

February 07, 2019

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: Intimation of the Outcome of Board Meeting – Reg.,
Ref: Our Board Meeting Notice Dated January 31, 2019
.....

We wish to inform you that the Board of Directors of the Company at their meeting held today, i.e. February 07, 2019 has inter alia, and transacted the following business:

- Approved the Unaudited Financial Results for the quarter and Nine months ended December 31, 2018, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The meeting commenced at 12:00 P.M and concluded at 01:00 P.M.

A copy of the said results together with Limited Review Report issued by our Statutory Auditors, M/s. MOS & Associates LLP is enclosed herewith. These results are also made available on the website of the Company being at www.gayatrisugars.com.

This is for your information and records.

Yours faithfully

GAYATRI SUGARS LIMITED



Chetan Kumar Sharma
Company Secretary & Compliance Officer

Encl: As Above

Regd. & Corp. Office :

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

Factories :

Kamareddy Unit : Adloor Yellareddy, Sadasivanagar Mandal,
Kamareddy Dist. - 503 145. Telangana

Nizamsagar Unit : Maagi, Nizamsagar Mandal,
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CIN : L15421TG1995PLC020720

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GAYATRI SUGARS LIMITED

CIN : L15421TG1995PLC020720

Regd. Office : 6-3-1090, TSR TOWERS, B-2, 2nd Floor,
Raj Bhavan Road, Somajiguda, Hyderabad-500082

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2018

S.No	Particulars	(₹ in lakhs)					
		Quarter ended			Nine months ended		Year ended
		31.12.2018 (Unaudited)	30.09.2018 (Unaudited)	31.12.2017 (Unaudited)	31.12.2018 (Unaudited)	31.12.2017 (Unaudited)	31.03.2018 (Audited)
1	Income						
	Revenue from operations	9,907.86	2,813.68	6,899.41	18,219.14	9,871.88	25,138.10
	Other Income	11.15	0.92	3.14	14.24	3.67	19.18
	Total Income	9,919.01	2,814.60	6,902.55	18,233.38	9,875.55	25,157.28
2	Expenses						
	a. Cost of Material Consumed	8,716.74	82.89	7,609.96	8,947.81	7,674.94	20,743.54
	b. Purchase of stock-in-trade	1.09	72.79	-	89.88	-	408.33
	c. Changes in Inventories of finished goods, Work-in-Progress and Stock-in-trade	(1,517.51)	2,509.64	(3,104.22)	5,853.50	(762.01)	(5,160.80)
	d. Excise Duty	-	-	-	-	49.45	49.45
	e. Employee Benefits Expense	509.99	416.38	415.67	1,325.09	1,158.39	1,663.17
	f. Finance costs	469.40	545.53	422.75	1,490.95	1,390.36	2,007.81
	g. Depreciation and Amortization Expense	256.00	253.26	254.94	760.64	757.10	1,007.51
	h. Other Expenses	1,425.85	489.28	830.87	2,394.24	1,598.02	3,142.77
	Total Expenses	9,861.56	4,369.77	6,429.97	20,862.11	11,866.25	23,861.78
3	Profit/ (Loss) before exceptional items and tax (1-2)	57.45	(1,555.17)	472.58	(2,628.73)	(1,990.70)	1,295.50
4	Exceptional items	-	-	-	-	-	-
5	Net Profit/ (Loss) before tax (3+4)	57.45	(1,555.17)	472.58	(2,628.73)	(1,990.70)	1,295.50
6	Tax expenses	-	-	-	-	-	-
7	Net Profit/ (Loss) after tax (5-6)	57.45	(1,555.17)	472.58	(2,628.73)	(1,990.70)	1,295.50
8	Other comprehensive income						
	Items that will not be reclassified to profit or loss:						
	(a) Actuarial gain/ (loss) on defined benefit obligations	(11.16)	(13.49)	4.86	(40.94)	11.60	(79.39)
9	Total other comprehensive income (7 + 8)	46.29	(1,568.66)	477.44	(2,669.67)	(1,979.10)	1,216.11
10	Paid Up Equity Share Capital (Face Value ₹ 10/- per Share)	4,370.05	4,370.05	4,370.05	4,370.05	4,370.05	4,370.05
11	Reserves						(11,372.63)
12	Earnings per Share (of ₹ 10/- each) (not annualised for quarterly and half year figures):						
	- Basic (₹)	(0.04)	(3.73)	0.73	(6.36)	(5.08)	2.28
	- Diluted (₹) (*antidilutive)	*(0.04)	*(3.73)	0.67	*(6.36)	*(5.08)	1.75

For GAYATRI SUGARS LTD.

T. Sarita Reddy
T. SARITA REDDY
Managing Director



GAYATRI SUGARS LIMITED

CIN : L15421TG1995PLC020720

Regd. Office : 6-3-1090, TSR TOWERS, B-2, 2nd Floor,

Raj Bhavan Road, Somajiguda, Hyderabad-500082

SEGMENT REPORTING UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015 FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER, 2018

S.No	Particulars	(₹ in lakhs)					
		Quarter ended			Nine months ended		Year ended
		31.12.2018 (Unaudited)	30.09.2018 (Unaudited)	31.12.2017 (Unaudited)	31.12.2018 (Unaudited)	31.12.2017 (Unaudited)	31.03.2018 (Audited)
1	Segment Revenue						
	a) Sugar	8,224.50	2,401.26	6,455.38	15,681.54	8,073.48	23,232.48
	b) Distillery	2,006.71	486.62	643.31	3,259.13	1,997.68	2,848.58
	Total	10,231.21	2,887.88	7,098.69	18,940.67	10,071.16	26,081.06
	Less : Inter Segment Revenue	323.35	74.20	199.28	721.53	199.28	942.96
	Revenue from Operations	9,907.86	2,813.68	6,899.41	18,219.14	9,871.88	25,138.10
2	Segment Results						
	a) Sugar	137.59	(872.14)	807.82	(1,763.42)	(917.99)	2,129.53
	b) Distillery	378.11	(138.42)	84.37	611.40	313.98	1,154.60
	Total Segment results before Interest and Tax	515.70	(1,010.56)	892.19	(1,152.02)	(604.01)	3,284.13
	(i) Finance cost	469.40	545.53	422.75	1,490.95	1,390.36	2,007.81
	(ii) Other un-allocable income	11.15	0.92	3.14	14.24	3.67	19.18
	Profit/(Loss) before Tax	57.45	(1,555.17)	472.58	(2,628.73)	(1,990.70)	1,295.50
	Tax	-	-	-	-	-	-
	Net Profit /(Loss) after Tax	57.45	(1,555.17)	472.58	(2,628.73)	(1,990.70)	1,295.50
3	Segment Assets						
	a) Sugar	17,069.64	14,242.31	16,899.83	17,069.64	16,899.83	20,796.42
	b) Distillery	3,860.46	3,723.13	2,979.75	3,860.46	2,979.75	3,877.16
	c) Un-allocated	8.43	15.63	12.17	8.43	12.17	12.22
	Total	20,938.53	17,981.07	19,891.75	20,938.53	19,891.75	24,685.80
4	Segment Liabilities						
	a) Sugar	30,421.09	27,404.16	25,947.05	30,421.09	25,947.05	31,575.68
	b) Distillery	182.62	288.35	42.96	182.62	42.96	104.67
	c) Un-allocated	8.03	8.03	8.03	8.03	8.03	8.03
	Total	30,611.74	27,700.54	25,998.04	30,611.74	25,998.04	31,688.38

Notes on segment information :

- 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 results.
- The segment results represents the profit earned or loss incurred before interest and tax by each segment.

For GAYATRI SUGARS LTD.

T. SARITA REDDY
Managing Director

**GAYATRI SUGARS LIMITED****CIN : L15421TG1995PLC020720****Regd. Office : 6-3-1090, TSR TOWERS, B-2, 2nd Floor,
Raj Bhavan Road, Somajiguda, Hyderabad- 500 082****Notes :**

- 1 The above financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 7th February, 2019.
- 2 The Government of India introduced the Goods and Service Tax (GST) effective from 1st July, 2017. Accordingly, in compliance with Indian Accounting Standards, Revenue from operations for the period beginning from the effective date is presented net of GST. Therefore, Revenue from operations for the nine months ended 31st December, 2018 (net of GST) and Revenue from operations for the corresponding nine months ended 31st December, 2017 (being inclusive of excise duty for the first quarter of 2017-18), are therefore not comparable.
- 3 Ind AS 115 "Revenue from Contracts with customers" is effective from 1st April 2018, the Company has adopted Ind AS 115 and the same did not have any material impact on the financial statements of the Company.
- 4 The Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh dismissed the Company's writ petition (along with the other petitions on the same matter filed by other companies) vide its common order dated May 19, 2016 ('the Order') in which it upheld the validity of levy of Electricity Duty @ 25 paise per unit by the State Government on consumption of electricity by captive generating units relating to earlier years. During the previous year, the Company filed a Special Leave Petition (SLP) in the Hon'ble Supreme Court which dismissed the SLP vide order dated September 27, 2016 on the grounds that these matters were pending before the Board for Industrial and Financial Reconstruction (BIFR), and unless payments were being made by the petitioners as directed in its interim orders @ 15 paise per unit. The Hon'ble Supreme Court also granted liberty to the petitioners to revive the petitions after the decision is given by the BIFR. Currently, the case filed before BIFR stands abated and the Company has not initiated any proceedings before the NCLT.

The management is of the view that as the case filed before BIFR stands abated and no demand notices were received thereafter for the payment, the Company has treated the estimated duty amount aggregating ₹ 284 lakhs as a Contingent Liability and no provision has been made in respect of the same. In the event of an unfavorable verdict/outcome in this matter, the Management based on the Supreme Court's interim orders and considering the inherent uncertainty in predicting the final outcome of the above litigation estimates the impact of the potential liability to be ₹ 170 lakhs.

In view of the above, the auditors have made a observations in their Limited Review Report about their inability to comment on the ultimate outcome of this matter and the consequential impact, if any, on these financial results.
- 5 Over the last few years, the Company has been incurring losses and as at 31st December, 2018, 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.
- 6 Sugar Industry being seasonal, the performance of the Company for the current and previous quarters are not comparable.
- 7 Previous period's figures have been regrouped / reclassified wherever considered necessary to correspond with the current period's classification/ disclosures.

Place : Hyderabad
Date : 7th February, 2019



T. Sarita Reddy
Managing Director



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 2018 ("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. The statement which is the responsibility of the Company's Management, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and has been approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review.
2. 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.

3. *Attention is invited to the following material matter:*

- i) *Note. 4 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.*

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.

4. Based on our review conducted as stated above, except for the possible effects of the matter described in paragraph 3(i) above, nothing has come to our attention that causes us to believe that the accompanying Statement, 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.



5. Attention is invited to the following material matter:

- i) Note. 5 of the Statement, regarding the preparation of financial results on a going concern basis.


Our conclusion is not qualified in respect of above matter.

For M O S & ASSOCIATES LLP

Chartered Accountants

Firm's Registration No. 001975S/S200020


Gommen Mani
Partner
Membership No. 234119



Place: Hyderabad

Date: 7th February, 2019