

## Annexure B

### Report on Corporate Governance

#### 1. Company's Philosophy

Avadh Sugar & Energy Limited (ASEL), a part of Birla Group of Sugar Industries, is of the firm conviction that Corporate Governance in essence refers to the rules, procedures, values, systems or laws by which businesses are operated, regulated, and controlled. A well-defined and enforced corporate governance provides a structure that works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices as well to formal laws. Governance practices may vary but the principles are generic and universal. Accordingly the Board of ASEL manages its business ethically and in a transparent manner with the profit objective balanced by long term value equitably for all stakeholders which term includes every one ranging from the board of directors, management, shareholders, cane growers, customers, employees and society at large.

Given the fact that the business operations of ASEL is well diversified, sound governance practices are indispensable for it to build and sustain trust in all its stakeholders.

ASEL is committed to run its business in a legal, ethical and transparent manner with dedication that originates from the very top and permeates throughout the organization. Besides adhering to the prescribed corporate practices as per SEBI (LODR) Regulations, 2015, it voluntarily governs itself as per highest ethical and responsible standards of business.

This chapter, along with the chapters on Management Discussion and Analysis and Shareholders' information reports ASEL's compliance with SEBI (LODR) Regulations, 2015 highlighting the additional initiatives taken in line with international best practices.

#### Corporate Governance Philosophy

ASEL's philosophy is to constantly achieve business excellence and optimize long term value through ethical business conditions. Being a value driven organization ASEL envisages attainment of the highest level of transparency, accountability and equity in all facets of its operations including everyone it works with, the community it is in touch with and the environment it has an impact on. Strong Governance practices by the Company have boosted the level of stakeholder's confidence testified by improved performance and various recognitions achieved by the Company. This has helped ASEL to pay uninterrupted value based services to all its stakeholders.

The corporate governance structure in the Company ensures that its Board of Directors is well informed and well equipped to fulfill its overall responsibility by way of providing strategic direction to the senior management, employees, etc. which is the backbone of

the ability to meet the aspirations of all stakeholders.

ASEL's initiatives towards adhering to highest standards of governance include: professionalization of the Board; fair and transparent processes and reporting systems; and going beyond the mandated Corporate Governance Code requirements of SEBI. At the highest level the Company continuously endeavors to improve upon these aspects on an ongoing basis and adopt innovative approaches for leveraging resources, converting opportunities into achievements through proper coordination, empowerment and motivation, fostering a healthy all round growth and development to take the Company forward.

#### 2. Board of Directors

- i) The Company has in all 8 Directors with considerable professional experience in divergent areas connected with corporate functioning. Out of these 8 Directors, 5 (62.50%) are Independent Directors. The composition of the Board is in conformity with SEBI (LODR) Regulations, 2015. The Board is headed by the Non-Executive Chairperson Mrs. Nandini Nopany.
- ii) The Independent Directors take part in the proceedings of the Board and Committee meetings which enables qualitative decision-making. They receive sitting fees for attending the meetings and do not have any other material or pecuniary relationship or transaction with the Company, its promoters, its directors, management, subsidiaries or associates.
- iii) As per the disclosure received by the Company from the Directors, none of them is member in more than ten committees, nor as Chairman of more than five committees across all companies in which they are Directors, in compliance with Regulation 26 of SEBI (LODR) Regulations, 2015. The Directors intimate the Company about the committee positions they occupy in other companies and also notify changes from time to time.
- iv) The Independent Directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Sec 149(7) of the Companies Act, 2013. Independent Directors do not serve in more than 7 listed companies.
- v) No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013 except for the Chairperson who is related to Mr Chandra Shekhar Nopany, Co-Chairperson.
- vi) The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 (One Hundred Twenty) days.

- vii) The Whole time Director is responsible for corporate strategy, planning, external contacts and Board matters. The senior management personnel heading respective divisions are responsible for all day-to-day operations-related issues, profitability, productivity, recruitment and employee retention for their divisions.
- viii) The Independent Directors (IDs) met on 5th February, 2018 without the presence of the Chairperson, Wholetime Director, CEOs, the Non-Executive Non-Independent Directors and the Management Team. The meeting was attended by all the Independent Directors and enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board. The IDs reviewed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### Familiarisation Programme

In terms of Regulation 25(7) of SEBI (LODR) Regulations, 2015, the Company is required to conduct Familiarisation Programme for Independent Directors (IDs) to familiarise them about the Company including nature of industry in which the Company operates, business model of the Company, roles, rights and responsibilities of IDs and any other relevant information.

As a part of the familiarisation programme, presentation was made to the Independent Directors giving a brief overview of roles, responsibilities and liabilities of Independent Directors under Corporate Governance norms with focus on constitution of various Committees under the Companies Act, 2013.

In addition to the above, the Directors are continuously encouraged to participate in various training sessions to ensure that the Board members are kept up to date.

At the time of appointment, a new Director is welcomed to the Board of Directors of the Company by sharing an Induction Kit containing inter-alia the Organization Chart, brief profile of all Directors and Key Managerial Personnel (KMPs), Policy Compendium, Investor Presentation, amongst others.

Further, the management of the Company makes various presentations to the Independent Directors on an ongoing basis which inter-alia includes Company overview, various business verticals, latest key business highlights, financial statements, evolution as well as business model of the various business of the Company, as part of the familiarisation programme for Independent Directors.

Significant Statutory updates are circulated on a quarterly basis as a part of the agenda of the Board Meetings through which Directors are made aware of the significant new developments and highlights from various regulatory authorities viz. Securities

and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), etc.

The Board has open channels of communication with executive management which allows free flow of communication among Directors in terms of raising query, seeking clarifications and other related information. Directors are also informed of the various developments in the Company.

### Performance Evaluation

The Nomination and Remuneration Committee (NRC) of the Company formulated and laid down criteria for Performance Evaluation of the Board (including Committees) and every Director (including Independent Directors and Chairperson) pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of SEBI Listing Regulations, 2015 covering inter-alia the following parameters namely:

- i) **For Board Evaluation** - degree of fulfillment of key responsibilities; Board culture and dynamics.
- ii) **Board Committee Evaluation** - effectiveness of meetings; Committee dynamics.
- iii) **Individual Director Evaluation (including IDs)** - contribution at Board Meetings.

Further, the Chairperson/Co-Chairperson is evaluated on key aspects of his role which includes inter- alia effective leadership to the Board and adequate guidance to the Wholetime Director.

During the year under review, the Board carried out annual evaluation of its own performance as well as evaluation of the working of various Board Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. This exercise was carried out through a structured questionnaire prepared separately for Individual Board Member and Board Committees based on the criteria as formulated by the NRC and in context of the Guidance note dated January 05, 2017 issued by SEBI.

Based on these criteria, the performance of the Board, various Board Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, and Individual Directors (including Independent Directors) was evaluated and found to be satisfactory.

During the year under review, the Independent Directors of the Company reviewed the performance of Non- Independent Directors, the Board as a whole and of the Chairperson of the Company, taking into account the views of Executive Director and Non- Executive Directors.

Further, the Independent Directors hold unanimous opinion that the Non- Independent Directors including the Chairperson and Co-Chairperson bring to the Board, abundant knowledge in their respective field and are experts in their areas. Besides, they are insightful, convincing, astute, with a keen sense of observation, mature and have a deep knowledge of the Company.

The Board as a whole is an integrated, balanced and cohesive unit where diverse views are expressed and dialogued when required, with each Director bringing professional domain knowledge to the table. All Directors are participative, interactive and communicative.

The Chairperson/ Co-Chairperson has abundant knowledge, experience, skills and understanding of the Board's functioning, possesses a mind for detail, is meticulous to the core and conducts the Meetings with poise and maturity.

### Board meetings

The meetings of the Board of Directors are scheduled in advance.

The Company Secretary prepares the agenda for the meetings in consultation with the Chairperson and other concerned persons in the senior management. The detailed agenda and other relevant notes are circulated to the Directors well in advance. All material back up information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same are placed on the table at the meeting with specific reference to this effect in the Agenda.

During the period under review six Board Meetings were held on 4th May, 2017, 23rd May, 2017, 12th August, 2017, 6th November, 2017, 5th February, 2018 and 28th February, 2018 respectively.

Details of Board meetings attended by Directors, attendance at the last Annual General Meeting, number of other Directorships / Committee membership (viz. only Audit Committee and Stakeholders Relationship Committee are considered as per Regulation 26(1) of SEBI (LODR) Regulations, 2015 held by them during the year 2017-18 are tabulated below:

Name of the Director	Category of the Director	No. of Board meetings attended	Attendance at last AGM	No. of Directorships in other Bodies Corporate	No. of Chairmanship/ Membership of Board Committees in other Companies		No. of Equity Shares held
					Chairman	Member	
Mrs. Nandini Nopany (DIN – 00051362)	C/NED	3	No	8	-	1	2,99,602*
Mr. Chandra Shekhar Nopany (DIN – 00014587)	CO/NED	4	No	9	2	-	30.922**
Mr. Gaurav Swarup (DIN- 00374298)	I/NED	3	No	7	2	2	NIL
Mr. Sunil Kanoria (DIN – 00421564)	I/NED	1	No	4	-	5	NIL
Mr. Anand Ashvin Dalal (DIN – 0353555)	I/NED	5	Yes	1	1	1	NIL
Mr. Pradip Kumar Bishnoi (DIN- 00732640)	I/NED	5	No	1	-	3	NIL
Mr. Kalpataru Tripathy (DIN – 00865794)	I/NED	4	No	2	1	1	NIL
Mr. Devendra Kumar Sharma (DIN – 06498196)	WTD	3	Yes	-	-	1	NIL

C – Chairperson CO – Co-Chairperson	I - Independent	NED - Non-executive Director	WTD – Whole-time Director
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\* includes 15923 equity shares held as Trustee of Chandra Shekhar Charity Trust

\*\* includes 1834 equity shares held jointly with Mrs. Shalini Nopany

**Note:** The number of directorships held by the Directors does not include Private Limited Companies, Foreign Companies and Companies incorporated under Sec 8 of the Companies Act, 2013.

Not less than two thirds of the total number of Directors (excluding Independent Directors) shall be liable to retire by rotation. One third of the number of directors liable to retire by rotation will retire by rotation every year. As per the provisions of Sec 149 of the Companies Act, 2013, the independent Directors are not liable to retire by rotation. Accordingly, Mr. Chandra Shekhar Nopany is liable to retire by rotation and is eligible for re-appointment. Brief particulars of Mr. Chandra Shekhar Nopany forms part of the Notice convening the Annual General Meeting.

### Committees of the Board

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee Risk Management Committee and non mandatory committees viz. Finance & Corporate Affairs Committee of Directors. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

## 3. Audit Committee

### i) Overall purpose/Objective

The Audit Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (LODR) Regulations, 2015 by the Board of Directors, at its meeting held on March 14, 2017.

The purpose of the Audit Committee is to assist the Board of Directors ("the Board") in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of independent accountants/internal auditors and overseeing the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

### ii) Terms of Reference

The Terms of Reference of this Committee includes oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, recommending appointment, remuneration and terms of appointment of auditors, reviewing/ examining quarterly and annual financial statements and auditor's report thereon before submission to the Board for approval, evaluate Company's internal financial controls and risk management systems, reviewing performance of statutory and internal auditors, discussing with auditors significant findings, if any,

related party transactions and adequacy of internal control systems, reviewing the functioning of the Whistle Blower Mechanism and other matters specified for Audit Committee in Section 177 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015.

Mr. Anand Ashvin Dalal, Chairman of the Audit Committee attended the Annual General Meeting of the Company to provide clarifications and answer queries.

The Company's system of internal controls covering financial and operational activities, compliances, IT applications, etc. are reviewed by the Internal Auditors and presentations are made to the Audit Committee on the findings of such reviews. Further, in compliance with Section 177(4)(vii) of the Companies Act, 2013 the Audit Committee maintains and evaluates the effectiveness of internal control systems of the Company pertaining to financial reporting, compliance with Accounting Standards, and looks after overall financial activities under applicable laws and regulations governing the Company. The Company has also appointed agencies to undertake the Internal Financial Controls (IFC) implementation at the Company and for review, control and monitoring Internal Financial Controls as well as for the purpose of Information System (IS) Audit of the internal systems and processes of the Company.

### iii) Composition and Meetings

The Audit Committee comprises of Mr. Anand Asvin Dalal, Mr. Pradip Kumar Bishnoi, Mr. Kalpataru Tripathy, Independent Directors and Mr. Devendra Kumar Sharma, Whole time Director. Mr. Anand Ashvin Dalal, Independent Director of the Company is the Chairman of the Audit Committee. All the Members of the Audit Committee are financially literate and have accounting or related financial management expertise. The Chief Financial Officer (CFO) is a permanent invitee to the meetings of the Audit Committee and the Company Secretary acts as the Secretary to the Audit Committee. The Statutory Auditors as well as Internal Auditors of the Company are invited to attend the Audit Committee meetings. The Committee also invites senior executives, as it considers appropriate, to be present at the meetings of the Committee.

4 (Four) meetings of the Audit Committee were held during the year 2017-18 on 23rd May, 2017, 12th August, 2017, 6th November, 2017 and 5th February, 2018 respectively. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days. Moreover, the requisite quorum as required by SEBI (LODR) Regulations, 2015, was present in all the meetings of the Audit Committee held during the year.

Attendance of the members at the meetings was as follows:

Name of the Member	Status	No of meetings attended
Mr Anand Ashvin Dalal	Chairperson	4
Mr Pradip Kumar Bishnoi	Member	4
Mr Kalpataru Tripathy	Member	3
Mr Devendra Kumar Sharma	Member	1

#### 4. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Company was constituted on 14th March, 2017, in line with the provisions of Regulation 20 of SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

##### Terms of Reference:

The Stakeholders Relationship Committee oversees the redressal of complaints/grievances of investors such as transfer, credit of shares to demat accounts, non-receipt of dividend/annual reports, approval of physical shares above 1000 shares, taking note of shares transferred in course of a quarter, status of dematerialized shares as on the end of each quarter, stock of blank stationery of share certificates as on the end of each quarter, shareholding pattern of the Company as on the end of each quarter and detail of investors' grievances pending as on the end of each quarter among others. It also approves allotment of shares and matters incidental thereto including listing thereof. It also deals with matters relating to Company's Code of Conduct for Prohibition of Insider Trading framed in line with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and related matters. The Stakeholders Relationship Committee meets at regular intervals to take note of share transfer and other matters.

##### i) Composition & Meetings:

The composition of the Stakeholders' Relationship Committee as on 31st March, 2018 is as follows:

- Mr Gaurav Swarup - Chairperson
- Mr Anand Ashvin Dalal
- Mr Pradip Kumar Bishnoi
- Mr Devendra Kumar Sharma

During the period under review the Committee met two times on 6th November, 2017 and 5th February, 2018 respectively

Attendance of the members at the meetings was as follows:

Name of the Member	Status	No of meetings attended
Mr Gaurav Swarup	Chairperson	2
Mr Anand Ashvin Dalal	Member	2
Mr Pradip Kumar Bishnoi	Member	2
Mr Devendra Kumar Sharma	Member	-

The Board of Directors have authorised the Secretary to approve transfers/ transmissions of shares in physical form upto 1000 shares. The transfers/ transmissions approved by the Secretary are periodically placed before the Committee.

The Company has in place a comprehensive Investor Grievance Redressal system prescribing the standards of shareholders' service & grievance redressal procedure and mechanism to be adhered to by the Registrar and Share Transfer Agents as well as by the Company. The shareholders can write to the Company at 'avadhinvestors@birla-sugar.com' on a day to day basis.

During the financial year ended March 31, 2018, the Company did not receive any complaints from the shareholders and no complaints were pending as on March 31, 2018.

Further, pursuant to Regulation 13(3) read with Regulation 13(4) of SEBI (LODR) Regulations, 2015, Statements of investor complaints as received from the Registrar & Share Transfer Agents, Link Intime Private Limited, were filed with the Stock Exchanges on a quarterly basis and the said Statements were also placed before the Board of Directors for information and noting.

#### 5. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company was constituted on 14th March, 2017 in line with the provisions of Regulation 19 of SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

##### i) Objectives:

The Committee evaluates the composition and organization of the Board and its Committees in light of requirements established by any regulatory body or any other applicable statutes, rules and regulations which the Committee deems relevant, makes recommendations to the Board of Directors in respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company, identifies the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommends to the Board their appointment and removal and other matters specified for Nomination and Remuneration Committee in Section 178 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and under SEBI (LODR) Regulations, 2015.

**ii) Terms of Reference:**

The broad terms of reference of the Nomination & Remuneration Committee, inter-alia includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

**iii) Composition and Meetings:**

The Committee comprises of the following Directors:

- a) Mr Sunil Kanoria - Chairperson
- b) Mr Gaurav Swarup
- c) Mr Anand Ashvin Dalal
- d) Mr Kalpataru Tripathy

During the period under review the Committee met twice on 12th August, 2017 and 6th November, 2017 respectively.

Attendance of the members at the meetings was as follows:

**iv) Remuneration Policy:**

The Board of Directors of the Company had at its meeting held on 30th March, 2017 adopted the Remuneration Policy as recommended by the Nomination and Remuneration Committee of the Company. The Remuneration Policy is attached as **Annexure "E"** to the Directors' Report.

Name of the Member	Status	No of meetings attended
Mr. Sunil Kanoria	Chairperson	-
Mr. Gaurav Swarup	Member	1
Mr. Anand Ashvin Dalal	Member	2
Mr. Kalpataru Tripathy	Member	2

**v) Remuneration of Directors**

Detail of remuneration paid to the Directors for the financial year 2017-18:

**a) Wholetime Director** (₹ in lakhs)

Wholetime Director	Salary	Perqui-sites	Retirement Benefits	Total
Mr. Devendra Kumar Sharma	72.83	6.17	5.11	84.11

Mr. Devendra Kumar Sharma's remuneration package includes salary, free furnished accommodation with all expenses for upkeep and maintenance thereof, contribution to Provident Fund, reimbursement of medical expenses, leave travel concession, car with driver and telephone etc.

**b) Non-Executive Directors**

The Company pays a sitting fee of ₹ 40,000/- and ₹ 20,000/- per meeting to each Director for attending meetings of the Board of Directors and Committees thereof respectively.

The shareholders of the Company, at the Extra-Ordinary General Meeting held on March 1, 2017, had approved payment of commission to non-executive directors for a period of 5 years with effect from the financial year 2017-18 subject to the aggregate annual limit of one percent of the net profits of the Company determined in accordance with the terms and provisions of Section 198 of the Companies Act, 2013. However, the Board of Directors of the Company within the aforesaid limit has further put forth a ceiling of maximum ₹ 6 lakhs to be paid to each Non-Executive Directors. In pursuance of the approval of the shareholders the Board of Directors determined the commission payable to individual Directors for the Financial Year 2017-18 based on the time devoted and the contribution made by individual directors in the affairs of the Company.

The details of sitting fee paid and the commission payable to the Directors are as follows:

Sl. No.	Name of the Director	Sitting Fee Paid (₹)	Commission payable for the Financial Year 2017-18 (₹)
1	Mrs. Nandini Nopany	2,20,000	6,00,000
2	Mr. Chandra Shekhar Nopany	2,40,000	6,00,000
3	Mr. Anand Ashvin Dalal	3,60,000	6,00,000
4	Mr. Sunil Kanoria	40,000	6,00,000
5	Mr. Gaurav Swarup	2,40,000	6,00,000
6	Mr. Pradip Kumar Bishnoi	3,40,000	6,00,000
7	Mr. Kalpataru Tripathy	2,60,000	6,00,000

There was no other pecuniary relationship or transaction with the non-executive directors.

**6. Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee of the Company was constituted on 14th March, 2017 in line with the provisions

of SEBI (LODR) Regulations, 2015 read with Section 135 of the Companies Act, 2013.

The Corporate Social Responsibility Committee comprises Mrs. Nandini Nopany, Chairperson, Mr. Pradip Kumar Bishnoi, Independent Director and Mr. Devendra Kumar Sharma, Whole time Director. Mrs. Nandini Nopany, Chairperson of the Company acts as the Chairperson of the Corporate Social Responsibility Committee. Mr Anand Sharma, Company Secretary of the Company acts as the Secretary to the Committee. The Committee

Name of the Member	Status	No of meetings attended
Mrs. Nandini Nopany	Chairperson	1
Mr Pradip Kumar Bishnoi	Member	1
Mr Devendra Kumar Sharma	Member	-

is responsible for monitoring the Corporate Social Responsibility Policy (CSR Policy) of the Company from time to time, instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company etc. The Company's CSR Policy is available on the Company's website at <http://birla-sugar.com/Assets/Avadh/Avadh-Sugar-CSR-Policy.pdf>

During the period under review the Committee met once on 6th November, 2017.

Attendance of the members at the meetings was as follows :

## 7. Risk Management Committee

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The Risk Management Committee was constituted on 23rd May, 2017 in line with the provisions of SEBI (LODR) Regulations, 2015. The Committee comprises of Mr Pradip Kumar Bishnoi, Independent Director, Mr Devendra Kumar Sharma, Wholetime Director and Mr Dilip Patodia, Chief Financial Officer. Mr Pradip Kumar Bishnoi is the Chairperson of the Committee.

The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the risk & its mitigation plans within framework and in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

Within its overall scope as aforesaid, the Committee reviews risks trends, exposure, potential impact analysis and mitigation plan.

## 8. Finance & Corporate Affairs Committee

The Finance & Corporate Affairs Committee of Board of Directors was constituted on March 14, 2017 and comprises of Mrs. Nandini Nopany, Chairperson, Mr Chandra Shekhar Nopany, Co-Chairperson, Mr. Gaurav Swarup, Non-Executive & Independent Director and Mr. Devendra Kr Sharma, Wholetime Director. Mr. Anand Sharma, Company Secretary of the Company acts as the Secretary to the Committee and Mr Dilip Patodia, CFO is a regular invitee to such Committee.

The Terms of Reference of this Committee includes oversight of banking and borrowing related matters, to authorise the Company officials for signing various agreements, deeds and documents

Name of the Member	Status	No of meetings attended
Mrs. Nandini Nopany	Chairperson	4
Mr Chandra Shekhar Nopany	Member	4
Mr Gaurav Swarup	Member	3
Mr Devendra Kumar Sharma	Member	1

etc., to consider, approve and submit various bid documents etc. for participation in ethanol tenders, amongst others and to do such other businesses as may be delegated by the Board from time to time.

4 (four) meetings of the Finance & Corporate Affairs Committee of Directors of the Company were held during the year 2017-18 on April 07, 2017, June 7, 2017, November 17, 2017 and January 19, 2018 respectively. The attendance of each member of the Committee is given below:

## 9. Subsidiary Companies

The Company does not have any subsidiary. However, the Board of Directors have formulated a Policy for determining material subsidiaries in its meeting held on 30th March, 2017 and such Policy has been disclosed on the company website at <http://birla-sugar.com/Assets/Avadh/Avadh-Sugar-Policy-for-Determining-Material-Subsidiaries.pdf>

## 10. Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Again, there were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards (IND AS) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded

on the Company's website at <http://www.birla-sugar.com/Assets/Avadh/Avadh-Sugar-Related-Party-Transaction-Policy-.pdf>

### 11. Vigil Mechanism / Whistle Blower Policy

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility and accordingly has formulated Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination is meted out to any person for a genuinely raised concern. The said policy has been uploaded on the Company's website at <http://www.birla-sugar.com/Assets/Avadh/Avadh-Sugar-Whistle-Blower-Policy.pdf>

### 12. Policy Against Sexual and Workplace Harassment

The Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. The Company in its endeavour to provide a safe and healthy work environment for all its employees has developed a policy to ensure zero tolerance towards verbal, physical, psychological conduct of a sexual nature by any employee or stakeholder that directly or indirectly harasses, disrupts or interferes with another's work performance or creates an intimidating, offensive or hostile environment such that each employee can realize his / her maximum potential. As per the Policy, any employee may report his / her complaint to the Internal Complaint Committee formed for this purpose. The Company affirms that during the year under review adequate access was provided to any complainant who wished to register a complaint under the Policy. During the year, the Company has not received any complaint on sexual harassment from any of the women employees of the Company.

### 13. General Body Meetings

#### (i) The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Time	Location
2016-17	31.07.2017	11.00 a.m.	Registered Office: P.O.
2015-16	18.09.2016	11.00 a.m.	Hargaon, Dist. Sitapur
2014-15	11.09.2015	11.00 a.m.	Uttar Pradesh - 261 121

The last Annual General Meeting was held on 31st July, 2017, which was chaired by Mr Anand Ashwin Dalal.

One Special Resolution regarding Alteration of Authorised Share Capital was passed at the last Annual General Meeting held on 31st July, 2017.

#### (ii) The following Special Resolutions were passed at the Extra-Ordinary General Meeting held on 1st March, 2017.

1. Appointment of Mr Devendra Kumar Sharma as the Wholetime Director of the Company.
2. Approval under Section 180(1)(c) of the Companies Act, 2013.
3. Approval under Section 180(1)(a) of the Companies Act, 2013.
4. Approval under Section 181 of the Companies Act, 2013.
5. Approval under Section 188 of the Companies Act, 2013.
6. Approval under Section 186 of the Companies Act 2013.

#### (iii) Postal Ballot

During the year 2017-18, the Company had sought Shareholders' approval by way of special resolution through postal ballots as per details given below

Resolution	Date of Postal Ballot Notice	Date of Announcement of Result	Total No of Valid Votes	No. of Votes in Favour	No. of Votes Against
To consider change in terms/variation in redemption of 12% Non-convertible Cumulative Redeemable Preference Shares of ₹ 100/-	22-08-2017	06-10-2017	4381656	4377841	3815
To consider raising of funds by issuance & allotment of shares/securities including Convertible Bonds/ Debentures/ Equity Shares through Qualified Institutional Placement (QIP) and/or Depository Receipts and/or any other modes for an amount not exceeding ₹ 300 Crores.	06-11-2017	22-12-2017	6238664	6229467	9197

The Board of Directors of the Company appointed Mr Mohan Ram Goenka, Practising Company Secretary was appointed as the Scrutinizer for scrutinizing the postal ballot and e-voting process in a fair and transparent manner.

No special resolution requiring postal ballot is being proposed for at the ensuing AGM.

## 14. Means of Communication

- The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of SEBI (LODR) Regulations 2015. The aforesaid financial results are sent to BSE Limited (BSE), The National Stock Exchange of India Limited (NSE) and The Calcutta Stock Exchange Ltd (CSE) where the Company's securities are listed, immediately after these are approved by the Board and also published in 'Business Standard', in English and 'Business Standard' in Hindi in Lucknow edition.
- The quarterly results, shareholding pattern, corporate governance reports, intimation of Board meetings, etc. are filed with the stock exchanges through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.
- The Annual Report of the Company, the quarterly/half yearly and annual financial results are simultaneously posted on the Company's website [www.birla-sugar.com](http://www.birla-sugar.com) and can be downloaded.
- The Company also displays official press releases as and when released on the above website.
- Email id earmarked for redressing Investor queries is [avadhinvestors@birla-sugar.com](mailto:avadhinvestors@birla-sugar.com).
- Presentation made to any Institutional Investor or to any Analysts during the period under review is made available on the above website.

## 15. General Shareholders' Information

### i) 4th Annual General Meeting

Day : Monday  
Date : September 24, 2018  
Time : 2.00 p.m.  
Venue : Registered Office of the Company at -  
P.O. Hargaon, Dist. Sitapur  
Uttar Pradesh - 261 121

### ii) Tentative Financial Calendar for the year 2018-19

### iii) Book Closure

The Register of Members and Share Transfer Books of the Company

Approval of Audited Annual Results (2016-17)	14th May, 2018
First Quarter Results	On or before 14th August, 2018
Second Quarter Results	On or before 14th November, 2018
Third Quarter Results	On or before 14th January, 2019
Audited Annual Results (2018-19)	On or before 30th May, 2019

will remain closed from 17th September, 2018 (Monday) to 24th September, 2018 (Monday) (both days inclusive)

### iv) Dividend Payment Date

Within 30 days of the Annual General Meeting.

### v) Listing on Stock Exchanges and Stock Codes

The names of the Stock Exchanges at which the Equity Shares

of the Company are listed and the respective stock codes are as under:

Name and Address of the Stock Exchanges	Stock Code/ Scrip Code	ISIN Number for NSDL/CDSL (Dematerialised Shares)
BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	540649	INE349W01017
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	AVADHSUGAR	
The Calcutta Stock Exchange Ltd. (CSE) 7, Lyons Range, Kolkata 700 001	11160	

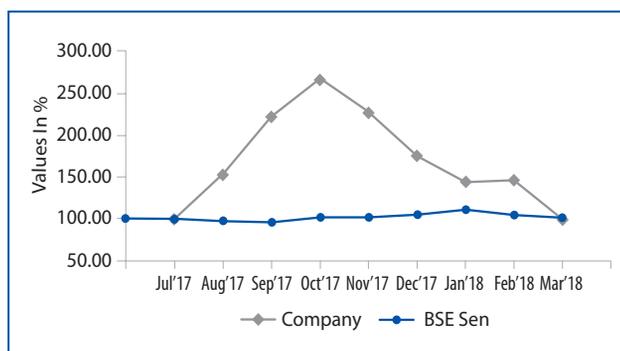
Listing fees for the FY 2018-19 have been paid to the above Stock Exchanges.

### vi) Market Price data

The Equity Shares of the Company were listed and traded with effect from July 28, 2017. Monthly high/low of market price of the Company's Equity Shares traded on BSE Ltd. and National Stock Exchange of India Ltd. during the last financial year was as follows:

Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	High ₹	Low ₹	High ₹	Low ₹
July, 2017	463.05	420.00	462.35	419.40
August, 2017	739.75	486.20	746.05	485.45
September, 2017	1157.00	719.00	1154.00	717.40
October, 2017	1293.95	980.00	1304.45	975.00
November, 2017	1315.00	1045.50	1309.40	1045.00
December, 2017	1150.00	786.00	1149.00	795.00
January, 2018	928.35	632.00	930.00	662.10
February, 2018	898.00	620.00	899.95	564.10
March, 2018	683.45	385.00	688.65	385.00

### vii) Performance of Company's Equity Shares in comparison to BSE Sensex



The shares of the company were never suspended.

**viii) Registrar & Share Transfer Agent**

The Company has appointed Link Intime India Pvt. Ltd. as its Registrar & Share Transfer Agent (RTA) for handling work related to share registry in terms of both physical and electronic modes. Accordingly, all correspondence, shares for transfer demat/remat requests and other communication in relation thereto should be mailed/hand delivered to the said RTA directly at the following address:

**Link Intime India Pvt. Ltd.**

**Unit: Avadh Sugar & Energy Limited**

59C, Chowringhee Road, 3rd Floor

Kolkata - 700 020

Tel: 91 033 2289 0540 / Fax : 91 033 2289 0539

E-mail: kolkata@linkintime.co.in

**ix) Share Transfer System**

The Board of Directors have authorised the Secretary to approve transfer/transmission of upto 1,000 shares. After the requests for transfer/transmission of above 1000 shares in physical form shall be approved by the Stakeholders' Relationship Committee and sent to the Registrar & Share Transfer Agent for completing the necessary procedural formalities and dispatch to the shareholders.

**x) Distribution of Shareholding**
**a) Equity Share Capital History**

The Paid up Capital of the Company consists of 1,00,09,210 Equity shares of ₹ 10/- each fully paid up and allotted as under:

Date of Allotment	No. of share	Issue Price (₹ per share)
30.03.2017	1,00,09,210	10

b) The Distribution of Shareholding as on 31st March, 2018 was as follows:

No. of Equity Shares	No. of share holders	% of total share-holder	No. of shares held	% of total shares
1 -500	17,133	95.06	10,02,256	10.01
501 - 1000	435	2.41	3,,20,279	3.20
1001 – 2000	224	1.24	3,33,419	3.33
2001 – 3000	71	0.39	1,76,770	1.77
3001 – 4000	27	0.16	96,239	0.96
4001 – 5000	28	0.16	1,27,831	1.28
5001 – 10000	53	0.29	3,65,453	3.65
100001 and above	53	0.29	75,86,963	75.80
<b>Total</b>	<b>18,024</b>	<b>100.00</b>	<b>1,00,09,210</b>	<b>100.00</b>

c) Detail of Shareholding pattern of the Company as on 31st March, 2018 was as follows:

Category	No. of Shares held	% of Shareholding
Promoters	59,40,636	59.35
Mutual Funds, Financial Institutions, Banks, Insurance Companies, etc.	3,82,398	3.82
Bodies Corporate	10,03,741	10.03
Indian Public	25,10,241	25.08
NRIs / OCBs / FII's / Foreign Nationals/Clearing Members	1,72,194	1.72
<b>Total</b>	<b>1,00,09,210</b>	<b>100.00</b>

**xi) Dematerialisation of Shares and Liquidity**

The Equity Shares of the Company are in compulsorily dematerialised form at all the stock exchanges viz. BSE Ltd., The National Stock Exchange of India Ltd. and The Calcutta Stock Exchange Ltd. under depository systems at both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. 99,14,684 Equity Shares viz. 99.06% of the Equity Share Capital of the Company have already been dematerialized.

**xii) Outstanding GDRs /ADRs/Warrants or Convertible Instrument**

The Company has never issued GDRs/ ADRs/Warrants or any other Convertible Instrument.

**xiii) Commodities price risk or foreign exchange risk and hedging : Not Applicable**
**xiv) Location of Plants:**
**Sugar Mills**
**Sugar Mills:**

- Hargaon, District Sitapur, Uttar Pradesh, Pin-261 121.
- Seohara, District Bijnor, Uttar Pradesh, Pin-246 746.
- Hata, District Kushinagar, Uttar Pradesh, Pin-274 207
- Rosa, District Shahjahanpur, Uttar Pradesh, Pin-242 406

**Distilleries:**

- Hargaon, District Sitapur, Uttar Pradesh, Pin-261 121.
- Seohara, District Bijnor, Uttar Pradesh, Pin-246 746.

**Co-generation Power Plants:**

- Hargaon, District Sitapur, Uttar Pradesh, Pin-261 121.
- Seohara, District Bijnor, Uttar Pradesh, Pin-246 746.
- Hata, District Kushinagar, Uttar Pradesh, Pin-274 207

**xv) Address for Correspondence:**

<b>The Company Secretary, Avadh Sugar &amp; Energy Limited</b> 9/1, R.N. Mukherjee Road 5th Floor, Birla Building Kolkata - 700 001, India Tel: 91 - 033 - 2243 0497/8 Fax: 91 - 033 - 2248 6369 e-mail: avadhinvestors@birla-sugar.com	<b>Link Intime India Pvt. Ltd.</b> <b>Unit: Avadh Sugar &amp; Energy Limited</b> 59C, Chowringhee Road 3rd Floor Kolkata - 700 020, India Tel : 91-033-2289 0540 Fax : 91-033-2289 0539 e-mail: kolkata@linkintime.co.in
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**xvi) Transfer of unpaid/unclaimed dividend amounts to Investor Education and Protection Fund**

The Company is not required to credit any sum to the Investor Education and Protection Fund (IEPF) pursuant to Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

**xvii) Credit Ratings**

Particulars	Agency	Rating
Long-term Bank facilities	CARE Ratings Limited	CARE A-
Short-term Bank facilities		CARE A2+

**16. CEO and CFO Certification**

The Whole time Director and the Chief Financial Officer of the Company have certified that all the requirements of SEBI ( LODR) Regulations, 2015 inter-alia, dealing with the review of financial statements and cash flow statements for the year ended 31st March, 2018, transactions entered into by the Company during the said year, their financial reporting and evaluation of the effectiveness of the internal control system and making necessary disclosures to the auditors and the audit committee have been duly complied with.

**17. Information about directors seeking appointment/re-appointment**

The details of Directors seeking appointment/re- appointment are given in the Annexure to the Notice, under the head Particulars of Directors seeking appointment/re-appointment at the Annual General Meeting.

**18. Prevention of Insider Trading**

The Company has in place a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders as envisaged under the SEBI (Prohibition of Insider Trading) Regulations, 2015 for its promoters, employees and directors. The Company also has in place Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information. This Code is available on Company's website at <http://www.birla-sugar.com/Assets/Avadh/Avadh%20Sugar-CODE-FOR-FAIR-DISCLOSURE->

*OF-UNPUBLISHED-PRICE-SENSITIVE-INFORMATION.pdf*. The Code ensures the prevention of dealing in Company's shares/ securities by persons having access to unpublished price sensitive information. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

**19. Code of Conduct & Ethics**

The Company has also adopted a Code of Conduct and Ethics (Code) for the members of Board of Directors, Key Managerial Personnel and Senior Management Personnel of the Company to follow. The Code is posted on the website of the Company at <http://birla-sugar.com/Assets/Avadh/Avadh-Sugar-Code-of-Conduct.pdf>. The essence of the Code is to conduct the business of the Company in an honest and ethical manner, in compliance with applicable laws and in a way that excludes considerations of personal advantage. All Directors, Key Managerial Personnel and Senior Management Personnel have affirmed their compliance with the Code, and a declaration to this effect, signed by the Wholtime Director, is attached to this report and which forms an integral part of this report.

**20. Legal Compliances**

The Board reviews periodically compliance reports of all laws applicable to the Company, prepared by the Company Secretary which is duly supported by the legal compliance report of the internal auditors and heads of different units. The Board also reviews periodically the steps taken by the Company to rectify instances of non compliances, if there be any.

**21. Payment of Dividend etc. in electronic mode**

Pursuant to Regulation 12 of SEBI (LODR) Regulations, 2015, listed entity shall use any of the electronic modes of payment facility approved by the Reserve Bank of India (RBI) in the manner specified in Schedule I of SEBI Listing Regulations, 2015, for making payments of dividend, interest, redemption or repayment amounts etc. However, where it is not possible to use electronic mode of payment, 'payable at-par' warrants or cheques may be issued. Further, where the amounts payable as dividend exceeds ₹ 1,500 (Rupees One Thousand and Five Hundred), the 'payable at-par' warrants or cheques shall be sent by speed post.

The Company is using various RBI approved electronic mode of payment for making payments such as dividend, etc. to the investors, failing which the bank details available with the

depository participants and the Company's Registrar and Share Transfer Agents (RTA) are printed on the physical payment instruments.

Payment of dividend and other benefits through electronic mode is beneficial to the Members since the risks associated with receiving payment through dividend warrants and other instruments such as loss in transit/misplacement/revalidation etc. can be easily mitigated.

Members who wish to avail of the electronic facility of remittance, may update their bank details with the depository participants for shares held in demat form and Members holding securities of the Company in physical form are requested to update their bank details with the Company or its RTA.

The Company is using NACH mandate for remittance of dividend either through NACH or other electronic modes failing which the bank details available with the depository participants and the Company's RTA are printed on the dividend warrant. All the arrangements are subject to RBI guidelines, issued from time to time.

Members who wish to receive dividend in a bank account other than the one registered with the depository participants for shares held in demat form and with the Company's RTA for shares held in physical form, may notify their depository participants and the Company or its RTA, respectively, about any change in the bank account details.

Further, pursuant to Regulation 43A of SEBI Listing Regulations, 2015, a Dividend Distribution Policy was adopted by the Company covering, inter alia, the parameters for declaration of dividend, utilization of retained earnings, procedure for dividend declaration etc.

## 22. Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified practising Company Secretary carries out an 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 the concerned Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

## 23. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)

The Institute of Company Secretaries of India (ICSI), one of the premier professional bodies in India, has issued Secretarial Standards on Board Meetings and General Meetings. Further, pursuant to Section 118(10) of the Companies Act, 2013, every company shall observe secretarial standards specified by ICSI with respect to Board and General Meetings. The Company confirms that it has duly adhered to the said Secretarial Standards.

## 24. Secretarial Audit

The Secretarial Auditor appointed by the Company undertook the Secretarial Audit of records and documents in accordance with Section 204 of the Companies Act, 2013 and the Rules made thereunder. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India), Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993. The Secretarial Audit Report for the financial year ended March 31, 2018 is provided in the Annual Report.

## 25. Disclosures

- i) There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. Transaction with Related Parties is disclosed in Note No. 42 of the Accounts in the Annual Report.
- ii) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any

matter related to capital markets for non-compliance by the Company during the last three years.

- iii) The company has in place the Whistle Blower Policy and no personnel has been denied access to the Audit Committee.
- iv) The Company has complied with all the applicable mandatory requirements.
- v) In the preparation of the financial statements, the Company has followed Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013, as amended. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

## 26. Discretionary Requirements

- a) **Chairman of the Board:** Whether Non-Executive Chairman is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties

Yes, the Company do provide for maintenance of Chairperson office at the Company's expense.

- b) **Shareholder rights:** A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders

Since quarterly, half-yearly and annual results of the Company are published in a leading English daily newspaper having a nationwide circulation and a Hindi daily newspaper (having circulation in Lucknow) and regularly hosted on Company's website, these are not sent individually to the shareholders of the Company. There is no declaration/publication of second half yearly results as the audited annual results are taken on record by the Board and then communicated to the shareholders through the Annual Report. The Annual Report of the Company for the financial year 2017-18 shall be emailed to the Members whose email addresses are available with the depositories or are obtained directly from the Members, as per Section 136 of the Companies Act, 2013 and Rule 11 of the Companies (Accounts) Rules, 2014. For other Members, who have not registered their email addresses, the Annual Report shall be sent at their registered address. If any Member wishes to get a duly printed copy of the Annual

Report, the Company shall send the same, free of cost, upon receipt of request from the Member.

The Company communicates with shareholders through e-mail, telephone etc.

- c) **Modified opinion(s) in audit report:** Company may move towards a regime of unmodified financial statements

It is always the Company's endeavour to present unmodified financial statements. There is no audit modification in the Company's financial statements for the year ended on March 31, 2018.

- d) **Separate posts of Chairman and CEO:** The Company may appoint separate persons to the post of Chairman and Managing Director/CEO

The positions of Chairman and Chief Executive Officer (CEO) are separate.

- e) **Reporting of Internal Auditor:** The Internal Auditor may report directly to the Audit Committee

The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting audit findings to the Audit Committee.

## 27. Web links to Company policies and programmes

The Company's policies and programmes as prescribed under the SEBI (LODR) Regulations are available at:

- a. **Code For Fair Disclosure Of Unpublished Price Sensitive Information :**  
*<http://www.birla-sugar.com/Assets/Avadh/Avadh%20Sugar-CODE-FOR-FAIR-DISCLOSURE-OF-UNPUBLISHED-PRICE-SENSITIVE-INFORMATION.pdf>*
- b. **Code of Conduct :**  
*<http://www.birla-sugar.com/Avadh-Shareholders-Info/Avadh---Code-Of-Conduct>*
- c. **CSR Policy :**  
*<http://birla-sugar.com/Assets/Avadh/Avadh-Sugar-CSR-Policy.pdf>*
- d. **Policy for Determining Material Subsidiaries :**  
*<http://birla-sugar.com/Assets/Avadh/Avadh-Sugar-Policy-for-Determining-Material-Subsidiaries.pdf>*
- e. **Policy on Determination of Materiality :**  
*<http://www.birla-sugar.com/Assets/Avadh/Avadh-Sugar-Policy-on-Determination-of-Materiality.pdf>*

- f. **Policy on preservation of documents including archival :**  
<http://www.birla-sugar.com/Assets/Avadh/Avadh-Sugar-Policy-on-preservation-of-documents-including-archival.pdf>
- g. **Related Party Transaction Policy :**  
<http://www.birla-sugar.com/Assets/Avadh/Avadh-Sugar-Related-Party-Transaction-Policy-.pdf>
- h. **Whistle Blower Policy :**  
<http://www.birla-sugar.com/Assets/Avadh/Avadh-Sugar-Whistle-Blower-Policy.pdf>
- i. **Familiarisation Programme :**  
<http://www.birla-sugar.com/Assets/Avadh/Avadh-Sugar-Familiarisation-Programme-for-Independent-Directors.pdf>

**28.** Disclosure of compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015, Pursuant to Schedule V of SEBI (LODR) Regulations, 2015, the Company hereby confirms that it has complied with the corporate

governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) inter-alia covering the following subject matter/heads:

- i) Board of Directors
- ii) Audit Committee
- iii) Nomination and Remuneration Committee
- iv) Stakeholders' Relationship Committee
- v) Risk Management Committee – Not Applicable
- vi) Vigil Mechanism
- vii) Related Party Transactions
- viii) Obligations with respect to Independent Directors
- ix) Obligations with respect to Directors and senior management
- x) Other Corporate governance requirements as stipulated under the Regulations
- xi) Dissemination of various information on the website of the Company w.r.t clauses (b) to (i) of Regulation 46(2).

## Annexure C

### Certificate on Code of Conduct

To  
The Members  
**Avadh Sugar & Energy Limited**  
P.O. Hargaon, Dist - Sitapur  
U.P – 261 121

Pursuant to Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 I, Devendra Kumar Sharma, Wholetime Director of Avadh Sugar & Energy Limited, declare that all the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Company's Code of Conduct during the financial year 2017-18.

Place: Kolkata  
Date: 14th May, 2018

**Devendra Kumar Sharma**  
Wholetime Director