

June 18, 2020

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001,
Scrip Code: 532183

Dear Sir/Madam,

Sub: Intimation of the Outcome of Board of Directors Meeting

In continuation of our letter dated June 11, 2020, we wish to inform you that the Board of Directors of the Company at their meeting held on today, i.e. June 18, 2020 has, inter alia, and approved the following:

1. Audited Financial Results and Statements for the Quarter and Year Ended on March 31, 2020.
2. MOS & Associates LLP, Chartered Accountants, the statutory Auditors of the Company have issued Auditors' Reports with Modified Opinion on The Financial Statements and Impact of Audit Qualifications is attached herewith.

All the above disclosure submitting Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board Meeting Commenced at 01:15 p.m. and concluded at 02.00 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**


Danveer Singh

Company Secretary & Compliance Officer



Encl: As Above

Regd. & Corp. Office :

Gayatri Sugars Limited, B2, 2nd Floor, 6-3-1090, TSR Towers,
Raj Bhavan Road, Somajiguda, Hyderabad 500 082. Telangana

Factories :

Kamareddy Unit : Adloor Yellareddy, Sadasivanagar Mandal,
Kamareddy Dist. - 503 145. Telangana

Nizamsagar Unit : Maagi, Nizamsagar Mandal,
Kamareddy Dist. - 503 302. Telangana

CIN : L15421TG1995PLC020720

T+91 40 2341 4823 / 4826
F+91 40 2341 4827

Wwww.gayatrisugars.com

T+91 8468 248558
F+91 8468 248559
T+91 8465 275577



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, 2020

					(Rs. in lakhs)	
S.No	Particulars	Quarter ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income					
	Revenue from operations	11,733.66	3,923.66	12,948.79	28,172.58	31,167.93
	Other Income	10.83	6.99	15.94	18.85	30.18
	Total Income	11,744.49	3,930.65	12,964.73	28,191.43	31,198.11
2	Expenses					
	a. Cost of Material Consumed	11,825.15	5,187.90	17,429.03	17,331.18	26,376.84
	b. Purchase of stock-in-trade	135.35	35.97	155.18	438.18	245.06
	c. Changes in Inventories of finished goods, Work-in-Progress and Stock-in-trade	(4,139.02)	(2,566.07)	(8,583.21)	4,369.95	(2,729.71)
	d. Employee Benefits Expense	540.38	507.55	488.78	1,909.80	1,813.87
	e. Finance costs	630.33	575.23	860.19	2,412.67	2,351.14
	f. Depreciation and Amortization Expense	262.57	201.26	255.26	1,035.06	1,015.90
	g. Other Expenses	1,152.39	1,033.96	1,677.43	3,466.88	4,071.67
	Total Expenses	10,407.15	4,975.80	12,282.66	30,963.72	33,144.77
3	Profit/ (Loss) before exceptional items and tax (1-2)	1,337.34	(1,045.15)	682.07	(2,772.29)	(1,946.66)
4	Exceptional items	-	-	-	-	-
5	Net Profit/ (Loss) before tax (3+4)	1,337.34	(1,045.15)	682.07	(2,772.29)	(1,946.66)
6	Tax expenses	-	-	-	-	-
7	Net Profit/ (Loss) after tax (5-6)	1,337.34	(1,045.15)	682.07	(2,772.29)	(1,946.66)
8	Other comprehensive income					
	Items that will not be reclassified to profit or loss:					
	(a) Actuarial gain/ (loss) on defined benefit obligations	(24.47)	(14.48)	203.87	(68.33)	162.93
9	Total other comprehensive income (7 + 8)	1,312.87	(1,059.63)	885.94	(2,840.62)	(1,783.73)
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				(16,680.72)	(13,840.10)
12	Networth				(12,250.48)	(9,478.19)
13	Earnings per Share (of Rs. 10/- each)					
	(not annualised for quarterly figures):					
	- Basic (Rs.)	3.06	(2.39)	1.56	(6.34)	(4.45)
	- Diluted (Rs.) (*antidilutive)	2.27	*(2.39)	1.19	*(6.34)	*(4.45)





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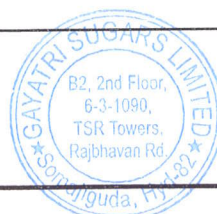
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- 1 The above financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 18.06.2020.
- 2 Transition to Ind AS 116 'Leases' - Effective from 1st April 2019:
The adoption of Ind AS 116 did not have any impact on the results for the quarter and year ended 31st March 2020, as there are no leases entered by the company.
- 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 Rs. 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 Rs.170 lakhs.

In view of the above, the auditors have made a modified conclusion 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.
- 4 Sugar Development fund (SDF) which has disbursed loan amounting to ` 19.91 Crores to M/s. GSR Sugars Private Limited (The said company later Amalgamated into M/s. Gayatri Sugars Limited) through its Monitoring Institution IFCI Limited and as at 31st March 2020, the total amount due to SDF is ` 38.65 (including the accrued interest thereon). During the year, SDF through its monitoring institution had filed a petition before DRT for recovery of amounts due to it. In the year 2016-17, the company made the reference before Board for Industrial and Financial Reconstruction (BIFR) under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and the same was admitted and registered. Further, the BIFR had appointed IDBI Bank as operating agency for submission of Revival Scheme. Subsequently the Ministry of Finance, Govt. of India, have repealed the SICA. The Company and the entire industry vide their association Indian Sugar Mills Association have represented before the Joint Secretary, Department of Food and Public Distribution, Ministry of Consumer Affairs, Food and Public Distribution, Govt of India for restructure of the SDF loan granted and waiver of additional interest (i.e. Penal Interest). Hence, in view of the same the management is very much confident of a favourable outcome from Department of Food and Public Distribution, Ministry of Consumer Affairs, Food and Public Distribution, Govt of India and consequent withdrawal of aforementioned petition before DRT. As the company already provided for necessary provisions of Interest/Penal interest there is no need for provision of any further amounts.
- 5 Over the last few years, the Company has been incurring losses and as at 31st March 2020, the accumulated losses have completely eroded the net worth and its current liabilities exceeded the current assets by Rs. 13,773.01 Lakhs as on that date. During the current year ended 31st March 2020, the Company has incurred a loss of Rs. 2,772.29 Lakhs. The management is confident that in 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 The ongoing Covid-19 pandemic, has effected the country and the entire globe, which has contributed to a significant decline in global and local economic activities. The company has also got effected in view of the Lockdown implementation in the country as there was a severe disruption in supply chains and delay in realisation of trade receivables and absence of purchase orders for certain items. The extent to which the Covid-19 pandemic will impact the company's financials will depend on future developments, which are uncertain. The company has opted for the utilisation of Moratorium Benefit provided by the Reserve Bank of India. However, since the majority of amounts due on account of Trade Receivables is from state government owned/operated entities, where the company does not anticipated any credit loss.
- 7 Sugar Industry being seasonal, the performance of the Company for the current and previous quarters are not comparable.
- 8 Previous period's figures have been regrouped / reclassified wherever considered necessary to correspond with the current period's classification/ disclosures.

Place : Hyderabad
 Date 18.06.2020



T. Sarita Reddy
 Managing Director



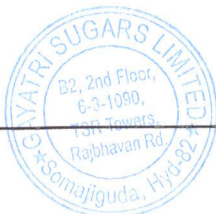
GAYATRI SUGARS LIMITED
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 Raj Bhavan Road, Somajiguda, Hyderabad-500082



Continuous Sheet

STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2020

(Rs. in lakhs)		
Particulars	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
A ASSETS		
1 Non-current Assets		
(a) Property, Plant and Equipment	9,620.89	10,653.84
(b) Capital work-in-progress	9.78	7.78
(c) Intangible Assets	0.11	1.13
(d) Financial Assets		
(i) Other Financial Assets	80.93	80.49
(e) Other Non-Current Assets	-	255.39
Total Non-Current Assets	9,711.71	10,998.63
2 Current Assets		
(a) Inventories	7,574.56	12,032.60
(b) Financial Assets		
(i) Trade Receivables	1,251.96	2,776.69
(ii) Cash and Cash equivalents	171.55	213.88
(iii) Bank balances other than (ii) above	-	136.77
(c) Other Current Assets	1,030.13	1,105.63
Total current assets	10,028.20	16,265.57
TOTAL ASSETS	19,739.91	27,264.20
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share Capital	4,370.05	4,370.05
(b) Other equity	(16,680.72)	(13,840.10)
Total equity	(12,310.67)	(9,470.05)
2 Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	7,810.25	8,319.39
(ii) Other Financial liabilities	59.39	56.98
(b) Long Term Provisions	379.73	305.51
Total Non-current liabilities	8,249.37	8,681.88
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	6,969.44	6,889.58
(ii) Trade payables	6,531.29	12,064.67
(iii) Other Financial Liabilities	8,861.84	8,367.54
(b) Other current liabilities	1,291.74	623.87
(c) Short Term Provisions	146.90	106.71
Total current liabilities	23,801.21	28,052.37
Total liabilities	32,050.58	36,734.25
TOTAL EQUITY AND LIABILITIES	19,739.91	27,264.20





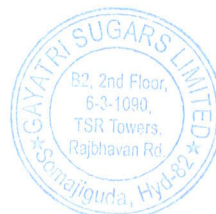
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SEGMENT REPORTING UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015 FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

					(Rs. in lakhs)	
S.No	Particulars	Quarter ended			Year ended	Year ended
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Segment Revenue					
	a) Sugar	11,835.03	3,828.42	12,295.91	27,157.52	27,977.45
	b) Distillery	1,094.90	697.25	1,647.11	3,228.24	4,906.24
	Total	12,929.93	4,525.67	13,943.02	30,385.76	32,883.69
	Less : Inter Segment Revenue	1,196.27	602.01	994.23	2,213.18	1,715.76
	Revenue from Operations	11,733.66	3,923.66	12,948.79	28,172.58	31,167.93
2	Segment Results					
	a) Sugar	1,716.77	(658.97)	1,164.71	(987.87)	(598.72)
	b) Distillery	240.07	182.06	361.60	609.40	973.01
	Total	1,956.84	(476.91)	1,526.31	(378.47)	374.29
	Total Segment results before Interest and Tax	1,956.84	(476.91)	1,526.31	(378.47)	374.29
	(i) Finance cost	630.33	575.23	860.19	2,412.67	2,351.14
	(ii) Other un-allocable income	10.83	6.99	15.95	18.85	30.19
	Profit/(Loss) before Tax	1,337.34	(1,045.15)	682.07	(2,772.29)	(1,946.66)
	Tax	-	-	-	-	-
	Net Profit /(Loss) after Tax	1,337.34	(1,045.15)	682.07	(2,772.29)	(1,946.66)
3	Segment Assets					
	a) Sugar	16,171.62	12,875.85	24,398.52	16,171.62	24,398.52
	b) Distillery	3,559.31	2,421.57	2,857.00	3,559.31	2,857.00
	c) Un-allocated	8.98	8.77	8.68	8.98	8.68
	Total	19,739.91	15,306.19	27,264.20	19,739.91	27,264.20
4	Segment Liabilities					
	a) Sugar	31,926.75	29,093.45	36,617.58	31,926.75	36,617.58
	b) Distillery	115.80	158.86	108.64	115.80	108.64
	c) Un-allocated	8.03	8.03	8.03	8.03	8.03
	Total	32,050.58	29,260.34	36,734.25	32,050.58	36,734.25

Notes on segment information :

- 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.
- The segment results represents the profit earned or loss incurred before interest and tax by each segment.
- Previous period's figures have been regrouped / reclassified wherever considered necessary to correspond with the current period's classification/disclosures.



Gayatri Sugars Limited
Statement of Cash Flows for the year ended 31st March, 2020

Continuous Sheet

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cash flow from operating activities:		
Profit before tax	(2,772.29)	(1,946.66)
Adjustments for:		
Depreciation and amortization expenses	1,035.06	1,015.90
Finance costs	2,412.67	2,351.14
Interest income	(1.52)	(4.33)
Operating profit before working capital changes	673.92	1,416.05
Adjustments for:		
(Increase) / Decrease in Trade Receivables	1,524.73	(1,873.68)
(Increase) / Decrease in non-current financial asset	(0.00)	0.36
(Increase) / Decrease in Other current assets	75.50	235.65
(Increase) / Decrease in Other non-current assets	255.39	262.87
(Increase) / Decrease in Inventory	4,458.04	(2,761.78)
Increase / (Decrease) in non-current financial liabilities	2.41	(207.13)
Increase / (Decrease) in current financial liabilities	391.69	(1,099.17)
Increase / (Decrease) in other current liabilities	667.87	(429.53)
Increase / (Decrease) in provisions	46.08	47.31
Increase / (Decrease) in Trade Payables	(5,533.38)	7,784.43
Cash generated from operations	2,562.26	3,375.38
Direct tax paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities (A)	2,562.26	3,375.38
Cash flow from investing activities		
Capital expenditure on fixed assets	(3.09)	(125.99)
Fixed deposits placed	(0.44)	(4.44)
Changes in other Bank Balances	136.77	(132.53)
Interest received	1.52	4.33
Net cash used in investing activities (B)	134.76	(258.63)
Cash flow from financing activities		
Repayment of long-term borrowings	(708.22)	(1,089.03)
Proceeds from short-term borrowings	79.86	(13.23)
Interest and other borrowing cost paid	(2,110.99)	(2,785.41)
Net cash (used in)/ flow from financing activities (C)	(2,739.35)	(3,887.67)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(42.33)	(770.92)
Cash and Cash equivalents at the beginning of the year	213.88	984.80
Cash and Cash equivalents as at the end of year	171.55	213.88

Note:

Figures in brackets represent cash outflows.

See accompanying notes forming part of the financial statements.

For Gayatri Sugars Limited

T. Sarita Reddy
Managing Director
18-Jun-20





Independent Auditor's Report on the Quarterly and Year to date 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

Report on the audit of the Standalone Financial Results

Qualified Opinion

We have audited the accompanying statement of quarterly and year to date Standalone Financial Results of **M/s. Gayatri Sugars Limited ('the Company')** for the quarter and year ended 31st March, 2020 ("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 "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the Basis for Qualified Opinion section of our report, the statement;

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss, other comprehensive loss and other financial information of the company for the quarter and year ended 31st March 2020.

Basis for Qualified Opinion

As stated in note 3 to the accompanying Standalone Financial Results, regarding the High Court dismissing the writ petition filed by the Company challenging the levy of electricity duty by the State Government on consumption of electricity by captive generating units, the subsequent dismissal of special leave petition by the Honorable Supreme Court and the pending matter before the Board for Industrial and Financial Reconstruction 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 and no provision has been made in respect of the same.

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 Standalone Financial Results.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those SAs are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified audit opinion on the Standalone Financial Results.

Material Uncertainty Related to Going Concern

We draw attention to Note 5 of the Standalone Financial Results which states that during the year the company has incurred a loss of ₹ 2,772.29 Lakhs and as at 31st March, 2020, the accumulated losses have completely eroded the Net-worth of the Company and the Company's current liabilities exceed the current assets by ₹ 13,773.01 Lakhs. The Standalone Financial Results have been prepared on a going concern

basis based on a Comfort letter provided by the promoters for continues support to the Company to meet its financial obligation, in order to enable the Company to continue its operations in the foreseeable future.

Our Opinion is not modified in respect of the above matter.

Emphasis of Matters

Attention is invited to the following material matters:

- i. As stated in Note No. 4 of the Standalone Financial Results, regarding petition filed by Sugar Development fund (SDF) through its Monitoring Institution IFCI Limited for recovery of Principal amount along with accrued interest thereon.
- ii. As stated in Note No. 6 of the Standalone Financial Results, which describes the uncertainties and the possible effects of Covid-19 on the operations of the Company.

Our conclusion is not modified in respect of above matter.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors is responsible for preparation and presentation of the statement that gives a true and fair view of the net loss and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The statement includes results for the quarter ended 31st March, 2020 being the balancing figures between the audited figures in respect of full financial year ended 31st March, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the listing Regulations

for **M O S & Associates LLP**
Chartered Accountants
Firm Registration No.: 001975S/S200020

Oommen Mani
Partner
Membership No.: 234119
UDIN: 20234119AAAABJ1326

Hyderabad, 18th June, 2020

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 31 st March, 2020 (See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016)				
Rs. in Lakhs				
I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	28,191.09	28,191.09
	2	Total Expenditure	30,963.73	31,133.73
	3	Net Profit/(Loss)	(2,772.30)	(2,942.30)
		Earnings Per Share		
		Basic (Rs.)	(6.34)	(6.73)
	4	Diluted (Rs.) (*Anti-Dilutive)	*(6.34)	*(6.73)
	5	Total Assets	19,739.91	19,739.91
	6	Total Liabilities	32,050.59	32,220.59
	7	Net Worth	(12,250.48)	(12,420.48)
	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 3 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 Rs. 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>			



Continuous Sheet

	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 - Rs.170 Lakhs debit to the Statement of Profit and Loss for the year ended 31 st March, 2020 which is to be disclosed as an Exceptional Item (Refer Note below). Accordingly, the liabilities as at 31 st March, 2020 will increase and the net-worth as at 31 st March, 2020 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 Rs. 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



III.	<u>Signatories:</u>	
	Managing Director	
	CFO	
	Audit Committee Chairman	
	Statutory Auditor	
	Place: Hyderabad	
	Date: 18 th June, 2020	

