

bajaj SUGAR
Bajaj Hindusthan Sugar Ltd.

CIN: L15420UP1931PLC065243

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STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31,2023

₹(crore)

Sl. No.	Particulars	Standalone				
		3 Months ended 31.03.2023 Audited	Preceding 3 Months ended 31.12.2022 Unaudited	Corresponding 3 Months ended 31.03.2022 Audited	Current year ended 31.03.2023 Audited	Previous year ended 31.03.2022 Audited
1.	Income					
	(a) Revenue from operations	2,035.59	1,422.78	1,615.92	6,302.32	5,569.09
	(b) Other income	4.68	2.97	9.76	17.02	21.13
	Total Income	2,040.27	1,425.75	1,625.68	6,319.34	5,590.22
2.	Expenses					
	a) Cost of materials consumed	2,678.62	1,940.60	2,676.29	5,074.48	4,609.93
	b) Changes in inventories of finished goods, by-products and work-in-progress	(1,133.00)	(832.64)	(1,548.68)	104.53	(209.67)
	c) Employee benefits expense	120.18	94.77	109.34	378.70	342.31
	d) Finance costs	50.34	94.97	58.94	210.10	253.55
	e) Depreciation and amortisation expense	52.53	53.74	52.88	213.17	214.63
	f) Other expenses	155.19	132.87	181.76	489.70	601.83
	Total expenses	1,923.86	1,484.31	1,530.53	6,470.68	5,812.58
3.	Profit/(Loss) before tax (1-2)	116.41	(58.56)	95.15	(151.34)	(222.36)
	a) Current tax	-	-	-	-	-
	b) Deferred tax	(3.60)	-	(4.11)	(3.60)	(4.11)
4.	Tax expense	(3.60)	-	(4.11)	(3.60)	(4.11)
5.	Net Profit / (Loss) for the period after tax (3-4)	120.01	(58.56)	99.26	(147.74)	(218.25)
6.	Other comprehensive income					
	a) Items that will not be reclassified to profit or loss	1,592.60	-	(5.05)	1,592.60	(5.05)
	b) Income tax relating to items that will not be reclassified to profit or loss	(253.27)	-	-	(253.27)	-
	c) Items that will be reclassified to profit or loss	614.34	-	(47.90)	614.34	(47.90)
	d) Income tax relating to items that will be reclassified to profit or loss	(184.25)	-	81.20	(184.25)	81.20
	Total other comprehensive income	1,769.42	-	28.25	1,769.42	28.25
7.	Total comprehensive income for the period (5+6)	1,889.43	(58.56)	127.51	1,621.68	(190.00)
8.	Paid-up equity share capital (Face Value - Re.1/- per share)	127.74	127.74	127.74	127.74	127.74
9.	Other equity	NA	NA	NA	4,374.28	2,752.94
10.	Earnings per share (EPS) (of Re.1/- each) (not annualised)					
	(a) Basic (Rs. Per share)	0.96	(0.47)	0.80	(1.19)	(1.82)
	(b) Diluted (Rs. Per share)	0.96	(0.47)	0.80	(1.19)	(1.82)
	See accompanying notes to the Standalone Financial Results					

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AUDITED STANDALONE SEGMENT- WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023

₹(crore)

Sl. No.	Particulars	Standalone				
		3 Months ended 31.03.2023	Preceding 3 Months ended 31.12.2022	Corresponding 3 Months ended 31.03.2022	Current year ended 31.03.2023	Previous year ended 31.03.2022
		Audited	Unaudited	Audited	Audited	Audited
1.	Segment Revenue					
	a. Sugar	2,392.75	1,669.89	1,814.67	6,803.76	5,722.05
	b. Distillery	337.61	155.69	337.87	1,110.76	980.10
	c. Power	514.13	348.53	444.56	992.16	810.14
	d. Others	(9.23)	1.92	2.20	(3.47)	8.02
	Total	3,235.26	2,176.03	2,599.30	8,903.21	7,520.31
	Less : Inter- segment revenue	1,199.67	753.25	983.38	2,600.89	1,951.22
	Revenue from operations	2,035.59	1,422.78	1,615.92	6,302.32	5,569.09
2.	Segment Results (Profit/(Loss) before tax and interest)					
	a. Sugar	87.41	20.48	52.54	(7.52)	(31.55)
	b. Distillery	50.16	8.58	55.66	94.05	98.30
	c. Power	52.11	13.36	49.12	13.18	(3.73)
	d. Others	(1.22)	(1.23)	(1.00)	(4.92)	(4.61)
	Total	188.46	41.19	156.32	94.79	58.41
	Less: (i) Finance costs	(50.34)	(94.97)	(58.94)	(210.10)	(253.55)
	(ii) Interest Income	0.49	0.21	0.20	1.08	0.74
	(iii) Other Un-allocable Income net off Un-allocable Expenditure	(22.20)	(4.99)	(2.43)	(37.11)	(27.96)
	Total Profit / (Loss) before Tax	116.41	(58.56)	95.15	(151.34)	(222.36)
3.	Segment Assets					
	a. Sugar	7,795.92	6,913.09	8,164.72	7,795.92	8,164.72
	b. Distillery	1,004.79	945.98	964.15	1,004.79	964.15
	c. Power	885.10	899.30	954.28	885.10	954.28
	d. Others	192.73	193.37	196.51	192.73	196.51
	e. Unallocated	5,599.60	3,327.85	3,330.59	5,599.60	3,330.59
	Total	15,478.14	12,279.59	13,610.25	15,478.14	13,610.25
4.	Segment Liabilities					
	a. Sugar	4,580.07	3,522.06	4,100.21	4,580.07	4,100.21
	b. Distillery	86.93	81.68	89.29	86.93	89.29
	c. Power	18.74	19.56	17.24	18.74	17.24
	d. Others	0.40	0.41	0.43	0.40	0.43
	e. Unallocated	6,293.27	6,046.53	6,525.69	6,293.27	6,525.69
	Total	10,979.41	9,670.24	10,732.86	10,979.41	10,732.86

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Statement of standalone assets and liabilities as at March 31, 2023

₹(crore)

Particulars	Standalone	
	As at 31.03.2023	As at 31.03.2022
	Audited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	6,597.60	6,799.28
Right of use assets	2.02	4.21
Capital work in progress	1.05	4.29
Other intangible assets	0.00	0.00
Financial assets :		
Investments	3,613.06	862.47
Other financial assets	13.97	13.39
Other non-current assets	154.65	137.98
Sub-total- Non-current assets	10,382.35	7,821.62
Current assets		
Inventories	2,607.71	2,745.56
Financial assets :		
Trade receivables	138.10	213.87
Cash and cash equivalents	21.31	47.33
Other bank balances	0.00	0.00
Loans	1,643.25	2,088.79
Current tax assets (Net)	12.75	7.92
Other current assets	672.67	685.16
Sub-total- Current assets	5,095.79	5,788.63
TOTAL- ASSETS	15,478.14	13,610.25
EQUITY AND LIABILITIES		
Equity		
Equity share capital	124.45	124.45
Other equity	4,374.28	2,752.94
Sub-total- Equity	4,498.73	2,877.39
Non-current liabilities		
Financial liabilities :		
Borrowings	3,809.03	4,243.82
Lease liabilities	0.03	2.46
Provisions	95.79	89.50
Deferred tax liabilities	939.55	505.63
Other non current liabilities	20.05	22.00
Sub-total- Non-current liabilities	4,864.45	4,863.41
Current liabilities		
Financial liabilities :		
Borrowing	434.41	543.01
Lease liabilities	2.42	2.38
Trade payables		
total outstanding dues of micro and small enterprises	0.10	0.28
total outstanding dues of other than micro and small enterprises	4,508.13	4,091.97
Other financial liabilities	0.00	79.29
Other current liabilities	1,146.61	1,131.74
Provisions	23.29	20.78
Sub-total- Current liabilities	6,114.96	5,869.45
TOTAL- EQUITY AND LIABILITIES	15,478.14	13,610.25

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Standalone Cash Flow Statement

₹(crore)

Particulars	Standalone	
	Current year ended 31.03.2023	Previous year ended 31.03.2022
	Audited	Audited
A. Cash flow from operating activities:		
Net profit/ (loss) before tax	(151.34)	(222.36)
Adjustment for:		
Depreciation and amortisation	213.17	214.63
Reversal of reserve for molasses storage tank (for repair work)	(0.34)	(1.93)
Provision for doubtful debts/ bad debts written off	(0.34)	7.16
Provision for doubtful advances	-	(0.22)
Provision for expenses written back	(1.45)	(4.28)
Rental Income (including credit note)	0.12	(11.02)
Loss/ (surplus) on sale of property, plant and equipment (net)	(0.17)	0.93
Finance costs	210.10	253.55
Interest income	(1.08)	(0.74)
	420.01	458.08
Operating profit/ (loss) before working capital changes	268.67	235.72
Adjustment for:		
Trade and other receivables	(25.24)	(6.59)
Inventories	137.85	(204.22)
Trade and other payables	437.78	612.21
Cash generated from operations	819.06	637.12
Income taxes (paid)/refund (net)	(4.83)	(2.54)
Net cash from/ (used in) operating activities	814.23	634.58
B. Cash flow from investing activities:		
Purchase of property, plant and equipment	(6.11)	(8.40)
Sale of property, plant and equipment	0.23	2.27
Rental Income	(0.12)	11.02
Interest received	0.92	2.97
Net cash from/ (used in) investing activities	(5.08)	7.86
C. Cash flow from financing activities:		
Repayment of long term borrowings	(544.36)	(470.79)
Interest paid	(287.99)	(184.18)
Payment of lease liability	(2.82)	(3.14)
Net cash from/ (used in) financing activities	(835.17)	(658.11)
Net increase/(decrease) in cash and cash equivalents	(26.02)	(15.67)
Cash and cash equivalents (opening balance)	47.33	63.00
Cash and cash equivalents (closing balance)	21.31	47.33

- a) The above cash flow statement has been prepared under the "Indirect Method" as per Indian Accounting Standard (Ind AS) 7.
- b) Figures in brackets indicate cash outflow and without brackets indicate cash inflow.

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Notes:

- 1 Considering the seasonal nature of industry, the results of any quarter may not be a true and/or proportionate reflection of the annual performance of the Company.
- 2 The Optionally Convertible Debentures (OCDs) aggregating to Rs.3483.25 crore issued by the Company to the Joint Lenders' Forum (JLF) of the Company in accordance with the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme) towards the conversion of a part of the unsustainable debt, provides the holder an option to exercise the right to convert the outstanding OCDs into the equity shares of the Company at a price in accordance with applicable laws (including the ICDR Regulations). There is a contractual obligation related to the premium payable on OCD at the time of redemption of OCD, which stipulates that the YTM (Yield to maturity) being the difference between weighted average interest and coupon rate interest is payable as redemption premium at the time of redemption of OCD which are redeemable in 13 equal instalments commencing from the financial year 2024-25. The Company considers such premium to be paid contingent on the occurrence of the event of redemption of OCDs, the YTM of Rs.2262.73 crore from the date of allotment of OCDs till March 31, 2023 (including Rs.137.85 crore and Rs.478.61 crore for the quarter and year ended on March 31, 2023 respectively) treated as a contingent liability and would be accounted for as finance cost at the time of redemption of respective OCDs. Auditors have drawn qualification for non-provision of YTM premium up to March 31, 2023.
- 3 In previous years, the Company had invested Rs 350.04 crore in preference share capital of Phenil Sugars Limited ('PSL'). Till the end of previous year, PSL's net worth was negative, due to which the Company had fully provided for the diminution in the value of the aforesaid investment of Rs.350.04 crore and also made a corresponding deferred tax impact of Rs.129.25 crore in previous years in line with Ind AS. In the current year, PSL amended the terms of the aforesaid instruments to convertible. Further, a substantial appreciation in the value of assets (mainly land) of PSL's units at Basti and Govindnagar was observed due to its proximity to Ayodhya (Uttar Pradesh) which is now developed into a world class tourist destination, this prompted the Company to take control over PSL. Accordingly the Company exercised its right of conversion of the said investment into equity shares capital of PSL. As a result, the Company received 35,00,39,270 equity shares of Rs.10 each fully paid up, representing 98.01% of the total equity share capital, (post conversion) of PSL and consequently, PSL became a subsidiary of the Company effective from March 24, 2023. Due to substantial appreciation in the value of PSL's assets, the fair value of the equity shares exceeded its cost, leading to reversal of the earlier provision for diminution in value of investment and corresponding reversal of deferred tax on the same. Investment in equity shares of PSL are now stated at cost as per Ind AS 27 in standalone financial statements.
- 4 In previous years, the Company had invested an amount of Rs.370.48 crore in Zero Coupon Optionally Convertible Debentures ('ZOCD') of Phenil Sugars Limited ('PSL'). Till the previous year, PSL's networth was negative, due to which the Company had fully provided the said investments, amounting to Rs.370.48 crore along with corresponding deferred tax of Rs.148.69 crore. In the current year, a substantial appreciation in the value of assets (mainly land) of PSL's units at Basti and Govindnagar was observed which prompted the Company to take control over PSL. Due to such appreciation in the value of the PSL's assets, its networth became positive. Consequently, the Company restated its investment in ZOCD of PSL in the books at fair value (discounted cash flow value) of Rs.268.36 crore with corresponding reversal of deferred tax by Rs. 55.95 crore. Also, during the current year, BHSL's major customer Ojas Industries Private Limited (OIPL) has settled its dues against sugar sales of Rs. 96.74 crore by transferring of ZOCD of PSL of Rs.153.63 crore. This investment is recorded in the Company's books at a fair value (discounted cash flow value) of Rs. 92.68 crore with corresponding deferred tax of Rs. 0.95 crore on the same in line with Ind AS.
- 5 In previous years, the Company had invested Rs.770.13 crore in Lalitpur Power Generation Company Limited ('LPGCL') and acquired 1,54,39,900 equity shares of Rs 10 each fully paid up. LPGCL operates thermal power plants in Uttar Pradesh with a total capacity of 1980 MW. As per Ind AS 109 'Financial Instruments' and based on an independent valuer's report, the Company measured the equity investments in LPGCL at its fair value through other comprehensive income (FVOCI) of Rs.2161.59 crore with a corresponding deferred tax of Rs.206.09 crore on the same in line with Ind AS.
- 6 In earlier years, the Company provided loans and advances (Inter Corporate Deposit - ICD including Interest) amounting to Rs.445.54 crore to Ojas Industries Private Limited ('OIPL'). During the current year, this loan has been settled by taking over the investments of OIPL in Zero Coupon optionally Convertible Debentures (ZOCD) of Rs 445.54 crore in Lambodar Stocks Private Limited ('LSPL'). Subsequently, the Company acquired 4,05,04,000 equity shares in Bajaj Power Ventures Private Limited ('BPVPL') in exchange for the investments in ZOCD of LSPL. As per Ind AS 109 'Financial Instruments' and based on an independent valuer's report, the Company measured the equity investments in BPVPL at its fair value through other comprehensive income (FVOCI) of Rs.648.06 crore with a corresponding deferred tax of Rs.47.18 crore on the same in line with Ind AS.
- 7 The company has exposure aggregating to Rs.2446.66 in its , by way of investments, loans, accumulated interest on these loans. Management is of the view that sufficient efforts are being undertaken to revive the said subsidiaries in the foreseeable future so as to recover carrying value of the investments, loans, and the diminution/provisions, if any exists, is only of temporary nature and accordingly no provision, other than those already accounted for, has been considered necessary. Auditors have drawn emphasis of matter in their audit report. Further on the basis of principle of conservatism and prudence, the company has not recognised interest income for the quarter and year ended on March 31, 2023, of Rs. 27.72 crore and 112.43 crore respectively, on inter corporate loans, as and when it is realized it will be recognized in the books.



- 8 The debts of the Company got restructured in Dec, 2017, under scheme for Sustainable Structuring of Stressed Assets (S4A). Part of the debt, assigned as unsustainable debt, and converted into Optionally Convertible Debentures (OCD), of Rs. 3483.25 crore, issued to respective lender banks. During the previous year, the Company had not paid coupon interest @ 2.50% on OCDs of Rs. 78.37 crore (net of TDS) due on March 31, 2022, which was paid subsequently on 24.11.2022. Due to delay in overall debt servicing and default in payment of coupon rate interest, the lenders have classified the Company's account as Non - performing Assets (NPA) as per the RBI regulations. As a process the Stresses Assets Resolution Group (SARG) of SBI has initiated Corporate Insolvency Resolution Process (CIRP) of the Company before the Hon'ble National Company Law Tribunal (NCLT) which was also disclosed in the stock exchanges. The Company is actively pursuing the matter with SBI & other lenders and is confident to resolve the matter soon. As on date, the Company's account is fully regular with all the lenders including SBI and there is no overdue outstanding. Based on the same, some of the lenders have already upgraded the Company's account status to " standard and regular" category, while other lenders are considering the upgrade.
- 9 The Company during the current year and in last few years have positive EBITDA (Earnings before interest, taxes depreciation and amortisation) however have incurred losses at PAT (Profit after Tax) level and the Company has outstanding sugar cane dues as at March 31, 2023 which it will mitigate through liquidation of its stocks and other accrued benefits. The losses were mainly attributable to higher raw material cost i.e., sugarcane prices fixed by State Government and relatively lower sugar price realization dependent on demand supply dynamics in the market, other input costs, higher depreciation, and finance expenses.

To mitigate the said sugar price risk, Government had fixed Minimum Selling Price (MSP) of sugar @ Rs.31 per kg on lower side which industry associates are advocating to increase the same upto the level of Rs 38-40 per kg. The Government has implemented monthly release mechanism to regulate sugar supplies in the market so that prices remain firm. Further, a sizeable portion of cane/sugar is allowed to divert towards manufacturing of ethanol which is a big push by the government to increase the ethanol production for blending in petrol up to 20% by 2025 which will turn around the economic dynamics of the sugar industry in a positive way.

The Company's investment in equity share of group's power business have good potential of an upside as per its fair value resulting into improvement in the net worth of the company. The Company is the largest integrated Sugar and Ethanol manufacturing company in India with 14 sugar factories (1,36,000 TCD), 6 Distilleries (800 KLD) and cogeneration (449 MW) facilities and crushes around 14% of the total sugar cane grown in the State of Uttar Pradesh. The Company has huge potential for improvement and growth due to its scale, size and vintage. The Company also expects to receive accrued benefits of Rs 1758 crore including interest as on March 31, 2023, under the Sugar Industries Promotion Policy, 2004 for which it is entitled as per Court orders but presently, the matter is sub-judice.

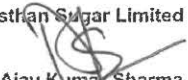
The Company is continuously striving to improve its operational efficiencies by way of improvement in cane area, sugar recovery, pushing it from commodity to brand through improved quality of sugar, increase in production of ethanol by using B heavy molasses, increase in revenue of by-products by improved realisations, saving in bagasse, increase in cogen export, reduction of overheads, finance, other costs etc. The Company is also exploring /evaluating various option for corporate restructuring to streamline the business and enhance the Company's value. In view of the above, management expects to generate positive cash flow from operation. Accordingly, the financial results are presented on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the ordinary course of business. This matter has been referred by auditors in their audit report.

- 10 Previous periods figures have been regrouped/ rearranged/ reworked/ restated wherever necessary to conform to the current period classification.
- 11 The Figures for the quarter ended March 31,2023 and March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the respective financial years which were only limited reviewed by the auditors.
- 12 The above audited standalone financial results for the quarter and year ended March 31, 2023 were reviewed by the Audit Committee and thereafter, approved by the Board of Directors and were taken on record at their respective meetings held on May 29, 2023.

Place: Meerut
Dated: May 29, 2023



For Bajaj Hindusthan Sugar Limited


Ajay Kumar Sharma
Managing Director
DIN 09607745