

February 02, 2018.

**To
The Department of Corporate Affairs
M/s. Bombay Stock Exchange Limited
25th Floor, Phiroz Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001**

Dear Sir/Madam,

**Sub: Outcome of Board Meeting – Reg.,
Ref: Our Board Meeting Notice Dated January 27, 2018**

.....

We wish to inform you that the Board of Directors of the Company at their meeting held today, i.e. February 02, 2018 has inter alia among other things approved the following:

1. Unaudited Financial Results for the quarter ended December 31, 2017, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Appointment of Mr. Chetan Kumar Sharma as Company Secretary of the Company w.e.f. February 02, 2018.

A copy of Unaudited Financial Results and Limited Review Report issued by our Statutory Auditors, MOS & Associates LLP, Chartered Accountants, Hyderabad, for the quarter ended December 31, 2017 is enclosed herewith. These are also being made available on the website of the Company at www.gayatrisugars.com.

The Board Meeting Commenced at 03:00 P.M. and concluded at 05:30 P.M.

This is for your information and records.

Yours faithfully
For **GAYATRI SUGARS LIMITED**


**(T. SARITA REDDY)
MANAGING DIRECTOR
DIN: 00017122**

Regd. & Corp. Office :

Gayatri Sugars Limited, B2, 2nd Floor, 6-3-1090, TSR Towers,
Raj Bhavan Road, Somajiguda, Hyderabad 500 082. Telangana

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Factories :

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Nizamsagar Unit : Maagi, Nizamsagar Mandal,
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CIN : L15421TG1995PLC020720

GAYATRI SUGARS LIMITED						
CIN : L15421TG1995PLC020720						
Regd. Office : 6-3-1090, TSR TOWERS, B-2, 2nd Floor, Raj Bhavan Road, Somajiguda, Hyderabad-500082						
STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017						
(₹ in lakhs)						
S.No	Particulars	Quarter ended			Nine months ended	
		31.12.2017 (Unaudited)	30.09.2017 (Unaudited)	31.12.2016 (Unaudited)	31.12.2017 (Unaudited)	31.12.2016 (Unaudited)
1	Income					
	a. Revenue from Operations	6,899.41	1,443.61	2,174.00	9,871.88	17,263.00
	b. Other Income	3.14	0.32	-	3.67	1.00
	Total Income	6,902.55	1,443.93	2,174.00	9,875.55	17,264.00
2	Expenses					
	a. Cost of Material Consumed	7,609.96	53.58	3,414.00	7,674.94	3,806.00
	b. Changes in Inventories of finished goods, Work-in-Progress and Stock-in-trade	(3,104.22)	1,333.07	(3,065.00)	(762.01)	7,599.00
	c. Excise Duty	-	-	220.00	49.45	272.00
	d. Employee Benefits Expense	415.67	368.22	408.00	1,158.39	1,170.00
	e. Finance costs	422.75	471.96	526.00	1,390.36	1,597.00
	f. Depreciation and Amortization Expense	254.94	253.07	250.00	757.10	747.00
	g. Other Expenses	830.87	533.14	687.00	1,598.02	1,908.00
	Total Expenses	6,429.97	3,013.04	2,440.00	11,866.25	17,099.00
3	Profit/ (Loss) before exceptional items and tax (1-2)	472.58	(1,569.11)	(266.00)	(1,990.70)	165.00
4	Exceptional items	-	-	-	-	-
5	Net Profit/ (Loss) before tax (3+4)	472.58	(1,569.11)	(266.00)	(1,990.70)	165.00
6	Tax expenses	-	-	-	-	-
7	Net Profit/ (Loss) after tax (5-6)	472.58	(1,569.11)	(266.00)	(1,990.70)	165.00
8	Other comprehensive income					
	<i>Items that will not be reclassified to profit or loss:</i>					
	(a) Actuarial gain/ (loss) on defined benefit obligations	4.86	3.17	3.53	11.60	(14.71)
9	Total other comprehensive income (7 + 8)	477.44	(1,565.94)	(262.47)	(1,979.10)	150.29
10	Paid Up Equity Share Capital (Face Value Rs.10/- per Share)	4,370.00	4,370.00	4,370.00	4,370.00	4,370.00
11	Earnings per Share (of Rs.10/- each) (not annualised)					
	- Basic (Rs)	0.73	(3.59)	(0.78)	(5.08)	(0.13)
	- Diluted (Rs)	0.67	*(3.59)	(0.78)	*(5.08)	(0.13)
	*(is anti-dilutive)					



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SEGMENT REPORTING UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015 FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017						
(₹ in lakhs)						
S.No	Particulars	Quarter ended			Nine months ended	
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Segment Revenue					
	a) Sugar	6,455.38	861.51	1,971.00	8,073.48	15,759.00
	b) Distillery	643.31	582.10	533.00	1,997.68	2,158.00
	Total	7,098.69	1,443.61	2,504.00	10,071.16	17,917.00
	Less : Inter Segment Revenue	199.28	-	330.00	199.28	654.00
	Revenue from Oprations	6,899.41	1,443.61	2,174.00	9,871.88	17,263.00
2	Segment Results					
	a) Sugar	807.81	(1,093.13)	247.00	(917.99)	1,549.00
	b) Distillery	84.37	(4.34)	13.00	313.98	212.00
	Total	892.18	(1,097.47)	260.00	(604.01)	1,761.00
	Less : Inter Segment Eliminations	-	-	-	-	-
	Total Segment results before Interest and Tax	892.18	(1,097.47)	260.00	(604.01)	1,761.00
	(i) Finance cost	422.75	471.96	526.00	1,390.36	1,597.00
	(ii) Other un-allocable income	3.14	0.32	-	3.67	1.00
	Profit/(Loss) before Tax	472.57	(1,569.11)	(266.00)	(1,990.70)	165.00
	Tax	-	-	-	-	-
	Net Profit /(Loss) after Tax	472.57	(1,569.11)	(266.00)	(1,990.70)	165.00
3	Segment Assets					
	a) Sugar	16,899.83	13,515.81	15,846.00	16,899.83	15,486.00
	b) Distillery	2,979.75	3,035.19	3,652.00	2,979.75	3,652.00
	c) Un-allocated	12.17	8.20	6.00	12.17	6.00
	Total	19,891.75	16,559.20	19,504.00	19,891.75	19,144.00
4	Segment Liabilities					
	a) Sugar	25,947.05	23,105.45	24,006.00	25,947.05	24,006.00
	b) Distillery	42.96	14.55	510.00	42.96	510.00
	c) Un-allocated	8.03	8.03	8.00	8.03	8.00
	Total	25,998.04	23,128.03	24,524.00	25,998.04	24,524.00
Notes on segment information :						
a)	The Company is carrying on business segments of sugar and distillery. Based on the "management approach" as defined in Ind AS 108 -Operating segments, the Company evaluates and allocates resources based on the performance by business segments. The segment reporting is presented accordingly. The Accounting principles are applied to record revenue and expenditure of individual segments in preparation of financial statements.					
b)	The segment results represents the profit earned or loss incurred before interest and tax by each segment.					



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Notes :

- 1 The above financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 02, 2018.
- 2 As notified by the Ministry of Corporate Affairs (MCA) the Indian Accounting Standards (Ind AS) are applicable to the Company for the Financial Year commencing from 1st April, 2017. Accordingly the Company has adopted Ind AS from 1st April, 2017 with transition date of 1st April, 2016 and the financial results for the Quarter and Nine months ended 31st December, 2017 is prepared in accordance with the principles laid down in the India Accounting Standard (Ind AS) 34 - Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued there-under and other accounting principles generally accepted in India and the Statutory Auditors have carried out a Limited Review of the same.
- 3 The financial results for the corresponding Quarter and Nine months ended 31st December, 2016 have been subjected to limited review. The Ind AS complied financial results for previous year ended 31st March, 2017 have not been provided as per exemption given in SEBI Circular No.CIR/CFD/FAC/62/2016 .
- 4 The reconciliation of the corresponding financial results for the Quarter and Nine months ended 31st December, 2016 to those reported under previous generally accepted accounting principles ("GAAP") is summarised as follows:
- | ₹ in Lakhs | | |
|--|---------------------------------------|--|
| Particulars | Quarter ended
December 31,
2016 | Nine months
ended
December 31,
2016 |
| Net profit/ (loss) after tax as reported under previous GAAP | (266.00) | 165.00 |
| Reclassification of Actuarial gain / (loss) arising in respect of the employees benefit scheme to other comprehensive income (OCI) | 3.53 | (14.71) |
| Net profit/ (loss) after tax as reported under Ind AS | (262.47) | 150.29 |
- 5 Sugar Industry being seasonal, the performance of the Company for the current and previous quarters are not comparable.
- 6 Operating Revenue and cost for the Quarter and Nine months ended 31st December, 2017 are not comparable with the corresponding Quarter and Nine Months ended respectively because of implementation of GST resulting into change in tax structure w.e.f July 01, 2017.
- 7 The Company treated the estimated liability of electricity duty payable to the State Government on captive generation relating to earlier years aggregating to ₹ 283.99 Lakhs as contingent liability, since the management of the company is of the view that as the BIFR was abated and no demand notices were received thereafter for the payment.
- 8 Over the last few years, the Company has been incurring losses and as at December 31, 2017 the accumulated losses have completely eroded the net worth and its current liabilities exceeded the current assets as on that date.
The financial results have been prepared on a going concern basis, based on a Comfort letter provided by the promoters for continued support to the Company to meet its financial obligations, in order to enable the Company to continue its operations in the foreseeable future.

Place : Hyderabad
Date : February 02, 2018



T. Sarita Reddy
T.SARITA REDDY
MANAGING DIRECTOR

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Independent Auditors' Review Report on Review of Interim Financial Results

To
The Board of Directors
Gayatri Sugars Limited

1. We have reviewed the accompanying statement of Standalone Unaudited Financial Results of M/s. **Gayatri Sugars Limited ('the Company')** for the quarter and nine months period ended 31st December, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 05th July 2016.
2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors and has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("IND AS 34") prescribed under section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. *Attention is invited to the following matter:*
 - i) *Note.7 of this statement regarding the High Court dismissing the writ filed by the Company challenging the levy of electricity duty by the State Government on consumption of electricity by captive generating units, the sub sequential dismissal of special leave petition by the Honorable Supreme Court and the pending matter before the Board for Industrial and Financial Reconstruction (BIFR) being abated. As stated in the said note, the Company has treated the estimated duty amount aggregating Rs 283.99 Lakhs as a contingent liability and no provision has been made in respect of the same.*

In view of the above, we are unable to comment on the ultimate outcome of the matter and the consequential impact, if any on these financial results

5. Based on our review conducted as stated above, except for the possible effects of the matter described in paragraph 4(i) above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing



Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/ 2016 dated 05th July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Attention is invited to the following material matters

- a) Note.8 of the Statement, regarding the preparation of financial results on a going concern basis.
- b) The figures for the quarter and Nine months ended 31st December 2016 included in this statement under report were reviewed by another firm of Chartered Accountants who were the preceding statutory auditors who expressed a modified conclusion thereon in respect of levy of electricity duty by the state government on sale and consumption of electricity by captive generation units and treatment of the same as a contingent liability vide their reports dated 10th February 2017

Our conclusion is not modified in respect of above matters.

For **M O S & ASSOCIATES LLP**
Chartered Accountants
Firm's Registration No. 001975S/S200020



Momen Mani

Partner

Membership No. 234119

Place: Hyderabad
Date: 02nd February 2018