

May 09, 2019

**To
The Secretary
Listing Department
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Scrip Code: 532183**

Dear Sir/Madam,

**Sub: Intimation of the Outcome of Board Meeting – Reg.,
Ref: Our Board Meeting Notice Dated May 02, 2019**

We wish to inform you that the Board of Directors of the Company at their meeting held today, i.e. May 09, 2019 has, inter alia, approved the following:

Audited Financial Results and Statements for the quarter and year ended March 31, 2019.

MOS & Associates LLP, Chartered Accountants, the statutory Auditors of the Company have issued auditors' reports with modified opinion on the financial statements.

The Statement on Impact of Audit Qualifications is attached herewith.

The Board Meeting commenced at 11:30 a.m. and concluded at 01:50 p.m.

A copy of the said results together with the Auditors' Report is 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**

Chetan K. Sharma

Chetan Kumar Sharma
Company Secretary & Compliance Officer



Regd. & Corp. Office :

Gayatri Sugars Limited, B2, 2nd Floor, 6-3-1090, TSR Towers,
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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 AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2019

| | | (₹ in lakhs) | | | | |
|----------|--|------------------|-----------------|------------------|-------------------|------------------|
| S.No | Particulars | Quarter ended | | | Year ended | |
| | | 31.03.2019 | 31.12.2018 | 31.03.2018 | 31.03.2019 | 31.03.2018 |
| | | (Audited) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| 1 | Income | | | | | |
| | Revenue from operations | 12,948.79 | 9,907.86 | 15,266.22 | 31,167.93 | 25,138.10 |
| | Other Income | 15.94 | 11.15 | 15.51 | 30.18 | 19.18 |
| | Total Income | 12,964.73 | 9,919.01 | 15,281.73 | 31,198.11 | 25,157.28 |
| 2 | Expenses | | | | | |
| | a. Cost of Material Consumed | 17,429.03 | 8,716.74 | 13,068.60 | 26,376.84 | 20,743.54 |
| | b. Purchase of stock-in-trade | 155.18 | 1.09 | 408.33 | 245.06 | 408.33 |
| | c. Changes in Inventories of finished goods, Work-in-Progress and Stock-in-trade | (8,583.21) | (1,517.51) | (4,398.79) | (2,729.71) | (5,160.80) |
| | d. Excise Duty | - | - | - | - | 49.45 |
| | e. Employee Benefits Expense | 488.78 | 509.99 | 504.78 | 1,813.87 | 1,663.17 |
| | f. Finance costs | 860.19 | 469.40 | 617.45 | 2,351.14 | 2,007.81 |
| | g. Depreciation and Amortization Expense | 255.26 | 256.00 | 250.41 | 1,015.90 | 1,007.51 |
| | h. Other Expenses | 1,677.43 | 1,425.85 | 1,544.75 | 4,071.67 | 3,142.77 |
| | Total Expenses | 12,282.66 | 9,861.56 | 11,995.53 | 33,144.77 | 23,861.78 |
| 3 | Profit/ (Loss) before exceptional items and tax (1-2) | 682.07 | 57.45 | 3,286.20 | (1,946.66) | 1,295.50 |
| 4 | Exceptional items | - | - | - | - | - |
| 5 | Net Profit/ (Loss) before tax (3+4) | 682.07 | 57.45 | 3,286.20 | (1,946.66) | 1,295.50 |
| 6 | Tax expenses | - | - | - | - | - |
| 7 | Net Profit/ (Loss) after tax (5-6) | 682.07 | 57.45 | 3,286.20 | (1,946.66) | 1,295.50 |
| 8 | Other comprehensive income | | | | | |
| | <i>Items that will not be reclassified to profit or loss:</i> | | | | | |
| | (a) Actuarial gain/ (loss) on defined benefit obligations | 203.87 | (11.16) | (90.99) | 162.93 | (79.39) |
| 9 | Total other comprehensive income (7 + 8) | 885.94 | 46.29 | 3,195.21 | (1,783.73) | 1,216.11 |
| 10 | Paid Up Equity Share Capital (Face Value ₹ 10/- per Share) | 4,370.05 | 4,370.05 | 4,370.05 | 4,370.05 | 4,370.05 |
| 11 | Reserves excluding revaluation reserves | | | | (13,840.10) | (11,372.63) |
| 12 | Networth | | | | (9,478.19) | (6,847.79) |
| 13 | Earnings per Share (of ₹ 10/- each) (not annualised for quarterly figures): | | | | | |
| | - Basic (₹) | 1.56 | (0.04) | 7.35 | (4.45) | 2.28 |
| | - Diluted (₹) (*antidilutive) | 1.19 | *(0.04) | 4.90 | *(4.45) | 1.75 |

For GAYATRI SUGARS LTD

T. Sarita Reddy
T. SARITA REDDY
Managing Director



GAYATRI SUGARS LIMITED
CIN : L15421TG1995PLC020720
 Regd. Office : 6-3-1090,TSR TOWERS,B-2, 2nd Floor,
 Raj Bhavan Road, Somajiguda, Hyderabad-500082

STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2019

| (₹ in lakhs) | | |
|---|----------------------------------|----------------------------------|
| Particulars | As at 31.03.2019 (Audited) | As at 31.03.2018 (Audited) |
| A ASSETS | | |
| 1 Non-current Assets | | |
| (a) Property, Plant and Equipment | 10,653.84 | 11,378.87 |
| (b) Capital work-in-progress | 7.78 | 172.56 |
| (c) Intangible Assets | 1.13 | 1.23 |
| (d) Financial Assets | | |
| (i) Other Financial Assets | 80.49 | 76.41 |
| (e) Other Non-Current Assets | 255.39 | 518.26 |
| Total Non-Current Assets | 10,998.63 | 12,147.33 |
| 2 Current Assets | | |
| (a) Inventories | 12,032.60 | 9,270.82 |
| (b) Financial Assets | | |
| (i) Trade Receivables | 2,776.69 | 903.01 |
| (ii) Cash and Cash equivalents | 213.88 | 984.80 |
| (iii) Bank balances other than (ii) above | 136.77 | 4.24 |
| (c) Other Current Assets | 1,139.95 | 1,375.60 |
| Total current assets | 16,299.89 | 12,538.47 |
| TOTAL ASSETS | 27,298.52 | 24,685.80 |
| B EQUITY AND LIABILITIES | | |
| 1 Equity | | |
| (a) Equity Share Capital | 4,370.05 | 4,370.05 |
| (b) Other equity | (13,840.10) | (11,372.63) |
| Total equity | (9,470.05) | (7,002.58) |
| 2 Liabilities | | |
| Non-current liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 8,319.39 | 8,448.33 |
| (ii) Other Financial liabilities | 56.98 | 264.11 |
| (b) Long Term Provisions | 305.51 | 430.70 |
| Total Non-current liabilities | 8,681.88 | 9,143.14 |
| Current liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 6,889.58 | 6,902.81 |
| (ii) Trade payables | 12,064.67 | 4,280.24 |
| (iii) Other Financial Liabilities | 8,367.54 | 10,177.33 |
| (b) Other current liabilities | 658.19 | 1,087.72 |
| (c) Short Term Provisions | 106.71 | 97.14 |
| Total current liabilities | 28,086.69 | 22,545.24 |
| Total liabilities | 36,768.57 | 31,688.38 |
| TOTAL EQUITY AND LIABILITIES | 27,298.52 | 24,685.80 |

For GAYATRI SUGARS LTD.

T. Sarita Reddy
T. SARITA REDDY
 Managing Director



GAYATRI SUGARS LIMITED

CIN : L15421TG1995PLC020720

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

SEGMENT REPORTING UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015 FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

| S.No | Particulars | Quarter ended | | | Year ended | Year ended |
|----------|--|------------------|------------------|------------------|-------------------|------------------|
| | | 31.03.2019 | 31.12.2018 | 31.03.2018 | 31.03.2019 | 31.03.2018 |
| | | (Audited) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| 1 | Segment Revenue | | | | | |
| | a) Sugar | 12,295.91 | 8,224.50 | 15,159.00 | 27,977.45 | 23,232.48 |
| | b) Distillery | 1,647.11 | 2,006.71 | 850.90 | 4,906.24 | 2,848.58 |
| | Total | 13,943.02 | 10,231.21 | 16,009.90 | 32,883.69 | 26,081.06 |
| | Less : Inter Segment Revenue | 994.23 | 323.35 | 743.68 | 1,715.76 | 942.96 |
| | Revenue from Operations | 12,948.79 | 9,907.86 | 15,266.22 | 31,167.93 | 25,138.10 |
| 2 | Segment Results | | | | | |
| | a) Sugar | 1,164.71 | 137.59 | 3,047.52 | (598.72) | 2,129.53 |
| | b) Distillery | 361.60 | 378.11 | 840.62 | 973.01 | 1,154.60 |
| | Total | 1,526.31 | 515.70 | 3,888.14 | 374.29 | 3,284.13 |
| | Total Segment results before Interest and Tax | 1,526.31 | 515.70 | 3,888.14 | 374.29 | 3,284.13 |
| | (i) Finance cost | 860.19 | 469.40 | 617.45 | 2,351.14 | 2,007.81 |
| | (ii) Other un-allocable income | 15.95 | 11.15 | 15.51 | 30.19 | 19.18 |
| | Profit/(Loss) before Tax | 682.07 | 57.45 | 3,286.20 | (1,946.66) | 1,295.50 |
| | Tax | - | - | - | - | - |
| | Net Profit /(Loss) after Tax | 682.07 | 57.45 | 3,286.20 | (1,946.66) | 1,295.50 |
| 3 | Segment Assets | | | | | |
| | a) Sugar | 24,432.83 | 17,069.65 | 20,796.43 | 24,432.83 | 20,796.42 |
| | b) Distillery | 2,857.01 | 3,860.46 | 3,877.16 | 2,857.01 | 3,877.16 |
| | c) Un-allocated | 8.68 | 8.43 | 12.22 | 8.68 | 12.22 |
| | Total | 27,298.52 | 20,938.54 | 24,685.81 | 27,298.52 | 24,685.80 |
| 4 | Segment Liabilities | | | | | |
| | a) Sugar | 36,651.91 | 30,421.09 | 31,575.68 | 36,651.91 | 31,575.68 |
| | b) Distillery | 108.64 | 182.62 | 104.67 | 108.64 | 104.67 |
| | c) Un-allocated | 8.03 | 8.03 | 8.03 | 8.03 | 8.03 |
| | Total | 36,768.57 | 30,611.74 | 31,688.38 | 36,768.57 | 31,688.38 |

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.

For GAYATRI SUGARS LTD.

T. SARITA REDDY
 Managing Director

**GAYATRI SUGARS LIMITED**

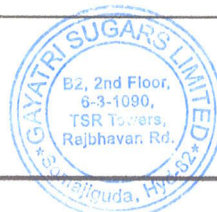
CIN : L15421TG1995PLC020720

Regd. Office : 6-3-1090, TSR TOWERS, B-2, 2nd Floor,
Raj Bhavan Road, Somajiguda, Hyderabad- 500 082**Notes :**

- 1 The above financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 9th May, 2019.
- 2 The Government of India introduced the Goods and Service Tax (GST) effective from 1st July, 2017. Accordingly, in compliance with Indian Accounting Standards, Revenue from operations for the period beginning from the effective date is presented net of GST. Therefore, Revenue from operations for the year ended 31st March, 2019 (net of GST) and Revenue from operations for the corresponding year ended 31st March, 2018 (being inclusive of excise duty for the first quarter of 2017-18), are therefore not comparable.
- 3 Ind AS 115 "Revenue from Contracts with customers" is effective from 1st April 2018, the Company has adopted Ind AS 115 and the same did not have any material impact on the financial statements of the Company.
- 4 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 paise 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 paise 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 unfavorable 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 qualification in their Audit Report about their inability to comment on the ultimate outcome of this matter and the consequential impact, if any, on these financial results.
- 5 Over the last few years, the Company has been incurring losses and as at 31st March, 2019, the accumulated losses have completely eroded the net worth and its current liabilities exceeded the current assets as on that date. During the current year ended 31st March, 2019, the Company has incurred a loss of ₹ 1,941.21 Lakhs. In the opinion of the management though the company has performed well on all parameters, the loss incurred is on account of the Fair Remunerative Price of Cane and cost of production far exceeding the sale price of sugar. The management is confident that in the foreseeable future the financial position of the company will improve.
The financial results 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.
- 6 Sugar Industry being seasonal, the performance of the Company for the current and previous quarters are not comparable.
- 7 Previous period's figures have been regrouped / reclassified wherever considered necessary to correspond with the current period's classification/ disclosures.

Place : Hyderabad
Date : 09/05/2019
T. Sarita Reddy
Managing Director

Annexure – I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results

| Statement on Impact of Audit Qualifications for the Financial Year ended 31st March, 2019 (See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016) | | | | |
|---|--|--|--|--|
| I | Sl. No. | Particulars | Audited Figures (as reported before adjusting for qualifications) | Adjusted Figures (audited figures after adjusting for qualifications) |
| | 1 | Turnover / Total income | 31,198.10 | 31,198.10 |
| | 2 | Total Expenditure | 33,144.77 | 33,314.77 |
| | 3 | Net Profit/(Loss) | (1,946.67) | (2,116.67) |
| | | Earnings Per Share | | |
| | | Basic | (4.45) | (4.84) |
| | 4 | Diluted | (4.45) | (4.84) |
| | 5 | Total Assets | 27,298.51 | 27,298.51 |
| | 6 | Total Liabilities | 36,768.57 | 36,768.57 |
| | 7 | Net Worth | (9,470.06) | (9,640.06) |
| | 8 | Any other financial item(s) (as felt appropriate by the management) | Nil | Nil |
| #impact (as quantified by Management) of qualification considered in Total Expenditure as exceptional item | | | | |
| II | Audit Qualification: | | | |
| | a. Details of Audit Qualification: | | | |
| | <p>i) Attention is drawn to Note 4. 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 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 and no provision has been made in respect of the same.</p> <p>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.</p> | | | |

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CIN : L15421TG1995PLC020720



| | |
|--|--|
| | b. Type of Audit Qualification: Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion: |
| | c. Frequency of Qualification: Whether appeared first time/ Repetitive/ Since how long continuing: Appearing since the Annual Audited Results of FY 2016-17 |
| | d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: -Not Applicable- |
| | e. For Audit Qualification(s) where the impact is not quantified by the auditor: |
| | (i) Management's estimation on the impact of audit qualification: Refer Note 4 of the Financial Results: Impact of Qualification - ₹ 170 Lakhs debit to the Statement of Profit and Loss for the year ended 31 st March, 2019 which is disclosed as an Exceptional Item (Refer Note below). Accordingly, the liabilities as at March 31, 2019 will increase and the net-worth as at March 31, 2018 shall reduce by the corresponding amount. Note: In the event of an unfavorable verdict 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. |
| | (ii) If management is unable to estimate the impact, reasons for the same: - Not Applicable - |
| | (iii) Auditors' Comments on (i) or (ii) above: No further comments |



Santosh Kishore

| | | |
|------|----------------------------|---|
| III. | <u>Signatories:</u> | |
| | Managing Director |  |
| | CFO |  |
| | Audit Committee Chairman |  |
| | Statutory Auditor |  |
| | Place: Hyderabad |  |
| | Date: 09.05.2019 |  |



Auditor's Report on Quarterly Financial Results and Year to Date 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 audited the accompanying statement of Standalone Financial Results of **M/s. Gayatri Sugars Limited ('the Company')** for the quarter and year ended 31st March, 2019 ("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 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 05th July 2016 ('the Circular'). The quarterly standalone financial results are the derived figures between the audited figures in respect of the year ended 31st March, 2019 and the published year-to-date figures up to 31st December, 2018, being the date of the end of the third quarter of the current financial year, which were subjected to limited review. The Standalone financial results for the quarter and year ended 31st March, 2019 have been prepared on the basis of the standalone Ind AS financial results for the nine-month period ended 31st December, 2018, the audited annual standalone Ind AS financial statements as at and for the year ended 31st March 2019, and relevant requirements of the Regulation and the Circular, which are the responsibility of the company's management and have been approved by the Board of Directors of the Company in the meeting held on 9th May 2019. Our responsibility is to express an opinion on these standalone Ind AS financial results based on our review of the standalone Ind AS financial results for the nine month period ended 31st December, 2018 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (Ind AS) 34, Interim Financial Reporting, specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual standalone Ind AS financial statements as at and for the year ended 31st March, 2019; and the relevant requirements of the regulation and the Circular.
2. We conducted our audit in accordance with the Standards on Auditing generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our qualified opinion.
3. **Basis for Qualified Opinion**

We draw your attention to Note 4 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 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 to ₹283.99 Lakhs as a contingent liability. In this regard we are unable to comment on the ultimate outcome of the matter and the consequential impact, if any on these financial results.



4. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in paragraph 3 above, these standalone quarterly financial results as well as the year to date financial results:

- (i). are presented in accordance with the requirements of the Regulation and the Circular in this regard; and
 - (ii). give a true and fair view of the net loss, other comprehensive income and other financial information of the Company for the quarter and year ended 31st March, 2019.
5. Figures for the quarter ended 31st March, 2019 reported in these financial results are the balancing figures between audited figures in respect of full financial year and the published year to date figures up to the third quarter of the current financial year and these figures up to the third quarter were subjected to limited review.
6. *Attention is invited to the following material matter:*
- i) *Note. 5 of the Statement, regarding the preparation of financial results on a going concern basis.*

Our opinion is not qualified 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



Place: Hyderabad
Date: 9th May, 2019