



GAYATRI SUGARS LIMITED					
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 ENDED JUNE 30, 2016					
Sr. No	Particulars	Quarter ended			Year ended
		June 30, 2016	March 31, 2016	June 30, 2015	March 31, 2016
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
			(Refer Note 2)		
1.	<b>Income from Operations</b>				
	a). Net Sales/ Income from operations (Net of excise duty)	12,486	10,096	6,791	24,451
	b). Other operating income	16	20	10	39
	<b>Total income from operations (net)</b>	<b>12,502</b>	<b>10,116</b>	<b>6,801</b>	<b>24,490</b>
2.	<b>Expenses</b>				
	a). Cost of materials consumed	265	11,051	31	17,897
	b). Changes in inventories of finished goods and work in progress	8,823	(5,944)	6,834	(424)
	c). Employee benefits expense	381	570	317	1,566
	d). Depreciation and amortisation expense	247	246	247	984
	e). Other expenses	789	2,112	414	3,740
	<b>Total expenses</b>	<b>10,505</b>	<b>8,035</b>	<b>7,843</b>	<b>23,763</b>
3.	<b>Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>1,997</b>	<b>2,081</b>	<b>(1,042)</b>	<b>727</b>
4.	Other Income	-	30	1	39
5.	<b>Profit/(Loss) from ordinary activities before finance costs and exceptional items (3 + 4)</b>	<b>1,997</b>	<b>2,111</b>	<b>(1,041)</b>	<b>766</b>
6.	Finance costs	529	485	559	2,345
7.	<b>Profit/(Loss) from ordinary activities after finance costs but before exceptional items and tax expense (5 - 6)</b>	<b>1,468</b>	<b>1,626</b>	<b>(1,600)</b>	<b>(1,579)</b>
8.	Exceptional items (Refer Note 7)	-	-	-	(227)
9.	<b>Profit / (Loss) from ordinary activities before tax (7 - 8)</b>	<b>1,468</b>	<b>1,626</b>	<b>(1,600)</b>	<b>(1,352)</b>
10.	Tax expenses	-	-	-	-
11.	<b>Net Profit / (Loss) for the period (9 - 10)</b>	<b>1,468</b>	<b>1,626</b>	<b>(1,600)</b>	<b>(1,352)</b>
12.	Paid-up equity share capital (Face value ₹ 10 each)	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 (₹)	3.19	3.55	(3.83)	#( 3.77)
	b). Diluted (₹)	3.19	3.55	*(3.83)	#( 3.77)
	* (is anti-dilutive)				
	# annualised				

**SEGMENT REPORTING UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015 FOR THE QUARTER ENDED JUNE 30, 2016**

Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2016	March 31, 2016	June 30, 2015	March 31, 2016
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
			(Refer Note 2)		
1.	<b>Segment Revenue</b>				
	a) Sugar	11,717	10,661	6,098	24,152
	b) Distillery	1,109	529	703	1,912
	Total	<b>12,826</b>	<b>11,190</b>	<b>6,801</b>	<b>26,064</b>
	Less: Inter Segment Revenue	324	1,074	-	1,574
	<b>Net Sales/Revenue from Operations</b>	<b>12,502</b>	<b>10,116</b>	<b>6,801</b>	<b>24,490</b>
2.	<b>Segment Results</b>				
	a) Sugar *	1,838	2,349	(1,599)	1,202
	b) Distillery	159	(268)	557	(248)
	Total	<b>1,997</b>	<b>2,081</b>	<b>(1,042)</b>	<b>954</b>
	Less: Inter Segment elimination	-	-	-	-
	<b>Total segment results before interest and tax</b>	<b>1,997</b>	<b>2,081</b>	<b>(1,042)</b>	<b>954</b>
	(i) Finance Costs @	529	485	559	2,345
	(ii) Other un-allocable income	-	(30)	(1)	(39)
	<b>Profit/(Loss) before tax</b>	<b>1,468</b>	<b>1,626</b>	<b>(1,600)</b>	<b>(1,352)</b>
	Tax	-	-	-	-
	<b>Net Profit/(Loss) after tax</b>	<b>1,468</b>	<b>1,626</b>	<b>(1,600)</b>	<b>(1,352)</b>
3.	<b>Segment Assets</b>				
	a) Sugar	16,409	23,756	16,594	23,756
	b) Distillery	4,057	3,801	3,460	3,801
	c) Un-allocated	6	6	6	6
	<b>Total</b>	<b>20,472</b>	<b>27,563</b>	<b>20,060</b>	<b>27,563</b>
4.	<b>Segment Liabilities</b>				
	a) Sugar	23,905	32,512	25,298	32,512
	b) Distillery	275	227	186	227
	c) Un-allocated	8	8	8	8
	<b>Total</b>	<b>24,188</b>	<b>32,747</b>	<b>25,492</b>	<b>32,747</b>

\* Sugar results for the year ended March 31, 2016 includes differential of Energy tariff ₹ 227 lakhs (Refer Note 7).  
@ Finance costs to be adjusted to Sugar results.



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**GAYATRI**

**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 August 13, 2016. The statutory auditors have carried out a limited review of these financials results.
- 2 The figures of the quarter ended March 31, 2016 are the balancing figures between the audited figures of the full financial year ended March 31, 2016 and the published year to date figures upto 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 The Company had, in 2004 and in 2007, filed writ petitions in the High Court of Andhra Pradesh, challenging the levy of electricity duty by the State Government on sale and consumption of electricity by captive generating units. During the quarter, the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh dismissed the aforesaid 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 such levy by the State Government. The Company has not yet received a certified copy of the Order and the copy of the Order has been retrieved from the AP High Court web-site. The Management has assessed the matter and decided that it has a good case to approach the Supreme Court and contest the matter. Based on 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.

- 6 Over the last few years, the Company has been incurring losses and as at June 30, 2016 the accumulated losses amounting to ₹ 12,417 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 June 30, 2016 the promoters have arranged an unsecured loan of ₹ 2,170 lakhs. Further during the year ended March 31, 2015, the unsecured loan of ₹ 2,500 lakhs was converted to 6% Cumulative Redeemable Preference Shares at a face value of ₹ 10 each for a tenure not exceeding 9 years. In addition to the promoters funding, during the year ended March 31, 2016, the Company 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. In relation to the proceedings under the SICA, a hearing was completed on July 20, 2016. Having considered the submissions made during the hearing and the material on record, the Bench of BIFR directed all the concerned parties to file their objection, if any, including one bank, which has sought time to file its objections, within a period of two weeks with a copy to the Company, which shall file reply to the objections on the sickness, if received, within a further period of two weeks. The next date of hearing is fixed on October 19, 2016.

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.

- 7 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 by the Company to Telangana State Northern Power Distribution Company Limited (TSNPDCL). The Management on receipt of the TSERC order recognized the differential revenue of ₹ 227 lakhs during the year ended March 31, 2016, which amount was received.
- 8 In the earlier years, the Company had 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 Company's proposal for the payment of ROR by way of Non-Convertible Debentures (NCD) at a coupon rate of 4% was approved in the meeting of CDR EG on February 22, 2016 and the Company was directed to complete the issuance of NCD by March 2016. As the Company received the communication of the same late and also keeping in view the procedure involved in issuance of NCD, the Company requested CDR EG to grant time until July, 2016 to complete the process of issuance and dispatch of NCD. The Company has sent private placement offer letters to four of the banks, for application for allotment of 4% secured unlisted non-convertible debentures of ₹ 10 each at a price of ₹ 10 each. The Company has received applications from three of the banks and awaiting for a bank to reply.

- 9 The tenure of appointment of the Executive Director 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 re-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 reappointment and payment/provision of remuneration is subject to the approval of shareholders and the Central Government, which the Company proposes to seek in the ensuing Annual General Meeting and make the requisite application to the Central Government subsequent to the shareholder approval. An amount of ₹7 lakhs has been paid / provided during the current quarter which is in excess of the limits specified in the Schedule V of the Companies Act, 2013.

- 10 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:



*T. Sarita Reddy*  
**T. Sarita Reddy**  
Executive 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 ended June 30, 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 5 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 sale and consumption of electricity by captive generating units. As stated in the said note, based on Management's assessment, the Company has a good case to approach the Supreme Court and contest the matter, 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.



5. (a) We draw attention to Note 6 of the Statement, which indicates that as at June 30, 2016 the accumulated losses amounting to ₹ 12,417 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 6, 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 the proceedings are ongoing. 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 9 of the Statement which indicates that the Company has reappointed the Executive Director during the quarter and paid / provided remuneration of ₹ 7 lakhs. The Company proposes to seek the approval from the shareholders in the ensuing Annual General Meeting and also to make the requisite application to the Central Government in this respect.

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, August 13, 2016