

November 29, 2016

DCS - CRD BSE Limited First Floor, New Trade Wing Rotunda Building, Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai 400 023 Fax No. 2272 3719/ 2037 Stock Code: 500032	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No.C/1, 'G'Block Bandra- Kurla Complex Bandra East Mumbai 400 051 Fax No. 2659 8237/ 8238 Stock Code: BAJAJHIND
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Dear Sirs,

Sub: Revision in the Ratings of Long-term and Short-term Bank Facilities

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, we would like to inform that Credit Analysis & Research Limited (CARE Ratings) has revised the credit rating for Company's bank facilities as follows:-

Sl. No.	Facilities	Amount (Rs. crore)	Ratings	Remarks
1	Long term Bank Facilities	8780.58	CARE BB+ (Double B Plus)	Revised from CARE BB (Double B)
2	Short term Bank Facilities	329.04	CARE A4+ (A Four Plus)	Revised from CARE A4 (A Four)
Total facilities		9109.62		

The rationale for the ratings is attached as Annexure 1.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Bajaj Hindusthan Sugar Limited

Kausik Adhikari

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Deputy Company Secretary

Encl.: As above

**CARE REVISES RATINGS ASSIGNED TO THE BANK FACILITIES OF
BAJAJ HINDUSTHAN SUGAR LIMITED**

Ratings

Facilities	Amount (Rs. crore)	Ratings ²	Remarks
Long term Bank Facilities	8780.58	CARE BB+ (Double B Plus)	Revised from CARE BB (Double B)
Short term Bank Facilities	329.04	CARE A4+ (A Four Plus)	Revised from CARE A4 (A Four)
Total Facilities	9109.62		

Rating Rationale

The revision in the ratings assigned to the bank facilities of Bajaj Hindusthan Sugar Limited (BHSL) takes into account the improved profitability supported by firming up of sugar prices and improved operational performance on the back of better sugar recovery rates. The ratings continue to derive strength from BHSL's experienced promoters and management team, long track record of operations, multi-location manufacturing setup and integrated nature of operations. The ratings are, however, constrained by BHSL's substantial investment in group companies, high repayment obligations for the restructured debt, cyclical nature of the sugar industry and regulated nature of business.

Going ahead, the ability of the company to improve profitability, effective management of operational cash flows and recovery of group advances to improve liquidity and capital structure shall be the key rating sensitivities.

Background

BHSL, a part of the 'Shishir Bajaj Group', is one of the largest sugar manufacturing companies in the country and also the largest industrial alcohol manufacturer in India. BHSL has 14 sugar factories with an aggregate capacity of 1.36 lakh tonne of sugarcane crushed per day (TCD). It has six distilleries with capacity to produce 800 kilo litre per day (KLPD) of industrial alcohol and owns co-generation plants having power generating capacity of 449 MW. The company also has two Medium Density Fiber Board manufacturing plants with capacity of 35,000 MT per annum.

BHSL reported a total income of Rs 4803.72 crore with a net loss of Rs 114.28 crore in FY16 (refers to the period April 1 to March 31) as compared with the total income of Rs 4686.72 crore with a net loss of Rs 1097.22 crore in FY15. During Q1FY17, the company reported a total operating income of

¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Rs.1332.80 crore and a net loss of Rs.77.38 crore as against an operating income of Rs.1601.03 crore and PAT of Rs.103.80 crore during Q1FY16.

Analyst Contact

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.