

**February 05, 2016.**

**To  
The Department of Corporate Affairs,  
M/s. Bombay Stock Exchange Limited,  
25<sup>th</sup> 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 27<sup>th</sup> January, 2016**

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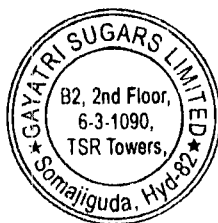
We wish to inform you that the Board of Directors of the Company at their meeting held today, i.e. February 05, 2016 has inter alia approved the the Un-Audited Financial Results for the quarter ended December 31, 2015. A Copy of the results and Limited Review Report of the company for the quarter ended 31<sup>st</sup> December, 2015 issued by our Statutory Auditors, Deloitte Haskins & Sells Chartered Accountants, enclosed for your information.

Kindly acknowledge the receipt of this letter.

Thanking you,

Yours truly  
For **Gayatri Sugars Limited**

*Munmun Baid*



**(CS MUNMUN BAID)**  
Company Secretary & Compliance Officer

Regd. & Corp. Office :

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

T +91 40 2341 4823 / 4826  
F +91 40 2341 4827

W [www.gayatrisugars.com](http://www.gayatrisugars.com)

Factories :

**Kamareddy Unit** : Adloor Yellareddy, Sadasivanagar Mandal,  
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F +91 8468 248559

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Nizamabad Dist. - 503 302. Telangana

T +91 8465 275577

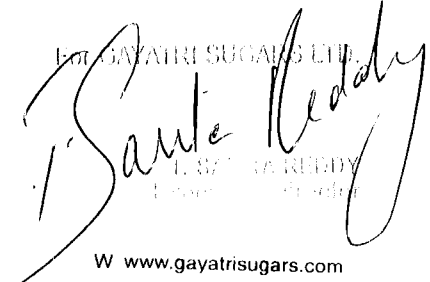
**CIN : L15421TG1995PLC020720**

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

**Part I STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2015**

Sr. No	Particulars	Quarter Ended			Nine Months Ended		(₹ in lakhs)
		December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014	March 31, 2015
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Refer Notes below						
1.	<b>Income from Operations</b>						
	a). Net Sales/ Income from Operations (Net of excise duty)	5,519	2,045	3,570	14,355	14,481	23,052
	b). Other Operating Income	8	1	21	19	36	73
	<b>Total income from operations (net)</b>	<b>5,527</b>	<b>2,046</b>	<b>3,591</b>	<b>14,374</b>	<b>14,517</b>	<b>23,125</b>
2.	<b>Expenses</b>						
	a). Cost of materials consumed	6,810	5	8,137	6,846	8,684	20,059
	b). Changes in inventories of finished goods and work in progress	(2,773)	1,459	(5,406)	5,520	5,015	769
	c). Employee benefits expense	367	312	320	996	904	1,341
	d). Depreciation and amortisation expense	241	250	323	738	964	1,149
	e). Other expenses	819	395	869	1,628	1,634	2,532
	<b>Total expenses</b>	<b>5,464</b>	<b>2,421</b>	<b>4,243</b>	<b>15,728</b>	<b>17,201</b>	<b>25,850</b>
3.	<b>Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>63</b>	<b>(375)</b>	<b>(652)</b>	<b>(1,354)</b>	<b>(2,684)</b>	<b>(2,725)</b>
4.	Other Income	7	1	-	9	1	22
5.	<b>Profit/(Loss) from ordinary activities before finance costs and exceptional items (3 + 4)</b>	<b>70</b>	<b>(374)</b>	<b>(652)</b>	<b>(1,345)</b>	<b>(2,683)</b>	<b>(2,703)</b>
6.	Finance costs	544	757	570	1,860	1,715	2,173
7.	<b>Profit/(Loss) from ordinary activities after finance costs and before exceptional items (5 - 6)</b>	<b>(474)</b>	<b>(1,131)</b>	<b>(1,222)</b>	<b>(3,205)</b>	<b>(4,398)</b>	<b>(4,876)</b>
8.	Exceptional items (Refer Note 6)	-	227	-	227	(756)	(1,362)
9.	<b>Profit / (Loss) from ordinary activities before tax (7 + 8)</b>	<b>(474)</b>	<b>(904)</b>	<b>(1,222)</b>	<b>(2,978)</b>	<b>(5,154)</b>	<b>(6,238)</b>
10.	Tax expenses	-	-	-	-	-	-
11.	<b>Net Profit / (Loss) from ordinary activities after tax (9 - 10)</b>	<b>(474)</b>	<b>(904)</b>	<b>(1,222)</b>	<b>(2,978)</b>	<b>(5,154)</b>	<b>(6,238)</b>
12.	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13.	<b>Net Profit / (Loss) for the period (11 - 12)</b>	<b>(474)</b>	<b>(904)</b>	<b>(1,222)</b>	<b>(2,978)</b>	<b>(5,154)</b>	<b>(6,238)</b>
14.	Paid-up equity share capital (Face value ₹ 10 per share)	4,370	4,370	4,370	4,370	4,370	4,370
15.	Reserves excluding Revaluation reserves as per Balance Sheet of previous accounting year.	-	-	-	-	-	(12,317)
16.	Earnings per share (of ₹ 10 each)(not annualised)						
	a). Basic (₹)	(1.25)	(2.24)	(2.92)	(7.32)	(12.04)	## (14.59)
	b). Diluted (₹)	*(1.25)	*(2.24)	*(2.92)	*(7.32)	*(12.04)	## *(14.59)
	* (is anti-dilutive)						
	# annualised						



  
 S. Sante Reddy  
 Director  
 Gayatri Sugars Limited

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**SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED**

(₹ in lakhs)

Sr. No	Particulars	Quarter ended			Nine Months Ended		Year Ended
		December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014	March 31, 2015
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	<b>Segment Revenue</b>						
	a) Sugar *	5,811	1,582	3,577	13,491	13,761	21,626
	b) Distillery	216	464	916	1,383	1,822	2,794
	Total	6,027	2,046	4,493	14,874	15,583	24,420
	Less: Inter Segment Revenue	500	-	902	500	1,066	1,295
	<b>Net Sales/Revenue from Operations</b>	5,527	2,046	3,591	14,374	14,517	23,125
2.	<b>Segment Results</b>						
	a) Sugar *	462	(10)	(1,163)	(1,147)	(3,433)	** (4,776)
	b) Distillery	(399)	(138)	511	20	749	1,445
	Total	63	(148)	(652)	(1,127)	(2,684)	(3,331)
	Less: Inter Segment elimination	-	-	-	-	-	-
	<b>Total segment results before interest and tax</b>	63	(148)	(652)	(1,127)	(2,684)	(3,331)
	(i) Finance Costs (Refer Note.6)	544	757	570	1,860	2,471	2,929
	(ii) Other un-allocable Income	(7)	(1)	-	(9)	(1)	(22)
	<b>Profit/(Loss) before tax</b>	(474)	(904)	(1,222)	(2,978)	(5,154)	(6,238)
	Tax	-	-	-	-	-	-
	<b>Net Profit/(Loss) after tax</b>	(474)	(904)	(1,222)	(2,978)	(5,154)	(6,238)
3.	<b>Capital employed</b>						
	a) Sugar	(10,092)	(9,322)	(5,722)	(10,092)	(5,722)	(7,146)
	b) Distillery	3,284	2,988	3,223	3,284	3,223	3,331
	Unallocated	(2)	(2)	(17)	(2)	(17)	(17)
	<b>Total</b>	(6,810)	(6,336)	(2,516)	(6,810)	(2,516)	(3,832)

\* Segment revenue for nine months ended December 31, 2015 includes differential of energy tariff ₹ 227 lakhs (Refer Note 6(a))

\*\* includes ₹ 606 lakhs towards impairment of Goodwill (Refer Note 6(b)(ii))



*T. Sankar Reddy*  
T. SANKAR REDDY  
Executive Director

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**Notes:**

- 1 The above results have been reviewed and recommended by Audit Committee and taken on record and approved by the Board of Directors at their meeting held on February 05, 2016.
- 2 The statutory auditors have carried out a 'Limited Review' of the financial results for the quarter and nine months ended December 31, 2015.
- 3 Sugar industry being seasonal, the performance of the Company varies from quarter to quarter.
- 4 The Earnings Per Share has been calculated after reckoning the dividend on the Preference Shares.
- 5 Over the last few years, the Company has been incurring losses and as at December 31, 2015 the accumulated losses amounting to ₹ 15,510 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. The Company has implemented various initiatives for improving its financial position. The State and Central Governments, recognizing the importance of sugar industry, are taking necessary steps to strengthen it. As of December 31, 2015 the promoters have arranged an unsecured loan of ₹ 2,942 lakhs. Further during the previous year, the unsecured loan of ₹ 2,500 lakhs has been converted to 6% Cumulative Redeemable Preference Shares at a face value of ₹ 10 each for a tenure of not exceeding 9 years. In addition to the promoters funding, during the period ended December 31, 2015, the Company has obtained soft loans (under the scheme sanctioned by Ministry of Consumer Affairs, Food and Public Distribution, Government of India) aggregating ₹ 2,012 lakhs, corporate loans aggregating ₹ 1,545 lakhs and also renewed its working capital limits with the banks.  
  
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 reference was registered and acknowledged by BIFR vide their letter dated October 19, 2015. In terms of the aforesaid reference, on receiving the intimation from BIFR, the Company will be submitting a Scheme for revival / rehabilitation to BIFR as per the provisions of SICA. The financial statements 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 Exceptional item includes:
  - a) During the period ended December 31, 2015, the Telangana State Electricity Regulatory Commission (TSERC) has 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 by the Company to Telangana State Northern Power Distribution Company Limited (TSNPDC). The Management on receipt of the TSERC order has recognized the differential revenue of ₹ 227 lakhs during the period ended December 31, 2015.
  - b)
    - (i) 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. Upon expiry of the CDR time period, the respective banks raised a demand of ₹ 840 lakhs towards ROR and the Company's proposal for payment of interest claims partly in cash and the balance in the form of issue of redeemable preference shares had not been agreed by the banks during the previous years. The Company paid and charged to the Statement of Profit and Loss an amount of ₹ 84 lakhs during the year ended March 31, 2014. As the Company was incurring losses for past few years and there was no cash surplus, the Company was pursuing with the banks for waiver of balance amount of ₹ 756 lakhs. During the consortium meeting held on June 9, 2014, the member banks of the consortium had decided not to consider, the waiver request of the Company and requested the Company to make the payment of the balance ROR amount before March 31, 2015. Consequently, the Management agreed to pay balance ROR amount in installments and accordingly an amount ₹756 lakhs was provided during the quarter ended June 30, 2014.
    - (ii) Pursuant to the Scheme of Amalgamation, between the Company and GSR Sugars Private Limited, during the year ended March 31, 2010, the Company had recognised Goodwill of ₹ 1,212 lakhs, which was being amortised over a period of ten years. The carrying value of goodwill as at March 31, 2015 was ₹ 606 Lakhs. In view of losses and complete erosion of net worth, more fully detailed in Note 5, the Management opined that the goodwill is required to be impaired. Consequently, during the year ended March 31, 2015 the entire carrying value of the goodwill of ₹ 606 lakhs was impaired and charged to the Statement of Profit and Loss.
- 7 Previous quarter's / period's figures have been regrouped / rearranged wherever considered necessary.

Place: Hyderabad  
Date : February 5, 2016



*Santa Reddy*  
SANTA REDDY  
Managing Director

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# Deloitte Haskins & Sells

Chartered Accountants  
1-8-384 & 385  
3rd Floor, Gowra Grand  
S. P. Road, Begumpet  
Secunderabad - 500 003  
India

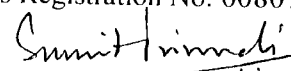
Tel: +91 (40) 6603 2600  
Fax: +91 (40) 6603 2714

## INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF GAYATRI SUGARS LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **Gayatri Sugars Limited** ("the Company") for the Quarter and Nine Months ended December 31, 2015 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), 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.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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 misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to Note 5 of the Statement, which indicates that as at December 31, 2015 the accumulated losses 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, 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. The Company has made a reference to the Board for Industrial and Financial Reconstruction (BIFR) and shall be submitting a Scheme for revival / rehabilitation to BIFR. These financial results have been prepared on a going concern basis for the reasons stated in the said Note. Our report is not qualified in respect of this matter.

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



Sumit Trivedi  
Partner  
(Membership No. 209354)

Secunderabad, February 5, 2016

*Skamrulas*