



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, 2013						
(₹ in lakhs)							
Sr. No	Particulars	Quarter Ended			Nine months ended		Year Ended
		31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
Refer Notes below		Unaudited				Audited	
1.	Income from Operations						
	a). Net Sales/ Income from Operations (Net of excise duty)	2,251	1,635	2,851	10,167	9,282	18,618
	b). Other Operating Income	20	3	27	29	50	71
	Total income from operations (net)	2,271	1,638	2,878	10,196	9,332	18,689
2.	Expenses						
	a). Cost of materials consumed	5,615	438	5,792	6,506	5,873	14,904
	b). Changes in inventories of finished goods and work in progress	(4,258)	1,414	(3,807)	2,803	1,943	(1,583)
	c). Employee benefits expense	292	251	273	782	694	990
	d). Depreciation and amortisation expense	317	316	329	946	987	1,291
	e). Other expenses	731	284	502	1,377	1,189	2,123
	Total expenses	2,697	2,703	3,089	12,414	10,686	17,725
3.	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	(426)	(1,065)	(211)	(2,218)	(1,354)	964
4.	Other Income	-	3	3	3	7	29
5.	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	(426)	(1,062)	(208)	(2,215)	(1,347)	993
6.	Finance costs	546	579	530	1,650	1,615	2,345
7.	Profit/(Loss) from ordinary activities after finance costs and before exceptional items (5 - 6)	(972)	(1,641)	(738)	(3,865)	(2,962)	(1,352)
8.	Exceptional items	-	-	-	-	798	-
9.	Profit / (Loss) from ordinary activities before tax (7 - 8)	(972)	(1,641)	(738)	(3,865)	(3,760)	(1,352)
10.	Tax expenses	-	-	-	-	-	-
11.	Net Profit / (Loss) from ordinary activities after tax (9 - 10)	(972)	(1,641)	(738)	(3,865)	(3,760)	(1,352)
12.	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13.	Net Profit / (Loss) for the period (11 - 12)	(972)	(1,641)	(738)	(3,865)	(3,760)	(1,352)
14.	Paid up equity share capital (Face value ₹ 10 per share)						4,370
15.	Reserve excluding Revaluation reserves						(3,559)
16.	Earnings per share (of ₹ 10 each)(not annualised)						
	a). Basic (₹)	(2.22)	(3.82)	(1.69)	(8.84)	(8.60)	₹(3.35)
	b). Diluted (₹)	*(2.22)	*(3.82)	*(1.69)	*(8.84)	*(8.60)	₹*(3.35)
	* (is anti-dilutive)						
	# annualised						

Regd. & Corp. Office :

Gayatri Sugars Limited, B2, 2nd Floor, 0-3-1090, TSR Towers,
Raj Bhavan Road, Somajiguda, Hyderabad 500 082. A.P.

T +91 40 2341 4820 / 4820

F +91 40 2341 4827

Factories :

Kamareddy Unit : Adloor Yellareddy, Sadasivanagar Mandal,
Nizamabad Dist. - 503 145. A.P.

T +91 8468 248558

F +91 8468 248559


Nizamsagar Unit : Maagi, Nizamsagar Mandal,
Nizamabad Dist. - 503 302. A.P.

T +91 8465 275577

(Signature)
www.gayatriugars.com

Part II : SELECT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2013						
Particulars	Quarter Ended			Nine months ended		Year Ended
	31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
	Unaudited					Audited
A PARTICULARS OF SHAREHOLDING						
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	43%	43%	43%	43%	43%	43%
2. Promoters and Promoter Group Shareholding						
a). Pledged/Encumbered						
- Number of shares	-	13,111,093	13,111,093	-	13,111,093	13,111,093
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0%	52%	52%	0%	52%	52%
- Percentage of shares (as a % of the total share capital of the company)	0%	30%	30%	0%	30%	30%
b). Non-encumbered						
- Number of shares	25,040,888	11,929,795	11,929,795	25,040,888	11,929,795	11,929,795
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	48%	48%	100%	48%	48%
- Percentage of shares (as a % of the total share capital of the company)	57%	27%	27%	57%	27%	27%

Particulars	Quarter ended 31.12.2013
	B INVESTOR COMPLAINTS
Number of complaints pending as on 01.10.2013	Nil
Received during the quarter	Nil
Disposed off during the quarter	Nil
Lying unresolved as on 31.12.2013	Nil

For GAYATRI SUGARS LTD.

T. VARSHA REDDY
 Executive Director

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GAYATRI

(₹ in lakhs)

SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED							
Sr. No.	Particulars	Quarter Ended			Nine months ended		Year Ended
		31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
		Unaudited					Audited
1.	Segment Revenue						
	a) Sugar	1,909	1,309	2,832	8,984	8,824	18,334
	b) Distillery	730	329	46	1,580	668	1,121
	Total	2,639	1,638	2,878	10,564	9,492	19,455
	Less: Inter Segment Revenue	368			368	160	766
	Net Sales/Revenue from Operations	2,271	1,638	2,878	10,196	9,332	18,689
2.	Segment Results						
	a) Sugar	(947)	(1,033)	(238)	(2,892)	(1,216)	739
	b) Distillery	521	(32)	27	674	(138)	225
	Total	(426)	(1,065)	(211)	(2,218)	(1,354)	964
	Less: Inter Segment elimination						-
	Total segment results before interest and tax	(426)	(1,065)	(211)	(2,218)	(1,354)	964
	(i) Finance Costs	546	579	530	1,650	2,413	2,345
	(ii) Other un-allocable Income	-	(3)	(3)	(3)	(7)	(29)
	Profit/(Loss) before tax	(972)	(1,641)	(738)	(3,865)	(3,760)	(1,352)
	Tax						
	Net Profit/(Loss) after tax	(972)	(1,641)	(738)	(3,865)	(3,760)	(1,352)
3.	Capital employed						
	a) Sugar	(4,987)	(3,975)	(1,010)	(4,987)	(1,010)	(849)
	b) Distillery	3,518	3,523	3,813	3,518	3,813	3,333
	Unallocated	(17)	(17)	(2,786)	(17)	(2,786)	(58)
	Total	(1,486)	(469)	17	(1,486)	17	2,426

For GAYATRI SUGARS LTD.

 SANTA REDDY
 Executive Director

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Notes:

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on February 12, 2014. The statutory auditors have carried out a limited review of these results
- 2 Sugar industry being seasonal, the performance of the Company varies from quarter to quarter.
- 3 As at December 31, 2013 the accumulated losses amounted to ₹ 7,640 Lakhs which is more than 50% of the peak net worth of the Company during the four financial years immediately preceding the current financial year. The Company has made reference to the Board for Industrial and Financial Reconstruction (BIFR) on August 5, 2013, under Section 23 of Sick Industrial Companies (Special Provision) Act, 1985. The Company is dependent on continuous support from its promoters. As of December 31, 2013 the promoters have arranged an unsecured loan of ₹ 5,079 Lakhs. The financial statements have been prepared on a going concern basis based on a Comfort letter received from its promoters for continued support to the Company with all necessary assistances including financial and operational to continue with the operations of the Company. Promoters are hopeful that Company would be able to generate sufficient profits in the foreseeable future to make it economically viable.
- 4 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, will have to be compensated by the Company at the end of the scheme. Upon expiry of the CDR time period, the respective banks have 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 has not been agreed by the banks during the previous year. The Company has paid ₹ 84 lakhs till December 31, 2013. 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. Subsequently, the bankers have agreed to take up the Company's request for extension of time for payment of the balance ROR claim upto March 2015 or earning of profit whichever is earlier, to their authorities at the earliest. As the net worth of the Company is completely eroded and company has also made a reference to BIFR, it is hopeful of getting wavier / relief package and hence no provision has been made.
- 5 During the period ended December 31, 2013, executive director was reappointed by the Board of Directors of the Company, for a period of three years with effect from May 1, 2013, on the same terms of earlier appointment. The said reappointment was approved by the members in the Annual General Meeting held on September 30, 2013 and is pending approval from the Central Government. The Company is in the process of making requisite application to the Central Government in this respect.
- 6 **Matter of Qualification in the Auditors' report:**
The auditors have included in their Limited Review report, a qualification with respect to non-provisioning of the ROR claim (stated in note 4 above) aggregating ₹ 756 lakhs. This was also the subject matter of qualification in Auditor's report for the year ended March 31, 2013 and in the Limited Review report for the quarter ended June 30, 2013 and September 30, 2013.
Management Response to Qualification in the Auditors' Report :
No provision is considered necessary since the claims made by the banks are still under negotiations by the Company and the management is an seeking extension for repayment of the ROR claim upto March 2015 or earning of profit whichever is earlier. As the net worth of the Company is completely eroded and company has also made a reference to BIFR, is hopeful of getting wavier / relief package and hence no provision has been made.
- 7 Previous quarter/period's figures have been regrouped / rearranged wherever considered necessary to conform with the current quarter classification.

Place: Hyderabad
Date: February 12, 2014

FOR GAYATRI SUGARS LTD.
Santosh Reddy
SANTOSH REDDY
Executive Director

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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 Standalone Unaudited Financial Results of **Gayatri Sugars Limited** ("the Company") for the Quarter and Nine months ended December 31, 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchange, except for the disclosures in Part II - Select Information referred to in paragraph 6 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. Attention is invited to Note 4 to the Statement, which indicates that the Company was paying interest on Working Capital received 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 will have to be compensated by the Company at the end of the scheme. Upon expiry of the CDR time period, the respective banks have raised a demand of ₹ 840 lakhs towards ROR and the Company's proposal for payment of interest claims partly in cash and balance in the form of redeemable preference shares was not agreed by the banks. The Company has paid ₹ 84 lakhs till December 31, 2013. 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. Subsequently, the bankers have agreed to take up the Company's request for extension of time for payment of the balance ROR claim upto March 2015 or earning of profit whichever is earlier, to their authorities at the earliest. Accordingly no provision for the said liability has been made in the books which constitutes a departure from the Accounting Standard 1 "Disclosure of Accounting Policies" referred to in Section 211(3C) of the Companies Act 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs). Had the Company made provision for the said unpaid claims, Finance Cost and Net Loss for nine months period ended December 31, 2013 would have been higher by ₹ 756 lakhs and the Loss per Share would be higher by ₹ 1.73. This was also the subject matter of qualification in Auditor's report for the year ended March 31, 2013 and in the Limited Review report for the quarter ended June 30, 2013 and September 30, 2013

Deloitte Haskins & Sells

4. Based on our review conducted as stated above, and except for the effects of the matter described in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, has not been prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchange, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to the following Notes to the Statement;
 - (i) Note 3, which indicates that as at December 31, 2013 the accumulated losses amounted to ₹ 7,701 lakhs which has completely eroded the net-worth of the Company as on that date. The Company has also made reference to the Board for Industrial and Financial Reconstruction (BIFR) on August 5, 2013, under Section 23 of Sick Industrial Companies (Special Provision) Act, 1985. These financial results have been prepared on a going concern basis for the reasons stated in the said Note.
 - (ii) Note 5, regarding the payment of remuneration to an executive director reappointed during the period, which is in excess of the limits specified in Schedule XIII, to the Companies Act, 1956 by ₹ 25 Lakhs, and in respect of which the Company is in the process taking approval from the Central Government.

Our report is not qualified in respect of these matters.

6. 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 Agreements and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Nine months ended December 31, 2013 of the Statement, from the details furnished by the Registrars.

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


Ganesh Balakrishnan

Partner

Membership No. 201193

Hyderabad, February 12, 2014