

Date: November 11, 2020

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

Scrip Code: 532183

Dear Sir/Madam,

**Sub.: Outcome of Board Meeting
Ref.: Our Board Meeting Notice Dated: November 04, 2020**

.....

In continuation of our letter dated November 04, 2020, we wish to inform you that the Board of Directors of the Company at their meeting held today, i.e. November 11, 2020, inter alia, transacted the following business:

- ❖ Approved the Unaudited Financial Results for the quarter and half year ended September 30, 2020, duly reviewed and recommended by the Audit Committee, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board Meeting Commenced at **12:15 P.M. and concluded at 01:45 P.M.**



A copy of the said results together with Limited Review report issued by Statutory Auditors M/s. MOS & Associates LLP is enclosed herewith. These results are also made available on the website of the Company being at www.gayatrisugars.com.

This is for your information and records.

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

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

CIN: L15421TG1995PLC020720

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Independent Auditor's Review Report on the Unaudited Standalone Quarterly and Year to date 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 Unaudited Standalone Financial Results of **M/s. Gayatri Sugars Limited ('the Company')** for the quarter ended 30th September 2020 and year to date from 1st April 2020 to 30th September 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 unaudited standalone 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) *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 unaudited standalone financial results on a going concern basis.*
 - iii) *Note. 5 of the statement, wherein it is explained the COVID – 19 Pandemic effects and impact on the business operations of the company and however, the actual effect will be known based on the future developments.*

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: 20234119AAAAEX2271



Place: Hyderabad
Date: 11th November, 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 STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2020

S.No	Particulars	Quarter ended			Half-Year ended		(₹ in lakhs)
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	Year ended
		(Un Audited)	(Un Audited)	(Un Audited)	(Un Audited)	(Un Audited)	(Audited)
1	Income						
	Revenue from operations	1,643.47	6,271.79	1,485.53	7,915.26	12,515.26	28,172.58
	Other Income	0.41	0.07	0.21	0.48	1.03	18.85
	Total Income	1,643.88	6,271.86	1,485.74	7,915.74	12,516.29	28,191.43
2	Expenses						
	a. Cost of Material Consumed	64.78	90.74	64.75	155.52	318.13	17,331.18
	b. Purchase of stock-in-trade	1.10	148.39	63.69	149.49	266.86	438.18
	c. Changes in Inventories of finished goods, Work-in-Progress and Stock-in-trade	1,317.01	5,254.49	1,375.93	6,571.50	11,075.03	4,369.95
	d. Employee Benefits Expense	447.63	440.38	432.97	888.01	861.87	1,909.80
	e. Finance costs	641.30	600.17	595.32	1,241.47	1,207.11	2,412.67
	f. Depreciation and Amortization Expense	258.88	256.92	301.64	515.80	571.23	1,035.06
	g. Other Expenses	540.87	500.07	546.40	1,040.94	1,280.53	3,466.88
	Total Expenses	3,271.57	7,291.16	3,380.70	10,562.73	15,580.76	30,963.72
3	Profit/ (Loss) before exceptional items and tax (1-2)	(1,627.69)	(1,019.30)	(1,894.96)	(2,646.99)	(3,064.47)	(2,772.29)
4	Exceptional items	-	-	-	-	-	-
5	Net Profit/ (Loss) before tax (3+4)	(1,627.69)	(1,019.30)	(1,894.96)	(2,646.99)	(3,064.47)	(2,772.29)
6	Tax Expenses	-	-	-	-	-	-
7	Net Profit/ (Loss) after tax (5-6)	(1,627.69)	(1,019.30)	(1,894.96)	(2,646.99)	(3,064.47)	(2,772.29)
8	Other Comprehensive Income						
	Items that will not be reclassified to profit or loss:						
	(a) Actuarial gain/ (loss) on defined benefit obligations	(17.17)	(15.61)	(14.76)	(32.78)	(29.38)	(68.33)
9	Total Comprehensive Income/(Loss) (7 + 8)	(1,644.86)	(1,034.91)	(1,909.72)	(2,679.77)	(3,093.85)	(2,840.62)
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	4,370.05
11	Reserves excluding revaluation reserves						(16,680.72)
12	Networth						(12,250.48)
13	Earnings per Share (of ₹ 10/- each)						
	(not annualised for quarterly figures):						
	- Basic (₹)	(3.73)	(2.33)	(4.30)	(6.06)	(7.01)	(6.34)
	- Diluted (₹) (*antidilutive)	*(3.73)	*(2.33)	*(4.30)	*(6.06)	*(7.01)	*(6.34)

(Signature)

GAYATRI SUGARS LIMITED
62, 2nd Floor,
6-3-1090,
TSR Towers,
Rajbhavan Rd,
Somajiguda, Hyderabad



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CIN : L15421TG1995PLC020720
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 Raj Bhavan Road, Somajiguda, Hyderabad-500082

UNAUDITED STANDALONE BALANCE SHEET AS AT 30TH SEPTEMBER, 2020

(₹ in lakhs)		
Particulars	As at 30.09.2020 (Un Audited)	As at 31.03.2020 (Audited)
A ASSETS		
1 Non-current Assets		
(a) Property, Plant and Equipment	9,132.53	9,620.89
(b) Capital work-in-progress	10.01	9.78
(c) Intangible Assets	0.10	0.11
(d) Financial Assets		
(i) Other Financial Assets	82.81	80.93
Total Non-Current Assets	9,225.45	9,711.71
2 Current Assets		
(a) Inventories	993.27	7,574.56
(b) Financial Assets		
(i) Trade Receivables	849.73	1,251.96
(ii) Cash and Cash equivalents	88.09	171.55
(iii) Bank balances other than (ii) above	-	-
(c) Other Current Assets	2,021.42	1,030.13
Total current assets	3,952.51	10,028.20
TOTAL ASSETS	13,177.96	19,739.91
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share Capital	4,370.05	4,370.05
(b) Other equity	(19,360.49)	(16,680.72)
Total equity	(14,990.44)	(12,310.67)
2 Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	8,000.27	7,810.25
(ii) Other Financial liabilities	69.15	59.39
(b) Long Term Provisions	410.86	379.73
Total Non-current liabilities	8,480.28	8,249.37
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	7,531.20	6,969.44
(ii) Trade payables	784.83	6,531.29
(iii) Other Financial Liabilities	9,808.12	8,861.84
(b) Other current liabilities	1,407.46	1,291.74
(c) Short Term Provisions	156.51	146.90
Total current liabilities	19,688.12	23,801.21
Total liabilities	28,168.40	32,050.58
TOTAL EQUITY AND LIABILITIES	13,177.96	19,739.91






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SEGMENT REPORTING UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015 FOR THE QUARTER AND HALF-YEAR ENDED 30TH SEPTEMBER, 2020

S.No	Particulars	Quarter ended			Half-year ended		Year ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		(Un Audited)	(Un Audited)	(Un Audited)	(Un Audited)	(Un Audited)	(Audited)
1	Segment Revenue						
	a) Sugar	463.06	5,598.11	1,251.30	6,061.17	11,494.07	27,157.52
	b) Distillery	1,180.41	1,119.66	234.23	2,300.07	1,436.09	3,228.24
	Total	1,643.47	6,717.77	1,485.53	8,361.24	12,930.16	30,385.76
	Less : Inter Segment Revenue	-	445.98	-	445.98	414.90	2,213.18
	Revenue from Operations	1,643.47	6,271.79	1,485.53	7,915.26	12,515.26	28,172.58
2	Segment Results						
	a) Sugar	(975.30)	(680.05)	(1,123.90)	(1,655.35)	(2,045.65)	(987.87)
	b) Distillery	(11.50)	260.85	(175.95)	249.35	187.26	609.40
	Total	(986.80)	(419.20)	(1,299.85)	(1,406.00)	(1,858.39)	(378.47)
	Total Segment results before Interest and Tax	(986.80)	(419.20)	(1,299.85)	(1,406.00)	(1,858.39)	(378.47)
	(i) Finance cost	641.30	600.17	595.32	1,241.47	1,207.11	2,412.67
	(ii) Other un-allocable income	0.41	0.07	0.21	0.48	1.03	18.85
	Profit/(Loss) before Tax	(1,627.69)	(1,019.30)	(1,894.96)	(2,646.99)	(3,064.47)	(2,772.29)
	Tax	-	-	-	-	-	-
	Net Profit /(Loss) after Tax	(1,627.69)	(1,019.30)	(1,894.96)	(2,646.99)	(3,064.47)	(2,772.29)
3	Segment Assets						
	a) Sugar	10,830.48	11,857.50	11,234.64	10,830.48	11,234.64	16,171.62
	b) Distillery	2,338.27	3,360.47	2,151.19	2,338.27	2,151.19	3,559.31
	c) Un-allocated	9.21	9.21	8.76	9.21	8.76	8.98
	Total	13,177.96	15,227.18	13,394.59	13,177.96	13,394.59	19,739.91
4	Segment Liabilities						
	a) Sugar	27,974.89	28,492.40	25,674.71	27,974.89	25,674.71	31,926.75
	b) Distillery	185.48	72.33	275.75	185.48	275.75	115.80
	c) Un-allocated	8.03	8.03	8.03	8.03	8.03	8.03
	Total	28,168.40	28,572.76	25,958.49	28,168.40	25,958.49	32,050.58

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.



GAYATRI SUGARS LIMITED
STATEMENT OF UNAUDITED STANDALONE CASH FLOWS FOR THE HALF-YEAR ENDED 30TH SEPTEMBER, 2020

(₹ in lakhs)

Particulars	For the Half - Year ended 30TH September, 2020 (Un Audited)	For the Half - Year ended 30TH September, 2019 (Un Audited)
Cash flow from operating activities:		
Profit before tax	(2,646.99)	(3,064.47)
Adjustments for:		
Depreciation and amortization expenses	515.80	571.23
Finance costs	1,241.47	1,207.11
Interest income	(0.48)	(0.94)
Operating profit before working capital changes	(890.20)	(1,287.07)
Adjustments for:		
(Increase) / Decrease in Trade Receivables	402.23	2,114.16
(Increase) / Decrease in non-current financial asset	(1.91)	(0.02)
(Increase) / Decrease in Other current assets	(991.29)	(260.55)
(Increase) / Decrease in Other non-current assets	-	125.83
(Increase) / Decrease in Inventory	6,581.29	11,080.81
Increase / (Decrease) in non-current financial liabilities	9.76	13.93
Increase / (Decrease) in current financial liabilities	(8.95)	(430.32)
Increase / (Decrease) in other current liabilities	115.72	1,536.99
Increase / (Decrease) in provisions	7.96	37.54
Increase / (Decrease) in Trade Payables	(5,746.46)	(11,453.95)
Cash generated from operations	(521.85)	1,477.35
Direct tax paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities	(A) (521.85)	1,477.35
Cash flow from investing activities		
Capital expenditure on fixed assets	(27.66)	(2.00)
Fixed deposits placed	0.03	(0.12)
Changes in other Bank Balances	-	136.77
Interest received	0.48	0.94
Net cash (used in)/ generated from investing activities	(B) (27.15)	135.59
Cash flow from financing activities		
Proceeds/(Repayment) of long-term borrowings*	740.02	(440.01)
Proceeds/(Repayment) from short-term borrowings *	561.76	(9.60)
Interest and other borrowing cost paid*	(836.24)	(1,301.19)
Net cash (used in)/ flow from financing activities	(C) 465.54	(1,750.80)
Net increase / (decrease) in Cash and cash equivalents	(A+B+C) (83.46)	(137.86)
Cash and Cash equivalents at the beginning of the year	171.55	213.88
Cash and Cash equivalents as at the end of the period	88.09	76.02

Note:

* Refer note no.5 of the unaudited standalone financial results

Figures in brackets represent cash outflows.






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Notes :

- 1 The above unaudited standalone financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 11th November 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 unaudited standalone financial results.
- 3 Sugar Development fund (SDF) which has disbursed loan amounting to ₹ 1,991.60 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 September 2020, the total amount due to SDF is ₹ 4,051.33 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 September 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 and half year ended 30th September 2020, the Company has incurred a loss of ₹ 1,627.69 Lakhs and ₹ 2,646.99 Lakhs respectively. The management is confident that in foreseeable future the financial position of the company will improve. The unaudited standalone 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 with certain relaxations and exceptions. The Company's significant business is sugar production and it has been identified as an essential commodity. The Company's factory was operating during the lockdown except for few days in the initial lock down period. Since the majority of amounts due on account of Trade Receivables is from state government owned/operated entities, where the company does not anticipate any default in receivables on their account. However, there is delay in realizing the receivables due to COVID- 19 situation. COVID -19 Pandemic impact and the ensuing lockdown restrictions caused temporary stress on the working capital management. RBI vide letter dated 27th March, 2020 and 23rd May, 2020 have announced certain regulatory measures to mitigate the burden of serving the debt by the companies on account of the disruptions due to COVID-19 pandemic. The measures inter alia include reschedule of term loan instalments, deferment of the CC / working capital facility interest, reduction of the margin on working capital facilities, reassessment of the working capital limits and sanction of special line of credit facilities to overcome present crisis. In this regard, the company had availed the Covid Emergency Credit facility extended by its lenders of ₹ 641.00 Lakhs and the outstanding interest on Working Capital Facilities accrued for the period 1st March, 2020 to 31st August, 2020 amounting to ₹ 550.95 Lakhs is converted as Covid Funded Interest Term loan. Further, outstanding interest on Term Loans accrued for the period 1st March, 2020 to 31st August, 2020 amounting to ₹ 82.05 Lakhs is converted into Term loan. Accordingly, interest & financial charges incurred and accrued for the period 1st March, 2020 to 31st August, 2020 have not been paid by the company. Management believes that it has taken into account all the possible impact of events arising from COVID 19 pandemic in the preparation of the unaudited financial results for the quarter and half year ended September 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.
- 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 : 11th November 2020



T.V. Sandeep Kumar Reddy
Vice Chairman