

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, 2014

(₹ in lakhs)

Sr. No	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Refer Notes below						
1.	Income from Operations						
	a). Net Sales/ Income from Operations (Net of excise duty)	2,361	8,550	1,635	10,911	7,916	19,668
	b). Other Operating Income	-	15	3	15	9	37
	Total income from operations (net)	2,361	8,565	1,638	10,926	7,925	19,705
2.	Expenses						
	a). Cost of materials consumed	8	539	438	547	891	20,091
	b). Changes in inventories of finished goods and work in progress	2,327	8,094	1,414	10,421	7,061	(5,169)
	c). Employee benefits expense	293	291	251	584	490	1,134
	d). Depreciation and amortisation expense	321	320	316	641	629	1,262
	e). Other expenses	413	353	284	766	646	2,524
	Total expenses	3,362	9,597	2,703	12,959	9,717	19,842
3.	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	(1,001)	(1,032)	(1,065)	(2,033)	(1,792)	(137)
4.	Other Income	-	1	3	1	3	19
5.	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	(1,001)	(1,031)	(1,062)	(2,032)	(1,789)	(118)
6.	Finance costs	591	554	579	1,145	1,104	2,169
7.	Profit/(Loss) from ordinary activities after finance costs and before exceptional items (5 - 6)	(1,592)	(1,585)	(1,641)	(3,177)	(2,893)	(2,287)
8.	Exceptional items (Refer Note No. 6)	-	756	-	756	-	-
9.	Profit / (Loss) from ordinary activities before tax (7 - 8)	(1,592)	(2,341)	(1,641)	(3,933)	(2,893)	(2,287)
10.	Tax expenses	-	-	-	-	-	-
11.	Net Profit / (Loss) from ordinary activities after tax (9 - 10)	(1,592)	(2,341)	(1,641)	(3,933)	(2,893)	(2,287)
12.	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13.	Net Profit / (Loss) for the period (11 - 12)	(1,592)	(2,341)	(1,641)	(3,933)	(2,893)	(2,287)
14.	Paid-up equity share capital (Face value ₹ 10 per share)						4,370
15.	Reserve excluding Revaluation reserves						(5,846)
16.	Earnings per share (of ₹ 10 each)(not annualised)						
	a). Basic (₹)	(3.71)	(5.42)	(3.82)	(9.13)	(6.75)	/(5.49)
	b). Diluted (₹)	*(3.71)	*(5.42)	*(3.82)	*(9.13)	*(6.75)	/(5.49)
	* (is anti-dilutive)						
	# annualised						

For GAYATRI SUGARS LTD.

F. Parthaboddy
F. PARTHABODDY
 Executive Director

Part II : SELECT INFORMATION FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2014

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
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	42.70%	42.70%	42.70%	42.70%	42.70%	42.70%
2. Promoters and Promoter Group Shareholding						
a). Pledged/Encumbered						
- Number of shares	-	-	13,111,093	-	13,111,093	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	52.36%	-	52.36%	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	30.00%	-	30.00%	-
b). Non-encumbered						
- Number of shares	25,040,888	25,040,888	11,929,795	25,040,888	11,929,795	25,040,888
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	47.64%	100.00%	47.64%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	57.30%	57.30%	27.30%	57.30%	27.30%	57.30%

Particulars	Quarter ended 30.09.2014
B INVESTOR COMPLAINTS	
Number of complaints pending as on 01.07.2014	Nil
Received during the quarter	-
Disposed off during the quarter	-
Lying unresolved as on 30.09.2014	Nil

(₹ in lakhs)

Statement of Assets and Liabilities

	As at 30.09.2014	As at 31.03.2014
	Unaudited	Audited
A EQUITY AND LIABILITIES		
1. Shareholders' funds		
(a). Share capital	5,985	5,985
(b). Reserves and surplus	(9,780)	(5,846)
Sub-total - Shareholders' Fund	(3,795)	139
2. Non-current liabilities		
(a). Long-term borrowings	9,438	8,892
(b). Other Long-term Liabilities	404	627
(c). Long-term provisions	179	164
Sub-total - Non-current liabilities	10,021	9,683
3. Current liabilities		
(a). Short-term borrowings	6,617	6,041
(b). Trade payables	681	9,726
(c). Other current liabilities	6,732	5,182
(d). Short-term provisions	33	33
Sub-total - Current liabilities	14,063	20,982
TOTAL EQUITY AND LIABILITIES (1+2+3)	20,289	30,804
B ASSETS		
1. Non-current assets		
(a). Fixed assets	15,027	15,668
(b). Long Term Loans and advances	-	-
Sub-total - Non-current assets	15,027	15,668
2. Current assets		
(a). Inventories	2,611	13,231
(b). Trade receivables	11	469
(c). Cash and cash equivalents	311	765
(d). Short-term loans and advances	2,329	671
Sub-total - Current assets	5,262	15,136
TOTAL ASSETS (1+2)	20,289	30,804

For GAYATRI SUGARS LTD.

T. Sarita Reddy
T. SARITA REDDY
Executive Director

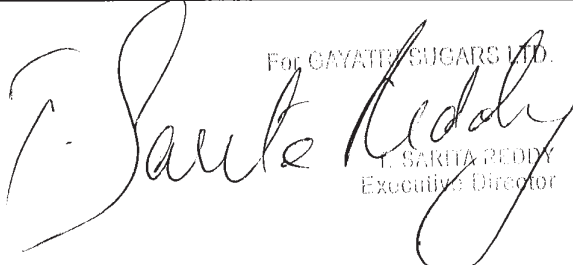
(₹ in lakhs)

SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED							
Sr. No.	Particulars	Quarter ended			Half Year Ended		Year Ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	Segment Revenue						
	a) Sugar	2,086	8,098	1,309	10,184	7,075	18,778
	b) Distillery	275	631	329	906	850	2,419
	Total	2,361	8,729	1,638	11,090	7,925	21,197
	Less: Inter Segment Revenue	-	164	-	164	-	1,492
	Net Sales/Revenue from Operations	2,361	8,565	1,638	10,926	7,925	19,705
2.	Segment Results						
	a) Sugar	(933)	(1,337)	(1,033)	(2,270)	(1,945)	(1,218)
	b) Distillery	(68)	305	(32)	237	153	1,081
	Total	(1,001)	(1,032)	(1,065)	(2,033)	(1,792)	(137)
	Less: Inter Segment elimination	-	-	-	-	-	-
	Total segment results before interest and tax	(1,001)	(1,032)	(1,065)	(2,033)	(1,792)	(137)
	(i) Finance Costs	591	1,310	579	1,901	1,104	2,169
	(ii) Other un-allocable Income	-	(1)	(3)	(1)	(3)	(19)
	Profit/(Loss) before tax	(1,592)	(2,341)	(1,641)	(3,933)	(2,893)	(2,287)
	Tax	-	-	-	-	-	-
	Net Profit/(Loss) after tax	(1,592)	(2,341)	(1,641)	(3,933)	(2,893)	(2,287)
3.	Capital employed						
	a) Sugar	(7,324)	(5,986)	(3,975)	(7,324)	(3,975)	(3,675)
	b) Distillery	3,546	3,801	3,523	3,546	3,523	3,831
	Unallocated	(17)	(17)	(17)	(17)	(17)	(17)
	Total	(3,795)	(2,202)	(468)	(3,795)	(468)	139

Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on November 12, 2014.
- The Statutory Auditors have carried out the "Limited Review" of the financial results for the quarter and half year ended September 30, 2014.
- Sugar industry being seasonal, the performance of the Company varies from quarter to quarter.
- Effective April 1, 2014, Schedule II of the Companies Act, 2013, prescribes the useful lives of various types of assets. Pending the determination of revised useful lives by the Management, the Company continues to provide depreciation at the rates followed hitherto.
- As at September 30, 2014 the accumulated losses amounted to ₹ 9,995 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 made a reference to the Board for Industrial and Financial Reconstruction (BIFR) on August 5, 2013, under Section 23 of Sick Industrial Companies (Special Provisions) Act, 1985. Further, the Company is dependent on continuous support from its promoters. As of September 30, 2014 the promoters have arranged an unsecured loan of ₹ 5,142 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 to make it economically viable.
- 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 ₹ 84 lakhs till 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. In consortium meeting held on June 9, 2014, the member banks of the consortium decided that the ROR payment should be made at the earliest by March 2015. Consequently, the management of the Company has agreed to pay ROR amount in installments before March 31, 2015 and tendered post-dated cheques payable during November 2014 to March 2015 and has accordingly made provision towards the same.
- During the previous year, the 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. The Central Government approval is awaited in respect of ₹ 52.40 Lakhs remuneration paid, which is in excess of the limits specified in Schedule XIII, to the Companies Act, 1956.
- Previous quarter/period's figures have been regrouped / rearranged wherever considered necessary to conform with the current quarter classification.

Place: Hyderabad
Date: November 12, 2014

For GAYATHI SUGARS LTD.

T. SAKITA REDDY
Executive Director

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 Half year ended September 30, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, 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 provide 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 the Companies Act, 1956 (which are deemed to be applicable as per 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 Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to the following Notes to the Statement;
 - (i) Note 5 to the Statement, which indicates that as at September 30, 2014 the accumulated losses amounted to ₹ 9,995 lakhs which has completely eroded the net-worth of the Company as on that date. The Company had also made reference to the Board for Industrial and Financial Reconstruction (BIFR) on August 5, 2013, under Section 23 of Sick Industrial Companies (Special Provisions) Act, 1985. These financial results have been prepared on a going concern basis for the reasons stated in the said Note.



Deloitte Haskins & Sells

- (ii) Note 7 to the Statement, regarding the payment of remuneration to an executive director reappointed during the previous year, which is in excess of the limits specified in Schedule XIII, to the Companies Act, 1956 by ₹ 52.40 Lakhs, and in respect of which the approval from the Central Government is awaited.

Our report is not qualified in respect of these matters.

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 Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter ended September 30, 2014 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, November 12, 2014