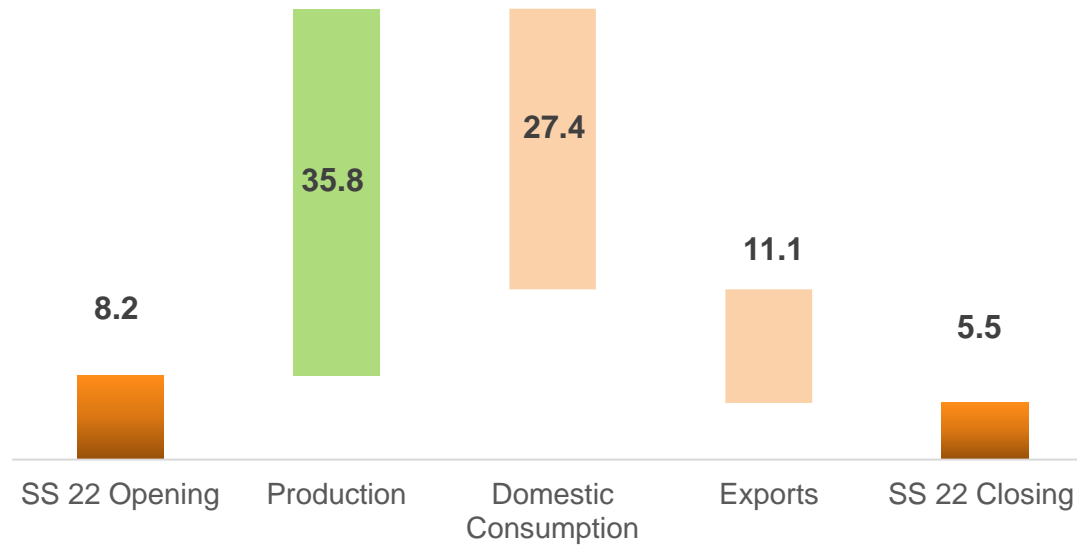
India's sugar inventory is  
correcting downwards

# Domestic Sugar Balance Sheet



( metric million tonnes)

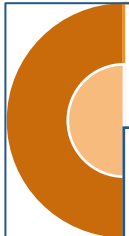
### Sugar Season 2021-22



### Sugar Season 2022-23 (Estimated)



\* Opening stock for 2022-23 has been recently re-stated by Government



Managed demand/supply, robust ethanol blending policies, robust exports.

Moderating the sugar inventory and supporting the domestic sugar prices



# Outcome of the declining national sugar inventory



Strong sugar  
realisations

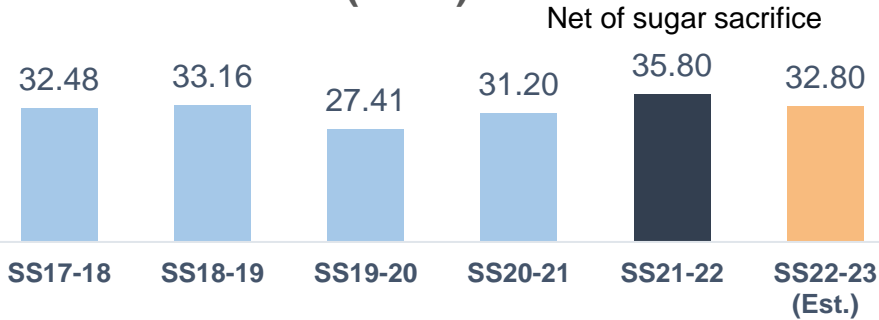
Increased  
profitability  
of the  
sugar  
business

Superior  
prospects for  
integrated  
sugar  
companies



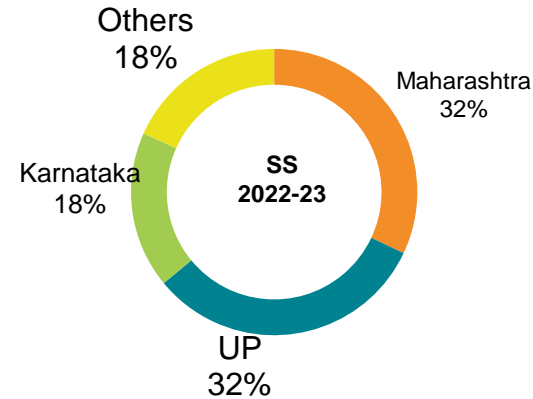
# India: Has emerged as world's Largest Sugar Producing Country

## India's Sugar Production (MMT)

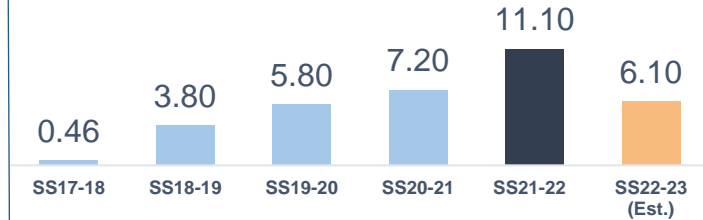


Sugar Sacrifice (MMT)	0.8	2.0	3.5	3.9
Through B-heavy/Juice/Syrup route				

## State-Wise Sugar Production



## India's Sugar Export (MMT)

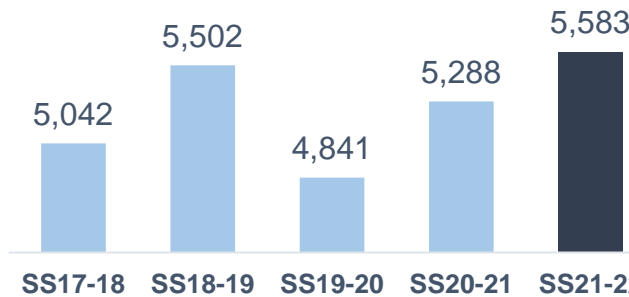


Financial Assistance (Rs./kg)	8.3	10.48	6.0*	Nil	Nil

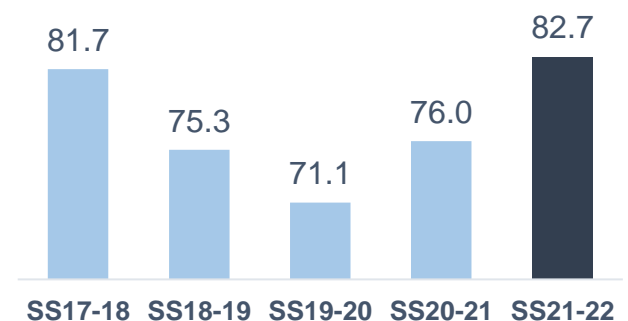
\* / revised to Rs. 4/kg w.e.f. 20.05.2021

- Sugarcane farming in India is among the largest agro-based sector, employing over 5 crore sugarcane growers and over 5 lakh workers.
- The country has a potential to export sugar to several countries.

## Sugarcane Acreage (000' Hectare)



## Sugarcane Yield per Hectare (tonnes)

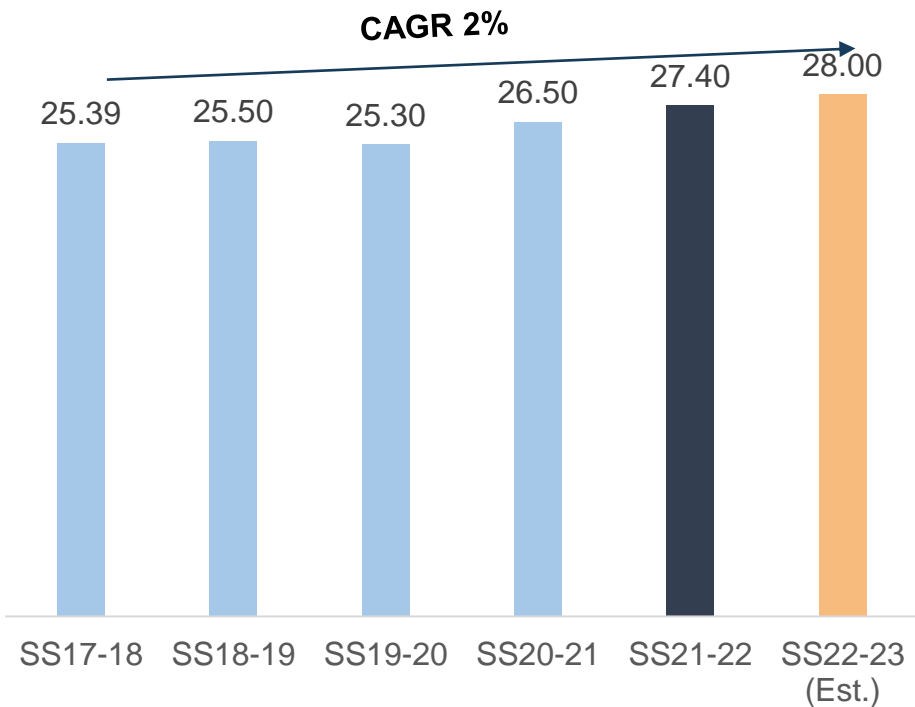


% of cane diverted for:	SS 17-18	SS18-19	SS 19-20	SS 20-21	SS 21-22
Gur, Khandsari & Others .	20.4%	24.7%	26.4%	25.0%	22.8%

# India: World's Largest Sugar Consumer



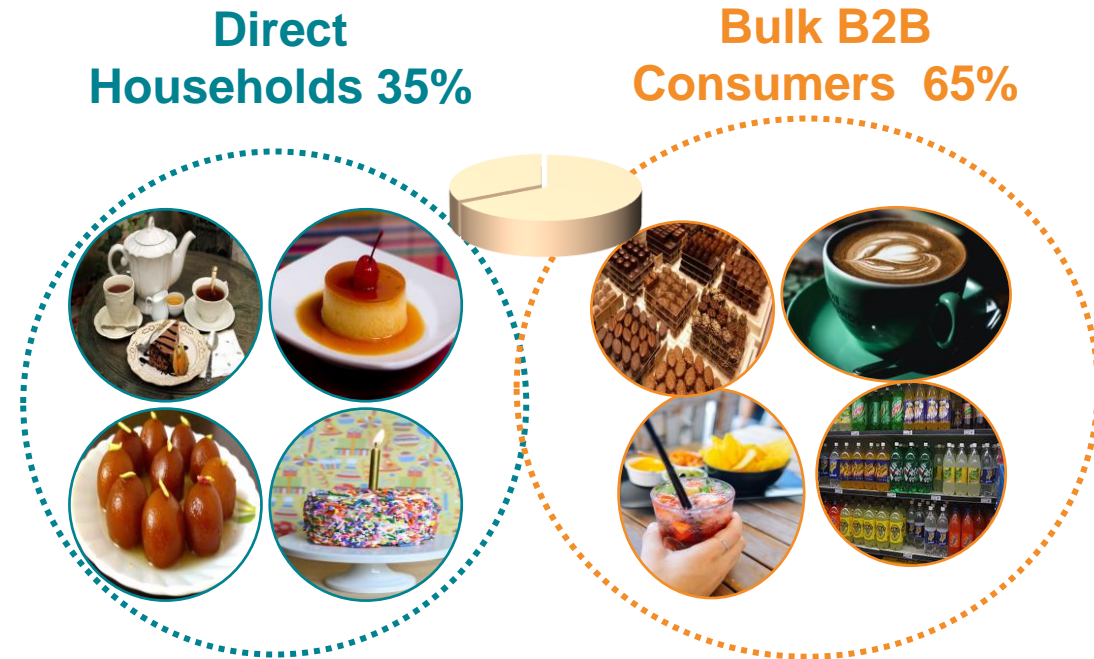
India's Sugar Consumption (MMT)



**Steady & sustainable demand opportunity:**

*Sugar consumption in India is expected to grow. Key demand drivers include GDP growth, rising disposable income, increasing demand for processed foods through modern retail, etc.*

## India's Sugar Consumption



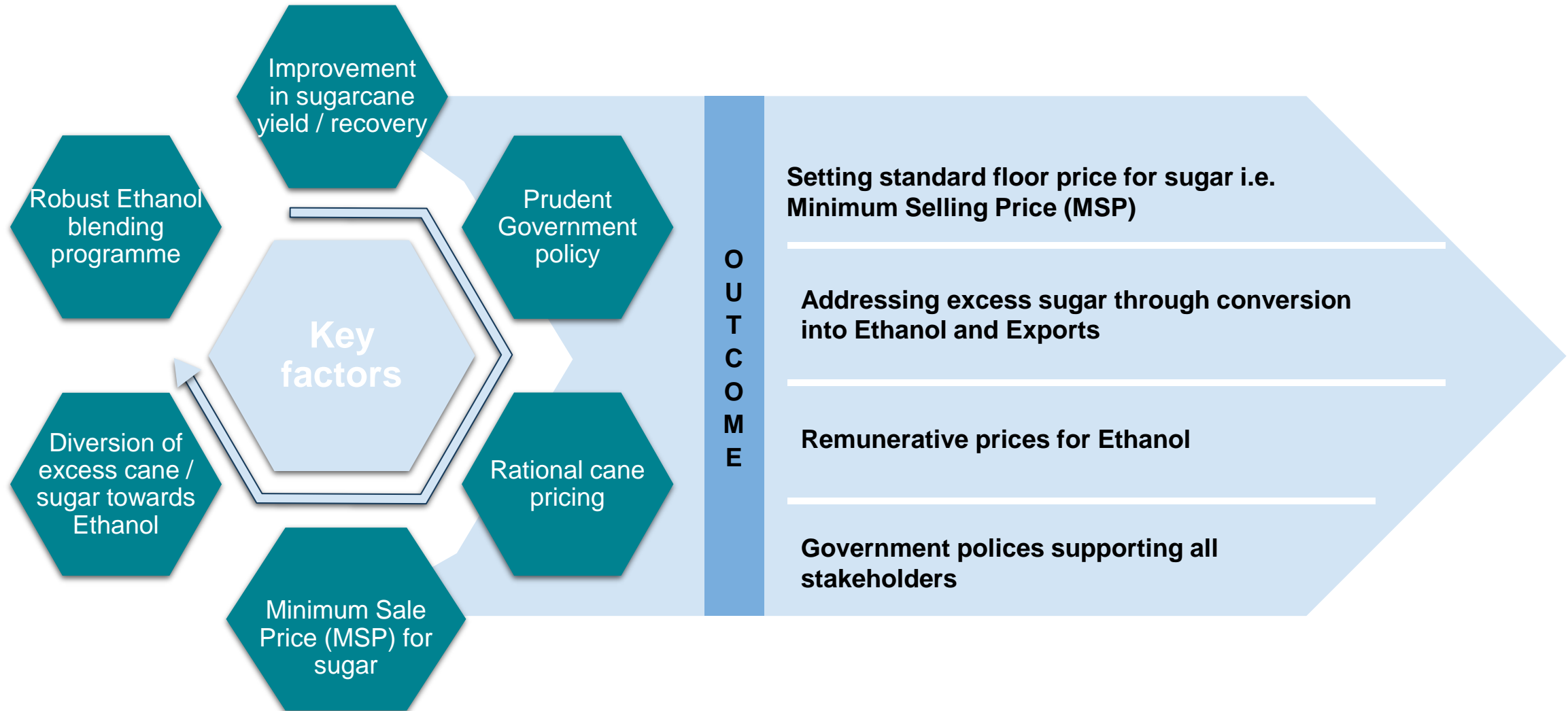
*Per capita consumption in India is at ~19.5 kilograms per year*

*as compared to global average of 23.5 kilograms*

**Sugar consumption in moderation is a source of carbohydrate and instant energy and is considered good for health and is part of a healthy diet as per nutritionists.**

**In India, consumption of sweets is synonymous with expression of love, fun, happiness & celebration.**

# Current Sugar Sector Scenario: Man-Induced Sugar Cycle No Longer Prevails

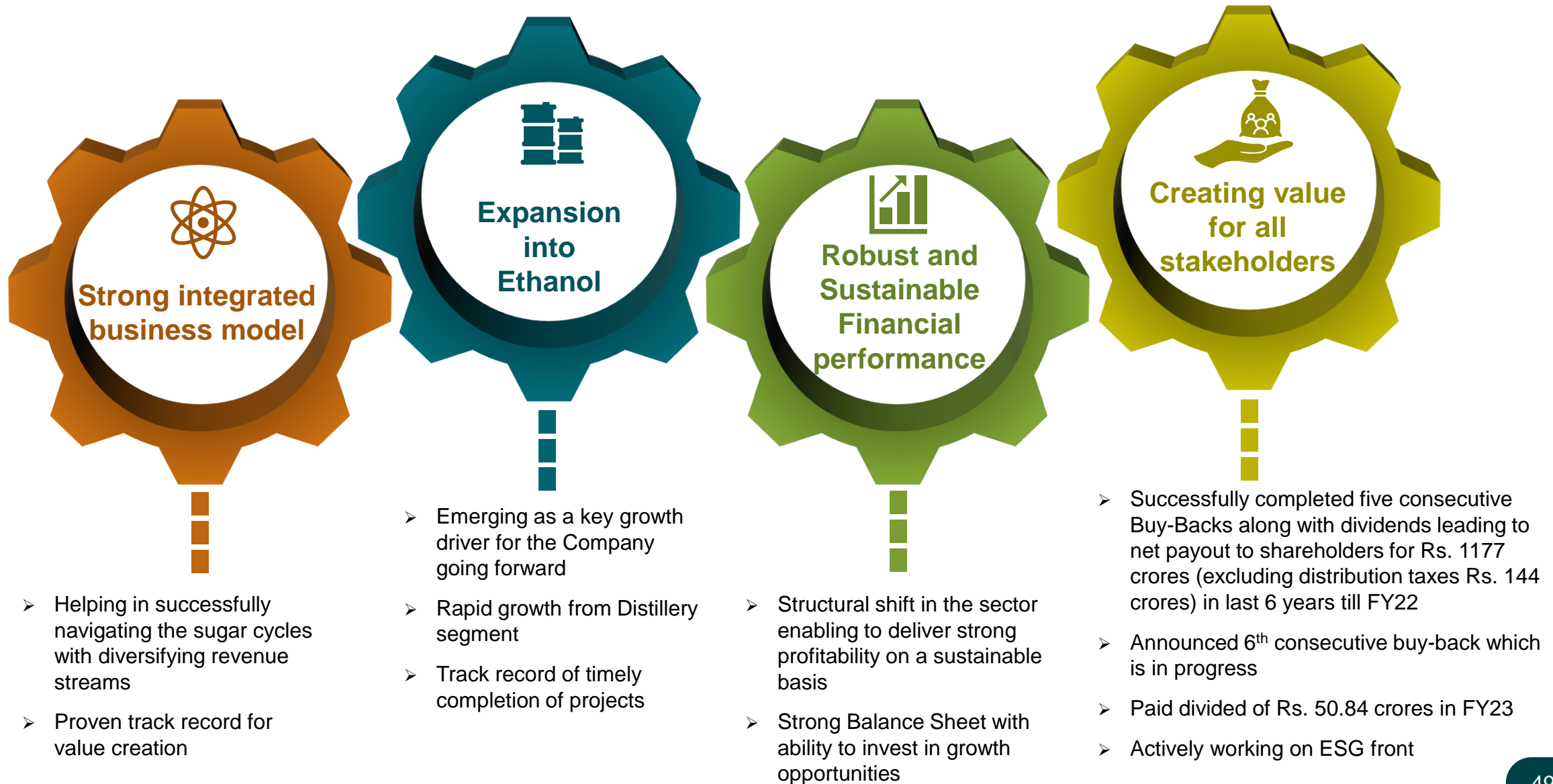


*Structural improvement in the performance of the sugar industry*



➤ PART FIVE

# The strategic direction of our company





➤ PART SIX

# ESG and enhanced stakeholder value



# To retain our position as one of the “greenest” companies in India’s sugar sector

## The relevance of same to Company’s business

The nature of our energy products:  
Ethanol helps moderate air pollution while co-generation presents a cleaner alternative over fossil-fuel-derived energy

We are engaged in a social business, marked by engagements with around 5.5 Lakh farmers; as a result, our influence goes right down to the grassroots and supports income growth.

A sustainable business can be only built through a stable and robust Governance Framework.



# Our ESG Framework



## Environmental

Our environment approach has been woven around the elements of Plan-Mitigate-Adapt-Resilience.



### Resilience towards climate change – A commitment to

- Reduce energy intensity.
- Reduce greenhouse gas emissions.
- Protection of bio-diversity.
- Moderate carbon footprint intensity in our operations.



Adoption of 4Rs, i.e. –

- Replace
- Reuse
- Recycle
- Reduce



We achieved zero liquid discharge target in all our distilleries and are now targeting zero water drawal in sugar units.



## Social

Our Company takes a holistic approach to sustainable value creation for all its stakeholders by nurturing its long-standing relationships and building new ones



Large workforce with passionate & experienced working culture.



Investment in training and digitalisation to enhance efficiency.



Employee health & wellness and safety.



Deepened relationship with vendors as well as primary customers.



Community - The company engaged with the community around its manufacturing locations with the objective to widen the circle of prosperity.



## Governance

Our Governance policies are framed on the basis of transparency, accountability, fairness and ethical standards



### Structure & Oversight -

- Majority of Directors are Independent Directors
- Diversified Board with two women Directors.
- Audit Committee and NRC comprising of all Non-Executive Directors.
- Independent Directors Chair Audit, NRC, Risk and Stakeholders Committees
- ESG Committee constituted

### Governance Policies -



- Code of Conduct
- Whistle Blower Policy
- Anti-Bribery Policy
- Environment-Health-and-Safety (EHS) Policy
- Business Responsibility Policy
- Cyber Security and IT Policy
- Risk Management Policy
- Corporate Social Responsibility Policy
- Succession Policy
- Prevention of Sexual Harassment Policy

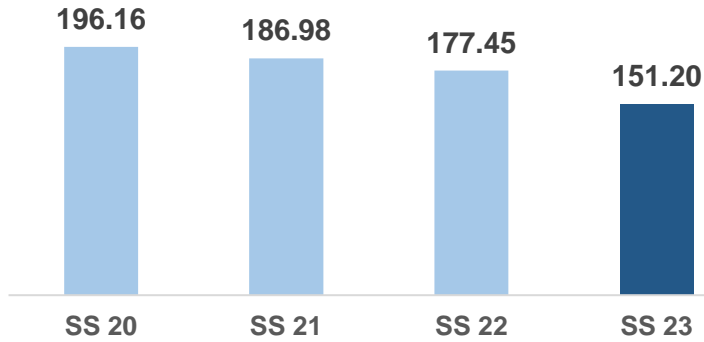
Represents a platform leading to secure, scalable and sustainable long-term growth.

# Our ESG Achievements



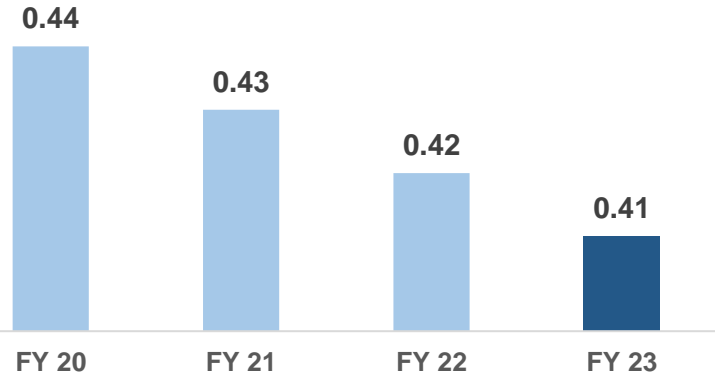
**Total effluents (Ltrs/MT)**

Improvement ↓



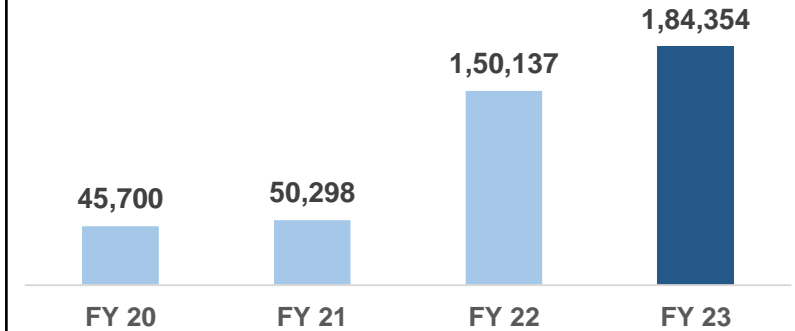
**Steam consumption (per MT of cane)**

Improvement ↓



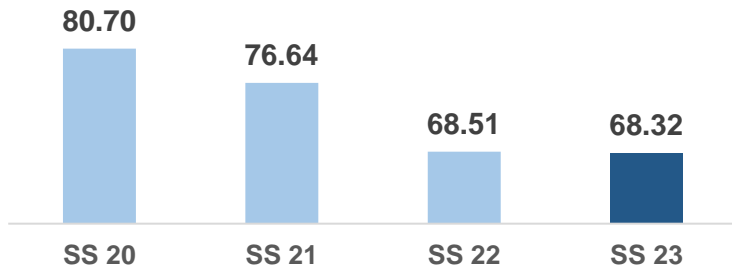
**No. of trees planted (units)**

Improvement ↑



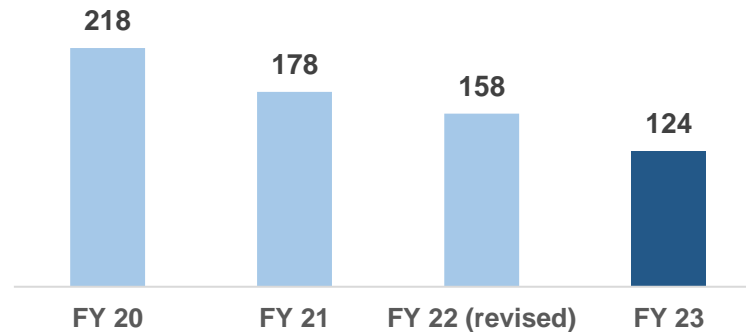
**Particulate matter emission from boiler (Mg/ Nm3)**

Improvement ↓



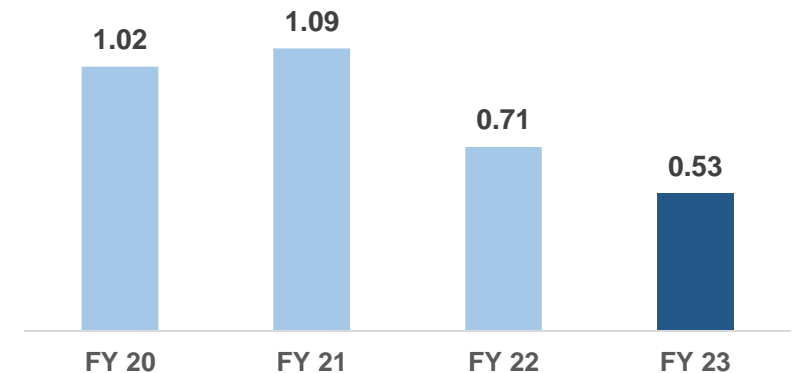
**Ground water drawal (in litres/MT of cane)**

Improvement ↓



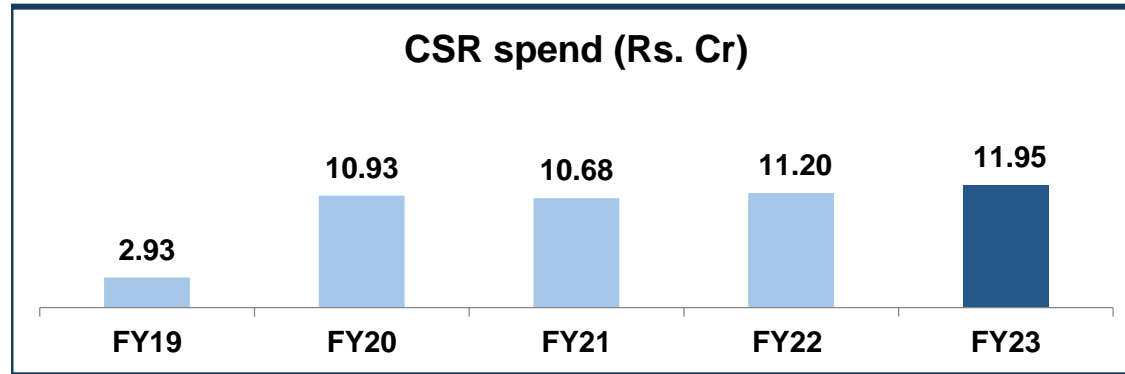
**Loss Time Injury Frequency Rate (LTIFR)**

Improvement ↓



**On path of further improvement and greater contribution to society**

# Socially Conscious Corporate Citizen



## COMMUNITY DEVELOPMENT

750+ Solar street lights installed

35+ ponds cleaned, renovated and recharged

More than 12 lac individuals benefitted

## EMPOWERMENT



1000+ women empowered

## AGRICULTURE



6500+ Farming Equipment Distributed

More than 50% increase in Farmers Income

## ENVIRONMENT



184,000+ trees planted

## EDUCATION



50,000+ students impacted

15+ schools covered for Infrastructure support

Smart classes developed in 5+ schools

## HEALTH



65,000+ patients benefited

10+ Government healthcare facilities supported

10+ Toilets constructed

Above data are from Social Impact Assessment Report issued in May 2023 by an independent external agency

In January 2023, the Company has won two National Level CSR Awards. The 7th ICSI National CSR Awards for Medium Category from The Institute of Company Secretaries and Golden Peacock National Award for CSR from the Institute of Directors. These coveted awards recognize the contributions made by the Company for community development and long-term sustainability.



Focus on de-risking coupled with controlled growth

Strategic guidance from experienced and diversified Board of Directors

Investment in digitalisation, processes and systems



## Vivek Saraogi – Chairman and Managing Director

- An eminent industrialist, is a veteran in the sugar industry and has been one of the youngest president of the Indian Sugar Mills Association.
- Former committee member of FICCI & the Indian Chamber of Commerce in Kolkata.
- Under his stewardship and able leadership, the Company has grown leaps and bounds through organic and inorganic means enabling the Company to emerge as a leader in the Indian sugar industry.
- Mr. Saraogi is a Commerce Graduate from St. Xavier's College, Kolkata.



## Dinesh Kumar Mittal (Retd. IAS) – Lead Independent Director

- Director in reputed companies like Bharti Airtel, Max Financial Services, Trident etc.
- Former Secretary of Department of Financial Services and Ministry of Corporate Affairs.
- M.Sc. (Physics) with specialization in electronics from the University of Allahabad and a former Gold Medalist I.A.S. Officer of 1977 Batch.



## Veena Hingarh – Independent Director

- Director in South-Asian Management Technologies FZC, Dubai and South Asian Management Technologies Foundation, a National State Board of Accountancy (USA) accredited institution.
- Has over 20 years of result-oriented consultancy and corporate training experience.
- FCA (ICAI), ACA (ICEAW), CS, Certified Information System Auditor & Masters in Science.



## Krishnava Dutt – Independent Director

- Managing Partner of Argus Partners and Director in reputed companies like Tata Metaliks, TRF Limited, etc.
- He has been identified by India Business Law Journal as one of India's top 100 lawyers.
- His experience encompasses the entire repertoire of corporate practice including mergers and acquisitions, private equity, banking & finance projects.



## Mamta Binani – Independent Director

- Chairperson of Merchant Chamber of Commerce- Legal Affairs Council and Co-Chair of the Restructuring Committee of Stressed Assets of Indian Chamber of Commerce and Director in many listed companies.
- Former National President of the Institute of Company Secretaries of India (ICSI) for the year 2016.
- A law graduate and topper in CS examinations, she is the first registered Insolvency professional in the Country.



## Naresh Dayal (Retd. IAS) – Non-executive Director

- Worked with the Government of India for 37 years in various positions at the state and national levels.
- As Secretary, Ministry of Health and Family Welfare, he was responsible, for all policies & programmes in the realms of Public Health.
- Masters' degree in Arts from University of Delhi and in Professional Studies, Agriculture from University of Cornell, USA.



## Praveen Gupta – Whole-time Director

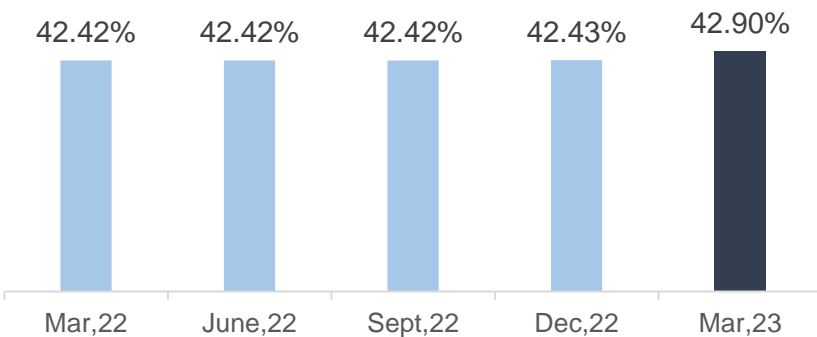
- Experience spans more than 40 years and is associated with the Company since 2008.
- MBA from IIM Kolkata after completing Mechanical Engineering from Delhi College of Engineering.
- Leads CTT to build technical excellence around engineering process functions.



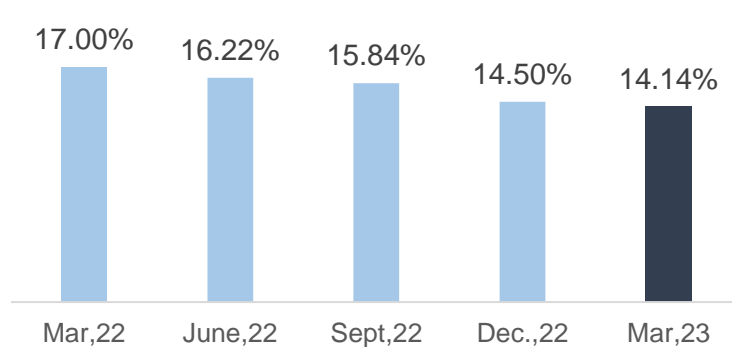
# Shareholding Pattern



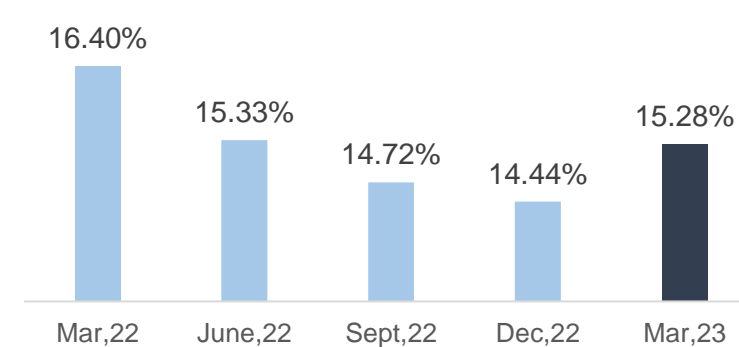
### Promoter Group Holding



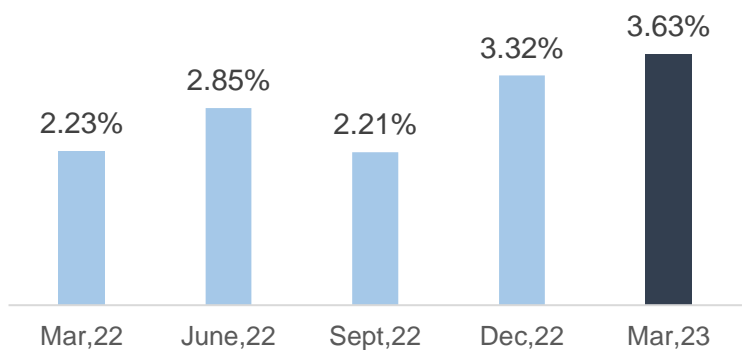
### Foreign Holding



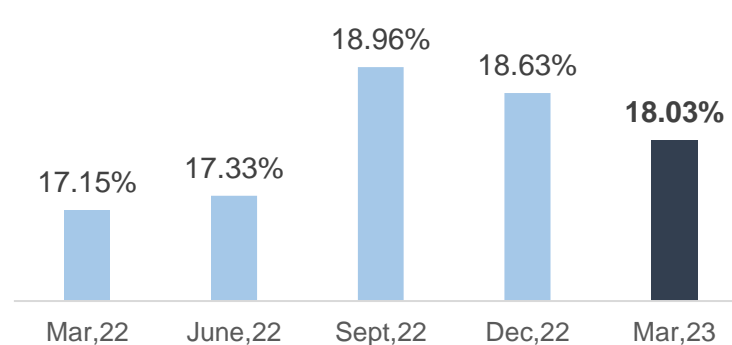
### Domestic Mutual Funds



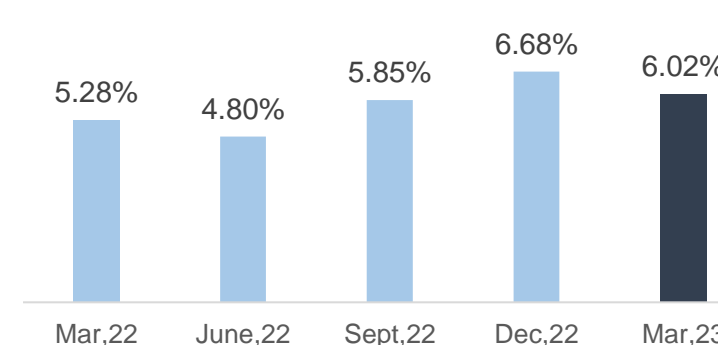
### Qualified Institutional Buyers



### Resident Individuals



### Others



## Top 10 Non-Promoter Shareholding as on 31st March 2023



Shareholder	% Shareholding
NIPPON LIFE INDIA TRUSTEE LTD-A/C (Nippon India Small Cap Fund)	4.63%
KOTAK SMALL CAP FUND	2.39%
MAX LIFE INSURANCE CO. LTD A/C-PARTICIPATING FUND	2.31%
ABU DHABI INVESTMENT AUTHORITY – MONSOON	1.82%
GOLDMAN SACHS FUNDS - GOLDMAN SACHS INDIA EQUITY	1.68%
AZIM PREMJI TRUST	1.25%
ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C- ADITYA BIRLA PURE VALUE FUND	1.13%
HSBC SMALL CAP FUND	1.13%
HDFC TRUSTEE CO. LTD. A/C – HDFC DIVIDEND YIELD FUND	1.11%
KOTAK MAHINDRA LIFE INSURANCE COMPANY LTD.	0.99%



## Key factors to watch out



- \* ***State Advised Price (SAP) (for the State of U.P.) of sugarcane for the sugar season 2023-24***
- \* **Ethanol prices for ESY 2023-24**
- \* **Indian Export Policy going forward**
- \* **Occurrence of El Nino**



# Contact Us

## For further information contact:

**Pramod Patwari**  
**Chief Financial Officer**  
**Balrampur Chini Mills Limited**  
Tel : +91 33 2287 4749  
Email: [pramod.patwari@bcml.in](mailto:pramod.patwari@bcml.in)

---

**Anoop Poojari**  
**CDR India**  
Tel: +91 98330 90434/ 98330 10478  
Email: [anoop@cdr-india.com](mailto:anoop@cdr-india.com)  
[karl@cdr-india.com](mailto:karl@cdr-india.com)

## About Balrampur Chini Mills Limited

**CIN: L15421WB1975PLC030118**

Balrampur Chini Mills Limited (BCML) is one of the largest integrated sugar companies in India. The allied businesses of the Company comprise distillery operations and cogeneration of power. The Company presently has ten sugar factories located in Uttar Pradesh (India) having an aggregate sugarcane crushing capacity of 80,000 TCD (2,000 TCD expansion under implementation), distillery and co-generation operations of 1050 KLPD and 175.7 MW (Saleable) respectively.

BCML is one of the most efficient integrated sugar producers in the country. The Company has grown its capacity by well-planned capacity expansion projects and the acquisition of existing companies.

*For more information on the Company, please log on to*  
[www.chini.com](http://www.chini.com)



Thank You