

February 11, 2020

To
The Secretary, Listing Department
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 February 03, 2020

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In continuation of our letter dated February 03, 2020 we wish to inform you that the Board of Directors of the Company at their meeting held today, i.e. February 11, 2020, inter alia, transacted the following business:

1. Approved the Unaudited Financial Results for the quarter and nine months ended December 31, 2019, duly reviewed and recommended by the Audit Committee, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

2. Appointed Shri. P V Narayana Rao as an Additional Director of the Company, designated as an Non-Executive Independent Director. He is appointed for a period of five (5) years commencing from February 11, 2020, subject to the approval of the shareholders by way of special or ordinary resolution as required.

Shri. P V Narayana Rao meets the criteria of independence under Section 149 of the Companies Act, 2013 and Regulation 16 of the Listing Regulations. Further, in accordance with the circular dated June 20, 2018, issued by the Stock Exchange, he is not been debarred from holding office of Director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority. Further, there is no inter-se relationship between Shri P V Narayana Rao and other members of the Board.

3. Appointed Mr. Danveer Singh as Company Secretary (Key Managerial Personnel) and Compliance Officer w.e.f, February 12, 2020.

Mr. Danveer Singh has been authorized by the Board of Directors for determining materiality of an event or information and for the purpose of making disclosure to stock exchange under Regulation 30 of SEBI (LODR) 2015 as amended read with Policy on Criteria for Determination of Materiality of Events w.e.f February 12, 2020 along with the existing KMP's.

Regd. & Corp. Office

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

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

W www.gayatrisugars.com

Factories :

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

T +91 8468 248558
F +91 8468 248559

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

T +91 8465 275577

CIN : L15421TG1995PLC020720



The Board Meeting Commenced at 12:00 P.M. and concluded at 03:00 P.M.

The details as required under SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015; including the brief profile of the above Director & Key Managerial Personnel are given in Annexure A to this letter.

This is for your information and records.

Yours faithfully

Gayatri Sugars Limited

T. Sarita Reddy

T. Sarita Reddy
Managing Director



Encl: As Above

Details of Shri. P V Narayana Rao (DIN: 07378105)

Sr. No	Details of Events that needs to be reported	Information of such events (s)
a.	Reason for change viz. appointment, resignation, removal, death or otherwise;	Shri. P V Narayana Rao has been appointed as Additional Director designated as Non-Executive Independent Director.
b.	date of appointment/ cession (as applicable) & term of appointment;	Appointed for a period of five (5) years commencing from February 11, 2020, subject to the approval of the shareholders.
c.	brief profile (in case of appointment);	Mr. P V Narayana Rao is a practicing Chartered Accountant and with thorough exposure in manufacturing, banking, infra and other key sectors for more than 25 years and professional exposure ranging from Accounts officer to CFO in industry and consultancy. He is also a qualified resolution professional under IBC Code.
d.	Disclosure of relationships between directors (in case of appointment of a director).	Shri. P V Narayana is not related inter-se to any other Director of the Company.

Details of Mr. Danveer Singh:

Sr. No	Details of Events that needs to be reported	Information of such events (s)
a.	Reason for change viz. appointment, resignation, removal, death or otherwise;	Mr. Danveer Singh appointed as Company Secretary (Key Managerial Personnel) and Compliance Officer of the Company.
b.	date of appointment/ cession (as applicable) & term of appointment;	Appointed with effect from February 12, 2020.
c.	brief profile (in case of appointment);	Mr. Danveer Singh is a M. Com, LLB and an Associate Member of the Institute of Company Secretaries of India.
d.	Disclosure of relationships between directors (in case of appointment of a director).	Not Applicable





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 AND NINE MONTHS ENDED 31ST DECEMBER, 2019

S.No	Particulars	(₹ in lakhs)					
		Quarter ended			Nine months ended		Year ended
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	Revenue from operations	3,923.66	1,485.53	9,907.86	16,438.92	18,219.14	31,167.93
	Other Income	6.99	0.21	11.15	8.02	14.24	30.18
	Total Income	3,930.65	1,485.74	9,919.01	16,446.94	18,233.38	31,198.11
2	Expenses						
	a. Cost of Material Consumed	5,187.90	64.75	8,716.74	5,506.03	8,947.81	26,376.84
	b. Purchase of stock-in-trade	35.97	63.69	1.09	302.83	89.88	245.06
	c. Changes in Inventories of finished goods, Work-in-Progress and Stock-in-trade	(2,566.07)	1,375.93	(1,517.51)	8,508.96	5,853.50	(2,729.71)
	d. Employee Benefits Expense	507.55	432.97	509.99	1,369.42	1,325.09	1,813.87
	e. Finance costs	575.23	595.32	469.40	1,782.34	1,490.95	2,351.14
	f. Depreciation and Amortization Expense	201.26	301.64	256.00	772.49	760.64	1,015.90
	g. Other Expenses	1,033.96	546.40	1,425.85	2,314.49	2,394.24	4,071.67
	Total Expenses	4,975.80	3,380.70	9,861.56	20,556.56	20,862.11	33,144.77
3	Profit/ (Loss) before exceptional items and tax (1-2)	(1,045.15)	(1,894.96)	57.45	(4,109.62)	(2,628.73)	(1,946.66)
4	Exceptional items	-	-	-	-	-	-
5	Net Profit/ (Loss) before tax (3+4)	(1,045.15)	(1,894.96)	57.45	(4,109.62)	(2,628.73)	(1,946.66)
6	Tax expenses	-	-	-	-	-	-
7	Net Profit/ (Loss) after tax (5-6)	(1,045.15)	(1,894.96)	57.45	(4,109.62)	(2,628.73)	(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	(14.48)	(14.76)	(11.16)	(43.86)	(40.94)	162.93
9	Total other comprehensive income (7 + 8)	(1,059.63)	(1,909.72)	46.29	(4,153.48)	(2,669.67)	(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	4,370.05
11	Reserves						(13,840.10)
12	Networth						(9,478.19)
13	Earnings per Share (of ₹ 10/- each)						
	(not annualised for quarterly and nine months figures):						
	- Basic (₹)	(2.39)	(4.30)	(0.04)	(9.40)	(6.36)	(4.45)
	- Diluted (₹) (*antidilutive)	*(2.39)	*(4.30)	*(0.04)	*(9.40)	*(6.36)	*(4.45)

E. Sanku Reddy





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 NINE MONTHS ENDED 31ST DECEMBER, 2019

S.No	Particulars	(₹ in lakhs)					
		Quarter ended			Nine months ended		Year ended
		31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
1	Segment Revenue						
	a) Sugar	3,828.42	1,251.30	8,224.50	15,322.49	15,681.54	27,977.45
	b) Distillery	697.25	234.23	2,006.71	2,133.34	3,259.13	4,906.24
	Total	4,525.67	1,485.53	10,231.21	17,455.83	18,940.67	32,883.69
	Less : Inter Segment Revenue	602.01	-	323.35	1,016.91	721.53	1,715.76
	Revenue from Operations	3,923.66	1,485.53	9,907.86	16,438.92	18,219.14	31,167.93
2	Segment Results						
	a) Sugar	(658.97)	(1,123.91)	137.59	(2,704.63)	(1,763.42)	(598.72)
	b) Distillery	182.06	(175.95)	378.11	369.33	611.40	973.01
	Total Segment results before Interest and Tax	(476.91)	(1,299.86)	515.70	(2,335.30)	(1,152.02)	374.29
	(i) Finance cost	575.23	595.32	469.40	1,782.34	1,490.95	2,351.14
	(ii) Other un-allocable income	6.99	0.21	11.15	8.02	14.24	30.19
	Profit/(Loss) before Tax	(1,045.15)	(1,894.96)	57.45	(4,109.62)	(2,628.73)	(1,946.66)
	Tax	-	-	-	-	-	-
	Net Profit /(Loss) after Tax	(1,045.15)	(1,894.96)	57.45	(4,109.62)	(2,628.73)	(1,946.66)
3	Segment Assets						
	a) Sugar	12,875.85	11,234.64	17,069.64	12,875.85	17,069.64	24,432.83
	b) Distillery	2,421.57	2,151.19	3,860.46	2,421.57	3,860.46	2,857.01
	c) Un-allocated	8.77	8.76	8.43	8.77	8.43	8.68
	Total	15,306.19	13,394.59	20,938.53	15,306.19	20,938.53	27,298.52
4	Segment Liabilities						
	a) Sugar	29,093.45	25,674.71	30,421.09	29,093.45	30,421.09	36,651.91
	b) Distillery	158.86	275.75	182.62	158.86	182.62	108.64
	c) Un-allocated	8.03	8.03	8.03	8.03	8.03	8.03
	Total	29,260.34	25,958.49	30,611.74	29,260.34	30,611.74	36,768.58

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.

E. Sanku Reddy



**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 11th February, 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 ended 31st December, 2019 and year to date from 1st April, 2019 to 31st December, 2019, 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.

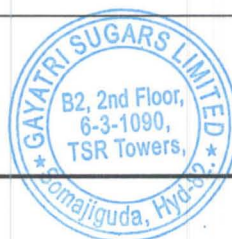
The management is of the view that as the case filed before BIFR stands abated and no demand notices were received thereafter for the payment, the Company has treated the estimated duty amount aggregating ₹ 284 lakhs as a Contingent Liability and no provision has been made in respect of the same. In 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.
- 4 Sugar Development fund (SDF) which has disbursed ₹ 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, has filed a petition before the Hon'ble Debt Recovery Tribunal -1, Hyderabad, for recovery of Principal along with accrued interest thereon amounting to ₹ 37.73 Crores as at 31st December, 2019. The Company has filed an application 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) and is hopeful for a favourable outcome, in view of the same and considering the fact that the company has made necessary provisions for Interest/Penal interest and further considering the inherent uncertainty in predicting the final outcome of the above matters, 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 December, 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 quarter ended 31st December, 2019, the Company has incurred a loss of ₹ 1,045.16 Lakhs. Further, as stated in note 4 above, Sugar Development fund (SDF) through its Monitoring Institution IFCI Limited, has filed a petition before the Hon'ble Debt Recovery Tribunal -1, Hyderabad, for recovery of Principal along with accrued interest thereon.

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 : 11th February, 2020


T. Sarita Reddy
Managing Director



Independent Auditor's Review Report on the Quarterly and Nine-months ended 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 and nine months period ended 31st December, 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.
2. The preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) – "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies generally accepted in India, is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatements. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. *Attention is invited to the following material matter:*
 - i) *Note. 3 of this statement regarding the High Court dismissing the writ filed by the company challenging the levy of electricity duty by the state government on consumption of electricity by captive generating units, the sub sequential dismissal of special leave petition by the honorable Supreme Court and the pending matter before the Board for Industrial and Financial Reconstruction (BIFR) being abated. As stated in the said note, the company has treated the estimated duty amount aggregating ₹283.99 Lakhs as a contingent liability.*

In view of the above, we are unable to comment on the ultimate outcome of the matter and the consequential impact, if any on these 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. 4 of the Statement, regarding petition filed by Sugar Development fund (SDF) through its Monitoring Institution IFCI Limited before the Hon'ble Debt Recovery Tribunal -1, Hyderabad for recovery of Principal amount along with accrued interest thereon.*
- ii) *Note. 5 of the Statement, regarding the preparation of financial results on a going concern basis.*

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: 20234119AAAAAE7314

Place: Hyderabad

Date: 11th February, 2020