

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 HALF YEAR ENDED SEPTEMBER 30, 2015							
Sr. No	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
		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)	2,045	6,791	2,361	8,836	10,911	23,052
	b). Other Operating Income	1	10	-	11	15	73
	<b>Total income from operations (net)</b>	<b>2,046</b>	<b>6,801</b>	<b>2,361</b>	<b>8,847</b>	<b>10,926</b>	<b>23,125</b>
2.	<b>Expenses</b>						
	a). Cost of materials consumed	5	31	8	36	547	20,059
	b). Changes in inventories of finished goods and work in progress	1,459	6,834	2,327	8,293	10,421	769
	c). Employee benefits expense	312	317	293	629	584	1,341
	d). Depreciation and amortisation expense	250	247	321	497	641	1,149
	e). Other expenses	395	414	413	809	766	2,532
	<b>Total expenses</b>	<b>2,421</b>	<b>7,843</b>	<b>3,362</b>	<b>10,264</b>	<b>12,959</b>	<b>25,850</b>
3.	<b>Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>(375)</b>	<b>(1,042)</b>	<b>(1,001)</b>	<b>(1,417)</b>	<b>(2,033)</b>	<b>(2,725)</b>
4.	Other Income	1	1	-	2	1	22
5.	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	<b>(374)</b>	<b>(1,041)</b>	<b>(1,001)</b>	<b>(1,415)</b>	<b>(2,032)</b>	<b>(2,703)</b>
6.	Finance costs	757	559	591	1,316	1,145	2,173
7.	<b>Profit/(Loss) from ordinary activities after finance costs and before exceptional items (5 - 6)</b>	<b>(1,131)</b>	<b>(1,600)</b>	<b>(1,592)</b>	<b>(2,731)</b>	<b>(3,177)</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>(904)</b>	<b>(1,600)</b>	<b>(1,592)</b>	<b>(2,504)</b>	<b>(3,933)</b>	<b>(6,238)</b>
10.	Tax expenses	-	-	-	-	-	-
11.	<b>Net Profit / (Loss) from ordinary activities after tax (9 - 10)</b>	<b>(904)</b>	<b>(1,600)</b>	<b>(1,592)</b>	<b>(2,504)</b>	<b>(3,933)</b>	<b>(6,238)</b>
12.	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13.	<b>Net Profit / (Loss) for the period (11 - 12)</b>	<b>(904)</b>	<b>(1,600)</b>	<b>(1,592)</b>	<b>(2,504)</b>	<b>(3,933)</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.	Reserve excluding Revaluation reserves	-	-	-	-	-	(12,317)
16.	Earnings per share (of ₹ 10 each)(not annualised)						
	a). Basic (₹)	(2.24)	(3.83)	(3.71)	(6.07)	(9.13)	##( 14.59)
	b). Diluted (₹)	*(2.24)	*(3.83)	*(3.71)	*(6.07)	*(9.13)	## *( 14.59)
	* (is anti-dilutive)						
	# annualised						

Part II : SELECT INFORMATION FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2015						
Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
<b>A PARTICULARS OF SHAREHOLDING</b>						
1. Public shareholding						
- Number of shares	18,662,755	18,662,755	18,662,755	18,662,755	18,662,755	18,662,755
- Percentage of shareholding	42.70%	42.70%	42.70%	42.70%	42.70%	42.70%
2. Promoters and Promoter Group Shareholding						
a). Pledged/Incumbered						
- Number of shares	7,900,000	7,900,000	-	7,900,000	-	7,900,000
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	31.55%	31.55%	-	31.55%	-	31.55%
- Percentage of shares (as a % of the total share capital of the company)	18.08%	18.08%	-	18.08%	-	18.08%
b). Non-encumbered						
- Number of shares	17,140,888	17,140,888	25,040,888	17,140,888	25,040,888	17,140,888
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	68.45%	68.45%	100.00%	68.45%	100.00%	68.45%
- Percentage of shares (as a % of the total share capital of the company)	39.22%	39.22%	57.30%	39.22%	57.30%	39.22%

Regd. & Corp. Office :

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For GAYATRI SUGARS LTD.

*Sarita Reddy*  
T. SARITA REDDY  
Executive Director

B	Particulars	Quarter ended 30.09.2015
	<b>INVESTOR COMPLAINTS</b>	
	Number of complaints pending as on 01.07.2015	Nil
	Received during the quarter	Nil
	Disposed off during the quarter	Nil
	Lying unresolved as on 30.09.2015	Nil

(₹ in lakhs)

**Statement of Assets and Liabilities**

		As at 30.09.2015	As at 31.03.2015
		Un Audited	Audited
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1.	<b>Shareholders' funds</b>		
(a).	Share capital	8,485	8,485
(b).	Reserves and surplus	(14,821)	(12,317)
	<b>Sub-total - Shareholders' Fund</b>	<b>(6,336)</b>	<b>(3,832)</b>
2.	<b>Non-current liabilities</b>		
(a).	Long-term borrowings	8,312	6,362
(b).	Other Long-term Liabilities	301	353
(c).	Long-term provisions	219	190
	<b>Sub-total - Non-current liabilities</b>	<b>8,832</b>	<b>6,905</b>
3.	<b>Current liabilities</b>		
(a).	Short-term borrowings	6,879	6,553
(b).	Trade payables	3,141	12,182
(c).	Other current liabilities	7,918	7,082
(d).	Short-term provisions	27	42
	<b>Sub-total - Current liabilities</b>	<b>17,965</b>	<b>25,859</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>20,461</b>	<b>28,932</b>
<b>B</b>	<b>ASSETS</b>		
1.	<b>Non-current assets</b>		
(a).	Fixed assets	13,192	13,682
	<b>Sub-total - Non-current assets</b>	<b>13,192</b>	<b>13,682</b>
2.	<b>Current assets</b>		
(a).	Inventories	3,899	12,495
(b).	Trade receivables	960	1,107
(c).	Cash and cash equivalents	550	914
(d).	Short-term loans and advances	1,860	734
	<b>Sub-total - Current assets</b>	<b>7,269</b>	<b>15,250</b>
	<b>TOTAL ASSETS</b>	<b>20,461</b>	<b>28,932</b>



FOR GAYATRI SUGARS LTD.

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

## SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

Sr. No.	Particulars	Quarter ended			Half Year Ended		Year Ended
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1.</b>	<b>Segment Revenue</b>						
	a) Sugar *						
	b) Distillery	1,582	6,098	2,086	7,680	10,184	21,626
	Total	464	703	275	1,167	906	2,794
	Less: Inter Segment Revenue	2,046	6,801	2,361	8,847	11,090	24,420
	<b>Net Sales/Revenue from Operations</b>	-	-	-	-	164	1,295
		2,046	6,801	2,361	8,847	10,926	23,125
<b>2.</b>	<b>Segment Results</b>						
	a) Sugar *						
	b) Distillery	(10)	(1,599)	(933)	(1,609)	(2,270)	** (4,776)
	Total	(138)	557	(68)	419	237	1,445
	Less: Inter Segment elimination	(148)	(1,042)	(1,001)	(1,190)	(2,033)	(3,331)
	<b>Total segment results before interest and tax</b>	-	-	-	-	-	-
	(i) Finance Costs (Refer Note.6)	(148)	(1,042)	(1,001)	(1,190)	(2,033)	(3,331)
	(ii) Other un-allocable Income	757	559	591	1,316	1,901	2,929
	<b>Profit/(Loss) before tax</b>	(1)	(1)	-	(2)	(1)	(22)
	Tax	(904)	(1,600)	(1,592)	(2,504)	(3,933)	(6,238)
	<b>Net Profit/(Loss) after tax</b>	-	-	-	-	-	-
		(904)	(1,600)	(1,592)	(2,504)	(3,933)	(6,238)
<b>3.</b>	<b>Capital employed</b>						
	a) Sugar	(9,322)	(8,704)	(7,324)	(9,322)	(7,324)	(7,146)
	b) Distillery	2,988	3,274	3,546	2,988	3,546	3,331
	Unallocated	(2)	(2)	(17)	(2)	(17)	(17)
	<b>Total</b>	(6,336)	(5,432)	(3,795)	(6,336)	(3,795)	(3,832)

\* Segment revenue for half year ended September 30, 2015 includes differential of energy tariff ₹ 227 lakhs (Refer Note 6(a))

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

## Notes:

- 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 November 06, 2015.
  - The statutory auditors have carried out 'Limited Review' of the financial results for quarter and half year ended September 30, 2015.
  - Sugar industry being seasonal, the performance of the Company varies from quarter to quarter.
  - The Earnings Per Share has been calculated after reckoning the dividend on the Preference Shares.
  - Over the last few years, the Company has been incurring losses and as at September 30, 2015 the accumulated losses amounting to ₹ 15,037 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 September 30, 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 quarter ended September 30, 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 ₹ 1,024 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, 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.
- Exceptional item includes:
    - During the quarter ended September 30, 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 (TSNPDCL). The Management on receipt of the TSERC order has recognized the differential revenue of ₹ 227 lakhs during the quarter ended September 30, 2015.
    - 
    - 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.
    - 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.
  - Changes in inventories of finished goods and work-in-progress for the quarter ended 30.09.2015 includes ₹ 428.17 Lakhs towards reversal of write-down of inventories of finished goods which was made in the previous period/year.
  - Previous quarter's / period's figures have been regrouped / rearranged wherever considered necessary.

# Deloitte Haskins & Sells

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## INDEPENDENT AUDITORS' REVIEW REPORT 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 Half year ended September 30, 2015 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement with the Stock Exchange, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. This Statement is the responsibility of the Company's Management 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 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 Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement with the Stock Exchange, 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 September 30, 2015 the accumulated losses amounting to ₹ 15,037 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, 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.

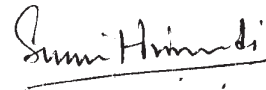
Our report is not qualified in respect of this matter.

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# Deloitte Haskins & Sells

5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreement with the Stock Exchange and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Half year ended September 30, 2015 of the Statement, from the details furnished by the Registrars.

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



Sumit Trivedi  
Partner  
Membership No. 209354

Secunderabad, November 6, 2015