

Annexure B

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY

The Oudh Sugar Mills Limited (OSML), a part of K K Birla Group of Sugar Industries, firmly believes that Corporate Governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objective of the organisation most effectively and efficiently. Corporate Governance in fact denotes acceptance by the management of the inalienable rights of the shareholders as true owners of the organisation and of their own role as trustees on behalf of the shareholders.

By harnessing ethical values with business acumen the executive functions of OSML is structured to institutionalise policies and practices that enhance the efficacy of the Board, Key Managerial Personnel and the Senior Management of the Company and inculcate a culture of accountability, transparency and integrity across the Company as a whole. OSML has a strong legacy of fair, transparent and ethical Governance practices and procedures and through these pages renews its commitment to uphold and nurture the core values of integrity, passion, responsibility, quality and respect in dealing with its customers, cane growers and other stakeholders of the Company. The other enablers for the Company are 'team work' and 'adherence' to professionalism.

OSML is also in compliance with the mandatory requirements of the guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges and SEBI (LODR) Regulations, 2015.

2. BOARD OF DIRECTORS

The Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilised for creating sustainable growth and societal wealth. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company, ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders. Based on the reports / certifications received from the Company's functional heads, Key Managerial Personnel and the Auditors, the Whole-time Director

periodically informs the Board about compliance with respect to laws applicable to the Company.

Composition

- i) The Board of Directors as on 31st March, 2016 comprised of eight 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 Regulation 17 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015. The Board is headed by Promoter Non-Executive Chairman Shri Chandra Shekhar Nopany. Mr. Chand Bihari Patodia, acts as the Whole-time Director of the Company and is entrusted with substantial powers of management of the Company subject to superintendence, control and directions of the Board. Apart from 5 (five) Independent Directors, 1 Executive Director, 1 Non-Executive Director the Board also has one member as Nominee Director appointed by IDBI.
- 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) In accordance with 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.
- 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.

- vi) During the year under review Mr. Chandra Shekhar Nopany had relinquished his office as Managing Director with effect from 30th June, 2015, due to his pre-occupation. Mr. Chand Bihari Patodia, was appointed as the Whole-time Director of the Company with effect from 1st July, 2015.

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 Chairman, Whole-time Director 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 seven Board Meetings were held on 7th May, 2015, 2nd July, 2015, 4th August, 2015, 25th September, 2015, 6th November, 2015, 2nd February, 2016 and 24th February, 2016 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 clause 26(1)(b) of SEBI (LODR), Regulations, 2015 held by them during the year 2015-16 are tabulated below:

Sl.	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	
1.	Mr. Chandra Shekhar Nopany* (DIN - 00014587)	C/NED	5	No	8	3	-	73,804
2.	Mr. Anand Ashvin Dalal (DIN - 0353555)	I/NED	5	Yes	3	-	-	NIL
3.	Mr. Chand Bihari Patodia (DIN - 01389238) &	WTD	1	No	3	-	-	NIL
4.	Mr. Rohit Kumar Dhoot (DIN - 00016856)	I/NED	2	No	3	-	-	NIL
5.	Mr. Pradeep Sarkar - Nominee of SBI (DIN - 01082282)@	NED	1	No	NA	-	2	NIL
6.	Mr. Nirad Kant Bagla (DIN - 00762914)	I/NED	4	No	1	-	-	NIL
7.	Mr. Yashwant Daga (DIN - 00040632)	I/NED	3	No	7	-	8	NIL
8.	Mr. Arun Kumar Aggarwal - Nominee of IDBI Bank Ltd# (DIN - 07154002)	NED	6	No	-	-	-	NIL
9.	Mrs. Shashi Sharma (DIN - 02904948) \$	I/NED	5	Yes	1			

C - Chairman I - Independent
NED - Non-Executive Director WTD - Whole-time Director

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.

* relinquished his office as Managing Director w.e.f 30th June, 2015

& Appointed as Whole-time Director w.e.f 1st July, 2015.

Appointed w.e.f. 10th April, 2015

@ Nomination withdrawn by State Bank of India w.e.f. 24th June, 2015

\$ Appointed w.e.f. 7th May, 2015

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. Mr. Chandra Shekhar Nopany is liable to retire by rotation and is eligible for re-appointment. Brief particulars about Mr. Chandra Shekhar Nopany forms part of the Corporate Governance Report.

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. 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 (CONSTITUTED ON 25TH AUGUST, 2000)

Overall purpose/objective

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement and is in compliance with Regulation 18 of SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013. 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.

Terms of Reference

The role of the Audit Committee shall include the following:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Modified Opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arms length pricing basis and to review and approve such transactions.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Composition and Meetings

The Audit Committee as on 31st March, 2016 comprises of five members out of which four are Independent Non-Executive Directors viz. Mr. Anand Ashvin Dalal, Mr. Rohit Kumar Dhoot, Mr. Yashwant Kumar Daga, Mr. Nirad Kant Bagla and Mr. Chand Bihari Patodia, Whole-time Director. Mr. Anand Ashvin Dalal is the Chairman of the Committee. All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The Company Secretary acts as the Secretary of the Committee and the Chief Financial Officer is a permanent invitee. The meetings are attended by the representatives of Statutory Auditors and the Internal Auditors to answer and clarify the queries raised at the Meetings.

During the period the Committee met four times on 7th May, 2015, 4th August, 2015, 6th November, 2015 and 2nd February, 2016. Attendance of the members at the meetings was as follows:

Name of the Member	Status	No. of meetings attended
Mr. Anand Ashvin Dalal	Chairman	4
Mr. Chand Bihari Patodia	Member	1
Mr. Rohit Kumar Dhoot	Member	1
Mr. Yashwant Kumar Daga	Member	1
Mr. Nirad Kant Bagla	Member	3

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE (CONSTITUTED ON 25TH AUGUST, 2000)

Overall purpose/objective

This committee was formed by the Board as Investor Grievance Committee on 25.8.2000 specifically to look into the redressal of grievances of shareholders and other security holders of the Company in line with the provisions of Clause 49 of the Listing Agreement/Regulation 20 of SEBI (LODR) Regulations, 2015. In compliance with

the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board renamed the Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".

Terms of Reference:

The Stakeholders' Relationship Committee oversees the redressal of complaints of investors such as transfer of credit of shares to demat accounts, non-receipt of dividend/annual reports, approval of physical shares above 1000 shares, etc. It also approves allotment of shares and matters incidental thereto. By a resolution of the Board of Directors of the Company dated 28th April, 2011 the terms of reference of the Stakeholders' Relationship Committee was further enlarged to include taking note of: shares transferred in course of a quarter, status of dematerialised 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.

Composition & Meetings:

The Stakeholders' Relationship Committee, as on 31st March, 2016, comprises of three Independent Directors Mr. Nirad Kant Bagla as the Chairman, Mr. Yashwant Kumar Daga and Mrs. Shashi Sharma as Members. The Company Secretary, also functions as the Compliance Officer for complying with the requirements of the Listing Agreement/Listing Regulations with the Stock Exchanges.

Four meetings of the Committee were held during the period under review on 20th April, 2015, 4th August, 2015, 6th November, 2015 and 2nd February, 2016. The attendance of the members at the meeting was as follows:

Name of the Member	Status	No. of meetings attended
Mr. Nirad Kant Bagla	Chairman	4
Mr. Yashwant Kumar Daga	Member	2
Mrs. Shashi Sharma [#]	Member	3

[#] Appointed with effect from 7th May, 2015.

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

review the Company received 3 complaints/ grievances from the shareholders which were duly attended. The average period in which grievances are addressed is 7 days from the date of receipt of letters/complaints. There was no unresolved complaint as on 31st March 2016. There were no share transfer applications pending for registration as on 31st March 2016.

5. NOMINATION AND REMUNERATION COMMITTEE (CONSTITUTED ON 2ND SEPTEMBER, 2002)

Overall Purpose/ objectives:

The Committee was formed by the Board as Remuneration Committee on 2nd September, 2002, specifically to look into remuneration of Directors etc. in line with the requirement of Companies Act, 1956 and Listing Agreement.

To meet with the requirements of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement the Board at its meeting held on 13th May, 2014, the Remuneration Committee was renamed as the Nomination and Remuneration Committee.

The Board has constituted the Committee with the objective and purposes viz:

- To lay down criteria, terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Key Managerial positions and Senior Management and to determine their remuneration.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director
- To determine remuneration based on the Company's size, financial position, trends and practices on remuneration prevailing in peer companies, in the like industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Terms of Reference:

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

- 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;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- 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.

Composition & Meetings:

The Composition of Committee as on 31st March, 2016, comprises of three Independent Directors being Mr. Rohit Kumar Dhoot, as the Chairman, Mr. Anand Ashvin Dalal and Mr. Nirad Kant Bagla, as Members. The Company Secretary acts as the Secretary to the Committee.

During the period the Committee met thrice on 22nd April, 2015, 7th May, 2015 and 30th June, 2015. Attendance of the members at the meeting was as follows:

Name of the Member	Status	No. of meetings attended
Mr. Rohit Kumar Dhoot	Chairman	3
Mr. Anand Ashvin Dalal	Member	3
Mr. Nirad Kant Bagla#	Member	0

Appointed w.e.f 31st March, 2016.

Remuneration Policy:

The Board of Directors of the Company had at its meeting held on 28th July, 2014 adopted the Remuneration Policy as recommended by the

Nomination and Remuneration Committee of the Company. The Remuneration Policy is attached as Annexure to the Directors’ Report.

Remuneration of Directors:

The Non-Executive Directors are entitled to sitting fees for every meeting of the Board or Committee thereof attended by them. They are also entitled to remuneration by way of commission besides sitting fees, if approved by the Board, on the net profit of the Company at the rate not exceeding 1% of the net profit of the Company determined in accordance with the terms and provisions of Section 197, 198 of the Companies Act, 2013. During the year under review the Company has not been able to pay any commission to the Non-Executive Directors in view of inadequacy of the profits of the Company.

Details of remuneration paid to the Directors for the financial year 2015-16:

a) **Whole-time Director – NIL**

b) **Non-Executive Directors**

The Company pays a sitting fee of ₹ 5,000/- and ₹ 2,500/- per meeting to each Director for attending meetings of the Board of Directors and Committees thereof respectively. The details of sitting fees paid during the financial year 2015-16 are as follows:

Sl. No.	Name of the Director	Amount (₹)
1	Mr. Chandra Shekhar Nopany	37,500
2	Mr. Anand Ashvin Dalal	42,500
3	Mrs. Shashi Sharma	32,500
4	Mr. Chand Bihari Patodia	10,000
5	Mr. Rohit Kumar Dhoot	20,000
6	Mr. Nirad Kant Bagla	57,500
7	Mr. Yashwant Daga	22,500
8	Mr. Arun Kumar Aggarwal - Nominee of IDBI	25,000
9	Mr. Pradeep Sarkar- Nominee of SBI	5,000

None of the Directors of the Company except Mr. Chandra Shekhar Nopany holds shares/ securities of the Company.

Apart from receiving sitting fees none of the Non-Executive Directors of the Company has any pecuniary relationship or transaction with the Company.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE - (CONSTITUTED ON 13TH MAY 2014)

Overall Purpose/ objectives:

As required under the section 135 of the Companies Act, 2013, Corporate Social Responsibility Committee was constituted on 13.05.2014 to undertake activities for economic and social development of communities and geographical areas, particularly in the vicinity of operations of the Company that may include:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by
- Socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection or flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art' setting up public libraries' promotion and development of traditional arts and handicrafts;
- Measures for the benefit of armed forces, war widows and their dependents;
- Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the

Central Government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;

- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects etc.

TERMS OF REFERENCE:

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises to review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 from time to time and to provide guidance on various CSR activities to be undertaken by the Company vis a vis to monitor its progress.

COMPOSITION & MEETINGS:

The Committee as on 31st March, 2016, comprises of Mr. Chandra Shekhar Nopany, as the Chairman, Mr. Chand Bihari Patodia, Whole-time Director and Mr. Yashwant Kuamr Daga, an Independent Director as Members. The Company Secretary acts as the Secretary to the Committee.

The provisions of Sec 135(4) was not attracted and accordingly no meeting was held during the financial year 2015-16. The Corporate Social Responsibility Policy is available on Company's website www.birla-sugar.com.

7. RISK MANAGEMENT COMMITTEE - (CONSTITUTED ON 18TH OCTOBER 2011)

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

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. The Committee comprises Mr. Chand Bihari Patodia, Whole-time Director as its Chairman and Mr. Yahswant Kumar Daga, Independent Director as its member. The Company Secretary acts as Secretary to the Committee and the Chief Financial Officer is a permanent invitee to such meeting.

8. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on March 22, 2016, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The management has familiarised the Independent Directors about the Company viz. (a) Nature of the Industry (b) business model in which the Company operates, (c) role, rights and responsibilities of Directors, (d) regulatory updates from time to time

9. PERFORMANCE EVALUATION

In pursuance of the provisions of the Companies Act, 2013 and according to Regulation of 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Performance Evaluation Criteria has been laid down for effective evaluation of performance of the Board of Directors, the Committees thereof and individual Directors including the Chairman of the Board. After detailed

discussion at Board level as well as taking input from each Director, Nomination and Remuneration Committee finalised the proformas / questionnaires containing various parameters to evaluate the performance of Board and its committee(s), Individual Directors and Chairperson of the Company. The performance evaluation parameters are based on their roles and responsibilities, contribution to the Company's goals, decision making process, flow of information and various other aspects. The evaluation of performance of the Board as a whole, Committees of the Board, Individual Directors and Chairperson of the Company was carried out for the Financial Year 2015-16. Nomination and Remuneration Committee evaluated the performance of each Director. The Independent Directors in their separate meeting carried out the evaluation of the Board of Directors as a whole, Chairperson of the Company and Non-Independent Directors. The Chairperson of Nomination and Remuneration Committee has submitted report of the respective evaluations to the Chairperson of the Company. Based on the questionnaires received from the Directors and considering the reports of Chairperson of Nomination and Remuneration Committee, the Board evaluated its own performance and that of its committees and individual Directors including Independent Directors.

10. SUBSIDIARY COMPANIES

The Company do have material subsidiaries wherein investments of the Company in the subsidiary exceeds 20% of its consolidated net worth of the Company as per the audited balance sheet of the previous financial year or if the subsidiary has generated 20% of the consolidated income of the Company during the previous financial year and accordingly, a Policy for determining material subsidiaries has been formulated by the Board in its meeting held on 5th November 2014 and such Policy has been disclosed on the Company website at www.birla-sugar.com.

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings. The copies of the Minutes of the Board Meetings of Subsidiary Companies are individually given to all the Directors and are tabled at the subsequent Board Meetings of the holding company. The management also periodically place before the Audit/Board of holding company details of investment made and

a statement of all significant transactions and arrangements entered into by any such subsidiary. As required in pursuance to Listing Agreement/Regulation 24 of SEBI (LODR) Regulations, 2015 an Independent Director of the Company has been nominated on the Board of unlisted material subsidiaries, incorporated in India.

11. RELATED PARTY TRANSACTIONS

All transactions entered during the financial year with Related Parties were within the purview of applicable provisions under the Companies Act, 2013 and Clause 49 of the Listing Agreement/Regulation 23 of SEBI (LODR) Regulations, 2015 and were in the ordinary course of business and on an arms 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 Accounting Standards (AS18) 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 and such Policy has been disclosed on the Company website at www.birla-sugar.com.

12. 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 will be meted out to any person for a genuinely raised concern. A copy of the Policy has been disclosed on the Company's website and can be downloaded at weblink and no person has been denied access to the Audit Committee.

13. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Time	Location	Whether any Special Resolution passed
2014-15	14.09.2015	11.00 a.m.	Registered Office:	
2013-14	08.09.2014	11.00 a.m.	Hargaon,	
2012-13	07.08.2013	11.00 a.m.	Dist. Sitapur (U. P.), Pin-261 121	Yes

The last Annual General Meeting was held on 14th September, 2015, which was chaired by Mr. Anand Ashvin Dalal, Chairman of the Audit Committee. One Special resolution was passed for the appointment of Mr. Chand Bihari Patodia as Whole-time Director.

All the resolutions were passed through e-voting pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

Mr. Mohan Ram Goenka, Practicing Company Secretary, having CP No 2551 was appointed as Scrutinizer for conducting the e-voting process.

The following Special Resolutions were passed at the Annual General Meeting held on 8th September, 2014.

1. To amend the Articles of Association
2. Re-appointment of Mr. Chandra Shekhar Nopany as the Managing Director of the Company.
3. Approval under Section 180(1)(c) of the Companies Act, 2013.
4. Approval under Section 180(1)(a) of the Companies Act, 2013.
5. Approval under Section 188 of the Companies Act, 2013.

All the resolutions were passed through e-voting pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

One Special Resolution was passed at the Annual General Meeting held on 7th August, 2013 with

respect to giving Corporate Guarantee to UCO Bank and State Bank of India, with respect to the financial assistance to sugarcane growers for cultivation of sugarcane crop in the command areas of the Sugar Mills of the Company.

Postal Ballot:

No resolution was passed through Postal Ballot during the financial year 2015-16.

14. DISCLOSURES

- i) 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.
- ii) The Company has complied with all the applicable mandatory requirements and have also adopted the non-mandatory requirement such as
 - a. Formation of Risk Management Committee
 - b. Separate Post for the Chairperson and the Whole-time Director
 - c. A Non-Executive Chairperson entitled to maintain a Chairperson's Office.
- iii) In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.
- iv) The disclosure requirements with respect to Commodity price risks and commodity hedging activities are not applicable to the Company.

15. MEANS OF COMMUNICATION

- i) 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 60 days from the close of the financial year as per the requirements of the Listing Agreement/SEBI(LODR) Regulations, 2015 with the Stock Exchanges. The aforesaid

financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board and also published in 'Business Standard', in English in Lucknow and 'Business Standard' or 'Aaj', in Hindi in Lucknow edition.

- ii) The Annual Report of the Company, the quarterly/half yearly and annual financial results are simultaneously posted on the Company's recently re-designed website www.birla-sugar.com and can be downloaded.
- iii) The Company also displays official press releases as and when released on above website.
- iv) In compliance with Clause 52 of the Listing Agreement, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically on BSE's on-line portal and NSE's NEAPS portal.
- v) Email id earmarked for redressing Investor queries in terms of Clause 47(f) of the Listing Agreement is birlasugar@birla-sugar.com
- vi) No presentation was made to any Institutional Investor or to any Analysts during the year.

16. GENERAL SHAREHOLDERS' INFORMATION

i) 84th Annual General Meeting

Day : Monday
 Date : 19th day of September, 2016
 Time : 11.00 a.m.
 Venue : Registered Office:
 Sugar Mills Complex
 Hargaon, District – Sitapur
 Uttar Pradesh – 261 121.

ii) Tentative Financial Calendar for the year 2016-17

Approval of Audited Annual Results (2015-16)	13th May, 2016
First Quarter Results	On or before 14th August, 2016
Second Quarter Results	On or before 14th November, 2016
Third Quarter Results	On or before 14th February, 2017
Audited Annual Results (2016-17)	On or before 30th May, 2017

iii) Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from 12th September, 2016 (Monday) to 19th September, 2016 (Monday) (both days inclusive) for the purpose of Annual General Meeting.

iv) Dividend Payment Date

The Board of Directors did not recommend any dividend for the year under review.

v) Listing on Stock Exchanges and Stock Codes

The Company's shares are listed on following Stock Exchanges and the Listing Fees have been paid to the Exchanges:

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	507260	INE594A01014
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East) Mumbai 400051	OU DHSUG	

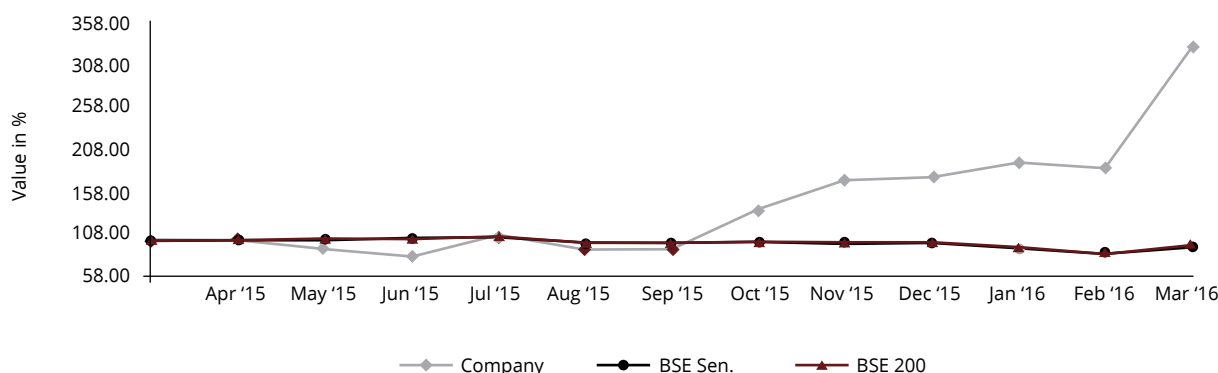
vi) Market Price data

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 (₹)
April, 2015	22.00	17.70	21.85	17.55
May, 2015	20.70	17.00	20.75	16.75
June, 2015	20.50	14.20	18.85	15.10
July, 2015	25.00	15.80	24.90	16.20
August, 2015	23.10	16.70	23.70	16.75
September, 2015	20.70	15.00	20.50	16.50
October, 2015	32.20	16.10	32.45	17.00
November, 2015	44.20	26.15	46.45	27.10
December, 2015	42.50	33.20	42.35	33.00
January, 2016	47.30	34.20	48.95	34.50
February, 2016	47.00	33.00	47.50	33.00
March, 2016	68.30	38.00	68.40	36.50

vii) Performance of Company's Equity Shares in comparison to BSE Sensex and BSE 200

A graphical presentation is as follows:



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 : The Oudh Sugar Mills Ltd.**

C-13, Pannalal Silk Mills Compound

L.B.S Marg, Bhandup (West)

Mumbai - 400 078

Tel : 91 022 2596 3838

Fax : 91 022 2594 6969

e-mail : mumbai@linkintime.co.in

ix) Share Transfer System

The Board of Directors have authorised the Company Secretary to approve transfer/transmission of upto 1,000 shares. After the requests for transfer/transmission of above 1000 shares in physical form are approved by the Stakeholders' Relationship Committee and the same are sent to the Registrar & Share Transfer Agent for completing the necessary procedural formalities and dispatch to the shareholders. Share transfer requests, if found valid and complete in all respects, are normally effected within a period of 15 days from the date of receipt. A total of 150 Equity Shares were transferred / transmitted during the financial year 2015-16. The dematerialised shares are directly transferred to the beneficiaries by the Depositories.

x) Distribution of Shareholding

a) The Distribution of Shareholding as on 31st March, 2016 was as follows:

No. of Equity Shares	No. of share holders	% of total shareholder	No. of shares held	% of total shares
1 - 500	9,740	82.97	14,04,744	5.42
501 - 1000	920	7.84	7,24,942	2.80
1001 - 2000	503	4.28	7,49,681	2.89
2001 - 3000	189	1.61	4,84,763	1.87
3001 - 4000	90	0.77	3,23,534	1.25
4001 - 5000	53	0.45	2,48,918	0.96
5001 - 10000	123	1.05	9,02,144	3.48
10001 and above	121	1.03	2,10,78,559	81.33
Total	11,739	100.00	2,59,17,285	100.00

b) Detail of Shareholding pattern of the Company as on 31st March, 2016 was as follows:

Category	No. of Shares held	% of Shareholding
Promoters	1,59,85,077	61.68
Financial Institutions, Banks, Mutual Funds, Insurance Companies, etc.	15,30,045	5.90
Bodies Corporate	17,16,156	6.62
Indian Public	63,24,056	24.40
NRIs / OCBs / FIIs / Foreign Nationals/Clearing Members	3,61,951	1.40
Total	2,59,17,285	100.00

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. and National Stock Exchange of India Ltd., under depository systems at both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. 99.21% of

the Equity Shares of the Company have already been dematerialised.

xii) Outstanding GDRs /ADRs/Warrants or Convertible Instrument

The Company has never issued GDRs and ADRs. There are no outstanding Warrants or Convertible Instruments.

xiii) The disclosures pertaining to commodity price risks or foreign exchange risks and hedging activities are not attracted to the Company.

xiv) Location of Plants:

Sugar Mills:

- a. Hargaon, District Sitapur, Uttar Pradesh, Pin-261 121.
- b. Narkatiaganj, District West Champaran, Bihar, Pin-845 455.
- c. Hata, District Kushinagar, Uttar Pradesh, Pin-274 207
- d. Rosa, District Shahjahanpur, Uttar Pradesh, Pin-242 406.

Distilleries:

- a. Hargaon, District Sitapur, Uttar Pradesh, Pin-261 121.
- b. Narkatiaganj, District West Champaran, Bihar, Pin-845 455.

Co-generation Power Plants:

- a. Hargaon, District Sitapur, Uttar Pradesh, Pin-261 121.
- b. Narkatiaganj, District West Champaran, Bihar, Pin-845 455.
- c. Hata, District Kushinagar, Uttar Pradesh, Pin-274 207

Food Processing Factory:

P.O. Bamrauli, Allahabad, Uttar Pradesh, Pin-211 012.

xiv) Address for Correspondence :

The Company Secretary

The Oudh Sugar Mills Ltd.
5th Floor
Birla Building
9/1, R.N Mukherjee Road
Kolkata 700 001
Tel No: 91-033-2243 0497
Fax No: 91-033-2248 6369
e-mail: birlasugar@birla-sugar.com

Link Intime India Private Limited

(Unit: The Oudh Sugar Mills Ltd.)
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai 400 078
Tel. No.: 91- 022 – 2596 3838
Fax No.: 91- 022 – 2594 6969
e-mail : mumbai@linkintime.co.in

xv) Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund

During the period under review, the Company was not required to credit any sum to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

17. CEO AND CFO CERTIFICATION

The Whole-time Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI (LODR) Regulations, 2015.

18. RE-APPOINTMENT OF DIRECTORS

Mr. Chandra Shekhar Nopany is liable to retire by rotation and is eligible for re-appointment.

Brief particulars of Mr. Nopany are given below: Mr. Chandra Shekhar Nopany (DIN – 00014587), is Member of the Institute of Chartered Accountants of India and Masters in Science of Industrial Administration from Carnegie Mellon University, Pittsburgh, USA. He is an eminent industrialist having vast experience in diverse fields like sugar, tea, shipping, textiles, fertilizers and chemicals, etc. He is the past President of Indian Chambers of Commerce and Indian Sugar Manufacturers Association. He contributed significantly to the organic and inorganic growth of the K K Birla Group and continues to lead as a new generation entrepreneur with concerted focus on efficiency and growth. He is also the Chairman of Vikas Vidyalaya (Ranchi), Jharkhand, a prestigious co-educational higher secondary residential school affiliated to CBSE. Mr. Nopany holds 73,804 Equity Share in the Company.

Names of other Indian public limited companies in which Mr. Chandra Shekhar Nopany is a Director or Chairman/Member of the Board Committees:

Sl. No.	Name of the Company	Name of Board Committee	Chairman/ Member
1.	Upper Ganges Sugar & Industries Limited	Stakeholders Relationship Committee	Chairman
2.	Sutlej Textiles and Industries Limited	-	-
3.	SIL Investments Limited	Stakeholders Relationship Committee	Chairman
4.	Chambal Fertilizers & Chemicals Limited	Nomination and Remuneration Committee Corporate Social Responsibility Committee	Member Member
5.	New India Retailing & Investment Limited		
6.	Uttar Pradesh Trading Co. Limited	-	-
7.	Yashovardhan Investment & Trading Company Limited	-	-
8.	Ronson Traders Limited	Stakeholders Relationship Committee	Chairman

19. 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 including the Executive Chairman and Managing Director. 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 www.birla-sugar.com. 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.

20. CODE OF CONDUCT & ETHICS

The Company has also adopted a Code of Conduct and Ethics (Code) for the members of Board of Directors including Independent Directors, Key

Managerial Personnel and Senior Management Personnel of the Company to follow. The Code is posted on the website of the Company at www.birla-sugar.com. 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 Whole-time Director, is attached to this report and which forms an integral part of this report.

21. LEGAL COMPLIANCES

The Board reviews periodically compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non compliances, if any.

22. COMPLIANCES WITH CORPORATE GOVERNANCE NORMS:

The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges/Regulation 27 of SEBI (LODR) Regulations, 2015. The Company has submitted the quarterly compliance report in the prescribed format to the Stock Exchanges for the quarters ended June 30, 2015, September 30, 2015, December 31, 2015 and March 31, 2016. The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance. The said certificate is annexed to this Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Uttar Pradesh along with the Annual Report.

23. SHAREHOLDERS' RIGHTS:

The quarterly financial results are published in leading financial newspapers, uploaded on the Company's website and any major developments are covered in the press releases/intimation to stock exchanges by the Company. The Company therefore has not been sending the half yearly financial results to the shareholders.

24. DISSEMINATION ON COMPANY'S WEBSITE

The Company has complied with the provision and dissemination requirement as envisaged in Regulation 46(c) of the SEBI (LODR) Regulations, 2015 and the same can be accessed on its website at www.birla-sugar.com.