

August 7, 2023

**To
BSE Limited
Listing Department
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001
Scrip Code: 532183**

Dear Sir/Madam,

Sub: Outcome of the Board Meeting of Gayatri Sugars Limited (the 'Company') held on Monday, August 07, 2023

Ref: Reg. 30 read with Reg. 33 of SEBI (LODR) Regulations, 2015

we wish to inform you that the Board of Directors of the Company at their meeting held on today, i.e. August 07, 2023 has, inter alia, transacted the following business:

- Approved the Un-Audited Financial Results and Statements for the First Quarter ended on June 30, 2023 with limited review report submitted by MOS & Associates LLP, the Statutory Auditors of the Company.

The Board Meeting Commenced at 11:00 A.M and concluded at 12:15 PM

A copy of the said results together with the Limited Review Report is enclosed herewith for the first quarter ended June 30, 2023 are enclosed herewith.

These are also being made available on the website of the Company at www.gayatrisugars.com.

This is for your information and records.

Yours truly
For **Gayatri Sugars Limited**


D S V R Susmitha
Company Secretary



Regd. & Corp. Office :

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CIN : L15421TG1995PLC020720



GAYATRI SUGARS LIMITED

CIN : L15421TG1995PLC020720

Regd. Office : 6-3-1090,TSR TOWERS,B-2, 2nd Floor,
Raj Bhavan Road, Somajiguda, Hyderabad-500082

STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2023

		(₹ in lakhs)			
S.No	Particulars	Quarter ended			Year ended
		30.06.2023	31.03.2023	30.06.2022	31.03.2023
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Income				
	Revenue from operations	5,781.50	22,665.55	5,011.16	38,831.38
	Other Income	1.09	37.74	0.33	54.98
	Total Income	5,782.59	22,703.29	5,011.49	38,886.36
2	Expenses				
	a. Cost of Material Consumed	32.68	16,084.04	34.05	28,669.33
	b. Purchase of stock-in-trade	626.38	-	286.67	286.27
	c. Changes in Inventories of finished goods, Work-in-Progress and Stock-in-trade	4,394.53	(487.57)	4,123.06	(1,079.42)
	d. Employee Benefits Expense	556.59	633.79	504.61	2,209.33
	e. Finance costs	559.63	118.39	766.92	2,388.64
	f. Depreciation and Amortization Expense	163.29	162.76	278.55	797.18
	g. Other Expenses	534.11	2,048.51	512.51	4,768.34
	Total Expenses	6,867.21	18,559.92	6,506.37	38,039.67
3	Profit/ (Loss) before exceptional items and tax (1-2)	(1,084.62)	4,143.37	(1,494.88)	846.69
4	Exceptional items	-	2,585.50	-	2,585.50
5	Net Profit/ (Loss) before tax (3+4)	(1,084.62)	6,728.87	(1,494.88)	3,432.19
6	Tax expenses	-	-	-	-
7	Net Profit/ (Loss) after tax (5-6)	(1,084.62)	6,728.87	(1,494.88)	3,432.19
8	Other comprehensive income				
	<i>Items that will not be reclassified to profit or loss:</i>				
	(a) Actuarial gain/ (loss) on defined benefit obligations	(5.46)	84.19	(17.76)	30.90
9	Total other comprehensive income (7 + 8)	(1,090.08)	6,813.06	(1,512.64)	3,463.09
10	Paid Up Equity Share Capital (Face Value ₹ 10/- per Share)	4,370.05	4,370.05	4,370.05	4,370.05
11	Reserves excluding revaluation reserves				(16,789.20)
12	Networth				(12,165.88)
13	Earnings per Share (of ₹ 10/- each) (not annualised for quarterly figures):				
	- Basic (₹)	(2.48)	15.39	(3.42)	7.85
	- Diluted (₹) (*antidilutive)	*(2.48)	7.93	*(3.42)	4.05



T. Santa Reddy



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**SEGMENT REPORTING UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS
2015 FOR THE UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2023**

		(₹ in lakhs)			
S.No	Particulars	Quarter ended			Year ended
		30.06.2023	31.03.2023	30.06.2022	31.03.2023
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Segment Revenue				
	a) Sugar	5,468.88	23,517.21	4,615.68	37,745.43
	b) Distillery	1,549.67	1,374.14	1,168.81	4,829.50
	Total	7,018.55	24,891.35	5,784.49	42,574.93
	Less : Inter Segment Revenue	1,237.05	2,225.80	773.33	3,743.55
	Revenue from Operations	5,781.50	22,665.55	5,011.16	38,831.38
2	Segment Results				
	a) Sugar	(570.42)	3,975.77	(1,102.51)	2,117.06
	b) Distillery	44.34	248.25	374.22	1,063.29
	Total	(526.08)	4,224.02	(728.29)	3,180.35
	Total Segment results before Interest and Tax	(526.08)	4,224.02	(728.29)	3,180.35
	(i) Finance cost	559.63	118.39	766.92	2,388.64
	(ii) Other un-allocable income	1.09	37.74	0.33	54.98
	Profit/(Loss) before exceptional items and tax	(1,084.62)	4,143.37	(1,494.88)	846.69
	Exceptional items	-	2,585.50	-	2,585.50
	Profit/(Loss) before tax	(1,084.62)	6,728.87	(1,494.88)	3,432.19
	Tax	-	-	-	-
	Net Profit /(Loss) after Tax	(1,084.62)	6,728.87	(1,494.88)	3,432.19
3	Segment Assets				
	a) Sugar	12,356.61	16,158.59	14,280.83	16,158.59
	b) Distillery	3,361.59	3,453.13	2,515.67	3,453.13
	c) Un-allocated	97.81	96.78	51.15	96.78
	Total	15,816.01	19,708.50	16,847.65	19,708.50
4	Segment Liabilities				
	a) Sugar	29,268.37	32,005.04	34,493.17	32,005.04
	b) Distillery	56.87	122.61	90.20	122.61
	c) Un-allocated				
	Total	29,325.24	32,127.65	34,583.37	32,127.65

Notes on segment information :

- a) The Company is carrying on business segments of sugar and distillery. Based on the "management approach" as defined in Ind AS 108 - Operating segments, the Company evaluates and allocates resources based on the performance by business segments. The segment reporting is presented accordingly. The Accounting principles are applied to record revenue and expenditure of individual segments in preparation of financial results.
- b) The segment results represents the profit earned or loss incurred before interest and tax by each segment.



T. Sanku Reddy



GAYATRI

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Notes :

- 1 The above published un audited results have been prepared in accordance with the principles and procedures as set out in Ind AS on financial statements and such other applicable standards as notified under section 133 of the Companies Act, 2013 and Companies (Indian Accounting Standard) Rules 2015 as amended.
- 2 The above un audited financial results for the quarter ended 30th June, 2023 have been reviewed by the Audit Committee and considered and approved by the Board of Directors of the Company at its meeting held on 07th August, 2023.
- 3 The Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh dismissed the Company's 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 levy of Electricity Duty @ 25 paisa per unit by the State Government on consumption of electricity by captive generating units relating to earlier years. In the year 2016-17, the Company filed a Special Leave Petition (SLP) in the Hon'ble Supreme Court which dismissed the SLP vide order dated September 27, 2016 on the grounds that these matters were pending before the Board for Industrial and Financial Reconstruction (BIFR), and unless payments were being made by the petitioners as directed in its interim orders @ 15 paisa per unit. The Hon'ble Supreme Court also granted liberty to the petitioners to revive the petitions after the decision is given by the BIFR. Currently, the case filed before BIFR stands abated and the Company has not initiated any proceedings before the NCLT.

The management is of the view that as the case filed before BIFR stands abated and no demand notices were received thereafter for the payment, the Company has treated the estimated duty amount aggregating ₹ 284 lakhs as a Contingent Liability and no provision has been made in respect of the same. In the event of an unfavourable verdict/outcome in this matter, the Management based on the Supreme Court's interim orders and considering the inherent uncertainty in predicting the final outcome of the above litigation estimates the impact of the potential liability to be ₹ 170 lakhs.

In view of the above, the auditors have made a modified conclusion in their Limited Review Report about their inability to comment on the ultimate outcome of this matter and the consequential impact, if any, on these un audited financial results.
- 4 During the previous years, the company had defaulted in repayment of the Sugar Development Fund (SDF) loan. Pursuant to the said default, SDF through its monitoring Institution i.e., IFCI Limited had filed a petition before the Debt Recovery Tribunal (DRT) for recovery of its dues. Subsequently, the Company made an application to the Ministry of Consumer Affairs, Food and Public Distribution (Ministry), Government of India (GOI) for restructuring of the SDF loan as per the operational guidelines issued by the GOI. The Company's application was accepted by the Committee for rehabilitation and recommended to GOI for Administrative Approval (AA) for restructuring of the SDF loan. The GOI issued AA approval on 20.05.2022 with terms of waiver of penal interest and capitalise the regular interest with principal amount, Rate of Interest @4.65% p.a, moratorium period of 24 months and loan repayable in 60 EMIs. The Company complied with all the terms and conditions of AA and executed loan documents i.e., Tripartite Agreement, Escrow Agreement, Hypothecation Deed and Memorandum of Deposit of Title Deeds (MODT) and only the registration of MODT in the office of the Sub Registrar of Assurances which is pending due to technical defects in Dharani Portal implemented by the Government of Telangana. In view of the above the company is very much confident that the petition filed by IFCI Ltd before the Debt Recovery Tribunal (DRT) will be withdrawn/dispensed.
- 5 During the current quarter ended 30/06/2023, the company has received necessary approvals for the increase in the Authorised share capital from ₹ 11,000 Lakhs to ₹ 14,500 Lakhs consisting of 10,00,00,000 no. of equity shares of Face Value of ₹ 10 each and 4,50,00,000 no. of preference shares of Face Value of ₹ 10 each. In view of the above increase of Share Capital during the current quarter, the company has approved the issue of 4,15,00,000 no. of convertible warrants (convertible within 18 months from the date of allotment i.e. 12/07/2023) to non-promoters at an issue price of ₹ 10 each and had based on the request of holders of 6% Optionally Convertible Redeemable Preference Shares (OCRPS) i.e., 92,89,790 OCRPS held by T.S.R. Holdings Private Limited and 17,10,210 OCRPS held by Gayatri Fin-Holdings Private Limited, approved the conversion of preference share to Equity Shares. Subsequent to the quarter but before the adoption of the Un-audited Financial Results, the company had allotted 3,38,00,000 no. of convertible warrants and against such warrants the company had received in full the entire amounts in respect of 38,33,333 no. of warrants i.e. ₹383.33 lakhs and in respect of 2,99,66,667 no. of convertible warrants the company has received 25% of the share warrant amount i.e., ₹ 749.17 Lakhs, thereby totalling to ₹ 1,132.50 Lakhs.
- 6 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 7 Sugar Industry being seasonal, the performance of the Company for the current and previous quarters are not comparable.
- 8 The previous period's figures have been regrouped / reclassified wherever considered necessary to correspond with the current period's classification/disclosures.

Place : Hyderabad
Date : 07.08.2023

T. Sarita Reddy
Managing Director

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors
Gayatri Sugars Limited

1. We have reviewed the accompanying statement of Standalone Unaudited Financial Results of **M/s. Gayatri Sugars Limited ('the Company')** for the quarter ended 30th June 2023 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. The preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) – "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies generally accepted in India, is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (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 misstatements. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. *Attention is invited to the following material matter:*
 - i) *Note. 3 of this statement regarding the High Court dismissing the writ filed by the company challenging the levy of electricity duty by the state government on consumption of electricity by captive generating units, the sub sequential dismissal of special leave petition by the honorable Supreme Court 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 ₹283.99 Lakhs as a contingent liability.*

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 unaudited financial results.



5. Based on our review conducted as stated above, except for the possible effects of the matter described in paragraph 4(i) above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies 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, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. *Attention is invited to the following material matter:*

- i) As stated in Note No.4 of the Unaudited Financial Results, the petition filed by IFCI Limited before the Debt Recovery Tribunal (DRT) for recovery of Sugar Development Fund (SDF) dues, is pending for disposal/ withdrawal for detailed reasons stated in the said note.

Our conclusion is not modified in respect of above matter.

For M O S & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No. 001975S/S200020


Oommen Mani
Partner
Membership No. 234119
UDIN: 23234119BGXRZF8217



Place: Hyderabad
Date: 07th August 2023