



Bajaj Hindusthan Sugar Limited

CIN: L15420UP1931PLC065243

Registered Office: Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh 262 802

Tel.: +91-5876-233754/5/7/8, 233403, Fax: +91-5876-233401,

Website: www.bajajhindusthan.com, Email: investor.complaints@bajajhindusthan.com

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **Eighty Eighth Annual General Meeting** of the Members of Bajaj Hindusthan Sugar Limited will be held on Tuesday, September 29, 2020 at 11.00 A.M. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") ("hereinafter referred to as "electronic mode") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements of the Company for the financial year ended as at March 31, 2020 and the Reports of the Board of Directors and the Auditors thereon for the said year.
2. To appoint a director in place of Mr. Kushagra Bajaj, Chairman (DIN: 00017575), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. R.S. Dani & Co., Chartered Accountants (Firm Registration No. 000243C), be and is hereby appointed as Statutory Auditors of the Company, in place of retiring auditors M/s. Chaturvedi & Shah LLP, Chartered Accountants (Firm Registration No. 101720W/W100355), to hold office from the conclusion of this 88th Annual General Meeting (AGM) until the conclusion of the 93rd AGM of the Company, at a remuneration of ₹ 32,00,000/- (Rupees Thirty Two lakhs only) plus tax as applicable and reimbursement of out-of-pocket expenses in connection with the audit of the Company for the financial year 2020-21 and further increment(s) for the remaining tenure of the appointment, as may be recommended by the Audit Committee and approved by the Board of Directors of the Company in this behalf."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr. Atul Hasmukhrai Mehta (DIN: 00112451), who was appointed as an Additional Director of the Company with effect from January 01, 2020, and who has submitted a declaration that he meets the criteria of independence, as provided in Section 149(6) of the Act and in accordance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and is qualified for being appointed as an Independent Director and in respect of whom a notice in writing under Section 160 of the Act has been received from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, to hold office upto December 31, 2024."

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the relevant provisions of the Articles of Association, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment thereto or re-enactment thereof for the time being in force) and subject to such other approval(s), permission(s) and / sanction(s) as may be necessary, approval of the members be and is hereby accorded to re-appoint Mr. Ashok Kumar Gupta (DIN: 02608184), as the Managing Director of the Company for a period of Five (5) years with effect from April 15, 2021 upto April 14, 2026 at the terms and remuneration as set out below:-

I. Remuneration:

In consideration of the performance of his duties, the Company shall pay to Mr. Ashok Kumar Gupta, the aggregate remuneration with such increments as may be approved by the Board of Directors (which term includes any Committee thereof) from time to time, as per the break up stated below:-

a) Salary:

Basic salary of ₹ 4,92,739 per month in the scale of ₹ 2,50,000 – ₹ 7,50,000 per month.

b) Performance Linked Incentive:

Performance Linked incentive to the achievement of targets as per the rules of the Company subject to a maximum of 2 months' basic salary per annum.

c) Allowances, Perquisites, Amenities:

i) Leave Travel Allowance:

Leave Travel Allowance in respect of himself and family not exceeding one month's salary per annum as per the rules of the Company.

ii) Rent Free Accommodation or House Rent Allowance:

Rent free furnished residential accommodation or House Rent Allowance upto 20% of basic salary.

iii) Children Education Allowance:

Children Education Allowance as per the Rules of the Company.

iv) Special Allowance:

Special Allowance as per the rules of the Company, presently ₹ 4,70,017 per month.

v) Medical Expenses:

Reimbursement of actual medical expenses incurred as per the rules of the Company.

vi) Mediclaim and Personal Accident Insurance:

Personal accident insurance policy in accordance with the scheme applicable to senior employees of the Company.

vii) Conveyance facilities:

Car hiring charges/Car EMI, Reimbursement of driver's salary, fuel expenses, car repairs and maintenance and car insurance renewal as per the rules of the Company.

viii) Communication facilities:

Reimbursement of residential telephone expenses as per the rules of the Company.

ix) Other Allowances and Perquisites:

Subject to overall ceiling on remuneration mentioned hereinbelow, Mr. Ashok Kumar Gupta may be given any other allowances, benefits and perquisites as the Board of Directors (which term shall include any Committee thereof) may decide from time to time.

Explanation:

Perquisites shall be evaluated as per Income-tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

d) Statutory Payment including retiral benefits:

i) Contribution to Provident Fund:

Company's contribution to Provident Fund up to such an amount in aggregate is not taxable under the Income Tax Act, 1961 and as may be decided by the Board of Directors from time to time.

ii) Superannuation/in lieu of superannuation:

Superannuation/amount in lieu of superannuation at the rate of 15% of the basic salary.

iii) Gratuity:

Gratuity as applicable as per the provisions of the relevant act and as per rules of the Company.

iv) Leave:

Leave with full pay or encashment thereof as per the rules of the Company.

II. Overall remuneration:

The aggregate of salary, allowances and perquisites in any financial year shall be governed by the provisions of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof as may, for the time being, be in force;

III. Other Terms and Conditions:

Other terms and conditions of appointment of Mr. Ashok Kumar Gupta, the Managing Director is as under:

- a. The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- b. The appointment of Mr. Ashok Kumar Gupta as Managing Director is subject to the provision of 167 of the Companies Act, 2013.
- c. Separation of services: 2 (Two) months' notice or basic salary in lieu thereof from either side.

"RESOLVED FURTHER THAT in case the Company has in any financial year no profits or if its profits are inadequate anytime during the period of 3 (Three) years from April 15, 2021, the Managing Director shall be paid the aforesaid remuneration as the Minimum Remuneration with the liberty to the Board of Directors (which term shall include any Committee thereof) to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Managing Director in such manner as may be permitted in accordance with the provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 or any modification thereto and as may be agreed by and between the Board and the Managing Director."

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

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 ("the Act"), Companies (Audit and Auditors) Rules, 2014 ("the Rules") and other applicable provisions, if any, of the Companies Act, 2013 including any amendment(s) thereto or re-enactment(s) thereof for the time being in force, payment of remuneration of an aggregate amount of ₹ 4,30,000/- (Rupees Four Lakh Thirty Thousand only) plus service tax as applicable and reimbursement of actual travel and out of pocket expenses to M/s. B.J.D. Nanabhoy & Co., Cost Accountants, Mumbai, appointed as Cost Auditor of the Company by the Board of Directors to conduct the cost audit of the Company for the financial year ending March 31, 2021, be and is hereby ratified and confirmed."

By Order of the Board of Directors



Kasuik Adhikari
Company Secretary
(ACS 18556)

Place: Mumbai
Dated: August 18, 2020

Registered Office:

Golagokarannath, Lakhimpur-Kheri,
District Kheri, Uttar Pradesh 262 802
Tel.: +91-5876-233754/5/7/8, 233403,
Fax: +91-5876-233401,
Website: www.bajajhindusthan.com,
Email: investor.complaints@bajajhindusthan.com

Registrar and Share Transfer Agent:

M/s Link Intime India Private Limited
Unit : Bajaj Hindusthan Sugar Limited
C 101, 247 Park, L.B.S. Marg, Vikhroli West,
Mumbai 400 083
Tel. No.: 022 49186000
Fax No.: 022 49186060
Website: www.linkintime.co.in
Email: rnt.helpdesk@linkintime.co.in

NOTES:

1. In view of the global COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide General Circular No. 20/2020 dated May 5, 2020 read with General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, issued by the Securities and Exchange Board of India (SEBI) (collectively referred to as Circulars), has allowed companies to conduct the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the Members at a common venue. In compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.
2. As the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by the Members is not available and hence, Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
3. Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013 (Act).
4. Registration of email ID and Bank Account details:

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/ Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

- (i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit. OR
- (ii) In the case of Shares held in Demat mode:

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

5. An Explanatory Statement pursuant to the provisions of Section 102 of the Act in respect of Special Business to be transacted at the AGM is annexed and forms part of this Notice. The Board of Directors have considered and decided to include Item Nos. 4 to 6 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
6. Register of Members and Share Transfer Register will be closed from Wednesday, September 23, 2020 to Tuesday, September 29, 2020, (both days inclusive).
7. Register of Directors and Key Managerial Personnel and their shareholdings and Register of Contracts or Arrangements in which Directors are interested, maintained under Sections 170 and 189 of the Act, respectively will be available electronically for inspection by the Members.

All documents referred to in the Notice will also be available for electronic inspection by the Members without payment of any fee from the date of circulation of this Notice up to the date of AGM, i.e. September 29, 2020. Members seeking to inspect such documents are requested to send an email to investor.complaints@bajajhindusthan.com. Inspection shall be provided at a mutually convenient time.

8. Pursuant to General Circular No. 20/2020 dated May 5, 2020 issued by the MCA read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the AGM and Annual Report for the year ended March 31, 2020 are being sent electronically to those Members whose email addresses are registered with the DP/RTA. Notice of the AGM along with the Explanatory Statement and the Annual Report for the year ended March 31, 2020, circulated to Members is also available on the websites of the Company www.bajajhindusthan.com and on the websites of BSE Limited and National Stock Exchange of India Limited.
9. Company has provided Members, e-voting facility to exercise their right to vote at the AGM by electronic means. The process and manner for availing the said facility is explained in the e-mail under which this Notice is sent to the Members.
10. NRI Members are requested to inform the RTA immediately of: -
 - a. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier; and
 - b. Change in their residential status and address in India on their return to India for permanent settlement.
11. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their communications to investor.complaints@bajajhindusthan.com at least seven days before the date of the meeting. The same will be suitably replied to by the Company.

12. As shares of the Company are traded under compulsory demat, Members are requested to dematerialise their shareholding to avoid inconvenience.
13. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
14. In terms of Article 104 of the Articles of Association, read with Section 152 of the Companies Act, 2013, Mr. Kushagra Bajaj, Chairman (DIN: 00017575), retires by rotation and being eligible, offers himself for reappointment. The Board of Directors recommends his reappointment.
15. Brief resume of all Directors re-appointed/appointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships, memberships/chairmanships for Board/Committees, shareholding and relationship between directors inter-se as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the annexure to the notice.
16. Members are requested to furnish their bank account details, change of address and all other required details to the Registrar & Share Transfer Agent in respect of shares if held in physical form. In case of shares held in electronic form, these details should be furnished to the respective Depository Participants (DPs).
17. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN card numbers/copies of PAN card to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agent, M/s. Link Intime India Private Ltd.
18. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company. Members are requested to keep the same updated.
19. Members are requested to send all communications relating to shares to the Registrar and Share Transfer Agent of the Company.
20. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 (corresponding to Section 205A to Section 205C of the Companies Act, 1956), all unclaimed/unpaid monies by way of dividend transferred to the "Unpaid Dividend Account" of the Company as contemplated under Section 124 of the Companies Act, 2013 (corresponding to Section 205A of the Companies Act, 1956) that remains unclaimed/unencashed for a period of 7 (seven) years from the respective date of such transfer has to be transferred by the Company to "The Investor Education and Protection Fund" (IEPF) being the fund established by the Central Government under Section 125 of the Companies Act, 2013 (corresponding to Section 205C(1) of the Companies Act, 1956) and no claims shall lie against the said Fund or the Company in respect thereof.

The Company has transferred all unpaid/unclaimed dividends upto the year 2011-12 to the Investor Education and Protection Fund. No dividend was declared after 2011-12.
21. Pursuant to the provisions of Section 124 and 125 of the Companies Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), all shares on which dividend has not been paid or claimed for seven consecutive years or more transferred to IEPF Authority.

The Company has also uploaded full details of such shares due for transfer as well as unclaimed dividends on the website of the Company.

Both the unclaimed dividends and the shares transferred to the IEPF can be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the "Rules". For more details regarding claim of unclaimed/unpaid amount/shares please check <http://www.iepf.gov.in/IEPF/refund.html>
22. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 (corresponding to Section 109A of the Companies Act, 1956). Members desiring to avail of this facility may send their nomination in the prescribed Form No.SH.13 duly filled in to M/s. Link Intime India Private Limited at the above mentioned address or the Registered Office of the Company. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
23. SEBI vide its notification dated June 8, 2018 as amended on November 30, 2018, has stipulated that w.e.f April 01, 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialized form. The Company has complied with the necessary requirements as applicable, including sending of letters to shareholders holding shares in physical form requesting them to demat their physical holdings.

24. To comply with the above mandate, members who still hold share certificates in physical form are advised to dematerialize their shareholding to also avail numerous benefits of dematerialization, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
25. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
26. Voting through electronic means (Remote e-voting and voting during the meeting)
 - a. Members are requested to attend and participate in the ensuing AGM through VC / OAVM and cast their vote either through remote e-voting facility or through e-voting facility to be provided during the AGM.
 - b. The facility of e-voting during the AGM will be available to those Members who have not cast their vote by remote e-voting. Members, who have cast their vote by remote e-voting, may attend the AGM through VC / OAVM but will not be entitled to cast their vote once again on resolutions.
 - c. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and sub Regulation (1) & (2) of Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to offer e-voting facilities to Members in respect of the business to be transacted at the 88th Annual General Meeting (AGM). The Company has engaged the services of Link Intime India Pvt. Ltd. (LI IPL) as authorised agency to provide e-voting facility. The Members may cast their votes using an electronic voting system from a place other than the venue of the AGM ("remote e-voting"). Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
 - d. The remote e-voting period begins on **Saturday, September 26, 2020 (9:00 a.m. I.S.T)** and ends on **Monday, September 28, 2020 (5:00 p.m. I.S.T)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **September 22, 2020** may cast their vote electronically. The remote e-voting module shall be disabled by LI IPL for voting thereafter.

NOTE: The "remote e-voting" end time shall be 5.00 p.m. on the date preceding the date of annual general meeting and the cut-off date shall not be earlier than 7 days before the date of annual general meeting.

INSTRUCTIONS FOR REMOTE E-VOTING:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>.

Those who are first time users of LI IPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under: -

- Click on '**Sign Up**' under '**SHARE HOLDER**' tab and register with your following details: -

A. User ID: Enter your User ID

- Members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID.**
- Members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.**
- Members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company.

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable).

C. DOB/DOI: Enter the Date of Birth (DOB)/Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format).

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Members holding shares in **CDSL demat account shall provide either 'C' or 'D', above.**
- Members holding shares in **NSDL demat account shall provide 'D', above.**
- Members holding shares in physical form but have not recorded '**C**' and '**D**', shall provide their Folio number in '**D**' above.
- Set the password of your choice (The password should contain minimum 8 characters, at least one Special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
- Click 'confirm' (Your password is now generated).

2. Click on 'Login' under '**SHARE HOLDER**' tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.
4. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon for '**Bajaj Hindusthan Sugar Limited/ Event number 200185**'.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour/Against' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
7. After selecting the desired option i.e. '**Favour/ Against**', click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on '**No**' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian/Mutual Fund/ Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian/Mutual Fund/Corporate Body**' login for the Scrutinizer to verify the same.

If you have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case member is having valid email address, Password will be sent to his/her registered e-mail address.
- Member can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/ DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

In case Members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under Help section or send an email to enotices@linkintime.co.in or call on +91 (022) 4918 2505/4918 6000.

GENERAL INSTRUCTIONS

1. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date Tuesday, September 22, 2020.
2. The facility for e-voting shall also be available at the AGM. Members who have already cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote at the AGM. Only those Members who attend the AGM and have not cast their votes through remote e-voting and are otherwise not barred from doing so will be allowed to vote through the e-voting facility available at the AGM.
3. Any person, who acquires shares of the Company and becomes its Member after sending of Notice of the AGM and holds shares as on the cut-off date for voting i.e. Tuesday, September 22, 2020, may obtain the login ID and password by sending a request to enotices@linkintime.co.in. However, if he/she is already registered with LIPL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
4. M/s. Gupta Baul & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the remote e-voting and ensure that the voting process at the AGM is conducted in a fair and transparent manner.
5. The Scrutinizer shall after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour/against, if any, to the Chairperson or a authorized person, who shall countersign the same and declare the result of the voting forthwith.
6. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company www.bajajhindusthan.com and on the LIPL website <https://instavote.linkintime.co.in> and shall also be forwarded to BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE).

PROCESS AND MANNER FOR ATTENDING THE EIGHTY-EIGHTH AGM THROUGH INSTAMEET

For a smooth experience of AGM proceedings, shareholders who are registered for the event are requested to download and install the Webex application in advance on the device that you would be using to attend the meeting by clicking on the link <https://www.webex.com/downloads.html/>. Shareholders also have an option to click on the URL provided to attend the meeting. Please read the instructions carefully and participate in the meeting. For any support, shareholders may also call the RTA on the dedicated number provided in the instructions.

1. Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and register with your following details: -
 - a. **Demat Account No. or Folio No.:** Enter your 16-digit Demat Account No. or Folio Number registered with the Company.
 - b. **PAN:** Enter your 10-digit Permanent Account Number.
 - c. **Mobile No.:**
 - d. **Email ID:**
2. Click "Go to Meeting"
3. Members can log in and join 15 minutes prior to the schedule time of the AGM and window for joining the meeting shall be kept open till the expiry of 15 minutes after the scheduled time. The Company shall provide VC/OAVM facility to Members to attend the AGM. The said facility will be available for 1000 Members on first come first served basis. This will not include large Members (i.e. Members with 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, chairpersons of the audit committee, nomination & remuneration committee and stakeholders' relationship committee, auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

Instructions for Shareholders/Members to Speak during the AGM through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request mentioning their name, demat account number/folio number, email id, mobile number at investor.complaints@bajajhindusthan.com, atleast 3 days prior to the date of AGM i.e. on or before 11.00 A.M (IST) on Saturday, September 26, 2020.
2. Speakers will only be allowed to express their views/ask questions on first come first served basis during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
3. Shareholders who would like to ask questions, may send the same in advance mentioning their name, demat account number/folio number, email id, mobile number at investor.complaints@bajajhindusthan.com, atleast 3 days prior to the date of AGM i.e. on or before 11.00 A.M. (IST) on Saturday, September 26, 2020. The same will be replied by the Company suitably.
4. Shareholders will get confirmation on first come first served basis depending upon the provision made by the Company.
5. Shareholders will receive 'speaking serial number' once they mark attendance for the meeting. Shareholders are requested to speak only when Moderator of the meeting will announce the name and serial number for speaking.
6. Please remember 'speaking serial number' and start your conversation with panelist by switching on audio of your device.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Instructions for Shareholders to Vote during the AGM through InstaMeet:

Once the electronic voting is activated by the Scrutinizer/Moderator during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under: -

1. On the shareholders VC page, click on the link for e-Voting 'Cast your vote'.
2. Enter Demat Account No./Folio No. and OTP (received on the registered mobile number/ registered Email ID) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see 'Resolution Description' and against the same the option '**Favour/Against**' for voting.
4. Cast your vote by selecting appropriate option i.e. '**Favour/Against**' as desired. Enter the number of shares (which

represents no. of votes) as on the cut-off date under 'Favour/Against'.

5. After selecting the appropriate option i.e. 'Favour/Against' as desired and you have decided to vote, click on 'Save'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Confirm', else to change your vote, click on 'Back' and accordingly modify your vote.
6. Once you confirm your vote on the Resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders present at the AGM through InstaMeet facility and who have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting from 11.00 A.M (IST) till the expiry of 15 minutes after the AGM is over. Shareholders who have voted through remote e-voting prior to the AGM will be eligible to attend/participate in the AGM through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders are encouraged to join the AGM through Tablets/Laptops connected through broadband for better experience.

Shareholders are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the currency of the AGM.

Please note that shareholders connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate such kind of glitches.

In case shareholders have any queries regarding e-voting, they can address them to instameet@linkintime.co.in or call on +91 (022) 4918 6175.

STATEMENT IN RESPECT OF THE ORDINARY AND SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Statement sets out all the material facts relating to the Item No. 3 to 6 of the accompanying Notice.

In respect of Item No. 3 (Ordinary Business)

M/s. Chaturvedi & Shah LLP, Chartered Accountants were first appointed as auditors at 78th AGM held on March 18, 2010. At the 83rd AGM held on September 14, 2015, they were appointed for 2nd terms of five consecutive years and are holding office of the auditors up to the conclusion of the 88th AGM. As per Section 139(2) of the Companies Act, 2013 ('the Act'), read with the Companies (Audit and Auditors) Rules, 2014, no listed company shall re-appoint an audit firm as auditor for more than two terms of five consecutive years. Since the existing auditor's firm has completed two terms of five consecutive years they are not eligible for re-appointment as auditor in the Company.

On the recommendation of the Audit Committee at its meeting held on August 18, 2020, the Board considered and approved appointment of M/s. R.S. Dani & Co., Chartered Accountants (Firm Registration No. 000243C) as Statutory Auditors of the Company subject to the approval of the members, for a period of 5 years, commencing from the conclusion of 88th AGM till the conclusion of the 93rd AGM. It is proposed that an amount of ₹ 32,00,000/- (Rupees Thirty Two Lakhs only) plus tax as applicable and reimbursement of out-of-pocket expenses be paid to M/s R.S. Dani & Co. for audit of accounts of the Company for the financial year ending 31st March, 2021 and for conducting quarterly Limited Review during the financial year 2020-21, and further increment(s) for the remaining tenure of the appointment, as may be recommended by the Audit Committee and approved by the Board of Directors.

M/s. R.S. Dani & Co., Chartered Accountants (Firm Registration No. 000243C), have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014 and they hold valid certificate issued by peer review board of Chartered Accountants of India as required under Regulation 33 of the Listing Regulations.

Disclosures as per Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given below:

(a) It is proposed that an amount of ₹ 32,00,000/- (Rupees Thirty two lakhs only) plus tax as applicable and reimbursement of out-of-pocket expenses be paid to M/s R.S. Dani & Co. for audit of accounts of the Company for the financial year ending 31st March, 2021 and for conducting quarterly Limited Review during the financial year 2020-21, and further increment(s) for the remaining tenure of the appointment, as may be recommended by the Audit Committee and approved by the Board of Directors. The Company had paid statutory audit fees of ₹ 46 lakhs to the outgoing Statutory Auditors i.e. M/s. Chaturvedi &

Shah LLP. for the financial year 2019-20. In the opinion of the Audit Committee and the Board of Directors of the Company, the fees payable to M/s R.S. Dani & Co., Chartered Accountants, is based on the fee proposal received at the time of selection of the Statutory Auditors by the Audit Committee.

(b) M/s R. S. Dani & Co., Chartered Accountants is one of the oldest Chartered Accountant firm in India in practice since 1949, which has been providing its expertise in the field of Auditing & Taxation to all sectors of trade & industry and bear renowned names in professional circle also. The firm has rich experience on implementation of IFRS, US GAAP, SOX, Indian and International Accounting Standards, Corporate and Tax Laws, Auditing under SAP and other ERP environment, Training in SAP FICO. The Firm has a well experienced team which include Chartered Accountants, Company Secretaries, Management Graduates, etc. A strong team of professionals from various fields support the Partners. Each team has developed specialized knowledge in their respective area of functioning. Appointment of M/s R.S. Dani & Co., has been recommended based on various parameters like capability to serve a large organisation with multiple manufacturing locations as that of the Company, audit experience, the audit team, market standing of the firm, clientele served, technical knowledge etc.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at Item No. 3 of the notice.

The Board of Directors of the Company recommends passing of the Ordinary Resolution at Item No.3 of the Notice for approval of the members.

In respect of Item No. 4 (Special Business)

Based on the recommendations of the Nomination and Remuneration committee, the Board of Directors of the Company had appointed Mr. Atul Hasmukhrai Mehta (DIN: 00112451) as an Additional Director to be designated as independent Director of the Company, pursuant to the provisions of Section 149, 161(1) of the Act and the Articles of Association of the Company with effect from January 01, 2020.

Mr. Atul Hasmukhrai Mehta, aged 54 years is Corporate Law Advisor, B.Com, B.G.L and F.C.S, is practicing Company Secretary and promoter of Mehta & Mehta Company Secretaries, Mehta & Mehta Advisory Services Private Limited and Mangalam Placement Private Limited. Mr. Atul Mehta comes with an experience of over 25 years in the field of Corporate Law, Capital Market and Human Resources. Mr. Mehta was the past Chairman of Western India Regional Council (WIRC) of Institute of Company Secretaries of India (ICSI) in 2009. He was also on the board of various other companies as Independent Director. He has also been elected as Secretary of CISA at Global Level. He was also part of MCA committee. He was member of RBI Restructuring Committee. He was also a member of Company Law Committee (6 members), Ministry of Corporate Affairs 2015. He is member in IOD (Institute of Directors).

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. The Company has received a declaration from Mr. Atul Hasmukhrai Mehta that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. In the opinion of the Board Mr. Mehta fulfills the conditions for his appointment as an Independent Director as specified in the Act.

In the opinion of the Board, Mr. Mehta is a person of integrity, possesses the relevant expertise and experience, fulfils the conditions specified in the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is Independent of the management of the Company. It is proposed to appoint Mr. Atul Hasmukhrai Mehta as Independent Director of the Company for a period of 5 years w.e.f. January 01, 2020 to December 31, 2024 as set out at Item No.4 of this Notice.

The details of Mr. Mehta pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are provided in the "Annexure".

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 from a member signifying his intention to propose the appointment of Mr. Atul Hasmukhrai Mehta as an Independent Director. Mr. Mehta has consented to continue as Independent Director of the Company, if appointed.

Copy of the notice received under Section 160 of the Companies Act, 2013 and copy of draft letter of appointment of Mr. Mehta, setting out the terms and conditions of appointment and other documents mentioned hereinabove are available for inspection by the members electronically.

The Board of Directors of the Company recommends passing of the Ordinary Resolution at Item No.4 of the Notice for approval of the members.

Mr. Mehta and his relatives are interested in the Resolution pertaining to his appointment at Item No. 4 of the Notice. None of the Directors of the Company and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in any way, in this resolution.

In respect of Item No. 5 (Special Business)

Mr. Ashok Kumar Gupta has experience of more than 49 years in the Sugar Industry. After completing his M.Com from Agra University, he had started his service career from Dhampur Sugar Mills in 1970 and thereafter joined Upper Doab Sugar Mills in August 1978 and thereafter he had joined Bajaj Hindusthan Sugar Limited on May 31, 1982. He is a patron Member of The Sugar Technologists' Association of India (STAI). He has been awarded with "GEM OF INDIA AWARD" on June 30, 2011 by Council for National Development, New Delhi on its 58th National Convention of National Building through Individual Achievements. On September 24, 2012 the STAI presented him the "Sardar Gurmit Singh Mann Gold Medal Award" – Professional of the Year Award-2011. In 2019, Mr. Gupta has been awarded the most prestigious "Lifetime Achievement Award" by STAI for his outstanding contribution and better management of Cane Development.

Mr. Ashok Kumar Gupta has been a member of Board of Directors of the Company since October, 2012. He had joined Bajaj Hindusthan Sugar Limited on May 31, 1982 and since then continuing with the Company. During his long tenure with the Company, he had worked in various senior posts in different departments. Mr. Ashok Kumar Gupta was appointed as Whole time director of the Company designated as Director (Group operations) on October 01, 2012 and elevated as Managing Director of the Company with effect from August 14, 2019. The performance of the Company has been commendable under the stewardship of Mr. Ashok Kumar Gupta. The present term of office of Mr. Ashok Kumar Gupta as the Managing Director of the Company will expire on April 14, 2021.

Mr. Ashok Kumar Gupta will attain the age of 70 years on April 14, 2021. As per Section 196(3) and Part-I of Schedule V to the Companies Act, 2013, appointment of a person who has attained the age of seventy (70) years may be made by passing a Special resolution. Mr. Ashok Kumar Gupta has rich and varied experience in the sugar industry and has been involved in the operations of the Company. It would be in the interest of the Company to continue to avail of his considerable expertise and to re-appoint Mr. Ashok Kumar Gupta as a Managing Director.

The Board of Directors, therefore, at the meeting held on August 18, 2020 has, pursuant to the approval of the Nomination and Remuneration Committee of the Board and subject to the approval of the Members and such other approval(s)/ permission(s)/consent(s) as may be required, approved reappointment of Mr. Ashok Kumar Gupta as the Managing Director of the Company with effect from April 15, 2021 upto April 14, 2026 on terms and remunerations set out in Resolution at Item No.5 of the Notice.

In terms of the provisions of Schedule V of the Act, in case of inadequacy of profits, remuneration can be paid to the managerial personnel based on the effective capital of the Company. Remuneration in excess of the limit based on the effective capital may be paid by passing of special resolution passed by the shareholders. The Board, pursuant to approval of Nomination and Remuneration Committee, has proposed to pay the remuneration as stated in the resolution at Item No.5 of the Notice to Mr. Gupta as the Minimum Remuneration, in the event of absence or inadequacy of profits of the Company in any financial year during the tenure of Mr. Gupta as Managing Director of the Company, which may be in excess of the maximum remuneration payable to him in accordance with the provisions of the Companies Act, 2013 and Schedule V of the Act and accordingly recommends the Special Resolution at Item No. 5 of the Notice.

Pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013, re-appointment of Mr. Ashok Kumar Gupta as the Managing Director of the Company and payment of remuneration (including as minimum remuneration) is subject to the approval of shareholders by way of Special Resolution. The Board of Directors of the Company recommends passing of the Special Resolution at Item No.5 of the Notice.

Details of Mr. Ashok Kumar Gupta, pursuant to the provisions of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India and Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the notice.

The Statement containing additional details as required under Schedule V of the Companies Act, 2013 with reference to Resolution at the Item No. 5 is annexed hereto marked as Annexure – A.

A copy of the Resolution passed by the Board of Directors and the Nomination and Remuneration Committee at their respective meetings held on August 18, 2020 and written memorandum setting out the terms of appointments and remuneration as required under Section 190 of the Companies Act, 2013 are available for inspection electronically.

Mr. Ashok Kumar Gupta and his relatives may be deemed to be interested in the Resolution at Item No. 5 of the Notice. Save as aforesaid, none of the Directors of the Company and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in any way, in the said resolution set out at Item No. 5 of the Notice.

In respect of Item No. 6 (Special Business)

On recommendation of Audit Committee at its meeting held on June 29, 2020, the Board has considered and approved appointment of M/s B.J.D. Nanabhoy & Co., Cost Accountants, Mumbai, to conduct the cost audit for the year ending March 31, 2021 of the Company's Sugar, Distillery and Co-gen units located at Golagokarannath, Palia Kalan, Khambarkhera,

Barkhera, Maqsoodapur, Kinauni, Thanabhawan, Budhana, Bilai, Gangnauli, Pratappur, Rudauli, Utraula, and Kundarkhi at an aggregate remuneration of ₹ 4,30,000/- (Rupees Four lakh thirty thousand only) plus service tax as applicable and reimbursement of actual travel and out of pocket expenses.

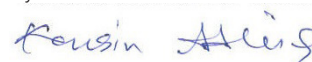
As per provisions of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the shareholders is sought for passing the Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the cost auditor for the financial year ending March 31, 2021.

The Board of Directors of the Company recommends passing of the Ordinary Resolution set out at Item No. 6 of the Notice.

None of the Directors of the Company and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in any way, in the said resolution set out at Item No. 6 of the Notice.

By Order of the Board of Directors



Kasuik Adhikari
Company Secretary
(ACS 18556)

Place: Mumbai

Dated: August 18, 2020

Registered Office:

Golagokarannath, Lakhimpur-Kheri,
District Kheri, Uttar Pradesh 262 802
Tel.: +91-5876-233754/5/7/8, 233403,
Fax: +91-5876-233401,

Website: www.bajajhindusthan.com,

Email: investor.complaints@bajajhindusthan.com

Registrar and Share Transfer Agent:

M/s Link Intime India Private Limited
Unit : Bajaj Hindusthan Sugar Limited
C 101, 247 Park, L.B.S. Marg, Vikhroli West
Mumbai 400 083

Tel. No.: 022 49186000

Fax No.: 022 49186060

Website: www.linkintime.co.in

Email: rnt.helpdesk@linkintime.co.in

Details of Directors pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard General Meetings:

Name of the Director	Mr. Kushagra Bajaj	Mr. Ashok Kumar Gupta	Mr. Atul Hasmukhrai Mehta
Director Identification Number	00017575	02608184	00112451
Date of Birth/age	04.02.1977/ 43 years	15.04.1951/ 69 years	30/10/1966/ 54 years
Date of first appointment on the Board	24.04.2007	01.10.2012	01.01.2020
Relationship with other director, Manager and other Key Managerial Personnel of the Company	None	None	None
No. of Board meeting attended during FY 2020	1	8	1*
Qualifications	Bachelor of Science degree in Economics, Political Philosophy and Finance from Carnegie Mellon University, Pittsburgh, USA and has a Master of Science degree in Marketing from the Northwestern University, Chicago, USA.	M.Com	B.Com, B.G.L and F.C.S.
Expertise in functional area	Expertise in Sugar and FMCG Industry	Operation of Sugar & Distillery plants	Corporate Law advisor

Name of the Director	Mr. Kushagra Bajaj	Mr. Ashok Kumar Gupta	Mr. Atul Hasmukhrai Mehta
Number of shares held in the Company	1,28,97,036 Equity shares of ₹1/- each	2,900 equity shares of ₹ 1/- each	Nil
List of other Directorships held in other public limited Companies	Bajaj Consumer Care Limited Bajaj Energy Limited Lalitpur Power Generation Company Limited.	Nil	Sahyadri Hospitals Limited ART Housing Finance (India) Limited
Chairman/Member of the Committees of the Boards of other companies in which he/she is Director			
a) Audit Committee	Nil	Nil	Nil
b) Stakeholders Relationship Committee	Bajaj Consumer Care Ltd.	Nil	Nil

Note: Pursuant to Regulation 26 of the Listing Regulations, only two Committee viz. Audit Committee and Stakeholders Relationship Committee have been considered.

* Appointed on January 01, 2020.

'ANNEXURE-A' REFERRED TO IN THE EXPLANATORY STATEMENTS TO RESOLUTION AT ITEM NO. 5 OF THE NOTICE FOR 88TH ANNUAL GENERAL MEETING OF BAJAJ HINDUSTHAN SUGAR LIMITED

Statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to the Resolution at Item No. 5 are as follows:

I. General Information:

- (1) Nature of industry: Manufacturing of Sugar, Industrial Alcohol and Co-generation of Power.
- (2) Date of expected date of commencement of commercial production: Existing Company already commenced commercial production since 1931.
- (3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Existing Company not applicable.
- (4) Financial performance based on given Indicators:

Sr. No.	Particulars	Audited figure for year ended 31.03.2020 (₹ in Crore)	Audited figure for year ended 31.03.2019 (₹ in Crore)	Audited figure for the year ended 31.03.2018 (₹ in Crore)
1.	Revenue from operations	6,665.60	6,803.82	5,938.38
2.	Other income	11.01	163.61	166.93
3.	Total Expenses	6,207.01	6,500.66	5,655.53
4.	Finance Charges	300.75	321.78	680.17
5.	Depreciation & Amortisation	215.87	211.33	196.91
6.	Exceptional items	(60.71)	-	-
7.	Profit / (Loss) before tax	(107.73)	(66.34)	(427.30)
8.	Provision for Tax Expenses	(2.36)	(2.26)	(4.11)
9.	Profit / (Loss) after tax	(105.37)	(64.08)	(423.19)

(5) Export performance and net foreign exchange collaborations: Nil

(6) Foreign investment of collaborators, if any: Nil

II. Information about the appointee Mr. Ashok Kumar Gupta

(1) Background details:

Mr. Ashok Kumar Gupta aged 69 years, handles and supervises the overall production and other plant related activities of the Company. He has been associated with the Company for more than 38 years. Mr. Ashok Kumar Gupta was inducted on the Board of the Company as Director (Group Operations) on October 01, 2012. He has 49 years of experience in Sugar Industries.

(2) Past remuneration:

For the year ended March 31, 2020	₹ 1,25,66,415
For the year ended March 31, 2019	₹ 1,11,29,756
For the year ended March 31, 2018	₹ 98,57,290

(3) Recognition of awards:

- a) Mr. Ashok Kumar Gupta, has been awarded "Best Professional of The Year Gold Medal Award 2011" by the Sugar Technologists' Association of India.
 - b) Mr. Ashok Kumar Gupta, has been awarded "GEM OF INDIA AWARD" on June 30, 2011 by Council for National Development, New Delhi on its 58th National Convention of National Building through Individual Achievements.
 - c) In 2019, Mr. Gupta has been awarded the most prestigious "Lifetime Achievement Award" from Sugar Technologists' Association of India (STAI) for his outstanding contribution and better management of Cane Development, resulting in turnaround of the recovery of Bajaj Group from 9.14% to 11.40%.
- (4) Job profile and suitability: Mr. Ashok Kumar Gupta, Managing Director is responsible for overall production and other plant related activities. He has 49 years of experience in Sugar Industries. Mr. Ashok Kumar Gupta has been associated with the Company for more than 38 years. .
- (5) Remuneration proposed: As stated in Resolution at Item No. 5, the approval for shareholders by a Special Resolution is sought for payment of remuneration and also in case the Company has no profit or inadequate profit the present remuneration be treated as minimum remuneration.
- (6) Comparative remuneration profile with respect to industry size of the Company, profile of the position and person (in expatriates, the relevant details would be w.r.t. the country of origin): There are no set standards for remuneration in the industry. The Company has its own remuneration policy based on its short-term and long-term objectives and role perceived and played by employees at top levels. Considering his rich experience, competence, and the growth and development of the Company under his leadership, the terms of remuneration are considered fair and reasonable.
- (7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Mr. Ashok Kumar Gupta holds 2,900 equity shares of ₹ 1/- each in the Company. Other than these and the remuneration paid to Mr. Ashok Kumar Gupta, there is no other pecuniary relationship of Mr. Ashok Kumar Gupta, directly or indirectly with the Company or with its managerial personnel.

III. Other information:

(1) Reasons for loss or inadequate profits:

Internationally, all the leading sugar producing nations, viz., Brazil, Thailand and Australia, follow a formula for sugarcane pricing, whereby the sugarcane price is derived from the prevailing market price of sugar. Whereas in the State of Uttar Pradesh (where all the sugar mills of the Company are located), the sugarcane price is fixed by the Government in an arbitrary manner without any reference whatsoever to the prevailing sugar price in form of State Advised Price (SAP).

The secular increase in sugarcane price year after year in form of high SAP, is in stark contrast to the fluctuating sugar prices that have been comparatively quite low most of the times during last few years.

Another disruptive factor was the disparity in sugarcane price in Uttar Pradesh irrespective of sugar recovery, which was much higher than FRP (Fair & Remunerative Price) fixed by the Central Government.

On top of it, the sugar production in India during last few years witnessed an unprecedented leap resulting in sharp drop in sugar prices due to demand supply mismatch.

Furthermore a large amount on account of various incentives / subsidies under the U.P. Sugar Promotion Policy and the levy sugar price difference is held up with Government authorities. This is resulting in increased debt burden and consequently the interest cost.

(2) Steps taken or proposed to be taken for improvement:

The Company has taken certain initiatives towards operational efficiencies which have increased percentage of recovery and production of sugar and also expects further improvement in the operational efficiencies. Other parameters based on various corrective measures taken by the Company including the restructuring of debts and the Company expects to receive benefits under the Sugar Promotion Policy 2004. The Company has also taken steps and exploring the possibilities of monetizing its non-core assets like investments in Lalitpur Power Generation Company Limited. Operational performance of the Company is getting better year on year and matching with the industry.

(3) Expected increase in productivity and profits in measurable terms:

The Company is the largest producer of sugar in U.P. with sugarcane crushing capacity of 1,36,000 TCD. The continuous efforts for improving the operational efficiencies and value-additive utilisation of its by-products are expected to improve the productivity as also the profitability.

The alcohol manufacturing capacity of the Company is 800 KL per day, improved prices of industrial alcohol and ethanol are likely to add to both – Company's top-line and bottom-line.

Company's capability of generating an exportable surplus of 90 MW which can be supplied to the local grid, from its overall co-generation capacity provides the Company with necessary insulation from the cyclicity associated with its sugar business.

In view of the improvement in recovery of sugar coupled with various positive initiatives taken by the Government, the Company expects that the productivity and profitability shall improve and would be comparable with the industry average.

IV. Disclosures:

- (1) Remuneration package of the managerial person: Fully described in the respective Resolution and/or Explanatory Statement;
- (2) Disclosures in the Board of Directors' report under the heading 'Corporate Governance' is to be attached to the Annual Report in respect of the following:
 - i. All elements of remuneration package such as salary, benefits, stock options, pension etc. of all the directors;
 - ii. Details of fixed component and performance linked Incentives along with the performance criteria;
 - iii. Service contracts, notice period, severance fees;

The requisite details in respect of para 2(i) to 2(iii) in respect of all Directors are given in the Corporate Governance Report for the financial year ended March 31, 2020 attached to the 88th Annual Report.

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**MAKING
THE FUTURE
CRYSTAL
CLEAR**



bajaj SUGAR | Bajaj Hindusthan Sugar Ltd.

EIGHTY EIGHTH ANNUAL REPORT 2019-20

Glimpses of CSR Programme

- 1,197 Villages reached
- 3,12,347 Families covered
- 14,44,255 Population benefited



Rejuvenation of river and streams proved extremely useful to convert rainfed farming into irrigated by harvesting rainwater thereby improving the crop productivity. A stretch of Yashoda River rejuvenated in Deoli block.



Village institutions

6,700 Village Institutions established

A) Water Resource Development and Soil Conservation Structures

- 245 Rivers/streams of 668.5 km length rejuvenated
- 106 Check dams constructed
- 3,286 Farm Ponds/Recharge Pits constructed
- 2,376 Wells recharged
- 1,190 Roof rainwater harvesting structures constructed
- 254 Group wells constructed
- 1,510 Lift irrigation devices installed
- 50 Percolation tanks constructed
- 15,379 Acres of land irrigated through drip and sprinkler irrigation systems
- 2,376 Boribundhs installed
- 1,267 Acres of farm bunds formed
- 2,225 Gabion structures formed
- 4,024 Acres of land levelled and brought under cultivation



Preparation of Seed ball by women Self-Help Group. Plantation of seed ball an easy and most effective technique to increase the green cover.





Under the climate proofing projects, we are demonstrating climate-resilient cropping system. 2,400 acres area have been covered of 1,089 farmers in 13 villages. A farmer of village Gohda (K) vegetable demonisation plot



» **65,971**
Families and
2,64,328
acres of land
are covered
under Water
Resource
Development
and Soil
Conservation
Programme
in 772
villages



B) Promotion of Sustainable Agriculture

- **11,276** Families covered under Convergence of Agricultural Interventions in Maharashtra (CAIM) project
- **11,000** Families adopted Better Cotton Initiative programme (BCI)
- **16,144** Families benefited under WADI project
- **14,440** Farmers adopted under Natural farming
- **6,082** Acres under Vegetables/Mini Drip with Overhead Tank/cash crops/floriculture
- **50,407** Farmers covered under 1,674 trainings arranged for the promotion of Natural Farming (Kisan Pathashala)
- **2,046** Families benefited under climate proofing project
- **18** Farmers Producers' Companies established
- **139** Grameen Fridge constructed
- **896** Cattle drinking systems / chaff cutter



Under the climate proofing projects, we have set up two weather stations in different locations that help farmers in weather and crop based advisory. A weather station at village Lahori in Samudrapur block of Wardha.





To produce chemical-free food, we are promoting techniques of Natural farming among the farmers. Over a period, we have trained more than 9,500+ farmers and awareness to 27,500+ farmers in natural farming through organising Kisan Pathshalas.



» **75,792** farming families and **1,26,821** acres of land are benefited under a programme of Sustainable Agriculture Practices in **960** villages



C) Biogas: A boon for the Rural Community

- 5,292 Biogas plants installed
- 585 Domestic Solar Light/Solar streetlight units installed



D) Promotion of Indigenous Cows

- 7,879 Families adopted indigenous cows



Self-Help Group create an opportunity for rural women to express themselves and work together for common goals. It also creates habit of savings and provide platform to initiate income generation activities at village level.





Women members of Self-Help Groups are involved in various community-based programmes regularly. Women of Deoli block engaged in the plantation drive in collaboration with State Government.



» **72,548** women are benefited under the programmes of Self-Help Groups, Income Generation Activities, dissemination of Indigenous Cows and installation of Biogas Plants in **950** villages



Village institutions

6,700 Village Institutions established

E) Women Empowerment

- 4,421 Self-Help Groups formed
- 56,294 Families benefited
- 9,773 Families covered under Kitchen garden
- 7,300 Families benefited under Rural Enterprise
- 339 Special initiative for needy family
- 1,194 Sock Pit constructed



F) Skill and Entrepreneurship Development

- 3,141 Youths benefited under skill development programme



G) Rural Infrastructure Development

- 51 km Road constructed for village connectivity
- 24 Need-based community assets constructed
- 1 Village water supply scheme
- 6 Constructed cow rehabilitation centre at village level



H) Design for Change

- 280 Design for Change project completed



Under Design for Change project implemented by Bajaj Foundation, students of Sunshine school of Karanja block of Wardha have creatively used plastic bottles to build a decorative wall for the school and spread a message of reuse of waste materials.





Our Partners:

- Rural Community of Wardha, Sikar and Lalitpur District
- Government of Maharashtra, Rajasthan, Uttar Pradesh
- TATA Trusts
- National Bank for Agriculture & Rural Development (NABARD)
- International Fund for Agriculture Development
- Bio-fuel Department
- Maharana Pratap University of Agriculture and Technology (MPUAT)
- Krishi Vigyan Kendra, Fatehpur
- Nehru Yuva Kendra Sangathan, Ministry of Youth Affairs and Sports, Govt. of India
- International Horticulture Innovation and Training Centre, Jaipur
- State Institute of Agriculture Management (SIAM, Durgapur, Jaipur)
- Riverside School, Ahmedabad



Traditional cropping pattern change is key to success. Under the Natural farming promotion programme, Farmers cultivated diversified crop turmeric with following natural farming practices in village Parda, block Samudrapur.



Chairman's Letter



The teapot of global growth would have an unprecedented “Cheeni Kum” (bereft of sweetness) moment this year. A global pandemic, a first in the last hundred odd years exposed all health infrastructure and our helplessness across the rich and poor nations. It emptied our skies of aircrafts, brought nations to a grounding halt for weeks with negligible economic activity, closed all our borders and for almost eight odd weeks from March 2020 led to a tsunami of deaths and despair across Europe and USA and later following up in Latin America and Asia at large. While the search for a vaccine for COVID-19 is still on,

a conclusive end product may be still distant. Hence, the “new normal”, where life with masks, self-protection and safe hygienic practices are the only armaments the world has in its fight against the dreaded Corona. Globally, every single nation is limping back to life as they cautiously open up their businesses, despite the gloom of a second wave looming large.

India with a population of over 130 crore is on a long fight at present. Central and state governments are harnessing not only medical infrastructure for COVID treatment but also strategically targeting economic packages to reduce the immense burden on the nation that saw over 9 weeks of complete shutdown. Except for essential commodities, all industries had to close down leading to a complete halt of demand and supply across the ecosystem. While the sugar industry was allowed to operate under essential commodities, it was not without its challenges of non-availability of many raw materials (for example Sulphur) that was required in sugar production. On the demand side, the drastic drop in production of sweetened beverages, ice cream, confectioneries and similar FMCG products had its own impact in reduced demand for Sugar.

On the global front, sugar prices were

plummeting to around 9.2 cents/lb in the last week of April 2020 due to the pandemic. The price fall was more pronounced due to a crash in Crude oil price, Brazilian Real levels and Global demand due to lockdown in various parts of the world. The good news is that prices since have increased gradually to over 12.25 cents/lb in the first week of July as a result of lockdown easing and a resumption, albeit cautiously, in demand and improved macro factors including crude and currency. It is expected as per international sugar industry experts that consumption for 2019-20 would see a dip of 1%. Global sugar production this year however, would hinge on a number of factors that are critical. Whereas India and Brazil are looking for significantly higher Sugar Production during 2020-21 with no affect of COVID conditions, Thailand crop is estimated to be down. The initial global deficit in sugar was expected to be at around 6.7 million tonnes in the year 2019-20 which would now be reduced to around 4.3 million tonnes due to a fall in consumption. In addition, with oil prices crashing in April 2020 and a weakening of the Brazilian currency Real, producers in Brazil have shifted to manufacture sugar rather than ethanol because of better returns. This shift to sugar production and thereon an increase in global supply would also have a price impact that needs to be observed closely. The forecasts by global analysts speak of a more positive 2020-21 with consumption to recover and global production to increase by almost 5% predominantly led by India and Brazil.

On the domestic front, the sugar industry has initially faced the lockdown crisis with a price dip and finally prices settling in June 2020 to pre-March levels as the lockdown was beginning to get relaxed. It must be added that there has been a dip in demand from FMCG food products industry. In 2019-20, the total Sugar production was recorded at 27.2 million tonnes and is expected to rise to 30.5 million tonnes as per ISMA (Indian Sugar Mills Association) estimates mainly due to increased acreage and projected good monsoons.

On the external front, there is additional good news of sugar exports surpassing 5.2 million tonnes this year. This would be a formidable record surpassing the previous highest record of 4.96 million tonnes in 2007-08. Thailand, the second largest exporter of Sugar in the world, after Brazil, is reeling under estimated 2nd subsequent year of loss of Sugar production giving ample opportunity of Sugar exports from India. For instance, Indonesia, one of the major importer of Sugar in the region has relaxed their quality norms so as to suit Indian Sugar and has become a major potential buyer of Indian Sugar. Looking into high stocks of Sugar and estimated higher Sugar production next year, continuous Sugar exports will hold the key to solve the problem of surplus Sugar available in the system and help domestic prices. The government has extended the Maximum Admissible Export Quota (MAEQ) this year to 6 million tonnes and have plans to extend it next year as well.

I am happy to share that your Company continues to be the leading sugar and ethanol manufacturing Company in India with its fourteen sugar plants having an aggregate sugarcane crushing capacity of 1,36,000 TCD and fourteen co-generation plants having a total power generation capacity of 449 MW. During the year ended March 31, 2020, the Company crushed 15.845 MMT of sugarcane as against 16.761 MMT in the previous year. The average recovery of sugar from sugarcane is higher due to conducive weather condition and high yield cane varieties. This year, sugar recovery was 11.65% as against 11.40% in the previous year. During the year, the Company produced 18,45,270 MT sugar (previous year 19,10,112 MT) and 7,12,011 MT molasses (previous year 7,75,934 MT).

The operations of power generation were smooth at all the fourteen plants. While most of the power generated by us continued to be used for captive consumption to run our plants, the surplus power was sold to the Uttar Pradesh state grid.

A special note of gratitude to our excellent team of employees who have collectively steered your Company as one of India's leaders of the sugar industry. We must not forget that despite the severe challenges of lockdown and health scare concerns, our team has been unfailingly delivering their duties in a most committed manner. Managing the business of Sugar with its controlled policy environment on the domestic front and yet a competitive global market to face is a strange juxtapose our team stands up to everyday. We are proud

of our managers who have helped your Company to constantly ride all evolving challenges.

The Indian Sugar Industry has witnessed a gradual yet firm upward shift in its overall production level. Our best estimates make us very optimistic of a continuous sustenance of high levels of production in the next five years. This on one hand open up huge strength of better capacity utilisation for Sugar Mills, on other hand will leave the challenge of solving surplus for which continued Government support is there in terms of diversion of Cane for other usages like Ethanol and export of Sugar.

I take this opportunity to thank all the stakeholders including Central and State Government authorities, bankers, shareholders, suppliers, customers, and business associates for their support in managing the Company.

KUSHAGRA BAJAJ
Chairman



Managing Director's Letter

The world is currently facing an unprecedented challenge in the form of COVID-19. The crisis is not only related to health, but one that will have a devastating social and economic impact across the globe in the months and years to come. COVID-19 has brought life to a standstill and has hit both the developing and the developed world. Across the globe, several thousands of lives have been lost due to the non-availability of a proper vaccine, adequate medical equipment and supplies, shortage of trained staff and so on. We will need to continue finding the safest means and ways to ensure continuation of business while protecting ourselves and our people.

Your Company, falling under Essential Services, continued to function through the lockdown. We have undertaken systems and processes to ensure the complete safety and security of every single employee. The teams have stayed engaged and motivated all through this time of extreme stress and uncertainty. I would like to thank every employee at BHSL and their families for everything they have done to weather this crisis and help your Company prepare to cope with this situation. It is heartening to see that we have managed to continue with our production thanks to the devotion and dedication of every single team member. The health and safety of our employees remains a top priority for me and the biggest issue on my mind is how BHSL can extend all possible help to the nation as well as to the society during the on-going threat.



Your Company continues to be the leading sugar and ethanol manufacturing Company in India with its fourteen sugar plants having an aggregate sugarcane crushing capacity of 1,36,000 TCD, six distilleries having aggregate capacity to produce Industrial Alcohol of 800 kilolitres per day and fourteen co-generation plants having a total power generation capacity of 449 MW.

During the year ended March 31, 2020, BHSL crushed 15.845 MMT of sugarcane as against 16.761 MMT in the previous year. The average recovery of sugar from sugarcane is higher due to conducive weather conditions and high yield cane varieties. This year, sugar recovery was 11.65% as against 11.40% in the previous year. During the year, the Company produced 18,45,270 MT sugar (previous

year 19,10,112 MT) and 7,12,011 MT molasses (previous year 7,75,934 MT).

India is the world's second largest producer of sugar after Brazil, and the country output is expected to increase by 17.69% to 32.01 MT during the season beginning October 2020 due to probable higher availability of sugarcane for crushing. The country's sugar output has reached 27.02 million tonnes (MT) in the current season. About 1,50,000 tonnes of sugar production is expected by season-end, taking the total output to 27.2 MT. The ex-mill sugar prices, which had fallen to around ₹ 31-31.50 per kg during the lockdown due to drop in domestic sales, have improved to reach about the same levels as pre-lockdown.

With India's produce growing to these levels, and with production in 2020-21 expected to be about 31 MT, the Government's support to review the ongoing situation and discuss the policy measures has become imperative. With the reduction in domestic consumption, the announcement of the new export policy in helping for 2020-21 is going to go a long way to help the industry. Increasing the minimum selling price (MSP) of sugar to ₹ 33 per kg and reduction of interest rate on delayed cane payment to farmers will also go a long way in helping the industry.

Sugar Industry in India has an important role to play for the socio-economic development of rural population, especially the farmers engaged in the sugarcane cultivation. It is one of the prime support provider essential for rapid growth of the rural economy, and we take this responsibility very seriously. Your Company continues to adopt policies, and business strategies to effectively integrate emerging environmental, social and economic considerations. Whether it's through conserving energy, recycling or finding innovative solutions to environmental and

social challenges, BHSL is committed to being a respectful, responsible and positive influence on the environment and the society in which we operate. Efficient power management, infrastructure sharing, use of eco-friendly renewable energy sources, etc. are some of the inbuilt practices in our day-to-day business operations, to ensure a clean and green environment.

Our employees participate in these community activities on a regular basis and are proud members of your Company. Employee welfare and their care is one of the most important areas that BHSL is focussed on. Their satisfaction, safety and development is something that is always top of mind for your Company. We are committed to making sure that they have access to the latest technologies and opportunities to develop themselves. In the current environment of economic uncertainty and anxiety, our employees have continued to give their best. We are proud that our Chairman has assured every single employee that no jobs will be affected due to the pandemic. They are assured that the organisation stands by them in these difficult times.

I take this opportunity to thank all workers, officers, farmers and Government Authorities for their support in smooth running of the Plant.

ASHOK KUMAR GUPTA
Managing Director



5 YEARS PERFORMANCE TRENDS : 2016-2020

₹ Crore

BALANCE SHEET	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016
ASSETS					
Non-current assets					
Property, plant and equipment	7,178.15	7,390.08	7,535.76	7,728.17	7,937.16
Right of use assets	9.44	-	-	-	-
Capital work-in-progress	43.07	16.56	65.79	36.05	18.74
Other intangible assets	-	-	-	-	-
Financial assets					
Investments	191.68	251.27	1,055.92	1,108.30	1,132.49
Other non-current financial assets	2.07	3.99	2.35	4.93	3.83
Other non-current assets	14.14	12.97	15.78	21.79	19.92
Sub total	7,438.55	7,674.87	8,675.60	8,899.24	9,112.14
Current assets					
Inventories	2,711.39	2,764.98	2,847.88	3,009.52	1,924.12
Financial assets					
Current investments	770.13	770.13	-	-	-
Trade receivables	173.18	206.05	192.43	165.58	300.16
Cash and cash equivalents	100.69	48.10	31.28	30.09	41.17
Bank balances	10.49	11.42	23.39	51.41	78.10
Loans and interests accrued	2,091.29	2,146.58	2,002.04	1,855.71	1,710.83
Current tax assets (net)	4.26	3.76	4.41	21.63	20.72
Other current assets	789.32	779.81	815.63	769.68	767.41
Sub total	6,650.75	6,730.83	5,917.06	5,903.62	4,842.51
Total	14,089.30	14,405.70	14,592.66	14,802.86	13,954.65
EQUITY AND LIABILITIES					
Equity					
Equity share capital	110.07	110.07	110.07	110.07	108.39
Other equity	3,144.21	3,294.98	3,387.79	3,833.44	3,849.39
Sub total	3,254.28	3,405.05	3,497.86	3,943.51	3,957.78
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowings	5,139.53	5,382.09	5,892.42	5,459.79	6,219.80
Lease liabilities	9.54	-	-	-	-
Provisions	69.26	53.75	43.35	40.23	29.02
Deferred tax liabilities (net)	610.07	629.46	642.54	653.13	665.52
Other non-current liabilities	25.98	21.74	13.70	8.73	9.18
Sub total	5,854.38	6,087.04	6,592.01	6,161.88	6,923.52
Current liabilities					
Financial liabilities					
Borrowings	-	-	156.26	242.74	-
Trade payables	4,439.52	4,161.92	3,372.67	2,785.87	2,195.72
Other financial liabilities	387.90	663.91	773.32	1,369.64	693.02
Other current liabilities	139.71	76.20	190.60	123.41	63.97
Provisions	13.51	11.58	9.94	175.81	120.64
Sub total	4,980.64	4,913.61	4,502.79	4,697.47	3,073.35
Total	14,089.30	14,405.70	14,592.66	14,802.86	13,954.65

₹ Crore

NET INCOME STATEMENT Year / period ended	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016
INCOME					
Revenue from operations	6,665.60	6,803.82	5,938.38	4,618.64	4,882.62
Other income	11.01	163.61	166.93	162.27	155.98
Total	6,676.61	6,967.43	6,105.31	4,780.91	5,038.60
EXPENSES					
Purchases and materials consumed	5,363.34	5,658.63	4,900.53	4,037.88	3,127.29
Manufacturing & other expenses	783.50	735.61	757.60	758.06	680.93
Changes in inventories of finished goods and work-in-progress	60.17	106.42	(2.60)	(1,032.80)	281.23
Total	6,207.01	6,500.66	5,655.53	3,763.14	4,089.45
Profit/ (loss) before depreciation, interest and tax (PBIDT)	469.60	466.77	449.78	1,017.77	949.15
Finance cost	300.75	321.78	680.17	802.07	848.38
Depreciation and amortisation	215.87	211.33	196.91	214.12	223.98
	516.62	533.11	877.08	1,016.19	1,072.36
Profit / (loss) before exceptional items and tax	(47.02)	(66.34)	(427.30)	1.58	(123.21)
Exceptional items	(60.71)	-	-	-	-
Profit / (loss) before tax (PBT)	(107.73)	(66.34)	(427.30)	1.58	(123.21)
Tax expense	(2.36)	(2.26)	(4.11)	(5.82)	(3.42)
Profit / (loss) after tax (PAT)	(105.37)	(64.08)	(423.19)	7.40	(119.79)
Dividend	-	-	-	-	-

Board of Directors

Kushagra Bajaj

Chairman (Non-Executive Director)

Ashok Kumar Gupta

Managing Director

M. L. Apte

Non-Executive Director (Independent)
(up to August 14, 2019)

D. K. Shukla

Non-Executive Director (Independent)

Atul Hasmukhrai Mehta

Non-Executive Director (Independent)

Alok Krishna Agarwal

Non-Executive Director (Independent)
(up to October 03, 2019)

Vipulkumar S. Modi

Non-Executive Director (Independent)

Shalu Bhandari

Non-Executive Director (Independent)

Ashok Mukand

Nominee Director (SBI)

Amir Singh Yadav

Nominee Director (PNB)

Company Secretary

Kausik Adhikari

Company Secretary

Chief Financial Officer

Alok Kumar Vaish

Chief Financial Officer

Statutory Auditors

Chaturvedi & Shah LLP

Chartered Accountants

Cost Auditors

B.J.D. Nanabhoy & Co.

Cost Accountants

Secretarial Auditor

Anant B Khamankar & Co.

Company Secretaries

Bankers

Bank of Baroda

Bank of India

Bank of Maharashtra

Central Bank of India

Canara Bank

IDBI Bank Limited

Indian Bank

Indian Overseas Bank

Punjab National Bank

State Bank of India

UCO Bank

Union Bank of India

Registered Office

Golagokarannath, Lakhimpur-Kheri,
District Kheri, Uttar Pradesh - 262 802
Tel.: +91-5876-233754/5/7/8, 233403

Fax: +91-5876-233401

Email: investor.complaints@bajajhindusthan.com

Website: www.bajajhindusthan.com

CIN: L15420UP1931PLC065243

Registrar & Transfer Agent

Link Intime India Private Limited

C 101, 247 Park

L.B.S. Marg, Vikhroli West

Mumbai - 400 083

Tel.: +91-22-49186000

Fax: +91-22-49186060

E-mail: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

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Directors' Report

Dear Members,

Your Directors have pleasure in presenting their Eighty Eighth annual report and the audited financial statements for the year ended March 31, 2020.

Financial highlights

The summarised financial results of the Company for the year ended March 31, 2020 are presented below:

	Year ended March 31, 2020	Year ended March 31, 2019
		₹ Crore
Sales and other income	6,676.61	6,967.43
Profit/(Loss) before depreciation, interest and tax	408.89	466.77
Depreciation and amortisation	215.87	211.33
Profit/(Loss) after depreciation but before interest and tax	193.02	255.44
Finance costs (Net)	300.75	321.78
Profit/(Loss) before tax	(107.73)	(66.34)
Provision for taxation (Net)	(2.36)	(2.26)
Profit/(Loss) after tax	(105.37)	(64.08)
Opening balance b/f	(1,099.18)	(1,033.92)
Disposable surplus after adjustments	(1,204.55)	(1,098.00)
Transfer to reserve for molasses storage tank	0.82	1.18
Balance carried to balance sheet	(1,205.37)	(1,099.18)

On a standalone basis, the Company achieved a turnover (including other income) of ₹ 6,676.61 crore for the year ended March 31, 2020 as compared to ₹6,967.43 crore in the previous year. The loss after tax is ₹ 105.37 crore as compared to the loss of ₹ 64.08 crore in the previous year. On a consolidated basis, the turnover including other income is ₹ 6,681.32 crore as compared to ₹6,902.28 crore in the previous year. The loss after tax and minority interest is ₹ 49.99 crore as against loss of ₹136.56 crore in the previous year.

Dividend

In view of loss during the year under review, your Directors do not recommend any dividend for the current Financial Year. (Previous Year - Nil)

Dividend distribution policy

The Board of Directors at its meeting held on February 13, 2017 approved the Dividend Distribution Policy containing the requirements mentioned in regulations 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy is annexed as "Annexure I" and forms part of this Report.

Operations

The Company continues to be the leading sugar and ethanol manufacturing Company in India with its fourteen sugar plants having an aggregate sugarcane crushing capacity of 1,36,000 TCD, six distilleries having aggregate capacity to produce Industrial Alcohol of 800 kilolitres per day and fourteen co-generation plants having a total power generation capacity of 449 MW.

During the year, the operations at all the sugar, distillery and co-generation plants were satisfactory.

Sugar

During the year ended March 31, 2020, the Company crushed 15.845 MMT of sugarcane as against 16.761 MMT in the previous year. The average recovery of sugar from sugarcane is higher due to conducive weather condition and high yield cane varieties. This year, sugar recovery was 11.65% as against 11.40% in the previous year. During the year, the Company produced 18,45,270 MT sugar (previous year 19,10,112 MT) and 7,12,011 MT molasses (previous year 7,75,934 MT).

The Company sold 18,70,362 MT of sugar and 4,65,568 MT of molasses during the year as against 19,53,161 MT of sugar and 3,28,600 MT of molasses during the previous year.

Distillery

The Industrial Alcohol / Ethanol production was 57,221 KL as against 1,07,724 KL in the previous year. Alcohol / Ethanol sale during the year was at 62,174 KL as against 1,24,841 KL during the previous year.

Power

The operations of power generation were smooth at all the fourteen plants. While most of the power generated by us continued to be used for captive consumption to run our plants, the surplus power was sold to the Uttar Pradesh state grid.

During the year, Power generation was at 780.5 Million Units (MUs) as against 949.4 MUs in the previous year. The Company exported 217.9 MUs of power as against 338.9 MUs during the previous year.

Listing of securities

The Company's equity shares are listed on the BSE Limited and National Stock Exchange of India Limited. The Annual Listing fees to each of these Stock Exchanges have been paid by the Company.

Subsidiary and Associate Companies

As on March 31, 2020, the Company had the following Subsidiaries and Associates, all of them are presently unlisted:

Subsidiaries:

1. Bajaj Aviation Private Limited (BAPL) – (Holding 100%).
2. Bajaj Power Generation Private Limited (BPGPL) – (Holding 100%).
3. Bajaj Hindusthan (Singapore) Private Limited (BHSPL) – (Holding 100%).
4. PT. Batu Bumi Persada, Indonesia – (step down subsidiary being 99.00% subsidiary of BHSPL).
5. PT. Jangkar Prima, Indonesia – (step down subsidiary being 99.88% subsidiary of BHSPL).

Associate:

1. Bajaj Ebiz Private Limited – (Holding 49.50%).

Performance and financial positions of subsidiaries and associates

- a) Bajaj Aviation Private Limited: During the year ended March 31, 2020, Bajaj Aviation Private Limited continued to provide Air Transport Services through Air Craft – Falcon LX 2000. In addition to this, the company also leased out its Helicopter - Bell 407 to another company providing Air – Transportation Services.
- b) Bajaj Power Generation Private Limited: No substantial progress could be made as regards proposed 1,980 MW (3x660 MW) power project to be set up by the company through its wholly-owned subsidiary, Bajaj Power Generation Private Limited (BPGPL), primarily due to non-execution of water use agreement. While the company continued its all-out efforts to seek confirmation from Uttar Pradesh Power Corporation Limited (UPPCL) to facilitate supply of water, in absence thereof it could not obtain coal linkage from Standing Linkage Committee. On the other hand, the company received a termination notice from UPPCL to terminate Power Purchase Agreement (PPA). The notice was duly contested by the company, leading to litigation in this regard. Consequently, pursuant to an order passed by Uttar Pradesh Electricity Regulatory Commission, the PPA stands terminated.

In view of the progress already made during the earlier years, BPGPL is exploring various alternatives and taking necessary steps for setting up the project.

- c) Bajaj Hindusthan (Singapore) Private Limited: BHSPL through its two subsidiaries in Indonesia, continued to hold coal mines in Indonesia which are in the process of being developed.
- d) PT. Jangkar Prima (PTJP), Indonesia and PT. Batu Bumi Persada (PTBBP), Indonesia: PTJP and PTBBP are engaged in the business of Mining and Mining services including consulting, planning, implementation and testing of equipment in the field of construction of mining. These subsidiaries are in the process of development of a coal mine and received various clearances in this regard except for the forestry clearance and the clearance for the jetty site for which necessary efforts to expedite the matter with concerned authorities are being made. Operation of coal mine is expected to start in the next one year.
- e) Bajaj Ebiz Private Limited: Bajaj Ebiz did not carry out any business during the year.

Pursuant to the provisions of Section 129 of the Companies Act, 2013 and Rule 5 of the Companies (Accounts) Rules 2014, statement containing the salient features of the financial statements of its subsidiaries/associate companies in the manner prescribed under the Companies Act, 2013 is given as Annexure to the Consolidated Financial Statements.

Consolidated Financial Statements

In compliance with Section 129(3) of the Companies Act, 2013 and Rules made thereunder, Indian Accounting Standard (Ind AS) 110, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Consolidated Financial Statements form part of this Annual Report. Consolidated Financial Statements presented by your Company include financial information about its aforesaid subsidiaries and associates. The standalone financial statements of BHSL as well as its aforesaid subsidiaries and its associates will be available on the website of the Company (www.bajajhindusthan.com).

Directors and Key Managerial Personnel

Retirement by rotation

Mr. Kushagra Bajaj, (DIN: 00017575) Chairman of the Company will retire by rotation and being eligible offers himself for reappointment.

Appointment of Mr. Kushagra Bajaj is in compliance with the provisions of Section 164(2) of the Companies Act, 2013.

Cessation of Director

Mr. Madhav Laxman Apte (DIN: 00003656) and Mr. Alok Krishna Agarwal (DIN:00127273), Independent Directors of the Company resigned from the Board with effect from August 14, 2019 and October 03, 2019 respectively. The Board placed on record its appreciation for the valuable services rendered by the aforesaid directors.

Appointment of Directors and Key Managerial Personnel

In accordance with the Master Restructuring Agreement and Master Framework Agreement with Consortium Lenders, Mr. Amir Singh Yadav (DIN: 08481111) was appointed as Nominee Director of Punjab National Bank with effect from June 25, 2019 in place of Mr. Rajeeva.

Mr. Atul Hasmukhrai Mehta (DIN: 00112451) was appointed as Independent Director of the Company with effect from January 01, 2020.

The profile of Mr. Amir Singh Yadav and Mr. Atul Hasmukhrai Mehta forms part of the Corporate Governance Report.

Mr. Pradeep Parakh, Group President (GRC) and Company Secretary ceased as Company Secretary of the Company with effect from May 05, 2020. The Board placed on record its sincere appreciation of the valuable services rendered by Mr. Pradeep Parakh during his tenure as Company Secretary of the Company.

Mr. Kausik Adhikari, aged 44 years was appointed as the Company Secretary of the Company with effect from May 06, 2020. Mr. Adhikari is working with the Company since 2010 and is a qualified Company Secretary and Master in Commerce. He has more than 15 years of experience in Corporate Secretarial functions. Mr. Adhikari has worked extensively in the areas like Corporate Governance, Compliances and Mergers & Acquisitions. Prior to joining Bajaj Hindusthan, Mr. Adhikari has worked with organisations like The Pratappur Sugar and Industries Limited and Reliance Industries Limited.

Board evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Induction and training of Board members

The process followed by the Company for induction and training to Board members has been explained in the Corporate Governance Report.

Independent Directors' Declaration

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Directors' responsibility statement

Pursuant to the requirement of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of loss of the Company for that year;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the directors had prepared the annual accounts on a going concern basis;
- (v) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors and auditors' report

Auditors and their report

Chaturvedi and Shah LLP (formerly M/s. Chaturvedi & Shah, Chartered Accountants (Firm Registration No.101720W/W100355) were appointed as Auditors of the Company for five consecutive years at the conclusion of the 83rd Annual General Meeting till conclusion of the 88th Annual General Meeting.

The auditors in their report to the members, have given qualification, observation, emphasis of matter and key audit matters and the explanation/comments of your directors with respect to it are as follows:

1. Explanation to 3rd para of the Audit report regarding Qualified opinion

As per the Master Framework Agreement (MFA) executed between the Company and Lenders on December 16, 2017 pursuant to the S4A Scheme, the Company is regularly servicing the coupon rate attached to the Optionally Convertible Debentures (OCDs). The difference between weighted average interest and coupon rate being Yield to Maturity (YTM) though, accruing on annual basis from the date of allotment is payable as redemption premium in a phased manner in 13 equal instalments commencing from the Financial Year 2024-25. The management is of the view that such YTM as redemption premium is payable only in the event of redemption of OCDs and not upon the conversion of the OCDs into the equity shares of the Company, based on the right of conversion as may be exercised by the holders from time to time. Accordingly, the Management considers such YTM as a contingent liability and has not provided the premium in the books of the Company.

2. Explanation to para no. 4 of the Audit report regarding Material Uncertainty related to Going Concern

Management expects to generate positive cash flow from operation this year based on improvement in sugar recovery percentage and also expects further improvement in the operational efficiencies in other parameters based on various corrective measures taken by the Company including the restructuring of debts as stated in the said note and the Company expects to receive benefits under the Sugar Promotion Policy 2004.

The Company has also taken steps and exploring the possibilities of monetising its non-core assets like investments in Lalitpur Power Generation Company. Operational performance of the Company is getting better year on year and matching with the industry.

Accordingly, the Management is of the view that going concern of the accounting is appropriate.

3. Comments to para 5. a) of the Audit report regarding Emphasis of Matter

As per the debt restructuring schemes, obligation was casted on the Company and promoters to recover the outstanding loans in phased manner. The Company also has taken steps for sale of non-core assets by way of sale of investments in Lalitpur Power Generation Company Limited.

4. Comments to para 5. b) of the Audit report regarding Emphasis of Matter

So far there has not been any material impact of the pandemic and resultant lockdown on the performance of the Company. During lockdown, the operations of sugar mill were classified as essential activities and were kept out of lockdown. Hence, the Company finished its sugarcane crushing season 2019-20 as a normal, like any other earlier seasons. As per the assessment made, the management is of the view that the Company will not be impacted adversely. Now the Government is relaxing the lockdown in phased manner, consequently the commercial activities are returning to normal.

5. Comments on Key audit matters of the Audit report regarding Impairment assessment for Investments, loans and interest on loan related party companies

Please refer the comments on Sr. 3 above regarding recovery of outstanding loans and sale of investment and accordingly no impairment have been identified by the management based on above assessment.

6. Comments on Key audit matters of the Audit report regarding physical verification of inventory

Due to outbreak of pandemic COVID-19 and resultant national lockdown, the auditors could not visit the plants for physical verification of closing inventory. But the management facilitated the auditors with all the practical options

like video conferencing with the plants and providing live view of the Godowns and storages, sharing all the official documents like manufacturing/despatch reports, various returns which are submitted to tax and other authorities, back tracing method etc. and provided all the alternative methods to develop a reasonable comfort on the point as per the guidelines laid by the Institute of Chartered Accountants of India.

Statement on Impact of Audit Qualifications for Audit Report with Modified Opinion

Pursuant to Regulation 34(2)(a), statements on Impact of Audit Qualifications as stipulated in Regulation 33(3)(d) for Modified Opinions on standalone and consolidated financial statements are attached as Annexure "X" and "XI" and forms part of this report.

Cost auditors and their report

Pursuant to Section 148 of the Companies Act, 2013, the Board of Directors on the recommendation of the Audit Committee appointed M/s. B.J.D. Nanabhoy & Co., Cost Accountants, Mumbai (Firm Registration No. 000011) as the Cost Auditors of the Company for financial year 2020-21 and has recommended their remuneration to the shareholders for ratification at the ensuing Annual General Meeting. The Cost Audit Reports for the financial year ended March 31, 2019 for the products Sugar, Industrial Alcohol and Electricity was filed with the Ministry of Corporate Affairs on December 17, 2019.

Secretarial auditor's reports

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, M/s. Anant B Khamankar & Co., Company Secretaries were appointed as Secretarial Auditor of the Company. The Secretarial Audit Report and Annual Secretarial Compliance Report are annexed as "Annexure II and Annexure III" and forms part of this report. The report does not contain any qualification, reservation or adverse remark or disclaimer.

Public deposits

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Deposits unclaimed at the end of the year was Nil.

Particulars of loans, guarantees or investments

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in "Annexure IV" and forms part of this report.

Audit Committee

The Company constituted Audit Committee as required under Section 177 of the Companies Act, 2013 and Regulation 18 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015. Composition of Audit Committee is given in Corporate Governance Report. There is no such instance during the year under review where the Board had not accepted any recommendation of Audit of the Audit Committee.

Related party transactions

The details of transactions entered into with the Related Parties are enclosed in Form no. AOC 2 is annexed herewith as "Annexure V" and forms part of this report.

Internal financial control

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT 9 is annexed as "Annexure VI" and forms part of this report.

Corporate Social Responsibility

As required under Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility (CSR) Committee. As per recommendation of the CSR Committee, the Board at its meeting held on September 25, 2014 approved the CSR Policy of the Company. Report on CSR Activities/Initiatives is enclosed as "Annexure VII" and forms part of this report.

Policies

Policy for determining material subsidiary

During the year ended March 31, 2020, the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 16 (c) of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has framed a policy for determining “material subsidiary” and the same is available on the Company’s website at www.bajajhindusthan.com/investorcorner-policies.php

Policy on remuneration and other aspects of directors and KMP

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy on directors’ appointment and remuneration including criteria for determining qualifications, positive attributes, independence of director and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The detailed remuneration policy is placed on the Company’s website at www.bajajhindusthan.com/investorcorner-policies.php

Vigil mechanism/Whistle blower policy

The Company has formulated a Vigil Mechanism/Whistle Blower Policy in accordance with Section 177(9) of the Companies Act, 2013 and Regulation 22 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the Vigil Mechanism/Whistle Blower Policy are provided in the Corporate Governance Report and also posted on the website of the Company at www.bajajhindusthan.com/investorcorner-policies.php

Risk management

The Company has a Risk Management Policy to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company’s competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business. The detailed remuneration policy is placed on the Company’s website at www.bajajhindusthan.com/investorcorner-policies.php

The Board of Directors had constituted Risk Management Committee to identify elements of risk in different areas of operations and to develop policy for actions associated to mitigate the risks.

Related party transaction policy

Policy on dealing with Related Party Transactions as approved by the Board is uploaded on the Company’s website at www.bajajhindusthan.com/investorcorner-policies.php

Corporate Social Responsibility (CSR) policy

Contents of Corporate Social Responsibility Policy in the Board’s report are given in the Report on CSR Activities in “Annexure VII” and on the Company’s website at www.bajajhindusthan.com/investorcorner-policies.php

Anti sexual harassment policy

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal committee has been set up to redress the complaints received regarding sexual harassment at workplace. All employees including trainees are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed of during the current financial year.

Number of Complaints received: Nil

Number of Complaints disposed of: Nil

Compliance with secretarial standards

The Company has complied with the secretarial standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

Significant and material orders passed by the regulators or courts or tribunals

There have been no significant and material orders passed by the courts or regulators or tribunals impacting the going concern status and Company’s operations. However, member’s attention is drawn to the statements on contingent liabilities and commitments in the notes forming part of the financial statements.

Particulars of employees and related disclosures

As required under the provision of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are set out in “Annexure VIII” and forms part of this report.

Transfer of unclaimed dividend and unclaimed shares to investor education and protection fund

The details of Unclaimed Dividend and Unclaimed Shares forms part of the Corporate Governance Report.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The relevant particulars regarding the above are given in "Annexure IX" and forms part of this report.

Corporate governance

The Company has complied with the corporate governance requirements under the Companies Act, 2013 and as stipulated under the Listing Regulations. A separate section on corporate governance practices followed by the Company, together with a certificate from the Auditors confirming compliance is annexed and forms part of this Report.

Management Discussion and Analysis and Business Responsibility Report

As per Regulation 34 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report and Business Responsibility Report are prescribed in separate Sections forming part of this Annual Report.

Acknowledgements

Industrial relations have been cordial at all the plants of the Company. The Directors express their appreciation for the sincere co-operation and assistance of Central and State Government authorities, bankers, customers and suppliers and business associates. Your Directors also wish to place on record their deep sense of appreciation for the committed services by your Company's employees. Your Directors acknowledge with gratitude the encouragement and support extended by our valued shareholders.

For and on behalf of the Board of Directors

Sd/-

Kushagra Bajaj
Chairman
(DIN: 00017575)

Mumbai,
June 29, 2020

Changes after the date of Directors' Report

Appointment of Statutory Auditor

M/s R. S. Dani & Co., Chartered Accountants (Firm Registration No. 000243C) is proposed to be appointed as Statutory Auditors of the Company at the ensuing 88th Annual General Meeting, in place of retiring auditors M/s. Chaturvedi & Shah LLP, Chartered Accountants (Firm Registration No. 101720W/W100355), to hold office from the conclusion of the 88th Annual General Meeting (AGM) until the conclusion of the 93rd AGM of the Company."

Re-appointment of Managing Director

Mr. Ashok Kumar Gupta, Managing director is proposed to be re-appointed as Managing director of the Company at the ensuing 88th Annual General Meeting for a period of Five (5) years with effect from April 15, 2021 upto April 14, 2026.

For and on behalf of the Board of Directors

Sd/-

Kushagra Bajaj
Chairman
(DIN: 00017575)

Mumbai,
August 18, 2020

ANNEXURE I

DIVIDEND DISTRIBUTION POLICY

1. Introduction

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of the Company, has adopted this Policy.

The intent of the Policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilised, etc.

The Policy shall not apply to:

- Determination and declaration of dividend on preference shares, as and when issued by the Company, as the same will be as per the terms of issue approved by the shareholders
- Issue of bonus shares by the Company
- Buyback of securities

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

2. Definitions

- (i) **"Act"** shall mean the Companies Act, 2013 and rules made thereunder, as amended from time to time.
- (ii) **"Board"** shall mean board of directors of the Company.
- (iii) **"Company"** shall mean Bajaj Hindusthan Sugar Limited.
- (iv) **"Dividend"** includes any interim dividend.
- (v) **"Listing Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- (vi) **"Policy"** shall mean this dividend distribution policy.
- (vii) **"Stock Exchange"** shall mean a recognised Stock Exchange on which the securities of the Company are listed.

3. Policy

A. Parameters and Factors for Declaration of Dividend

The dividend pay-out decision of the Board depends upon certain financial parameters and internal and external factors, including:

Financial parameters and Internal Factors:

- (i) Operating cash flow of the Company
- (ii) Profit earned during the year
- (iii) Profit available for distribution
- (iv) Earnings Per Share (EPS)
- (v) Working capital requirements
- (vi) Capital expenditure requirement
- (vii) Business expansion and growth
- (viii) Likelihood of crystallisation of contingent liabilities, if any
- (ix) Additional investment in subsidiaries and associates of the Company
- (x) Upgradation of technology and physical infrastructure
- (xi) Creation of contingency fund
- (xii) Cost of Borrowing
- (xiii) Past dividend payout ratio / trends

External Factors:

- (i) Economic environment
- (ii) Capital markets
- (iii) Global conditions
- (iv) Statutory provisions and guidelines

B. Circumstances under which the shareholders of the Company may or may not expect Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

- (i) Proposed expansion plans requiring higher capital allocation
- (ii) Decision to undertake any acquisitions, amalgamation, merger, joint ventures, etc. which requires significant capital outflow
- (iii) Requirement of higher working capital for the purpose of business of the Company
- (iv) Proposal for buy-back of securities
- (v) In the event of loss or inadequacy of profit

C. Utilisation of the retained earning

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilisation of the retained earnings of the Company shall be based on the following factors:

- Expansion and modernisation plan
- Long-term strategic plans
- Replacement of capital assets
- Where the cost of debt is expensive
- Such other criteria as the Board may deem fit from time to time

D. Manner of Dividend payout**In case of final dividend:**

- (i) Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.
- (ii) The dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company.
- (iii) The payment of dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law.

In case of interim dividend:

- (i) Interim dividend, if any, shall be declared by the Board.
- (ii) Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.
- (iii) The payment of dividends shall be made within the statutorily prescribed period from the date of declaration to the shareholders entitled to receive the dividend on the record date, as per the applicable laws.
- (iv) In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the Annual General Meeting.

4. Parameters adopted in relation to various classes of shares

The Company has issued only one class of equity shares with equal voting rights. Accordingly, all members are entitled to receive the same amount of dividend per equity share. The Policy shall be suitably modified upon the issue of equity shares of a different class.

5. Policy Review and Amendments

The Board reserves the power to review and amend this Policy from time to time. All provisions of this Policy would be subject to revision or amendment in accordance with applicable law as may be issued by relevant statutory, regulatory or governmental authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder.

ANNEXURE II

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

(PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 & RULE 9 OF THE COMPANIES APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL RULES, 2014)

To,
The Members,
BAJAJ HINDUSTHAN SUGAR LIMITED
Golagokaranath,
Lakhimpur Kheri - 262 802
Uttar Pradesh, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bajaj Hindusthan Sugar Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 (FEMA) and the Rules and Regulations made thereunder, to the extent applicable to Foreign Direct Investment and Overseas Direct Investment.

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

OTHER APPLICABLE LAWS:

- i. The Sugar Cess Act, 1982
- ii. U. P. Sheera Niyantaran Adhiniyam 1964
- iii. Food Safety and Standards Act, 2006
- iv. Essential Commodities Act, 1955
- v. Sugar Development Fund Act, 1982
- vi. Prevention of Food Adulteration Act, 1954
- vii. U.P. Sugar Wages Board Act, 1981
- viii. U.P. Sugarcane (Regulation of Supply and Purchase) Act, 1953

We have relied on the representations made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance/shorter notice of time less than seven days for items of business which were in the nature of 'unpublished price sensitive information' and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes book, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

1. The Company via postal ballot dated November 13, 2019 result of which was declared on 23rd December, 2019, secured the members approval in respect of:
 - a) Raising of Funds through issue of equity shares for an aggregate amount not exceeding ₹1,000 crore.
 - b) Provide security by increasing pledge from 71% to 76% of the paid up share capital of "Lalitpur Power Generation Company Limited ("LPGCL"), as a part of joint obligation on the shareholders of LPGCL to secure existing INR lenders of LPGCL.
 - c) Provide security by creating and/or extending pledge as part of a joint obligation for all the existing shareholders of LPGCL, to secure Foreign Currency Bonds aggregating up to USD 1,500 million (approximately ₹10,800 crore) in one or more tranches proposed to be issued by LPGCL.
2. The Company received a letter from National Stock Exchange ("NSE") Ref.: NSE/LIST/1 67261 dated May 2, 2019 regarding delay of Two (2) days in informing to the NSE with respect to resignation letter received, from Mr. Rajeeva (DIN: 081287961) from the post of Nominee Director. The said letter was received by the Company on 22nd April, 2019 and intimation to NSE was given on April 25, 2019. NSE has directed the Company to take abundant precautions in future with respect to the stated matter and make timely intimations to the Exchange as required under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Company has ensured to take necessary precaution to avoid recurrence of such delays in future and further clarified that the said disclosure was submitted to the Bombay Stock Exchange ("BSE") on 24th April, 2019, however, due to non availability of NEAPS online platform on 24th April, 2019 the said information was submitted to NSE on 25th April, 2019.

FOR ANANT B KHAMANKAR & CO.

COMPANY SECRETARIES

Sd/-

(ANDNANT B. KHAMANKAR)
PROPRIETOR

FCS No. – 3198
CP No. – 1860

UDIN: F0031988N000394237
DATE : June 29, 2020
PLACE : Mumbai

ANNEXURE III

SECRETARIAL COMPLIANCE REPORT OF BAJAJ HINDUSTHAN SUGAR LIMITED FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020.

To,
The Members,
BAJAJ HINDUSTHAN SUGAR LIMITED
Golagokarannath,
Lakhimpur Kheri - 262 802
Uttar Pradesh, India

We have examined:

- (a) All the documents and records made available to us and explanation provided by Bajaj Hindusthan Sugar Limited ("the Listed Entity"),
- (b) The filings/submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity,
- (d) Any other document/filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2020 ("Review Period") in respect of compliance with the provisions of:
 - i) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - ii) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (not applicable to the listed entity for the period under review)
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (not applicable to the listed entity for the period under review)
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable to the listed entity for the period under review)
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (not applicable to the listed entity for the period under review)
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Any other regulation as applicable: Not Applicable.

Based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matter specified below: - **Not Applicable**

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
-	-	-	-

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- (c) The following are the details of action taken against the listed entity/its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/Regulations and circulars/guidelines issued thereunder.

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/remarks of the Practicing Company Secretary, if any
1.	National Stock Exchange (NSE) vide letter Ref.: NSE/ LIST/ 167261 dated May 2, 2019	Delay of Two (2) days in informing to the NSE regarding resignation letter received from Mr. Rajeeva (DIN: 081287961) from the post of Nominee Director. The letter was received by the listed entity on April 22, 2019 and intimation to NSE was given on April 25, 2019.	NSE vide its letter Ref NSE/LIST/1 67261 dated May 2, 2019 has directed the listed entity to take abundant precautions in future in respect to the stated matter and make timely intimations to the Exchange as required under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.	The listed entity has ensured to take necessary precaution to avoid recurrence of such delays in future. It further clarified that the said disclosure submitted to BSE on April 24, 2019, however due to non availability of NEAPS online platform on April 24th, 2019 the said information was submitted to NSE on April 25, 2019

- (d) The listed entity has taken the following actions to comply with the observations made in the previous reports:
Not Applicable

Sr. No.	Observations of the Practicing Company Secretary in previous report	Observations made in the secretarial compliance report for the year ended 31.03.2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
-	-	-	-	-

FOR ANANT B KHAMANKAR & CO.

COMPANY SECRETARIES

Sd/-

(ANANT B. KHAMANKAR)

PROPRIETOR

FCS No. – 3198

CP No. – 1860

UDIN: F003198B000394314

DATE : June 29, 2020

PLACE : Mumbai

ANNEXURE IV

The particulars of loans given, investments made, guarantee given or security provided under Section 186 (4) of the Companies Act, 2013 are provided below:

Sr. No.	Particulars - whether loan, investment, guarantee or security	Name of recipient and other details	Amount (₹ Crore)	Key terms & conditions	Purpose for which the loan or guarantee or security is proposed to be utilised by the recipient (to be provided only for loan or guarantee or security)
1	Investments made	Bajaj Hindusthan (Singapore) Private Ltd. - Equity Shares	92.32	N.A.	N.A.
2	Investments made	Bajaj Aviation Private Ltd. - Equity Shares	5.00	N.A.	N.A.
3	Investments made	Bajaj Power Generation Private Ltd. - Equity Shares	0.02	N.A.	N.A.
4	Investments made	Lalitpur Power Generation Company Ltd. - Equity Shares	770.13	N.A.	N.A.
5	Investments made	Bajaj Ebiz Private Ltd. - Equity Shares	1.15	N.A.	N.A.
6	Investments made	Esugar India Limited	0.01	N.A.	N.A.
7	Investments made	Phenil Sugars Ltd. - 6% Redeemable Non Cumulative Non Convertible Preference Shares	350.04	N.A.	N.A.
8	Investments made	Phenil Sugars Ltd. - Zero Coupon Optionally Convertible Debentures	370.48	N.A.	N.A.
9	Investments made	Interest in BHL Securities Trust, which holds equity shares of the Company, pursuant to the Scheme of Amalgamation of the Company with its erstwhile subsidiary Bajaj Hindusthan Sugar & Industries Ltd.	693.72	N.A.	N.A.
10	Loans given	Bajaj Aviation Private Ltd.	24.40	Interest @ 12% p.a., unsecured, repayable on demand	For business purposes to meet operational expenses
11	Loans given	Bajaj Hindusthan (Singapore) Private Ltd.	12.72	Interest @ 0%, unsecured, repayable on demand	For business purposes – general corporate purposes
12	Loans given	Bajaj Power Generation Private Ltd.	870.60	Interest @ 12% p.a., unsecured, repayable on demand	For business purposes – general corporate purposes
13	Loans given	Ojas Industries Private Ltd.	318.50	Interest @ 12% p.a., unsecured, repayable on demand	For business purposes – general corporate purposes
14	Securities given	Lalitpur Power Generation Company Ltd.	661.25	Pledge of share	As collateral security with the trustees of consortium of lenders, facilities obtained by LPGCL

For and on behalf of the Board of Directors

Sd/-

Kushagra Bajaj
Chairman
(DIN: 00017575)

Mumbai
June 29, 2020

ANNEXURE V

Form AOC 2

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's-length transactions under third proviso thereto.

A. Details of contracts or arrangements or transactions not at arm's-length basis: NIL

(a)	Name(s) of the related party and nature of relationship	N.A.
(b)	Nature of contracts/arrangements/transactions	N.A.
(c)	Duration of the contracts/arrangements/transactions	N.A.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	N.A.
(e)	Justification for entering into such contracts or arrangements or transactions	N.A.
(f)	Date(s) of approval by the Board	N.A.
(g)	Amount paid as advances, if any	N.A.
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	N.A.

B. Details of material contracts or arrangement or transactions at arm's-length basis:

1.	(a)	Name(s) of the related party and nature of relationship	Shishir Bajaj Family Trust – Body corporate whose Board of Trustees is accustomed to act in accordance with the advice, directions or instructions of a Director
	(b)	Nature of contracts/arrangements/transactions	Rent paid
	(c)	Duration of the contracts/arrangements transactions	Leave & Licence agreement for office, record room and parking for a period of 5 years w.e.f. February 15, 2024
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 9.65 Crore
	(e)	Date(s) of approval by the Board, if any	12.02.2019
	(f)	Amount paid as advances, if any	-
2.	(a)	Name(s) of the related party and nature of relationship	Bajaj Aviation Pvt. Ltd. - Subsidiary
	(b)	Nature of contracts/arrangements/transactions	Lease rent received
	(c)	Duration of contracts/arrangements/transactions	Aircraft booking agreement
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	₹7.56 Crore
	(e)	Date(s) of approval by the Board, if any	12.04.2013
	(f)	Amount paid as advances, if any	-
3.	(a)	Name(s) of the related party and nature of relationship	Mr. Pradeep Parakh – Key Managerial Personnel
	(b)	Nature of contracts/arrangements/transactions	Remuneration
	(c)	Duration of contracts/arrangements/transactions	01.04.2019 to 31.03.2020
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 2.84 Crore
	(e)	Date(s) of approval by the Board, if any	16.05.2014
	(f)	Amount paid as advances, if any	-

4.	(a)	Name(s) of the related party and nature of relationship	Mr. Alok Vaish – Key Managerial Personnel
	(b)	Nature of contracts/arrangements/transactions	Remuneration
	(c)	Duration of contracts/arrangements/transactions	01.04.2019 to 31.03.2020
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	₹0.65 Crore
	(e)	Date(s) of approval by the Board, if any	27.09.2018
	(f)	Amount paid as advances, if any	-

For and on behalf of the Board of Directors

Sd/-

Kushagra Bajaj
Chairman
(DIN: 00017575)

Mumbai
June 29, 2020

ANNEXURE VI

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L15420UP1931PLC065243
2	Registration Date	November 24, 1931
3	Name of the Company	Bajaj Hindusthan Sugar Limited
4	Category/Sub-Category of the Company	Public Company/Limited by shares
5	Address of the Registered Office and Contact details	Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh - 262 802 Tel.: +91-5876-233754/5/7/8 Fax: +91-5876-233401
6	Whether listed company (Yes/No)	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 247 Park L.B.S. Marg Vikhroli (West) Mumbai - 400 083 Tel.: +91 22 49186000 Fax: +91 22 49186060 Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the product/service	% to total turnover of the Company
1	Sugar	1702	92.38
2	Industrial Alcohol	1101	3.92

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1	Bajaj Aviation Pvt. Ltd.	U65993MH2005PTC154529	Subsidiary	100%	2(87)
2	Bajaj Hindusthan (Singapore) Pvt. Ltd.	NA	Subsidiary	100%	2(87)
3	Bajaj Power Generation Pvt. Ltd.	U40102UP2006PTC045331	Subsidiary	100%	2(87)
4	PT. Batu Bumi Persada, Indonesia	NA	Step down subsidiary of Bajaj Hindusthan (Singapore) Pvt. Ltd.	99%	2(87)
5	PT. Jangkar Prima, Indonesia	NA	Step down subsidiary of Bajaj Hindusthan (Singapore) Pvt. Ltd.	99.88%	2(87)
6	Bajaj Ebiz Private Limited	U72100DL2000PTC273539	Associate	49.50%	2(6)

IV. SHAREHOLDING PATTERN: (Equity Share Capital Breakup as percentage of Total Equity)**(a) Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31-03-2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	2,96,54,338	0	2,96,54,338	2.62	2,96,54,338	0	2,96,54,338	2.62	-
b) Central Govt.	0	0	0	-	0	0	0	-	-
c) State Govt.(s)	0	0	0	-	0	0	0	-	-
d) Bodies Corp.	13,63,04,955	0	13,63,04,955	12.02	13,63,04,955	0	13,63,04,955	12.02	-
e) Banks / FI	0	0	0	-	0	0	0	-	-
f) Any Other (Trusts)	89,84,129	0	89,84,129	0.79	89,84,129	0	89,84,129	0.79	-
Sub-total (A)(1):-	17,49,43,422	0	17,49,43,422	15.43	17,49,43,422	0	17,49,43,422	15.43	
(2) Foreign									
a) NRIs - Individuals	0	0	0	-	0	0	0	0	-
b) Other - Individuals	0	0	0	-	0	0	0	0	-
c) Bodies Corp.	0	0	0	-	0	0	0	0	-
d) Banks / FI	0	0	0	-	0	0	0	0	-
Sub-total (A)(2):-	0	0	0	-	0	0	0	-	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	17,49,43,422	0	17,49,43,422	15.43	17,49,43,422	0	17,49,43,422	15.43	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	2,000	0	2,000	0.00	2,000	0	2,000	-	-
b) Banks / FI	45,68,32,726	700	45,68,33,426	40.30	45,48,40,373	700	45,48,41,073	40.13	(0.17)
c) Central Govt.	0	0	0	-	0	0	0	-	-
d) State Govt.(s)	4,500	0	4,500	0.00	4,500	0	4,500	0.00	-
e) Venture Capital Funds	0	0	0	-	0	0	0	-	-
f) Insurance Companies	4,31,65,896	0	4,31,65,896	3.81	4,31,65,896	0	4,31,65,896	3.81	-
g) FIs	0	0	0	-	0	0	0	-	-

h) Foreign Venture Capital Funds	0	0	0	-	0	0	0	-	-
i) Others – Foreign Portfolio Corp.	4,32,45,854	0	4,32,45,854	3.82	2,54,97,933	0	2,54,97,933	2.25	(1.57)
Sub-total (B)(1):-	54,32,50,976	700	54,32,51,676	47.93	52,35,10,702	700	52,35,11,402	46.19	(1.74)
(2) Non-Institutions									
a) Bodies Corp.									
Indian	5,48,89,720	0	5,48,89,720	4.84	4,58,77,033	0	4,58,77,033	4.05	(0.79)
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹2 lakh (previous year ₹1 lakh)	24,38,99,383	3,59,853	24,42,59,236	21.55	26,52,41,277	3,45,257	26,55,86,534	23.43	1.88
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh (previous year ₹1 lakh)	4,92,81,049	0	4,92,81,049	4.35	5,68,91,236	0	5,68,91,236	5.02	0.67
c) NBFCs registered with RBI	3,37,171	0	3,37,171	0.03	12,307	0	12,307	-	(0.03)
d) Others									
i) Non Resident Indians (Repatriation)	61,07,928	0	61,07,928	0.54	71,80,647	0	71,80,647	0.63	0.09
ii) Non Resident Indians (Non-Repatriation)	18,38,237	0	18,38,237	0.16	18,22,263	0	18,22,263	0.16	-
iii) Clearing Members	59,57,239	0	59,57,239	0.53	33,81,185	0	33,81,185	0.30	(0.23)
iv) Hindu Undivided Family	1,63,47,455	0	1,63,47,455	1.44	1,80,18,877	0	1,80,18,877	1.59	0.15
v) Director & their Relatives	4,700	0	4,700	0.00	2,900	0	2,900	0.00	-
vi) Trust	3,28,05,033	5,06,500	3,33,11,533	2.94	3,28,04,800	5,00,000	3,33,04,800	2.94	-
vii) Unclaimed Shares –(In Demat Suspense Account)	2,65,130	0	2,65,130	0.02	2,63,620	0	2,63,620	0.02	-
viii) Investor Education and Protection Fund (IEPF)	9,85,446	0	9,85,446	0.09	9,83,716	0	9,83,716	0.09	-
Sub-total (B)(2):-	41,27,18,491	8,66,353	41,35,84,844	36.49	43,24,79,861	8,45,257	43,33,25,118	38.23	1.74
Total Public Shareholding (B) = (B)(1)+(B)(2)	95,59,69,467	8,67,053	95,68,36,520	84.41	95,59,90,563	8,45,957	95,68,36,520	84.42	-
C. 1) Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	-
2) Employee Benefit Trust (Under SEBI) (Share based Employee Benefit) Regulations, 2014)	17,80,000	0	17,80,000	0.16	17,80,000	0	17,80,000	0.16	-
Grand Total (A+B+C)	1,13,26,92,889	8,67,053	1,13,35,59,942	100.00	1,13,27,13,985	8,45,957	1,13,35,59,942	100.00	0.00

(b) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2019)			Shareholding at the end of the year (As on 31-03-2020)			
		No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	% change in shareholding during the year
1	Shishir Kumar Bajaj	83,96,341	0.74	0.74	83,96,341	0.74	0.74	-
2	Kushagra Bajaj	1,28,97,036	1.14	1.14	1,28,97,036	1.14	1.14	-
3	Minakshi Bajaj	42,54,556	0.38	0.38	42,54,556	0.38	0.38	-
4	Apoorva Bajaj	2,31,751	0.02	0.02	2,31,751	0.02	0.02	-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2019)			Shareholding at the end of the year (As on 31-03-2020)			
		No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	% change in shareholding during the year
5	Shishir Bajaj (as Karta of Shishir Bajaj HUF)	38,74,654	0.34	0.34	38,74,654	0.34	0.34	-
6	Shishir Bajaj, Minakshi Bajaj and Kushagra Bajaj (as trustees of Kushagra Trust No.2)	60,623	0.01	0.01	60,623	0.01	0.01	-
7	Shishir Bajaj, Minakshi Bajaj and Kushagra Bajaj (as trustees of Shishir Bajaj Family Trust)	288	0.00	0.00	288	0.00	0.00	-
8	Shishirkumar Bajaj & Kushagra Bajaj (as trustees of Bajaj Hindusthan Limited Employees General Medical Aid Fund)	20,78,120	0.18	0.18	20,78,120	0.18	0.18	-
9	Shishirkumar Bajaj & Kushagra Bajaj (as trustees of Bajaj Hindusthan Limited Employees Family Planning Welfare Fund)	17,53,100	0.15	0.15	17,53,100	0.15	0.15	-
10	Shishirkumar Bajaj & Kushagra Bajaj (as trustees of Bajaj Hindusthan Limited Employees Sports & Cultural Activities Welfare Fund)	17,43,600	0.15	0.15	17,43,600	0.15	0.15	-
11	Shishirkumar Bajaj & Kushagra Bajaj (as trustees of Bajaj Hindusthan Limited Managerial Staff Medical Aid Fund)	17,39,100	0.15	0.15	17,39,100	0.15	0.15	-
12	Shishirkumar Bajaj & Kushagra Bajaj (as trustees of Bajaj Hindusthan Limited Employees Education Welfare Fund)	16,09,298	0.14	0.14	16,09,298	0.14	0.14	-
13	Bajaj Capital Ventures Private Limited	22,47,142	0.20	0.20	22,47,142	0.20	0.20	-
14	Bajaj Resources Limited	8,19,44,455	7.23	7.23	8,19,44,455	7.23	7.23	-
15	A.N. Bajaj Enterprises Private Limited	1,83,07,954	1.62	1.62	1,83,07,954	1.62	1.62	-
16	KNB Enterprises LLP	110	0.00	0.00	110	0.00	0.00	-
17	SKB Roop Commercial LLP	110	0.00	0.00	110	0.00	0.00	-
18	Global World Power Projects Private Limited (Merged with Lambodar Projects Pvt. Ltd. w.e.f. 29.01.2016 and subsequently the name of Lambodar Projects Pvt. Ltd. is changed to Lambodar Stocks Pvt. Ltd. w.e.f. 15.04.2017)	121	0.00	0.00	121	0.00	0.00	-
19	Bajaj International Realty Private Limited	2,77,77,484	2.45	2.45	2,77,77,484	2.45	2.45	-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2019)			Shareholding at the end of the year (As on 31-03-2020)			
		No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	% change in shareholding during the year
20	Bajaj Infrastructure Development Company Limited	60,27,469	0.53	0.53	60,27,469	0.53	0.53	
21	Bajaj Power Ventures Private Limited	110	0.00	0.00	110	0.00	0.00	-
	Total	17,49,43,422	15.43	15.43	17,49,43,422	15.43	15.43	

(c) Change in Promoters' Shareholding (please specify, if there is no change)

During the year, there is no changes in Promoter's Shareholding.

(d) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
		No. of shares at the beginning (01-04-19) / end of the year (31-03-20)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Punjab National Bank	8,52,25,312	7.52	01-04-2019	0	Nil movement during the year		
		8,52,25,312	7.52	31-03-2020			8,52,25,312	7.52
		6,29,28,861	5.55	01-04-2019				
2	Allahabad Bank	6,29,28,861	5.55	01-04-2019	0	Nil movement during the year		
		6,29,28,861	5.55	31-03-2020			6,29,28,861	5.55
		6,36,67,200	5.62	01-04-2019				
3	IDBI Bank Limited	6,36,67,200	5.62	01-04-2019	-21,12,377	Sale		
		6,15,54,823	5.43	31-03-2020			6,15,54,823	5.43
4	Central Bank of India	5,66,86,905	5.00	01-04-2019	0	Nil movement during the year		
		5,66,86,905	5.00	31-03-2020			5,66,86,905	5.00
		5,66,86,905	5.00	01-04-2019				

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
		No. of shares at the beginning (01-04-19) / end of the year (31-03-20)	% of total shares of the Company				No. of Shares	% of total shares of the Company
5	Canara Bank	4,24,18,366	3.74	01-04-2019				
					0	Nil movement during the year		
		4,24,18,366	3.74	31-03-2020			4,24,18,366	3.74
6	Oriental Bank of Commerce	4,20,84,964	3.71	01-04-2019				
					0	Nil movement during the year		
		4,20,84,964	3.71	31-03-2020			4,20,84,964	3.71
7	Life Insurance Corporation of India	4,10,26,922	3.62	01-04-2019				
					0	Nil movement during the year		
		4,10,26,922	3.62	31-03-2020			4,10,26,922	3.62
8	BHL Securities Trust	3,11,00,000	2.74	01-04-2019				
					0	Nil movement during the year		
		3,11,00,000	2.74	31-03-2020			3,11,00,000	2.74
9	Indian Overseas Bank	2,42,74,728	2.14	01-04-2019				
					0	Nil movement during the year		
		2,42,74,728	2.14	31-03-2020			2,42,74,728	2.14
10	Corporation Bank	2,27,22,131	2.00	01-04-2019				
					-5,41,143	Sale		
		2,21,80,988	1.96	31-03-2020			2,21,80,988	1.96

Note:

Paid-up capital of the Company as on 31.03.2019 was 1,13,35,59,942 equity shares of ₹ 1/- each and as on 31.03.2020 was 1,13,35,59,942 equity shares of ₹ 1/- each.

(e) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Kushagra Bajaj	1,28,97,036	1.14	1,28,97,036	1.14
2.	Mr. M. L. Apte (up to 14.08.2019)	1,800	0.00	0	0.00
3.	Mr. D. K. Shukla	0	-	0	-
4.	Mr. Alok Krishna Agarwal (up to 03.10.2019)	0	-	0	-
5.	Mr. Vipulkumar S. Modi	0	-	0	-
6.	Mr. Ashok Mukand	0	-	0	-
7.	Mr. Rajeeva (up to 22.04.2019)	0	-	0	-
8.	Mr. Amir Singh Yadav (w.e.f. 25.06.2019)	0	-	0	-
9.	Mr. Ashok Kumar Gupta	2,900	0.00	2,900	0.00
10.	Mrs. Shalu Bhandari	0	-	0	-
11.	Mr. Atul Hasmukhrai Mehta	0	-	0	-
12.	Mr. Pradeep Parakh	4,000	0.00	4,000	0.00
13.	Mr. Alok Kumar Vaish	0	-	0	-

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

₹ Crore

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,916.09	105.98	-	6,022.07
ii) Interest due but not paid	23.52	-	-	23.52
iii) Interest accrued but not due	0.21	-	-	0.21
Total (i+ii+iii)	5,939.82	105.98	-	6,045.80
Change in Indebtedness during the financial year				
• Addition	-	12.62	-	12.62
• Reduction	(547.14)	(0.56)	-	(547.70)
Net Change	(547.14)	12.06	-	(535.08)
Indebtedness at the end of the financial year				
i) Principal Amount	5,368.95	118.04	-	5,486.99
ii) Interest due but not paid	40.26	-	-	40.26
iii) Interest accrued but not due	0.12	-	-	0.12
Total (i+ii+iii)	5,409.33	118.04	-	5,527.37

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:****Amount in ₹**

Sr. No	Particulars of Remuneration	Mr. Kushagra Bajaj (up to 13.08.2019)	Mr. Ashok Kumar Gupta	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,22,67,854	1,19,06,817	3,41,74,671
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	3,10,773	57,118	3,67,891
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others (Cont. to PF & Superannuation fund, etc.)	4,24,258	6,02,480	10,26,738
6	Total (A)	2,30,02,885	1,25,66,415	3,55,69,300
	Ceiling as per the Act			4,94,00,000*

* Included ₹ 1,44,00,000 paid to Mr. Kushagra Bajaj towards payment of Gratuity.

B. Remuneration to other directors:**Amount in ₹**

Particulars of Remuneration	Name of Directors						Total Amount
	Mr. Alok Krishna Agarwal (up to 03.10.2019)	Mr. M. L. Apte (up to 14.08.2019)	Mr. D. K. Shukla	Mr. Vipulkumar S. Modi	Mrs. Shalu Bhandari	Mr. Atul Hasmukhrai Mehta (w.e.f. 01/01/2020)	
1. Independent Directors							
1. Independent Directors							
• Fee for attending board committee meetings	1,50,000	0.00	5,70,000	4,30,000	4,80,000	40,000	16,70,000
• Commission							
• Others, please specify							
Total (1)	1,50,000	0.00	5,70,000	4,30,000	4,80,000	40,000	16,70,000
Chairman Non Executive (w.e.f. 14.08.2019)	Mr. Kushagra Bajaj						
2. Other Non-Executive Directors							
• Fee for attending board committee meetings	40,000						40,000
• Commission							
• Others, please specify							
Total (2)	40,000						40,000

Nominee Directors	Mr. Ashok Mukand	Mr. Rajeeva (up to 22.04.2019)	Mr. Amir Singh Yadav (w.e.f. 25.06.2019)		
3. Nominee Directors • Fee for attending board committee meetings • Commission • Others, please specify	3,20,000	0	80,000		4,00,000
Total (3)	3,20,000	0	80,000		4,00,000
Total (B)=(1+2+3)					21,10,000
Total Managerial Remuneration					3,76,79,300
Overall ceiling as per the Act*					4,94,00,000

*Overall ceiling as per the Act is not applicable to sitting fees paid to non-executive directors.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Amount in ₹

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO Mr. Alok Kumar Vaish	Company Secretary Mr. Pradeep Parakh	Total
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	61,19,898	2,67,55,009	3,28,74,907
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	2,69,953	2,69,953
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify...			
5	Others (Contribution to PF, Superannuation funds, etc.)	3,44,765	14,07,918	17,52,683
	Total	64,64,663	2,84,32,880	3,48,97,543

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	NA	NA	NIL	NA	NA
Punishment	NA	NA	NIL	NA	NA
Compounding	NA	NA	NIL	NA	NA

B. DIRECTORS					
Penalty	NA	NA	NIL	NA	NA
Punishment	NA	NA	NIL	NA	NA
Compounding	NA	NA	NIL	NA	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NA	NIL	NA	NA
Punishment	NA	NA	NIL	NA	NA
Compounding	NA	NA	NIL	NA	NA

For and on behalf of the Board of Directors

Sd/-

Kushagra Bajaj
Chairman
(DIN: 00017575)

Mumbai
June 29, 2020

ANNEXURE VII

REPORT ON CSR ACTIVITIES/INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

1. A brief outline of the Company's CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the weblink to the CSR Policy and projects or programmes.

The salient features of CSR policy approved by the Board of Directors are stated hereinbelow. The policy is available at the following weblink:

http://www.bajajhindustan.com/bajajHindustanCMS/uploads/1433133931_BHSL%20CSR%20Policy.pdf

Salient features of Corporate Social Responsibility (CSR) Policy:

Sugar Industry in India has an important role to play for the socio-economic development of rural population, mainly the farmers engaged in the sugarcane cultivation. It is one of the prime support provider essential for rapid growth of the rural economy.

As part of socially responsible Company, BHSL has and continues to adopt policies, and business strategies to effectively integrate emerging environmental, social and economic considerations. Whether it's through conserving energy, recycling, or finding innovative solutions to environmental and social challenges, BHSL is committed to being a respectful, responsible and positive influence on the environment and the society in which we operate. Efficient power management, infrastructure sharing, use of eco-friendly renewable energy sources, etc. are some of the inbuilt practices in our day-to-day business operations, to ensure a clean and green environment.

This policy outlines the Company's social and moral responsibilities to consumers, employees, shareholders, society and local community and lays down guidelines and mechanism for carrying out programmes, projects and activities that actively assist in overall improvement in the quality of life of local community residing in the vicinity of its plants and society at large as also making them self-reliant, safeguarding of health, preservation of ecological balance and protection of environment. The primary objectives of this Policy are:-

- To ensure an increased commitment at all levels in the Company, to operate its business in an economically, socially and environmentally sustainable manner, while recognising the interests of all its stakeholders.
- To directly or indirectly take up programmes that benefit the communities in and around its work centres and results, over a year of time, in enhancing the quality of life and economic well-being of the local population.
- To generate, through its CSR initiatives, a community goodwill for BHSL and help reinforce a positive and socially responsible image of BHSL as a corporate entity.

2. The Composition of the CSR Committee:

Mr. Kushagra Bajaj, Chairman

Mr. Alok Krishna Agarwal, Member (up to October 03, 2019)

Mr. Ashok Kumar Gupta, Member

Ms. Shalu Bhandari (w.e.f. November 13, 2019)

- 3. Average Net Profit of the Company for last 3 financial years: Not applicable (Since the average net profit for last 3 financial years is negative).**
- 4. Prescribed CSR expenditure (2% of amount): Not applicable**
- 5. Details of CSR activities/projects undertaken during the year: Not applicable**
- a) Total amount to be spent for the financial year
- b) Amount un-spent, if any
- c) Manner in which the amount spent during financial year, is detailed below:

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programmes 1. Local area or other 2. Specify the State and District where Projects or Programmes was undertaken	Amount outlay (budget) Projects or Programme-wise	Amount spent on the projects or Programmes Sub-heads: 1. Direct expenditure on Projects or Programmes 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency*
- Not Applicable -							

* Give details of implementing agency.

- 6. In case the Company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report: Not applicable**
- 7. Responsibility statement:**

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives.'

Kushagra Bajaj
Chairman and
Chairman of the CSR Committee
(DIN: 00017575)

Ashok Kumar Gupta
Managing Director
(DIN: 02608184)

Mumbai
June 29, 2020

ANNEXURE VIII

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- 1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year**

Sl. No.	Name of the Directors/KMP	Designation	Remuneration of Directors/KMP for the year 2019-2020 (Amount in ₹)	% Increase in Remuneration in the year 2019-2020	Ratio of Remuneration of each Director to median remuneration of employee
1	Mr. Kushagra Bajaj (up to 13.08.2019)*	Chairman and Managing Director (up to 13.08.2019), Chairman (w.e.f. 14.08.2019)	2,30,02,885	*	Not Applicable

2	Mr. Ashok Kumar Gupta	Director (Group Operations) (up to 13.08.2019), Managing Director (w.e.f. 14.08.2019)	1,25,66,415	12.91%	46.58
3	Mr. M. L. Apte (up to 14.08.2019)	Director	0	**	Not applicable
4	Mr. D. K. Shukla	Director	5,70,000	32.56%	2.11
5	Mr. Alok Krishna Agarwal (up to 03.10.2019)	Director	1,50,000	**	0.56
6	Mr. Vipulkumar S Modi	Director	4,30,000	34.38%	1.59
7	Ms. Shalu Bhandari	Director	4,80,000	29.73%	1.78
8	Mr. Ashok Mukand	Nominee Director	3,20,000	33.33%	1.19
9	Mr. Rajeeva (up to 22.04.2019)	Nominee Director	0	**	Not applicable
10	Mr. Amir Singh Yadav (w.e.f. 25.06.2019)	Nominee Director	80,000	***	Not applicable
11	Mr. Atul Mehta (w.e.f. 01.01.2020)	Director	40,000	***	Not applicable
12	Mr. Alok Vaish	Chief Financial Officer	64,64,663	****	Not applicable
13	Mr. Pradeep Parakh	Group President (GRC) & Company Secretary	2,84,32,880	8.89%	Not applicable

*Remuneration paid to Mr. Kushagra Bajaj includes ₹1,44,00,000 towards payment of gratuity. Hence, it is not comparable with last year's remuneration and median remuneration.

** Sitting fees paid to Non-executive Directors during the year was less than the sitting fees paid in the last financial year.

*** Appointed as director this year only, hence comparable figures are not available.

**** Last year Mr. Alok Vaish was elevated as CFO w.e.f. 09.08.2018.

2. The median remuneration of employees of the Company during the year was ₹ 2,85,504

3. The increase in the median remuneration of employees in the financial year was 5.89%

4. There were 7,415 permanent employees on the rolls of the Company as at March 31, 2020.

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase of the employee of the Company other than managerial personnel is 8.10%. Increase in remuneration of managerial personnel is 10.29%. The increase in remuneration of employees other than the managerial personnel is in line with the increase in remuneration of managerial personnel.

5. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

Particulars of Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Details of Top Ten Employees in terms of remuneration drawn as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sr. No.	Name of Employee	Designation/ Nature of duties	Remuneration (₹)	Qualification	Age (years)	Experience (No. of years)	Date of commencement of employment	Last employment
1	Mr. Pradeep Parakh	Group President (GRC) & Company Secretary	2,84,32,880	B.Com (Hons), FCA, FCS	52	28	07.03.2001	Dy. Company Secretary, Gujarat Ambuja Cement Ltd.

Sr. No.	Name of Employee	Designation/ Nature of duties	Remuneration (₹)	Qualification	Age (years)	Experience (No. of years)	Date of commencement of employment	Last employment
2	Mr. Kushagra Bajaj (up to 13.08.2019)	Chairman and Managing Director (up to 13.08.2019), Chairman (w.e.f. 14.08.2019)	2,30,02,885	B.S. Indl Mgmt (Fin,Eco,Pol Phil), M. S. (Integrated Mktg Comm (Mktg))	42	17	20.08.2001	-
3	Mr. Akash Sharma	Vice President (Finance & Accounts)	1,50,37,769	B.Com, LLB & FCA	54	28	22.03.2006	Jaiprakash Associates Ltd.
4	Mr. Ashok Kumar Gupta	Managing Director	1,25,66,415	M.Com	68	48	31.05.1982	Upper Doab Sugar Mills Ltd.
5	Ms. Swati Bhattacharya	Chief Communications & Brand Officer	1,16,65,670	B.A. English (Hons), Diploma in Journalism	48	25	14.05.2019	C K Birla Corporate Services Ltd.
6	Mr. Vikas Lahoti	Head - Group Corporate Taxation	1,09,33,982	B.Com, CA, MBA	62	34	22.04.2013	Etisalat DB Telecom (P) Ltd.
7	Mr. Naval Kishore Kashyap	Sr. Vice President (Indirect Taxation)	88,55,932	B.Com, Diploma (Excise & Cust.)	60	37	01.11.2011	Carbery Infrastructure Pte. Ltd.
8	Mr. Adhish Goray	Project Head	75,41,781	G.D. Arch., M. Arts	46	23	15.02.2013	Pancard Clubs Limited
9	Alok Vaish	Chief Financial Officer	64,64,663	B.Com, C.A.	51	26	26.03.2004	Oswal Chemicals & Fertilizers Limited
10	Mr. Sanjay Kumar Goyal	Vice President (F&A)	63,86,546	B.Com, C.A.	51	27	20.09.2018	Shree Renuka Sugars Ltd.

- B. Details of Employees employed throughout the financial year who were in receipt of remuneration for that year which, in aggregate, was not less than ₹ 1.02 crore are given in Sr. nos. 1 and 3 to 6 of the table above.
- C. Employees employed for a part of the financial year and who were in receipt of the remuneration during for that financial year at a rate not less than ₹ 8,50,000 per month is given in Sr. No.2 of the table above.
- D. Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate is in excess of that drawn by the managing director or whole time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company: Nil

Notes:

1. Remuneration includes Salary, Allowances, Company's Contribution to Provident Fund, Superannuation, etc., taxable value of perquisites and terminal benefits as may be applicable.
2. Except the appointment of Mr. Kushagra Bajaj, all appointments are non-contractual and terminable by notice on either side.
3. None of the aforesaid employees is relative of any director or manager.

For and on behalf of the Board of Directors

Sd/-

Kushagra Bajaj
Chairman
(DIN: 00017575)

Mumbai
June 29, 2020

ANNEXURE IX

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

A. Conservation of energy:

(i) Steps taken for conservation of energy:

- 1 Operation of boiler ID Fans in Auto/Variable Frequency Drive (VFD) control mode instead of damper control to reduce power consumption during season.
- 2 Operation of complete electrical system at 3-4% lower voltage to save extra energy and smooth operation of equipment.
- 3 Installation of centralised lubrication system for mill roller bearings to reduce lubricant consumption.
- 4 Installation of steam traps for various drains of vapour/exhaust to reduce the wastage.
- 5 Arrangement for taking the Paharpur cooling tower excess water for cleaning of juice heaters, evaporator sets & mill house floor washing to reduce the ETP load.
- 6 Zero liquid discharge as per central pollution control board / National green tribunal directions.
- 7 100% circulation of cooling water to reduce the use of groundwater and borewell running.
- 8 Automation of pump of sulphur furnace cooling water pit for on-off according to pit water level.
- 9 Use of LED in place of simple bulb for lighting in colony and factory to reduce the power load.
- 10 Carbon & Sand Filter installed for effluent treatment.
- 11 Under Water Management program to reduce the borewell water consumption, Cooling Tower is installed to cool the recycle water.
- 12 Stopped sending 7 kg/cm sq. live steam to process by installation of E-boiler at Sulphur furnace as well as chemical cleaning of evaporator body being done on 1.5 kg/cm sq exhaust steam which has increased the power export.
- 13 Additional power capacitor provided in the power house and all MCC (Motor Control Centre) room with PCC (Power Control Centre) to increase power factor to reduce power consumption.
- 14 Installation of Digital AVR on 10 & 12 MW, both Turbines will run parallel with Grid and Power export can increase if sugar plant will run on optimum capacity.
- 15 Pump having smaller capacity installed at UGR for water re-circulation during off season which saved approximately 50% of previous power consumption.
- 16 Replacement of the nickel screen 0.05 mm to 0.06 mm for reduction of molasses, Power saving, reduction of nickel screen consumption, increase of machine capacity, better quality of sugar.
- 17 Head On Cutter direction has been reversed, PI improved & Power consumption reduced.
- 18 Implementation of water recycling system.
- 19 Modification in Anvil plate for pocket side. Anvil plate degrees reduced & also reduced pocket size for better preparation and avoid overloading at drive. Now successfully operating & also reduced power consumption.
- 20 Installation of bagasse belt (70 metre) for proper stacking of bagasse in bagasse yard.
- 21 Proper cane feeding have very important role in plant performance. Improve the cane feeding we have put camera and level sensor at main carrier and get the benefit smooth loading at mill.
- 22 Installation of Caustic Soda tank to collect evaporator boiled caustic soda & recharge, reuse it in evaporator to avoid pollution.
- 23 In-house modification in Wet Scrubber to maintain the pollution norms.
- 24 Recirculation of bagasse to reduce moisture level in bagasse to get gain in steam rising.
- 25 Installation of auto system spray engineering device to reduce power consumption by reduction of injection water.
- 26 Additional power capacitor in the power house & all MCC room with PCC to increase power factor to reduce power consumption.
- 27 Variable DC Drive motors are installed for milling tandem in the mill for better efficiency.
- 28 Additional power capacitor in the power house & all MCC room with PCC to increase power factor to reduce power consumption.
- 29 Grease is used at mills as lubricants which reduce the consumption of lubricants & same time pollution load on ETP also reduces.

- 30 By providing control valves and modifying heating steam coil in A Heavy and B Heavy molasses conditioners at pan floor conditioning of molasses improved and resulted better circulation in pan and reduced boiling time.

(ii) Steps taken by the Company for utilising alternate sources of energy:

- 1 Installation of Bio gas plant.

(iii) Capital investment on energy conservation equipment: Nil

B. Technology absorption:

(i) Efforts made towards technology absorption:

Research and Development (R&D): Under Sugarcane Research & Development, specific areas in which R&D is carried out by the Company during the year ended March 31, 2020 were accelerated as under:

- 1 New cane varieties Co 0238, Co 118, Co 98014 & CoJ 85 in early group and CoJ 88 & others high sugar varieties in general group are adopted.
- 2 Utilisation of Filtrate / Melt / Syrup Clarification.
- 3 Introduced Zero Budget Natural Farming concept.
- 4 Emphasis on Integrated Nutrient Management (I.N.M.) in order to minimise the use of chemical fertilisers in sugarcane and promote organic manuring.
- 5 Emphasis on integrated pest management (I.P.M.) to keep pests of sugarcane under check.
- 6 Design and installation of bearing protection system for mill roller bearings.
- 7 Arrangement to collect rainwater during off season in injection/spray channel and used for trial and testing of plant.
- 8 Modification of cooling water pipe for different equipment to collect in UGR (Under Ground Reservoir) through gravity.
- 9 Construction of common collection pit with pumps to send the plant effluent to the Effluent Treatment Plant (ETP) through underground HDPE lines with proper automation on its level.
- 10 M Sugar bin bottom modified to avoid dust formation and accumulation of sugar in dead pockets.
- 11 ETP treated water used at wet scrubber back wash in place of fresh water.
- 12 Constructed new rainwater harvesting system.
- 13 For treatment of excess process cooling tower water at ETP sulphate removal plant has been installed.
- 14 Application of organic manure.
- 15 Foliar spray on sugarcane crop.
- 16 Spray of GRH (Growth Regulating Hormones) for tillering in ratoon crop.
- 17 Modification in Batch Type Sulphur Burner No-2 (100kg) to improve efficiency, to avoid leakages and to reduce breakdowns.
- 18 Modification in IDM Juice Sulphitor to get better Juice clarification efficiency.
- 19 Use of preventive maintenance management tools.
- 20 Replacement of Monitor Casing of existing 2 Nos. NHEC-1503 Conti. Centrifugal Machine to improve working efficiency.
- 21 Installation of Sulphate Removal System (SRS) to treat the excess / surplus spray pond water to avoid direct flow into E.T.P.
- 22 Installation of Sewage Treatment Plant (STP) in plant colony area.
- 23 Modification in Sugar Distribution Arrangement Inlet to Sugar Storage Vessel.
- 24 Replacement of Cooling Coils of C-mono Vertical Crystalliser.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

1. Proper varietal balance maintained for achieving good percentage of recovery from cane.
2. Reduction of sulphur consumption & improvement of quality and recovery of sugar.
3. Zero Budget Natural Farming helps in bringing down the cost of sugarcane cultivation while improving the soil fertility as well as productivity of sugarcane.
4. Biological control of some of the pest and insects has helped in saving the cost of insecticides thus reducing the cost of cultivation and producing healthy disease-free cane and improved soil health.
5. Increase in average yield of sugarcane results in the increase of cane availability to the mill.
6. Reduce of oil consumption and wastage.
7. Reduced the use of ground water and same time it reduces the generation of effluent.
8. Better control of 1st vapour and 2nd vapour.
9. Excellent improvement was observed in the performance of ETP due to controlled feed and less sludge formation.

10. Quality of sugar improved with time & manpower saving in sugar bin cleaning.
11. Reduced consumption of borewell water.
12. Recharged groundwater level with rainwater collected from roof of sugar godown and nearby river seepage water.
13. Quality of treated effluent from ETP has improved considerably and fully complied CPCB/UPCB norms, hence regularly used by farmers for irrigation purpose.
14. Sugar recovery increased.
15. Lower cost of cultivation of sugarcane will be more beneficial to farmers.
16. GRH spray induced high tellering in ratoon crop thus increasing the yield.
17. SO₂ Gas Leakages avoided, Gas final temperature maintained & breakdowns eliminated.
18. Efficiency of Juice Sulphitor improved and desired pH level maintained.
19. Reduction of maintenance cost in all electrical switchgears and motors.
20. Machines' capacity enhanced and efficiency improved.
21. S.R.S. Plant is under installation to avoid direct flow into E.T.P. This will increase working efficiency of E.T.P. Plant in future.
22. Treating Sewage Water for further use and maintaining the Zero Liquid Discharge (ZLD) as per Pollution Control norms.
23. Percentage of bolder grain increased in Sugar bagging by proper distribution of Sugar into vessels.
24. Sugar unknown losses reduced and also getting better Massecuite Conditioning.

(iii) Details regarding imported technology (imported during last three years reckoned from the beginning of the financial year):

Information regarding technology imported during the last 3 years:	
a) Details of Technology imported	None
b) Year of import	Not applicable
c) Whether the technology been fully absorbed	Not applicable
d) If not fully absorbed, areas where absorptions has not taken place, and the reason thereof	Not applicable

(iv) Expenditure incurred on Research and Development:

For the year/year ended	Year ended March 31, 2020 (₹ Crore)	Year ended March 31, 2019 (₹ Crore)
a) Capital	Nil	Nil
b) Recurring	Nil	Nil
c) Total	Nil	Nil
d) Total R&D expenditure as a percentage of total turnover	N.A.	N.A.

Note: The capital and revenue expenditure on R&D incurred during the year have been included in the respective heads of capital and revenue expenditure.

C. Foreign exchange earnings and outgo:

- a) Activities relating to exports; initiative taken to increase exports; development of new export markets for products and services and export plans: None
- b) Total foreign exchange used and earned:

For the year/year ended	Year ended March 31, 2020 (₹ Crore)	Year ended March 31, 2019 (₹ Crore)
Foreign exchange earned in terms of actual inflows	15.30	18.55
Foreign exchange outgo in terms of actual outflows	0.03	0.05

For and on behalf of the Board of Directors

Sd/-

Kushagra Bajaj
Chairman
(DIN: 00017575)

Mumbai
June 29, 2020

ANNEXURE X

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with the Annual Audited Financial Results (Standalone) for the Financial Year ended March 31, 2020
[Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016].

₹ Crore

I. SI. No.	Particulars	Audited Figures	Adjusted Figures
		(as reported before adjusting for qualifications)	(audited figures after adjusting for qualifications)
1	Turnover / Total income	6,676.61	6,676.61
2	Total Expenditure	6,723.63	7,138.14
3	Net Profit/(Loss)	(105.37)	(519.88)
4	Earnings Per Share	(0.96)	(4.72)
5	Total Assets	14,089.30	14,089.30
6	Total Liabilities	10,835.02	11,764.04
7	Net Worth	3,254.28	2,325.26
8	Any other financial item(s) (as felt appropriate by the management)	The contingent liability on account of accumulated YTM payable as redemption premium on OCDs : ₹ 929.02 crore	The contingent liability on account of accumulated YTM payable as redemption premium on OCDs : NIL

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification: Non provision of the premium payable on Optionally Convertible Debentures (OCDs) at the time of redemption of OCDs issued to lenders pursuant to the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme) which stipulates that the yield to maturity (YTM) being the difference between weighted average interest and coupon rate be payable as redemption premium at the time of redemption of OCDs redeemable in 13 equal instalments commencing from the financial year 2024-25. The Company considers such YTM/redemption premium as contingent liability and has not provided for the same in the books of account for the quarter and year ended March 31, 2020 amounting to ₹ 103.06 crore and ₹ 414.51 crore respectively. The aggregate liability for such YTM from the date of allotment of OCDs till the year ended March 31, 2020 is ₹ 929.02 crore. Had such interest been provided, the reported profit/ (loss) for the quarter and year ended March 31, 2020 would have been ₹ 57.32 crore and ₹ 519.88 crore respectively and net worth of the Company would have been ₹ 2,325.26 crore.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing : Continuing Since March 31, 2019.

d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views: Quantification is given in the note mentioned in para a above.

Management's view:

As per the Master Framework Agreement (MFA) executed between the Company and Lenders on December 16, 2017 the Optionally Convertible Debentures (OCDs) shall carry a Yield to Maturity (YTM) at a yield rate on the principal amount, accruing on annual basis, starting from the allotment date. The redemption will start from the Financial year 2024-25.

In addition to the clause of MFA quoted above, it will be pertinent to note that another clause stated that upon occurrence of an Event of Default, the Debenture Trustee/ Monitoring Institution can issue a Conversion Notice for conversion of all of its outstanding OCDs into the equity shares of the Company. This clause contemplates conversions of all outstanding OCDs. The expression outstanding OCDs is not a defined expression unlike other expressions in the MFA.

Thus MFA provides that upon occurrence of an Event of Default, the Debenture Trustee/Monitoring Institution may instruct the conversion of outstanding OCDs into equity shares. Since the expression used is 'outstanding' and not "Outstanding Amount – OCDs", it can be construed that the conversion of OCDs will cover only the outstanding face value of the OCDs and will not include YTM.

Having considered the clauses referred above, Clause regarding conversion does not suggest or indicate that the amount of YTM is required to be added to the Principal Amount of the OCDs for conversion of the OCDs into the equity shares of the Company at the time of the conversion. Accordingly, the management considers such YTM as contingent liability and has not provided the premium in the books of the Company.

e. For Audit Qualification(s) where the impact is not quantified by the auditor: Not applicable

(i) Management's estimation on the impact of audit qualification: Given in SI I.

(ii) If management is unable to estimate the impact, reasons for the same: Not applicable

(iii) Auditors' comments on (i) or (ii) above: Already explained in SI II (a) Above

III. Signatories:

Ashok Kumar Gupta
Managing Director

Alok Kumar Vaish
Chief Financial Officer

DK Shukla
Audit Committee Chairman

Lalit R Mhalsekar
Statutory Auditor

ANNEXURE XI

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with the Annual Audited Financial Results (Consolidated) for the Financial Year ended March 31, 2020
[Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

₹ Crore

I. Sl. No.	Particulars	Audited Figures	Adjusted Figures
		(as reported before adjusting for qualifications)	(audited figures after adjusting for qualifications)
1	Turnover / Total Income	6,681.32	6,681.32
2	Total Expenditure	6,733.68	7,148.19
3	Net Profit/(Loss)	(50.00)	(464.51)
4	Earnings Per Share	(0.45)	(4.22)
5	Total Assets	13,548.36	13,548.36
6	Total Liabilities	10,851.26	11,780.28
7	Net Worth	2,697.10	1,768.08
8	Any other financial item(s) (as felt appropriate by the management)	The contingent liability on account of accumulated YTM payable as redemption premium on OCDs : ₹ 929.02 crore	The contingent liability on account of accumulated YTM payable as redemption premium on OCDs : NIL

II. Audit Qualification (each audit qualification separately):

- a. **Details of Audit Qualification:** Non provision of the premium payable on Optionally Convertible Debentures (OCDs) at the time of redemption of OCDs issued to lenders pursuant to the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme) which stipulates that the yield to maturity (YTM) being the difference between weighted average interest and coupon rate be payable as redemption premium at the time of redemption of OCDs redeemable in 13 equal instalments commencing from the financial year 2024-25. The Company considers such YTM/redemption premium as contingent liability and has not provided for the same in the books of account for the quarter and year ended March 31, 2020 amounting to ₹ 103.06 crore and ₹ 414.51 crore respectively. The aggregate liability for such YTM from the date of allotment of OCDs till the year ended March 31, 2020 is ₹ 929.02 crore. Had such interest been provided, the reported profit/ (loss) for the quarter and year ended March 31, 2020 would have been ₹ 2.61 crore and (₹ 464.51) crore respectively and net worth of the Company would have been ₹1,768.08 crore.
- b. **Type of Audit Qualification :** Qualified Opinion
- c. **Frequency of Qualification:** Whether appeared first time / repetitive / since how long continuing : Continuing Since March 31, 2019.
- d. **For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views:** Quantification is given in the note mentioned in para a above.

Management's view:

As per the Master Framework Agreement (MFA) executed between the Company and Lenders on December 16, 2017 the Optionally Convertible Debentures (OCDs) shall carry a Yield to Maturity (YTM) at a yield rate on the principal amount, accruing on annual basis, starting from the allotment date. The redemption will start from the financial year 2024-25. In addition to the clause of the MFA quoted above, it will be pertinent to note that another clause stated that upon occurrence of an Event of Default, the Debenture Trustee/Monitoring Institution can issue a Conversion Notice for conversion of all of its outstanding OCDs into the equity shares of the Company. This clause contemplates conversions of all outstanding OCDs. The expression outstanding OCDs is not a defined expression unlike other expressions in the MFA.

Thus MFA provides that upon occurrence of an Event of Default, the Debenture Trustee/Monitoring Institution may instruct the conversion of outstanding OCDs into equity shares. Since the expression used is 'outstanding' and not "Outstanding Amount – OCDs", it can be construed that the conversion of OCDs will cover only the outstanding face value of the OCDs and will not include YTM.

Having considered the clauses referred above, Clause regarding conversion does not suggest or indicate that the amount of YTM is required to be added to the Principal Amount of the OCDs for conversion of the OCDs into the equity shares of the Company at the time of the conversion. Accordingly, the management considers such YTM as contingent liability and has not provided the premium in the books of the Company.

- e. **For Audit Qualification(s) where the impact is not quantified by the auditor:** Not applicable
- Management's estimation on the impact of audit qualification: Given in SI I.
 - If management is unable to estimate the impact, reasons for the same: Not applicable
 - Auditors' Comments on (i) or (ii) above: Already explained in SI II (a) above

III. Signatories:

Ashok Kumar Gupta
Managing Director

Alok Kumar Vaish
Chief Financial Officer

DK Shukla
Audit Committee Chairman

Lalit R Mhalsekar
Statutory Auditor

Corporate Governance Report

(Pursuant to Schedule V(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015)

Company's philosophy on code of governance

The Corporate Beliefs and Policies comprehensively symbolise the Group's corporate governance philosophy. The spirit embodied in Company's Corporate Governance Philosophy involves a commitment to run its business in a legal, ethical and transparent manner in the best long-term interest of its shareholders as well as other stakeholders, which will remain undisturbed no matter how greatly the social environment changes in the future. The Company considers corporate governance to be a system for sustainable growth by establishing and maintaining a sincere management structure and continuously increasing the Group's corporate value over the medium and long-term in both financial and non-financial (CSR) aspects to ensure the longlasting trust and faith of all stakeholders, including farmers and other suppliers, customers, business partners, shareholders and investors, lenders, regulators, employees, local communities and society at large.

The Company recognises the importance of developing and establishing the corporate governance system based on its organisational strength that ensures a system of structural, procedural and cultural safeguards. In this direction, the Company strives to inculcate best governance practices in all the spheres of its activities for achieving the Company's goals in an ethical and compliant manner. The basic tenets of Company's Corporate Governance Principles have been adopted by the Company's Board of Directors, all of its Committees and employees at all levels as an integral part of strategic management for survival, growth, consolidation and sustainability.

Board of Directors

Composition and category of Directors

The Board of Directors of Bajaj Hindusthan Sugar has a healthy blend of Executive and Non-Executive Directors. All the Non-Executive Directors are eminent professionals and bring the wealth of their professional expertise and experience to the Management of the Company. Composition and category of Directors are given in Table 1 below:

Table 1: Composition and category

Name	Category
Mr. Kushagra Bajaj, Chairman (Non-Executive), DIN: 00017575	Non-Executive, Promoter
Mr. Ashok Kumar Gupta (Managing Director), DIN: 02608184	Executive Director
Mr. M. L. Apte, DIN: 00003656 (up to 14/08/2019)	Independent, Non-Executive
Mr. D. K. Shukla, DIN: 00025409	Independent, Non-Executive
Mr. Alok Krishna Agarwal, DIN:00127273 (up to 03/10/2019)	Independent, Non-Executive
Mr. Atul Hasmukhrai Mehta, DIN: 00112451 (w.e.f. 01.01.2020)	Independent, Non-Executive
Mr. Vipulkumar S. Modi, DIN: 06985276	Independent, Non-Executive
Ms. Shalu Bhandari, DIN: 00012556	Independent, Non-Executive
Mr. Ashok Mukand, DIN: 00324588	Nominee Director, State Bank of India (Lender)
Mr. Rajeeva, DIN: 08128796 (up to 22/04/2019)	Nominee Director, Punjab National Bank (Lender)
Mr. Amir Singh Yadav, DIN: 08481111 (w.e.f. 25.06.2019)	Nominee Director, Punjab National Bank (Lender)

Profile of Directors

The brief profile of each Director is given below:

Mr. Kushagra Bajaj, Chairman (Non-Executive)

Mr. Kushagra Bajaj is one of our Promoters. He graduated with a Bachelor of Science (Hons.) degree in Economics, Political Philosophy and Finance from the Carnegie Mellon University, Pittsburgh, USA. Mr. Bajaj completed his Master of Science degree in Marketing from the Northwestern University, Chicago, USA. Mr. Bajaj was the Chief Executive of the Company from August 2001 to April 2007 and was appointed as Joint Managing Director with effect from April 24, 2007. He was re-designated as the Vice Chairman and Joint Managing Director with effect from April 30, 2011 and is responsible for overall operations of our Company. He has seventeen years of experience in sugar and FMCG industries, all of which has been with our Company and with the Group Companies of our Promoters. He became the Chairman & Managing Director of the Company with effect from October 18, 2014 to August 13, 2019. In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding appointment of Non-executive Chairman not related to Managing Director or Chief Executive Officer, Mr. Kushagra Bajaj relinquished the post of Managing director and re designated as Chairman (Non-Executive) of the Company from August 14, 2019.

Mr. Ashok Kumar Gupta, Managing Director (w.e.f. August 14, 2019)

Mr. Ashok Kumar Gupta has been a member of our Board of Directors since October 2012. He has experience of more than 49 years in the Sugar Industry. After completing his M.Com from Agra University, he had started his service career from Dhampur Sugar Mills in 1970 and thereafter joined Upper Doab Sugar Mills in August 1978. Thereafter, he had joined Bajaj Hindusthan Sugar Limited on May 31, 1982 and since then continuing with BHSL. During his long tenure with BHSL, he had worked in various senior posts in different departments. He is a patron Member of The Sugar Technologists' Association of India (STAI). He has been awarded with "GEM OF INDIA AWARD" on June 30, 2011 by Council for National Development, New Delhi on its 58th National Convention of National Building through Individual Achievements. On September 24, 2012, the STAI presented him the "Sardar Gurmit Singh Mann Gold Medal Award" – Professional of the Year Award-2011. In 2019, Mr. Gupta has been awarded the most prestigious "Lifetime Achievement Award" by STAI for his outstanding contribution and better management of Cane Development. He became the Managing Director with effect from August 14, 2019.

Mr. D. K. Shukla, Independent, Non-Executive

Mr. D. K. Shukla has been a member of our Board of Directors since October 2001. He has a Bachelors Degree in Arts and a Masters Degree in Social Work. He served as a representative for the Life Insurance Corporation of India on our Board until November 11, 2008. He retired as an Executive Director of LIC in February 2003. During his tenure with LIC, he occupied positions like Regional Manager and was in charge of 3 LIC divisions. Mr. Shukla was re-inducted in the Board with effect from December 21, 2008 as an Independent Director. In addition, Mr. Shukla is a member and Chairman of our Audit Committee, Chairman of Nomination & Remuneration Committee and Chairman of Stakeholders Relationship Committee.

Mr. Atul Has Mukhrai Mehta, Independent, Non-Executive

Mr. Atul H. Mehta has been a member of our Board of Directors since January 01, 2020. He has a Corporate Law Advisor, B.Com, B.G.L. and FCS, is practicing Company Secretary and promoter of Mehta & Mehta Company Secretaries, Mehta & Mehta Advisory Services Private Limited & Mangalam Placement Private Limited. Mr. Mehta comes with an experience of over 25 years in the field of Corporate Law, Capital Market and Human Resource. He has served the industry as a Company Secretary and compliance head for 5 years soon after which he took his pioneering step towards consulting and practicing as a Company Secretary full time. He has also served as secretary of International Association of Company Secretaries which comprises 42 countries as members. He has also shepherded Institute of Company Secretaries All India as President in year 2015-16. He was past Chairman of Western India Regional Council (WIRC) of Institute of Company Secretaries of India (ICSI) in 2009. He was also on the board of various other companies as Independent Director. He has also been elected as Secretary of CISA at Global Level. He was also a part of MCA Committee. He was member of RBI Restructuring Committee. He was also a member of Company Law Committee (6 members), Ministry of Corporate Affairs 2015. He is a member in IOD (Institute of Directors).

Mr. Vipulkumar S. Modi, Independent, Non-Executive

Mr. Vipulkumar S. Modi has been a member of our Board of Directors since January 2016. Mr. Modi is an Advocate and Proprietor of Vipul Modi Associates since 1995. He is an associate editor of "Law Herald". He holds degree of Bachelor of Law & Master of Law.

Ms. Shalu Bhandari, Independent, Non-Executive

Ms. Shalu Bhandari has been a member of our Board of Directors since September 2016. She is a qualified Company Secretary and a fellow Member of the Institute of Company Secretaries of India. Ms. Bhandari is the proprietor of M/s. S.L. Bhandari & Associates, Practicing Company Secretaries operating in Mumbai since 2002. Ms. Bhandari is having experience in providing services in the field of Corporate Law matters with a dedicated focus towards handholding entrepreneurs and corporates.

Mr. Ashok Mukand, Nominee Director

Mr. Ashok Mukand has been appointed as a Director, nominated by State Bank of India, since September 2015. Mr. Mukand joined SBI on December 14, 1970. Until his retirement on May 31, 2009, he had served SBI in various senior positions like CGM, LHO Kolkata and DMD & CFO, Corporate Centre, Mumbai.

Mr. Amir Singh Yadav, Nominee Director

Mr. Amir Singh Yadav has been appointed as Director, nominated by Punjab National Bank, since June 2019. Mr. Amir Singh Yadav is a professional banker having 34 years of experience. He is presently designated as Circle Head, Punjab National Bank, Noida. He holds the degree of M.Com. and Certified Associate of Indian Institute of Bankers (CAIIB).

Mr. M. L. Apte, Independent, Non-Executive (up to 14.08.2019)

Mr. M. L. Apte has been a member of our Board of Directors since July 1970. He is also the Chairman of the Apte Group of Companies. Mr. Apte is a former sheriff of Mumbai, a former president of the Maharashtra Chamber of Commerce, the Bombay Chamber of Commerce, the Cricket Club of India and the Indian Sugar Mills Association, a former member of the Indian Cotton Mills Federation and a former Chairman of the Textiles Committee.

Mr. Alok Krishna Agarwal, Independent, Non-Executive (up to 03.10.2019)

Mr. Alok Krishna Agarwal has been a member of our Board of Directors since April 2007. He is the founder managing partner of Juris Consultus, Law Office now called Sheldon Law Firm at New Delhi. He is also the editor of the monthly Law Magazine "LAWZ". He graduated in law from the Delhi University in the year 1988. He was admitted to the rolls of Bar Council of India in 1989. He is a member of the Supreme Court Bar Association. He is also a life member of the Indian Council of Arbitration.

Mr. Rajeeva, Nominee Director (up to 22.04.2019)

Mr. Rajeeva has been appointed as Director, nominated by Punjab National Bank, since May 2018. Mr. Rajeeva is a professional banker having 25 years of experience. Mr. Rajeeva is presently designated as Circle Head, Punjab National Bank, Noida. Mr. Rajeeva holds the degree of M.A., CAIIB and MBA (Banking and Finance).

Board procedures

Information supplied to the Board

The Board of Bajaj Hindusthan Sugar has complete access to any information within the Company and to any employee of the Company. At the meetings, the Board is provided with all the relevant information on important matters affecting the working of the Company as well as all the related details that require deliberation by the members of the Board.

Number of meetings of the board of directors held and dates on which held

During the financial year 2019-2020, the Board of Directors met nine times on May 22, 2019, June 25, 2019, August 13, 2019, September 25, 2019, November 08, 2019, November 13, 2019, November 20, 2019, January 01, 2020 and February 10, 2020. The gap between any two meetings has been less than four months.

Out of the aforesaid, Eight Board Meetings were held through video conferencing facility.

Table 2: Attendance of each director at the meeting of the board of directors and the last annual general meeting

Name	Board Meetings held / attended	Whether attended previous AGM held on September 20, 2019
Mr. Kushagra Bajaj (Chairman and Managing Director up to 13/08/2019 and Chairman (Non-Executive w.e.f. 14/08/2019), DIN: 00017575	09/01	No
Mr. Ashok Kumar Gupta, Managing Director (Executive) (w.e.f. 14/08/2019), DIN: 02608184	09/08	Yes
Mr. M. L. Apte (up to 14/08/2019), DIN: 00003656	03/00	No
Mr. D. K. Shukla, DIN: 00025409	09/09	Yes
Mr. Alok Krishna Agarwal (up to 03/10/2019), DIN: 00127273	04/02	No
Mr. Atul Hasmukhrai Mehta (w.e.f. 01/01/2020), DIN: 00112451	01/01	No
Mr. Vipulkumar S. Modi, DIN: 06985276	09/09	Yes
Ms. Shalu Bhandari, DIN: 00012556	09/08	No
Mr. Ashok Mukand, DIN: 00324588	09/08	Yes
Mr. Amir Singh Yadav (w.e.f. 25/06/2019), DIN: 08481111	08/02	No
Mr. Rajeeva (up to 22.04.2019), DIN: 08128796	00/00	NA

Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company during the calendar year 2019-2020 was held on August 13, 2019 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timelines of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

Agenda

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board, Committees and Subsidiaries for the information of the Board. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman. Agenda papers are generally circulated seven days prior to the Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed in the subsequent Board Meeting for noting and made part of the minutes of such meeting.

Invitees & proceedings

Apart from the Board members, the Company Secretary, Dy. Company Secretary and the CFO are invited to attend the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the items being discussed by the Board. The CFO makes presentation on the quarterly and annual operating and financial performance and on annual operating & capex budget. The Managing Director, CFO and other senior executives make presentations on capex proposals & progress, operational health & safety and other business issues. The Chairman of various Board/Committees brief the Board on all the important matters discussed and decided at their respective committee meetings, which are generally held prior to the Board Meeting.

Post meeting action

Post meetings, all important decisions taken at the meeting are communicated to the concerned officials and departments. Action Taken Report is prepared and reviewed periodically by the Company Secretary for action taken/pending to be taken.

Support and role of Company Secretary

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. He acts as interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and grievance aspects.

Other directorship and membership of Board Committees

Details of the number of Directorships held in other companies and positions held in all public limited companies by Directors of Bajaj Hindusthan Sugar are summarised in Table 3.

Table 3: Directorship in other companies and committee position in all public limited companies as at March 31, 2020

Name	Directorship in all other companies	Committee Membership			Committee Chairmanship		
		In Listed Public Companies	In Public Companies Unlisted	Total	In Listed Public Companies	In Public Companies Unlisted	Total
Mr. Kushagra Bajaj	3	2	Nil	2	Nil	Nil	Nil
Mr. Ashok Kumar Gupta	Nil	1	Nil	1	Nil	Nil	Nil
Mr. M.L.Apte (up to 14/08/2019)	6	9	Nil	9	1	Nil	1
Mr. D. K. Shukla	2	2	1	3	2	1	2
Mr. Alok Krishna Agarwal (up to 03/10/2019)	10	3	1	4	Nil	Nil	Nil
Mr. Atul Hasmukhrai Mehta (w.e.f. 01/01/2020)	6	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Vipulkumar S. Modi	Nil	1	Nil	1	Nil	Nil	Nil
Ms. Shalu Bhandari	3	1	2	3	Nil	Nil	Nil
Mr. Ashok Mukand	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Amir Singh Yadav (w.e.f. 25.06.2019)	1	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Rajeeva (up to 22.04.2019)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1. Private Limited Companies, Foreign Companies and Companies under Section 8 have been excluded for the purposes of calculating committee positions.
2. Memberships/Chairmanship in only Audit Committees and Stakeholders' Relationship Committee in all Public Limited Companies (including Bajaj Hindusthan Sugar) have been considered for committee positions as per the SEBI (LODR) Regulations.

None of the Directors of Bajaj Hindusthan Sugar is a member in more than 10 committees and Chairman of more than 5 committees across all companies in which he/she is a Director.

Names of listed entities where the directors of the Company is director and the category of directorship

Details of listed entities and category of directorship are given in Table 4:

Table 4: Names of listed entities and category of directorship as at March 31, 2020

Name	Name of listed companies	Category of directorship
Mr. Kushagra Bajaj	Bajaj Consumer Care Limited Bajaj Hindusthan Sugar Limited	Non-Executive – Non Independent Director, Chairperson related to Promoter
Mr. Amir Singh Yadav	Uttam Sugar Mills Limited	Nominee Director

Shares held by non-executive Directors

Shares held by non-executive Directors of the Company are given in Table 5.

Table 5: Shares held by non-executive Directors

Name of the Directors	Number of Shares held as on March 31, 2020
Mr. Kushagra Bajaj	12897036

Induction & training of Board members

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction program including the presentation from the Chairman/the Managing Director on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The induction for Independent Directors include interactive sessions with Executive Committee Members, Business and Functional Heads, visit to the manufacturing site, etc. On the matters of specialised nature, the Company engages outside experts/consultants for presentation and discussion with the Board members.

Familiarisation programmes for Independent Directors

Independent Directors have been explained about their roles, rights, responsibilities in the Company through detailed presentations on the changes in backdrop of Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Board including all Independent Directors were provided with relevant documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices from time to time. Updates on relevant statutory changes on laws concerning the Company are informed to the entire Board on regular intervals. The Independent Directors are facilitated to meet without the presence of the Company's management to discuss matters pertaining to the Company's affairs. The Board including Independent Directors is also updated periodically on Related Party Transactions and the irrational, Litigation update, various Policies and Standard Operating Procedures of the Company, Entity Level Risk, Risk Mitigation Plans, etc.

The details of such familiarization programs for Independent Directors are posted on the website of the Company and can be accessed at www.bajajhindusthan.com

Skills/Expertise/Competence of the Board of Directors

Matrix setting out the list of skills/expertise/competence identified by the board of directors as required in the context of the Company's business (es) and sector(s) for it to function effectively and those actually available with the board are given in Table 6:

Table 6: List of skills/expertise/competence identified by the board of directors as required in the context of the Company's business (es) and sector(s)

Part A: Collective Skills

Skill Area	Description	Skill/expertise/competence available with the Board
Strategy and planning	Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of Bajaj Hindusthan Sugar Limited relevant policies and priorities.	Yes

Skill Area	Description	Skill/expertise/ competence available with the Board
Policy Development	Ability to identify key issues and opportunities for Bajaj Hindusthan Sugar Limited and develop appropriate policies to define the parameters within which the organisation should operate.	Yes
Governance, Risk and Compliance	Experience in the application of corporate governance principles in a commercial enterprise or other regulated entity.	Yes
	Ability to identify key risks to Bajaj Hindusthan Sugar Limited in a wide range of areas including legal and regulatory compliance.	Yes
	Experience in the appointment and evaluation of senior executive managers.	Yes
Financial Performance	Qualifications and experience in accounting and/or finance and the ability to:	Yes
	• Analyse key financial statements;	
	• Critically assess financial viability and performance;	
	• Contribute to strategic financial planning;	
	• Oversee budgets and the efficient use of resources;	
	• Oversee funding arrangements and accountability.	
Government Relations (policy & process)	Experience in managing government relations and industry advocacy strategies.	Yes
Member and stakeholder engagement	High level reputation and established networks in the consumer or business groups, and the ability to effectively engage and communicate with key stakeholders.	Yes
Commercial Experience	A broad range of commercial/business experience, in areas including communications, marketing, branding and business systems, practices and improvement.	Yes
Legal	Qualification and experience in legal practice with emphasis on:	Yes
	• Sugar Industry	
	• Employment law	
	• Health & Safety legislation	
Human Resource Management	Qualification and experience in human resource management with an understanding of:	Yes
	• Sugar Industry	
	• Employment law	
Information Technology / Digital Skills	Qualification and experience in IT Digital skills with an ability to apply new technology to the sugar industries.	Yes

Part B: Personal Attributes

Attributes	Description	Skill/expertise/ competence available with the Board
Integrity (ethics)	A commitment to:	Yes
	• Understanding and fulfilling the duties and responsibilities of a Director, and maintaining knowledge in this regard through professional development;	
	• Putting Bajaj Hindusthan Sugar Limited interests before any personal interests;	
	• Acting in a transparent manner and declaring any activities or conduct that might be a potential conflict;	
	• Maintaining Board confidentiality at all times.	

Attributes	Description	Skill/expertise/competence available with the Board
Effective Communicator	The ability to:	Yes
	<ul style="list-style-type: none"> Listen to, and constructively and appropriately debate, other people's viewpoints; 	
	<ul style="list-style-type: none"> Develop and deliver cogent arguments; Communicate effectively with a broad range of stakeholders. 	
Constructive Questioner	The preparedness to ask questions and challenge Bajaj Hindusthan Sugar Limited management and peer Directors in a constructive and appropriate way about key issues.	Yes
Contributor and Team Player	The ability to work as part of a team, and demonstrate the passion and time to make a genuine and active contribution to the Bajaj Hindusthan Sugar Limited Board.	Yes
Commitment	A visible commitment to the purpose for which the Company has been established and operates, and its ongoing success.	Yes
Leader	Innate leadership skills, including the ability to:	Yes
	<ul style="list-style-type: none"> Appropriately represent Bajaj Hindusthan Sugar Limited; 	
	<ul style="list-style-type: none"> Set appropriate Board and organisation culture; Make and take responsibility for decisions and actions. 	

Confirmations of the Board regarding Independent directors

In the opinion of the Board, the independent directors fulfil the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

Evaluation of the Board's performance

During the financial year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and Individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. Separate exercise was carried out to evaluate the performance of individual Director, including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement safeguarding of minority shareholders interest, etc. The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and Non-independent Directors were carried out by the Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

Code of Conduct

The Company has adopted a Code of Conduct for the Directors and Senior Management of the Company. The same has been posted on the website of the Company. The members of the Board and Senior Management of the Company have submitted their affirmation on compliance with the Code for the effective period. The Declaration by the Chairman to that effect forms part of this Report.

Prevention of insider trading code

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention for Insider Trading. All the Directors, employees at Senior Management and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Mr. Kausik Adhikari, Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the financial year under review, there has been due compliance with the said code.

Board Committees

Table 7: Board Committees

Committee	Members (Category)
Audit Committee	Mr. D. K. Shukla, Chairman* (Independent, Non-Executive) Mr. Alok Krishna Agarwal (Independent, Non-Executive) (up to 03/10/2019) Ms. Shalu Bhandari (Independent, Non-Executive) Mr. Ashok Kumar Gupta, Managing Director (w.e.f. 13/11/2019)
Nomination and Remuneration Committee	Mr. D. K. Shukla, Chairman* (Independent, Non-Executive) Mr. M. L. Apte (Independent, Non-Executive) (up to 14/08/2019) Mr. Alok Krishna Agarwal (Independent, Non-Executive) (up to 03/10/2019) Ms. Shalu Bhandari (Independent, Non-Executive) (w.e.f. 13/11/2019) Mr. Vipul Kumar S. Modi (Independent, Non-Executive) (w.e.f. 13/11/2019)
Stakeholders Relationship Committee	Mr. Kushagra Bajaj (Chairman – Non-Executive) Mr. Vipulkumar S. Modi (Independent, Non-Executive) Mr. D.K. Shukla, Chairman* (Independent, Non-Executive)
Corporate Social Responsibility Committee	Mr. Kushagra Bajaj, Chairman* (Chairman – Non-Executive) Mr. Alok Krishna Agarwal (Independent, Non-Executive) (up to 03/10/2019) Mr. Ashok Kumar Gupta, Managing Director Ms. Shalu Bhandari (Independent Director, Non-Executive) (w.e.f. 13/11/2019)
Risk Management Committee	Mr. Kushagra Bajaj, Chairman* (Chairman – Non-Executive) Mr. Ashok Kumar Gupta, Managing Director Mr. Vipulkumar S. Modi (Independent, Non-Executive) Mr. Pradeep Parakh, Group President (GRC) & Company Secretary (up to 05/05/2020) Mr. Alok Kumar Vaish, Chief Financial Officer

* Chairman of the respective committee

The Board is responsible for constituting, assigning, co-opting and fixing of terms of service for committee members of various committees. The Chairman of the Board, in consultation with the Company Secretary and the Committee Chairman, determines the frequency and duration of the committee meetings. Recommendations of the committees are submitted to the Board for approval. The quorum for meetings is as per the Companies Act, 2013 and SEBI (LODR) Regulations.

Audit Committee

Brief description of terms of reference

The terms of reference of Audit Committee are quite comprehensive and include all requirements mandated under Regulation 18 of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Committee focussed its attention on overseeing and monitoring the financial reporting system within the Company, considering quarterly, half-yearly and annual financial results of the Company and submitting its observations to the Board of Directors before its adoption by the Board, review of annual budgets, annual internal audit plans, legal compliance reporting system, implementation of SAP, review of internal control systems, audit methodology and process, major accounting policies and practices, compliance with accounting standards, risk management and risk disclosure policy and uses of proceeds from Preferential Issue. The Audit Committee also continued to advise the management on areas where greater internal control and internal audit focus was needed and on new areas to be taken up for audit.

These were based on the Committee's discussions and review of the observations of the reports submitted by the Company's Internal Audit Department on systems and controls, cost control measures and statutory compliance in various functional areas.

Composition, name of members and chairperson

The Audit Committee in Bajaj Hindusthan Sugar was constituted in 1989 and thereafter reconstituted from time to time as per the Companies Act, 2013 and SEBI Listing Regulations. The Committee's composition conforms to the requirements of Regulation 18 of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013. The composition of Audit Committee is given in Table 7. All the committee members possess sound knowledge of accounts, audit and finance.

Meetings and attendance during the year

During the financial year ended March 31, 2020, the Audit Committee met seven times on May 22, 2019, August 13, 2019, September 25, 2019, November 08, 2019, November 13, 2019, January 01, 2020 and February 10, 2020. The gap between any two meetings has been less than four months. Out of the aforesaid, seven Audit Committee meetings were held through videoconferencing facility in terms of the circulars issued by the Ministry of Corporate Affairs.

The attendance of each Committee Member is provided in Table 8.

Table 8: Attendance at the meetings of the audit committee of directors during financial year 2019-20

Name of Committee Members	Category	Audit Committee Meetings held / attended
Mr. D. K. Shukla, Chairman*	Independent, Non-Executive	07/07
Mr. Alok Krishna Agarwal (up to 03/10/2019)	Independent, Non-Executive	03/02
Ms. Shalu Bhandari	Independent, Non-Executive	07/07
Mr. Ashok Kumar Gupta (w.e.f. 13/11/2019)	Managing Director	02/02

*Chairman of the audit committee

Mr. Kushagra Bajaj, Chairman, is permanent invitee to the Audit Committee Meetings. In addition, the heads of the Finance and Internal Audit functions, representatives of Statutory Auditors, Cost Auditors and other executives as are considered necessary, generally attended these meetings. The Company Secretary acts as the Secretary to the Audit Committee.

Nomination and Remuneration Committee

Brief description of terms of reference

The terms of reference of Nomination and Remuneration Committee are quite comprehensive and include all requirements mandated under Regulation 19 of SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013. The terms of reference of the Committee inter alia includes the following:

- To determine the Company's policy on remuneration to Executive directors and their relatives working in the Company, including pension rights and compensation payments;
- Recommend to the board, all remuneration, in whatever form, payable to senior management;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Composition, name of members and chairperson

The Remuneration Committee was constituted in 2003 and has been re-christened as Nomination and Remuneration Committee with effect from August 11, 2010. The Committee was reconstituted from time to time as per Companies Act, 2013. The Committee's composition conforms to the requirements of Regulations 19 of SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013. At present, the Committee is consisting of three non-executive Directors. The composition of the Nomination and Remuneration Committee is given in Table 9.

Meeting and attendance during the year

During the financial year ended March 31, 2020, the Nomination and Remuneration Committee met two times on August 13, 2019 and January 01, 2020. The attendance of each Committee Member is provided in Table 9.

Table 9: Attendance at the meetings of the nomination and remuneration committee of directors during the financial year ended March 31, 2020

Name of Committee Members	Category	Nomination and Remuneration Committee Meetings held / attended
Mr. D. K. Shukla, Chairman*	Independent, Non-Executive	02/02
Mr. M. L. Apte (up to 14/08/2019)	Independent, Non-Executive	01/00
Mr. Alok Krishna Agarwal (up to 03/10/2019)	Independent, Non-Executive	01/01
Mr. Vipulkumar S. Modi (w.e.f. 13/11/2019)	Independent, Non-Executive	01/01
Ms. Shalu Bhandari (w.e.f. 13/11/2019)	Independent, Non-Executive	01/01

* Chairman of the committee

Performance evaluation criteria for independent directors

Performance evaluations of Independent directors were made based on the following criteria:

General

- Attends Board meetings regularly.
- Comes well prepared for the Board meetings and participates actively, consistently and effectively.
- Initiates contact with the Chair, when appropriate.
- Benefits the organisation through personal and professional contacts.

Strategic and Functional

- Understands the critical issues affecting the Company.
- Stays abreast of trends impacting business of the Company.
- Keeps abreast with the changes in the external environment.
- Prompts board discussion on strategic issues.
- Understands the Company's strategic direction.
- Brings relevant experience to the Board and uses it effectively. Understands the distinction between the board's policy role and management's implementation / operational role.
- Understands and can evaluate the risk environment of the organisation.

Ethics and Values

- Acts independent of any stakeholder group or entity connected with the business.
- Manages the conflicts in the best interests of the Company.
- Conducts himself/herself in a manner that is ethical and consistent with the laws of the land.
- Maintains confidentiality wherever required.

Team Player

- Seeks to establish and maintain good personal relations with their co-director and management.
- Shares information willingly.
- Listens attentively to the contribution of others.
- Maintains objectivity in the face of difficult decisions.
- Communicates in an open and constructive manner.

Self-Development

- Seeks opportunities for self-development.
- Is open to feedback about performance.
- Takes action to rectify shortcomings.
- Seeks satisfaction and accomplishment through serving on the Board.

Remuneration policy

The Nomination and Remuneration Committee is fully empowered to determine/approve and revise, subject to necessary approvals, the remuneration of managerial personnel including Whole-time Director and Managing Director after taking into account the financial position of the Company, trend in the industry, qualifications, experience, past performance and past remuneration, etc. The Non-Executive Directors are paid sitting fees for every meeting of the Board and its Committees attended by them.

Remuneration to Directors

Pecuniary relationship and transactions of non-executive directors with Bajaj Hindusthan Sugar

The Register of Contracts maintained by the Company pursuant to the provisions of Section 189(1) of the Companies Act, 2013 and rule 16(1) of the Companies (Meetings of Board & its Powers) Rules, 2014, contains particulars of all contracts or arrangements with any related party under Section 188 or in which any director is concerned or interested under sub section (2) of Section 184 applies. The Register is signed by all the Directors present during the respective Board meetings held from time to time.

Remuneration of Non-Executive Directors

Non-Executive Directors were paid a sitting fee of ₹ 40,000 for attending each Board Meeting, ₹ 20,000 for Audit Committee meeting and ₹ 10,000 for other committee meeting. The details of sitting fees paid to Non-Executive Directors during the financial year ended March 31, 2020 are provided in Table 10.

Remuneration of Executive Directors

The Executive Directors – Mr. Kushagra Bajaj (up to 13/08/2019) and Mr. Ashok Kumar Gupta were paid remuneration as per their respective terms of appointment approved by the shareholders of the Company. No pension is paid by the Company to any of the Directors.

The Company did not advance any loans to any of the Executive and/or Non-Executive Directors during the period under review. The details of remuneration paid to the Directors of the Company are given in Table 10.

Table 10: Remuneration of Directors during the financial year ended March 31, 2020

Name of Directors	Salary ₹	Commission	Performance linked incentive	Sitting fees ₹	Total ₹	Notice period
Mr. Kushagra Bajaj, Chairman (Non-Executive) w.e.f. 14/08/2019 (Salary up to 13/08/2019)	2,30,02,885	--	--	40,000	2,30,42,885	N.A.
Mr. Ashok Kumar Gupta, Managing Director (w.e.f. 14/08/2019)	1,25,66,415	--	--	--	1,25,66,415	N.A.
Mr. M. L. Apte (up to 14/08/2019)	--	--	--	--	--	N.A.
Mr. D. K. Shukla	--	--	--	5,70,000	5,70,000	N.A.
Mr. Atul Hasmukhrai Mehta (w.e.f. 01/01/2020)	--	--	--	40,000	40,000	N.A.
Mr. Alok Krishna Agarwal (up to 03/10/2019)	--	--	--	1,50,000	1,50,000	N.A.
Mr. Vipulkumar S. Modi	--	--	--	4,30,000	4,30,000	N.A.
Ms. Shalu Bhandari	--	--	--	4,80,000	4,80,000	N.A.
Mr. Ashok Mukand	--	--	--	3,20,000	3,20,000	N.A.
Mr. Amir Singh Yadav (w.e.f. 25/06/2019)	--	--	--	80,000	80,000	N.A.

Note: The term of office of Mr. Ashok Kumar Gupta is up to April 14, 2021 [being the date of attainment of age of 70 (seventy) years by Mr. Ashok Kumar Gupta] from the date of re-appointment. The Company does not have any service contract with any of the Directors.

No Stock options was given to directors.

Stakeholders' Relationship Committee

Composition, meeting and name of non-executive director heading the committee.

The Committee is headed by Mr. M.L. Apte and the Board has inducted Mr. D.K. Shukla as a Member and Chairman w.e.f. February 12, 2019 consists of the members as stated in Table 11 below. During the financial year ended March 31, 2020, the Stakeholders' Relationship Committee met four times on May 22, 2019, August 13, 2019, November 13, 2019 and February 10, 2020.

The attendance of each Committee Member is provided in Table 11.

Table 11: Attendance at the meetings of the stakeholders' relationship committee during the financial year ended March 31, 2020

Name of Committee Members	Category	Stakeholders' Relationship Committee Meetings held / attended
Mr. M. L. Apte, Chairman (up to 14/08/2019)	Independent, Non-Executive	02/00
Mr. Kushagra Bajaj	Chairman & Managing Director (up to 13/08/2019) & Chairman (w.e.f. 14/08/2019)	04/00
Mr. Vipulkumar S. Modi	Independent, Non-Executive	04/04
Mr. D. K. Shukla, Chairman*	Independent, Non-Executive	04/04

*Chairman of the Committee

The Stakeholders' Relationship Committee is responsible for speedy disposal of all grievances/complaints relating to shareholders/investors. The Committee specifically looks into the redressal of shareholder and investor complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, etc. In addition, the Committee advises on matters which can facilitate better investor services and relations.

Name and designation of compliance officer

Mr. Kausik Adhikari, Company Secretary, has been designated as the Compliance Officer.

The Company has designated the email id “investor.complaints@bajajhindusthan.com” exclusively for the purpose of registering complaints by investors electronically. This e-mail id is displayed on the Company's website i.e. www.bajajhindusthan.com.

Details of shareholders' complaints during the year

The detailed particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the financial year are stated in Table 12.

Table 12: Details of investor complaints during the financial year ended March 31, 2020

	Number of Shareholders' complaints received during 2019-20	Solved to the satisfaction of Shareholders	Not solved to the satisfaction of Shareholders	Number of Pending Complaints
Non-receipt of Dividend/ Dividend Warrant	1	1	NA	0
Non-receipt of Share Certificate	4	4	NA	0
Non-receipt of Annual Report	3	3	NA	0
Legal and others	3	3	NA	0
Total	11	11	NA	0

None of the complaints is pending for a period exceeding 30 days.

Over and above the aforesaid Complaints, the Company and its Registrar & Share Transfer Agent have received letters/queries/requests on various matters such as change of address, change of bank particulars, ECS mandate, nomination request, etc. and we are pleased to report that except for requests received during the year end which are under process, all other queries/requests have been replied on time.

Risk Management Committee

Constitution

The Company has constituted a Risk Management Committee as required under Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee is headed by the Chairman, Mr. Kushagra Bajaj and consists of the members as stated in Table 13 below.

Brief description of terms of reference

The terms of reference of Risk Management Committee are quite comprehensive and include all requirements mandated under SEBI (LODR) Regulations, 2015. The Committee focussed its attention to periodically assess risks to the effective execution of business strategy and review key leading indicators in this regard, to review the cyber security of the Company, to review and approve the Risk Management Framework of the Company, to evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner.

Table 13: Composition of Risk Management Committee during the financial year ended March 31, 2020

Name of Committee Members	Category
Mr. Kushagra Bajaj, Chairman	Chairman & Managing Director (up to 13/08/2019) and Chairman (w.e.f. 14/08/2019)
Mr. Ashok Kumar Gupta	Managing Director (w.e.f. 14/08/2019)
Mr. Vipulkumar S. Modi	Independent Director – Non-Executive
Mr. Pradeep Parakh*	Group President (GRC) & Company Secretary
Mr. Alok Kumar Vaish	Chief Financial Officer

*(Up to May 05, 2020)

The Company Secretary of the Company shall act as Secretary to the Risk Management Committee.

During the financial year ended March 31, 2020, one meeting was held on February 10, 2020 for the Risk Management Committee. All Committee Members, except Mr. Kushagra Bajaj, were present at the Meeting.

Corporate Social Responsibility Committee

Constitution

The Company has constituted a Corporate Social Responsibility Committee (CSR) as required under Section 135 of the Companies Act, 2013. The Committee is headed by the Board Chairman, Mr. Kushagra Bajaj and consists of the members as stated in Table 14 below.

Table 14: Composition of corporate social responsibility committee during the financial year ended March 31, 2020

Name of Committee Members	Category
Mr. Kushagra Bajaj, Chairman	Chairman & Managing Director (up to 13/08/2019) and Chairman (w.e.f. 14/08/2019)
Mr. Alok Krishna Agarwal (up to 03/10/2019)	Independent, Non-Executive
Mr. Ashok Kumar Gupta	Managing Director (w.e.f. 14/08/2019)
Ms. Shalu Bhandari (w.e.f.13/11/2019)	Independent, Non-Executive

During the year under review, the Corporate Social Responsibility Committee met on May 22, 2019.

The attendance of each Committee Member is provided in Table 15.

Table 15: Attendance at the meetings of the CSR Committee during the financial year ended March 31, 2020

Name of Committee Members	Category	CSR Committee Meetings held / attended
Mr. Kushagra Bajaj, Chairman	Chairman (Non-Executive)	01/00
Mr. Alok Krishna Agarwal (up to 03/10/2019)	Independent, Non-Executive	01/01
Mr. Ashok Kumar Gupta	Managing Director (w.e.f. 14/08/2019)	01/01
Ms. Shalu Bhandari (w.e.f. 13/11/2019)	Independent, Non-Executive	00/00

Independent Directors' Meeting

During the year under review, the Independent Directors met on August 13, 2019, inter alia, to:

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

CEO/CFO Certification

The Managing Director and Chief Finance Officer of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended March 31, 2020.

Other Disclosures

Material significant related party transactions

There were no transactions of material value with related parties viz. Promoters, Directors or the management, subsidiaries or relatives having any potential conflict with the interests of the Company.

Details of non-compliance

There were no instances of non-compliance on any matter related to the capital markets during the last three years. No penalties or strictures were imposed on the Company by any stock exchange or SEBI or any statutory authority on any matter related to capital markets during last three years.

Whistle blower/Vigil mechanism policy

The Board of Directors of Bajaj Hindusthan Sugar Limited (BHSL) and Chairman of the Company are committed to maintain the highest standards of honesty, openness and accountability and recognise that each and every person in BHSL has an important role to play in achieving the organisational goals. It is the policy of the Company to encourage employees, when

they have reasons to suspect questionable accounting/audit practices, or the reporting of fraudulent financial information to shareholders, the Government or the financial markets, and/or serious misconduct otherwise, to report those concerns to the Company's management. No personnel has been denied access to the Audit Committee.

Details of compliance with mandatory requirements and adoption of non-mandatory/discretionary requirements

The Company has complied with all mandatory requirements of Corporate Governance and Report as specified in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and compliance with the non-mandatory/discretionary requirements has been detailed hereunder:

(1) The Board

The Chairman of the Board is a non-executive director not related with the Managing Director or the Chief Executive Officer.

(2) Training of Board members

Directors are fully briefed on all business-related matters, risk assessment and new initiatives proposed by the Company.

(3) Reporting of Internal Auditor

The Internal Auditor of the Company reports directly to the Audit Committee in all functional matters.

Policy for determining material subsidiary

At present, the Company has no material non-listed Subsidiary Company. Accordingly, the requirement of appointing at least one Independent Director on the Board is not applicable. The Board reviews the financial statements particularly investments made by its subsidiary companies and the minutes of the Board meeting of the unlisted subsidiary companies are placed at the Board meeting of the Company along with a statement of all significant transactions and arrangements entered into by the subsidiaries. The policy on Material Subsidiary is posted on the website of the Company and can be accessed at www.bajajhindusthan.com.

Policy on dealing with related party transactions

The policy on Material Subsidiary is posted on the website of the Company and can be accessed at www.bajajhindusthan.com.

Disclosure of commodity price risks/foreign exchange risk and commodity/foreign exchange hedging activities

A. Commodity risks and hedging

Sugar is traded in spot and future markets on commodity exchange both in the Indian and Global commodity markets. Most of the Company's sugar trade is however concentrated in domestic spot markets. As per the Industry's convention, in domestic market, Physical Sugar is mostly traded on spot basis on prevailing physical sugar prices and is not through exchange (spot or futures market) barring miniscule trade of Institutional trade through exchange.

The Company is exposed to usual price risk associated with fluctuations in sugar prices.

B. Foreign exchange risks and hedging

The Company does not have material foreign exchange risk in the normal course of its business. The Company also does not have any foreign currency loans.

Hedging through forward/futures contracts is done as and when need arises for booking the exposure arising out of imports/exports.

Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During the year, no fund was raised through preferential allotment or qualified institutions placement.

Certificate regarding non-disqualification of directors

The Company has obtained a certificate from M/s Anant B Khamankar & Co., Practising Company Secretary that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Disclosure regarding non-acceptance of recommendation of any committee of the board

During the year, there was no such instance where the board had not accepted any recommendation of any committee of the board which is mandatorily required.

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

During the year 2019-2020, following fees were paid to the statutory auditors by the Company.

		Amount in ₹
Sr. No.	Nature of services	Fees paid
1	Statutory audit	54,28,000
2	Tax audit	5,90,000
3	Limited review	14,16,000
4	Limited review consolidated	3,54,000
5	Audit of consolidated financial statements	3,54,000
6	Audit of abridged financial statements	2,36,000
7	Certifications	2,12,400
	Total	85,90,400

Notes:

1. Fees paid including provisions made during the year.
2. Amount paid including GST.
3. No fees were paid by subsidiary of the Company to the statutory auditors of the Company.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. Number of complaints filed during the financial year : Nil
- b. Number of complaints disposed of during the financial year : Nil
- c. Number of complaints pending as on end of the financial year : Nil

Steps for prevention of insider trading practices

In compliance with the SEBI (Prevention of Insider Trading) Regulations as amended in 2015, the Company has issued a comprehensive set of guidelines after incorporating the amendments prescribed by SEBI, advising and cautioning management staff and other relevant business associates on the procedure to be followed while dealing in equity shares of Bajaj Hindusthan Sugar Limited and disclosure requirements in this regard. The Company believes that "The Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders" and "The Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information" that it has framed in this regard will help in ensuring compliance with the amended SEBI regulations.

Disclosure of the compliance with corporate governance requirements

The Company has complied with corporate governance requirements specified in Regulations 17 to 27 of the SEBI (LODR) Regulations, 2015. The Company also disseminated all the information as required under clauses (b) to (i) of sub regulations (2) of regulation 46 of SEBI (LODR) on its website www.bajajhindusthan.com.

Information to shareholders

General information of shareholders' interest is set out in a separate section titled "Shareholder Information".

Report on corporate governance

This section, read together with the information given in the sections titled (i) Management Discussion and Analysis Report and (ii) Shareholder Information, constitutes a detailed compliance report on Corporate Governance during the financial year ended March 31, 2020.

Management discussion and analysis

Management Discussion and Analysis is given in a separate section forming part of the Directors' Report in this Annual Report.

Compliance certificate regarding compliance of conditions of corporate governance

The Company has obtained a certificate from its Auditors testifying to its compliance with the condition of Corporate Governance laid down in SEBI (LODR) Regulations, 2015.

This certificate is annexed to the Directors' Report for the financial year ended March 31, 2020 and will be sent to the stock exchanges, along with the Annual Report to be filed by the Company.

General Shareholder Information

Annual General Meeting - date, time and venue

Date, Time and Venue of 88th AGM:	Tuesday, the 29th day of September, 2020 at 11.00 A.M through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")
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The previous three Annual General Meetings (AGM) of the Company were held on the following date, time and venue. (See Table 16)

Table 16: Date, Time and Venue of Annual General Meetings held:

AGM	Day, Date & Time	Venue
85th AGM	Friday, 15th September, 2017 at 11.00 A.M.	Conference Hall, General Office, Bajaj Hindusthan Sugar Limited, Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh-262 802
86th AGM	Friday, 21st September, 2018 at 11.00 A.M.	Conference Hall, General Office, Bajaj Hindusthan Sugar Limited, Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh-262 802
87th AGM	Friday, 20th September, 2019 at 11.00 A.M.	Conference Hall, General Office, Bajaj Hindusthan Sugar Limited, Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh-262 802

The summary of Special Resolutions and other important resolutions passed at the previous 3 Annual General Meetings are reported below:

85th AGM

	Subject matter of the resolutions	Type of resolution
1.	Appointment of Ms. Shalu Bhandari (DIN: 00012556) as an Independent Director of the Company	Ordinary Resolution
2.	Appointment of Mr. Mukeshkumar S. Dave (DIN: 07708691) as a Nominee Director of the Company	Ordinary Resolution
3.	Re-appointment of and remuneration payable to Mr. Ashok Kumar Gupta (DIN: 02608184), the Whole-time Director designated as Director (group Operations) of the Company for a period of further five years w.e.f. October 01, 2017	Special Resolution
4.	Ratification of the remuneration payable to Cost Auditors	Ordinary Resolution

86th AGM

	Subject matter of the resolutions	Type of resolution
1.	Appointment of Mr. Rajeeva (DIN: 08128796) as a Nominee Director of the Company	Ordinary Resolution
2.	Ratification of the remuneration payable to Cost Auditors	Ordinary Resolution

87th AGM

	Subject matter of the resolutions	Type of resolution
1.	Ratification of the remuneration payable to Cost Auditors	Ordinary Resolution
2.	Appointment of Mr. Amir Singh Yadav (DIN: 08481111) as a Nominee Director of the Company	Ordinary Resolution
3.	Remuneration payable to Mr. Ashok Kumar Gupta (DIN: 02608184), the Whole-time Director, re-designated as Managing Director of the Company with effect from August 14, 2019 till April 14, 2021 (being the date of attainment of age of 70 (seventy) years at the amended terms and remuneration.	Special Resolution

Postal Ballot & E-voting

During the year, pursuant to the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, one postal ballot was conducted for seeking approval from the shareholders.

Person who conducted the Postal Ballot exercise: M/s Gupta Baul & Associates, Company Secretaries, Mumbai was appointed to act as the Scrutiniser for conducting the postal ballot and E-voting. Procedure for Postal Ballot:

1. The Board of Directors, vide Resolution dated November 13, 2019 had appointed M/s Gupta Baul & Associates, Company Secretaries as the scrutiniser.
2. The despatch of the Postal Ballot Notice dated November 13, 2019 together with Explanatory Statement was completed on November 20, 2019 along with forms and postage prepaid business envelopes to all the shareholders whose name(s) appeared on the Registers of Members/List of Beneficiaries as on November 08, 2019.
3. The voting under the Postal Ballot was kept open from November 21, 2019 to December 20, 2019 (either physically or through electronic mode).
4. Particulars of Postal Ballot forms received from the Members using the electronic platform of CDSL were entered in a register separately maintained for the purpose.
5. The Postal Ballot forms were kept under the safe custody of the Scrutiniser in sealed and tamper-proof ballot boxes before commencing the scrutiny of such postal ballot forms.
6. All Postal Ballot forms received by the Scrutiniser up to 5.00 p.m. on December 20, 2019 had been considered for his scrutiny. Postal Ballot forms received after the date had not been considered.
7. On December 23, 2019, Mr. Pradeep Parakh, Company Secretary (up to 05/05/2020) announced the following results of the Postal Ballot as per the Scrutiniser's Report.

The details of the resolutions passed through postal ballot are as follows:

1. Special Resolution for raising of funds through issue of equity shares for an aggregate amount not exceeding ₹ 1,000 crore.
 2. Special Resolution for providing security by increasing pledge from 71% to 76% of the paid-up share capital of Lalitpur Power Generation Company Limited (LPGCL), as a part of joint obligation on the shareholders of LPGCL to secure existing INR Lenders of LPGCL.
 3. Special Resolution for providing security by creating and/or extending pledge as a part of a joint obligation for all the existing shareholders of LPGCL, to secure Foreign Currency Bonds aggregating up to USD 1,500 million (approximately ₹ 10,800 crore) in one or more tranches proposed to be issued by LPGCL.
- B. The summary of the votes cast (including e-votes) based on the report submitted by Scrutiniser conducting the postal ballot is given below:

Particulars	Resolution No. 1 (Special Resolution)		Resolution No. 2 (Special Resolution)		Resolution No. 3 (Special Resolution)	
	No. of Shares	% *	No. of Shares	% *	No. of Shares	% *
Votes cast in favour	34,03,25,648	98.67	14,96,62,245	88.04	14,96,64,969	88.05
Votes cast against	46,03,873	1.33	2,03,22,991	11.96	2,03,20,892	11.95
Total	34,49,29,521	100.00	16,99,85,236	100.00	16,99,85,861	100.00

*% of total shares of valid votes

Dividend announcement

In view of inadequacy of profit during the year under review, directors do not recommend any dividend for the current year. The Dividend paid in the previous year was nil.

Date of book closure

Wednesday, September 23, 2020 to Tuesday, September 29, 2020 (both days inclusive).

Transfer of unclaimed dividend to Investor Education and Protection Fund

The amounts of dividend, sum of matured fixed deposits, sum of interest on matured deposits, etc. which has remained unpaid or unclaimed for 7 years have been transferred to the Investor Education and Protection Fund within the time stipulated by law on respective due dates in accordance with the provisions of Section 124(5) of the Companies Act, 2013. During the year, ₹ 13,35,175/- pertaining to the unpaid dividend for the year 2010-2011 was transferred to Investor Education and Protection Fund.

Transfer of unclaimed equity shares to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Sections 124 and 125 of the Companies Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred in the name of IEPF Authority.

The following shares were credited to IEPF as prescribed under the Rules:

ISIN Description	Debit/Credit	Records	No. of Shares	Execution Date
Bajaj Hindusthan Sugar Limited EQ FV ₹1/- each	Credit	2,899	5,26,490	19/12/2017
Bajaj Hindusthan Sugar Limited EQ FV ₹1/- each	Credit	362	2,03,080	16/12/2017
Bajaj Hindusthan Sugar Limited EQ FV ₹1/- each	Credit	1,740	1,50,575	16/12/2017
Bajaj Hindusthan Sugar Limited EQ FV ₹1/- each	Credit	1,484	1,05,301	22/12/2017
Total No. of shares credited		6,485	9,85,446	

Both the unclaimed dividends and the shares transferred to the IEPF can be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the "Rules".

Disclosures with respect to unclaimed/unpaid dividend

Unclaimed dividends up to 1995-96 have been transferred to the General Revenue Account of the Central Government. Those who have not encashed their dividend warrants for the period prior to including 1995-96 are requested to claim the amount from Registrar of Companies – Maharashtra, CGO Building, 2nd Floor, "A" Wing, Opp. Police Commissioner's Office, C.B.D. Belapur, Navi Mumbai - 400 614.

In view of amended Section 205C of the Companies Act, 1956, followed by the issue of Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to a fund called Investor Education and Protection Fund (the fund) set up by the Central Government.

Accordingly, unpaid/unclaimed dividends for the years 1997-98 to 2011-12 were transferred by the Company to the said fund on respective due dates. This would be followed by the transfer of the amounts of unpaid/unclaimed dividends every year in respect of dividends for subsequent years.

No dividend was declared after 2011-12.

Unclaimed shares in the suspense account

In accordance with the requirement of Securities and Exchange Board of India (Listing and Disclosure Requirements) Regulations, 2015, the Company reports the following details in respect of equity shares issued but remained unclaimed lying in the suspense account in demat form:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the Suspense account lying as on March 31, 2019	452	2,65,130
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	3	1,510
Number of shareholders to whom shares were transferred from the suspense account during the year	3	1,510
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2020	449	2,63,620

The voting rights on the shares outstanding in the suspense accounts as on March 31, 2020 shall remain frozen till the rightful owner of such shares claims the shares.

Information on directors being appointed / re-appointed

The information regarding Directors seeking appointment/re-appointment at the ensuing Annual General Meeting is given under Annexure to the Notice convening 88th Annual General Meeting.

Means of Communication

Financial Results: The Company has published its quarterly, half-yearly and annual results in Economic Times and Nav Bharat Times (vernacular) at Lucknow. Quarterly results were sent to the Stock Exchanges immediately after the Board approved them. The financial results and other relevant information are regularly and promptly updated on the website of the Company at www.bajajhindusthan.com.

News releases, presentations, among others: Official news releases and official media releases are sent to Stock Exchanges and are displayed on its websites of the Company at www.bajajhindusthan.com.

Website: The Company's website (www.bajajhindusthan.com) contains a separate dedicated section 'Investor Corner' where shareholders' information is available. The Company's Annual Report is also available in downloadable form.

Annual Report: The Annual Report containing, inter alia, Audited Financial Statements, Audited Consolidated Financial Statements, Directors' Report, Auditor's Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis Report (MDAR) forms part of the Annual Report.

Chairman's and Managing Director's Communique: The Chairman's Letter and Managing Director's Letter forms part of the Annual Report.

Reminder to Investors: Reminders for unclaimed and unpaid dividend are sent to shareholders as per records every year.

NSE electronic application processing system (NEAPS)

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, among others are filed electronically on NEAPS.

BSE corporate compliance & listing centre (the 'Listing Centre')

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, among others are also filed electronically on the Listing Centre.

SEBI complaints redress system (SCORES)

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATR) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Share transfer

The power to approve share transfer/transmission, etc. as well as the dematerialisation / rematerialisation were delegated to certain directors/officers of the Company. All transfers pertaining to shares held in physical form as well as requests for dematerialisation/rematerialisation are processed in fortnightly cycles.

Registrar to an issue and share transfer agent

M/s. Link Intime India Private Limited, as the Registrar and Share Transfer Agents (RTA) of Bajaj Hindusthan Sugar, handle all share transfers and related processes. They provide the entire range of services to the Shareholders of the Company relating to share transfers, change of address or mandate and dividend. The electronic connectivity with both the depositories - National Securities Depository Limited and Central Depository Services (India) Limited is also handled by M/s. Link Intime India Private Limited.

Share transfer system

All share transfers and other communications regarding share certificates, change of address, dividends, etc. should be addressed to the Registrar and Share Transfer Agent (RTA). M/s. Link Intime India Private Limited is the common Share Transfer Agent for both physical and dematerialised mode. Transfer of shares in electronic form were processed and approved by NSDL and CDSL through their Depository Participant without the involvement of the Company. Transfer of shares in physical form were registered and transferred to the respective transferees within the prescribed time as per the Listing Regulations, after the confirmation from RTA on the completeness of documentation. The Company also obtains a certificate from the Practicing Company Secretary on half yearly basis under Regulation 40(9) of the Listing Regulations, to the effect that all share certificates have been issued within 30 days of lodgement of the transfer, subdivision, consolidation and renewal and files the same with stock exchanges.

The number of shares transferred in physical category during the year ended March 31, 2020 was 600 as compared to 11,920 in 2018-2019.

Dematerialisation of shares and liquidity

During the year ended March 31, 2020; 21,431 shares were dematerialised as compared to 58,641 shares during 2018-2019. The distribution of shares in physical and electronic modes as at March 31, 2020 and March 31, 2019 is provided in Table 17.

Table 17: Details of Shares held in physical and electronic mode

Categories	Position as at March 31, 2020		Position as at March 31, 2019		Shares Dematerialised during the year ended March 31, 2020	
	No. of Shares	% to total shareholding	No. of Shares	% to total shareholding	No. of Shares	% to total shareholding
Physical	8,45,957	0.075	8,67,053	0.076	-21,096	-0.001

Demat:						
Categories	Position as at March 31, 2020		Position as at March 31, 2019		Shares Dematerialised during the year ended March 31, 2020	
NSDL	84,04,69,870	74.144	86,35,99,314	76.185	-2,31,29,444	-2.041
CDSL	29,22,44,115	25.781	26,90,93,575	23.739	2,31,50,540	2.042
Sub-total	1,13,27,13,985	99.925	1,13,26,92,889	99.924	21,096	0.001
Total	1,13,35,59,942	100.00	1,13,35,59,942	100.00	-	-

Listing on Stock Exchanges and Stock Codes

The Company's equity shares are listed and traded on the following Stock Exchanges:

Name	Address	Stock Code	Reuters Code
BSE Limited	1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	500032	BJHN.BO
The National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051	BAJAJHIND	BJHN.NS

The ISIN Number of Company's Equity Shares (face value of ₹1/- per share) for NSDL & CDSL: INE306A01021.

Company has paid listing fees for the financial year 2019-2020 to all the stock exchanges where its securities are listed.

Market price data

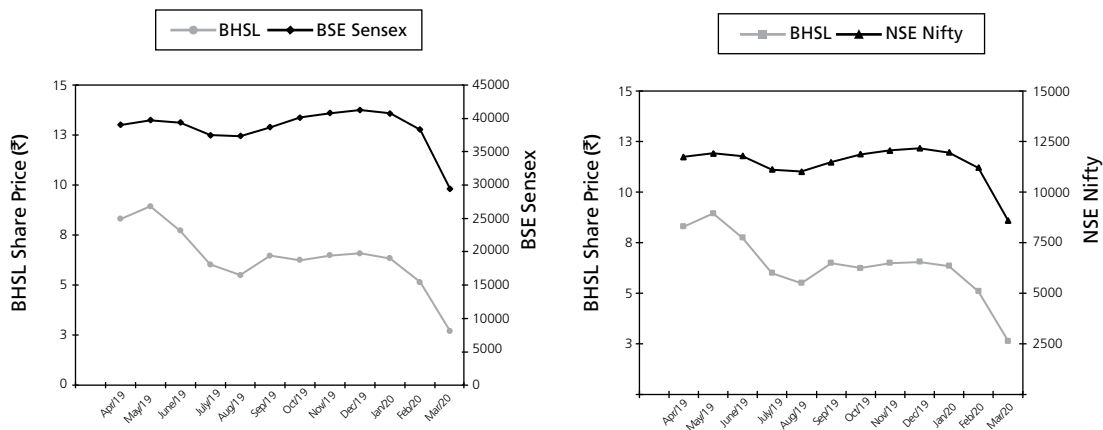
The details of high/low market price of the equity shares of the Company at BSE Limited and at The National Stock Exchange of India Limited (NSE) during the last accounting year of the Company are provided hereunder. (See Table 18)

Table 18: Monthly high/low market price of equity shares of Bajaj Hindusthan Sugar Limited during the period ended March 31, 2020

Month	Quotation at BSE (₹)			Quotation at NSE (₹)		
	HIGH	LOW	CLOSING	HIGH	LOW	CLOSING
	FV ₹1	FV ₹1	FV ₹1	FV ₹1	FV ₹1	FV ₹1
April 2019	10.08	7.86	8.31	10.20	7.90	8.30
May 2019	9.93	7.61	8.94	9.95	7.55	8.95
June 2019	9.24	7.22	7.71	9.25	7.10	7.75
July 2019	8.14	5.99	6.03	8.15	5.95	6.00
August 2019	6.6	5.04	5.49	6.30	5.10	5.50
September 2019	7.95	5.35	6.46	7.90	5.35	6.50
October 2019	6.9	5.82	6.25	6.75	5.95	6.25
November 2019	8.4	6.4	6.48	8.45	6.35	6.50
December 2019	6.9	5.95	6.59	6.90	5.75	6.55
January 2020	7.45	6.31	6.34	7.45	6.30	6.35
February 2020	6.6	4.95	5.14	6.65	4.95	5.10
March 2020	5.22	2.34	2.71	5.25	2.35	2.65

The comparable movements of Bajaj Hindusthan Sugar shares against the broad-based indices, namely BSE Sensex and NSE Nifty during the year ended March 31, 2020 is depicted in Chart A.

CHART A: Relative Performance of Bajaj Hindusthan Sugar shares versus BSE Sensex/NSE Nifty



Distribution of Shareholding

The shareholding distribution as at March 31, 2020 (See Table 19)

Table 19: Shareholding distribution as at March 31, 2020

Category	No. of shareholders	% of total holders	No. of Shares	% of Capital
Up to 500	1,15,706	67.4505	1,62,67,693	1.4351
501 to 1000	20,144	11.7429	1,73,15,238	1.5275
1001 to 2000	13,303	7.7550	2,13,00,662	1.8791
2001 to 3000	5,791	3.3758	1,51,62,411	1.3376
3001 to 4000	2,959	1.7249	1,07,65,698	0.9497
4001 to 5000	3,219	1.8765	1,54,36,554	1.3618
5001 to 10000	5,032	2.9334	3,85,26,699	3.3987
10001 and above	5,388	3.1409	99,87,84,987	88.1105
Total	1,71,542	100.00	1,13,35,59,942	100.00

Shareholding Pattern

Table 20 gives the shareholding pattern of the Company as at March 31, 2020

Table 20: Shareholding pattern as at March 31, 2020

Categories	March 31, 2020		March 31, 2019	
	No. of Shares	Percentage	No. of Shares	Percentage
Promoters	17,49,43,422	15.43	17,49,43,422	15.43
Mutual Funds/UTI	2,000	0.00	2,000	0.00
Financial Institutions/Banks	45,48,41,073	40.13	45,68,33,426	40.30
Insurance Companies	4,31,65,896	3.81	4,31,65,896	3.81
Foreign Institutional & Foreign Portfolio-Corp.	2,54,97,933	2.25	4,32,45,854	3.82
NRIs & OCBs	90,02,910	0.79	79,46,165	0.70
GDRs	--	--	--	--
Others	42,61,06,708	37.59	40,74,23,179	35.94
Total	1,13,35,59,942	100.00	1,13,35,59,942	100.00

Reconciliation of share capital audit

As stipulated by Securities and Exchange Board of India, a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

Investor services

The Company under the overall supervision of the Company Secretary is committed to provide efficient and timely services to its shareholders. The Company has appointed M/s Link Intime India Private Limited as its Registrar and Share Transfer Agent for rendering the entire range of services to the shareholders of the Company with regard to share transfer, change of address, change of mandate, dividend, etc.

Outstanding GDRs or warrants or any convertible instrument, conversion dates and likely impact on equity

Outstanding Instruments	No. of Convertible instruments	Value in ₹	Conversion dates	Likely impact on equity shares of the Company*
Optionally Convertible Debentures	34,83,24,626	34,83,24,62,600	Final redemption/ Conversion date March 31, 2037	2,35,99,22,940

*The Company has allotted 34,83,24,626 fully paid-up Optionally Convertible Debentures (OCDs) of face value ₹100/- each to the lenders of the Company pursuant to the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme). For the purpose of likely impact on equity shares of the Company, it is assumed that OCDs will be converted into equity shares based on the conversion price of ₹ 14.76,

being the price for issue of equity shares under S4A Scheme as per the pricing guidelines for issuance of equity shares under the RBI circular dated June 08, 2015 on Strategic Debt Restructuring Scheme read with Regulation 70(5) of Securities and Exchange Board of India (Issue of Capital and Disclosures Requirement) Regulations, 2015.

Credit Ratings

Credit Rating obtained by the Company for its bank facilities from Credit Analysis & Research Limited (CARE Ratings) are given below. CARE Ratings Ltd. vide its letter dated June 22, 2020 upgraded the following ratings:

Sr. No.	Facilities	Amount (₹ Crore)	Ratings
1	Long-term Bank Facilities	6,497.99	CARE B+; Stable (Single B Plus; Outlook: Stable)
2	Short-term Bank Facilities	278.83	CARE A4 (A Four)
Total facilities		6,776.82	

Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of all the registered shareholder/s. The prescribed form for such nomination can be obtained from the Company. Nomination facility in respect of shares held in electronic form is also available with depository participant (DP) as per the bye-laws and business rules applicable to NSDL and CDSL.

Mandatory requirement of PAN

SEBI vide its circular dated January 07, 2010 has made it mandatory to furnish PAN Card copy in the following cases:

- I. Deletion of name of deceased shareholder(s), where the shares are held in the name of two or more shareholders;
- II. Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder;
- III. Transposition of shares – in case of change in order of names in which physical shares are held jointly in the names of two or more shareholders.

Subsidiary companies

There is no material non-listed Indian subsidiary Company requiring appointment of Independent Director of the Company on the Board of Directors of the subsidiary Company. The requirements of the SEBI (LODR) Regulations, 2015 with regard to subsidiary companies have been complied with.

Plant locations

Sugar mills

- | | |
|--|--|
| 1. Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh | 8. Khambarkhera, District Lakhimpur-Kheri, Uttar Pradesh |
| 2. Palia Kalan, District Lakhimpur-Kheri, Uttar Pradesh | 9. Gangnauli, District Saharanpur, Uttar Pradesh |
| 3. Kinauni, District Meerut, Uttar Pradesh | 10. Maqsoodapur, District Shahjahanpur, Uttar Pradesh |
| 4. Thanabhawan, District Shamli, Uttar Pradesh | 11. Pratappur, District Deoria, Uttar Pradesh |
| 5. Budhana, District Muzaffarnagar, Uttar Pradesh | 12. Rudauli, District Basti, Uttar Pradesh |
| 6. Bilai, District Bijnor, Uttar Pradesh | 13. Utraula, District Balrampur, Uttar Pradesh |
| 7. Barkhera, District Pilibhit, Uttar Pradesh | 14. Kundarkhi, District Gonda, Uttar Pradesh |

Co-Generation

- | | |
|--|---|
| 1. Palia Kalan, District Lakhimpur-Kheri, Uttar Pradesh | 8. Gangnauli, District Saharanpur, Uttar Pradesh |
| 2. Barkhera, District Pilibhit, Uttar Pradesh | 9. Maqsoodapur, District Shahjahanpur, Uttar Pradesh |
| 3. Khambarkhera, District Lakhimpur-Kheri, Uttar Pradesh | 10. Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh |
| 4. Kinauni, District Meerut, Uttar Pradesh | 11. Pratappur, District Deoria, Uttar Pradesh |
| 5. Thanabhawan, District Shamli, Uttar Pradesh | 12. Rudauli, District Basti, Uttar Pradesh |
| 6. Budhana, District Muzaffarnagar, Uttar Pradesh | 13. Utraula, District Balrampur, Uttar Pradesh |
| 7. Bilai, District Bijnor, Uttar Pradesh | 14. Kundarkhi, District Gonda, Uttar Pradesh |

Distillery

- | | |
|--|--|
| 1. Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh | Uttar Pradesh |
| 2. Palia Kalan, District Lakhimpur-Kheri, Uttar Pradesh | 5. Gangnauli, District Saharanpur, Uttar Pradesh |
| 3. Kinauni, District Meerut, Uttar Pradesh | 6. Rudauli, District Basti, Uttar Pradesh |
| 4. Khambarkhera, District Lakhimpur-Kheri, | |

Board division

1. Palia Kalan, District Lakhimpur-Kheri, Uttar Pradesh
2. Kundarkhi, District Gonda, Uttar Pradesh
3. Kinauni, District Meerut, Uttar Pradesh

Address for Correspondence

Investors and shareholders can correspond with:

- 1) The Company at the following address:
 Secretarial Department
 Bajaj Hindusthan Sugar Limited
 Bajaj Bhawan, 2nd Floor
 Jarnalal Bajaj Marg
 226, Nariman Point
 Mumbai - 400 021
 Tel. No. : +91-22-2204 9056
 Fax No. : +91-22-2204 8681
 E-mail: investor.complaints@bajajhindusthan.com
 Website: www.bajajhindusthan.com

AND/OR

- 2) The Registrars and Share Transfer Agent of the Company M/s. Link Intime India Private Limited at their following address:
By Post / Courier / Hand Delivery
 Link Intime India Private Limited
 C 101, 247 Park, L.B.S. Marg,
 Vikhroli (West), Mumbai - 400 083
 Tel. No. : +91-22-4918 6000
 Fax No. : +91-22-4918 6060
 Email: rnt.helpdesk@linkintime.co.in
 Website: www.linkintime.co.in

Declaration

I, Kushagra Bajaj, Chairman of **Bajaj Hindusthan Sugar Limited**, hereby affirm and declare, to the best of my knowledge and belief, and on behalf of the Board of Directors of the Company and senior management personnel, that:

- The Board of Directors has laid down a code of conduct for all Board members and senior management of the Company;
- The code of conduct has been posted on the website of the Company;
- The code of conduct has been complied with.

For Bajaj Hindusthan Sugar Limited

Sd/-

Kushagra Bajaj
 Chairman
 (DIN: 00017575)

Mumbai
 June 29, 2020

Certificate regarding Compliance of Conditions of Corporate Governance

To the Members,

Bajaj Hindusthan Sugar Limited

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement with Bajaj Hindusthan Sugar Limited ('the Company').
2. We have examined the compliance of conditions of corporate governance by the Company, for the year ended on March 31, 2020, as stipulated in regulations 17 to 27 and clause (b) to (i) of regulation 46(2) and Para C, D and E of Schedule V of the SEBI (Listing obligation and disclosure requirements) Regulation, 2015 (the listing regulation).

MANAGEMENT'S RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation, and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in listing regulations.

AUDITORS' RESPONSIBILITY

4. Our responsibility is limited to examining the procedure and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.
5. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirement by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certificate of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the standards on auditing specified under section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on reports or Certificates for special purposes issued by the ICAI which requires that we comply with the ethical requirement of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C, D and E of Schedule V of the Listing Regulation during the year ended March 31, 2020.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
10. This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

Note: Due to lockdown under COVID-19, Certification on this Certificate of Corporate Governance is done on the basis of documents made available to us in electronic form (i.e. scanned copies vide e-mail) by the Secretarial Team of the Company.

For CHATURVEDI & SHAH LLP

Chartered Accountants
(Firm Registration No.: 101720WW/100355)

Lalit R. Mhalsekar

Partner

Membership No. 103418

UDIN No.:20103418AAAADW5593

Mumbai
June 29, 2020

Certificate of Non-Disqualification of Directors

[As per Clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 34(3) of the said Listing regulations]

To,
The Members,
Bajaj Hindusthan Sugar Limited
Golagokarannath,
Lakhimpur Kheri - 262 802

Pursuant to Clause 10 (i) of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with regulation 34(3) of the said Listed Regulations, we hereby certify that none of the Directors on the Board of Bajaj Hindusthan Sugar Limited have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority as on the financial year ended on March 31, 2020.

For Anant B Khamankar & Co.
Company Secretaries

Sd/-

Anant B. Khamankar
Membership No. : 3198
C P No. : 1860
UDIN : F0031988000394182

Date: June 29, 2020
Place: Mumbai

Management Discussion and Analysis

I. Global Scenario:

After 2 consistent years of surplus Sugar Production during the years (Oct – Sept) 2017-18 & 2018-19, Year 2019-2020 is estimated to be a deficit Year, owing to the lower Production in all major Sugar producing countries including India, Brazil and Thailand.

The graph of ICE 11 (Raw Sugar) and LIFFE (White Sugar) prices during last 3 years i.e. April 2017 – March 2020 is given below:-

Chart 1: ICE 11 : Raw Sugar Settlement

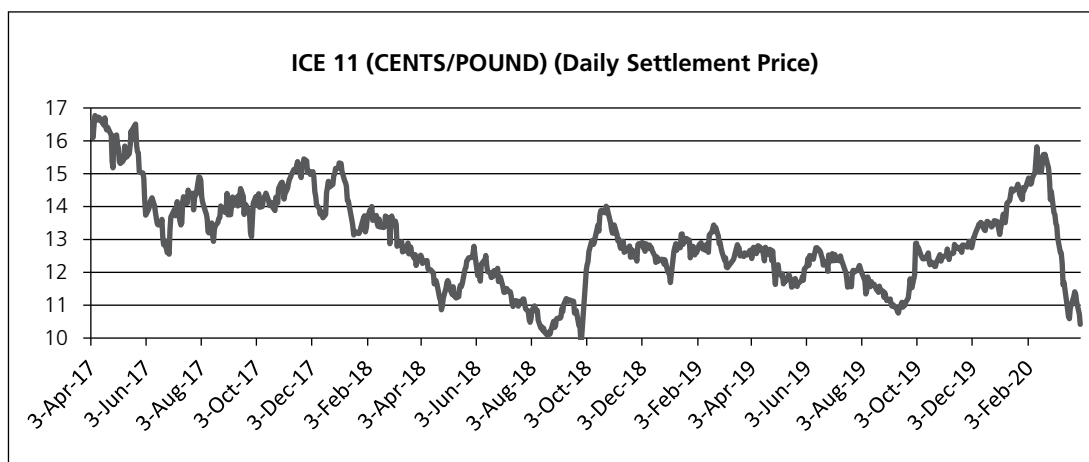
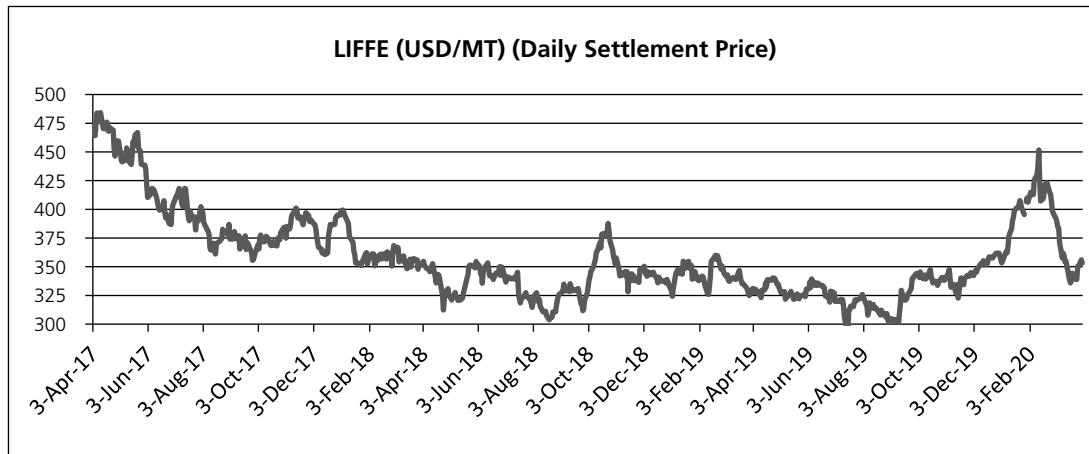


Chart 2: LIFFE Price Movement



From the above price graph of 3 years, it can be observed that Sugar prices has come down quite significantly where ICE 11 price has come by 37% from the level of 16.54 cents / pound to the level of 10.4 cents by end of March 2020. Similarly LIFFE (White Sugar) price has come down by 25% from the level of 473 USD/MT to the level of 353 USD/MT by end of March 2020.

The above price chart can be divided in 2 periods, one is the period of surplus 2017-19 and second is period of deficit 2019-20.

During the period 2017-18, there had been global surplus of 8.5 Million MT and during 2018-19, the surplus had been 1.8 Million MT, effect of which can be clearly seen on Sugar prices.

ICE 11 (Raw Sugar) Price of 16.8 cents/pound at start of April 2017 came down to the level of below 10.0 cents by end of September 2018 under the pressure of big global surplus.

Similarly, LIFFE (White Sugar) price as on April 2017 at level of 484 USD/MT came down to level of 310 USD/MT by end of

Sept 2018. Thereafter, Sugar Prices started improving as surplus Sugar during Year 2018-19 was marginal to level of 1.8 Million MT and year 2019-20 was heading towards deficit.

Year 2019-20 is estimated to have deficit Sugar production of 4.5 Million MT because of which Sugar prices started improving from Oct 2019 month. ICE 11 prices improved from the level of 10.0 cents / pound during Sept 2019 to the level of 15.8 cents during Feb 2020 and LIFFE improved from the level of 310 USD/MT during Sept 2019 to level of 452 USD/MT

From Feb 2020 month onwards, Sugar Prices started coming down because of weak macro factors including weakening currency of major Sugar exporting countries including India & Brazil, weakening crude oil, etc.

It has been observed that over the years, India plays a big swing factor in Global balance sheet and Global surplus / deficit coincides with Indian surplus / deficit. Indian Sugar Production is quite volatile and any increase in Indian Sugar Production gives surplus sugar to Global balance sheet and any dip in Indian Sugar Production turns Global Sugar Production in deficit.

Following table will clearly reflect the coinciding of Global surplus / deficit with Indian Sugar surplus / deficit where in last 12 years, Global surplus / deficit coincided with Indian surplus / deficit 10 times.

Table 1: Global & Indian Scenario

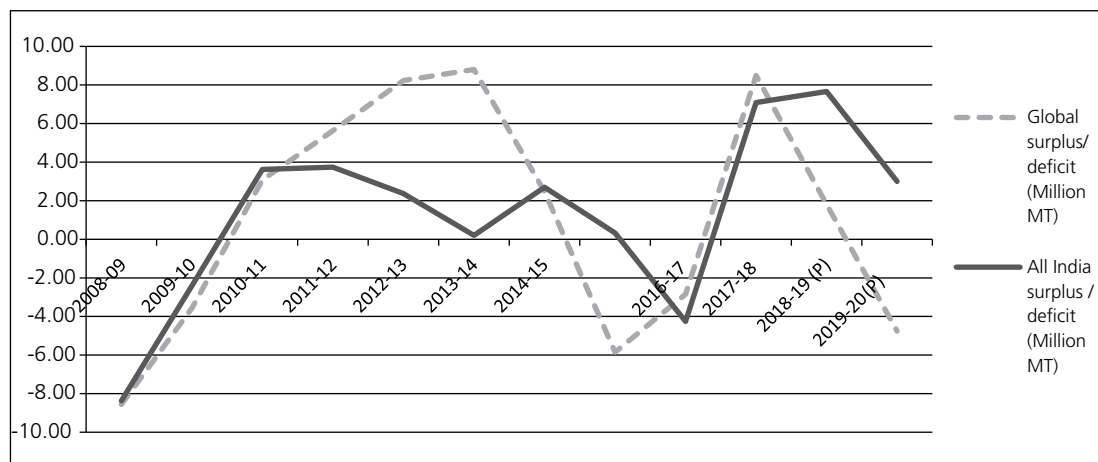
Unit: Million MT

Year	Global			All India		
	Production	Consumption	Surplus / Deficit	Production	Consumption	Surplus / Deficit
2008-09	142.96	151.52	-8.56	14.54	22.91	-8.37
2009-10	148.39	151.96	-3.57	18.91	21.33	-2.42
2010-11	156.18	153.10	3.08	24.39	20.77	3.63
2011-12	163.60	157.96	5.64	26.34	22.60	3.74
2012-13	171.80	163.57	8.23	25.14	22.77	2.37
2013-14	174.15	165.34	8.80	24.40	24.19	0.20
2014-15	169.39	166.92	2.47	28.31	25.61	2.70
2015-16	164.14	169.99	-5.85	25.13	24.80	0.33
2016-17	169.59	172.44	-2.85	20.30	24.56	-4.26
2017-18	180.73	172.24	8.49	32.48	25.39	7.09
2018-19 (P)	176.12	174.31	1.81	33.16	25.50	7.66
2019-20 (P)	171.98	176.74	-4.76	27.00	24.00	3.00

Source : ISMA

Graphical illustration coinciding of Global surplus / deficit with Indian one as below:-

Chart 3: Global surplus/deficit with Indian one



Global Balance Sheet

Table 2: Global Position

Unit : 000 Metric tonnes, raw value

Year	Production	Import	Consumption	Export	End Stocks
2008-2009	142961	48395	151520	48390	69490
2009-2010	148391	53993	151960	53997	65917
2010-2011	156177	53870	153096	53865	69013
2011-2012	163597	54325	157962	54321	74652
2012-2013	171084	60655	163572	60579	82960
2013-2014	174146	58361	165344	57917	92206
2014-2015	169393	58278	166920	58257	94700
2015-2016	164141	66228	169989	66283	88797
2016-2017	169594	65324	172441	65317	85957
2017-2018	180731	62823	172240	62825	93359
2018-2019 (P)	176118	57927	174308	58011	95169
2019-2020 (P)	171980	59657	176743	59644	90335

Source : ISMA

Table 3: Major sugar producing countries during last three years

Unit : 000 Metric tonnes, raw value

Sr. No.	Name of Country	2016-2017	2017-2018	2018-2019
1	Brazil	39424	31049	28200
2	India	20270	32479	33140
3	China	10062	10633	10760
4	Thailand	10037	14674	14441
5	U.S.A.	7548	7758	7540
6	Mexico	5957	6010	6426
7	Pakistan	7062	6052	5800
8	Australia	4962	4729	4700
9	Germany	3590	4795	3825
10	France	4375	5111	4750
11	Russia	6427	6480	5900
12	Indonesia	2142	2165	2400
13	Philippines	2491	2127	2075
14	Argentina	2043	1776	1850
15	Colombia	2142	2378	2440
16	South Africa	1595	2084	2170
17	Guatemala	2736	2704	2950
18	Poland	2195	2273	2190
19	Turkey	2625	2704	2700
20	Ukraine	1931	2095	1800
21	Egypt	2402	2170	2500
22	Cuba	1603	1086	1300
23	Peru	1096	1073	1290
24	Vietnam	1230	1646	1350
25	Iran	1680	1805	1500

Source : ISMA

Sugar Price

The Graphical movement of International Sugar Prices during April 2019 – March 2020 are as under:-

Chart 4: Movement of International Sugar Prices

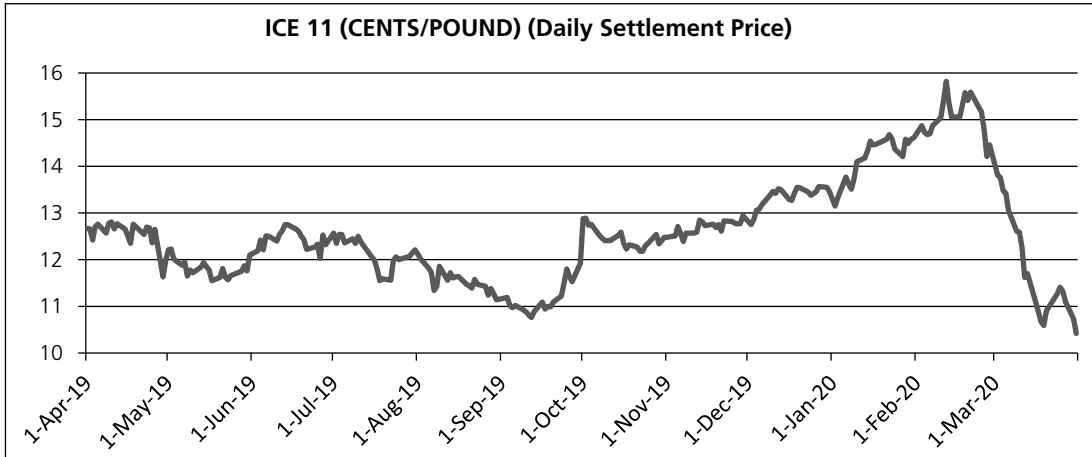
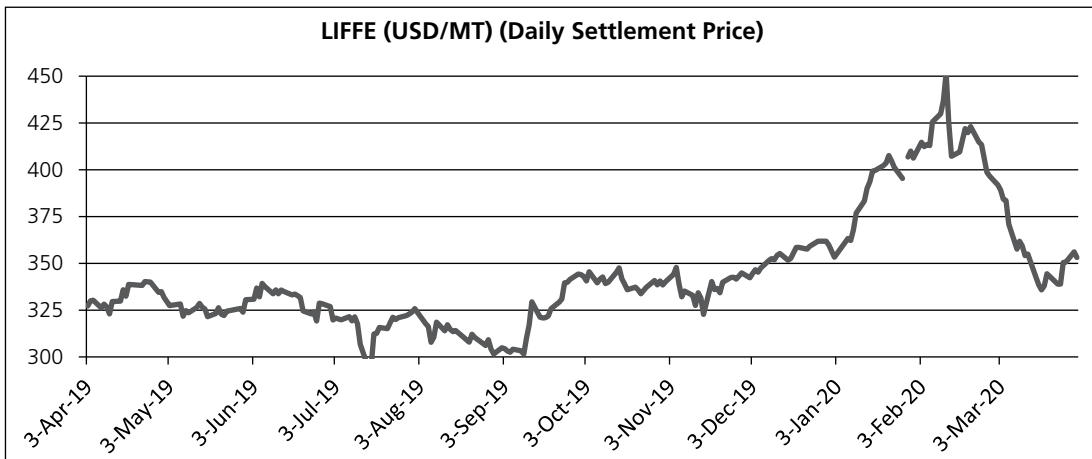


Chart 5: LIFFE Daily Settlement Price



The above prices are front month daily settlement prices of ICE 11 & LIFFE exchange prices.

From above price graph, it can be observed that ICE 11 (Raw Sugar) price has been hovering around 12 cents level during the period April 2019 – September 2019 and thereafter started increasing and touched the high of 15.8 cents during Feb 2020 which is the highest level in last 30 months.

Similarly, LIFFE (White Sugar) prices has hovered around the level of 325 USD/MT during April 2019 – September 2019 period and thereafter Sugar Prices increased to level of 452 USD/MT during Feb 2020 month.

During the period April 2019 – March 2020, White Sugar premium (Margin over Raw Sugar for White Sugar) has increased steeply from the level of 53 USD/MT in beginning of April 2019 to the level of 123 USD/MT by end of March 2020.

Influence factors during the Year 2019-2020

India :

Indian Sugar production for 2 consistent years had been over 30 Million MT where during the Year 2017-2018, country produced 32.5 Million MT Sugar and during 2018-2019, the Sugar production was even higher at level of 33.2 Million MT.

During the Year 2019-2020, All India Sugar production estimated down to the level of 27 Million MT on account of lower crop in states of Maharashtra and Karnataka.

Though lower Sugar Production in country does not mean lower exports as Government had announced export quota of 6.0 Million MT against which it is expected that overall Sugar export will be 4.5 Million MT.

While, Sugar production during the Year 2019-2020 is lower to level of 27 Million MT, during 2020-2021 Sugar production is estimated to bounce back in range of 31 – 33 Million MT.

With consistent surplus Sugar production, India has become structured exporter and is consistently exporting Sugar now year after year.

Brazil CS :

Table 4: Cane Crush / Sugar Production / Ethanol Production – Brazil CS

Particulars	Unit	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
		Actual	Actual	Actual	Actual	Actual
-Total cane crush	Million MT	617.71	607.14	596.31	573.13	590.36
-Sugar Production	Million MT	31.22	35.63	36.06	26.51	26.76
Ethanol Production	Billion Litres	28.23	25.65	26.09	30.95	33.26
Diversion of Cane						
Used for sugar	%	40.65	46.29	46.46	35.21	34.33
Used for ethanol	%	59.35	53.71	53.54	64.79	65.67
TRS		130.50	133.03	136.60	137.89	138.57

Source : UNICA

From the above figures, it can be observed that Diversion of Cane towards Sugar has steeply come down from the level of 46.46% during the Year 2017-2018 to the level of 34.33% during the Year 2019-2020. This reduced diversion of cane is because of global surplus Sugar production during the Year 2017-2018 and then 2018-2019 thereby adversely affecting Sugar prices and making it unviable as against Ethanol manufacturing.

Because of reduced diversion of Cane towards Sugar, Sugar production has come down from the level of 36.06 Million MT during the year 2017-2018 to the level of 26.76 Million MT during 2019-2020. In line with reduced Sugar production, Ethanol production has increased from the level of 26.09 billion litres during 2017-2018 to level of 33.26 billion litres during 2019-2020.

TRS levels (Sucrose content) has also improved quite handsomely from the level of 130.5 during 2015-2016 to level of 138.57 during 2019-2020.

Now since Sugar prices has improved, crude oil prices are down which means better price parity for Sugar as against Ethanol, next year diversion of cane towards Sugar is estimated to improve which will increase Sugar production.

From above, it can be seen that Brazil Sugar Industry on one hand is working on Cane quality, on the other hand shows flexibility of increasing / decreasing Sugar production depending upon market dynamics and thus plays a major balancing factor.

Thailand:

Thailand has during the Sugar season 2019-2020 recorded lowest Sugar output in last 10 years due to prolonged drought. Thailand crushed 74.89 Million Tonnes of sugarcane this season producing only 8.27 Million Tonnes of sugar as against 14.0 Million MT last year. The cane volume was the lowest since Thailand produced 68.4 Million Tonnes in the 2009-10 season.

Thailand's lower crop this year 2019-2020 has been a major bullish factor for spike in International Sugar Prices during 2019-2020 after Oct 2019. Thailand's cane production in the next season is expected to further decline by around 20%, due to drought conditions.

Crude Oil

Crude oil has crashed during the year where WTI crude came down from the level of 68 USD/ barrel in beginning of April 2019 month to level of 19 USD/ barrel by end of March 2020 means dip of whopping 72%.

Currency

Brazilian Real: During the Year 2018-2019, Brazilian real depreciated from the level of 3.5 in beginning of April 2019 to the level of 5.4 by end of March 2020 which means depreciation of 54%.

Indian Rupee: During the Year 2018-2019, INR has depreciated from the level of 69.7 in beginning of April 2020 to level of 75.2 by end of March 2020 which means depreciation of 7.9%.

Going ahead while, all major Sugar producers including India and Brazil are looking for a bigger crop next year only with exception of expected dip in Sugar production in Thailand which should potentially help Sugar exports from India. Indonesia is one such destination which traditionally buys sugar from Thailand and now this demand will come to India as recently Indonesia has also relaxed quality norms to suit Indian exports. Iran is another big market regularly buying Sugar from India other than Sugar Exports to Sri Lanka, Bangladesh, Dubai, Afghanistan, African countries, other destinations.

India has become a structured exporter of sugar, a reliable source of Sugar supply for many destinations with continued Government support.

II. Indian Scenario

Indian Sugar Trade has been grappling with the problem of Sugar surplus for quite some time now with the Government's major challenge to work out the ways and means to solve the problem of excess Sugar in system.

Since the Year 2010-2011 till current Year 2019-2020 i.e. last 10 years, Sugar Production has been outpacing Sugar consumption except the Year 2016-17 when Sugar production dipped to the level of just 20.3 Million MT mainly due to drought conditions. While Year 2019-2020 has taken a major dip of 18.7% in Sugar Production as against the Year 2018-2019 but it is still higher than consumption.

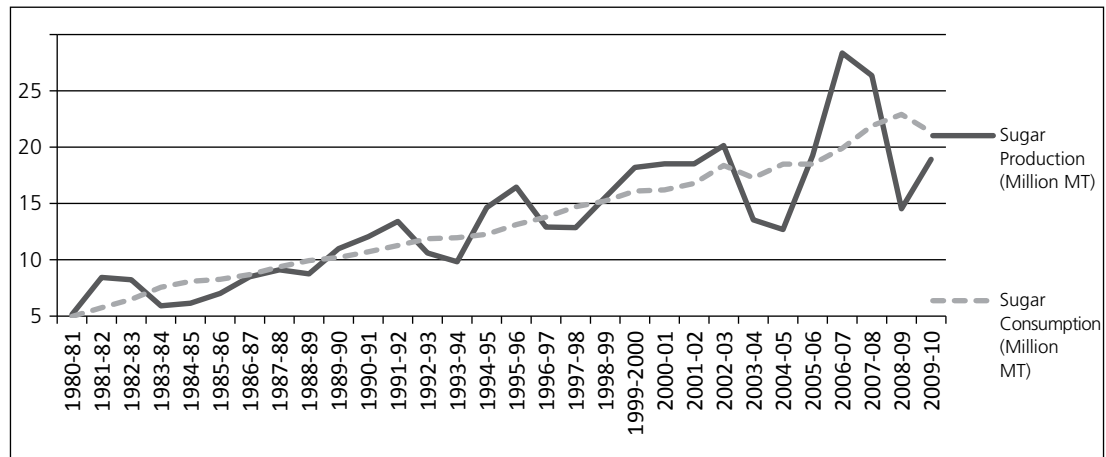
In fact, this pace of bumper Sugar Production doesn't seem to stop here and next Year 2020-2021 is again estimated to be a high production year with Sugar production currently estimated in the range of 31.0 – 33.0 Million MT. One of the major reasons of continued higher production on All India basis is the state of U.P. which is consistently producing record Sugar on account of better variety of cane, better farm practices leading to better yield and recoveries and thus big inclination of farmers towards the Cane crop. State of U.P. during current Year is estimated to produce historically record Sugar production of 12.5 Million MT and this is the third consecutive year when U.P. state shall be producing Sugar Production of around 12.0 Million MT in continuity. Before that, U.P. Sugar Production used to be around 6 - 7 Million MT and highest Sugar Production in U.P. state was 8.3 Million MT during 2016-2017.

Since the Year 2017-2018, All India Sugar Production is above 30.0 Million MT except current Year 2019-2020 when Sugar Production is estimated at level of 27.0 Million MT and in future trend of higher sugar production continues.

Earlier, Indian Sugar Production had been cyclical in nature with 3 - 4 years of bumper crop usually followed by 2 - 3 years of shortfall and the shortfall years usually were respite years for Mills and farmers where Mills liquidating excess Sugar stocks and helping the Sugar Prices as well.

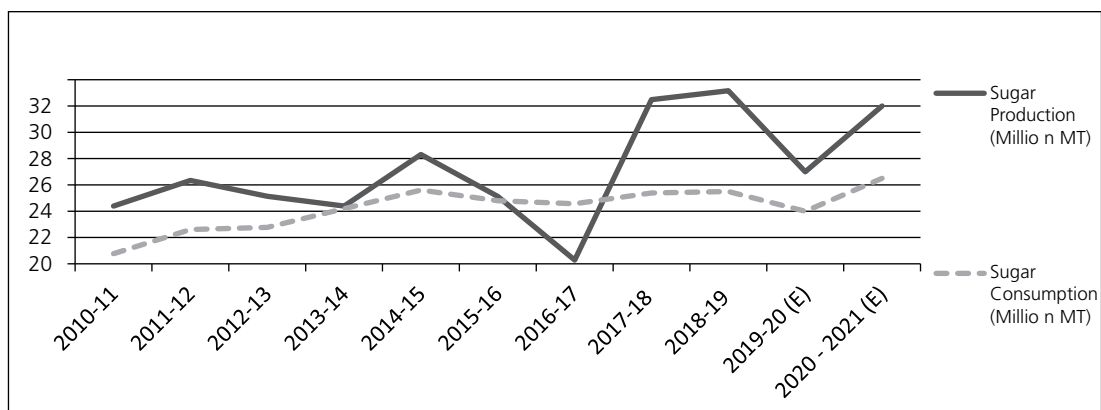
We are giving below a cyclical pattern of Sugar Production / Demand since the Year 1980 till the Year 2009-2010 where such kind of cyclical pattern can be observed.

Chart 6: Cyclical pattern of Sugar Production / Demand since 1980



Situation from the Year 2010-2011

This cyclical pattern has been broken since 2010-2011 where country is consistently producing surplus Sugar production as illustrated below in form of a graph:-



State-wise Sugar Production

Table 5: State-wise Sugar Production on All India basis since the Year 2013-14 given below:

Unit : Million MT								
Sr.No.	STATE	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-2020
1	Uttar Pradesh	6.50	7.10	6.84	8.77	12.05	11.82	15.20
2	Maharashtra	7.71	10.51	8.42	4.20	10.72	10.72	6.10
3	Karnataka	4.18	4.94	4.05	2.17	3.75	4.43	3.40
4	Gujarat	1.18	1.15	1.17	0.89	1.11	1.12	0.90
5	Andhra Pradesh	0.68	0.56	0.55	0.39	0.47	0.51	0.40
6	Punjab	0.47	0.54	0.67	0.69	0.82	0.79	0.50
7	Haryana	0.54	0.58	0.54	0.67	0.84	0.70	0.70
8	Bihar	0.59	0.53	0.50	0.53	0.72	0.84	0.73
9	Tamil Nadu	1.47	1.25	1.37	1.07	0.71	0.96	0.67
10	Madhya Pradesh	0.39	0.45	0.40	0.41	0.55	0.56	0.40
11	Uttarakhand	0.29	0.33	0.27	0.35	0.42	0.40	0.40
12	Telangana	0.33	0.32	0.28	0.12	0.27	0.264	0.26
13	Others	07	0.05	0.05	0.4	0.4	0.0	0.04
	Total	24.38	28.29	25.11	20.27	32.47	33.14	27.00

*2019-2020 are estimated figures

From above table, it can be seen that earlier Maharashtra state used to take the lead in terms of highest Sugar Production but last 4 years U.P. state has taken the lead and has emerged as the consistent largest producer of Sugar in the country due to better yields and improved Sugar recovery.

U.P. Sugar Production which earlier used to be in range of 6 -7 Million MT has started producing Sugar to the level of 12.0 Million MT and that too consistently for third year in a row now. Next Year 2020-2021 is also estimated to be a high production year for U.P. state estimated at 12.0 Million MT plus levels.

It can be observed that Sugar Production in state of Maharashtra has been quite volatile where Sugar production figure of 10.5 Million MT during the Year 2014-2015 dipped to the low of 4.2 Million MT during 2016-17 and again bounced back to 10.7 Million MT very next year i.e. 2017-2018. Again from the level of 10.7 million MT during the Year 2018-2019, production estimated to drop to 6.1 Million MT during 2019-2020 and then bounce back to 10.0 – 11.0 Million MT during 2020-2021.

In state of Tamil Nadu, Sugar production has come down quite significantly in last 4 years since the Year 2016-2017 and it has severely affected the capacity utilisation of Sugar Mills and also the financial health of Mills. Sugar production which used to be 2.0 – 2.5 Million MT is estimated to come down to level of 0.67 Million MT during 2019-2020 and going ahead there seems no improvement.

3 states i.e. U.P., Maharashtra and Karnataka forms almost 80% of Sugar production on All India basis. The improved Production levels are on account of improved yields in number of states and improved Sugar recovery mainly in state of U.P.

The details of yields and recovery of various states from where it can be seen that how the productivity in terms of yield and recovery has improved:-

Table 6: State-wise Yield of Sugarcane

State	(MT/hectare)					
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Maharashtra	80	93	76	60	108	85
U.P.	53	55	53	62	77	71
Karnataka	88	94	78	60	94.5	91
Gujarat	71	71	75	60	72	69
Tamil Nadu	90	88	98	81	60	73
Andhra Pradesh & Telangana	72	66	66	51	65	65
Punjab	66	67	74	74	84	86
Haryana	69	69	65	71	83	72
Bihar	50	50	50	50	62	66
M.P. & Chhattisgarh	57	60	51	54	71	74
Uttarakhand	54	53	51	57	65	60
Odisha	50	50	50	38	40	42

From above, it can be observed that Yield of all states across the country has significantly increased during the Year 2017-2018 (except Tamil Nadu where it has dropped). However, during the year 2018-2019, there has been a drop in yield of cane in major Sugar producing states except in small sugar producing regions of Tamil Nadu, AP, Punjab, Bihar, M.P. & Odisha.

Table 7 : State-wise Recovery of Sugar in % of Cane

State	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Maharashtra	11.4	11.29	11.33	11.25	11.24	11.27
U.P.	9.26	9.54	10.61	10.61	10.84	11.46
Karnataka	10.95	11.06	10.74	10.19	10.6	10.73
Gujarat	11.09	10.34	10.38	10.58	10.55	10.82
Tamil Nadu & Pondicherry	8.95	8.67	8.74	8.92	8.64	8.8
Andhra Pradesh	9.74	9.38	9.35	9.37	9.53	9.4
Punjab	9.43	9.42	10.06	9.78	9.78	10.14
Haryana	9.44	9.94	10.52	10.34	10.39	10.36
Bihar	8.97	9.18	9.77	9.21	9.58	10.39
M.P. & Chhattisgarh	9.71	9.48	9.78	9.7	9.63	9.87
Uttarakhand	8.9	9.24	9.61	9.85	10.24	10.97

From above table, it can be observed that Sugar recovery of U.P. state, Punjab, Haryana, Bihar & Uttarakhand has significantly improved in last 5 years.

All India Sugar Balance Sheet

Table 8: Domestic Production and Consumption

Particulars	Unit : Million MT						
	2013-14 (Actual)	2014-15 (Actual)	2015-16 (Actual)	2016-17 (Actual)	2017-18 (Actual)	2018-19 (Actual)	2019-20 (Estimated)
A. Total availability - All India - Sugar Season							
a) Opening Stock as on Oct 01	9.3	7.5	9.1	7.8	3.9	10.7	14.6
b) Production during season	24.4	28.3	25.1	20.3	32.5	33.2	27.0
c) Imports	0.1	0.0	0.0	0.4	0.2	0.0	0.0
Total supply availability	33.8	35.8	34.2	28.5	36.6	43.9	41.6
B. Total Sugar Offtake : All India - Sugar Season							
a) Internal consumption	24.2	25.6	24.8	24.6	25.4	26.0	24.0
b) Exports	2.1	1.1	1.7	0.05	0.5	3.5	4.5
Total Offtake	26.3	26.7	26.5	24.6	25.9	29.5	28.5
C. Closing Stock as on Sept 30 - All India	7.5	9.1	7.8	3.9	10.7	14.2	13.1
D. Stock as % of Internal Consumption (%)	30.9	35.5	31.3	15.8	42.2	54.6	54.4

From the above table, following can be observed:-

Sugar Production is consistently higher than the consumption all these Years except the Year 2016-2017 when Sugar Production dipped to alarming low level of 20.3 Million MT because of drought conditions.

Sugar internal consumption increasing from the level of 24.2 Million MT during 2013-2014 to estimated level of 25.5 Million MT during 2018-2019. During the Year 2019-2020, there is estimated to be dip in Sugar consumption to level of 24 Million MT on account of demand contraction due to COVID pandemic.

Due to consistent high Sugar Production, Import of Sugar in last 7 years has been quite negligible also supported by higher import duty.

Export of Sugar has been continuing on consistent basis and it is estimated that during current Year 2019-2020, Sugar export will be to the tune of 4.5 Million MT. Though due to good demand of Sugar from Iran and Indonesia, some in the trade feel that Sugar Export during current Sugar Year could reach a figure of 5.0 Million MT.

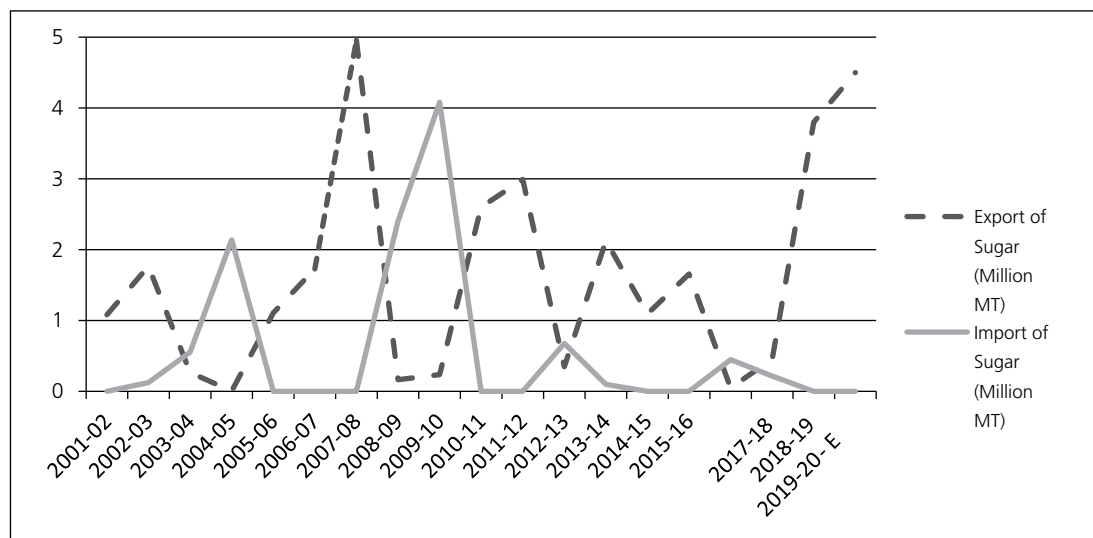
Sugar closing stocks increasing from the level of 3.9 Million MT during the Year 2016-2017 to the estimated level of 13.1 Million MT during the Year 2019-2020.

Estimated stocks of 13.1 Million MT at the end of Year 2019-2020 is 54.4% of Internal consumption means sufficient to take care of almost 7 months of consumption.

During the Year 2019-2020, Sugar stocks has come down from the level of 14.6 Million MT during 2018-2019 to the level of 13.1 Million MT during 2019-2020.

Pattern of All India Sugar Exports / Imports

Chart 7: The pattern of All India Sugar Exports & Imports in graphical pattern since the Year 2001-02 is illustrated below:



Till the Year 2010-2011, Sugar production was cyclical in nature and this cyclicity in Sugar Production led to cyclicity of Sugar Exports & Imports. During the years of surplus, country Exported Sugar and during the years of deficit, country imported Sugar and thus it became a big swing factor for Global Sugar demand-supply balance sheet as well.

From the above graph, it can be seen that till the Year 2010-2011, Sugar import and export has been cyclical means after every 2-3 years either country is exporting Sugar or importing Sugar in a big way.

However, from the year 2010-2011 onwards due to consistent higher Sugar Production much more than the demand, country had been exporting Sugar on regular basis with very little imports in between.

Policy initiatives by the Government

Government had been proactively tackling the problem of surplus by on one side developing the measures to solve the problem of excess Sugar in system, maintaining liquidity and on other hand ensuring that Sugar Price don't go down below certain viable levels.

Government focussed mainly on following to take care of glut of Sugar in country:-

Promoting Exports of Sugar

It was a challenge to Export Sugar from country because of big price mismatch between domestic and International Sugar

prices with International prices considerably lower.

We are giving below the details of Government policy on exports since the Year 2017-2018 where Government motivated the Industry by giving export quotas to Industry and also related subsidy as under:-

Sugar Year 2017-2018

During March 2018, Government scrapped Export duty of 20% on Sugar to promote Sugar exports.

Further during March 2018, Government gave mandatory Export quotas to Sugar Mills totalling 2.0 Million MT on All India basis. As per the Order, Indian Sugar Mills were required to export a quantity of 2.0 Million MT by Sept 30, 2018.

Sugar Mills can get the Sugar exported against their Quota from other Sugar Mills (like in coastal region) to save on freight through Merchant exporters.

To boost exports, Government allowed Production subsidy of ₹5.5 per Qtl of cane crushed, eligibility criteria of which was that Sugar Mills should have complied all orders / directives of Department of Food & Public Distribution during the Year 2017-2018. This included Government order of Reverse Stock limit and fulfilling mandatory export quotas. Further, Sugar Mills supplying Ethanol should have also supplied 80% of the Order placed so as to be eligible for availing the said Production subsidy.

Sugar Year 2018-2019

On September 28, 2018, Government announced Mandatory Export Quota of 5.0 Million MT on All India basis to be exported during Oct 2018 – Sept 2019. The mandatory export quota of 5.0 Million MT was split amongst all Sugar Mills in country basis Sugar Production of last 3 years.

On September 26, 2018,, to boost Sugar Exports and for the purpose of offsetting cost of cane, Government announced following financial assistance:-

Government announced to pay defraying expenses towards Internal transport, freight, handling, etc. to Sugar Mills on Export of Sugar as under:-

- ₹1.0 per Kg for Sugar mills within 100 kms from Port
- ₹2.5 per Kg for Sugar mills beyond 100 kms from port in coastal states
- ₹3.0 per Kg for Sugar Mills in Non-coastal states.

Financial assistance of ₹13.88 per Qtl. of cane on cane crushed during the Sugar Year 2018-2019 subject to Sugar Mills complying with all the directives of Department of Food including exports quota and monthly release. The incidence of this financial assistance shall work out to approx. ₹ 8.3 per kg on Sugar exported.

To facilitate and motivate Sugar exports, Department also decided to give additional Sale quota in domestic market to the ones exporting Sugar and reduce the domestic quota of the Sugar Mills not exporting Sugar.

Sugar Year 2019-2020

During the Year 2019-2020, Government simplified the process of Exporting Sugar and claiming export benefits/subsidy and further this year Government announced the yearly quota and subsidy much before start of Sugar Year 2019-2020.

Early announcement of Export quota and subsidy enabled the Industry to timely contract Sugar Export and Production planning such that Exports could have started from the 1st day of the Year.

Earlier, during 2017-2018, Sugar export quota was announced quite late during month of March 2018, during 2018-2019 it was announced at last of September 2018 month whereas during 2019-2020, it was announced in the month of August 2019.

For the year 2019-2020, Government announced quota of 6.0 Million MT Sugar exports on All India basis with export subsidy details as under:-

The Central Government will provided a lump sum export subsidy @ ₹10,448 per Metric Tonne assistance for expenses on export of sugar to the sugar mills in the following manner:-

For marketing including handling, quality upgradation, de-bagging & re-bagging and other processing costs etc @ ₹ 4,400 per MT.

For internal transport and freight charges including loading, unloading and fobbing etc. @ ₹ 3,428.0 per MT.

For ocean freight against shipment from Indian Ports to the ports of destination countries etc. @ ₹ 2,620 per MT.

Total estimated subsidy of ₹ 6,268.0 crore will be incurred by the Central Government for export of 6.0 Million Tonne sugar.

Government simplified the process as earlier Sugar Mills were to complete 100% of their Export Quota and obtain BRC for claiming subsidy. However, during 2019-2020, Government allowed Sugar Mills to claim subsidy after completing 50% of the quota allotted and were allowed to submit BRC later.

b) Maintaining Sugar Price in market

MSP (Minimum Selling Price of Sugar)

Due to high Sugar production resulting into excess Sugar supply in market, Sugar prices across the country started coming down and had come down below the cost of Production. To arrest falling Sugar prices, Government fixed Minimum uniform selling price of Sugar at Mill level, across the country as under:-

- On June 6, 2018, Government approved fixing of Minimum Price of ₹ 29.0 per Kg for Sugar below which no Sugar Mill can sell in domestic market.
- On February 14, 2019, Government increased MSP of Sugar from the level of ₹ 29 per Kg to ₹ 31 per Kg.
As per media reports, there are Government mulling increasing MSP from existing level of ₹ 31.0 per Kg.

d) Restrict Sugar supply in market

On one hand Government fixed Minimum Selling Price of Sugar, on the other hand Government imposed Reverse stock limit on Sugar Mills to restrict supply of Sugar in market so that Sugar Mills are able to realise MSP / viable prices.

Sugar Year 2017-2018

Government imposed Stock limit (Reverse) on Sugar Mills for the month of Feb 2018 and March 2018, with details of the limit as under:-

- **Feb 2018** : At the end of Feb 2018, Mills will be required to keep minimum stock as below :-
83% of the closing stock on the last day of Jan 2018 month + Sugar produced during Feb 2018 month - Sugar Exported during Feb 2018 month.
(It means that during Feb 2018 month, Mills can sell only 17% of the closing stock as on January 2018 month).
- **March 2018** : At the end of March 2018, Mills will be required to keep minimum stock as below:-
86% of the closing stock on the last day of Feb 2018 month + Sugar produced during March 2018 month - Sugar Exported during March 2018 month.
(It means that during March 2018 month, Mills can sell only 14% of the closing stock as on Feb 2018 month).

Stock limit on Traders: During the Sugar Year 2017-2018, Government removed Stock limit which earlier was imposed on Sugar Traders to restrict illegal stocking of Sugar at their end.

Removal of such stock limit on Traders enabled them for Free trade of sugar with no restriction of quantity which a trader can buy and store at any point of time.

Sugar Year 2018-2019 & 2019-2020

On 7th June, 2018, Government re-imposed reverse Stock limit on Sugar Mills stating that all producers of Sugar by vacuum pan process shall hold such quantity of Sugar (White or refined) at the end of each month as may be specified by the Central Government for each month.

To arrive at the figure of stocks which Sugar Mills were required to carry at the end of each month, Sugar Mills were given Monthly Sales Quota above which Sugar Mills cannot sell in domestic market.

The purpose of above order was to restrict supply of Sugar in market which was in excess due to consistent surplus production and thus to support the Prices.

e) Discouraging Sugar Imports

Since International Sugar Prices are lower than domestic prices and to avoid any Sugar Imports which the country don't need, Government increased import duty on Sugar with details as under:-

During July 2017, Government increased import duty on Sugar from existing rate of 40% to 50%.

During Feb 2018, Government increased import duty on Sugar from 50% to 100% to completely rule out any import of Sugar.

There has been no import of Sugar in last 2 Sugar years i.e. 2018-2019 and 2019-2020 and no possibility in near future because of high import duty and rightfully also as country don't need import of Sugar in current period of surplus.

f) Soft loans / subsidy to Sugar sectors

To improve liquidity and enable Sugar Mills pay their dues Soft loans / subsidies announced by the both Central and State Government as under:-

- During March 2019 month, CCEA had approved soft loan to the extent of about ₹ 7,900 - 10,540 crore to Sugar Mills to enable pay their cane dues.
- Government will bear the interest subvention @ 7 - 10% to the extent of ₹ 553 crore to ₹ 1,054 crore for one year.

The said soft loan will be provided to only those units which have already cleared at least 25% of their outstanding

cane dues in the Sugar season 2018-19.

Earlier during June 2018 month, Government had announced loan of ₹ 4,440 crore.

During November 2019 month, Government extended moratorium period by 6 months on above soft loans increasing it from one year to one and half year.

During the Year 2018-2019, UP State Government allowed soft loans to the tune of ₹ 4,000 crore to Sugar Mills in U.P. state for a period of 5 years at interest cost of 5% p.a.

UP State Government allowed Cane price subsidy @ ₹ 4.5 per Qtl. of total cane crushed during the Sugar Year 2017-2018, total incidence of which works out to approx ₹ 500 crore for UP state as a whole.

g) Buffer stock / subsidy

Since, Industry has been struggling with the problem of high stocks and excess Sugar supply in market, Government decided to continue with buffer stock scheme and give buffer subsidy scheme during Sugar Year 2019-2020 which on one hand will provide liquidity to Sugar Mills in terms of subsidy, on the other hand will reduce supply of Sugar in market to the extent of buffer stock, with details as under:-

- During the month of July 2019, Government notified the scheme for creation and maintenance of buffer stock of 4.0 Lac MT of Sugar by Sugar Mills for a period of one year starting from August 1, 2019. (Earlier level of buffer stock was 30 Lac MT).
- Government allowed buffer subsidy of 13.50% per annum with breakup as under:-
 - Interest of max. 12.0% per annum or actual as charged by the bank whichever is less on advance given to the Sugar Mill against the buffer stock or on value of stock.
 - Insurance including storage charges at flat 1.50% per annum on the value of stock.
 - The value of stock shall be calculated basis price of ₹31.0 per Kg of Sugar.
 - The buffer subsidy will be used for payment of Cane arrears only and will be credited directly in No lien accounts to be opened by Sugar mills for the said purpose.

The total buffer subsidy amount allocated has been ₹ 1,674 crore.

h) Rationale in fixing Cane Price

Government showed rationale in fixing Cane price looking into the excess Sugar supply / depressed Sugar prices and thus no increase in Cane Price for the Year 2019-2020.

During 2019-2020, Central Government had not increased the FRP (Fair & remunerative price) and kept it at the same level as that of Year 2018-2019 at ₹ 275 per Qtl. of Cane with 10.0 Sugar recovery.

During 2019-2020, for the second consecutive year in row, U.P. State Government continued with the same SAP (State advised price) by fixing ₹ 315 per Qtl. for common variety of Cane, ₹ 325 per Qtl. for Early variety of cane and ₹ 310 per Qtl for rejected variety of cane. During the Year 2017-2018, Government had increased the SAP by ₹ 10 per Qtl.

i) Ethanol-Pricing / Feedstocks

Government is continuing to aggressively promote Ethanol as a fuel as it is non-fossil biofuel, a big curb on vehicular pollution and also saves foreign exchange required for import of crude oil as country is net importer of crude.

Further due to surplus Sugar Production, Government is targeting Ethanol as alternate of Sugar which can be made from Cane like in Brazil which on one hand will provide adequate supply of Ethanol under Government's ambitious bio-fuel policy on the other hand will be used to regulate Sugar Production and thus take care of excess Sugar in system.

Summary Ethanol Price fixed by the Government

Unit : ₹/Litre

Year	C Molasses	B heavy Molasses	Cane Juice	Grain damaged
2016-2017	39.00	Not allowed	Not allowed	Not allowed
2017-2018	40.85	Not allowed	Not allowed	Not allowed
2018-2019	43.46	52.43	59.19	47.13
2019-2020	43.75	54.27	59.48	50.36

Year : Dec - Nov

From above table, following can be observed:-

Government's focus is on increasing Ethanol supplies for which on one hand Ethanol price has been increased so as to make it viable for Sugar Mills, on the other hand Government allowing other raw materials usage for Ethanol supplies.

Taking cognisance of cost of Ethanol from different Raw materials, Government has allowed different prices of same product "ETHANOL" basis the Raw material used as above.

This on one hand will boost the availability of Ethanol which is Green bio-fuel and part of Government's ambitious bio-fuel policy on other hand usage of raw material like B heavy Molasses and Cane Juice will help in reducing Sugar surplus.

For promoting Ethanol supplies from B heavy and Cane Juice, Government is not only giving higher price for Ethanol but has also prioritised Ethanol made from Cane Juice and B heavy Molasses over C Molasses Ethanol.

For any Oil company depot at the time of allotting order, first priority is for Cane Juice Ethanol, followed by B heavy Molasses Ethanol then C Molasses and ultimately damaged Grain Ethanol.

During the Year 2018-2019, as per estimates, 0.5 Million MT Sugar has been diverted towards Ethanol in the form of B heavy Molasses and during 2019-2020 this figure is estimated to reach 0.8 Million MT.

As per analysts during 2020-2021, manufacturing of Ethanol from B heavy / cane juice route will reduce Sugar production by 1.5 Million MT which means every year there is exponential growth in manufacturing of Ethanol from B heavy route.

Government is continuing with the policy of restriction on Imported alcohol for blending purpose.

Ethanol manufacturing capacity:

During the Year 2019-2020, while Government floated the tender for a quantity of 5.1 billion Litres, as per records Ethanol manufacturing capacity is available to the tune of 3.5 billion Litres.

During the Year 2018-2019, Ethanol supplied for blending was 1.9 billion Litres which during the Year 2019-2020 is estimated to remain at same level.

Further, new Ethanol manufacturing capacities are added every year for which Government is also disbursing soft loans.

In order to boost Ethanol supplies from alternate feed stocks, Government is also pushing 2G Ethanol which will be manufactured from cellulosic waste. Public Sector Oil companies are in the process of setting up their own 2G Ethanol plants for generation of Ethanol for their requirement of blending with Petrol.

While, GST of all Alcohol Products is 18%, on Ethanol meant for blending with Petrol, GST has been reduced to 5% which was done during July 2018.

j) Soft Loans for Ethanol

In June 2018, Government had sanctioned soft loan to the tune of ₹6,139 crore to Sugar Mills for Ethanol capacity on which interest subvention amount is ₹ 1,332 crore.

In March 2019, CCEA cleared soft loans of ₹ 15,500 crore to Sugar Mills / standalone Distilleries for setting up new Distilleries, setting up Incineration boiler, augmentation of existing capacity. The interest subvention amount on above soft loan for a period of 5 years with one year moratorium period is ₹ 3,355 crore. Out of this figure of ₹ 15,500 crore, ₹ 12,900 crore is for Sugar Mills and ₹ 2,600 crore is for standalone Distilleries without attached Sugar units.

The above soft loan has been allowed for the purpose of:

- a. Improving liquidity of sugar mills by way of revenue from Ethanol
- b. Achieve 10% blending target of EBP
- c. Reduce sugar inventory by usage of B heavy / cane juice for ethanol manufacturing

k) IDR Act / State Excise Fees & Procedures on Ethanol

During May 2016, there had been an amendment in IDR Act, 1951 as per which State Government can control, levy taxes / duties on liquor meant for human consumption only.

Denatured Alcohol, Industrial Alcohol not meant for human consumption will be controlled / legislated only by Central Government.

It means Ethanol and denatured spirit should come out of the purview of State Govt. with no power left to regulate or impose any fees / taxes / duties on Ethanol.

With active efforts of the Government, Oil Marketing companies and Industry Associations from the Year 2017-2018, number of states started scrapping State Excise fees on Ethanol and relaxing their control on distribution, storage of Ethanol.

Karnataka has been the first state to surrender their control on Denatured Ethanol and free it from State Excise Fees and permissions.

Other states having followed the Karnataka are States of Gujarat, Chhattisgarh, Punjab, Haryana, Goa, Maharashtra and U.P. In state of Delhi, Industry is seeking relief on the State Excise Fees through legal means available.

Industry is taking up the matter with various State Governments to give up control on denatured Ethanol and other spirits in line with the IDR amendment / new GST rules and reasonably good progress is continuing on the subject.

III. Bajaj Hindusthan Sugar's (BHSL) Position

BHSL has 14 sugar plants having an aggregate crushing capacity of 1,36,000 TCD, 6 distilleries with aggregate capacity of 800 KL/day and about 151 MW of surplus power.

Key risks and concerns

1. Raw material

BHSL has continued its thrust on cane quality promotion and is continually investing in cane variety development. Since last 6 years, year 2014-2015 (Oct – Sept), the results of continued investment in Cane development are visible in the form of increased availability of better variety of cane and better Sugar recovery.

Group's average Sugar recovery during last 6 Sugar Seasons has considerably improved with results as under :-

Sugar Season (Oct – Sept)

2014-2015 :	09.41 %
2015-2016 :	10.37%
2016-2017 :	10.26%
2017-2018 :	10.72%
2018-2019 :	11.52%
2019-2020 :	11.61 %

In the above table, the efforts of the Group are clearly visible towards Cane development and quality promotion and in last 6 years Sugar recovery has improved by almost 23.4% from the level of 9.41 to estimated level of 11.61% during current year.

BHSL sees cane development as major thrust area to improve the revenue generation and is continuously striving towards it.

The major area of concern is the ability to make timely cane price payment to farmers given the unremunerative sugar realisations in the domestic market and further exacerbated by the irrationally high cane price fixed by the state government.

2. Sugar price risk

While cane price is fixed by the state government, sugar realisations are totally market driven and are dependent on demand-supply dynamics. This has often led to complete mismatch between the cane price and sugar realisations.

During years of high production leading to excess supply, there will be risk of Sugar Price sliding down.

To mitigate the said Sugar price risk, Government had fixed Minimum Selling Price (MSP) of Sugar earlier at level of ₹29.0 per Kg and now at level of ₹31.0 per Kg below which no Sugar Mill can sell Sugar in market.

Industry is pushing hard to further increase the said MSP to the level of ₹35 – 36 per Kg and as per media reports Government is considering increasing the MSP further.

So, while, there is a Sugar Price risk, during surplus years when such risk becomes acute, there is Government intervention to mitigate this risk.

3. Regulatory risk

Sugar industry is subject to many regulatory risks like environment, raw material pricing, government policies, etc. The biggest risk to the business is the disjointed irrational sugarcane price fixed by the state government. However, to ensure liquidity and financial health for Industry, both Central & State Government keeps on providing policy and subsidy support to enable Sugar Mills to pay fixed cane price as fixed by the Government.

4. De-risking strategy

As part of our business strategy, we are rapidly de-risking our business with the investment in power generation capacity. This business is non-cyclical and therefore expected to generate steady cash flows year-on-year. Further, sustained ethanol supplies to oil companies has provided some element of risk mitigation.

Table 9: Market share of BHSL in U.P. and on All India basis for Sugar basis Production:-

Particulars	Unit	Year (Oct – Sept)				
		2019-2020 (Estimated)	2018-2019	2017-2018	2016-2017	2015-2016
BHSL Production	Million MT	1.94	1.83	1.82	1.33	1.05
UP Production	Million MT	12.50	11.82	12.05	8.80	6.84
All India Production	Million MT	27.00	33.16	32.48	20.30	25.13
BHSL % of UP	%	15.52	15.48	15.10	15.11	15.35
BHSL % of All India	%	7.19	5.52	5.60	6.55	4.18

From the above figures, it can be seen that in state of U.P., BHSL is maintaining its share of 15% plus, on All India basis BHSL share estimated to increase from 4.18% during the Year 2015-2016 to 7.19% during 2019-2020.

Sugar market spread - All units of BHSL

Bajaj Group (Bajaj Hindusthan Sugar Limited) has 14 units evenly spread throughout the State of Uttar Pradesh with 5 sugar mills in Western UP, 5 in Central UP and 4 in Eastern UP.

The Zone-wise details and the crushing capacity of the mills are as under:-

Table 10: Zone-wise details of crushing capacity

ZONE	NO. OF MILLS	CRUSHING CAPACITY (TCD)
WEST	5	48,000
CENTRAL	5	48,000
EAST	4	40,000
TOTAL	14	1,36,000

Markets

West U.P.: Sugar produced by our West UP mills is sold in the region of West UP and neighbouring States in Northern India like Punjab, Haryana, Rajasthan and Delhi etc. This year due to higher Sugar production in state, Sugar is sold to North East States also like West Bengal, Assam etc. where it is going by rail rakes.

Central U.P.: Sugar produced in our Barkhera and Maqsoodapur mills is sold partly in Central U.P. and also in nearby states i.e. Rajasthan, M.P., Gujarat, North East states and at times to Haryana, Odisha. The sugar produced by Gola, Palia and Khambarkhera mills is sold in Central UP, East UP, Bihar, Bengal, Jharkhand, M.P. and North East States.

East U.P.: Sugar produced by our East UP Mills is sold in the region of Eastern UP and states like Bihar, Jharkhand, West Bengal, Assam and North East States.

Competition

Other than the mills in state of UP, we have to face competition mainly from mills in the state of Maharashtra, Karnataka, Gujarat, A.P., Tamil Nadu. For movement of sugar to neighbouring states like Punjab, Haryana, Bihar, UP mills face competition from mills in these states, as well. Sugar sales outside of UP is purely on the basis of the price parity with competing mills.

No competition from Sugar imports

Due to continued surplus sugar production and high stocks, depressed and all-time low International Sugar Prices, Govt. has imposed import duty of 100% restricting Sugar Imports and no major imports has taken place under OGL in last 3 years.

Table 11: High & Low Price (Realisation) of Sugar – BHSL

Unit : ₹/ Qtl.

Month	April 2019 – March 2020	
	Low Price	High Price
April	3100	3345
May	3100	3450
June	3195	3430
July	3100	3320
August	3148	3467
September	3285	3499
October	3170	3500
November	3130	3512
December	3100	3401
January	3193	3399
February	3128	3373
March	3100	3355

- Refined sugar is not taken in consideration.
- Only M-31 50 Kg rate is taken.
- Sugar despatches through rake is also not considered as the sale confirmed in a month is despatched next month.

IV. Internal Control System and their Adequacy

The Internal Control system in an organisation should be such that it increases the transparency and accountability in an organisation's process of designing and implementing a system of Internal Control by identifying and analysing various risks and preparing Action plan to overcome those risks. This includes implementation of policies & procedures prepared by the management which helps in achieving their objective of ensuring adherence to Companies policies, safeguarding of its Assets, prevention & timely detection of Frauds, orderly & efficient conduct of its business and preparing reliable financial information. BHSL Internal Control system is commensurate to its size of business and nature of its operations. BHSL has in place an adequate system of Internal Controls that has been designed to ensure that all the transactions are authorised, recorded and reported correctly. Accounting procedures and policies are being monitored by a strong and Independent Internal Audit department. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. The Company has also in place a well-defined Delegation of Power (DOP) and various Standard Operating Procedures (SOPs) covering different areas which further strengthen the Internal Control. The Audit approach is based on random sample selection and takes into account the generally accepted business practices. Based on reports of Internal Audit department, corrective actions are taken by process owners in their respective areas thereby strengthening the Internal Controls. Significant Audit observations and corrective action thereon are reviewed by management and subsequently placed before the Audit Committee of the Board of Directors along with the action plan recommended by respective functional head. The directions of Audit Committee are implemented by the respective Head of the Departments and action taken reports are placed before the Audit Committee members in next meeting for their perusal.

V. Human Resources/Industrial Relations

The industrial relations at the Company's Sugar Mills and Head Office were cordial throughout the year. The Company is committed to create an organisation that nurtures the talent and enterprise of its people, helping them grow and find fulfilment in an open culture as per the "HR Vision (Our edge is our people, what we consciously do as management is to encourage such people who dare and provide them room - not square feet - to dream it)" and also as per our "Group Vision (Think Tomorrow)". The result, that BHSL would be number one. Its growth strategies are based on a strong Human Resource (HR) foundation created through a judicious use of innovative techniques and complementary HR processes and systems. HR policies are reviewed, revised and updated from time to time to make it relevant, more effective and useful to the employees and also to the Company. The basic objective is to facilitate the smooth execution of transparent policies. As of March 31, 2020, BHSL had 7,415 employees. The various HR initiatives carried out by the Company during the year are listed below:

Training Programmes :-

- Training & Development - During the year 2019-20, HR dept. had organised various Training programmes through the involvement of various external agencies as well as internal training faculties. HR department had prepared advance training calendar on six monthly basis scheduling (during off season) various topics after consulting all the departments for the subject and strength of the participants. After preparing, the list of the topics, schedule and name of the participants, it is communicated to everyone concerned by the HR department. On an average 28-30 persons attended such training programme session. The major topics covered by our internal training faculty were on Irrigation and Pest Control techniques, Cane Centre Mgmt, Cane sowing, Safety, Awareness on Health & Occupational Diseases, House-keeping, Fire fighting, Environment, Health & Occupational Hazards, Energy Conservation, Attitudinal & Behavioural Management, GST, SAP, Computer Awareness, Statutory Compliances, etc. The HR department also arranged external training to the employees by outside experts with specialist knowledge so that the employees can improve their skill sets with relevant up-to-date information and techniques learned in an environment that is familiar and conducive to advancement of group learning also, encourage interaction from the entire group and some surprising techniques can be developed that are particularly relevant to their field. It also helps to grow the team and provides opportunity to interact on a much more personal basis building strongest bonds between team members and more efficient working environment.
- Induction Programmes for New Employees - Induction programmes are regularly conducted at unit level as well as in offices by HR department for all the new employees. This is an interactive programme supplemented by power-point presentation about the Company.
- Activities and Events - As a part of Employees Engagement Programmes, celebrated religious, cultural, national integration programmes, e.g. Annual function of Holi Milan, Shivalya Temple, Janmashtami, Dussehra, Diwali, Teej, Lohri festival & New Year celebrations, Republic Day, Independence Day, Vishwakarma Day, Environment Day, Safety Week (4 March to 10 March), Jannalal Jayanti (4th Nov.), Labour Day (1st May), various type of children's events like Drawing Competition, Annual Picnic & Excursion Tours etc.

Corporate Social Responsibility

1. **Bajaj Public School (BPS) – (affiliated to CBSE):** In furtherance of the guiding philosophy of the Corporate Social Responsibility (CSR), the group visualised the dire need to impart high standard education at low cost to the wards of the inhabitants. The Bajaj Public School is a non-profit making organisation, is an outcome to fulfil the said need. It was incorporated during 2009 and extended its branches in Maqsoodapur, Gola, Palia, Barkhera, Kinauni, Gangnauli, Bilai, Utraula and Lalitpur.

BPS has so far taken responsibility to nurture positively the delicate and tender minds of approx. 2,000 students. School is running as a creative centre for learning and development. It has provided employment to more than 150 people, including spouses of the employees. BPS solely aims to continuously connect, grow, serve and reach the new horizons.

2. Other activities

- General Medical Checkup, Eye Check-up, Dental Check-up, Hepatitis-B vaccination, sanitisation in Factory Campus and also in neighbouring villages, etc.
- Woollen clothes & Blanket distribution among under-privileged class of surrounding areas.
- Kanwar Seva Shivar on Mahashivratri Parv.
- Distributing Organic Manure on subsidised rates to the farmers.
- In winters, lighting Alao at every Chauraha by distributing bagasses.
- Fogging and Spray for mosquito and prevention of COVID in nearby villages.
- Blood donation camp.
- Health check-up camp by local hospital were held at offices & units, wherein a team comprising specialised Doctors i.e. Medicines, Eye, Gynaecologist & Dentist conducted medical check-up of employees and their families got themselves checked and were benefited from this health camp. Among the other beneficiaries, there were various outsiders, farmers also.

VI. Financial Analysis of Operations of the Company

The financial results for the year under review from April 01, 2019 to March 31, 2020

Table 12 : Operational data

	Unit	Year ended March 31, 2020	Year ended March 31, 2019
Cane Crushing	MMT	15.845	16.761
Sugar Recovery	%	11.65	11.40
Sugar Production - From Cane	MT	18,45,270	19,10,112
Industrial Alcohol Production	KL	57,221	1,07,724
Molasses Production	MT	7,12,011	7,75,934
Power Generation	000 Units	7,80,522	9,49,421

During the year, the production of sugar from sugarcane was at 18,45,270 MT as compared to 19,10,112 MT during the previous year. The production of molasses was at 7,12,011 MT as compared to 7,75,934 MT in the previous year. The industrial alcohol / ethanol production was at 57,221 KL as compared to 1,07,724 KL in the previous year. Power generation was at 780.5 Million Units (MUs) as compared to 949.4 MUs in the previous year. Average recovery of sugar from sugarcane increased to 11.65% during the current year as compared to 11.40% in the previous year.

Results of operations

Table 13 : Summarised financial results

₹ Crore

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue	6,676.61	6,969.43
Earnings before interest depreciation and tax (EBIDTA)	408.89	466.77
Finance Costs (Net)	300.75	321.78
Cash profits	108.14	144.99
Depreciation & amortisation	215.87	211.33
Profit/(Loss) before tax	(107.73)	(66.34)
Tax expenses	(2.36)	(2.26)
Profit/(Loss) after tax	(105.37)	(64.08)
Basic and Diluted earnings per share (₹)	(0.96)	(0.58)

Turnover

During the year ended March 31, 2020, the Company's total revenue was ₹ 6,676.61 crore as against ₹ 6,969.43 crore in the previous year.

Analysis of sales

During the year, the Company sold 18,70,362 MT of sugar as against 19,53,161 MT during the previous year. The Company sold 4,65,568 MT of molasses as against 3,28,600 MT in the previous year. However, alcohol/ethanol sales during the year was at 62,174 KL as against 1,24,840 KL during the previous year.

The Company exported 217.9 MUs of power during the year as against 338.9 MUs during the previous year.

Product-wise sales quantity, value and per unit realisation details are given in Table 14:

Table 14 : Sales revenue

Particulars	Year ended March 31, 2020				Year ended March 31, 2018		
	Unit	Qty	Value ₹ Crore	Realisation* ₹/MT/KL/ 000 Units	Qty	Value ₹ Crore	Realisation* ₹/MT/KL/ 000 Units
Sugar	MT	18,70,362	6,100.03	32,614	19,53,161	5,986.52	30,650
Alcohol/Ethanol	KL	62,174	258.90	41,641	1,24,840	500.83	40,118
Molasses	MT	4,65,568	160.06	3,438	3,28,600	7.81	238
Power	000 Units	2,17,940	68.51	3,144	3,38,899	174.42	5,157

Industrial alcohol was sold in the local market directly to end users, mainly alcohol-based chemical plants. Ethanol was sold to oil companies, who use it for blending with gasoline.

The other operating revenue includes lease rent of ₹ 10.86 crore, sale of pesticide of ₹ 37.35 crore, sale of scrap of ₹ 6.54 crore, and other miscellaneous operating income of ₹ 7.64 crore.

Other income

Other income for the current year was ₹ 11.01 crore (including interest income of ₹ 0.91 crore, Gain due to foreign exchange fluctuation (net) was at ₹ 0.49 crore and other miscellaneous income was at ₹ 9.61 crore as against ₹ 166.93 crore (including interest income of ₹ 148.08 crore, Gain due to foreign exchange fluctuation (net) was ₹ 0.25 crore and other miscellaneous income of ₹ 15.28 crore).

Other expenses

During the year, other expenses were ₹ 484.39 crore as against ₹ 460.84 crore in the previous year.

Earnings before interest, depreciation, tax and amortisation (EBIDTA)

The EBIDTA for the current year at ₹ 408.89 crore as against ₹ 466.77 crore in the previous year.

Finance costs

Finance cost for the current year was ₹ 300.75 crore as against ₹ 321.78 crore in the previous year, due to repayments of loans and drop in interest rate.

Depreciation and amortisation

The depreciation for the current year was at ₹ 215.87 crore as against ₹ 211.33 crore in the previous year.

Tax expenses

In the absence of profits, no provision for current tax has been made in the current year as well as in the previous year.

Balance sheet

The summarised balance sheet as at March 31, 2020 is given in Table 15.

Table 15 : Summarised balance sheet

₹ Crore

As at	March 31, 2020	March 31, 2019
ASSETS		
Non-current assets		
Fixed assets		
Property, plant and equipment	7,178.15	7,390.08
Right of use assets	9.44	-
Capital work-in-progress	43.07	16.56

As at	March 31, 2020	March 31, 2019
Intangible assets	0.00	0.00
Non-current investments	191.68	251.27
Other non-current financial assets	2.07	3.99
Other non-current assets	14.14	12.97
Sub total	7,438.55	7,674.87
Current assets		
Inventories	2,711.39	2,764.98
Financial assets		
Current Investments	770.13	770.13
Trade receivables	173.18	206.05
Cash and cash equivalents	100.69	48.10
Bank balances	10.49	11.42
Loans	2,091.29	2,146.58
Current tax assets (net)	4.26	3.76
Other current assets	789.32	779.81
Sub total	6,650.75	6,730.83
Total assets	14,089.30	14,405.70
EQUITY AND LIABILITIES		
Shareholders' Fund		
Equity	110.07	110.07
Other equity	3,144.21	3,294.98
Sub total	3,254.28	3,405.05
Non-current liabilities		
Financial liabilities		
Borrowings	5,139.53	5,382.09
Lease liabilities	9.54	-
Provisions	69.26	53.75
Deferred tax liabilities (net)	610.07	629.46
Other non-current liabilities	25.98	21.74
Sub total	5,854.38	6,087.04
Current liabilities		
Financial liabilities		
Trade payables	4,439.52	4,161.92
Other financial liabilities	387.90	663.91
Other current liabilities	139.71	76.20
Short-term provisions	13.51	11.58
Sub total	4,980.64	4,913.61
Total equity and liabilities	14,089.30	14,405.70

Share capital

There was no change in share capital.

Other equity

Other equity has decreased to ₹ 3,144.21 crore as at March 31, 2020 from ₹ 3,294.98 crore as at March 31, 2019 mainly due to loss for the year ₹ 105.37 crore and change of other comprehensive income by ₹ 43.83 crore and utilisation of fund for maintenance of molasses tank by ₹ 1.57 crore.

Non-current borrowings

Long-term borrowings was at ₹ 5,139.53 crore as at March 31, 2020 as against ₹ 5,382.09 crore in the previous year ended March 31, 2019.

Current borrowings

There was no Short-term borrowing during the year as at March 31, 2020 and March 31, 2019.

Property, plant and equipment

Gross Block has increased to ₹ 10,636.11 crore from ₹ 10,624.77 crore, on account of routine capitalisation/decapitalisation during the year. The net block stood at ₹ 7,178.15 crore as against ₹ 7,390.08 crore.

Investments

Investment was at ₹ 191.68 crore as at March 31, 2020 as against ₹ 251.27 crore in the previous year ended March 31, 2019. The changes are mainly due to provision for diminution of value of investment of Phenil Sugar Limited and Bajaj Aviation Private Limited.

Inventories

The inventory of sugar at the end of the current year was 7,78,755 MT equivalent to 194 days' sales as compared to 201 days' sales in the previous year. Alcohol inventory at the end of the current year was 4,764 KL equivalent to 15 days' sales as compared to 31 days' sales in the previous year.

In view of expected volume growth, the inventory liquidation is monitored very closely and the Company does not foresee any difficulty in selling the products manufactured by it.

Debtors

The debtors at the end of the current year were equivalent to 9 days' of sales as compared to 11 days' of sales in the previous year ended March 31, 2019. The decrease was due to change in outstanding of power sale with UPPCL.

Significant non-recurring income, expenditure and other items

Income

Gain on sale of assets ₹ 0.07 crore, provision no longer required/credit balance appropriated ₹ 1.95 crore and miscellaneous receipts ₹ 7.59 crore were of a non-recurring nature.

Expenditure

The loss on assets sold/discarded ₹ 0.74 crore is of a non-recurring nature.

Contingent liabilities

The status of contingent liabilities as at March 31, 2020 has been reviewed by the management. Efforts are being made for speedy settlement of pending cases.

Ratios

Comparative analysis of Important Ratios with variance is tabulated below:

Table 16 : Ratio Analysis

Description	Ratio (Current Year)	Ratio (Previous Year)	Variance (%)	Reasons for significant variance
Debtors Turnover ratio	34.82	33.54	4	N.A.
Inventory Turnover Ratio	2.41	2.38	1	N.A.
Interest Coverage Ratio	1.43	1.50	(5)	N.A.
Current Ratio	1.34	1.37	(3)	N.A.
Debt Equity Ratio	1.69	1.77	(5)	N.A.
Operating Profit Margin Ratio	7.22%	4.91%	47	N.A.
Net Profit Margin Ratio	(1.60)%	(0.96)%	66	
Return on Net Worth	(3.24)%	(1.88)%	72%	-do-

Control measures for cane procurement

Besides smooth functioning of plants, timely and regular procurement of sugarcane is the most important activity of the Company. Continuous efforts are being made to ensure systematic indenting, procurement and crushing of sugarcane. Though the current systems are adequate, as a matter of routine, these systems are periodically reviewed by the senior management team from time to time and corrective measures, if and when considered necessary, are taken to ensure the smooth flow of sugarcane.

Unit-wise operations**Sugar division**

Crushing details of plants during the year ended March 31, 2020 are given in Table 17:

Table 17 : Cane crushing, sugar recovery and sugar production

Plant Location	Zone	2019-20			2018-19		
		Cane Crushing (MMT)	Sugar Recovery (%)	Sugar Production (Tonnes)	Cane Crushing (MMT)	Sugar Recovery (%)	Sugar Production (Tonnes)
Gola Gokarannath	Central UP	1.977	11.93	2,35,818	2.447	11.75	2,87,722
Palia Kalan	Central UP	1.473	10.93	1,61,093	1.494	10.69	1,59,441
Khambarkhera	Central UP	1.424	11.94	1,69,963	1.434	11.90	1,71,043
Barkhera	Central UP	0.983	12.11	1,19,105	1.052	11.92	1,25,177
Maqsoodapur	Central UP	0.879	11.98	1,05,244	1.121	11.21	1,25,953
Kinauni	Western UP	1.715	11.92	2,04,549	1.748	11.40	1,99,300
Thanabhawan	Western UP	1.380	11.72	1,61,679	1.425	11.42	1,62,663
Budhana	Western UP	1.396	11.80	1,64,705	1.385	11.63	1,61,086
Bilai	Western UP	1.258	12.36	1,55,596	1.246	12.21	1,52,187
Gangnauli	Western UP	0.886	11.27	99,815	0.870	10.80	94,030
Pratappur	Eastern UP	0.258	10.26	26,497	0.246	10.04	24,747
Rudauli	Eastern UP	0.495	9.56	47,343	0.559	10.19	55,977
Utraula	Eastern UP	0.664	11.17	74,146	0.678	10.93	73,167
Kundarkhi	Eastern UP	1.056	11.34	1,19,717	1.056	10.99	1,17,620
Total		15.845	11.65	18,45,270	16.761	11.40	19,10,113

Distillery division

The distillery division produced 57,221 KL of industrial alcohol/ethanol during the current year against 1,07,724 KL in the previous year. Likewise alcohol/ethanol sales aggregated during the current year at 62,174 KL against 1,24,840 KL in the previous year. In value terms, the sale of industrial alcohol/ethanol during the year is ₹ 258.90 crore as against ₹ 500.83 crore in the previous year.

Power division

The sale of power was recorded at ₹ 68.51 crore in the current year as against ₹ 174.42 crore in the previous year. The Company continued optimal use of co-gen capacities with better planning.

Board division

The operations at all plants of board division were suspended due to non-availability of adequate quantity of sugarcane bagasse at affordable prices and inadequate demand of the products in the market.

Accounting policies

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for:

- (i) Certain financial assets and liabilities measured at fair value,
- (ii) Defined benefit plans - plan assets measured at fair value.

With effect from April 01, 2017, the financial statements of the Company have been prepared to comply with the Indian Accounting Standards ('Ind AS') notified under Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

Cautionary/futuristic statements

Statements in the management discussion and analysis report describing the Company's objectives, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable laws and regulations and futuristic in nature. Actual performance may differ materially from those either expressed or implied. Such statements represent intentions of the management and the efforts put into realising certain goals. The success in realising these depends on various factors both internal and external. Investors, therefore, are requested to make their own independent judgements before taking any investment decisions.

Business Responsibility Report for the year 2019-20

In terms of Regulation 34 of the Listing Regulations

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:** L15420UP1931PLC065243
- Name of the Company:** Bajaj Hindusthan Sugar Limited
- Registered address:** Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh - 262 802
- Website:** www.bajajhindusthan.com
- E-mail id:** investor.complaints@bajajhindusthan.com
- Financial Year reported:** April 01, 2019 to March 31, 2020
- Sector(s) that the Company is engaged in (industrial activity code-wise):**

Name and Description of main products / services	NIC Code of the product/service
Sugar	1702
Industrial Alcohol	1101
Power (bagasse-based)	3510

- List three key products/services that the Company manufactures/provides (as in balance sheet):**

- Sugar
- Industrial Alcohol
- Power bagasse-based

- Total number of locations where business activity is undertaken by the Company:**

- Number of International Locations (provide details of major 5) : NIL
- Number of National Locations: 17 (Seventeen). Company has its Registered Office at Golagokarannath, Uttar Pradesh, Corporate Offices at Mumbai, Maharashtra, Noida and Lucknow, Uttar Pradesh and it has fourteen manufacturing units all located in the state of Uttar Pradesh.

- Markets served by the Company:**

Local	State	National	International
Yes	Yes	Yes	Yes

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid-up Capital (INR) :** ₹1,13,35,59,942 (Rupees One Hundred Thirteen Crore Thirty Five Lakhs Fifty Nine Thousand Nine Hundred Forty Two only) comprising 1,13,35,59,942 equity shares of ₹1/- each.
- Total Turnover (INR) :** ₹ 6,676.61 crore
- Total profit/(loss) after taxes (INR) :** ₹(105.37) crore
- Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** NIL (Since the average net profit for last 3 years is negative)
- List of activities in which expenditure in 4 above has been incurred :** Not applicable

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/Companies:**

Yes, the Company has 5 subsidiaries including 2 step down subsidiaries as on March 31, 2020.

- Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s):**

No, the Subsidiary companies do not participate in the BR initiatives of the parent Company.

- Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:**

No, the other entities with whom the Company does business with viz. suppliers, distributors, etc. don't participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION**1. Details of Director/Directors responsible for BR:**

(a) Details of the Director/Directors responsible for implementation of the BR Policy/policies:

1. DIN : 02608184 2. Name : Mr. Ashok Kumar Gupta 3. Designation : Managing Director

(b) Details of the BR head:

Sr. No.	Particulars	Details
1	DIN (if applicable)	02608184
2	Name	Mr. Ashok Kumar Gupta
3	Designation	Managing Director
4	Telephone number	91-5876-233754
5	E-mail id	akgupta.gol@bajajhindusthan.com

2. Principle-wise (as per NVGs) BR policy/policies (Reply in Y/N) :

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders ?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify ?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Policy is based on and it is in confirmation with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' issued by Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board ? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy ?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.bajajhindusthan.com/investorcorner-policies.php								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

2a. If answers to Sr. No.1 against any principle is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR:

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Managing Director assesses the BR performance of the Company at least annually.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes the Business Responsibility Report on annual basis as a part of Annual Report. The Report is available on the website of the Company at <http://www.bajajhindusthan.com>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company ? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others ?

Company believes that Ethics, Transparency and Accountability are the three basic pillars of the business of the Company and the said belief are reflected in 'Code of Conduct for Directors and Senior Management', 'Code of fair disclosure' and 'Vigil Mechanism Policy' adopted by the Company. These Codes and Policies are applicable to Directors and Employees of the Company, the underlying principles are communicated to vendors, suppliers, distributors and other key business associates of the Company, which they are expected to adhere to while dealing with the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the Financial year under review, the Company has received 11 complaints from its shareholders and all 11 complaints have been resolved satisfactorily. More details are available under the head "Details of shareholders complaints" in Corporate Governance Section.

Principle 2: Product Life Cycle Sustainability

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company understands its obligations on social and environmental concerns, risks and opportunities. Accordingly the Company has devised the manufacturing process of its products (Sugar, Industrial alcohol and Bagasse-based power) in a manner taking care of its obligations.

The Company has deployed best-in-class technology and process to manufacture its product and taken various steps for conservation of energy and also taken various efforts in Research and Energy, details of which are given in Annexure VI of the Directors' report.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Reduction in Electricity consumed to produce per qtl. of sugar.

Reduction in Electricity consumed per tonne of cane crushed.

Reduction in Borewell water consumed per tonne of cane crushed.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year ?

The details of reduction during usage by consumers (energy, water) achieved since the previous year are not available with the Company.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

During crushing season, the Cane Indent has been given to the cane societies keeping in mind the per day cane availability, according to this transport and labour arrangement has been made for the day-to-day cane lifting of centres and also to avoid the stale cane. This system also helps us in the transport and labour cost saving.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Every year, Bajaj Hindusthan Sugar Ltd. conducts a survey of its command area to bring on record the cane cultivated area of the farmers. This also takes care of the different varieties of sugarcane that are grown by farmers.

Post this massive exercise, every farmer within the command area of the mill is provided with a calendar, which tells him when he can expect a Mill Supply Ticket (Purchy) against which he will supply the cane.

The calendar is distributed over 180 days. Based on the maturity and recovery expected from the varieties, the distribution takes place in the calendar.

After receiving the purchy, the farmer harvests the cane and transports it either in a bullock cart or tractor trolley to the mill gate. Farmers who stay in far-flung areas supply cane at the mill's centres. This cane is then transported in trucks or through rail to the mill.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, the Company have a mechanism to recycle by-products (4.5 – 5% of Sugar cane crushed) and other residual output. Percentage of recycling of products and brief details thereof are given below:

Molasses (>10%) : Molasses is the only by-product obtained in the preparation of sugar. Molasses is mainly used for the manufacture of alcohol, yeast and cattle feed. Alcohol in turn is used to produce ethanol, rectified spirit, potable liquor and downstream value-added chemicals such as acetone, acetic acid, butanol acetic anhydride, etc. Our maximum quality of absolute alcohol is being utilised as green fuel i.e. 10% blending with the Petrol. Besides, it is being important roles in livestock feeding, due to nutrient, appetising and physical properties of its sugar content.

Bagasse (>10%) : Bagasse is a fibrous residue of cane stalk that is obtained after crushing and extraction of juice (30% of sugar cane). Bagasse is usually used as a biofuel in furnaces to produce steam, which in turn is used to generate power. It is also used as a raw material for production of paper and as feedstock for cattle.

Fly ash (>10%) : Fly ash is the residual output from the boiler furnace after bagasse has completely burnt out. This fly ash is used as a substitute for firewood. It is rich in potassium and is also used by local farmers as manure for improving soil health and also filling and reclamation of low lying area.

Press mud (>10%) : Press mud also known as Oliver cake or press cake, is the residual output after the filtration of the juice (approx. 4% of Sugar cane). It is mixed with distillery spent wash to produce high quality bio-manure, which used to improve soil chemical, physical and biological properties, enhance the crop quality and yield and maintain the C & N ratio of soil.

Principle 3: Employee Wellbeing

1. Please indicate the total number of employees: 7,415
2. Please indicate the total number of employees hired on temporary/contractual/casual basis: 3,341
3. Please indicate the number of permanent women employees: 7
4. Please indicate the number of permanent employees with disabilities: Nil
5. Do you have an employee association that is recognised by management: No
6. What percentages of your permanent employees are members of this recognised employee association? : Not applicable
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

Sr. No.	Category No.	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under-mentioned employees were given safety and skill upgradation training in the last year?
 - (a) Permanent Employees: 48%
 - (b) Permanent Women Employees: 0%
 - (c) Casual/Temporary/Contractual Employees: 14%
 - (d) Employees with Disabilities: Nil

Principle 4: Stakeholders' engagement

1. Has the Company mapped its internal and external stakeholders ?

Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders:

Yes

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so:

No

Principle 5: Human Rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company does not have any policy on Human Rights for the time being. However, any issues are covered by the national and the local laws.

- 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No stakeholders' complaints were received during the last financial year.

Principle 6: Environment

- 1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The Policy not only covers the Company but also cover the stakeholders and contractors.

- 2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

Our Sugar and distillery business is based on renewable energy source and also contributing significantly in green fuel.

- 3. Does the Company identify and assess potential environmental risks ? Y/N.**

Yes

- 4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

Currently, no CDM project is in process. Previously, VCS and CDM projects were registered for Kinauni and Thanabhawan Units, respectively.

- 5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Our 11 projects were registered for Renewable Energy Certificate (REC) scheme of Central Electricity Regulatory Commission to promote co-generation and generation from renewable source of energy.

The Company produces energy from bagasse which is a renewable resource as well as we are in process of installation of incinerator boiler in distilleries for the generation of steam and power. In the incinerator the concentrated effluent (which is called SLOP) is used as fuel which source is also the biomass for the generation of power.

- 6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes

- 7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

No show cause notice pending as on end of financial year.

Principle 7: Public and Regulatory Policy

- 1. Is your Company a member of any trade and chamber or association ? If yes, name only those major ones that your business deals with:**

(a) The Sugar Technologists Association of India.

(b) All India Distillers Association, Delhi.

- 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes, specify the broad areas (Drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)**

No

Principle 8 : Inclusive Growth

- 1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

Bajaj Hindusthan focusses on responsible business practices with community-centric interventions. The thrust areas for Bajaj Hindusthan are sustainable livelihood – especially Rural Development, Welfare Activities, Skill Development and Employability Training, Education and Health Care, all of which constitute the Rural Development and Human Development Index – a quality of life indicator.

- 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?**

The projects/programmes are implemented by in-house team of the Company.

- 3. Have you done any impact assessment of your initiative?**

No

- 4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.**

Bajaj Hindusthan's direct contribution to community development is ₹ 6.87 Lakh. This amount was spent under the broad categories of -

(a) Rural Development activities:

- To motivate the growers for cane cultivation with inter crop as mustard, potato and vegetables, to increase the net profit in per unit area;
- Cultivation of mung, urad etc. as inter crop with spring planting sugar cane and ratoon crop;
- Biological control of insects and pests;
- Water conservation;
- We publish literature/pamphlets etc. for distribution among the cane growers for awareness and to adopt new agricultural practices for taking high yield;
- As per requirement village roads are repaired by us with contribution of cane development council;
- Agricultural inputs like fertilisers, pesticides, implements etc. are provided by us to the cane growers on subsidised rates;
- Eye camps are organised for the welfare of farmers and their families;
- Farmers tours to Sugarcane Research Stations are also arranged by us from time to time with the contribution of Cane Development Council;
- Ash trials are extended to more cane fields and the results are encouraging.

(b) Welfare and training and other activities:

- In-house training programmes on various topics for employees of Engineering, Production, Cane, E.H.S. & Distillery Division;
- English Medium School namely Bajaj Public School and started UKG and 1st Standard;
- Cultural programme and religious activities;
- Developed and maintain green belt in factory premises and colony area for obtaining eco-friendly environment of township;
- Development of children parks;
- Displaying of safety signages in factory premises along with First Aid boxes wherever necessary.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, focussing rural development and capacity building, rural interaction programmes like Kisan Gosthi/seminars were organised which also helps interaction with cane growers and provide a platform to farmers to learn new technologies of cane cultivation vis-à-vis yield improvements in coordination with the concerned scientists of KVK cane sugar research, institute etc. various religious functions like Hariyali Teej, Janmashtami, Durga Pooja, Ram Navami, Lord Vishwakarma Pooja, Deepawali and Holi festivals were celebrated at our unit with the mass participation of workers/officers and their families. Children are participating in various Events and Cultural activities too.

Principle 9: Consumer Value

1. What percentage of customer complaints/consumer cases are pending as at the end of financial year.

As at the end of the financial year, no consumer complaints/consumer cases are pending.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

Company complies with the applicable statutory requirements as to product labels.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Details	No. of cases filed in the last five years	No. of cases pending as on end of financial year 2019-20	Remarks
Alleged Unfair Trade Practice	Nil	Nil	
Alleged Irresponsible Advertising	Nil	Nil	
Alleged Anti Competitive Behaviour	1	1	A case was filed in the year 2013 against various Sugar Companies including Bajaj Hindusthan Sugar Limited for alleged contravention of the provisions of the Competition Act, 2002 in respect of the joint tender floated by Oil marketing companies for supply of ethanol. The Competition Commission of India (CCI) imposed a penalty of ₹ 12.35 crore which subsequently had been stayed by National Company Law Appellate Tribunal (NCLAT) after payment of 10% of penalty amount. The matter is currently subjudice in NCLAT.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

During the year, consumer survey/consumer satisfaction trends were carried out by the Company.

CEO / CFO CERTIFICATION

The Board of Directors
Bajaj Hindusthan Sugar Limited
Mumbai

Re: Financial Statements for the financial year ended March 31, 2020 – Certification by CEO and CFO

We, Ashok Kumar Gupta, Managing Director and Alok Kumar Vaish, Chief Financial Officer of Bajaj Hindusthan Sugar Limited, on the basis of review of the financial statements and the cash flow statement for the financial year ended March 31, 2020 and to the best of our knowledge and belief, hereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2020, which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the Company. We have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee:
 - (a) there have been no significant changes in internal control over financial reporting during the year;
 - (b) there have been no significant changes in accounting policies made during the year; and that the same have been disclosed in the notes to the financial statements; and
 - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Sd/-

Ashok Kumar Gupta
Managing Director
(DIN: 02608184)

Sd/-

Alok Kumar Vaish
Chief Financial Officer

Place : Mumbai
Dated : June 29, 2020

Independent Auditor's Report

To the Members of Bajaj Hindusthan Sugar Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the Standalone financial statements of Bajaj Hindusthan Sugar Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, the statement of Profit and Loss including the statement of other comprehensive income, the cash flow statement, the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone Ind AS financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note No. 35(l)(e) to the standalone financial statements, regarding the non-provision of contractual obligation related to premium payable on Optionally Convertible Debentures (OCDs) at the time of redemption of OCDs issued to lenders pursuant to the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme) which stipulates that the yield to maturity (YTM) being the difference between weighted average interest and coupon rate payable as redemption premium at the time of redemption of OCDs redeemable in 13 equal instalments commencing from the Financial year 2024-25. The Company considers such YTM/redemption premium as contingent liability and has not provided for the same in the books of account for the year ended March 31, 2020 amounting to ₹ 414.51 crore. The aggregate liability for such YTM from the date of allotment of OCDs till year ended March 31, 2020 is ₹ 929.02 crore from date of allotment of OCDs. Had such interest been provided, the reported net loss for the year ended March 2020 would have been ₹ 519.88 crore and Net worth of the Company would have been ₹ 2,325.26 crore.

Material Uncertainty related to Going Concern:

As stated in Note No. 48 of the standalone financial statements, the Company during the last few years has incurred losses due to high raw material cost and lower price of finished goods, resulting into reduction of net worth of the Company. The Company has dues payable to farmers for sugar cane purchases at year end. The Company is continuously striving for improvement in the operational efficiency in other parameter. The above factors indicate a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. The Company continues to operate at optimum levels and expects improvement in the operational efficiency in the form of improvement in sugar recovery, reduction of overheads, finance and other costs, monetisation of certain non-core assets etc. The debt restructuring as per RBI's S4A Scheme, would result into improved liquidity during the next 7 years and the Government has taken different measures to improve the financial health of sugar industry. All these measures are expected to turnaround the operations of sugar industry on sustainable basis. The Company also expects to receive accrued benefits under the Sugar Industries Promotion Policy 2004 for which it is entitled to. In view of the above, the management expects to generate positive cash flow from operation and accordingly, the financial statements are continued to be presented on going concern basis, which contemplates realisation of assets and settlement of liabilities in the normal course of business.

Our opinion is not modified in respect of the above matter.

Emphasis of Matter

- a) As stated in Note No. 44 to the standalone financial statements, the Company has exposure aggregating to ₹ 1,683.37 crore, in its three wholly-owned subsidiaries, ₹ 770.33 crore in other companies which are related to group and ₹ 631.38 crore in other companies, aggregating to ₹ 3,085.08 crore, by way of investments, loans, accumulated interest on these loans and receivables. Management believes that the loans and advances given to power business subsidiaries are considered good and recoverable based on the future favourable view of government for power industries & for other subsidiary's based on their future business plan, and ongoing efforts towards obligation casted on the Company and its promoters to recover the outstanding loans in phased manner in terms of the agreements executed to give effect to the debt restructuring schemes from time to time and accordingly no provision other than those already accounted for, has been considered necessary.

- b) We draw your attention to Note No. 47 (a) to the standalone financial statements which explain the uncertainties and the management's assessment of the financial impact due to the lockdowns and other restrictions and conditions related to COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon the circumstances as they evolve. Further, our attendance at the physical inventory done by the management was impracticable under the current lockdown restrictions imposed by the government and we have therefore, relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at the year end.

Our opinion is not modified in respect of these above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be key audit matters to be communicated in our report.

The Key Audit Matters	How the matter was addressed in our audit
Impairment assessment for Investments, loans and interest on loan & receivables	
<p>The Company has exposure aggregating to ₹ 1,683.37 crore, in its three wholly-owned subsidiaries, ₹ 770.33 crore in other companies which are related to group and ₹ 631.38 crore in other companies, by way of investments, loans, accumulated interest on these loans and receivables. Such investments are carried at cost as per Ind AS 27 – Separate Financial Statements and are individually assessed for impairment as per Ind AS 36 - Impairment of Assets.</p>	<p>We focussed on this area due to magnitude of the carrying value of investments, loans, accumulated interest on loan and receivables related to subsidiary companies, other companies related to group and other companies, which comprise 22% of the total assets as at March 31, 2020 and are subject to annual impairment assessment.</p> <p>Our audit procedures, in respect of testing impairment assessment in case of investments, loans given, interest accrued on loans and receivables included the following:</p> <ul style="list-style-type: none"> - Obtained understanding of the process, evaluated the effectiveness of controls in respect of impairment assessment of investments. - Held discussions with management regarding appropriate implementation of policy on impairment. - Evaluated the future business plan and available valuation report. - Confirmations for above exposure. - Validated the S4A Restructuring Scheme clause related to obligation on the Company to recover the loan amount. - We evaluated the impairment assessment performed by management taking into account the requirements of Ind AS 36 – Impairment of Assets
Physical Verification of inventory :	
<p>Physical verification of closing inventory done by the management as on March 31, 2020 was not attended by us and subsequent to the year-end we have done alternative procedures due to the restrictions imposed on account of COVID-19.</p>	<p>We have carried out following procedures with respect to the existence of Inventory at the year end:</p> <ul style="list-style-type: none"> - Evaluated the design and implementation of the controls over physical verification of inventory and tested the operating effectiveness of these controls during the interim periods. - Obtained reports of the internal auditor of the Company for inventory verification process. Verified the instructions provided by the management to those independent firms. Evaluated the differences identified by these internal auditor during their physical verification of inventories and it was noted that there were no major deviations found. - Participated in the physical verification of inventory conducted by the management subsequent to the year end, through video calls and performed roll back procedures which included the movement of inventory considering production and sales subsequent to March 31, 2020 till the date of verification. - Verified the memorandum register related to stock maintained by the stock departments and signed by the person in charge, as on the date of the verification.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors/Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- a. We have sought and except for the matter described Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid standalone financial statements.
- b. Except for the possible effects of the matter described in the Basis of Qualified opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the standalone financial statements.
- d. In our opinion, except for the matter described in Basis for Qualified Opinion section, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
- e. The matters described in 'Basis for Qualified Opinion' paragraph and the Going concern matter described under Material Uncertainty related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f. On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors of the Company, none of the directors of the company is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- g. The reservation relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified opinion paragraph.
- h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and according to the information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by provisions of section 197 read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 35 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration No. 101720W/W100355

Lalit R. Mhalsekar
Partner
Membership No. 103418

Annexure "A" to Independent Auditors' Report on the standalone financial statements of Bajaj Hindusthan Sugar Limited for the year ended March 31, 2020

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Bajaj Hindusthan Sugar Limited on the standalone financial statements as of and for the year ended March 31, 2020

- i. In respect of its Fixed Assets :
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. According to the information and explanations given to us, the immovable properties of the Company have been mortgaged with the lenders and the original title deeds are deposited with the lender's trustee. Based on the confirmation given by the trustee and verification of the copies of the title deeds / lease deeds in respect of immovable properties of free hold land, buildings and immovable properties of land that have been taken on lease and disclosed as fixed assets in the financial statement are held in the Company's name or in the Company's erstwhile name or in the name of companies amalgamated with the Company in past.
- ii. In respect of its inventories:

As explained to us, physical verification of inventories have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies noticed on such verification of inventories as compared to the book records. Further, our attendance at the physical inventory verification done by the management was impracticable under the current restrictions imposed by the government and we have relied on the related alternate audit procedures.
- iii. On the basis of the audit procedures applied by us, and according to the information and explanations given to us on our enquiries on this behalf and records produced to us for our verification, the Company has not given loans and advances to Companies covered in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, with respect grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi. To the best of our knowledge and as explained, the Company has maintained the cost records specified under Companies (cost records and audit) Rules, 2014 issued under sub section (1) of Section 148 of the Act, in respect of Company's products to which said rules are made applicable and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate.
- vii. In respect of Statutory dues :
 - a. According to the records of the Company, undisputed statutory dues including Goods and Services Tax, Provident Fund, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2020 for a period of more than six months from the date of becoming payable.
 - b. On the basis of our examination of accounts and documents on records of the Company and information and explanations given to us upon enquires in this regard, the disputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, Custom Duty and Excise Duty/Cess not deposited with the appropriated authorities are as under:

Name of Statute	Nature of Dues	Amount (₹ in Crore)	Period	Forum where dispute is Pending
Central Sales Tax Act, 1956 and Sales Tax Act/VAT Act of various states & GST Act	Sales Tax, VAT and Entry Tax, GST	0.88	Various year from 2011-12 to 2017-18	Commissioner of Sales Tax/VAT
(Appeals)				
		47.29	Various year from 1982-83 to 2013-14	Sales Tax Appellate Tribunal
		3.36	Various year from 1989-90 to 2010-11	High Court

Central Excise Act, 1944	Excise and Service Tax	0.00	Various year from 2006-07 to 2016-17	Commissioner of Central Excise (Appeals)
		0.02	Various year from 2008-09 to 2015-16	Central Excise and Service Tax Appellate Tribunal
		0.00	From 2004-05	High Court
		5.59	Various year from 2004-05 to 2015-16	Supreme Court
	Total	57.14		

viii. In our opinion and according to the information and explanations given to us, the Company has delayed in repayment of dues to financial institutions and banks during the year related to principal loans amount & interest on loans and to debenture holders for interest on debenture. The lender-wise details of the delays made by the Company as on March 31, 2020 is tabulated as under:-

Name of Institutions	Principal			
	No. of Days - Range		Amount (₹ in Crore) - Range	
	Min	Max	Min	Max
Indian Bank (earlier Allahabad Bank)	37	63	0.27	8.69
Bank of Baroda	24	38	0.07	1.73
Bank of India	37	44	0.04	1.73
Bank of Maharashtra	45	60	0.20	8.70
Canara Bank	46	58	0.13	4.35
Central Bank of India	34	58	0.21	5.62
Union Bank (earlier Corporation Bank)	24	61	0.10	3.28
IDBI Bank Ltd	31	61	0.15	4.45
Indian Overseas Bank	51	51	0.06	2.62
Punjab National Bank (Oriental Bank of Commerce)	52	61	0.20	3.81
Punjab National Bank	25	60	0.44	6.24
State Bank of India	16	31	0.06	8.02
UCO Bank	36	58	0.58	3.90

Name of Institutions	Interest			
	No. of Days - Range		Amount (₹ in Crore) - Range	
	Min	Max	Min	Max
Indian Bank (earlier Allahabad Bank)	6	36	2.29	2.55
Bank of Baroda	4	34	0.54	0.62
Bank of India	3	35	0.32	0.34
Bank of Maharashtra	6	37	1.62	1.96
Canara Bank	5	36	1.10	1.59
Central Bank of India	5	41	0.00	1.83
Union Bank (earlier Corporation Bank)	4	35	0.00	0.73
IDBI Bank Ltd	6	37	1.47	1.61
Indian Overseas Bank	4	41	0.50	0.76
Punjab National Bank (Oriental Bank of Commerce)	7	41	0.00	1.62
Punjab National Bank	6	42	0.00	3.72
State Bank of India	2	34	0.00	4.11
UCO Bank	6	37	0.74	0.83

Name of Institutions	Interest on debentures			
	No. of days	₹ In crore	No of days	₹ In crore
Indian Bank (earlier Allahabad Bank)			43	2.33
Bank of Baroda			43	0.56
Bank of India			43	0.33
Bank of Maharashtra			43	1.66
Canara Bank			43	1.13
Central Bank of India			43	1.83
Union Bank (earlier Corporation Bank)	3	0.33	43	0.92
IDBI Bank Ltd			43	1.62
Indian Overseas Bank			43	0.50
Punjab National Bank (Oriental Bank of Commerce)			43	1.61

Name of institutions	Interest on debentures			
	No. of days	₹ In crore	No. of days	₹ In crore
Bank				
UCO Bank			43	0.74
Total		0.33		22.18

- ix. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term Loan during the year and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- x. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion, Company is not a nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- xiii. In respect of transactions with related parties:
In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi. To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration No. 101720W/W100355

Lalit R. Mhalsekar
Partner
Membership No. 103418

Mumbai
Dated: June 29, 2020

Annexure “B” to the Independent Auditor’s Report on the standalone financial statements of Bajaj Hindusthan Sugar Limited for the year ended March 31, 2020

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013

Referred to in Paragraph I(A)(h) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date

We have audited the internal financial controls with reference to financial statements of BAJAJ HINDUSTHAN SUGAR LIMITED (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls system with reference to financial statements of the Company.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2020:

Company has not provided the premium payable on Optionally Convertible Debentures (OCDs) at the time of redemption of OCDs as a contractual obligation.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects / possible effects of the material weakness described above under Qualified Opinion paragraph on the achievement of the objectives of the control criteria, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

We have considered material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020, financial statements of the Company and these material weaknesses affect our opinion on financial statements of the Company for the year ended March 31, 2020, [our Audit Report dated June 29, 2020, which expressed an qualified opinion on those financial statements of the Company].

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration No. 101720W/W100355

Lalit R. Mhalsekar
Partner
Membership No. 103418

Mumbai
Dated: June 29, 2020

BALANCE SHEET AS AT March 31, 2020

Particulars	Note	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
ASSETS :			
Non-current assets			
Property, plant and equipment	3	7,178.15	7,390.08
Right of use assets	3	9.44	-
Capital work-in-progress	3	43.07	16.56
Other intangible assets	3	0.00	0.00
Financial assets			
Investments	4	191.68	251.27
Other non-current financial assets	5	2.07	3.99
Other non-current assets	6	14.14	12.97
Sub total		7,438.55	7,674.87
Current assets			
Inventories	7	2,711.39	2,764.98
Financial assets			
Current investments	8	770.13	770.13
Trade receivables	9	173.18	206.05
Cash and cash equivalents	10	100.69	48.10
Bank balances	11	10.49	11.42
Loans and interest accrued	12	2,091.29	2,146.58
Current tax assets (net)	13	4.26	3.76
Other current assets	14	789.32	779.81
Sub total		6,650.75	6,730.83
Total assets		14,089.30	14,405.70
EQUITY AND LIABILITIES :			
Equity			
Equity share capital	15	110.07	110.07
Other equity	16	3,144.21	3,294.98
Sub total		3,254.28	3,405.05
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	5,139.53	5,382.09
Lease liabilities	18	9.54	-
Provisions	19	69.26	53.75
Deferred tax liabilities (net)	20	610.07	629.46
Other non-current liabilities	21	25.98	21.74
Sub total		5,854.38	6,087.04
Current liabilities			
Financial liabilities			
Trade payables :			
Total outstanding micro and small enterprises	22	7.97	0.67
Total outstanding other than micro and small enterprises	22	4,431.55	4,161.25
Other financial liabilities	23	387.90	663.91
Other current liabilities	24	139.71	76.20
Provisions	25	13.51	11.58
Sub total		4,980.64	4,913.61
Total equity and liabilities		14,089.30	14,405.70

See accompanying notes "1" to "51" to the financial statement.

As per our Report of even date

For Chaturvedi & Shah LLP
Firm Registration No. 101720W/W100355
Chartered Accountants

Lalit R. Mhalsekar
Partner
Membership No. 103418

Alok Kumar Vaish
Chief Financial Officer
M. No. F089930

Kausik Adhikari
Company Secretary
M. No. ACS 18556

Atul Hasumukhrai Mehta
Director
DIN: 00112451

Ashok Mukand
Director
DIN: 00324588

For and on behalf of the Board

Kushagra Bajaj
Chairman
DIN: 00017575

Ashok Kumar Gupta
Managing Director
DIN: 02608184

Vipulkumar S. Modi
Director
DIN: 06985276

Shalu Bhandari
Director
DIN: 00012556

Statement of Profit & Loss for the year ended March 31, 2020

Particulars	Note	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019 ₹ Crore
INCOME :			
Revenue from operations	26	6,665.60	6,803.82
Other income	27	11.01	163.61
Total Income		6,676.61	6,967.43
EXPENSES :			
Cost of materials consumed	28	5,363.34	5,658.63
Changes in Inventories of finished goods, stock-in-trade and work-in-progress	29	60.17	106.42
Employee benefits expense	30	299.11	274.77
Finance costs	31	300.75	321.78
Depreciation and amortisation expense	32	215.87	211.33
Other expenses	33	484.39	460.84
Total Expenses		6,723.63	7,033.77
Profit/ (Loss) before exceptional items and tax		(47.02)	(66.34)
Exceptional items provision for diminution in the value of investment and loans & advances		60.71	-
Profit/(Loss) before tax		(107.73)	(66.34)
Tax expenses			
Deferred tax	20	(2.36)	(2.31)
Tax relating to earlier years		-	0.05
Total tax		(2.36)	(2.26)
Profit/(loss) for the year after tax		(105.37)	(64.08)
Other comprehensive income			
- Items that will not be reclassified to profit or loss	34	(60.86)	(38.29)
- Income tax relating to items that will not be reclassified to profit or loss	34	17.03	10.77
		(43.83)	(27.52)
Total comprehensive income for the year (comprising profit (loss) and other comprehensive income for the year)		(149.20)	(91.60)
Earnings per equity share of face value of ₹ 1/- each			
Basic and Diluted	36	(0.96)	(0.58)

See accompanying notes "1" to "51" to the financial statement.

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Cash Flow Statement for the year ended March 31, 2020

Particulars	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019 ₹ Crore
A. Cash flow from operating activities:		
Net profit/ (loss) before tax	(107.73)	(66.34)
Adjustment for:		
Depreciation and amortisation	215.87	211.33
Reversal of reserve for molasses storage tank- for repair work	(1.57)	(1.21)
Unrealised loss/ (gain) due to foreign exchange fluctuation	(0.42)	(0.37)
Provision for doubtful Debts / Bad Debts Written off	14.06	13.68
Provision for doubtful advances	-	1.18
Fair valuation of land	-	1.78
Provision for diminution of value of investment and loans & advances	60.71	-
Loss/ (surplus) on sale of fixed assets (net)	0.66	0.06
Finance costs	300.75	321.78
Interest income	(0.91)	(148.08)
	<u>589.15</u>	<u>400.15</u>
Operating profit/ (loss) before working capital changes	481.42	333.81
Adjustment for:		
Trade and other receivables	8.94	24.39
Inventories	53.59	82.90
Trade and other payables	350.77	691.16
Cash generated from operations	894.72	1,132.26
Direct taxes	(0.50)	0.60
Net cash from/ (used in) operating activities	<u>894.22</u>	<u>1,132.86</u>
B. Cash flow from investing activities:		
Purchase of property, plant and equipment	(27.17)	(22.96)
Sale of property, plant and equipment	0.21	0.49
Interest received	0.90	4.21
Net cash from/ (used in) investing activities	<u>(26.06)</u>	<u>(18.26)</u>
C. Cash flow from financing activities:		
Repayment of long-term borrowings	(547.70)	(623.71)
Proceeds from short-term borrowings (net of repayments)	0.00	(156.26)
Interest paid	(267.74)	(317.64)
Dividend paid	(0.13)	(0.17)
Net cash from/ (used in) financing activities	<u>(815.57)</u>	<u>(1,097.78)</u>
Net increase/(decrease) in cash and cash equivalents	52.59	16.82
Cash and cash equivalents (opening balance)	48.10	31.28
Cash and cash equivalents (closing balance) - refer note 10	<u>100.69</u>	<u>48.10</u>

Notes:-

- The above cash flow statement has been prepared under the "Indirect Method" as per Indian Accounting Standard (Ind AS) 7.
- Figures in brackets indicate cash outflow and without brackets indicate cash inflow.
- Change in liability arising from financing activities.

Particulars	₹ Crore			
	Non-current Borrowings	Current maturities of Long-term borrowings	Current Borrowings	Total
As at April 1, 2019	5,382.09	639.98	-	6,022.07
Cashflow	(255.18)	(292.52)	0.0	(547.70)
Non-cash transaction	12.62	-	-	12.62
As at March 31, 2020	5,139.53	347.46	-	5,486.99

Non-cash transaction

- Notional interest ₹ 12.62 crore on promoters' loan credited to promoter's loan account (refer 17.4).

See accompanying notes "1" to "51" to the financial statement.

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Director
DIN: 00012556

Statement of Changes in Equity

A Equity share capital

₹ Crore

Particulars	Amount
Equity share capital	113.36
Less: Investment in BHL Security Trust and ESOP Trust	(3.29)
Equity share capital as at April 1, 2018	110.07
Change during the year	-
Equity share capital as at March 31, 2019	110.07

Particulars	Amount
Equity share capital	113.36
Less: Investment in BHL Security Trust and ESOP Trust	(3.29)
Equity share capital as at April 1, 2019	110.07
Change during the year	-
Equity share capital as at March 31, 2020	110.07

B Other equity

₹ Crore

Particulars	Reserve and surplus						Item of other comprehensive income		Total
	Retained earnings	Capital redemption reserve	Securities premium	General reserve	Reserve for molasses storage tanks	Equity component of compound financial instrument	Gain/(loss) on Investment through FVOCI	Actuarial gain/(loss) on employee benefit plans through OCI	
As at April 01, 2018	(1,033.92)	0.05	4,185.31	156.05	2.88	146.54	(60.81)	(8.31)	3,387.79
Profit for the period	(64.08)	-	-	-	-	-	-	-	(64.08)
Other comprehensive income for the year	-	-	-	-	-	-	(23.75)	(3.77)	(27.52)
Transfer to molasses storage fund	(1.18)	-	-	-	1.18	-	-	-	-
Utilisation of fund for maintenance of Molasses tank	-	-	-	-	(1.21)	-	-	-	(1.21)
As at March 31, 2019	(1,099.18)	0.05	4,185.31	156.05	2.85	146.54	(84.56)	(12.08)	3,294.98
Profit for the period	(105.37)	-	-	-	-	-	-	-	(105.37)
Other comprehensive income for the year	-	-	-	-	-	-	(37.56)	(6.27)	(43.83)
Transfer to molasses storage fund	(0.82)	-	-	-	0.82	-	-	-	-
Utilisation of fund for maintenance of Molasses tank	-	-	-	-	(1.57)	-	-	-	(1.57)
As at March 31, 2020	(1,205.37)	0.05	4,185.31	156.05	2.10	146.54	(122.12)	(18.35)	3,144.21

As per our Report of even date

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Mumbai, June 29, 2020

Notes forming part of financial statements

1 Corporate information

“Bajaj Hindusthan Sugar Limited (‘the Company’) is a public limited company incorporated in India under the provisions of the Companies Act and its shares are listed on Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is situated at Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh – 262 802, and its principal place of business is at TC-13, Vibhuti Khand, Gomti Nagar, Lucknow – 226 010. The Company is engaged in the manufacture of sugar, alcohol and generation of power. The Standalone financial statements of the Company are for the year ended March 31, 2020 and are prepared in Indian Rupees being the functional currency. The values in Indian Rupees are rounded to crore, except otherwise indicated.”

2A Accounting policies

(i) Basis of preparation and presentation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for:

- i) Certain financial assets and liabilities measured at fair value,
- ii) Defined benefit plans - plan assets measured at fair value.

The financial statements of the Company have been prepared to comply with the Indian Accounting Standards (‘Ind AS’) notified under Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013.

Summary of significant accounting policies

(ii) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- i) expected to be realised or intended to be sold or consumed in normal operating cycle,
- ii) held primarily for the purpose of trading,
- iii) expected to be realised within twelve months after the reporting period,
- iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period, or
- v) carrying current portion of non current financial assets.

All other assets are classified as non-current.

A liability is current when:

- i) it is expected to be settled in normal operating cycle,
- ii) it is held primarily for the purpose of trading,
- iii) it is due to be settled within twelve months after the reporting period,
- iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period, or
- v) it includes current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

(iii) Operating cycle

All assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle and other criteria set out above which are in accordance with schedule III to the Act. Based on the nature of services and time between the acquisition of assets for providing of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

(iv) Property, plant and equipment:

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use. In case

of land, company has opted to state fair value as deemed cost on date of transition to Ind AS. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major refurbishment is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. Expenditure during construction period incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the assets, and are included under "Capital Work in Progress". These expenses are apportioned to fixed assets on commencement of commercial production. Capital Work in Progress is stated at the amount incurred up to the date of Balance Sheet. Depreciation on property, plant and equipment is provided on straight line method and based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except, leasehold and improvements which are amortised over the lower of estimated useful life or lease period; on assets acquired under finance lease depreciation is provided over the lease term. Depreciation on assets added, sold or discarded during the year is provided on pro rata basis. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

(v) Leases

On March 30, 2019, Ministry of Corporate Affairs had notified Ind AS 116, Leases. Ind AS 116 It has replaced the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition: Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application. On completion of evaluation of the effect of adoption of Ind AS 116, the Company has adopted modified retrospective approach for presentation of leases from April 1, 2019. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as: Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application, or an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The Company has elected certain available practical expedients on transition.

(vi) Intangible assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised. Computer software are amortised over a period of 5 years. The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date.

(vii) Research & development expenditure

Revenue expenditure on Research is expensed out in the statement of profit and loss for the year. Development costs of products are charged to the statement of profit and loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised. Capital expenditure on research and development is shown as an addition to fixed assets.

(viii) Borrowing cost

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are charged to the profit and loss statement in the period in which they are incurred.

(ix) Inventories

- i) Stock of raw materials is valued at cost or net realisable value whichever is lower. Cost is arrived at on FIFO basis.
- ii) Stock of materials-in-process and finished goods are valued at cost or net realisable value whichever is lower.
- iii) Stores, spares and packing material are valued at cost. Cost is arrived at on Weighted Average Basis.
- iv) Obsolete stores and spares when identified and technically determined, are valued at estimated realisable value.
- v) By-products - molasses and bagasse has been valued at estimated realisable value.
- vi) Trial run inventories are valued at cost or estimated realisable value whichever is lower.

(x) Earnings per share

Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year.

(xi) Impairment of non-financial assets

The carrying amount of any property, plant and equipment and intangible assets with finite lives are reviewed at each balance sheet date, if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(xii) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(xiii) Employee benefits

- i) Amendment to Ind AS 19 – Plan amendment, curtailment or settlement – On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. "The amendments require an entity: to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling." The Company has adopted the amended provisions of the Ind AS 19 with effect from April 1, 2019. The Company does not have any impact on account of this amendment.
- ii) Short-term employee benefits
Short-term employee benefits are recognised as expenditure at the undiscounted value in the statement of profit and loss of the year in which the related service is rendered.
- iii) Post-employment benefits
Defined contribution plans: Company's contribution to the superannuation scheme, provident fund scheme and pension under employees' pension scheme etc. are recognised during the year in which the related service is rendered. Monthly contributions are made to a trust administered by the Company. The interest rate payable by the trust to the beneficiaries is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return on the investments of the trust and the notified interest rate. Defined benefit plans - gratuity: Gratuity liability is covered under the gratuity-cum-insurance policy of Life Insurance Corporation of India (LIC) administered by trust. The present value of the obligation is determined

based on an actuarial valuation, using the projected unit credit method. Actuarial gains and losses in respect of post-employment and other long-term benefits are charged to the Other Comprehensive Income. The amount funded by the trust administered by the Company under the aforesaid Policy, is reduced from the gross obligation under the defined benefit plan, to recognise the obligation on a net basis.

- iv) Long-term compensated absences are provided on the basis of actuarial valuation.
- v) Compensation to employees under Voluntary Retirement Scheme is charged to statement of profit and loss Account in the year of accrual.

(xiv) Taxation

- i) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs had notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives. The Company has adopted the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements. Amendment to Ind AS 12 – Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.”
- ii) Provision for current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rates and laws that are enacted or substantively enacted at the Balance Sheet date. The tax is recognised in statement of profit and loss, except to the extent that it related to items recognised in the other comprehensive income (OCI) or in other equity. In this case, the tax is also recognised in other comprehensive income and other equity.
- iii) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period. Deferred tax asset on unabsorbed depreciation and carried forward losses is recognised only to the extent of deferred tax liability.
- iv) Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(xv) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution repayable on demand or maturing within three months from the date of acquisition and which are subject to an insignificant risk of change in value.

(xvi) Foreign currencies

- i) Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Monetary foreign currency assets and liabilities outstanding at the close of the financial year are revalued at the exchange rates prevailing on the balance sheet date. Exchange differences arising on account of fluctuation in the rate of exchange is recognised in the statement of profit and loss. However, in respect

of long-term foreign currency monetary items taken prior to 1st April, 2015 being the date of transition to Ind AS, the exchange difference relating to acquisition of capital assets, has been adjusted to the capital assets.

- ii) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

(xvii) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, including excise duty and excluding taxes or duties collected on behalf of the government (other than excise duty).

Revenue is recognised only if following condition are satisfied:

- The Company has transferred risks and rewards incidental to ownership to the customer;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- It is probable that the economic benefit associated with the transaction will flow to the Company; and
- It can be reliably measured and it is reasonable to expect ultimate collection.

The revenue from sale of renewable energy certificates (REC) recognised in the year of sale.

Export incentives accrued under foreign trade policy are accounted for in the year of export.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is recognised when the right to receive payment is established.

(xviii) Government grants

The Government grants such as capital subsidies under Sugar Promotion Policy, 2004, interest free or concessional interest rate loans and subsidies related to sugar cane purchased are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to the financial liabilities.

(xix) Financial instruments

i) Financial assets

A Initial recognition

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised when the group becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial instrument, except for financial

assets at fair value through statement of profit and loss, which are initially measured at fair value, excluding transaction costs (which is recognised in statement of profit and loss).

B Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through statement of profit and loss (FVTPL)

Equity instruments

All equity investments in scope of Ind-AS 109 are measured at fair value either as at FVTOCI or FVTPL. The Company makes such election on instrument-by-instrument basis.

For equity instruments measured as at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in the OCI. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Investment in subsidiaries and associates

Investment in subsidiaries and associates are carried at cost.

Treasury shares

The Company has created a Securities Trust that holds the equity shares of the company, which were allotted to the Trust in 2010 pursuant to the Scheme of amalgamation of its erstwhile subsidiary Bajaj Hindusthan Sugar and Industries Ltd. The company uses Trust as a separate vehicle under the said scheme and treats as its extension and shares held by Trust are treated as treasury shares. The own equity shares that reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity shares. Corresponding amount of security premium is reduced from other equity.

d) Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

1. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
2. Financial assets that are debt instruments and are measured as at FVTOCI
3. Lease receivables
4. Trade receivables or any contractual right to receive cash or another financial asset
5. Loan commitments which are not measured as at FVTPL
6. The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables; and all lease receivables

The application of simplified approach does not require the Company to track changes in credit risk rather; it recognises impairment loss allowance based on 12 months ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life

of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ii) Financial liabilities

A Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in statement profit and loss as finance cost.

B Subsequent measurement:

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

a) Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in statement of profit and loss when liabilities are derecognised. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance cost in the statement of statement of profit and loss.

b) Compound financial instruments

At the issue date the fair value of the liability component of a compound instrument is estimated using the market interest rate for a similar non-convertible instrument. This amount is recorded as a liability at amortised cost using the effective interest method until extinguished upon conversion or at the instrument's redemption date. The equity component is determined as the difference of the amount of the liability component from the fair value of the instrument. This is recognised in equity, net of income tax effects, and is not subsequently re-measured.

iii) De-recognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

iv) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realisation on future date.

v) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of profit and loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of profit or loss when the hedge item effects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

(xx) Non-current assets held for sale / distribution to owners and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the assets (or disposal group) to fair value less cost to sell. A gain is recognised for any subsequent increases in fair value less cost to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

2B Critical estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

i) **Depreciation and useful lives of property plant and equipment:**

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

ii) **Recoverability of trade receivable:**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

iii) **Provisions:**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

iv) **Impairment of non-financial assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

v) **Impairment of financial assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vi) **Fair value measurement of financial instruments:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when

the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

vii) **Estimation uncertainty relating to the global health pandemic on COVID-19**

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, goodwill, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts wherever applicable on the basis of assessment and materiality. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these interim condensed consolidated financial statements and the Company will continue to closely monitor any material changes to future economic conditions

viii) **Recognition of Minimum Alternative Tax (MAT) as an asset:**

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period; in the year in which the MAT credit becomes eligible to be recognised as an asset. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

ix) **Material uncertainty about going concern:**

In preparing financial statements, management has made an assessment of Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis. The Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Further details on going concern are disclosed in note no. 48.

3 Property, Plant and Equipment

₹ Crore

	Land Freehold	Land Leasehold	Buildings	Plant & machinery	Furniture, fixtures & Office equipment	Vehicles	Total	Capital Work in Progress	Grand Total
a) Gross Block									
Balance as at March 31, 2018	3,713.30	1.02	1,275.97	5,393.09	46.77	131.49	10,561.64	65.79	10,627.43
Additions	-	-	1.92	65.21	0.40	0.45	67.98	18.63	86.61
Disposals & Adjustments	1.77	-	0.06	0.85	0.20	1.99	4.87	67.86	72.73
Balance as at March 31, 2019	3,711.53	1.02	1,277.83	5,457.45	46.97	129.95	10,624.75	16.56	10,641.31
Additions	-	-	-	1.21	0.64	0.30	2.15	27.78	29.93
Disposals & Adjustments	-	-	-	1.76	0.28	0.87	2.91	1.27	4.18
Balance as at March 31, 2020	3,711.53	1.02	1,277.83	5,456.90	47.33	129.38	10,623.99	43.07	10,667.06
Accumulated Depreciation									
Balance as at March 31, 2018	-	0.27	303.80	2,619.89	42.21	59.71	3,025.88	-	3,025.88
Additions	-	0.03	29.08	175.13	1.20	5.89	211.33	-	211.33
Disposals & Adjustments	-	-	0.01	0.44	0.19	1.90	2.54	-	2.54
Balance as at March 31, 2019	-	0.30	332.87	2,794.58	43.22	63.70	3,234.67	-	3,234.67
Additions	-	0.03	29.13	177.42	0.89	5.74	213.21	-	213.21
Disposals & Adjustments	-	-	-	0.93	0.27	0.84	2.04	-	2.04
Balance as at March 31, 2020	-	0.33	362.00	2,971.07	43.84	68.60	3,445.84	-	3,445.84
Net Block									
Balance as at March 31, 2019	3,711.53	0.72	944.96	2,662.87	3.75	66.25	7,390.08	16.56	7,406.64
Balance as at March 31, 2020	3,711.53	0.69	915.83	2,485.83	3.49	60.78	7,178.15	43.07	7,221.22

(b) Right-of-use asset	₹ Crore	
	Right-of-use asset	Total
Gross Block		
Balance as at March 31, 2018	-	-
Additions	-	-
Disposals & Adjustments	-	-
Balance as at March 31, 2019	-	-
Additions	12.10	12.10
Disposals & Adjustments	-	-
Balance as at March 31, 2020	12.10	12.10
Accumulated Depreciation		
Balance as at March 31, 2018	-	-
Additions	-	-
Disposals & Adjustments	-	-
Balance as at March 31, 2019	-	-
Additions	2.66	2.66
Disposals & Adjustments	-	-
Balance as at March 31, 2020	2.66	2.66
Net Block		
Balance as at March 31, 2019	-	-
Balance as at March 31, 2020	9.44	9.44

Note:

Assets pledged as security refer note no. 17.3

(c) Other Intangible assets	₹ Crore	
	Computer Software	Total
Gross Block		
Balance as at March 31, 2018	0.02	0.02
Additions	-	-
Disposals & Adjustments	-	-
Balance as at March 31, 2019	0.02	0.02
Additions	-	-
Disposals & Adjustments	-	-
Balance as at March 31, 2020	0.02	0.02
Accumulated Depreciation		
Balance as at March 31, 2018	0.02	0.02
Additions	-	-
Disposals & Adjustments	-	-
Balance as at March 31, 2019	0.02	0.02
Additions	-	-
Disposals & Adjustments	-	-
Balance as at March 31, 2020	0.02	0.02
Net Block		
Balance as at March 31, 2019	0.00	0.00
Balance as at March 31, 2020	0.00	0.00

	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
4 Non-current investments		
Trade investments		
Investment classified at cost		
In Equity Shares of Subsidiary companies		
Unquoted, fully paid up		
2,70,01,000 (2,70,01,000) Shares of Bajaj Hindusthan (Singapore) Private Ltd., Singapore of S\$ 1/- each	92.32	92.32
20,000 (20,000) Shares of Bajaj Power Generation Pvt. Ltd. of ₹10/- each	0.02	0.02
50,00,000 (50,00,000) Shares of Bajaj Aviation Private Ltd. of ₹ 10/- each	5.00	5.00
Less: Provision for diminution in value of investments	(5.00)	-
	92.34	97.34
In Equity Shares of Associate companies		
Unquoted, fully paid up		
11,48,400 (11,48,400) Shares of Bajaj Ebiz Pvt. Ltd. of ₹10/- each	1.15	1.15
Less: Provision for diminution in value of investments	(1.15)	(1.15)
	-	-
9,000 (9,000) Shares of Esugarindia Ltd. of ₹10/- each	0.01	0.01
Less: Provision for diminution in value of investments	(0.01)	(0.01)
	-	-
	-	-
Total Trade Investments	92.34	97.34
Non-trade investments		
Investments classified at fair value through other comprehensive income		

	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
In Preference Shares of other company		
Unquoted, fully paid up		
3,50,03,927 (3,50,03,927) 6% Redeemable Non Cumulative Non Convertible Preference Shares of Phenil Sugars Ltd. of ₹ 100/- each	350.04	350.04
Less: Provision for diminution in value of investments	(350.04)	(350.04)
	-	-
In Debentures of other company		
Unquoted, fully paid up		
3,70,48,321 (3,70,48,321) Zero coupon Optionally Convertible Debentures of Phenil Sugars Ltd. of ₹100/- each	370.48	370.48
Less: Provision for diminution in value of investments	(271.14)	(216.55)
	99.34	153.93
Total non-trade investments	99.34	153.93
	191.68	251.27
Aggregate value of unquoted investments	191.68	251.27
Category-wise non current investments		
Financial assets measured at cost	92.34	97.34
Financial assets measured at fair value through other comprehensive income	99.34	153.93
Total non current investments	191.68	251.27

5 Other non-current financial assets

(Unsecured considered good)

Fixed deposits*	2.07	3.99
	2.07	3.99

* Having maturity after 12 months from the reporting date and earmarked ₹ 0.41 crore (P.Y. ₹ 3.99 crore) for specific purposes.

6 Other non-current assets

(Unsecured considered good unless otherwise stated)

Taxes paid under protest	6.92	5.65
Security deposit to related parties (refer note 39)	4.57	5.04
Security deposits - Good	2.65	2.28
Security deposits - Doubtful	0.30	0.30
Provision for bad and doubtful - Security deposit	(0.30)	(0.30)
	-	-
	14.14	12.97

7 Inventories

(At cost or net realisable value whichever is lower, unless otherwise stated)

Raw materials	4.37	6.36
Stores, spares & packing materials	92.86	84.29
Finished goods	2,398.39	2,516.90
By-products	154.00	101.25
Work-in-process	61.77	56.18
	2,711.39	2,764.98

- Includes inventories of ₹ 514.44 crore (P.Y. ₹ 1,754.02 crore) carrying at fair value less than cost to sale.

- Inventories pledged as a securities - refer note no. 17.3

	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
8 Current Investments		
Investments classified at fair value through other comprehensive income		
In Equity Shares of other companies		
Unquoted, fully paid up		
1,54,39,900 (1,54,39,900) Shares of Lalitpur Power Generation Company Ltd. of ₹10/- each #	770.13	770.13
	<u>770.13</u>	<u>770.13</u>
# These investments are pledged against loans taken by company and Lalitpur Power Generation Company Limited.		
9 Trade receivables		
(Unsecured considered good unless otherwise stated)		
Considered good	173.18	206.05
Considered doubtful	47.48	34.30
Less : Provision for doubtful debts	(47.48)	(34.30)
	<u>-</u>	<u>-</u>
	<u>173.18</u>	<u>206.05</u>
10 Cash and cash equivalents		
Balance with banks :		
Current account	99.95	30.52
Cheques, draft on hand	0.04	17.04
Cash on hand	0.70	0.54
	<u>100.69</u>	<u>48.10</u>
11 Bank balances		
Balance with banks (unpaid dividend)	0.06	0.20
Fixed deposits (Maturity within 12 months)*	10.43	11.22
	<u>10.49</u>	<u>11.42</u>
* Includes ₹ 7.61 crore (P.Y. ₹ 10.52 crore) earmarked for specific purposes.		
12 Loans and interest accrued		
(Considered good unless otherwise stated)		
Loans & advances to related parties (refer note 39) - good	870.60	907.29
- doubtful	37.12	-
Loans & advances to others -good	318.50	318.50
- doubtful	2.29	2.29
- Sub total	1,228.51	1,228.08
Less:- Provision for doubtful loans & advances	(39.41)	(2.29)
	<u>1,189.10</u>	<u>1,225.79</u>
Interest receivable on loans - related parties (refer note 39) - good	708.83	727.43
- doubtful	18.59	-
Interest receivable on loans - others	193.36	193.36
	<u>2,109.88</u>	<u>2,146.58</u>
Less:- Provision for doubtful Interest receivable on loans	(18.59)	-
Total*	<u>2,091.29</u>	<u>2,146.58</u>
*Out of above:		
Secured by pledge of investment - Related Party	1,579.43	1,579.43
Secured by pledge of investment - Others	511.86	511.86
Unsecured - Related Party	55.71	55.29
Unsecured - Others	2.29	2.29
	<u>2,149.29</u>	<u>2,148.87</u>
Less: Provision for doubtful loans and advances	(58.00)	(2.29)
	<u>2,091.29</u>	<u>2,146.58</u>

12.1 Disclosure as per clause 34(3) and schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.

- a) Loans and advances given to subsidiaries and associates (before provisions) :

₹ Crore

Name of Subsidiary/Associate companies	Amount Outstanding including interest		Maximum balance outstanding including interest during the year	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Bajaj Aviation Pvt. Ltd. (Subsidiary)	43.00	43.00	43.00	43.00
Bajaj Hindusthan (Singapore) Private Ltd. (Subsidiary)	12.71	12.29	12.71	12.29
Bajaj Power Generation Pvt. Ltd. (Subsidiary)	1,579.43	1,579.43	1,579.43	1,579.43
	1,635.14	1,634.72		

Notes:-
Loans and advances shown above are given for business purposes.

- b) Investments by the loanees in the shares of Subsidiaries:

Particulars	No. of Shares	As at	No. of Shares	As at
		March 31, 2020 ₹ Crore		March 31, 2019 ₹ Crore
Investment by Bajaj Hindusthan (Singapore) Private Ltd. in equity shares of -				
PT. Batu Bumi Persada, Indonesia (Step down subsidiary)	49,500	24.27	49,500	24.27
PT. Jangkar Prima, Indonesia (Step down subsidiary)	49,940	56.90	49,940	56.90

	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
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13 Current tax assets (net)

Advance income tax (net of provisions)		
At the start of year	3.76	4.41
Charged during the year	0.45	1.88
Refund received during the year	-	(2.61)
Others	0.05	0.08
At the end of year	4.26	3.76

There is no current tax liabilities on the company due to losses incurred in current year and earlier years, therefore, disclosure reconciliation of income tax expenses with accounting profit is not given.

14 Other current assets

(Unsecured considered good)		
MAT credit entitlement	79.44	79.44
Receivable under SPP (refer note 46)	592.38	592.38
Claims/refund recoverable in cash or in kind or for value to be received	13.37	14.58
Duty drawback receivable	0.09	0.09
Other advances* - Good	104.04	93.32
- Doubtful	0.88	0.88
	790.20	780.69
Less: Provision for doubtful advances	(0.88)	(0.88)
	789.32	779.81

* Includes advances given to suppliers, vendors and employees and other advances recoverable in cash or in kind.

	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
15 Equity share capital		
Authorised:		
5,00,00,00,000 (5,00,00,00,000) Equity Shares of ₹1/- each	500.00	500.00
	500.00	500.00
Issued		
1,17,92,31,364 (1,17,92,31,364) Equity Shares of ₹1/- each	117.92	117.92
	117.92	117.92
Subscribed and Paid up:		
1,13,35,59,942 (1,13,35,59,942) Equity Shares of ₹1/- each	113.36	113.36
	113.36	113.36
Less:		
Interest in BHL Securities Trust 3,11,00,000 (3,11,00,000) equity share of ₹ 1/- (refer note no. v)	3.11	3.11
Share held by ESOP Trust 17,80,000 (17,80,000) equity share of ₹1/- (refer note no. v)	0.18	0.18
	3.29	3.29
	110.07	110.07

- (i) Details of shares allotted without payment being received in cash during five years immediately preceding the Balance Sheet date are given below:

49,41,60,031 (49,41,60,031) Equity Shares have been issued for consideration other than cash to lender banks on conversion of Funded Interest Term Loan (FITL) as per Master Restructuring Agreement (MRA) during FY 2015-16 and 2016-17.

- (ii) The reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:-

Particulars	As at March 31, 2020 No. of Shares	As at March 31, 2019 No. of Shares
Equity Shares (with voting rights) at the beginning of the year	1,13,35,59,942	1,13,35,59,942
Equity Shares at the end of the year	1,13,35,59,942	1,13,35,59,942

- (iii) Terms/rights of equity shares:-

The Company has one class of equity shares having par value of ₹ 1/- per share. All equity shares are ranking pari passu in all respects including dividend. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

- (iv) The details of Shareholders holding more than 5% shares:-

S. No.	Name of Shareholders	As at March 31, 2020		As at March 31, 2019	
		No. of Shares	% held	No. of Shares	% held
1.	Bajaj Resources Ltd.	8,19,44,455	7.23%	8,19,44,455	7.23%
2.	Punjab National Bank	8,52,25,312	7.52%	8,52,25,312	7.52%
3.	IDBI Bank Limited	6,15,54,823	5.43%	6,36,67,200	5.62%
4.	Allahabad Bank	6,29,28,861	5.55%	6,29,28,861	5.55%
5.	Central Bank of India	5,66,86,905	5.00%	5,66,86,905	5.00%

- (v) Company hold beneficial interest in BHL Security Trust which holds 3.11 crore shares of the company allotted on amalgamation of its subsidiary Bajaj Hindusthan Sugar and Industries Limited in 2010. Company has also formed ESOP Trust under the ESOP scheme. Company has an advance ₹8.69 crore to ESOP Trust which hold 0.18 crore equity shares. Face value of these shares are treated as treasury shares as per Ind AS 32 – Financial Instruments – Presentation and shown as reduction from equity. Excess of carrying value of these shares over the face value are reduced from securities premium.

	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
16 Other equity		
Capital redemption reserve		
Opening balance	0.05	0.05
Closing balance	0.05	0.05
Securities premium		
Opening balance	4,185.31	4,185.31
Closing balance	4,185.31	4,185.31
Equity Component of Compound Financial Instrument		
Opening balance	146.54	146.54
During the year	-	-
Closing balance	146.54	146.54
General reserve		
Opening balance	156.05	156.05
Transferred from reserve for molasses storage tanks	-	-
Closing balance	156.05	156.05
Reserve for molasses storage tanks		
Opening balance	2.85	2.88
Transferred from statement of profit & loss	0.82	1.18
Transferred to general reserve	-	-
Utilisation of fund for maintenance of molasses tank	(1.57)	(1.21)
Closing balance	2.10	2.85
Gain / (loss) on Investment through FVOCI		
Opening balance	(84.56)	(60.81)
Change in during the year	(37.56)	(23.75)
Closing balance	(122.12)	(84.56)
Actuarial gain / (loss) on employee benefit plans		
Opening balance	(12.08)	(8.31)
Change in during the year	(6.27)	(3.77)
Closing balance	(18.35)	(12.08)
Statement of profit and loss (retained earnings)		
Opening balance	(1,099.18)	(1,033.92)
Profit/(loss) for the year	(105.37)	(64.08)
Appropriations		
Transferred to reserve for molasses storage tanks	(0.82)	(1.18)
Closing balance	(1,205.37)	(1,099.18)
	3,144.21	3,294.98

Nature and description of reserve:

- Capital Redemption Reserve: Whenever company redeems its preference shares or buys its own shares which reduces its share capital, then capital redemption reserve is created by face value of its shares.
- Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.
- General Reserve: General Reserve was created by transferring a portion of the net profit of the Company as per the requirements of the Companies Act, 2013.
- Molasses Storage Reserve Fund is created as per provisions under Molasses Control (Regulation of Fund and Erection of Storage Facilities) Order, 1976.
- Retained Earnings: Remaining portion of profits earned or accumulated losses by the Company till date after appropriations.

	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
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17 Non-current borrowings**(At amortised cost)****From banks**

Secured Debentures (refer note 17.1)	3,483.25	3,483.25
Secured Term Loan	1,538.51	1,791.50
	<u>5,021.76</u>	<u>5,274.75</u>

From related parties

Unsecured	117.77	105.15
	<u>117.77</u>	<u>105.15</u>

From others

Secured	-	1.92
Unsecured	-	0.27
	<u>-</u>	<u>2.19</u>
	<u>5,139.53</u>	<u>5,382.09</u>

17.1 34,83,24,626 (P.Y. 34,83,24,626) Unlisted, Unrated, Redeemable, Optionally Convertible Debentures (Series 1/ 2017-18) of ₹ 100/- each issued on Preferential basis to the lenders in accordance with S4A Scheme on December 18, 2017. Debentures are to be redeemed in 13 equal annual instalments starting from March 31, 2025. The coupon rate for year 1 & 2 is 0.01% p.a., for year 3 & 4 is 1.00% p.a. and thereafter 2.50% p.a., payable annually on the last date of every financial year. The redemption premium is payable on redemption of debentures to be decided by lenders at going weighted average interest cost so that there is no NPV loss to the lenders. On occurrence of event of default, lenders have the right to convert all outstanding debentures into equity shares at the conversion price to be determined in accordance with guidelines of RBI.

17.2 Maturity profile of term loans are set out below :-

₹ Crore

Name of banks/financial institutions	Interest (%)	Outstanding as at March 31, 2020	Current Maturities (0-1 Year)	Maturity profile				Refer Note No.
				2nd Year	3rd Year	4th Year	Beyond 4 Years	
From banks								
Term loans secured	11.05% to 11.55%	1,883.78	345.27	454.43	434.40	434.37	215.31	17.3(i)
From others								
Sugar Development Fund (SDF)	7%	1.92	1.92		-	-	-	17.3(ii)
Total - Secured		1,885.70	347.19	454.43	434.40	434.37	215.31	

	Name of banks/ financial institutions	Interest (%)	Outstanding as at March 31, 2020	Current Maturities (0-1 Year)	Maturity profile				Refer Note No.
					2nd Year	3rd Year	4th Year	Beyond 4 Years	
Term loans (Unsecured)									
From related parties									
	Loan from promoters - 1		116.16	-	-	-	-	116.16	17.4(i)
	Loan from promoters - 2		1.61	-	-	-	-	1.61	17.4(ii)
	Total - From related parties		117.77	-	-	-	-	117.77	
From others									
	Department of Commercial Tax of Uttar Pradesh	Interest free	0.27	0.27	-	-	-	-	
	Total - Unsecured		118.04	0.27	-	-	-	117.77	
	Grand Total		2,003.74	347.46	454.43	434.40	434.37	333.08	-

17.3 Details of securities

- (i) Term Loans and debentures from Banks are secured on first pari passu charge basis, by way of mortgage over all immovable fixed assets and hypothecation over all movable fixed assets (both present and future) of the Company, on first pari-passu charge by way of hypothecation over all current assets (both present & future) of the Company. The said loans are further secured by personal guarantee of Managing Director (Promoter) and corporate guarantee by a promoter group company, pledge of entire shares held by the Promoters of the company and 33,00,001 shares of Bajaj Energy Ltd. held by promoters group company.
- (ii) The Sugar Development Fund loan (SDF) from Government of India is secured on exclusive second charge basis, by hypothecation of the whole of movable fixed assets and properties and by mortgage on the whole of immovable fixed assets and properties of the concerned sugar unit of the Company.

17.4 Loan from promoters

- (i) As per terms of restructuring approved by lenders, the promoters are required to bring promoter contribution amounting to ₹200 crore in phased manner till September 2015 in the form of equity capital/preference capital/unsecured loan/other similar instruments. An amount of ₹200 crore has been brought by promoters as unsecured loan within stipulated period. Interest, if any, payable shall be determined after the restructuring period is completed. Presently, said amount is treated as unsecured loan with the option to convert into equity/preference or any other similar instrument. As per Ind AS 32 contribution amount received is classified as compound instrument bifurcated into ₹64.22 crore as debt and ₹135.78 crore as other equity by discounting the amount @12% pa for a tenure of 10 years. The unwinding of discount in subsequent periods on loan component is recognised in the statement of profit & loss.
- (ii) As per the approved restructuring of loan under S4A Scheme, promoter/ promoters group has transferred 11,99,87,344 equity shares of ₹ 1/- per equity share to lenders as per overseeing committee recommendation as part payment of unsustainable debt. Consequently, the consideration amount of ₹ 11,99,87,344 is accounted as unsecured loan from promoters and as per Ind AS 32, said amount due to promoters as treated as compound financial instrument and bifurcated into other equity of ₹ 10.76 crore and ₹ 1.24 crore by discounting the amount @12% pa for a tenure of 20 years.

17.5 Deferment and moratorium

Pursuant to the RBI (Reserve Bank of India) circular no. RBI/2019-20/186 dated March 27, 2020, permitting banks to grant three months moratorium on the repayment of loan and payment of interest thereon falling due between March 1, 2020 and May 31, 2020, and further extending the period of moratorium up to six months vide letter dated May 22, 2020, in the wake of extended lockdown; thus all the instalments and interest falling due from March 1, 2020 to August 31, 2020, can be rescheduled for further six months and the tenor of such loans may be shifted accordingly. The Company has sought from all the JLF (Joint Lenders Forum) Banks to avail the extended time for the repayment of loan and moratorium on payment of interest as per RBI guidelines. Presently, all the loan accounts with all the consortium lenders of the company are standard and regular.

17.6 Details of delays and defaults in payment of financial obligations

a) Amount falling due during FY 2019-20 and paid up to 31.03.2020

Name of institutions	Principal				Interest			
	No. of Days - Range		Amount (₹ in Crore) - Range		No. of Days - Range		Amount (₹ in Crore) - Range	
	Min	Max	Min	Max	Min	Max	Min	Max
Indian Bank (earlier Allahabad Bank)	37	63	0.27	8.69	6	36	2.29	2.55
Bank of Baroda	24	38	0.07	1.73	4	34	0.54	0.62
Bank of India	37	44	0.04	1.73	3	35	0.32	0.34
Bank of Maharashtra	45	60	0.20	8.70	6	37	1.62	1.96
Canara Bank	46	58	0.13	4.35	5	36	1.10	1.59
Central Bank of India	34	58	0.21	5.62	5	41	0.00	1.83
Union Bank (earlier Corporation Bank)	24	61	0.10	3.28	4	35	0.00	0.73
IDBI Bank Ltd	31	61	0.15	4.45	6	37	1.47	1.61
Indian Overseas Bank	51	51	0.06	2.62	4	41	0.50	0.76
Punjab National Bank (earlier Oriental Bank of Commerce)	52	61	0.20	3.81	7	41	0.00	1.62
Punjab National Bank	25	60	0.44	6.28	6	42	0.00	3.72
State Bank of India	16	31	0.06	8.02	2	34	0.00	4.11
UCO Bank	36	58	0.58	3.90	6	37	0.74	0.83
Sugar Development Fund	-	28	-	2.30	-	-	-	-

b) Interest on Debentures

₹ Crore

Name of institutions	Interest on Debentures			
	No. of Days	Amount	No. of Days	Amount
Indian Bank (earlier Allahabad Bank)			43	2.33
Bank of Baroda			43	0.56
Bank of India			43	0.33
Bank of Maharashtra			43	1.66
Canara Bank			43	1.13
Central Bank of India			43	1.83
Union Bank (earlier Corporation Bank)	3	0.33	43	0.92
IDBI Bank Ltd			43	1.62
Indian Overseas Bank			43	0.50
Punjab National Bank (earlier Oriental Bank of Commerce)			43	1.61
Punjab National Bank			43	3.47
State Bank of India			43	5.47
UCO Bank			43	0.74
Total		0.33		22.18

Interest on debentures to Union Bank (earlier Corporation Bank) was paid on due date; but due to some technical reasons the electronic transfer bounced, payment resent to bank after 3 days.

Interest, on Optionally Convertible Debentures (OCD) was paid on time, on March 31, 2020, as per stipulations made in Debenture Trust Deed, Master Framework Agreement (MFA) and as per sanction letters interpreted collectively; but subsequently lenders interpreted the interest clause differently, not conforming the Company's interpretation. The matter of the applicable interest rate was finally settled in the Joint Lenders' Meeting (JLM) held on May 12, 2020. The Company accordingly paid the difference amount of interest of ₹ 22.18 crore (net of TDS) on the same day.

	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
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18 Non-current other financial liabilities

Lease Liability - Financial	9.54	-
	-	-
	<u>9.54</u>	<u>-</u>

19 Non-current provisions

Gratuity	41.27	31.21
Leave encashment	27.99	22.54
	<u>69.26</u>	<u>53.75</u>

	As at Apr. 01, 2019 ₹ Crore	During the Year	As at March 31, 2020 ₹ Crore
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20 Deferred tax statements:**Deferred tax liabilities:**

Property, plant and equipment	780.11	(52.91)	727.20
Fair valuation of property, plant and equipment	793.12	(2.36)	790.76
	<u>1,573.23</u>	<u>(55.27)</u>	<u>1,517.96</u>

Deferred tax assets:

Provision for employee benefits	20.39	5.44	25.83
Provision for doubtful debts/advances	11.51	15.69	27.20
Fair valuation of investments	163.66	17.03	180.69
Carry forward losses and unabsorbed depreciation*	748.21	(74.04)	674.17
	<u>943.77</u>	<u>(35.88)</u>	<u>907.89</u>
Deferred tax liabilities/ (assets) (net)	<u>629.46</u>	<u>(19.39)</u>	<u>610.07</u>

* Deferred tax assets on carry forward losses and unabsorbed depreciation is ₹ 1,052.01 crore. However, it is recognised to the extent of deferred tax liabilities other than arising on fair valuation of PPE on conservative basis.

*Pursuant to the Taxation Laws (Amendment) Act, 2019, domestic companies have an option to pay corporate income tax at a concessional rate of 25.17% including surcharge and cess (new tax rate), subject to certain conditions, w.e.f. financial year commencing from April 1, 2019 and thereafter. If the said option is chosen, the Company will be exempted from the provisions of Minimum Alternate Tax under section 115JB; however, the Company will have to forego certain prescribed incentives/deductions. The Company can choose such option for any year starting from FY 2019-20 or any subsequent year. However, once the said option of paying tax under the new tax rate is chosen, the Company cannot withdraw and go back to the old rates of tax. In the quarter and year ended March 31, 2020, the Company has made an evaluation of the impact of the aforesaid option and decided not to opt for the new tax rate for FY 2019-20. Accordingly, the Company will continue to be governed under the existing tax regime. The Company will re-assess the impact for the subsequent financial year and take a decision for the said years at relevant point in time.

	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019 ₹ Crore
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20 (a) Tax expense recognised in the Statement of Profit and Loss

Current tax	-	-
Current year	-	-
Total Current Tax	-	-
Deferred tax		
Origination and reversal of temporary difference	19.39	13.08
Total deferred income tax expense/(credit)	<u>19.39</u>	<u>13.08</u>
Tax relating to earlier year	-	(0.05)
Total income tax expense/(credit)	<u>(19.39)</u>	<u>(13.03)</u>

- (b) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarised below:

Reconciliation of effective tax rate	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019 ₹ Crore
Profit before Tax	(107.73)	(66.34)
Enacted income tax rate in India	31.20%	31.20%
Income tax expenses as per enacted rate	(33.61)	(20.70)
Differences due to:		
Income / Expenses not considered for tax purpose	14.22	7.72
Others		(0.05)
Total	(19.39)	(13.03)
Effective Tax Rate	18.00%	19.64%

- (c) The movement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2020:

₹ Crore							
Movement during the year ended March 31, 2019 and March 31, 2020	As at April 1, 2018	Credit/ (charge) in state- ment of Profit and Loss	Credit / (charge) in Other Compre- hensive Income	As at March 31, 2019	Credit / (charge) in state- ment of Profit and Loss	Credit / (charge) in Other Compre- hensive Income	As at March 31, 2020
Deferred tax assets/ (liabilities)							
Property, plant and equipment	(803.50)	23.39	-	(780.11)	52.91	-	(727.20)
Fair valuation of property, plant and equipment	(795.43)	2.31	-	(793.12)	2.36	-	(790.76)
Provision for employee benefits	16.63	3.76	-	20.39	5.44	-	25.83
Provision for doubtful debts/ advances	7.15	4.36	-	11.51	15.69	-	27.20
Fair valuation of investments	152.89		10.77	163.66	-	17.03	180.69
Carry forward losses and unabsorbed depreciation	779.72	(31.51)	-	748.21	(74.04)	-	674.17
Total	(642.54)	2.31	10.77	(629.46)	2.36	17.03	(610.07)

	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
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21 Other non-current liabilities

Deposits from agents/customers/vendors	25.98	21.74
	25.98	21.74

22 Trade payables

Micro and small enterprises	7.97	0.67
Others	4,431.55	4,161.25
	4,439.52	4,161.92

The details of amount outstanding to Micro and Small Enterprises based on available information with the Company are as under :

Particulars	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
– Principal	7.97	0.67
– Interest	-	-
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	0.06	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	3.58	3.30
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

23 Other financial liabilities

Current maturities of long-term borrowings (refer note 17.2)	347.46	639.98
Interest accrued but not due on borrowings	0.12	0.21
Interest accrued and due on borrowings	17.70	23.52
Interest accrued and due on debentures*	22.56	-
Unclaimed dividends #	0.06	0.20
	387.90	663.91

These figures do not include any amount due and outstanding to be credited to Investor Education and Protection Fund.

* Interest of ₹ 22.56 crore (P.Y. Nil) on debenture is due for payment as on the balance sheet date, which has been paid in April and May 2020

Particulars	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
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24 Other current liabilities

Other payables*	139.71	76.20
	139.71	76.20

* Includes statutory dues, advances from customer and other liabilities.

25 Current provisions

Gratuity	9.49	7.09
Leave encashment	4.02	4.49
	13.51	11.58

Particulars	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019 ₹ Crore
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26 Revenue from operations

Sale of products	6,603.20	6,683.34
Other operating revenues	62.40	120.48
	6,665.60	6,803.82

	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019 ₹ Crore
26.1 Particulars of sale of products		
Sugar	6,100.03	5,986.52
Alcohol	258.90	500.83
Power	68.51	174.42
By products	175.76	21.57
	<u>6,603.20</u>	<u>6,683.34</u>
26.2 Particulars of other operating revenues		
Duty drawback and other export incentives	0.02	0.02
Sale of export licences	0.81	-
Sale of scrap	6.55	6.91
Others	55.02	113.55
	<u>62.40</u>	<u>120.48</u>
27 Other income		
Gain due to foreign exchange fluctuation (net)	0.49	0.25
Other non-operating income	9.61	15.28
Interest income *	0.91	148.08
	<u>11.01</u>	<u>163.61</u>
* On the principle of conservatism and prudence, the Company has not recognised interest income of ₹145.64 crore in FY 2020, on loans and advances; as and when it is recoverable it will be recognised in the books.		
28 Cost of materials consumed		
Opening stock	6.36	5.36
Purchases	5,361.35	5,659.63
	<u>5,367.71</u>	<u>5,664.99</u>
Less: Closing stock	4.37	6.36
Cost of raw material consumed	<u>5,363.34</u>	<u>5,658.63</u>
29 Changes in Inventories of finished goods, by-products and work-in-progress		
Opening stock		
Finished goods	2,516.90	2,655.03
By-products	101.25	70.72
Work-in-process	56.18	55.00
	<u>2,674.33</u>	<u>2,780.75</u>
Less: Closing stock		
Finished goods*	2,398.39	2,516.90
By-products	154.00	101.25
Work-in-process	61.77	56.18
	<u>2,614.16</u>	<u>2,674.33</u>
	<u>60.17</u>	<u>106.42</u>
* Includes ₹41.44 crore (P.Y. ₹ 97.07 crore) towards the write down of inventories.		

	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019 ₹ Crore
30 Employee benefits expense		
Salaries & wages	270.69	248.79
Contributions to provident and other funds	26.69	23.67
Employees' welfare expenses	1.73	2.31
	<u>299.11</u>	<u>274.77</u>

30.1 Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Ind AS 19, the details of which are as hereunder:

a. Funded scheme - gratuity		
Particulars		
Liability to be recognised in balance sheet		
Present value of funded obligations	60.57	51.02
Fair value of plan assets	(9.81)	(12.72)
Net liability / (asset)	<u>50.76</u>	<u>38.30</u>
Change in Plan Assets (reconciliation of opening & closing balances)		
Fair value of plan assets at the beginning	12.73	13.31
Expected return on plan assets	0.89	1.02
Actuarial gain / (losses)	0.04	(0.05)
Contributions	0.11	1.38
Benefits paid	(3.95)	(2.94)
Fair value of plan assets at the end	<u>9.82</u>	<u>12.72</u>
Actual return on plan assets		
Change in obligation (reconciliation of opening and closing balances)		
Defined benefit obligation at the beginning	51.02	42.98
Current service cost	5.32	4.45
Interest cost	3.43	3.19
Actuarial losses / (gain)	4.76	3.34
Benefits paid	(3.95)	(2.94)
Closing obligation	<u>60.58</u>	<u>51.02</u>
Expenditure to be recognised during the year		
Current service cost	5.32	4.45
Interest cost	3.43	3.19
Expected return on plan assets	(0.89)	(1.02)
Total expenses recognised in the statement of profit and loss	<u>7.86</u>	<u>6.62</u>
In Other comprehensive income		
Actuarial (Gain) / Loss - Plan Liabilities	4.76	3.34
Actuarial (Gain) / Loss - Return on Plan Assets	(0.04)	0.05
Net (Income)/ Expense for the period Recognised in OCI	<u>4.72</u>	<u>3.39</u>
Investment Details		
Insurance Policies - Amount	9.82	12.72
- %	100%	100%

	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019 ₹ Crore
Assumptions		
Discount rate (per annum)	7.00%	7.70%
Expected rate of return on assets (per annum)	7.00%	7.70%
Salary escalation rate (per annum)	6.00%	6.00%
Sensitivity		
Under base scenario	60.57	51.02
Salary escalation (up by 1%)	65.13	54.81
Salary escalation (down by 1%)	56.49	47.62
Withdrawal rates (up by 1%)	60.79	51.37
Withdrawal rates (down by 1%)	60.34	50.64
Discount rates (up by 1%)	56.66	47.78
Discount rates (down by 1%)	65.00	54.68

This is a defined benefit plan and statutory liability of the Company. The Company has to pay the Gratuity to the employees as per the provisions of The Payment of Gratuity Act 1972 irrespective of the availability of the funds with the Gratuity Fund.

The Gratuity Liability is computed on actuarial valuation basis done at year end using the Project Unit Credit Method is provided for in the books of account and is based on a detailed working done by a certified Actuary. Past service cost is recognised immediately to the extent that the benefits are already vested.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Company manages Gratuity obligation through Trust. Company arranges the fund based on the actuarial valuation and requirement of the Trust.

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2019-20.

These gratuity plan typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

b. Unfunded scheme - earned leaves

	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019 ₹ Crore
Particulars		
Present value of unfunded obligations	32.01	27.04

	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019 ₹ Crore
Expenses recognised in the statement of profit and loss	3.41	3.05
In Other comprehensive income		
Actuarial (Gain) / Loss - Plan Liabilities	1.56	0.37
Actuarial (Gain) / Loss - Return on Plan Assets	-	-
Net (Income)/ Expense for the period recognised in OCI	1.56	0.37
Discount rate (per annum)	7.00%	7.70%
Salary escalation rate (per annum)	6.00%	6.00%

c. Provident fund

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are notified by the Government annually. The actuary has provided a valuation based on the below provided assumptions and there is no shortfall as at March 31, 2020.

Plan assets at year end, at fair value	-	-
Present value of benefit obligation at year end	-	-
Cost of shortfall in interest rate guarantee	-	-
Discount rate	7.00%	7.50%
Average remaining tenure of the investment portfolio (years)	6.48	6.23
Expected guaranteed interest rate	8.50%	8.65%

During the year ended March 31, 2020, amount recognised in statement of profit and loss for employee provident fund is ₹ 8.90 crore (P.Y. ₹ 7.65 crore).

Defined contribution plan

Family pension fund	9.01	8.53
Employees deposit link insurance	0.56	0.52
Superannuation	0.09	0.09

d. Share-based payment

Erstwhile Bajaj Hindusthan Sugar & Industries Limited, which was merged with the Company w.e.f. 01.04.2010, had formed Employees Stock Option Plan (ESOP) in 2007. All options granted have either been expired or exercised.

31 Finance costs

Interest expense on:		
Borrowings	258.69	309.70
Others	4.29	5.09
Debentures	34.88	0.35
Other borrowing costs	2.89	6.64
	<u>300.75</u>	<u>321.78</u>

32 Depreciation and amortisation expense

Depreciation on tangible assets	213.21	211.33
Amortisation on intangible assets	2.66	-
	<u>215.87</u>	<u>211.33</u>

33 Other expenses

Stores, spares and packing materials consumed	158.01	157.28
Power and fuel	25.93	14.63
Rent	2.95	6.20
Rates and taxes	0.29	0.30

	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019 ₹ Crore
Repairs :		
Building	1.37	1.39
Machinery	152.48	123.42
Others	4.27	4.70
	<u>158.12</u>	<u>129.51</u>
Payment to auditors (refer note 33.1)	0.73	0.72
Insurance	7.86	6.26
Selling commission	15.14	15.48
Selling & distribution	41.90	60.87
Director fees	0.21	0.20
Donations	0.52	-
Provision for doubtful debts	14.06	13.68
Provision for doubtful advances	-	1.18
Fair valuation of land	-	1.78
Loss on assets sold / scrapped / written off	0.74	0.35
Miscellaneous expenses	57.93	52.40
	<u>484.39</u>	<u>460.84</u>

33.1 Payment to auditors

For Statutory audit fees	0.46	0.46
For tax audit fees	0.05	0.05
For certification work	0.22	0.20
Reimbursement of expenses	-	0.01
	<u>0.73</u>	<u>0.72</u>

34 Other Comprehensive income

Actuarial gain / (loss) on employee benefit plans	(6.27)	(3.77)
Gain / (loss) on Investment through FVOCI	(54.59)	(34.52)
Less: Tax on Gain / (loss) on Investment through FVOCI	17.03	10.77
	<u>(43.83)</u>	<u>(27.52)</u>

	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
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35 Contingent liabilities and commitments**(I) Contingent liabilities**

(a) In respect of disputed demands/claims against the Company not acknowledged as debts:

(i) Central excise matters	11.25	12.70
(ii) Trade tax matters	59.81	64.98
(iii) Recompense payable (refer note 40(b))	234.81	189.21
(iv) Other claims	45.64	69.52
	<u>351.51</u>	<u>336.41</u>

(b) Securities

The Company has furnished securities on behalf of subsidiary / associate company	661.25	661.25
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(c) Erstwhile Bajaj Ecotech Products Ltd. (merged with the Company) has procured imported as well as indigenous capital goods under Export Promotion and Capital Goods Scheme (EPCG). The Export obligation pending against such EPCG licenses	-	5.26
(d) Interest payable on promoters loan (refer note 40 (c) & (d) is not determinable)	-	-
(e) Pursuant to the scheme for sustainable structuring of stressed assets (S4A Scheme) for restructuring of certain outstanding debts of the Company [Refer note no. 40 (d) for details], the Company has allotted optionally convertible debentures (OCDs) aggregating to ₹ 3,483.25 crore to JLF lenders. The OCDs carry a yield to maturity (YTM) at the agreed Yield Rate accruing on an annual basis as a contractual obligation, starting from the Allotment Date. The said YTM is payable as premium on redemption along with the relevant Principal Amount on each Redemption Date [Refer note no. 17.1]. The OCDs provide the lenders an option to exercise the right to convert the outstanding OCDs into the equity shares of the Company at a price in accordance with Applicable Law (including the ICDR Regulations). Since premium to be paid is contingent on the occurrence of the event of redemption of OCDs, the YTM of ₹ 929.02 crore from the date of allotment of OCD till the year end (₹ 414.51 crore for the year ended March 31, 2020) is treated as contingent liability and would be accounted for as finance cost at the time of redemption of respective OCDs.		
(II) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2.66	27.29

36 Earnings per share

(i) Net profit/ (loss) after tax as per statement of profit and loss	(105.37)	(64.08)
(ii) Weighted average number of equity shares used as denominator for calculating basic EPS (crore)	110.07	110.07
(iii) Weighted average number of equity shares used as denominator for calculating diluted EPS (crore)*	110.07	110.07
* Equity shares to be issued on conversion of optionally convertible debentures and on loan from promoters (refer note no. 17.1 and 17.4) are not determinable as on balance sheet date.		
(iv) Basic earnings per share	(0.96)	(0.58)
(v) Diluted earnings per share	(0.96)	(0.58)
(vi) Face value per equity share	₹ 1/-	₹ 1/-

37 Foreign currency exposure that are not hedged by derivative instruments as on March 31, 2020 amounting to SGD 0.24 crore (P.Y. SGD 0.24 crore) in respect of loan given to subsidiary.

38 As per Ind AS 108 - "Operating segment", segment information has been provided under the notes to consolidated financial statements (refer note 38 to the consolidated financial statements).

39 The disclosures in respect of Related Parties as required under Ind AS 24 'Related Party Disclosures' is stated herein below:

a) Details of related parties :-		
	Name of related parties	Description of relationship
A. Subsidiary companies		
1.	Bajaj Aviation Private Ltd.	Wholly-owned subsidiary
2.	Bajaj Power Generation Private Ltd.	Wholly-owned subsidiary
3.	Bajaj Hindusthan (Singapore) Private Ltd., Singapore	Wholly-owned subsidiary
4.	PT. Batu Bumi Persada, Indonesia	Step down subsidiary

5.	PT. Jangkar Prima, Indonesia	Step down subsidiary
B. Directors and their relatives		
1.	Mr. Kushagra Bajaj	Chairman (Also key management personnel)
2.	Mr. Ashok Kumar Gupta	Managing Director (Also key management personnel)
C. Enterprises over which key management personnel and their relatives are able to exercise significant influence		
1.	Abhitech Developers Pvt. Ltd.	
2.	Bajaj Capital Ventures Private Ltd.	
3.	Bajaj Infrastructure Development Company Ltd.	
4.	Bajaj Energy Ltd.	
5.	Bajaj Resources Ltd.	
6.	Bajaj International Realty Private Ltd.	
7.	Shishir Bajaj Family Trust	
8.	SKB Roop Commercial, LLP	
9.	Lambodar Stocks Private Ltd.	
10.	Lalitpur Power Generation Company Ltd.	

b) Details of related party transactions:

					₹ Crore
	Transactions	Subsidiaries	Key Management Personnel	Enterprises described in (C) above	Total
I.	Transactions during the year				
	Rent / lease rent - Income	7.56	-	3.57	11.13
		(7.56)	(-)	(3.45)	(11.01)
	Interest - Income	-	-	-	-
		(107.40)	(-)	(-)	(107.40)
	Remuneration	-	2.12	-	2.12
		(-)	(2.96)	(-)	(2.96)
	Gratuity - Expenses	-	1.44	-	1.44
		(-)	(-)	(-)	(-)
	Rent - Expense	-	-	4.18	4.18
		(-)	(-)	(4.13)	(4.13)
		(-)	(-)	(1.85)	(1.85)
	Provision expenses for diminution in value of investments	5.00	-	-	5.00
		(-)	(-)	(-)	(-)
	Provision expenses for doubtful debts	12.10	-	0.85	12.95
		(7.51)	(-)	(0.22)	(7.73)
	Provision expenses for doubtful loans given - unsecured (Including accrued interest)	55.71	-	-	55.71

₹ Crore

	Transactions	Subsidiaries	Key Management Personnel	Enterprises described in (C) above	Total
	Advance lease rent received	-	-	-	-
		(-)	(-)	(-)	(-)
	Advance rent paid	-	-	-	-
		(-)	(-)	(-)	(-)
	Loans taken	-	-	-	-
		(-)	(-)	(-)	(-)
	Deposit given repaid	0.01	-	-	0.01
		(-)	(-)	(-)	(-)
	Guarantee given repaid	-	-	-	-
		(-)	(-)	(99.00)	(99.00)

₹ Crore

	Transactions	Subsidiaries	Key Management Personnel	Enterprises described in (C) above	Total
II.	Amounts outstanding at Balance Sheet date				
	Loans Taken	-	110.50	101.50	212.00
		(-)	(110.50)	(101.50)	(212.00)
	Trade payables	-	-	0.82	0.82
		(-)	(-)	(0.60)	(0.60)
	Investments	97.34	-	770.13	867.47
		(97.34)	(-)	(770.13)	(867.47)
	Provision for diminution in value of investments	5.00	-	-	5.00
		(-)	(-)	(-)	(-)
	Trade receivable	46.51	-	6.68	53.19
		(39.09)	(-)	(3.58)	(42.67)
	Provision for doubtful debts	34.90	-	1.08	35.98
		(22.80)	(-)	(0.23)	(23.03)
	Advance to vendors	-	-	0.47	0.47
		(-)	(-)	(0.67)	(0.67)
	Loans given - Secured (Including accrued interest)	1,579.43	-	-	1,579.43
		(1,579.43)	(-)	(-)	(1,579.43)
		(55.29)	(-)	(-)	(55.29)
	Provision for doubtful loans given - unsecured (Including accrued interest)	55.71	-	-	55.71
		(-)	(-)	(-)	(-)
	Deposits given	-	-	5.03	5.03
		(0.01)	(-)	(5.03)	(5.04)
	Advance for business process services	(-)	(-)	(-)	-
		(-)	(-)	(1.85)	(1.85)
	Securities given	-	-	661.25	661.25
		(-)	(-)	(661.25)	(661.25)

Notes:

- 1 Related party relationship is as identified by the Company based on the available information and relied upon by the auditors.
 - 2 No amount has been written off or written back during the year in respect of debts due from or to related parties.
 - 3 Rent income ₹ 7.56 crore (P.Y. 7.56 crore) from Bajaj Aviation Pvt. Ltd, ₹ 3.31 crore (P.Y. ₹ 3.27 crore) from Bajaj Energy Ltd, ₹ 0.26 crore (P.Y. ₹ 0.18 crore) from Lalitpur Power Generation Company Ltd.
 - 4 Interest income includes ₹ 0.00/- (P.Y. ₹ 104.47 crore) from Bajaj Power Generation Private Limited and ₹ 0.00/- (P.Y. ₹ 2.93 crore) from Bajaj Aviation Pvt Ltd. on loan given to them.
 - 5 Remuneration includes ₹ 0.86 crore (P.Y. ₹ 1.85 crore) to Mr. Kushagra Bajaj, and ₹ 1.26 crore (P.Y. ₹ 1.11 crore) to Mr. A.K. Gupta.
 - 6 Gratuity expenses includes ₹ 1.44 crore (P.Y. ₹ NIL) to Mr. Kushagra Bajaj.
 - 7 Rent expense includes ₹ 0.94 crore (P.Y. ₹ 0.93 crore) to Bajaj Capital Ventures Pvt. Ltd, ₹ 2.23 crore (P.Y. ₹ 2.23 crore) to Shishir Bajaj Family Trust , ₹ 1.01 crore (P.Y. ₹ 0.97 crore) to Bajaj Resources Ltd.
 - 8 Business process services includes ₹ 1.85 crore (P.Y. 1.85 crore) to Abhitech Developers Pvt. Ltd.
 - 9 Expenses include provision for diminution in the value of investments in Bajaj Aviation Private Limited, of ₹ 5.00 crore (P.Y. ₹ NIL).
 - 10 Expenses include provision for doubtful debts of ₹ 12.10 crore (P.Y. ₹ 7.51 crore) for Bajaj Aviation Private Limited, ₹ 0.84 crore (P.Y. ₹ 0.21 crore) for Bajaj Energy Limited.
 - 11 Expenses include provision for doubtful loans-unsecured (Including accrued interest) of ₹ 43.00 crore (P.Y. ₹ NIL) for Bajaj Aviation Private Limited and ₹ 12.72 crore (P.Y. ₹ NIL) for Bajaj Hindusthan (Singapore) Private Limited.
 - 12 Restructured term loan from banks aggregating to ₹ 5,486.56 crore are secured by personal guarantee of Mr. Kushagra Bajaj (Chairman) and corporate guarantee by M/s Bajaj International Realty Private Limited (a promoter group company) and pledge of entire shares held by the promoters of the Company.
 - 13 The transactions with related parties are made on terms equivalent to those that prevail in arm's-length transactions. Outstanding balances year-end are unsecured except as stated above and settlement occurs in cash.
 - 14 Investment include ₹ 92.32 crore in 2,70,01,000 (P.Y. 2,70,01,000) Shares of Bajaj Hindusthan (Singapore) Private Ltd., Singapore of S\$ 1/- each, ₹ 0.02 crore in 20,000 (P.Y. 20,000) Shares of Bajaj Power Generation Pvt. Ltd. of ₹ 10/- each, ₹ 5.00 crore in 50,00,000 (P.Y. 50,00,000) Shares of Bajaj Aviation Private Ltd. of ₹ 10/- each, ₹ 770.13 crore in 1,54,39,900 (P.Y. 1,54,39,900) Shares of Lalitpur Power Generation Company Limited of ₹ 10/- each.
 - 15 Loans Taken includes ₹ 110.50 crore (P.Y. ₹ 110.50 crore) from Mr. Kushagra Bajaj, ₹ 89.50 crore (P.Y. ₹ 89.50 crore) from SKB Roop Commercial LLP, ₹ 6.49 crore (P.Y. ₹ 6.49 crore) from Shishir Bajaj Family Trust, ₹ 1.39 crore (P.Y. ₹ 1.39 crore) from Bajaj Infrastructure Development Company Limited, ₹ 4.11 crore (P.Y. ₹ 4.11 crore) from Lambodar Stocks Private Limited. Pursuant to debt restructuring thru JLF route and subsequently under the Scheme for Sustainable Structuring of Stressed Assets (S4A) loan was given by promoters and promoters group entities; refer to note no. 40(d).
 - 16 Loan given - secured (including accrued interest) include ₹ 1,579.43 crore (P.Y. ₹ 1,579.43 crore) to Bajaj Power Generation Private Limited.
 - 17 Deposit given include ₹ 0.38 crore (P.Y. ₹ 0.38 crore) to Bajaj Capital Venture Private Limited, ₹ 0.90 crore (P.Y. ₹ 0.90 crore) to Shishir Bajaj Family Trust and ₹ 3.76 crore (P.Y. ₹ 3.76) to Abhitech Developers Private Limited.
- 40** a) At the request of the Company, the Joint lenders' forum (JLF Lenders) led by State Bank of India has approved the corrective action plan for restructuring of credit facilities on December 03, 2014 under JLF route in accordance with the applicable framework and guidelines issued by Reserve Bank of India. Accordingly, a Master Restructuring Agreement (MRA) has been signed on December 30, 2014 among the Company and JLF lenders, by virtue of which the restructured facilities are governed by the provisions specified in the said MRA. The cut-off date for restructuring under JLF route is July 31, 2014.
- b) The MRA as well as guidelines of Reserve Bank of India issued on debt restructuring under JLF route give a right to the JLF lenders to get recompense of their waivers and sacrifices made as per corrective action plan. The recompense payable by the Company is contingent on various factors including improved performance of the company and many other conditions, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense is treated as a contingent liability. The aggregate present value of recompense till March 31, 2020 payable to the JLF lenders as per MRA is approximately ₹ 34.81 crore for the company.
- c) As per terms of above restructuring approved by lenders, the Promoters were required to bring promoter

contribution amounting to ₹ 200 crore in phased manner till September 2015 in the form of equity capital/preference capital/unsecured loan/other similar instruments. An amount of ₹ 200 crore has been brought by promoters as unsecured loan within stipulated period.

- d) For restructuring of certain outstanding debts of the Company, the Joint lenders' forum (JLF) of the Company adopted the scheme for sustainable structuring of stressed assets (S4A Scheme) with reference date as June 23, 2017, which was approved by the overseeing committee (OC) on November 30, 2017. As per the S4A Scheme, the total fund based debt of ₹ 284.59 crore (including funded interest of ₹ 54.51 crore), were bifurcated in two parts – 57.81% as Part A (Sustainable Debt) amounting to ₹ 789.34 crore to be serviced as per existing terms and conditions of these debts and remainder 42.19% as Part B (Unsustainable Debt) amounting to ₹ 495.25 crore. While a sum of ₹ 12.00 crore has been adjusted against the consideration payable to Promoters towards transfer of 11,99,87,344 equity shares, at a price of ₹ 1/- per equity share, to JLF lenders and the balance ₹ 483.25 crore has been converted into optionally convertible debentures allotted to the JLF lenders. Further the MFA (Master Framework Agreement) has casted an obligation to recover the outstanding loans and advances, as specified in agreement, in phased manner, but no time line has been stipulated.

Promoter / Promoters' group has transferred 11,99,87,344 (10.59%) equity shares, at ₹ 1/- per equity share, to JLF lenders, resulting in reduction of Promoter holding from 26.02% to 15.43% in accordance with the S4A Scheme.

41 Details of Loans given, investment made and guarantee given covered under section 186(4) of the Companies Act, 2013.

- Investment made are given under note 4
- Loan given to subsidiaries are given under note 12
- Loans given to others and guarantees/securities given by the Company as at March 31, 2020 are as under:

Sr. No.	Name of the Company	Nature	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
(i)	Ojas Industries Private Ltd.	Loan for business purposes	511.86	511.86
(ii)	Lalitpur Power Generation Company Ltd.	Guarantee/securities given	661.25	661.25

42 Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

A Credit risk

Credit risk arises from the possibility that counterparty may not be able to settle their obligations as agreed. Company is exposed to credit risk from trade receivables and deposits with banks. To manage this, Company periodically assesses the financial reliability of customers, taking into account loan given factors such as credit track record in the market and past dealings with the company for extension of credit to customers. Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. Concentrations of credit risk are limited as a result of the Company's large and diverse customer base. Company has also taken advances and security deposits from its customers / agents, which mitigate the credit risk to an extent. The ageing of trade receivable is given below:

	Up to 6 months ₹ Crore	More than 6 months ₹ Crore	Total
As at March 31, 2020	145.18	75.48	220.66
As at March 31, 2019	193.41	46.94	240.35

Following table summarises the change in loss allowances measured using life time expected credit loss model. No significant changes in the estimation techniques or assumption were made during the period.

Particulars	₹ Crore
As at April 01, 2018	20.62
Provided during the year	13.68
As at March 31, 2019	34.30
Provided during the year	14.30
Reversal of provision	(0.24)
Amounts written off	(0.88)
As at March 31, 2020	47.48

Company considers factors such as track record, size of the institution, market reputation and service standards to select the comparative banks with which loan/term deposits are maintained. Generally, term deposits are maintained with banks with which company has also availed borrowings.

B Liquidity risk

Liquidity risk is the risk that a company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs. The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Particulars	As at March 31, 2020 (₹ Crore)				Total
	Carrying amount	On demand	0-12 months	More than 12 months	
Borrowings	5,486.99	-	347.46	5,139.53	5,486.99
Trade payables	4,439.52	4,439.52	-	-	4,439.52
Other financial liabilities	40.44	-	40.44	-	40.44
Total	9,966.95	4,439.52	387.90	5,139.53	9,966.95

Particulars	As at March 31, 2019 (₹ Crore)				Total
	Carrying amount	On demand	0-12 months	More than 12 months	
Borrowings	6,022.07	-	639.98	5,382.09	6,022.07
Trade payables	4,161.92	4,161.92	-	-	4,161.92
Other financial liabilities	23.93	-	23.93	-	23.93
Total	10,207.92	4,161.92	663.91	5,382.09	10,207.92

C Market risk

The company is exposed to the risk of movements in interest rates, inventory price and foreign currency exchange rates that affects its assets, liabilities and future transactions.

Interest rate risk

- i) Fluctuation in fair value or future cash flows of a financial instrument because of changes in market interest rates gives rise to interest rate risk. Almost 100% of the Company's borrowings are linked to SBI base rate of the banks. With all other variables held constant, the following table demonstrates the impact of change in interest rate on borrowing cost on floating rate portion of loans.

₹ Crore			
Interest rate sensitivity	Increase / Decrease in basis point	Effect on Profit before tax	
For year ended March 31, 2020	100	+/-	54.87
For year ended March 31, 2019	100	+/-	60.22

- ii) Inventory price risk

The Company is exposed to the movement in price of principal finished product i.e. sugar. Prices of the sugar cane is fixed by government. Generally, sugar production is carried out during sugar cane harvesting period from November to April. Sugar is sold throughout the year which exposes the sugar inventory to the movement in the price. Company monitors the sugar prices on daily basis and formulates the sales strategy to achieve maximum realisation. The sensitivity analysis of the change in sugar price on the inventory as at year end, other factors remaining constant in given in table below:

₹ Crore			
Rate sensitivity	Increase / Decrease in sale price	Effect on Profit before tax	
For year ended March 31, 2020	₹ 1	+/-	0.78
For year ended March 31, 2019	₹ 1	+/-	0.81

- iii) Foreign exchange risk

Foreign currency risk arises commercial transactions that recognised assets and liabilities denominated in a currency that is not company's functional currency (INR). The Company is not exposed to significant foreign exchange risk at the respective reporting dates.

43 Fair value of financial assets and financial liabilities

Financial instruments measured at fair value can be divided into three levels for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – Inputs for the asset or liability that are not based on observable market data.

Following methods and assumptions are used to estimate the fair values:

- Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities and short-term borrowings carried at amortised cost is not materially different from its carrying cost largely due to short-term maturities of these financial assets and liabilities.
- Financial instruments with fixed and variable interest rate fall within level 2 of the fair value hierarchy and are evaluated by Company based on parameters such as interest rate, credit rating or assessed creditworthiness.
- Non-listed shares and other securities fall within level 3 of the fair value hierarchy. Valuation is based on the net asset method.
- Fair value of the borrowing items fall within level 2 of the fair value hierarchy and is calculated on the basis of discounted future cash flows.

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

Particulars	As at March 31, 2020 (₹ Crore)			
	Carrying amount	Level 1	Level 2	Level 3
Financial Assets at amortised cost				
Trade receivables	173.18	-	-	-
Cash and cash equivalents	100.69	-	-	-
Bank balances	10.49	-	-	-
Loans – current	2,091.29	-	-	-
Other financial assets – non current	2.07	-	2.07	-
Total	2,377.72	-	2.07	-
Financial assets at fair value through Other comprehensive income				
Investments	869.47	-	-	869.47
Total	869.47	-	-	869.47
Financial liabilities at amortised cost				
Borrowings – non current	5,139.53	-	-	-
Borrowing – current	-	-	-	-
Trade payables	4,439.52	-	-	-
Other financial liabilities - current	387.90	-	-	-
Total	9,966.95	-	-	-
Particulars	As at March 31, 2019 (₹ Crore)			
	Carrying amount	Level 1	Level 2	Level 3
Financial Assets at amortised cost				
Trade receivables	206.05	-	-	-
Cash and cash equivalents	48.10	-	-	-
Bank balances	11.42	-	-	-
Loans – current	2,146.58	-	-	-
Other financial assets – non current	3.99	-	3.99	-
Total	2,416.14	-	3.99	-
Financial assets at fair value through Other comprehensive income				
Investments	924.06	-	-	924.06
Total	924.06	-	-	924.06
Borrowings – non current	5,382.09	-	-	-
Borrowings – current	-	-	-	-
Trade payables	4,161.92	-	-	-
Other financial liabilities- current	663.91	-	-	-
Total	10,207.92	-	-	-

During the year ended March 31, 2020, there was no transfers between level 2 and level 3 fair value hierarchy. During the year ended March 31, 2019, there was no transfers between level 2 and level 3 fair value hierarchy. Following table shows the reconciliation from the opening balances to the closing balances of the level 3 values.

	₹ Crore
Balance as on April 1, 2018	958.58
Less: Fair value loss recognised in Other	
Comprehensive Income	(34.52)
Balance as on March 31, 2019	924.06
Less: Fair value loss recognised in Other	
Comprehensive Income	(54.59)
Balance as on March 31, 2020	869.47

- 44 The Company has exposure aggregating to ₹ 1,683.37 crore, in its three wholly-owned subsidiaries, ₹ 770.33 crore in other companies which are related to group and ₹ 631.38 crore in other companies, aggregating to ₹ 3,085.08 crore, by way of investments, loans, accumulated interest on these loans and receivables. Management is of the view that sufficient efforts are being undertaken to revive the said subsidiary and other companies in the foreseeable future so as to recover carrying value of the investment and the diminution, if any, even it exists is only temporary. Further management believes that the loans and advances given to power business subsidiary's are considered good and recoverable based on the future favourable view of the government for power industries & for other subsidiary's based on their future business plan, and ongoing efforts towards obligation casted on the company and its promoters to recover the outstanding loans in phased manner in terms of the agreements executed to give effect to the debt restructuring scheme from time to time and accordingly no provision other than those already accounted for, has been considered necessary. Further on the principle of conservatism and prudence, the Company has not recognised interest income of ₹ 145.64 crore in FY 2020, on loans and advances; as and when it is recoverable it will be recognised in the books.
- 45 The Company has adopted Ind AS 116 with modified retrospective approach, with effect from April 1, 2019. Accordingly, the comparative periods have not been restated. There is no impact of Ind AS 116 adoption to the retained earnings as at April 1, 2019. The Company has recognised ₹ 11.54 Crore as right of use assets and the corresponding lease liability on the date of transition i.e. April 1, 2019. Further, an amount of ₹ 0.56 crore has been reclassified from non-current assets to right of use assets against security given for lease in previous period to depreciate for the right of use assets and finance cost for interest accrued on lease liability.

- 1 The expense relating to payments not included in the measurement of the lease liability is as follows:

	₹ in Crore
Particulars	
Short-term leases	2.95
Leases of low value assets	-
Variable lease payments	-
Total	2.95

- 2 Additional profit or loss and cash flow information

	₹ in Crore
Particulars	
Income from subleasing ROU	-
Total cash outflow in respect of leases in the year	6.18

- 3 The undiscounted maturity analysis of lease liabilities at March 31, 2020 is as follows:

Particulars	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-6 years	Total
31-Mar-20							
Lease payments	3.24	3.15	2.82	2.57	0.03	-	11.81
Finance charge*	0.98	0.71	0.43	0.15	0.00	-	2.27
31-Mar-19							
Lease payments	3.23	3.24	3.15	2.82	2.57	0.03	15.04
Finance charge*	1.23	0.98	0.71	0.43	0.15	0.00	3.49

*Finance Charges in 4-5 & 5-6 years ₹ 3,314/

- 4 The following is a reconciliation of total operating lease commitments at March 31, 2019 (as disclosed in the financial statements to March 31, 2019) to the lease liabilities recognised at April 01, 2019:

₹ in crore	
Particulars	
Total operating lease commitments disclosed at March 31, 2019	15.04
Recognition exemptions:	
Leases of low value assets	-
Leases with remaining lease term of less than 12 months	-
Variable lease payments not recognised	-
Other minor adjustments relating to commitment disclosures	-
Operating lease liabilities before discounting	15.04
Discounted using incremental borrowing rate	3.49
Operating lease liabilities	11.54
Reasonably certain extension options	-
Finance lease obligations	
Total lease liabilities recognised under Ind AS 116 at April 01, 2019	11.54

- 46 The Company and its erstwhile subsidiary Bajaj Hindusthan Sugar & Industries Limited (BHSIL, merged with the company in 2010) had made requisite minimum capital investment and established an aggregate of 11 new sugar mills and 4 distillery units and also expanded capacity of sugar mills during the years 2004 to 2008. All those mills were established & commercial production started within the time prescribed under the policy i.e. March 31, 2008. As per the Sugar Industry Promotion Policy, 2004 announced by the Government of Uttar Pradesh, the Company was entitled to various benefits in the form of grant of certain exemptions / incentives as also reimbursements of certain expenses and capital subsidy, available to the eligible entrepreneurs based on the requisite investments in setting up new mills and or on capacity expansion of sugar units in state of U.P. . While for the 8 new sugar mills & 3 distilleries set up by the Company, it had already received "Eligibility Certificate", however, the same is awaited for 3 new sugar mills, 1 distillery and for expansion of 1 mill of erstwhile BHSIL; all the claims had been filed by the company within stipulated time as per the scheme. Till date, the Company have partly availed the benefits including capital subsidy amount. However, due to an abrupt withdrawal / discontinuation of policy in the year 2007, the balance amount of benefits and grant of eligibility certificate in respect of the mills of erstwhile subsidiary BHSIL (subsequently merged with the Company) is held up. Consequently, the Current Assets include a sum of ₹ 592.38 crore towards the aforesaid claims under 2004 Policy. The authorities started denying the benefits, so the Company challenged the denial orders of the Govt based on the withdrawal / discontinuing the policy with effect from 04.06.2007, in the Hon'ble High Court of Allahabad. Basically the withdrawal of the policy w.e.f. 04.06.2007 was a preponing process of date of completion of projects i.e. 31.03.2008 which otherwise was not relevant in the case of company since it has already completed the installation and started the commercial production before the prescribed date and became eligible to avail the benefits envisaged. The Hon'ble High Court upheld the stand of the Company and held that the withdrawal sugar promotion policy was arbitrary and without the application of mind. The Govt of U.P. preferred to file an SLP before the Hon'ble Supreme Court against the orders of the Hon'ble High Court of Allahabad. The Hon'ble Supreme Court turned down the stand of the Govt of U.P. and declined to interfere in the order of the Hon'ble High Court vide its order dated 07.03.2018.

Given the series of orders, and finally, from the Hon'ble Supreme Court, the Company again approached the Cane Commissioner of U.P. for release of its claims. The Cane Commissioner vide its letter dates 07.06.2018 asked the Company to re-submit the claim papers again in the office of Cane Commissioner. The Company again filed all the complete claim papers in the prescribed formats. The Company regularly followed up with the office of Cane Commissioner for settlement of its claims; and because of unreasonable delay in settlement of the Company's claims, the Company filed a contempt petition in the Hon'ble Supreme Court. The Cane Commissioner declined the claim of the company on unfounded grounds. Contempt petition filed by the Company in Hon'ble Supreme Court was schedule for hearing on 23rd March 2020, but due to the prevailing COVID-19 pandemic situation & subsequent lockdown, it could not be listed on the said date. The case is to be listed for hearing after lifting of lockdown.

- 47 (a) The outbreak of the pandemic COVID-19 and consequent lockdown by the Government w.e.f. March 25, 2020, which initially led to closing down city-based offices of the Company in compliance of lockdown rules, but there had not been material disruptions in the operations of the sugar manufacturing plants and distilleries of the Company as the Government had already classified these facilities as essential products and services; all the plants kept on working as per their capacity. The most visible impact of the pandemic and the resultant lockdown, on the Company, was a decline on the domestic demand of sugar, which may lower the average sugar realisation to some extent in FY 2021. However, the Government already had some mechanism in place to support the industry including fixation the MSP (Minimum Selling Price) @ ₹31 per kg, monthly sugar sale quota, fixation of export obligation, etc. to stabilise the sugar prices. The Government may further come up with some other measures to mitigate the impact if any. The other main products viz. ethanol and power are not expected to be affected adversely. As per the assessment made till the date of

adoption of these results, the management is of the view that the Company will not be impacted adversely. Now the Government is relaxing the lockdown in phased manner consequently the commercial activities are returning to normal. The Company has considered the possible impact of internal and external factors known to the management up to the date of approval of these accounts, to assess and finalise the carrying amount of its assets and liabilities. Accordingly, as on date, no material impact is anticipated in the carrying values of the assets and their recoverability. As the situation continues to evolve, the Company will closely monitor and assess any material impact in the financial of the Company. (b) The Company has initiated the process of obtaining balance confirmations and is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management is of the opinion the balances outstanding are correct and does not expect any material differences in the balances that would be affecting the current year's financial statement on receipt of the balance confirmations post the balance sheet date.

- 48** For the year ended March 31, 2020 and earlier years, Company had incurred losses resulting into reduction of net worth to that extent. The losses were mainly attributable to high raw material i.e. sugarcane prices and other inputs cost, and relatively lower realisation of finished products i.e. sugar and molasses which is determined by market forces based on the demand-supply situation and other market dynamics, which are external factors. The Company has dues payable to farmers for sugar cane purchases at year end. The Company is continuously striving for improvement in the operational efficiency in other parameters. The above factors indicate a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. The Company continues to operate at optimum levels and expects improvement in the operational efficiency in form of improvement in sugar recovery, reduction of overheads, finance and other costs, monetisation of certain non-core assets etc. The debt restructuring as per RBI's S4A Scheme, would result into improved liquidity during next 7 years. The Government has taken different measures to improve the financial health of sugar industry, including maintenance of buffer stock of sugar and subsidy thereon, fixing obligation for export of sugar (MIEQ – minimum indicative export quota) to reduce sugar availability, fixation of minimum support price (MSP) for sugar. All these measures are expected to turnaround the operations of sugar industry on sustainable basis. The Company also expects to receive accrued benefits under the Sugar Industries Promotion Policy 2004 for which it is entitled to. In view of the above, the management expects to generate positive cash flow from operation and accordingly, the financial statements are continued to be presented on going concern basis, which contemplates realisation of assets and settlement of liabilities in the normal course of business.

49 Capital Management

There has not been any change in its objectives, policies and processes for managing capital from previous year. The Company is not subject to any externally imposed capital requirements.

₹ Crore

	March 31, 2020	March 31, 2019	Change in %
Total equity attributable to equity shareholders	3,254.28	3,405.05	(4.43)
Borrowings	5,486.99	6,022.07	(8.89)
Total Capital	8,741.27	9,427.12	(7.28)
Total equity attributable to equity shareholders as percentage of Total Capital	37%	36%	
Total Borrowing as percentage of Total Capital	63%	64%	

- 50** The financial statements were approved for issue by the Board of Directors, at its meeting held on June 29, 2020.
- 51** Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosures.

See accompanying notes "1" to "51" to the financial statement.

As per our Report of even date

For Chaturvedi & Shah LLP
Firm Registration No.101720W/W100355
Chartered Accountants

Lalit R. Mhalsekar
Partner
Membership No. 103418

Alok Kumar Vaish
Chief Financial Officer
M. No. F089930

Kausik Adhikari
Company Secretary
M. No. ACS 18556

Atul Has Mukhrai Mehta
Director
DIN: 00112451

Ashok Mukand
Director
DIN: 00324588

For and on behalf of the Board

Kushagra Bajaj
Chairman
DIN: 00017575

Ashok Kumar Gupta
Managing Director
DIN: 02608184

Vipulkumar S. Modi
Director
DIN: 06985276

Shalu Bhandari
Director
DIN: 00012556

Mumbai, June 29, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Bajaj Hindusthan Sugar Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Bajaj Hindusthan Sugar Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the consolidated balance sheet as at March 31, 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, except for the possible effects of the matter described in the Basis for Qualified opinion paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, of its consolidated loss and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Qualified Opinion

We draw attention to Note No. 36 (l) (e) to the consolidated financial statements regarding the non-provision of premium payable on Optionally Convertible Debentures (OCDs) at the time of redemption of OCDs issued to lenders pursuant to the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme) which stipulates that the yield to maturity (YTM) being the difference between weighted average interest and coupon rate payable as redemption premium at the time of redemption of OCDs redeemable in 13 equal instalments commencing from the Financial year 2024-25. The Company considers such YTM/ redemption premium as contingent liability and has not provided for the same in the books of account for the year ended 31st March 2020 amounting to ₹ 414.51 crore. The aggregate liability for such YTM from the date of allotment of OCDs till year ended March 31, 2020 is ₹ 929.02 crore from date of allotment of OCDs. Had such interest been provided, the reported loss for the year ended March 2020 would have been ₹ 464.51 crore and Net worth of the Group would have been ₹ 1,768.08 crore.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note No. 49 to the consolidated financial statements of the Company in respect of:

- a) The Holding Company during the last few years has incurred losses due to high raw material cost and lower price of finished goods, resulting into reduction of net worth of the Holding Company. The Holding Company has dues payable to farmers for sugar cane purchases at year end. The Holding Company is continuously striving for improvement in the operational efficiency in other parameters. The above factors indicate a material uncertainty, which may cast significant doubt about the Holding Company's ability to continue as a going concern. The holding company continues to operate at optimum levels and expects improvement in the operational efficiency in form of improvement in sugar recovery, reduction of overheads, finance and other costs, monetisation of certain non-core assets etc. The debt restructuring as per RBI's S4A Scheme, would result into improved liquidity during next 7 years and the Government has taken different measures to improve the financial health of sugar industry. All these measures are expected to turnaround the operations of sugar industry on sustainable basis. The Holding Company also expects to receive accrued benefits under the Sugar Industries Promotion Policy 2004 for which it is entitled to. In view of the above, the management expects to generate positive cash flow from operation and accordingly, the financial statements are continued to be presented on going concern basis, which contemplates realisation of assets and settlement of liabilities in the normal course of business.
- b) Bajaj Hindusthan (Singapore) Private Limited (BH(S) PL) has net current liability of ₹ 3.57 crore as at March 31, 2020, the events and conditions indicate that a material uncertainty exists that may cast significant doubt on BH(S)PLs ability to continue as a going concern. However the financial statements of BH(S)PL have been prepared on going concern basis for the reason stated in the said Note. The statutory auditor of BH(S)PL have referred this matter in their audit report.

Our opinion is not modified in respect of these above matters.

Emphasis of matter

- a) As stated in Note No. 43 to the consolidated financial statements, the Company has exposure aggregating to ₹ 770.33 crore in other companies which are related to group and ₹ 1,201.94 crore in other companies, aggregating to ₹ 1,972.27 crore, by way of investments, loans, accumulated interest on these loans and receivables. Management believes that the investment, loans and advances given to power business companies are considered good and recoverable based on the future favorable view of government for power industries & for other companies based on their future business plan, and on-going efforts towards obligation casted on the Company and its promoters to recover the outstanding loans in phased manner in terms of the agreements executed to give effect to the debt restructuring schemes from time to time and accordingly no provision other than those already accounted for, has been considered necessary.
- b) We draw your attention to Note No. 46 (a) to the consolidated financial statements which explain the uncertainties and the management's assessment of the financial impact due to the lockdowns and other restrictions and conditions related to COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon the circumstances as they evolve. Further, our attendance at the physical inventory done by the management was impracticable under the current lockdown restrictions imposed by the government and we have therefore, relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at the year end.

Our opinion is not modified in respect of these above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be key audit matters to be communicated in our report.

The Key Audit Matters	How the matter was addressed in our audit
Impairment assessment for Investments, loans and interest on loan & receivables	
The Holding Company has exposure aggregating to ₹ 770.33 crore in other companies which are related to group and ₹ 1201.94 crore in other companies, aggregating ₹ 1972.27 crore, by way of investments, loans, accumulated interest on these loans and receivables. Such investments are carried at cost as per Ind AS 27 – Separate Financial Statements and are individually assessed for impairment as per Ind AS 36 - Impairment of Assets.	<p>We focussed on this area due to magnitude of the carrying value of investments, loans, accumulated interest on loan and receivables related to other companies related to group and other companies, which comprise 15% of the total assets as at March 31, 2020 and are subject to annual impairment assessment.</p> <p>Our audit procedures, in respect of testing impairment assessment in case of investments, loans given, interest accrued on loans and receivables included the following:</p> <ul style="list-style-type: none"> - Obtained understanding of the process, evaluated the effectiveness of controls in respect of impairment assessment. - Held discussions with management regarding appropriate implementation of policy on impairment. - Evaluated the future business plan and available valuation report. - Confirmations for above exposure. - Validated the S4A Restructuring Scheme clause related to obligation on the Group to recover the loan amount. - We evaluated the impairment assessment performed by management taking into account the requirements of Ind AS 36 – Impairment of Assets
Physical Verification of inventory :	
Physical verification of closing inventory done by the management as on March 31, 2020 was not attended by us and subsequent to the year-end we have done alternative audit procedures due to the restrictions imposed on account of COVID-19.	<p>We have carried out following procedures with respect to the existence of Inventory at the year end:</p> <ul style="list-style-type: none"> - Evaluated the design and implementation of the controls over physical verification of inventory and tested the operating effectiveness of these controls during the interim periods. - Obtained reports of the internal auditor of the Company for inventory verification process. Verified the instructions provided by the management to those independent firms. Evaluated the differences identified by these internal auditor during their physical verification of inventories and it was noted that there were no major deviations found. - Participated in the physical verification of inventory conducted by the management subsequent to the year end, through video calls and performed roll back procedures which included the movement of inventory considering production and sales subsequent to March 31, 2020 till the date of verification. - Verified the memorandum register related to stock maintained by the stock departments and signed by the person in charge, as on the date of the verification.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income/loss, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies to the extent incorporated in India included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our qualified opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the group has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors of the Holding Company.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of ₹ 1,734.29 crore as at March 31, 2020, total revenues of ₹ 12.40 crore and net cash outflows of ₹ 2.13 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.
- We have relied on the unaudited financial statements of two subsidiaries whose financial statements reflect total assets of ₹ 4.53 crore as at March 31, 2020, total revenue of Rs Nil and net cash outflows of ₹ 0.34 crore for the year then ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
 - We have sought and except for the matter described Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - In our opinion, except for the matter described in Basis for Qualified Opinion section, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - In our opinion, except for the matter described in Basis for Qualified Opinion Section, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
 - The matters described in 'Basis for Qualified Opinion' paragraph and the Going concern matter described under Material Uncertainty related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
 - On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors

of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

- g) The reservation relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified opinion paragraph.
 - h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - i) With respect to the matter to be included in the Auditor's report under section 197(16) of the Act:
In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 read with schedule V of the Act.
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2020 on the consolidated financial position of the Group. Refer Note 36 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts.
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended March 31, 2020.

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration No. 101720W/W100355

Lalit R. Mhalsekar
Partner
Membership No. 103418

Mumbai
Dated: June 29, 2020

Annexure A to the Independent Auditor's Report on the consolidated financial statements of Bajaj Hindusthan Sugar Limited for the year ended March 31, 2020

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013

(Referred to in Paragraph I(A)(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls with reference to financial statements of **BAJAJ HINDUSTHAN SUGAR LIMITED** ("the Holding Company") as of March 31, 2020 in conjunction with our audit of the consolidated financial statements of the Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Company's Management and Board of Directors of the Holding Company and its subsidiaries, which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of

the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to financial statements of the Holding Company.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified by the Holding company as at March 31, 2020:

Company has not provided the premium payable on Optionally Convertible Debentures (OCDs) at the time of redemption of OCDs as a contractual obligation.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects / possible effects of the material weakness described above under Qualified Opinion paragraph on the achievement of the objectives of the control criteria, the Holding Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

We have considered material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 financial statements of the Company and these material weaknesses affect our opinion on financial statements of the Company for the year ended March 31, 2020 [our Audit Report dated June 29, 2020, which expressed an qualified opinion on those financial statements of the Company].

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration No. 101720W/W100355

Lalit R. Mhalsekar
Partner
Membership No. 103418

Mumbai
Dated: June 29, 2020

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note	As at March 31, 2020 ₹ Crore	Restated As at March 31, 2019* ₹ Crore	Restated As at March 31, 2018* ₹ Crore
ASSETS :				
Non-current assets				
Property, plant and equipment	3	7,184.62	7,396.83	7,543.04
Right of use assets	3	9.44	-	-
Capital work-in-progress	3	52.81	26.35	75.41
Other intangible assets	3	-	-	-
Financial assets				
Investments	4	99.34	153.93	958.58
Other non-current financial assets	5	2.07	4.01	2.35
Other non-current assets	6	262.71	261.52	264.31
Sub total		7,610.99	7,842.64	8,843.69
Current assets				
Inventories	7	2,711.39	2,764.98	2,847.88
Financial assets				
Current investments	8	1,036.98	1,036.98	266.85
Trade receivables	9	168.96	196.63	184.62
Cash and cash equivalents	10	104.01	53.89	38.28
Bank balances	11	10.94	13.48	25.36
Loans and interest accrued	12	1,095.42	1,100.04	1,024.56
Current tax assets (net)	13	18.54	16.49	17.55
Other current assets	14	791.13	781.14	815.88
Sub total		5,937.37	5,963.63	5,220.98
Total Assets		13,548.36	13,806.27	14,064.67
EQUITY AND LIABILITIES :				
Equity				
Equity share capital	15	110.07	110.07	110.07
Other equity	16	2,587.05	2,682.33	2,847.19
Non controlling interest		(0.02)	(0.01)	(0.01)
Sub total		2,697.10	2,792.39	2,957.25
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	5,139.53	5,382.09	5,892.42
Other financial liabilities	18	9.54	-	-
Provisions	19	69.26	53.76	43.35
Deferred tax liabilities	20	610.07	629.46	637.64
Other non-current liabilities	21	25.98	21.74	14.84
Sub total		5,854.38	6,087.05	6,588.25
Current liabilities				
Financial liabilities				
Borrowings	22	6.40	4.41	161.27
Trade payables :-				
Total outstanding micro enterprises and small enterprises	23	7.97	0.67	0.40
Total outstanding other than micro enterprises and small enterprises	23	4,436.49	4,165.03	3,374.30
Other financial liabilities	24	389.51	665.34	773.32
Other current liabilities	25	143.00	79.80	199.94
Provisions	26	13.51	11.58	9.94
Sub total		4,996.88	4,926.83	4,519.17
Total Equity and Liabilities		13,548.36	13,806.27	14,064.67

See accompanying notes "1" to "51" to the financial statement.

* Refer notes "48" to the financial statement.

As per our Report of even date

For Chaturvedi & Shah LLP
Firm Registration No.101720W/W100355
Chartered Accountants

Lalit R. Mhalsekar
Partner
Membership No. 103418

Alok Kumar Vaish
Chief Financial Officer
M. No. F089930

Kausik Adhikari
Company Secretary
M. No. ACS 18556

Atul Hasumkhrai Mehta
Director
DIN: 00112451

Ashok Mukand
Director
DIN: 00324588

For and on behalf of the Board

Kushagra Bajaj
Chairman
DIN: 00017575

Ashok Kumar Gupta
Managing Director
DIN: 02608184

Vipulkumar S. Modi
Director
DIN: 06985276

Shalu Bhandari
Director
DIN: 00012556

Consolidated Statement of Profit & Loss for the year ended March 31, 2020

Particulars	Note	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019 ₹ Crore
INCOME :			
Revenue from operations	27	6,669.34	6,806.39
Other income	28	11.98	95.89
Total Income		6,681.32	6,902.28
EXPENSES :			
Cost of materials consumed	29	5,363.34	5,658.63
Changes in Inventories of finished goods, stock-in-trade and work-in-progress	30	60.17	106.42
Employee benefits expense	31	299.78	275.29
Finance costs	32	300.87	321.78
Depreciation and amortisation expense	33	216.41	204.23
Other expenses	34	493.11	469.87
Total Expenses		6,733.68	7,036.22
Profit/(Loss) before tax		(52.36)	(133.94)
Tax expenses			
Deferred tax	20	(2.36)	2.58
Tax relating to earlier year		-	0.05
Total tax		(2.36)	2.63
Profit / (Loss) for the year after tax		(50.00)	(136.57)
Less: Non controlling interest		(0.01)	(0.01)
Profit / (loss) attributable to group		(49.99)	(136.56)
Other comprehensive income			
- Items that will not be reclassified to profit or loss	35	(60.75)	(37.86)
- Income tax relating to items that will not be reclassified to profit or loss	35	17.03	10.77
		(43.72)	(27.09)
Total Comprehensive Income for the year (Comprising Profit / (Loss) and Other Comprehensive Income for the year)		(93.71)	(163.65)
Profit is attributable to:			
Shareholders		(49.99)	(136.56)
Non controlling interest		(0.01)	(0.01)
		(50.00)	(136.57)
Other comprehensive income is attributable to:			
Shareholders		(43.72)	(27.09)
Non controlling interest		-	-
		(43.72)	(27.09)
Total comprehensive income is attributable to:			
Shareholders		(93.71)	(163.65)
Non controlling interest*		(0.01)	(0.01)
		(93.72)	(163.66)
Earnings per equity share of face value of ₹ 1/- each			
Basic and Diluted	37	(0.45)	(1.24)

See accompanying notes "1" to "51" to the financial statement.

As per our Report of even date

For Chaturvedi & Shah LLP
Firm Registration No.101720W/W100355
Chartered Accountants

Lalit R. Mhalsekar
Partner
Membership No. 103418

Alok Kumar Vaish
Chief Financial Officer
M. No. F089930

Kausik Adhikari
Company Secretary
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Atul Has mukhrai Mehta
Director
DIN: 00112451

Ashok Mukand
Director
DIN: 00324588

For and on behalf of the Board

Kushagra Bajaj
Chairman
DIN: 00017575

Ashok Kumar Gupta
Managing Director
DIN: 02608184

Vipulkumar S. Modi
Director
DIN: 06985276

Shalu Bhandari
Director
DIN: 00012556

Consolidated Cash Flow Statement for the year ended March 31, 2020

Particulars	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019 ₹ Crore
A. Cash flow from operating activities:		
Net profit/ (loss) before tax	(52.36)	(133.94)
Adjustment for:		
Depreciation and amortisation	216.41	204.23
Reversal of reserve for molasses storage tank - for repair work	(1.57)	(1.21)
Provision for doubtful Debts / Bad Debts Written off	1.95	6.17
Provision for doubtful advances	-	1.18
Loss on fair valuation of land	-	1.78
Loss/ (surplus) on sale of fixed assets (net)	0.69	0.06
Finance costs	300.87	321.78
Interest income	(2.37)	(80.41)
Exchange fluctuation reserve on consolidation	0.11	0.43
	<u>516.09</u>	<u>454.01</u>
Operating profit before working capital changes	<u>463.73</u>	<u>320.07</u>
Adjustment for:		
Trade and other receivables	18.11	26.26
Inventories	53.59	82.90
Trade and other payables	376.90	687.47
Cash generated from operations	<u>912.33</u>	<u>1,116.70</u>
Direct taxes paid	(2.05)	1.01
Net cash from/(used in) operating activities	<u>910.28</u>	<u>1,117.71</u>
B. Cash flow from investing activities:		
Purchase of fixed assets	(28.90)	(16.74)
Sale of fixed assets	0.21	8.13
Movement in loans and advances	4.63	1.86
Interest received	2.67	3.03
Net cash from/(used) in investing activities	<u>(21.39)</u>	<u>(3.72)</u>
C. Cash flow from financing activities:		
Repayment of long-term borrowings	(547.70)	(623.71)
Proceeds from short-term borrowings (net of repayments)	1.99	(156.86)
Interest paid	(292.93)	(317.64)
Dividend paid	(0.13)	(0.17)
Net cash from/ (used in) financing activities	<u>(838.77)</u>	<u>(1,098.38)</u>
Net increase/(decrease) in cash and cash equivalents	<u>50.12</u>	<u>15.61</u>
Cash and cash equivalents (opening balance)	<u>53.89</u>	<u>38.28</u>
Cash and cash equivalents (closing balance) (refer note 10)	<u>104.01</u>	<u>53.89</u>

Notes:-

- The above cash flow statement has been prepared under the "Indirect Method" as per Indian Accounting Standard (Ind AS)-7.
- Figures in brackets indicate cash outflow and without brackets indicate cash inflow.
- Change in liability arising from financing activities.

Particulars	₹ Crore			
	Non current Borrowings	Current Maturities of Long-term Borrowings	Current Borrowings	Total
As at April 1, 2019	5,382.09	639.98	4.41	6,026.48
Cashflow	(255.18)	(292.52)	1.99	(545.71)
Non-cash transaction	12.62	-	-	12.62
As at March 31, 2020	5,139.53	347.46	6.40	5,493.39

Non-cash transaction

- Notional interest ₹ 12.62 crore on promoters' loan credited to promoter's loan account (Refer note 17.4).

See accompanying notes "1" to "51" to the financial statement.

As per our Report of even date

For Chaturvedi & Shah LLP
Firm Registration No. 101720W/W100355
Chartered Accountants

Lalit R. Mhalsekar
Partner
Membership No. 103418

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Vipulkumar S. Modi
Director
DIN: 06985276

Shalu Bhandari
Director
DIN: 00012556

Consolidated Statement of Changes in Equity

A Equity share capital

₹ Crore

Particulars	Amount
Equity share capital	113.36
Less: Investment in BHL Security Trust and ESOP Trust	(3.29)
Equity share capital April 1, 2018	110.07
Change during the year	-
Equity share capital March 31, 2019	110.07
Particulars	Amount
Equity share capital	113.36
Less: Investment in BHL Security Trust and ESOP Trust	(3.29)
Equity share capital April 1, 2019	110.07
Change during the year	-
Equity share capital March 31, 2020	110.07

B Other equity

₹ Crore

Particulars	Reserves and surplus							Item of other comprehensive income		Total
	Retained earnings	Capital redemption reserve	Securities premium	General reserve	Reserve for molasses storage tanks	Equity component of compound financial instrument	Exchange differences on translating the financial statements of a foreign operation	Gain/(loss) on Investment through FVOCI	Actuarial gain/(loss) on employee benefit plans through OCI	
As at April 01, 2018*	(1,573.15)	0.05	4,185.31	156.05	2.88	146.54	(1.37)	(60.81)	(8.31)	2,847.19
Profit for the period	(136.56)	-	-	-	-	-	-	-	-	(136.56)
Other comprehensive income for the year	-	-	-	-	-	-	-	(23.75)	(3.77)	(27.52)
Transfer to molasses storage fund	(1.18)	-	-	-	1.18	-	-	-	-	-
Transfer to general reserve from molasses storage fund	-	-	-	-	(1.21)	-	-	-	-	(1.21)
-	-	-	-	-	-	-	0.43	-	-	0.43
As at March 31, 2019*	(1,710.89)	0.05	4,185.31	156.05	2.85	146.54	(0.94)	(84.56)	(12.08)	2,682.33
Profit for the period	(49.99)	-	-	-	-	-	-	-	-	(49.99)
Other comprehensive income for the year	-	-	-	-	-	-	-	(37.56)	(6.27)	(43.83)
Transfer to molasses storage fund	(0.82)	-	-	-	0.82	-	-	-	-	-
Utilisation of fund for maintenance of molasses tanks	-	-	-	-	(1.57)	-	-	-	-	(1.57)
Exchange differences on translating the financial statements of a foreign operation	-	-	-	-	-	-	0.11	-	-	0.11
As at March 31, 2020	(1,761.70)	0.05	4,185.31	156.05	2.10	146.54	(0.83)	(122.12)	(18.35)	2,587.05

* Refer notes "48" to the financial statement.

As per our Report of even date

For Chaturvedi & Shah LLP
Firm Registration No.101720W/W100355
Chartered Accountants

Lalit R. Mhalsekar
Partner
Membership No. 103418

Alok Kumar Vaish
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Managing Director
DIN: 02608184

Vipulkumar S. Modi
Director
DIN: 06985276

Shalu Bhandari
Director
DIN: 00012556

Mumbai, June 29, 2020

Notes forming part of financial statements

1 Corporate information

Bajaj Hindusthan Sugar Limited ('the Company') is a public limited company incorporated in India under the provisions of the Companies Act and its shares are listed on Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is situated at Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh – 262 802, and its principal place of business is at TC-13, Vibhuti Khand, Gomti Nagar, Lucknow – 226 010. The Company is engaged in the manufacture of sugar, alcohol and generation of power. The consolidated financial statements of the Company are for the year ended 31st March, 2020 and are prepared in Indian Rupees being the functional currency. The values in Indian Rupees are rounded to crore, except otherwise indicated.

2A Accounting policies

(i) Basis of preparation and presentation:

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for:

- i. Certain financial assets and liabilities measured at fair value,
- ii. Defined benefit plans - plan assets measured at fair value.

The financial statements of the Company have been prepared to comply with the Indian Accounting Standards ('Ind AS') notified under Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013.

(ii) Principles of consolidation:

- i) The consolidated financial statements of the group have been prepared on the following basis:
 - The consolidated financial statements of the group are prepared in accordance with the Indian Accounting Standard - 103 "Consolidated Financial Statements".
 - The financial statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or unrealised cash losses.
 - Investment in the Associate has been accounted as per the equity method as prescribed in Indian Accounting Standard - 28.
 - The excess of cost of investment in the Subsidiary Companies over the Company's portion of equity of the Subsidiary at the date of investment made is recognised in the financial statements. The excess of Company's portion of equity of the Subsidiary over the cost of investment therein is treated as capital reserve.

The financial statements of foreign operation are translated as follows:

- The assets and liabilities are translated at the closing rate.
- Income and expenses items are translated at average rate prevailing during the year.
- All differences are accumulated in a foreign currency translation reserve on consolidation until the disposal of the net investment.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- Non controlling interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company. Non controlling interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

ii) Companies considered in the consolidated financial statements are:

Name of the company	Country of incorporation	Holding as on March 31, 2020	Financial year ends on
Subsidiaries:			
Bajaj Aviation Private Ltd.	India	100.00%	31.03.2020

Name of the company	Country of incorporation	Holding as on March 31, 2020	Financial year ends on
Bajaj Power Generation Private Ltd.	India	100.00%	31.03.2020
Bajaj Hindusthan (Singapore) Private Ltd.	Singapore	100.00%	31.03.2020
PT. Batu Bumi Persada #	Indonesia	99.00%	31.12.2019
PT. Jangkar Prima #	Indonesia	99.88%	31.12.2019
Associates:			
Bajaj Ebiz Private Ltd. *	India	49.50%	31.03.2020
Esugarindia Ltd.*	India	69.67%	31.03.2020

Management has compiled the accounts for year ended March 31, 2020, in order to consolidate the accounts with that of the Holding Company.

* The Company has made provision for permanent diminution in the value of its investment in Bajaj Ebiz Private Ltd. (an associate company) and Esugarindia Ltd. (subsidiary of Bajaj Ebiz Private Ltd.). Hence, no further adjustment in the value of investment is required to be made in the consolidated financial statement.

Summary of significant accounting policies

(iii) Current and non-current classification:

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- i) expected to be realised or intended to be sold or consumed in normal operating cycle,
- ii) held primarily for the purpose of trading,
- iii) expected to be realised within twelve months after the reporting period,
- iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period, or
- v) carrying current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when:

- i) it is expected to be settled in normal operating cycle,
- ii) it is held primarily for the purpose of trading,
- iii) it is due to be settled within twelve months after the reporting period,
- iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period, or
- v) it includes current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

(iv) Operating cycle:

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the schedule III to the Act. Based on the nature of services and time between the acquisition of assets for providing of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

(v) Property, plant and equipment:

"Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use. In case of land, Company has opted to state fair value as deemed cost on date of transition to Ind AS. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major refurbishment is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. Expenditure during construction period incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the assets, and are included under "Work-in-Progress". These expenses are apportioned to fixed assets on commencement of commercial production. Capital Work-in-Progress is stated at the amount incurred up to the date of Balance Sheet. Depreciation on property, plant and equipment is provided on straight line method and based on useful life of the assets as prescribed in Schedule

to the Companies Act, 2013 except, leasehold and improvements which are amortised over the lower of estimated useful life or lease period; on assets acquired under finance lease depreciation is provided over the lease term. Depreciation on assets added, sold or discarded during the year is provided on pro rata basis. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised."

(vi) **Leases**

"On March 30, 2019, Ministry of Corporate Affairs had notified Ind AS 116, Leases. Ind AS 116 It has replaced the existing leases Standard, Ind AS 17 Leases6, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition: Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application. On completion of evaluation of the effect of adoption of Ind AS 116, the Company has adopted modified retrospective approach for presentation of leases from 1st April 2019. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as: Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application, or an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The Company has elected certain available practical expedients on transition."

(vii) **Intangible assets:**

"Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of statement of profit and loss when the asset is derecognised. Computer software are amortised over a period of 5 years. The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date."

(viii) **Research & Development Expenditure:**

Revenue expenditure on research is expensed out in the statement of profit and loss for the year. Development costs of products are charged to the statement of profit and loss unless a product's technological feasibility and commercial has been established, in which case such expenditure is capitalised. Capital expenditure on research and development is shown as an addition to fixed assets.

(ix) **Borrowing Cost:**

"Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are charged to the profit and loss statement in the period in which they are incurred."

(x) **Inventories:**

- i) Stock of raw materials is valued at cost or net realisable value whichever is lower. Cost is arrived at on FIFO Basis.
- ii) Stock of materials-in-process and finished goods are valued at cost or net realisable value whichever is lower.
- iii) Stores, spares and packing material are valued at cost. Cost is arrived at on Weighted Average Basis.

- iv) Obsolete stores and spares when identified and technically determined, are valued at estimated realisable value.
- v) By-products - Molasses and bagasse has been valued at estimated realisable value.
- vi) Trial run inventories are valued at cost or estimated realisable value whichever is lower.

(xi) **Earnings per share:**

Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year.

(xii) **Impairment of non-financial assets:**

The carrying amount of any property, plant and equipment and intangible assets with finite lives are reviewed at each balance sheet date, if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(xiii) **Provisions, contingent liabilities and contingent assets:**

"Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost."

(xiv) **Employee benefits:**

"Amendment to Ind AS 19 – Plan amendment, curtailment or settlement – On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. "The amendments require an entity: to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling." The Company has adopted the amended provisions of the Ind AS 19 with effect from 1st of April 2019. The Company does not have any impact on account of this amendment."

i) Short-term employee benefits:

Short-term employee benefits are recognised as expenditure at the undiscounted value in the statement of profit and loss of the year in which the related service is rendered.

ii) Post-employment benefits :

"Defined contribution plans: Company's contribution to the superannuation scheme, provident fund scheme and pension under employees' pension scheme etc. are recognised during the year in which the related service is rendered. Monthly contributions are made to a trust administered by the Company. The interest rate payable by the trust to the beneficiaries is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return on the investments of the trust and the notified interest rate. Defined benefit plans - gratuity: Gratuity liability is covered under the gratuity-cum-insurance policy of Life Insurance Corporation of India (LIC) administered by trust. The present value of the obligation is determined based on an actuarial valuation, using the projected unit credit method. Actuarial gains and losses in respect of post-employment and other long-term benefits are charged to the Other Comprehensive Income. The amount funded by the trust administered by the Company under the aforesaid Policy, is reduced from the gross obligation under the defined benefit plan, to recognise the obligation on a net basis."

iii) Long term compensated absences are provided on the basis of actuarial valuation.

iv) Compensation to employees under Voluntary Retirement Scheme is charged to statement of profit and loss account in the year of accrual.

(xv) **Taxation:**

"Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs had notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied

while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives. The Company has adopted the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements. Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements."

- i) it is expected to be settled in normal operating cycle; Provision for current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rates and laws that are enacted or substantively enacted at the Balance Sheet date. The tax is recognised in statement of profit and loss, except to the extent that it related to items recognised in the other comprehensive income (OCI) or in other equity. In this case, the tax is also recognised in other comprehensive income and other equity.
- ii) it is held primarily for the purpose of trading; Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period. Deferred tax asset on unabsorbed depreciation and carried forward losses is recognised only to the extent of deferred tax liability.
- iii) it is due to be settled within twelve months after the reporting period, or Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(xvi) **Cash and cash equivalents:**

Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution repayable on demand or maturing within three months from the date of acquisition and which are subject to an insignificant risk of change in value.

(xvii) **Foreign currencies:**

- i) Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Monetary foreign currency assets and liabilities outstanding at the close of the financial year are revalued at the exchange rates prevailing on the balance sheet date. Exchange differences arising on account of fluctuation in the rate of exchange is recognised in the statement of profit and loss. However, in respect of long-term foreign currency monetary items taken prior to 1st April, 2015 being the date of transition to Ind AS, the exchange difference relating to acquisition of capital assets, has been adjusted to the capital assets.
- ii) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

(xviii) Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, including excise duty and excluding taxes or duties collected on behalf of the government (other than excise duty).

Revenue is recognised only if following condition are satisfied:

- The Company has transferred risks and rewards incidental to ownership to the customer;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- It is probable that the economic benefit associated with the transaction will flow to the Company; and
- It can be reliably measured and it is reasonable to expect ultimate collection.

The revenue from sale of renewable energy certificates (REC) recognised in the year of sale.

Export incentives accrued under foreign trade policy are accounted for in the year of export.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is recognised when the right to receive payment is established.

(xix) Government grants:

"The Government grants such as capital subsidies under Sugar Promotion Policy, 2004, interest free or concessional interest rate loans and subsidies related to sugar cane purchased are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed."

When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to the financial liabilities.

(xx) Financial Instruments:

- i) Financial assets

A Initial recognition

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised when the group becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial instrument, except for financial assets at fair value through statement of profit and loss, which are initially measured at fair value, excluding transaction costs (which is recognised in statement of profit and loss).

B Subsequent measurement**a) Financial assets carried at amortised cost (AC)**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling

financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) **Financial assets at fair value through statement of profit and loss (FVTPL)**

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value either as at FVTOCI or FVTPL. The Company makes such election on instrument-by-instrument basis.

For equity instruments measured as at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in the OCI. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Investment in subsidiaries and associates

Investment in subsidiaries and associates are carried at cost.

Treasury shares

The Company has created a Securities Trust that holds the equity shares of the Company, which were allotted to the Trust in 2010 pursuant to the Scheme of amalgamation of its erstwhile subsidiary Bajaj Hindusthan Sugar and Industries Ltd. The Company uses Trust as a separate vehicle under the said scheme and treats as its extension and shares held by Trust are treated as treasury shares. The own equity shares that reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity shares. Corresponding amount of security premium is reduced from other equity.

d) **Impairment of financial assets**

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

1. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
2. Financial assets that are debt instruments and are measured as at FVTOCI
3. Lease receivables
4. Trade receivables or any contractual right to receive cash or another financial asset
5. Loan commitments which are not measured as at FVTPL
6. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables; and all lease receivables.

The application of simplified approach does not require the Company to track changes in credit risk rather; it recognises impairment loss allowance based on 12 months ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ii) **Financial liabilities**

A **Initial recognition and measurement:**

All financial liabilities are recognised initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in statement profit and loss as finance cost.

B **Subsequent measurement:**

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

a) **Loans and borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in statement of profit and loss when liabilities are derecognised. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance cost in the statement of statement of profit and loss.

b) **Compound Financial Instruments**

At the issue date the fair value of the liability component of a compound instrument is estimated using the market interest rate for a similar non-convertible instrument. This amount is recorded as a liability at amortised cost using the effective interest method until extinguished upon conversion or at the instrument's redemption date. The equity component is determined as the difference of the amount of the liability component from the fair value of the instrument. This is recognised in equity, net of income tax effects, and is not subsequently re-measured.

iii) **De-recognition of financial instruments**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

iv) **Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realisation on future date.

v) **Derivative financial instruments**

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of profit and loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of profit or loss when the hedge item effects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

(xxi) **Non-current assets held for sale/ distribution to owners and discontinued operations:**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the assets (or disposal group) to fair value less cost to sell. A gain is recognised for any subsequent increases in fair value less cost to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

2B Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

i) **Depreciation and useful lives of property plant and equipment**

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

ii) **Recoverability of trade receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

iii) **Provisions:**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

iv) **Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

v) **Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vi) **Fair value measurement of financial instruments**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

vii) **Estimation uncertainty relating to the global health pandemic on COVID-19x**

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, goodwill, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these consolidated financial statements including credit reports and economic forecasts wherever applicable on the basis of assessment and materiality. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these interim condensed consolidated financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

viii) **Recognition of Minimum Alternative Tax (MAT) as an asset**

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period; in the year in which the MAT credit becomes eligible to be recognised as an asset. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

ix) **Material uncertainty about going concern**

In preparing financial statements, management has made an assessment of Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis. The Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Further details on going concern are disclosed in note no. 49.

3 Property, Plant and Equipment

₹ Crore

	Land Freehold	Land Leasehold	Buildings	Plant & machinery	Furniture, fixtures & Office equipment	Vehicles	Total	Capital Work in Progress	Grand Total
(a) Gross Block									
Balance as at 31st March, 2018	3,714.33	1.02	1,276.09	5,393.09	46.86	139.16	10,570.55	75.41	10,645.96
Additions	-	-	1.92	65.21	0.41	0.45	67.99	18.64	86.63
Disposals & Adjustments	1.78	-	0.05	0.85	0.19	2.00	4.87	67.70	72.57
Balance as at 31st March, 2019	3,712.55	1.02	1,277.96	5,457.45	47.08	137.61	10,633.67	26.35	10,660.02
Additions	-	-	-	1.21	0.91	0.32	2.44	28.19	30.63
Disposals & Adjustments	-	-	0.01	1.76	0.32	0.88	2.97	1.73	4.70
Balance as at 31st March, 2020	3,712.55	1.02	1,277.95	5,456.90	47.67	137.05	10,633.14	52.81	10,685.95
Accumulated Depreciation									
Balance as at 31st March, 2018	-	0.27	303.80	2,619.89	42.28	61.27	3,027.51	-	3,027.51
Additions	-	0.03	29.08	175.13	1.21	6.41	211.86	-	211.86
Disposals & Adjustments	-	-	0.01	0.44	0.18	1.90	2.53	-	2.53
Balance as at 31st March, 2019	-	0.30	332.87	2,794.58	43.31	65.78	3,236.84	-	3,236.84
Additions	-	0.03	29.13	177.42	0.90	6.27	213.75	-	213.75
Disposals & Adjustments	-	-	-	0.93	0.28	0.86	2.07	-	2.07
Balance as at 31st March, 2020	-	0.33	362.00	2,971.07	43.93	71.19	3,448.52	-	3,448.52
Net Block									
Balance as at 31st March, 2019	3,712.55	0.72	945.09	2,662.87	3.77	71.83	7,396.83	26.35	7,423.18
Balance as at 31st March, 2020	3,712.55	0.69	915.95	2,485.83	3.74	65.86	7,184.62	52.81	7,237.43
(b) Right-of-use asset		₹ Crore							
	Right-of-use Asset	Total							
Gross Block									
Balance as at 31st March, 2018	-	-							
Additions	-	-							
Disposals & Adjustments	-	-							
Balance as at 31st March, 2019	-	-							
Additions	12.10	12.10							
Disposals & Adjustments	-	-							
Balance as at 31st March, 2020	12.10	12.10							
Accumulated Depreciation									
Balance as at 31st March, 2018	-	-							
Additions	-	-							
Disposals & Adjustments	-	-							
Balance as at 31st March, 2019	-	-							
Additions	2.66	2.66							
Disposals & Adjustments	-	-							
Balance as at 31st March, 2020	2.66	2.66							
Net Block									
Balance as at 31st March, 2019	-	-							
Balance as at 31st March, 2020	9.44	9.44							
(c) Other Intangible assets									
	Goodwill on Consolidation	Computer Software	Total						
Gross Block									
Balance as at 31st March, 2018	85.90	0.02	85.92						
Additions	-	-	-						
Disposals & Adjustments	7.63	-	7.63						
Balance as at 31st March, 2019	78.27	0.02	78.29						
Additions	-	-	-						
Disposals & Adjustments	-	-	-						
Balance as at 31st March, 2020	78.27	0.02	78.29						
Accumulated Depreciation									
Balance as at 31st March, 2018	85.90	0.02	85.92						
Additions	(7.63)	-	(7.63)						
Disposals & Adjustments	-	-	-						
Balance as at 31st March, 2019	78.27	0.02	78.29						
Additions	-	-	-						
Disposals & Adjustments	-	-	-						
Balance as at 31st March, 2020	78.27	0.02	78.29						
Net Block									
Balance as at 31st March, 2019	-	0.00	0.00						
Balance as at 31st March, 2020	-	0.00	0.00						

Note:

Assets pledged as security refer note no. 17.3

	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
4 Non-current investments		
Trade investments		
Investment classified at cost		
In Equity Shares of associates		
Unquoted, fully paid up (Equity method)		
1,54,39,900 (1,53,42,700) Shares of Lalitpur Power Generation Company Ltd. of ₹10/- each #		
11,48,400 (P.Y. 11,48,400) Shares of Bajaj Ebiz Pvt. Ltd. of ₹10/- each	1.15	1.15
Less: Provision for diminution in value of investments	<u>(1.15)</u>	<u>(1.15)</u>
	-	-
9,000 (P.Y. 9,000) Shares of Esugarindia Ltd. of ₹10/- each	0.01	0.01
Less: Provision for diminution in value of investments	<u>(0.01)</u>	<u>(0.01)</u>
	-	-
Total Trade Investments	-	-
Non-Trade Investments		
Investments classified at fair value through other comprehensive income		
In Preference Shares of other companies		
Unquoted, fully paid up		
3,50,03,927 (P.Y. 3,50,03,927) 6% Redeemable Non Cumulative Non Convertible Preference Shares of Phenil Sugars Ltd. of ₹ 100/- each	350.04	350.04
Less: Provision for diminution in value of investments	<u>(350.04)</u>	<u>(350.04)</u>
	-	-
In Debentures of other company		
Unquoted, fully paid up		
3,70,48,321 (P.Y. 3,70,48,321) Zero Coupon Optionally Convertible Debentures of Phenil Sugars Ltd. of ₹100/- each	370.48	370.48
Less: Provision for diminution in value of investments	<u>(271.14)</u>	<u>(216.55)</u>
	99.34	153.93
Total Non-trade investments	<u>99.34</u>	<u>153.93</u>
Total	<u>99.34</u>	<u>153.93</u>
Aggregate value of unquoted investment	99.34	153.93
Category-wise non-current investments		
Financial assets measured at fair value through other comprehensive income	<u>99.34</u>	<u>153.93</u>
Total	<u>99.34</u>	<u>153.93</u>
5 Other non-current assets		
(Unsecured considered good)		
Fixed deposits *	2.07	4.01
	<u>2.07</u>	<u>4.01</u>
* Having maturity after 12 months from the reporting date and earmarked ₹ 0.41 crore (P.Y. ₹ 4.01 crore) for specific purposes.		
6 Other non-current assets		
(Unsecured considered good unless otherwise stated)		
Advance for purchase of land	248.00	248.00
Taxes paid under protest	6.92	5.65
Security deposit to related parties (refer note 39)	4.59	5.06
Security deposits - Good	3.20	2.81

	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
Security deposits - Doubtful	0.30	0.30
Provision for bad and doubtful - Security deposit	(0.30)	(0.30)
	<u>-</u>	<u>-</u>
	<u>262.71</u>	<u>261.52</u>

7 Inventories

(At cost or net realisable value whichever is lower, unless otherwise stated)

Raw materials	4.37	6.36
Stores, spares & packing materials	92.86	84.29
Finished goods	2,398.39	2,516.90
By-products	154.00	101.25
Work-in-process	61.77	56.18
	<u>2,711.39</u>	<u>2,764.98</u>

- Includes inventories of ₹ 514.44 crore (P.Y. ₹ 1,754.02 crore) carrying at fair value less than cost to sale.

- Inventories pledged as a securities - refer note no, 17.3.

8 Current investments

Investments classified at fair value through other comprehensive income

In Equity Shares of other companies Unquoted, fully paid up 1,54,39,900 (P.Y.1,54,39,900) Shares of Lalitpur Power Generation Company Ltd. of ₹ 10/- each #	770.13	770.13
Investments at fair value through profit or loss in Debentures of other company Unquoted, fully paid up 2,66,85,000 (2,66,85,000) Zero Coupon Optionally Convertible Debentures of Lambodar Stocks Private Ltd. of ₹100/- each*	266.85	266.85
	<u>1,036.98</u>	<u>1,036.98</u>

These investments are pledged against loans taken by company and Lalitpur Power Generation Company Ltd.

*Company's name has been changed "Lambodar Stocks Private Ltd." w.e.f. 25.04.2017.

	As at March 31, 2020 ₹ Crore	Restated As at March 31, 2019* ₹ Crore	Restated As at April 01, 2018* ₹ Crore
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9 Trade receivables *

(Unsecured considered good unless otherwise stated)

Considered good	168.96	196.63	184.62
Considered doubtful	12.57	11.50	5.33
Less : Provision for doubtful debts	(12.57)	(11.50)	(5.33)
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>168.96</u>	<u>196.63</u>	<u>184.62</u>

* Refer notes "48" to the financial statement.

	As at March 31, 2020 ₹ Crore	Restated As at March 31, 2019* ₹ Crore
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10 Cash and cash equivalents

Balance with banks		
Current account	103.23	36.31
Cheques, draft on hand	0.04	17.04
Cash on hand	0.74	0.54
	<u>104.01</u>	<u>53.89</u>

11 Bank balances

Balance with banks (unpaid dividend)	0.06	0.19
Fixed deposits *	10.88	13.29
	<u>10.94</u>	<u>13.48</u>

*Includes ₹ 7.61 crore (P.Y. ₹ 10.55 crore) earmarked for specific purposes.

	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
12 Loans and interest accrued		
(Unsecured considered good, unless otherwise stated)		
Loans & advances to others -good	656.14	658.95
-doubtful	2.29	2.29
-sub total	658.43	661.24
Less:- Provision for doubtful loans & advances	(2.29)	(2.29)
	656.14	658.95
Interest receivable on loans - others	439.28	441.09
Total*	1,095.42	1,100.04
*Out of above:		
Secured by pledge of investment	511.86	511.86
Unsecured	585.85	590.47
	1,097.71	1,102.33
Less: Provision for doubtful loans and advances	(2.29)	(2.29)
	1,095.42	1,100.04
13 Current tax assets (net)		
Advance income tax (net of provisions)		
At the start of year	16.49	17.55
Charged during the year	0.90	2.83
Refund received during the year	(3.93)	(3.19)
Others	5.08	(0.70)
At the end of year	18.54	16.49
14 Other current assets		
(Unsecured considered good)		
MAT credit entitlement	79.44	79.44
Receivable under SPP (refer note 45)	592.38	592.38
Claim/refund recoverable in cash or in kind or for value to be received	13.37	14.58
Duty drawback receivable	0.09	0.09
Other advances* - Good	105.85	94.65
- Doubtful	0.88	0.88
	792.01	782.02
Less: Provision for doubtful advances	(0.88)	(0.88)
	791.13	781.14
* Includes advances given to suppliers, vendors and employees and other advances recoverable in cash or in kind.		
15 Equity share capital		
Authorised:		
5,00,00,00,000 (P.Y. 5,00,00,00,000)	500.00	500.00
Equity Shares of ₹ 1/- each	500.00	500.00
Issued		
1,17,92,31,364 (P.Y. 1,17,92,31,364)	117.92	117.92
Equity Shares of ₹ 1/- each	117.92	117.92
Subscribed and Paid-up:		
1,13,35,59,942 (P.Y.1,13,35,59,942)	113.36	113.36
Equity Shares of ₹ 1/- each	113.36	113.36
Less:		
Interest in BHL Securities Trust 3,11,00,000 (P.Y. 3,11,00,000) Equity share of ₹ 1/- (refer note no. (v))	3.11	3.11
Share held by ESOP Trust 17,80,00,000 (P.Y. 17,80,000) Equity share of ₹ 1/- (Refer note no. (v))	0.18	0.18
	3.29	3.29
	110.07	110.07

- (i) Detail of shares allotted without payment being received in cash during five years immediately preceding the Balance Sheet date are given below:

49,41,60,031 (P.Y. 49,41,60,031) Equity Shares have been issued for consideration other than cash to lender banks on conversion of Funded Interest Term Loan (FITL) as per Master Restructuring Agreement (MRA) during the F.Y. 2015-16 and 2016-17

- (ii) The reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:

Particulars	₹ Crore	
	As at March 31, 2020 No. of Shares	As at March 31, 2019 No. of Shares
Equity Shares (with voting rights) at the beginning of the year	1,13,35,59,942	1,13,35,59,942
Equity Shares at the end of the year	<u>1,13,35,59,942</u>	<u>1,13,35,59,942</u>

- (iii) Terms/Rights of equity shares:

The Company has one class of equity shares having par value of ₹ 1/- per share. All equity shares are ranking pari passu in all respects including dividend. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

- (iv) The details of Shareholders holding more than 5% shares:

S. No.	Name of Shareholders	As at March 31, 2020		As at March 31, 2019	
		No. of Shares	% held	No. of Shares	% held
1	Bajaj Resources Ltd.	8,19,44,455	7.23%	8,19,44,455	7.23%
2	Punjab National Bank	8,52,25,312	7.52%	8,52,25,312	7.52%
3	IDBI Bank Limited	6,15,54,823	5.43%	6,36,67,200	5.62%
4	Allahabad Bank	6,29,28,861	5.55%	6,29,28,861	5.55%
5	Central Bank of India	5,66,86,905	5.00%	5,66,86,905	5.00%

- (v) Company hold beneficial interest in BHL Security Trust which holds 3.11 crore shares of the Company allotted on amalgamation of its subsidiary Bajaj Hindusthan Sugar and Industries Limited in 2010. Company has also formed ESOP trust under the ESOP scheme. Company has an advance ₹ 8.69 crore to ESOP Trust which hold 0.18 crore equity shares. Face value of these shares are treated as treasury shares as per Ind AS 32 – Financial Instruments – Presentation and shown as reduction from equity. Excess of carrying value of these shares over the face value are reduced from securities premium.

	As at March 31, 2020 ₹ Crore	Restated As at March 31, 2019* ₹ Crore	Restated As at April 01, 2018* ₹ Crore
16 Other equity			
Capital redemption reserve			
Opening balance	0.05	0.05	0.05
Closing balance	<u>0.05</u>	<u>0.05</u>	<u>0.05</u>
Securities premium			
Opening Balance	4,185.31	4,185.31	4,185.31
Closing balance	<u>4,185.31</u>	<u>4,185.31</u>	<u>4,185.31</u>
Equity Component of compound Financial Instrument			
Opening balance	146.54	146.54	135.78
Addition during the year	-	-	10.76
Closing balance	<u>146.54</u>	<u>146.54</u>	<u>146.54</u>

	As at March 31, 2020 ₹ Crore	As at March 31, 2019* ₹ Crore	Restated As at April 01, 2018* ₹ Crore
General reserve			
Opening balance	156.05	156.05	155.95
Transferred from reserve for molasses storage tanks	-	-	0.10
Closing balance	<u>156.05</u>	<u>156.05</u>	<u>156.05</u>
Reserve for molasses storage tanks			
Opening balance	2.85	2.88	2.66
Transferred from statement of profit & loss	0.82	1.18	0.32
Transferred to General Reserve	-		
Utilisation of fund for maintenance of molasses tank	(1.57)	(1.21)	(0.10)
Closing balance	<u>2.10</u>	<u>2.85</u>	<u>2.88</u>
Gain / (loss) on Investment through FVOCI			
Opening balance	(84.56)	(60.81)	(24.77)
Change in during the year	(37.56)	(23.75)	(36.04)
Closing balance	<u>(122.12)</u>	<u>(84.56)</u>	<u>(60.81)</u>
Actuarial gain / (loss) on employee benefit plans			
Opening balance	(12.08)	(8.31)	(11.13)
Change in during the year	(6.27)	(3.77)	2.82
Closing balance	<u>(18.35)</u>	<u>(12.08)</u>	<u>(8.31)</u>
Exchange differences on translating the financial statements of a foreign Operation			
Opening balance	(0.94)	(1.37)	0.12
Change during the year	0.11	0.43	(1.49)
Closing balance	<u>(0.83)</u>	<u>(0.94)</u>	<u>(1.37)</u>
Statement of profit and loss (retained earnings) *			
Opening balance	(1,710.89)	(1,573.15)	(1,073.19)
Profit/(loss) for the year	(49.99)	(136.56)	(499.64)
Appropriations:			
Transferred to reserve for molasses storage tanks	(0.82)	(1.18)	(0.32)
Closing balance	<u>(1,761.70)</u>	<u>(1,710.89)</u>	<u>(1,573.15)</u>
	<u>2,587.05</u>	<u>2,682.33</u>	<u>2,847.19</u>

* Refer notes "48" to the financial statement.

Nature and description of reserve:

- Capital Redemption Reserve: Whenever company redeems its preference shares or buys its own shares which reduces its share capital, then capital redemption reserve is created by face value of its shares. Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.
- General Reserve: General Reserve was created by transferring a portion of the net profit of the Company as per the requirements of the Companies Act, 1956.
- Molasses Storage Reserve Fund is created as per provisions under Molasses Control (Regulation of Fund and Erection of Storage Facilities) Order, 1976.
- Retained Earnings: Remaining portion of profits earned or accumulated losses by the Company till date after appropriations.

As at	As at
March 31, 2020	March 31, 2019
₹ Crore	₹ Crore

17 Non-current borrowings**(At amortised cost)****From banks**

Secured Debentures (refer note 17.1)	3,483.25	3,483.25
Secured Term Loan	1,538.51	1,791.50
	5,021.76	5,274.75

From related parties

Unsecured	117.77	105.15
	117.77	105.15

From others

Secured	-	1.92
Unsecured	-	0.27
	-	2.19
	5,139.53	5,382.09

17.1 34,83,24,626 (P.Y. 34,83,24,626) Unlisted, Unrated, Redeemable, Optionally Convertible Debentures (Series 1/ 2017-18) of ₹ 100/- each issued on Preferential basis to the lenders in accordance with S4A Scheme on December 18, 2017. Debentures are to be redeemed in 13 equal annual instalments starting from March 31, 2025. The coupon rate for year 1 & 2 is 0.01% p.a., for year 3 & 4 is 1.00% p.a. and thereafter 2.50% p.a. payable annually on the last date of every financial year. The redemption premium is payable on redemption of debentures to be decided by lenders at going weighted average interest cost so that there is no NPV loss to the lenders. On occurrence of event of default, lenders has the right to convert all outstanding debentures into equity shares at the conversion price to be determined in accordance with guidelines of RBI.

17.2 Maturity profile of term loans are set out below :-

₹ Crore

Name of banks/financial institutions	Interest (%)	Outstanding as at March 31, 2020	Current Maturities (0-1 Year)	Maturity Profile				Refer Note No.
				2nd Year	3rd Year	4th Year	Beyond 4 Years	
From Banks-Term Loan Secured	11.05% to 11.55%	1,883.78	345.27	454.43	434.40	434.37	215.31	17.3 (i)
Total		1,883.78	345.27	454.43	434.40	434.37	215.31	
From others								
Sugar Development Fund (SDF)	7%	1.92	1.92	-	-	-	-	17.3 (ii)
Total - Secured		1,885.70	347.19	454.43	434.40	434.37	215.31	
Term loans (Unsecured)								
From related parties								
Loan from promoters -1		116.16	-	-	-	-	116.16	17.4 (i)
Loan from promoters 2		1.61	-	-	-	-	1.61	17.4 (ii)
Total From related parties		117.77	-	-	-	-	117.77	

₹ Crore

Name of banks/financial institutions	Interest (%)	Outstanding as at March 31, 2020	Current Maturities (0-1 Year)	Maturity Profile				Refer Note No.
				2nd Year	3rd Year	4th Year	Beyond 4 Years	
From others								
Department of Commercial Tax of Uttar Pradesh	Interest free	0.27	0.27	-	-	-	-	
Total - Unsecured		118.04	0.27	-	-	-	117.77	
Grand Total		2,003.74	347.46	454.43	434.40	434.37	333.08	

17.3 Details of securities

- (i) Term Loans and debentures from Banks are secured on first pari passu charge basis, by way of mortgage over all immovable fixed assets and hypothecation over all movable fixed assets (both present and future) of the Company, on first pari-passu charge by way of hypothecation over all current assets (both present & future) of the Company. The said loans are further secured by personal guarantee of Managing Director (Promoter) and corporate guarantee by a promoter group company, pledge of entire shares held by the Promoters of the company and 33,00,001 shares of Bajaj Energy Ltd. held by promoters group company.
- (ii) The Sugar Development Fund loan (SDF) from Government of India is secured on exclusive second charge basis, by hypothecation of the whole of movable fixed assets and properties and by mortgage on the whole of immovable fixed assets and properties of the concerned sugar unit of the Company.

17.4 Loan from promoters

- (i) As per terms of restructuring approved by lenders, the promoters are required to bring promoter contribution amounting to ₹ 200 crore in phased manner till September 2015 in the form of equity capital/preference capital/unsecured loan/other similar instruments. An amount of ₹ 200 crore has been brought by promoters as unsecured loan within stipulated period. Interest if any, payable shall be determined after the restructuring period is completed. Presently, said amount is treated as unsecured loan with the option to convert into equity/preference or any other similar instrument. As per Ind AS 32, contribution amount received is classified as compound instrument bifurcated into ₹ 64.22 crore as debt and ₹ 135.78 crore as other equity by discounting the amount @12% pa for a tenure of 10 years. The unwinding of discount in subsequent periods on loan component is recognised in the statement of profit & loss.
- (ii) As per the approved restructuring of loan under S4A Scheme, promoter/ promoters group has transferred 11,99,87,344 equity shares of ₹ 1/- per equity share to lenders as per overseeing committee recommendation as part payment of unsustainable debt. Consequently, the consideration amount of ₹ 11,99,87,344 is accounted as unsecured loan from promoters and as per Ind AS 32, said amount due to promoters as treated as compound financial instrument and bifurcated into other equity of ₹ 10.76 crore and ₹ 1.24 crore by discounting the amount @12% pa for a tenure of 20 years.

17.5 Deferment and moratorium

Pursuant to the RBI (Reserve Bank of India) circular no. RBI/2019-20/186 dated March 27, 2020, permitting banks to grant three months moratorium on the repayment of loan and payment of interest thereon falling due between March 1, 2020 and May 31, 2020, and further extending the period of moratorium up to six months vide letter dated May 22, 2020, in the wake of extended lockdown; thus all the instalments and interest falling due from March 1, 2020 to August 31, 2020, can be rescheduled for further six months and the tenor of such loans may be shifted accordingly. The Company has sought from all the JLF (Joint Lenders Forum) Banks to avail the extended time for the repayment of loan and moratorium on payment of interest as per RBI guidelines. Presently, all the loan accounts with all the consortium lenders of the company are standard and regular.

17.6 Details of delays and defaults in payment of financial obligations

- a) Amount falling due during FY 2019-20 and paid up to March 31, 2020

Name of institutions	Principal				Interest			
	No. of Days - Range		Amount (₹ in Crore) - Range		No. of Days - Range		Amount (₹ in Crore) - Range	
	Min	Max	Min	Max	Min	Max	Min	Max
Indian Bank (earlier Allahabad Bank)	37	63	0.27	8.69	6	36	2.29	2.55
Bank of Baroda	24	38	0.07	1.73	4	34	0.54	0.62
Bank of India	37	44	0.04	1.73	3	35	0.32	0.34

Name of institutions	Principal				Interest			
	No. of Days - Range		Amount (₹ in Crore) - Range		No. of Days - Range		Amount (₹ in Crore) - Range	
Canara Bank	46	58	0.13	4.35	5	36	1.10	1.59
Central Bank of India	34	58	0.21	5.62	5	41	0.00	1.83
Union Bank (earlier Corporation Bank)	24	61	0.10	3.28	4	35	0.00	0.73
IDBI Bank Ltd	31	61	0.15	4.45	6	37	1.47	1.61
Indian Overseas Bank	51	51	0.06	2.62	4	41	0.50	0.76
Punjab National Bank (earlier Oriental Bank of Commerce)	52	61	0.20	3.81	7	41	0.00	1.62
Punjab National Bank	25	60	0.44	6.28	6	42	0.00	3.72
State Bank of India	16	31	0.06	8.02	2	34	0.00	4.11
UCO Bank	36	58	0.58	3.90	6	37	0.74	0.83
Sugar Development Fund	-	28	-	2.30	-	-	-	-

b) Interest on Debentures

₹ Crore

Name of institutions	Interest on Debentures			
	No. of Days	Amount	No. of Days	Amount
Indian Bank (earlier Allahabad Bank)			43	2.33
Bank of Baroda			43	0.56
Bank of India			43	0.33
Bank of Maharashtra			43	1.66
Canara Bank			43	1.13
Central Bank of India			43	1.83
Union Bank (earlier Corporation Bank)	3	0.33	43	0.92
IDBI Bank Ltd			43	1.62
Indian Overseas Bank			43	0.50
Punjab National Bank (earlier Oriental Bank of Commerce)			43	1.61
Punjab National Bank			43	3.47
State Bank of India			43	5.47
UCO Bank			43	0.74
Total		0.33		22.18

Interest on debentures to Union Bank (earlier Corporation Bank) was paid on due date; but due to some technical reasons the electronic transfer bounced, payment resent to bank after 3 days.

Interest on Optionally Convertible Debentures (OCD) was paid on time, on March 31, 2020, as per stipulations made in Debenture Trust Deed, Master Framework Agreement (MFA) and as per sanction letters interpreted collectively; but subsequently lenders interpreted the interest clause differently, not conforming the Company's interpretation. The matter of the applicable interest rate was finally settled in the Joint Lenders' Meeting (JLM) held on May 12, 2020. The Company accordingly paid the difference amount of interest of ₹ 22.18 crore on the same day.

	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
18 Non-current other financial liabilities		
Lease Liability - Financial	9.54	-
	9.54	-
19 Non-current provisions		
Gratuity	41.27	31.21
Leave encashment	27.99	22.55
	69.26	53.76

	As at Apr. 1, 2019 ₹ Crore	During the year ₹ Crore	As at March 31, 2020 ₹ Crore
20 Deferred tax liabilities/ (assets) (net)			
Deferred tax liabilities:			
Property, plant and equipment	784.85	(57.65)	727.20
Fair valuation of property, plant and equipment	793.12	(2.36)	790.76
	1,577.97	(60.01)	1,517.96
Deferred tax assets:			
Provision for employee benefits	20.38	5.44	25.82
Provision for doubtful debts/advances	11.51	15.69	27.20
Fair valuation of investments	163.67	17.03	180.70
Carry forward losses and unabsorbed depreciation *	752.95	(78.78)	674.17
	948.51	(40.62)	907.89
Deferred tax liabilities/ (assets) (net)	629.46	(19.39)	610.07

* Deferred tax assets on carry forward losses and unabsorbed depreciation is ₹ 1,052.01 crore. However, it is recognised to the extent of deferred tax liabilities other than arising on fair valuation of PPE on conservative basis.

* Pursuant to the Taxation Laws (Amendment) Act, 2019, domestic companies have an option to pay corporate income tax at a concessional rate of 25.17% including surcharge and cess (new tax rate), subject to certain conditions, w.e.f. financial year commencing from April 1, 2019 and thereafter. If the said option is chosen, the Company will be exempted from the provisions of Minimum Alternate Tax under section 115JB; however, the Company will have to forego certain prescribed incentives/deductions. The Company can choose such option for any year starting from FY 2019-20 or any subsequent year. However, once the said option of paying tax under the new tax rate is chosen, the Company cannot withdraw and go back to the old rates of tax. In the quarter and year ended March 31, 2020, the Company has made an evaluation of the impact of the aforesaid option and decided not to opt for the new tax rate for FY 2019-20. Accordingly, the Company will continue to be governed under the existing tax regime. The Company will re-assess the impact for the subsequent financial year and take a decision for the said years at relevant point in time.

20 (a) Tax expense recognised in the Statement of Profit and Loss

	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019 ₹ Crore
Current tax		
Current year	-	-
Total Current Tax	-	-
Deferred tax		
Origination and reversal of temporary difference	19.39	8.19
Total deferred income tax expense/(credit)	19.39	8.19
Tax relating to earlier year	-	(0.05)
Total income tax expense/(credit)	(19.39)	(8.14)

- (b) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarised below:

Reconciliation of effective tax rate	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019 ₹ Crore
Profit before Tax	(52.36)	(133.94)
Enacted income tax rate in India	31.20%	31.20%
Income tax expenses as per enacted rate	(16.34)	(41.79)
Differences due to:		
Income / Expenses not considered for tax purpose	(3.05)	33.60
Others		0.05
Total	(19.39)	(8.14)
Effective Tax Rate	37.03%	6.08%

- (c) The movement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2020:

₹ Crore							
Movement during the year ended March 31, 2019 and March 31, 2020	As at 1st April, 2018	Credit/ (charge) in statement of Profit and Loss	Credit / (charge) in Other Compre- hensive Income	As at 31st March, 2019	Credit / (charge) in state- ment of Profit and Loss	Credit / (charge) in Other Compre- hensive Income	As at 31st March, 2020
Deferred tax assets/ (liabilities)							
Property, plant and equipment	(808.35)	23.50	-	(784.85)	57.65	-	(727.20)
Fair valuation of property, plant and equipment	(795.43)	2.31	-	(793.12)	2.36	-	(790.76)
Provision for employee benefits	16.63	3.75	-	20.38	5.44	-	25.82
Provision for doubtful debts/advances	7.15	4.36	-	11.51	15.69	-	27.20
Fair valuation of investments	152.89		10.77	163.66	-	17.03	180.69
Carry forward losses and unabsorbed depreciation	789.47	(36.51)	-	752.96	(78.78)	-	674.18
Total	(637.64)	(2.59)	10.77	(629.46)	2.36	17.03	610.07

	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
21 Other non-current liabilities		
Deposits from agents/customers/vendors	25.98	21.74
	25.98	21.74
22 Current borrowings		
(At amortised cost)		
Loan from others		
Others	6.40	4.41
	6.40	4.41
	6.40	4.41

	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
23 Trade payables		
Micro and small enterprises	7.97	0.67
From related parties	0.14	0.03
Others	4,436.35	4,165.00
	4,444.46	4,165.70
The details of amount outstanding to micro and small enterprises based on available information with the Company are as under :		
Particulars		
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
– Principal	7.97	0.67
– Interest	-	-
The amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)		
	0.06	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year		
	3.58	3.30
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006		
	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year		
	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.		
	-	-
24 Other financial liabilities		
Current maturities of non-current borrowings (refer note 17.2)	347.46	639.98
Security deposit from others	1.61	1.43
Interest accrued but not due on borrowings	0.12	0.21
Interest accrued and due on borrowings	17.70	23.52
Interest accrued and due on debentures*	22.56	-
Unclaimed dividends #	0.06	0.20
	389.51	665.34
# These figures do not include any amount due and outstanding to be credited to Investor Education and Protection Fund.		
* Interest of ₹ 22.56 crore (P.Y. Nil) on debenture is due for payment as on the balance sheet date, which has been paid in April and May 2020		
25 Other current liabilities		
Other payables*	143.00	79.80
	143.00	79.80
* Includes statutory dues, advances from customer and other liabilities.		

	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
26 Current provisions		
Gratuity	9.49	7.09
Leave encashment	4.02	4.49
	<u>13.51</u>	<u>11.58</u>
	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019 ₹ Crore
27 Revenue from operations		
Sale of products/services	6,614.14	6,693.11
Other operating revenues	55.20	113.28
	<u>6,669.34</u>	<u>6,806.39</u>
27.1 Particulars of sale of products/services		
Sugar	6,100.03	5,986.53
Alcohol	258.90	500.83
Power	68.51	174.42
By products	175.76	21.57
Aircraft services	10.94	9.76
	<u>6,614.14</u>	<u>6,693.11</u>
27.2 Particulars of other operating revenues		
Duty drawback and other export incentives	0.02	0.02
Sale of export licenses	0.81	-
Sale of scrap	6.55	6.91
Others	47.82	106.35
	<u>55.20</u>	<u>113.28</u>
28 Other income		
Other non-operating income	9.61	15.48
Interest income *	2.37	80.41
	<u>11.98</u>	<u>95.89</u>
* On the Basis of principle of conservatism and prudence, group has not recognised interest income on inter corporate debts ₹ 78.82 crore for year ended March 31, 2020, as and when it is recoverable it will be recognised in the books.		
29 Cost of materials consumed		
Opening stock	6.36	5.36
Purchases	5,361.35	5,659.63
	<u>5,367.71</u>	<u>5,664.99</u>
Less: Closing stock	4.37	6.36
Cost of raw material consumed	<u>5,363.34</u>	<u>5,658.63</u>
30 Changes in inventories of finished goods, by-products and work-in-progress		
Opening stock		
Finished goods	2,516.90	2,655.03
By-products	101.25	70.72
Work-in-process	56.18	55.00
	<u>2,674.33</u>	<u>2,780.75</u>

	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019 ₹ Crore
Less: Closing stock		
Finished goods*	2,398.39	2,516.90
By-products	154.00	101.25
Work-in-process	61.77	56.18
	<u>2,614.16</u>	<u>2,674.33</u>
Increase/(decrease) of excise duty on inventories	-	-
	<u>60.17</u>	<u>106.42</u>

* Includes ₹ 41.44 crore (P.Y. ₹ 97.07 crore) towards the write down of inventories.

31 Employee benefits expense

Salaries & wages	271.36	249.31
Contributions to provident and other funds	26.69	23.67
Employees' welfare expenses	1.73	2.31
	<u>299.78</u>	<u>275.29</u>

31.1 Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in Ind AS 19 the details of which are as hereunder:

a. Funded scheme - gratuity

Liability to be recognised in balance sheet

Present value of funded obligations	60.57	51.02
Fair value of plan assets	(9.81)	(12.72)
Net liability / (asset)	<u>50.76</u>	<u>38.30</u>

Change in plan assets (reconciliation of opening and closing balances)

Fair Value of plan assets at the beginning	12.73	13.31
Expected return on plan assets	0.89	1.02
Actuarial gain / (losses)	0.04	(0.05)
Contributions	0.11	1.38
Benefits paid	(3.95)	(2.94)
Fair value of plan assets at the end	<u>9.82</u>	<u>12.72</u>

Change in obligation (reconciliation of opening and closing balances)

Obligation at the beginning	51.02	42.98
Current service cost	5.32	4.45
Interest cost	3.43	3.19
Actuarial losses / (gain)	4.76	3.34
Benefits paid	(3.95)	(2.94)
Closing obligation	<u>60.58</u>	<u>51.02</u>

Expenditure to be recognised during the year

Current service cost	5.32	4.45
Interest cost	3.43	3.20
Expected return on plan assets	(0.89)	(1.03)
Total expenses recognised in the statement of profit and loss	<u>7.86</u>	<u>6.62</u>

In Other comprehensive income

Actuarial (Gain) / Loss - Plan Liabilities	4.76	3.34
Actuarial (Gain) / Loss - Return on Plan Assets	(0.04)	0.05
Net (Income)/ Expense for the period recognised in OCI	<u>4.72</u>	<u>3.39</u>

	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
Investment Details		
Insurance Policies - Amount	9.82	12.72
- %	100%	100%
Assumptions		
Discount rate (per annum)	7.00%	7.70%
Expected rate of return on assets (per annum)	7.00%	7.70%
Salary escalation rate (per annum)	6.00%	6.00%
Sensitivity		
Under base scenario	60.57	51.02
Salary escalation (up by 1%)	65.13	54.81
Salary escalation (down by 1%)	56.49	47.62
Withdrawal rates (up by 1%)	60.79	51.37
Withdrawal rates (down by 1%)	60.34	50.64
Discount rates (up by 1%)	56.66	47.78
Discount rates (down by 1%)	65.00	54.68

This is a defined benefit plan and statutory liability of the Company. The Company has to pay the Gratuity to the employees as per the provisions of The Payment of Gratuity Act 1972 irrespective of the availability of the funds with the Gratuity Fund.

The Gratuity Liability is computed on actuarial valuation basis done at year end and the Company's liability so determined as at the end of the financial year on an actuarial basis using the Project Unit Credit Method is provided for in the books of account and is based on a detailed working done by a certified Actuary. Past service cost is recognised immediately to the extent that the benefits are already vested.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Company manages Gratuity obligation through Trust. Company arranges the fund based on the actuarial valuation and requirement of the Trust.

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2019-20.

These gratuity plan typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

b. Unfunded scheme - earned leaves

Present value of unfunded obligations	32.01	27.04
Expenses recognised in the statement of profit and loss	3.41	3.05

	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019 ₹ Crore
In Other comprehensive income		
Actuarial (Gain) / Loss - Plan Liabilities	1.56	0.37
Actuarial (Gain) / Loss - Return On Plan Assets	-	-
Net (Income)/ Expense for the period recognised in OCI	<u>1.56</u>	<u>0.37</u>
Discount rate (per annum)	7.00%	7.70%
Salary escalation rate (per annum)	6.00%	6.00%

c. Provident fund

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are notified by the Government annually. The actuary has provided a valuation based on the below provided assumptions and there is no shortfall as at March 31, 2020.

Plan assets at period end, at fair value	-	-
Present value of benefit obligation at year end	-	-
Cost of short fall in interest rate guarantee	-	-
Discount rate	7.00%	7.50%
Average remaining tenure of the investment portfolio (years)	6.48	6.23
Expected guaranteed interest rate	8.50%	8.65%

During the year ended March 31, 2020, amount recognised in statement of profit and loss for employee provident fund is ₹ 8.90 crore (P.Y. ₹ 7.65 crore).

d. Share-based payment

Erstwhile Bajaj Hindusthan Sugar & Industries Limited, which was merged with the Company w.e.f. April 1, 2010, had formed Employees Stock Option Plan (ESOP) in 2007. All option granted have either been expired or exercised.

32 Finance costs

Interest expense on:		
Borrowings	258.69	309.69
Others	4.40	5.09
Debentures	34.88	0.35
Other borrowing costs	2.90	6.65
	<u>300.87</u>	<u>321.78</u>

33 Depreciation and amortisation expense

Depreciation on tangible assets	213.75	211.86
Amortisation on intangible assets*	2.66	(7.63)
	<u>216.41</u>	<u>204.23</u>

34 Other expenses

Stores, spares and packing materials consumed	158.01	157.28
Power and fuel	28.60	16.87
Rent	3.10	6.76
Rates and taxes	0.30	0.31
Repairs :		
Building	1.37	1.39
Machinery	160.74	128.72
Others	4.27	4.71
	<u>166.38</u>	<u>134.82</u>

	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019 ₹ Crore
Payment to auditors (Refer note 34.1)	0.81	0.78
Insurance	7.94	6.33
Selling commission	15.14	15.48
Selling & distribution	41.90	60.88
Director fees	0.21	0.20
Donations	0.52	--
Loss due to foreign currency fluctuation (net)	0.91	0.25
Provision for doubtful debts	1.95	6.17
Provision for doubtful advances	-	1.18
Fair valuation of land	-	1.78
Loss on assets sold/ scrapped/written off	0.74	0.35
Miscellaneous expenses	66.60	60.43
	493.11	469.87

34.1 Payment to auditors

For statutory audit fees	0.54	0.52
For tax audit fees	0.05	0.05
For certification work	0.23	0.20
Reimbursement of expenses	-	0.01
	0.82	0.78

35 Other Comprehensive income

Actuarial gain / (loss) on employee benefit plans	(6.27)	(3.77)
Gain / (loss) on Investment through FVOCI	(54.59)	(34.52)
Foreign exchange fluctuation	0.11	0.43
Less: Tax on Gain / (loss) on Investment through FVOCI	17.03	10.77
	(43.72)	(27.09)

	As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
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36 Contingent liabilities and commitments

(I) Contingent liabilities		
(a)	In respect of disputed demands/claims against the Company not acknowledged as debts:	
(i)	Central excise matters	11.25
(ii)	Trade tax matters	59.81
(iii)	Income tax matters	62.24
(iv)	Recompense payable (refer note 40(b))	234.81
(v)	Other claims	45.64
		413.75
(b)	Securities	661.25
(c)	Erstwhile Bajaj Eco-Tec Products Limited (merged with the Company) has procured imported as well as indigenous capital goods under Export Promotion and Capital Goods Scheme (EPCG). The export obligation pending against such EPCG licenses.	5.26

		As at March 31, 2020 ₹ Crore	As at March 31, 2019 ₹ Crore
	(d) Interest payable on promoters contribution (refer note 40 (c) and (d)) is not determinable	-	-
	(e) Pursuant to the scheme for sustainable structuring of stressed assets (S4A Scheme) for restructuring of certain outstanding debts of the Company [Refer note no. 40 (d) for details], the Company has allotted optionally convertible debentures (OCDs) aggregating to ₹ 3,483.25 crore to JLF lenders. The OCDs carry a yield to maturity (YTM) at the agreed Yield Rate accruing on an annual basis as a contractual obligation, starting from the Allotment Date. The said YTM is payable as premium on redemption along with the relevant Principal Amount on each Redemption Date [Refer note no. 17.1]. The OCDs provides the lenders an option to exercise the right to convert the outstanding OCDs into the equity shares of the Company at a price in accordance with Applicable Law (including the ICDR Regulations). Since premium to be paid is contingent on the occurrence of the event of redemption of OCDs, the YTM of ₹ 929.02 crore from the date of allotment of OCD till the year end (₹ 414.51 crore for the year ended March 31, 2020) is treated as contingent liability and would be accounted for as finance cost at the time of redemption of respective OCDs.		
	(II) Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	2.66	14.63

37 Earnings per share

(i)	Net profit/ (loss) after tax as per statement of profit and loss attributable to equity shareholders	(49.99)	(136.56)
(ii)	Weighted average number of equity shares used as denominator for calculating basic EPS (Crore)	110.07	110.07
(iii)	Weighted average number of equity shares used as denominator for calculating diluted EPS (Crore)*	110.07	110.07
	* Equity shares to be issued on conversion of optionally convertible debentures and on loan from promoters (refer note no. 17.1 and 17.4) are not determinable as on balance sheet date.		
(iv)	Basic earnings per share	(0.45)	(1.24)
(v)	Diluted earnings per share	(0.45)	(1.24)
(vii)	Face value per equity share	₹ 1/-	₹ 1/-

38 Operating Segments/Segment information

The Company has identified its Business Segments as its Primary Reportable Segments comprising Sugar, Distillery and Power.

The Company monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

No operating segments have been aggregated to form the above reportable operating segments. Transfer prices between operating segments are on an arm's-length basis in a manner similar to transactions with third parties.

Segment Information

Particulars	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019 ₹ Crore
1 Segment revenue		
a. Sugar	7,180.11	7,035.00
b. Distillery	275.92	524.95

Particulars	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019* ₹ Crore
c. Power	1,002.81	1,265.65
d. Others	11.37	10.30
Total	8,470.21	8,835.90
Less : Inter-segment revenue	1,800.87	2,029.51
Net Sales / Income from operations	6,669.34	6,806.39
2 Segment results		
Profit/ (Loss) before tax and interest)		
a. Sugar	189.31	(338.22)
b. Distillery	59.56	263.53
c. Power	50.43	225.98
d. Others	49.24	(11.69)
Total	348.54	139.60
Less: (i) Interest Gross	(300.87)	(321.78)
(ii) Interest income	2.37	80.41
(iii) Other Un-allocable Income net off Un-allocable expenditure	(102.40)	(32.17)
Total Profit/ (loss) before tax	(52.36)	(133.94)
3 Capital employed		
i) Segment assets:		
a. Sugar	8,569.88	8,675.00
b. Distillery	889.27	876.53
c. Power	1,704.81	1,784.62
d. Others	226.49	252.39
Total	11,390.45	11,588.54
Add: Unallocated corporate assets	2,157.91	2,217.73
Total assets	13,548.36	13,806.27
ii) Segment liabilities:		
a. Sugar	4,406.66	4,162.62
b. Distillery	29.69	29.15
c. Power	5.61	3.01
d. Others	173.29	113.31
Total	4,615.25	4,308.09
Add: Unallocated corporate liabilities	6,236.01	6,705.79
Total liabilities	10,851.26	11,013.88
4 Capital expenditure:		
a. Sugar	2.89	0.55
b. Distillery	26.31	15.25
c. Power	0.51	2.83
d. Others*	0.22	0.17
e. Unallocated	11.06	0.13
Total	40.99	18.93

* Includes increase/ (decrease) due to forex fluctuation

Particulars	Year ended March 31, 2020 ₹ Crore	Year ended March 31, 2019* ₹ Crore
5 Depreciation and amortisation:		
a. Sugar	126.92	126.70
b. Distillery	17.20	15.03
c. Power	59.92	59.78
d. Others	7.73	4.26
e. Unallocated	4.64	(1.54)
Total	216.41	204.23
6 Non-cash expenditure other than depreciation:		
a. Sugar	Nil	Nil
b. Distillery	Nil	Nil
c. Power	Nil	Nil
Total	Nil	Nil

* Refer notes "48" to the financial statement.

Other disclosures:

1. The Company caters mostly to Indian markets. No single customer contributes more than 10% of the revenue.
2. Operating segments have been identified on the basis of the nature of products and have been identified as per the quantitative criteria specified in the Ind AS.

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

Segment assets include all operating assets used by the operating segment and mainly consist of property plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets / liabilities.

39 The disclosures in respect of Related Parties as required under Ind AS 24 'Related Party Disclosures' is stated herein below:

- a) Name of related parties
 - A. Directors and their relatives
 1. Mr. Kushagra Bajaj, Chairman (Also key management personnel)
 2. Mr. Ashok Kumar Gupta, Managing Director (Also key management personnel)
 - B. Enterprises over which any person described in (A) above is able to exercise significant influence
 1. Abhitech Developers Pvt. Ltd.
 2. Bajaj Capital Ventures Private Ltd.
 3. Bajaj Infrastructure Development Company Ltd.
 4. Bajaj Energy Ltd.
 5. Bajaj Resources Ltd.
 6. Bajaj Power Ventures Private Ltd.
 7. Bajaj International Realty Private Ltd.
 8. Shishir Bajaj Family Trust
 9. SKB Roop Commercial LLP
 10. Lalitpur Power Generation Company Ltd.

b) Details of related party transactions:

Transactions				₹ Crore
	Directors/Key Management Personnel	Associate	Enterprises described in (B) above	Total
I. Transactions during the year				
Sale of Services	-	-	-	-
	(-)	(-)	(1.67)	(1.67)
Rent - Income	-	-	3.57	3.57
	(-)	(-)	(3.45)	(3.45)
Remuneration	2.12	-	-	2.12
	(2.96)	(-)	(-)	(2.96)
Gratuity - Expenses	1.44	-	-	1.44
	(-)	(-)	(-)	(-)
Rent - Expense	-	-	4.29	4.29
	(-)	(-)	(4.24)	(4.24)
Business Process Services - Expense	-	-	1.85	1.85
	(-)	(-)	(1.85)	(1.85)
Provision expenses for doubtful debts	-	-	0.85	0.85
	(-)	(-)	(0.22)	(0.22)
Deposit given repaid	-	-	-	-
	(-)	(-)	(0.75)	(0.75)
Deposit given	-	-	-	-
	(-)	(-)	(0.02)	(0.02)
Guarantee/securities given - repaid	-	-	-	-
	(-)	(-)	(99.00)	(99.00)
II. Amounts outstanding at the Balance Sheet date				
Loan taken	110.50	-	101.50	212.00
	(110.50)	(-)	(101.50)	(212.00)
Advance to vendor	-	-	0.47	0.47
	(-)	(-)	(0.67)	(0.67)
Trade payables	-	-	0.95	0.95
	(-)	(-)	(0.60)	(0.60)
Investments	-	-	770.13	770.13
	(-)	-	(770.13)	(770.13)
Trade receivable	-	-	11.24	11.24
	(-)	(-)	(9.33)	(9.33)
Provision for doubtful debts	-	-	1.08	1.08
	(-)	(-)	(0.23)	(0.23)
Debenture	-	-	266.85	266.85
	(-)	(-)	(266.85)	(266.85)
Advance for land purchase	-	-	248.00	248.00
	(-)	(-)	(248.00)	(248.00)
Deposits given	-	-	5.06	5.06
	(-)	(-)	(5.06)	(5.06)
Advance for business process services	-	-	-	-
	(-)	-	(1.85)	(1.85)
Advance lease rent received (P.Y. ₹ 24,952/-)	-	-	-	-
	(-)	(-)	(0.00)	(0.00)
Securities given	-	-	661.25	661.25
	(-)	(-)	(661.25)	(661.25)

Notes:

- 1 Related party relationship is as identified by the Company based on the available information and relied upon by the auditors.
- 2 No amount has been written off or written back during the year in respect of debts due from or to related parties.
- 3 Rent received of ₹ 3.31 crore (P.Y. ₹ 3.27 crore) from Bajaj Energy Ltd, ₹ 0.26 crore (P.Y. ₹ 0.18 crore) from Lalitpur Power Generation Company Ltd.
- 4 Remuneration includes ₹ 0.67 crore (P.Y. ₹ 1.85 crore) to Mr. Kushagra Bajaj, and ₹ 1.30 crore (P.Y. ₹ 1.11 crore) to Mr. A.K. Gupta.
- 5 Gratuity expenses includes ₹ 1.44 crore (P.Y. ₹ NIL) to Mr. Kushagra Bajaj.
- 6 Rent paid includes ₹ 0.93 crore (P.Y. ₹ 0.93 crore) to Bajaj Capital Ventures Pvt. Ltd, ₹ 2.23 crore (P.Y. ₹ 2.23 crore) to Shishir Bajaj Family Trust, ₹ 1.01 crore (P.Y. ₹ 0.97 crore) to Bajaj Resources Ltd. and ₹ 0.11 crore (P.Y. ₹ 0.11 crore) to Abhitech Developers Pvt Ltd.

- 7 Business process services ₹ 1.85 crore (P.Y. ₹ 1.85 crore) to Abhitech Developers Pvt. Ltd.
 - 8 Expenses include doubtful debts of ₹ 0.84 crore (P.Y. ₹ 0.21 crore) for Bajaj Energy Limited.
 - 9 Restructured term loan from banks aggregating to ₹ 5,486.56 crore are secured by personal guarantee of Mr. Kushagra Bajaj (Chairman) and corporate guarantee by M/s Bajaj International Realty Private Ltd. (a promoter group company) and pledge of entire shares held by the promoters of the Company.
 - 10 The transactions with related parties are made on terms equivalent to those that prevail in arm's-length transactions. Outstanding balances year-end are unsecured except as stated above and settlement occurs in cash.
 - 11 Loans Taken include ₹ 110.50 crore (P.Y. ₹ 110.50 crore) from Mr. Kushagra Bajaj, ₹ 89.50 crore (P.Y. ₹ 89.50 crore) from SKB Roop Commercial LLP, ₹ 6.49 crore (P.Y. ₹ 6.49 crore) from Shishir Bajaj Family Trust, ₹ 1.39 crore (P.Y. ₹ 1.39 crore) from Bajaj Infrastructure Development Company Limited, ₹ 4.11 crore (P.Y. ₹ 4.11 crore) from Lambodar Stocks Private Limited. Pursuant to debt restructuring thru JLF route and subsequently under the Scheme for Sustainable Structuring of Stressed Assets (S4A) loan was given by promoters and promoters group entities; refer to note no. 40(d).
 - 12 Investment includes ₹ 770.13 crore in 1,54,39,900 (P.Y. 1,54,39,900) Shares of Lalitpur Power Generation Company Ltd. of ₹ 10/- each.
 - 13 Debenture includes ₹ 226.85 crore in 2,66,85,000 (2,66,85,000) Zero Coupon Optionally Convertible Debentures of Lambodar Stocks Private Ltd. of ₹ 100/- each.
 - 14 Advance for land purchase includes ₹ 248.00 crore (P.Y. ₹ 248.00 crore) to Lambodar Stocks Private Limited.
 - 15 Deposits given include ₹ 0.38 crore (P.Y. ₹ 0.38 crore) to Bajaj Capital Venture Private Limited, ₹ 0.90 crore (P.Y. ₹ 0.90 crore) to Shishir Bajaj Family Trust and ₹ 3.78 crore (P.Y. ₹ 3.78 crore) to Abhitech Developers Private Limited.
- 40** a) At the request of the Company, the Joint Lenders Forum (JLF) by State Bank of India has approved the corrective action plan for restructuring of credit facilities on December 03, 2014 under JLF route in accordance with the applicable framework and guidelines issued by Reserve Bank of India. Accordingly, a Master Restructuring Agreement (MRA) has been signed on December 30, 2014 among the Company and JLF lenders, by virtue of which the restructured facilities are governed by the provisions specified in the said MRA. The cut-off date for restructuring under JLF route is July 31, 2014.
- b) The MRA as well as guidelines of Reserve Bank of India issued on debt restructuring under JLF route give a right to the JLF lenders to get recompense of their waivers and sacrifices made as per corrective action plan. The recompense payable by the company is contingent on various factors including improved performance of the company and many other conditions, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense is treated as a contingent liability. The aggregate present value of recompense till March 31, 2020 payable to the JLF lenders as per MRA is approximately ₹ 234.81 crore for the company.
- c) As per terms of above restructuring approved by lenders, the Promoters were required to bring promoter contribution amounting to ₹ 200 crore in phased manner till September 2015 in the form of equity capital/preference capital/unsecured loan/other similar instruments. An amount of ₹ 200 crore has been brought by promoters as unsecured loan within stipulated period.
- d) For restructuring of certain outstanding debts of the Company, the Joint Lenders Forum (JLF) of the Company adopted the scheme for sustainable structuring of stressed assets (S4A Scheme) with reference date as June 23, 2017, which was approved by the overseeing committee (OC) on November 30, 2017. As per the S4A Scheme, the total fund based debt of ₹ 8,284.59 crore (including funded interest of ₹ 354.51 crore), were bifurcated in two parts – 57.81% as Part A (Sustainable Debt) amounting to ₹ 4,789.34 crore to be serviced as per existing terms and conditions of these debts and remainder 42.19% as Part B (Unsustainable Debt) amounting to ₹ 3,495.25 crore. While a sum of ₹ 12.00 crore has been adjusted against the consideration payable to Promoters towards transfer of 11,99,87,344 equity shares, at a price of ₹ 1/- per equity share, to JLF lenders and the balance ₹ 3,483.25 crore has been converted into optionally convertible debentures allotted to the JLF lenders. Further the MFA (Master Framework Agreement) has casted an obligation to recover the outstanding loans and advances, as specified in agreement, in phased manner, but no time line has been stipulated.
- Promoter / Promoters' group has transferred 11,99,87,344 (10.59%) equity shares, at ₹ 1/- per equity share, to JLF lenders, resulting in reduction of Promoter holding from 26.02% to 15.43% in accordance with the S4A Scheme.

41 Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

A Credit risk

Credit risk arises from the possibility that counterparty may not be able to settle their obligations as agreed. Company is exposed to credit risk from trade receivables, loan given and deposits with banks. To manage this,

Company periodically assesses the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the company for extension of credit to customers. Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. Concentrations of credit risk are limited as a result of the company's large and diverse customer base. Company has also taken advances and security deposits from its customers /agents, which mitigate the credit risk to an extent. The ageing of trade receivable is given below:

	Up to 6 months ₹ Crore	More than 6 months ₹ Crore	Total
As at March 31, 2020	136.28	32.68	168.96
As at March 31, 2019	185.07	11.56	196.63

Following table summarises the change in loss allowances measured using life time expected credit loss model. No significant changes in the estimation techniques or assumption were made during the period.

Particulars	₹ Crore
As at April 01, 2018	20.62
Provided during the year	6.17
As at March 31, 2019	26.79
Provided during the year	1.95
Reversal of provision	(0.24)
Amounts written off	(15.93)
As at March 31, 2020	12.57

Company considers factors such as track record, size of the institution, market reputation and service standards to select the comparative banks with which loan/ term deposits are maintained. Generally, term deposits are maintained with banks with which company has also availed borrowings.

B Liquidity risk

Liquidity risk is the risk that a company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs. The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Particulars	As at March 31, 2020 (₹ Crore)				
	Carrying amount	On demand	0-12 months	More than 12 months	Total
Borrowings	5,493.39	-	347.46	5,145.93	5,493.39
Trade payables	4,444.46	4,444.46	-	-	4,444.46
Other financial liabilities	42.05	-	42.05	-	42.05
Total	9,979.90	4,444.46	389.51	5,145.93	9,979.90
Particulars	As at March 31, 2019 (₹ crore)				
	Carrying amount	On demand	0-12 months	More than 12 months	Total
Trade payables	4,165.70	4,165.70	-	-	4,165.70
Other financial liabilities	25.36	-	25.36	-	25.36
Total	10,217.54	4,165.70	665.34	5,386.50	10,217.54

C Market risk

The company is exposed to the risk of movements in interest rates, inventory price and foreign currency exchange rates that affects its assets, liabilities and future transactions.

i) Interest rate risk

Fluctuation in fair value or future cash flows of a financial instrument because of changes in market interest rates gives rise to interest rate risk. Almost 100% of the Company's borrowings are linked to SBI base rate of the banks. With all other variables held constant, the following table demonstrates the impact of change in interest rate on borrowing cost on floating rate portion of loans.

Interest rate sensitivity	₹ Crore	
	Increase / Decrease in basis point	Effect on Profit before tax
For year ended March 31, 2020	100	+ / (-) 54.93
For year ended March 31, 2019	100	+ / (-) 60.26

ii) Inventory price risk

The Company is exposed to the movement in price of principal finished product i.e. sugar. Prices of the sugar cane is fixed by government. Generally, sugar production is carried out during sugar cane harvesting period from November to April. Sugar is sold throughout the year which exposes the sugar inventory to the movement in the price. Company monitors the sugar prices on daily basis and formulates the sales strategy to achieve maximum realisation. The sensitivity analysis of the change in sugar price on the inventory as at year end, other factors remaining constant is given in table below:

₹ Crore				
Rate sensitivity	Increase / Decrease in sale price		Effect on Profit before tax	
For year ended March 31, 2020		₹ 1	+ / (-)	0.78
For year ended March 31, 2019		₹ 1	+ / (-)	0.81

iii) Foreign exchange risk

Foreign currency risk arises commercial transactions that recognised assets and liabilities denominated in a currency that is not company's functional currency (INR). The Company is not exposed to significant foreign exchange risk at the respective reporting dates.

Bajaj Aviation Pvt Ltd, one of the subsidiary of the Company, procures spares parts, training and maintenance services for Aircraft and Helicopter in foreign currency consequently it exposures to exchange rate fluctuations.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Currency	Year ended March 31, 2020	Year ended March 31, 2019
USD	4,77,978.93	2,06,271.24

Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity of profit before tax to a reasonably possible change in USD exchange rates, with all other variables held constant.

₹				
Change in currency rate	Currency	Impact on statement of profit and loss	Year ended March 31, 2020	Year ended March 31, 2019
Increase by 5%	USD	(-)	18,01,644	7,13,402
Decrease by 5%	USD	+	18,01,644	7,13,402

42 Fair value of financial assets and financial liabilities

Financial instruments measured at fair value can be divided into three levels for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – Inputs for the asset or liability that are not based on observable market data.

Following methods and assumptions are used to estimate the fair values:

- Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities and short-term borrowings carried at amortised cost is not materially different from its carrying cost largely due to short-term maturities of these financial assets and liabilities.
- Financial instruments with fixed and variable interest rate fall within level 2 of the fair value hierarchy and are evaluated by Company based on parameters such as interest rate, credit rating or assessed creditworthiness.
- Non-listed shares and other securities fall within level 3 of the fair value hierarchy. Valuation is based on the net asset method.
- Fair value of the borrowing items fall within level 2 of the fair value hierarchy and is calculated on the basis of discounted future cash flows.

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

Particulars	As at March 31, 2020 (₹ Crore)			
	Carrying amount	Level 1	Level 2	Level 3
Financial Assets at amortised cost				
Trade receivables	168.96	-	-	-
Cash and cash equivalents	104.01	-	-	-

Particulars	As at March 31, 2020 (₹ Crore)			
	Carrying amount	Level 1	Level 2	Level 3
Loans - current	1,095.42	-	-	-
Other financial assets - non current	2.07	-	2.07	-
Total	1,381.40	-	2.07	-
Financial assets at fair value through Other comprehensive income				
Investments	869.47	-	-	869.47
Total	869.47	-	-	869.47
Financial assets at fair value through Profit & loss				
Investments	266.85	-	-	266.85
Total	266.85	-	-	266.85
Financial liabilities at amortised cost				
Borrowings - non current	5,139.53	-	-	-
Borrowing - current	6.40	-	-	-
Trade payables	4,444.46	-	-	-
Other financial liabilities- current	389.51	-	-	-
Total	9,979.90	-	-	-
Particulars	As at March 31, 2019 (₹ Crore)			
	Carrying amount	Level 1	Level 2	Level 3
Financial Assets at amortised cost				
Trade receivable (Refer note "48")	196.63	-	-	-
Bank balances	13.48	-	-	-
Loans - current	1,100.04	-	-	-
Other financial assets - non current	4.01	-	4.01	-
Total	1,368.05	-	4.01	-
Financial assets at fair value through				
Investments	924.06	-	-	924.06
Total	924.06	-	-	924.06
Financial assets at fair value through Profit & loss				
Investments	266.85	-	-	266.85
Total	266.85	-	-	266.85
Financial liabilities at amortised cost				
Borrowings - non current	5,382.09	-	-	-
Borrowing - current	4.41	-	-	-
Trade payables	4,165.70	-	-	-
Other financial liabilities - current	665.34	-	-	-
Total	10,217.54	-	-	-

During the year ended March 31, 2020, there was no transfers between level 2 and level 3 fair value hierarchy. During the year ended March 31, 2019, there was no transfers between level 2 and level 3 fair value hierarchy. Following table shows the reconciliation from the opening balances to the closing balances of the level 3 values.

	₹ Crore
Balance as on April 1, 2018	188.45
Less: Fair value loss recognised in Other Comprehensive Income	(34.52)
Balance as on April 1, 2019	153.93
Less: Fair value loss recognised in Other Comprehensive Income	(54.59)
Balance as on March 31, 2020	99.34

43 The parent Company has exposure ₹ 770.33 crore in other companies which are related to group and ₹ 1,201.94 crore in other companies, aggregating to ₹ 1,972.27 crore, by way of investments, loans, accumulated interest on these loans and receivables. Management is of the view that sufficient efforts are being undertaken to revive the other companies in the foreseeable future so as to recover carrying value of the investment and the diminution, if any exists, it is only of temporary nature. Further, management believes that the loans and advances given are considered good and recoverable based on the future favourable view of the government for power industries & their future business plan, and ongoing efforts towards obligation casted on the company and its promoters to recover the outstanding loans in phased manner in terms of the agreements executed to give effect to the debt restructuring scheme from time to time and accordingly no provision other than those already accounted for, has been considered necessary.

Further on the principle of conservatism and prudence, the Company has not recognised interest income of ₹ 78.82 crore in FY 2020, on loans and advances; as and when it is recoverable it will be recognised in the books.

- 44 The Group has adopted Ind AS 116 with modified retrospective approach, with effect from April 1, 2019. Accordingly the comparative periods have not been restated. There is no impact of Ind AS 116 adoption to the retained earnings as at April 1, 2019. The Company has recognised ₹ 11.54 crore as right of use assets and the corresponding lease liability on the date of transition i.e. April 1, 2019. Further, an amount of ₹ 0.56 crore has been reclassified from non-current assets to right of use assets against security given for lease in previous period to depreciate for the right of use assets and finance cost for interest accrued on lease liability.

- 1 The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	₹ in Crore
Short-term leases	3.10
Leases of low value assets	-
Variable lease payments	-
Total	3.10

- 2 Additional profit or loss and cash flow information

Particulars	₹ in Crore
Income from subleasing ROU	-
Total cash outflow in respect of leases in the year	6.33

- 3 The undiscounted maturity analysis of lease liabilities at March 31, 2020 is as follows:

Particulars	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-6 years	Total
31-Mar-20							
Lease payments	3.24	3.15	2.82	2.57	0.03	-	11.81
Finance Charge*	0.98	0.71	0.43	0.15	0.00	-	2.27
31-Mar-19							
Lease payments	3.23	3.24	3.15	2.82	2.57	0.03	15.04
Finance Charge*	1.23	0.98	0.71	0.43	0.15	0.00	3.49

*Finance Charges in 4-5 & 5-6 years ₹ 3,314/

- 4 The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements to 31 March 2019) to the lease liabilities recognised at 1 April 2019:

Particulars	₹ in Crore
Total operating lease commitments disclosed at 31 March 2019	15.04
Recognition exemptions:	
Leases of low value assets	-
Leases with remaining lease term of less than 12 months	-
Variable lease payments not recognised	-
Other minor adjustments relating to commitment disclosures	-
Operating lease liabilities before discounting	15.04
Discounted using incremental borrowing rate	3.49
Operating lease liabilities	11.54
Reasonably certain extension options	-
Finance lease obligations	-
Total lease liabilities recognised under Ind AS 116 at 1 April 2019	11.54

- 45 The Company and its erstwhile subsidiary Bajaj Hindusthan Sugar & Industries Limited (BHSIL, merged with the company in 2010) had made requisite minimum capital investment and established an aggregate of 11 new sugar mills and 4 distillery units and also expanded capacity of sugar mills during the years 2004 to 2008. All those mills were established & commercial production started within the time prescribed under the policy i.e. 31st March' 2008. As per the Sugar Industry Promotion Policy, 2004 announced by the Government of Uttar Pradesh, the Company was entitled to various benefits in the form of grant of certain exemptions / incentives as also reimbursements of certain expenses and capital subsidy, available to the eligible entrepreneurs based on the requisite investments in setting up new mills and or on capacity expansion of sugar units in state of U.P. . While for the 8 new sugar mills & 3 distilleries set up by the Company, it had already received "Eligibility Certificate", however, the same is awaited for 3 new sugar mills, 1 distillery and for expansion of 1 mill of erstwhile BHSIL; all the claims had been filed by the company within stipulated time as per the scheme. Till date the Company have partly availed the benefits including capital subsidy amount. However, due to an abrupt withdrawal / discontinuation of policy in the year 2007, the balance amount of benefits and grant of eligibility certificate in respect of the mills of erstwhile subsidiary BHSIL (subsequently merged with the Company) is held up. Consequently, the Current Assets include a sum of ₹ 592.38 crore towards the aforesaid claims under 2004 Policy. The authorities started denying the benefits so the company challenged the denial orders of the Govt based on the withdrawal / discontinuing the policy with effect from 04.06.2007, in the Hon'ble High Court of Allahabad. Basically the withdrawal of the policy w.e.f. 04.06.2007 was a preponing process of date of completion of projects i.e. 31.03.2008 which otherwise was not relevant in the case of company since it has already completed the installation and started the commercial production before the prescribed date and became eligible to

avail the benefits envisaged. The Hon'ble High Court upheld the stand of the company and held that the withdrawal sugar promotion policy was arbitrary and without the application of mind. The Govt of U.P. preferred to file an SLP before the Hon'ble Supreme Court against the orders of the Hon'ble High Court of Allahabad. The Hon'ble Supreme Court turned down the stand of the Govt of U.P. and declined to interfere in the order of the Hon'ble High Court vide its order dated 07.03.2018.

"Given the series of orders, and finally, from the Hon'ble Supreme Court, the Company again approached the Cane Commissioner of U.P. for release of its claims. The Cane Commissioner vide its letter dated 07.06.2018 asked the Company to re-submit the claim papers again in the office of Cane Commissioner. The Company again filed all the complete claim papers in the prescribed formats. The Company regularly followed up with the office of Cane Commissioner for settlement of its claims; and because of unreasonable delay in settlement of the company's claims, the Company filed a contempt petition in the Hon'ble Supreme Court. The Cane Commissioner declined the claim of the Company on unfounded grounds. Contempt petition filed by the Company in Hon'ble Supreme Court was scheduled for hearing on 23rd March 2020, but due to the prevailing COVID-19 pandemic situation & subsequent lockdown, it could not be listed on the said date. The case is to be listed for hearing after lifting of lockdown."

- 46** (a) The outbreak of the pandemic COVID-19 and consequent lockdown by the Government w.e.f. March 25, 2020, which initially led to closing down city-based offices of the company in compliance of lockdown rules, but there had not been material disruptions in the operations of the sugar manufacturing plants and distilleries of the Company as the Government had already classified these facilities as essential products and services; all the plants kept on working as per their capacity. The most visible impact of the pandemic and the resultant lockdown, on the Company, was a decline on the domestic demand of sugar, which may lower the average sugar realisation to some extent in FY 2021. However, the Government already had some mechanism in place to support the industry including fixation the MSP (Minimum Selling Price) @ ₹ 31 per kg, monthly sugar sale quota, fixation of export obligation, etc. to stabilise the sugar prices. The Government may further come up with some other measures to mitigate the impact if any. The other main products viz ethanol and power are not expected to be affected adversely. As per the assessment made till the date of adoption of these results, the management is of the view that the Company will not be impacted adversely. Now the Government is relaxing the lockdown in phased manner consequently the commercial activities are returning to normal. The Company has considered the possible impact of internal and external factors known to the management up to the date of approval of these accounts, to assess and finalise the carrying amount of its assets and liabilities. Accordingly, as on date, no material impact is anticipated in the carrying values of the assets and their recoverability. As the situation continues to evolve, the Company will closely monitor and assess any material impact in the financial of the Company.
- (b) The Company has initiated the process of obtaining balance confirmations and is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The management is of the opinion the balances outstanding are correct and does not expect any material differences in the balances that would be affecting the current year's financial statement on receipt of the balance confirmations post the balance sheet date.
- 47** Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associates

Name of Enterprises	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ Crore)	As % of consolidated profit or loss	Amount (₹ Crore)	As % of consolidated other comprehensive income	Amount (₹ Crore)	As % of consolidated total comprehensive income	Amount (₹ Crore)
Parent	58.00%	1,570.91	-6.00%	3.23	100.00%	(43.83)	43.00%	(40.60)
Subsidiaries								
Indian								
1. Bajaj Aviation Private Ltd.	0.00%	9.51	15.00%	(7.55)	0.00%	-	8.00%	(7.55)
2. Bajaj Power Generation Private Ltd.	41.00%	1,116.54	0.00%	(0.05)	0.00%	-		(0.05)
Foreign								
1. Bajaj Hindusthan (Singapore) Pte. Ltd.	0.00%	0.53	-1.00%	0.25	0.00%	(0.28)	0.00%	(0.03)
2. PT. Batu Bumi Persada, Indonesia	0.00%	4.89	1.00%	(0.55)	0.00%	0.39	0.00%	(0.16)
3. PT. Jangkar Prima, Indonesia	0.00%	(5.28)	5.00%	(2.33)	0.00%	-	2.00%	(2.33)
Non controlling interests in all subsidiaries foreign								
1. PT. Batu Bumi Persada, Indonesia	0.00%	0.00	0.00%	0.00				
2. PT. Jangkar Prima, Indonesia	0.00%	-	0.00%	0.00				

48 Restated Consolidated Financial Statements for the year ended March 31, 2019 and as at April 1, 2018 April, 2018

A) CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Note	Reported	Restatement	Restated
		Amount	Amount	Amount
		As at	As at	As at
		March 31,	March 31,	March 31,
		2019 *	2019 *	2019 *
		₹ Crore	₹ Crore	₹ Crore
ASSETS :				
Non-current assets				
Property, plant and equipment	3	7,396.83	-	7,396.83
Right of use assets	3	-	-	-
Capital work-in-progress	3	26.35	-	26.35
Other intangible assets	3	0.00	-	0.00
Financial assets				
Investments	4	153.93	-	153.93
Other non-current financial assets	5	4.01	-	4.01
Deferred tax assets	20	-	-	-
Other non-current assets	6	261.52	-	261.52
Sub total		7,842.64	-	7,842.64
Current assets				
Inventories	7	2,764.98	-	2,764.98
Financial assets				
Current investments	8	1,036.98	-	1,036.98
Trade receivables	9	181.34	15.29	196.63
Cash and cash equivalents	10	53.89	-	53.89
Bank balances	11	13.48	-	13.48
Loans and interest accrued	12	1,100.04	-	1,100.04
Current tax assets (net)	13	16.49	-	16.49
Other current assets	14	781.14	-	781.14
Sub total		5,948.34	15.29	5,963.63
Total Assets		13,790.98	15.29	13,806.27
EQUITY AND LIABILITIES :				
Equity				
Equity share capital	15	110.07	-	110.07
Other equity	16	2,667.04	15.29	2,682.33
Non controlling interest		(0.01)	-	(0.01)
Sub total		2,777.10	15.29	2,792.39
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	5,382.09	-	5,382.09
Other financial liabilities		-	-	-
Deferred tax liabilities	20	629.46	-	629.46
Other non-current liabilities	21	21.74	-	21.74
Sub total		6,087.05	-	6,087.05
Current liabilities				
Financial liabilities				
Borrowings	22	4.41	-	4.41
Trade payables :-				
Total outstanding micro and small enterprises	23	0.67	-	0.67
Total outstanding other than micro and small enterprises	23	4,165.03	-	4,165.03
Other financial liabilities	24	665.34	-	665.34
Other current liabilities	25	79.80	-	79.80
Provisions	26	11.58	-	11.58
Sub total		4,926.83	-	4,926.83
Total Equity and Liabilities		13,790.98	15.29	13,806.27

B) CONSOLIDATED BALANCE SHEET AS AT APRIL 01, 2018

Particulars	Note	Reported		Restated
		Amount	As at	Amount
		As at	Restate-	As at
		March 31,	ment	March 31,
		2018 *	₹ Crore	2018 *
		₹ Crore		₹ Crore
ASSETS :				
Non-current assets				
Property, plant and equipment	3	7,543.04	-	7,543.04
Right of use assets	3	-	-	-
Capital work-in-progress	3	75.41	-	75.41
Other intangible assets	3	0.00	-	0.00
Financial assets				
Investments	4	958.58	-	958.58
Other non-current financial assets	5	2.35	-	2.35
Deferred tax assets	20	4.90	-	4.90
Other non-current assets	6	264.31	-	264.31
Sub total		<u>8,848.59</u>	-	<u>8,848.59</u>
Current assets				
Inventories	7	2,847.88	-	2,847.88
Financial assets				
Current investments	8	266.85	-	266.85
Trade receivables	9	169.33	15.29	184.62
Cash and cash equivalents	10	38.28	-	38.28
Bank balances		25.36	-	25.36
Loans and interest accrued	12	1,024.56	-	1,024.56
Current tax assets (net)	13	17.55	-	17.55
Other current assets	14	815.88	-	815.88
Sub total		<u>5,205.69</u>	<u>15.29</u>	<u>5,220.98</u>
Total Assets		<u>14,054.28</u>	<u>15.29</u>	<u>14,069.57</u>
EQUITY AND LIABILITIES :				
Equity				
Equity share capital	15	110.07	-	110.07
Other equity	16	2,831.90	15.29	2,847.19
Non-controlling interest		(0.01)	-	(0.01)
Sub total		<u>2,941.96</u>	<u>15.29</u>	<u>2,957.25</u>
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	5,892.42	-	5,892.42
Other financial liabilities		-	-	-
Provisions	19	43.35	-	43.35
Deferred tax liabilities	20	642.54	-	642.54
Other non-current liabilities	21	14.84	-	14.84
Sub total		<u>6,593.15</u>	-	<u>6,593.15</u>
Current liabilities				
Financial liabilities				
Borrowings	22	161.27	-	161.27
Trade payables :				
Total outstanding micro enterprises and small enterprises	23	0.40	-	0.40
Total outstanding other than micro enterprises and small enterprises	23	3,374.30	-	3,374.30
Other financial liabilities	24	773.32	-	773.32
Other current liabilities	25	199.94	-	199.94
Provisions	26	9.94	-	9.94
Sub total		<u>4,519.17</u>	-	<u>4,519.17</u>
Total Equity and Liabilities		<u>14,054.28</u>	<u>15.29</u>	<u>14,069.57</u>

Trade receivable and Other equity opening balance as on April 01, 2018 restated by ₹ 15.29 crore, as expected credit loss as per Ind AS 109 related to one subsidiary company was not knocked off in consolidation accounts of FY 2017-18. Only those note have been disclosed with the impact in the previous year figures, which have been restated.

49 For the Year ended 31.03.2020 and earlier years, Company had incurred losses resulting into reduction of net worth to that extent. The losses were mainly attributable to high raw material i.e. sugarcane prices and other inputs cost, and relatively lower realisation of finished products i.e. sugar and molasses which is determined by market forces based on the demand-supply situation and other market dynamics, which are external factors. The Company has dues payable to farmers for sugar cane purchases at year end. The Company is continuously striving for improvement in the operational efficiency in other parameters. The above factors indicate a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. The Company continues to operate at optimum levels and expects improvement in the operational efficiency in form of improvement in sugar recovery, reduction of overheads, finance and other costs, monetisation of certain non-core assets etc. The debt restructuring as per RBI's S4A Scheme, would result into improved liquidity during next 7 years. The Government has taken different measures to improve the financial health of sugar industry, including maintenance of buffer stock of sugar and subsidy thereon, fixing obligation for export of sugar (MIEQ – minimum indicative export quota) to reduce sugar availability, fixation of minimum support price (MSP) for sugar. All these measures are expected to turnaround the operations of sugar industry on sustainable basis. The Company also expects to receive accrued benefits under the Sugar Industries Promotion Policy 2004 for which it is entitled to. In view of the above, the management expects to generate positive cash flow from operation and accordingly, the financial statements are continued to be presented on going concern basis, which contemplates realisation of assets and settlement of liabilities in the normal course of business. The auditors of the subsidiary Bajaj Hindusthan Singapore Private Ltd have referred the matter of material uncertainty related to going concern in their audit report, but the management expect to generate positive cash flows as the company having investments in companies having coal mines, hence the financial statements of the subsidiary Bajaj Hindusthan Singapore Private Ltd are continued to be presented on going concern basis.

50 The financial statements were approved for issue by the Board of Directors, at its meeting held on June 29, 2020.

51 Information pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 is disclosed in Annexure "A".

See accompanying notes "1" to "51" to the financial statement.

As per our Report of even date

For Chaturvedi & Shah LLP
Firm Registration No.101720W/W100355
Chartered Accountants

Lalit R. Mhalsekar
Partner
Membership No. 103418

Alok Kumar Vaish
Chief Financial Officer
M. No. F089930

Kausik Adhikari
Company Secretary
M. No. ACS 18556

Atul Hasmukhrai Mehta
Director
DIN: 00112451

Ashok Mukand
Director
DIN: 00324588

For and on behalf of the Board

Kushagra Bajaj
Chairman
DIN: 00017575

Ashok Kumar Gupta
Managing Director
DIN: 02608184

Vipulkumar S. Modi
Director
DIN: 06985276

Shalu Bhandari
Director
DIN: 00012556

Mumbai, June 29, 2020

Annexure - A
Form AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures
Part "A" : Subsidiaries

₹ Crore

Sl. No.	1	2	3	4	5
Name of the subsidiary	Bajaj Aviation Pvt. Ltd.	Bajaj Power Generation Pvt. Ltd.	Bajaj Hindusthan (Singapore) Pvt. Ltd., Singapore #	PT. Batu Bumi Persada, Indonesia \$	PT. Jangkar Prima, Indonesia \$
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period			01-Jan-2019 to 31-Dec-2019	01-Jan-2019 to 31-Dec-2019
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	USD	IDR
3	Share capital	5.00	0.02	150.02	2.30
4	Other equity	(86.90)	(0.05)	(41.71)	(2.58)
5	Total assets	62.43	1,579.40	123.15	2.88
6	Total Liabilities	144.33	1,579.43	14.84	3.16
7	Investments @	-	266.85	-	-
8	Turnover *	11.58	0.81	0.45	-
9	Profit before taxation	(16.68)	(0.05)	0.26	(0.02)
10	Provision for taxation	-	-	-	-
11	Profit after taxation	(16.68)	(0.05)	0.26	(0.02)
12	Proposed Dividend	-	-	-	-
13	% of shareholding	100%	100%	100%	99%

Notes :

* Turnover includes other income.

@ Investments excludes investment in subsidiaries.

The financial statements are translated at the exchange rate as on 31.03.2020 i.e. 1 USD = INR 75.3859

\$ The financial statements are translated at the exchange rate as on 31.03.2020 i.e. (1 USD = IDR 16367) and (1 USD = INR 75.3859)

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates	Bajaj Ebiz Private Ltd.	Esugarindia Ltd.
1. Latest audited Balance Sheet Date	March 31, 2019	March 31, 2019
2. Shares of Associate held by the company on the year end		
Nos.	11,48,400	9,000
Amount of Investment in Associates (₹ Crore)	1.15	0.01
Extent of holding %	49.50%	Bajaj Ebiz Pvt Ltd. holding of 69.67% Shares
3. Description of how there is significant influence	There is a significant influence due to percentage of shareholding	There is a significant influence due to percentage of shareholding
4. Reason why the associate is not consolidated	See Note	See Note
5. Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ Crore)	-	-
6. Profit / (Loss) for the year (₹ Crore)	-	-
i. Considered in consolidation (₹ Crore)	-	-
ii. Not Considered in Consolidation (₹ Crore)	-	-

Note:

The Company has made provision for permanent diminution in the value of its entire investment in Bajaj Ebiz Private Ltd. and Esugarindia Ltd.

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