

Bajaj Hindusthan Sugar Ltd.

CIN: L15420UP1931PLC065243

Regd. Office: Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh- 262802

Tel.: +91-5876-233754/57/8, 233403, Fax: +91-5876-233401, Website: www.bajajhindusthan.com

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED JUNE 30, 2019

₹(crore)

Sl. No.	Particulars	Standalone			
		3 Months ended	Preceding	Corresponding	Previous year
		30.06.2019	3 Months ended	3 Months ended	ended
		31.03.2019	30.06.2018	31.03.2019	
		Unaudited	Unaudited	Unaudited	Audited
1.	Income				
	(a) Revenue from operations	1,653.96	2,126.86	1,456.24	6,803.82
	(b) Other income	4.65	37.19	42.73	163.61
	Total Income	1,658.61	2,164.05	1,498.97	6,967.43
2.	Expenses				
	a) Cost of materials consumed	656.20	2,937.43	939.77	5,658.63
	b) Changes in inventories of finished goods, by-products and work-in-progress	711.70	(1,378.82)	476.99	106.42
	c) Employee benefits expense	66.09	88.37	61.27	274.77
	d) Finance costs	79.27	76.15	86.67	321.78
	e) Depreciation and amortisation expense	53.69	58.16	48.81	211.33
	f) Other expenses	110.14	138.86	87.66	460.84
	g) Off-season expenses	-	-	(34.71)	-
	Total expenses	1,677.09	1,920.15	1,666.46	7,033.77
3.	Profit/ (Loss) before exceptional items and tax (1-2)	(18.48)	243.90	(167.49)	(66.34)
4.	Exceptional items	-	-	-	-
5.	Profit/(Loss) before tax (3-4)	(18.48)	243.90	(167.49)	(66.34)
6.	Tax expense	-	(2.31)	0.02	(2.26)
7.	Net Profit / (Loss) for the period after tax (5-6)	(18.48)	246.21	(167.51)	(64.08)
8.	Non controlling Interest	-	-	-	-
9.	Other comprehensive income (net of tax)	-	(27.52)	-	(27.52)
10.	Total comprehensive income for the period [comprising profit/ (loss) for the period (after tax) and other comprehensive income (after tax) (7-8+9)]	(18.48)	218.69	(167.51)	(91.60)
11.	Paid-up equity share capital (Face Value - Re.1/- per share)	113.36	113.36	113.36	113.36
12.	Other equity	NA	NA	NA	3,294.98
13.	Earnings per share (EPS) (of Re.1/- each) (not annualised)				
	(a) Basic (Rs. Per share)	(0.17)	2.24	(1.52)	(0.58)
	(b) Diluted (Rs. Per share)	(0.17)	2.24	(1.52)	(0.58)
	See accompanying notes to the Financial Results				

UNAUDITED STANDALONE SEGMENT- WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND PERIOD ENDED JUNE 30, 2019

₹(crore)

Sl. No.	Particulars	Standalone			
		3 Months ended	Preceding	Corresponding	Previous year
		30.06.2019	3 Months ended	3 Months ended	ended
		31.03.2019	30.06.2018	31.03.2019	
		Unaudited	Unaudited	Unaudited	Audited
1.	Segment Revenue				
	a. Sugar	1,650.29	2,372.09	1,472.54	7,035.00
	b. Distillery	134.82	121.96	145.73	524.95
	c. Power	178.62	639.02	238.64	1,265.65
	d. Others	1.92	1.98	1.91	7.73
	Total	1,965.65	3,135.05	1,858.82	8,833.33
	Less : Inter- segment Revenue	311.69	1,008.19	402.58	2,029.51
	Revenue from operations	1,653.96	2,126.86	1,456.24	6,803.82
2.	Segment Results (Profit/(Loss) before tax and interest)				
	a. Sugar	(14.39)	88.00	(206.81)	(338.22)
	b. Distillery	67.16	60.65	55.12	263.53
	c. Power	16.56	150.37	43.10	225.98
	d. Others	(1.16)	(0.56)	(1.48)	(4.14)
	Total	68.17	298.46	(110.07)	147.15
	Less: (i) Finance costs	(79.27)	(76.15)	(86.67)	(321.78)
	(ii) Interest Income	0.15	36.67	36.82	148.08
	(iii) Other Un-allocable Income net off Un-allocable Expenditure	(7.53)	(15.08)	(7.57)	(39.79)
	Total Profit / (Loss) before Tax	(18.48)	243.90	(167.49)	(66.34)
3.	Segment Assets				
	a. Sugar	7,938.34	8,675.00	8,362.50	8,675.00
	b. Distillery	884.54	876.53	897.01	876.53
	c. Power	1,196.12	1,247.86	1,250.10	1,247.86
	d. Others	206.96	207.92	211.02	207.92
	e. Unallocated	3,367.88	3,398.38	3,418.31	3,398.38
	Total	13,593.84	14,405.69	14,138.94	14,405.69
4.	Segment Liabilities				
	a. Sugar	3,444.81	4,162.62	3,371.76	4,162.62
	b. Distillery	29.48	29.15	38.97	29.15
	c. Power	7.38	3.00	1.32	3.00
	d. Others	0.54	0.56	1.57	0.56
	e. Unallocated	6,725.51	6,805.31	7,394.97	6,805.31
	Total	10,207.72	11,000.64	10,808.59	11,000.64

Contd.2...

- 1 Given 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 Company to the Joint Lender's Forum (JLF) of the Company in accordance with the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme) towards 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 law (including the ICDR Regulations). The OCDs carry a concessional coupon rate (1.00% p.a for the current financial year) and the difference between weighted average interest cost and said coupon rate (YTM) is payable along with redemption of OCDs in 13 annual equal instalments commencing from financial year 2024-25. Since premium to be paid is contingent on the occurrence of the event of redemption of OCDs, the YTM of Rs. 617.57 Crore from the date of allotment of OCDs till June 30, 2019 (Including Rs. 103.06 crore for the quarter ended June 30, 2019) is treated as 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 upto 30.06.2019.
- 3 The Company has non-Current investments (Long Term Investments) aggregating to Rs. 97.34 Crore in subsidiaries and current investment in a group Company of Rs. 770.13 Crore, loans and advances along with accrued interest of Rs. 1634.67 Crore and trade receivables of Rs. 16.27 Crore recoverable from subsidiaries and Loans and advances along with accrued interest of Rs. 511.86 Crore from other Company, all aggregating Rs. 3030.27 Crore. Some of these subsidiaries and other Companies have accumulated losses and/or negative net worth and/or current liabilities exceeding their respective current assets, as at the respective balance sheet dates. Management has evaluated this matter and is of the firm view that sufficient efforts are being undertaken to revive the said subsidiary and other companies in the foreseeable future so as to recover carrying value of the investment and the diminution, if any, even if it exists is only temporary. Further, management believes that the loans and advances given to these subsidiary and companies are considered good and recoverable based on the future projections, and ongoing efforts towards obligation casted on the Company and its promoters to recover the outstanding loans in phased manner in terms of the agreements executed to give effect to the debt restructuring schemes from time to time and accordingly no provision other than those already accounted for, has been considered necessary. Auditors have drawn matter of emphasis in their limited review report.
- 4 The Company has discontinued the policy of deferment of certain off season expenses to align with the requirement of IND AS 34 "interim financial reporting" since quarter ended December 31, 2018; all the deferred expenses have been charged off in quarter ended December 31, 2018. The corresponding quarter ended on June 30, 2018 included "deferred off season expenses" Rs. 34.71 Crore.
- 5 The Company has adopted Ind AS 116 with modified retrospective approach, with effect from April 1, 2019. Accordingly the comparative periods have not been restated. There is no impact of IND AS 116 adoption to the retained earnings as at April 1, 2019. The Company has recognized Rs. 11.54 Crore as right of use assets and the corresponding lease liability on the date of transition i.e April 1, 2019. Further, an amount of Rs. 0.56 Crore has been reclassified from non-current assets to right of use assets against security given for lease in previous period to depreciate for the right of use asset and finance cost for interest accrued on lease liability. There is no material impact on profit/ (loss) after tax and earning per share for the quarter ended June 30, 2019, on adoption of IND AS 116.
- 6 On the basis of principle of conservatism and prudence, company has not recognised interest income of Rs. 36.30 Crore on inter corporate debts for the quarter ended June 30, 2019.
- 7 For the quarter ended 30.06.2019 and previous years, company has incurred losses resulting into reduction of net worth to that extent. The losses were mainly attributable to high raw material i.e. Sugarcane Prices (as fixed by the Government) and relatively lower prices of finished goods i.e. Sugar and Molasses (determined by market forces based on the demand –supply situation), both of which are external factors. The company continue to operate at optimum levels and expects improvement in the operational efficiency in form of improvement in yield, sugar recovery, reduction of overheads, finance and other costs, sale of certain non-core assets etc. The debt restructuring as per RBI's S4A Scheme, will result into improved liquidity during next 7 years. Also pursuant to a favourable Order of Hon'ble Supreme Court of India, the Company expects to receive benefits under the Sugar Promotion Policy 2004. In view of the above, the management expects to generate positive cash flow from operation and accordingly, the financial statements are continued to be presented on going concern basis, which contemplates realisation of assets and settlement of liabilities in the normal course of business. This matter has been referred by auditors in their limited review report.
- 8 The figures for the quarter ended March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the financial year 2018-19.
- 9 The above results have been reviewed by the audit committee and approved by the Board of Directors at their respective meetings held on August 13, 2019.
- 10 Previous periods figures have been regrouped/ rearranged/ reworked/ restated wherever necessary to conform to the current period classification.

For Bajaj Hindusthan Sugar Limited

Sd/-

Place: Mumbai
Dated: August 13, 2019

D.K. Shukla
Director
DIN 00025409

- 1 Given 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 Group.
- 2 The Optionally Convertible Debentures (OCDs) aggregating to Rs. 3483.25 Crore issued by parent Company (BHSL) to the Joint Lender's Forum (JLF) of the parent Company in accordance with the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme) towards 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 parent Company at a price in accordance with applicable law (including the ICDR Regulations). The OCDs carry a concessional coupon rate (1.00% p.a for the current financial year) and the difference between weighted average interest cost and said coupon rate (YTM) is payable along with redemption of OCDs in 13 annual equal instalments commencing from financial year 2024-25. Since premium to be paid is contingent on the occurrence of the event of redemption of OCDs, the YTM of Rs. 617.57 Crore from the date of allotment of OCDs till June 30, 2019 (including Rs. 103.06 crore for the quarter ended June 30, 2019) is treated as 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 upto 30.06.2019.
- 3 The parent Company has current investment in a group Company other than subsidiary companies of Rs. 770.13 Crore, and also the group has exposure amounting to Rs. 1085.33 Crore relating to loans and advances along with accrued interest from other Company, all aggregating Rs. 1855.46 Crore. Some of these other Companies have accumulated losses and/or negative net worth and/or current liabilities exceeding their respective current assets, as at the respective balance sheet dates. Management has evaluated this matter and is of the firm view that sufficient efforts are being undertaken to revive the said other companies in the foreseeable future so as to recover carrying value of the investment and the diminution, if any, even if it exists is only temporary. Further, management believes that the loans and advances given to these companies are considered good and recoverable based on the future projections, and ongoing efforts towards obligation casted on the parent Company and its promoters to recover the outstanding loans in phased manner in terms of the agreements executed to give effect to the debt restructuring schemes from time to time and accordingly no provision other than those already accounted for, has been considered necessary. Auditors have drawn matter of emphasis in their limited review report.
- 4 The parent Company has discontinued the policy of deferment of certain off season expenses to align with the requirement of IND AS 34 "interim financial reporting" since quarter ended December 31, 2018; all the deferred expenses have been charged off in quarter ended December 31, 2018. The corresponding quarter ended on June 30, 2018 included "deferred off season expenses" Rs. 34.71 Crore.
- 5 The Group has adopted Ind AS 116 with modified retrospective approach, with effect from April 1, 2019. Accordingly the comparative periods have not been restated. There is no impact of IND AS 116 adoption to the retained earnings as at April 1, 2019. The Group has recognized Rs. 11.54 Crore as right of use assets and the corresponding lease liability on the date of transition i.e April 1, 2019. Further, an amount of Rs. 0.56 Crore has been reclassified from non-current assets to right of use assets against security given for lease in previous period to depreciate for the right of use asset and finance cost for interest accrued on lease liability. There is no material impact on consolidated profit/ (loss) after tax and earning per share for the quarter ended June 30, 2019, on adoption of IND AS 116.
- 6 On the basis of principle of conservatism and prudence, group has not recognised interest income of Rs. 19.59 Crore on inter corporate debts for the quarter ended June 30, 2019
- 7 For the quarter ended 30.06.2019 and previous years, parent Company has incurred losses resulting into reduction of net worth to that extent. The losses were mainly attributable to high raw material i.e. Sugarcane Prices (as fixed by the Government) and relatively lower prices of finished goods i.e. Sugar and Molasses (determined by market forces based on the demand –supply situation), both of which are external factors. The parent Company continue to operate at optimum levels and expects improvement in the operational efficiency in form of improvement in yield, sugar recovery, reduction of overheads, finance and other costs, sale of certain non-core assets etc. The debt restructuring of parent Company as per RBI's S4A Scheme, will result into improved liquidity during next 7 years. Also pursuant to a favourable Order of Hon'ble Supreme Court of India, the parent Company expects to receive benefits under the Sugar Promotion Policy 2004. In view of the above, the management expects to generate positive cash flow from operation and accordingly, the financial statements are continued to be presented on going concern basis, which contemplates realisation of assets and settlement of liabilities in the normal course of business. This matter has been referred by auditors in their limited review report.
- 8 The figures for the quarter ended March 31, 2019 and the quarter June 30, 2018, included in the statement of consolidated Financial Results for the Quarter ended June 30, 2019 have been approved by the Holding Company's Board of Directors, but have not been subjected to review as the mandatory requirement for limited review has been made applicable for periods beginning from April 1, 2019, pursuant to Regulation 33(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. The figures for the quarter ended March 31, 2019 and June 30, 2018 are management certified figures.
- 9 The above results have been reviewed by the audit committee and approved by the Board of Directors at their respective meeting held on August 13, 2019.
- 10 Previous periods figures have been regrouped/rearranged/reworked/restated wherever necessary to conform to the current period classification.

For Bajaj Hindusthan Sugar Limited

Place: Mumbai
Dated: August 13, 2019

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D.K. Shukla
Director
DIN 00025409