

**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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016**

(₹ in lakhs)

Sr. No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015	31.03.2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	<b>Income from Operations</b>						
	a). Net Sales/ Income from operations (gross of excise duty)	2,173	1,910	5,699	17,244	14,868	25,418
	b). Other operating income	1	2	8	19	19	39
	<b>Total income from operations</b>	<b>2,174</b>	<b>1,912</b>	<b>5,707</b>	<b>17,263</b>	<b>14,887</b>	<b>25,457</b>
2.	<b>Expenses</b>						
	a) Cost of materials consumed	3,414	127	6,810	3,806	6,846	17,897
	b) Changes in inventories of finished goods and work in progress	(3,065)	1,198	(2,840)	7,599	5,775	(770)
	c) Excise duty	220	20	247	272	258	1,313
	d) Employee benefits expense	408	381	367	1,170	996	1,566
	e) Depreciation and amortisation expense	250	250	241	747	738	984
	f) Other expenses	687	432	819	1,908	1,628	3,740
	<b>Total expenses</b>	<b>1,914</b>	<b>2,408</b>	<b>5,644</b>	<b>15,502</b>	<b>16,241</b>	<b>24,730</b>
3.	<b>Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>260</b>	<b>(496)</b>	<b>63</b>	<b>1,761</b>	<b>(1,354)</b>	<b>727</b>
4.	Other Income	-	1	7	1	9	39
5.	<b>Profit/(Loss) from ordinary activities before finance costs and exceptional items (3 + 4)</b>	<b>260</b>	<b>(495)</b>	<b>70</b>	<b>1,762</b>	<b>(1,345)</b>	<b>766</b>
6.	Finance costs	526	542	544	1,597	1,860	2,345
7.	<b>Profit/(Loss) from ordinary activities after finance costs and before exceptional items (5 - 6)</b>	<b>(266)</b>	<b>(1,037)</b>	<b>(474)</b>	<b>165</b>	<b>(3,205)</b>	<b>(1,579)</b>
8.	Exceptional items (Refer Note 6)	-	-	-	-	227	227
9.	<b>Profit / (Loss) from ordinary activities before tax (7 + 8)</b>	<b>(266)</b>	<b>(1,037)</b>	<b>(474)</b>	<b>165</b>	<b>(2,978)</b>	<b>(1,352)</b>
10.	Tax expenses	-	-	-	-	-	-
11.	<b>Net Profit / (Loss) for the period (9 - 10)</b>	<b>(266)</b>	<b>(1,037)</b>	<b>(474)</b>	<b>165</b>	<b>(2,978)</b>	<b>(1,352)</b>
12.	Paid-up equity share capital (Face value ₹ 10 each)	4,370	4,370	4,370	4,370	4,370	4,370
13.	Reserves excluding Revaluation reserves	-	-	-	-	-	(13,669)
14.	Earnings per share (of ₹ 10 each)(not annualised)						
	a). Basic (₹)	(0.78)	(2.54)	(1.25)	(0.13)	(7.32)	##(3.77)
	b). Diluted (₹)	(0.78)	(2.54)	*(1.25)	(0.13)	*(7.32)	##*(3.77)
	* (is anti-dilutive)						
	# annualised						



For GAYATRI SUGARS LTD.



**T. SARITA REDDY**  
Managing Director

Regd. & Corp. Office :

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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, 2016**

Sr. No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015	31.03.2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1.</b>	<b>Segment Revenue</b>						
	a) Sugar	1,971	1,427	5,990	15,759	13,993	25,096
	b) Distillery	533	485	217	2,158	1,394	1,935
	Total	2,504	1,912	6,207	17,917	15,387	27,031
	Less: Inter Segment Revenue	330	-	500	654	500	1,574
	<b>Net Sales/Revenue from Operations (gross of excise duty)</b>	<b>2,174</b>	<b>1,912</b>	<b>5,707</b>	<b>17,263</b>	<b>14,887</b>	<b>25,457</b>
<b>2.</b>	<b>Segment Results</b>						
	a) Sugar *	247	(536)	462	1,549	(1,147)	1,202
	b) Distillery	13	40	(399)	212	20	(248)
	Total	260	(496)	63	1,761	(1,127)	954
	Less: Inter Segment elimination	-	-	-	-	-	-
	<b>Total segment results before interest and tax</b>	<b>260</b>	<b>(496)</b>	<b>63</b>	<b>1,761</b>	<b>(1,127)</b>	<b>954</b>
	(i) Finance Costs @	526	542	544	1,597	1,860	2,345
	(ii) Other un-allocable Income	-	(1)	(7)	(1)	(9)	(39)
	<b>Profit/(Loss) before tax</b>	<b>(266)</b>	<b>(1,037)</b>	<b>(474)</b>	<b>165</b>	<b>(2,978)</b>	<b>(1,352)</b>
	Tax	-	-	-	-	-	-
	<b>Net Profit/(Loss) after tax</b>	<b>(266)</b>	<b>(1,037)</b>	<b>(474)</b>	<b>165</b>	<b>(2,978)</b>	<b>(1,352)</b>
<b>3.</b>	<b>Segment Assets</b>						
	a) Sugar	15,846	13,411	19,740	15,846	19,740	23,756
	b) Distillery	3,652	3,656	3,468	3,652	3,468	3,801
	c) Un-allocated	6	6	6	6	6	6
	<b>Total</b>	<b>19,504</b>	<b>17,073</b>	<b>23,214</b>	<b>19,504</b>	<b>23,214</b>	<b>27,563</b>
<b>4.</b>	<b>Segment Liabilities</b>						
	a) Sugar	24,006	21,592	29,832	24,006	29,832	32,512
	b) Distillery	510	226	184	510	184	227
	c) Un-allocated	8	8	8	8	8	8
	<b>Total</b>	<b>24,524</b>	<b>21,826</b>	<b>30,024</b>	<b>24,524</b>	<b>30,024</b>	<b>32,747</b>

\* Sugar results for nine months ended December 31, 2015 and for the year ended March 31, 2016 includes differential of energy tariff ₹ 227 lakhs (Refer Note 6)  
 @ Finance cost to be adjusted to sugar results



For GAYATRI SUGARS LTD.

*T. Sarita Reddy*  
**T. SARITA REDDY**  
 Managing Director

Regd. & Corp. Office .

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**Notes:**

- 1 These unaudited financial 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 February 10, 2017. The statutory auditors have carried out a limited review of these financials results.
- 2 Sugar Industry being seasonal, the performance of the Company varies from quarter to quarter.
- 3 The Earnings Per Share has been calculated after reckoning the dividend on the Preference Shares.
- 4 During the quarter ended June 30, 2016, the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh dismissed the writ petition filed by the Company (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 the levy of electricity duty by the State Government on sale and consumption of electricity by captive generating units. The Company had filed special leave petition with the Hon'ble Supreme Court (Court) which dismissed the petition vide order dated September 27, 2016, as these matters are pending before the Board for Industrial and Financial Reconstruction (BIFR) and payments were not being made by the petitioners. However, the Court granted the petitioners liberty to revive the petitions after the decision is given by the BIFR. Currently the case filed before BIFR stands abated. Based on the Management's assessment, the Company has treated the estimated duty amount aggregating ₹ 391 lakhs as a Contingent Liability and no provision has been made in respect of the same.  
In view of the above, the auditors have made an observation in their Limited Review Report about their inability to comment on the ultimate outcome of this matter and the consequential impact, if any, on the Financial Results.
- 5 Over the last few years, the Company has been incurring losses and as at December 31, 2016 the accumulated losses amounting to ₹ 13,720 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 realisation 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) (o) 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.  
  
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 for the nine months ended December 31, 2015 and 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.  
  
The proposal for the payment of ROR by way of issue of Secured Unlisted Non-Convertible Debentures (NCD) of Rs.10/- each at a price of Rs.10/- each and at a coupon rate of 4% was approved in the meeting of CDR Empowered Group on February 22, 2016 and the Company was directed to complete the issuance of NCD by July 2016. Due to the detailed procedure, the allotment is delayed and the Company is in the process of completing the formalities for allotment of NCDs. The status has been communicated to the Banks from time to time in the consortium meetings.
- 8 The tenure of appointment of the Executive Director (now designated as a Managing Director w.e.f August 29, 2016) has 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 is approved by the shareholders in the Annual General Meeting held on September 26, 2016. The Company has sought the necessary approval from Central Government, which is pending.
- 9 Previous quarter's / period's figures have been regrouped / rearranged wherever considered necessary to correspond with the current period's classification/ disclosures.

Place: Hyderabad

Date: February 10, 2017



**T. Sarita Reddy**  
Managing Director

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## **INDEPENDENT AUDITOR'S 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, 2016 ("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. We draw attention to Note 4 of the Statement regarding the dismissal of special leave petition of the Company by the Supreme Court in respect of levy of electricity duty by the State Government on sale and consumption of electricity by captive generating units, 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 ₹ 391 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.

4. Based on our review conducted as stated above, except for the possible effects of the matter described in paragraph 3 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.

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5. (a) We draw attention to Note 5 of the Statement, which indicates that as at December 31, 2016 the accumulated losses amounting to ₹ 13,720 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. 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. 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 appointment of the Executive Director (designated as Managing Director w.e.f. August 29, 2016) during the period. 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, which is pending.

Our report is not modified in respect of these matters.

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



Sumit Trivedi  
Partner  
(Membership No. 209354)

Secunderabad, February 10, 2017