bajaj hindusthan sugar 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 Fifth Annual General Meeting of the Members of Bajaj Hindusthan Sugar Limited will be held on Friday, September 15, 2017 at 11.00 A.M. at the Conference Hall, General Office, Bajaj Hindusthan Sugar Limited, Golagokarnnath, 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, 2017 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. Ashok Kumar Gupta, Director (Group Operations) (DIN: 02608184), who retires by rotation and being eligible, offers himself for re-appointment.

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

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, appointment of Messrs Chaturvedi & Shah, Chartered Accountants (Firm Registration No.101720W), as the Statutory Auditors of the Company be and is hereby ratified, to hold office from the conclusion of this (85th) Annual General Meeting until the conclusion of the next (86th) Annual General Meeting of the Company on such remuneration plus service tax, out-of-pocket expenses etc. as may be mutually agreed upon by the Board of Directors and the Auditors."

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (the Rules), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and in accordance with the Articles of Association of the Company, Ms. Shalu Bhandari (DIN: 00012556), who was appointed as an Additional Director of the Company with effect from 17th September, 2016, and who has submitted a declaration that she meets the criteria of independence, as provided in Section 149(6) of the Act and in accordance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and is qualified for being appointed as an Independent Director and in respect of whom a notice in writing under Section 160 of the Act has been received from a member proposing her candidature for the office of Independent Director, be and is, hereby appointed as an Independent Director of the Company, to hold office upto September 16, 2021."

5. 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 (the Act) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (the Rules), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and in accordance with the Articles of Association of the Company, Mr. Mukeshkumar S. Dave (DIN: 07708691), who was appointed as an Additional Director of the Company with effect from 11th May, 2017, pursuant to Section 161 of the Act and the Articles of Association of the Company, and who holds office upto 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."

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules made thereunder, read with Schedule V to the Act including any statutory modification(s) or re-enactment(s) thereof for the time being in force and subject to such other approval(s), permission(s) and / or sanction (s) as may be necessary, the consent and approval of the Company be and is hereby accorded to the reappointment 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 (5) years with effect from October 01, 2017, as set out below:

I. Remuneration:

a) Salary: ₹ 2,78,342 p.m. in the scale of ₹ 2,50,000 –₹ 7,50,000.

II. Perquisites and Allowances:

i) House Rent Allowance: House Rent Allowance at the rate of 20% of basic salary.

ii) Special Allowance: Special Allowance as per the rules of the Company, presently ₹ 242,509 per month.

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

iv) Other Allowances: Allowances of Food Coupons, Children Education, etc. as per the rules of the Company.

v) Medical Reimbursement: Reimbursement of actual medical expenses incurred as per the rules of the Company.

vi) Other Perquisites: Subject to overall ceiling on remuneration mentioned herein below the Whole-time Director may be given other allowances, benefits and perquisites as may be decided from time to time.

Explanation:

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

III. Performance Linked Incentive: Performance Linked Incentive to the achievement of targets as per the rules of the Company subject to a maximum of 2 month's basic salary per annum.

IV. Others including Retirals:

i) Contribution to Provident Fund: Company's contribution to Provident Fund as per the rules of the Company.

ii) Superannuation: Superannuation at the rate of 15% of the basic salary

iii) Gratuity: Gratuity payable to the extent permitted under the Payment of Gratuity Act, 1972.

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

v) Conveyance: Reimbursement of driver's salary, fuel expenses, car repairs and maintenance and car insurance renewal as per the rules of the Company.

vi) Communication: Reimbursement of residential telephone expenses as per the rules of the Company.

vii) Other Facilities: Reimbursement of uniform expenses and books and periodicals expenses as per the rules of the Company.

V. Overall remuneration:

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

VI. Minimum remuneration:

In the event of loss or inadequacy of profits, in any financial year, during the currency of tenure of service of Whole-time Director, the payment of remuneration shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof, as may, for the time being, be in force.

"RESOLVED FURTHER THAT in case the Company has in any financial year no profits or if its profits are inadequate anytime during the period of 3 (three) years from October 01, 2017, the Whole-time Director shall be paid the aforesaid remuneration as the minimum remuneration, with the liberty to the Board of Directors (which term shall be deemed to include the Nomination and Remuneration Committee) to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Whole-time Director in such manner as may be permitted in accordance with the provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 or any modification(s) thereto and as may be agreed by and between the Board and Mr. Ashok Kumar Gupta."

7. 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 ₹ 3,73,000 (Rupees Three Lakh Seventy Three 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, 2018, be and is hereby ratified and confirmed."

By Order of the Board of Directors

Pradeep Parakh
Group President (GRC) &
Company Secretary

Place: Mumbai
Dated: May 25, 2017

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. Ashok Kumar Gupta, Director (Group Operations) (DIN :02608184), retires by rotation and being eligible, offers himself for reappointment. The Board of Directors recommends his reappointment.

5. Brief resume of all Directors proposed to be 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 09, 2017 to Friday, September 15, 2017 (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 ShareTransfer 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 respectivedate 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
2009-2010	22/03/2011	27/04/2018
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 2008-2009, as on the date of the 84th Annual General Meeting held on 16th September 2016, 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 shall be transferred to an IEPF suspense account.

    The Company has initiated the process and issued individual notices to the 1717 Shareholders holding 280728 Equity shares, who have not claimed their dividends (interim as well as final) for the last seven consecutive years. The Company has also uploaded full details of such shares due for transfer as well as unclaimed dividends on the website of the Company. The shares shall be credited to IEPF Suspense Account within the period prescribed under the Rules.

    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”.

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 Ltd. 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 annual report for 2016-2017 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 annual report for 2016-2017 is being sent in the permitted mode.

18. Electronic copy of the Notice of the 85th 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 85th 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 85th Annual General Meeting and the Annual Report for 2016-2017 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 communicationin 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 85th 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 Monday, September 11, 2017 (9:00 a.m.) and ends on Thursday, September 14, 2017 (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 08, 2017 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 communications(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 08, 2017.

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 08, 2017, 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 BUSINESS 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. 4 to 7 of the accompanying Notice.

In respect of Item No. 4

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, every listed Company is required to appoint a Woman Director on the Board of Directors. Mrs. Kiran Anuj was appointed as Woman Director on the Board at the Board Meeting held on March 30, 2015. The sad demise of Mrs. Kiran Anuj on June 20, 2016, resulted into the intermittent vacancy of the mandatory position of woman director at Bajaj Hindusthan Sugar Limited. Ms. Shalu Bhandari was appointed by the Board as Additional Director with effect from September 17, 2016 to fill in the intermittent vacancy caused by cessation of Mrs. Kiran Anuj.

As per the provisions of Section 149 of the Companies Act, 2013, every listed Company shall have at least 1/3rd of the total number of Directors as Independent Directors who shall not be liable to retire by rotation and who shall hold office for a term of five consecutive years. As per Schedule IV of the Companies Act 2013 the appointment of Independent director shall be approved at the meeting of the shareholders.

Ms. Shalu Bhandari, aged 38 years, 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.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. Ms. Bhandari, appointed as an additional director of the Company w.e.f. September 17, 2016, had furnished declaration to the Company under Section 149(7) of the Act, confirming that she meet the criteria prescribed for Independent Director under Section 149(6) of the Act as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Ms. Bhandari is a person of integrity, possesses the relevant expertise and experience, fulfils the conditions specified in the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is Independent of the management of the Company.

It is proposed to appoint Ms. Shalu Bhandari as Independent Director of the Company for a period of 5 years w.e.f. September 17, 2016 to September 16, 2021 as set out at Item No.4 of this Notice. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 along with the amount of requisite deposit from one of the members signifying their intention to propose the appointment of Ms. Shalu Bhandari as an Independent Director of the Company.

The other details of Ms. Shalu Bhandari in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are annexed to this Notice.

A 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.4 of the Notice.

Ms. Shalu Bhandari is interested in the Resolution pertaining to her appointment at item No.4 of the Notice. Save as aforesaid, none of the Directors of the Company or 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.

In respect of Item No. 5

The Company has received a letter dated May 05, 2017 from Punjab National Bank (PNB) for Nomination of Mr. Mukeshkumar S. Dave in place of Mr. Binod Kumar to represent PNB as Nominee Director on the Board of the Company. Mr. Mukeshkumar S. Dave was appointed as Additional Director of the Company by the Board of Directors with effect from May 11, 2017. In terms of Section 161(1) of the Companies Act, 2013, Mr. Mukeshkumar S. Dave 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. Mukeshkumar S. Dave graduated from Delhi University in 1982. He holds Degree of B.Com (Hons.) and C.A.I.I.B. Mr. Dave has joined PNB in 1984 and served in various senior positions like Circle Head – DGM – Circle Office Noida, MD & CEO-Druk PNB Bank Limited – Bhutan, AGM, HO IBB Division, AGM Delhi EC House, Chief Manager – Brady House, Mumbai, Senior Manager – ZO Gujarat, Manager – Sohrana Branch, UP and presently designated as DGM-Circle Head, NCR Noida Circle, PNB.

The other details of Mr. Mukeshkumar S. Dave 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. Mukeshkumar S. Dave as a Nominee Director. Mr. Mukeshkumar S. Dave 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.5 of the Notice.

Mr. Mukeshkumar S. Dave is interested in the Resolution pertaining to the appointment at Item No.5 of the Notice. Save as aforesaid, none of the Directors of the Company and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in any way, in the said resolution.

In respect of Item No.6

Mr. Ashok Kumar Gupta (DIN: 02608184) was appointed by Board of Directors on October 01, 2012 and designated as Director (Group Operations) and the remuneration was approved by Shareholders on 14th February 2013. The present term of office of Mr. Ashok Kumar Gupta, Director (Group Operations) of the Company will expire on September 30, 2017.

The Board of Directors, at its meeting held on May 25, 2017 has, pursuant to the approval of the Nomination and Remuneration Committee of the Board and subject to the approval of the Members and such other approval(s)/permission(s)/consent(s) as may be required, re-appointed Mr. Ashok Kumar Gupta, as Whole-time Director designated as Director (Group Operations) of the Company for a further tenure of 5 (five) years from October 01, 2017 on terms and conditions set out in Resolution at item No.6 of the Notice.

The Board has proposed to pay the remuneration as stated in the resolution at Item No.6 of the Notice to him as the Minimum Remuneration, in the event of absence or inadequacy of profits of the Company in any financial year during the period of three years from the date of re-appointment of Mr. Ashok Kumar Gupta, as Whole-time Director i.e. with effect from October 01, 2017, which may be in excess of the maximum remuneration payable to him in accordance with the provisions of the Companies Act, 2013 and therefore the approval of the Shareholders is required by way of passing Special Resolution.

Statement as required under Section II, part II of the Schedule V of the Companies Act, 2013 with reference to Resolution at the Item No. 6 is annexed hereto marked as Annexure – A.

Pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013, re-appointment of Mr. Ashok Kumar Gupta as Whole-time Director of the Company and payment of remuneration (including as minimum remuneration) is subject to the approval of shareholders by way of Special Resolution. The Board of Directors of the Company recommends passing of the Special Resolution as set out at item no. 6 of the Notice.

A copy of the Resolution passed by the Board of Directors and the Nomination and Remuneration Committee at their respective meetings held on May 25, 2017 and written memorandum setting out the terms of appointments and remuneration as required under Section 190 of the Companies Act, 2013 are available for inspection by shareholders at the Registered Office of the Company during the office hours on any working days, except Saturdays between 11.00 A.M. and 1.00 P.M. upto September 15, 2017.

Mr. Ashok Kumar Gupta is interested in the resolution of his remuneration at item no. 6 of the Notice. Save as aforesaid none of the Directors and Key Managerial Personnel of the Company, and their relatives, is in any way, concerned or interested in the said resolution.

In respect of Item No.7

On recommendation of Audit Committee at its meeting held on May 25, 2017, 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, 2018 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 ₹ 3,73,000 (Rupees Three lakh seventy three 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. 7 of the Notice for ratification of the remuneration payable to the cost auditor for the financial year ending March 31, 2018.

The Board of Directors recommend passing of the Ordinary Resolution set out at Item No. 7 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. 7 of the Notice.

By Order of the Board of Directors

Pradeep Parakh
Group President (GRC) &
Company Secretary

Place: Mumbai
Dated: May 25, 2017

Details of Directors seeking appointment/re-appointment at the 85th 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. Ashok Kumar Gupta**	**Ms. Shalu Bhandari**	**Mr. Mukeshkumar S. Dave**
Director Identification Number	02608184	00012556	07708691
Date of Birth	15.04.1951	13.04.1979	23.10.1962
Nationality	Indian	Indian	Indian
Date of appointment on the Board	01/10/2012	17/09/2016	11/05/2017
Relationship with other director	None	None	None
Qualifications	M. Com	B.Com, FCS	B.Com (H), CAIIB
Expertise in functional area	Operation of Sugar & Distillery plants	Providing services in the field of Corporate Law matters with a dedicated focus towards handholding entrepreneurs and corporates	Expertise in banking
Number of shares held in the Company	2900 equity shares of ₹ 1/- each	Nil	Nil
List of Directorships held in other companies	Nil	Unisoft Computers Private Limited Lalitpur Power Generation Company Limited	Uttam Sugar Mills Ltd.
Chairman/Member of the Committees of the Boards of other companies in which he/she is Director	Nil	Nil	Nil
Directorships includes Directorship of other than Indian Public Companies and Committee memberships includes only Audit Committee and Stakeholders Relationship Committee of Public Limited Company (whether listed or not)			

'ANNEXURE–A' REFERRED TO IN THE EXPLANATORY STATEMENTS TO RESOLUTIONS AT ITEM NO. 6 OF THE NOTICE FOR 85TH ANNUAL GENERAL MEETING OF BAJAJ HINDUSTHAN SUGAR LIMITED

Statement as required under Section II, part II of the Schedule XIII of the Companies Act, 2013 with reference to the Resolutions at Item No. 6 is as follows:

I. General Information:

(1) Nature of industry:Manufacturing of Sugar, Industrial Alcohol and Co-generation of Power.

(2) Date of expected date of commencement of commercial production: Existing Company already commenced commercial production since 1931.

(3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Existing Company not applicable.

(4) Financial performance based on given Indicators:

Sl. No.	Particulars	Audited figure Year ended 31.03.2017 (₹ in Crore)	Audited figure Year ended 31.03.2016 (₹ in Crore)	Audited figure Year ended 31.03.2015 (₹ in Crore)
1	Revenue from operations	4,618.64	4,882.62	4,694.08
2	Other income	162.27	155.98	186.05
3	Total Expenses	3,763.14	4,089.45	4,848.47
4	Finance Charges	802.07	848.38	888.94
5	Depreciation & Amortisation	214.12	223.98	239.94
6	Profit /(Loss) before tax	1.58	(123.21)	(1,097.22)
7	Provision for Tax Expenses	(5.82)	(3.42)	-
8	Profit / (Loss) after tax	7.40	(119.79)	(1,097.22)

Export performance and net foreign exchange collaborations: Nil

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

II. Information about the appointee Mr. Ashok Kumar Gupta

(1) Background details:

Mr. Ashok Kumar Gupta aged 66 years, handles and supervises the overall production and other plant related activities of the Company. He has been associated with the Company for over three decades. Mr. Ashok Kumar Gupta was inducted on the Board of the Company as Director (Group Operations) on October 01, 2012. He has over 45 years of experience in Sugar Industry.

(2) Past remuneration:

For the year ended March 31, 2017	₹ 87,91,609
For the year ended March 31, 2016	₹ 80,96,827
For the year ended March 31, 2015	₹ 79,85,164

(3) Recognition of awards:

Mr. Ashok Kumar Gupta, has been awarded “Best Professional of The Year Gold Medal Award 2011” by the Sugar Technologists’ Association of India.

Mr. Ashok Kumar Gupta, has been awarded “GEM OF INDIA AWARD” on June 30, 2011 by Council for National Development, New Delhi on its 58th National Convention of National Building through Individual Achievements.

(4) Job profile and suitability: Mr. Ashok Kumar Gupta, Director (Group Operations) is responsible for overall production and other plant related activities. He has over 45 years of experience in Sugar Industry. Mr. Ashok Kumar Gupta has been associated with the Company for over three decades.

(5) Remuneration proposed: As stated in Resolution at Item No. 6, the approval for shareholders by a Special Resolution is sought for payment of remuneration and also in case the Company has no profit or inadequate profit during the present tenure, the present remuneration be treated as minimum remuneration.

(6) Comparative remuneration profile with respect to industry size of the Company, profile of the position and person (in expatriates, the relevant details would be w.r.t. the country of origin): The Remuneration as proposed of Mr. Ashok Kumar Gupta is similar to that drawn by the peers in the similar capacity in the similar industry.

(7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any: Mr. Ashok Kumar Gupta holds 2900 equity shares of ₹ 1/- each in the Company. Other than these and the remuneration paid to Mr. Ashok Kumar Gupta, there is no other pecuniary relationship of Mr. Ashok Kumar Gupta, directly or indirectly with the Company or with its managerial personnel.

III. Other information:

(1) Reasons for loss or inadequate profits:

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

The secular increase in sugarcane price year after year in form of high SAP, is in stark contrast to the fluctuating sugar prices that have been comparatively quite low most of the times during last few years.Another disruptive factor was the disparity in sugarcane price in Uttar Pradesh irrespective of sugar recovery, which was much higher than FRP (Fair & Remunerative Price) fixed by the Central Government. Furthermore a large amount on account of various incentives/ subsidies under the U.P. Sugar Promotion Policy and the levy sugar price difference is held up with Government authorities. This is resulting in increased debt burden and consequently the interest cost.

The sugar industry in India has suffered a prolonged downturn causing a severe cash crunch to almost all sugar manufacturers. The performance of EBIDTA level is comparable with other companies. However the loss/inadequate profits are due to relatively higher debt burden faced by the Company.

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

The Company has taken certain initiatives towards operational efficiencies which have increased percentage of recovery and production of sugar. Necessary efforts are being made to reduce the debt burden to improve profitability of the Company.

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

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

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

Company's capability of generating an exportable surplus of 150 MW which can be supplied to the local grid, from its overall co-generation capacity provides the Company with necessary insulation from the cyclicality associated with its sugar business.

In view of the improvement in recovery of sugar in state of U.P., improvement in domestic sugar prices coupled with various positive initiatives taken by the Government i.e. Incentive on exports of raw sugar, Mandatory export of Sugar, Cane subsidy, Fixation of the uniform delivered price for Ethanol, Increase in blending percentage of Ethanol from 5% to 10%, Waiver of central excise duty on ethanol supplies, the Company expects that the productivity and profitability shall improve and would be comparable with the industry average.

IV. Disclosures:

(1) Remuneration package of the managerial person: Fully described in the respective Resolution and/or Explanatory Statement;

(2) Following details of remuneration have been disclosed in the Corporate Governance Report attached to the Board's Report as required:

i. All elements of remuneration package such as salary, benefits, stock options, pension etc. of all the directors;

ii. Details of fixed component and performance linked Incentives along with the performance criteria;

iii. Service contracts, notice period, severance fees;

iv. Stock option details.

bajaj hindusthan sugar 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 85th Annual General Meeting of the Company, to be held on Friday, September 15, 2017 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 there of 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, 2017 and the Reports of the Directors and Auditors thereon.	☐	☐
2. Re-appointment of Mr. Ashok Kumar Gupta (DIN: 02608184), as Director, who retires by rotation and being eligible offers himself for re-appointment.	☐	☐
3. Ratification of appointment of M/s. Chaturvedi & Shah, Chartered Accountants (Firm Registration No.101720W) as auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and fix their remuneration.	☐	☐
Special Business		
4. Appointment of Ms. Shalu Bhandari (DIN: 00012556) as an Independent Director of the Company to hold office upto September 16, 2021.	☐	☐
5. Appointment of Mr. Mukeshkumar S. Dave (DIN: 07708691) as Nominee Director of the Company, liable to retire by rotation.	☐	☐
6. Re-appointment of Mr. Ashok Kumar Gupta (DIN: 02608184), as Whole-time Director of the Company for a further period of Five (5) years w.e.f. October 01, 2017.	☐	☐
7.. Ratification of the remuneration payable to cost auditors for the year 2017-2018.	☐	☐

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 .... 2017.

Signature of the proxy holder(s)________________________________ Affix 15 Paise Revenue Stamp ______________________________________

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 allthe 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 85th Annual General Meeting.

bajaj hindusthan sugar 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 85TH 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 85th Annual General Meeting of the Company on **Friday, September 15, 2017 at 11.00 a.m. at the Conference Hall, General Office, Bajaj Hindusthan Sugar Limited, Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh 262 802**.

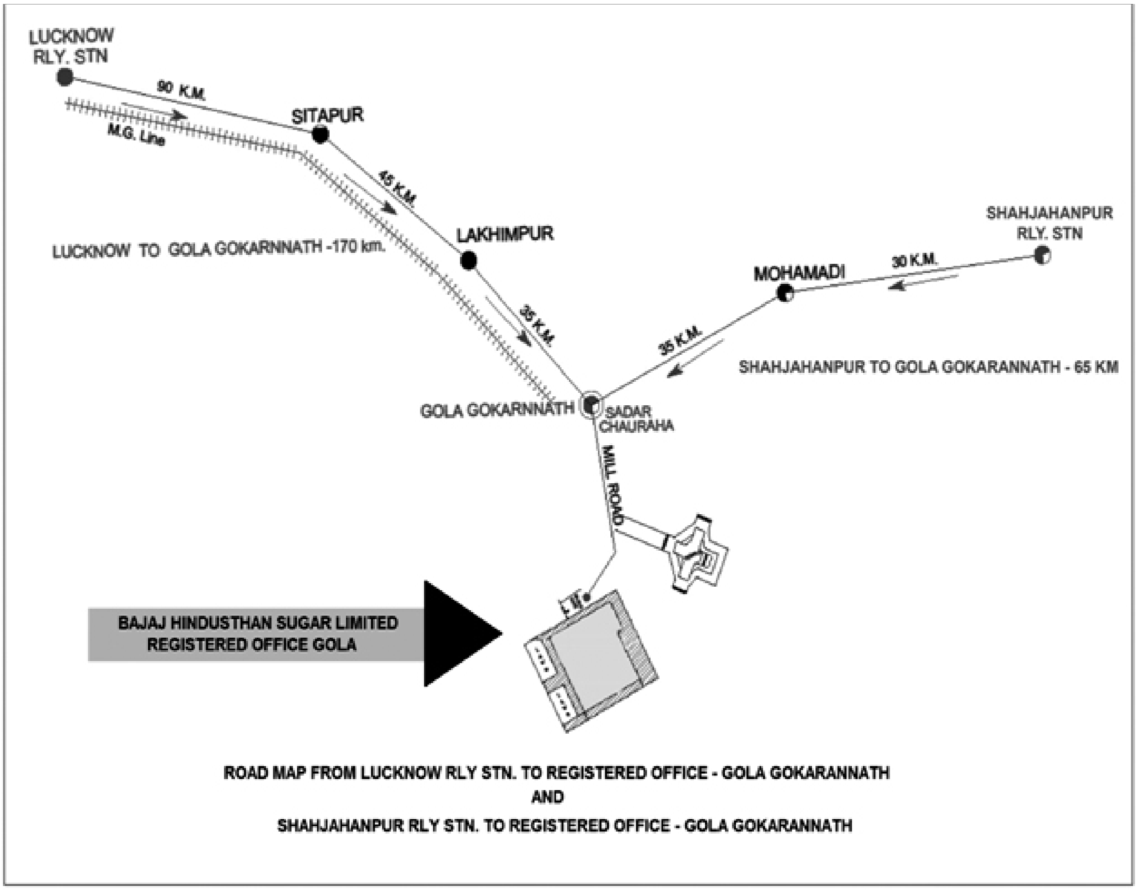
First/Sole holder/Proxy	Second holder/Proxy	Third holder / Proxy	Fourth holder / Proxy

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 85th AGM Notice.

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

LOCATION OF BHSL CONFERENCE HALL OF BAJAJ HINDUSTHAN SUGAR LIMITED



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.**

Striving to create a better tomorrow

bajaj hindusthan sugar ltd.

www.bajajhindusthan.com

Eighty Fifth Annual Report 2016-17

Glimpses of CSR Programme

- 1080 Villages Covered
- 185250 Families Benefited
- 913937 Population Covered

VILLAGE INSTITUTIONS

- 4114 Village Institutions established (963)

WATER RESOURCE DEVELOPMENT AND SOIL CONSERVATION

- 142 Rivers / streams of 248 km are rejuvenated (35.13 km)
- 107 Check dams constructed (10)
- 2128 Wells recharged (187)
- 3076 Recharge pits constructed (339)
- 1459 Lift irrigation schemes installed (39)
- 34 Percolation tanks constructed (9)
- 7069 Drip and sprinkler irrigation systems installed (1278)
- 2332 Boribandh installed (454)
- 1267 Acres of farm bunds formed (0)
- 798 Roof rainwater harvesting structures constructed (72)
- 1148 Acres uncultivable land developed through land levelling (196)

PROMOTION OF SUSTAINABLE AGRICULTURE

- 11276 Families covered under Convergence of Agricultural Interventions in Maharashtra project (123)
- 11000 Families adopted Better Cotton Initiative programme (11000)
- 12764 Families benefited under Wadi project (2297)
- 13517 Farmers adopted Natural Farming (4425)
- 14290 Families adopted kitchen gardening (1160)
- 1737 Acres under vegetables / cash crops / floriculture (1216)
- 6082 Acres crop demonstration of new and high yielding varieties
- 635 Azolla units / Fodder plots established (300)
- 310 Farmers' club formed (24)
- 144 Onion storage units installed (0)
- 138 Gramin Fridge constructed (0)
- 279 Cattle feeding cum Drinking water systems constructed (0)
- 455 Power-operated chaff cutter installed (0)
- 6 Agro processing units established (0)

DESIGN FOR CHANGE PROGRAMME

- 141 Projects completed by school students (29)

WOMEN EMPOWERMENT

- 3046 Self-Help Groups formed (385)
- 40584 Families benefited (4620)
- 6083 Families benefited under Rural Enterprises (0)

PROMOTION OF NON CONVENTIONAL ENERGY SOURCES

- 4301 Biogas Plants constructed (660)
- 557 Domestic Solar Light units installed (50)

SKILLS TRAINING AND CAPACITY BUILDING PROGRAMME

- 2880 Training and capacity building programmes conducted (555)

PROMOTION OF INDIGENOUS COWS

- 7889 Families adopted indigenous cows (0)

Figure in brackets are achieved during the year 2016-17, rest of the figures are cumulative achievements.

OUR PARTNERS

- Rural Community
- Navajbai Ratan Tata Trust (SRTT)
- National Bank for Agriculture & Rural Development (NABARD)
- International Fund for Agriculture Development (IFAD)
- Government of Maharashtra
- Government of Rajasthan
- Maharana Pratap University of Agriculture and Technology (MPUAT)
- Krishi Vigyan Kendra, Sikar and Jhunjhunu
- International Horticulture Innovation and Training Center, Jaipur
- Agriculture Times, Jaipur
- Lead Bank and Local Banks, Sikar

Adoption of natural farming not only reduces the input cost in crop cultivation but also fetch good market price for the produce. Farmers learning the important techniques of natural farming

Construction of check dam increased the water storage capacity which in turn increased the area under irrigation and ground water recharge

Women of self-help groups save money on monthly basis as well as support their family by initiating various income generation activities

Women of self-help group have initiated group based enterprises like processing of pulses at village level. This creates employment at village level also fetching them income to support their livelihood

Sharing experiences with others help encouraging the villagers. A villager sharing her experience of biogas with other villagers

Under the Design for Change project the students of village school has raised the Medicinal plants garden. This plants serve as a source of medicines required for daily use

Participation in execution of activities creates ownership which ensures optimum use of the structures created. Participation of Women SHG members and villagers in construction of boribandh in village

Farmer cultivating cabbage with adoption of practices of zero budget natural farming

Participatory Rural Appraisal is a process gives an overview of problems in the village as well as strength of the village

Supported 1200 poor families with distribution of woollen clothing during winter of 2016

Construction of check dam with 1.5 lakh CUM storage capacity, benefiting 75 farmers and 570 acres of farming land

Revival of large size traditional pond in village. 1,12,500 CUM storage capacity, benefiting 250 farmers and 525 acres of land

Chairman's letter

Dear Shareholders,

Globally, sugar is facing a huge downturn in terms of prices. From the highs of over 20 cents to a pound around February 2016 the prices have plummeted to below 13 cents level by mid June 2017 the lowest in the last 16 months. With over 180 nations producing sugar Brazil, India, Thailand, Myanmar and China remain the dominant players in the global industry. Till last year, a fair upturn in prices served as a sweet pill for most of the sugar players with most of the sugar producing nations enjoying an upsurge in production.

Brazil still remains one of the most dominant nations to impinge upon both production and prices. Hence, sugar observers will closely watch how Brazil would behave in such a sugar price downslide. However, initial information reveals that though Brazil this year has not had a swift take off in production like last year, despite this the Brazilian Sugarcane Industry Association predicted that sugar production will only decline marginally from the previous year's record. It is said that though prices have dropped by around 30 percent since last year, large Brazilian mills have the early advantage of high lock-in prices in futures. On the other side small producers in Brazil would face the brunt of tumbling market driven prices.

Reiterating the above, International Sugar Organization (ISO) cautioned over expectations of price weakness on the back of foreseeing global production surpluses for the next two seasons. Initial forecasts for 2017-18, on an October-to-September basis, states the world returning to a production surplus of about 3 million tonnes with the potential for further surplus the following season. If producers in 2018-19 manage to keep output at the level projected for 2017-18, the surplus phase may continue for one more season.

On the domestic front, higher production is bearish for sugar prices. Production this year dropped to barely 20 million tonnes against an estimation in the range of 24 to 25 million tonnes. Adding an inventory of 7.7 million tonnes we would have 27.7 million tonnes of sugar available. With expected consumption of 24 million tonnes, there would be a sufficient inventory to carry forward for the new season. Production would also get supplemented with good monsoons expected at 98 percent levels this year, creating a downward pressure on prices. This brings us to revisit the requirement for sugar imports and existing customs duty on sugar. At a 40 percent import duty and the present global weakness in sugar prices, it makes sugar imports further cheaper compared to domestic prices. It is essential to maintain a price parity and raise duty to at least 60 percent levels to protect fair domestic prices, save foreign exchange, save domestic industry, protect jobs and farmers interest. To maintain a fair and remunerative price (FRP) of ₹255 per quintal it is important to maintain a critical price of domestic sugar at least at ₹36 a kg at mill level in local markets. In states where there is a state advised price (SAP) model, the SAP ranges much higher from ₹305 to ₹315 per quintal. Any slippage in prices of sugar from these levels would create a severe pressure on mills to pay the farmers on time, given that cane prices constitute almost 75 percent of the overall cost of production of sugar. As I mentioned in my earlier observations, this has to be perceived through the proposals of Rangarajan Committee on sugar price decontrol and proposal of a shift to revenue sharing model based on domestic sugar prices. Hikes in administered sugarcane prices would make it impossible to be brought down in the future when market price of sugar crashes, creating severe financial distortions for sugar manufacturers.

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 tonnes crushed per day (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, 2017, the Company crushed 12.509 MMT of sugarcane. During the year the Company produced 12,72,424 MT sugar and 5,94,958 MT molasses. During the year Industrial Alcohol / Ethanol production was 1,11,934 KL as against 1,25,310 KL in the previous year. Alcohol / Ethanol sale during the year was at 1,09,820 KL as against 1,42,846 KL during the previous year. 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 7,29,431 MW as against 6,86,685 MW in the previous year. The Company exported 2,67,257 MW of power during the year as against 2,66,106 MW during the previous year.

India would witness a landmark shift to GST on July 01, 2017. The one-tax one-nation theory would take shape in terms of uniform taxes. I firmly believe it's a great opportunity where India would set a landmark example to the whole world in terms of its economic intent and execution. Specifically for your industry, GST in sugar has been set at 5 percent, which would lower the existing cumulative taxes under various heads being paid by the industry by around 3 percent.

Your Company and family of employees are committed as always through a prudent management to oversee the slowdown and shortfall in prices expected in the next one year. The inner strength of any organisation is tested during economic down cycles. We have resolutely witnessed such economic cycles in the past and are confident of successfully being able to manage the present and future disruptions of sugar prices, banking on our strong learning and experience as a market leader.

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 : 2012-2017

₹ Crore

BALANCE SHEET	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2012*
ASSETS					
Non-current assets					
Property, plant and equipment	7,728.17	7,937.16	8,157.72	4,986.71	5,419.50
Capital work-in-progress	36.05	18.74	8.26	8.14	7.40
Other intangible assets	0.00	0.00	0.00	0.13	0.35
Financial assets					
Investments	1,108.30	1,132.49	1,152.95	2,431.05	1,600.36
Other non-current financial assets	4.93	3.83	3.66	1.40	1.68
Other non-current assets	21.79	19.92	24.27	21.42	36.82
Sub total	8,899.24	9,112.14	9,346.86	7,448.85	7,066.11
Current assets					
Inventories	3,009.52	1,924.12	2,179.29	2,673.50	558.24
Financial assets					
Trade receivables	165.58	300.16	165.78	225.48	192.02
Cash and cash equivalents	30.09	41.17	59.93	125.77	178.16
Bank balances	51.41	78.10	29.95	3.50	2.62
Loans	1,855.71	1,710.83	1,564.40	1,244.65	1,406.71
Current tax assets (net)	21.63	20.72	23.81	39.15	55.29
Other current assets	769.68	767.41	833.79	767.51	738.15
Sub total	5,903.62	4,842.51	4,856.95	5,079.56	3,131.19
Total	**14,802.86**	**13,954.65**	**14,203.81**	**12,528.41**	**10,197.30**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	110.07	108.39	77.73	63.94	63.94
Other equity	3,833.44	3,849.39	3,440.13	2,495.30	4,030.34
Sub total	3,943.51	3,957.78	3,517.86	2,559.24	4,094.28
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowings	5,459.79	6,219.80	6,994.64	2,509.57	1,500.69
Provisions	40.23	29.02	26.58	41.36	31.84
Deferred tax liabilities (net)	653.13	665.52	679.06	-	-
Other non-current liabilities	8.73	9.18	9.79	179.40	-
Sub total	6,161.88	6,923.52	7,710.07	2,730.33	1,532.53
Current liabilities					
Financial liabilities					
Borrowings	242.74	-	-	3,076.14	3,286.30
Trade payables	2,785.87	2,195.72	2,789.84	2,815.92	236.40
Other financial liabilities	1,369.64	693.02	31.76	711.09	961.15
Other current liabilities	123.41	63.97	60.49	534.75	57.51
Provisions	175.81	120.64	93.79	100.94	29.13
Sub total	4,697.47	3,073.35	2,975.88	7,238.84	4,570.49
Total	**14,802.86**	**13,954.65**	**14,203.81**	**12,528.41**	**10,197.30**

* The figures of Financial Year 2011-12 include the effect of amalgamation of Bajaj Eco-Tec Products Ltd. (as per scheme) w.e.f. 01.04.2012.

₹ Crore

NET INCOME STATEMENT Year / period ended	31.03.2017	31.03.2016	31.03.2015	31.03.2014#	31.03.2012*
INCOME					
Revenue from operations	4,618.64	4,882.62	4,694.08	6,858.25	4,413.42
Other income	162.27	155.98	186.05	228.74	231.02
Total	**4,780.91**	**5,038.60**	**4,880.13**	**7,086.99**	**4,644.44**
EXPENSES					
Purchases and materials consumed	4,037.88	3,127.29	3,704.54	7,815.33	3,366.01
Manufacturing & other expenses	758.06	680.93	722.88	1,119.31	650.26
Changes in inventories of finished goods and work-in-progress	(1,032.80)	281.23	424.88	(1,998.81)	(60.61)
Total	**3,763.14**	**4,089.45**	**4,852.30**	**6,935.83**	**3,955.66**
Profit / (Loss) before depreciation, interest and tax (PBDIT)	1,017.77	949.15	27.83	151.16	688.78
Finance cost	802.07	848.38	888.94	1,127.50	661.28
Depreciation and amortisation	214.12	223.98	239.94	531.72	348.82
	1,016.19	1,072.36	1,128.88	1,659.22	1,010.10
Profit / (Loss) before exceptional items and tax	1.58	(123.21)	(1,101.05)	(1,508.06)	(321.32)
Exceptional items	-	-	3.83	-	-
Profit / (Loss) before tax (PBT)	**1.58**	**(123.21)**	**(1,097.22)**	**(1,508.06)**	**(321.32)**
Tax expense	(5.82)	(3.42)	-	25.06	(86.75)
Profit / (Loss) after tax (PAT)	7.40	(119.79)	(1,097.22)	(1,533.12)	(234.57)
Dividend	-	-	-	-	10%

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

* The figures of Financial Year 2011-12 include the effect of amalgamation of Bajaj Eco-Tec Products Ltd. (as per scheme) w.e.f. 01.04.2012.

Board of Directors

Kushagra Bajaj
Chairman & Managing Director (Promoter)

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

R. V. Ruia
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)
(w.e.f. 17.09.2016)

Ashok Mukand
Nominee Director (SBI)

Mukeshkumar S. Dave
Nominee Director (PNB) (w.e.f. 11.05.2017)

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

Your Directors have pleasure in presenting their Eighty Fifth annual report and the audited financial statements for the year ended March 31, 2017.

Financial highlights

The summarised financial results of the Company for the year ended March 31, 2017 are presented below:

₹ Crore

	Year ended March 31, 2017	Year ended March 31, 2016
Sales and other income	**4,780.91**	5,038.60
Profit/(Loss) before depreciation, interest and tax	**1,017.77**	949.15
Depreciation and amortisation	**214.12**	223.98
Profit/(Loss) after depreciation but before interest and tax	**803.65**	725.17
Finance costs (Net)	**802.07**	848.38
Profit/(Loss) before tax	**1.58**	(123.21)
Provision for taxation (Net)	**5.82**	3.42
Profit/(Loss) after tax	**7.40**	(119.79)
Opening balance b/f	**(617.58)**	(497.48)
Disposable surplus after adjustments	**(610.18)**	(617.27)
Transfer to reserve for molasses storage tank	**0.23**	0.31
Carrying value of fixed assets adjusted	**-**	-
Balance carried to balance sheet	**(610.41)**	(617.58)

On a standalone basis, the Company achieved a turnover (including other income) of ₹ 4,780.91 crore for the year ended March 31, 2017 as compared to ₹ 5,038.60 crore in the previous year. The profit after tax is ₹ 7.40 crore as compared to the loss of ₹ 119.79 crore in the previous year. On a consolidated basis, the turnover including other income is ₹ 4,729.75 crore as compared to ₹ 4,979.66 crore in the previous year. The loss after tax and minority interest is ₹ 91.98 crore as against loss of ₹ 212.10 crore in the previous year.

Dividend

In view of inadequacy of profits 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, 2017, the Company crushed 12.509 MMT of sugarcane as against 10.922 MMT in the previous year. The average recovery of sugar from sugarcane was marginally lower at 10.23% as against 10.32% in the previous year, primarily due to low recovery in the mills in East U.P. During the year, the Company produced 12,72,424 MT sugar (previous year 11,36,070 MT) and 5,94,958 MT molasses (previous year 5,33,219 MT).

The Company sold 10,46,122 MT of sugar and 10,058 MT of molasses during the year as against 12,96,466 MT of sugar and 1,17,968 MT of molasses during the previous year.

Distillery

The Industrial Alcohol / Ethanol production was 1,11,934 KL as against 1,25,310 KL in the previous year. Alcohol / Ethanol sale during the year was at 1,09,820 KL as against 1,42,846 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 7,29,431 MW as against 6,86,685 MW in the previous year. The Company exported 2,67,257 MW of power as against 2,66,106 MW during the previous year.

Debt restructuring

In accordance with the Master Restructuring Agreement (MRA) signed on December 30, 2014 among the Company and JLF Lenders, Funded Interest Term Loan (FITL) aggregating to ₹ 36.45 crore have been converted to equity shares on April 06, 2016. Pursuant to the conversion on April 06, 2016, entire 70% of the FITL have been converted into equity shares as per the terms of the MRA.

Changes in capital structure

An aggregate of 1,67,42,168 fully paid-up equity shares of face value ₹ 1/- each at a premium of ₹ 20.77 per equity share were allotted during the year upon conversion of Funded Interest Term Loan (FITL) aggregating to ₹ 36,44,76,997 to JLF Lenders pursuant to the Restructuring Scheme under JLF route.

Consequent to the allotment of the equity shares as aforesaid, the paid-up equity share capital of the Company stands increased from ₹ 1,11,68,17,774 divided into 1,11,68,17,774 equity shares of face value ₹ 1/- each to ₹ 1,13,35,59,942 divided into 1,13,35,59,942 equity shares of face value ₹ 1/- each, resulting into shareholding of promoters as on March 31, 2017 at 26.02% as compared to 26.41% as on March 31, 2016.

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, 2017, 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).

Associates:

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: Uttar Pradesh Power Corporation Limited (UPPCL) had granted permission to change the location of the Company's 1980 MW (3 x 660 MW) power project from Bargarh, District Chitrakoot to Mirchwara, District Lalitpur, subject to receipt of approval from Uttar Pradesh Electricity Regulatory Commission. The Company is in the process of obtaining requisite approvals for shifting its 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. Ashok Kumar Gupta, Director of the Company will retire by rotation and being eligible offers himself for re-appointment. Appointment of Mr. Ashok Kumar Gupta is in compliance with the provisions of Section 164(2) of the Companies Act, 2013.

Cessation of Director

Mr. Binod Kumar, Nominee director ceased to be a director of the Company with effect from May 11, 2017 pursuant to change in nomination by Punjab National Bank.

Appointment of Directors

Ms. Shalu Bhandari was appointed as an Additional Director with effect from September 17, 2016 in accordance with Section 149 of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015. Ms. Shalu Bhandari has submitted the declaration of Independence pursuant to Section 149(7) of the Companies Act, 2013, stating that she meets the criteria of Independence as provided in sub section (6) of Section 149. The Company has received a notice from a member pursuant to Section 160 of the Companies Act, 2013, proposing the appointment of Ms. Shalu Bhandari as Independent Director of the Company. The Board of Directors recommends the appointment of Ms. Shalu Bhandari as Independent Director to hold office up to September 16, 2021.

In accordance with the Master Restructuring Agreement with Joint Lenders, Mr. Mukeshkumar S. Dave was appointed as Nominee Director of Punjab National Bank with effect from May 11, 2017. In terms of the provisions of the Companies Act, 2013 and Articles of Association of the Company Mr. Mukeshkumar S Dave would hold office as Additional Director only up to the date of the 85th Annual General Meeting of the Company. The Company has received notice from a member pursuant to Section 160 of the Companies Act, 2013, proposing the appointment of Mr. Mukeshkumar S. Dave as Nominee Director of the Company. The Board of Directors recommends the appointment of Mr. Mukeshkumar S. Dave as Nominee Director of the Company. The profile of the Directors forms part of the Corporate Governance Report.

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.

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 profit 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 85th Annual General Meeting.

The Statutory Auditors have confirmed their eligibility pursuant to Section 139 of the Companies Act, 2013.

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 FY 2017-18 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, 2016 for the products Sugar, Industrial Alcohol and Electricity was filed with the Ministry of Corporate Affairs on September 22, 2016.

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, 2017, 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

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

No significant or material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

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 vigorously striven to follow the best corporate governance practices aimed at building trust among the key stakeholders, shareholders, employees, customers, suppliers (including farmers) and other stakeholders on four key elements of corporate governance - transparency, fairness, disclosure and accountability. As per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance practices followed by the Company, together with a certificate from the Company's Auditors conforming compliance 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 (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 25, 2017

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

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 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 pay-out 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 31ST MARCH, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.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, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, 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 reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017, according to the provisions of:

1. The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
   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, 1992 and 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; and
   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

(i) Sugar Cess Act, 1982;

(ii) Levy Sugar Price Equalisation Fund Act, 1976;

(iii) Food Safety and Standards Act, 2006;

(iv) Essential Commodities Act, 1955;

(v) Sugar Development Fund Act, 1982;

(vi) Export (Quality Control and Inspection) Act, 1963;

(vii) Agricultural and Processed Food Products Export Act, 1986;

(viii) U.P. Sugarcane (Regulation Supply and Purchase) Act, 1953.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards I and II issued by the Institute of Company Secretaries of India;

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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.
- Majority decision is carried through 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:

The Company has allotted 1,67,42,168 (One Crore Sixty Seven Lakhs Forty Two Thousand One Hundred and Sixty Eight) equity shares of face value ₹ 1/- each at a premium of ₹ 20.77 per equity share upon conversion of Funded Interest Term Loan (FITL) aggregating to ₹ 36,44,76,997/- (Thirty Six Crore Forty Four Lakhs Seventy Six Thousand Nine Hundred and Ninety Seven Only) to JLF Lenders pursuant to the Restructuring Scheme under JLF route.

The Company has approved sale and transfer of Co-generation power business of aggregating capacity of 449 MW located at 14 locations to Lalitpur Power Generation Company Limited (LPGCL), a group company for a lumpsum consideration of approximately ₹ 1,227 crore, as a going concern on slump sale basis in accordance with the Business Transfer agreement entered into with LPGCL.

For Anant B Khamankar & Co.

Anant Khamankar
FCS No. : 3198
CP No. : 1860

Date : 17th May, 2017
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.	37.17	Interest @ 12% p.a., unsecured, repayable on demand	For business purposes - to meet operational expenses
11	Loans given	Bajaj Hindusthan (Singapore) Private Ltd.	11.14	Interest @ 0%, unsecured, repayable on demand	For business purposes - general corporate purposes
12	Loans given	Bajaj Power Generation Private Ltd.	1,371.58	Interest @ 12% p.a., unsecured, repayable on demand	For business purposes - general corporate purposes
13	Loans given	Ojas Industries Private Ltd.	435.82	Interest @ 12% p.a., unsecured, repayable on demand	For business purposes - general corporate purposes
14	Securities given	Lalitpur Power Generation Company Ltd.	770.13	Pledge of shares	As collateral security with the trustees of consortium of lenders, facilities obtained by LPGCL

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 25, 2017

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	₹ 2.08 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	01.04.2016 to 31.03.2017
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 2.23 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	01.04.2016 to 31.03.2017
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 0.50 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 25, 2017

ANNEXURE V

EXTRACT OF ANNUAL RETURN

FORM NO. MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2017

[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 (Formerly: Bajaj Hindusthan Ltd.)
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	1072	86.34%
2	Industrial Alcohol	1101	10.17%

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 01-04-2016)				**No. of Shares held at the end of the year (As on 31-03-2017)**				**% 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	2.66	**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	17.13	**19,13,43,955**	**0**	**19,13,43,955**	**16.88**	**-**
e) Banks / FI	0	0	0	-	**0**	**0**	**0**	**-**	**-**
f) Any Other (Trusts)	7,39,32,473	0	7,39,32,473	6.62	**7,39,32,473**	**0**	**7,39,32,473**	**6.52**	**-**
Sub-total (A)(1):-	29,49,30,766	0	29,49,30,766	26.41	**29,49,30,766**	**0**	**29,49,30,766**	**26.02**	**-**
(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	26.41	**29,49,30,766**	**0**	**29,49,30,766**	**26.02**	**(0.39)**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	12,150	2,900	15,050	0.00	**2,000**	**2,900**	**4,900**	**0.00**	**-**
b) Banks / FI	49,41,83,911	700	49,41,84,611	44.25	**40,62,68,456**	**700**	**40,62,69,156**	**35.84**	**(8.41)**
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	3.87	**4,31,65,896**	**0**	**4,31,65,896**	**3.81**	**(0.06)**
g) FIIs	2,46,12,519	500	2,46,13,019	2.20	**96,19,079**	**500**	**96,19,579**	**0.85**	**(1.35)**
h) Foreign Venture Capital Funds	0	0	0	-	**0**	**0**	**0**	**-**	**-**
i) Others – Foreign Portfolio Corp.	12,66,151	0	12,66,151	0.11	**3,41,11,962**	**0**	**3,41,11,962**	**3.01**	**2.90**
Sub-total (B)(1):-	56,32,45,127	4,100	56,32,49,227	50.43	**49,31,71,893**	**4,100**	**49,31,75,993**	**43.51**	**(6.92)**
(2) Non-Institutions									
a) Bodies Corp.									
Indian	4,51,89,864	14,997	4,52,04,861	4.05	**5,71,12,421**	**0**	**5,71,12,421**	**5.04**	**0.99**
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 2 lakh (previous year ₹ 1 lakh)	13,89,15,605	7,07,680	13,96,23,285	12.50	**18,69,02,397**	**6,90,741**	**18,75,93,138**	**16.55**	**4.05**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2016)				**No. of Shares held at the end of the year (As on 31-03-2017)**				**% change during the year**
	Demat	Physical	Total	% of Total Shares	**Demat**	**Physical**	**Total**	**% of Total Shares**	
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh (previous year ₹ 1 lakh)	2,41,16,683	0	2,41,16,683	2.16	**3,35,00,624**	**0**	**3,35,00,624**	**2.96**	**0.80**
c) Others									
i) Non Resident Indians (Repatriation)	26,84,873	0	26,84,873	0.24	**31,52,856**	**0**	**31,52,856**	**0.28**	**0.04**
ii) Non Resident Indians (Non-Repatriation)	8,63,110	0	8,63,110	0.08	**9,93,029**	**0**	**9,93,029**	**0.09**	**0.01**
iii) Clearing Members	37,96,061	0	37,96,061	0.34	**1,53,89,585**	**0**	**1,53,89,585**	**1.36**	**1.02**
iv) Hindu Undivided Family	64,61,548	0	64,61,548	0.58	**1,18,28,690**	**0**	**1,18,28,690**	**1.04**	**0.46**
v) Trust	3,45,78,000	5,00,000	3,50,78,000	3.14	**3,45,87,800**	**5,00,000**	**3,50,87,800**	**3.09**	**(0.05)**
vi) Unclaimed Shares – In Demat Suspense Account	8,09,360	0	8,09,360	0.07	**7,95,040**	**0**	**7,95,040**	**0.07**	**-**
Sub-total (B)(2):-	25,74,15,104	12,22,677	25,86,37,781	23.16	**34,42,62,442**	**11,90,741**	**34,54,53,183**	**30.47**	**7.31**
Total Public Shareholding (B) = (B)(1)+(B)(2)	82,06,60,231	12,26,777	82,18,87,008	73.59	**83,74,34,335**	**11,94,841**	**83,86,29,176**	**73.98**	**0.39**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	-	**0**	**0**	**0**	**-**	**-**
Grand Total (A+B+C)	1,11,55,90,997	12,26,777	1,11,68,17,774	100.00	**1,13,23,65,101**	**11,94,841**	**1,13,35,59,942**	**100.00**	**0.00**

Note:

There is no change in the number of shares held by the promoters. However, the percentage of shareholding has changed during the year due to allotment of shares during the year 31.03.2017.

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2016)			**Shareholding at the end of the year (As on 31-03-2017)**			
		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	0.75	0.75	**83,96,341**	**0.74**	**0.74**	**(0.01)**
2	Kushagra Bajaj	1,28,97,036	1.15	1.15	**1,28,97,036**	**1.14**	**1.14**	**(0.01)**
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	0.35	0.35	**38,74,654**	**0.34**	**0.34**	**(0.01)**
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	5.82	5.82	**6,49,48,632**	**5.73**	**5.73**	**(0.09)**
8	Shishirkumar Bajaj & Kushagra Bajaj (as trustees of Bajaj Hindusthan Limited Employees General Medical Aid Fund)	20,78,120	0.19	0.19	**20,78,120**	**0.18**	**0.18**	**(0.01)**
9	Shishirkumar Bajaj & Kushagra Bajaj (as trustees of Bajaj Hindusthan Limited Employees Family Planning Welfare Fund)	17,53,100	0.16	0.16	**17,53,100**	**0.15**	**0.15**	**(0.01)**
10	Shishirkumar Bajaj & Kushagra Bajaj (as trustees of Bajaj Hindusthan Limited Employees Sports & Cultural Activities Welfare Fund)	17,43,600	0.16	0.16	**17,43,600**	**0.15**	**0.15**	**(0.01)**
11	Shishirkumar Bajaj & Kushagra Bajaj (as trustees of Bajaj Hindusthan Limited Managerial Staff Medical Aid Fund)	17,39,100	0.16	0.16	**17,39,100**	**0.15**	**0.15**	**(0.01)**
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**	**-**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2016)			**Shareholding at the end of the year (As on 31-03-2017)**			
		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**
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	7.34	7.34	**8,19,44,455**	**7.23**	**7.23**	**(0.11)**
15	A.N. Bajaj Enterprises Private Limited	1,83,07,954	1.64	1.64	**1,83,07,954**	**1.62**	**1.62**	**(0.02)**
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	3.68	3.68	**4,11,11,121**	**3.63**	**3.63**	**(0.05)**
19	Bajaj International Realty Private Limited	2,77,77,484	2.49	2.49	**2,77,77,484**	**2.45**	**2.45**	**(0.04)**
20	Bajaj Infrastructure Development Company Limited	1,99,55,469	1.79	1.79	**1,99,55,469**	**1.76**	**1.76**	**(0.03)**
21	Bajaj Power Ventures Private Limited	110	0.00	0.00	**110**	**0.00**	**0.00**	**-**
	Total	29,49,30,766	26.41	26.41	**29,49,30,766**	**26.02**	**26.02**	**(0.39)**

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

There is no change in the no. of shares held by the Promoter Group. However, the % of Promoters' Shareholding declined by 0.39% due to allotment of shares upon conversion of FITL.

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

		Shareholding					**Cumulative Shareholding during the year (01-04-16 to 31-03-17)**	
Sr. No.	**Name**	**No. of shares at the beginning (01-04-16) / end of the year (31-03-17)**	**% of total shares of the Company**	**Date**	**Increase/ Decrease in shareholding**	**Reason**	**No. of Shares**	**% of total shares of the Company**
1	State Bank of India	8,81,46,222	7.89	01-04-2016				
				17-06-2016	-71,77,871	Sale	8,09,68,351	7.14
				30-06-2016	-1,00,000	Sale	8,08,68,351	7.13
				08-07-2016	-7,64,320	Sale	8,01,04,031	7.07
				25-11-2016	-9,24,060	Sale	7,91,79,971	6.99
				02-12-2016	-31,24,514	Sale	7,60,55,457	6.71
				09-12-2016	-29,62,434	Sale	7,30,93,023	6.45
				16-12-2016	-18,44,929	Sale	7,12,48,094	6.29
				23-12-2016	-26,38,956	Sale	6,86,09,138	6.05
				31-12-2016	-18,84,533	Sale	6,67,24,605	5.89
				06-01-2017	-45,00,000	Sale	6,22,24,605	5.49
				13-01-2017	-70,75,000	Sale	5,51,49,605	4.87
				20-01-2017	-70,36,325	Sale	4,81,13,280	4.24
				27-01-2017	-52,75,000	Sale	4,28,38,280	3.78
				03-02-2017	-65,50,000	Sale	3,62,88,280	3.20
				10-02-2017	-77,50,000	Sale	2,85,38,280	2.52
				17-02-2017	-68,69,985	Sale	2,16,68,295	1.91
				24-02-2017	-40,00,000	Sale	1,76,68,295	1.56
				03-03-2017	-39,00,000	Sale	1,37,68,295	1.21
				10-03-2017	-63,00,000	Sale	74,68,295	0.66
				17-03-2017	-50,50,000	Sale	24,18,295	0.21
				24-03-2017	-24,18,295	Sale	0	
		0		31-03-2017			0	

		Shareholding					Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
Sr. No.	Name	No. of shares at the beginning (01-04-16) / end of the year (31-03-17)	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Shares	% of total shares of the Company
2	Punjab National Bank	6,66,33,312	5.97	01-04-2016				
				17-06-2016	-2,40,000	Sale	6,63,93,312	5.86
		6,63,93,312	5.86	31-03-2017			6,63,93,312	5.86
3	Allahabad Bank	5,53,22,990	4.95	01-04-2016				
				17-06-2016	-40,58,500	Sale	5,12,64,490	4.52
				30-06-2016	-2,31,028	Sale	5,10,33,462	4.50
				08-07-2016	-7,40,503	Sale	5,02,92,959	4.44
		5,02,92,959	4.44	31-03-2017			5,02,92,959	4.44
4	IDBI Bank Limited	5,51,54,507	4.94	01-04-2016	0	Nil movement during the year		
		5,51,54,507		31-03-2017			5,51,54,507	4.94
5	Central Bank of India	4,67,91,920	4.19	01-04-2016	0	Nil movement during the year		
		4,67,91,920	4.13	31-03-2017			4,67,91,920	4.13
6	Life Insurance Corporation of India	4,10,26,922	3.67	01-04-2016	0	Nil movement during the year		
		4,10,26,922	3.62	31-03-2017			4,10,26,922	3.62
7	Canara Bank	1,96,26,367	1.76	01-04-2016				
				06-04-2016	1,67,42,168	Allotment	3,63,68,535	3.21
		3,63,68,535	3.21	31-03-2017			3,63,68,535	3.21
8	Oriental Bank of Commerce	3,56,07,864	3.19	01-04-2016				
				17-06-2016	-14,34,625	Sale	3,41,73,239	3.01
				30-06-2016	-14,719	Sale	3,41,58,520	3.01
				08-07-2016	-7,44,526	Sale	3,34,13,994	2.95
		3,34,13,994	2.95	31-03-2017			3,34,13,994	2.95
9	BHL Securities Trust	3,11,00,000	2.78	01-04-2016	0	Nil movement during the year		
		3,11,00,000	2.74	31-03-2017			3,11,00,000	2.74
10	State Bank of Patiala	2,17,46,113	1.95	01-04-2016				
				17-06-2016	-8,76,698	Sale	2,08,69,415	1.84
		2,08,69,415	1.84	31-03-2017			2,08,69,415	1.84
11	Indian Overseas Bank	2,15,52,954	1.90	01-04-2016	0	Nil movement during the year		
		2,15,52,954	1.90	31-03-2017			2,15,52,954	1.90

Note:

Paid-up capital of the Company as on 31.03.2016 was 1,11,68,17,774 equity shares of ₹ 1/- each and as on 31.03.2017 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	1.59	1,28,97,036	1.15
2.	Mr. M. L. Apte	1,800	0.00	1,800	0.00
3.	Mr. R. V. Ruia	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. Binod Kumar	0	-	0	-
9.	Mr. Ashok Kumar Gupta	2,900	0.00	2,900	0.00
10	Mrs. Kiran Anuj (up to 20/06/2016)	0	-	0	-
11.	Ms. Shalu Bhandari (w.e.f. 17/09/2016)	0	-	0	-
12.	Mr. Pradeep Parakh	4,000	0.00	4,000	0.00
13.	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	6,872.57	201.04	-	7,073.61
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.23	-	-	1.23
Total (i+ii+iii)	**6,873.80**	**201.04**	**-**	**7,074.84**
Change in Indebtedness during the financial year				
• Addition	486.10	8.85	-	494.95
• Reduction	434.98	126.40	-	561.38
Net Change	**51.12**	**(117.55)**	**-**	**(66.43)**
Indebtedness at the end of the financial year				
i) Principal Amount	6,923.69	83.49	-	7,007.19
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**	**-**	**7,071.67**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Amount in ₹

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			
		Mr. Kushagra Bajaj	Mr. Ashok Kumar Gupta	Late Mrs. Kiran Anuj (from 01.06.2016 to 19.06.2016)	Total Amount
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,58,40,000	77,51,408	3,58,128	2,39,49,536
	(b) Value of perquisites under Section 17(2) of Income-tax Act, 1961	6,51,024	6,34,411		12,85,435
	(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	3,90,793	15,615	15,58,408
6	Total (A)	1,76,43,024	87,76,612	3,73,743	2,67,93,379
	Ceiling as per the Act				**5,93,30,344**

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	4,80,000	5,50,000	4,30,000	4,90,000	3,30,000	22,80,000
Total (1)	4,80,000	5,50,000	4,30,000	4,90,000	3,30,000	22,80,000
				Mrs. Kiran Anuj (up to 31/05/2016)	Ms. Shalu Bhandari (w.e.f. 17/09/2016)	
2. Other Non-Executive Directors						
• Fee for attending board committee meetings	-	-	-	80,000	2,40,000	3,20,000
• Commission	-	-	-	-	-	-
• Others, please specify	-	-	-	-	-	-
Total (2)				80,000	2,40,000	3,20,000

Amount in ₹

Particulars of Remuneration	Name of Directors					
	Mr. Ashok Mukund	Mr. Binod Kumar				
3. Other nominee directors						
• Fee for attending board committee meetings	3,20,000	80,000	-	-	-	4,00,000
• Commission	-	-	-	-	-	-
• Others, please specify	-	-	-	-	-	-
Total (3)	3,20,000	80,000	-	-	-	4,00,000
Total (B)=(1+2+3)	8,00,000	6,30,000	4,30,000	5,70,000	5,70,000	30,00,000
Total Managerial Remuneration						2,76,36,873
Overall ceiling as per the Act*						**5,93,30,344**

* 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	46,88,946	2,04,61,095	2,51,50,041
	(b) Value of perquisites under Section 17(2) of Income-tax Act, 1961	32,400	7,98,176	8,30,576
	(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.)	2,76,709	10,92,630	13,69,339
	Total	49,98,055	2,23,51,901	2,73,49,956

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

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)
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 25, 2017

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 web-link 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 & 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 & economic well-being of the local population.

   c) To generate, through its CSR initiatives, a community goodwill for BHSL and help reinforce a positive & 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

   Mrs. Kiran Anuj, Member (up to 19.06.2016)

   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 25, 2017

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 2016-17 (Amount in ₹)	% Increase in Remuneration in the year 2016-17	Ratio of Remuneration of each Director to median remuneration of employee
1	Mr. Kushagra Bajaj	Chairman and Managing Director	1,76,43,024	N.A.	96.50
2	Mr. Ashok Kumar Gupta	Director (Group Operations)	87,76,612	8.40%	48.00

Sr. No.	Name of the Directors/ KMP	Designation	Remuneration of Directors/ KMP for the year 2016-17 (Amount in ₹)	% Increase in Remuneration in the year 2016-17	Ratio of Remuneration of each Director to median remuneration of employee
3	Mr. M. L. Apte	Director	4,30,000	**	2.31
4	Mr. D. K. Shukla	Director	4,90,000	**	2.68
5	Mr. R. V. Ruia	Director	5,50,000	**	3.01
6	Mr. Alok Krishna Agarwal	Director	4,80,000	**	2.63
7	Mrs. Kiran Anuj (From 01/04/2016 to 31/05/2016 & From 01/06/2016 to 19/06/2016)	Director	4,53,743	#	#
8	Mr. Ashok Mukand	Nominee Director	3,20,000	**	1.75
9	Mr. Binod Kumar	Nominee Director	80,000	**	Not Applicable
10	Mr. Vipulkumar S. Modi	Director	3,30,000	**	1.80
11	Ms. Shalu Bhandari (w.e.f. 17/09/2016)	Director	2,40,000	$	Not Applicable
12	Mr. Ved Prakash Agrawal	Chief Financial Officer	49,98,055	19.69%	Not Applicable
13	Mr. Pradeep Parakh	Group President (GRC) & Company Secretary	2,23,51,901	6.77%	Not Applicable

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

Percentage increase in remuneration and the ratio and remuneration to median remuneration of the Director not given as she was holding position of Whole-time Director for the part of the year 2016-17.

$ Ms. Shalu Bhandari was appointed as Director w.e.f. 17/09/2016

2. **The median remuneration of employees of the Company during the year was ₹ 1,82,831.**
3. **The increase in the median remuneration of employees in the financial year was 12.47%.**
4. **There were 7,181 permanent employees on the rolls of the Company as at March 31, 2017.**
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 11.27. Increase in remuneration of managerial personnel is 5.52%. 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	2,23,51,901	B.Com (Hons), FCA, FCS	50	27	07.03.2001	Gujarat Ambuja Cement Ltd.

Sr. No.	Name of Employee	Designation/ Nature of duties	Remuneration (₹)	Qualification	Age (years)	Expe-rience (No. of years)	Date of com-mencement of employ-ment	Last employment
2	Mr. Kushagra Bajaj	Chairman & Managing Director	1,76,43,024	B.S.Indl Mgmt (Fin,Eco, Pol Phil), M. S. (Integrated Mktg Comm (Mktg.)	40	15	20.08.2001	-
3	Mr. Akash Sharma	Vice President (Finance & Accounts)	1,13,69,922	B.Com, LLB, FCA	52	26	22.03.2006	Jaiprakash Associates Ltd.
4	Mr. Ashok Kumar Gupta	Director (Group Operations)	87,76,612	M.Com	66	46	31.05.1982	Upper Doab Sugar Mills Ltd.
5	Mr. Vikas Lahoti	Head - Group Corporate Taxation	71,22,440	B.Com, CA, MBA	60	32	22.04.2013	Etisalat DB Telecom (P) Ltd.
6	Mr. Naval Kishore Kashyap	Sr. Vice President (Indirect Taxation)	70,45,026	B.Com, Diploma (Excise & Cust.)	57	35	01.11.2011	Carbery Infrastructure Pte. Ltd.
7	Mr. Adhish Goray	Project Head	59,80,317	G.D.Arch., M.Arts	44	21	15.02.2013	Pancard Clubs Limited
8	Mr. Ved Prakash Agrawal	Chief Financial Officer	49,98,055	B.Com, C.A.	62	37	11.02.2004	Radico Khaitan Ltd.
9	Mr. N.C. Agarwal	Sr. Vice President (Unit Head)	41,37,102	M.Sc. Agriculture	65	41	17.04.2006	L.H. Sugar Pilibhit
10	Mr. Rajendra Mishra	Assistant Vice President (F&A)	39,27,330	B.Com	53	32	26.11.2011	Recron Synthetics Limited

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.

Kushagra Bajaj
Chairman & Managing Director
(DIN: 00017575)

Mumbai
May 25, 2017

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. Zero Liquid discharge as per Central Pollution Control Board / National Green Tribunal directions.
2. Cooling tower installed on hot water Under Ground Reservoir (UGR) for cooling of excess condensate water was commissioned and made operational under zero water discharge programme.
3. Installation of auto system spray engineering device to reduce power consumption by reduction of injection water.

4. Installation of automation of pump for overhead tank from UGR.
5. Use of CFL and LED lighting in colony and factory to reduce the power load.
6. Installation of Variable Frequency Drives (VFD) at feed pump to save energy.
7. 100% lagging of steam carrying lines to minimise heat loss.
8. Automation in operation through DCS at Mill & Boiler sections to reduce power consumption.
9. Additional power capacitor in the power house, all MCC and PCC rooms to increase power factor to reduce power consumption.
10. Installation of Digital AVR on Power Turbines for quick & 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.
11. Pump having smaller capacity installed at UGR for water re-circulation during off season which saved approximately 50% of previous power consumption.
12. Exhaust vapour drain collected and recycle in system to save energy.
13. Recovery of waste heat from Pan Hot Water Condensate by using Direct Contact Heater for BH Molasses conditioning.
14. Reduction in use of High Pressure Steam for Process.
15. Use of Steam Traps in Steam Drains Lines.
16. Use of Molasses Coolers to cool down Molasses before Storage.
17. Steam carrying lines are insulated to minimise heat loss.
18. Soda boiling in Evaporator Bodies by Exhaust Steam instead of Live Steam.
19. Direct Contact Heater (DCH) installed for Syrup and Melt Heating.
20. Approximately 24000 KWH per days Power exported to distillery without increasing our steam consumption resulting in huge energy saving.
21. Grease is used at mills as lubricants which reduce the consumption of lubricants & at the same time Pollution load on Effluent Treatment Plant (ETP) also reduces.
22. Automatic on-off system have been installed for underground water reservoir pumps to reduce the cost of power.
23. System has been made 100% circulation of cooling water to reduce the use of groundwater and borewell water.

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

Maximum utilisation of bio gas in 30-Tonne Per Hour Boiler to save bagasse consumption.

(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, 2017 were accelerated as under:

1. Introduction of coragen, a pesticide used to protect cane crop from borers in the area and was provided to farmers cultivating desired cane varieties on 10% subsidy.
2. New cane varieties Co 0238, 0239, Co 118, Co 98014, CoLk 94184 in early group and CoJ 88, CoJ 83, Co 0233, Cos 8432 & BO 139 in general group were introduced.
3. Installation of 100 Cu. M/Hr. capacity Cooling Tower to cool & reuse the surplus Condensate Water in place of raw water.
4. Modification in 3000 Sq.M Falling Fill in Evaporation (FFE) Juice Circulation Line.
5. Installation of New Syrup Sulphitor with Modified design in place of existing Old Sulphitor.
6. Alteration / Modification done in 35 T. Cap. Batch Type Pan with dropping arrangement in Crystalliser No-5 to increase the production of A1-Massecuite.

7. Implemented SIS programme successfully to update our sugarcane growers regarding the information of their cane area, cane supply indents, cane weighment and payment, etc.
8. Complete overhauling of 15 MW TG set alternator.
9. Installation and commissioning of EGCP-3 controller at Load sharing panel.
10. Use of grease in mill roller bearings in place of oil.
11. Introduced chemical cleaning instead of mechanical cleaning with caustic soda at Semi kestner.
12. Continuous centrifugal machines drainage area has been increased to get better quality sugar and improved molasses brixes thus to reduce water consumption in purging.
13. Dust separating screens have been installed at sugar hoppers to screen out dust from hopper sugar.
14. "On line monitoring" of ETP effluent after treatment.
15. Synchronisation of back-up power source of DG set.
16. Internal design modification in Batch type Sulphur Furnace has been conducted.
17. Syphon system has been provided in drains of various steam/vapour pipes.
18. Reduction in reaction time in juice sulphitor to reduce the formation of final molasses across the process.
19. Installation of Timer on Cane Unloader Hoisting Motor.
20. Installing CC TV camera in cane yard to watch all activity in cane yard.
21. Existing Cooling system of "Pan Circulator" have been modified from air cooled to water cooled.

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

1. Very low infestation of borers in the plots where Coragen 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. Average cane yield increased resulting in availability of increased sugar cane.
3. Surplus hot water condensate cooled and reused in process for cooling of the various equipment.
4. Leakages avoided and unknown Sugar Losses controlled & breakdowns eliminated.
5. Efficiency of Syrup Sulphitor improved and desired pH level of Syrup maintained.
6. Sugar quality improved due to increase in A1-Massecuite production.
7. With the implementation of SIS system, we have given the entire information to the growers well in time.
8. Reduction in temperature of alternator.
9. Connect with grid automatically and easy to share load of 10 MW & 15 MW TG sets.
10. Stoppage of the lubricant contamination in juice and reduction in the load at ETP due to no spillage of grease from bearings.
11. Steam saving, time saving, manpower saving and saving of tools, used for mechanical cleaning.
12. Purging quality of machines with increased drainage area was superior.
13. Quantity of dust in bagged sugar minimised to a greater extent.
14. Online monitoring helpful in instance trend of BOD & COD of treated effluent, also this is a statutory requirement.
15. At backup power system synchronisation enhance the capacity utilisation of DG set during plant emergency.
16. Problem of sulphited juice heater choking has been eliminated.
17. Loss of heat through drain minimised.
18. Recovery of sugar increased.
19. Zero failure of motors has been achieved during the last three years.
20. By installing CC TV camera in cane yard, we control all activity regarding correct weighment.
21. Net fall of temperature of around 15°C in gear box lube oil in the existing Cooling system of "Pan Circulator" resulting into increase in the equipment life cycle as well improvement in uptime.

(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 has 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, 2017**	Year ended March 31, 2016
	(₹ Crore)	(₹ 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, 2017**	Year ended March 31, 2016
	(₹ Crore)	(₹ Crore)
Foreign exchange earned in terms of actual inflows	**Nil**	26.30
Foreign exchange outgo in terms of actual outflows	**0.12**	0.20

For and on behalf of the Board of Directors

Kushagra Bajaj
Chairman & Managing Director
(DIN: 00017575)

Mumbai
May 25, 2017

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 is a system of structuring, operating, guiding and directing a company; corporate governance facilitates effective, entrepreneurial and prudent management that can deliver the long-term success of the company. It is a continuous process by which the values, principles, management policies and procedures of the Company are inculcated and manifested. Transparent corporate governance is a prerequisite to make fair and responsible corporate decisions that properly reflect the interests of all stakeholders.

The Company believes that corporate governance is an integral means for the existence of the Company. It ensures adherence to the moral and ethical values, legal and regulatory framework and the adoption of good practices beyond the realms of law.

In order to protect shareholders' entitlements and increase the transparency and proficiency of management, Bajaj Hindusthan has built an advanced corporate governance structure. Good corporate governance is about internalising and manifesting the Company's commitment to the adoption of ethical practices across the entire hierarchy of the Company to deliver value in all of its dealings with a wide group of stakeholders encompassing associates, customers, vendors, regulators and shareholders at all times. It is in this background that the Company wholeheartedly embraces good governance practices.

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	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
Mr. Ashok Mukand, DIN: 01235804	Nominee Director, State Bank of India (Lender)
Mr. Binod Kumar, DIN: 07361689	Nominee Director, Punjab National Bank (Lender)
Mr. Ashok Kumar Gupta, Director (Group Operations), DIN: 02608184	Executive
Mrs. Kiran Anuj, DIN: 02606822 (up to 19/06/2016)*	Executive
Ms. Shalu Bhandari, DIN: 00012556, (w.e.f. 17/09/2016)	Independent, Non-Executive

*Mrs. Kiran Anuj was a Non-Executive Director up to 31/05/2016 and appointed as Whole-time Director w.e.f. 01/06/2016.
None of the directors are related with any other directors of the Company.

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 over one decade 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. R. V. Ruia, Independent, Non-Executive

Mr. R. V. Ruia has been a member of our Board of Directors since April 2001. He received a Bachelors Degree in Commerce from Mumbai University in 1982. He is a director of Dawn Apparels Private Limited. Mr. R. V. Ruia is a committee member at The Bombay Mill Owners' Association, Indian Cotton Mills Federation and Bombay Textile Research Association and is a trustee of various public charity trusts.

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 of our Audit Committee 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.

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. Binod Kumar, Nominee Director

Mr. Binod Kumar has been appointed as a Director, nominated by Punjab National Bank, since January 2016. He graduated in Bachelor of Science and completed Diploma in Treasury, Investment & Risk Management and Diploma in Banking & Finance. Mr. Binod Kumar had served PNB in various senior positions like Circle Head- AGM - Circle Office at Noida, Circle Head- AGM - Circle Office at Jabalpur, AGM (Incumbent) MCB at Lucknow, and Chief Manager-IRMD at HO New Delhi and presently designated as AGM-Circle Head, NCR Noida Circle.

Mr. Ashok Kumar Gupta, Executive

Mr. Ashok Kumar Gupta has been a member of our Board of Directors since October 2012. He has experience of more than 41 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.

Ms. Shalu Bhandari, Independent, Non-Executive (w.e.f. 17/09/2016)

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.

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 2016-17, the Board of Directors met nine times on April 25, 2016, May 30, 2016, September 12, 2016, October 03, 2016, December 13, 2016, December 20, 2016, January 02, 2017, February 13, 2017 and March 22, 2017. The gap between any two meetings has been less than four months.

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

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

Name	Board Meetings held / attended	Whether attended previous AGM held on September 16, 2016
Mr. Kushagra Bajaj (Chairman and Managing Director) DIN: 00017575	09/02	No
Mr. M. L. Apte, DIN: 00003656	09/09	No
Mr. R. V. Ruia, DIN: 00035853	09/08	No
Mr. D. K. Shukla, DIN: 00025409	09/08	Yes
Mr. Alok Krishna Agarwal, DIN: 00127273	09/08	Yes
Mr. Vipulkumar S. Modi, DIN: 06985276	09/08	No
Mr. Ashok Mukand, DIN: 01235804	09/08	No
Mr. Binod Kumar, DIN: 07361689	09/02	No
Mr. Ashok Kumar Gupta, Director (Group Operations) DIN: 02608184	09/09	Yes
Mrs. Kiran Anuj (up to 19/06/2016) DIN: 02606822	02/02	-
Ms. Shalu Bhandari (w.e.f. 17/09/2016), DIN: 00012556	06/06	-

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 2016 was held on May 30, 2016 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 timeliness 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, 2017

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	1
Mr. R. V. Ruia	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	NIL	NIL	NIL	NIL	NIL	NIL
Mr. Ashok Mukand	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Mr. Binod Kumar	1	NIL	NIL	NIL	NIL	NIL	NIL
Mr. Ashok Kumar Gupta	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Mrs. Kiran Anuj (up to 19/06/2016)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Ms. Shalu Bhandari (w.e.f. 17/09/2016)	3	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, 2017
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 & 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 as of March 31, 2017

Committee	Members (Category)
Audit Committee	Mr. R. V. Ruia, Chairman* (Independent, Non-Executive) Mr. D. K. Shukla (Independent, Non-Executive) Mr. Alok Krishna Agarwal (Independent, Non-Executive)
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) Mr. Alok Krishna Agarwal (Independent, Non-Executive)
Stakeholders' Relationship Committee	Mr. R. V. Ruia, Chairman* (Independent, Non-Executive) Mr. M. L. Apte (Independent, Non-Executive) Mr. Kushagra Bajaj (Chairman & Managing Director)
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) Mrs. Kiran Anuj, Director (up to 19/06/2016)

* 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, 2017, the Audit Committee met eight times on April 25, 2016, May 30, 2016, September 12, 2016, December 13, 2016, December 20, 2016, January 02, 2017, February 13, 2017 and March 22, 2017. The gap between any two meetings has been less than four months. Out of the aforesaid, six 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 2016-17

Name of Committee Members	Category	Audit Committee Meetings held / attended
Mr. R. V. Ruia, Chairman	Independent, Non-Executive	08/08
Mr. D. K. Shukla	Independent, Non-Executive	08/07
Mr. Alok Krishna Agarwal	Independent, Non-Executive	08/07

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, 2017, the Nomination and Remuneration Committee met two times on May 30, 2016 and September 12, 2016. 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, 2017

Name of Committee Members	Category	Nomination and Remuneration Committee Meetings held / attended
Mr. D. K. Shukla, Chairman	Independent, Non-Executive	02/02
Mr. M. L. Apte	Independent, Non-Executive	02/02
Mr. R. V. Ruia	Independent, Non-Executive	02/02
Mr. Alok Krishna Agarwal	Independent, Non-Executive	02/01

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 sub-section (2) of Section 184 applies. The Register is signed by all the Directors present during the respective Board meetings held from time to time.

Remuneration of Non-Executive Directors

Non-Executive Directors were paid a sitting fee of ₹ 40,000 for attending each Board Meeting, ₹ 20,000 for Audit Committee meeting and ₹ 10,000 for other committee meeting. The details of sitting fees paid to Non-Executive Directors during the financial year ended March 31, 2017 are provided in Table 8.

Remuneration of Executive Directors

The Executive Directors – Mr. Kushagra Bajaj, Mr. Ashok Kumar Gupta and Mrs. Kiran Anuj (from 01/06/2016 to 19/06/2016) were paid remuneration as per their respective terms of appointment approved by the shareholders of the Company.

On their retirement, Mr. Ashok Kumar Gupta and Mrs. Kiran Anuj (01/06/2016 to 19/06/2016) are entitled to superannuation benefits payable in the form of an annuity from the Life Insurance Corporation of India and these form part of the perquisites approved for them. Mr. Kushagra Bajaj is not entitled to superannuation benefits. 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, 2017

Name of Directors	Salary ₹	Commission	Performance linked incentive	Sitting fees ₹	Total ₹	Notice period
Mr. Kushagra Bajaj, Chairman & Managing Director	1,76,43,024	--	--	--	1,76,43,024	N.A.
Mr. M. L. Apte	--	--	--	4,30,000	4,30,000	N.A.
Mr. R. V. Ruia	--	--	--	5,50,000	5,50,000	N.A.
Mr. D. K. Shukla	--	--	--	4,90,000	4,90,000	N.A.
Mr. Alok Krishna Agarwal	--	--	--	4,80,000	4,80,000	N.A.
Mr. Vipulkumar S. Modi	--	--	--	3,30,000	3,30,000	N.A.
Mr. Ashok Mukand	--	--	--	3,20,000	3,20,000	N.A.
Mr. Binod Kumar	--	--	--	80,000	80,000	N.A.
Mr. Ashok Kumar Gupta, Director (Group Operations)	87,76,612	--	--	--	87,76,612	A
Mrs. Kiran Anuj (up to 31/05/2016 as Director and from 01/06/2016 to 19/06/2016 as a Whole-time Director)	3,73,743	--	--	80,000	4,53,743	N.A.
Ms. Shalu Bhandari (w.e.f. 17/09/2016)	--	--	--	2,40,000	2,40,000	N.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 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 and consists of the members as stated in Table 9 below. During the financial year ended March 31, 2017, the Stakeholders' Relationship Committee met four times on May 30, 2016, September 12, 2016, December 13, 2016 and February 13, 2017.

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, 2017

Name of Committee Members	Category	Stakeholders' Relationship Committee Meetings held/attended
Mr. R. V. Ruia, Chairman	Independent, Non-Executive	04/04
Mr. M. L. Apte	Independent, Non-Executive	04/04
Mr. Kushagra Bajaj	Chairman & Managing Director	04/02

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, 2017

	Number of Shareholders' complaints received during 2016-17	Solved to the satisfaction of Shareholders	Not solved to the satisfaction of Shareholders	Number of pending complaints
Non-receipt of Dividend/Dividend Warrant	1	1	N.A.	0
Non-receipt of Share Certificate	2	2	N.A.	0
Non-receipt of Annual Report	4	4	N.A.	0
Legal and others	2	2	N.A.	0
Total	**9**	**9**	**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 below.

Composition of the Committee

No meeting of the Committee was held during the financial year ended March 31, 2017. The Composition of the Committee is provided in Table 11.

Table 11: Composition of corporate social responsibility committee during the financial year ended March 31, 2017

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)
Mrs. Kiran Anuj (up to 19/06/2016)	Director (Administration)

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, 2017.

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, 2017 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 85th AGM :	Friday, the 15th day of September, 2017 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 12)

Table 12: Date, Time and Venue of Annual General Meetings held:

AGM	Day, Date & Time	Venue
82nd AGM	Tuesday, 12th August, 2014 at 11.00 A.M.	BHL Club Hall, Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh - 262 802
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

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

82nd AGM

Subject matter of the resolutions		Type of resolution
1.	Change the office of Mr. Kushagra Bajaj (DIN: 00017575) from Non-rotational to Rotational	Ordinary Resolution
2.	Appointment of Mr. M. L. Apte (DIN: 00003656) as an Independent Director of the Company	Ordinary Resolution
3.	Appointment of Mr. D. S. Mehta (DIN: 00038366) as an Independent Director of the Company	Ordinary Resolution
4.	Appointment of Mr. R. V. Ruia (DIN: 00035853) as an Independent Director of the Company	Ordinary Resolution
5.	Appointment of Mr. Alok Krishna Agarwal (DIN: 00127273) as an Independent Director of the Company	Ordinary Resolution
6.	Appointment of Mr. D. K. Shukla (DIN: 00025409) as an Independent Director of the Company	Ordinary Resolution
7.	Resolution under Section 62(1)(c) of the Companies Act, 2013 regarding further issue of share capital read with SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009	Special Resolution
8.	Ratification of the remuneration to Cost Auditors	Ordinary Resolution

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

Subject matter of the resolutions		Type of 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

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 Scrutinizer for conducting the postal ballot and E-voting.

Procedure for Postal Ballot:

1. The Board of Directors, vide Resolution dated 2nd January, 2017 had appointed M/s Gupta Baul & Associates, Company Secretaries as the Scrutinizer.
2. The despatch of the Postal Ballot Notice dated 2nd January, 2017 together with Explanatory Statement was completed on 18th January, 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 31st December, 2016.
3. The voting under the Postal Ballot was kept open from 19th January, 2017 to 17th February, 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 Scrutinizer in sealed and tamper-proof ballot boxes before commencing the scrutiny of such postal ballot forms.
6. All Postal Ballot forms received by the Scrutinizer up to 6.00 p.m. on 17th February, 2017 had been considered for his scrutiny. Postal Ballot forms received after the date had not been considered.
7. On 23rd February, 2017, Mr. Pradeep Parakh, Company Secretary announced the following results of the Postal Ballot as per the Scrutinizer's Report.

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

A. 1. Special Resolution for approval of Sale and transfer of Co-generation power business under Section 180(1)(a) of the Companies Act, 2013 (hereinafter referred to as "SPECIAL RESOLUTION NO.1");

2. Ordinary Resolution for transaction with Lalitpur Power Generation Company Limited, being a related party for sale of Co-generation power business under Section 188 of the Companies Act, 2013 and Rules thereunder and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (hereinafter referred to as "ORDINARY RESOLUTION NO.2");

3. Ordinary Resolution for transaction with Lalitpur Power Generation Company Limited, being a related party to enter into contracts/arrangements for supply of fuel (bagasse and bio gas), purchase of power and steam and shared services in respect of common facilities under Section 188 of the Companies Act, 2013 and Rules thereunder and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (hereinafter referred to "ORDINARY RESOLUTION NO.3").

B. The summary of the votes cast (including e-votes) based on the report submitted by Scrutinizer conducting the postal ballot is given below:

Particulars	Special Resolution No.1		Ordinary Resolution No.2		Ordinary Resolution No.3	
	No. of Shares	%*	No. of Shares	%*	No. of Shares	%*
Votes cast in favour	36,46,52,257	99.91	6,97,07,793	99.52	6,97,12,308	99.53
Votes cast against	3,27,471	0.09	3,35,739	0.48	3,32,019	0.47
Total	**36,49,79,728**	**100%**	**7,00,43,532**	**100%**	**7,00,44,327**	**100%**

*% of total shares for valid votes

Financial Calendar

Financial Year 2017-18	:	April 01, 2017 to March 31, 2018
Audited Annual Results for the year ended March 31, 2017	:	Fourth week of May 2017
Mailing of Annual Report	:	Second week of August 2017
Unaudited first quarter financial results	:	Second week of August 2017
Unaudited second quarter financial results	:	Second week of November 2017
Unaudited third quarter financial results	:	Second week of February 2018

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 09, 2017 to Friday, September 15, 2017 (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 Company has initiated the process and issued individual notices to the 1,717 Shareholders holding 2,80,728 equity shares, who have not claimed their dividends (interim as well as final) for the last seven consecutive years. The Company has also uploaded full details of such shares due for transfer as well as unclaimed dividends on the website of the Company. The shares shall be credited to IEPF Suspense Account within the period prescribed under the Rules.

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 demat suspense account/unclaimed suspense account

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 2008-09 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 2009-10 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
2009-10	14,891	18,30,046.00	27/04/2018
2010-11	18,929	13,84,742.00	17/03/2019
2011-12	24,511	6,33,527.30	21/03/2020

No dividend was declared during the FY 2012-14, 2014-15 and 2015-16

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, 2016	3,367	8,09,360
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	9	14,320
Number of shareholders to whom shares were transferred from the suspense account during the year	9	14,320
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2017	3,358	7,95,040

The voting rights on the shares outstanding in the suspense accounts as on March 31, 2017 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 item no.2 & item no.4 of the Notice convening 85th 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 (ATRs) 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, 2017 was 1,100 as compared to 5,350 in 2015-16.

Dematerialisation of shares and liquidity

During the year ended March 31, 2017, 31,310 shares were dematerialised as compared to 24,450 shares during 2015-16. The distribution of shares in physical and electronic modes as at March 31, 2017 and March 31, 2016 is provided in Table 13.

Table 13: Details of Shares held in physical and electronic mode

Categories	Position as at March 31, 2017		Position as at March 31, 2016		Shares Dematerialised during the year ended March 31, 2017	
	No. of Shares	% to total shareholding	No. of Shares	% to total shareholding	No. of Shares	% to total shareholding
Physical	11,94,841	0.11	12,26,777	0.11	-31,936	-0.00
Demat:						
NSDL	85,40,77,324	75.34	87,76,88,442	78.59	-2,36,11,118	-3.25
CDSL	27,82,87,777	24.55	23,79,02,555	21.30	4,03,85,222	3.25
Sub-total	1,13,23,65,101	99.89	1,11,55,90,997	99.89	1,67,74,104	0.00
Total	**1,13,35,59,942**	**100.00**	**1,11,68,17,774**	**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 2016-17 to all the stock exchanges where its securities are listed.

Market price data

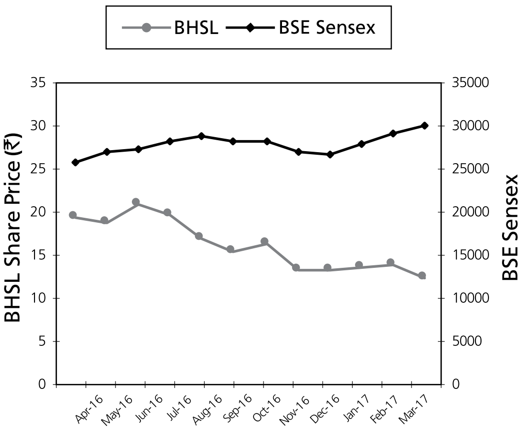
The details of high/low market price of the equity shares of the Company at BSE Limited and at The National Stock Exchange of India Limited (NSE) during the last accounting year of the Company are provided hereunder. (See Table 14)

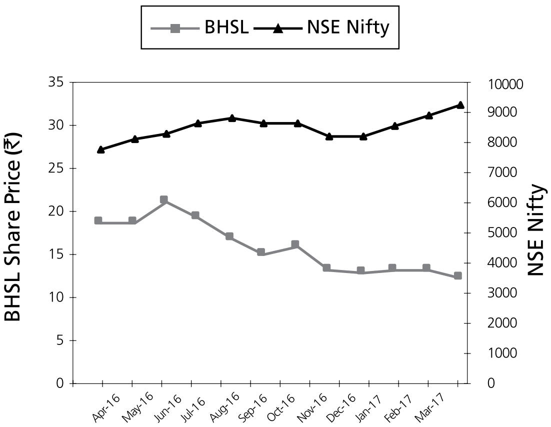
Table 14: Monthly high/low market price of equity shares of Bajaj Hindusthan Sugar Limited during the period ended March 31, 2017

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 2016	21.55	18.90	19.85	21.40	18.90	19.85
May 2016	21.75	17.80	19.25	21.75	17.90	19.25
June 2016	24.20	18.50	21.20	24.20	18.40	21.20
July 2016	22.30	19.20	20.10	22.20	19.15	20.10
August 2016	20.55	16.80	17.55	20.60	16.80	17.55
September 2016	18.90	15.50	16.10	18.90	15.65	16.15
October 2016	17.45	16.20	16.90	17.50	16.20	16.90
November 2016	17.25	13.10	14.20	17.25	13.00	14.20
December 2016	14.74	12.90	14.07	14.60	12.90	14.00
January 2017	16.05	13.93	14.40	16.05	13.90	14.45
February 2017	16.82	14.20	14.53	16.05	13.90	14.45
March 2017	14.95	13.08	13.34	14.95	13.05	13.35

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, 2017 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, 2017 (See Table 15)

Table 15: Shareholding distribution as at March 31, 2017

Category	No. of shareholders	% of total holders	No. of Shares	% of Capital
Up to 500	98,937	68.11	1,66,10,662	1.46
501 to 1000	18,068	12.44	1,52,72,544	1.35
1001 to 2000	11,303	7.78	1,78,39,259	1.57
2001 to 3000	4,641	3.20	1,21,11,301	1.07
3001 to 4000	2,334	1.61	84,74,169	0.75
4001 to 5000	2,396	1.65	1,14,83,554	1.01
5001 to 10000	3,769	2.59	2,87,52,354	2.54
10001 and above	3,802	2.62	1,02,30,16,099	90.25
Total	**1,45,250**	**100.00**	**1,13,35,59,942**	**100.00**

Shareholding Pattern

Table 16 gives the shareholding pattern of the Company as at March 31, 2017

Table 16: Shareholding pattern as at March 31, 2017

Categories	March 31, 2017		March 31, 2016	
	No. of Shares	Percentage	No. of Shares	Percentage
Promoters	29,49,30,766	26.02	29,49,30,766	26.41
Mutual Funds/UTI	4,900	0.00	15,050	0.00
Financial Institutions/Banks	40,62,69,156	35.84	49,41,84,611	44.25
Insurance Companies	4,31,65,896	3.81	4,31,65,896	3.87
Foreign Institutional & Foreign Portfolio-Corp.	4,37,31,541	3.86	2,46,13,019	2.20
NRIs & OCBs	41,45,885	0.36	48,14,134	0.43
GDRs	--	--	--	--
Others	34,13,11,798	30.11	25,50,94,298	22.84
Total	**1,13,35,59,942**	**100.00**	**1,11,68,17,774**	**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.

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. : +91-22-49186000 Fax. No. : +91-22-49186060 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 25, 2017

Certificate

To the Members,
Bajaj Hindusthan Sugar Limited
(formerly Bajaj Hindusthan Limited)

We have examined the compliance of conditions of Corporate Governance by **BAJAJ HINDUSTHAN SUGAR LIMITED** *(formerly Bajaj Hindusthan Limited),* for the year ended on 31st March, 2017, 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 25, 2017

Management Discussion and Analysis

I. Global Scenario

After 5 years of consecutive surplus in Global Demand & Supply Scenario, Years 2015-16 & 2016-17 turned out to be deficit years with sizeable deficit which led to overall depletion of Sugar stocks.

Interestingly, the deficit in Global Scenario coincides with Indian Sugar Scenario as well.

In fact, India is big swing factor in Global Sugar Industry being the largest consumer and second largest producer of Sugar after Brazil. Indian Sugar production is quite volatile and generally any increase in Indian Sugar production gives surplus sugar to Global Market and any dip in Indian Sugar production turns Global Sugar production in deficit.

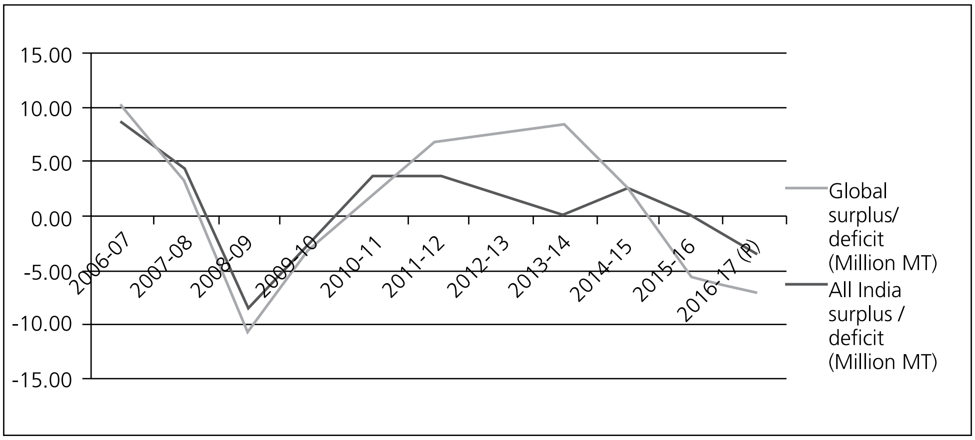
Following table will clearly reflect the coinciding of Global surplus / deficit with Indian Sugar surplus / deficit:

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	23.80	(3.50)

The same can be depicted from the graph below:-



Due to estimated increase in Sugar Production in major Sugar producing countries like India, Brazil, EU & Thailand, Sugar 2017-18 is estimated to be marginal surplus in Global Scenario ending 2 years of deficit Sugar Production.

FO Licht has estimated Global surplus of 2.8 million MT during the year 2017-18.

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

Unit : 000 Metric tonnes, raw value

Year	Production	Import	Consumption	Export	End Stocks
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

S.No.	Name of Country	2014-15	2015-16	2016-17
1	Brazil	33896	37750	36500
2	India	28310	25100	20300
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 2016 – March 2017 is as under:-

Chart 1: ICE 11 : Raw Sugar Settlement Price

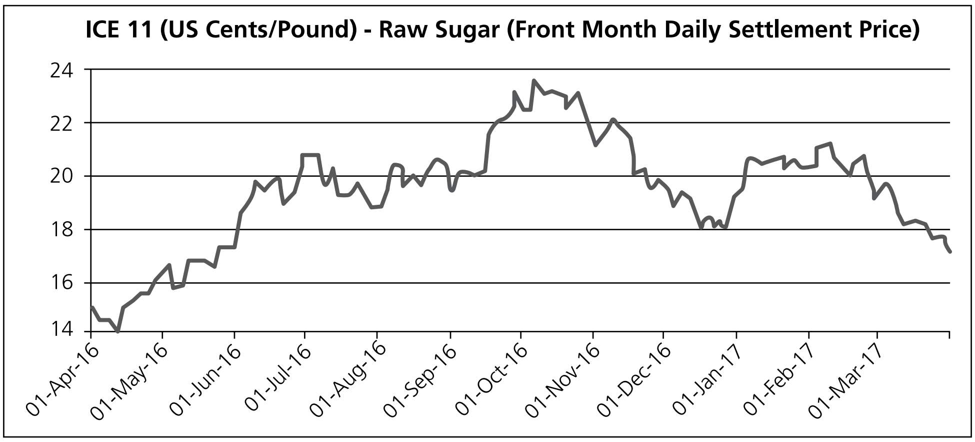
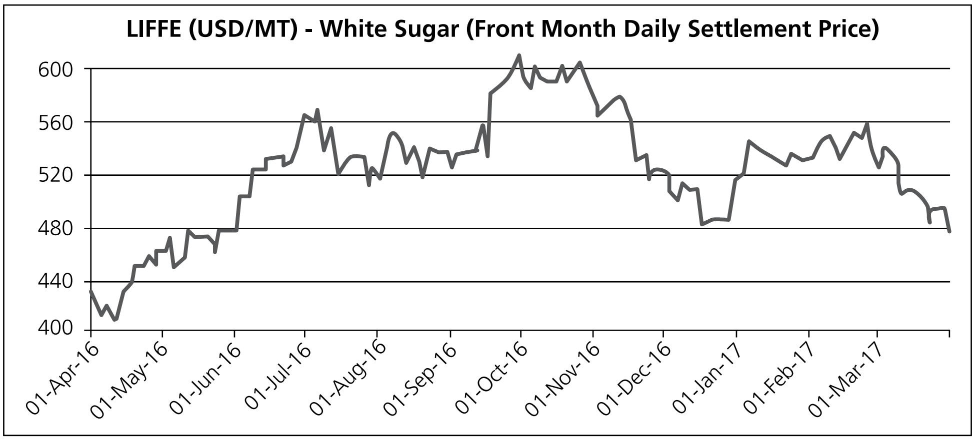


Chart 2: LIFFE Price movement



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

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

ICE 11: During the period April 2016 – March 2017, ICE 11 Front month daily settlement price (Raw Sugar Prices) started from the level of around 15.2 cents / pound in April 2016 and touched the highs of almost 24 cents during October 2016. Thereafter, prices started coming down and touched the level of 16.8 cents as on March 31, 2017.

During the period April 01, 2016 – March 31, 2017, ICE 11 Sugar Prices touched the low of 14.0 cents / pound during April 2016 and highest levels were 24.0 cents (highest in last 04 years) during October 2016.

LIFFE: LIFFE (White Sugar Prices) front month daily settlement price has moved from the level of 437 USD/MT as on April 01, 2016 to the highs of 605 USD/MT during Oct 2016. Thereafter, LIFFE prices started coming down and touched the low of 477 USD/MT as on March 31, 2017.

During the period, White Sugar Prices have touched the high of 605 USD/MT during October 2016 (highest in last 04 years) and lowest levels of 412 USD/MT during April 2016.

In last 1 year (April 2016 – March 2017), ICE 11 Raw Sugar Prices initially increased by almost 58% till October 2016 and thereafter decreased by 30% by March 31, 2017.

On similar lines, LIFFE White Sugar prices initially increased by almost 38% till October 2016 and thereafter Sugar Prices had come down by 21% by March 2017.

Influence factors during the year 2016-17

Brazil being the largest producer & India being the largest consumer and second largest producer in the world played a major role in shaping the International Sugar Prices during the current year 2016-17.

India

During the year 2016-17, India is witnessing a major dip in Sugar production and such a dip in Sugar production raised expectations of major import of Sugar by the country.

Some of the analysts started pegging a figure of 2.5 – 3.0 million MT of Sugar imports by India which is a big number for International trade.

In view of the above expected imports of Sugar, International Sugar prices rallied and touched the highs during the month of October 2016.

India successfully managed with its Sugar production and stock level and continued with its duty of 40% on imports of Sugar which resulted in gradual decline in International Sugar prices.

It is only in April 2017 that Government has allowed duty free import of 5,00,000 MT much lower than the expectations of International market.

Brazil

Brazil CS Sugar production was also pegged at lower numbers at 34.5 million MT during the year 2016-17 which helped Sugar prices to firm up. When market realised that Sugar production is in excess of 35.0 million MT at level of 35.6 million MT and next year 2017-18 also Sugar production is good, prices started cooling off.

Year 2017-18 (starting from April) is also estimated to be a good year from Sugar production's point of view.

Datagro, major analyst of Brazil suggesting crop of 612 million MT during 2017-18 (starting from April) as against 607 million MT during 2016-17, Sugar production at 36.8 million MT as against 35.6 million MT during current year.

Though, quite interestingly UNICA (another leading research analyst) has estimated dip in cane crush in Brazil CS during 2017-18 by 3.65% to the level of 585 million MT. UNICA has estimated diversion of cane towards Sugar at level of 46.99% basis which Sugar production will be lower by 1.2% to the level of 35.2 million MT.

Diversion of Cane towards Sugar in Brazil CS

During the year 2016-17, diversion of cane towards Sugar is 46.3% which is estimated to increase to estimated range of 47.0 - 47.4% during the year 2017-18 due to better price parity with Sugar.

II. Indian Scenario

Year 2016-17 (October-September) is estimated to witness Sugar production of approx. 20.3 million MT (lowest production in last 7 years after Year 2009-10).

In fact, such a sharp dip in Indian Sugar production is primarily responsible for bringing global supply-demand balance sheet into deficit.

Dip in Sugar production is due to the estimated dip in Sugar production in states of Maharashtra & Karnataka.

In State of Maharashtra, Sugar production is estimated to come down from the level of 10.5 million MT during 2014-15, 8.4 million MT during 2015-16 to the level of 4.2 million MT during 2016-17. So, we can see dip in Sugar production in Maharashtra by 60% during 2016-17 as against the Year 2014-15 and 50% as against the Year 2015-16.

Similarly, Karnataka is witnessing poor Sugar production during 2016-17 and is estimated to produce a quantity of 2.2 million MT during 2016-17 as against 4.9 million MT during 2014-15 and 4.0 million MT during 2015-16.

It means in Karnataka, Sugar production is down by 55% during 2016-17 as compared to Sugar production during 2014-15 and 45% down as compared to Sugar production during 2015-16.

The Sugar production during 2016-17 in states of Maharashtra & Karnataka is poor due to drought during the year 2015 affecting overall acreage of the crop.

In the year of such dismal production figures, one state has turned out to be a star performer in terms of overall production, yield and sugar recovery.

State of Uttar Pradesh (UP) is estimated to produce a quantity of 8.7 – 8.8 million MT (ISMA's last estimate of UP's sugar production is 8.5 million MT) as against 6.8 million MT during 2015-16. In fact, estimated production of 8.7 – 8.8 million Sugar production in state of UP is at an all time high. Last time, it was during 2006-07, when Sugar production in UP state had crossed the figure of 8.0 million MT and touched the level of 8.475 million MT.

Sugar production in the state of UP is on the rise because of improved yield and better recovery, better variety of cane and increased proportion of early variety of cane.

Policy initiative by the Government

Though, as such Sugar sector has been decontrolled by the Government more than 4 years back during the year 2013, from time to time, Government intervenes in terms of regulating exports, imports, imposing stock limits, etc.

Till the year 2015-16, Indian Sugar Industry was struggling with the problem of continued surplus Sugar production for last 6 years i.e. since 2010-11 and domestic Sugar prices had nosedived due to surplus availability of sugar in system.

During such times, Government intervened and took measures like:

I. Incentive on Exports of Raw Sugar (Defraying expenditure for incentive towards marketing & promotion services for raw sugar production)

During February 2015, Government of India extended the incentive towards marketing & promotion services for raw sugar production and notified incentive at ₹ 4000 per MT for exports of up to 1.4 million MT raw sugar up to September 30, 2015.

II. Mandatory Export of Sugar

Since the incentive on exports of sugar announced during February 2015 was actually announced very late and was not able to move significant Export volumes out of the system, Government decided to give mandatory export quotas to all Sugar Millers.

On September 18, 2015, Government announced mandatory export of 4.0 million MT Sugar from country during the period October 01, 2015 – September 30, 2016. The quantity of 4.0 million MT was distributed amongst All India Sugar Millers in the form of mandatory quotas called Minimum Indicative Export Quotas (MIEQ) which was worked out basis the average Sugar production of last 3 years.

The only objective of giving mandatory export quotas was to move surplus sugar from the trade in form of exports, even if it is at a loss.

Sugar Millers were allowed to export any form of Sugar out of country i.e. Raw Sugar, White Sugar & Refined Sugar.

Sugar Millers were also allowed to get the Sugar of other millers like costal millers exported through merchant exporter against their MIEQ's (Export Quotas).

III. Cane Subsidy

On December 02, 2015 Government announced cane incentive @ ₹ 4.5 per qtl. payable directly to the farmers out of due cane payment of Sugar Millers to farmers.

The eligibility criteria for the availing cane subsidy was completion of 80% of the Sugar export target by the miller and completion of 80% of Ethanol supply quotas given by the Government.

Sugar Industry on all India basis could export a quantity of 1.6 million MT due to above mandatory export policy and cane subsidy allowed and thus reduced the burden of surplus sugar to the extent.

Government has also disbursed most of the cane subsidy to the Industry, allowed and estimated amount of subsidy is ₹ 525 crore.

BHSL had also participated in above Government of India's campaign and exported a quantity of 78952 MT Sugar and got subsidy of ₹ 28.27 crore.

U-turn on exports of Sugar

As the year 2015-16 witnessed dip in Sugar production to the level of 25.1 million MT (almost same as consumption) and year 2016-17 witnessed a dip in Sugar production to the tune of 20.0 million MT as against Sugar production of 28.3 million MT during the Sugar year 2014-15, Government took U-turn on exports / import front and took the following measures to discourage exports of Sugar :-

- Disallowed cane subsidy @ ₹ 4.5 per qtl. of cane crushed linked with exports of Sugar: On May 19, 2016, Government discontinued cane subsidy @ ₹ 4.5 per qtl. linked with Sugar exports to discourage Sugar exports.
- Relaxed the condition of Mandatory Exports: On September 12, 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

Due to continued years of surplus Sugar production, Government had been protecting the Industry from imports by taking up following measures :-

- Increase in import duty to 25% during August 2014.
- Further increased import duty from 25% to 40% on April 29, 2015.
- Time period for re-export of sugar after sugar import under advance authorisation reduced from 18 months to 6 months, decided on April 29, 2015.
- Withdrawal of scheme of Duty Free Import Authorisation (DFIA) for sugar, decided on April 29, 2015.

All the above decisions of the Government has ensured that no imports of Sugar has taken place in the country under Open General Licence.

It is only during the current Sugar Year 2016-17 that because of estimated dismal production to the level of 20.3 million MT, 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 are allowed to import Sugar only up to June 30, 2017 and to process the Sugar within 2 months of Import.

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 on Trade

To check spiralling Sugar prices and to speculative activities, during the year 2015-16 and also 2016-17, Government took the following decisions related to Stock limit :

On April 29, 2016, Government imposed stock limit on Sugar Trade allowing traders to stock up to 5000 qtls. only except Kolkata, where it was allowed up to 10000 qtls. The said stock limit was imposed for a period of 180 days which later on was extended for another 6 months till April 28, 2017, now further extended for a period of 6 months till October 28, 2017.

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 Millers

Government imposed stock limit on Sugar Millers 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 millers and on other hand prices don't flare up beyond acceptable limits.

Ethanol

Oil companies continued with their Ethanol blending policy for the Alcohol year 2016-17 (December-November) though, Ethanol price as offered by Oil companies has been reduced during the year.

For Ethanol supplies during the year 2016-17, Oil companies had offered a price of ₹ 39.0 per Litre plus Central Excise Duty, CST/GST as applicable and freight as decided by oil companies.

There is an applicability of State fees also like UP State Export fees, Import fees, etc. which Oil companies have refused to pay which has become a cost for the Millers.

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 and therefore will be controlled / legislated only by Central Government.

It means Ethanol and denatured spirit should come out of the purview of State Government with no power left to regulate or impose any fees / taxes / duties on Ethanol.

While, amendment has been done in IDR Act, State Government / Excise continue to regulate and impose duties on Ethanol.

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.

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.

In fact, Government from their side had been giving supply targets to Sugar Millers based on installed capacity and also linking these supply targets with incentive.

Government had allowed and gave cane subsidy @ ₹ 4.5 per qtl. of Cane crushed during 2015-16 subject to completion of Ethanol supply targets.

Sugar

Domestic production and consumption

Sugar production during the year 2016-17 (October–September) is estimated to come down to the level of 20.3 million MT as against 25.1 million MT during 2015-16 & 28.3 million MT during 2014-15. The dip in Sugar production is mainly due to drought conditions in country during 2015 which severely affected the sowing & crop in the states of Maharashtra & Karnataka.

Table 4: Domestic production and consumption

Unit: Million MT

Particulars		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
		Actual	Actual	Actual	Actual	Actual	Estimated
A.	Opening Stock as on Oct 01	5.9	6.6	9.3	7.5	9.1	7.7
B.	Production during Season	26.3	25.1	24.4	28.3	25.1	20.3
C.	Imports	0.0	0.7	0.1	0.0	0.0	0.5
D.	Total Supply Availability	**32.2**	**32.4**	**33.8**	**35.8**	**34.2**	**28.5**
E.	Offtake :						
	a) Internal consumption	22.6	22.8	24.2	25.6	24.9	23.8
	b) Exports	3.0	0.3	2.1	1.1	1.7	0.0
	Total Offtake	**25.6**	**23.1**	**26.3**	**26.7**	**26.5**	**23.8**
F.	Closing Stock as on Sept 30	**6.6**	**9.3**	**7.5**	**9.1**	**7.7**	**4.7**

From the above table, following can be observed:-

Consumption during the year 2016-17 is estimated to come down to the level of 23.8 million MT as against 24.9 million MT during the year 2015-16.

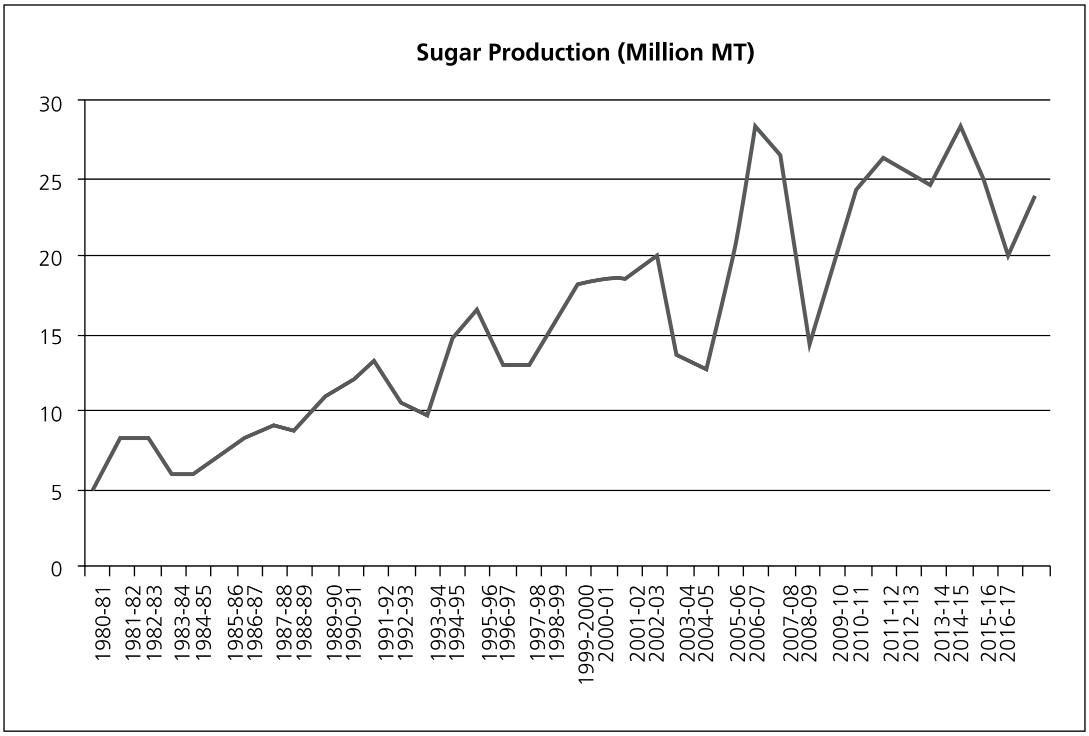
Though, a certain section of the trade is not in agreement for such a sharp decline in consumption figures, reason for lower consumption is attributed to demonetisation exercise undertaken by the Government during November 2016. The other reason attributable to lower consumption is withdrawal of subsidy by the Central Government on PDS, which means cheap sugar will not be available for consumption. Increase in Sugar price in line with cane cost is also attributed to one of the reasons for dip in consumption level.

Cyclical nature of Sugar production in India

Indian Sugar production is quite cyclical in nature with big volatility seen in Sugar production over the years.

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

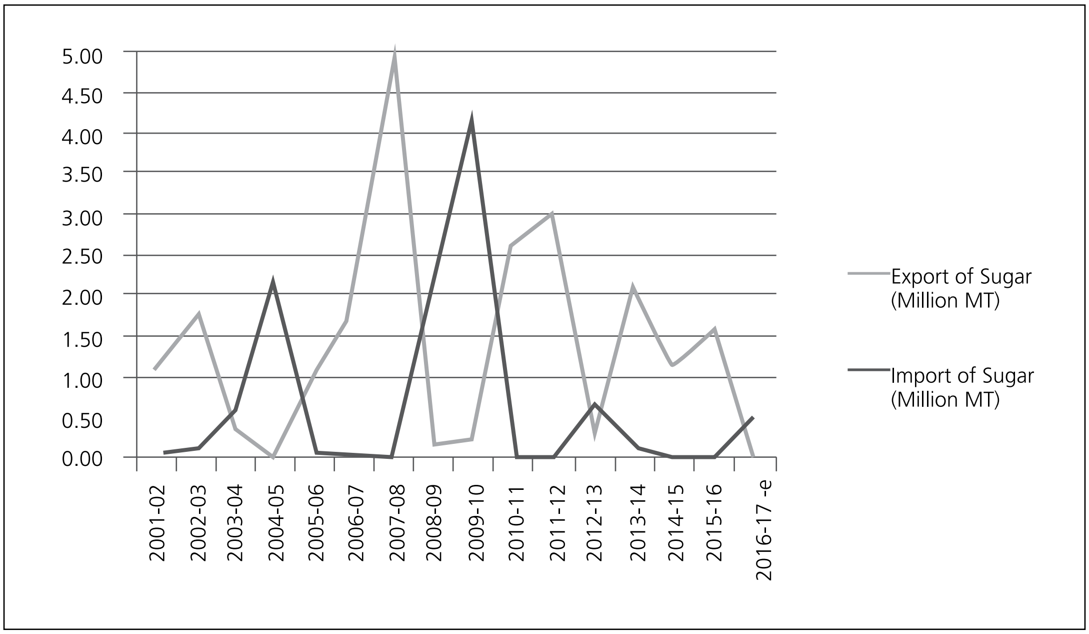
Chart 3 : The Sugar production pattern since 1980 depicting the cyclical nature of sugar production



Source : ISMA

At times, sugar production is in excess of consumption allowing exports of sugar and when sugar production is in deficit, then the country turns into Importer.

Chart 4: Pattern of Sugar Exports / Imports



Improved prospects for the trade

Prospects for the Sugar Industry started improving from the Year 2015-16 (October-September) onwards mainly on account of improving price levels and improved sugar recovery from cane for UP state millers.

The same momentum for improved Sugar prospects is continuing for the Year 2016-17 also on account of sustained level of Sugar prices and good sugar recovery levels.

In state of UP, average recovery of Sugar has been continuing around 9.5% which improved to the level of 10.6% during 2015-16. It is estimated that Sugar recovery in state of UP will remain at the level of around 10.6% during the year 2016-17 as well.

Government of India is aggressively continuing and pushing with policy of Ethanol blending with Gasoline and BHSL continues to be part of this Government of India's campaign and is the largest supplier of Ethanol to Oil companies for blending in country.

III. Bajaj Hindusthan Sugar's (BHSL) Position

BHSL has 14 sugar plants having an aggregate crushing capacity of 136000 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. During the Sugar year (October-September) 2015-16 and also 2016-17, the results of continued investment in Cane development are also visible in the form of increased availability of better variety of cane and better Sugar recovery. BHSL sees cane development a major thrust area to improve the revenue generation and is continuously striving towards it.

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. Thus at times, Sugar Prices are disconnected with the Cane price.

   Industry Associations including ISMA are pushing for linking of Cane price with Sugar price in line with recommendation of Rangarajan Committee and it is expected that it will happen soon.

3. **Regulatory risk**

   Sugar industry is subject to many regulatory risks like environment, raw material pricing, government policies, etc. On supply of Ethanol and other Grades of Alcohol, there are regulations in terms of documentation requirements of State Excise, state fees in.

Though, with upcoming implementation of GST and latest amendment in IDR Act bringing denatured Ethanol totally under the purview of Central Government, there would be easing of such regulatory risks.

Table 5: Market share of BHSL in U.P. and on all India basis for Sugar basis Production:-

Year (October-September)

Particulars	Unit	2016-17 (e)	2015-16	2014-15
BHSL Production	Million MT	1.33	1.05	1.15
UP Production	Million MT	8.80	6.84	7.10
All India Production	Million MT	20.30	25.13	28.31
BHSL % of UP	%	15.11	15.35	16.20
BHSL % of all India	%	6.55	4.18	4.06

Sugar market spread - all units of BHSL

Bajaj Group (Bajaj Hindusthan Sugar Limited) has 14 units evenly spread throughout the State of Uttar Pradesh with 5 sugar mills in Western UP, 5 in Central UP and 4 in Eastern UP.

The Zone-wise details and the crushing capacity of the mills are as under:-

Table 6: Zone-wise 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.

Central U.P.: Sugar produced in our Barkhera and Maqsoodapur mills is sold partly in Central UP and also in neighbouring states i.e. Punjab, Haryana and Delhi, whereas the sugar produced by Gola, Palia and Khambarkhera mills is sold in Central UP, East UP, Bihar, Bengal, Jharkhand 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.

During current year, due to dismal sugar production in the states of Maharashtra & Karnataka and bumper production in state of UP, lot of demand of states conventionally dependent upon Maharashtra & Karnataka has come to state of UP. Entire demand of North East and Kolkata has come to state of UP, whereas earlier UP was catering only to part of the demand of this region.

Similarly, states like Odisha, Madhya Pradesh, Rajasthan, Chhattisgarh are being fed by UP Sugar millers in a big way unlike previous years when major demand was being met by Maharashtra Millers.

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. 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, Government has imposed import duty of 40% restricting Sugar Imports and no imports has taken place under Open General Licence in the last 3 years since 2014-15.

However, during the year 2016-17 due to Sugar deficit in country, Government has allowed duty free import capped at 5,00,000 MT and most of it will be imported in sugar deficit region of South India and Maharashtra.

In eastern India, a quantity of just 50,000 MT is allowed to be imported through Haldia / Paradeep port which will compete with our Sugar, but effect will be quite negligible as quantity allowed for import at Haldia is just 50,000 MT which is 10% of total import allowed.

Table 7 : High & Low Price of Sugar - BHSL

Unit : ₹ / Qtl.

01.04.2016 to 31.03.2017		
Months	**High**	**Low**
April	3519	3281
May	3421	3281
June	3571	3355
July	3601	3431
August	3651	3441
September	3535	3450
October **		
November	3625	3411
December	3681	3381
January	3775	3570
February	3791	3624
March	3775	3550

a) Refined sugar was not taken in consideration.

b) Only M-31 50 Kg rate was noted.

c) Farmer despatches rate was not taken.

d) Sugar despatches through rake was also not considered as the sale confirmed in a month is despatched next month.

e) Sugar transfer to sister company was also not noted i.e. M/s RVPL/Ojas.

f) Prices are taken for domestic market and not exports MIEQ Sale.

** No fresh sale in October 2016. Only 3740 qtl. despatched in October 2016 against sale of September 2016 month.

Internal control system and their adequacy

Considering the nature of business and its magnitude, the Company needs to maintain sound business practice with an effective Internal Control system. The system ensures that all the transactions are authorised, recorded and reported correctly to safeguard the Company's assets and to protect them from any loss due to unauthorised use or disposition.

The Company has a strong & independent Internal Audit department which monitors and evaluates the efficacy and adequacy of Internal Control systems, accounting procedures & policies at all locations of the Company. Also, the Company has in place a well-defined Delegation of Power (DOP) and various Standard Operating Procedures (SOPs) covering different areas which further strengthen the Internal Control. Internal Audit function in the Company is conducted In-house with one Zonal Coordinator & one support staff in each of the 3 zones (Consisting Five Units each in West & Central Zones and Four Units in East Zone). They are responsible for Audit, discussions with respective Department Heads at Unit level & implementation of audit observations.

The Internal Audit team carries out audit effectively throughout the year covering all areas of operations and activities as approved by the Audit Committee. 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 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.

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, 2017, BHSL had 7,181 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 attend any 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 up-gradation 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 develop that are particularly relevant to their field. It also grows the team and 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 results in giving an impact to their productivity. During the year 2016-17, HR dept. of Bajaj Group had organised various training programmes 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 power point presentation about the Company.

- Activities and Events: As a part of Employees Engagement Programmes, celebrated religious, cultural, national integration programmes, e.g. Annual function of Holi Milan, Shivalya Temple, Janmashtami, Dussehera, Teej & Lohri festival, Republic Day, Independence Day, Vishwakarma Day, Environment Day, Safety Week (4th March to 10th March), Jamnalal Jayanti (4th November), Labour Day (1st May), Zonal Cricket Tournament, various types 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 a non-profit making organisation, is an outcome to fulfil the said need. It was incorporated during the year 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 & tender minds of approx. 1600 students. School is running as a creative centre for learning & development. It has provided employment to more than 75 people, including spouses of the employees. BPS solely aims to continuously connect, grow, serve & reach the new horizons.

2. **Other activities**

   a) General medical check-up, 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 & Spray for mosquito in nearby villages.

   g) Blood donation camp.

   h) An Eye check-up camp was arranged in factory hospital, Rudauli in which eye specialists from Ayodhya Eye Hospital, Basti were present. They had taken various eye tests of most of our employees and suitable medicine/ spectacles were provided them on payment. Among the beneficiaries were various outside farmers too.

IV. Financial Analysis of Operations of the Company

The financial results for the year under review for 12 months from April 01, 2016 to March 31, 2017.

Table 8 : Operational data

Particulars	Unit	Year ended March 31, 2017	Year ended March 31, 2016
Cane crushing	MMT	**12.509**	10.922
Sugar recovery	%	**10.23**	10.32
Sugar production	MT	**12,72,424**	11,36,070
Industrial alcohol production	KL	**1,11,934**	1,25,310
Molasses production	MT	**5,94,958**	5,33,219
Power generation	MW	**7,29,431**	6,86,685

During the year, the production of sugar from sugarcane has increased to 12,72,424 MT as compared to 11,36,070 MT during the previous year. The production of molasses was at 5,94,958 MT as compared to 5,33,219 MT in the previous year. The industrial alcohol / ethanol production was at 1,11,934 KL as compared to 1,25,310 KL in the previous year. Power generation was at 7,29,431 MW as compared to 6,86,685 MW in the previous year. Average recovery of sugar from sugarcane decreased to 10.23% during the current year as compared to 10.32% in the previous year.

Results of operations

Table 9 : Summarised financial results

₹ Crore

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue	**4,780.91**	5,038.60
Earnings before interest, depreciation and tax (EBIDTA)	**1,017.77**	949.15
Finance costs	**802.07**	848.38
Cash profits	**215.70**	100.77
Depreciation & amortisation	**214.12**	223.98
Profit/(Loss) before tax	**1.58**	(123.21)
Tax expenses	**(5.82)**	(3.42)
Profit/(Loss) after tax	**7.40**	(119.79)
Basic and Diluted earnings per share (₹)	**0.07**	(1.35)

Turnover

During the year ended March 31, 2017, the Company's total revenue was ₹ 4,780.91 crore as against ₹ 5,038.60 crore in the previous year.

Analysis of sales

During the year, the Company sold 10,46,122 MT of sugar as against 12,96,466 MT during the previous year. The Company sold 10,058 MT of molasses as against 1,17,968 MT in the previous year. However, alcohol/ethanol sales during the year was at 1,09,820 KL as against 1,42,846 KL during the previous year.

The Company exported 2,67,257 MW of power during the year as against 2,66,106 MW during the previous year.

Product-wise sales quantity, value and per unit realisation details are given in Table 10:

Table 10 : Sales revenue

Particulars	Year ended March 31, 2017				Year ended March 31, 2016		
	Unit	**Qty**	**Value ₹ Crore**	**Realisation* ₹/MT/KL/MW**	Qty	Value ₹ Crore	Realisation* ₹/MT/KL/MW
Sugar	MT	**10,46,122**	**3,923.05**	**37,501**	12,96,466	3,649.58	28,150
Alcohol/Ethanol	KL	**1,09,820**	**461.97**	**42,066**	1,42,846	594.41	41,612
Molasses	MT	**10,058**	**2.76**	**2,741**	1,17,968	26.97	2,286
Power	MW	**2,67,257**	**126.88**	**4,748**	2,66,106	133.10	5,002

* Includes excise duty

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 government subsidies on cane purchase sugar season 2015-16 of ₹ 7.99 crore, sale of renewable energy certificates of ₹ 49.84 crore, lease rent of ₹ 10.39 crore, sale of scrap of ₹ 3.19 crore and other miscellaneous operating income of ₹ 3.67 crore.

Other income

Other income for the current year was ₹ 162.27 crore (including interest income of ₹ 152.26 crore and other miscellaneous income of ₹ 10.01 crore) against ₹ 155.98 crore in the previous year (including interest income of ₹ 150.01 crore and other miscellaneous income of ₹ 5.97 crore).

Other expenses

During the year, other expenses were ₹ 290.52 crore as against ₹ 282.59 crore in the previous year.

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

The EBIDTA increased for the current year at ₹ 1,017.77 crore as against ₹ 949.15 crore in the previous year.

Finance costs

Comparative decrease in interest expense was mainly due to lower interest rates.

Depreciation & amortisation

The depreciation for the current year was at ₹ 214.12 crore as against ₹ 223.98 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, 2017 is given in Table 11.

Table 11 : Summarised balance sheet

₹ Crore

As at	**March 31, 2017**	March 31, 2016
ASSETS		
Non-current assets		
Property, plant and equipment	**7,728.17**	7,937.16
Capital work-in-progress	**36.05**	18.74
Other intangible assets	**0.00**	0.00
Financial assets		
Investments	**1,108.30**	1,132.49
Other non-current financial assets	**4.93**	3.83
Other non-current assets	**21.79**	19.92
Sub total	**8,899.24**	9,112.14
Current assets		
Inventories	**3,009.52**	1,924.12
Financial assets		
Trade receivables	**165.58**	300.16
Cash and cash equivalents	**30.09**	41.17
Bank balances	**51.41**	78.10
Loans	**1,855.71**	1,710.83
Current tax assets (net)	**21.63**	20.72
Other current assets	**769.68**	767.41
Sub total	**5,903.62**	4,842.51
TOTAL ASSETS	**14,802.86**	13,954.65

₹ Crore

As at	March 31, 2017	March 31, 2016
EQUITY AND LIABILITIES		
Equity		
Equity share capital	**110.07**	108.39
Other equity	**3,833.44**	3,849.39
Sub total	**3,943.51**	3,957.78
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	**5,459.79**	6,219.80
Provisions	**40.23**	29.02
Deferred tax liabilities (net)	**653.13**	665.52
Other non-current liabilities	**8.73**	9.18
Sub total	**6,161.88**	6,923.52
Current liabilities		
Financial liabilities		
Borrowings	**242.74**	-
Trade payables	**2,785.87**	2,195.72
Other financial liabilities	**1,369.64**	693.02
Other current liabilities	**123.41**	63.97
Provisions	**175.81**	120.64
Sub total	**4,697.47**	3,073.35
TOTAL EQUITY AND LIABILITIES	**14,802.86**	13,954.65

Share capital

During the year, 1,67,42,168 equity shares of ₹ 1/- have been issued at a premium of ₹ 20.77 per share for consideration other than cash to lender banks upon conversion of Funded Interest Term Loan (FITL) as per Master Restructuring Agreement (MRA).

Other equity

Other equity has been decreased to ₹ 3,833.44 crore as at March 31, 2017 from ₹ 3,849.39 crore as at March 31, 2016 mainly due to change of other comprehensive income by ₹ 21.64 crore.

Non-current borrowings

Long-term borrowings was at ₹ 5,459.79 crore as at March 31, 2017 as against ₹ 6,219.80 crore in the previous year ended March 31, 2016.

Current borrowings

Short-term borrowings stood at ₹ 242.74 crore as at March 31, 2017 as against ₹ NIL in the previous year ended March 31, 2016.

Property, plant and equipment

Gross Block has decreased to ₹ 10,559.09 crore from ₹ 10,558.50 crore, on account of routine capitalisation/de-capitalisation during the year. The net block stood at ₹ 7,728.17 crore as against ₹ 7,937.16 crore.

Investments

Investment was at ₹ 1,108.30 crore as at March 31, 2017 as against ₹ 1,132.49 crore in the previous year ended March 31, 2016. Mainly changes are due to valuation at fair value.

Inventories

The inventory of sugar at the end of the current year was 7,52,726 MT equivalent to 263 days' sales as compared to 149 days' sales in the previous year. Alcohol inventory at the end of the current year was 34,289 KL equivalent to 114 days' sales as compared to 84 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 13 days' of sales as compared to 21 days' of sales in the previous year ended March 31, 2016. The decrease was due to change in outstanding of power sale with UPPCL.

Significant non-recurring income, expenditure and other items

Income

Gain on sale of assets ₹ 0.47 crore, provision no longer required/credit balance appropriated ₹ 0.95 crore and miscellaneous receipts ₹ 8.59 crore were of a non-recurring nature.

Expenditure

The loss on assets sold/discarded ₹ 0.20 crore is of a non-recurring nature.

Contingent liabilities

The status of contingent liabilities as at March 31, 2017 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, 2017 are given in Table 12:

Table 12 : Cane crushing, sugar recovery and sugar production

Plant Location	Zone	2016-17			2015-16		
		Cane Crushing (MMT)	**Sugar Recovery (%)**	**Sugar Production (Tonnes)**	Cane Crushing (MMT)	Sugar Recovery (%)	Sugar Production (Tonnes)
Gola Gokarannath	Central UP	1.333	9.45	1,24,708	1.390	11.03	1,55,247
Palia Kalan	Central UP	1.024	10.10	1,02,078	1.081	9.63	1,06,122
Khambarkhera	Central UP	1.206	10.04	1,20,756	1.060	11.01	1,18,478
Barkhera	Central UP	1.069	10.97	1,17,010	0.475	10.03	47,675
Maqsoodapur	Central UP	0.620	9.70	59,414	0.422	11.46	48,408
Kinauni	Western UP	1.662	11.30	1,85,964	1.477	9.75	1,45,242
Thanabhawan	Western UP	1.237	9.60	1,18,697	0.804	9.67	78,912
Budhana	Western UP	1.192	11.18	1,31,968	1.218	9.91	1,20,828
Bilai	Western UP	0.711	10.20	72,507	1.083	10.79	1,16,924
Gangnauli	Western UP	0.683	10.79	73,636	0.323	9.97	32,188
Pratappur	Eastern UP	0.108	8.92	9,666	0.132	10.16	13,387
Rudauli	Eastern UP	0.378	9.20	34,784	0.357	10.42	37,199
Utraula	Eastern UP	0.556	9.43	52,363	0.455	10.55	48,014
Kundarkhi	Eastern UP	0.730	9.43	68,873	0.645	10.45	67,446
Total		**12.509**	**10.23**	**12,72,424**	**10.922**	**10.32**	**11,36,070**

Distillery division

The distillery division produced 1,11,934 KL of industrial alcohol/ethanol during the current year against 1,25,310 KL in the previous year. Likewise alcohol/ethanol sales aggregated during the current year at 1,09,820 KL against 1,42,846 KL in the previous year. In value terms, the sale of industrial alcohol/ethanol during the year is ₹ 461.97 crore as against ₹ 594.41 crore in the previous year.

Power division

The sale of power was recorded at ₹ 126.88 crore in the current year as against ₹ 133.10 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". These financial statements are the Company's first Ind AS compliant financial statements and are covered by Ind AS 101 - First time adoption of Indian Accounting Standards.

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 2016-17

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, 2016 to March 31, 2017
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	1072
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) :** ₹ 4,618.64 crore
3. **Total profit after taxes (INR) :** ₹ 7.40 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, 2017.

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 Number : 02608184
2. Name : Mr. Ashok Kumar Gupta
3. Designation : Director (Group Operations)

(b) Details of the BR head:

Sr. No.	Particulars	Details
1	DIN Number (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 9 complaints from its shareholders and all 9 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 & labour cost saving.

4. Has the Company taken any steps to procure goods and services from local & 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 & 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: 7,181
2. Please indicate the total number of employees hired on temporary/contractual/casual basis: 3,818
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 is 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. 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 & skill upgradation training in the last year?

   (a) Permanent Employees: 74%

   (b) Permanent Women Employees: Nil

   (c) Casual/Temporary/Contractual Employees: 6%

   (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 & 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 de*als 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 ₹ 8.10 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 & 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 2016-17	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, 2017 – 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, 2017 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, 2017, 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 25, 2017

Independent Auditors' Report

To the Members of
Bajaj Hindusthan Sugar Limited

Report on the financial statements

We have audited the accompanying standalone financial statements of Bajaj Hindusthan Sugar Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement 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 financial position, financial performance including other comprehensive income, cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015, as amended. 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, 2017, of its loss including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

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, Statement of Changes in Equity and Cash Flow Statement 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013;

(f) 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;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 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;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

   iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O.3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the Management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

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

Jignesh Mehta
Partner
Membership No. 102749

Mumbai
Dated: May 25, 2017

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, 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 as at balance sheet date.

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 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, 2017 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 enquiries in this regard, the disputed amounts payable in respect of income tax, sales tax, service tax, customs duty and excise duty/cess not deposited with the appropriate 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	8.85	Various year from 2001-02 to 2016-17	Commissioner Sales Tax/VAT
		47.65	Various year from 1982-83 to 2014-15	Sales Tax Appellate Tribunal
		3.42	Various year from 1989-90 to 2010-11	High Court
Central Excise Act, 1944	Excise and Service Tax	0.25	Various year from 1977-78 to 2015-16	Commissioner of Central Excise (Appeals)
		16.35	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
	Total	**82.11**		

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, 2017 is tabulated as under:-

Particulars	Amount of Default as at March 31, 2017 (₹ in Crore)	
	Principal*	Interest**
Allahabad Bank	31.13	7.06
Bank of Baroda	7.55	1.71
Bank of India	4.45	1.01
Bank of Maharashtra	22.25	5.05
Canara Bank	15.13	3.42
Central Bank of India	22.89	5.16
Corporation Bank	10.27	2.32
IDBI Bank Ltd.	20.61	4.65
Indian Overseas Bank	6.67	1.50
Oriental Bank of Commerce	20.32	4.62
Punjab National Bank	42.15	9.63
State Bank of Hyderabad	7.24	1.64
State Bank of India	50.26	11.09
State Bank of Patiala	12.46	2.83
UCO Bank	9.80	2.23
Total	**283.18**	**63.91**

The Company has not issued debentures.

*The Principal amount is due for repayment as on the balance sheet date and has been not paid.

** The Interest amount is due for repayment as on balance sheet date and has been paid within 30 days.

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) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

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 25, 2017

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, 2017 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, 2017, 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 25, 2017

Balance Sheet as at March 31, 2017

Particulars	Note	**As at March 31, 2017 ₹ Crore**	As at March 31, 2016 ₹ Crore	As at April 01, 2015 ₹ Crore
ASSETS :				
Non-current assets				
Property, plant and equipment	3	**7,728.17**	7,937.16	8,157.72
Capital work-in-progress	3	**36.05**	18.74	8.26
Other intangible assets	3	**0.00**	0.00	0.00
Financial assets				
Investments	4	**1,108.30**	1,132.49	1,152.95
Other non-current financial assets	5	**4.93**	3.83	3.66
Other non-current assets	6	**21.79**	19.92	24.27
Sub total		**8,899.24**	9,112.14	9,346.86
Current assets				
Inventories	7	**3,009.52**	1,924.12	2,179.29
Financial assets				
Trade receivables	8	**165.58**	300.16	165.78
Cash and cash equivalents	9	**30.09**	41.17	59.93
Bank balances	10	**51.41**	78.10	29.95
Loans	11	**1,855.71**	1,710.83	1,564.40
Current tax assets (net)	12	**21.63**	20.72	23.81
Other current assets	13	**769.68**	767.41	833.79
Sub total		**5,903.62**	4,842.51	4,856.95
Total Assets		**14,802.86**	13,954.65	14,203.81
EQUITY AND LIABILITIES :				
Equity				
Equity share capital	14	**110.07**	108.39	77.73
Other equity	15	**3,833.44**	3,849.39	3,440.13
Sub total		**3,943.51**	3,957.78	3,517.86
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	16	**5,459.79**	6,219.80	6,994.64
Provisions	17	**40.23**	29.02	26.58
Deferred tax liabilities (net)	18	**653.13**	665.52	679.06
Other non-current liabilities	19	**8.73**	9.18	9.79
Sub total		**6,161.88**	6,923.52	7,710.07
Current liabilities				
Financial liabilities				
Borrowings	20	**242.74**	-	-
Trade payables	21	**2,785.87**	2,195.72	2,789.84
Other financial liabilities	22	**1,369.64**	693.02	31.76
Other current liabilities	23	**123.41**	63.97	60.49
Provisions	24	**175.81**	120.64	93.79
Sub total		**4,697.47**	3,073.35	2,975.88
Total Equity and Liabilities		**14,802.86**	13,954.65	14,203.81

See accompanying notes "1" to "52" 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

R.V. Ruia
Independent Director
DIN 00035853

D.K. Shukla
Independent Director
DIN 00025409

Ashok Mukand
Nominee Director
DIN 01235804

Alok Krishna Agarwal
Independent Director
DIN 00127273

Vipulkumar S. Modi
Independent Director
DIN 06985276

Shalu Bhandari
Director
DIN 00012556

Ashok Kumar Gupta
Director (Group Operations)
DIN 02608184

Mumbai, May 25, 2017

Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Note	Year ended March 31, 2017 ₹ Crore	Year ended March 31, 2016 ₹ Crore
INCOME :			
Revenue from operations	25	**4,618.64**	4,882.62
Other income	26	**162.27**	155.98
Total income		**4,780.91**	5,038.60
EXPENSES :			
Cost of materials consumed	27	**4,037.88**	3,127.29
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	**(1,032.80)**	281.23
Excise duty on goods sold	29	**234.05**	199.39
Employee benefits expense	30	**233.49**	198.95
Finance costs	31	**802.07**	848.38
Depreciation and amortisation expense	32	**214.12**	223.98
Other expenses	33	**290.52**	282.59
Total expenses		**4,779.33**	5,161.81
Profit/(Loss) before exceptional items and tax		**1.58**	(123.21)
Exceptional items		**-**	-
Profit/(Loss) before tax		**1.58**	(123.21)
Tax expenses			
Current tax		**-**	-
Deferred tax	18	**(2.64)**	(3.42)
Tax relating to earlier years		**(3.18)**	-
Total tax		**(5.82)**	(3.42)
Profit/(Loss) for the year after tax		**7.40**	(119.79)
Other comprehensive income			
- Items that will not be reclassifled to profit or loss	34	**(31.39)**	(24.38)
- Income tax relating to items that will not be reclassified to profit or loss	34	**9.75**	10.12
- Items that will be reclassified to profit or loss		**-**	-
- Income tax relating to items that will be reclassified to profit or loss		**-**	-
		(21.64)	(14.26)
Total comprehensive income for the year (comprising profit/(loss) and other comprehensive income for the year)		**(14.24)**	(134.05)
Earnings per equity share of face value of ₹1/- each			
Basic and Diluted	36	**0.07**	(1.35)

See accompanying notes "1" to "52" 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
Chief Financial Officer
M. No. F070449

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

M.L. Apte
Independent Director
DIN 00003656

R.V. Ruia
Independent Director
DIN 00035853

D.K. Shukla
Independent Director
DIN 00025409

Ashok Mukand
Nominee Director
DIN 01235804

Alok Krishna Agarwal
Independent Director
DIN 00127273

Vipulkumar S. Modi
Independent Director
DIN 06985276

Shalu Bhandari
Director
DIN 00012556

Ashok Kumar Gupta
Director (Group Operations)
DIN 02608184

Mumbai, May 25, 2017

Cash Flow Statement for the year ended March 31, 2017

Particulars		Year ended March 31, 2017 ₹ Crore	Year ended March 31, 2016 ₹ Crore
A.	**Cash flow from operating activities:**		
	Net profit/(loss) before tax	**1.58**	(123.21)
	Adjustment for:		
	Depreciation and amortisation	**214.12**	223.98
	Unrealised loss/(gain) due to foreign exchange fluctuation	**0.66**	(0.89)
	Loss/(surplus) on sale of fixed assets (net)	**(0.27)**	(0.46)
	Finance costs	**802.07**	848.38
	Interest income	**(152.26)**	(150.01)
		864.32	921.00
	Operating profit/(loss) before working capital changes	**865.90**	797.79
	Adjustment for:		
	Trade and other receivables	**158.22**	(113.28)
	Inventories	**(1,085.40)**	255.17
	Trade and other payables	**772.22**	(565.88)
	Cash generated from operations	**710.94**	373.80
	Direct taxes paid	**2.28**	3.09
	Net cash from/(used in) operating activities	**713.22**	376.89
B.	**Cash flow from investing activities:**		
	Purchase of property, plant and equipment	**(25.51)**	(12.74)
	Sale of property, plant and equipment	**0.96**	0.97
	Interest received	**6.92**	4.10
	Net cash from/(used in) investing activities	**(17.63)**	(7.67)
C.	**Cash flow from financing activities:**		
	Proceeds from long-term borrowings	**-**	25.26
	Repayment of long-term borrowings	**(395.49)**	(331.56)
	Proceeds from short-term borrowings (net of repayments)	**242.74**	-
	Share issue expenses	**(0.03)**	(0.67)
	Interest paid	**(553.78)**	(80.95)
	Dividend paid (including tax thereon)	**(0.11)**	(0.06)
	Net cash from/(used in) financing activities	**(706.67)**	(387.98)
	Net increase/(decrease) in cash and cash equivalents	**(11.08)**	(18.76)
	Cash and cash equivalents (opening balance)	**41.17**	59.93
	Cash and cash equivalents (closing balance) - refer Note 9	**30.09**	41.17

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.

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

R.V. Ruia
Independent Director
DIN 00035853

D.K. Shukla
Independent Director
DIN 00025409

Ashok Mukand
Nominee Director
DIN 01235804

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

Shalu Bhandari
Director
DIN 00012556

Ashok Kumar Gupta
Director (Group Operations)
DIN 02608184

Mumbai, May 25, 2017

Statement of Change in Equity

A Equity share capital

₹ Crore

Particulars	Amount
Equity share capital as at April 1, 2015	81.02
Less:	
Investment in BHL Security Trust and ESOP Trust	(3.29)
Total	77.73
Change during the year	30.66
Equity share capital as at March 31, 2016	108.39

Particulars	Amount
Equity share capital as at April 1, 2016	111.68
Less:	
Investment in BHL Security Trust and ESOP Trust	(3.29)
Total	108.39
Change during the year	1.68
Equity share capital as at March 31, 2017	110.07

B Other equity

₹ Crore

	Reserves and surplus							Item of other comprehensive income		Total
Particulars	Share application money pending allotment	Equity compo -nent of compound financial instrument	Retained earnings	Capital 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, 2015	**146.21**	**118.80**	**(497.48)**	**0.05**	**3,514.48**	**155.52**	**2.55**	**-**	**-**	**3,440.13**
Profit for the period	-	-	(119.79)	-	-	-	-	-	-	(119.79)
Other comprehensive income for the year	-	-	-	-	-	-	-	(10.34)	(3.92)	(14.26)
Transfer to molasses storage fund	-	-	(0.31)	-	-	-	0.31	-	-	-
Premium on issue on equity share	-	-	-	-	636.76	-	-	-	-	636.76
Expenses for issue of equity share capital	-	-	-	-	(0.67)	-	-	-	-	(0.67)
Transfer to general reserve from molasses storage fund	-	-	-	-	-	0.05	(0.05)	-	-	-
Addition during the year in share application money pending allotment	557.66	-	-	-	-	-	-	-	-	557.66
Issue of shares against share application money pending allotment	(667.42)	-	-	-	-	-	-	-	-	(667.42)
Addition during the year in equity component of compound financial instrument	-	16.98	-	-	-	-	-	-	-	16.98
As at March 31, 2016	**36.45**	**135.78**	**(617.58)**	**0.05**	**4,150.57**	**155.57**	**2.81**	**(10.34)**	**(3.92)**	**3,849.39**

₹ Crore

Particulars	Reserves and surplus							Item of other comprehensive income		Total
	Share application money pending allotment	Equity compo -nent of compound financial instrument	Retained earnings	Capital 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	
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 on equity share	-	-	-	-	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 equity shares	(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**

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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Ashok Mukand
Nominee Director
DIN 01235804

Ashok Kumar Gupta
Director (Group Operations)
DIN 02608184

Mumbai, May 25, 2017

Notes forming part of financial statements

1 Corporate information

Bajaj Hindusthan Sugar Limited ('the Company') is a public limited company incorporated in India under the provisions of the Companies Act and its shares are listed on Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is situated at Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh – 262 802, and its principal place of business is at TC-13, Vibhuti Khand, Gomti Nagar, Lucknow – 226 010. The Company is engaged in the manufacture of sugar, alcohol and generation of power.

The Standalone financial statements of the Company are for the year ended March 31, 2017 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 an 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". These financial statements are the Company's first Ind AS compliant financial statements and are covered by Ind AS 101 - First time adoption of Indian Accounting Standards. The date of transition to Ind AS is April 1, 2015. Refer Note 2.23 for the details of first time adoption exemptions availed by the Company and reconciliation of the reserves on transition date and the loss for the previous year as per Ind AS and previous GAAP (Refer note no. 49).

Summary of significant accounting policies

2.02 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.

2.03 Operating cycle:

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act. Based on the nature of services and time between the acquisition of assets for providing of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

2.04 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. 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 repairs and maintenance costs are recognised in statement of profit and loss as incurred.

Expenditure during construction period incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the assets, and are included under "Capital Work-in-Progress". These expenses are apportioned to fixed assets on commencement of commercial production. Capital Work-in -Progress is stated at the amount incurred up to the date of Balance Sheet.

Depreciation on property, plant and equipment is provided on straight line method and based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except, leasehold and improvements which are amortised over the lower of estimated useful life or lease period; on assets acquired under finance lease depreciation is provided over the lease term. Depreciation on assets added, sold or discarded during the year is provided on pro rata basis.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.05 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 diminished. 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.

2.06 Intangible assets:

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of statement of profit and loss when the asset is derecognised.

Computer software are amortised over a period of 5 years.

2.07 Research & development expenditure:

Revenue expenditure on Research is expensed out in the statement of profit and loss for the year. Development costs of products are charged to the statement of profit and loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. Capital expenditure on research and development is shown as an addition to fixed assets.

2.08 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.

2.09 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.

2.10 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.

2.11 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 factor. 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. At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. 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.

2.12 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.

2.13 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, pension under employees' pension scheme etc. are recognised during the year in which the related service is rendered.

Defined benefit plans - gratuity: Gratuity liability is covered under the gratuity-cum-insurance policy of Life Insurance Corporation of India (LIC). 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.

Provident fund: 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.

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.

2.14 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.

2.15 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.

2.16 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).

2.17 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.

2.18 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.

2.19 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

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 of 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.

2.20 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.

2.21 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 a 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. Promoters have the option to convert these into equity shares at anytime. Therefore, this loan has been classified as compound financial instruments as per Ind AS 32 – Financial Instruments - Presentation.

2.22 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 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.46.

2.23 First time adoption of Ind AS:

The Company has adopted Ind AS with effect from April 1, 2016 with comparatives being restated. Accordingly, the impact of transition has been provided in the Opening Reserves as at April 1, 2015 ("transition date"). The financial statement prepared as per previous GAAP for the year ended March 31, 2016 has been restated to realign with the accounting policies and other accounting principles adopted for Ind AS.

Exemptions from retrospective application:

i) Business combination exemption

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to transition date. The Company has also applied the exemption for past business combinations to acquisitions of investments in associates consummated prior to the Transition Date.

ii) Fair value as deemed cost exemption

Under the previous GAAP (erstwhile Indian GAAP), property, plant and equipment, were carried in the balance sheet at historical cost. The Company has elected to regard those values of property as deemed cost as at transition date except for freehold land which are stated at fair value as on the date of transition to Ind AS.

iii) Leases exemption

The Company do not have any arrangements containing a lease as defined under Appendix C of Ind AS 17. Determining whether an arrangement contains a lease, as of the transition date and hence this exemption is not applicable.

iv) Long-term foreign currency monetary items

The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items.

v) Investments in subsidiaries and associate

The Company has elected to measure investment in subsidiaries and associate at cost.

vi) Assets and liabilities of subsidiaries and associate

All entities within the Company are transitioning to Ind AS on the same date. Consequently, this exemption was not required to be applied.

vii) Government grant and assistance

The Company has outstanding loans on the transition date to Ind AS, such as Excise Loan, SDF Loan and Loan from Department of Commercial Tax of Uttar Pradesh and these are interest free or at lower interest rate loans from State Government / Central Government. On transition, these loans are not fairly valued. Accordingly, on transition date these loans continue to be carried at the existing carrying value as per previous GAAP in accordance with the mandatory exception available under Ind AS 101.

viii) Estimates exception

Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise the estimates under Ind-AS except where estimates were required by Ind AS and not required by Indian GAAP.

ix) De-recognition of financial assets and liabilities exception

Financial assets and liabilities derecognised before transition date are not re-recognised under Ind AS.

3 Property, plant and equipment

₹ Crore

	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Sr. No.	**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	3,713.56	-	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	

₹ Crore

	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Sr. No.	**Particulars**	As at April 01, 2015	Additions	Deductions & Adjustments	**As at March 31, 2016**	As at April 01, 2015	For the year	Deductions & Adjustments	**As at March 31, 2016**	**As at March 31, 2016**	As at April 01, 2015
(A)	**TANGIBLE ASSETS :**										
1	Freehold Land	3,713.56	-	-	**3,713.56**	-	-	-	**-**	3,713.56	3,713.56
2	Leasehold Land	1.02	-	-	**1.02**	0.17	0.03	-	**0.20**	0.82	0.85
3	Buildings	1,272.86	-	-	**1,272.86**	217.39	28.96	-	**246.35**	1,026.51	1,055.47
4	Plant & Machinery	5,387.55	2.54	1.62	**5,388.47**	2,100.25	184.82	1.20	**2,283.87**	3,104.60	3,287.30
5	Furniture, Fixtures & Office Equipments	45.48	1.27	-	**46.75**	37.37	3.10	-	**40.47**	6.28	8.11
6	Vehicles & Aircraft	136.38	0.12	0.68	**135.82**	43.95	7.07	0.59	**50.43**	85.39	92.43
	Total (A)	**10,556.85**	**3.93**	**2.30**	**10,558.48**	2,399.13	223.98	1.79	**2,621.32**	7,937.16	8,157.72
(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)	10,556.87	3.93	2.30	**10,558.50**	**2,399.15**	**223.98**	**1.79**	**2,621.34**	7,937.16	8,157.72
	Previous Year Total	7,298.09	17.47	26.59	7,288.97	2,311.25	239.94	152.04	2,399.15	4,889.82	4,986.84
(C)	**CAPITAL WORK IN PROGRESS:**	8.26	14.25	3.77	**18.74**	-	-	-	**-**	18.74	8.26
	Grand Total (A+B+C)	**10,565.13**	**18.18**	**6.07**	**10,577.24**	**2,399.15**	**223.98**	**1.79**	**2,621.34**	7,955.90	8,165.98

*Computer software net block as on March 31, 2017 of ₹ 4/- (March 31, 2016 ₹ 4/-, March 31, 2015 ₹ 4/-)

Note:

(i) Assets pledged as security refer note no. 16.1

	As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore	As at April 01, 2015 ₹ 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 (2016: 2,70,01,000 and 2015: 2,70,01,000) Shares of Bajaj Hindusthan (Singapore) Private Ltd., Singapore of S$ 1/- each	**92.32**	92.32	92.32
50,00,000 (2016: 50,00,000 and 2015: 50,00,000) Shares of Bajaj Aviation Private Ltd. of ₹10/- each	**5.00**	5.00	5.00
20,000 (2016: 20,000 and 2015: 20,000) Shares of Bajaj Power Generation Pvt. Ltd. of ₹10/- each	**0.02**	0.02	0.02
	97.34	97.34	97.34
In Equity Shares of Associate			
Unquoted, fully paid up			
Nil (2016: Nil and 2015: 1,54,39,900) Shares of Lalitpur Power Generation Company Ltd. of ₹10/- each#	**-**	-	770.13
1,48,400 (2016: 11,48,400 and 2015: 11,48,400) Shares of Bajaj Ebiz Pvt. Ltd. of ₹10/- each	**-**	-	-
9,000 (2016: Nil and 2015: Nil) Shares of Esugarindia Ltd. of ₹10/- each*	**-**	-	-
	-	-	770.13
Total Trade Investments	**97.34**	97.34	867.47
Investments classified at fair value through other comprehensive income			
In Equity Shares of other companies			
Unquoted, fully paid up			
Non-trade investments			
1,54,39,900 (2016 :1,54,39,900 and 2015: Nil) Shares of Lalitpur Power Generation Company Ltd. of ₹10/- each#	**770.13**	770.13	-
Nil (2016: 5,000 and 2015: 5,000) Shares of Esugarindia Clearing Corporation Ltd. of ₹10/- each*	**-**	-	-
In Preference Shares of other company			
Unquoted, fully paid up			
3,50,03,927 (2016: 3,50,03,927 and 2015: 3,50,03,927) 6% Redeemable Non Cumulative Non Convertible Preference Shares of Phenil Sugars Ltd. of ₹100/- each	**-**	-	-

	As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore	As at April 01, 2015 ₹ Crore
In Debentures of other company			
Unquoted, fully paid up			
3,70,48,321 (2016: 3,70,48,321 and 2015: 3,70,48,321) Zero Coupon Optionally Convertible Debentures of Phenil Sugars Ltd. of ₹100/- each	**240.83**	265.02	285.48
Total non-trade investments	**1,010.96**	1,035.15	285.48
	1,108.30	1,132.49	1,152.95
Aggregate value of unquoted investments	**1,108.30**	1,132.49	1,152.95
Category-wise non-current investments			
Financial assets measure at cost	**97.34**	97.34	867.47
Financial assets measure at fair value through other comprehensive income	**1,010.96**	1,035.15	285.48
Total non-current investments	**1,108.30**	1,132.49	1,152.95

* Erstwhile Esugarindia Clearing Corporation Ltd. has been merged with Esugarindia Ltd. w.e.f. May 05, 2016

These investments are pledged against loans taken by other company

5 Other non-current financial assets

(Unsecured considered good)			
Fixed deposits*	**4.93**	3.83	3.66
	4.93	3.83	3.66

* Having maturity after 12 months from the reporting date and earmarked ₹4.93 crore (2016: ₹ 1.66 crore, 2015: ₹ 3.66 crore) for specific purposes

6 Other non-current assets

(Unsecured considered good unless otherwise stated)			
Capital advances	**2.38**	0.01	1.68
Security deposits	**2.78**	2.67	12.69
Security deposit to related parties (refer note 38)	**10.85**	11.26	1.26
Taxes paid under protest	**5.78**	5.98	8.64
	21.79	19.92	24.27

7 Inventories

(At cost or net realisable value whichever is lower, unless otherwise stated)			
Raw materials	**2.10**	0.33	3.86
Stores, spares & packing materials	**58.96**	61.51	62.24
Finished goods	**2,718.21**	1,736.58	1,907.07
By-products	**195.85**	116.35	174.73
Work-in-progress	**34.40**	9.35	31.39
Stock in trade [₹ 49,674/- (2016: ₹49,674/- and 2015: ₹ 49,674/-)]	**0.00**	0.00	0.00
Material in transit (Stores) [₹ 17,241/-(2016: ₹Nil and 2015: ₹ 15,070/-)]	**0.00**	-	-
	3,009.52	1,924.12	2,179.29

Includes inventories of ₹ 244.00 crore (P.Y. ₹ 478.18 crore) carrying at fair value less cost to sale.

		As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore	As at April 01, 2015 ₹ Crore
8	**Trade receivables**			
	(Unsecured considered good unless otherwise stated)			
	Considered good	**165.58**	300.16	165.78
	Considered doubtful	**9.69**	26.07	16.89
	Less : Provision for doubtful debts	**(9.69)**	(26.07)	(16.89)
		-	-	-
		165.58	300.16	165.78
9	**Cash and cash equivalents**			
	Balance with banks:			
	Current account	**29.16**	20.56	47.73
	Fixed deposits (maturity of less than 3 months)*	**-**	17.96	-
	Cheques, draft on hand	**0.42**	2.05	11.48
	Cash on hand	**0.51**	0.60	0.72
		30.09	41.17	59.93
	* Includes ₹ Nil (2016: ₹15.32 crore and 2015: ₹ Nil) earmarked for specific purposes			
10	**Bank balances**			
	Balance with banks (unpaid dividend)	**0.50**	0.61	0.68
	Fixed deposits (maturity within 12 months)*	**48.92**	75.31	27.46
	Interest accrued on fixed deposit	**1.99**	2.18	1.81
		51.41	78.10	29.95
	*Includes ₹41.91 crore (2016: ₹ 40.70 crore and 2015: ₹ 27.40 crore) earmarked for specific purposes			
11	**Loans**			
	(Unsecured considered good unless otherwise stated)			
	Loans & advances to related parties (refer note 38)	**1,419.89**	1,313.21	1,204.97
	Loans & advances to others - good	**435.82**	397.62	359.43
	- doubtful	**2.29**	2.29	2.29
	Less: Provision for doubtful loans & advances	**(2.29)**	(2.29)	(2.29)
		-	-	-
		1,855.71	1,710.83	1,564.40

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**		**Amount Outstanding**
	March 31, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016	April 01, 2015
Bajaj Aviation Pvt. Ltd. (Subsidiary)	**37.17**	34.24	**37.17**	34.24	31.32
Bajaj Hindusthan (Singapore) Private Ltd. (Subsidiary)	**11.14**	11.79	**11.14**	11.79	10.90
Bajaj Power Generation Pvt. Ltd. (Subsidiary)	**1,371.58**	1,267.18	**1,371.58**	1,267.18	1,162.75
	1,419.89	1,313.21			1,204.97

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, 2017 ₹ Crore	No. of Shares	As at March 31, 2016 ₹ Crore	As at April 01, 2015 ₹ 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	26.46
PT. Jangkar Prima, Indonesia (Step down subsidiary)	**49,940**	**62.34**	49,940	62.34	62.34

		As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore	As at April 01, 2015 ₹ Crore
12	**Current tax assets (net)**			
	Advance income tax (net of provisions)	**21.63**	20.72	23.81
		21.63	20.72	23.81
13	**Other current assets**			
	(Unsecured considered good)			
	MAT credit entitlement	**79.44**	79.44	79.44
	Balances with excise department	**17.31**	17.47	41.18
	Other advances*	**102.97**	97.18	80.12
	Claims/refund recoverable in cash or in kind or for value to be received	**569.90**	571.16	632.99
	Duty drawback receivable	**0.06**	2.16	0.06
		769.68	767.41	833.79
	* Includes advances given to suppliers, vendors and employees and other advances recoverable in cash or in kind			
14	**Equity share capital**			
	Authorised:			
	2,71,00,00,000 (2016: 2,71,00,00,000 and 2015: 2,71,00,00,000) Equity Shares of ₹ 1/- each	**271.00**	271.00	271.00
		271.00	271.00	271.00
	Issued:			
	1,17,92,31,364 (2016: 1,16,24,89,196 and 2015: 85,59,12,599) Equity Shares of ₹ 1/- each	**117.92**	116.25	85.59
		117.92	116.25	85.59
	Subscribed and Paid-up:			
	1,13,35,59,942 (2016: 1,11,68,17,774 and 2015: 81,02,41,177) Equity Shares of ₹ 1/- each	**113.36**	111.68	81.02
		113.36	111.68	81.02
	Less:			
	Interest in BHL Securities Trust 3,11,00,000 (2016: 3,11,00,000 and 2015: 3,11,00,000) Equity Shares of ₹ 1/- (refer note no. v)	**3.11**	3.11	3.11
	Shares held by ESOP Trust 17,80,000 (2016: 17,80,000 and 2015: 17,80,000) Equity Shares of ₹ 1/- (refer note no. v)	**0.18**	0.18	0.18
		3.29	3.29	3.29
		110.07	108.39	77.73

(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 (2016: 47,74,17,863 and 2015: 17,08,41,266) 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, 2017 No. of Shares**	As at March 31, 2016 No. of Shares	As at April 01, 2015 No. of Shares
Equity Shares (with voting rights) at the beginning of the year	**1,11,68,17,774**	81,02,41,177	63,93,99,911
Add: Shares issued on conversion of Funded Interest Term Loan (FITL)	**1,67,42,168**	30,65,76,597	17,08,41,266
Equity Shares at the end of the year	**1,13,35,59,942**	1,11,68,17,774	81,02,41,177

(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, 2017		As at March 31, 2016		As at April 01, 2015	
Sr. No.	**Name of Shareholders**	**No. of Shares**	% held	No. of Shares	% held	No. of Shares	% held
1.	Bajaj Resources Ltd.	**8,19,44,455**	**7.23%**	8,19,44,455	7.34%	8,19,44,455	10.11%
2.	Punjab National Bank	**6,63,93,312**	**5.86%**	6,66,33,312	5.97%	-	-
3.	Trustees - Shishir Bajaj Family Trust	**6,49,48,632**	**5.73%**	6,49,48,632	5.82%	6,49,48,632	8.02%
4.	State Bank of India	**-**	**0.00%**	8,81,46,222	7.89%	-	-
5.	Global World Power Projects Pvt Ltd	**-**	**-**	-	-	4,11,11,121	5.07%
6.	Life Insurance Corporation of India	**-**	**-**	-	-	4,10,26,922	5.06%

(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 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 holds 0.18 crore equity shares. Under previous GAAP, these were classified as investment/advance. Under Ind AS, these shares are treated as treasury shares as per Ind AS 32 – Financial Instruments – Presentation and shown as reduction from equity.

	As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore	As at April 01, 2015 ₹ Crore
15 Other equity			
Capital redemption reserve			
Opening balance	**0.05**	0.05	
Closing balance	**0.05**	0.05	0.05
Securities premium			
Opening Balance (refer change in other equity)	**4,150.57**	3,514.48	3,514.48
Issue of equity shares	**34.77**	636.76	-
Expenses related to issue of equity share capital	**(0.03)**	(0.67)	-
Closing balance	**4,185.31**	4,150.57	3,514.48
Share application money pending allotment (FITL)			
Opening balance	**36.45**	146.21	-
Addition during the year	**-**	557.66	146.21
Deduction during the year on allotment	**(36.45)**	(667.42)	-
Closing balance	**-**	36.45	146.21

	As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore	As at April 01, 2015 ₹ Crore
Equity Component of compound Financial Instrument			
Opening balance	**135.78**	118.80	-
Addition during the year	**-**	16.98	118.80
Deduction during the year	**-**	-	-
Closing balance	**135.78**	135.78	118.80
General reserve			
Opening balance	**155.57**	155.52	
Transferred from reserve for molasses storage tanks	**0.38**	0.05	
Closing balance	**155.95**	155.57	155.52
Reserve for molasses storage tanks			
Opening balance	**2.81**	2.55	
Transferred from statement of profit & loss	**0.23**	0.31	
Transferred to general reserve	**(0.38)**	(0.05)	
Closing balance	**2.66**	2.81	2.55
Gain/(Loss) on Investment through FVOCI			
Opening balance	**(10.34)**	-	-
Change in during the year	**(14.43)**	(10.34)	
Closing balance	**(24.77)**	(10.34)	-
Actuarial gain/(loss) on employee benefit plans			
Opening balance	**(3.92)**	-	-
Change in during the year	**(7.21)**	(3.92)	-
Closing balance	**(11.13)**	(3.92)	-
Statement of profit and loss [surplus / (deficit)]			
Opening balance	**(617.58)**	(497.48)	
Profit/(Loss) for the year	**7.40**	(119.79)	
Appropriations			
Transferred to reserve for molasses storage tanks	**(0.23)**	(0.31)	
Closing balance	**(610.41)**	(617.58)	(497.48)
	3,833.44	3,849.39	3,440.13
16 Non-current borrowings			
From banks			
Secured	**5,358.65**	6,110.79	6,876.09
	5,358.65	6,110.79	6,876.09
From related parties			
Unsecured	**82.68**	73.82	58.30
	82.68	73.82	58.30
From others			
Secured	**17.63**	34.37	59.47
Unsecured	**0.83**	0.82	0.78
	18.46	35.19	60.25
	5,459.79	6,219.80	6,994.64

16.1 Maturity profile of term loans are set out below :

₹ Crore

Name of banks/ financial institutions	Interest (%)	Outstanding as at 31.03.2017	Current Maturities (0-1 Year)	Maturity profile				Details of securities
				2nd Year	3rd Year	4th Year	Beyond 4 Years	
From Banks	11.75%	6,646.57	1,287.92	1,052.18	943.67	916.83	2,445.97	Refer note (i)) below
From others								
Sugar Development Fund (SDF)	4.00%-8.25%	34.37	16.74	8.47	6.69	2.47	-	Refer note (ii) below
Total - Secured		**6,680.94**	**1,304.66**	**1,060.65**	**950.36**	**919.30**	**2,445.97**	
Term loans (Unsecured)								
From related parties								
Loan from promoters		82.68	-	-	-	-	82.68	Refer note (iii) below
From others								
Department of Commercial Tax of Uttar Pradesh	Interest free	0.83	-	0.56	0.27	-	-	
Total - Unsecured		**83.51**	**-**	**0.56**	**0.27**	**-**	**82.68**	
Grand Total		**6,764.45**	**1,304.66**	**1,061.21**	**950.63**	**919.30**	**2,528.65**	**-**

Details of securities :

(i) Term Loans including Funded Interest Term Loan (FITL) from Banks are secured on first pari passu charge basis, by way of mortgage over all immovable fixed assets and hypothecation over all movable fixed assets (both present and future) of the Company, on first pari-passu charge by way of hypothecation over all current assets (both present & future) of the Company. The said loans are further secured by personal guarantee of Managing Director (Promoter) and corporate guarantee by a promoter group company, pledge of entire shares held by the Promoters of the Company.

(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.

(iii) 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.

(iv) The principal of ₹ 283.18 crore due on March 31, 2017 and interest of ₹ 63.91 crore for the month of March 2017 is due for payment as on the balance sheet date. The interest is paid in April 2017.

	As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore	As at April 01, 2015 ₹ Crore
17 Non-current provisions			
Gratuity	**22.57**	14.83	13.12
Leave encashment	**17.66**	14.19	13.46
	40.23	29.02	26.58

		As at April 01, 2016 ₹ Crore	During the Year	**As at March 31, 2017 ₹ Crore**
18	**Deferred tax statements**			
	Deferred tax liabilities:			
	Property, plant and equipment	516.27	158.18	**674.45**
	Fair valuation of property, plant and equipment	792.32	(2.64)	**789.68**
		1,308.59	155.54	**1,464.13**
	Deferred tax assets:			
	Provision for employee benefits	10.78	4.53	**15.31**
	Provision for doubtful debts/advances	6.12	(2.42)	**3.70**
	Fair valuation of investments	126.80	9.75	**136.55**
	Carry forward losses and unabsorbed depreciation*	499.37	156.07	**655.44**
		643.07	167.93	**811.00**
	Deferred tax liabilities/(assets) (net)	665.52	(12.39)	**653.13**

*Deferred tax assets on carry forward losses and unabsorbed depreciation recognised to the extent of deferred tax liabilities on conservative basis

Deferred tax liabilities:			
Property, plant and equipment	522.61	(6.34)	**516.27**
Fair valuation of property, plant and equipment	795.74	(3.42)	**792.32**
	1,318.35	(9.76)	**1,308.59**
Deferred tax assets:			
Provision for employee benefits	14.33	(3.55)	**10.78**
Provision for doubtful debts/advances	0.09	6.03	**6.12**
Fair valuation of investments	116.68	10.12	**126.80**
Carry forward losses and unabsorbed depreciation*	508.19	(8.82)	**499.37**
	639.29	3.78	**643.07**
Deferred tax liabilities/(assets) (net)	679.06	(13.54)	**665.52**

* Deferred tax assets on carry forward losses and unabsorbed depreciation recognised to the extent of deferred tax liabilities on conservative basis.

		As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore	As at April 01, 2015 ₹ Crore
19	**Other non-current liabilities**			
	Deposits from agents/customers	**8.73**	9.18	9.79
		8.73	9.18	9.79
20	**Current borrowings**			
	Loan from banks			
	Secured			
	Working capital loan	**242.74**	-	-
		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 & 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.

		As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore	As at April 01, 2015 ₹ Crore
21	**Trade payables**			
	Micro and small enterprises	**0.55**	0.77	0.57
	Others	**2,785.32**	2,194.95	2,789.27
		2,785.87	2,195.72	2,789.84
	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	**0.55**	0.77	0.57
	- Interest	**-**	-	
	The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	**0.06**	0.05	0.05
	The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**1.98**	1.66	0.73
	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 16.1)	**1,304.66**	691.18	26.36
	Interest accrued but not due on borrowings	**0.57**	1.23	4.72
	Interest accrued and due on borrowings	**63.91**	-	-
	Unclaimed dividends #	**0.50**	0.61	0.68
		1,369.64	693.02	31.76
	# These figures do not include any amount due and outstanding to be credited to Investor Education and Protection Fund			
23	**Other current liabilities**			
	Other payables*	**123.41**	63.97	60.49
		123.41	63.97	60.49
	* Includes statutory dues, advances from customer and other liabilities			
24	**Current provisions**			
	Gratuity	**5.15**	3.36	6.21
	Leave encashment	**4.19**	2.51	2.66
	Provision for excise duty	**166.47**	114.77	84.92
		175.81	120.64	93.79

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, 2017 of ₹ 166.47 crore (2016: ₹ 114.77 crore and 2015: ₹ 84.92 crore) as per the estimated pattern of despatches. During the year, ₹114.77 crore was utilised for clearance of goods. Provision recognised under this class for the year is ₹166.47 crore which is outstanding as on March 31, 2017. Actual outflow is expected in the next financial year.

		Year ended March 31, 2017 ₹ Crore	Year ended March 31, 2016 ₹ Crore
25	**Revenue from operations**		
	Sale of products	**4,543.56**	4,437.31
	Other operating revenues	**75.08**	445.31
		4,618.64	4,882.62
25.1	**Particulars of sale of products**		
	Sugar	**3,923.05**	3,649.58
	Alcohol	**461.97**	594.41
	Power	**126.88**	133.10
	By-products	**31.66**	60.22
		4,543.56	4,437.31
25.2	**Particulars of other operating revenues**		
	Duty drawback and other export incentives	**-**	2.12
	Sale of scrap	**3.19**	3.02
	Others	**71.89**	440.17
		75.08	445.31
26	**Other income**		
	Gain due to foreign exchange fluctuation (net)	**-**	0.80
	Interest income	**152.26**	150.01
	Other non-operating income	**10.01**	5.17
		162.27	155.98
27	**Cost of materials consumed**		
	Opening stock	**0.33**	3.86
	Purchases	**4,039.65**	3,123.76
		4,039.98	3,127.62
	Less: Closing stock	**2.10**	0.33
	Cost of raw material consumed	**4,037.88**	3,127.29
28	**Changes in Inventories of finished goods, stock-in-trade and work-in-progress**		
	Opening stock		
	Finished goods	**1,736.58**	1,907.07
	By-products	**116.35**	174.73
	Work-in-progress	**9.35**	31.39
		1,862.28	2,113.19
	Less: Closing 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
	Increase/(decrease) of excise duty on inventories	**53.38**	30.32
		(1,032.80)	281.23
	Includes ₹15.65 crore (P.Y. ₹ 22.85 crore) towards the write-down of inventories		
29	**Excise duty paid on goods sold**		
	Excise duty	**234.05**	199.39
		234.05	199.39

		Year ended March 31, 2017 ₹ Crore	Year ended March 31, 2016 ₹ Crore
30	**Employee benefits expense**		
	Salaries & wages	**213.01**	182.23
	Contributions to provident and other funds	**19.21**	15.51
	Employees' welfare expenses	**1.27**	1.21
		233.49	198.95

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, 2017 ₹ Crore	Year ended March 31, 2016 ₹ Crore
a.	**Funded scheme - gratuity**		
	Liability to be recognised in balance sheet		
	Present value of funded obligations	**39.54**	31.64
	Fair value of plan assets	**(11.83)**	(13.45)
	Net liability / (asset)	**27.71**	18.19
	Change in plan assets (reconciliation of opening & closing balances)		
	Fair value of plan assets at the beginning	**13.45**	13.05
	Expected return on plan assets	**1.01**	1.04
	Actuarial gain / (losses)	**0.05**	0.14
	Contributions	**0.22**	8.27
	Benefits paid	**(2.90)**	(9.05)
	Fair value of plan assets at the end	**11.83**	13.45
	Actual return on plan assets		
	Change in obligation (reconciliation of opening and closing balances)		
	Defined benefit obligation at the beginning	**31.64**	32.38
	Current service cost	**3.70**	3.05
	Interest cost	**2.53**	2.59
	Actuarial losses / (gain)	**4.57**	2.67
	Benefits paid	**(2.90)**	(9.05)
	Closing obligation	**39.54**	31.64
	Expenditure to be recognised during the year		
	Current service cost	**3.70**	3.05
	Interest cost	**2.53**	2.59
	Expected return on plan assets	**(1.01)**	(1.04)
	Total expenses recognised in the statement of profit and loss	**5.22**	4.60
	In Other comprehensive income		
	Actuarial (gain) / loss - plan liabilities	**4.57**	2.67
	Actuarial (gain) / loss - return on plan assets	**(0.05)**	(0.14)
	Net (income)/ expense for the period recognised in OCI	**4.52**	2.53
	Investment Details		
	Insurance policies - amount	**11.83**	13.45
	- %	**100%**	100%
	Assumptions		
	Discount rate (per annum)	**7.50%**	8.00%
	Expected rate of return on assets (per annum)	**7.50%**	8.00%
	Salary escalation rate (per annum)	**6.00%**	6.00%

	As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore
Sensitivity		
Under base scenario	**39.54**	31.64
Salary escalation (up by 1%)	**42.98**	34.39
Salary escalation (down by 1%)	**36.48**	29.19
Withdrawal rates (up by 1%)	**39.98**	31.99
Withdrawal rates (down by 1%)	**39.19**	31.36
Discount rates (up by 1%)	**36.54**	29.26
Discount rates (down by 1%)	**42.97**	34.36

This is a defined benefit plan and statutory liability of the Company. The Company has to pay the Gratuity to the employees as per the provisions of The Payment of Gratuity Act, 1972 irrespective of the availability of the funds with the Gratuity Fund.

The Gratuity Liability is computed on actuarial valuation basis done at year end using the Project Unit Credit Method is provided for in the books of account and is based on a detailed working done by a certified Actuary. Past service cost is recognised immediately to the extent that the benefits are already vested.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Company manages Gratuity obligation through Trust. Company arranges the fund based on the actuarial valuation and requirement of the Trust.

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2016-17.

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, 2017 ₹ Crore	Year ended March 31, 2016 ₹ Crore
b.	**Unfunded scheme - earned leaves**		
	Present value of unfunded obligations	**21.85**	16.70
	Expenses recognised in the statement of profit and loss	**5.20**	3.33
	In Other comprehensive income		
	Actuarial (gain)/loss - plan liabilities	**2.69**	1.39
	Actuarial (gain/loss - return on plan assets	**-**	-
	Net (income)/expense for the period recognised in OCI	**2.69**	1.39
	Discount rate (per annum)	**7.50%**	8.00%
	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, 2017.

	Year ended March 31, 2017 ₹ Crore	Year ended March 31, 2016 ₹ Crore
Plan assets at year end, at fair value	**-**	-
Present value of benefit obligation at year end	**-**	-
Cost of shortfall in interest rate guarantee	**-**	-
Discount rate	**7.50%**	7.75%
Average remaining tenure of the investment portfolio (years)	**8.63**	6.78
Expected guaranteed interest rate	**8.65%**	8.80%

During the year ended March 31, 2017, amount recognised in statement of profit and loss for employee provident fund is ₹ 5.92 crore (P.Y. ₹ 4.91 crore).

Defined contribution plan		
Family pension fund	**7.28**	6.53
Employees deposit link insurance	**0.45**	0.40
Superannuation	**0.09**	0.24

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.

		Year ended March 31, 2017 ₹ Crore	Year ended March 31, 2016 ₹ Crore
31	**Finance costs**		
	Interest expense on:		
	Borrowings	**795.73**	834.59
	Others	**1.50**	0.64
	Other borrowing costs	**4.84**	13.15
		802.07	848.38
32	**Depreciation and amortisation expense**		
	Depreciation on tangible assets	**214.12**	223.98
	Amortisation on intangible assets (P.Y. ₹ 9,500/-)	**-**	0.00
		214.12	223.98
33	**Other expenses**		
	Stores, spares and packing materials consumed	**88.93**	91.28
	Power and fuel	**15.38**	10.92
	Rent	**6.76**	4.53
	Rates and taxes	**0.67**	0.27
	Repairs :		
	Building	**1.36**	0.85
	Machinery	**61.11**	60.28
	Others	**4.84**	6.38
		67.31	67.51
	Payment to auditors (refer note 33.1)	**0.61**	0.50
	Insurance	**2.54**	4.55
	Selling commission	**8.07**	8.69
	c/f	**190.27**	188.25

	Year ended March 31, 2017 ₹ Crore	Year ended March 31, 2016 ₹ Crore
b/f	**190.27**	188.25
Selling & distribution	**51.76**	39.00
Director fees	**0.30**	0.14
Loss due to foreign currency fluctuation (net)	**0.66**	-
Provision for doubtful debts	**-**	9.18
Loss on assets sold/scrapped/written off	**0.20**	0.33
Miscellaneous expenses	**47.33**	45.69
	290.52	282.59
33.1 Payment to auditors		
As auditors - statutory audit	**0.40**	0.33
For taxation matters	**0.05**	0.05
For certification work	**0.16**	0.12
Reimbursement of expenses (₹ 19,982/-, P.Y. ₹ 18,942/-)	**0.00**	0.00
	0.61	0.50
34 Other comprehensive income		
Actuarial gain/(loss) on employee benefit plans	**(7.21)**	(3.92)
Gain / (loss) on investment through FVOCI	**(24.18)**	(20.46)
Less: Tax on gain/(loss) on investment through FVOCI	**9.75**	10.12
	(21.64)	(14.26)
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	**33.03**	147.22
(ii) Trade tax matters	**69.58**	87.29
(iii) Income tax matters	**-**	14.20
(iv) Recompense payable (refer note 40(b))	**100.66**	57.55
(v) Other claims	**55.03**	18.30
	258.30	324.56
b) Guarantees		
The Company has furnished guarantees/securities on behalf of subsidiary/associate company	**968.13**	968.13
c) Erstwhile Bajaj Eco-tech 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	**38.90**	39.80
d) Interest payable on promoters loan (refer note 40 (c)) is not determinable		
(II) **Commitments**		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**18.10**	1.82
36 Earnings per share		
(i) Net profit/(loss) after tax as per statement of profit and loss	**7.40**	(119.79)
(ii) Weighted average number of equity shares used as denominator for calculating basic EPS (crore)	**113.33**	92.13
Less: Adjustment of security trust share	**(3.11)**	(3.11)
Less: Adjustment of ESOP Trust	**(0.18)**	(0.18)
Total	**110.04**	88.84

		Year ended March 31, 2017 ₹ Crore	Year ended March 31, 2016 ₹ Crore
(iii)	Add: Equity shares to be issued on conversion of funded interest term loan (FITL) (crore)	-	1.67
(iv)	Weighted average number of equity shares used as denominator for calculating diluted EPS (crore)	**110.04**	90.51
(v)	Basic earnings per share	**0.07**	(1.35)
(vi)	Diluted earnings per share (since anti-dilutive, same as basic EPS)	**0.07**	(1.35)
(vii)	Face value per equity share	**₹1/-**	₹1/-

37 Foreign currency exposure that are not hedged by derivative instruments as on March 31, 2017 amounting to USD 0.24 crore (P.Y. USD 0.24 crore) in respect of loan given to subsidiary.

38 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 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	Subsidiaries	Key Management Personnel	Associates	Enterprises described in (C) above	Total
I.	**Transactions during the year**					
	Sale of capital goods - ₹ Nil (P.Y. ₹ 27,863/-)	-	-	-	-	-
		(-)	(-)	(0.00)	(-)	(0.00)
	Sale of goods - ₹ Nil (₹ 34,483/-)	-	-	-	-	-
		(-)	(-)	(0.00)	(-)	(0.00)

₹ Crore

	Transactions	Subsidiaries	Key Management Personnel	Associates	Enterprises described in (C) above	Total
	Rent / lease rent received	**7.56**	**-**	**-**	**3.38**	**10.94**
		(7.56)	(-)	(-)	(3.05)	(10.61)
	Interest received	**107.40**	**-**	**-**	**-**	**107.40**
		(107.40)	(-)	(-)	(-)	(107.40)
	Purchase of stores	**-**	**-**	**-**	**-**	**-**
		(-)	(-)	(-)	(0.26)	(0.26)
	Remuneration	**-**	**2.68**	**-**	**-**	**2.68**
		(-)	(2.63)	(-)	(-)	(2.63)
	Rent paid	**-**	**-**	**-**	**4.37**	**4.37**
		(-)	(-)	(-)	(5.68)	(5.68)
	Loans taken	**-**	**-**	**-**	**-**	**-**
		(-)	(-)	(-)	(25.00)	(25.00)
	Loans given (including interest debits)	**107.99**	**-**	**-**	**-**	**107.99**
		(108.24)	(-)	(-)	(-)	(108.24)
	Deposit given repaid	**-**	**-**	**-**	**0.42**	**0.42**
		(-)	(-)	(-)	(-)	(-)
	Guarantees/securities given	**-**	**-**	**-**	**-**	**-**
		(-)	(-)	(109.14)	(-)	(109.14)
II.	**Amounts outstanding at Balance Sheet date**					
	Loans taken	**-**	**110.50**	**-**	**89.50**	**200.00**
		(-)	(110.50)	(-)	(89.50)	(200.00)
	Trade payables	**-**	**-**	**-**	**0.81**	**0.81**
		(-)	(-)	(-)	(0.68)	(0.68)
	Investments	**97.34**	**-**	**-**	**770.13**	**867.47**
		(97.34)	(-)	(-)	(770.13)	(867.47)
	Trade receivable	**24.14**	**-**	**-**	**0.67**	**24.81**
		(16.71)	(-)	(-)	(0.72)	(17.43)
	Loans given	**1,419.89**	**-**	**-**	**-**	**1,419.89**
		(1,313.21)	(-)	(-)	(-)	(1,313.21)
	Deposits given	**-**	**-**	**-**	**10.85**	**10.85**
		(-)	(-)	(-)	(11.26)	(11.26)
	Guarantees/securities given	**99.00**	**-**	**-**	**869.13**	**968.13**
		(99.00)	(-)	(-)	(869.13)	(968.13)

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., ₹ 3.17 crore (P.Y. ₹ 3.00 crore) from Bajaj Energy Ltd and Lalitpur Power Generation Company Ltd ₹ 0.21 crore (P.Y. ₹ 0.05 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 ₹ 1.76 crore (P.Y. ₹ 1.77 crore) to Mr. Kushagra Bajaj, and ₹ 0.92 crore (P.Y. ₹ 0.86 crore) to Mr. A.K. Gupta.

6 Rent paid includes ₹ 0.87 crore (P.Y. ₹ 0.86 crore) to Bajaj Capital Ventures Pvt. Ltd. ₹ 2.08 crore (P.Y. ₹ 2.05 crore) to Shishir Bajaj Family Trust, ₹ 0.86 crore (P.Y. ₹ 0.32 crore) to Bajaj Resources Ltd. and ₹ 0.56 crore (P.Y. ₹ 2.45 crore) to Abhitech Developers Pvt. Ltd.

7 Loans given including interest includes ₹ 104.41 crore (P.Y. ₹ 104.42 crore) to Bajaj Power Generation Private Ltd. ₹ 2.93 crore (P.Y. ₹ 2.93 crore) to Bajaj Aviation Pvt Ltd and ₹ 0.65 crore (P.Y. ₹ 0.89 crore) due to change in currency rate to Bajaj Hindusthan (Singapore) Pvt. Ltd.

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

9 Restructured term loan from banks aggregating to ₹ 7,007.19 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.

10 The transactions with related parties are made on terms equivalent to those that prevail in arm's-length transactions. Outstanding balances year-end are unsecured and settlement occurs in cash.

39 As required by paragraph 46 inserted by vide notifification dated March 31, 2009 to the Accounting Standard AS 11 "The Effect of Changes in Foreign Exchange Rate", as read with paragraph D13AA of appendix D of Indian Accounting Standard (Ind AS) 101 - First-time Adoption of Indian Accounting Standards, the Company had opted to adjust the exchange fluctuations on long-term monetary items to the carrying cost of fixed assets. The unamortised foreign exchange fluctuation capitalised to fixed assets, amount of ₹ 313.65 crore (P.Y. ₹ 330.37 crore) as at March 31, 2017.

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 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, 2017 payable to the JLF lenders as per MRA is approximately ₹ 100.66 crore for the Company.

c) As per terms of 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) As per the terms of MRA, interest payable on the term loan for the period from August 01, 2014 to July 31, 2016 would be converted into Funded Interest Term Loan (FITL). 70% of FITL shall be converted into equity. The shareholders approved the preferential issue of shares to lenders through postal ballot. Part of the FITL, has been converted into equity by allotment of 49,41,60,031 equity shares to lenders till March 31, 2017 at the premium of ₹ 20.77 per share.

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, 2017 are as under:

Sr. No.	**Name of the Company**	**Nature**	**As at March 31, 2017 ₹ Crore**	As at March 31, 2016 ₹ Crore
(i)	Ojas Industries Private Ltd.	Loan for business purposes	435.82	397.62
(ii)	Lalitpur Power Generation Company Ltd.	Guarantee/securities given	869.13	869.13
(iii)	Bajaj Power Generation Private Ltd.	Guarantee given	99.00	99.00

42 During the year the Company proposed to sell its power business to Lalitpur Power Generation Co. Ltd. (LPGCL) on slump sale basis. The entire sales consideration is proposed to be used for part repayment of its certain secured loans. The Company will transfer land, building, plant and machinery and other associated equipment which are in exclusive use of power generation along with associated assets and liabilities, if any.

Approval of shareholders have been obtained as on May 01, 2017, final sanction from lenders, statutory and regulatory authorities are pending. The transaction is expected to be executed in financial year 2017-18. The assets proposed to be hived off are reported under power segment.

43 **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 factors such as credit track record in the market and past dealings with the Company for extension of credit to customer 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 ₹ Crore
As at March 31, 2017	**137.49**	**37.78**	**175.27**
As at March 31, 2016	288.27	37.96	326.23
As at April 1, 2015	154.64	28.03	182.67

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, 2015	16.89
Provided during the year	9.18
Reversal of provision	-
Amounts written off	-
As at March 31, 2016	26.07
Provided during the year	-
Reversal of provision	(3.10)
Amounts written off	(13.28)
As at March 31, 2017	**9.69**

Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which 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, 2017 (₹ Crore)				
Particulars	**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**

	As at March 31, 2016 (₹ Crore)				
Particulars	**Carrying amount**	**On demand**	**0-12 months**	**More than 12 months**	**Total**
Borrowings	6,910.98	-	691.18	6,219.80	6,910.98
Trade payables	2,195.72	2,195.72	-	-	2,195.72
Other financial liabilities	1.84	-	1.84	-	1.84
Total	**9,108.54**	**2,195.72**	**693.02**	**6,219.80**	**9,108.54**

	As at April 01, 2015 (₹ Crore)				
Particulars	**Carrying amount**	**On demand**	**0-12 months**	**More than 12 months**	**Total**
Borrowings	7,021.00	-	26.36	6,994.64	7,021.00
Trade payables	2,789.84	2,789.84	-	-	2,789.84
Other financial liabilities	5.40	-	5.40	-	5.40
Total	**9,816.24**	**2,789.84**	**31.76**	**6,994.64**	**9,816.24**

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 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, 2017	**100**	**+/(-)**	**70.07**
For year ended March 31, 2016	100	+/(-)	69.11

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, 2017	**₹ 1**	**+/(-)**	**0.75**
For year ended March 31, 2016	₹ 1	+/(-)	0.53

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.

44 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 credit worthiness.

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.

e) Ind AS 101 allow Company to fair value Property, Plant and Equipment on transition. Company has fair valued certain land at fair value as deemed cost and the fair valuation is based on replacement cost approach falling within level 2 hierarchy.

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:

₹ Crore

	As at March 31, 2017			
Particulars	**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	-
Borrowings - current	242.74	-	-	-
Trade payables	2,785.87	-	-	-
Other financial liabilities - current	1,369.64	-	-	-
Total	**9,858.04**	**-**	**5,459.79**	**-**

₹ Crore

	As at March 31, 2016			
Particulars	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**
Financial assets at amortised cost				
Trade receivables	300.16	-	-	-
Cash and cash equivalents	41.17	-	-	-
Bank balances	78.10	-	-	-
Loans - current	1,710.83	-	-	-
Other financial assets - non current	3.83	-	3.83	-
Total	**2,134.09**	**-**	**3.83**	**-**
Financial assets at fair value through				
Other comprehensive income				
Investments	1,035.15	-	-	1,035.15
Total	**1,035.15**	**-**	**-**	**1,035.15**
Financial liabilities at amortised cost				
Borrowings - non current	6,219.80	-	6,219.80	-
Borrowings - current	-	-	-	-
Trade payables	2,195.72	-	-	-
Other financial liabilities - current	693.02	-	-	-
Total	**9,108.54**	**-**	**6,219.80**	**-**

₹ Crore

	As at April 01, 2015			
Particulars	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**
Financial assets at amortised cost				
Trade receivables	165.78	-	-	-
Cash and cash equivalents	59.93	-	-	-
Bank balances	29.95	-	-	-
Loans - current	1,564.40	-	-	-
Other financial assets - non current	3.66	-	3.66	-
Total	**1,823.72**	**-**	**3.66**	**-**
Financial assets at fair value through				
Other comprehensive income				
Investments	285.48	-	-	285.48
Total	**285.48**	**-**	**-**	**285.48**

₹ Crore

	As at April 01, 2015			
Particulars	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**
Borrowings - non current	6,994.64	-	6,994.64	-
Borrowings - current	-	-	-	-
Trade payables	2,789.84	-	-	-
Other financial liabilities - current	31.76	-	-	-
Total	**9,816.24**	**-**	**6,994.64**	**-**

During the year ended March 31, 2017, there were no transfers between level 1 and level 2 fair value hierarchy. During the year ended March 31, 2016, there were transfers from level 1 to level 3 fair value hierarchy, due to cessation of associates.

Following table shows the reconciliation from the opening balances to the closing balances of the level 3 values:

Particulars	₹ Crore
Balance as at April 1, 2015	285.48
Add: Transfer from associate to level 3	770.13
Less: Fair value loss recognised in Other Comprehensive Income	(20.46)
Balance as at March 31, 2016	1,035.15
Less: Fair value loss recognised in Other Comprehensive Income	(24.19)
Balance as at March 31, 2017	**1,010.96**

45 Specified bank notes disclosure (SBN's)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016. The denomination-wise SBNs and other notes as per the notification is given below:

₹

Particulars	SBNs	Other denomination notes	Total
	Amount	**Amount**	**Amount**
Closing cash on hand as on November 08, 2016	43,57,500	21,04,110	64,61,610
(+) Permitted receipts	-	1,62,14,033	1,62,14,033
(-) Permitted payments	16,53,500	1,47,14,458	1,63,67,958
(-) Amounts deposited in banks	27,04,000	-	27,04,000
Closing cash on hand as on December 30, 2016	**-**	**36,03,685**	**36,03,685**

46 In the past few years, Company incurred operational losses resulting into erosion of considerable net worth of the Company. The operational losses were mainly attributable to high sugarcane price and low sugar realisation, particularly in case of sugar mills in the State of Uttar Pradesh. Sugar season 2015-16 and 2016-17 has brought respite for sugar mills after a long gap. Improvement in the sugar yield of sugar for sugarcane and sugar price has resulted in low sugarcane cost per quintal of sugar and better revenue generation. As at year end, Company has overdue instalment of bank loan and interest and dues to farmers for cane purchase. Company is in the process of raising additional funds by way of sale of power business assets. Considering the future expected improvement in market scenario in coming years, Company expects generation of sustainable cash flows and accordingly the financial statement continue to be presented on a going concern basis, which contemplates realisation of assets and settlement of liabilities in the normal course of business.

47 Capital Management

The Company manages its capital to ensure that it will continue as a going concern, while maximising the return to stakeholders through the optimisation of debt and equity balance. The capital structure as at March 31, 2017 and 2016 was as follows:

₹ Crore

	March 31, 2017	March 31, 2016	Change in %
Total equity attributable to equity shareholders	**3,943.51**	3,957.78	(0.36)
Borrowings	**6,764.45**	6,910.98	(2.12)
Total Capital	**10,707.96**	10,868.76	(1.48)

₹ Crore

	March 31, 2017	March 31, 2016	Change in %
Total equity attributable to equity shareholders as percentage of Total Capital	**37%**	36%	
Total Borrowing as percentage of Total Capital	**63%**	64%	

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.

48 Reconciliation of balance sheet as at March 2016 and April 1, 2015 between Ind AS and Previous GAAP.

₹ Crore

Particulars	Notes	As at March 31, 2016			As at April 1, 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Assets							
Non-current assets							
Property, plant and equipment	a	4,669.26	3,267.90	7,937.16	4,889.82	3,267.90	8,157.72
Capital work-in-progress		18.74	-	18.74	8.26	-	8.26
Other intangible assets		0.00	-	0.00	0.00	-	0.00
Investments	b	2,281.71	(1,149.22)	1,132.49	2,281.71	(1,128.76)	1,152.95
Other non-current financial assets		3.83	-	3.83	3.66	-	3.66
Other non-current assets		19.92	-	19.92	24.27	-	24.27
Sub total		6,993.46	2,118.68	9,112.14	7,207.72	2,139.14	9,346.86
Current assets							
Inventories		1,924.12	0.00	1,924.12	2,179.29	0.00	2,179.29
Trade receivables	c	308.72	(8.56)	300.16	168.99	(3.21)	165.78
Cash and cash equivalents		41.17	-	41.17	59.93	-	59.93
Bank balances		78.10	-	78.10	29.95	-	29.95
Loans	d	1,719.52	(8.69)	1,710.83	1,573.09	(8.69)	1,564.40
Current tax asset (net)		20.72	-	20.72	23.81	-	23.81
Other current assets		767.41	-	767.41	833.79	-	833.79
Sub total		4,859.76	(17.25)	4,842.51	4,868.85	(11.90)	4,856.95
Total assets		**11,853.22**	**2,101.43**	**13,954.65**	**12,076.57**	**2,127.24**	**14,203.81**
Equity and Liabilities							
Equity							
Equity share capital	e	111.68	(3.29)	108.39	81.02	(3.29)	77.73
Other equity	f	2,247.56	1,601.83	3,849.39	1,725.75	1,714.38	3,440.13
Sub total		2,359.24	1,598.54	3,957.78	1,806.77	1,711.09	3,517.86
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings	g	6,345.98	(126.18)	6,219.80	7,111.34	(116.70)	6,994.64
Provisions		29.02	-	29.02	26.58	-	26.58
Deferred tax liabilities (net)	h	-	665.52	665.52	-	679.06	679.06
Other non-current liabilities		9.18	-	9.18	9.79	-	9.79
Sub total		6,384.18	539.34	6,923.52	7,147.71	562.36	7,710.07

₹ Crore

Particulars	Notes	As at March 31, 2016			As at April 1, 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Financial liabilities							
Borrowings	i	36.45	(36.45)	-	146.21	(146.21)	-
Trade payables - Micro and small enterprises		-	-	-	-	-	-
Trade payables - Others		2,195.72	-	2,195.72	2,789.84	-	2,789.84
Other financial liabilities		693.02	-	693.02	31.76	-	31.76
Other current liabilities		63.97	-	63.97	60.49	-	60.49
Provisions		120.64	-	120.64	93.79	-	93.79
Sub total		3,109.80	(36.45)	3,073.35	3,122.09	(146.21)	2,975.88
Total Equity and Liabilities		**11,853.22**	**2,101.43**	**13,954.65**	**12,076.57**	**2,127.24**	**14,203.81**

a) **Fair valuation as deemed cost for Property, Plant and Equipment**

The Company have considered fair value for property viz. land with impact of ₹ 3,267.90 crore in accordance with stipulations of Ind AS 101 with the resultant impact on the transition date being accounted for in the opening reserves.

b) **Fair value of Investments**

The Company has valued financial assets (other than Investment in subsidiaries which are accounted at cost), at fair value on the transition date. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Profit and Loss Account or Other Comprehensive Income, as the case may be.

c) **Provision for expected credit loss on trade receivables**

The Company has made impairment for trade receivable as per simplified approach based on the life time expected credit loss model. The impact of ₹ 8.56 crore on the transition date is recognised in opening reserves and changes thereafter in Profit and Loss Account.

d) **Loans**

Advance of ₹ 8.69 crore to ESOP Trust has been reduced under treasury shares; corresponding effect taken in equity share capital and security premium.

e) **Classification of trust shares**

Company hold beneficial interest in BHL Security Trust which holds 3.11 crore shares of the Company allotted on amalgamation of its subsidiary Bajaj Sugar and Industries Limited in 2010. Company has also formed ESOP Trust under the ESOP scheme. Trust as at year end hold 0.18 crore equity shares. Under previous gap, these were classified as investment/advance. Under Ind AS, these shares are treated as treasury shares as per Ind AS 32 – Financial Instruments – Presentation and shown as reduction from equity.

f) **Other equity**

Refer to note no. 49, on other equity reconciliation.

Gain / Loss on re-measurement of actuarial liabilities of defined benefit plan

Under previous gap, gain / loss on re-measurement of actuarial liabilities of defined benefit plan were accounted under Profit and Loss account. Under Ind AS, these are accounted under Other Comprehensive Income.

g) **Classification of promoters' loan and unwinding of discount**

Promoters' contribution of ₹ 200 crore (₹ 175 crore up to March 31, 2015) was received during the period from Nov. 2014 to Sept. 2015 in terms of restructuring scheme approved by lenders. Under previous gap, said amount is treated as unsecured loan with the option to convert into equity/preference or any other similar instrument. No interest has been provided or paid on the said amount. 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 (₹ 56.20 crore as debt and ₹ 118.80 crore as other equity up to March 2015), by discounting the amount @12% p.a. for a tenure of 10 years. The unwinding of discount subsequent to transition date is recognised in Profit and Loss account.

h) **Deferred tax liability**

The impact of transition adjustments for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Profit and Loss account for the subsequent periods.

i) **Classification of Funded Interest Term Loan (FITL)**

FITL loan to be converted into equity shares as per scheme of restructuring were classified as borrowing under previous gap. Under Ind AS, these are classified as equity.

j) **Reclassifications**

The amounts of the previous gap stated above in the Balance Sheet as on March 31, 2015 and March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016 are after considering the regrouping and reclassification of the line items as per Ind AS financial statement.

49 Reconciliation of Reserve between Ind AS and Previous GAAP

₹ Crore

Nature of adjustments	Note	As at April 01, 2015
Equity		81.02
Other equity		1,725.75
Total		**1,806.77**
Add / (Less) - Effect of transition to Ind AS		
Classification of promoters' loan and unwinding of discount	a)	116.70
Provision for expected credit loss on trade receivables	b)	(3.21)
Deferred tax	c)	(679.06)
Classification of Funded Interest Term Loan (FITL)	d)	146.21
Fair value of Investments	e)	(435.04)
Fair valuation as deemed cost for property, plant and equipment	f)	3,267.90
Classification of trust shares	g)	(702.41)
Net Impact of Ind AS adjustments		1,711.09
Equity		77.73
Other equity		3,440.13
Equity and other equity as per Ind AS		**3,517.86**

Notes:

a) Promoters' contribution of ₹ 200 crore (₹ 175 crore up to March 31, 2015) was received during the period from Nov. 2014 to Sept. 2015 in terms of restructuring scheme approved by lenders. Presently, said amount is treated as unsecured loan with the option to convert into equity/preference or any other similar instrument. No interest has been provided or paid on the said amount. 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 (₹ 56.20 crore as debt and ₹ 118.80 crore as other equity up to March 2015), by discounting the amount @12% p.a. for a tenure of 10 years.

b) Provision for expected credit loss has been made as per the provision policy in accordance with Ind AS 109.

c) Deferred tax impact of fair valuation of plant, property and equipment and fair valuation of financial instruments, has resulted charge on reserve, on the date of transition, with consequential impact to the statement of profit and loss for the subsequent periods.

As per Ind AS 19 - Employee Benefits, actuarial gains and losses are recognised in other comprehensive income as compared to being recognised in the statement of profit and loss under previous GAAP.

d) FITL (funded interest term loan) pending for conversion to equity on 31.03.2016 reclassified to other equity from short-term borrowings as per Ind AS 32.

e) The Company has valued financial assets (other than investment in subsidiaries, associate and joint ventures which are accounted at cost), at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves / retained earnings and changes thereafter are recognised in other comprehensive income (FVOCI).

f) The Company has considered fair value for property, viz. land in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves.

g) Company hold beneficial interest in BHL Security Trust which holds 3.11 crore shares of the Company allotted on amalgamation of its subsidiary Bajaj 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. Under previous GAAP, these were classified as investment/advance. Under Ind AS, these shares are treated as treasury shares as per Ind AS 32 – Financial Instruments – Presentation and shown as reduction from equity.

50 Reconciliation of the standalone statement of profit and loss as previously reported under IGAAP to Ind AS Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2016

₹ Crore

Particulars	Note	Year ended March 31, 2016 Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
INCOME				
Revenue from operations		4,882.62	-	4,882.62
Other income		155.98	-	155.98
		5,038.60	-	5,038.60

₹ Crore

Particulars	Note	Year ended March 31, 2016 Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
EXPENSES				
Cost of materials consumed		3,127.29	-	3,127.29
Changes in Inventories of finished goods, stock-in-trade and WIP		281.23	-	281.23
Excise duty paid on goods sold		199.39	-	199.39
Employee benefits expense	a)	202.87	(3.92)	198.95
Finance costs	b)	840.88	7.50	848.38
Depreciation and amortisation expense		223.98	-	223.98
Other expenses	c)	277.24	5.35	282.59
		5,152.88	8.93	5,161.81
Profit/(Loss) before exceptional items and tax		(114.28)	(8.93)	(123.21)
Exceptional Items				
Profit/(Loss) before tax		(114.28)	(8.93)	(123.21)
Tax expense				
Current tax		-	-	-
Deferred tax	d)	-	(3.42)	(3.42)
Total tax		-	(3.42)	(3.42)
Profit/(Loss) for the year after tax		(114.28)	(5.51)	(119.79)
Other comprehensive income				
Items that will not be reclassified to proflt or loss	e)		(14.26)	(14.26)
Profit/(Loss) and other comprehensive income for the year		(114.28)	(19.77)	(134.05)

a) As per Ind AS 19, employee benefits, actuarial gains and losses are recognised in other comprehensive income and not reclassified in profit and loss in subsequent years.

b) Interest ₹ 7.50 crore towards unwinding of discount on promoters loan, as per Ind AS 32 financial instruments.

c) Provision for expected credit loss on trade receivables of ₹ 5.35 crore.

d) Deferred tax impact of fair valuation of property, plant and equipment has been charged to the statement of profit and loss.

e) Other comprehensive income includes subsequent fair valuation of financial assets (net of tax) and actuarial gain / (loss) on valuation of defined benefits obligation.

51 The financial statements were approved for issue by the Board of Directors, at its meeting held on May 25, 2017.

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

See accompanying notes "1" to "52" 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

R.V. Ruia
Independent Director
DIN 00035853

Vipulkumar S. Modi
Independent Director
DIN 06985276

D.K. Shukla
Independent Director
DIN 00025409

Shalu Bhandari
Director
DIN 00012556

Ashok Mukand
Nominee Director
DIN 01235804

Ashok Kumar Gupta
Director (Group Operations)
DIN 02608184

Mumbai, May 25, 2017

Independent Auditors' 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 the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended. 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 judgements, 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, 2017, 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.

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 Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement 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) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 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, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) 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;

   (g) 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, 2017;

      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, 2017;

      iv. The Holding Company and its subsidiaries has provided requisite disclosures in the consolidated financial statements as regards their holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Holding Company and its subsidiaries as produced to us by the respective Management.

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 ₹ 1,502.44 crore as at March 31, 2017, and total revenues of ₹ 63.42 crore and net cash outflows of ₹ 9.28 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 ₹ 4.50 crore as at March 31, 2017, total revenue of ₹ 0.02 crore and net cash outflows amounting to ₹ 0.03 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

Mumbai
Dated: May 25, 2017

"Annexure A" to 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 (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India as of March 31, 2017 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, 2017, 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

Mumbai
Dated: May 25, 2017

Consolidated Balance Sheet as at March 31, 2017

Particulars	Note	As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore	As at April 1, 2015 ₹ Crore
ASSETS :				
Non-current assets				
Property, plant and equipment	3	**7,735.98**	7,945.51	8,166.61
Capital work-in-progress	3	**45.83**	28.61	17.97
Goodwill on consolidation	3	**-**	28.52	45.70
Other intangible assets	3	**0.00**	0.00	0.00
Financial assets				
Investments	4	**1,010.96**	1,035.15	1,055.32
Other non-current financial assets	5	**4.93**	3.83	12.27
Deferred tax assets	19	**4.10**	4.10	4.02
Other non-current assets	6	**270.36**	268.49	272.83
Sub total		**9,072.16**	9,314.21	9,574.72
Current assets				
Inventories	7	**3,009.52**	1,924.12	2,179.29
Financial assets				
Current investments	8	**266.85**	266.85	266.85
Trade receivables	9	**150.05**	286.80	160.12
Cash and cash equivalents	10	**31.98**	52.37	61.21
Bank balances	11	**53.29**	78.10	29.96
Loans	12	**945.41**	870.19	796.52
Current tax assets (net)	13	**41.40**	31.19	30.09
Other current assets	14	**770.31**	767.78	834.94
Sub total		**5,268.81**	4,277.40	4,358.98
Total Assets		**14,340.97**	13,591.61	13,933.70
EQUITY AND LIABILITIES :				
Equity				
Equity share capital	15	**110.07**	108.39	77.73
Other equity	16	**3,355.49**	3,470.06	3,153.75
Non controlling interest *		**0.00**	0.00	0.00
Sub total		**3,465.56**	3,578.45	3,231.48
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	**5,459.79**	6,219.80	6,994.64
Provisions	18	**40.23**	29.02	26.58
Deferred tax liabilities	19	**653.13**	665.52	679.06
Other non-current liabilities	20	**9.48**	10.18	11.53
Sub total		**6,162.63**	6,924.52	7,711.81
Current liabilities				
Financial liabilities				
Borrowings	21	**245.65**	2.99	0.94
Trade payables	22	**2,786.99**	2,196.64	2,791.71
Other financial liabilities	23	**1,369.64**	693.03	31.86
Other current liabilities	24	**134.69**	75.34	72.11
Provisions	25	**175.81**	120.64	93.79
Sub total		**4,712.78**	3,088.64	2,990.41
Total Equity and Liabilities		**14,340.97**	13,591.61	13,933.70

* (2017: ₹ 7,734, 2016: ₹ 22,984 and 2015: ₹ 27,833)

See accompanying notes "1" to "52" 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

R.V. Ruia
Independent Director
DIN 00035853

Vipulkumar S. Modi
Independent Director
DIN 06985276

D.K. Shukla
Independent Director
DIN 00025409

Shalu Bhandari
Director
DIN 00012556

Ashok Mukand
Nominee Director
DIN 01235804

Ashok Kumar Gupta
Director (Group Operations)
DIN 02608184

Mumbai, May 25, 2017

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Note	Year ended March 31, 2017 ₹ Crore	Year ended March 31, 2016 ₹ Crore
INCOME :			
Revenue from operations	26	**4,633.35**	4,889.89
Other income	27	**96.40**	89.77
Total Income		**4,729.75**	4,979.66
EXPENSES :			
Cost of materials consumed	28	**4,037.88**	3,127.29
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	**(1,032.80)**	281.23
Excise duty on goods sold	30	**234.05**	199.39
Employee benefits expense	31	**233.71**	199.08
Finance costs	32	**802.08**	848.39
Depreciation and amortisation expense	33	**243.18**	241.71
Other expenses	34	**309.37**	298.46
Total Expenses		**4,827.47**	5,195.55
Profit/ (Loss) before exceptional items and tax		**(97.72)**	(215.89)
Exceptional items			
Surplus on cessation of associate		**-**	(0.19)
Profit/(Loss) before tax		**(97.72)**	(215.70)
Tax expenses			
Current tax		**-**	-
Deferred tax	19	**(2.64)**	(3.50)
Tax relating to earlier year		**(3.10)**	-
Total tax		**(5.74)**	(3.50)
Profit / (Loss) for the year after tax		**(91.98)**	(212.20)
Less: Non controlling interest*		**0.00**	0.00
Add: Share of profit / (loss) of associate after tax		**-**	0.10
Profit / (Loss) attributable to consolidated group		**(91.98)**	(212.10)
Other comprehensive income			
- Items that will not be reclassified to profit or loss	35	**(31.39)**	(24.38)
- Income tax relating to items that will not be reclassified to profit or loss	35	**9.75**	10.12
- Items that will be reclassified to profit or loss		**-**	-
- Income tax relating to items that will be reclassified to profit or loss		**-**	-
		(21.64)	(14.26)
Total comprehensive Income for the year (comprising Profit / (Loss) and other comprehensive income for the year)		**(113.62)**	(226.36)
Profit is attributable to:			
Shareholders		**(91.98)**	(212.10)
Non controlling interest*		**0.00**	0.00
		(91.98)	(212.10)
Other comprehensive income is attributable to:			
Shareholders		**(21.64)**	(14.26)
Non controlling interest		**-**	-
		(21.64)	(14.26)
Total comprehensive income is attributable to:			
Shareholders		**(113.62)**	(226.36)
Non controlling interest*		**0.00**	0.00
		(113.62)	(226.36)
Earnings per equity share of face value of ₹1/- each			
Basic and Diluted	37	**(0.84)**	(2.39)

* (2017: ₹ 15,250 and 2016: ₹ 4,849)

See accompanying notes "1" to "52" 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

Mumbai, May 25, 2017

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

R.V. Ruia
Independent Director
DIN 00035853

Vipulkumar S. Modi
Independent Director
DIN 06985276

D.K. Shukla
Independent Director
DIN 00025409

Shalu Bhandari
Director
DIN 00012556

Ashok Mukand
Nominee Director
DIN 01235804

Ashok Kumar Gupta
Director (Group Operations)
DIN 02608184

Consolidated Cash Flow Statement for the year ended March 31, 2017

Particulars	Year ended March 31, 2017 ₹ Crore	Year ended March 31, 2016 ₹ Crore
A. Cash flow from operating activities:		
Net profit/(loss) before tax	**(97.72)**	(215.70)
Adjustment for:		
Depreciation and amortisation	**243.18**	241.71
Loss/(surplus) on sale of fixed assets (net)	**(0.27)**	(0.46)
Finance costs	**802.08**	848.39
Interest income	**(86.06)**	(83.70)
Exchange fluctuation reserve on consolidation	**0.76**	(0.64)
	959.69	1,005.30
Operating profit before working capital changes	**861.97**	789.60
Adjustment for:		
Trade and other receivables	**158.34**	(96.54)
Inventories	**(1,085.40)**	255.17
Trade and other payables	**772.08**	(567.82)
Cash generated from operations	**706.99**	380.41
Direct taxes paid	**(7.10)**	(1.10)
Net cash from/(used in) operating activities	**699.89**	379.31
B. Cash flow from investing activities:		
Purchase of fixed assets	**(25.42)**	(12.91)
Sale of fixed assets	**0.96**	0.97
On cessation of associate	**-**	(0.19)
Movement in loans and advances	**(1.08)**	1.55
Interest received	**12.02**	8.47
Net cash from/(used) in investing activities	**(13.52)**	(2.11)
C. Cash flow from financing activities:		
Proceeds from long-term borrowings	**-**	25.26
Repayment of long-term borrowings	**(395.49)**	(331.56)
Proceeds from short-term borrowings (net of repayments)	**242.67**	2.05
Share issue expenses	**(0.03)**	(0.67)
Interest paid	**(553.80)**	(81.06)
Dividend paid (including tax thereon)	**(0.11)**	(0.06)
Net cash from/(used in) financing activities	**(706.76)**	(386.04)
Net increase/(decrease) in cash and cash equivalents	**(20.39)**	(8.84)
Cash and cash equivalents (opening balance)	**52.37**	61.21
Cash and cash equivalents (closing balance) (refer note 10)	**31.98**	52.37

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.

See accompanying notes "1" to "52" to the financial statement.

As per our Report of even date

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

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Partner
Membership No. 102749

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Ashok Kumar Gupta
Director (Group Operations)
DIN 02608184

Mumbai, May 25, 2017

Statement of Change in Equity

A Equity share capital

₹ Crore

Particulars	Amount
Equity share capital as at April 1, 2015	81.02
Less:	
Investment in BHL Security Trust and ESOP Trust	(3.29)
Total	77.73
Change during the year	30.66
Equity share capital as at March 31, 2016	108.39

Particulars	Amount
Equity share capital as at April 1, 2016	111.68
Less:	
Investment in BHL Security Trust and ESOP Trust	(3.29)
Total	108.39
Change during the year	1.68
Equity share capital as at March 31, 2017	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 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, 2015	**146.21**	**118.80**	**(783.86)**	**0.05**	**3,514.48**	**155.52**	**2.55**	**-**	**-**	**-**	**3,153.75**
Profit for the period	-	-	(212.10)	-	-	-	-	-	-	-	(212.10)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(10.34)	(3.92)	(14.26)
Transfer to molasses storage fund	-	-	(0.31)	-	-	-	0.31	-	-	-	-
Premium / expenses on issue on equity shares	-	-	-	-	636.76	-	-	-	-	-	636.76
Expenses for issue of equity share capital	-	-	-	-	(0.67)	-	-	-	-	-	(0.67)
Transfer to general reserve from molasses storage fund	-	-	-	-	-	0.05	(0.05)	-	-	-	-
Addition during the year in share application money pending allotment	557.66	-	-	-	-	-	-	-	-	-	557.66
Issue of shares against share application money pending allotment	(667.42)	-	-	-	-	-	-	-	-	-	(667.42)
Addition during the year in equity component of compound financial instrument	-	16.98	-	-	-	-	-	-	-	-	16.98
Exchange differences on translating the financial statements of a foreign operation	-		-	-	-	-	-	(0.64)	-	-	(0.64)
As at March 31, 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**

₹ Crore

Particulars	Share application money pending allotment	Reserves and surplus: Equity component of compound financial instrument	Retained earnings	Capital reserve	Securities premium reserve	General reserve	Reserve for molasses storage tanks	Exchange differences on translating the financial statements of a foreign operation	Item of other comprehensive income: Gain / (loss) on investment through FVOCI	Actuarial gain / (loss) on employee benefit plans through OCI	Total
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 on equity shares	-	-	-	-	34.77	-	-	-	-	-	34.77
Expenses on issue on equity shares	-	-	-	-	(0.03)	-	-	-	-	-	(0.03)
Transfer to general reserve from molasses storage fund	-	-	-	-	-	0.38	(0.38)	-	-	-	-
Issue of equity shares	(36.45)	-	-	-	-	-	-	-	-	-	(36.45)
Exchange differences on translating the financial statements of a foreign operation	-	-	-	-	-	-	-	0.76	-	-	0.76
As at March 31, 2017	**0.00**	**135.78**	**(1,088.48)**	**0.05**	**4,185.31**	**155.95**	**2.66**	**0.12**	**(24.77)**	**(11.13)**	**3,355.49**

As per our Report of even date
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Mumbai, May 25, 2017

Notes forming part of financial statements

1 Corporate information

Bajaj Hindusthan Sugar Limited ('the Company') is a public limited company incorporated in India under the provisions of the Companies Act and its shares are listed on Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is situated at Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh – 262 802, and its principal place of business is at TC-13, Vibhuti Khand, Gomti Nagar, Lucknow – 226 010. The Company is engaged in the manufacture of sugar, alcohol and generation of power.

The consolidated financial statements of the Company are for the year ended March 31, 2017 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. 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". These financial statements are the Company's first Ind AS compliant financial statements and are covered by Ind AS 101 - First time adoption of Indian Accounting Standards. The date of transition to Ind AS is April 1, 2015. Refer Note 2.24 for the details of first time adoption exemptions availed by the Company and reconciliation of the reserves on transition date and the loss for the previous year as per Ind AS and previous GAAP (Refer note no. 48).

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 non-integral foreign operation are translated as follows:

- The assets and liabilities are translated at the closing rate.
- Income and expenses items are translated at average rate prevailing during the year.
- All differences are accumulated in a foreign currency translation reserve on consolidation until the disposal of the net investment.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- Non controlling interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company. Non controlling interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

ii) Companies considered in the consolidated financial statements are:

Name of the company	Country of incorporation	Holding as on March 31, 2017	Financial year ends on
Subsidiaries:			
Bajaj Aviation Private Ltd.	India	100.00%	31.03.2017
Bajaj Power Generation Private Ltd.	India	100.00%	31.03.2017
Bajaj Hindusthan (Singapore) Private Ltd.	Singapore	100.00%	31.03.2017
PT. Batu Bumi Persada #	Indonesia	99.00%	31.12.2016
PT. Jangkar Prima #	Indonesia	99.88%	31.12.2016
Associates:			
Bajaj Ebiz Private Ltd. *	India	49.50%	31.03.2017
Esugarindia Ltd.*	India	73.51%	31.03.2017

Management has compiled the accounts for year ended March 31, 2017, in order to consolidate the accounts with that of the Holding Company.

* The Company has made provision for permanent diminution in the value of its investment in Bajaj Ebiz Private Ltd. (an associate company) and Esugarindia Ltd. (subsidiary of Bajaj Ebiz Private Ltd.). Hence, no further adjustment in the value of investment is required to be made in the consolidated financial statement.

Summary of significant accounting policies

2.03 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.

2.04 Operating cycle

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act. Based on the nature of services and time between the acquisition of assets for providing of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

2.05 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. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major refurbishment is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Expenditure during construction period incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the assets, and are included under "Capital Work in Progress". These expenses are apportioned to fixed assets on commencement of commercial production. Capital Work in Progress is stated at the amount incurred up to the date of Balance Sheet.

Depreciation on property, plant and equipment is provided on straight line method and based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except, leasehold and improvements which are amortised over the lower of estimated useful life or lease period; on assets acquired under finance lease depreciation is provided over the lease term. Depreciation on assets added, sold or discarded during the year is provided on pro rata basis.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.06 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 diminished. 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.

2.07 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.

2.08 Research & development expenditure

Revenue expenditure on research is expensed out in the statement of profit and loss for the year. Development costs of products are charged to the statement of profit and loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. Capital expenditure on research and development is shown as an addition to fixed assets.

2.09 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.

2.10 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.

2.11 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.

2.12 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. At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. 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.

2.13 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.

2.14 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, pension under employees' pension scheme, etc. are recognised during the year in which the related service is rendered.

Defined benefit plans - gratuity: Gratuity liability is covered under the gratuity-cum-insurance policy of Life Insurance Corporation of India (LIC). 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.

Provident Fund: 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.

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.

2.15 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.

2.16 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.

2.17 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).

2.18 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.

2.19 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 sugarcane 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.

2.20 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

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.

2.21 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.

2.22 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 the stipulated period. Promoters have the option to convert these into equity shares at anytime. Therefore, this loan has been classified as compound financial instruments as per Ind AS 32 – Financial Instruments - Presentation.

2.23 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 the financial statements, management has made an assessment of the 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. 46.

2.24 First time adoption of Ind AS

The Company has adopted Ind AS with effect from April 1, 2016 with comparatives being restated. Accordingly, the impact of transition has been provided in the Opening Reserves as at April 1, 2015 ("transition date"). The financial statement prepared as per previous GAAP for the year ended March 31, 2016 has been restated to realign with the accounting policies and other accounting principles adopted for Ind AS.

Exemptions from retrospective application:

i) Business combination exemption

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to transition date. The Company has also applied the exemption for past business combinations to acquisitions of investments in associates consummated prior to the transition date.

ii) Fair value as deemed cost exemption

Under the previous GAAP (erstwhile Indian GAAP), property plant and equipment, were carried in the balance sheet at historical cost. The Company has elected to regard those values of property as deemed cost as at transition date except for freehold land which are stated at fair value as on the date of transition to Ind AS.

iii) Leases exemption

The Company do not have any arrangements containing a lease as defined under Appendix C of Ind AS 17 determining whether an arrangement contains a Lease, as of the transition date and hence this exemption is not applicable.

iv) Long-term foreign currency monetary items

The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items.

v) Investments in subsidiaries and associate

The Company has elected to measure investment in subsidiaries and associate at cost.

vi) Assets and liabilities of subsidiaries and associate

All entities within the Company are transitioning to Ind AS on the same date. Consequently, this exemption was not required to be applied.

vii) Government grant and assistance

The Company has outstanding loans on the transition date to Ind AS, such as Excise Loan, SDF Loan and Loan from Department of Commercial Tax of Uttar Pradesh and these are interest free or at lower interest rate loans from State Government / Central Government. On transition these loans are not fairly valued. Accordingly, on transition date these loans continue to be carried at the existing carrying value as per previous GAAP in accordance with the mandatory exception available under Ind AS 101.

viii) Estimates exception

Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise the estimates under Ind AS except where estimates were required by Ind AS and not required by Indian GAAP.

ix) De-recognition of financial assets and liabilities exception

Financial assets and liabilities derecognised before transition date are not re-recognised under Ind AS.

x) Cumulative translation differences

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a subsidiary or equity method investee was formed or acquired.

The Company elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

3 Property, plant and equipment

₹ Crore

	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Sr. No.	**Particulars**	As at April 1, 2016	Additions	Deductions & Adjustments	**As at March 31, 2017**	As at April 1, 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**	**0.00**	0.00
	Total (B)	85.92	-	-	**85.92**	57.40	28.52	-	**85.92**	**0.00**	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. 17.1

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

₹ Crore

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**

₹ Crore

	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Sr. No.	**Particulars**	As at April 1, 2015	Additions	Deductions & Adjustments	**As at March 31, 2016**	As at April 1, 2015	For the Year	Deductions & Adjustments	**Up to March 31, 2016**	**As at March 31, 2016**	As at April 1, 2015
(A)	**TANGIBLE ASSETS :**										
1.	Freehold Land	3,714.59	-	-	**3,714.59**	-	-	-	**-**	**3,714.59**	3,714.59
2.	Leasehold land	1.02	-	-	**1.02**	0.16	0.04	-	**0.20**	**0.82**	0.86
3.	Buildings	1,273.00	0.01	-	**1,273.01**	217.41	28.97	-	**246.38**	**1,026.63**	1,055.59
4.	Plant & Machinery	5,387.55	2.54	1.62	**5,388.47**	2,100.26	184.82	1.21	**2,283.87**	**3,104.60**	3,287.29
5.	Furniture, Fixtures & Office Equipments	45.59	1.27	0.01	**46.85**	37.40	3.12	-	**40.52**	**6.33**	8.19
6.	Vehicles & Aircraft	147.97	0.12	0.68	**147.41**	47.88	7.58	0.59	**54.87**	**92.54**	100.09
	Total (A)	**10,569.72**	**3.94**	**2.31**	**10,571.35**	2,403.11	224.53	1.80	**2,625.84**	**7,945.51**	8,166.61
(B)	**INTANGIBLE ASSETS :**										
7.	Goodwill on Consolidation	85.90	-	-	**85.90**	40.20	17.18	-	**57.38**	**28.52**	45.70
8.	Computer Software*	0.02	-	-	**0.02**	0.02	-	-	**0.02**	**0.00**	0.00
	Total (B)	85.92	-	-	**85.92**	40.22	17.18	-	**57.40**	**28.52**	45.70
	Total (A)+(B)	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
	Previous Year Total	7,396.85	17.50	26.61	7,387.74	2,337.71	257.68	152.06	2,443.33	4,944.41	5,059.14
(C)	**CAPITAL WORK IN PROGRESS**	17.97	14.41	3.77	28.61	-	-	-	-	**28.61**	17.97
	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**	8,230.28
	*Computer software net block as on March 31, 2016 of ₹ 4/- (March 31, 2015 ₹ 4/-)										

Notes:

(i) Assets pledged as security refer note no. 17.1

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

₹ Crore

Particulars	As at April 1, 2015	Additions	Deductions & Adjustments	**As at March 31, 2016**
Plant & machinery / civil work-in-progress	11.80	14.41	3.77	**22.44**
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	17.97	14.41	3.77	**28.61**

	As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore	As at April 01, 2015 ₹ Crore
4 Non-current investments			
Trade investments			
In Equity Shares of associates			
Unquoted, fully paid up (Equity method)			
Nil (2016: Nil and 2015: 1,54,39,900) Shares of Lalitpur Power Generation Company Ltd. of ₹10/- each#	**-**	-	764.58
Share in net assets	**-**	-	0.69
Goodwill/ (Capital reserve)	**-**	-	4.86
Investment made during the year	**-**	-	770.13
Equity investment in associate at cost	**-**	-	(0.29)
Share of loss of associate after tax	**-**	-	769.84
11,48,400 (2016: 11,48,400 and 2015: 11,48,400) Shares of Bajaj Ebiz Pvt. Ltd. of ₹10/- each	**-**	-	-
	-	-	-
9,000 (2016: Nil and 2015: Nil) Shares of Esugarindia Ltd. of ₹10/- each*	**-**	-	-
In Equity Shares of other companies			
Unquoted, fully paid up			
Total Trade Investments	**-**	-	769.84
Investments classified at fair value through other comprehensive income			
Non-Trade Investments			
1,54,39,900 (2016: 1,54,39,900 and 2015: Nil) Shares of Lalitpur Power Generation Company Ltd. of ₹ 10/- each #	**770.13**	770.13	-
Nil (2016: 5,000 and 2015: 5,000) Shares of Esugarindia Clearing Corporation Ltd. of ₹ 10/- each*	**-**	-	-
In Preference Shares of other companies			
Unquoted, fully paid up			
3,50,03,927 (March 2016: 3,50,03,927 and March 2015: 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 (March 2016: 3,70,48,321 and March 2015: 3,70,48,321) Zero Coupon Optionally Convertible Debentures of Phenil Sugars Ltd. of ₹100/- each	**240.83**	265.02	285.48
Total Non-trade investments	**1,010.96**	1,035.15	285.48
	1,010.96	1,035.15	1,055.32

	As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore	As at April 01, 2015 ₹ Crore
Aggregate value of unquoted investment	**1,010.96**	1,035.15	1,055.32
Category-wise non-current investments			
Financial assets measure at cost (Equity method)	**-**	-	769.84
Financial assets measure at fair value through other comprehensive income	**1,010.96**	1,035.15	285.48
Total Non-current investmets	**1,010.96**	1,035.15	1,055.32

* Erstwhile Esugarindia Clearing Corporation Ltd. has been merged with Esugarindia Ltd. w.e.f. May 05, 2016

These investments are pledged against loans taken by company/other company

5 Other non-current assets

(Unsecured considered good)			
Fixed deposits *	**4.93**	3.83	3.66
Other bank balance	**-**	-	8.61
	4.93	3.83	12.27

* Having maturity after 12 months from the reporting date and earmarked ₹ 4.93 crore (2016: ₹ 1.66 crore, 2015: ₹ 3.66 crore) for specific purposes

6 Other non-current assets

(Unsecured considered good unless otherwise stated)			
Capital advances	**250.38**	248.01	249.68
Security deposits	**3.35**	3.24	13.25
Security deposit to related parties (refer note 39)	**10.85**	11.26	1.26
Taxes paid under protest	**5.78**	5.98	8.64
	270.36	268.49	272.83

7 Inventories

(At cost or net realisable value whichever is lower, unless otherwise stated)			
Raw materials	**2.10**	0.33	3.86
Stores, spares & packing materials	**58.96**	61.51	62.24
Finished goods	**2,718.21**	1,736.58	1,907.07
By-products	**195.85**	116.35	174.73
Work-in-progress	**34.40**	9.35	31.39
Stock-in-trade [₹ 49,674/- (2016: ₹49,674/- and 2015: ₹ 49,674/-)]	**0.00**	0.00	0.00
Material in transit (Stores) [₹ 17,241/- (2016: ₹Nil and 2015: ₹ 15,070/-)]	**0.00**	0.00	0.00
	3,009.52	1,924.12	2,179.29

Includes inventories of ₹ 244.00 crore (P.Y. ₹ 478.18 crore) carrying at fair value less cost to sale

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 Projects Private Ltd. of ₹100/- each*	**266.85**	266.85	266.85
	266.85	266.85	266.85

* Company name has been changed "Lambodar Stocks Private Ltd." w.e.f. 25.04.2017

		As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore	As at April 01, 2015 ₹ Crore
9	**Trade receivables**			
	(Unsecured considered good unless otherwise stated)			
	Considered good	**150.05**	286.80	160.12
	Considered doubtful	**9.69**	26.07	16.89
	Less : Provision for doubtful debts	**(9.69)**	(26.07)	(16.89)
		-	-	-
		150.05	286.80	160.12
10	**Cash and cash equivalents**			
	Balance with banks			
	Current account	**30.65**	31.76	49.01
	Fixed deposits (Maturity of less than 3 months)*	**0.40**	17.95	-
	Cheques, draft on hand	**0.42**	2.06	11.48
	Cash on hand	**0.51**	0.60	0.72
		31.98	52.37	61.21
	* Includes ₹ Nil (2016: ₹15.32 crore and 2015: ₹ Nil) earmarked for specific purposes.			
11	**Bank balances**			
	Balance with banks (unpaid dividend)	**0.50**	0.61	0.68
	Fixed deposits*	**50.71**	75.31	27.47
	Interest accrued	**2.08**	2.18	1.81
		53.29	78.10	29.96
	* Includes ₹41.91 crore (2016 : ₹ 40.70 crore and 2015: ₹ 27.40 crore) earmarked for specific purposes			
12	**Loans**			
	(Unsecured considered good, unless otherwise stated)			
	Loans & advances to others - good	**945.41**	870.19	796.52
	- doubtful	**2.29**	2.29	2.29
	Less: Provision for doubtful loans & advances	**(2.29)**	(2.29)	(2.29)
		-	-	-
		945.41	870.19	796.52
13	**Current tax assets (net)**			
	Advance income tax (net of provisions)	**41.40**	31.19	30.09
		41.40	31.19	30.09
14	**Other current assets**			
	(Unsecured considered good)			
	MAT credit entitlement	**79.44**	79.44	79.44
	Balances with excise department	**17.52**	17.63	41.26
	Other advances*	**103.31**	97.31	81.13
	Claim/refund recoverable in cash or in kind or for value to be received	**569.98**	571.24	633.05
	Duty drawback receivable	**0.06**	2.16	0.06
		770.31	767.78	834.94
	* Includes advances given to suppliers, vendors and employees and other advances recoverable in cash or in kind			

	As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore	As at April 01, 2015 ₹ Crore
15 Equity share capital			
Authorised:			
2,71,00,00,000 (2016: 2,71,00,00,000 and 2015: 2,71,00,00,000) Equity Shares of ₹ 1/- each	**271.00**	271.00	271.00
	271.00	271.00	271.00
Issued			
1,17,92,31,364 (2016: 1,16,24,89,196 and 2015: 85,59,12,599) Equity Shares of ₹1/- each	**117.92**	116.25	85.59
	117.92	116.25	85.59
Subscribed and Paid up:			
1,13,35,59,942 (2016: 1,11,68,17,774 and 2015: 81,02,41,177) Equity Shares of ₹ 1/- each	**113.36**	111.68	81.02
	113.36	111.68	81.02
Less:			
Interest in BHL Securities Trust 3,11,00,000 (2016: 3,11,00,000 and 2015: 3,11,00,000) Equity Shares of ₹ 1/- (refer note no. (v))	**3.11**	3.11	3.11
Share held by ESOP Trust (2016: 17,80,000 and 2015: 17,80,000) Equity Shares of ₹1/- (refer note no. (v))	**0.18**	0.18	0.18
	3.29	3.29	3.29
	110.07	108.39	77.73

(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 (2016: 47,74,17,863 and 2015: 17,08,41,266) 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, 2017 No. of Shares	As at March 31, 2016 No. of Shares	As at April 01, 2015 No. of Shares
Equity Shares (with voting rights) at the beginning of the year	**1,11,68,17,774**	81,02,41,177	63,93,99,911
Add: Shares issued on conversion of Funded Interest Term Loan (FITL)	**1,67,42,168**	30,65,76,597	17,08,41,266
Equity Shares at the end of the year	**1,13,35,59,942**	1,11,68,17,774	81,02,41,177

(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, 2017	
Sr. No.	**Name of Shareholders**	**No. of Shares**	**% held**
1	Bajaj Resources Ltd.	**8,19,44,455**	**7.23%**
2	Punjab National Bank	**6,63,93,312**	**5.86%**
3	Trustees - Shishir Bajaj Family Trust	**6,49,48,632**	**5.73%**
4	State Bank of India	**-**	**0.00%**

		As at March 31, 2016	
Sr. No.	**Name of Shareholders**	**No. of Shares**	**% held**
1	Bajaj Resources Ltd.	8,19,44,455	7.34%
2	Punjab National Bank	6,66,33,312	5.97%
3	Trustees - Shishir Bajaj Family Trust	6,49,48,632	5.82%
4	State Bank of India	8,81,46,222	7.89%

		As at April 01, 2015	
Sr. No.	**Name of Shareholders**	**No. of Shares**	**% held**
1	Bajaj Resources Ltd.	8,19,44,455	10.11%
2	Trustees - Shishir Bajaj Family Trust	6,49,48,632	8.02%
3	Global World Power Projects Pvt Ltd	4,11,11,121	5.07%
4	Life Insurance Corporation of India	4,10,26,922	5.06%

(v) Company holds beneficial interest in BHL Security Trust which holds 3.11 crore shares of the Company allotted on amalgamation of its subsidiary Bajaj 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 holds 0.18 crore equity shares. Under previous GAAP, these were classified as investment/advance. Under Ind AS, these shares are treated as treasury shares as per Ind AS 32 – Financial Instruments – Presentation and shown as reduction from equity.

	As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore	As at April 01, 2015 ₹ Crore
16 Other equity			
Capital redemption reserve			
Opening balance	**0.05**	0.05	
Closing balance	**0.05**	0.05	0.05
Securities premium			
Opening balance (refer change in other equity)	**4,150.57**	3,514.48	3,514.48
Issue of equity shares	**34.77**	636.76	-
Expenses related to issue of equity share capital	**(0.03)**	(0.67)	-
Closing balance	**4,185.31**	4,150.57	3,514.48
Share application money pending allotment (FITL)			
Opening balance	**36.45**	146.21	-
Addition during the year	**-**	557.66	146.21
Deduction during the year on allotment	**(36.45)**	(667.42)	-
Closing balance	**-**	36.45	146.21
Equity component of compound financial instrument			
Opening balance	**135.78**	118.80	-
Addition during the year	**-**	16.98	118.80
Closing balance	**135.78**	135.78	118.80
General reserve			
Opening balance	**155.57**	155.52	
Transferred from reserve for molasses storage tanks	**0.38**	0.05	
Closing balance	**155.95**	155.57	155.52
Reserve for molasses storage tanks			
Opening balance	**2.81**	2.55	
Transferred from statement of profit & loss	**0.23**	0.31	
Transferred to general reserve	**(0.38)**	(0.05)	
Closing balance	**2.66**	2.81	2.55

	As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore	As at April 01, 2015 ₹ Crore
Gain / (Loss) on Investment through FVOCI			
Opening balance	**(10.34)**	-	-
Change in during the year	**(14.43)**	(10.34)	-
Closing balance	**(24.77)**	(10.34)	-
Actuarial gain / (loss) on employee benefit plans			
Opening balance	**(3.92)**	-	-
Change in during the year	**(7.21)**	(3.92)	-
Closing balance	**(11.13)**	(3.92)	-
Exchange differences on translating the financial statements of a foreign operation			
Opening balance	**(0.64)**	-	-
Change during the year	**0.76**	(0.64)	-
Closing balance	**0.12**	(0.64)	-
Statement of profit and loss {surplus/ (deficit)}			
Opening balance	**(996.27)**	(783.86)	414.14
Profit/(loss) for the year	**(91.98)**	(212.10)	(1,192.45)
Appropriations:			
Transferred to reserve for molasses storage tanks	**(0.23)**	(0.31)	(0.28)
Exchange differences on translating the financial statements of a foreign operation			9.89
Carrying value of fixed assets adjusted (useful life expired)	**-**	-	(15.16)
Closing balance	**(1,088.48)**	(996.27)	(783.86)
	3,355.49	3,470.06	3,153.75

17 Non-current borrowings

From banks			
- Secured	**5,358.65**	6,110.79	6,876.09
	5,358.65	6,110.79	6,876.09
From related parties			
- Unsecured	**82.68**	73.82	58.30
	82.68	73.82	58.30
From others			
- Secured	**17.63**	34.37	59.47
- Unsecured	**0.83**	0.82	0.78
	18.46	35.19	60.25
	5,459.79	6,219.80	6,994.64

17.1 **Maturity profile of term loans are set out below :-**

₹ Crore

Name of banks/ financial institutions	Interest (%)	Outstanding as at March 31, 2017	Current Maturities (0-1 Year)	Maturity profile				Details of securities
				2nd Year	3rd Year	4th Year	Beyond 4 Years	
From Banks	11.75%	6,646.57	1,287.92	1,052.18	943.67	916.83	2,445.97	Refer note (i) below
From others								
Sugar Development Fund (SDF)	4.00%-8.25%	34.37	16.74	8.47	6.69	2.47	-	Refer note (ii) below
Total - Secured		**6,680.94**	**1,304.66**	**1,060.65**	**950.36**	**919.30**	**2,445.97**	

₹ Crore

Name of banks/ financial institutions	Interest (%)	Outstanding as at March 31, 2017	Current Maturities (0-1 Year)	Maturity profile 2nd Year	3rd Year	4th Year	Beyond 4 Years	Details of securities
Term loans (Unsecured)								
From related parties								
Loan from promoters		82.68	-	-	-	-	82.68	Refer note (iii) below
From others								
Department of Commercial Tax of Uttar Pradesh	Interest free	0.83	-	0.56	0.27	-	-	
Total - Unsecured		**83.51**	**-**	**0.56**	**0.27**	**-**	**82.68**	
Grand Total		**6,764.45**	**1,304.66**	**1,061.21**	**950.63**	**919.30**	**2,528.65**	

Details of securities :

(i) Term Loans including Funded Interest Term Loan (FITL) 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 of (both present & future) of the Company. The said loans are further secured by personal guarantee of Managing Director (Promoter) and corporate guarantee by a promoter group company, pledge of entire shares held by the Promoters of the Company.

(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.

(iii) 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.

(iv) The principal of ₹ 283.18 crore due on March 31, 2017 and interest of ₹ 63.91 crore for the month of March 2017 is due for payment as on the balance sheet date. The interest is paid in April 2017.

	As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore	As at April 01, 2015 ₹ Crore
18 Non-current provisions			
Gratuity	**22.57**	14.83	13.12
Leave encashment	**17.66**	14.19	13.46
	40.23	29.02	26.58

19 Deferred tax liabilities/ (assets) (net)

	As at April 1, 2016 ₹ Crore	During the year ₹ Crore	**As at March 31, 2017 ₹ Crore**
Deferred tax liabilities:			
Property, plant and equipment	521.57	158.18	**679.75**
Fair valuation of property, plant and equipment	792.32	(2.64)	**789.68**
	1,313.89	155.54	**1,469.43**
Deferred tax assets:			
Provision for employee benefits	10.78	4.53	**15.31**
Provision for doubtful debts/advances	6.12	(2.42)	**3.70**
Fair valuation of investments	126.80	9.75	**136.55**
Carry forward losses and unabsorbed depreciation*	508.77	156.07	**664.84**
	652.47	167.93	**820.40**
Deferred tax liabilities/ (assets) (net)	661.42	(12.39)	**649.03**

*Deferred tax assets on carry forward losses and unabsorbed depreciation relating to holding company is recognised to the extent of deferred tax liabilities on conservative basis.

	As at April 1, 2015 ₹ Crore	During the year ₹ Crore	As at March 31, 2016 ₹ Crore
Deferred tax liabilities:			
Property, plant and equipment	528.01	(6.44)	521.57
Fair valuation of property, plant and equipment	795.74	(3.42)	792.32
	1,323.75	(9.86)	1,313.89
Deferred tax assets:			
Provision for employee benefits	14.33	(3.55)	10.78
Provision for doubtful debts/advances	0.09	6.03	6.12
Fair valuation of investments	116.68	10.12	126.80
Carry forward losses and unabsorbed depreciation *	517.61	(8.84)	508.77
	648.71	3.76	652.47
Deferred tax liabilities/(assets) (net)	675.04	(13.62)	661.42

*Deferred tax assets on carry forward losses and unabsorbed depreciation relating to holding company is recognised to the extent of deferred tax liabilities on conservative basis.

	As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore	As at April 01, 2015 ₹ Crore
20 Other non-current liabilities			
Deposits from agents/customers	**8.73**	9.18	9.80
Security deposits from others	**0.75**	1.00	0.98
Security deposits from related parties (refer note 39)	**-**	-	0.75
	9.48	10.18	11.53
21 Current borrowings			
Loan from banks			
Secured			
Working capital loan	**242.74**	-	-
	242.74	**-**	-
Loan from others			
Others	**2.91**	2.99	0.94
	2.91	2.99	0.94
	245.65	2.99	0.94

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 & 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.

22 Trade payables			
Micro and small enterprises	**0.55**	0.77	0.57
Others	**2,786.44**	2,195.87	2,791.14
	2,786.99	2,196.64	2,791.71
The details of amount outstanding to micro and small entreprises 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	**0.55**	0.77	0.57
- Interest	**-**	-	-

	As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore	As at April 01, 2015 ₹ Crore
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	**0.06**	0.05	0.05
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**1.98**	1.66	0.73
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 17.1)	**1,304.66**	691.18	26.36
Interest accrued but not due on borrowings	**0.57**	1.24	4.82
Interest accrued and due on borrowings	**63.91**	-	-
Unclaimed dividends #	**0.50**	0.61	0.68
	1,369.64	693.03	31.86

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

24 Other current liabilities

Other payables*	**134.69**	75.34	72.11
	134.69	75.34	72.11

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

25 Current provisions

Gratuity	**5.15**	3.36	6.21
Leave encashment	**4.19**	2.51	2.66
Provision for excise duty	**166.47**	114.77	84.92
	175.81	120.64	93.79

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, 2017 of ₹ 166.47 crore (2016: ₹ 114.77 crore and 2015: ₹ 84.92 crore) as per the estimated pattern of despatches. During the year, ₹ 114.77 crore was utilised for clearance of goods. Provision recognised under this class for the year is ₹ 114.77 crore which is outstanding as on March 31, 2017. Actual outflow is expected in the next financial year.

	Year ended March 31, 2017 ₹ Crore	Year ended March 31, 2016 ₹ Crore
26 Revenue from operations		
Sale of products/services	**4,565.48**	4,451.79
Other operating revenues	**67.87**	438.10
	4,633.35	4,889.89

	Year ended March 31, 2017 ₹ Crore	Year ended March 31, 2016 ₹ Crore
26.1 Particulars of sale of products/services		
Sugar	**3,923.05**	3,649.58
Alcohol	**461.97**	594.41
Power	**126.88**	133.10
By-products	**31.66**	60.22
Aircraft services	**21.92**	14.48
	4,565.48	4,451.79
26.2 Particulars of other operating revenues		
Duty drawback and other export incentives	-	2.12
Sale of scrap	**3.19**	3.02
Others	**64.68**	432.96
	67.87	438.10
27 Other income		
Gain due to foreign exchange fluctuation (net)	-	0.87
Interest income	**86.06**	83.70
Other non-operating income	**10.34**	5.20
	96.40	89.77
28 Cost of materials consumed		
Opening stock	**0.33**	3.86
Purchases	**4,039.65**	3,123.76
	4,039.98	3,127.62
Less: Closing stock	**2.10**	0.33
Cost of raw material consumed	**4,037.88**	3,127.29
29 Changes in inventories of finished goods and work-in-progress		
Opening stock		
Finished goods	**1,736.58**	1,907.07
By-products	**116.35**	174.73
Work-in-progress	**9.35**	31.39
	1,862.28	2,113.19
Less: Closing 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
Increase/(decrease) of excise duty on inventories	**53.38**	30.32
	(1,032.80)	281.23
Includes ₹ 15.65 crore (P.Y. ₹ 22.85 crore) towards the write down of inventories.		
30 Excise duty paid on goods sold		
Excise duty	**234.05**	199.39
	234.05	199.39
31 Employee benefits expense		
Salaries & wages	**213.22**	182.35
Contributions to provident and other funds	**19.21**	15.52
Employees' welfare expenses	**1.28**	1.21
	233.71	199.08

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

Particulars	Year ended March 31, 2017 ₹ Crore	Year ended March 31, 2016 ₹ Crore
Liability to be recognised in balance sheet		
Present value of funded obligations	**39.54**	31.64
Fair value of plan assets	**(11.83)**	(13.45)
Net liability / (asset)	**27.71**	18.19
Change in plan assets (reconciliation of opening and closing balances)		
Fair value of plan assets at the beginning	**13.45**	13.05
Expected return on plan assets	**1.01**	1.04
Actuarial gain / (losses)	**0.05**	0.14
Contributions	**0.22**	8.27
Benefits paid	**(2.90)**	(9.05)
Fair value of plan assets at the end	**11.83**	13.45
Change in obligation (reconciliation of opening and closing balances)		
Obligation at the beginning	**31.64**	32.38
Current service cost	**3.70**	3.05
Interest cost	**2.53**	2.59
Actuarial losses / (gain)	**4.57**	2.67
Benefits paid	**(2.90)**	(9.05)
Closing obligation	**39.54**	31.64
Expenditure to be recognised during the year		
Current service cost	**3.70**	3.05
Interest cost	**2.53**	2.59
Expected return on plan assets	**(1.01)**	(1.04)
Total expenses recognised in the statement of profit and loss	**5.22**	4.60
In other comprehensive income		
Actuarial (gain) / loss - plan liabilities	**4.57**	2.67
Actuarial (gain) / loss - return on plan assets	**(0.05)**	(0.14)
Net (income)/ expense for the period recognised in OCI	**4.52**	2.53
Investment details		
Insurance policies - Amount	**11.83**	13.45
- %	**100%**	100%
Assumptions		
Discount rate (per annum)	**7.50%**	8.00%
Expected rate of return on assets (per annum)	**7.50%**	8.00%
Salary escalation rate (per annum)	**6.00%**	6.00%
Sensitivity		
Under base scenario	**39.54**	31.64
Salary escalation (up by 1%)	**42.98**	34.39
Salary escalation (down by 1%)	**36.48**	29.19
Withdrawal rates (up by 1%)	**39.98**	31.99
Withdrawal rates (down by 1%)	**39.19**	31.36
Discount rates (up by 1%)	**36.54**	29.26
Discount rates (down by 1%)	**42.97**	34.36

This is a defined benefit plan and statutory liability of the Company. The Company has to pay the Gratuity to the employees as per the provisions of The Payment of Gratuity Act 1972 irrespective of the availability of the funds with the Gratuity Fund.

The Gratuity Liability is computed on actuarial valuation basis done at year end and the Company's liability so determined as at the end of the financial year on an actuarial basis using the Project Unit Credit Method is provided for in the books of account and is based on a detailed working done by a certified Actuary. Past service cost is recognised immediately to the extent that the benefits are already vested.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Company manages Gratuity obligation through Trust. Company arranges the fund based on the actuarial valuation and requirement of the Trust.

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2016-17.

These gratuity plan typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference-to-market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference-to-market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

b. Unfunded scheme - earned leaves

Particulars	**Year ended March 31, 2017 ₹ Crore**	Year ended March 31, 2016 ₹ Crore
Present value of unfunded obligations	**21.85**	16.70
Expenses recognised in the statement of profit and loss	**5.20**	3.33
In other comprehensive income		
Actuarial (gain) / loss - plan liabilities	**2.69**	1.39
Actuarial (gain) / loss - return on plan assets		-
Net (income)/ expense for the period recognised in OCI	**2.69**	1.39
Discount rate (per annum)	**7.50%**	8.00%
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, 2017.

Particulars	**Year ended March 31, 2017 ₹ Crore**	Year ended March 31, 2016 ₹ Crore
Plan assets at period end, at fair value	**-**	-
Present value of benefit obligation at year end	**-**	-

Particulars	Year ended March 31, 2017 ₹ Crore	Year ended March 31, 2016 ₹ Crore
Cost of shortfall in interest rate guarantee	**-**	-
Discount rate	**7.50%**	7.75%
Average remaining tenure of the investment portfolio (years)	**8.63**	6.78
Expected guaranteed interest rate	**8.65%**	8.80%

During the year ended March 31, 2017, amount recognised in statement of profit and loss for employee provident fund is ₹ 5.92 crore (P.Y. ₹ 4.91 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.

	Year ended March 31, 2017 ₹ Crore	Year ended March 31, 2016 ₹ Crore
32 Finance costs		
Interest expense on:		
Borrowings	**795.73**	834.59
Others	**1.50**	0.65
Other borrowing costs	**4.85**	13.15
	802.08	848.39
33 Depreciation and amortisation expense		
Depreciation on tangible assets	**214.66**	224.53
Amortisation on intangible assets	**28.52**	17.18
	243.18	241.71
34 Other expenses		
Stores, spares and packing materials consumed	**88.93**	91.28
Power and fuel	**17.40**	12.76
Rent	**7.14**	4.92
Rates and taxes	**0.82**	0.27
Repairs :		
Building	**1.36**	0.85
Machinery	**66.82**	63.90
Others	**4.84**	6.38
	73.02	71.13
Payment to auditors (Refer note 34.1)	**0.66**	0.56
Insurance	**2.63**	4.66
Selling commission	**8.07**	8.69
Selling & distribution	**51.76**	39.00
Director fees	**0.30**	0.14
Loss due to foreign currency fluctuation (net)	**1.10**	-
Provision for doubtful debts	**-**	9.18
Loss on assets sold / scrapped / written off	**0.20**	0.33
Miscellaneous expenses	**57.34**	55.54
	309.37	298.46
34.1 Payment to auditors		
As auditors - statutory audit	**0.45**	0.39
For taxation matters	**0.05**	0.05
For certification work	**0.16**	0.12
Reimbursement of expenses (₹18,942/-, P.Y. ₹1,914/-)	**0.00**	0.00
	0.66	0.56

	Year ended March 31, 2017 ₹ Crore	Year ended March 31, 2016 ₹ Crore
35 Other comprehensive income		
Actuarial gain / (loss) on employee benefit plans	**(7.21)**	(3.92)
Gain / (loss) on Investment through FVOCI	**(24.18)**	(20.46)
Less: Tax on gain / (loss) on Investment through FVOCI	**9.75**	10.12
	(21.64)	(14.26)
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	**33.03**	147.22
(ii) Trade tax matters	**69.58**	87.29
(iii) Income tax matters	**10.37**	14.20
(iv) Recompense payable (refer note 41(b))	**100.66**	57.55
(v) Other claims	**55.03**	18.30
	268.67	324.56
(b) Guarantees	**869.13**	869.13
(c) Erstwhile Bajaj Eco-Tech Products Lmited (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	**38.90**	39.80
(d) Interest payable on promoters contribution (refer note 41(c)) is not determinable		
(II) **Commitments**		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**18.10**	1.82
37 Earnings per share		
(i) Net profit/ (loss) after tax as per statement of profit and loss attributable to equity shareholders	**(91.98)**	(212.10)
(ii) Weighted average number of equity shares used as denominator for calculating basic EPS (crore)	**113.33**	92.13
Less: Adjusment of Security trust share	**(3.11)**	(3.11)
Less: Adjusment of ESOP Trust	**(0.18)**	(0.18)
Total	**110.04**	88.84
(iii) Add: Equity shares to be issued on conversion of funded interest term loan (FITL) (crore)	**-**	1.67
(iv) Weighted average number of equity shares used as denominator for calculating diluted EPS (crore)	**110.04**	90.51
(v) Basic and diluted earning per share	**(0.84)**	(2.39)
(vi) Diluted earnings per share (since anti-dilutive, same as basic EPS)	**(0.84)**	(2.39)
(vii) Face value per equity share	**₹1/-**	**₹1/-**

38 Operating Segments/Segment information

The Company has identified its Business Segments as its Primary Reportable Segments comprising Sugar, Distillery and Power.

The Company monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

No operating segments have been aggregated to form the above reportable operating segments. Transfer prices between operating segments are on an arm's-length basis in a manner similar to transactions with third parties.

Segment Information

	Particulars	Year ended March 31, 2017 ₹ Crore	Year ended March 31, 2016 ₹ Crore
1	**Segment revenue**		
	a) Sugar	**4,892.81**	4,395.08
	b) Distillery	**484.87**	606.76
	c) Power	**1,026.09**	355.98
	d) Others	**25.49**	14.73
	Total	**6,429.26**	5,372.55
	Less : Inter-segment revenue	**1,795.91**	482.66
	Net Sales / Income from operations	**4,633.35**	4,889.89
2	**Segment results**		
	(Profit/ (Loss) before tax and interest)		
	a) Sugar	**357.34**	173.03
	b) Distillery	**136.30**	193.24
	c) Power	**185.20**	248.71
	d) Others	**(9.68)**	(9.60)
	Total	**669.16**	605.38
	Less: (i) Interest gross	**(802.08)**	(848.39)
	(ii) Interest income	**86.06**	83.70
	(iii) Other un-allocable Income net off un-allocable expenditure	**(50.86)**	(56.39)
	Total profit/(loss) before tax	**(97.72)**	(215.70)
3	**Capital employed**		
i)	**Segment assets:**		
	a) Sugar	**8,929.72**	8,747.24
	b) Distillery	**931.94**	912.83
	c) Power	**1,852.95**	1,120.07
	d) Others	**249.67**	247.33
	Total	**11,964.28**	11,027.47
	Add: Unallocated corporate assets	**2,376.69**	2,564.14
	Total assets	**14,340.97**	13,591.61
ii)	**Segment liabilities:**		
	a) Sugar	**3,232.02**	2,738.58
	b) Distillery	**38.94**	29.78
	c) Power	**1,373.62**	1,269.22
	d) Others	**94.84**	79.79
	Total	**4,739.42**	4,117.37
	Add: Unallocated corporate liabilities	**6,135.99**	5,895.79
	Total liabilities	**10,875.41**	10,013.16
iii)	**Capital employed**		
	a) Sugar	**5,697.70**	2,738.58
	b) Distillery	**893.00**	29.78
	c) Power	**1,314.42**	1,269.22
	d) Others	**214.72**	79.79
	Total	**8,119.84**	4,117.37
	Add: Unallocated corporate liabilities	**(4,176.33)**	6,018.49
	Total liabilities	**3,943.51**	10,135.86

	Particulars	Year ended March 31, 2017 ₹ Crore	Year ended March 31, 2016 ₹ Crore
4	**Capital expenditure:**		
	a) Sugar	**0.90**	5.50
	b) Distillery	**22.21**	5.59
	c) Power	**-**	-
	d) Others*	**(0.08)**	0.16
	e) Unallocated	**0.02**	0.64
	Total	**23.05**	11.89
	* Includes increase/(decrease) due to forex fluctuation		
5	**Depreciation and amortisation:**		
	a) Sugar	**127.51**	169.54
	b) Distillery	**16.38**	18.90
	c) Power	**59.55**	24.09
	d) Others	**4.47**	4.49
	e) Unallocated	**35.27**	24.69
	Total	**243.18**	241.71
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 consists 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 capital goods - ₹Nil (P.Y. ₹ 27,863/-)	-	-	-	-
		(-)	(0.00)	(-)	(0.00)
	Sale of goods - ₹ Nil (₹ 34,483/-)	-	-	-	-
		(-)	(0.00)	(0.00)	(0.00)
	Sale of services	**-**	**-**	**17.72**	**17.72**
		(-)	(-)	(-)	(-)
	Rent received	**-**	**-**	**3.38**	**3.38**
		(-)	(-)	(3.05)	(3.05)
	Purchase of stores	-	-	-	-
		(-)	(-)	(0.26)	(0.26)
	Remuneration	**2.68**	**-**	**-**	**2.68**
		(2.63)	(-)	(-)	(2.63)
	Rent paid	**-**	**-**	**4.37**	**4.37**
		(-)	(-)	(5.68)	(5.68)
	Loan taken	-	-	-	-
		(-)	(-)	(25.00)	(25.00)
	Deposit given repaid	**-**	**-**	**0.42**	**0.42**
		(-)	(-)	(-)	(-)
	Deposit taken repaid	**-**	**-**	**0.25**	**0.25**
		(-)	(-)	(-)	(-)
	Guarantee/securities given	-	-	-	-
		-	(109.14)	-	(109.14)
II.	**Amounts outstanding at the Balance Sheet date**				
	Loan taken	**110.50**	**-**	**89.50**	**200.00**
		(110.50)	(-)	(89.50)	(200.00)
	Trade payables	**-**	**-**	**0.81**	**0.81**
		(-)	(-)	(0.68)	(0.68)
	Investments	**-**	**-**	**770.13**	**770.13**
		(-)	(-)	(770.13)	(770.13)
	Trade receivable	**-**	**-**	**8.23**	**8.23**
		(-)	(-)	(0.72)	(0.72)
	Debentures	**-**	**-**	**266.85**	**266.85**
		(-)	(-)	(-)	(-)
	Deposits given	**-**	**-**	**10.85**	**10.85**
		(-)	(-)	(11.26)	(11.26)
	Deposits taken	**-**	**-**	**0.75**	**0.75**
		(-)	(-)	(-)	(-)
	Guarantee/securities given	**-**	**-**	**869.13**	**869.13**
		(-)	(-)	(869.13)	(869.13)

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 provide of ₹ 17.72 crore to Lalitpur Power Generation Company Ltd.

4 Rent received of ₹ 3.17 crore (P.Y. 3.00 crore) from Bajaj Energy Private Ltd and ₹ 0.21 crore (P.Y. ₹ 5.00 crore) from Lalitpur Power Generation Company Ltd.

5 Remuneration includes ₹ 1.76 crore (P.Y. ₹ 1.77 crore) to Mr. Kushagra Bajaj, and ₹ 0.92 crore (P.Y. ₹ 0.86 crore) to Mr. A.K. Gupta.

6 Rent paid includes ₹ 0.87 crore (P.Y. ₹ 0.86 crore) to Bajaj Capital Ventures Pvt. Ltd., ₹ 2.08 crore (P.Y. ₹ 2.05 crore) to Shishir Bajaj Family Trust, ₹ 0.86 crore (P.Y. ₹ 0.32 crore) to Bajaj Resources Ltd. and ₹ 0.56 crore (P.Y. ₹ 2.45 crore) to Abhitech Developers Pvt. Ltd.

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

8 Deposit taken repaid ₹ 0.25 crore (P.Y. Nil) to Bajaj Infrastructure Development Company Ltd.

9 Restructured term loan from banks aggregating to ₹7,007.19 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.

10 The transactions with related parties are made on terms equivalent to those that prevail in arm's-length transactions. Outstanding balances year-end are unsecured and settlement occurs in cash.

40 As required by paragraph 46 inserted by vide notifification dated March 31, 2009 to the Accounting Standard (AS) 11 "The Effect of Changes in Foreign Exchange Rate", as read with paragraph D13AA of Appendix D of Indian Accounting Standard (Ind AS) 101 - First-time Adoption of Indian Accounting Standards, the Company had opted to adjust the exchange fluctuations on long-term monetary items to the carrying cost of fixed assets. The unamortised foreign exchange fluctuation capitalised to fixed assets, amount of ₹ 313.65 crore (P.Y. ₹ 330.37 crore) as at March 31, 2017.

41 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 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, 2017 payable to the JLF Lenders as per MRA is approximately ₹ 100.66 crore for the Company.

c) As per terms of 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) As per the terms of MRA, interest payable on the term loan for the period from August 01, 2014 to July 31, 2016 would be converted into Funded Interest Term Loan (FITL). 70% of FITL shall be converted in to equity. The shareholders approved the preferential issue of shares to lenders through postal ballot. Part of the FITL, has been converted into equity by allotment of 49,41,60,031 equity shares to lenders till March 31, 2017 at the premium of ₹ 20.77 per share.

42 During the year, the Company proposed to sell its power business to Lalitpur Power Generation Co Ltd (LPGCL) on slump sale basis. The entire sales consideration is proposed to be used for part repayment of its certain secured loans. The Company will transfer land, building, plant and machinery and other associated equipment which are in exclusive use of power generation alongwith associated assets and liabilities, if any.

Approval of shareholders have been obtained as on May 01, 2017 final sanction from lenders, statutory and regulatory authorities are pending. The transaction is expected to be executed in financial year 2017-18. The assets proposed to be hived off are reported under power segment.

43 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 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 ₹ Crore
As at March 31, 2017	**132.75**	**17.30**	**150.05**
As at March 31, 2016	258.46	28.34	286.80
As at April 1, 2015	134.93	25.19	160.12

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, 2015	16.89
Provided during the year	9.18
Reversal of provision	-
Amounts written off	-
As at March 31, 2016	26.07
Provided during the year	-
Reversal of provision	(3.10)
Amounts written off	(13.28)
As at March 31, 2017	**9.69**

Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which 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, 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**

	As at March 31, 2016 (₹ Crore)				
Particulars	**Carrying amount**	**On demand**	**0-12 months**	**More than 12 months**	**Total**
Borrowings	6,913.97	-	691.18	6,222.79	6,913.97
Trade payables	2,196.64	2,196.64	-	-	2,196.64
Other financial liabilities	1.85	-	1.85	-	1.85
Total	9,112.46	2,196.64	693.03	6,222.79	9,112.46

Particulars	As at April 01, 2015 (₹ Crore)				Total
	Carrying amount	On demand	0-12 months	More than 12 months	
Borrowings	7,021.94	-	26.36	6,995.58	7,021.94
Trade payables	2,791.71	2,791.71	-	-	2,791.71
Other financial liabilities	509.64	-	509.64	-	509.64
Total	10,323.29	2,791.71	536.00	6,995.58	10,323.29

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 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 the year ended March 31, 2017		100	+/(-)	**70.10**
For the year ended March 31, 2016		100	+/(-)	69.14

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 the year ended March 31, 2017	**₹ 1**	**+/(-)**	**0.75**
For the year ended March 31, 2016	₹ 1	+/(-)	0.53

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.

44 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 it's 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 credit worthiness.

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.

e) Ind AS 101 allow Company to fair value Property, Plant and Equipment on transition. Company has fair valued certain land at fair value as deemed cost and the fair valuation is based on replacement cost approach falling within level 2 hierarchy.

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:

₹ Crore

Particulars	As at March 31, 2017			
	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	-
Borrowings - current	245.65	-	-	-
Trade payables	2,786.99	-	-	-
Other financial liabilities - current	1,369.64	-	-	-
Total	**9,862.07**	**-**	**5,459.79**	**-**

₹ Crore

Particulars	As at March 31, 2016			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**
Financial assets at amortised cost				
Trade receivables	286.80	-	-	-
Cash and cash equivalents	52.37	-	-	-
Bank balances	78.10	-	-	-
Loans - current	870.19	-	-	-
Other financial assets - non current	3.83	-	3.83	-
Total	**1,291.29**	**-**	**3.83**	**-**
Financial assets at fair value through				
Other comprehensive income				
Investments	1,035.15	-	-	1,035.15
Total	**1,035.15**	**-**	**-**	**1,035.15**
Financial liabilities at amortised cost				
Borrowings - non current	6,219.80	-	6,219.80	-
Borrowings - current	2.99	-	-	-
Trade payables	2,196.64	-	-	-
Other financial liabilities - current	693.03	-	-	-
Total	**9,112.46**	**-**	**6,219.80**	**-**

₹ Crore

Particulars	As at April 01, 2015			
	Carrying amount	Level 1	Level 2	Level 3
Financial assets at amortised cost				
Trade receivables	160.12	-	-	-
Cash and cash equivalents	61.21	-	-	-
Bank balances	29.96	-	-	-
Loans - current	796.52	-	-	-
Other financial assets - non current	12.27	-	12.27	-
Total	**1,060.08**	**-**	**12.27**	**-**
Financial assets at fair value through				
Other comprehensive income				
Investments	1,055.32	-	-	285.48
Total	**1,055.32**	**-**	**-**	**285.48**
Financial liabilities at amortised cost				
Borrowings - non current	6,994.64	-	6,994.64	-
Borrowings - current	0.94	-	-	-
Trade payables	2,791.71	-	-	-
Other financial liabilities - current	31.86	-	-	-
Total	**9,819.15**	**-**	**6,994.64**	**-**

During the year ended March 31, 2017, there were no transfers between level 1 and level 2 fair value hierarchy.

During the year ended March 31, 2016, there were transfers from level 1 to level 3 fair value hierarchy, due to cessation of associates.

Following table shows the reconciliation from the opening balances to the closing balances of the level 3 values:

Particulars	₹ Crore
Balance as on April 1, 2015	285.48
Add : Transfer from associate to level 3	770.13
Less: Fair value loss recognised in other	
comprehensive income	(20.46)
Balance as on March 31, 2016	1,035.15
Less: Fair value loss recognised in other	
comprehensive income	(24.19)
Balance as on March 31, 2017	**1,010.96**

45 Specified bank notes disclosure (SBN's)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December, 30 2016. The denomination-wise SBNs and other notes as per the notification is given below:

Amount in ₹

Particulars	SBNs	Other denomination notes	Total
Closing cash on hand as on Nov 8, 2016			
Holding company	43,57,500	21,04,110	64,61,610
Subsidiary companies*	1,13,500	23,614	1,37,114
	44,71,000	21,27,724	65,98,724
(+) Permitted receipts -			
Holding company		1,62,14,033	1,62,14,033
Subsidiary companies		3,12,000	3,12,000
	-	1,65,26,033	1,65,26,033

Amount in ₹

Particulars	SBNs	Other denomination notes	Total
(-) Permitted payments -			
Holding company	16,53,500	1,47,14,458	1,63,67,958
Subsidiary companies		2,71,825	2,71,825
	16,53,500	1,49,86,283	1,66,39,783
(-) Amounts deposited in banks			
Holding company	27,04,000		27,04,000
Subsidiary companies	1,13,500		1,13,500
	28,17,500	-	28,17,500
Closing cash on hand as on Dec 30, 2016			
Holding company	-	36,03,685	36,03,685
Subsidiary companies	-	63,789	63,789
	-	36,67,474	36,67,474
*In other denomination includes USD 355 @ ₹65.9432 =23410.			

46 In past few years, Company incurred operational losses resulting into erosion of considerable net worth of the Company. The operational losses were mainly attributable to high sugarcane price and low sugar realisation, particularly in case of sugar mills in the State of Uttar Pradesh. Sugar season 2015-16 and 2016-17 has brought respite for sugar mills after a long gap. Improvement in the sugar yield of sugar for sugarcane and sugar price has resulted in low sugarcane cost per quintal of sugar and better revenue generation. As at year end, Company has overdue instalment of bank loan and interest and dues to farmers for cane purchase. Company is in the process of raising additional funds by way of sale of power business assets. Considering the future expected improvement in market scenario in coming years, Company expects generation of sustainable cash flows and accordingly the financial statement continue to be presented on a going concern basis, which contemplates realisation of assets and settlement of liabilities in the normal course of business.

47 Reconciliation of balance sheet as at March 2016 and April 1, 2015 between Ind AS and previous GAAP.

₹ Crore

Particulars	Notes	As at March 31, 2016			As at April 01, 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Assets							
Non-current assets							
Property, plant and equipment	a)	4,677.61	3,267.90	7,945.51	4,898.71	3,267.90	8,166.61
Capital work-in-progress		28.61	-	28.61	17.97	-	17.97
Goodwill		28.52	-	28.52	45.70	-	45.70
Other intangible assets		0.00	-	0.00	0.00	-	0.00
Investments	b)	2,184.37	(1,149.22)	1,035.15	2,184.08	(1,128.76)	1,055.32
Deferred tax asset (net)		4.10	-	4.10	4.02	-	4.02
Other non-current financial assets		3.83	-	3.83	12.27	-	12.27
Other non-current assets		268.49	-	268.49	272.83	-	272.83
Sub total		7,195.53	2,118.68	9,314.21	7,435.58	2,139.14	9,574.72
Current assets							
Inventories		1,924.12	0.00	1,924.12	2,179.29	0.00	2,179.29
Current investments		266.85	-	266.85	266.85	-	266.85
Trade receivables	c)	295.36	(8.56)	286.80	163.33	(3.21)	160.12
Cash and cash equivalents		52.37	-	52.37	61.21	-	61.21
Bank balances		78.10	-	78.10	29.96	-	29.96
Loans	d)	878.88	(8.69)	870.19	805.21	(8.69)	796.52
Current tax assets (net)	h)	31.19	-	31.19	30.09	-	30.09
Other current assets		767.78	-	767.78	834.94	-	834.94
Sub total		4,294.65	(17.25)	4,277.40	4,370.88	(11.90)	4,358.98
Total Assets		**11,490.18**	**2,101.43**	**13,591.61**	**11,806.46**	**2,127.24**	**13,933.70**

₹ Crore

Particulars	Notes	As at March 31, 2016			As at April 01, 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Equity and Liabilities							
Equity							
Equity share capital	e)	111.68	(3.29)	108.39	81.02	(3.29)	77.73
Non-controlling interest				0.00			0.00
Other equity	f)	1,868.23	1,601.83	3,470.06	1,439.37	1,714.38	3,153.75
Sub total		1,979.91	1,598.54	3,578.45	1,520.39	1,711.09	3,231.48
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings	g)	6,345.98	(126.18)	6,219.80	7,111.34	(116.70)	6,994.64
Provisions		29.02	-	29.02	26.58	-	26.58
Deferred tax liabilities (net)	h)		665.52	665.52	-	679.06	679.06
Other non-current liabilities		10.18	-	10.18	11.53	-	11.53
Sub total		6,385.18	539.34	6,924.52	7,149.45	562.36	7,711.81
Current liabilities							
Financial liabilities							
Borrowings	i)	39.44	(36.45)	2.99	147.15	(146.21)	0.94
Trade payables - Micro and small enterprises		-	-	-	-	-	-
Trade payables - Others		2,196.64	-	2,196.64	2,791.71	-	2,791.71
Other financial liabilities		693.03	-	693.03	31.86	-	31.86
Other current liabilities		75.34	-	75.34	72.11	-	72.11
Provisions		120.64	-	120.64	93.79	-	93.79
Sub total		3,125.09	(36.45)	3,088.64	3,136.62	(146.21)	2,990.41
Total Equity and Liabilities		**11,490.18**	**2,101.43**	**13,591.61**	**11,806.46**	**2,127.24**	**13,933.70**

a) Fair valuation as deemed cost for Property, Plant and Equipment

The Company have considered fair value for property viz. land with impact of ₹ 3,267.90 crore in accordance with stipulations of Ind AS 101 with the resultant impact on the transition date being accounted for in the opening reserves.

b) Fair value of Investments

The Company has valued financial assets (other than Investment in subsidiaries which are accounted at cost), at fair value on the transition date. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Profit and Loss Account or Other Comprehensive Income, as the case may be.

c) Provision for expected credit loss on trade receivables

The Company has made impairment for trade receivable as per simplified approach based on the life time expected credit loss model. The impact of ₹ 8.56 crore on the transition date is recognised in opening reserves and changes thereafter in Profit and Loss Account.

d) Loans

Advance of ₹ 8.69 crore to ESOP Trust has been reduced under treasury shares; corresponding effect taken in equity share capital and security premium.

e) Classification of Trust Shares

Company holds beneficial interest in BHL Security Trust which holds 3.11 crore shares of the Company allotted on amalgamation of its subsidiary Bajaj Sugar and Industries Limited in 2010. Company has also formed ESOP Trust under the ESOP scheme. Trust as at year end hold 0.18 crore equity shares. Under previous GAAP, these were classified as investment/advance. Under Ind AS, these shares are treated as treasury shares as per Ind AS 32 – Financial Instruments – Presentation and shown as reduction from equity.

f) Other equity

Refer to note no. 48, on other equity reconciliation.

Gain / Loss on re-measurement of actuarial liabilities of defined benefit plan.

Under previous gap, gain / loss on re-measurement of actuarial liabilities of defined benefit plan were accounted under Profit and Loss account. Under Ind AS, these are accounted under Other Comprehensive Income.

g) Classification of promoters' loan and unwinding of discount

Promoters' contribution of ₹ 200 crore (₹ 175 crore up to March 31, 2015) was received during the period from November 2014 to September 2015 in terms of restructuring scheme approved by lenders. Under previous GAAP, said amount is treated as unsecured loan with the option to convert into equity/preference or any other similar instrument. No interest has been provided or paid on the said amount. 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 (₹ 56.20 crore as debt and ₹ 118.80 crore as other equity up to March 2015), by discounting the amount @12% p.a. for a tenure of 10 years. The unwinding of discount subsequent to transition date is recognised in Profit and Loss account.

h) Deferred tax liability

The impact of transition adjustments for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Profit and Loss account for the subsequent periods.

i) Classification of Funded Interest Term Loan (FITL)

FITL loan to be converted into equity shares as per scheme of restructuring were classified as borrowing under previous GAAP. Under Ind AS, these are classified as equity.

j) Reclassifications

The amounts of the previous GAAP stated above in the Balance Sheet as on March 31, 2015 and March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016 are after considering the regrouping and reclassification of the line items as per Ind AS financial statement.

48 Reconciliation of Reserve between Ind AS and previous GAAP

₹ Crore

Nature of adjustments	Note	As at April 01, 2015
Equity		81.02
Other equity		1,439.37
Total		1,520.39
Add / (Less) - Effect of transition to Ind AS		
Classification of promoters' loan and unwinding of discount	a)	116.70
Provision for expected credit loss on trade receivables	b)	(3.21)
Deferred tax	c)	(679.06)
Classification of Funded Interest Term Loan (FITL)	d)	146.21
Fair value of Investments	e)	(435.04)
Fair valuation as deemed cost for property, plant and equipment	f)	3,267.90
Classification of trust shares	g)	(702.41)
Net Impact of Ind AS adjustments		1,711.09
Equity		77.73
Other equity		3,153.75
Equity and other equity as per Ind AS		**3,231.48**

Notes:

a) Promoter's contribution of ₹ 200 crore (₹ 175 crore up to March 31, 2015) was received during the period from Nov 2014 to Sep 2015 in terms of restructuring scheme approved by lenders. Presently, said amount is treated as unsecured loan with the option to convert into equity/preference or any other similar instrument. No interest has been provided or paid on the said amount. 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 (₹ 56.20 crore as debt and ₹ 118.80 crore as other equity up to March 2015), by discounting the amount @12% p.a. for a tenure of 10 years.

b) Provision for expected credit loss has been made as per the provision policy in accordance with Ind AS 109.

c) Deferred tax impact of fair valuation of plant, property and equipment and fair valuation of financial instruments, has resulted charge on reserve, on the date of transition, with consequential impact to the statement of profit and loss for the subsequent periods.

d) FITL (Funded interest term loan) pending for conversion to equity on 31.03.2016 reclassified to other equity from short-term borrowings as per Ind AS 32.

e) The Company has valued financial assets (other than investment in subsidiaries, associate and joint ventures which are accounted at cost), at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves / retained earnings and changes thereafter are recognised in other comprehensive income (FVOCI).

f) The Company has considered fair value for property, viz. land in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves.

g) Company hold beneficial interest in BHL Security Trust which holds 3.11 crore shares of the Company allotted on amalgamation of its subsidiary Bajaj 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. Under previous GAAP, these were classified as investment/advance. Under Ind AS, these shares are treated as treasury shares as per Ind AS 32 – Financial Instruments – Presentation and shown as reduction from equity.

49 Reconciliation of the statement of profit and loss as previously reported under GAAP to Ind AS

Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2016

₹ Crore

Particulars	**Note**	**Year ended March 31, 2016**		
		Previous GAAP	**Effect of transition to Ind AS**	**As per Ind AS balance sheet**
INCOME				
Revenue from operations		4,889.89	-	4,889.89
Other income		89.77	-	89.77
		4,979.66	-	4,979.66
EXPENSES				
Cost of materials consumed		3,127.29	-	3,127.29
Changes in inventories of finished goods, stock-in-trade and work-in-progress		281.23	-	281.23
Excise duty paid on goods sold		199.39	-	199.39
Employee benefits expense	a)	203.00	(3.92)	199.08
Finance costs	b)	840.89	7.50	848.39
Depreciation and amortisation expense		241.71	-	241.71
Other expenses	c)	293.11	5.35	298.46
		5,186.62	8.93	5,195.55
Profit/(Loss) before exceptional items and tax		(206.96)	(8.93)	(215.89)
Exceptional Items				
Surplus on cessation of associate		(0.19)	-	(0.19)
Profit/(Loss) before tax		(206.77)	(8.93)	(215.70)
Tax expense				
Current tax				
Deferred tax	d)	(0.08)	(3.42)	(3.50)
Total tax		(0.08)	(3.42)	(3.50)
Profit/(Loss) for the year after tax		(206.69)	(5.51)	(212.20)
Add: Share of profit/(loss) of associates		0.10		0.10
		(206.59)	(5.51)	(212.10)
Other comprehensive income				
Items that will not be reclassified to proflt or loss	e)		(14.26)	(14.26)
		-	(14.26)	(14.26)
Total comprehensive income for the year		(206.59)	(19.77)	(226.36)

a) As per Ind AS 19 Employee Benefits, actuarial gains and losses are recognised in other comprehensive income and not reclassified in profit and loss in subsequent years.

b) Interest ₹ 7.50 crore towards unwinding of discount on promoters loan, as per Ind AS 32 financial instruments.

c) Provision for expected credit loss on trade receivables of ₹ 5.35 crore.

d) Deferred tax impact of fair valuation of property plant and equipment has been charged to the statement of profit and loss.

e) Other comprehensive income includes subsequent fair valuation of financial assets (net of tax) and actuarial gain / (loss) on valuation of defined benefits obligation.

50 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	69%	2,402.14	69%	(63.29)	100%	(21.64)	75%	(84.93)
Subsidiaries								
Indian								
1. Bajaj Aviation Private Ltd.	1%	23.87	-2%	1.80	0%	-	-2%	1.80
2. Bajaj Power Generation Private Ltd.	30%	1,037.73	-	-	0%	-		-
Foreign								
1. Bajaj Hindusthan (Singapore) Pte. Ltd.	0%	0.62	31%	(28.93)	0%	-	25%	(28.93)
2. PT. Batu Bumi Persada, Indonesia	0%	3.00	2%	(1.41)	0%	-	1%	(1.41)
3. PT. Jangkar Prima, Indonesia	0%	(1.80)	0%	(0.15)	0%	-	0%	(0.15)
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				

51 The financial statements were approved for issue by the Board of Directors, at its meeting held on May 25, 2017.

52 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".

Signatures to Notes "1" to "52"

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

R.V. Ruia
Independent Director
DIN 00035853

Vipulkumar S. Modi
Independent Director
DIN 06985276

D.K. Shukla
Independent Director
DIN 00025409

Shalu Bhandari
Director
DIN 00012556

Ashok Mukand
Nominee Director
DIN 01235804

Ashok Kumar Gupta
Director (Group Operations)
DIN 02608184

Mumbai, May 25, 2017

Annexure-A
Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

₹ Crore

	Sl. No.	1	2	3	4	5
	Name of the subsidiary	Bajaj Aviation Pvt. Ltd.	Bajaj Power Generation Pvt. Ltd.	Bajaj Hindusthan (Singapore) Pvt. Ltd., Singapore #	PT. Batu Bumi Persada, Indonesia $	PT. Jangkar Prima, Indonesia $
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-April 2016 to 31-Mar-2017	01-April 2016 to 31-Mar-2017	01-April 2016 to 31-Mar-2017	01-Jan-2016 to 31-Dec-2016	01-Jan-2016 to 31-Dec-2016
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	2.44	2.44
4.	Other equity	(42.44)	(0.00)	30.98	(2.27)	5.60
5.	Total assets	26.18	1,371.68	120.20	3.02	1.84
6.	Total liabilities	26.18	1,371.68	120.20	3.02	1.84
7.	Investments @	-	266.85	-	-	-
8.	Turnover *	22.44	40.98	-	-	-
9.	Profit before taxation	(5.32)	-	(0.41)	0.01	(1.30)
10.	Provision for taxation	0.08	-	-	-	-
11.	Profit after taxation	(5.40)	-	(0.41)	0.01	(1.30)
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 31.03.2017 i.e. 1 USD = INR 64.8386
$ 4 The financial statements are translated at the exchange rate as on 31.03.2017 i.e. (1 USD = IDR 13315) and (1 USD = INR 64.8386)

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, 2016	March 31, 2016
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 73.51% Shares
3. Description of how there is significant influence	There is a significant influence due to percentage of shareholding	There is a significant influence due to percentage of shareholding
4. Reason why the associate is not consolidated	See Note	See Note
5. Networth attributable to Shareholding as per latest audited Balance Sheet (₹ crore)	-	-
6. Profit / (Loss) for the year (₹ crore)	-	-
i. Considered in consolidation (₹ crore)	-	-
ii. Not considered in consolidation (₹ crore)	-	-

Note:
The Company has made provision for permanent diminution in the value of its entire investment in Bajaj Ebiz Private Ltd. and Esugarindia Ltd.

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