THE SWEET TASTE OF PROGRESS

bajaj hindusthan sugar ltd.
www.bajajhindusthan.com

Eighty Sixth Annual Report 2017-18

GLIMPSES OF CSR PROGRAMME

- **1,100** Villages reached
- **1,85,090** Families benefited
- **8,98,319** Population covered

PROMOTION OF NON-CONVENTIONAL ENERGY SOURCES

4,543 Biogas plants installed

225 Setting up domestic solar light unit

PROMOTION OF INDIGENOUS COWS

7,879 Families adopted indigenous cows

WOMEN EMPOWERMENT

3,317 Self Help Groups formed

43,864 Families benefited

5,874 Families benefited under Rural Enterprise

SKILL AND ENTREPRENEURSHIP DEVELOPMENT

1,161 Youths benefited under Skill Development Programme

DESIGN FOR CHANGE

209 Villages covered

253 Total projects in schools covered

VILLAGE INSTITUTIONS

5,177 Village institutions established

WATER RESOURCE DEVELOPMENT AND SOIL CONSERVATION STRUCTURES

151 Rivers / streams of 476 km are rejuvenated

99 Check dams constructed

3,036 Farm ponds/recharge pit constructed

2,128 Wells recharged

249 Group wells constructed

1,512 Lift irrigation devices installed

33 Percolation tanks constructed

6,324 Drip and sprinkler irrigation system installed

2,230 Boribundh are installed

1,267 Acres of farm bunds formed

2,225 Gabion structures formed

817 Roof rainwater harvesting structure

45,004 families and 1,43,328 acres of land are covered under water resource development and soil conservation programme.

PROMOTION OF SUSTAINABLE AGRICULTURE

11,276 Families covered under Convergence of Agricultural Interventions in Maharashtra's (CAIM) project

11,000 Families adopted Better Cotton Initiative programme (BCI)

12,698 Families benefited under WADI project

9,786 Farmers adopted under natural farming

4,573 Families adopted kitchen gardening

335 Azolla units established

144 Onion storage units installed

138 Grameen fridge constructed

3 Poly Green Net Shed set up

293 Cattle feeding cum drinking water systems constructed

506 Power operated chaff cutter installed

40,082 farming families and 97,710 acres of land are benefited under Sustainable Agriculture Practices.

Cultivation under natural farming practices.

Students of school have supported old age home inmates through their daily needs requirement and disseminated the message of caring of old age people under the Design For Change project.

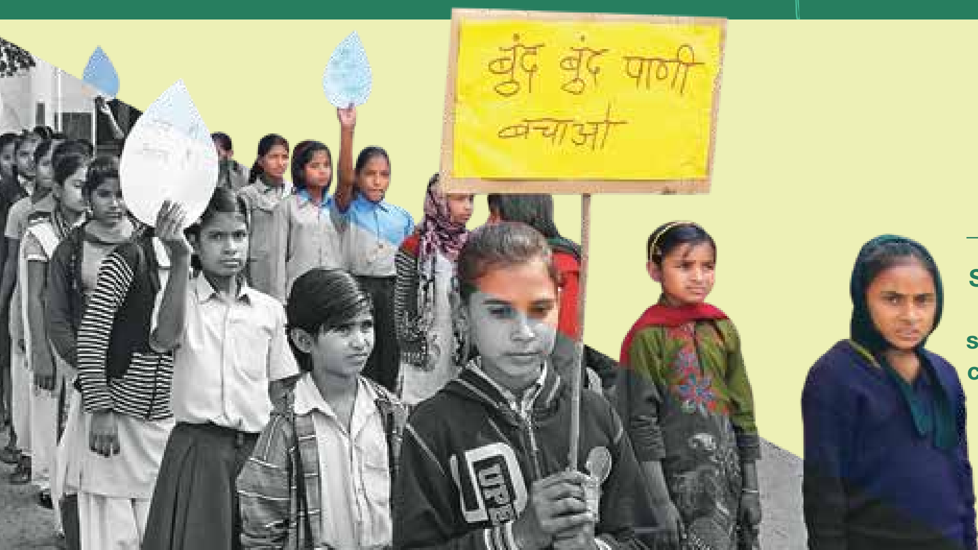
Construction of recharge pits serve the purpose of rainwater harvesting as well as reduce the waterlogging in the farmers field and increase the groundwater table.

Capacity building is an integral part of the Women Self Help Groups programme. A meeting with women SHG members.

Biogas - Permanent Solution for clean and renewable energy source with no recurring cost.

Kushagra Nayan Bajaj (3rd from left) appreciated the efforts made by villagers by constructing borewell recharge structure to increase the groundwater table in the area.

Safe and pure drinking water at the doorstep by construction of Roof Rainwater Harvesting Structure.



Sensitising villagers for saving every drop of water and this small force of children inspired communities to come forward.

Dear Shareholders,

India is poised for the first time ever to create a global milestone by overtaking Brazil to become the largest producer of sugar in the world this year. For any industry, a top podium finish would be cheer enough to celebrate. Alas, while the sugar industry successfully crossed over all challenges to achieve this pinnacle, it's the very high production that could well be its death knell. A business that has its production costs higher than the price at which it sells its products defies logic. Yet, the industry withstood such logic, was financially bruised and continued production awaiting the adoption of the Rangarajan committee proposals. Many of the industry demands are still to see a policy acceptance, some have been executed under conditions that have watered down the basic objectivity of knocking off the challenges of the sugar industry.

What ails the domestic sugar industry? In the absence of a linkage between sugarcane and sugar price, there is a continued high production of both. Since 2010-11, sugar production has been consistently outstripping consumption (except for 2016-17 when cultivation was affected by adverse weather). The Indian Sugar Mills Association (ISMA) has estimated an all-time high annual sugar production for 2017-18 at 31.5 - 32 million tonnes, up from 20.3 million tonnes the previous year. Such a large production against an internal consumption of 25 million tonnes would lead to huge inventory, further creating a downward pressure on prices. 2018-19 is expected to be an even bigger production year. The Government, in order to ease off the inventory, announced mandatory sugar exports of 2 million tonnes. However, this did not create much impact especially on the face of lower global prices and demand. The concern

of increasing surplus requires a policy framework that regulates sugar production, possible only by linking sugarcane and sugar prices recommended by the Rangarajan committee.

The industry has been seeking decontrol based on this committee's proposals for long. In a new, modern India that is growing at a rapid pace across all sectors, this sector is primarily focussed on fighting financial challenges given an imprudent structure of cost and market prices that spiral into severe market imbalances.

There has been an announcement of a ₹ 70 billion package for the sugar industry as a whole. Yes, there would be some short-term reprieve for farmers who await a payment of over ₹ 220 billion. However, challenges would remain, given the measures are more tuned towards allowing some breathing space to a financially weak industry than actually remedying and preventing the distress. We must reiterate, basic economic prudence requires linking costs of sugarcane to sugar prices. Any deviation would just act as a mirage of solutions and the overall industry will continue falling into a whirlpool of complicative imbalances. Fixing a MSP (minimum sale price) at ₹ 29 per kg of sugar is itself distortionary. States have different sugarcane rates and SAP (State advised prices) are distinctly higher than FRP (fair and remunerative price). The MSP hence cannot be uniform given varied input costs. In fact, against the high SAP in Uttar Pradesh, the ideal MSP for sugar is ₹ 35. Understandably, the State government has advised the Central government to consider an MSP of ₹ 34.

In an encouraging move aimed to promote ethanol production, the Government has offered soft loans of ₹ 44.4 billion to enhance ethanol production capacities that will not only provide an impetus to the Government's ambitious bio-fuel programme but also help regulate sugar supply in the years of surplus.

International prices of sugar are depressed given the overall high production especially led by India. Except for Brazil, India and Thailand have excellent weather conditions predicted for this year. This would support higher production in sugar. There has been news of dry weather affecting sugar production from the world's largest producer Brazil. This is not anticipated to lead to a major impact in terms of prices. In 2017-18, there has been an all-time high of global sugar production at 188 million tonnes leading to a surplus of around 15 million tonnes as per various average estimates. In the period 2018-19, a similar trend would be continuing of high sugar production with analysts expecting a gap of 9 million tonnes higher than overall consumption. Given such a scenario, it can be forecast that there should be some upward trend visible in the world sugar markets only around 2020.

An important domestic policy re-visit needs to be taken, given the surge and excess production of sugarcane globally, on how to avoid our domestic farmers over producing, making the present delicate scenario worse. The sugar industry along with the Government needs to work jointly to comprehend the delicate balance of production and prices and the financial burden at present. Farmers continue to focus on growing of sugarcane given the lure of high prices in lieu of other crops. This zeal should not finally lead to a death knell of the sugar industry which would result in a loss for everyone and also loss of production of other agri produce.

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, 2018, the Company crushed 14.765 MMT of sugarcane. During the year, the Company produced 15,60,093 MT sugar and 6,90,184 MT molasses. During the year, Industrial alcohol / ethanol production was 1,13,165 KL while its sale was at 1,17,323 KL. 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 8,52,209 MW and the Company exported 3,16,493 MW of power during the year.

The Government has completed executing one of the landmark tax reforms by successfully implementing GST. The initial concerns of success of GST has been addressed and the seamless shift to the new regime speaks of robust maturity of the economic environment. The monsoons are expected to be normal for the period 2018-19. This would augur well to provide a constant impetus to growth at present. A stream of important banking measures including financial restructuring and cleaning up of NPAs has been taken up which should further supplement a buoyant healthy economy.

Yes, the scenario at present for the industry is grim and needs tectonic changes and bold policy decisions. We are happy to share that policymakers have been working with the industry at all levels to jointly find a way out that would reduce the burden on the industry as a whole and bringing back a financially healthy environment for all players.

You are a part of a Company that has an excellent team of employees who have travelled the path of all business cycles across the years. As an industry leader, we take great pride in showcasing best practices of prudent management. The sugar industry has been cyclical and the resilience of the team showcases our strength in seeing through any upcycles or downcycles of businesses. We are in a rare sector where we need to manage a financial balance despite our input costs and our output prices both being regulated by the Government.

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.

Warm regards,

Kushagra Bajaj
Chairman & Managing Director

5 YEARS PERFORMANCE TRENDS : 2014-2018

₹ Crore

BALANCE SHEET	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
ASSETS					
Non-current assets					
Property, plant and equipment	7,535.76	7,728.17	7,937.16	8,157.72	4,986.71
Capital work-in-progress	65.79	36.05	18.74	8.26	8.14
Other intangible assets	0.00	0.00	0.00	0.00	0.13
Financial assets					
Investments	1,055.92	1,108.30	1,132.49	1,152.95	2,431.05
Other non-current financial assets	2.35	4.93	3.83	3.66	1.40
Other non-current assets	15.78	21.79	19.92	24.27	21.42
Sub total	8,675.60	8,899.24	9,112.14	9,346.86	7,448.85
Current assets					
Inventories	2,847.88	3,009.52	1,924.12	2,179.29	2,673.50
Financial assets					
Trade receivables	192.43	165.58	300.16	165.78	225.48
Cash and cash equivalents	31.28	30.09	41.17	59.93	125.77
Bank balances	23.39	51.41	78.10	29.95	3.50
Loans	2,002.04	1,855.71	1,710.83	1,564.40	1,244.65
Current tax assets (net)	4.41	21.63	20.72	23.81	39.15
Other current assets	815.63	769.68	767.41	833.79	767.51
Sub total	5,917.06	5,903.62	4,842.51	4,856.95	5,079.56
Total	**14,592.66**	**14,802.86**	**13,954.65**	**14,203.81**	**12,528.41**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	110.07	110.07	108.39	77.73	63.94
Other equity	3,387.79	3,833.44	3,849.39	3,440.13	2,495.30
Sub total	3,497.86	3,943.51	3,957.78	3,517.86	2,559.24
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowings	5,892.42	5,459.79	6,219.80	6,994.64	2,509.57
Provisions	43.35	40.23	29.02	26.58	41.36
Deferred tax liabilities (net)	642.54	653.13	665.52	679.06	-
Other non-current liabilities	13.70	8.73	9.18	9.79	179.40
Sub total	6,592.01	6,161.88	6,923.52	7,710.07	2,730.33
Current liabilities					
Financial liabilities					
Borrowings	156.26	242.74	-	-	3,076.14
Trade payables	3,372.67	2,785.87	2,195.72	2,789.84	2,815.92
Other financial liabilities	773.32	1,369.64	693.02	31.76	711.09
Other current liabilities	190.60	123.41	63.97	60.49	534.75
Provisions	9.94	175.81	120.64	93.79	100.94
Sub total	4,502.79	4,697.47	3,073.35	2,975.88	7,238.84
Total	**14,592.66**	**14,802.86**	**13,954.65**	**14,203.81**	**12,528.41**

₹ Crore

NET INCOME STATEMENT Year / period ended	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014*
INCOME					
Revenue from operations	5,938.38	4,618.64	4,882.62	4,694.08	6,858.25
Other income	166.93	162.27	155.98	186.05	228.74
Total	**6,105.31**	**4,780.91**	**5,038.60**	**4,880.13**	**7,086.99**
EXPENSES					
Purchases and materials consumed	4,900.53	4,037.88	3,127.29	3,704.54	7,815.33
Manufacturing and other expenses	757.60	758.06	680.93	722.88	1,119.31
Changes in inventories of finished goods and work-in-progress	(2.60)	(1,032.80)	281.23	424.88	(1,998.81)
Total	**5,655.53**	**3,763.14**	**4,089.45**	**4,852.30**	**6,935.83**
Profit/ (Loss) before depreciation, interest and tax (PBIDT)	**449.78**	**1,017.77**	**949.15**	**27.83**	**151.16**
Finance cost	680.17	802.07	848.38	888.94	1,127.50
Depreciation and amortisation	196.91	214.12	223.98	239.94	531.72
	877.08	1,016.19	1,072.36	1,128.88	1,659.22
Profit / (Loss) before exceptional items and tax	**(427.30)**	**1.58**	**(123.21)**	**(1,101.05)**	**(1,508.06)**
Exceptional items	-	-	-	3.83	-
Profit / (Loss) before tax (PBT)	**(427.30)**	**1.58**	**(123.21)**	**(1,097.22)**	**(1,508.06)**
Tax expense	(4.11)	(5.82)	(3.42)	-	25.06
Profit / (Loss) after tax (PAT)	**(423.19)**	**7.40**	**(119.79)**	**(1,097.22)**	**(1,533.12)**
Dividend	-	-	-	-	-

* Financial Year 2012-14 comprises a period of 18 months from October 01, 2012 to March 31, 2014.

Board of Directors

Kushagra Bajaj
Chairman & Managing Director (Promoter)

M. L. Apte
Non-Executive Director (Independent)

D. K. Shukla
Non-Executive Director (Independent)

Alok Krishna Agarwal
Non-Executive Director (Independent)

Vipulkumar S. Modi
Non-Executive Director (Independent)

Shalu Bhandari
Non-Executive Director (Independent)

Ashok Mukand
Nominee Director (SBI)

Rajeeva
Nominee Director (PNB)
(w.e.f. May 26, 2018)

Ashok Kumar Gupta
Director (Group Operations)

Company Secretary
Pradeep Parakh
Group President (GRC) & Company Secretary

Chief Financial Officer
Ved Prakash Agrawal
Chief Financial Officer

Statutory Auditors
Chaturvedi & Shah
Chartered Accountants

Cost Auditors
B.J.D. Nanabhoy & Co.
Cost Accountants

Secretarial Auditor
Anant B Khamankar & Co.
Company Secretaries

Bankers

Allahabad Bank
Bank of Baroda
Bank of India
Bank of Maharashtra
Central Bank of India
Corporation Bank
Canara Bank
IDBI Bank Limited
Indian Overseas Bank
Oriental Bank of Commerce
Punjab National Bank
State Bank of India
UCO Bank

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
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

Contents

Directors' Report

Dear Members,

Your Directors have pleasure in presenting their Eighty Sixth annual report and the audited financial statements for the year ended March 31, 2018.

Financial highlights

The summarised financial results of the Company for the year ended March 31, 2018 are presented below:

₹ Crore

	Year ended March 31, 2018	Year ended March 31, 2017
Sales and other income	**6,105.31**	4,780.91
Profit/(Loss) before depreciation, interest and tax	**449.78**	1,017.77
Depreciation and amortisation	**196.91**	214.12
Profit/(Loss) after depreciation but before interest and tax	**252.87**	803.65
Finance costs (Net)	**680.17**	802.07
Profit/(Loss) before tax	**(427.30)**	1.58
Provision for taxation (Net)	**(4.11)**	5.82
Profit/(Loss) after tax	**(423.19)**	7.40
Opening balance b/f	**(610.41)**	(617.58)
Disposable surplus after adjustments	**(1,033.60)**	(610.18)
Transfer to reserve for molasses storage tank	**0.32**	0.23
Balance carried to balance sheet	**(1,033.92)**	(610.41)

On a standalone basis, the Company achieved a turnover (including other income) of ₹ 6,105.31crore for the year ended March 31, 2018 as compared to ₹ 4,780.91 crore in the previous year. The Loss after tax is ₹ 423.19 crore as compared to the profit of ₹ 7.40 crore in the previous year. On a consolidated basis, the turnover including other income is ₹ 6,043.69 crore as compared to ₹ 4,729.75 crore in the previous year. The loss after tax and minority interest is ₹ 499.64 crore as against loss of ₹ 91.98 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, 2018, the Company crushed 14.765 MMT of sugarcane as against 12.509 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 10.62% as against 10.23% in the previous year. During the year, the Company produced 15,60,093 MT sugar (previous year 12,72,424 MT) and 6,90,184 MT molasses (previous year 5,94,958 MT).

The Company sold 14,62,198 MT of sugar and 1,21,136 MT of molasses during the year as against 10,46,122 MT of sugar and 10,058 MT of molasses during the previous year.

Distillery

The Industrial Alcohol / Ethanol production was 1,13,165 KL as against 1,11,934 KL in the previous year. Alcohol / Ethanol sale during the year was at 1,17,323 KL as against 1,09,820 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 8,52,209 MW as against 7,29,431 MW in the previous year. The Company exported 3,16,493 MW of power as against 2,67,257 MW during the previous year.

Debt restructuring

The Company has implemented the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme) introduced by Reserve Bank of India and inter alia completed the following:

- Allotted 34,83,24,626 fully paid-up Optionally Convertible Debentures (OCDs) of face value ₹ 100/- each aggregating to ₹ 34,83,24,62,600 upon conversion of Part-B (Unsustainable Loan) to JLF Lenders
- Promoter group entities sold and transferred 11,99,87,344 equity shares of ₹ 1 each to JLF lenders. Consequently the promoters' shareholding stands reduced to 15.43%
- Pursuant to the implementation of the said Scheme, total funded debt exposure of ₹ 8,284.59 crore was divided into two categories:

  Part A (Sustainable) : ₹ 4,789.34 crore

  Part B (Unsustainable) : ₹ 3,495.25 crore
- Out of Part B loan, a sum of ₹ 3,483.25 crore has been converted into Optionally Convertible Debentures (OCDs) carrying a coupon rate of 0.01% to 2.5%. The Redemption of such OCDs shall be in 13 equal annual instalments, commencing at the end of 8th year (March 31, 2025) from date of issuance. The remaining ₹ 12 crore of Part B loan has been adjusted against consideration payable to the promoters against acquisition of 10.59% of their shareholding in BHSL
- For Part A, interest and principal obligation of Term Loan and Working Capital will continue as per the existing repayment schedule. Debt servicing shall be made out of cash flows from operations, without any change in terms of repayment

Listing of securities

The Company's equity shares are listed on the BSE Limited and The 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, 2018, 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: BAPL 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 to proposed 1980 MW (3x 660 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 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 and Managing Director 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. R.V. Ruia, (DIN: 00035853) Independent director resigned from the Board with effect from November 1, 2017.

Mr. Mukeshkumar S. Dave, (DIN: 07708691) Nominee director ceased to be a director of the Company with effect from March 29, 2018 pursuant to withdrawal of nomination by Punjab National Bank.

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 with Joint Lenders, Mr. Rajeeva, (DIN: 08128796) was appointed as Nominee Director of Punjab National Bank with effect from May 26, 2018 in place of Mr. Mukeshkumar S. Dave.

Mr. Rajeeva aged 50 years 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, MBA (Banking and Finance).

During the year under review, there is no change in Key Managerial Personnel.

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

M/s. Chaturvedi & Shah, Chartered Accountants (Firm Registration No.101720W) 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 said appointment is required to be ratified by the members at the ensuing 86th Annual General Meeting.

The Statutory Audit Report does not contain any qualification, adverse remark or disclaimer made by the Statutory Auditor.

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 2018-19 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, 2017 for the products Sugar, Industrial Alcohol and Electricity was filed with the Ministry of Corporate Affairs on October 06, 2017.

Secretarial auditors and their report

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Anant B Khamankar & Co., Company Secretaries were appointed as Secretarial Auditor of the Company. The Secretarial Audit Report is annexed as "Annexure II" 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 III" 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 IV" 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 herewith as "Annexure V" 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 VI" and forms part of this report.

Policies

Policy for determining material subsidiary

During the year ended March 31, 2018, 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 policy

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.

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 VI" 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, members attention is drawn to the statments 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 VII" 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 VIII" 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

Kushagra Bajaj
Chairman & Managing Director
(DIN: 00017575)

Mumbai, May 26, 2018

ANNEXURE I

DIVIDEND DISTRIBUTION POLICY

1. Introduction

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI LODR Regulations 2015") vide insertion of a new Regulation 43A on July 08, 2016, mandates top five hundred listed companies (based on market capitalisation of every financial year) to formulate a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website.

2. Applicability and effective date

Bajaj Hindusthan Sugar Limited being one of the Top Five Hundred Company as per market capitalisation as on March 31, 2016 framed this "Dividend Distribution Policy".

This policy will be applicable to the Company effective from September 12, 2016.

3. Scope and Purpose

The scope 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

4. Definitions

4.1 "Board" shall mean Board of Directors of the Company.

4.2 "Companies Act"shall mean the Companies Act, 2013 and Rules thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended.

4.3 "Dividend" included any interim dividend.

4.4 "Listed entity" shall mean Bajaj Hindusthan Sugar Limited/BHSL.

4.5 "Policy" means Dividend Distribution Policy.

4.6 "Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by The Securities and Exchange Board of India, as amended.

4.7 "Stock Exchange" shall mean a recognised Stock Exchange as defined under clause (f) of Section 2 of the Securities Contracts (Regulation) Act, 1956.

5. Policy

5.1 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.

5.2 The circumstances under which the shareholders of the listed entities may or may not expect dividend:

The decision regarding dividend payout 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:

i. Proposed expansion plans requiring higher capital allocation.
ii. Decision to undertake any acquisitions, amalgamation, merger, joint ventures 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.

5.3 The financial parameters that shall be considered while declaring dividend:

The following financial parameters shall be considered before declaration of Dividend:

Operating cash flow of the Company

If the Company cannot generate adequate operating cash flow, it may need to rely on outside funding to meet its financial obligations and sometimes to run the day-to-day operations. The Board will consider the same before its decision whether to declare dividend or retain its profits.

Net sales of the Company

To increase its sales in the long run, the Company will need to increase its marketing and selling expenses, advertising, etc. The amount outlay in such activities will influence the decision of declaration of dividend.

Return on invested capital

The efficiency with which the Company uses its capital will impact the decision of dividend declaration.

Magnitude of earnings of the Company

Since dividend is directly linked with the availability of earning over the long haul, the magnitude of earnings will significantly impact the dividend declaration decisions of the Company.

Cost of borrowings

The Board will analyse the requirement of necessary funds considering the long-term or short-term projects proposed to be undertaken by the Company and the viability of the options in terms of cost of raising necessary funds from outsiders such as bankers, lending institutions or by issuance of debt securities or plough back its own funds.

Obligations to creditors

The Company should be able to repay its debt obligations without much difficulty over a reasonable period of time. Considering the volume of such obligations and time period of repayment, the decision of dividend declaration shall be taken.

Inadequacy of profits

If during any financial year, the Board determines that the profits of the Company are inadequate, the Board may decide not to declare dividends for that financial year.

Post dividend EPS

The post dividend EPS can have strong impact on the funds of the Company, thus, impacting the overall operations on day-to-day basis and therefore, affects the profits and can impact the decision for dividend declaration during a particular year.

Expansion plan

The Company's growth-oriented decision to conserve cash in the Company for future expansion plan impacts shareholders expectation for the long run which shall have to be considered by the Board before taking dividend decision.

Other parameters:

i. Working capital requirements
ii. Capital expenditure requirement
iii. Likelihood of crystallisation of contingent liabilities, if any
iv. Additional investment in subsidiaries and associates of the Company
v. Upgradation of technology and physical infrastructure
vi. Past dividend payout ratio

5.4 Internal and external factors that shall be considered for declaration of dividend:

Internal Factors:

Past performance/reputation of the Company

The trend of the performance/reputation of the Company that has been during the past years determine the expectation of the shareholders.

Working capital management in the Company

The current working capital management system within the Company also impacts the decision of dividend declaration.

Present liquidity scenario and outlook for the same

If the liquidity scenario is poor or if the outlook is adverse, then the Company may choose to hold back dividend payouts to shore up equity capital levels.

External Factors:

Statutory requirements

The Company shall observe the relevant statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve such as Debenture Redemption Reserve, Capital Redemption Reserve, Molasses Storage Tank Reserve etc. as provided in the Companies Act, 2013 and other regulations, which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

Agreements with lending institutions/Banks

The decision of dividend payout shall also be affected by the restrictions and covenants contained in the Master Restructuring agreements/Loan agreements entered/as may be entered into with the lenders of the Company from time to time.

Taxation and other regulatory concern

- Dividend distribution tax or any tax deduction at source as required by applicable tax regulations in India, as may be applicable at the time of declaration of dividend.
- Any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend.

Macroeconomic conditions

Considering the state of economy in the country, the policy decisions that may be formulated by the Government and other similar conditions prevailing in the international market which may have a bearing on or affect the business of the Company, the management may consider retaining a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances.

5.5 Policy as to how the retained earnings shall be utilised:

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:

- Increase in production capacity
- Modernisation plan
- Diversification of business
- Long-term strategic plans
- Replacement of capital assets
- Where the cost of debt is expensive
- Other such criteria as the Board may deem fit from time to time

5.6 Parameters to be adopted with regard to various classes of shares

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

6. Disclosures

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company at www.bajajhindusthan.com.

7. Policy Review and Amendments

The Board of Directors reserves the power to review and amend this policy from time to time. Any exceptions to the Dividend Distribution Policy must be consistent with the SEBI (LODR) Regulations, 2015 and must be approved in the manner as may be decided by the Board of Directors.

ANNEXURE II

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

{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
Golagokarannath, Lakhimpur- Kheri,
District Kheri
Uttar Pradesh - 262 802, 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 March 31, 2018, 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 March 31, 2018 according to the provisions of:

The Companies Act, 2013 (the 'Act') and the rules made thereunder;

The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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, 2009;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

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 Niyantran Adhiniyam, 1964

iii. Food Safety and Standards Act, 2006

iv. Essential Commodities Act, 1955

v. Sugar Development Fund Act, 1982

vi. Air Prevention & Control of Pollution Act

vii. U.P Sugar Wages Board Act, 1981

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 and Independent Directors. 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, 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 has increased its authorised share capital from ₹ 271 crore to ₹ 500 crore via Ordinary Resolution passed by way of postal ballot, on December 5, 2017.
2. The Company via Special resolution on December 5, 2017 has approved conversion of Loan by lenders into Optionally Convertible Debentures (OCD's) in accordance with implementation of the Scheme for sustainable structuring of Stressed Assets (S4A Scheme) as approved by the Joint Lenders Forum of the Lenders of the Company on June 23, 2017.
3. The Company has made the following allotment of Optionally Convertible Debentures (OCD's) during the audit period:

Sr. No.	No. of securities allotted (OCD's)	Price per security (in ₹)	Date of allotment
1.	30,92,53,325	100	18.12.2017
2.	2,51,71,925	100	20.12.2017
3.	1,38,99,376	100	28.12.2017

FOR ANANT B KHAMANKAR & CO.

ANANT KHAMANKAR
Proprietor

FCS No. – 3198
CP No. – 1860

Date: May 17, 2018
Place: Mumbai

ANNEXURE III

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.	40.10	Interest @ 12% p.a., unsecured, repayable on demand	For business purposes - to meet operational expenses
11	Loans given	Bajaj Hindusthan (Singapore) Private Ltd.	11.92	Interest @ 0%, unsecured, repayable on demand	For business purposes - general corporate purposes
12	Loans given	Bajaj Power Generation Private Ltd.	1,476.00	Interest @ 12% p.a., unsecured, repayable on demand	For business purposes - general corporate purposes
13	Loans given	Ojas Industries Private Ltd.	474.02	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 shares	As collateral security with the trustees of consortium of lenders, facilities obtained by LPGCL
15	Bank Guarantee	Lalitpur Power Generation Company Ltd.	99.00	Bank Guarantee	Bank Guarantee with U.P. Government

Note:

Loans given including interest accrued thereon.

For and on behalf of the Board of Directors

Kushagra Bajaj
Chairman & Managing Director
(DIN: 00017575)

Mumbai
May 26, 2018

ANNEXURE IV

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, 2014
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 2.22 Crore
	(e)	Date(s) of approval by the Board, if any	14.02.2014
	(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 the 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 the contracts/arrangements/ transactions	01.04.2017 to 31.03.2018
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 2.43 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. Ved Prakash Agrawal – Key Managerial Personnel
	(b)	Nature of contracts/arrangements/transactions	Remuneration
	(c)	Duration of the contracts/arrangements/ transactions	01.04.2017 to 31.03.2018
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 0.60 Crore
	(e)	Date(s) of approval by the Board, if any	18.10.2014
	(f)	Amount paid as advances, if any	-

For and on behalf of the Board of Directors

Kushagra Bajaj
Chairman & Managing Director
(DIN: 00017575)

Mumbai
May 26, 2018

ANNEXURE V

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2018

[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	88.71%
2	Industrial Alcohol	1101	7.90%

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)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				**No. of Shares held at the end of the year (As on 31-03-2018)**				**% 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.	19,13,43,955	0	19,13,43,955	16.88	**13,63,04,955**	**0**	**13,63,04,955**	**12.02**	**(4.86)**
e) Banks / FI	0	0	0	-	**0**	**0**	**0**	**-**	**-**
f) Any Other (Trusts)	7,39,32,473	0	7,39,32,473	6.52	**89,84,129**	**0**	**89,84,129**	**0.79**	**(5.73)**
Sub-total (A)(1):-	29,49,30,766	0	29,49,30,766	26.02	**17,49,43,422**	**0**	**17,49,43,422**	**15.43**	**(10.59)**
(2) Foreign									
a) NRIs - Individuals	0	0	0	-	**0**	**0**	**0**	**-**	**-**
b) Other - Individuals	0	0	0	-	**0**	**0**	**0**	**-**	**-**
c) Bodies Corp.	0	0	0	-	**0**	**0**	**0**	**-**	**-**
d) Banks / FI	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)	29,49,30,766	0	29,49,30,766	26.02	**17,49,43,422**	**0**	**17,49,43,422**	**15.43**	**(10.59)**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	2,000	2,900	4,900	0.00	**2,000**	**0**	**2,000**	**-**	**-**
b) Banks / FI	40,62,68,456	700	40,62,69,156	35.84	**46,99,87,489**	**700**	**46,99,88,189**	**41.46**	**5.62**
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**	**-**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				**No. of Shares held at the end of the year (As on 31-03-2018)**				**% change during the year**
	Demat	Physical	Total	% change during the year	**Demat**	**Physical**	**Total**	**% of Total Shares**	
g) FIIs	96,19,079	500	96,19,579	0.85	**0**	**0**	**0**	**-**	**(0.85)**
h) Foreign Venture Capital Funds	0	0	0	-	**0**	**0**	**0**	**-**	**-**
i) Others – Foreign Portfolio Corp.	3,41,11,962	0	3,41,11,962	3.01	**4,88,01,543**	**0**	**4,88,01,543**	**4.31**	**1.30**
Sub-total (B)(1):-	49,31,71,893	4,100	49,31,75,993	43.51	**56,19,61,428**	**700**	**56,19,62,128**	**49.58**	**6.07**
(2) Non-Institutions									
a) Bodies Corp.									
Indian	5,71,12,421	0	5,71,12,421	5.04	**6,35,90,651**	**0**	**6,35,90,651**	**5.61**	**0.57**
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 2 lakh (previous year ₹1 lakh)	18,68,97,697	6,90,741	18,75,88,438	16.55	**21,56,96,110**	**4,24,994**	**21,61,21,104**	**19.07**	**2.52**
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh (previous year ₹1 lakh)	3,35,00,624	0	3,35,00,624	2.96	**4,60,96,208**	**0**	**4,60,96,208**	**4.07**	**1.11**
c) Others									
i) Non Resident Indians (Repatriation)	31,52,856	0	31,52,856	0.28	**44,55,738**	**0**	**44,55,738**	**0.39**	**0.11**
ii) Non Resident Indians (Non-Repatriation)	9,93,029	0	9,93,029	0.09	**15,03,198**	**0**	**15,03,198**	**0.13**	**0.04**
iii) Clearing Members	1,53,89,585	0	1,53,89,585	1.36	**1,28,96,443**	**0**	**1,28,96,443**	**1.14**	**(0.22)**
iv) Hindu Undivided Family	1,18,28,690	0	1,18,28,690	1.04	**1,56,55,034**	**0**	**1,56,55,034**	**1.38**	**0.34**
v) Director & their Relatives	4,700	0	4,700	0.00	**4,700**	**0**	**4,700**	**0.00**	**-**
vi) Trust	3,28,07,800	5,00,000	3,33,07,800	2.94	**3,27,97,800**	**5,00,000**	**3,32,97,800**	**2.94**	**-**
vii) Unclaimed Shares – In Demat Suspense Account	7,95,040	0	7,95,040	0.07	**2,68,070**	**0**	**2,68,070**	**0.02**	**(0.05)**
viii) Investor Education and Protection Fund (IEPF)	0	0	0	0.00	**9,85,446**	**0**	**9,85,446**	**0.09**	**0.09**
Sub-total (B)(2):-	34,24,82,442	11,90,741	34,36,73,183	30.32	**39,39,49,398**	**9,24,994**	**39,48,74,392**	**34.84**	**4.52**
Total Public Shareholding (B) = (B)(1)+(B)(2)	83,56,54,335	11,94,841	83,68,49,076	73.82	**95,59,10,826**	**9,25,694**	**95,68,36,520**	**84.41**	**10.59**
C. 1) Shares held by Custodian for GDR & 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)	1,13,23,65,101	11,94,841	1,13,35,59,942	100.00	**1,13,26,34,248**	**9,25,694**	**1,13,35,59,942**	**100.00**	**0.00**

Note:

During the year promoter group entities sold and transferred 11,99,87,344 equity shares of ₹ 1/- each to JLF Lenders in accordance with the S4A Scheme. Consequently the promoters/promoter group shareholding reduced from 26.02% to 15.43%.

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2017)			**Shareholding at the end of the year (As on 31-03-2018)**			
		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/ encum-bered 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**	**-**
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)	6,49,48,632	5.73	5.73	**288**	**0.00**	**0.00**	**(5.73)**
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	4,11,11,121	3.63	3.63	**121**	**0.00**	**0.00**	**(3.63)**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2017)			**Shareholding at the end of the year (As on 31-03-2018)**			
		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/ encum-bered to total shares**	**% change in shareholding during the year**
19	Bajaj International Realty Private Limited	2,77,77,484	2.45	2.45	**2,77,77,484**	**2.45**	**2.45**	**-**
20	Bajaj Infrastructure Development Company Limited	1,99,55,469	1.76	1.76	**60,27,469**	**0.53**	**0.53**	**(1.23)**
21	Bajaj Power Ventures Private Limited	110	0.00	0.00	**110**	**0.00**	**0.00**	**-**
	Total	29,49,30,766	26.02	26.02	**17,49,43,422**	**15.43**	**15.43**	**(10.59)**

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

During the year promoter group entities sold and transferred 11,99,87,344 equity shares of ₹ 1/- each to JLF Lenders in accordance with the S4A Scheme. Consequently the promoters/promoter group shareholding reduced from 26.02% to 15.43%.

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

		Shareholding					**Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)**	
Sr. No.	**Name**	**No. of shares at the beginning (01-04-2017) / end of the year (31-03-2018)**	**% of total shares of the Company**	**Date**	**Increase/ Decrease in shareholding**	**Reason**	**No. of Shares**	**% of total shares of the Company**
1	Punjab National Bank	6,63,93,912	5.86	01-04-2017				
				22-12-2017	1,88,32,000	Allotment	8,52,25,312	7.52
		8,52,25,312	7.52	31-03-2018			8,52,25,312	7.52
2	IDBI Bank Limited	5,51,54,507	4.87	01-04-2017				
				13-10-2017	-2,87,238	Sale	5,48,67,269	4.84
				22-12-2017	87,99,931	Allotment	6,36,67,200	5.62
		6,36,67,200	5.62	31-03-2018			6,36,67,200	5.62
3	Allahabad Bank	5,02,92,959	4.44	01-04-2017				
				22-12-2017	1,26,35,902	Allotment	6,29,28,861	5.55
		6,29,28,861	5.55	31-03-2018			6,29,28,861	5.55
4	Central Bank of India	4,67,91,920	4.13	01-04-2017				
				22-12-2017	98,94,985	Allotment	5,66,86,905	5.00
		5,66,86,905	5.00	31-03-2018			5,66,86,905	5.00

		Shareholding					Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
Sr. No.	**Name**	**No. of shares at the beginning (01-04-17) / end of the year (31-03-18)**	**% of total shares of the Company**	**Date**	**Increase/ Decrease in shareholding**	**Reason**	**No. of Shares**	**% of total shares of the Company**
5	Canara Bank	3,63,68,535	3.21	01-04-2017				
				28-07-2017	-5,000	Sale	3,63,63,535	3.21
				11-08-2017	-4,000	Purchase	3,63,67,535	3.21
				25-08-2017	-5,500	Sale	3,63,62,035	3.21
				22-09-2017	-5,500	Sale	3,63,57,035	3.21
				13-10-2017	-2,500	Sale	3,63,54,535	3.21
				20-10-2017	-1,240	Sale	3,63,53,295	3.21
				10-11-2017	-2,000	Sale	3,63,51,295	3.21
				22-12-2017	61,30,831	Allotment	4,24,82,126	3.75
				05-01-2018	-10,000	Sale	4,24,72,126	3.75
				23-03-2018	-51,710	Sale	4,24,20,416	3.74
		4,24,20,416	3.74	31-03-2018			4,24,20,416	3.74
6	Oriental Bank of Commerce	3,34,13,994	2.95	01-04-2017				
				22-12-2017	86,70,970	Allotment	4,20,84,964	3.71
		4,20,84,964	3.71	31-03-2018			4,20,84,964	3.71
7	Life Insurance Corporation of India	4,10,26,922	3.62	01-04-2017				
					0	Nil movement during the year		
		4,10,26,922	3.62	31-03-2018			4,10,26,922	3.62
8	BHL Securities Trust	3,11,00,000	2.74	01-04-2017				
					0	Nil movement during the year		
		3,11,00,000	2.74	31-03-2018			3,11,00,000	2.74
9	Indian Overseas Bank	2,15,52,954	1.90	01-04-2017				
				22-12-2017	27,21,774	Allotment	2,42,74,728	2.14
		2,42,74,728	2.14	31-03-2018			2,42,74,728	2.14
10	Corporation Bank	1,79,34,214	1.58	01-04-2017				
				29-12-2017	47,87,917	Allotment	2,27,22,131	2.00
		2,27,22,131	2.00	31-03-2018			2,27,22,131	2.00

Note:

Paid-up capital of the Company as on 31.03.2017 was 1,13,35,59,942 equity shares of ₹ 1/- each and as on 31.03.2018 was 1,13,35,59,942 equity shares of ₹ 1/- each.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	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	1.15	1,28,97,036	1.15
2.	Mr. M. L. Apte	1,800	0.00	1,800	0.00
3.	Mr. R. V. Ruia (up to 01/11/2017)	0	-	0	-
4.	Mr. D. K. Shukla	0	-	0	-
5.	Mr. Alok Krishna Agarwal	0	-	0	-
6.	Mr. Vipulkumar S. Modi	0	-	0	-
7.	Mr. Ashok Mukand	0	-	0	-
8.	Mr. Mukeshkumar S. Dave (up to 29/03/2018)	0	-	0	-
9.	Mr. Ashok Kumar Gupta	2,900	0.00	2,900	0.00
10.	Mrs. Shalu Bhandari	0	-	0	-
11.	Mr. Pradeep Parakh	4,000	0.00	4,000	0.00
12.	Mr. Ved Prakash Agrawal	0	-	0	-

V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,923.69	83.49	-	7,007.18
ii) Interest due but not paid	63.91	-	-	63.91
iii) Interest accrued but not due	0.57	-	-	0.57
Total (i+ii+iii)	**6,988.17**	**83.49**	**-**	**7,071.66**
Change in Indebtedness during the financial year				
• Addition	354.51	10.66	-	365.17
• Reduction	581.58	-	-	581.58
Net Change	**(227.07)**	**10.66**	**-**	**(216.41)**
Indebtedness at the end of the financial year				
i) Principal Amount	6,696.62	94.15	-	6,790.77
ii) Interest due but not paid	30.47	-	-	30.47
iii) Interest accrued but not due	0.39	-	-	0.39
Total (i+ii+iii)	**6,727.48**	**94.15**	**-**	**6,821.63**

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	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	1,10,40,000	87,22,070	1,97,62,070
	(b)	Value of perquisites u/s 17(2) of Income-tax Act, 1961	62,27,561	6,94,727	69,22,288
	(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.)	11,52,000	4,40,493	15,92,493
6		Total (A)	1,84,19,561	98,57,290	2,82,76,851
		Ceiling as per the Act			**8,06,13,720**

B. Remuneration to other directors:

Amount in ₹

Particulars of Remuneration	Name of Directors					
	Mr. Alok Krishna Agarwal	Mr. R. V. Ruia	Mr. M. L. Apte	Mr. D. K. Shukla	Mr. Vipulkumar S. Modi	Total Amount
1. Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	3,30,000	1,90,000	4,80,000	4,00,000	4,50,000	18,50,000
Total (1)	3,30,000	1,90,000	4,80,000	4,00,000	4,50,000	18,50,000
				Mrs. Shalu Bhandari		
2. Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify				4,30,000		4,30,000
Total (2)				4,30,000		4,30,000

Particulars of Remuneration	Name of Directors					Total Amount
	Mr. Ashok Mukand	Mr. Mukeshkumar S. Dave (up to 29/03/2018)				
3. Other nominee directors • Fee for attending board committee meetings • Commission • Others, please specify	3,20,000	40,000				3,60,000
Total (3)	3,20,000	40,000				3,60,000
Total (B)=(1+2+3)	6,50,000	2,30,000	4,80,000	8,30,000	4,50,000	26,40,000
Total Managerial Remuneration						3,09,16,581
Overall ceiling as per the Act*						**8,06,13,720**

*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. Ved Prakash Agrawal	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	56,12,679	2,25,58,316	2,81,70,995
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	32,400	5,81,372	6,13,772
	(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.)	3,08,289	11,85,120	14,93,409
	Total	59,53,368	2,43,24,808	3,02,78,176

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

Kushagra Bajaj
Chairman & Managing Director
(DIN: 00017575)

Mumbai
May 26, 2018

ANNEXURE VI

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.bajajhindusthan.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: -

   a) 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.

b) 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.

c) 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

   Mr. Ashok Kumar Gupta, Member

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 & Managing Director and
Chairman of the CSR Committee
(DIN: 00017575)

Ashok Kumar Gupta
Director (Group Operations)
(DIN: 02608184)

Mumbai
May 26, 2018

ANNEXURE VII

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**

Sr. No.	Name of the Directors/ KMP	Designation	Remuneration of Directors / KMP for the year 2017-18 (Amount in ₹)	% Increase in Remuneration in the year 2017-18	Ratio of Remuneration of each Director to median remuneration of employee
1	Mr. Kushagra Bajaj	Chairman and Managing Director	1,84,19,561	4.40%	85.66
2	Mr. Ashok Kumar Gupta	Director (Group Operations)	98,57,290	12.31%	45.84
3	Mr. M. L. Apte	Director	4,80,000	**	2.23
4	Mr. D. K. Shukla	Director	4,00,000	**	1.86
5	Mr. R. V. Ruia (up to 01/11/2017)	Director	1,90,000	**	0.88
6	Mr. Alok Krishna Agarwal	Director	3,30,000	**	1.53
7	Mr. Vipulkumar S Modi	Director	4,50,000	**	2.09
8	Ms. Shalu Bhandari	Director	4,30,000	**	2.00
9	Mr. Ashok Mukand	Nominee Director	3,20,000	**	
10	Mr. Mukeshkumar S Dave (w.e.f. 11/05/2017 and up to 29/03/2017)	Nominee Director	40,000	**	Not Applicable
11	Mr. Ved Prakash Agrawal	Chief Financial Officer	59,53,368	19.11%	Not Applicable
12	Mr. Pradeep Parakh	Group President (GRC) & Company Secretary	2,43,24,808	8.90%	Not Applicable

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

2. **The median remuneration of employees of the Company during the year was ₹ 2,15,024.**

3. **The increase in the median remuneration of employees in the financial year was 17.61%.**

4. **There were 7,299 permanent employees on the rolls of the Company as at March 31, 2018.**

5. **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 11.84%. Increase in remuneration of managerial personnel is 8.93%. The increase in remuneration of employees other than the managerial personnel is in line with the increase in remuneration of managerial personnel.

6. **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	2,43,24,808	B.Com (Hons), FCA, FCS	51	27	07.03.2001	Dy. Company Secretary, Gujarat Ambuja Cement Ltd.
2	Mr. Kushagra Bajaj	Chairman & Managing Director	1,84,19,561	B.S.Indl Mgmt (Fin, Eco,Pol Phil), M. S. (Integrated Mktg Comm (Mktg)	41	16	20.08.2001	-
3	Mr. Akash Sharma	Vice President (Finance & Accounts)	1,20,19,647	B.Com, LLB & FCA	53	27	22.03.2006	Jaiprakash Associates Ltd.
4	Mr. Ashok Kumar Gupta	Director (Group Operations)	98,57,290	M.Com	67	47	31.05.1982	Upper Doab Sugar Mills Ltd.
5	Mr. Vikas Lahoti	Head - Group Corporate Taxation	86,50,016	B.Com, CA, MBA	61	33	22.04.2013	Etisalat DB Telecom (P) Ltd.
6	Mr. Naval Kishore Kashyap	Sr. Vice President (Indirect Taxation)	73,07,067	B.Com, Diploma (Excise & Cust.)	59	36	01.11.2011	Carbery Infrastructure Pte. Ltd.
7	Mr. Adhish Goray	Project Head	64,90,113	G.D. Arch., M.Arts	45	22	15.02.2013	Pancard Clubs Limited
8	Mr. Ved Prakash Agrawal	Chief Financial Officer	59,53,368	B.Com, C.A	63	38	11.02.2004	Radico Khaitan Ltd.
9	Mr. Rajendra Mishra	Assistant Vice President (F&A)	41,27,376	B.Com	54	33	26.11.2011	Recron Synthetics Limited
10	Mr. Suresh Maheshwari	Asst. Vice President (F&A)	39,85,939	B.Com, C.A	56	27	12.01.2009	Dolex Industries

B. Details of Employees employed throughout the financial year who were in receipt of the remuneration for that year which, in aggregate, was not less than ₹ 1.02 Crore are given in Sr. nos. 1 to 3 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 : 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.

For and on behalf of the Board of Directors

Kushagra Bajaj
Chairman & Managing Director
(DIN: 00017575)

Mumbai
May 26, 2018

ANNEXURE VIII

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. Additional power capacitor provided in the power house and all MCC room with PCC to increase power factor to reduce power consumption.
2. Installation of Variable Frequency Drives (VFD) at feed pump to save energy.
3. Zero Liquid discharge as per Central Pollution Control Board / National Green Tribunal directions.
4. Cooling tower installed on Under Ground Reservoir (UGR) for cooling of excess condensate water was commissioned and made operational under zero water discharge programme.
5. Installation of auto system spray engineering device to reduce power consumption by reduction of injection water.
6. Installation of automation of pump for overhead tank from UGR for on-off according to overhead tank level.
7. Use of LED in place of simple bulb for lighting in colony and factory to reduce the power load.
8. 100% lagging of steam and exhaust lines to minimise heat loss.
9. Installation of Digital AVR on Power Turbines for quick and accurate response during synchronisation of Turbines with grid. Now Turbines will run more smoothly with Grid and Power export can increase if Sugar Plant will run on optimum capacity.
10. Pump having smaller capacity installed at UGR for water re-circulation when the water requirement is less which saved approximately 50% of previous power consumption.
11. DCS based auto blow off of 1st vapour to 2nd vapour instead of going to atmosphere.
12. Use of surplus hot water in place of fresh water during chemical boiling etc.
13. Maximum circulation of cooling water to reduce the use of groundwater.
14. Approximately 24000 KWH per day Power exported to distillery without increasing our steam consumption resulting in huge energy saving.
15. Grease is used at mills as lubricants which reduce the consumption of lubricants and at the same time Pollution load on Effluent Treatment Plant (ETP) also reduces.
16. Automatic on-off system have been installed for underground water reservoir pumps to reduce the power consumption.
17. Electromagnetic flow meter installed in both bore wells and ETP out let to control water consumption.
18. Pump having smaller capacity installed at injection pump to avoid run of higher capacity pump in season which saved approximately 65% of previous power consumption.
19. Installed automatic power factor correction panel and power factor improved from 0.75 to 0.83.
20. Modification in BUSBAR of Power control centre by which the total travel path of bus current reduced to 50% thus heat losses and temperature of power house reduced.
21. 1 MVA, 11KV/433 KV distribution transformers installed for balancing of load in power control centre and reducing heat losses in LT bus duct during season. During off season our plant load is 250 KVA, so the above transformer will be in line during off season in place of 3 MVA to reduce no load losses.
22. Motorised tube cleaning of pan tubes stopped and cleaning now being started by jet pumps resulted in reduction of power consumption.
23. Massecuite and magma delivery pipe line relocate from vertical (90° to 45°) resulting Zero leakages from gland, reduction of power and reduction of maintenance cost.
24. Installation of centralised lubrication system for mill roller bearings to reduce lubricant consumption.
25. Power Capacitors were installed in the Power House & all Motor Control Centres in all Sections and maintained Power Factor between 0.93 to 0.95 to reduce the power consumption.

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

1. Maximum utilisation of bio gas in 30-Tonne Per Hour Boiler to save bagasse consumption.
2. Use bio gas in B G Engine to generate the power.

(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, 2018 were accelerated as under:

1. Introduction of coragen, a pesticide used to protect cane crop from borers was provided to farmers cultivating desired cane varieties on 10% subsidy.
2. Installed Tertiary treatment plant i.e. Carbon & Sand filters at ETP and converted Kachha water storage lagoon into Pucca water storage lagoon for treated effluent. Installed 2500 metre HDPE pipeline network from the plant to nearby village and in house gardens for ferti-irrigation purpose.
3. Design and installation of bearing protection system for mill roller bearings.
4. New cane varieties Co 0238, Co 118, Co 98014, CoS 8272 in early group and CoJ 88, CoS 8272 and others high sugar varieties in general group were introduced.
5. Modification in 3000 Sq.M Falling Fill in Evaporation (FFE) Juice Circulation Line.
6. Use of preventive maintenance management tools for reduction of maintenance cost in all electrical switchgears and motors.
7. On line checking of voltage drop test and temperature of joints to reduce voltage drop.
8. Use of grease in mill roller bearings in place of oil.
9. Emission control on flue gases through on line stack monitoring system at Boiler Chimney.
10. Installation of centralised lubrication system at mills.
11. Installation of electro-magnetic flow meters at different locations for maintaining water balance of both cold and hot water.
12. Existing Cooling systems of "Pan Circulator" have been modified from air cooled to water cooled.
13. Spray of GRH (growth regulating hormones) for tillering in ratoon crop.
14. Modification is done in Sugar belt conveying system.
15. Arrangement to collect rainwater during off season in injection/spray channel and used for trial and testing of plant.
16. Utilisation of Filtrate Clarification system.
17. Electronic Weighbridges were introduced in the year 2012-13 and they are running successfully at out centres for cane weighment.
18. Dust separating screens have been installed at sugar hoppers to screen out dust from hopper sugar.
19. New equipment has designed for grit washing of Lime with scrap material only.
20. Small Electric Boiler (Cap. 0.5 Tonne) installed in Boiling House for initial start of Batch type Sulphur Furnace.
21. Modification done in injection pumps delivery headers to equalise the headers pressure.

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

1. There was very low infestation of borers in the plots where coragan was applied and it resulted in good quality healthy cane supply to the mill, also the yield of the farmers was better as compared to previous years.
2. Achieved zero effluent discharge.
3. Reduce of oil consumption and wastage.
4. Proper varietal balance maintained for achieving good recovery % cane.
5. Efficiency of Syrup Sulphitor improved and desired pH level of Syrup maintained.
6. Achieved reduction of 2.61 kwh/Qntl in sugar manufacturing and 1.39 kwh/Tonne of cane crushed in comparison to last year by adopting all energy saving majors and optimum utilisation of equipments.
7. Voltage received at Boiler section improved from 390 Volt to 415 Volt after modification in busbar.
8. Grease is used at mills as lubricants which reduce the consumption of lubricants and at the same time Pollution load on Effluent Treatment Plant (ETP) also reduces.
9. Better emission control of flue gases.
10. Reduction in lubrication cost and effective lubrication of bearings.
11. Minimised the groundwater consumption.

12. Net fall of temperature of around 15°C in gear box lube oil in the new cooling system of "Pan Circulator" resulting into increase in the equipment life cycle.
13. GRH spray induced high tillering in ratoon crop thus increasing the yield.
14. Reduced the sugar bags damage during conveying from drier house to godown resulted in reduction of wastage.
15. Reduced the use of groundwater and same time it reduces the generation of effluent.
16. Reduction of sulphur consumption and improvement of quality and recovery of sugar.
17. Reduced paper work and helped in increasing the accuracy of cane weighment.
18. Quantity of dust in bagged sugar minimised to a greater extent.
19. Consumed less time and prepared lime was used to maintain PH of cooling tower which saves cost of R&M also as accumulation of grit was negligible.
20. Reduction in consumption of initial bagasse at the time of starting of season.
21. Better efficiency of spray system at pan station.

(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, 2018 (₹ Crore)**	Year ended March 31, 2017 (₹ 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, 2018 (₹ Crore)**	Year ended March 31, 2017 (₹ Crore)
Foreign exchange earned in terms of actual inflows	33.75	Nil
Foreign exchange outgo in terms of actual outflows	0.09	0.12

For and on behalf of the Board of Directors

Kushagra Bajaj
Chairman & Managing Director
(DIN: 00017575)

Mumbai
May 26, 2018

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

Corporate Governance has been an integral part of the way of doing business at Bajaj Hindusthan Sugar since inception. We believe that good Corporate Governance emanates from the application of the best, stable and well balanced management practices and compliance with the laws coupled with adherence to the highest standards of moral and ethical values, transparency and disclosure practices. These key drivers along with the Company's continuing contributions to the local communities through worthwhile "Corporate Social Responsibility" initiatives will play a significant and decisive role in making the Company the most competitive and sustainable company in our industry in our constant endeavour to create and maximise value for all our stakeholders.

The Company places utmost emphasis on values such as empowerment and integrity of its employees, safety of employees and communities surrounding our mills, transparency in decision-making process, fair and ethical business dealings with all, pollution-free clean environment, and above all accountability to all the stakeholders.

The Company has a robust and effective framework for monitoring compliances with laws applicable for business and operations of the Company within the organisation and to provide update to Senior Management, Audit Committee and Board of Directors on a periodic basis. The Audit Committee of Directors and Board periodically review the status of compliances with applicable laws and provide valuable guidance to the management team wherever necessary.

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 and Managing Director), DIN: 00017575	Executive, Promoter
Mr. M. L. Apte, DIN: 00003656	Independent, Non-Executive
Mr. R. V. Ruia, DIN: 00035853 (up to 01/11/2017)	Independent, Non-Executive
Mr. D. K. Shukla, DIN: 00025409	Independent, Non-Executive
Mr. Alok Krishna Agarwal, DIN: 00127273	Independent, Non-Executive
Mr. Vipulkumar S. Modi, DIN: 06985276	Independent, Non- Executive
Ms. Shalu Bhandari, DIN: 00012556	Independent, Non-Executive
Mr. Ashok Mukand, DIN: 01235804	Nominee Director, State Bank of India (Lender)
Mr. Binod Kumar, DIN: 07361689 (up to 11/05/2017)	Nominee Director, Punjab National Bank (Lender)
Mr. Mukeshkumar S. Dave, DIN: 07708691 (w.e.f. 11/05/2017 and up to 29/03/2018)	Nominee Director, Punjab National Bank (Lender)
Mr. Ashok Kumar Gupta, Director (Group Operations), DIN: 02608184	Executive Director

Profile of Directors

The brief profile of each Director is given below:

Mr. Kushagra Bajaj, Chairman & Managing Director

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.

Mr. M. L. Apte, Independent, Non-Executive

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. 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 (w.e.f. 13-11-2017) and Chairman of Nomination & Remuneration Committee.

Mr. Alok Krishna Agarwal, Independent, Non-Executive

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. 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 17, 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. Prior to setting up of the aforesaid firm, she worked with Amita Desai & Company, a Practicing CS firm and managed various clients for their secretarial compliances.

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. Ashok Kumar Gupta, Executive Director

Mr. Ashok Kumar Gupta has been a member of our Board of Directors since October 2012. He has experience of more than 42 years in Sugar Industry. After completing his M.Com from Agra University, he had started his service career from Dhampur Sugar Mills, Dhampur, district Bijnor in 1970 and thereafter joined Upper Doab Sugar Mills, Shamli, district Muzaffar Nagar (a Unit of Shadilal Enterprises) in August 1978. Thereafter, he had joined Bajaj Hindusthan Sugar Limited, Golagokarannath, Lakhimpur-Kheri 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 and presently working as Director (Group Operations), Sugar & Distillery Divisions. He is a patron Member of The Sugar Technologists’ Association of India (Membership No. 4551). 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.

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 2017-18, the Board of Directors met ten times on May 11, 2017, May 25, 2017, August 14, 2017, September 25, 2017, October 27, 2017, November 13, 2017, December 14, 2017, December 19, 2017, December 27, 2017 and February 13, 2018. The gap between any two meetings has been less than four months.

Out of the aforesaid, seven 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 15, 2017
Mr. Kushagra Bajaj (Chairman and Managing Director) DIN: 00017575	10/02	No
Mr. M. L. Apte DIN: 00003656	10/10	No
Mr. R. V. Ruia (up to 01/11/2017) DIN: 00035853	05/03	No
Mr. D. K. Shukla DIN: 00025409	10/07	Yes
Mr. Alok Krishna Agarwal DIN: 00127273	10/06	Yes
Mr. Vipulkumar S. Modi DIN: 06985276	10/10	No
Ms. Shalu Bhandari DIN: 00012556	10/10	No
Mr. Ashok Mukand DIN: 01235804	10/08	Yes
Mr. Mukeshkumar S. Dave DIN: 07708691 (w.e.f. 11/05/2017 and up to 29/03/2018)	10/01	No
Mr. Ashok Kumar Gupta Director (Group Operations) DIN: 02608184	10/08	Yes

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 2017 was held on May 25, 2017 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 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, 2018

Name	Directorship in all other companies	Committee Membership			Committee Chairmanship		
		In Listed Public Companies	In Unlisted Public Companies	Total	In Listed Public Companies	In Unlisted Public Companies	Total
Mr. Kushagra Bajaj	1	2	Nil	2	Nil	Nil	Nil
Mr. M. L. Apte	6	9	Nil	9	Nil	Nil	Nil
Mr. R. V. Ruia (up to 01/11/2017)	6	2	Nil	2	2	Nil	2
Mr. D. K. Shukla	2	1	1	2	Nil	Nil	Nil
Mr. Alok Krishna Agarwal	14	3	Nil	3	Nil	Nil	Nil
Mr. Vipulkumar S. Modi	Nil	1	Nil	1	Nil	Nil	Nil
Ms. Shalu Bhandari	3	1	Nil	1	Nil	Nil	Nil
Mr. Ashok Mukand	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Mukeshkumar S. Dave (w.e.f.11/05/2017 and up to 29/03/2018)	1	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Ashok Kumar Gupta	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.

Shares held by non-executive Directors

Shares held by non-executive Directors of the Company are given in Table 4.

Table 4: Shares held by non-executive Directors

Name of the Directors	Number of Shares held as on March 31, 2018
Mr. M. L. Apte	1,800

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 programme including the presentation from the Chairman & 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 their rationale, Litigation update, various Policies and Standard Operating Procedures of the Company, Entity Level Risk, Risk Mitigation Plans, etc.

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

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 & Managing Director 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, Deputy 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 5: Board Committees

Committee	Members (Category)
Audit Committee	Mr. R. V. Ruia, Chairman* (Independent, Non-Executive) (up to 01/11/2017) Mr. D. K. Shukla (Independent, Non-Executive) (Chairman w.e.f. 13.11.2017) Mr. Alok Krishna Agarwal (Independent, Non-Executive) Ms. Shalu Bhandari (Independent, Non-Executive) (w.e.f. 13/11/2017)
Nomination and Remuneration Committee	Mr. D. K. Shukla, Chairman* (Independent, Non-Executive) Mr. M. L. Apte (Independent, Non-Executive) Mr. R. V. Ruia (Independent, Non-Executive) (up to 01/11/2017) Mr. Alok Krishna Agarwal (Independent, Non-Executive)
Stakeholders' Relationship Committee	Mr. R. V. Ruia, Chairman* (Independent, Non-Executive) (up to 01/11/2017) Mr. M. L. Apte (Independent, Non-Executive) Chairman* (w.e.f. 13/11/2017) Mr. Kushagra Bajaj (Chairman & Managing Director) Mr. Vipulkumar S. Modi (Independent, Non-Executive) (w.e.f. 13/11/2017)

Committee	Members (Category)
Corporate Social Responsibility Committee	Mr. Kushagra Bajaj, Chairman* (Chairman & Managing Director) Mr. Alok Krishna Agarwal (Independent, Non-Executive) Mr. Ashok Kumar Gupta, Director (Group Operations)

* 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. The Company re-constituted the Audit Committee in accordance with Section 177(2) of the Companies Act, 2013 on September 25, 2014. The scope and terms of reference and working of the Audit Committee are constantly reviewed and appropriate changes are made from time to time for greater effectiveness of the Committee. 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 5. 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, 2018, the Audit Committee met five times on May 25, 2017, August 14, 2017, September 25, 2017, November 13, 2017 and February 13, 2018. The gap between any two meetings has been less than four months. Out of the aforesaid, three Audit Committee meetings were held through video conferencing facility in terms of the circulars issued by the Ministry of Corporate Affairs.

The attendance of each Committee Member is provided in Table 6.

Table 6: Attendance at the meetings of the audit committee of directors during financial year 2017-18

Name of Committee Members	Category	Audit Committee Meetings held / attended
Mr. R. V. Ruia, Chairman (up to 01/11/2017)	Independent, Non-Executive	05/02
Mr. D. K. Shukla, Chairman* (w.e.f. 13/11/2017)	Independent, Non-Executive	05/05
Mr. Alok Krishna Agarwal	Independent, Non-Executive	05/03
Ms. Shalu Bhandari (w.e.f. 13/11/2017)	Independent, Non-Executive	01/01

*Chairman of the audit committee

Mr. Kushagra Bajaj, Chairman and Managing Director, 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 Remuneration Committee was constituted in 2003 and has been re-christened as Nomination and Remuneration Committee with effect from August 11, 2010 with the following terms of reference:

a) To determine the Company's policy on remuneration to Executive Directors and their relatives working in the Company, including pension rights and compensation payments.

b) To approve the remuneration payable to all managerial personnel (under the Companies Act, 2013) including Executive Directors.

Composition, name of members and chairperson

The Remuneration Committee was constituted in 2003. Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Board of Directors at its meeting held on September 25, 2014 had reconstituted the Nomination and Remuneration Committee consisting of four non-executive Directors. The composition of the Nomination and Remuneration Committee is given in Table 5.

Meeting and attendance during the year

During the financial year ended March 31, 2018, the Nomination and Remuneration Committee met one time on May 25, 2017. The attendance of each Committee Member is provided in Table 7.

Table 7: Attendance at the meetings of the nomination and remuneration committee of directors during the financial year ended March 31, 2018

Name of Committee Members	Category	Nomination and Remuneration Committee Meetings held / attended
Mr. D. K. Shukla, Chairman	Independent, Non-Executive	01/01
Mr. M. L. Apte	Independent, Non-Executive	01/01
Mr. R. V. Ruia (up to 01/11/2017)	Independent, Non-Executive	01/01
Mr. Alok Krishna Agarwal	Independent, Non-Executive	01/01

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 subsection (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, 2018 are provided in Table 8.

Remuneration of Executive Directors

The Executive Directors – Mr. Kushagra Bajaj 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 8.

Table 8: Remuneration of Directors during the financial year ended March 31, 2018

Name of Directors	Salary ₹	Commission	Performance linked incentive	Sitting fees ₹	Total ₹	Notice period
Mr. Kushagra Bajaj Chairman & Managing Director	1,84,19,561	--	--	--	1,84,19,561	N.A.
Mr. M. L. Apte	--	--	--	4,80,000	4,80,000	N.A.
Mr. R. V. Ruia (up to 01/11/2017)	--	--	--	1,90,000	1,90,000	N.A.
Mr. D. K. Shukla	--	--	--	4,00,000	4,00,000	N.A.
Mr. Alok Krishna Agarwal	--	--	--	3,30,000	3,30,000	N.A.
Mr. Vipulkumar S. Modi	--	--	--	4,50,000	4,50,000	N.A.
Ms. Shalu Bhandari	--	--	--	4,30,000	4,30,000	N.A.
Mr. Ashok Mukand	--	--	--	3,20,000	3,20,000	N.A.

Name of Directors	Salary ₹	Commission	Performance linked incentive	Sitting fees ₹	Total ₹	Notice period
Mr. Mukeshkumar S. Dave (w.e.f. 11/05/2017 and up to 29/03/2018)	--	--	--	40,000	40,000	N.A.
Mr. Ashok Kumar Gupta Director (Group Operations)	98,57,290	--	--	--	98,57,290	A

Note: The term of office of Mr. Kushagra Bajaj is 5 years from the date of re-appointment. The term of office of Mr. Ashok Kumar Gupta is 5 years 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. R.V. Ruia, Independent Director (up to 01/11/2017) and Mr. M.L. Apte w.e.f. 13/11/2017 and consists of the members as stated in Table 9 below. During the financial year ended March 31, 2018, the Stakeholders' Relationship Committee met six times on May 25, 2017, August 14, 2017, December 18, 2017, December 20, 2017, December 28, 2017 and February 13, 2018.

The attendance of each Committee Member is provided in Table 9.

Table 9: Attendance at the meetings of the stakeholders' relationship committee during the financial year ended March 31, 2018

Name of Committee Members	Category	Stakeholders' Relationship Committee Meetings held/attended
Mr. R. V. Ruia, Chairman (up to 01/11/2017)	Independent, Non-Executive	02/01
Mr. M. L. Apte	Independent, Non-Executive	06/06
Mr. Kushagra Bajaj	Chairman & Managing Director	06/03
Mr. Vipulkumar S. Modi (w.e.f. 13/11/2017)	Independent, Non-Executive	04/04

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, Deputy 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 10.

Table 10: Details of investor complaints during the financial year ended March 31, 2018

	Number of Shareholders' complaints received during 2017-18	Solved to the satisfaction of Shareholders	Not solved to the satisfaction of Shareholders	Number of pending complaints
Non-receipt of Dividend/ Dividend Warrant	9	9	N.A.	0
Non-receipt of Share Certificate	0	0	N.A.	0
Non-receipt of Annual Report	1	1	N.A.	0
Legal and others	1	1	N.A.	0
Total	**11**	**11**	**N.A.**	**0**

None of the complaints is pending for a period exceeding 30 days. All the requests for transfer of shares have been processed on time and there are no transfers pending for more than 15 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.

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 11 below.

Table 11: Composition of corporate social responsibility committee during the financial year ended March 31, 2018

Name of Committee Members	Category
Mr. Kushagra Bajaj, Chairman	Chairman & Managing Director
Mr. Alok Krishna Agarwal	Independent, Non-Executive
Mr. Ashok Kumar Gupta	Director (Group Operations)

During the financial year ended March 31, 2018, the Corporate Social Responsibility Committee met one time on May 25, 2017.

The attendance of each Committee Member is provided in Table 12.

Table 12: Attendance at the meetings of the CSR Committee during the financial year ended March 31, 2018

Name of Committee Members	Category	CSR Committee Meetings held/attended
Mr. Kushagra Bajaj, Chairman	Chairman & Managing Director	01/00
Mr. Alok Krishna Agarwal	Independent, Non-Executive	01/01
Mr. Ashok Kumar Gupta	Director (Group Operations)	01/01

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 & Managing Director 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 [SEBI (LODR)] and compliance with the non-mandatory/discretionary requirements has been detailed hereunder:

(1) The Board

The requirement regarding non-executive chairman is not applicable, since the Chairman of the Company is executive chairman.

(2) Audit opinion

The Statutory Audit Report does not contain any qualification, adverse remark or disclaimer made by the Statutory Auditor.

(3) Training of Board members

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

(4) 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.

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, 2018.

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, 2018 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 86th AGM:	Friday, the 21st day of September, 2018 at 11.00 A.M. at the Conference Hall, General Office, Bajaj Hindusthan Sugar Ltd., Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh - 262 802

The previous three Annual General Meetings (AGM) of the Company were held on the following date, time and venue. (See Table 13)

Table 13: Date, Time and Venue of Annual General Meetings held:

AGM	Day, Date & Time	Venue
83rd AGM	Monday, 14th September, 2015 at 11.00 A.M.	BHSL Conference Hall, 1st Floor, Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh - 262 802
84th AGM	Friday, 16th September, 2016 at 11.00 A.M.	BHSL Conference Hall, 1st Floor, Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh - 262 802
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

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

83rd AGM

Subject matter of the resolutions		Type of resolution
1.	Appointment of Mrs. Kiran Anuj (DIN: 02606822) as a Director of the Company, liable to retire by rotation	Ordinary Resolution
2.	Ratification of the remuneration to Cost Auditor of the Company	Ordinary Resolution
3.	Resolution under Section 62(1)(c) read with Section 42 of the Companies Act, 2013 regarding further issue of share capital read with SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009	Special Resolution

84th AGM

Subject matter of the resolutions		Type of resolution
1.	Appointment of Mr. Vipulkumar S. Modi (DIN: 06985276) as an Independent Director of the Company	Ordinary Resolution
2.	Appointment of Mr. Ashok Mukand (DIN: 01235804) as a Nominee Director of the Company	Ordinary Resolution
3.	Appointment of Mr. Binod Kumar (DIN: 07361689) as a Nominee Director of the Company	Ordinary Resolution
4.	Re-appointment of Mr. Kushagra Bajaj (DIN: 00017575) as Chairman & Managing Director of the Company for a period of further five years w.e.f. April 24, 2017	Special Resolution
5.	Payment of Minimum Remuneration to Mr. Ashok Kumar Gupta (DIN: 02608184) as Overall and Minimum Remuneration during the period from April 01, 2017 to September 30, 2017	Special Resolution
6.	Appointment of Mrs. Kiran Anuj (DIN: 02606822) as a Whole-time Director of the Company with designation as Director (Administration) for the period from June 01, 2016 to June 19, 2016 at the terms and remuneration	Special Resolution
7.	Ratification of the remuneration to Cost Auditors	Ordinary Resolution
8.	Resolution under Section 62(1)(c) read with Section 42 of the Companies Act, 2013 regarding further issue of share capital read with SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009	Special Resolution

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 to Cost Auditors	Ordinary 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 October 27, 2017 had appointed M/s Gupta Baul & Associates, Company Secretaries as the Scrutiniser.
2. The despatch of the Postal Ballot Notice dated October 27, 2017 together with Explanatory Statement was completed on November 02, 2017 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 October 20, 2017.
3. The voting under the Postal Ballot was kept open from November 03, 2017 to December 02, 2017 (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 6.00 p.m. on December 02, 2017 had been considered for his scrutiny. Postal Ballot forms received after the date had not been considered.
7. On December 05, 2017, Mr. Pradeep Parakh, Company Secretary announced the following results of the Postal Ballot as per the Scrutiniser's Report.

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

A. 1. Ordinary Resolution for increase in the Authorised Share Capital and consequential amendments to Memorandum of Association of the Company (hereinafter referred to as ["RESOLUTION NO.1 (ORDINARY RESOLUTION")];

2. Special Resolution for approval for conversion of Loan by Lenders into Optionally Convertible Debentures (OCDs) of the Company ("Securities") in accordance with implementation of the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme) issued by the Reserve Bank of India (hereinafter referred to as ["RESOLUTION NO.2 (SPECIAL RESOLUTION")];

3. Special Resolution for approval for Offer, Issue and Allotment of Optionally Convertible Debentures (OCDs) of face value of ₹100/- each on Preferential Basis pursuant to implementation of the S4A Scheme (hereinafter referred to ["RESOLUTION NO. 3 (SPECIAL RESOLUTION")].

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 (Ordinary Resolution)		Resolution No.2 (Special Resolution)		Resolution No.3 (Special Resolution)	
	No. of Shares	%*	No. of Shares	%*	No. of Shares	%*
Votes cast in favour	48,52,12,273	93.88	51,55,90,363	99.76	51,55,90,209	99.76
Votes cast against	3,16,42,452	6.12	12,36,692	0.24	12,27,710	0.24
Total	51,68,54,725	100%	51,68,27,055	100%	51,68,17,919	100%

*% of total shares for 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

Saturday, September 15, 2018 to Friday, September 21, 2018 (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.

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/-	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 2009-10 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. Shareholders are therefore requested to verify their records and send claims, if any, for the relevant years from 2010-11 onwards, before the respective amounts become due for transfer to the fund. The details of unclaimed dividend are as under:

Year	No. of shareholders	Amount (₹)	Due date of transfer to Investor Education and Protection Fund
2010-2011	18,929	13,84,742.00	17/03/2019
2011-2012	24,511	6,33,527.30	21/03/2020

No dividend was declared during FY 2012-14, 2014-15, 2015-16 and 2016-17.

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, 2017	3,358	7,95,040
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	3	480
Number of shareholders to whom shares were transferred from the suspense account during the year	3	480
Number of shareholders to whom shares were transferred from the suspense account to IEPF Authority	2,899	5,26,490
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2018	456	2,68,070

The voting rights on the shares outstanding in the suspense accounts as on March 31, 2018 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 86th Annual General Meeting.

Means of Communication

Financial Results: The Company has published its quarterly, half-yearly and annual results in all the editions of 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 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 www.bajajhindusthan.com.

Website: The Company's website (www.bajajhindusthan.com) contain 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 Communique: The Chairman'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 Link Intime India Private Limited.

Share transfer system

Share transfers received by the Company are registered within 15 days from the date of receipt in most of the cases, provided the documents are complete in all respects.

The number of shares transferred in physical category during the year ended March 31, 2018 was 28,920 as compared to 1,100 in 2016-17.

Dematerialisation of shares and liquidity

During the year ended March 31, 2018, 68,700 shares were dematerialised as compared to 31,310 shares during 2016-17. The distribution of shares in physical and electronic modes as at March 31, 2018 and March 31, 2017 is provided in Table 14.

Table 14: Details of Shares held in physical and electronic mode

Categories	Position as at March 31, 2018		Position as at March 31, 2017		Shares Dematerialised during the year ended March 31, 2018	
	No. of Shares	% to total shareholding	No. of Shares	% to total shareholding	No. of Shares	% to total shareholding
Physical	9,25,694	0.082	11,94,841	0.105	-2,69,147	-0.024
Demat:						
NSDL	86,63,24,431	76.425	85,40,77,324	75.345	1,22,47,107	1.080
CDSL	26,63,09,817	23.493	27,82,87,777	24.550	-1,19,77,960	-1.057
Sub-total	1,13,26,34,248	99.918	1,13,23,65,101	99.895	2,69,147	0.024
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 2017-18 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 15)

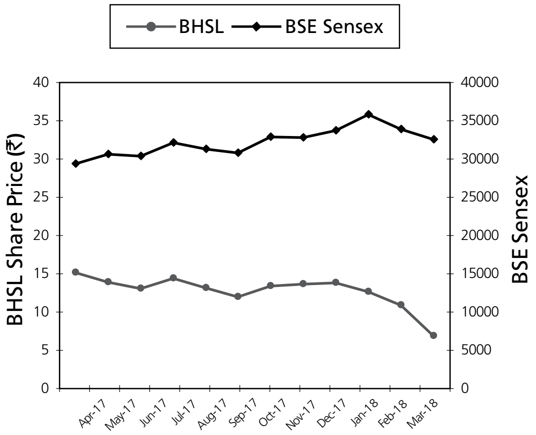
Table 15: Monthly high/low market price of equity shares of Bajaj Hindusthan Sugar Limited during the period ended March 31, 2018

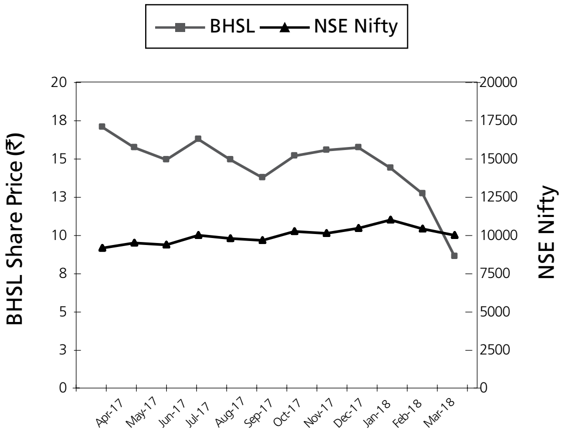
Month	Quotation at BSE (₹)			Quotation at NSE (₹)		
	HIGH	LOW	CLOSING	HIGH	LOW	CLOSING
	FV ₹ 1	FV ₹ 1	FV ₹ 1	FV ₹ 1	FV ₹ 1	FV ₹ 1
April 2017	18.44	13.40	16.65	18.45	13.35	16.65
May 2017	17.15	14.20	15.45	17.15	14.15	15.40
June 2017	16.80	14.25	14.65	16.85	14.20	14.65
July 2017	17.60	14.72	15.91	17.60	14.70	15.90
August 2017	16.40	14.20	14.70	16.40	14.20	14.65
September 2017	15.17	13.40	13.61	15.15	13.40	13.60

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
October 2017	15.41	13.41	14.94	15.45	13.35	14.90
November 2017	16.04	14.25	15.23	16.10	14.25	15.25
December 2017	16.15	13.75	15.35	16.20	13.55	15.40
January 2018	18.80	13.65	14.25	18.80	13.60	14.15
February 2018	14.50	12.57	12.64	14.40	12.55	12.60
March 2018	12.79	8.55	8.83	12.75	8.40	8.80

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, 2018 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, 2018 (See Table 16)

Table 16: Shareholding distribution as at March 31, 2018

Category	No. of shareholders	% of total holders	No. of Shares	% of Capital
Up to 500	94,676	64.87	1,66,10,038	1.46
501 to 1000	19,458	13.33	1,66,63,256	1.47
1001 to 2000	12,320	8.44	1,96,45,841	1.73
2001 to 3000	5,291	3.63	1,38,88,491	1.23
3001 to 4000	2,572	1.76	93,63,238	0.83
4001 to 5000	2,873	1.97	1,37,97,484	1.22
5001 to 10000	4,323	2.96	3,32,50,873	2.93
10001 and above	4,441	3.04	1,01,03,40,721	89.13
Total	**1,45,954**	**100.00**	**1,13,35,59,942**	**100.00**

Shareholding Pattern

Table 17 gives the shareholding pattern of the Company as at March 31, 2018

Table 17: Shareholding pattern as at March 31, 2018

Categories	March 31, 2018		March 31, 2017	
	No. of Shares	Percentage	No. of Shares	Percentage
Promoters	17,49,43,422	15.43	29,49,30,766	26.02
Mutual Funds/UTI	2,000	0.00	4,900	0.00
Financial Institutions/Banks	46,99,88,189	41.46	40,62,69,156	35.84
Insurance Companies	4,31,65,896	3.81	4,31,65,896	3.81

Categories	March 31, 2018		March 31, 2017	
	No. of Shares	Percentage	No. of Shares	Percentage
Foreign Institutional & Foreign Portfolio-Corp.	4,88,01,543	4.31	4,37,31,541	3.86
NRIs & OCBs	59,58,936	0.52	41,45,885	0.36
GDRs	--	--	--	--
Others	39,06,99,956	34.47	34,12,11,798	30.11
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 (SEBI), a qualified practising 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 Mr. Pradeep Parakh, Group President (GRC) & 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.

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 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

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

Distillery

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

Co-Generation

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

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, Jamnalal 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

Declaration

I, Kushagra Bajaj, Chairman and Managing Director 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
Kushagra Bajaj
Chairman & Managing Director
(DIN: 00017575)

Mumbai
May 26, 2018

Auditor's Certificate on Corporate Governance

To the Members,
Bajaj Hindusthan Sugar Limited

We have examined the compliance of conditions of Corporate Governance by **BAJAJ HINDUSTHAN SUGAR LIMITED,** for the year ended on March 31, 2018, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

We state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For CHATURVEDI & SHAH
Chartered Accountants
(Firm Registration No.: 101720W)

Jignesh Mehta
Partner
Membership No. 102749

Mumbai
May 26, 2018

Management Discussion and Analysis

I. Global scenario

After 5 years of consecutive surplus in Global balance sheet (demand & supply), Year 2015-16 & 2016-17 turned out to be deficit Years with sizeable deficit which helped in depletion of Sugar stocks and also helped Sugar prices to firm up during the period.

But now, Sugar Production is back on its track and after 2 years (2015-16 & 2016-17) of Global deficit, Year 2017-18 is heading towards a big surplus Year.

In fact, estimated surplus during the Year 2017-18 is bigger than the deficits during the preceding 2 Years 2015-16 and 2016-17 put together.

Surplus during the Year 2017-18 is coming mainly from Northern Hemisphere from countries like India, Thailand, Pakistan and also EU.

During the year 2017-18, both India and Thailand have surprised with their all-time high Sugar Production where India is poised to touch the level of 31.5 million MT, Thailand is inching towards production of 14.0 million MT – 14.5 million MT.

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

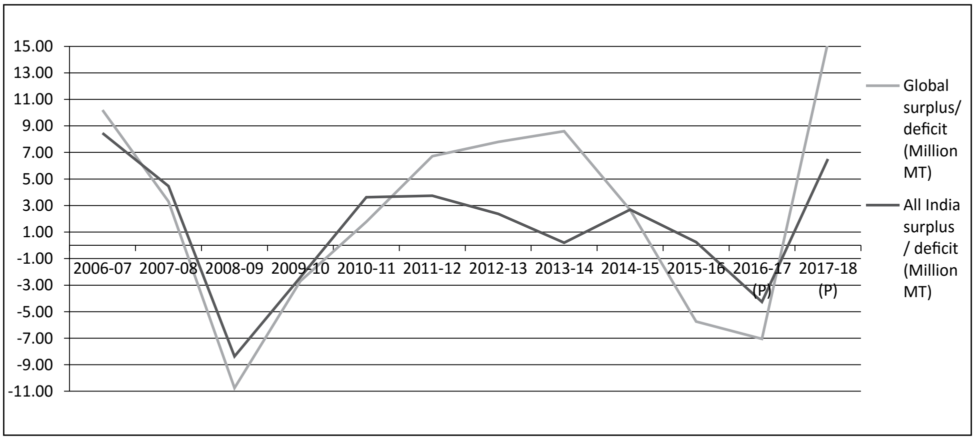
Table 1: Global & Indian Scenario

Unit: Million MT

Year	Global			All India		
	Global	Consumption	Surplus / (Deficit)	Production	Consumption	Surplus / (Deficit)
2006-07	153.46	143.26	10.20	28.36	19.90	8.46
2007-08	154.09	150.79	3.31	26.36	21.90	4.46
2008-09	140.82	151.56	-10.75	14.54	22.91	-8.37
2009-10	149.33	152.03	-2.69	18.91	21.33	-2.42
2010-11	154.93	153.15	1.78	24.39	20.77	3.63
2011-12	164.63	157.91	6.72	26.34	22.60	3.74
2012-13	172.03	164.23	7.80	25.14	22.77	2.37
2013-14	174.60	166.01	8.59	24.40	24.19	0.20
2014-15	170.79	168.11	2.68	28.31	25.62	2.70
2015-16	165.84	171.58	-5.74	25.10	24.85	0.25
2016-17 (P)	168.01	175.06	-7.05	20.30	24.56	-4.26

During the Year 2017-18, there is an estimated All India surplus of 6.5 million MT which will lead to Global surplus of 15.3 million MT.

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



Global Balance Sheet

Table 2: Global Position

Unit : 000 Metric tonnes, raw value

Year	Production	Import	Consumption	Export	End Stocks
2006-07	153458	49329	143263	49342	70989
2007-08	154093	47246	150785	47242	74301
2008-09	140818	48395	151563	48390	63561
2009-10	149333	53991	152027	53997	60861
2010-11	154927	53870	153146	53867	62645
2011-12	164629	54325	157912	54322	69365
2012-13	172029	60600	164227	60605	77162
2013-14	174600	57993	166007	57983	85765
2014-15	170789	57586	168113	57583	88444
2015-16	165840	58362	171584	58501	82561
2016-17 (P)	168010	56695	175058	56610	75598

Source : ISMA

Table 3: Major sugar producing countries during last three years

Unit : 000 Metric tonnes, raw value

Sr. No.	Name of Country	2014-15	2015-16	2016-17
1	Brazil	33896	37750	36500
2	India	28310	25130	20290
3	China (Taiwan)	10556	8700	9750
4	Thailand	11296	9755	9755
5	U.S.A.	7592	7450	7480
6	Mexico	5985	6119	6100
7	Pakistan	5948	5325	5325
8	Australia	4909	4950	5000
9	Germany	3769	3415	3180
10	France	3880	3670	4275
11	Russia	4638	5200	5600
12	Indonesia	2507	2475	2475
13	Philippines	2274	2150	2150
14	Argentina	1828	1900	1850
15	Colombia	2382	2385	2300
16	South Africa	1513	1700	1750
17	Guatemala	2976	2823	2900
18	Poland	1822	1364	1945
19	Turkey	2053	2040	2400
20	Ukraine	1785	1592	1925
21	Egypt	2279	2300	2350
22	Cuba	1830	1800	1995
23	United Kingdom	1049	985	985
24	Vietnam SR	1587	1500	1500

Source : ISMA

Sugar Price

The Graphical movement of International Sugar Prices during April 2017 – March 2018 are as under:-

Chart 1: ICE 11: Raw Sugar Settlement Price

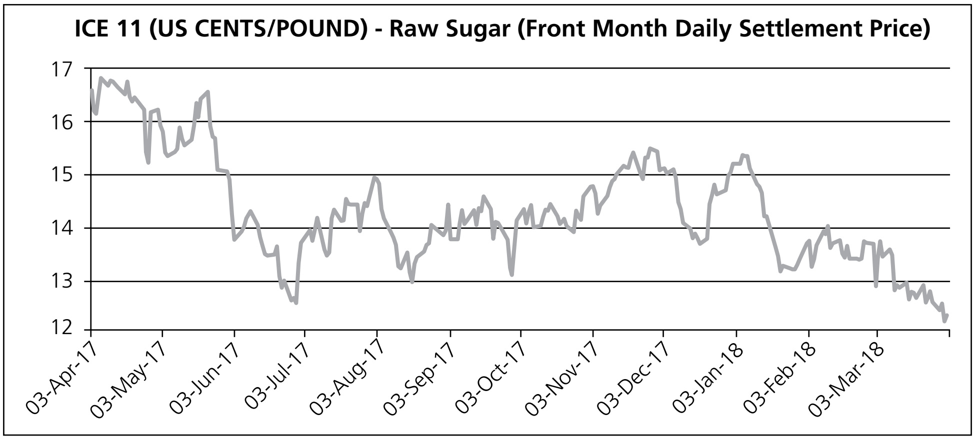
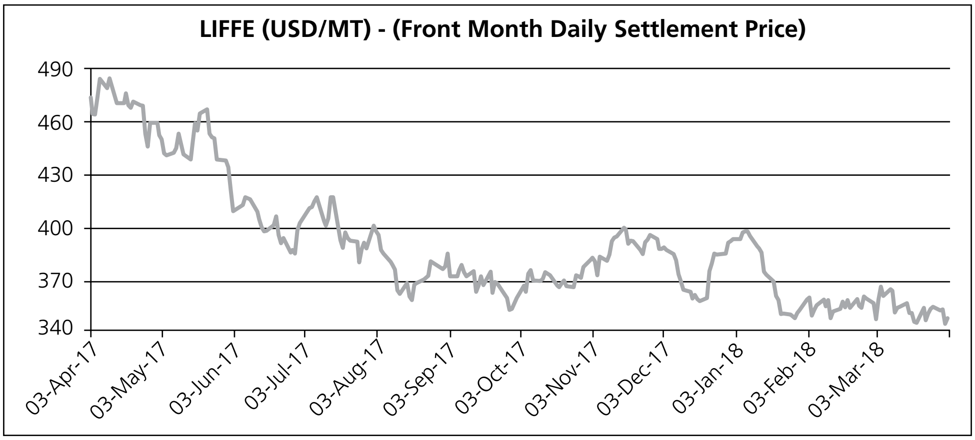


Chart 2: LIFFE Price Movement



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

From above International Exchange Daily Sugar Price chart, following can be observed:

ICE 11 (Raw Sugar):

There has been a continuous decline in Sugar Prices during the period April 2017 – March 2018 where ICE 11 (Raw Sugar) prices have come down from the level of 16.5 cents as on April 01, 2017 to the level of 12.3 cents as on March 31, 2018 means fall of almost 25% in Sugar Prices.

LIFFE (White Sugar):

Similar downside has been observed in LIFFE White Sugar prices where LIFFE prices has come down from the level of 473 USD/MT as on April 01, 2017 to the level of 351 USD/MT as on March 31, 2018 which is a decline of almost 26%.

During the period April 2017 – March 2018, White Sugar premium (Margin over Raw Sugar for White Sugar) had also remained at depressed level making working difficult and unviable for tolling Sugar refineries across the globe.

Influence factors during the Year 2017-18

During the Year 2017-18, Sugar surplus from India, Thailand, EU played a major role in shaping the World Sugar Prices.

India

India being the second largest producer and largest consumer of Sugar plays a major role in shaping the World Prices.

Last Year 2016-17, Sugar Production in India had fallen to the low level of 20.3 million MT as against consumption of 24.56 million MT which helped the World Sugar prices to firm up.

In fact during the Year 2016-17, World was expecting India to import huge quantum of Sugar to the tune of 2 – 3 million MT but Government decided otherwise and managed with import of a quantity of just 0.7 million MT.

During the Year 2017-18, initially All India Production estimates were to the tune of around 25.0 million MT but on account of timely rains and better yields now production is heading towards an all-time high of 31.5 million MT.

Next year during 2018-19, it is estimated that there will further be a bigger crop than 2017-18 one with further increase estimated from the states of Karnataka and Tamil Nadu.

Thailand

This year 2017-18, initially Thailand was estimated to produce 11.0 million MT of Sugar against which it is estimated to produce a quantity of 14.0 – 14.5 million MT Sugar now which is an all-time highest Sugar production in country.

Brazil CS

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

Particulars	Unit	2015-2016	2016-2017	2017-2018	2018-2019
		Actual	Actual	Actual	Trade Sources
Total cane crush	Million MT	617.71	607.14	596.31	585.00
Sugar Production	Million MT	31.22	35.63	36.06	30.60
Ethanol Production	Billion Litres	28.23	25.65	26.09	27.30
Diversion of Cane					
Used for sugar	%	40.65	46.29	46.46	40.80
Used for ethanol	%	59.35	53.71	53.54	53.54
TRS		130.50	133.03	136.60	134.60

Source : UNICA

In Brazil CS, during the Year 2017-18, Sugar Production remained stagnant at 36.06 million MT almost at same level of the Year 2016-17.

During the Year 2017-18, diversion of cane towards Sugar increased to the level of 46.46% as compared to 40.65% during 2015-16 and 46.3% during 2016-17.

However, now due to dip in Sugar Prices, it is no more viable for Brazilian Sugar Millers to produce Sugar and there is incentive to divert more cane towards Ethanol now.

Therefore, during the Year 2018-19, it is estimated that diversion of cane towards Sugar will decrease to the level of around 40.8% and in the process Sugar production will come down to the level of 30.6 million MT.

Some estimates of Brazil CS for the Year 2018-19 are even lower to the level of 29.0 million MT on account of increased diversion towards Ethanol and lower availability of Cane.

EU: Sugar Production during current year (2017-18) is estimated to be 20.1 million MT as against 16.8 million MT during 2016-17. During 2018-19 also, similar kind of Sugar Production is estimated. White Sugar export availability from EU will be 3.5 to 4.0 million MT of Sugar adding pressure to already oversupplied market.

China: Sugar Production is estimated to close at 10.3 million MT during 2017-18 as against 9.7 million MT during 2016-17. Estimate for Year 2018-19, Sugar Production is 10.9 million MT.

India has consistently been the largest consumer of Sugar and second largest producer of Sugar in the World. However, during the Year 2018-19, India is estimated to become the largest producer of Sugar in the world surpassing Brazil production, as Brazil is expecting a major dip in production next year.

From above, it can be observed that all major Sugar producing countries are heading for big crops leading to Global surplus except Brazil CS where Sugar production is estimated to take a major dip due to increased diversion of cane towards Ethanol and also dry weather leading to lower availability of cane.

II. Indian Scenario

During current year 2017-18 (Oct – Sept), India is going to witness the highest Sugar Production to the estimated level of 31.5 million MT.

Table 5: State-wise Sugar Production

Unit : Million MT

Sr. No.	STATE	2013-14	2014-15	2015-16	2016-17	2017-18 (Estimated as per Trade)
1	UTTAR PRADESH	6.50	7.10	6.84	8.77	11.60
2	MAHARASHTRA	7.71	10.51	8.42	4.20	10.60
3	KARNATAKA	4.18	4.94	4.05	2.17	3.64
4	GUJARAT	1.18	1.15	1.17	0.89	1.08

Unit : Million MT

Sr.No.	STATE	2013-14	2014-15	2015-16	2016-17	2017-18 (Estimated as per Trade)
5	ANDHRA PRADESH	0.68	0.56	0.55	0.39	0.75
6	PUNJAB	0.47	0.54	0.67	0.69	0.75
7	HARYANA	0.54	0.58	0.54	0.67	0.75
8	BIHAR	0.59	0.53	0.50	0.53	0.70
9	TAMILNADU	1.47	1.25	1.37	1.07	0.60
10	MADHYA PRADESH	0.39	0.45	0.40	0.41	0.55
11	UTTARAKHAND	0.29	0.33	0.27	0.35	0.45
12	RAJASTHAN	0.01	0.01	0.01	0.01	0.01
13	Others	0.41	0.38	0.34	0.16	0.04
	Total	**24.40**	**28.31**	**25.13**	**20.29**	**31.52**

As per section of the Trade, there is probability of Sugar Production further increasing from above level of 31.5 million MT.

From above table, it can be seen that during 2017-18, major increase in production has come from the states of Maharashtra, UP and Karnataka. These 3 states put together are estimated to produce a quantity of 25.8 million MT which is 82% of total country's production.

In the state of Maharashtra, Sugar Production is estimated to increase from the level of 8.4 million MT during 2015-16, 4.2 million MT during 2016-17 to the level of 10.6 million MT during 2017-18. So, we can see increase in Sugar Production in Maharashtra by 26% during 2017-18 as against the Year 2015-16 and massive 152% as against the Year 2016-17.

Similarly, in U.P., Sugar production is estimated to rise to the level of 11.60 million MT as against 6.8 million MT during 2015-16 and 8.8 million MT during 2016-17. It means increase in Sugar production by 71% during the Year 2017-18 as against the Year 2015-16 and 32% as against the Year 2016-17.

Karnataka has also witnessed the increase of 68% in Sugar Production during 2017-18 as against last year 2016-17.

All India Sugar Balance Sheet

Table 6: Domestic Production and Consumption

Unit: Million MT

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
	Actual	**Actual**	**Actual**	**Actual**	**Actual**	**Estimated**
A. Total availability - All India-Sugar Season						
a) Opening Stock as on Oct 01	6.6	9.3	7.5	9.1	7.8	3.9
b) Production during Season	25.1	24.4	28.3	25.1	20.3	31.5
c) Imports	0.7	0.1	0.0	0.0	0.4	0.2
Total Supply Availability	**32.4**	**33.8**	**35.8**	**34.2**	**28.5**	**35.6**
B. Total Sugar Offtake : - All India-Sugar Season						
a) Internal consumption	22.8	24.2	25.6	24.8	24.6	25.0
b) Exports	0.3	2.1	1.1	1.7	0.0	2.0
Total Offtake	**23.1**	**26.3**	**26.7**	**26.5**	**24.6**	**27.0**
C. Closing Stock as on Sept 30 - All India	**9.3**	**7.5**	**9.1**	**7.8**	**3.9**	**8.6**
D. Stock as % of Internal Consumption (%)	**40.8**	**30.9**	**35.5**	**31.3**	**15.8**	**34.3**

From the above table, following can be observed:-

- Year 2016-17 witnessed all-time low Sugar stock at 15.8% of consumption at the level of 3.9 million MT.
- During the Year 2017-18, Sugar Production estimated to increase to 31.5 million MT and consumption is estimated at level of 25.0 million MT which leaves with a surplus of 6.5 million MT.
- Reasons attributed to increase in Sugar Production is better variety of Cane, timely rains which is giving better Cane yield and recovery of Sugar.
- It is estimated that 2.0 million MT Sugar will be exported during the Year as against Government Minimum Indicative Export Quotas (MIEQ) of the said quantity to the Mills.
- With estimated Sugar Production of 31.5 million MT, consumption of 25.0 million MT, Export of 2.0 million MT, there is estimated to be closing stock of 8.58 million MT which will be 34.3% of internal consumption.

Cyclical nature of Sugar Production in India:

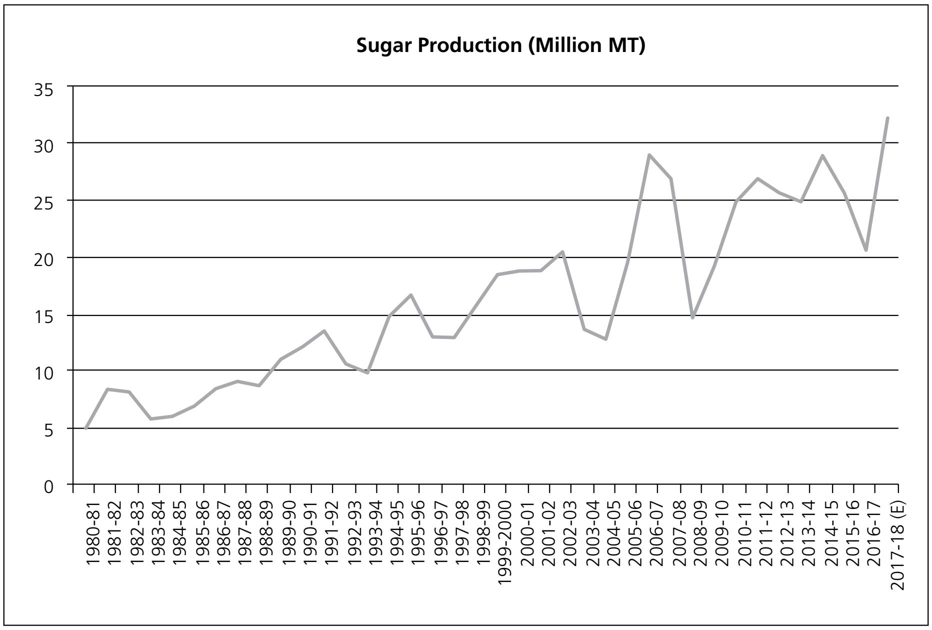
Indian Sugar Production has historically been cyclical in nature with 3-4 years of bumper crop usually followed by 2 years of shortfall.

The shortage years helped restore Mills and farmers health by liquidating excess stocks and lifting market prices for Sugar.

However this cyclical pattern has been broken lately, with Sugar production outpacing consumption for six consecutive years from 2010-11 until 2015-16. While, 2016-17 brought respite with Production at just 20.3 million MT, it proved all too brief as current Sugar season 2017-18 seeing a big bounce back to 31.5 million MT.

The sugar production pattern since 1980 depicting the cyclical nature of Sugar Production given below:-

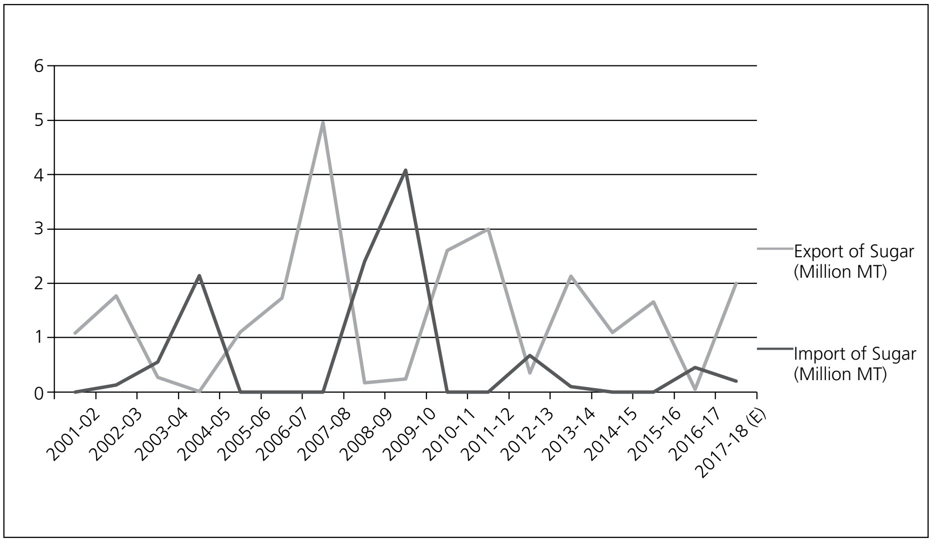
Chart 3: The sugar production pattern since 1980 depicting the cyclical nature of sugar production



The above cyclicality in Sugar Production leads to cyclicality of Sugar Exports & Imports. During the years of surplus, country Exports Sugar and during the years of deficit country Imports Sugar and thus a big swing factor for Global Sugar demand-supply balance sheet

Pattern of All India Sugar Exports / Imports

Chart 4: Pattern of Sugar Exports/Imports



Policy initiatives by the Government

One of the major challenges with the Sugar sector today is that there has been a partial decontrol of the sector as Cane pricing, payments, Cane area and distribution is still controlled by the State Government.

Though, from time to time there are recommendations like Rangarajan Committee recommendations to link Cane Price with Sugar Price but it is still to be done.

Central Government also keeps on regulating the sector through their control on stock, Export Import policies, Duty structure, Price, Sale quotas, etc. to manage supply / price situation as volatile Production keeps on posing challenges.

Till last year 2016-17, due to deficit Sugar Year, Government was discouraging exports and allowed duty free imports of almost half a million MT of Sugar.

Now during 2017-18 due to surplus Sugar production, policy has taken U turn and Government is discouraging imports and encouraging exports of Sugar.

Policy during 2016-17 (encouraging imports and discouraging exports, Stock limit)

Export of Sugar

- Government disallowed cane subsidy @ ₹ 4.5 per Qtl. of cane crushed : Earlier, Government had allowed cane subsidy @ ₹ 4.5 per Qtl. provided directly to farmers for performing Millers in terms of Ethanol supplies and Sugar exports
- During May 2016, Government discontinued cane subsidy @ ₹ 4.5 per Qtl. which discouraged Sugar exports also
- Relaxed the condition of Mandatory Exports : During September 2016, Government relaxed the condition of mandatory Sugar exports again to discourage Sugar exports from country
- Imposed Duty of 20 percent on Exports of any form of Sugar from India during June 2016

Idea was that once Sugar Prices had normalised in domestic market, there is no point in pushing Sugar exports rather Government had started discouraging Sugar exports by putting export duty of 20 percent.

Import of Sugar

Government had allowed duty free Sugar Import to the tune of 5,00,000 MT on April 05, 2017 and that too in sugar deficit areas only as under :-

- Port-wise quantity restriction as under :-
  East Zone (Haldia & Paradip Port) : 50,000 MT
  South Zone (Tuticorin, Chennai, Mangalore, Kakinada) : 3,00,000 MT
  West Zone (Kandla / Mumbai Port) : 1,50,000 MT
  Total : 5,00,000 MT

Importers were allowed to import Sugar only up to June 30, 2017.

Since, above duty free import of 5,00,000 MT is in sugar deficit areas only and to ensure that there is no shortage of sugar therefore this will not have any adverse impact on domestic sugar prices.

Stock Limit

During 2016-17, due to deficit Year, Government has imposed stock limit on Trade and also on mills for specific period to ensure sufficient supply of Sugar in market as under :-

During April 2016, Government imposed stock limit on Sugar Trade allowing traders to stock up to 5,000 Qtls. only except Kolkata where it was allowed up to 10,000 Qtls.

The above stock limit on trade has helped a lot in restricting hoarding of Sugar and thus restricting speculative activities in the Trade. It also helped in squeezing of the pipeline and make pipeline sugar available for actual consumption.

Stock limit on Sugar Mills

Government imposed Stock limit on Sugar Mills for 2 months such that total stock of Sugar with the Mill as on September 30, 2016 should not be more than 37 percent of total availability (Production plus opening stock).

As on October 31, 2016, stock of Sugar with the Mill should not be more than 24 percent of the total availability.

The above stock limit helped the Government in keeping Sugar Prices in balanced zone such that on one hand prices remain remunerative to the mills, on other hand prices don’t flare up beyond acceptable limits.

Policy during 2017-18 (encouraging exports and discouraging imports, Stock limit)

Imports

- 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 as there was fear of imports from Pakistan and country don't need any Sugar imports

Exports

- 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 are 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
- Further, understandably Government considering allowing Production-linked subsidy on Cane

Scraping / Reverse Stock Limit

Removal of Stock Limit on Traders

During 2017-18 which is the surplus Year, Government removed stock limit on trade during December 2017.

Imposition of Reverse stock limit on Sugar Mills (to control sugar supply in market)

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 were 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 were 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).

Other possible options at Government level

- Giving production linked cane Subsidy on cane price to help Sugar Mills pay their cane dues
- Imposing cess on Sugar to generate revenue to fund various subsidy scheme required for Sugar sector to pay their cane arrears
- Giving Minimum fixed price of Sugar to Mills below which they are not allowed to sell
- Diversion of part Sugar towards Ethanol in form of B heavy molasses. This on one hand will provide additional availability of Ethanol (Bio-fuel), on other hand will help in regulating the Sugar production
- Reduction in GST from 18% to 5% on Ethanol
- Increase in price of Ethanol to help Sugar Mills

Ethanol

Oil companies continued with their Ethanol blending policy for the year 2017-18 (Dec – Nov) as well and also increased Ethanol Price by ₹ 1.85 per Litre during the Year.

Earlier basic price of Ethanol given by the Government was ₹ 39.0 per Litre which now has been increased to ₹ 40.85 per Litre from the Year 2017-18 (Dec – Nov).

On All India basis, handsome quantities of Ethanol has been contracted for supplies during 2017-18. During the period, a quantity of 139.5 crore Litres has been contracted for supplies as against a quantity of 80.0 crore Litres during last Year.

State Excise Fees on Ethanol

During May 2016, there has 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. While, amendment has been done in IDR Act, State Excise continue to regulate and impose duties on Ethanol Karnataka has been the first state to surrender their control on Denatured Ethanol and free it from State Excise Fees and permissions followed by Chhattisgarh and Gujarat. For other states, Industry is seeking relief on the State Excise Fees through legal means available. Honourable High Court at Allahabad had allowed favourable judgement on applicability of Export permit Fees on Ethanol. Similar kind of cases are filed in courts of Delhi, Haryana & Punjab challenging applicability of Import Fees on Ethanol in these states. 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.

Promoting Ethanol as Fuel:-

Government is taking keen interest in pushing and motivating Sugar Industry to supply Ethanol to Oil companies for blending with Ethanol. As per media reports, Government considering to decrease GST on Ethanol from existing level of 18% to 5%. While, this Year Government has increased the price of Ethanol from ₹ 39.0 per Litre to ₹ 40.85 per Litre, as per media reports, Government is considering to further increase the Ethanol Price to boost Sugar Industry to further increase Ethanol supplies. Since Sugar sector is regulated by the Government, all above policy initiatives are of vital importance for the sector particularly in Years of surplus like the current one. During years of surplus, there is tendency of Sugar Prices to slide down and Government support in the form of various policies on exports, imports, subsidy, soft loans, encouraging Ethanol sector maintains boost for the sector.

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 3 years during the period since 2015-16 (Oct – Sept), the results of continued investment in Cane development are also visible in form of increased availability of better variety of cane and better Sugar recovery.

   Group's average Sugar recovery during last 3 Sugar Seasons has considerably improved with results as under :-

   Sugar Season (Oct – Sept)

   2013-2014 : 09.14%

   2014-2015 : 09.41%

   2015-2016 : 10.37%

   2016-2017 : 10.26%

   2017-2018 : 10.79% (estimated)

   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.

   While, during 2016-17 due to lower Sugar production, Market has given good price levels but during 2017-18 due to all-time high Sugar production, it is estimated that Sugar prices will go down and will need Government intervention for prices to firm up.

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.

   De-Risking strategy

   As part of our business strategy, we are rapidly derisking 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 7: Market share of BHSL in U.P. and on All India basis for Sugar basis Production:-

Year (Oct – Sept)

Particulars	Unit	2017-2018 (Estimated)	2016-2017	2015-2016	2014-2015
BHSL Production	Million MT	1.80	1.33	1.05	1.15
UP Production	Million MT	11.60	8.80	6.84	7.10
All India Production	Million MT	31.50	20.30	25.13	28.31

Year (Oct – Sept)

Particulars	Unit	2017-2018 (Estimated)	2016-2017	2015-2016	2014-2015
BHSL % of UP	%	15.52	15.11	15.35	16.20
BHSL % of All India	%	5.71	6.55	4.18	4.06

Sugar market spread - All units of BHSL

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 Zonewise details and the crushing capacity of the mills are as under:-

Table 8: Zonewise details of crushing capacity

Zone	No. of Mills	Crushing Capacity (TCD)
WEST	5	48000
CENTRAL	5	48000
EAST	4	40000
TOTAL	**14**	**136000**

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., 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 states of Maharashtra, Karnataka and refinery in West Bengal which currently is not in operation. For movement of sugar to neighbouring states like Punjab, Haryana, Bihar, UP millers 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 imports has taken place under OGL in last 3 years since 2014-15 except small quantity of duty free import of 4.5 Lac MT during 2016-17 and 2 Lac MT during 2017-18.

Table 9: High & Low Price of Sugar - BHSL

Unit : ₹/ Qtl.

Month	April 2017 – March 2018	
	High Price	Low Price
April	3731	3534
May	3775	3585
June	3745	3488
July	3780	3598
August	3755	3628
September	3765	3638
October	3752	3683
November	3710	3468
December	3540	3248
January	3361	3038
February	3571	2988
March	3315	2935

a) Refined sugar is not taken in consideration.
b) Only M-31 50 Kg rate is taken.
c) Sundry Farmer despatches rate is not taken.
d) Sugar despatches through rake is also not considered as the sale confirmed in a month is despatched next month.
e) Sugar transfer to sister company is also not taken i.e M/s Ojas.

IV. Internal Control System and their Adequacy

Preparing reliable financial information is the key responsibility of the management of every Company. Management's ability to fulfil its financial reporting responsibilities depends in part on the design and effectiveness of the Internal Controls, processes and safeguards, which it has put in place. The Internal Audit function should be commensurate with the size of business and the system has to ensure that all the transactions are authorised, recorded and reported correctly.

Bajaj Hindusthan Sugar Ltd. (hereinafter referred to as "The Company") has in place an adequate system of Internal Controls, Accounting procedures and policies 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 review.

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)". 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 and complementary HR processes and systems. HR policies are reviewed, revised and updated from time to time to make it relevant, 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, 2018, BHSL had 7,299 employees.

The various HR initiatives carried out by the Company during the year are listed below:

Programmes

- In-house Training & Development - HR department prepares advance training calendar on six monthly basis scheduling 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 average 20–25 persons attends such training programme session. The major topics covered by our internal training faculty are on Cane sowing, Irrigation and Pest Management techniques, Operational Procedure and Skill upgradation methods, Safety, House-keeping, I.S.O., Fire fighting, Environment, Health & Occupational Hazards, Energy Conservation, Attitudinal & Behavioural Management, Taxation, Computer Awareness, Statutory Compliances, Awareness on Health & Occupational Diseases, etc.
- Other Training Programmes (External faculty) - Our organisation provides the external training to their employees by outside expert with specialist knowledge so that the entire team can improve their skills set with relevant up to date information and techniques learned in an environment that is familiar and conducive to advancement 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. We cover the topic related to engineering, production, IT, SAP, finance & account, store and H.R. by the external faculties so that the Employees of our organisation can update with new techniques, technologies and develop their skill which resulting give impact to their productivity. During year 2017-18, HR dept. of Bajaj Group had organised various training programme through the involvement of various external agencies and training faculties.
- Induction Programmes for New Employees - Induction programmes are regularly conducted at unit level by HR department for all the new employees. This is an interactive programme supplemented by powerpoint 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, Dussehera, Diwali, Teej and Lohri festival, Republic Day, Independence Day, Vishwakarma Day, Environment Day, Safety Week (4 March to 10 March), Jamnalal Jayanti (4th Nov.), Labour Day (1st May), Zonal Cricket Tournament various type of children's events like Drawing Competition, Fancy Dress 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. 1,700 students. School is running as a creative centre for learning and development. It has provided employment to more than 120 people, including spouses of the employees. BPS solely aims to continuously connect, grow, serve and reach the new horizons.

2. **Other activities**

   a) General Medical Checkup, Eye Check-up, Hepatitis-B vaccination camps in Factory Campus and also in neighbouring villages, etc.

   b) Woollen clothes & Blanket distribution among under-privileged class of surrounding areas.

   c) Kanwar Seva Shivir on Mahashivratri Parv.

   d) Distributing Organic Manure on subsidised rates to the farmers.

   e) In winters, lighting Alao at every Chauraha by distributing bagasses.

   f) Fogging and Spray for mosquito in nearby villages.

   g) Blood donation camp.

   h) A health check-up camp by local hospital was held at Lucknow office & Thanabhawan unit by a team comprising of specialised Doctors i.e. Medicines, Eye, Gynaecologist & Dentist was held wherein all the employees and their families got themselves checked and were benefited from this health camp. Among the other beneficiaries in Thanabhawan unit, there were various outsiders, farmers also.

VI. Financial Analysis of Operations of the Company

The financial results for the year under review for 12 months from April 01, 2017 to March 31, 2018.

Table 10 : Operational data

	Unit	**Year ended March 31, 2018**	Year ended March 31, 2017
Cane Crushing	MMT	**14.765**	12.509
Sugar Recovery	%	**10.62**	10.23
Sugar Production - From Cane	MT	**15,60,093**	12,72,424
Industrial Alcohol Production	KL	**1,13,165**	1,11,934
Molasses Production	MT	**6,90,184**	5,94,958
Power Generation	MW	**8,52,209**	7,29,431

During the year, the production of sugar from sugarcane has increased to 15,60,093 MT as compared to 12,72,424 MT during the previous year. The production of molasses was at 6,90,184 MT as compared to 5,94,958 MT in the previous year. The industrial alcohol / ethanol production was at 1,13,165 KL as compared to 1,11,934 KL in the previous year. Power generation was at 8,52,209 MW as compared to 7,29,431 MW in the previous year. Average recovery of sugar from sugarcane increased to 10.62% during the current year as compared to 10.23% in the previous year.

Results of operations

Table 11 : Summarised financial results

₹ Crore

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Revenue	**6,105.31**	4,780.91
Earnings before interest, depreciation and tax (EBIDTA)	**449.78**	1,017.77
Finance Costs	**680.17**	802.07
Cash profits	**(230.39)**	215.70

₹ Crore

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation & amortisation	**196.91**	214.12
Profit/(Loss) before tax	**(427.30)**	1.58
Tax expenses	**(4.11)**	(5.82)
Profit/(Loss) after tax	**(423.19)**	7.40
Basic and Diluted earning per share (₹)	**(3.84)**	0.07

Turnover

During the year ended March 31, 2018, the Company's total revenue was ₹ 6,105.31crore as against ₹ 4,780.91crore in the previous year.

Analysis of sales

During the year, the Company sold 14,62,198 MT of sugar as against 10,46,122 MT during the previous year. The Company sold 1,21,136 MT of molasses as against 10,058 MT in the previous year. However, alcohol/ethanol sales during the year was at 1,17,323 KL as against 1,09,820 KL during the previous year.

The Company exported 3,16,493 MW of power during the year as against 2,67,257 MW during the previous year.

Product-wise sales quantity, value and per unit realisation details are given in Table 12:

Table 12 : Sales revenue

Particulars	Year ended March 31, 2018				Year ended March 31, 2017		
	Unit	**Qty**	**Value ₹ Crore**	**Realisation* ₹/MT/KL/ MW**	Qty	Value ₹ Crore	Realisation* ₹/MT/KL/ MW
Sugar	MT	**14,62,198**	**5,190.71**	**35,499**	10,46,122	3,923.05	37,501
Alcohol / Ethanol	KL	**1,17,323**	**462.40**	**39,412**	1,09,820	461.97	42,066
Molasses	MT	**1,21,136**	**13.27**	**1,096**	10,058	2.76	2,741
Power	MW	**3,16,493**	**159.58**	**5,042**	2,67,257	126.88	4,748

* Includes excise duty up to 30.06.2017.

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 sale of renewable energy certificates of ₹ 61.30 crore, lease rent of ₹ 10.62 crore, sale of scrap of ₹ 5.09 crore and other miscellaneous operating income of ₹ 9.94 crore.

Other income

Other income for the current year was ₹ 166.93 crore (including interest income of ₹ 148.45 crore, Gain due to foreign exchange fluctuation (net) ₹ 0.65 crore and other miscellaneous income of ₹ 17.83 crore) against ₹ 162.27 crore in the previous year (including interest income of ₹ 152.26 crore and other miscellaneous income of ₹ 10.01 crore).

Other expenses

During the year, other expenses were ₹ 412.51 crore as against ₹ 290.52 crore in the previous year.

Earnings before interest, depreciation, tax and amortisation (EBIDTA)

The EBIDTA decreased for the current year at ₹ 449.78 crore as against ₹ 1,017.77 crore in the previous year; primarily due to steep decline in sugar prices.

Finance costs

Finance cost for the current year was ₹ 680.17 crore as against ₹ 802.07 crore in previous year, due to repayments of loans and drop in interest rate.

Depreciation and amortisation

The depreciation for the current year was at ₹ 196.91 crore as against ₹ 214.12 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, 2018 is given in Table 13.

Table 13 : Summarised balance sheet

₹ Crore

As at	March 31, 2018	March 31, 2017
ASSETS		
Non-current assets		
Fixed assets		
Property, plant and equipment	7,535.76	7,728.17
Capital work-in-progress	65.79	36.05
Intangible assets	0.00	0.00
Non-current investments	1,055.92	1,108.30
Other non-current financial assets	2.35	4.93
Other non-current assets	15.78	21.79
Sub total	8,675.60	8,899.24
Current assets		
Inventories	2,847.88	3,009.52
Financial assets		
Trade receivables	192.43	165.58
Cash and cash equivalents	31.28	30.09
Bank balances	23.39	51.41
Loans	2,002.04	1,855.71
Current tax assets (net)	4.41	21.63
Other current assets	815.63	769.68
Sub total	5,917.06	5,903.62
Total assets	14,592.66	14,802.86
EQUITY AND LIABILITIES		
Shareholders' Fund		
Equity	110.07	110.07
Other equity	3,387.79	3,833.44
Sub total	3,497.86	3,943.51
Non-current liabilities		
Financial liabilities		
Borrowings	5,892.42	5,459.79
Provisions	43.35	40.23
Deferred tax liabilities (net)	642.54	653.13
Other non-current liabilities	13.70	8.73
Sub total	6,592.01	6,161.88
Current liabilities		
Financial liabilities		
Borrowings	156.26	242.74
Trade payables	3,372.67	2,785.87
Other financial liabilities	773.32	1,369.64
Other current liabilities	190.60	123.41
Short-term provisions	9.94	175.81
Sub total	4,502.79	4,697.47
Total equity and liabilities	14,592.66	14,802.86

Share capital

No change in share capital.

Other equity

Other equity has been decreased to ₹ 3,387.79 crore as at March 31, 2018 from ₹ 3,833.44 crore as at March 31, 2017 mainly due to loss for the year ₹ 423.19 crore and change of other comprehensive income by ₹ 33.22 crore.

Non-current borrowings

Long-term borrowings was at ₹ 5,892.42 crore as at March 31, 2018 as against ₹ 5,459.79 crore in the previous year ended March 31, 2017.

Current borrowings

Short-term borrowings stood at ₹ 156.26 crore as at March 31, 2018 as against ₹ 242.74 crore in the previous year ended March 31, 2017.

Property, plant and equipment

Gross Block has increased to ₹ 10,561.66 crore from ₹ 10,559.09 crore, on account of routine capitalisation/decapitalisation during the year. The net block stood at ₹ 7,535.76 crore as against ₹ 7,728.17crore.

Investments

Investment was at ₹ 1,055.92 crore as at March 31, 2018 as against ₹ 1,108.30 crore in the previous year ended March 31, 2017. Mainly changes are due to valuation at fair value.

Inventories

The inventory of sugar at the end of the current year was 8,50,022 MT equivalent to 212 days' sales as compared to 263 days' sales in the previous year. Alcohol inventory at the end of the current year was 29,407 KL equivalent to 91 days' sales as compared to 114 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 12 days' of sales as compared to 13 days' of sales in the previous year ended March 31, 2017. 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 ₹ 1.13 crore, provision no longer required/credit balance appropriated ₹ 1.22 crore and miscellaneous receipts ₹ 15.48 crore were of a non-recurring nature.

Expenditure

The loss on assets sold/discarded ₹ 0.04 crore is of a non-recurring nature.

Contingent liabilities

The status of contingent liabilities as at March 31, 2018 has been reviewed by the management. Efforts are being made for speedy settlement of pending cases.

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, 2018 are given in Table 14:

Table 14 : Cane crushing, sugar recovery and sugar production

Plant Location	Zone	2017-18			2016-17		
		Cane Crushing (MMT)	Sugar Recovery (%)	Sugar Production (Tonnes)	Cane Crushing (MMT)	Sugar Recovery (%)	Sugar Production (Tonnes)
Golagokarannath	Central UP	**1.895**	**11.33**	**2,14,162**	1.662	11.30	1,85,964
Palia Kalan	Central UP	**1.383**	**9.82**	**1,33,936**	1.237	9.60	1,18,697
Khambarkhera	Central UP	**1.216**	**11.23**	**1,35,766**	1.192	11.18	1,31,967

Plant Location	Zone	2017-18			2016-17		
		Cane Crushing (MMT)	**Sugar Recovery (%)**	**Sugar Production (Tonnes)**	Cane Crushing (MMT)	Sugar Recovery (%)	Sugar Production (Tonnes)
Barkhera	Central UP	**0.939**	**10.82**	**1,00,369**	0.711	10.20	72,507
Maqsoodapur	Central UP	**0.827**	**10.87**	**88,360**	0.683	10.79	73,636
Kinauni	Western UP	**1.547**	**10.42**	**1,61,162**	1.333	9.45	1,24,708
Thanabhawan	Western UP	**1.245**	**10.83**	**1,34,783**	1.024	10.10	1,02,078
Budhana	Western UP	**1.352**	**11.11**	**1,50,204**	1.206	10.04	1,20,756
Bilai	Western UP	**1.147**	**11.37**	**1,30,408**	1.069	10.97	1,17,010
Gangnauli	Western UP	**0.835**	**10.41**	**86,577**	0.620	9.70	59,414
Pratappur	Eastern UP	**0.185**	**8.95**	**16,423**	0.108	8.92	9,666
Rudauli	Eastern UP	**0.509**	**9.46**	**48,099**	0.378	9.20	34,784
Utraula	Eastern UP	**0.654**	**9.51**	**62,181**	0.556	9.43	52,363
Kundarkhi	Eastern UP	**1.031**	**9.63**	**97,663**	0.730	9.43	68,873
Total		**14.764**	**10.62**	**15,60,092**	12.509	10.23	12,72,424

Distillery division

The distillery division produced 1,13,165 KL of industrial alcohol/ethanol during the current year against 1,11,934 KL in the previous year. Likewise alcohol/ethanol sales aggregated during the current year at 1,17,323 KL against 1,09,820 KL in the previous year. In value terms, the sale of industrial alcohol/ethanol during the year is ₹ 462.40 crore as against ₹ 461.97 crore in the previous year.

Power division

The sale of power was recorded at ₹ 159.58 crore in the current year as against ₹ 126.88 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.

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. Up to the year ended March 31, 2016, the Company has prepared its financial statements in accordance with the requirement of Indian GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

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 2017-18

In terms of Regulation 34 of the Listing Regulations

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L15420UP1931PLC065243
2. **Name of the Company:** Bajaj Hindusthan Sugar Limited
3. **Registered address**: Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh - 262 802
4. **Website:** www.bajajhindusthan.com
5. **E-mail id:** investor.complaints@bajajhindusthan.com
6. **Financial Year reported:** April 01, 2017 to March 31, 2018
7. **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

8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**
   1. Sugar
   2. Industrial Alcohol
   3. Power (bagasse based)
9. **Total number of locations where business activity is undertaken by the Company:**
   (a) Number of International Locations (provide details of major 5) : NIL
   (b) Number of National Locations: 18 (Eighteen). 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.
10. **Markets served by the Company:**

Local	State	National	International
Yes	Yes	Yes	No

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **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 of 1,13,35,59,942 equity shares of ₹ 1/- each.
2. **Total Turnover (INR) :** ₹ 6,105.31 crore
3. **Total profit/(loss) after taxes (INR) :** ₹ (423.19) crore
4. **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)
5. **List of activities in which expenditure in 4 above has been incurred :** Not applicable

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/Companies:**

   Yes, the Company has 5 subsidiaries including 2 step down subsidiaries as on March 31, 2018.
2. **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.
3. **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 : Director (Group Operations)

(b) Details of the BR head:

Sr. No.	Particulars	Details
1	DIN (if applicable)	02608184
2	Name	Mr. Ashok Kumar Gupta
3	Designation	Director (Group Operations)
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 Chairman and Managing Director assess 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 Polices 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 and other residual output. Percentage of recycling of products and brief details thereof are given below:

   Molasses (4.5%-5%) : 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.

   Bagasse (30%) : Bagasse is a fibrous residue of cane stalk that is obtained after crushing and extraction of juice. Bagasse is usually used as a combustible 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 (2%) : 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 (4%) : Press mud also known as oliver cake or press cake, is the residual output after the filtration of the juice. It is mixed with spent wash from the distillery and cultivated to produce high quality bio-manure.

Principle 3: Employee Wellbeing

1. Please indicate the total number of employees: 7,299
2. Please indicate the total number of employees hired on temporary/contractual/casual basis: 3,632
3. Please indicate the number of permanent women employees: 6
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 percentage 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: 83%
   (b) Permanent Women Employees: Nil
   (c) Casual/Temporary/Contractual Employees: 9%
   (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.

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) Confederation of Indian Industry (CII), Western Region.

   (b) Bombay Chamber of Commerce and Industry.

   (c) The Sugar Technologists Association of India.

   (d) All India Distillers Association, Delhi.

   (e) UP 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 ₹ 5.81 Lakh

   This amount was spent under the broad categories of -

   (a) Rural Development activities:

   - Training of cane growers;
   - Introduction of new high sugar varieties;

- 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;
- Installation of Drip Irrigation System for high yield in early and improved varieties;
- KISAN GOSTHI/Seminars are arranged by us to educate the cane growers to know new technologies of cane cultivation;
- We procure new variety cane seed released by cane research stations for distribution among the cane growers;
- 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 trial is being done in 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 Pre Nursery/Nursery, KG & First Introduction of new high sugar varieties;
- Cultural programme and religious activities;
- Developed and maintain green belt in factory premises and colony area for obtaining eco-friendly environment of township;
- We are maintaining three children park, one is in front of guest house and other two are in old & new Mill colony area;
- Displayed safety signals 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, most of our programmes are participatory in nature and focus on Rural development and capacity building. For instance, we interact with cane growers through KISAN GOSTHI/Seminars to educate the cane growers to know new technologies of cane cultivation, 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.

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 2017-18	Remarks
Alleged Unfair Trade Practice	Nil	Nil	-
Alleged Irresponsible Advertising	Nil	Nil	-
Alleged Anti Competitive Behaviour	Nil	Nil	-

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, 2018 – Certification by CEO and CFO

We, Kushagra Bajaj, Chairman & Managing Director and Ved Prakash Agrawal, 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, 2018 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, 2018, 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.

Kushagra Bajaj
Chairman & Managing Director
(DIN: 00017575)

Ved Prakash Agrawal
Chief Financial Officer

Place : Mumbai
Dated : May 26, 2018

Independent Auditor's Report

To the Members of
Bajaj Hindusthan Sugar Limited

Report on the Ind AS financial statements

We have audited the accompanying standalone financial statements of Bajaj Hindusthan Sugar Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors 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 state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian 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 judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 state of affairs of the Company as at March 31, 2018 of its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Material Uncertainty Related to Going Concern

As stated in Note No. 44 of the standalone financial statements, Company has incurred losses in current year and in past years resulting into reduction of considerable net worth to that extent. As at the year end, Company has overdue instalments of certain debts and dues payable to farmers for sugar cane purchases. The above factor indicates a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. However, based on the various corrective measures taken by Company including the restructuring of debts as stated in the said note, management is of the view that going concern of the accounting is appropriate.

Our opinion is not modified in respect of this matter.

Matter of Emphasis

As stated in Note No. 35 (e) of the standalone financial statements and as per representation given to us by the management of the Company, Optionally Convertible Debentures (OCDs) issued to lenders under S4A scheme carry yield to maturity (YTM) to be paid at agreed yield rate as premium at the time of redemption. The OCDs provide option to lenders a right to convert the outstanding OCDs into equity shares at a price determined in accordance with applicable laws (including ICDR regulations). Since premium to be paid is contingent on the occurrence of the event of redemption of OCDs, the YTM of ₹110.87 crore from the date of allotment of OCD till the year end is treated as contingent liability and would be accounted for as finance cost at the time of redemption of respective OCDs.

Our opinion is not modified in respect of this matter.

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 Act, we give in the **"Annexure-A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive income, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act;

   (e) The matters described under the 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 written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013;

   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"** to this report.

   (h) 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 Ind AS financial statements – Refer Note 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**
Chartered Accountants
Firm Registration No. 101720W

Jignesh Mehta
Partner
Membership No. 102749

Mumbai
Dated: May 26, 2018

Annexure "A" referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our report of even date

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.

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 respect of loans, investments, guarantees and security, the Company has complied with the provisions of Sections 185 and 186 of the Act.

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, 2018 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	Sales Tax, VAT and Entry Tax	22.41	Various year from 2010-11 to 2016-17	Commissioner Sales Tax/VAT
		47.65	Various year from 1982-83 to 2013-14	Sales Tax Appellate Tribunal
		3.42	Various year from 1989-90 to 2010-11	High Court
Central Excise Act, 1944	Excise and Service Tax	2.40	Various year from 1977-78 to 2015-16	Commissioner of Central Excise (Appeals)
		7.06	Various year from 1981-82 to 2013-14	Central Excise and Service Tax Appellate Tribunal
		5.59	Various year from 2004-05 to 2005-06	Supreme Court
		0.05		High Court
	Total	**88.58**		

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, banks and government during the year. The lender-wise details of the default as on March 31, 2018 is tabulated as under:-

Particulars	Amount of Default as at March 31, 2018 (₹ in Crore)	
	Principal*	**Interest****
Allahabad Bank	13.56	3.22
Bank of Baroda	3.28	0.92
Bank of India	1.93	0.43
Bank of Maharashtra	9.67	2.18
Canara Bank	6.58	1.78
Central Bank of India	9.32	2.48
Corporation Bank	8.00	1.23
IDBI Bank Ltd.	11.83	2.13
Indian Overseas Bank	2.93	0.72
Oriental Bank of Commerce	10.49	2.09
Punjab National Bank	19.68	4.95
State Bank of India	31.57	7.16
UCO Bank	4.25	1.06
IDBI Bank	-	0.12
Total	**133.09**	**30.47**

* The Principal amount is due for repayment on March 31, 2018 and has been not paid.

** The Interest amount is due for repayment on March 31, 2018 and has been paid thereafter in April 2018.

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 except for allotment of optionally convertible debentures during the year to the lenders pursuant to the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme) adopted by the Joint Lender's Forum (JLF) as stated in Note 16.1 to the standalone financial statement. In respect of the same, in our opinion, the Company has complied with the requirements of Section 42 of the Act and Rules framed thereunder. Further, the debentures have been issued by conversion of existing loans and no additional amounts are raised. Therefore, the question of utilisation of amounts raised does not arise.

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**
Chartered Accountants
Firm Registration No. 101720W

Jignesh Mehta
Partner
Membership No. 102749

Mumbai
Dated: May 26, 2018

Annexure "B" to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Control over financial reporting of Bajaj Hindusthan Sugar Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

The Company's management is 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 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 over financial reporting 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 issued by the ICAI.

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No. 101720W

Jignesh Mehta
Partner
Membership No. 102749

Mumbai
Dated: May 26, 2018

Balance Sheet as at March 31, 2018

Particulars	Note	As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
ASSETS :			
Non-current assets			
Property, plant and equipment	3	**7,535.76**	7,728.17
Capital work-in-progress	3	**65.79**	36.05
Other intangible assets	3	**0.00**	0.00
Financial assets			
Investments	4	**1,055.92**	1,108.30
Other non-current financial assets	5	**2.35**	4.93
Other non-current assets	6	**15.78**	21.79
Sub total		**8,675.60**	8,899.24
Current assets			
Inventories	7	**2,847.88**	3,009.52
Financial assets			
Trade receivables	8	**192.43**	165.58
Cash and cash equivalents	9	**31.28**	30.09
Bank balances	10	**23.39**	51.41
Loans	11	**2,002.04**	1,855.71
Current tax assets (net)	12	**4.41**	21.63
Other current assets	13	**815.63**	769.68
Sub total		**5,917.06**	5,903.62
Total assets		**14,592.66**	14,802.86
EQUITY AND LIABILITIES :			
Equity			
Equity share capital	14	**110.07**	110.07
Other equity	15	**3,387.79**	3,833.44
Sub total		**3,497.86**	3,943.51
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	**5,892.42**	5,459.79
Provisions	17	**43.35**	40.23
Deferred tax liabilities (net)	18	**642.54**	653.13
Other non-current liabilities	19	**13.70**	8.73
Sub total		**6,592.01**	6,161.88
Current liabilities			
Financial liabilities			
Borrowings	20	**156.26**	242.74
Trade payables	21	**3,372.67**	2,785.87
Other financial liabilities	22	**773.32**	1,369.64
Other current liabilities	23	**190.60**	123.41
Provisions	24	**9.94**	175.81
Sub total		**4,502.79**	4,697.47
Total equity and liabilities		**14,592.66**	14,802.86

See accompanying notes “1” to “48” to the financial statement.

As per our Report of even date

For Chaturvedi & Shah
Firm Registration No.101720W
Chartered Accountants

Jignesh Mehta
Partner
Membership No. 102749

For and on behalf of the Board

Kushagra Bajaj
Chairman & Managing Director
DIN 00017575

Ved Prakash Agrawal
Chief Financial Officer
M. No. F070449

Pradeep Parakh
Group President (GRC) &
Company Secretary
M. No. F6171

M.L. Apte
Independent Director
DIN 00003656

D.K. Shukla
Independent Director
DIN 00025409

Shalu Bhandari
Independent Director
DIN 00012556

Alok Krishna Agarwal
Independent Director
DIN 00127273

Vipulkumar S. Modi
Independent Director
DIN 06985276

Ashok Kumar Gupta
Director (Group Operations)
DIN 02608184

Mumbai, May 26, 2018

Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Note	Year ended March 31, 2018 ₹ Crore	Year ended March 31, 2017 ₹ Crore
INCOME :			
Revenue from operations	25	**5,938.38**	4,618.64
Other income	26	**166.93**	162.27
Total income		**6,105.31**	4,780.91
EXPENSES :			
Cost of materials consumed	27	**4,900.53**	4,037.88
Changes in Inventories of finished goods, stock-in-trade and work-in-progress	28	**(2.60)**	(1,032.80)
Excise duty on goods sold	29	**95.99**	234.05
Employee benefits expense	30	**249.10**	233.49
Finance costs	31	**680.17**	802.07
Depreciation and amortisation expense	32	**196.91**	214.12
Other expenses	33	**412.51**	290.52
Total expenses		**6,532.61**	4,779.33
Profit/(Loss) before exceptional items and tax		**(427.30)**	1.58
Exceptional Items		**-**	-
Profit/(Loss) before tax		**(427.30)**	1.58
Tax expenses			
Current tax		**-**	-
Deferred tax	18	**5.75**	(2.64)
Tax relating to earlier years		**(9.86)**	(3.18)
Total tax		**(4.11)**	(5.82)
Profit/(Loss) for the year after tax		**(423.19)**	7.40
Other comprehensive income			
- Items that will not be reclassified to profit or loss	34	**(49.56)**	(31.39)
- Income tax relating to items that will not be reclassified to profit or loss	34	**16.34**	9.75
- Items that will be reclassified to profit or loss		**-**	-
- Income tax relating to items that will be reclassified to profit or loss		**-**	-
		(33.22)	(21.64)
Total comprehensive income for the year (comprising profit/(loss) and other comprehensive income for the year)		**(456.41)**	(14.24)
Earnings per equity share of face value of ₹1/- each			
Basic and Diluted	36	**(3.84)**	0.07

See accompanying notes "1" to "48" to the financial statement.

As per our Report of even date

For Chaturvedi & Shah
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Chartered Accountants

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Independent Director
DIN 00012556

Ashok Kumar Gupta
Director (Group Operations)
DIN 02608184

Mumbai, May 26, 2018

Cash Flow Statement for the year ended March 31, 2018

Particulars	Year ended March 31, 2018 ₹ Crore	Year ended March 31, 2017 ₹ Crore
A. Cash flow from operating activities:		
Net profit/(loss) before tax	**(427.30)**	1.58
Adjustment for:		
Depreciation and amortisation	**196.91**	214.12
Unrealised loss/(gain) due to foreign exchange fluctuation	**(0.78)**	0.66
Provision for doubtful Debts/Bad Debts Written off	**15.05**	-
Loss/(surplus) on sale of fixed assets (net)	**(1.09)**	(0.27)
Finance costs	**680.17**	802.07
Interest income	**(148.45)**	(152.26)
	741.81	864.32
Operating profit/(loss) before working capital changes	**314.51**	865.90
Adjustment for:		
Trade and other receivables	**(51.71)**	158.22
Inventories	**161.64**	(1,085.40)
Trade and other payables	**499.03**	772.22
Cash generated from operations	**923.47**	710.94
Direct taxes	**27.09**	2.28
Net cash from/(used in) operating activities	**950.56**	713.22
B. Cash flow from investing activities:		
Purchase of property, plant and equipment	**(34.62)**	(25.51)
Sale of property, plant and equipment	**1.66**	0.96
Interest received	**3.89**	6.92
Net cash from/(used in) investing activities	**(29.07)**	(17.63)
C. Cash flow from financing activities:		
Repayment of long-term borrowings	**(483.65)**	(395.49)
Proceeds from short-term borrowings (net of repayments)	**(86.48)**	242.74
Share issue expenses	**-**	(0.03)
Interest paid	**(350.04)**	(553.78)
Dividend paid (including tax thereon)	**(0.13)**	(0.11)
Net cash from/(used in) financing activities	**(920.30)**	(706.67)
Net increase/(decrease) in cash and cash equivalents	**1.19**	(11.08)
Cash and cash equivalents (opening balance)	**30.09**	41.17
Cash and cash equivalents (closing balance) - refer Note 9	**31.28**	30.09

Notes:-
1. The above cash flow statement has been prepared under the "Indirect Method" as per Indian Accounting Standard (Ind AS) 7.
2. Figures in brackets indicate cash outflow and without brackets indicate cash inflow.
3. Change in Liability arising from financing activities.

₹ Crore

	Non-current borrowings	Current maturities of long-term borrowings	Current borrowings	Total
As at April 1, 2017	5,459.79	1,304.66	242.74	7,007.19
Cash flow	(483.65)	-	(86.48)	(570.13)
Non cash transaction	916.28	(562.57)	-	353.71
As at March 31, 2018	5,892.42	742.09	156.26	6,790.77

Non cash transaction

4. Interest converted to Optionally Convertible Debentures by Lenders under S4A scheme ₹354.51 crore. (refer note 40 (e)).
5. Notional interest ₹ 9.96 crore on promoters' loan credited to promoters' loan account. (refer note 16.4(i)).
6. Equity shares transferred to Lenders by promoters ₹12 crore, out of which ₹ 10.76 crore bifurcated to Other Equity treating as compound financial instrument. (refer note 16.4(ii)).

See accompanying notes "1" to "48" to the financial statement.

As per our Report of even date

For Chaturvedi & Shah
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Chartered Accountants

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Ashok Kumar Gupta
Director (Group Operations)
DIN 02608184

Mumbai, May 26, 2018

Statement of Change in Equity for the year ended Marh 31, 2018

A Equity share capital

₹ Crore

Particulars	Amount
Equity share capital as at April 1, 2016	111.68
Change during the year	1.68
Total	113.36
Less:	
Investment in BHL Security Trust and ESOP Trust	(3.29)
Equity share capital as at March 31, 2017	110.07

Particulars	Amount
Equity share capital as at April 1, 2017	113.36
Change during the year	-
Total	113.36
Less:	
Investment in BHL Security Trust and ESOP Trust	(3.29)
Equity share capital as at March 31, 2018	110.07

B Other equity

₹ Crore

	Reserves and surplus							Item of other comprehensive income		Total
Particulars	Share application money pending allotment	Equity comp -onent of compound financial instrument	Retained earnings	Capital redemp-tion reserve	Securities premium reserve	General reserve	Reserve for molasses storage tanks	Gain / (loss) on Investment through FVOCI	Actuarial gain / (loss) on employee benefit plans through OCI	
As at April 01, 2016	**36.45**	**135.78**	**(617.58)**	**0.05**	**4,150.57**	**155.57**	**2.81**	**(10.34)**	**(3.92)**	**3,849.39**
Profit for the period	-	-	7.40	-	-	-	-	-	-	7.40
Other comprehensive income for the year	-	-	-	-	-	-	-	(14.43)	(7.21)	(21.64)
Transfer to molasses storage fund	-	-	(0.23)	-	-	-	0.23	-	-	-
Premium on issue of equity shares	-	-	-	-	34.77	-	-	-	-	34.77
Expenses for issue of equity share capital	-	-	-	-	(0.03)	-	-	-	-	(0.03)
Transfer to general reserve from molasses storage fund	-	-	-	-	-	0.38	(0.38)	-	-	-
Issue of shares against share application money pending allotment	(36.45)	-	-	-	-	-	-	-	-	(36.45)
As at March 31, 2017	**-**	**135.78**	**(610.41)**	**0.05**	**4,185.31**	**155.95**	**2.66**	**(24.77)**	**(11.13)**	**3,833.44**
Profit for the period	-	-	(423.19)	-	-	-	-	-	-	(423.19)
Other comprehensive income for the year	-	-	-	-	-	-	-	(36.04)	2.82	(33.22)
Equity component of compound financial instrument	-	10.76	-	-	-	-	-	-	-	10.76

Particulars	Reserves and surplus							Item of other comprehensive income		Total
	Share application money pending allotment	Equity comp -onent of compound financial instrument	Retained earnings	Capital redemp- tion reserve	Securities premium reserve	General reserve	Reserve for molasses storage tanks	Gain / (loss) on Investment through FVOCI	Actuarial gain / (loss) on employee benefit plans through OCI	
Transfer to molasses storage fund	-	-	(0.32)	-	-	-	0.32	-	-	-
Transfer to general reserve from molasses storage fund	-	-	-	-	-	0.10	(0.10)	-	-	-
As at March 31, 2018	**-**	**146.54**	**(1,033.92)**	**0.05**	**4,185.31**	**156.05**	**2.88**	**(60.81)**	**(8.31)**	**3,387.79**

As per our Report of even date

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Ashok Kumar Gupta
Director (Group Operations)
DIN 02608184

Mumbai, May 26, 2018

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 BSE Ltd. and National Stock Exchange of India Ltd. 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, 2018 and are prepared in Indian Rupees being the functional currency. The values in Indian Rupees are rounded to crore, except otherwise indicated.

2 Accounting policies:

2.01 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.

2.02 Standard issued effective from current period:

Following amendments are applicable to the Company from April 1, 2017:

i) "Amendment to Ind AS 7: The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities.

Appropriate disclosures in accordance with the amendment to Ind AS 7 has been given in Cash Flow Statement.

ii) Amendment to Ind AS 102: The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. Since the Company does not have cash-settled share-based payments, this amendment will not have any impact on the financial statements of the Company.

2.03 Standard issued but not yet effective:

i) Ind AS 115 – Revenue from contracts with customers issued vide notification dated March 28, 2018, would be effective from financial year beginning April 1, 2018 and supersedes all existing revenue requirements in Ind AS 11 - Construction Contracts and Ind AS 18 - Revenue. According to the new standard, revenue is recognised to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Ind AS 115 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligation; changes in contract asset and liability account balances between periods and key judgements and estimates. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is currently assessing the impact of adopting Ind AS 115 on the financial statements.

ii) Amendments to Ind AS 40 – Investment Property, Ind AS 21 – The effects of changes in Foreign Exchange Rates, Ind AS 12 – Income Taxes, Ind AS 28 – Investments in Associates and Joint Ventures and Ind AS 112 – Disclosure of Interest in Other Entities are effective from financial year beginning April 1, 2018. These amendments does not apply to Company.

Summary of significant accounting policies:

2.04 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.

2.05 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.

2.06 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 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.

2.07 Leases:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the statement of profit and loss over the lease term.

Assets given by the Company under operating lease are included in fixed assets. Lease income from operating leases is recognised in the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is determined. Costs, including depreciation, incurred in earning the lease income are recognised as expenses. Initial direct costs incurred specifically for an operating lease are deferred and recognised in the statement of profit and loss over the lease term in proportion to the recognition of lease income."

2.08 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.

2.09 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 Employee benefits:

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.

2.16 Taxation

i) 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 is 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) 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) 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.

2.17 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.

2.18 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 April 1, 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).

2.19 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 the following conditions 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.

2.20 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.

2.21 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 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.

2.22 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.

2.23 Critical accounting judgements and key sources of estimation uncertainty:

Judgements:

In the process of applying the accounting policies and principles, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

i) Investments in Phenil Sugars Ltd. as FVOCI

Company's investment of ₹ 720.52 crore in Phenil Sugars Limited by way of 6% Redeemable Non Cumulative Non Convertible Preference Shares and Zero Coupon Optionally Convertible Debentures forms a substantial part of the funds of Phenil Sugars Limited which are subordinate to the secured lenders. These investments are therefore, classified as equity and the subsequent changes in the fair value is accounted under Other Comprehensive Income as per paragraph 5.7.5 of Ind AS 109 – Financial Instruments.

ii) Loan from promoters as compound financial instruments

As per the terms of restructuring of loans, 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. Further as per S4A Scheme, during the year Promoters/Promoter's group has transfer 12 crore equity shares of Company at ₹ 1/- per share to lenders which has been accounted as unsecured loan. Promoters have the option to convert these into equity shares at anytime. Therefore, these loan has been classified as compound financial instruments as per Ind AS 32 – Financial Instruments - Presentation.

2.24 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 the 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) 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.

viii) 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. 44.

3 Property, plant and equipment

₹ Crore

Sr. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Particulars	As at April 01, 2017	Additions	Deductions & Adjustments	**As at March 31, 2018**	As at April 01, 2017	For the year	Deductions & Adjustments	**Up to March 31, 2018**	**As at March 31, 2018**	As at March 31, 2017
(A)	**TANGIBLE ASSETS :**										
1	Freehold Land	3,713.30	-	-	**3,713.30**	-	-	-	**-**	**3,713.30**	3,713.30
2	Leasehold Land	1.02	-	-	**1.02**	0.23	0.03	(0.01)	**0.27**	**0.75**	0.79
3	Buildings	1,275.11	0.87	0.01	**1,275.97**	275.35	28.45	-	**303.80**	**972.17**	999.76
4	Plant & Machinery	5,389.84	3.30	0.05	**5,393.09**	2,458.89	161.03	0.03	**2,619.89**	**2,773.20**	2,930.95
5	Furniture, Fixtures & Office Equipments	46.09	0.80	0.12	**46.77**	41.20	1.13	0.12	**42.21**	**4.56**	4.89
6	Vehicles & Aircraft	133.71	0.10	2.32	**131.49**	55.23	6.27	1.79	**59.71**	**71.78**	78.48
	Total (A)	10,559.07	5.07	2.50	**10,561.64**	2,830.90	196.91	1.93	**3,025.88**	**7,535.76**	7,728.17
(B)	**INTANGIBLE ASSETS :**										
7	Computer Software	0.02	-	-	**0.02**	0.02	-	-	**0.02**	**0.00**	0.00
	Total (B)	0.02	-	-	**0.02**	0.02	-	-	**0.02**	**0.00**	0.00
	Total (A) + (B)	10,559.09	5.07	2.50	**10,561.66**	2,830.92	196.91	1.93	**3,025.90**	**7,535.76**	7,728.17
	Previous Year Total	10,558.50	5.82	5.23	10,559.09	2,621.34	214.12	4.54	2,830.92	7,728.17	7,937.16
(C)	**CAPITAL WORK-IN-PROGRESS**	36.05	34.72	4.98	**65.79**				-	**65.79**	36.05
	Grand Total (A+B+C)	**10,595.14**	**39.79**	**7.48**	**10,627.45**	**2,830.92**	**196.91**	**1.93**	**3,025.90**	**7,601.55**	7,764.22
	Previous Year Grand Total	10,577.24	28.94	11.04	10,595.14	2,621.34	214.12	4.54	2,830.92	7,764.22	

₹ Crore

Sr. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Particulars	As at April 01, 2016	Additions	Deductions & Adjustments	**As at March 31, 2017**	As at April 01, 2016	For the year	Deductions & Adjustments	**As at March 31, 2017**	**As at March 31, 2017**	As at April 01, 2016
(A)	**TANGIBLE ASSETS :**										
1	Freehold Land	3,713.56	-	0.26	**3,713.30**	-	-	-	**-**	**3,713.30**	3,713.56
2	Leasehold Land	1.02	-	-	**1.02**	0.20	0.03	-	**0.23**	**0.79**	0.82
3	Buildings	1,272.86	2.25	-	**1,275.11**	246.35	28.99	(0.01)	**275.35**	**999.76**	1,026.51
4	Plant & Machinery	5,388.47	3.25	1.88	**5,389.84**	2,283.87	176.76	1.74	**2,458.89**	**2,930.95**	3,104.60
5	Furniture, Fixtures & Office Equipments	46.75	0.32	0.98	**46.09**	40.47	1.71	0.98	**41.20**	**4.89**	6.28
6	Vehicles & Aircraft	135.82	-	2.11	**133.71**	50.43	6.63	1.83	**55.23**	**78.48**	85.39
	Total (A)	10,558.48	5.82	5.23	**10,559.07**	2,621.32	214.12	4.54	**2,830.90**	**7,728.17**	7,937.16
(B)	**INTANGIBLE ASSETS :**										
7	Computer Software	0.02	-	-	**0.02**	0.02	-	-	**0.02**	**0.00**	0.00
	Total (B)	0.02	-	-	**0.02**	0.02	-	-	**0.02**	**0.00**	0.00
	Total (A) + (B)	10,558.50	5.82	5.23	**10,559.09**	2,621.34	214.12	4.54	**2,830.92**	**7,728.17**	7,937.16
	Previous Year Total	10,556.87	3.93	2.30	10,558.50	2,399.15	223.98	1.79	2,621.34	7,937.16	8,157.72
(C)	**CAPITAL WORK-IN-PROGRESS**	18.74	23.12	5.81	**36.05**				-	**36.05**	18.74
	Grand Total (A+B+C)	**10,577.24**	**28.94**	**11.04**	**10,595.14**	**2,621.34**	**214.12**	**4.54**	**2,830.92**	**7,764.22**	7,955.90
	Previous Year Grand Total	10,565.13	18.18	6.07	10,577.24	2,399.15	223.98	1.79	2,621.34	7,955.90	

Note:

(i) Assets pledged as security refer note no. 16.3

		As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ 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
	50,00,000 (50,00,000) Shares of Bajaj Aviation Private Ltd. of ₹ 10/- each	**5.00**	5.00
	20,000 (20,000) Shares of Bajaj Power Generation Pvt. Ltd. of ₹10/- each	**0.02**	0.02
		97.34	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	**97.34**	97.34
	Non-trade 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
		770.13	770.13
	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	**-**	-
	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	**188.45**	240.83
		188.45	240.83
	Total non-trade investments	**958.58**	1,010.96
		1,055.92	1,108.30

		As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
	Aggregate value of unquoted investments	**1,055.92**	1,108.30
	Category-wise non-current investments		
	Financial assets measure at cost	**97.34**	97.34
	Financial assets measure at fair value through other comprehensive income	**958.58**	1,010.96
	Total non-current investments	**1,055.92**	1,108.30

These investments are pledged against loans taken by Company and Lalitpur Power Generation Company Limited.

The list of subsidiaries and associates along with proportion of ownership interest held and country of incorporation are disclosed in Note No. 2.02 (ii) to Consolidated Financial Statement.

5	**Other non-current financial assets**		
	(Unsecured considered good)		
	Fixed deposits*	**2.35**	4.93
		2.35	4.93

* Having maturity after 12 months from the reporting date and earmarked ₹ 2.35 crore (P.Y. ₹ 4.93 crore) for specific purposes.

6	**Other non-current assets**		
	(Unsecured considered good unless otherwise stated)		
	Capital advances	**2.19**	2.38
	Security deposits	**2.75**	2.78
	Security deposit to related parties (refer note 39)	**5.03**	10.85
	Taxes paid under protest	**5.81**	5.78
		15.78	21.79
7	**Inventories**		
	(At cost or net realisable value whichever is lower, unless otherwise stated)		
	Raw materials	**5.36**	2.10
	Stores, spares & packing materials	**61.77**	58.96
	Finished goods	**2,655.03**	2,718.21
	By-products	**70.72**	195.85
	Work-in-progress	**55.00**	34.40
	Stock in trade (₹ Nil, P.Y. ₹ 49,674/-)	**-**	0.00
	Material in transit (Stores) (₹ Nil, P.Y. ₹17,241/-)	**-**	0.00
		2,847.88	3,009.52

- Includes inventories of ₹2,591.14 crore (P.Y. ₹ 244.00 crore) carrying at fair value less than cost to sale.
- Inventories pledge as securities - refer note no. 16.3

8	**Trade receivables**		
	(Unsecured considered good unless otherwise stated)		
	Considered good	**192.43**	165.58
	Considered doubtful	**20.62**	9.69
	Less : Provision for doubtful debts	**(20.62)**	(9.69)
		-	-
		192.43	165.58

		As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
9	**Cash and cash equivalents**		
	Balance with banks :		
	Current account	**30.63**	29.16
	Cheques, draft on hand	**0.12**	0.42
	Cash on hand	**0.53**	0.51
		31.28	30.09
10	**Bank balances**		
	Balance with banks (unpaid dividend)	**0.37**	0.50
	Fixed deposits (Maturity within 12 months)*	**23.02**	50.91
		23.39	51.41
	*Includes ₹21.97 crore (P.Y. ₹ 41.91 crore) earmarked for specific purposes.		
11	**Loans**		
	(Considered good unless otherwise stated)		
	Loans & advances to related parties (refer note 39)	**1,528.02**	1,419.89
	Loans & advances to others - good	**474.02**	435.82
	- doubtful	**2.29**	2.29
	- Sub total*	**2,004.33**	1,858.00
	Less: Provision for doubtful loans & advances	**(2.29)**	(2.29)
		2,002.04	1,855.71
	***Out of above:**		
	Secured by pledge of investment	**1,950.02**	1,807.40
	Unsecured	**54.31**	50.60
		2,004.33	1,858.00

11.1 **Disclosure as per clause 34(3) and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

a) Loans and advances given to subsidiaries and associates: **₹ Crore**

Name of Subsidiary / Associate companies	Amount Outstanding		Maximum balance outstanding during the year	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
Bajaj Aviation Pvt. Ltd. (Subsidiary)	**40.10**	37.17	**40.10**	37.17
Bajaj Hindusthan (Singapore) Private Ltd. (Subsidiary)	**11.92**	11.14	**11.92**	11.14
Bajaj Power Generation Pvt. Ltd. (Subsidiary)	**1,476.00**	1,371.58	**1,476.00**	1,371.58
	1,528.02	1,419.89		

Note:-
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 March 31, 2018 ₹ Crore	No. of Shares	As at March 31, 2017 ₹ Crore
Investment by Bajaj Hindusthan (Singapore) Private Ltd. in equity shares of -				
PT. Batu Bumi Persada, Indonesia (Step down subsidiary)	**49,500**	**26.46**	49,500	26.46
PT. Jangkar Prima, Indonesia (Step down subsidiary)	**49,940**	**62.34**	49,940	62.34

		As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
12	**Current tax assets (net)**		
	Advance income tax (net of provisions)		
	At the start of year	**21.63**	20.72
	Charged during the year	**0.62**	0.91
	Refund received during the year	**(17.85)**	-
	Others	**0.01**	-
	At the end of year	**4.41**	21.63
	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.		
13	**Other current assets**		
	(Unsecured considered good)		
	MAT credit entitlement	**79.44**	79.44
	Balances with excise department	**-**	17.31
	Other advances*	**93.67**	102.97
	Claims/refund recoverable in cash or in kind or for value to be received	**641.75**	569.90
	Duty drawback receivable	**0.77**	0.06
		815.63	769.68
	*Includes advances given to suppliers, vendors and employees and other advances recoverable in cash or in kind.		
14	**Equity share capital**		
	Authorised:		
	5,00,00,00,000 (2,71,00,00,000) Equity Shares of ₹ 1/- each	**500.00**	271.00
		500.00	271.00
	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 Shares of ₹ 1/- (refer note no. v)	**3.11**	3.11
	Shares held by ESOP Trust 17,80,000 (17,80,000) Equity Shares 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 (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).

(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, 2018 No. of Shares**	As at March 31, 2017 No. of Shares
Equity Shares (with voting rights) at the beginning of the year	**1,13,35,59,942**	1,11,68,17,774
Add: Shares issued on conversion of Funded Interest Term Loan (FITL)	**-**	1,67,42,168
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:

		As at March 31, 2018		As at March 31, 2017	
Sr. No.	**Name of Shareholders**	**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%**	6,63,93,312	5.86%
3.	IDBI Bank Limited	**6,36,67,200**	**5.62%**	-	-
4.	Allahabad Bank	**6,29,28,861**	**5.55%**	-	-
5.	Central Bank of India	**5,66,86,905**	**5.00%**	-	-
6.	Trustees - Shishir Bajaj Family Trust		**-**	6,49,48,632	5.73%

(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, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
15	**Other equity**		
	Capital redemption reserve		
	Opening balance	**0.05**	0.05
	Closing balance	**0.05**	0.05
	Securities premium		
	Opening balance	**4,185.31**	4,150.57
	Issue of equity shares	**-**	34.77
	Expenses related to issue of equity share capital	**-**	(0.03)
	Closing balance	**4,185.31**	4,185.31

	As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
Share application money pending allotment (FITL)		
Opening balance	**-**	36.45
Addition during the year	**-**	-
Deduction during the year on allotment	**-**	(36.45)
Closing balance	**-**	-
Equity component of compound financial instrument		
Opening balance	**135.78**	135.78
During the year	**10.76**	-
Closing balance	**146.54**	135.78
General reserve		
Opening balance	**155.95**	155.57
Transferred from reserve for molasses storage tanks	**0.10**	0.38
Closing balance	**156.05**	155.95
Reserve for molasses storage tanks		
Opening balance	**2.66**	2.81
Transferred from statement of profit & loss	**0.32**	0.23
Transferred to general reserve	**(0.10)**	(0.38)
Closing balance	**2.88**	2.66
Gain / (loss) on investment through FVOCI		
Opening balance	**(24.77)**	(10.34)
Change in during the year	**(36.04)**	(14.43)
Closing balance	**(60.81)**	(24.77)
Actuarial gain / (loss) on employee benefit plans		
Opening balance	**(11.13)**	(3.92)
Change in during the year	**2.82**	(7.21)
Closing balance	**(8.31)**	(11.13)
Statement of profit and loss {Retained Earnings}		
Opening balance	**(610.41)**	(617.58)
Profit/(Loss) for the year	**(423.19)**	7.40
Appropriations		
Transferred to reserve for molasses storage tanks	**(0.32)**	(0.23)
Closing balance	**(1,033.92)**	(610.41)
	3,387.79	3,833.44

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 by the Company till date after appropriations.

		As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
16	**Non-current borrowings**		
	(At amortised cost)		
	From banks		
	Secured Debentures	**3,483.25**	-
	Secured Term Loan	**2,306.22**	5,358.65
		5,789.47	5,358.65
	From related parties		
	Unsecured	**93.88**	82.68
		93.88	82.68
	From others		
	Secured	**8.80**	17.63
	Unsecured	**0.27**	0.83
		9.07	18.46
		5,892.42	5,459.79

16.1 34,83,24,626 (P.Y. nil) 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.

Due to losses incurred by the Company during the year, Debenture Redemption Reserve as required by Section 71 of the Companies Act, 2013 has not been created.

16.2 Maturity profile of term loans are set out below :

₹ Crore

Name of banks/ financial institutions	Interest (%)	Outstanding as at 31.03.2018	Current Maturities (0-1 Year)	Maturity profile				
				2nd Year	3rd Year	4th Year	Beyond 4 Years	Refer Note No.
From banks								
Term loans secured	10.45% & 11.45%	3,038.37	732.15	509.29	489.29	434.37	873.27	16.3 (i)
Total		3,038.37	732.15	509.29	489.29	434.37	873.27	
From others								
Sugar Development Fund (SDF)	4.00%-8.25%	18.18	9.38	6.88	1.92	-	-	16.3 (ii)
Total - Secured		**3,056.55**	**741.53**	**516.17**	**491.21**	**434.37**	**873.27**	

₹ Crore

Name of banks/ financial institutions	Interest (%)	Outstanding as at 31.03.2018	Current Maturities (0-1 Year)	Maturity profile				
				2nd Year	3rd Year	4th Year	Beyond 4 Years	Refer Note No.
Term loans (Unsecured) From related parties								
Loan from promoters - 1		92.60	-	-	-	-	92.60	16.4 (i)
Loan from promoters - 2		1.28	-	-	-	-	1.28	16.4 (ii)
Total - From related parties		93.88	-	-	-	-	93.88	
From others								
Department of Commercial Tax of Uttar Pradesh	Interest free	0.83	0.56	0.27	-	-	-	
Total - Unsecured		**94.71**	**0.56**	**0.27**	**-**	**-**	**93.88**	
Grand Total		**3,151.26**	**742.09**	**516.44**	**491.21**	**434.37**	**967.15**	**-**

16.3 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 and 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.

16.4 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% p.a for a tenure of 20 years.

16.5 The principal of ₹ 133.09 crore on term loan are due on March 31, 2018.

	As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
17 Non-current provisions		
Gratuity	**23.84**	22.57
Leave encashment	**19.51**	17.66
	43.35	40.23

		As at April 01, 2017 ₹ Crore	During the Year	**As at March 31, 2018 ₹ Crore**
18	**Deferred tax statements:**			
	Deferred tax liabilities:			
	Property, plant and equipment	674.45	129.05	**803.50**
	Fair valuation of property, plant and equipment	789.68	5.75	**795.43**
		1,464.13	134.80	**1,598.93**
	Deferred tax assets:			
	Provision for employee benefits	15.31	1.32	**16.63**
	Provision for doubtful debts/advances	3.70	3.45	**7.15**
	Fair valuation of investments	136.55	16.34	**152.89**
	Carry forward losses and unabsorbed depreciation*	655.44	124.28	**779.72**
		811.00	145.39	**956.39**
	Deferred tax liabilities/(assets) (net)	653.13	(10.59)	**642.54**

* Deferred tax assets on carry forward losses and unabsorbed depreciation is ₹ 1,313.74 crore. However, it is recognised to the extent of deferred tax liabilities other than arising on fair valuation of PPE on conservative basis.

		As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
19	**Other non-current liabilities**		
	Deposits from agents/customers/vendors	**13.70**	8.73
		13.70	8.73
20	**Current borrowings**		
	Loan from banks		
	Secured		
	Working capital loan	**156.26**	242.74
		156.26	242.74

Working capital loan 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 and 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.

21	**Trade payables**		
	Micro and small enterprises	**0.40**	0.55
	Others	**3,372.27**	2,785.32
		3,372.67	2,785.87
	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	**0.40**	0.55
	- Interest	**-**	-
	The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	**0.04**	0.06

		As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
	The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**2.97**	1.98
	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	**-**	-
22	**Other financial liabilities**		
	Current maturities of long-term borrowings (refer note 16.2)	**742.09**	1,304.66
	Interest accrued but not due on borrowings	**0.39**	0.57
	Interest accrued and due on borrowings	**30.47**	63.91
	Unclaimed dividends #	**0.37**	0.50
		773.32	1,369.64

These figures do not include any amount due and outstanding to be credited to Investor Education and Protection Fund.

Interest of ₹ 30.47 crore on term loan for the month of March 2018 is due for payment as on the balance sheet date, which has been paid in April 2018.

23	**Other current liabilities**		
	Other payables*	**190.60**	123.41
		190.60	123.41

*Includes statutory dues, advances from customer and other liabilities.

24	**Current provisions**		
	Gratuity	**5.83**	5.15
	Leave encashment	**4.11**	4.19
	Provision for excise duty	**-**	166.47
		9.94	175.81

The Company had recognised liability based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on March 31, 2018 of ₹ Nil (₹ 166.47 crore) as per the estimated pattern of despatches. During the year, ₹95.99 crore was utilised for clearance of goods till June 30, 2017. Since the GST (Goods and Services Tax) has been implemented w.e.f. July 01, 2017, no provision is recognised for the year, as GST is payable on supply of goods. Excess provision of ₹ 70.48 crore (P.Y. ₹ nil) is reversed during the year.

		Year ended March 31, 2018 ₹ Crore	Year ended March 31, 2017 ₹ Crore
25	**Revenue from operations**		
	Sale of products	**5,851.43**	4,543.56
	Other operating revenues	**86.95**	75.08
		5,938.38	4,618.64
25.1	**Particulars of sale of products**		
	Sugar	**5,190.71**	3,923.05
	Alcohol	**462.40**	461.97
	Power	**159.58**	126.88
	By-products	**38.74**	31.66
		5,851.43	4,543.56

		Year ended March 31, 2018 ₹ Crore	Year ended March 31, 2017 ₹ Crore
25.2	**Particulars of other operating revenues**		
	Duty drawback and other export incentives	**1.39**	-
	Sale of scrap	**5.09**	3.19
	Others	**80.47**	71.89
		86.95	75.08
26	**Other income**		
	Gain due to foreign exchange fluctuation (net)	**0.65**	-
	Interest income	**148.45**	152.26
	Other non-operating income	**17.83**	10.01
		166.93	162.27
27	**Cost of materials consumed**		
	Opening stock	**2.10**	0.33
	Purchases	**4,903.79**	4,039.65
		4,905.89	4,039.98
	Less: Closing stock	**5.36**	2.10
	Cost of raw material consumed	**4,900.53**	4,037.88
28	**Changes in inventories of finished goods, stock-in-trade and work-in-progress**		
	Opening stock		
	Finished goods	**2,718.21**	1,736.58
	By-products	**195.85**	116.35
	Work-in-progress	**34.40**	9.35
		2,948.46	1,862.28
	Less: Closing stock		
	Finished goods*	**2,655.03**	2,718.21
	By-products	**70.72**	195.85
	Work-in-progress	**55.00**	34.40
		2,780.75	2,948.46
	Increase/(decrease) of excise duty on inventories	**(170.31)**	53.38
		(2.60)	(1,032.80)
	***** Includes ₹165.22 crore (P.Y. ₹ 15.65 crore) towards the write down of inventories.		
29	**Excise duty paid on goods sold**		
	Excise duty	**95.99**	234.05
		95.99	234.05
30	**Employee benefits expense**		
	Salaries and wages	**224.90**	213.01
	Contributions to provident and other funds	**22.57**	19.21
	Employees' welfare expenses	**1.63**	1.27
		249.10	233.49

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:

	Year ended March 31, 2018 ₹ Crore	Year ended March 31, 2017 ₹ Crore
a. Funded scheme - gratuity		
Liability to be recognised in balance sheet		
Present value of funded obligations	**42.98**	39.54
Fair value of plan assets	**(13.31)**	(11.83)
Net liability / (asset)	**29.67**	27.71
Change in Plan Assets (reconciliation of opening & closing balances)		
Fair value of plan assets at the beginning	**11.83**	13.45
Expected return on plan assets	**0.92**	1.01
Actuarial gain / (losses)	**0.10**	0.05
Contributions	**3.11**	0.22
Benefits paid	**(2.65)**	(2.90)
Fair value of plan assets at the end	**13.31**	11.83
Actual return on plan assets		
Change in obligation (reconciliation of opening and closing balances)		
Defined benefit obligation at the beginning	**39.54**	31.64
Current service cost	**3.94**	3.70
Interest cost	**2.96**	2.53
Actuarial losses / (gain)	**(0.82)**	4.57
Benefits paid	**(2.64)**	(2.90)
Closing obligation	**42.98**	39.54
Expenditure to be recognised during the year		
Current service cost	**3.94**	3.70
Interest cost	**2.96**	2.53
Expected return on plan assets	**(0.92)**	(1.01)
Total expenses recognised in the statement of profit and loss	**5.98**	5.22
In other comprehensive income		
Actuarial (Gain) / Loss - Plan Liabilities	**(0.82)**	4.57
Actuarial (Gain) / Loss - Return on Plan Assets	**(0.10)**	(0.05)
Net (Income)/ Expense for the period recognised in OCI	**(0.92)**	4.52
Investment Details		
Insurance Policies - Amount	**13.31**	11.83
- %	**100%**	100%
Assumptions		
Discount rate (per annum)	**7.75%**	7.50%
Expected rate of return on assets (per annum)	**7.75%**	7.50%
Salary escalation rate (per annum)	**6.00%**	6.00%
Sensitivity		
Under base scenario	**42.98**	39.54
Salary escalation (up by 1%)	**46.20**	42.98
Salary escalation (down by 1%)	**40.10**	36.48
Withdrawal rates (up by 1%)	**43.31**	39.98

	Year ended March 31, 2018 ₹ Crore	Year ended March 31, 2017 ₹ Crore
Withdrawal rates (down by 1%)	**42.62**	39.19
Discount rates (up by 1%)	**40.21**	36.54
Discount rates (down by 1%)	**46.12**	42.97

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 financial year 2017-18.

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.

Particulars	Year ended March 31, 2018 ₹ Crore	Year ended March 31, 2017 ₹ Crore
b. Unfunded scheme - earned leaves		
Present value of unfunded obligations	**23.62**	21.85
Expenses recognised in the statement of profit and loss	**6.84**	5.20
In other comprehensive income		
Actuarial (Gain) / Loss - Plan Liabilities	**(1.90)**	2.69
Actuarial (Gain) / Loss - Return on Plan Assets	**-**	-
Net (Income)/ Expense for the period recognised in OCI	**(1.90)**	2.69
Discount rate (per annum)	**8.00%**	7.50%
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, 2018.

Particulars	Year ended March 31, 2018 ₹ Crore	Year ended March 31, 2017 ₹ Crore
Plan assets at year end, at fair value	**-**	-
Present value of benefit obligation at year end	**-**	-
Cost of short fall in interest rate guarantee	**-**	-
Discount rate	**7.75%**	7.50%
Average remaining tenure of the investment portfolio (years)	**8.42**	8.63
Expected guaranteed interest rate	**8.55%**	8.65%

During the year ended March 31, 2018, amount recognised in statement of profit and loss for employee provident fund is ₹ 7.46 crore (P.Y. ₹5.92 crore).

Defined contribution plan		
Family pension fund	**8.29**	7.28
Employees deposit link insurance	**0.51**	0.45
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*	**672.97**	795.73
Others	**0.99**	1.50
Debentures	**0.10**	-
Other borrowing costs	**6.11**	4.84
	680.17	802.07

* Refer note no. 40 (e)

32 Depreciation and amortisation expense

Depreciation on tangible assets	**196.91**	214.12
	196.91	214.12

33 Other expenses

Stores, spares and packing materials consumed	**108.59**	88.93
Power and fuel	**12.92**	15.38
Rent	**5.50**	6.76
Rates and taxes	**0.77**	0.67
Repairs :		
Building	**1.10**	1.36
Machinery	**86.44**	61.11
Others	**4.19**	4.84
	91.73	67.31
Payment to auditors (refer note 33.1)	**0.65**	0.61
Insurance	**4.46**	2.54
Selling commission	**12.65**	8.07
Selling & distribution	**68.43**	51.76
Director fees	**0.26**	0.30
Loss due to foreign currency fluctuation (net)	**-**	0.66
Bad debts written off	**0.44**	-
c/f	**306.40**	242.99

Particulars	Year ended March 31, 2018 ₹ Crore	Year ended March 31, 2017 ₹ Crore
b/f	**306.40**	242.99
Provision for doubtful debts	**14.61**	-
Loss on assets sold / scrapped / written off	**0.04**	0.20
Miscellaneous expenses	**91.46**	47.33
	412.51	290.52
33.1 Payment to auditors		
For statutory audit fees	**0.43**	0.40
For tax audit fees	**0.05**	0.05
For certification work	**0.17**	0.16
Reimbursement of expenses (₹ 18,139/-, P.Y. ₹ 19,982/-)	**0.00**	0.00
	0.65	0.61
34 Other comprehensive income		
Actuarial gain / (loss) on employee benefit plans	**2.82**	(7.21)
Gain / (loss) on Investment through FVOCI	**(52.38)**	(24.18)
Less: Tax on Gain / (loss) on investment through FVOCI	**16.34**	9.75
	(33.22)	(21.64)

	As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
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	**24.51**	33.03
(ii) Trade tax matters	**84.04**	69.58
(iii) Recompense payable (refer note 40(b))	**144.79**	100.66
(iv) Other claims	**56.06**	55.03
	309.40	258.30
(b) Guarantees		
The Company has furnished guarantees / securities on behalf of subsidiary / associate company	**760.25**	859.25
(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	**3.86**	38.90
(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, 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. 16.1]. 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 ₹110.87 crore from the date of allotment of OCD till the year end is treated as contingent liability and would be accounted for as finance cost at the time of redemption of respective OCDs.		

		As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
(II)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**14.63**	18.10

36 Earnings per share

(i)	Net profit/ (loss) after tax as per statement of profit and loss	**(423.19)**	7.40
(ii)	Weighted average number of equity shares used as denominator for calculating basic EPS (crore)	**110.07**	110.04
(iii)	Weighted average number of equity shares used as denominator for calculating diluted EPS (crore)*	**110.07**	110.04
	* Equity shares to be issued on conversion of optionally convertible debentures and on loan from promoters (refer note no. 16.1 and 16.4) are not determinable as on balance sheet date.		
(iv)	Basic earnings per share	**(3.84)**	0.07
(v)	Diluted earnings per share	**(3.84)**	0.07
(vi)	Face value per equity share	**₹1/-**	₹1/-

37 Foreign currency exposure that are not hedged by derivative instruments as on March 31, 2018 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 & Managing Director (Also key management personnel)
	2.	Mr. Ashok Kumar Gupta	Director (Group Operations) (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	Associates	Enterprises described in (C) above	Total
I.	**Transactions during the year**					
	Rent / lease rent received	**7.56**	-	-	**3.40**	**10.96**
		(7.56)	(-)	(-)	(3.38)	(10.94)
	Interest received	**107.40**	-	-	-	**107.40**
		(107.40)	(-)	(-)	(-)	(107.40)
	Purchase of stores	-	-	-	-	-
		(-)	(-)	(-)	(0.26)	(0.26)
	Remuneration	-	**2.83**	-	-	**2.83**
		(-)	(2.68)	(-)	(-)	(2.68)
	Rent paid	-	-	-	**6.14**	**6.14**
		(-)	(-)	(-)	(4.37)	(4.37)
	Advance lease rent received	-	-	-	**0.21**	**0.21**
		(-)	(-)	(-)	(-)	(-)
	Advance rent paid	-	-	-	**4.25**	**4.25**
		(-)	(-)	(-)	(-)	(-)
	Loans taken	-	-	-	**12.00**	**12.00**
		(-)	(-)	(-)	(-)	(-)
	Loans given (including interest debits)	**108.13**	-	-	-	**108.13**
		(107.99)	(-)	(-)	(-)	(107.99)
	Deposit given repaid	-	-	-	**5.82**	**5.82**
		(-)	(-)	(-)	(0.42)	(0.42)
II.	**Amounts outstanding at Balance Sheet date**					
	Loans taken	**-**	**110.50**	**-**	**101.50**	**212.00**
		(-)	(110.50)	(-)	(89.50)	(200.00)
	Trade payables	-	-	-	**4.08**	**4.08**
		(-)	(-)	(-)	(0.81)	(0.81)
	Investments	**97.34**	**-**	**-**	**770.13**	**867.47**
		(97.34)	(-)	(-)	(770.13)	(867.47)
	Trade receivable	**31.64**	**-**	**-**	**0.09**	**31.73**
		(24.14)	(-)	(-)	(-)	(24.14)
	Advance to vendors	**-**	**-**	**-**	**4.37**	**4.37**
		(-)	(-)	(-)	(0.67)	(0.67)
	Loans given - Secured	**1,476.00**	**-**	**-**	**-**	**1,476.00**
		(1,371.58)	(-)	(-)	(-)	(1,371.58)
	Loans given - Unsecured	**52.02**	**-**	**-**	**-**	**52.02**
		(48.31)	(-)	(-)	(-)	(48.31)
	Deposits given	**-**	**-**	**-**	**5.03**	**5.03**
		(-)	(-)	(-)	(10.85)	(10.85)
	Guarantees / securities given	**-**	**-**	**-**	**760.25**	**760.25**
		(99.00)	(-)	(-)	(760.25)	(859.25)

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 ₹ 7.56 crore (P.Y. 7.56 crore) from Bajaj Aviation Pvt. Ltd, ₹ 3.19 crore (P.Y. ₹ 3.17 crore) from Bajaj Energy Ltd and Lalitpur Power Generation Company Ltd ₹ 0.21 crore (P.Y. ₹ 0.21 crore).

4 Interest received includes ₹104.47 crore (P.Y. ₹ 104.47 crore) from Bajaj Power Generation Private Limited and ₹ 2.93 crore (P.Y. ₹2.93 crore) from Bajaj Aviation Pvt Ltd. on loan given to them.

5 Remuneration includes ₹1.84 crore (P.Y. ₹ 1.76 crore) to Mr. Kushagra Bajaj, and ₹ 0.99 crore (P.Y. ₹ 0.92 crore) to Mr. A.K. Gupta.

6 Rent paid includes ₹ 0.93 crore (P.Y. ₹ 0.87 crore) to Bajaj Capital Ventures Pvt. Ltd , ₹ 2.22 crore (P.Y. ₹ 2.08 crore) to Shishir Bajaj Family Trust, ₹ 0.88 crore (P.Y. ₹ 0.86 crore) to Bajaj Resources Ltd. and ₹ 2.12 crore (P.Y. ₹ 0.56 crore) to Abhitech Developers Pvt. Ltd.

7 Advance lease rent received ₹ 0.21 crore (P.Y. Nil) from Lalipur Power Generation Company Ltd.

8 Advance rent paid ₹ 4.25 crore (P.Y. Nil) to Abhitech Developers Pvt. Ltd.

9 Loan taken ₹ 6.50 crore (P.Y. Nil) from Shishir Bajaj Family Trust, ₹ 4.11 crore (P.Y. Nil) from Lambodar Stocks Pvt. Ltd. and ₹1.39 crore (P.Y. Nil).

10 Loans given including interest includes ₹ 104.42 crore (P.Y. ₹ 104.41 crore) to Bajaj Power Generation Private Ltd., ₹ 2.93 crore (P.Y. ₹2.93 crore) to Bajaj Aviation Pvt Ltd and ₹0.78 crore (P.Y. ₹ 0.65 crore) due to change in currency rate to Bajaj Hindusthan (Singapore) Pvt. Ltd.

11 Security deposit repaid ₹ 5.82 crore (P.Y. ₹ 0.42 crore) from Abhitech Developers Pvt. Ltd.

12 Restructured term loan from banks aggregating to ₹ 6,790.77 crore are secured by personal guarantee of Mr. Kushagra Bajaj (Managing Director) 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.

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.

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, 2018 payable to the JLF lenders as per MRA is approximately ₹144.79 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.

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.

e) "Finance Cost" includes a sum of ₹ 354.51 crore, which instead of being paid in cash have been converted into OCDs as a part of "Unsustainable Debt" in accordance with the S4A Scheme, resulting into substantial savings of cash outflow during the year. The OCDs are redeemable by paying the Principal Amount together with YTM accrued till the date of respective redemption date in 13 equal annual instalments, commencing at the end of financial year 2024-25.

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 11

- Loans given to others and guarantees/securities given by the Company as at March 31, 2018 are as under:

Sr. No.		Name of the Company	Nature	As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
	(i)	Ojas Industries Private Ltd.	Loan for business purposes	474.02	435.82
	(ii)	Lalitpur Power Generation Company Ltd.	Guarantee/securities given	760.25	760.25
	(iii)	Bajaj Power Generation Private Ltd.	Guarantee given	-	99.00

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 counter party 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, 2018	**177.86**	**35.19**	**213.05**
As at March 31, 2017	137.49	37.78	175.27

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, 2016	26.07
Provided during the year	-
Reversal of provision	(3.10)
Amounts written off	(13.28)
As at March 31, 2017	9.69
Provided during the year	14.61
Reversal of provision	-
Amounts written off	3.68
As at March 31, 2018	**20.62**

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, 2018 (₹ Crore)				
	Carrying amount	On demand	0-12 months	More than 12 months	Total
Borrowings	6,790.77	156.26	742.09	5,892.42	6,790.77
Trade payables	3,372.67	3,372.67	-	-	3,372.67
Other financial liabilities	31.23	-	31.23	-	31.23
Total	**10,194.67**	**3,528.93**	**773.32**	**5,892.42**	**10,194.67**

Particulars	As at March 31, 2017 (₹ Crore)				
	Carrying amount	On demand	0-12 months	More than 12 months	Total
Borrowings	7,007.19	242.74	1,304.66	5,459.79	7,007.19
Trade payables	2,785.87	2,785.87	-	-	2,785.87
Other financial liabilities	64.98	-	64.98	-	64.98
Total	**9,858.04**	**3,028.61**	**1,369.64**	**5,459.79**	**9,858.04**

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 rates 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, 2018	**100**	**+/(-)**	**67.91**
For year ended March 31, 2017	100	+/(-)	70.07

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, 2018	**₹ 1**	**+/(-)**	**0.85**
For year ended March 31, 2017	₹ 1	+/(-)	0.75

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:

a) 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.

b) 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.

c) Non-listed shares and other securities fall within level 3 of the fair value hierarchy. Valuation is based on the net asset method.

d) 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, 2018 (₹ Crore)			
	Carrying amount	Level 1	Level 2	Level 3
Financial assets at amortised cost				
Trade receivables	192.43	-	-	-
Cash and cash equivalents	31.28	-	-	-
Bank balances	23.39	-	-	-
Loans - current	2,002.04	-	-	-
Other financial assets - non-current	2.35	-	2.35	-
Total	**2,251.49**	**-**	**2.35**	**-**
Financial assets at fair value through Other comprehensive income				
Investments	958.58	-	-	958.58
Total	**958.58**	**-**	**-**	**958.58**
Financial liabilities at amortised cost				
Borrowings - non-current	5,892.42	-	5,892.42	-
Borrowing - current	156.26	156.26	-	-
Trade payables	3,372.67	-	-	-
Other financial liabilities - current	773.32	-	-	-
Total	**10,194.67**	**156.26**	**5,892.42**	**-**

Particulars	As at March 31, 2017 (₹ Crore)			
	Carrying amount	Level 1	Level 2	Level 3
Financial assets at amortised cost				
Trade receivables	165.58	-	-	-
Cash and cash equivalents	30.09	-	-	-
Bank balances	51.41	-	-	-
Loans - current	1,855.71	-	-	-
Other financial assets - non-current	4.93		4.93	-
Total	**2,107.72**	**-**	**4.93**	**-**
Financial assets at fair value through Other comprehensive income				
Investments	1,010.96	-	-	1,010.96
Total	**1,010.96**	**-**	**-**	**1,010.96**
Financial liabilities at amortised cost				
Borrowings - non-current	5,459.79	-	5,459.79	-
Borrowing - current	242.74	242.74	-	-
Trade payables	2,785.87	-	-	-
Other financial liabilities - current	1,369.64	-	-	-
Total	**9,858.04**	**242.74**	**5,459.79**	**-**

During the year ended March 31, 2018, there was no transfers between level 2 and level 3 fair value hierarchy.
During the year ended March 31, 2017, 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, 2016	1,035.15
Less: Fair value loss recognised in Other Comprehensive Income	(24.19)
Balance as on March 31, 2017	1,010.96
Less: Fair value loss recognised in Other Comprehensive Income	(52.38)
Balance as on March 31, 2018	958.58

44 During the current year and in past four years, Company has incurred losses resulting into reduction of net worth to that extent. The losses were mainly attributable to high raw material i.e. sugarcane price (as fixed by the Government) and relatively lower price of finished goods i.e. sugar and molasses (determined by market forces based on the demand-supply equation), both of which are external factors. As at year end, Company has overdue instalments of certain debts and dues payable to farmers for sugarcane purchases. The Company continues to operate at optimal levels and expects improvement in the operational efficiencies in the form of improvement in yield, sugar recovery, reduction of overheads, finance and other costs, sale of certain non-core assets etc. The debt restructuring concluded during the year as per RBI's S4A Scheme, will result into improved liquidity during next 7 years. Also pursuant to a favourable Order of Hon'ble Supreme Court of India, the Company expects to receive benefits under the Sugar Promotion Policy 2004. In view of the above, the management expects to generate positive cash flow from operations 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.

45 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, 2018	March 31, 2017	Change in %
Total equity attributable to equity shareholders	**3,497.86**	3,943.51	(11.30)
Borrowings	**6,634.51**	6,764.45	(1.92)
Total Capital	**10,132.37**	10,707.96	(5.38)
Total Equity attributable to equity shareholders as percentage of Total Capital	**35%**	37%	
Total Borrowing as percentage of Total Capital	**65%**	63%	

46 The Proposal for sale of Co-Generation power business of the Company as was initiated in earlier years primarily for the purpose of utilising the sale proceeds towards repayment/ prepayment of Company's debt which has consequently been shelved as the Company has restructured loan under the scheme for sustainable structuring of stressed assets (S4A Scheme).

47 The financial statements were approved for issue by the Board of Directors, at its meeting held on May 26, 2018.

48 Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosures.

See accompanying notes "1" to "48" to the financial statement.

As per our Report of even date

For Chaturvedi & Shah
Firm Registration No.101720W
Chartered Accountants

Jignesh Mehta
Partner
Membership No. 102749

Ved Prakash Agrawal
Chief Financial Officer
M. No. F070449

Pradeep Parakh
Group President (GRC) &
Company Secretary
M. No. F6171

For and on behalf of the Board

Kushagra Bajaj
Chairman & Managing Director
DIN 00017575

M.L. Apte
Independent Director
DIN 00003656

Alok Krishna Agarwal
Independent Director
DIN 00127273

D.K. Shukla
Independent Director
DIN 00025409

Vipulkumar S. Modi
Independent Director
DIN 06985276

Shalu Bhandari
Independent Director
DIN 00012556

Ashok Kumar Gupta
Director (Group Operations)
DIN 02608184

Mumbai, May 26, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of
Bajaj Hindusthan Sugar Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Bajaj Hindusthan Sugar Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the 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, 2018, of their consolidated losses including other comprehensive income and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Material Uncertainty related to Going Concern

As stated in Note No. 43 of the consolidated financial statements, Company has incurred losses in current year and in past year resulting into reduction of net worth to that extent. As at the year end, Company has overdue instalments of certain debts and dues payable to farmers for sugar cane purchases. The above factor indicates a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. However, based on the various corrective measures taken by Company including the restructuring of debts as stated in the said note, management is of the view that going concern of the accounting is appropriate.

Our opinion is not modified in respect of this matter.

Matter of Emphasis

As stated in Note No. 36 (e) of the consolidated financial statements and as per representation given to us by the management of the Company, Optionally Convertible Debentures (OCDs) issued to lenders under S4A scheme carry yield to maturity (YTM) to be paid at agreed yield rate as premium at the time of redemption. The OCDs provide option to lenders a right to convert the outstanding OCDs into equity shares at a price determined in accordance with applicable laws (including ICDR regulations). Since premium to be paid is contingent on the occurrence of the event of redemption of OCDs, the YTM of ₹110.87 crore from the date of allotment of OCD till the year end is treated as contingent liability and would be accounted for as finance cost at the time of redemption of respective OCDs.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act and based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, to the extent applicable, we report that:
   (a) We and the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors;
   (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended;
   (e) The matters described under the 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 Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, incorporated in India, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
   (g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate report in "Annexure A" to this report;
   (h) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
      i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, Refer Note 36 to the consolidated financial statements;
      ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2018; and
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2018.

Other Matters

(a) We did not audit the financial statements and other financial information, in respect of three subsidiaries, whose financial statements include total assets of ₹ 1,605.78 crore as at March 31, 2018, and total revenues of ₹ 53.07 crore and net cash inflows of ₹ 4.99 crore for the year ended on that date. These financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. 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 report(s) of such other auditors.

(b) We have relied on the unaudited financial statements of two subsidiaries whose financial statements reflect total assets of ₹ 4.21 crore as at March 31, 2018, total revenue of ₹ Nil and net cash inflows amounting to ₹ 0.13 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-section (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, 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 and the financial statements certified by the Management.

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No. 101720W

Jignesh Mehta
Partner
Membership No. 102749

Place: Mumbai
Dated: May 26, 2018

"Annexure A" to Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Control over financial reporting of Bajaj Hindusthan Sugar Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India as of March 31, 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year then ended.

Management's Responsibility for Internal Financial Control

The respective Board of Directors of the Holding Company and its subsidiary companies 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 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 the 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No. 101720W

Jignesh Mehta
Partner
Membership No. 102749

Place: Mumbai
Dated: May 26, 2018

Consolidated Balance Sheet as at March 31, 2018

Particulars	Note	As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
ASSETS :			
Non-current assets			
Property, plant and equipment	3	**7,543.04**	7,735.98
Capital work-in-progress	3	**75.41**	45.83
Other intangible assets	3	**0.00**	0.00
Financial assets			
Investments	4	**958.58**	1,010.96
Other non-current financial assets	5	**2.35**	4.93
Deferred tax assets	19	**4.90**	4.10
Other non-current assets	6	**264.31**	270.36
Sub total		**8,848.59**	9,072.16
Current assets			
Inventories	7	**2,847.88**	3,009.52
Financial assets			
Current investments	8	**266.85**	266.85
Trade receivables	9	**169.33**	150.05
Cash and cash equivalents	10	**38.28**	31.98
Bank balances	11	**25.36**	53.29
Loans	12	**1,024.56**	945.41
Current tax assets (net)	13	**17.55**	41.40
Other current assets	14	**815.88**	770.31
Sub total		**5,205.69**	5,268.81
Total assets		**14,054.28**	14,340.97
EQUITY AND LIABILITIES :			
Equity			
Equity share capital	15	**110.07**	110.07
Other equity	16	**2,831.90**	3,355.49
Non controlling interest (P.Y. ₹7,734)		**(0.01)**	(0.00)
Sub total		**2,941.96**	3,465.56
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	**5,892.42**	5,459.79
Provisions	18	**43.35**	40.23
Deferred tax liabilities	19	**642.54**	653.13
Other non-current liabilities	20	**14.84**	9.48
Sub total		**6,593.15**	6,162.63
Current liabilities			
Financial liabilities			
Borrowings	21	**161.27**	245.65
Trade payables	22	**3,374.70**	2,786.99
Other financial liabilities	23	**773.32**	1,369.64
Other current liabilities	24	**199.94**	134.69
Provisions	25	**9.94**	175.81
Sub total		**4,519.17**	4,712.78
Total equity and liabilities		**14,054.28**	14,340.97

See accompanying notes "1" to "47" to the financial statement.

As per our Report of even date

For Chaturvedi & Shah
Firm Registration No.101720W
Chartered Accountants

Jignesh Mehta
Partner
Membership No. 102749

Ved Prakash Agrawal
Chief Financial Officer
M. No. F070449

Pradeep Parakh
Group President (GRC) &
Company Secretary
M. No. F6171

For and on behalf of the Board

Kushagra Bajaj
Chairman & Managing Director
DIN 00017575

M.L. Apte
Independent Director
DIN 00003656

Alok Krishna Agarwal
Independent Director
DIN 00127273

D.K. Shukla
Independent Director
DIN 00025409

Vipulkumar S. Modi
Independent Director
DIN 06985276

Shalu Bhandari
Independent Director
DIN 00012556

Ashok Kumar Gupta
Director (Group Operations)
DIN 02608184

Mumbai, May 26, 2018

Consolidated Statement of Profit & Loss for the year ended March 31, 2018

Particulars	Note	Year ended March 31, 2018 ₹ Crore	Year ended March 31, 2017 ₹ Crore
INCOME :			
Revenue from operations	26	**5,942.71**	4,633.35
Other income	27	**100.98**	96.40
Total income		**6,043.69**	4,729.75
EXPENSES :			
Cost of materials consumed	28	**4,900.53**	4,037.88
Changes in Inventories of finished goods, stock-in-trade and work-in-progress	29	**(2.60)**	(1,032.80)
Excise duty on goods sold	30	**95.99**	234.05
Employee benefits expense	31	**249.64**	233.71
Finance costs	32	**680.17**	802.08
Depreciation and amortisation expense	33	**197.45**	243.18
Other expenses	34	**427.04**	309.37
Total expenses		**6,548.22**	4,827.47
Profit/ (Loss) before exceptional items and tax		**(504.53)**	(97.72)
Exceptional items		**-**	-
Profit/(Loss) before tax		**(504.53)**	(97.72)
Tax expenses			
Current tax		**-**	-
Deferred tax	19	**4.95**	(2.64)
Tax relating to earlier year		**(9.84)**	(3.10)
Total tax		**(4.89)**	(5.74)
Profit / (Loss) for the year after tax		**(499.64)**	(91.98)
Less: Non controlling interest*		**(0.00)**	(0.00)
Profit / (loss) attributable to group		**(499.64)**	(91.98)
Other comprehensive income			
- Items that will not be reclassified to profit or loss	35	**(51.05)**	(30.63)
- Income tax relating to items that will not be reclassified to profit or loss	35	**16.34**	9.75
- Items that will be reclassified to profit or loss		**-**	-
- Income tax relating to items that will be reclassified to profit or loss		**-**	-
		(34.71)	(20.88)
Total Comprehensive Income for the year (Comprising Profit / (Loss) and Other Comprehensive Income for the year)		**(534.35)**	(112.86)
Profit is attributable to:			
Shareholders		**(499.64)**	(91.98)
Non controlling interest*		**(0.00)**	(0.00)
		(499.64)	(91.98)
Other comprehensive income is attributable to:			
Shareholders		**(34.71)**	(20.88)
Non controlling interest		**-**	-
		(34.71)	(20.88)
Total comprehensive income is attributable to:			
Shareholders		**(534.35)**	(112.86)
Non controlling interest*		**(0.00)**	(0.00)
		(534.35)	(112.86)
Earnings per equity share of face value of ₹1/- each			
Basic and Diluted	37	**(4.54)**	(0.84)
* Non controlling interest ₹(29,118/-) [P.Y. ₹(32,139/-)]			

See accompanying notes "1" to "47" to the financial statement.

As per our Report of even date

For and on behalf of the Board

For Chaturvedi & Shah
Firm Registration No.101720W
Chartered Accountants

Kushagra Bajaj
Chairman & Managing Director
DIN 00017575

Jignesh Mehta
Partner
Membership No. 102749

Ved Prakash Agrawal
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M. No. F070449

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Vipulkumar S. Modi
Independent Director
DIN 06985276

Ashok Kumar Gupta
Director (Group Operations)
DIN 02608184

Mumbai, May 26, 2018

Consolidated Cash Flow Statement for the year ended March 31, 2018

Particulars	Year ended March 31, 2018 ₹ Crore	Year ended March 31, 2017 ₹ Crore
A. Cash flow from operating activities:		
Net profit/ (loss) before tax	**(504.53)**	(97.72)
Adjustment for:		
Depreciation and amortisation	**197.45**	243.18
Provision for doubtful Debts / Bad Debts Written off	**15.05**	-
Loss/ (surplus) on sale of fixed assets (net)	**(1.09)**	(0.27)
Finance costs	**680.17**	802.08
Interest income	**(82.22)**	(86.06)
Exchange fluctuation reserve on consolidation	**(1.49)**	0.76
	807.87	959.69
Operating profit before working capital changes	**303.34**	861.97
Adjustment for:		
Trade and other receivables	**(43.82)**	158.34
Inventories	**161.64**	(1,085.40)
Trade and other payables	**498.38**	772.08
Cash generated from operations	**919.54**	706.99
Direct taxes paid	**33.69**	(7.10)
Net cash from/(used in) operating activities	**953.23**	699.89
B. Cash flow from investing activities:		
Purchase of fixed assets	**(34.47)**	(25.42)
Sale of fixed assets	**1.66**	0.96
Movement in Loans and advances	**-**	(1.08)
Interest received	**4.08**	12.02
Net cash from/(used) in investing activities	**(28.73)**	(13.52)
C. Cash flow from financing activities:		
Repayment of long-term borrowings	**(483.65)**	(395.49)
Proceeds from short-term borrowings (net of repayments)	**(84.38)**	242.67
Share issue expenses	**-**	(0.03)
Interest paid	**(350.04)**	(553.80)
Dividend paid (including tax thereon)	**(0.13)**	(0.11)
Net cash from / (used in) financing activities	**(918.20)**	(706.76)
Net increase/(decrease) in cash and cash equivalents	**6.30**	(20.39)
Cash and cash equivalents (opening balance)	**31.98**	52.37
Cash and cash equivalents (closing balance) (refer note 10)	**38.28**	31.98

Notes:
1. The above cash flow statement has been prepared under the "Indirect Method" as per Indian Accounting Standard (Ind AS)-7.
2. Figures in brackets indicate cash outflow and without brackets indicate cash inflow.
3. Change in Liability arising from financing activities.

₹ Crore

	Non-current borrowings	Current maturities of long-term borrowings	Current borrowings	Total
As at April 1, 2017	5,459.79	1,304.66	245.65	7,010.10
Cash flow	(483.65)	-	(84.38)	(568.03)
Non cash transaction	916.28	(562.57)	-	353.71
As at March 31, 2018	5,892.42	742.09	161.27	6,795.78

Non cash transaction

4. Interest converted to Optionally Convertible Debentures by Lenders under S4A scheme ₹354.51 crore. (refer note 40 (d)).
5. Notional interest ₹ 9.96 crore on promoters' loan credited to promoters' loan account. (refer note 17.4(i)).
6. Equity shares transferred to Lenders by promoters ₹12 crore, out of which ₹ 10.76 crore bifurcated to Other Equity treating as compound financial instrument. (refer note 17.4(ii)).

See accompanying notes "1" to "47" to the financial statement.

As per our Report of even date

For Chaturvedi & Shah
Firm Registration No.101720W
Chartered Accountants

Jignesh Mehta
Partner
Membership No. 102749

Ved Prakash Agrawal
Chief Financial Officer
M. No. F070449

Pradeep Parakh
Group President (GRC) &
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For and on behalf of the Board

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DIN 06985276

Shalu Bhandari
Independent Director
DIN 00012556

Ashok Kumar Gupta
Director (Group Operations)
DIN 02608184

Mumbai, May 26, 2018

Consolidated Statement of Change in Equity for the year ended March 31, 2018

A Equity share capital

₹ Crore

Particulars	Amount
Equity share capital as at April 1, 2016	111.68
Change during the year	1.68
Total	113.36
Less:	
Investment in BHL Security Trust and ESOP Trust	(3.29)
Equity share capital as at March 31, 2017	110.07

Particulars	Amount
Equity share capital as at April 1, 2017	113.36
Change during the year	-
Total	113.36
Less:	
Investment in BHL Security Trust and ESOP Trust	(3.29)
Equity share capital as at March 31, 2018	110.07

B Other equity

₹ Crore

		Reserves and surplus							Item of other comprehensive income		Total
Particulars	Share application money pending allotment	Equity component of compound financial instrument	Retained earnings	Capital redemption reserve	Securities premium reserve	General reserve	Reserve for molasses storage tanks	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, 2016	**36.45**	**135.78**	**(996.27)**	**0.05**	**4,150.57**	**155.57**	**2.81**	**(0.64)**	**(10.34)**	**(3.92)**	**3,470.06**
Profit for the period	-	-	(91.98)	-	-	-	-	-	-	-	(91.98)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(14.43)	(7.21)	(21.64)
Transfer to molasses storage fund	-	-	(0.23)	-	-	-	0.23	-	-	-	-
Premium on issue of equity shares	-	-	-	-	34.77	-	-	-	-	-	34.77
Expenses for issue of equity share capital	-	-	-	-	(0.03)	-	-	-	-	-	(0.03)
Transfer to general reserve from molasses storage fund	-	-	-	-	-	0.38	(0.38)	-	-	-	-
Issue of shares against share application money pending allotment	(36.45)	-	-	-	-	-	-	-	-	-	(36.45)
Exchange differences on translating the financial statements of a foreign operation	-		-	-	-	-	-	0.76	-	-	0.76
As at March 31, 2017	**-**	**135.78**	**(1,088.48)**	**0.05**	**4,185.31**	**155.95**	**2.66**	**0.12**	**(24.77)**	**(11.13)**	**3,355.49**

₹ Crore

		Reserves and surplus							Item of other comprehensive income		Total
Particulars	**Share application money pending allotment**	**Equity component of compound financial instrument**	**Retained earnings**	**Capital redemption reserve**	**Securities premium reserve**	**General reserve**	**Reserve for molasses storage tanks**	**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, 2017	**-**	**135.78**	**(1,088.48)**	**0.05**	**4,185.31**	**155.95**	**2.66**	**0.12**	**(24.77)**	**(11.13)**	**3,355.49**
Profit for the period	-	-	(499.64)	-	-	-	-	-	-	-	(499.64)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(36.04)	2.82	(33.22)
Transfer to molasses storage fund	-	-	(0.32)	-	-	-	0.32	-	-	-	-
Premium on issue of equity shares	-	-	-	-	-	-	-	-	-	-	-
Expenses on issue of equity shares	-	-	-	-	-	-	-	-	-	-	-
Addition during the year in equity component of compound financial instrument	-	10.76	-	-	-	-	-	-	-	-	10.76
Transfer to general reserve from molasses storage fund	-	-	-	-	-	0.10	(0.10)	-	-	-	-
Exchange differences on translating the financial statements of a foreign operation	-	-	-	-	-	-	-	(1.49)	-	-	(1.49)
As at March 31, 2018	**-**	**146.54**	**(1,588.44)**	**0.05**	**4,185.31**	**156.05**	**2.88**	**(1.37)**	**(60.81)**	**(8.31)**	**2,831.90**

As per our Report of even date

For Chaturvedi & Shah
Firm Registration No.101720W
Chartered Accountants

Jignesh Mehta
Partner
Membership No. 102749

For and on behalf of the Board

Kushagra Bajaj
Chairman & Managing Director
DIN 00017575

Ved Prakash Agrawal
Chief Financial Officer
M. No. F070449

Pradeep Parakh
Group President (GRC) &
Company Secretary
M. No. F6171

M.L. Apte
Independent Director
DIN 00003656

D.K. Shukla
Independent Director
DIN 00025409

Shalu Bhandari
Independent Director
DIN 00012556

Alok Krishna Agarwal
Independent Director
DIN 00127273

Vipulkumar S. Modi
Independent Director
DIN 06985276

Ashok Kumar Gupta
Director (Group Operations)
DIN 02608184

Mumbai, May 26, 2018

Notes forming part of consolidated 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 BSE Ltd. and National Stock Exchange of India Ltd. 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 March 31, 2018 and are prepared in Indian Rupees being the functional currency. The values in Indian Rupees are rounded to crore, except otherwise indicated.

2 Accounting policies

2.01 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.

2.02 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" and Indian Accounting Standard - 28 "Accounting for Investments in Associates in 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 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, 2018	Financial year ends on
Subsidiaries:			
Bajaj Aviation Private Ltd.	India	100.00%	31.03.2018
Bajaj Power Generation Private Ltd.	India	100.00%	31.03.2018
Bajaj Hindusthan (Singapore) Private Ltd.	Singapore	100.00%	31.03.2018
PT. Batu Bumi Persada #	Indonesia	99.00%	31.12.2017

Name of the company	Country of incorporation	Holding as on March 31, 2018	Financial year ends on
PT. Jangkar Prima #	Indonesia	99.88%	31.12.2017
Associates:			
Bajaj Ebiz Private Ltd.*	India	49.50%	31.03.2018
Esugarindia Ltd.*	India	69.67%	31.03.2018

#Management has compiled the accounts for year ended March 31, 2018, 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.

2.03 Standards issued effective from current period

Following amendments are applicable to the Company from April 1, 2017:

i) Amendment to Ind AS 7: The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities.

Appropriate disclosures in accordance with the amendment to Ind AS 7 has been given in Cash Flow Statement.

ii) Amendment to Ind AS 102: The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. Since the Company does not have cash-settled share-based payments, this amendment will not have any impact on the financial statements of the Company.

2.04 Standards issued but not yet effective

i) Ind AS 115 - Revenue from contracts with customers issued vide notification dated March 28, 2018, would be effective from financial year beginning April 1, 2018 and supersedes all existing revenue requirements in Ind AS 11 - Construction Contracts and Ind AS 18 - Revenue. According to the new standard, revenue is recognised to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Ind AS 115 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligation; changes in contract asset and liability account balances between periods and key judgements and estimates. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is currently assessing the impact of adopting Ind AS 115 on the financial statements.

ii) Amendments to Ind AS 40 – Investment Property, Ind AS 21 – The effects of changes in Foreign Exchange Rates, Ind AS 12 – Income Taxes, Ind AS 28 – Investments in Associates and Joint Ventures and Ind AS 112 – Disclosure of Interest in Other Entities are effective from financial year beginning April 1, 2018. These amendments does not apply to Company.

Summary of significant accounting policies

2.05 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.

2.06 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.

2.07 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. 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.

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.

2.08 Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the statement of profit and loss over the lease term.

Assets given by the Company under operating lease are included in fixed assets. Lease income from operating leases is recognised in the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is determined. Costs, including depreciation, incurred in earning the lease income are recognised as expenses. Initial direct costs incurred specifically for an operating lease are deferred and recognised in the statement of profit and loss over the lease term in proportion to the recognition of lease income.

2.09 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.

2.10 Research and 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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.

2.16 Employee benefits

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.

2.17 Taxation

i) 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) 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) 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.

2.18 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.

2.19 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 April 1, 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).

2.20 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 conditions 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.

2.21 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.

2.22 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.

2.23 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.

2.24 Critical accounting judgements and key sources of estimation uncertainty:

Judgements:

In the process of applying the accounting policies and principles, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

i) Investments in Phenil Sugars Ltd. as FVOCI

Company's investment of ₹ 720.52 crore in Phenil Sugars Limited by way of 6% Redeemable Non Cumulative Non Convertible Preference Shares and Zero Coupon Optionally Convertible Debentures forms a substantial part of the funds of Phenil Sugars Limited which are subordinate to the secured lenders. These investments are therefore, classified as equity and the subsequent changes in the fair value is accounted under Other Comprehensive Income as per paragraph 5.7.5 of Ind AS 109 – Financial Instruments.

ii) Loan from promoters as compound financial instruments

As per the terms of restructuring of loans, 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. Further as per S4A Scheme, during the year Promoters/Promoter's group has transferred 12 crore equity shares of Company at ₹ 1/- per share to lenders which has been accounted as unsecured loan. Promoters have the option to convert these into equity shares at any time. Therefore, this loan has been classified as compound financial instruments as per Ind AS 32 – Financial Instruments - Presentation.

2.25 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) 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.

viii) 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 statments 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 on a going concern. Further details on going concern are disclosed in note no. 43.

3 Property, plant and equipment

₹ Crore

Sr. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Particulars	As at April 01, 2017	Additions	Deductions & Adjustments	**As at March 31, 2018**	As at April 01, 2017	For the year	Deductions & Adjustments	**Up to March 31, 2018**	**As at March 31, 2018**	As at March 31, 2017
(A)	**TANGIBLE ASSETS :**										
1	Freehold Land	3,714.33	-	-	**3,714.33**	-	-	-	**-**	**3,714.33**	3,714.33
2	Leasehold Land	1.02	-	-	**1.02**	0.24	0.03	-	**0.27**	**0.75**	0.78
3	Buildings	1,275.23	0.87	0.01	**1,276.09**	275.35	28.45	-	**303.80**	**972.29**	999.88
4	Plant & Machinery	5,389.84	3.30	0.05	**5,393.09**	2,458.89	161.03	0.03	**2,619.89**	**2,773.20**	2,930.95
5	Furniture, Fixtures & Office Equipments	46.21	0.80	0.15	**46.86**	41.29	1.14	0.15	**42.28**	**4.58**	4.92
6	Vehicles & Aircraft	145.31	0.10	6.25	**139.16**	60.19	6.80	5.72	**61.27**	**77.89**	85.12
	Total (A)	10,571.94	5.07	6.46	**10,570.55**	2,835.96	197.45	5.90	**3,027.51**	**7,543.04**	7,735.98
(B)	**INTANGIBLE ASSETS :**										
7	Goodwill on Consolidation	85.90	-	-	**85.90**	85.90	-	-	**85.90**	**-**	-
8	Computer Software*	0.02	-	-	**0.02**	0.02	-	-	**0.02**	**0.00**	0.00
	Total (B)	85.92	-	-	**85.92**	85.92	-	-	**85.92**	**0.00**	0.00
	Total (A)+(B)	10,657.86	5.07	6.46	**10,656.47**	2,921.88	197.45	5.90	**3,113.43**	**7,543.04**	7,735.98
	Previous Year Total	10,657.27	5.83	5.24	10,657.86	2,683.24	243.18	4.54	2,921.88	7,735.98	7,974.03
(C)	**CAPITAL WORK-IN-PROGRESS**	45.83	34.72	5.14	**75.41**	-	-	-	**-**	**75.41**	45.83
	Grand Total	**10,703.69**	**39.79**	**11.60**	**10,731.88**	**2,921.88**	**197.45**	**5.90**	**3,113.43**	**7,618.45**	7,781.81
	Previous Year Grand Total	10,685.88	28.95	11.14	10,703.69	2,683.24	243.18	4.54	2,921.88	7,781.81	

*Computer software net block as on March 31, 2018 of ₹ 4/- (March 31, 2017 ₹ 4/-)

Notes:

(i) Assets pledged as security refer note no. 17.3

(ii) Particulars of Capital work-in-progress:

Particulars	As at April 1, 2017	Additions	Deductions & Adjustments	As at March 31, 2018
Plant & Machinery / Civil work-in-progress	39.66	34.72	5.14	**69.24**
Preoperative project expenses:				
Rates and taxes	2.08	-	-	**2.08**
Professional charges	0.53	-	-	**0.53**
Miscellaneous expenses	0.29	-	-	**0.29**
Interest and finance charges	3.26	-	-	**3.26**
Depreciation	0.01	-	-	**0.01**
Sub Total preoperative project expenses	6.17	-	-	**6.17**
Total	45.83	34.72	5.14	**75.41**

₹ Crore

Sr. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Particulars	As at April 01, 2016	Additions	Deductions & Adjustments	**As at March 31, 2017**	As at April 01, 2016	For the year	Deductions & Adjustments	**Up to March 31, 2017**	**As at March 31, 2017**	As at March 31, 2016
(A)	**TANGIBLE ASSETS :**										
1.	Freehold Land	3,714.59	-	0.26	**3,714.33**	-	-	-	**-**	**3,714.33**	3,714.59
2.	Leasehold land	1.02	-	-	**1.02**	0.20	0.04	-	**0.24**	**0.78**	0.82
3.	Buildings	1,273.01	2.25	0.03	**1,275.23**	246.38	28.98	0.01	**275.35**	**999.88**	1,026.63
4.	Plant & Machinery	5,388.47	3.25	1.88	**5,389.84**	2,283.87	176.76	1.74	**2,458.89**	**2,930.95**	3,104.60
5.	Furniture, Fixtures & Office Equipments	46.85	0.33	0.97	**46.21**	40.52	1.73	0.96	**41.29**	**4.92**	6.33
6.	Vehicles & Aircraft	147.41	-	2.10	**145.31**	54.87	7.15	1.83	**60.19**	**85.12**	92.54
	Total (A)	10,571.35	5.83	5.24	**10,571.94**	2,625.84	214.66	4.54	**2,835.96**	**7,735.98**	7,945.51
(B)	**INTANGIBLE ASSETS :**										
7.	Goodwill on Consolidation	85.90	-	-	**85.90**	57.38	28.52	-	**85.90**	**-**	28.52
8.	Computer Software*	0.02	-	-	**0.02**	0.02	-	-	**0.02**	**-**	-
	Total (B)	85.92	-	-	**85.92**	57.40	28.52	-	**85.92**	**-**	28.52
	Total (A)+(B)	10,657.27	5.83	5.24	**10,657.86**	2,683.24	243.18	4.54	**2,921.88**	**7,735.98**	7,974.03
	Previous Year Total	10,655.64	3.94	2.31	10,657.27	2,443.33	241.71	1.80	2,683.24	7,974.03	8,212.31
(C)	**CAPITAL WORK-IN-PROGRESS :**	28.61	23.12	5.90	**45.83**	-	-	-	-	**45.83**	28.61
	Grand Total	**10,685.88**	**28.95**	**11.14**	**10,703.69**	**2,683.24**	**243.18**	**4.54**	**2,921.88**	**7,781.81**	8,002.64
	Previous Year Grand Total	10,673.61	18.35	6.08	10,685.88	2,443.33	241.71	1.80	2,683.24	8,002.64	

*Computer software net block as on March 31, 2017 of ₹ 4/- (March 31, 2016 ₹ 4/-)

Notes:

(i) Assets pledged as security refer note no. 17.3

(ii) Particulars of Capital work-in-progress:

Particulars	As at April 1, 2016	Additions	Deductions & Adjustments	As at March 31, 2017
Plant & Machinery / Civil work in progress	22.44	23.12	5.90	**39.66**
Preoperative project expenses:				
Rates and taxes	2.08	-	-	**2.08**
Professional charges	0.53	-	-	**0.53**
Miscellaneous expenses	0.29	-	-	**0.29**
Interest and finance charges	3.26	-	-	**3.26**
Depreciation	0.01	-	-	**0.01**
Sub Total preoperative project expenses	6.17	-	-	**6.17**
Total	28.61	23.12	5.90	**45.83**

		As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
4	**Non-current investments**		
	Trade investments		
	Investment classified at cost		
	In Equity Shares of associates		
	Unquoted, fully paid up (Equity method)		
	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	**(1.15)**	(1.15)
		-	-
	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	**(0.01)**	(0.01)
		-	-
	Total Trade Investments	**-**	-
	Non-Trade 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
	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	**-**	-
	In Debentures of other company		
	Unquoted, fully paid up		
	3,70,48,321 (P.Y. 3,70,48,321) Zero Coupon Optionally	**188.45**	240.83
	Convertible Debentures of Phenil Sugars Ltd. of ₹100/- each		
	Total Non-trade investments	**958.58**	1,010.96
	Total	**958.58**	1,010.96
	Aggregate value of unquoted investment	**958.58**	1,010.96
	Category-wise non-current investments		
	Financial assets measure at cost (Equity method)	**-**	-
	Financial assets measure at fair value through other comprehensive income	**958.58**	1,010.96
	Total	**958.58**	1,010.96

These investments are pledged against loans taken by Company and Lalitpur Power Generation Company Ltd.

		As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
5	**Other non-current assets**		
	(Unsecured considered good)		
	Fixed deposits *	**2.35**	4.93
		2.35	4.93
	*Having maturity after 12 months from the reporting date and earmarked ₹ 2.35 crore (P.Y. ₹ 4.93 crore) for specific purposes.		
6	**Other non-current assets**		
	(Unsecured considered good unless otherwise stated)		
	Capital advances	**250.19**	250.38
	Security deposits	**3.28**	3.35
	Security deposit to related parties (refer note 39)	**5.03**	10.85
	Taxes paid under protest	**5.81**	5.78
		264.31	270.36
7	**Inventories**		
	(At cost or net realisable value whichever is lower, unless otherwise stated)		
	Raw materials	**5.36**	2.10
	Stores, spares & packing materials	**61.77**	58.96
	Finished goods	**2,655.03**	2,718.21
	By-products	**70.72**	195.85
	Work-in-progress	**55.00**	34.40
	Stock in trade ₹ Nil (P.Y. ₹49,674/-)	**-**	0.00
	Material in transit (Stores) ₹ Nil (P.Y. ₹17,241/-)	**-**	0.00
		2,847.88	3,009.52
	- Includes inventories of ₹ 2,591.14 crore (P.Y. ₹ 244.00 crore) carrying at fair value less cost to sale.		
	- Inventories pledge as a securities - refer note no. 17.3.		
8	**Current investments**		
	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
		266.85	266.85
	* Company name has been changed "Lambodar Stocks Private Ltd." w.e.f. 25.04.2017.		
9	**Trade receivables**		
	(Unsecured considered good unless otherwise stated)		
	Considered good	**169.33**	150.05
	Considered doubtful	**20.62**	9.69
	Less : Provision for doubtful debts	**(20.62)**	(9.69)
		-	-
		169.33	150.05

		As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
10	**Cash and cash equivalents**		
	Balance with banks		
	Current account	**37.61**	30.65
	Fixed deposits (Maturity of less than 3 months)	**-**	0.40
	Cheques, draft on hand	**0.12**	0.42
	Cash on hand	**0.55**	0.51
		38.28	31.98
11	**Bank balances**		
	Balance with banks (unpaid dividend)	**0.37**	0.50
	Fixed deposits *	**24.99**	52.79
		25.36	53.29
	* Includes ₹ 21.97 crore (P.Y. ₹ 41.91 crore) earmarked for specific purposes.		
12	**Loans**		
	(Unsecured considered good, unless otherwise stated)		
	Loans & advances to others - good	**1,024.56**	945.41
	- doubtful	**2.29**	2.29
	- sub total*	**1,026.85**	947.70
	Less:- Provision for doubtful loans & advances	**(2.29)**	(2.29)
		-	-
		1,024.56	945.41
	***Out of above:**		
	Secured by pledge of investment	**474.02**	435.82
	Unsecured	**552.83**	511.88
		1,026.85	947.70
13	**Current tax assets (net)**		
	Advance income tax (net of provisions)		
	At the start of year	**41.40**	31.19
	Charged during the year	**0.94**	10.21
	Refund received during the year	**(17.85)**	-
	Others	**(6.94)**	-
	At the end of year	**17.55**	41.40
	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
	Balances with excise department	**-**	17.52
	Other advances*	**93.92**	103.31
	Claim/refund recoverable in cash or in kind or for value to be received	**641.75**	569.98
	Duty drawback receivable	**0.77**	0.06
		815.88	770.31
	* Includes advances given to suppliers, vendors and employees and other advances recoverable in cash or in kind.		

	As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
15 Equity share capital		
Authorised:		
5,00,00,00,000 (P.Y. 2,71,00,00,000) Equity Shares of ₹ 1/- each	**500.00**	271.00
	500.00	271.00
Issued:		
1,17,92,31,364 (P.Y. 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 (P.Y. 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 (P.Y. 3,11,00,000) Equity Shares 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 Shares 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).

(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, 2018 No. of Shares**	As at March 31, 2017 No. of Shares
Equity Shares (with voting rights) at the beginning of the year	**1,13,35,59,942**	1,11,68,17,774
Add: Shares issued on conversion of Funded Interest Term Loan (FITL)	**-**	1,67,42,168
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:

		As at March 31, 2018		As at March 31, 2017	
Sr. No.	**Name of Shareholders**	**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%**	6,63,93,312	5.86%
3.	IDBI Bank Limited	**6,36,67,200**	**5.62%**	-	-
4.	Allahabad Bank	**6,29,28,861**	**5.55%**	-	-
5.	Central Bank of India	**5,66,86,905**	**5.00%**	-	-
6.	Trustees - Shishir Bajaj Family Trust	**-**	**-**	6,49,48,632	5.73%

(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, 2018 ₹ Crore	As at March 31, 2017 ₹ 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**	4,150.57
	Issue of equity shares	**-**	34.77
	Expenses related to issue of equity share capital	**-**	(0.03)
	Closing balance	**4,185.31**	4,185.31
	Share application money pending allotment (FITL)		
	Opening balance	**-**	36.45
	Addition during the year	**-**	-
	Deduction during the year on allotment	**-**	(36.45)
	Closing balance	**-**	-
	Equity component of compound financial instrument		
	Opening balance	**135.78**	135.78
	Addition during the year	**10.76**	-
	Closing balance	**146.54**	135.78
	General reserve		
	Opening balance	**155.95**	155.57
	Transferred from reserve for molasses storage tanks	**0.10**	0.38
	Closing balance	**156.05**	155.95
	Reserve for molasses storage tanks		
	Opening balance	**2.66**	2.81
	Transferred from statement of profit & loss	**0.32**	0.23
	Transferred to general reserve	**(0.10)**	(0.38)
	Closing balance	**2.88**	2.66
	Gain / (Loss) on investment through FVOCI		
	Opening balance	**(24.77)**	(10.34)
	Change during the year	**(36.04)**	(14.43)
	Closing balance	**(60.81)**	(24.77)
	Actuarial gain / (Loss) on employee benefit plans		
	Opening balance	**(11.13)**	(3.92)
	Change in during the year	**2.82**	(7.21)
	Closing balance	**(8.31)**	(11.13)

	As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
Exchange differences on translating the financial statements of a foreign operations		
Opening balance	**0.12**	(0.64)
Change during the year	**(1.49)**	0.76
Closing balance	**(1.37)**	0.12
Statement of profit and loss {Retained Earnings}		
Opening balance	**(1,088.48)**	(996.27)
Profit/(Loss) for the year	**(499.64)**	(91.98)
Appropriations:		
Transferred to reserve for molasses storage tanks	**(0.32)**	(0.23)
Closing balance	**(1,588.44)**	(1,088.48)
	2,831.90	3,355.49

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 by the Company till date after appropriations.

17 Non-current borrowings

(At amortised cost)		
From banks		
Secured Debentures	**3,483.25**	-
Secured Term Loan	**2,306.22**	5,358.65
	5,789.47	5,358.65
From related parties		
Unsecured	**93.88**	82.68
	93.88	82.68
From others		
Secured	**8.80**	17.63
Unsecured	**0.27**	0.83
	9.07	18.46
	5,892.42	5,459.79

17.1 34,83,24,626 (P.Y. nil) 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.

Due to losses incurred by the Company during the year, Debenture Redemption Reserve as required by the Companies Act, 2013 has not been created.

17.2 Maturity profile of term loans are set out below :-

₹ Crore

Name of banks/ financial institutions	Interest (%)	Outstanding as at March 31, 2018	Maturity profile					
			Current Maturities (0-1 Year)	2nd Year	3rd Year	4th Year	Beyond 4 Years	Refer Note No.
From Banks - Term loan secured	10.45% & 11.45%	3,038.37	732.15	509.29	489.29	434.37	873.27	17.3 (i)
Total		**3,038.37**	**732.15**	**509.29**	**489.29**	**434.37**	**873.27**	
From others								
Sugar Development Fund (SDF)	4.00%-8.25%	18.18	9.38	6.88	1.92	-	-	17.3 (ii)
Total - Secured		**3,056.55**	**741.53**	**516.17**	**491.21**	**434.37**	**873.27**	
Term loans (Unsecured)								
From related parties								
Loan from promoters -1		92.60	-	-	-	-	92.60	17.4 (i)
Loan from promoters -2		1.28	-	-	-	-	1.28	17.4 (ii)
Total from related parties		**93.88**	**-**	**-**	**-**	**-**	**93.88**	
Department of Commercial Tax of Uttar Pradesh	Interest free	0.83	0.56	0.27	-	-	-	
Total - Unsecured		**94.71**	**0.56**	**0.27**	**-**	**-**	**93.88**	
Grand Total		**3,151.26**	**742.09**	**516.44**	**491.21**	**434.37**	**967.15**	

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 and 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% p.a. 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% p.a. for a tenure of 20 years.

17.5 The principal of ₹ 133.09 crore on term loan are due on March 31, 2018.

		As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
18	**Non-current provisions**		
	Gratuity	**23.84**	22.57
	Leave encashment	**19.51**	17.66
		43.35	40.23

		As at April 1, 2017 ₹ Crore	During the year ₹ Crore	As at March 31, 2018 ₹ Crore
19	**Deferred tax liabilities/(assets) (net)**			
	Deferred tax liabilities:			
	Property, plant and equipment	679.75	128.60	**808.35**
	Fair valuation of property, plant and equipment	789.68	5.75	**795.43**
		1,469.43	134.35	**1,603.78**
	Deferred tax assets:			
	Provision for employee benefits	15.31	1.32	**16.63**
	Provision for doubtful debts / advances	3.70	3.45	**7.15**
	Fair valuation of investments	136.55	16.34	**152.89**
	Carry forward losses and unabsorbed depreciation *	664.84	124.63	**789.47**
		820.40	145.74	**966.14**
	Deferred tax liabilities/(assets) (net)	649.03	(11.39)	**637.64**

***** Deferred tax assets on carry forward losses and unabsorbed depreciation is ₹ 1,348.33 crore. However, it is recognised to the extent of deferred tax liabilities other than arising on fair valuation of PPE on conservative basis.

		As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
20	**Other non-current liabilities**		
	Deposits from agents/customers/vendors	**13.70**	8.73
	Security deposits from others	**0.39**	-
	Security deposits from related parties (refer note 39)	**0.75**	0.75
		14.84	9.48
21	**Current borrowings**		
	Loan from banks		
	Secured		
	Working capital loan	**156.26**	242.74
		156.26	242.74
	Loan from others		
	Others	**5.01**	2.91
		5.01	2.91
		161.27	245.65

Working Capital Loan 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 and future) of the Company. The said loan is 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.

		As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
22	**Trade payables**		
	Micro and small enterprises	**0.40**	0.55
	Others	**3,374.30**	2,786.44
		3,374.70	2,786.99
	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	**0.40**	0.55
	- Interest	**-**	-
	The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	**0.04**	0.06
	The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**2.97**	1.98
	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 non-current borrowings (refer note 17.2)	**742.09**	1,304.66
	Interest accrued but not due on borrowings	**0.39**	0.57
	Interest accrued and due on borrowings	**30.47**	63.91
	Unclaimed dividends #	**0.37**	0.50
		773.32	1,369.64

These figures do not include any amount due and outstanding to be credited to Investor Education and Protection Fund.

Interest of ₹ 30.47 crore on term loan for the month of March 2018 is due for payment as on the balance sheet date, which has been paid in April 2018.

24	**Other current liabilities**		
	Other payables*	**199.94**	134.69
		199.94	134.69

***** Includes statutory dues, advances from customer and other liabilities.

25	**Current provisions**		
	Gratuity	**5.83**	5.15
	Leave encashment	**4.11**	4.19
	Provision for excise duty	**-**	166.47
		9.94	175.81

The Company had recognised liability based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on March 31, 2018 of ₹ Nil (₹ 166.47 crore) as per the estimated pattern of despatches. During the year, ₹ 95.99 crore was utilised for clearance of goods till June 30, 2017. Since the GST (Goods and Services Tax) has been implemented w.e.f. July 01, 2017, no provision is recognised for the year, as GST is payable on supply of goods. Excess provision of ₹ 70.48 crore (P.Y. ₹ nil) is reversed during the year.

		Year ended March 31, 2018 ₹ Crore	Year ended March 31, 2017 ₹ Crore
26	**Revenue from operations**		
	Sale of products/services	**5,862.93**	4,565.48
	Other operating revenues	**79.78**	67.87
		5,942.71	4,633.35
26.1	**Particulars of sale of products / services**		
	Sugar	**5,190.71**	3,923.05
	Alcohol	**462.40**	461.97
	Power	**159.58**	126.88
	By-products	**38.74**	31.66
	Aircraft services	**11.50**	21.92
		5,862.93	4,565.48
26.2	**Particulars of other operating revenues**		
	Duty drawback and other export incentives	**1.39**	-
	Sale of scrap	**5.09**	3.19
	Others	**73.30**	64.68
		79.78	67.87
27	**Other income**		
	Gain due to foreign exchange fluctuation (net)	**0.91**	-
	Interest income	**82.22**	86.06
	Other non-operating income	**17.85**	10.34
		100.98	96.40
28	**Cost of materials consumed**		
	Opening stock	**2.10**	0.33
	Purchases	**4,903.79**	4,039.65
		4,905.89	4,039.98
	Less: Closing stock	**5.36**	2.10
	Cost of raw material consumed	**4,900.53**	4,037.88
29	**Changes in inventories of finished goods and work-in-progress**		
	Opening stock		
	Finished goods	**2,718.21**	1,736.58
	By-products	**195.85**	116.35
	Work-in-progress	**34.40**	9.35
		2,948.46	1,862.28
	Less: Closing stock		
	Finished goods*	**2,655.03**	2,718.21
	By-products	**70.72**	195.85
	Work-in-progress	**55.00**	34.40
		2,780.75	2,948.46
	Increase/(decrease) of excise duty on inventories	**(170.31)**	53.38
		(2.60)	(1,032.80)
	* Includes ₹ 165.22. crore (P.Y. ₹ 15.65 crore) towards the write down of inventories.		
30	**Excise duty paid on goods sold**		
	Excise duty	**95.99**	234.05
		95.99	234.05

		Year ended March 31, 2018 ₹ Crore	Year ended March 31, 2017 ₹ Crore
31	**Employee benefits expense**		
	Salaries & wages	**225.44**	213.22
	Contributions to provident and other funds	**22.57**	19.21
	Employees' welfare expenses	**1.63**	1.28
		249.64	233.71

31.1 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

Liability to be recognised in balance sheet		
Present value of funded obligations	**42.98**	39.54
Fair value of plan assets	**(13.31)**	(11.83)
Net liability / (asset)	**29.67**	27.71
Change in plan assets (reconciliation of opening and closing balances)		
Fair value of plan assets at the beginning	**11.83**	13.45
Expected return on plan assets	**0.92**	1.01
Actuarial gain / (losses)	**0.10**	0.05
Contributions	**3.11**	0.22
Benefits paid	**(2.65)**	(2.90)
Fair value of plan assets at the end	**13.31**	11.83
Change in obligation (reconciliation of opening and closing balances)		
Obligation at the beginning	**39.54**	31.64
Current service cost	**3.94**	3.70
Interest cost	**2.96**	2.53
Actuarial losses / (gain)	**(0.82)**	4.57
Benefits paid	**(2.64)**	(2.90)
Closing obligation	**42.98**	39.54
Expenditure to be recognised during the year		
Current service cost	**3.94**	3.70
Interest cost	**2.96**	2.53
Expected return on plan assets	**(0.92)**	(1.01)
Total expenses recognised in the statement of profit and loss	**5.98**	5.22
In other comprehensive income		
Actuarial (Gain) / Loss - Plan Liabilities	**(0.82)**	4.57
Actuarial (Gain) / Loss - Return on Plan Assets	**(0.10)**	(0.05)
Net (Income)/Expense for the period recognised in OCI	**(0.92)**	4.52
Investment Details		
Insurance Policies - Amount	**13.31**	11.83
- %	**100%**	100%
Assumptions		
Discount rate (per annum)	**7.75%**	7.50%
Expected rate of return on assets (per annum)	**7.75%**	7.50%
Salary escalation rate (per annum)	**6.00%**	6.00%

	Year ended March 31, 2018 ₹ Crore	Year ended March 31, 2017 ₹ Crore
Sensitivity		
Under base scenario	**42.98**	39.54
Salary escalation (up by 1%)	**46.20**	42.98
Salary escalation (down by 1%)	**40.10**	36.48
Withdrawal rates (up by 1%)	**43.31**	39.98
Withdrawal rates (down by 1%)	**42.62**	39.19
Discount rates (up by 1%)	**40.21**	36.54
Discount rates (down by 1%)	**46.12**	42.97

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 financial year 2017-18.

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.

	Year ended March 31, 2018 ₹ Crore	Year ended March 31, 2017 ₹ Crore
b. Unfunded scheme - earned leaves		
Present value of unfunded obligations	**23.62**	21.85
Expenses recognised in the statement of profit and loss	**6.84**	5.20
In other comprehensive income		
Actuarial (Gain) / Loss - Plan Liabilities	**(1.90)**	2.69
Actuarial (Gain) / Loss - Return on Plan Assets	**-**	-
Net (Income)/Expense for the period recognised in OCI	**(1.90)**	2.69
Discount rate (per annum)	**8.00%**	7.50%
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, 2018.

	Year ended March 31, 2018 ₹ Crore	Year ended March 31, 2017 ₹ Crore
Plan assets at period end, at fair value	**-**	-
Present value of benefit obligation at year end	**-**	-
Cost of shortfall in interest rate guarantee	**-**	-
Discount rate	**7.75%**	7.50%
Average remaining tenure of the investment portfolio (years)	**8.42**	8.63
Expected guaranteed interest rate	**8.55%**	8.65%

During the year ended March 31, 2018, amount recognised in statement of profit and loss for employee provident fund is ₹ 7.46 crore (P.Y. ₹ 5.92 crore).

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 option granted have either been expired or exercised.

32 Finance costs

Interest expense on:		
Borrowings*	**672.97**	795.73
Others	**0.99**	1.50
Debentures	**0.10**	-
Other borrowing costs	**6.11**	4.85
	680.17	802.08

*Refer note no. 40(e)

33 Depreciation and amortisation expense

Depreciation on tangible assets	**197.45**	214.66
Amortisation on intangible assets	**-**	28.52
	197.45	243.18

34 Other expenses

Stores, spares and packing materials consumed	**108.59**	88.93
Power and fuel	**14.72**	17.40
Rent	**5.59**	7.14
Rates and taxes	**0.92**	0.82
Repairs :		
Building	**1.10**	1.36
Machinery	**91.26**	66.82
Others	**4.19**	4.84
	96.55	73.02
Payment to auditors (Refer note 34.1)	**0.69**	0.66
Insurance	**4.55**	2.63
Selling commission	**12.65**	8.07
Selling & distribution	**68.43**	51.76
Director fees	**0.26**	0.30
Loss due to foreign currency fluctuation (net)	**-**	1.10
c/f	**312.95**	251.83

		Year ended March 31, 2018 ₹ Crore	Year ended March 31, 2017 ₹ Crore
	b/f	**312.95**	251.83
	Bad debts written off	**0.44**	-
	Provision for doubtful debts	**14.61**	-
	Loss on assets sold / scrapped / written off	**0.04**	0.20
	Miscellaneous expenses	**99.00**	57.34
		427.04	309.37
34.1	**Payment to auditors**		
	For statutory audit fees	**0.47**	0.45
	For tax audit fees	**0.05**	0.05
	For certification work	**0.17**	0.16
	Reimbursement of expenses (₹18,139/-, P.Y. ₹ 18,942/-)	**0.00**	0.00
		0.69	0.66
35	**Other Comprehensive income**		
	Actuarial gain / (loss) on employee benefit plans	**2.82**	(7.21)
	Gain / (loss) on Investment through FVOCI	**(52.38)**	(24.18)
	Foreign exchange fluctuation	**(1.49)**	0.76
	Less: Tax on Gain / (loss) on Investment through FVOCI	**16.34**	9.75
		(34.71)	(20.88)

		As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
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	**24.51**	33.03
	(ii) Trade tax matters	**84.04**	69.58
	(iii) Income tax matters	**-**	10.37
	(iv) Recompense payable (refer note 40(b))	**144.79**	100.66
	(v) Other claims	**56.06**	55.03
		309.40	268.67
	(b) Guarantees	**760.25**	859.25
	(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	**3.86**	38.90
	(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, 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 ₹110.87 crore from the date of allotment of OCD till the year end is treated as contingent liability and would be accounted for as finance cost at the time of redemption of respective OCDs.		

	As at March 31, 2018 ₹ Crore	As at March 31, 2017 ₹ Crore
(II) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**14.63**	18.10

37 Earnings per share

(i) Net profit/(loss) after tax as per statement of profit and loss attributable to equity shareholders	**(499.64)**	(91.98)
(ii) Weighted average number of equity shares used as denominator for calculating basic EPS (crore)	**110.07**	110.04
(iii) Weighted average number of equity shares used as denominator for calculating diluted EPS (crore)*	**110.07**	110.04
*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	**(4.54)**	(0.84)
(v) Diluted earnings per share	**(4.54)**	(0.84)
(vi) 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

		Year ended March 31, 2018 ₹ Crore	Year ended March 31, 2017 ₹ Crore
1	**Segment revenue**		
	a) Sugar	**6,233.24**	4,892.81
	b) Distillery	**489.02**	484.87
	c) Power	**1,120.23**	1,026.09
	d) Others	**11.98**	25.49
	Total	**7,854.47**	6,429.26
	Less : Inter-segment revenue	**1,911.76**	1,795.91
	Net Sales / Income from operations	**5,942.71**	4,633.35
2	**Segment results**		
	(Profit/(Loss) before tax and interest)		
	a) Sugar	**(138.53)**	357.34
	b) Distillery	**142.02**	136.30
	c) Power	**173.15**	185.20
	d) Others	**(16.17)**	(9.68)
	Total	**160.47**	669.16
	Less: (i) Interest gross	**(680.17)**	(802.08)
	(ii) Interest income	**82.21**	86.06
	(iii) Other un-allocable Income net off un-allocable expenditure	**(67.04)**	(50.86)
	Total Profit/(Loss) before tax	**(504.53)**	(97.72)

		Year ended March 31, 2018 ₹ Crore	Year ended March 31, 2017 ₹ Crore
3	**Capital employed**		
	i) **Segment assets:**		
	a) Sugar	**8,771.15**	8,929.72
	b) Distillery	**899.11**	931.94
	c) Power	**1,822.40**	1,852.95
	d) Others	**243.65**	249.67
	Total	**11,736.31**	11,964.28
	Add: Unallocated corporate assets	**2,317.97**	2,376.69
	Total assets	**14,054.28**	14,340.97
	ii) **Segment liabilities:**		
	a) Sugar	**3,546.50**	3,232.02
	b) Distillery	**55.24**	38.94
	c) Power	**1,476.96**	1,373.62
	d) Others	**107.60**	94.84
	Total	**5,186.30**	4,739.42
	Add: Unallocated corporate liabilities	**5,926.02**	6,135.99
	Total liabilities	**11,112.32**	10,875.41
	iii) **Capital employed**		
	a) Sugar	**5,224.65**	5,697.70
	b) Distillery	**843.87**	893.00
	c) Power	**345.44**	1,314.42
	d) Others	**136.05**	214.72
	Total	**6,550.01**	8,119.84
	Add: Unallocated corporate liabilities	**(3,608.05)**	(4,176.33)
	Total liabilities	**2,941.96**	3,943.51
4	**Capital expenditure:**		
	a) Sugar	**5.94**	0.90
	b) Distillery	**28.59**	22.21
	c) Power	**0.19**	-
	d) Others*	**(0.20)**	(0.08)
	e) Unallocated	**0.10**	0.02
	Total	**34.62**	23.05
	* Includes increase/(decrease) due to forex fluctuation		
5	**Depreciation and amortisation:**		
	a) Sugar	**126.52**	127.51
	b) Distillery	**15.14**	16.38
	c) Power	**45.00**	59.55
	d) Others	**4.47**	4.47
	e) Unallocated	**6.32**	35.27
	Total	**197.45**	243.18
6	**Non cash expenditure other than depreciation:**		
	a) Sugar	**Nil**	Nil
	b) Distillery	**Nil**	Nil
	c) Power	**Nil**	Nil
	Total	**Nil**	Nil

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 & Managing Director (Also key management personnel)
2. Mr. Ashok Kumar Gupta, Director (Group Operations) (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:

₹ Crore

	Transactions	Directors / Key Management Personnel	Associate	Enterprises described in (B) above	Total
I.	**Transactions during the year**				
	Sale of services	**-**	**-**	**5.12**	**5.12**
		(-)	(-)	(17.72)	(17.72)
	Rent received	**-**	**-**	**3.40**	**3.40**
		(-)	(-)	(3.38)	(3.38)
	Remuneration	**2.83**	**-**	**-**	**2.83**
		(2.68)	(-)	(-)	(2.68)
	Rent paid	**-**	**-**	**6.14**	**6.14**
		(-)	(-)	(4.37)	(4.37)
	Loan taken	**-**	**-**	**12.00**	**12.00**
		(-)	(-)	(-)	(-)
	Deposit given repaid	**-**	**-**	**5.82**	**5.82**
		(-)	(-)	(0.42)	(0.42)
	Deposit taken repaid	-	-	-	-
		(-)	(-)	(0.25)	(0.25)
	Advance lease rent received	**-**	**-**	**0.21**	**0.21**
		(-)	(-)	(-)	(-)
	Advance rent paid	**-**	**-**	**4.25**	**4.25**
		(-)	(-)	(-)	(-)

₹ Crore

	Transactions	Directors / Key Management Personnel	Associate	Enterprises described in (B) above	Total
II.	**Amounts outstanding at the Balance Sheet date**				
	Loan taken	**110.50**	**-**	**101.50**	**212.00**
		(110.50)	(-)	(89.50)	(200.00)
	Advance to vendor	**-**	**-**	**0.67**	**0.67**
		(-)	(-)	(0.67)	(0.67)
	Trade payables	**-**	**-**	**3.89**	**3.89**
				(0.81)	(0.81)
	Investments	**-**	**-**	**770.13**	**770.13**
		(-)	-	(770.13)	(770.13)
	Trade receivable	**-**	**-**	**7.36**	**7.36**
		(-)	(-)	(8.23)	(8.23)
	Debentures	**-**	**-**	**266.85**	**266.85**
		(-)	(-)	(266.85)	(266.85)
	Advance for land purchase	**-**	**-**	**248.00**	**248.00**
		(-)	(-)	(-)	(-)
	Deposits given	**-**	**-**	**5.03**	**5.03**
		(-)	(-)	(10.85)	(10.85)
	Deposits taken	**-**	**-**	**0.75**	**0.75**
		(-)	(-)	(0.75)	(0.75)
	Advance rent paid	**-**	**-**	**3.70**	**3.70**
		(-)	(-)	(-)	(-)
	Advance lease rent received	**-**	**-**	**0.19**	**0.19**
		(-)	(-)	(-)	(-)
	Guarantee/securities given	**-**	**-**	**760.25**	**760.25**
		(-)	(-)	(760.25)	(760.25)

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 Sales of services provided of ₹ 3.14 crore (P.Y. ₹ 17.72 crore) to Lalitpur Power Generation Company Ltd., ₹1.42 crore (P.Y. nil) to Bajaj Infrastructure Development Company Ltd. and ₹ 0.56 crore (P.Y. nil) to Bajaj Energy Ltd.

4 Rent received of ₹ 3.19 crore (P.Y. ₹ 3.17 crore) from Bajaj Energy Private Ltd and ₹ 0.21 crore (P.Y. ₹ 0.21 crore) from Lalitpur Power Generation Company Ltd.

5 Remuneration includes ₹ 1.84 crore (P.Y. ₹ 1.76 crore) to Mr. Kushagra Bajaj, and ₹ 0.99 crore (P.Y. ₹ 0.92 crore) to Mr. A.K. Gupta.

6 Rent paid includes ₹ 0.93 crore (P.Y. ₹ 0.87 crore) to Bajaj Capital Ventures Pvt. Ltd , ₹ 2.22 crore (P.Y. ₹ 2.08 crore) to Shishir Bajaj Family Trust, ₹ 0.87 crore (P.Y. ₹ 0.86 crore) to Bajaj Resources Ltd. and ₹ 2.12 crore (P.Y. ₹ 0.56 crore) to Abhitech Developers Pvt. Ltd.

7 Deposit given-repaid ₹ 5.82 crore (P.Y. ₹ 0.42 crore) from Abhitech Developers Pvt Ltd.

8 Loan taken ₹ 6.50 crore (P.Y. nil) from Shishir Bajaj Family Trust, ₹ 1.39 crore (P.Y. nil) from Bajaj Infrastructure Development Company Ltd. and ₹ 4.11 crore (P.Y. nil) from Lambodar Stocks Pvt Ltd.

9 Advance lease rent received of ₹ 0.21 crore (P.Y. nil) from Lalitpur Power Generation Company Ltd.

10 Advance rent paid of ₹ 4.25 crore (P.Y. nil) to Abhitech Developers Pvt. Ltd.

11 Restructured term loan from banks aggregating to ₹ 6,790.77 crore are secured by personal guarantee of Mr. Kushagra Bajaj (Managing Director) 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.

12 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.

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, 2018 payable to the JLF lenders as per MRA is approximately ₹ 144.79 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.

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.

e) "Finance Cost" includes a sum of ₹ 354.51 crore, which instead of being paid in cash have been converted into OCDs as a part of "Unsustainable Debt" in accordance with the S4A Scheme, resulting into substantial savings of cash out flow during the year. The OCDs are redeemable by paying the Principal Amount together with YTM accrued till the date of respective redemption date in 13 equal annual instalments commencing at the end of financial year 2024-25.

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 counter party 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, 2018	**161.99**	**7.34**	**169.33**
As at March 31, 2017	132.75	17.30	150.05

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, 2016	26.07
Provided during the year	-
Reversal of provision	(3.10)
Amounts written off	(13.28)
As at March 31, 2017	9.69
Provided during the year	14.61
Reversal of provision	-
Amounts written off	(3.68)
As at March 31, 2018	**20.62**

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.

	As at March 31, 2018 (₹ Crore)				
Particulars	**Carrying amount**	**On demand**	**0-12 months**	**More than 12 months**	**Total**
Borrowings	6,795.78	156.26	742.09	5,897.43	6,795.78
Trade payables	3,374.70	3,374.70	-	-	3,374.70
Other financial liabilities	31.23	-	31.23	-	31.23
Total	**10,201.71**	**3,530.96**	**773.32**	**5,897.43**	**10,201.71**

	As at March 31, 2017 (₹ Crore)				
Particulars	**Carrying amount**	**On demand**	**0-12 months**	**More than 12 months**	**Total**
Borrowings	7,010.10	242.74	1,304.66	5,462.70	7,010.10
Trade payables	2,786.99	2,786.99	-	-	2,786.99
Other financial liabilities	64.98	-	64.98	-	64.98
Total	**9,862.07**	**3,029.73**	**1,369.64**	**5,462.70**	**9,862.07**

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 rates of the banks. With all the 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, 2018		**100**	**+/(-)**	**67.96**
For year ended March 31, 2017		100	+/(-)	70.10

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, 2018		**₹ 1**	**+/(-)**	**0.85**
For year ended March 31, 2017		₹ 1	+/(-)	0.75

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.

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:

a) 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.

b) 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.

c) Non-listed shares and other securities fall within level 3 of the fair value hierarchy. Valuation is based on the net asset method.

d) 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, 2018 (₹ Crore)			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**
Financial assets at amortised cost				
Trade receivables	169.33	-	-	-
Cash and cash equivalents	38.28	-	-	-
Bank balances	25.36	-	-	-
Loans - current	1,024.56	-	-	-
Other financial assets - non-current	2.35	-	2.35	-
Total	**1,259.88**	**-**	**2.35**	**-**
Financial assets at fair value through				
Other comprehensive income				
Investments	958.58	-	-	958.58
Total	**958.58**	**-**	**-**	**958.58**

Particulars	As at March 31, 2018 (₹ Crore)			
	Carrying amount	Level 1	Level 2	Level 3
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	5,892.42	-	5,892.42	-
Borrowing - current	161.27	161.27	-	-
Trade payables	3,374.70	-	-	-
Other financial liabilities - current	773.32	-	-	-
Total	**10,201.71**	**161.27**	**5,892.42**	**-**

Particulars	As at March 31, 2017 (₹ Crore)			
	Carrying amount	Level 1	Level 2	Level 3
Financial assets at amortised cost				
Trade receivables	150.05	-	-	-
Cash and cash equivalents	31.98	-	-	-
Bank balances	53.29	-	-	-
Loans - current	945.41	-	-	-
Other financial assets - non-current	4.93	-	4.93	-
Total	**1,185.66**	**-**	**4.93**	**-**
Financial assets at fair value through Other comprehensive income				
Investments	1,010.96	-	-	1,010.96
Total	**1,010.96**	**-**	**-**	**1,010.96**
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	5,459.79	-	5,459.79	-
Borrowing - current	245.65	245.65	-	-
Trade payables	2,786.99	-	-	-
Other financial liabilities - current	1,369.64	-	-	-
Total	**9,862.07**	**245.65**	**5,459.79**	**-**

During the year ended March 31, 2018 there was no transfers between level 2 and level 3 fair value hierarchy.

During the year ended March 31, 2017 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, 2016	1,035.15
Less: Fair value loss recognised in Other Comprehensive Income	(24.19)
Balance as on April 1, 2017	1,010.96
Less: Fair value loss recognised in Other Comprehensive Income	(52.38)
Balance as on March 31, 2018	**958.58**

43 During the current year and in past four years, Company has incurred losses resulting into reduction of net worth to that extent. The losses were mainly attributable to high raw material i.e. sugarcane price (as fixed by the Government) and relatively lower price of finished goods i.e. sugar and molasses (determined by market forces based on the demand-supply equation), both of which are external factors. As at year end, Company has overdue instalments of certain debts and dues payable to farmers for sugarcane purchases. The Company continues to operate at optimal levels and expects improvement in the operational efficiencies in form of improvement in yield, sugar recovery, reduction of overheads, finance and other costs, sale of certain non-core assets etc. The debt restructuring concluded during the year as per RBI's S4A Scheme, will result into improved liquidity during next 7 years. Also pursuant to a favourable Order of Hon'ble Supreme Court of India, the Company expects to receive benefits under the Sugar Promotion Policy 2004. In view of the above, the management expects to generate positive cash flow from operations 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.

44 The Proposal for sale of Co-Generation power business of the Company as was initiated in earlier years primarily for the purpose of utilising the sale proceeds towards repayment/prepayment of Company's debt which has consequently been shelved as the Company has restructured loan under the scheme for sustainable structuring of stressed assets (S4A Scheme).

45 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	65%	1,904.15	99%	(494.17)	96%	(33.22)	99%	(527.39)
Subsidiaries								
Indian								
1. Bajaj Aviation Private Ltd.	-1%	(41.09)	1%	(4.91)	0%	-	1%	(4.91)
2. Bajaj Power Generation Private Ltd.	37%	1,078.36	-	-	0%	-	-	-
Foreign								
1. Bajaj Hindusthan (Singapore) Pte. Ltd.	0%	1.36	0%	0.78	0%	(0.44)	0%	0.34
2. PT. Batu Bumi Persada, Indonesia	0%	2.23	0%	(1.18)	0%	(0.92)	0%	(2.10)
3. PT. Jangkar Prima, Indonesia	0%	(3.04)	0%	(0.15)	0%	(0.13)	0%	(0.28)
Non controlling interests in all subsidiaries foreign								
1. PT. Batu Bumi Persada, Indonesia	0%	0.00	0%	0.00				
2. PT. Jangkar Prima, Indonesia	-	-	0%	0.00				

46 The financial statements were approved for issue by the Board of Directors, at its meeting held on May 26, 2018.

47 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 "47" to the financial statement.

As per our Report of even date

For Chaturvedi & Shah
Firm Registration No.101720W
Chartered Accountants

Jignesh Mehta
Partner
Membership No. 102749

Ved Prakash Agrawal
Chief Financial Officer
M. No. F070449

Pradeep Parakh
Group President (GRC) &
Company Secretary
M. No. F6171

M.L. Apte
Independent Director
DIN 00003656

D.K. Shukla
Independent Director
DIN 00025409

Shalu Bhandari
Independent Director
DIN 00012556

For and on behalf of the Board

Kushagra Bajaj
Chairman & Managing Director
DIN 00017575

Alok Krishna Agarwal
Independent Director
DIN 00127273

Vipulkumar S. Modi
Independent Director
DIN 06985276

Ashok Kumar Gupta
Director (Group Operations)
DIN 02608184

Mumbai, May 26, 2018

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

Sr. No.	Name of the subsidiary	1	2	3	4	5
		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-2017 to 31-Dec-2017	01-Jan-2017 to 31-Dec-2017
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	IDR
3	Share capital	5.00	0.02	129.03	2.33	2.33
4	Other equity	(54.55)	(0.00)	30.20	(2.32)	(6.53)
5	Total assets	25.51	1,476.08	-	-	-
6	Total Liabilities	25.51	1,476.08	-	-	-
7	Investments @	-	266.85	-	-	-
8	Turnover *	12.04	40.69	0.34	-	-
9	Profit before taxation	(12.11)	-	0.00	(0.15)	1.17
10	Provision for taxation	-	-	0.78	-	-
11	Profit after taxation	(12.11)	-	0.78	(0.15)	1.17
12	Proposed Dividend	-	-	-		-
13	% of shareholding	100%	100%	100%	99%	99.88%

Notes :
* 1 Turnover is net of excise duty and includes other income.
@ 2 Investments excludes investment in subsidiaries.
\# 3 The financial statements are translated at the exchange rate as on 31.03.2018 i.e. 1 USD = INR 64.0746
$ 4 The financial statements are translated at the exchange rate as on 31.03.2018 i.e. (1 USD = IDR 13760) and (1 USD = INR 64.0746)

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, 2017	March 31, 2017
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 share holding	There is a significant influence due to percentage of share holding
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.

NOTE

OUR PARTNERS IN CSR INITIATIVES

- Rural Community of Wardha and Sikar District
- Government of Maharashtra and Rajasthan
- Nawajbai Ratan Tata Trust (NRTT)
- National Bank for Agriculture & Rural Development (NABARD)
- International Fund for Agriculture Development (IFAD)
- Maharana Pratap University of Agriculture and Technology (MPUAT)
- Nehru Yuva Kendra Sangthan, Ministry of Youth Affairs and Sports, Govt. of India
- ARAVALI and UNNATI Organisations
- Krishi Vigyan Kendra, Fatehpur
- International Horticulture Innovation and Training Centre, Jaipur

bajaj hindusthan sugar ltd.

www.bajajhindusthan.com

Eighty Sixth Annual Report 2017-18

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bajaj hindusthan sugar ltd.

(formerly: Bajaj Hindusthan Ltd.)

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

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **Eighty Sixth Annual General Meeting** of the Members of Bajaj Hindusthan Sugar Limited will be held on Friday, September 21, 2018 at 11.00 A.M. at the Conference Hall, General Office, Bajaj Hindusthan Sugar Limited, Golago-karannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh – 262 802, 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, 2018 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 & Managing Director (DIN: 00017575), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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 Section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (the Rules), including any statutory modification(s) or re-enactments thereof for the time being in force, and in accordance with the Articles of Association of the Company, Mr. Rajeeva (DIN: 08128796), who was appointed as an Additional Director of the Company with effect from May 26, 2018, pursuant to Section 161 of the Act and the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting of the Company, who being eligible, offers himself for appointment 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 Director, be and is, hereby appointed as Nominee Director of the Company, liable to retire by rotation."

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 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, 2019, be and is hereby ratified and confirmed.

By Order of the Board of Directors

Pradeep Parakh
Group President (GRC) &
Company Secretary

Place: Mumbai
Dated: July 06, 2018

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting ("meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, shall be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.**

2. Corporate members intending to send their authorised representatives to attend the Annual General Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

3. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.

4. In terms of Article 104 of the Articles of Association, read with Section 152 of the Companies Act, 2013, Mr. Kushagra Bajaj, Chairman & Managing Director (DIN: 00017575), retires by rotation and being eligible, offers himself for reappointment. The Board of Directors recommends his reappointment.

5. 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 (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the annexure to the notice.

6. The Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice.

7. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which the Directors are available for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

8. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, September 15, 2018 to Friday, September 21, 2018 (both days inclusive) for the purpose of Annual General Meeting.

9. 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).

10. The Securities and Exchange Board of India ("SEBI") 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.

11. For convenience of the members and for proper conduct of the meeting, entry to the place of the meeting will be regulated by way of attendance slip, which is annexed to this Notice. Members are requested to bring their Attendance Slip, sign the same at the place provided and hand it over at the entrance of the venue.

12. Members are requested to send all communications relating to shares to the Registrar and Share Transfer Agent of the Company at the following address:

    By Post/ Courier/ Hand Delivery

    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
    Email: rnt.helpdesk@linkintime.co.in

13. 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 details of dividends paid by the Company and the corresponding due dates for transfer of such unencashed dividend to the aforementioned Fund constituted by the Central Government are furnished hereunder:

Dividend for the year	**Date of Declaration of Dividend**	**Due Date of transfer to The Investor Education and Protection Fund**
2010-2011	11/02/2012	17/03/2019
2011-2012	14/02/2013	21/03/2020

    Members who have not encashed/claimed the dividend warrant(s) so far in respect of the above financial years, are therefore, requested to make their claims to the Registered Office of the Company or M/s. Link Intime India Private Limited well in advance of the above due dates. Members are advised that once the unpaid/unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

    The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed

Dividends in respect of the financial years from 2009-2010, as on the date of the 85th Annual General Meeting held on 15th September 2017, on the website of the IEPF viz. www.iepf.gov.in and under 'Investors Section' on the website of the Company viz.www.bajajhindusthan.com

14. 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/IEPFA/refund.html.

15. 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.

16. As per the Companies Act, 2013 and rules made thereunder all documents to be sent to shareholders like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, etc. henceforth to the shareholders in electronic form, to the e-mail address provided by them and made available to us by the Depositories. The physical copies of the annual report will also be available at our Registered Office for inspection during office hours.

    Members are also requested to register/update their email addresses, with the Depository Participant (in case of shares held in dematerialised form) or with Company/M/s. Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company (in case of Shares held in physical form).

17. Electronic copy of the full annual report for 2017-2018 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the abridged annual report for 2017-2018 is being sent in the permitted mode.

18. Electronic copy of the Notice of the 86th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of 86th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

19. Members may please note that the Notice of the 86th Annual General Meeting and the full Annual Report for 2017-2018 will also be available on the Company's website www.bajajhindusthan.com for the download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investor.complaints@bajajhindusthan.com.

20. 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.

21. Voting through electronic means

    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 86th Annual General Meeting (AGM). The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as authorised agency to provide e-voting facility. It is clarified that it is not mandatory for a Member to vote using remote e-voting facility. In order to facilitate those Members, who do not wish to use the e-voting facility, the Company is enclosing a Ballot Form. Resolutions passed by Members through e-voting or ballot forms are deemed to have been passed as if they have been passed at the Annual General Meeting (AGM).

    The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

    The members who have 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 again.

    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.

The instructions for shareholders voting electronically are as under:

A Members whose e-mail ID (s) are registered with the Company/Depository Participants (CDSL/NSDL), the procedure to vote electronically is as under:

(i) The voting period begins on Tuesday, September 18, 2018 (9:00 a.m.) and ends on Thursday, September 20, 2018 (5:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 14, 2018 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	**Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)**
	• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
	• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN of Bajaj Hindusthan Sugar Limited.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

B. Members whose e-mail ID(s) are not registered with the Company/Depository Participants or request for a physical copy, the procedure to vote electronically is as under:

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM sent with Annual Report:

REVSN (Remote e-voting Sequence Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No.(ii) to Sl. No.(xii) above, to cast vote.

C. In case of any queries, you may refer the frequently asked questions (FAQs) for shareholders and e-Voting user manual for shareholders available at the Downloads section of www.evotingindia.com or write an e-mail to helpdesk.evoting@cdslindia.com

Alternatively, you can also contact on www.evotingindia.com for any queries or grievances connected with remote e-voting service.

D. If you already registered with CDSL for e-Voting then you can use his/her existing user ID and password/PIN for casting your vote.

E. You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).

F. 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 i.e. September 14, 2018.

NOTE: The cut-off date shall not be earlier than 7 days before the date of general meeting.

G. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 14, 2018, may obtain the login ID and password by sending a request at www.evotingindia.com. If you are already registered with CDSL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evotingindia.com or write an e-mail to helpdesk.evoting@cdslindia.com

H. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

I. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

J. The Company has appointed M/s. Gupta Baul & Associates, Company Secretaries, as the Scrutinizer of the Company conducting the remote e-voting and Mr. Avinash Chaturvedi, Advocate, as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process at the AGM in a fair and transparent manner.

K. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

NOTE: The Facility for Voting shall be decided by the Company i.e. "Ballot Paper".

L. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter 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 or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

M. The Results shall be declared by the Chairman or any other person authorized by him in writing on or within forty-eight hours of conclusion of the Annual General Meeting. The results declared shall be along with the consolidated Report of the Scrutinizer be placed on the website of the Company www.bajajhindusthan.com and on the website of CDSL immediately after the declaration of results. The results shall also be immediately forwarded to BSE and NSE where the equity shares of the Company are listed.

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

The following Statement sets out all the material facts relating to the Special Business mentioned under Item Nos. 3 to 4 of the accompanying Notice.

In respect of Item No. 3

The Company has received a letter dated April 13, 2018 from Punjab National Bank (PNB) for Nomination of Mr. Rajeeva in place of Mr. Mukeshkumar S. Dave to represent PNB as Nominee Director on the Board of the Company. Mr. Rajeeva was appointed as Additional Director of the Company by the Board of Directors with effect from May 26, 2018. In terms of Section 161(1) of the Companies Act, 2013, Mr. Rajeeva holds office only up to the date of the forthcoming Annual General Meeting of the Company and is eligible for appointment as a Nominee Director of the Company.

Mr. Rajeeva aged 50 years 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, MBA (Banking and Finance).

The other details of Mr. Rajeeva in terms of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, are annexed to this Notice.

The Company has received notice pursuant to Section 160 of the Companies Act, 2013 along with the amount of requisite deposit from a member signifying the intention to propose the appointment of Mr. Rajeeva as a Nominee Director. Mr. Rajeeva has consented to continue as Nominee Director of the Company, if appointed.

Copy of the notice received under Section 160 of the Companies Act, 2013 is available for inspection by the members at the Registered Office of the Company during the business hours on all working days at the registered office of the Company up to the date of the meeting.

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

Mr. Rajeeva is interested in the Resolution pertaining to the appointment at Item No.3 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.

In respect of Item No. 4

On recommendation of Audit Committee at its meeting held on May 12, 2018, 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, 2019 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. 4 of the Notice for ratification of the remuneration payable to the cost auditor for the financial year ending March 31, 2019.

The Board of Directors of the Company recommend passing of the Ordinary Resolution set out 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 the said resolution set out at Item No.4 of the Notice.

By Order of the Board of Directors

Pradeep Parakh
Group President (GRC) &
Company Secretary

Place: Mumbai
Dated: July 06, 2018

Details of Directors seeking appointment/re-appointment at the 86th Annual General Meeting in pursuance of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of the Director	**Mr. Kushagra Bajaj**	**Mr. Rajeeva**
Director Identification Number	00017575	08128796
Date of Birth	04/02/1977	30/06/1968
Nationality	Indian	Indian
Date of appointment on the Board	24/04/2007	26/05/2018
Relationship with other director	None	None
Qualifications	Bachelor of Science Degree in Economics Political Philosphy and Finance from Pitsburg, USA and Masters Degree in Marketing from Chicago, USA	M.A., CAIIB, MBA (Banking and Finance)
Expertise in functional area	Expertise in Sugar and FMCG Industries and Power business	Professional Banker with 25 years experience
Number of shares held in the Company	1,28,97,036 equity shares of ₹ 1/- each	Nil
List of Directorships held in other Companies	Bajaj Corp Limited KNB Enterprises LLP	Nil
Chairman/Member of the Committees of the Boards of other companies in which he/she is Director	Yes	Nil

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bajaj hindusthan sugar ltd.

(formerly: Bajaj Hindusthan Ltd.)

CIN: L15420UP1931PLC065243

Registered Office: Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh 262802

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

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s): ______________________________

Registered Address: ______________________________

____

Email ID: ____________________ Folio No./Client ID/DP ID: ____________________

I/We, being the member(s) of and hold/holds ____________________ shares of the above named Company, hereby appoint:

1. Name : ______________________________ E-mail ID : ____________________

   Address : ______________________________

   ______________________________ Signature: ____________________ or failing him/her

2. Name : ______________________________ E-mail ID : ____________________

   Address : ______________________________

   ______________________________ Signature: ____________________ or failing him/her

3. Name : ______________________________ E-mail ID : ____________________

   Address : ______________________________

   ______________________________ Signature: ____________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 86th Annual General Meeting of the Company, to be held on Friday, September 21, 2018 at 11.00 a.m. at the Conference Hall, General Office, Bajaj Hindusthan Sugar Limited, Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh 262 802 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution	For*	Against
Ordinary Business		
1. Adoption of financial statements for the year ended as at March 31, 2018 and the Reports of the Directors and Auditors thereon.	☐	☐
2. Re-appointment of Mr. Kushagra Bajaj (DIN: 00017575), as Director, who retires by rotation and being eligible offers himself for re-appointment.	☐	☐
Special Business		
3. Appointment of Mr. Rajeeva (DIN: 08128796) as Nominee Director of the Company, liable to retire by rotation.	☐	☐
4. Ratification of the remuneration payable to cost auditors for the year 2018-2019.	☐	☐

This is optional. Please put a tick mark (√) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

Signed .... day of .... 2018.

Affix
15 Paise
Revenue
Stamp

Signature of the proxy holder(s)______________________________

Notes:

*1. Please put a "X" in the Box in the appropriate column against the respective resolutions. If you leave the "For" or Against column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

2. This form of proxy in order to be effective, should be duly completed, stamped, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.

3. For the Resolutions, Statement setting out material facts thereon and notes, please refer to the Notice of the 86th Annual General Meeting.

bajaj hindusthan sugar ltd.

(formerly: Bajaj Hindusthan Ltd.)

CIN: L15420UP1931PLC065243

Registered Office: Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh 262802

Tel.: +91-5876-233754/5/7/8,233403, **Fax:** +91-5876-233401, **Website**:www.bajajhindusthan.com

ATTENDANCE SLIP FOR 86TH ANNUAL GENERAL MEETING

(Please bring this Attendance Slip to the Meeting Hall and hand it over at the entrance)

Sr. No.

Folio No./DP ID/Client ID No. :

Name of the Shareholder :

Registered Address of the Shareholder :

No. of Shares :

I/We hereby record my/our presence at the 86th Annual General Meeting of the Company on **Friday, September 21, 2018 at 11.00 a.m. at the Conference Hall, General Office, Bajaj Hindusthan Sugar Limited, Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh 262 802.**

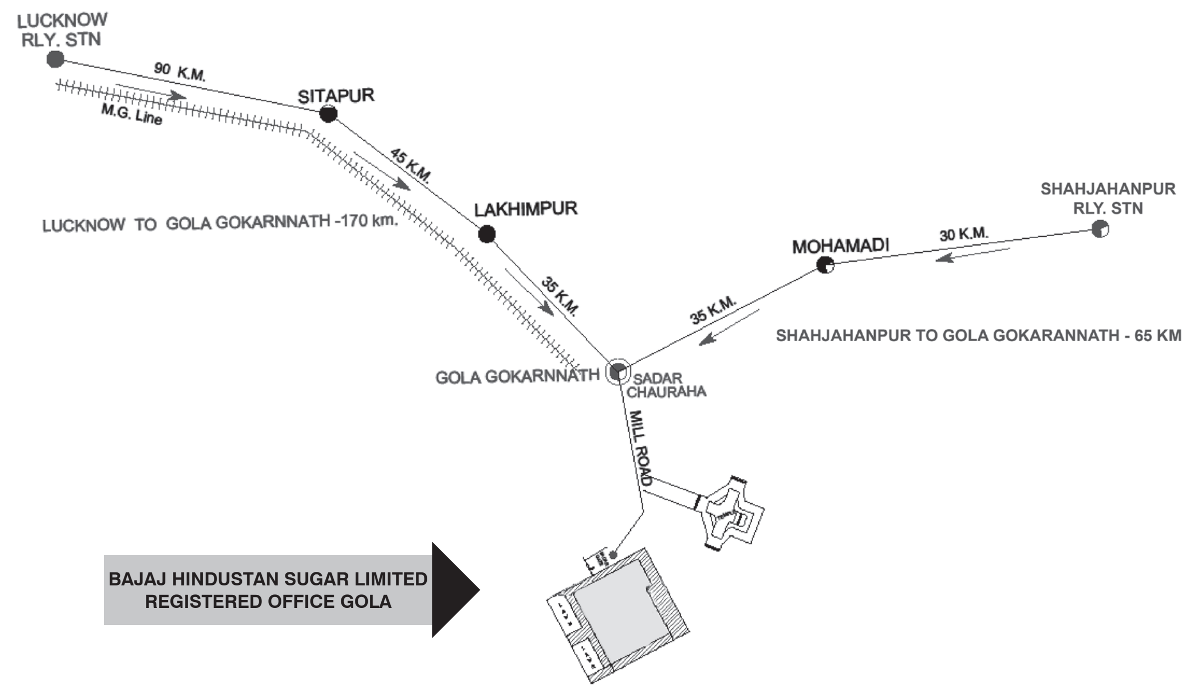
First/Sole holder/Proxy	Second holder/Proxy	Third holder / Proxy	Fourth holder / Proxy

FOR IMMEDIATE ATTENTION OF THE SHAREHOLDERS

Shareholders may please note the user ID and Password given below for the purpose of remote e-voting in terms of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) as amended by the Companies (Management and Administration) Amendment Rules, 2015. Detailed instructions for remote e-voting are given in the 86th AGM Notice.

REVSN (Remote e-voting Sequence Number)	USER ID	PASSWORD/PIN

LOCATION OF BHSL CONFERENCE HALL OF BAJAJ HINDUSTHAN SUGAR LIMITED



ROAD MAP FROM LUCKNOW RLY STN. TO REGISTERED OFFICE - GOLA GOKARANNATH

AND

SHAHJAHANPUR RLY STN. TO REGISTERED OFFICE - GOLA GOKARANNATH

Notes:

1. Registration will start at 10.00 a.m. on the day of Annual General Meeting (AGM).
2. Members are required to submit their duly signed Attendance Slips and get their entry passes stamped.
3. Members should submit their entry passes at the entrance of the BHSL Conference Hall for attending the AGM.
4. Members are informed that in case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. This Attendance Slip is valid only in case shares are held on the date of the meeting.
6. Members who have received Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit duly filled in Attendance Slip at the entrance hall to attend the AGM.

Electronic Voting (e-Voting):

7. **The business, as set out in the Notice, will be transacted through e-voting. Members are requested to refer to the detailed procedure on e-voting provided in the Notice of AGM.**