

**Date:** 14<sup>th</sup> September, 2020

**TO,**  
**BSE LIMITED**  
**PHIROZE JEEJEEBHOY TOWERS**  
**DALAL STREET, MUMBAI- 400 001**

**SUB.:** Outcome of the Board Meeting Reg.,

**REF.:** Gayatri Sugars Limited, Scrip Code: **532183**.

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Dear Sir/Madam,

This has reference to our letter dated: September 07, 2020. The Board of Directors at the meeting held today, i.e. September 14, 2020, inter alia, transacted the following business:

- Approved the Un-Audited Financial Results of the Company for the Quarter Ended June 30, 2020 with limited review report submitted by MOS & Associates LLP, the Statutory Auditors of the Company.

The Board Meeting commenced at **03:30 P.M. (IST)** and concluded at **04:30 P.M. (IST)**.

A copy of the said results together with the Limited Review Report for Quarter Ended June 30, 2020 are enclosed herewith. These are also being made available on the website of the Company at [www.gayatrisugars.com](http://www.gayatrisugars.com)

You are requested to take the same on your record.

Thanking You,

Yours Faithfully,

**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

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**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 30<sup>th</sup> June, 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.
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. 2 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 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. *Emphasis of Matters*

We draw attention to the following matters:

- i) *Note. 3 of the Statement, regarding petition filed by Sugar Development fund (SDF) through its Monitoring Institution IFCL Limited before the Hon'ble Debt Recovery Tribunal -1, Hyderabad for recovery of Principal amount along with accrued interest thereon.*
- ii) *Note. 4 of the Statement, regarding the preparation of financial results on a going concern basis.*
- iii) *Note No. 5 of the statement, 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.

**For M O S & ASSOCIATES LLP**

Chartered Accountants

Firm's Registration No. 001975S/S200020

  
**Oommen Mani**  
Partner



Membership No. 234119

UDIN: 20234119AAAAEE2458

Place: Hyderabad

Date: 14<sup>th</sup> September, 2020



**GAYATRI SUGARS LIMITED**

CIN : L15421TG1995PLC020720

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

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2020**

		(₹ in lakhs)			
S.No	Particulars	Quarter ended			Year ended
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		(Un Audited)	(Audited)	(Un Audited)	(Audited)
<b>1</b>	<b>Income</b>				
	Revenue from operations	6,271.79	11,733.66	11,029.73	28,172.58
	Other Income	0.07	10.83	0.82	18.85
	<b>Total Income</b>	<b>6,271.86</b>	<b>11,744.49</b>	<b>11,030.55</b>	<b>28,191.43</b>
<b>2</b>	<b>Expenses</b>				
	a. Cost of Material Consumed	90.74	11,825.15	253.38	17,331.18
	b. Purchase of stock-in-trade	148.39	135.35	203.17	438.18
	c. Changes in Inventories of finished goods, Work-in-Progress and Stock-in-trade	5,254.49	(4,139.02)	9,699.10	4,369.95
	d. Employee Benefits Expense	440.38	540.38	428.90	1,909.80
	e. Finance costs	600.17	630.33	611.79	2,412.67
	f. Depreciation and Amortization Expense	256.92	262.57	269.59	1,035.06
	g. Other Expenses	500.07	1,152.39	734.13	3,466.88
	<b>Total Expenses</b>	<b>7,291.16</b>	<b>10,407.15</b>	<b>12,200.06</b>	<b>30,963.72</b>
<b>3</b>	<b>Profit/ (Loss) before exceptional items and tax (1-2)</b>	<b>(1,019.30)</b>	<b>1,337.34</b>	<b>(1,169.51)</b>	<b>(2,772.29)</b>
<b>4</b>	<b>Exceptional items</b>	-	-	-	-
<b>5</b>	<b>Net Profit/ (Loss) before tax (3+4)</b>	<b>(1,019.30)</b>	<b>1,337.34</b>	<b>(1,169.51)</b>	<b>(2,772.29)</b>
<b>6</b>	<b>Tax expenses</b>	-	-	-	-
<b>7</b>	<b>Net Profit/ (Loss) after tax (5-6)</b>	<b>(1,019.30)</b>	<b>1,337.34</b>	<b>(1,169.51)</b>	<b>(2,772.29)</b>
<b>8</b>	<b>Other comprehensive income</b>				
	<i>Items that will not be reclassified to profit or loss:</i>				
	(a) Actuarial gain/ (loss) on defined benefit obligations	(15.61)	(24.47)	(14.62)	(68.33)
<b>9</b>	<b>Total other comprehensive income (7 + 8)</b>	<b>(1,034.91)</b>	<b>1,312.87</b>	<b>(1,184.13)</b>	<b>(2,840.62)</b>
<b>10</b>	<b>Paid Up Equity Share Capital (Face Value ₹ 10/- per Share)</b>	<b>4,370.05</b>	<b>4,370.05</b>	<b>4,370.05</b>	<b>4,370.05</b>
<b>11</b>	<b>Reserves excluding revaluation reserves</b>				<b>(16,680.72)</b>
<b>12</b>	<b>Networth</b>				<b>(12,310.67)</b>
<b>13</b>	<b>Earnings per Share (of ₹ 10/- each)</b>				
	(not annualised for quarterly figures):				
	- Basic (₹)	(2.33)	3.06	(2.71)	(6.34)
	- Diluted (₹) (*antidilutive)	*(2.33)	2.27	*(2.71)	*(6.34)



# 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 ENDED 30TH JUNE, 2020

S.No	Particulars	Quarter ended			(₹ in lakhs)
		30.06.2020	31.03.2020	30.06.2019	Year ended
		(Un Audited)	(Audited)	(Un Audited)	(Audited)
1	<b>Segment Revenue</b>				
	a) Sugar	5,598.11	11,835.03	10,242.77	27,157.52
	b) Distillery	1,119.66	1,094.90	1,201.86	3,228.24
	<b>Total</b>	<b>6,717.77</b>	<b>12,929.93</b>	<b>11,444.63</b>	<b>30,385.76</b>
	Less : Inter Segment Revenue	445.98	1,196.27	414.90	2,213.18
	<b>Revenue from Operations</b>	<b>6,271.79</b>	<b>11,733.66</b>	<b>11,029.73</b>	<b>28,172.58</b>
2	<b>Segment Results</b>				
	a) Sugar	(680.05)	1,716.77	(921.75)	(987.87)
	b) Distillery	260.85	240.07	363.21	609.40
	<b>Total</b>	<b>(419.20)</b>	<b>1,956.84</b>	<b>(558.54)</b>	<b>(378.47)</b>
	<b>Total Segment results before Interest and Tax</b>	<b>(419.20)</b>	<b>1,956.84</b>	<b>(558.54)</b>	<b>(378.47)</b>
	(i) Finance cost	600.17	630.33	611.79	2,412.67
	(ii) Other un-allocable income	0.07	10.83	0.82	18.85
	<b>Profit/(Loss) before Tax</b>	<b>(1,019.30)</b>	<b>1,337.34</b>	<b>(1,169.51)</b>	<b>(2,772.29)</b>
	Tax	-	-	-	-
	<b>Net Profit /(Loss) after Tax</b>	<b>(1,019.30)</b>	<b>1,337.34</b>	<b>(1,169.51)</b>	<b>(2,772.29)</b>
3	<b>Segment Assets</b>				
	a) Sugar	11,857.50	16,171.62	13,670.04	16,171.62
	b) Distillery	3,360.47	3,559.31	2,572.73	3,559.31
	c) Un-allocated	9.21	8.98	8.76	8.98
	<b>Total</b>	<b>15,227.18</b>	<b>19,739.91</b>	<b>16,251.53</b>	<b>19,739.91</b>
4	<b>Segment Liabilities</b>				
	a) Sugar	28,492.40	31,926.75	26,814.43	31,926.75
	b) Distillery	72.33	115.80	83.26	115.80
	c) Un-allocated	8.03	8.03	8.03	8.03
	<b>Total</b>	<b>28,572.76</b>	<b>32,050.58</b>	<b>26,905.72</b>	<b>32,050.58</b>

### 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
- 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****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 14th September 2020.
- 2 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 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 financial results.
- 3 Sugar Development fund (SDF) which has disbursed loan amounting to ₹ 1991.60 Lakhs 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 30th June 2020, the total amount due to SDF is ₹ 3957.61 Lakhs (including the accrued interest thereon). During the previous 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.
- 4 Over the last few years, the Company has been incurring losses and as at 30th June 2020, the accumulated losses have completely eroded the net worth and its current liabilities exceeded the current assets as on that date. During the current quarter ended 30th June 2020, the Company has incurred a loss of ₹ 1,019.3 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.
- 5 The spread of COVID 19 has severely impacted businesses around the globe. Due to outbreak of coronavirus global pandemic, Government of India, implemented a Pan India lockdown during the period March 24, 2020 to June 30, 2020 with certain relaxations and exceptions. The Company's significant business is sugar and it has been identified as an essential service. The Company's factory was operating during the lockdown except for few days in the initial lock down period and was able to complete the crushing of sugar as per the schedule. Management believes that it has taken into account all the possible impact of events arising from COVID 19 pandemic in the preparation of the standalone financial results for the quarter ended June 30, 2020, which are not significant. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions. The company has opted for the utilisation of Moratorium Benefit provided by the Reserve Bank of India and the company has taken loan facility under Covid Emergency Credit Line. 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.
- 6 The figures for the quarter ended 31st March 2020 are the balancing figures between the audited figures for the full financial year ended 31st March 2020 and the published year to date figures up to third quarter ended 31st December 2019.
- 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 : 14th September 2020

T. Sarita Reddy  
Managing Director