



GAYATRI

GAYATRI SUGARS LIMITED

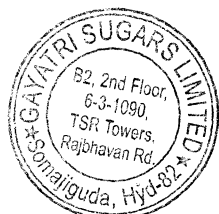
CIN NO.L15421TG1995PLC020720

Registered office : Door No.6-3-1090, B-2, T.S.R. Towers,
Rajbhavan Road, Somajiguda, Hyderabad-500 082

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

Sr. No	Particulars	Quarter Ended			Year Ended	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
		Audited	Unaudited	Audited	Audited	Audited
		Refer Note 2		Refer Note 2		
1.	Income					
	a). Revenue from sales	7,502	2,173	10,550	24,746	25,418
	b). Other operating income	13	1	20	32	39
	c). Other income	4	-	30	5	39
	Total income	7,519	2,174	10,600	24,783	25,496
2.	Expenses					
	a) Cost of materials consumed	2,988	3,380	11,051	6,794	17,897
	b) Changes in inventories of finished goods and work- in-progress	1,594	(3,065)	(6,545)	9,193	(770)
	c) Excise duty	327	254	1,055	599	1,313
	d) Employee benefits expense	365	408	570	1,535	1,566
	e) Finance costs	463	526	485	2,060	2,345
	f) Depreciation and amortisation expense	247	250	246	994	984
	g) Other expenses	770	687	2,112	2,678	3,740
	Total expenses	6,754	2,440	8,974	23,853	27,075
3.	Profit/(Loss) before exceptional items and tax (1-2)	765	(266)	1,626	930	(1,579)
4.	Exceptional items (Refer Note 6)	150	-	-	150	227
5.	Profit/(Loss) before tax (3+4)	915	(266)	1,626	1,080	(1,352)
6.	Tax expenses	-	-	-	-	-
7.	Profit / (Loss) after tax (5-6)	915	(266)	1,626	1,080	(1,352)
8.	Paid-up equity share capital (Face value ₹ 10 per share)	4,370	4,370	4,370	4,370	4,370
9.	Reserves excluding Revaluation reserves	-	-	-	(12,589)	(13,669)
10.	Earnings per share (of ₹ 10 each) (not annualised)					
	a). Basic (₹)	2.08	(0.78)	3.55	1.95	# (3.77)
	b). Diluted (₹)	1.43	*(0.78)	3.55	1.56	# *(3.77)
	* (is anti-dilutive)					
	# annualised					



T. Sanku Reddy

Regd. & Corp. Office :

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F +91 40 2341 4827E gayatrisugars@gmail.com
W www.gayatrisugars.com

Factories :

Kamareddy Unit : Adloor Yellareddy, Sadasivanagar Mandal,
Nizamabad Dist. - 503 145. TelanganaT +91 8468 248558
F +91 8468 248559**Nizamsagar Unit** : Maagi, Nizamsagar Mandal,
Nizamabad Dist. - 503 302. Telangana

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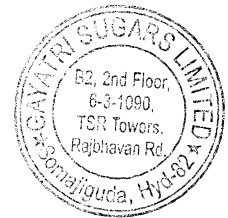
Statement of Assets and Liabilities

(₹ in lakhs)

	Particulars	As at	As at
		March 31, 2017	March 31, 2016
		Audited	Audited
A	EQUITY AND LIABILITIES		
	1. Shareholders' funds		
	(a). Share capital	8,485	8,485
	(b). Reserves and surplus	(12,589)	(13,669)
	Sub-total - Shareholders' Fund	(4,104)	(5,184)
	2. Non-current liabilities		
	(a). Long-term borrowings	6,139	7,454
	(b). Other Long-term Liabilities	2,263	234
	(c). Long-term provisions	381	338
	Sub-total - Non-current liabilities	8,783	8,026
	3. Current liabilities		
	(a). Short-term borrowings	6,559	6,431
	(b). Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,266	8,726
	(c). Other current liabilities	7,416	9,537
	(d). Short-term provisions	30	27
	Sub-total - Current liabilities	15,271	24,721
	TOTAL EQUITY AND LIABILITIES	19,950	27,563
B	ASSETS		
	1. Non-current assets		
	(a). Fixed assets		
	(i) Tangible Assets	12,135	13,031
	(ii) Intangible Assets	2	-
	(iii) Capital work in progress	9	-
	(b). Long term loans & advances	90	-
	(c). Other non current assets	2	-
	Sub-total - Non-current assets	12,238	13,031
	2. Current assets		
	(a). Inventories	4,056	13,239
	(b). Trade receivables	1,606	498
	(c). Cash and cash equivalents	860	111
	(d). Short-term loans and advances	1,125	525
	(e). Other Current Assets	65	159
	Sub-total - Current assets	7,712	14,532
	TOTAL ASSETS	19,950	27,563



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SEGMENT REPORTING UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015 FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

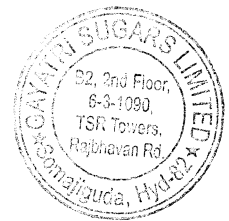
Sr. No	Particulars	Quarter Ended			Year Ended	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
		Audited	Unaudited	Audited	Audited	Audited
		(Refer Note 2)		(Refer Note 2)		
1.	Segment Revenue					
	a) Sugar	6,673	1,971	11,103	22,432	25,096
	b) Distillery	950	533	541	3,108	1,935
	Total	7,623	2,504	11,644	25,540	27,031
	Less: Inter Segment Revenue	108	330	1,074	762	1,574
	Revenue from Operations (gross of excise duty)	7,515	2,174	10,570	24,778	25,457
2.	Segment Results					
	a) Sugar *	1,304	247	2,349	2,853	1,202
	b) Distillery	70	13	(268)	282	(248)
	Total	1,374	260	2,081	3,135	954
	Less: Inter Segment elimination	-	-	-	-	-
	Total segment results before interest and tax	1,374	260	2,081	3,135	954
	(i) Finance Costs @	(463)	(526)	(485)	(2,060)	(2,345)
	(ii) Other un-allocable Income	4	-	30	5	39
	Profit/(Loss) before tax	915	(266)	1,626	1,080	(1,352)
	Tax	-	-	-	-	-
	Net Profit/(Loss) after tax	915	(266)	1,626	1,080	(1,352)
3.	Segment Assets					
	a) Sugar	16,018	15,846	23,756	16,018	23,756
	b) Distillery	3,926	3,652	3,801	3,926	3,801
	c) Un-allocated	6	6	6	6	6
	Total	19,950	19,504	27,563	19,950	27,563
4.	Segment Liabilities					
	a) Sugar	23,923	24,006	32,512	23,923	32,512
	b) Distillery	123	510	227	123	227
	c) Un-allocated	8	8	8	8	8
	Total	24,054	24,524	32,747	24,054	32,747

* Sugar results for the quarter and year ended March 31, 2017 includes ₹150 lakhs (Refer Note 6 (a)) and for the year ended March 31, 2016 includes differential energy tariff ₹ 227 lakhs (Refer Note 6(b)).

@ Finance costs to be adjusted to sugar results



T. Santosh Reddy



Regd. & Corp. Office

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Notes:

- 1 The above results have been reviewed and recommended by the Audit Committee and taken on record and approved by the Board of Directors at their meetings held on May 29, 2017.
- 2 The figures of the quarter ended March 31, 2017 and quarter ended March 31, 2016 are the balancing figures between the audited figures of the full financial year ended March 31, 2017 and March 31, 2016, respectively, and the published year to date figures upto nine months ended December 31, 2016 and December 31, 2015, respectively.
- 3 Sugar Industry being seasonal, the performance of the Company varies from quarter to quarter.
- 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 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 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 unfavourable verdict 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 qualification in their Audit 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 March 31, 2017 the accumulated losses amounting to ₹ 12,805 lakhs (Previous year ₹ 13,885 lakhs) have completely eroded the net worth and, its current liabilities exceeded the current assets as on that date. The Sugar Companies have been facing financial difficulties on account of higher sugar cane prices, lower realization of sugar and high finance cost.

Owing to the complete erosion of the net-worth of the Company, the Board of Directors, in their meeting held on August 14, 2015 decided to make a reference under the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) to the Board for Industrial and Financial Reconstruction (BIFR) which in their hearing held on October 19, 2016 declared the Company as a Sick Industrial Company under section 3 (1) (i) of SICA, 1985. The BIFR appointed IDBI as the Operating Agency (OA) and the Company was required to submit the Draft Rehabilitation Proposal to the OA within a period of 8 weeks and the next date of hearing by the BIFR was fixed on December 27, 2016. Consequent to the repeal of SICA w.e.f. December 1, 2016, the case filed by the Company under the BIFR stands abated and the Company has an option to file a revised petition within 180 days before the NCLT. Based on the discussions with several lenders/Banks, the Company has decided not to initiate the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016, before the NCLT.

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 (a) Exceptional item for the quarter and year ended March 31, 2017 represents liability no longer required and written back of ₹150 lakhs relating to non-fulfillment of contractual obligations/damages.
- (b) Exceptional item for the year ended March 31, 2016 - The Telangana State Electricity Regulatory Commission (TSERC) passed the final order on September 18, 2015 for upward revision of tariff in favour of the Company in respect of energy exported in the earlier years. On receipt of the TSERC order, the Company recognised the differential revenue of ₹ 227 lakhs, which amount was also received.

- 7 In the earlier years the Company paid interest on Working Capital loans raised from the Banks at a concessional rate under Corporate Debt Restructuring ('CDR') scheme as per the Reserve Bank of India guidelines, pursuant to which, the Banks had a Right of Recompense ('ROR') i.e. interest rate concession given earlier to the Company, which shall be compensated by the Company at the end of the scheme.

During the quarter and year ended March 31, 2017, the Company has allotted 69,50,500 Secured Unlisted Non-Convertible Debentures (NCD) of ₹ 10/- each at a coupon rate of 4% to the Banks.

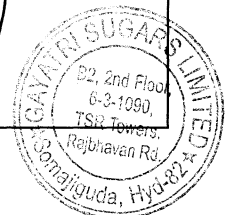
- 8 The tenure of appointment of the Executive Director (designated as a Managing Director w.e.f August 29, 2016) ended on April 30, 2016. The Remuneration Committee and the Board of Directors of the Company at their respective meetings held on May 20, 2016, approved the appointment and payment of remuneration for a period of three years with effect from May 1, 2016 on the same terms of earlier appointment. The said appointment and payment/provision of remuneration was approved by the shareholders in the Annual General Meeting held on September 26, 2016. The Company has sought the necessary approval from Central Government, whose response is pending.

- 9 Previous period's figures have been regrouped / rearranged wherever considered necessary to correspond with the current period's classification/ disclosures.

Place: Hyderabad
Date: May 29, 2017



T. Sarita Reddy
T. Sarita Reddy
Managing Director



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**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF
GAYATRI SUGARS LIMITED**

1. We have audited the accompanying Statement of Financial Results of **GAYATRI SUGARS LIMITED** ("the Company") for the year ended March 31, 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.
2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related financial statements which has been prepared in accordance with the Accounting Standards 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 express an opinion on the Statement based on our audit of such financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards requires that comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment including the assessment of risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion.

4. Attention is drawn to Note 4 of the 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 subsequent dismissal of special leave petition by the Hon'ble 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 ₹ 284 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 the Statement.

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5. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects for the matter described in paragraph 4 above, the Statement:

(i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

(ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Company for the year ended March 31, 2017.

6. (a) We draw attention to Note 5 of the Statement, which indicates that as at March 31, 2017 the accumulated losses amounting to ₹ 12,805 lakhs have completely eroded the net-worth of the Company and, the current liabilities exceeded the current assets as on that date. These conditions along with other matters as set forth in Note 5 of the Statement, including dependence on continuous support from its promoters, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Board for Industrial and Financial Reconstruction (BIFR) declared the Company as a sick industrial company under section 3 (1) (o) of SICA, 1985 vide its order in October, 2016. Consequently, the case filed by the Company under the BIFR stands abated. We have been informed that based on its discussions with several lenders/Banks, the Company has decided not to initiate the corporate insolvency resolution process under the Insolvency and Bankruptcy Code 2016, before the NCLT.

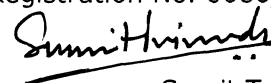
These financial results have been prepared on a going concern basis for the reasons stated in the said Note.

(b) We draw attention to Note 8 of the Statement in respect of the remuneration paid to Executive Director, reappointed during the year (designated as Managing Director w.e.f. August 29, 2016), in excess of the limits specified in Schedule V of the Companies Act, 2013 by ₹ 38 lakhs. The said appointment and payment/provision of remuneration was approved by the shareholders in the Annual General Meeting held on September 26, 2016. The Company has sought the necessary approval from Central Government, whose response is pending.

Our report is not modified in respect of these matters.

7. The Statement includes the results for the quarter ended March 31, 2017 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)



Sumit Trivedi
Partner
(Membership No. 209354)

Secunderabad, May 29, 2017

ANNEXURE - I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2017 (See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016)				
₹ in lakhs				
I	Sl.No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	24,783	24,783
	2	Total Expenditure (including exceptional items – Refer Note 6 of the results)	23,703	23,873@
	3	Net Profit / (Loss)	1,080	910
	4	Earnings Per Share		
		Basic	1.95	1.56
		Diluted	1.56	1.30
	5	Total Assets	19,950	19,950
	6	Total Liabilities	24,054	24,224
	7	Net Worth	(4,104)	(4,274)
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
@ impact (as quantified by Management) of qualification considered in Total Expenditure as exceptional item				
II	Audit Qualification:			
	a. Details of Audit Qualification:			
	<p>Attention is drawn to Note 4 of the 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 subsequent dismissal of special leave petition by the Hon'ble 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 ₹ 284 lakhs as a Contingent liability.</p> <p>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 statements.</p>			

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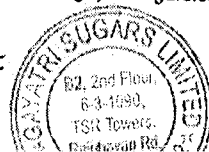
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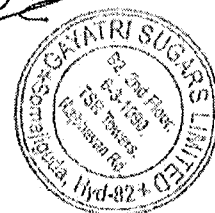
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		<p>b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</p>
		<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing:</p> <p>Appeared first time in the Annual Audited Results</p>
		<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>-Not Applicable-</p>
		<p>e. For Audit Qualifications(s) where the impact is not quantified by the auditor:</p>
		<p>(i) Management's estimation on the impact of audit qualification:</p> <p>Refer Note 4 of the Financial Results</p> <p>Impact of Qualification - ₹ 170 Lakhs debit to the Statement of Profit and Loss for the year ended March 31, 2017 which is disclosed as an Exceptional Item (Refer Note below). Accordingly, the liabilities as at March 31, 2017 will increase and the net-worth as at March 31, 2017 shall reduce by the corresponding amount.</p> <p>Note: In the event of an unfavourable verdict 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.</p>
		<p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>- Not applicable-</p>
		<p>(iii) Auditor's Comments on (i) or (ii) above</p> <p>No further comments</p>

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GAYATRI

III	Signatories:
	• CEO / Managing Director
	• CFO
	• Audit Committee Chairman
	• Statutory Auditor
Place: <i>Hyderabad</i>	
Date: <i>May 29, 2017</i>	

Santa Reddy
Prasad

[Signature]

Refer our audit report date May 29, 2017 on the financial results of the company

For Deloitte Haskins & Sells
Chartered Accountants
(ICAI Reg. No. 0080725)

Sumit Trivedi

Partner

Sumit Trivedi - 200254

