

Business Responsibility Report for the year 2017-18

In terms of Regulation 34 of the Listing Regulations

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:** L15420UP1931PLC065243
- Name of the Company:** Bajaj Hindusthan Sugar Limited
- Registered address:** Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh - 262 802
- Website:** www.bajajhindusthan.com
- E-mail id:** investor.complaints@bajajhindusthan.com
- Financial Year reported:** April 01, 2017 to March 31, 2018
- Sector(s) that the Company is engaged in (industrial activity code-wise):**

Name and Description of main products / services	NIC Code of the product/service
Sugar	1702
Industrial Alcohol	1101
Power (bagasse-based)	3510

- List three key products/services that the Company manufactures/provides (as in balance sheet):**

- Sugar
- Industrial Alcohol
- Power (bagasse based)

- Total number of locations where business activity is undertaken by the Company:**

- Number of International Locations (provide details of major 5) : NIL
- Number of National Locations: 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.

- Markets served by the Company:**

Local	State	National	International
Yes	Yes	Yes	No

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid-up Capital (INR) :** ₹ 1,13,35,59,942 (Rupees One Hundred Thirteen Crore Thirty Five Lakhs Fifty Nine Thousand Nine Hundred Forty Two only) comprising of 1,13,35,59,942 equity shares of ₹ 1/- each.
- Total Turnover (INR) :** ₹ 6,105.31 crore
- Total profit/(loss) after taxes (INR) :** ₹ (423.19) crore
- Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** NIL (Since the average net profit for last 3 years is negative)
- List of activities in which expenditure in 4 above has been incurred :** Not applicable

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/Companies:**
Yes, the Company has 5 subsidiaries including 2 step down subsidiaries as on March 31, 2018.
- Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s):**
No, the Subsidiary companies do not participate in the BR initiatives of the parent Company.
- Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:**
No, the other entities with whom the Company does business with viz. suppliers, distributors, etc. don't participate in the BR initiatives of the Company.



SECTION D: BR INFORMATION**1. Details of Director/Directors responsible for BR:**

(a) Details of the Director/Directors responsible for implementation of the BR Policy/policies:

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

(b) Details of the BR head:

Sr. No.	Particulars	Details
1	DIN (if applicable)	02608184
2	Name	Mr. Ashok Kumar Gupta
3	Designation	Director (Group Operations)
4	Telephone number	91-5876-233754
5	E-mail id	akgupta.gol@bajajhindusthan.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N) :

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders ?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify ?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Policy is based on and it is in confirmation with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' issued by Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board ? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy ?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.bajajhindusthan.com/investorcorner-policies.php								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

2a. If answers to Sr. No.1 against any principle is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR:

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Chairman and Managing Director assess the BR performance of the Company at least annually.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes the Business Responsibility Report on annual basis as a part of Annual Report. The Report is available on the website of the Company at <http://www.bajajhindusthan.com>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company ? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others ?

Company believes that Ethics, Transparency and Accountability are the three basic pillars of the business of the Company and the said belief are reflected in 'Code of Conduct for Directors and Senior Management', 'Code of fair disclosure' and 'Vigil Mechanism Policy' adopted by the Company. These Codes and Policies are applicable to Directors and Employees of the Company, the underlying principles are communicated to vendors, suppliers, distributors and other key business associates of the Company, which they are expected to adhere to while dealing with the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management ? If so, provide details thereof, in about 50 words or so.

During the Financial year under review, the Company has received 11 complaints from its shareholders and all 11 complaints have been resolved satisfactorily. More details are available under the head "Details of shareholders complaints" in Corporate Governance Section.

Principle 2: Product Life Cycle Sustainability

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company understands its obligations on social and environmental concerns, risks and opportunities. Accordingly the Company has devised the manufacturing process of its products (Sugar, Industrial alcohol and Bagasse-based power) in a manner taking care of its obligations.

The Company has deployed best-in-class technology and process to manufacture its product and taken various steps for conservation of energy and also taken various efforts in Research and Energy, details of which are given in Annexure VI of the Directors' report.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Reduction in Electricity consumed to produce per qtl. of sugar.

Reduction in Electricity consumed per tonne of cane crushed.

Reduction in Borewell water consumed per tonne of cane crushed.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year ?

The details of reduction during usage by consumers (energy, water) achieved since the previous year are not available with the Company.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

During crushing season, the Cane Indent has been given to the cane societies keeping in mind the per day cane availability, according to this transport and labour arrangement has been made for the day-to-day cane lifting of centres and also to avoid the stale cane. This system also helps us in the transport and labour cost saving.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Every year, Bajaj Hindusthan Sugar Ltd. conducts a survey of its command area to bring on record the cane cultivated area of the farmers. This also takes care of the different varieties of sugarcane that are grown by farmers.

Post this massive exercise, every farmer within the command area of the mill is provided with a calendar, which tells him when he can expect a Mill Supply Ticket (Purchy) against which he will supply the cane.

The calendar is distributed over 180 days. Based on the maturity and recovery expected from the varieties, the distribution takes place in the calendar.

After receiving the purchy, the farmer harvests the cane and transports it either in a bullock cart or tractor trolley to the mill gate. Farmers who stay in far-flung areas supply cane at the mill's centres. This cane is then transported in trucks or through rail to the mill.



5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, the Company have a mechanism to recycle by-products and other residual output. Percentage of recycling of products and brief details thereof are given below:

Molasses (4.5%-5%) : Molasses is the only by-product obtained in the preparation of sugar. Molasses is mainly used for the manufacture of alcohol, yeast and cattle feed. Alcohol in turn is used to produce ethanol, rectified spirit, potable liquor and downstream value-added chemicals such as acetone, acetic acid, butanol acetic anhydride, etc. Our maximum quality of absolute alcohol is being utilised as green fuel i.e. 10% blending with the Petrol.

Bagasse (30%) : Bagasse is a fibrous residue of cane stalk that is obtained after crushing and extraction of juice. Bagasse is usually used as a combustible in furnaces to produce steam, which in turn is used to generate power. It is also used as a raw material for production of paper and as feedstock for cattle.

Fly ash (2%) : Fly ash is the residual output from the boiler furnace after bagasse has completely burnt out. This fly ash is used as a substitute for firewood. It is rich in potassium and is also used by local farmers as manure for improving soil health and also filling and reclamation of low lying area.

Press mud (4%) : Press mud also known as oliver cake or press cake, is the residual output after the filtration of the juice. It is mixed with spent wash from the distillery and cultivated to produce high quality bio-manure.

Principle 3: Employee Wellbeing

1. Please indicate the total number of employees: 7,299
2. Please indicate the total number of employees hired on temporary/contractual/casual basis: 3,632
3. Please indicate the number of permanent women employees: 6
4. Please indicate the number of permanent employees with disabilities: Nil
5. Do you have an employee association that is recognised by management: No
6. What percentage of your permanent employees are members of this recognised employee association?:
Not applicable
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

Sr. No.	Category No.	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under-mentioned employees were given safety and skill upgradation training in the last year?
 - (a) Permanent Employees: 83%
 - (b) Permanent Women Employees: Nil
 - (c) Casual/Temporary/Contractual Employees: 9%
 - (d) Employees with Disabilities: Nil

Principle 4: Stakeholders' engagement

1. Has the Company mapped its internal and external stakeholders ?
Yes
2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders:
Yes
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so:
No

Principle 5: Human Rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others ?
The Company does not have any policy on Human Rights for the time being. However, any issues are covered by the national and the local laws.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
No stakeholders' complaints were received during the last financial year.



Principle 6: Environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Policy not only covers the Company but also cover the stakeholders and contractors.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc ? Y/N. If yes, please give hyperlink for webpage etc.

Our Sugar and distillery business is based on renewable energy source and also contributing significantly in green fuel.

3. Does the Company identify and assess potential environmental risks ? Y/N.

Yes

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Currently, no CDM project is in process. Previously, VCS and CDM projects were registered for Kinauni and Thanabhwani Units, respectively.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Our 11 projects were registered for Renewable Energy Certificate (REC) scheme of Central Electricity Regulatory Commission to promote co-generation and generation from renewable source of energy.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported ?

Yes

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause notice pending as on end of financial year.

Principle 7: Public and Regulatory Policy

1. Is your Company a member of any trade and chamber or association ? If yes, name only those major ones that your business deals with:

- (a) Confederation of Indian Industry (CII), Western Region.
- (b) Bombay Chamber of Commerce and Industry.
- (c) The Sugar Technologists Association of India.
- (d) All India Distillers Association, Delhi.
- (e) UP Distillers Association, Delhi.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes, specify the broad areas (Drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

No

Principle 8 : Inclusive Growth

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Bajaj Hindusthan focusses on responsible business practices with community-centric interventions. The thrust areas for Bajaj Hindusthan are sustainable livelihood - especially Rural Development, Welfare Activities, Skill Development and Employability Training, Education and Health Care, all of which constitute the Rural Development and Human Development Index – a quality of life indicator.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?

The projects/programmes are implemented by in-house team of the Company.

3. Have you done any impact assessment of your initiative?

No

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.

Bajaj Hindusthan's direct contribution to community development is ₹ 5.81 Lakh

This amount was spent under the broad categories of -

- (a) Rural Development activities:
 - Training of cane growers;
 - Introduction of new high sugar varieties;



- To motivate the growers for cane cultivation with inter crop as mustard, potato and vegetables, to increase the net profit in per unit area;
 - Cultivation of mung, urad etc. as inter crop with spring planting sugar cane and ratoon crop;
 - Biological control of insects and pests;
 - Water conservation;
 - Installation of Drip Irrigation System for high yield in early and improved varieties;
 - KISAN GOSTHI/Seminars are arranged by us to educate the cane growers to know new technologies of cane cultivation;
 - We procure new variety cane seed released by cane research stations for distribution among the cane growers;
 - We publish literature/pamphlets etc. for distribution among the cane growers for awareness and to adopt new agricultural practices for taking high yield;
 - As per requirement village roads are repaired by us with contribution of cane development council;
 - Agricultural inputs like fertilisers, pesticides, implements etc. are provided by us to the cane growers on subsidised rates;
 - Eye camps are organised for the welfare of farmers and their families;
 - Farmers tours to Sugarcane Research Stations are also arranged by us from time to time with the contribution of Cane Development Council;
 - Ash trial is being done in cane fields and the results are encouraging.
- (b) Welfare and training and other activities:
- In-house training programmes on various topics for employees of Engineering, Production, Cane, E.H.S. & Distillery Division;
 - English Medium School namely Bajaj Public School and started Pre Nursery/Nursery, KG & First Introduction of new high sugar varieties;
 - Cultural programme and religious activities;
 - Developed and maintain green belt in factory premises and colony area for obtaining eco-friendly environment of township;
 - We are maintaining three children park, one is in front of guest house and other two are in old & new Mill colony area;
 - Displayed safety signals in factory premises along with First Aid boxes wherever necessary.
5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community ? Please explain in 50 words, or so.**

Yes, most of our programmes are participatory in nature and focus on Rural development and capacity building. For instance, we interact with cane growers through KISAN GOSTHI/Seminars to educate the cane growers to know new technologies of cane cultivation, various religious functions like Hariyali Teej, Janmashtami, Durga Pooja, Ram Navami, Lord Vishwakarma Pooja, Deepawali and Holi festivals were celebrated at our unit with the mass participation of workers/officers and their families. Children are participating in various Events and Cultural activities.

Principle 9: Consumer Value

1. **What percentage of customer complaints/consumer cases are pending as at the end of financial year.**
As at the end of the financial year, no consumer complaints/consumer cases are pending.
2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**
Company complies with the applicable statutory requirements as to product labels.
3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

Details	No. of cases filed in the last five years	No. of cases pending as on end of financial year 2017-18	Remarks
Alleged Unfair Trade Practice	Nil	Nil	-
Alleged Irresponsible Advertising	Nil	Nil	-
Alleged Anti Competitive Behaviour	Nil	Nil	-

4. **Did your Company carry out any consumer survey/consumer satisfaction trends ?**

During the year, consumer survey/consumer satisfaction trends were carried out by the Company.

Karen Adams
Bajaj Hindusthan Sugar Limited