

To

Date: 31.10.2017

The Manager,  
Department of Corporate Relations,  
BSE Limited, PJ Towers, Dalal Street,  
Fort Mumbai - 400001.

Dear Sir/Madam,

Sub: Annual Report- 2016-17.

Scrip Code: BSE: 524564

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find herewith attached Annual Report of M/s. Gayatri bioorganics Limited for the Financial Year 2016-17 duly approved and adopted by the members at the 26<sup>th</sup> Annual General Meeting of the Company as per the provisions of the Companies Act, 2013.

This is for the information and records of the exchanges.

Yours truly,

For **GAYATRI BIOORGANICS LIMITED.,**

*C. V. Rayudu*

C.V. Rayudu  
Whole-time Director  
DIN: 03536579





## **Gayatri BioOrganics Limited**

*(Formerly Gayatri Starchkem Limited)*

CIN: L24110TG1991PLC013512

**26<sup>th</sup> Annual Report 2016 - 17**

## **26<sup>th</sup> Annual General Meeting**

**Day : Monday**

**Date : 25<sup>th</sup> September 2017**

**Time : 10.00 A.M.**

**Venue : “J.S. KRISHNA MURTHY HALL”**  
The Federation of Telangana and Andhra  
Pradesh Chambers of Commerce and Industry  
(FTAPCCI), Federation House, 11-6-841,  
Red Hills, P.B. 14, Hyderabad – 500 004

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**COMPANY INFORMATION**

**CIN: L24110TG1991PLC013512**

**Sri T. Sandeep Kumar Reddy**

Chairman

**Smt T. Sarita Reddy**

Non Executive Director

**Sri. C.V. Rayudu**

Executive Director

**Sri T.G. Pandya**

Non Executive Independent Director

**Sri J. N. Karamchetti**

Non Executive Independent Director

**Sri. T. R. Rajagopalan**

Non Executive Independent Director

**STATUTORY AUDITORS:**

M/s. M. Bhaskara Rao & Co,  
Chartered Accountants  
5-D, Fifth Floor, 6-3-652, Kautilya Apartment,  
Raj Bhavan Quarters Colony, Somajiguda,  
Hyderabad - 500082.

**COST AUDITOR:**

N .S V. KRISHNA RAO & CO.,  
Cost Accountants,  
Flat No.201, D,No.12-2-323/A/78, Geetha Apts,  
Santhosh Nagar Colony, Mehadipatnam,  
Hyderabad - 500028.

**SECRETARIAL AUDITOR :**

Y. KOTESWARA RAO  
H.No.48-345,GaneshNagar Colony,  
Chinthal, HMT Road,  
Hyderabad - 500 054.

**REGISTRAR AND SHARE  
TRANSFER AGENT :**

M/s Venture Capital and Corporate  
Investments Private Limited,  
12-10-167, Bharat Nagar,  
Hyderabad 500018.

**REGISTERED OFFICE & INVESTOR  
RELATION DEPT :**

B3, 3<sup>rd</sup> Floor, 6-3-1090, Rajbhavan Road,  
Somajiguda, Hyderabad - 500 082.  
Ph: 040-66100111, Fax: 040-66100333  
E-mail: info@ gayatribioorganics.com

**FACTORY :**

- 1) NH-9, Nandikandi Village,  
Sadasiavapet Mandal,  
Medak District,  
Telangana – 502 306.
- 2) Balabhadrapuram Village,  
Biccavole Mandal,  
East Godavari District,  
Andhra Pradesh – 533 343.

## 26<sup>th</sup> Annual Report 2016-2017

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### NOTICE

NOTICE is hereby given that the 26<sup>th</sup> Annual General Meeting of the members of Gayatri BioOrganics Limited will be held at the "J.S.Krishna Murthy Hall", The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Federation House, 11-6-841, Hyderabad-500004 on Monday, 25<sup>th</sup> day of September, 2017 at 10.00 A.M to transact the following business:

#### ORDINARY BUSINESS:

1. To receive consider, approve and adopt the Audited Financial Statement as at 31<sup>st</sup> March, 2017 and the Report of Directors' and the Auditors thereon.
2. To appoint a Director in place of Smt. T. Sarita Reddy (DIN: 00017122), who retires by rotation and being eligible, offers herself for re-appointment.
3. To ratify the appointment of the Statutory Auditors of the Company and fix their remuneration by passing the following resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141 and 142 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions, if any of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded to ratify the appointment of M/s M. Bhaskara Rao & Co., Chartered Accountants, with Firm Registration No.000459S, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting i.e. 27<sup>th</sup> AGM and the Board of Directors are hereby authorized to fix their remuneration, in accordance with the recommendation of the Audit Committee."

#### SPECIAL BUSINESS:

4. To approve the remuneration payable to the cost auditors of the company for the Financial Year 2017-18. To consider and if, thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sec. 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the consent of the members of the Company, be and is here by accorded to pay a remuneration of Rs.40,000/- per annum plus out of pocket expenses to M/s N.S.V.Krishna Rao & Co, the Cost Auditor of the Company for conducting the Audit of the cost records of the Company for the financial year 2017-18."

**"RESOLVED FURTHER THAT** the Board of directors of the company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect t to this resolution."

5. To consider and if, thought fit to pass with or without modification(s), the following resolution as an Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sec. 196, 197 and 203 read with Schedule V and the rules made there under and any other applicable provisions if any of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded for the re-appointment of Sri C. V. Rayudu (DIN: 03536579) as the Whole Time Director of the Company for a term of 3 (three) years w.e.f. 18<sup>th</sup> May, 2017 subject to the approval of the Central Government at a remuneration of Rs. 1,55,000 per month in addition to the Contribution to Provident Fund and Gratuity, payable as per Service Rules of the Company as approved by the Remuneration Committee which shall also be the minimum remuneration payable in the event of loss or any inadequacy of profits in any particular financial year during his tenure."

**By Order of the Board**

Place: Hyderabad  
Date: 29.08.2017

**T. Sandeep Kumar Reddy**  
Chairman

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxy Forms in order to be effective must be received at the company's registered office not less than 48 hours before the commencement of the meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.
4. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. The Register of Members and the Share Transfer Books will remain closed from Saturday, 23<sup>rd</sup> September, 2017 to Monday, 25<sup>th</sup> September, 2017 (both days inclusive).
6. The Members are requested to intimate immediately any change in their address to the Company at the Registered Office or M/s Venture Capital and Corporate Investments Private Limited, #12-10-167, Bharat Nagar, Hyderabad 500018.
7. Members desiring any information as regards the Accounts are requested to write to the Company not less than seven days before the date of the meeting to enable the Management to keep the information ready at the meeting.
8. Members / Proxies are requested to bring their Annual Report to the meeting and the attendance slip duly filled in for attending the meeting. Copies of Annual Reports will not be provided at the meeting.
9. Members having physical shares are requested to notify immediately changes, if any, in their addresses to the Company, duly quoting their folio number. However, members holding shares in demat mode are requested to approach their respective Depository Participants for updating the change of address.
10. The annual report for the financial year 2016-17 has been sent through email to those members who have opted to receive electronic communication or who have registered their email addresses with the Company/depository participants. The annual report is also available on our website, i.e. [www.gayatribioorganics.com](http://www.gayatribioorganics.com). The physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company/depository participant. The members will be entitled to a physical copy of the annual report for the financial year 2016-17, free of cost, upon sending a request to the Company Secretary at #6-3-1090, B-Block, 3<sup>rd</sup> Floor, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500 082.
11. The Company is providing an opportunity to its member to register their e-mail address and changes therein and such request shall be made by only those members who have not get their e-mail ID's recorded as to update a fresh e-mail ID and not from the members whose e-mail IDs are already registered.
12. The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires a listed Company to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions to be passed at General Meetings. The Company is pleased to offer remote e-voting facility as an alternate, for all its Members to enable them to cast their vote electronically.

In case a Member desires to exercise his vote by using remote e-voting facility then he has to carefully follow the instructions as given for E-Voting. He can use the facility and log in any number of times till he has voted on the Resolution or till the end of the voting period whichever is earlier.

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13. Mr. Harinath Punna, Practicing Company Secretary (Membership No. A41967) has been appointed by the Board as Scrutinizer for the purpose of ascertaining the requisite majority for all the businesses in a fair and transparent manner.
14. Since remote e-voting facility (including Ballot Forms) is provided to the Members pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, voting by show of hands will not be allowed in the meeting.
15. After all the items of the notice have been discussed, the Chairman will order poll in respect of all the items. Poll will be conducted and supervised under the Scrutinizer appointed for remote e-voting as stated above. After conclusion of the poll, the Chairman may declare the meeting as closed.
16. Members who have not casted their vote through remote e-voting will be allowed to vote at AGM through polling. The members who have once casted remotee-vote on a resolution will not be allowed to modify it subsequently or vote on such resolution on poll at the Annual General Meeting. However, they can attend the meeting and participate in the discussions, if any. If any member casts vote again, remote e-vote casted by him shall be considered.
17. The results declared along with the scrutinizer's report shall be placed on the website of the company.
18. Pursuant to SEBI(Listing Obligations and Disclosure Requirements)Regulations,2015, brief profiles of Directors including those proposed to be appointed or re-appointed is annexed to this notice.

### **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

#### **ITEM NO. 4:**

Pursuant Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 the Company is required to get its cost accounts Audited by a cost accountant in practice. The Board has, on the recommendation of the Audit Committee, approved the appointment of M/S N.S.V.Krishna Rao & Co, Cost Accountants, as the Cost Auditor of the Company to conduct Cost Audit for the financial year 2017- 18, at a remuneration of Rs.40,000/- per annum plus out-of-pocket expenses.

M/S N.S.V.Krishna Rao & Co, Cost Accountants has vast experience in the field of cost audit and has been conducting the audit of the cost records for several companies under the provisions of the erstwhile Companies Act, 1956.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Amendment Rules, 2016, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2017-18.

None of the Directors / Key Managerial Personnel /Managers of the Company / their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution as set forth at item no. 4 of the notice for approval of the members by way of Ordinary Resolution.

#### **ITEM NO. 5:**

The The Board of Directors has re-appointed Sri. C. V. Rayudu as the Whole Time Director of the Company in the meeting held on 18<sup>th</sup> May, 2017 for a term of 3 (three) years subject to the approval of the members and Central Government.

The Resolution seeks the approval of the members in terms of Sections196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder for the appointment of Sri C.V. Rayudu as a Whole Time Director for a period of 3 (three) years commencing from 28<sup>th</sup> May, 2017.

It is proposed that the re-appointment of Sri. C. V. Rayudu will be liable to retire by rotation. He does not hold any equity shares of the Company.

Sri. C. V. Rayudu is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

As per Schedule V of the Companies Act, 2013, Central Government approval is also required for the said re-appointment which will be obtained by our Company after passing the aforesaid resolution by the members.

Save and except Sri. C. V. Rayudu and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel/Managers of the Company / their relative are, in any way, concerned or interested, financially or otherwise, in this resolution.

## **INFORMATION PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013**

### **I. General Information:**

- (1) Nature of industry: Our Company, Gayatri Bio-organics, previously called Gayatri Starchkem Limited. Our Company is engaged in manufacturing units of Starch, Modified Starches, Liquid Glucose, Sorbitol, and its allied products in south India with a wide distribution network across the country.
- (2) Date of commencement of commercial production: The Company has commenced its business from 1994.

### **(3) Financial performance:**

(As per the latest audited accounts on 31<sup>st</sup> March, 2017)

|                           | Rs.            |
|---------------------------|----------------|
| Profit/ (Loss) before tax | (82,61,97,650) |
| Less: Current Tax         | -              |
| Profit/ (Loss) after Tax  | (82,61,97,650) |

### **II. Information about the appointee:**

#### **(1) Background details:**

Name : Chintalapudi Venkata Rayudu  
Father's Name : Veerabhadra Rao Chintalapudi  
Date of Birth : 02/07/1959  
Educational Qualification : PG in MPM, B.Com, B.L

#### **(2) Past remuneration:**

The details of remuneration paid to Sri C. V. Rayudu as approved by the Remuneration Committee at the time of initial appointment is as follows:

Monthly remuneration: Rs. 1,50,000

#### **Perquisites:**

- a. Contribution to Provident Fund as per Service Rules of the Company
- b. Reimbursement of Medical Expenditure for an amount of Rs.15,000/- per annum
- c. Leave Travel Allowance for an amount of Rs.25,000/- per annum
- d. Gratuity payable shall not exceed half a month's salary for each completed year of service."



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**(3) Recognition or Awards:**

Sri C.V. Rayudu before appointing as Whole Time Director served the Company as Vice President (Operations).

**(4) Job profile:**

Sri C. V. Rayudu is having around 32 years of rich experience in various Starch and Other Industries. As on the date of his earlier appointment as Whole Time Director of the Company, he was holding the position of Vice President (Operations) and in charge of the whole operations of the Company.

He is associated with our Company for the past 18 years and instrumental in bringing out the company from BIFR and also in improving the financial performance of the Company.

**(5) Remuneration proposed:**

The remuneration proposed to be paid as approved by the Remuneration Committee is as follows:

Monthly remuneration: Rs. 1,50,000

**Perquisites:**

- a. Contribution to Provident Fund as per Service Rules of the Company
- b. Reimbursement of Medical Expenditure for an amount of Rs.15,000/- per annum
- c. Leave Travel Allowance for an amount of Rs.25,000/- per annum
- d. Gratuity payable shall not exceed half a month's salary for each completed year of service."

**(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

The Board felt that the remuneration proposed is on lower side while considering the industry standards and his experience.

**(7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel:**

Sri C. V. Rayudu does not have any pecuniary relationship with the Company or any relationship with the managerial personnel either directly or indirectly.

## ELECTRONIC VOTING PARTICULARS

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to offer remote e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 26<sup>th</sup> Annual General Meeting to be held on Monday, 25<sup>th</sup> September 2017, at 10.00 A. M. The Company has engaged the services of Central Depository Services (India) Limited i.e CDSL to provide the E-Voting facility.

The E-Voting facility is available at the link <https://evotingindia.com>

The period of E-voting is set out below:

| Commencement of e-Voting                          | End of e-Voting                                   |
|---------------------------------------------------|---------------------------------------------------|
| <b>22<sup>nd</sup> September, 2017 (9.00 a.m)</b> | <b>24<sup>th</sup> September, 2017 (5.00 p.m)</b> |

### VOTING THROUGH ELECTRONIC MEANS

#### PROCEDURE AND INSTRUCTIONS FOR E-VOTING

***The e-Voting process to be followed by the shareholders to cast their votes:***

- ◆ During the voting period, the shareholders can visit the e-Voting website [www.evotingindia.com](http://www.evotingindia.com) and select the relevant EVSN / Company for voting.
- ◆ The shareholders can login to the e-Voting system using their user-id (i.e. demat account number), PAN and Date of Birth (DOB) or Bank account number mentioned for the said demat account or folio.
- ◆ After logging in, demat security holders will have to mandatorily change their password. This password can be used by demat security holders for all future voting on resolutions of companies in which they are eligible to vote. Physical shareholders will have to login with the DOB and Bank details for every voting.
- ◆ Security holders have to then select the EVSN for which they desire to vote.
- ◆ Security holders can then cast their vote on the resolutions available for voting.
- ◆ Security holders can also view the resolution details on the e-Voting website.
- ◆ Once the security holder casts the vote, the system will not allow modification of the same.
- ◆ During the voting period, security holders can login any number of times till they have voted on all the resolutions. However, once the security holder has voted on a resolution he/she would not be able to vote for the same resolution but, only view the voting.
- ◆ Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- ◆ The members of the Company, holding shares either in physical form or in dematerialized form, as on 15.09.2017, being the cutoff date, may cast their vote electronically.

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.cdslevotingindia.com](http://www.cdslevotingindia.com)
- (ii) Click on “Shareholders” tab.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

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|      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      | For Members holding shares in Demat Form and Physical Form                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| PAN* | <ul style="list-style-type: none"> <li>◆ Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>◆ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>◆ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| DOB# | DOB # DOB# Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Gayatri BioOrganics Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

### In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Friday, 22<sup>nd</sup> September, 2017 9.00 A.M and ends on Sunday, 24<sup>th</sup> September 2017, 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15<sup>th</sup> September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**BOARD'S REPORT**

To  
The Members of  
Gayatri BioOrganics Limited

Your Directors present the Twenty Sixth Annual Report along with the Audited Financial Statements and the Auditor's Report thereon for the period ended 31<sup>st</sup> March, 2017.

**FINANCIAL RESULTS**

|                                 | (Rs. in lakhs) |            |
|---------------------------------|----------------|------------|
| Particulars                     | 31.03.2017     | 31.03.2016 |
| Net Sale Income from Operations | —              | —          |
| Other Operating Income          | —              | —          |
| Income from operations          | —              | —          |
| Other Income                    | —              | —          |
| Total Income                    | —              | —          |
| Total Expenditure               | —              | —          |
| —                               |                |            |
| Finance Charges                 | —              | —          |
| Depreciation                    | —              | —          |
| Provision for Taxation          | —              | —          |
| Net Profit / (Loss)             | -8,261.97      | -3872.72   |

\*Operations are carried in the Company pending transfer of assets and liabilities in pursuance of Business Transfer Agreement entered with Bluecraft Agro Private Limited and hence entire revenue from operations represent revenue from discontinued operations ( As per Accounting Standard 24- Discontinued Operations issued by ICAI)of the Company and the required disclosures are hereunder.

|                                                       | (Rs. in lakhs) |            |
|-------------------------------------------------------|----------------|------------|
| Particulars                                           | 31.03.2017     | 31.03.2016 |
| Revenue (Net of Excise)                               | 7,969.33       | 13,815.40  |
| Operating Expenses discontinuing operations           | 16,231.30      | 17,688.13  |
| Profit before Tax from discontinuing operations       | -8,261.98      | -3,872.72  |
| Income Tax Expense                                    | —              | —          |
| Profit after Tax from discontinuing operations        | -8,261.98      | -3,872.72  |
| Total Assets related to discontinuing operations      | 10,380.76      | —          |
| Total Liabilities related to discontinuing operations | 14,768.51      | —          |

**SALE OF ASSETS**

The Board in its meeting held on 13.08.2016 has carried out a comprehensive review of the ongoing business operations of the Company and the financial crisis and challenges facing by the management in running the business as the operations of the Company resulted a net loss of Rs. 2,214.69 Lakhs for the first quarter ended on 30.06.2016. The Board also took into consideration the net losses of Rs 3,872.71 Lakhs recorded by the Company for the financial year 2015-16 and accumulated losses of Rs.7, 958.43 Lakhs as on 31.03.2016.

The Members of the Company Passed the Special Resolutions on 21.09.2016 and 21.06.2016 through postal ballot notice dated 13.08.2016 and 07.05.2016 respectively for the sale of Unit-I & II of the Company Situated at NH-9,

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Nandikandi Village, Sadasivapet Mandal, Medak District, Telangana and Balabadrapuram Village, Biccavole Mandal, East Godavari District, Andhra Pradesh . In Connection with the sale, on 28.11.2016 the management of the Company has entered into a Business Transfer Agreement (BTA) with Bluecraft Agro Private Limited, (CIN:U01100GJ2016PTC094317), a company registered under the Companies Act, 2013, having its registered office at 9, Ambalal Park, Jawahar Chowk, Sabarmati, Ahmedabad, Gujarat- 380005.

### **AMOUNT TO BE TRANSFERRED TO RESERVES AND DIVIDEND PROPOSED:**

In the current financial year, No amount was transferred to reserves and the Board of Directors of the Company does not recommend any dividend for the financial year under review.

### **PUBLIC DEPOSITS:**

During the year, the Company has not accepted any deposits covered under the Chapter V of the Companies Act, 2013

### **STATUTORY AUDITORS:**

At the 23<sup>rd</sup> Annual General Meeting (AGM) held on 30<sup>th</sup> September 2014, M/s M Bhaskara Rao & Co., Chartered Accountants, were appointed as Statutory Auditor of the Company to hold office from the conclusion of AGM held on September 30, 2014 to the conclusion of the 28<sup>th</sup> AGM (subject to ratification of the appointment by the members at every AGM held after that AGM) at such remuneration as may be decided by the Board of Directors. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditor shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s M Bhaskara Rao & Co., Chartered Accountants, as statutory auditors of the Company, is hereby placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

### **INTERNAL AUDITORS:**

The Board of Directors based on the recommendation of the Audit Committee has re-appointed M/s. M O S & Associates, Chartered Accountants, Hyderabad, as the Internal Auditors of your Company. The Internal Auditors are submitting their reports on quarterly basis.

### **SECRETARIAL AUDITORS:**

Mr. Y. Koteswar Rao, Practicing Company Secretary, was appointed to conduct the Secretarial Audit of the Company for the financial year 2016-17, as required under Section 204 of the Companies Act, 2013 read with Rule 9 there-under. The secretarial audit report for F.Y 2016-17 annexed to this Board's Report as Annexure-I.

### **COST AUDITORS:**

In accordance with Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, and In accordance with the Audit Committee recommendation the Board of Directors had appointed M/s. N.S.V.Krishna Rao & Co, Cost Accountants, Hyderabad to conduct the Cost Audit for the Financial Year 2017-2018. M/s. N.S.V.Krishna Rao & Co, Cost Accountants, submitted the Cost Audit Report for the Financial Year ended 31<sup>st</sup> March, 2017.

### **DIRECTORS & KEY MANAGERIAL PERSONNEL:**

Smt.T. Sarita Reddy (DIN: 00017122), retires by rotation at the forth coming annual general meeting and being eligible, offers herself for re-appointment.

The independent directors of the company are highly qualified and stalwarts in their respective filed with wide and varied experience. They actively participate in the discussions at the Board meeting and their suggestions have helped the company to grow at a rapid pace. The independent directors are paid sitting fees for attending the Board and committee meetings. The nomination and remuneration committee has in place their criteria for determination of qualifications, positive attributes and independence of the directors, which they would consider as and when the company would be required to appoint the new independent directors. Pursuant to the provisions of Companies Act, 2013 and SEBI(Listing Obligations and Disclosure Requirements)Regulations,2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of working of its audit committee, nomination and remuneration committee,

and stakeholders relationship committee . The manner in which the evaluation has been carried out has been explained in the corporate governance report. The manner in which the remuneration is paid to the directors, executive directors and senior level executives the company has also been explained in the corporate governance report. During the year, Eight Board meetings and Six audit committee meetings were convened and held the details of which are given in the corporate governance report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

Mr. C.V. Rayudu was re-appointed as Whole time Director of the Company in the Board Meeting held on 28<sup>th</sup> May, 2017. The Management is in the process of short listing and finalizing the suitable candidates for the offices of CFO and CS of the Company.

## **INDEPENDENT DIRECTORS:**

The Company has received disclosures from the Independent Directors confirming their independence in terms of the SEBI(Listing Obligations and Disclosure Requirements)Regulations,2015 and Section 149(6) of the Companies Act, 2013. The Letter of Appointment issued to the Independent Directors containing the terms and conditions are available under investors section on the website of the Company <http://www.gayatribioorganics.com>

A Brief Profile of the Directors of the Company is annexed herewith to this report as Annexure - II

## **RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were at arm's length basis. There are no materially significant related party transactions made by the company with promoters, key managerial personnel or other designated persons which may have potential conflict with interest of the company at large. A detailed report on material contracts and arrangements made during the year 2016-17, being arm's length transactions have been reported and annexed hereto in form AOC-2 as Annexure - III and forms part of this report.

## **EXTRACT OF ANNUAL RETURN:**

The extract of annual return in form no. MGT-9 as provided under section 92 (3) of the Companies Act,2013 read with Rule 12 of the Companies (Management & Administration) Rules 2014 is annexed hereto as Annexure-IV and forms the part of this report.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **a. Business Environment**

In FY 2016-17 the global economy showed signs of recovery with growth in demand from the developed countries in the second half of the year. Emerging markets, including India, had to face multiple challenges of rising current account deficit, depreciation of the local currency and additional pressure due to capital outflows.

Your Company's performance for the year 2016-17 has to be viewed in the context of aforesaid economic and market environment.

### **b. Industry Structure and Developments**

The Company is engaged in the business of producing Sorbitol and Starch. Sorbitol is a water soluble polyhydric alcohol having sweet taste and high stability besides properties of plasticizing. It finds application as input material in various industrial sectors such as Tooth Paste, Pharmaceuticals, Vitamin-C, Cosmetics, Paper and Paints etc. Sorbitol and Starch industries in India are very much fragmented and scattered throughout India. In case of Sorbitol at present only four major players are there in South India. When it comes to Starch, nearly 50% of Indian Starch production comes from Gujarat where four major Starch Factories are located.

### **c. Opportunities and threats**

The Starch Industry at time shown good future, the raw material availability at reasonable prices and cheaper imports of starch from the neighboring Countries will have an impact on the profitability of the Industry and Your Company is not an exception to it. The company has been facing the threat of import of Sorbitol.

However, your Company is likely to face competition from other competitors; there may be risks inherent in meeting unforeseen situations not uncommon in the industry. Your Company is aware of these challenges and is geared to meet them.

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### **d. Out look**

Revival of the financial position of the Company.

### **e. Risks and Concerns**

The Company faces risk of lower realization in the event of cheap imports. Other risk faced by the Company is that Sorbitol is based on the agro commodity which is exposed to factors of Monsoon in the Country. Besides the factors mentioned above agricultural income, economic scenario, wholesale and consumer price level, impact of trade agreements with other countries and trade blocks etc. are some of the factors which affects the performance of the Company.

### **f. Internal Control Systems and their adequacy**

The Company has designed an effective Internal Control System to balance the financial, operational, compliance and other risks and explore its business opportunities at the fullest to achieve its desired objectives.

### **g. Operational performance**

This has already been discussed in this report.

### **h. Human Financial Resources / Industrial Relations**

People are the most valued assets of the Company. They work individually and collectively contributing to the achievement of the objectives of the business. The relation between the employees and the Company remained harmonious and cordial throughout the year. Your Company's corporate culture and the vision and values help unite the workforce and provide standards for how your Company conducts the business. Your Company has successfully aligned human capital with business and organizational objectives. The emphasis has been on team work, skill development and development of leadership and functional capabilities of the employees. The Industrial relations remained cordial at all units of the Company.

## **PARTICULARS OF EMPLOYEES**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1),5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as Annexure-V to this Report.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE OUTGO:**

Information required under section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed to this Board's Report as Annexure-VI.

## **ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company is yet to put in place Internal Control System, commensurate with the size, scale and complexity of its operations in view of proposed Sale of undertakings as per the Business Transfer Agreement entered into with Blue Craft Agro Pvt Ltd.

## **SUBSIDIARIES:**

The Company has no subsidiaries as on the date of 31st March, 2017.

## **NOMINATION AND REMUENRATION POLICY:**

A committee of the Board named as "Nomination and Remuneration Committee" has been constituted to comply with the provisions of section 178, Schedule IV of the Companies Act to recommend a policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters and to frame proper systems for identification, appointment of Directors & KMPs, Payment of Remuneration to them and Evaluation of their performance and to recommend the same to the Board from time to time. The policy is also posted in the investors section of the company's website.

## **PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI(Listing Obligations and Disclosure Requirements)Regulations,2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

## **FIXED DEPOSITS:**

Your Company has not accepted any fixed deposits and as such no principal or interest was outstanding as on the date of the Balance sheet.

## **MATERIAL CHANGES:**

The Members of the Company Passed the Special Resolutions on 21.09.2016 and 21.06.2016 through postal ballot notice dated 07.05.2016 and 13.08.2016 for the sale of Unit-I & II of the Company Situated at NH-9, Nandikandi Village, Sadasivapet Mandal, Medak District, Telangana and Balabadrapuram Village, Biccavole Mandal, East Godavari District, Andhra Pradesh . In respect of which the management of the Company has entered into a Business Transfer Agreement (BTA) with Bluecraft Agro Private Limited, (CIN:U01100GJ2016PTC094317), a company registered under the Companies Act, 2013, having its registered office at 9, Ambalal Park, Jawahar Chowk, Sabarmati, Ahmedabad, Gujarat- 380005.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

During the year, the company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

## **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134 (5) of the Companies Act, 2013 Your Directors' confirm that:

- i) In the preparation of annual accounts for the financial year ended 31<sup>st</sup> March, 2017 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2017 and of the profit and loss of the Company for the year;
- iii) The Directors have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors had prepared the annual accounts on a 'going concern' basis;
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any in the Company. The details of the Policy are explained in the Corporate Governance Report and also posted under investors section on the website of the Company <http://www.gayatribioorganics.com>



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## **RISK MANAGEMENT:**

Your Directors have constituted a Risk Management Committee and defined its roles and responsibilities, which focuses that all the risks that the organization faces such as Strategic, Operational, Compliance, Financial and other risks have been identified and assessed and there is adequate risk management infrastructure in place capable of addressing those risks.

## **STATEMENT ON DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:**

The statement on development and implementation of risk management policy is given under the management discussion and analysis report which is attached with this annual report.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY AND CSR INITIATIVES:**

Your Company does not fall under the purview of Sec.135 of the Companies Act, 2013. Hence the Company not required to Constitute Corporate Social Responsibility Committee.

## **CORPORATE GOVERNANCE REPORT:**

Your Company has complied with the requirements of Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on corporate governance forms part of the annual report. A certificate from the auditors regarding compliance of conditions of corporate governance also forms the part of the annual report.

## **HUMAN RESOURCES:**

Your Company considers its Human Resources as the key to achieve its objectives. The unflinching commitment of the employees is the driving force behind the Company's vision. Your Company appreciates the spirit of its dedicated employees.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

## **CAUTIONARY STATEMENT:**

Statements in this "Management Discussion & Analysis" may be considered to be "forward looking statements" only. Actual results could differ materially from those expressed or implied within the meaning of applicable securities laws or regulations.

## **LISTING OF SECURITIES:**

- (a) The Company's Shares are listed with BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023.
- (b) The Company paid Listing fees for the year 2017-18 to BSE Limited.

## **REPLY TO ADVERSE REMARKS OF AUDITORS' REPORT:**

With regard to qualified opinion, The Company had to sell its both the units of the Company to come out of the financial crisis and to reduce the overall cost burden. The management continues its support to the Company with all necessary assistances including financial and operational.

The management is in the process of establishing internal financial control mechanism.

Point No. (vii) (a) of Annexure to Auditors' Report, with regard to irregularity and serious delays in remitting statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were due to working capital constraints.

Point No. (viii) of Annexure to Auditors' Report, with regard to overdue of amounts payable to bankers and financial institution are also owing to working capital constraints.

## **REPLY TO ADVERSE REMARKS OF SECRETARIAL AUDITORS' REPORT:**

The company was under the process of short listing and finalising the suitable candidate for the offices of Company Secretary of the Company and Chief Financial Officer (CFO). The management is in the process of selection of appropriate candidates for the above mentioned offices.

## **ACKNOWLEDGEMENTS:**

Your Directors would like to place on record their sincere appreciation and gratitude to all Financial Institutions, Company's Bankers, Shareholders, Government Agencies, Suppliers, Customers Co-operation and support during the year and their confidence in its management. The Directors wish to convey their appreciation to all the employees for their enormous personal efforts as well as their collective contribution to the Company's performance. The Directors are also thankful to all other stakeholders for their valuable sustained support to the Company.

**By Order of the Board**

Place: Hyderabad  
Date: 29.08.2017

**T. Sandeep Kumar Reddy**  
Chairman

**ANNEXURE – I**  
**Secretarial Audit Report**  
**For the Financial Year ended March 31, 2017**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies**  
**(Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
Gayatri BioOrganics Limited,  
B3, 3RD FLOOR, 6-3-1090, TSR TOWERS,  
RAJ BHAVAN ROAD,SOMAJIGUDA,  
HYDERABAD- 500082

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gayatri BioOrganics Limited., (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Gayatri BioOrganics Limited for the financial year ended on 31st March, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable during the audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not Applicable during the audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (Not Applicable during the audit period);

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable during the audit period);
- (i) The Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda was sent in advance except when Board meetings were called by giving less than seven days notice in accordance with the provisions of section 173 of the act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out and are recorded in the minutes of the meeting of the Board of Directors or Committee of the Board as the case may be and majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that as far as possible, there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, no events, other than the following, have occurred which have a major bearing on the Company's affairs.

- The positions of Company Secretary (CS) and Chief Financial Officer (CFO) of the Company have not filled within the time stipulated under the Provisions of Section 203 of Companies Act, 2013. The Management is in the process finalising the suitable candidates to appoint for the respective offices.

I further report that

- (1) During the audit period, the Company has made allotment of 42,51,700 equity shares of Rs.10/-each through "Preferential Issue" by Conversion of part of Promoter's holding of 6% Cumulative Optionally Redeemable Preference shares of the Company. In respect of which the Listing application is pending with the BSE.
- (2) The Members of the Company Passed the Special Resolutions under section 180 on 21.09.2016 and 21.06.2016 through postal ballot notice dated 13.08.2016 and 07.05.2016 respectively for the sale of Unit-I & II of the Company Situated at NH-9, Nandikandi Village, Sadasivapet Mandal, Medak District, Telangana and Balabradrapuram Village, Biccavole Mandal, East Godavari District, Andhra Pradesh .

However, there were no other specific major events that took place during the audit period such as mentioned below:

- (i) Public/Rights /debentures/sweat equity
- (ii) Merger/amalgamation/reconstruction etc.
- (i) Foreign technical collaborations

Place: Hyderabad  
Date: 29.08.2017

**Y. Koteswara Rao**  
Practicing Company Secretary  
C.P.No. 7427

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### ANNEXURE - 'A'

To,  
The Members,  
Gayatri BioOrganics Limited,  
B3, 3RD FLOOR, 6-3-1090, TSR TOWERS,  
RAJ BHAVAN ROAD, SOMAJIGUDA,  
HYDERABAD - 500082.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad  
Date: 29.08.2017

**Y. Koteswara Rao**  
Practicing Company Secretary  
C.P.No. 7427

**ANNEXURE-II  
DIRECTORS PROFILE**

**1. Sri T. Sandeep Kumar Reddy:**

|                                                 |                                            |
|-------------------------------------------------|--------------------------------------------|
| Name                                            | T. Sandeep Kumar Reddy                     |
| DIN                                             | 00005573                                   |
| Designation                                     | Chairman & Promoter Director               |
| Age                                             | 50 years                                   |
| Date of appointment on the Board of the Company | 02.12.1991                                 |
| No. of Shares of Rs. 10/- each held as on date  | 1,74,89,815                                |
| Relationship between Directors inter se         | Husband of Mrs. T. Sarita Reddy (Director) |

Mr.T. Sandeep Kumar Reddy has done Masters in Construction Engineering and Management from University of Michigan at Ann Arbor, USA and holds, a Bachelor Degree in Civil Engineering from Purdue University.

**2. Smt. T. Sarita Reddy:**

|                                                 |                                           |
|-------------------------------------------------|-------------------------------------------|
| Name                                            | T. Sarita Reddy                           |
| DIN                                             | 00017122                                  |
| Designation                                     | Promoter Director                         |
| Age                                             | 46 Years                                  |
| Date of appointment on the Board of the Company | 24.01.2008                                |
| No. of Shares of Rs. 10/- each held as on date  | 48,80,279                                 |
| Relationship between Directors inter se         | Wife of T. Sandeep Kumar Reddy (Chairman) |

Smt. T. Sarita Reddy did her Master of Business Administration and she belongs to promoter group of the Company.

**3. Sri C.V. Rayudu:**

|                                                 |                     |
|-------------------------------------------------|---------------------|
| Name                                            | C.V. Rayudu         |
| DIN                                             | 03536579            |
| Designation                                     | Whole Time Director |
| Age                                             | 58 Years            |
| Date of appointment on the Board of the Company | 28.05.2011          |
| No. of Shares of Rs. 10/- each held as on date  | Nil                 |
| Relationship between Directors inter se         | N.A                 |

Mr. C. V. Rayudu is a Post Graduate in MPM and has done B.Com and B. L. He is having around 32 years of rich experience in various Starch and Other Industries.

**4. Sri T.G.Pandya:**

|                                                 |                      |
|-------------------------------------------------|----------------------|
| Name                                            | T.G.Pandya           |
| DIN                                             | 00017214             |
| Designation                                     | Independent Director |
| Age                                             | 82 Years             |
| Date of appointment on the Board of the Company | 31.07.2001           |
| No. of Shares of Rs. 10/- each held as on date  | Nil                  |
| Relationship between Directors inter se         | N.A                  |

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Mr. T. G. Pandya is a graduate in commerce. He is having vast experience in the starch field and worked with Lakshmi Starch Limited as General Manager for considerable number of years. His administrative and commercial experience would be of immense use to the company. It is therefore expedient in the interest of the company to continue him as the director of the company.

**5. Sri T.R. Rajagopalan:**

|                                                 |                      |
|-------------------------------------------------|----------------------|
| Name                                            | T.R. Rajagopalan     |
| DIN                                             | 00020643             |
| Designation                                     | Independent Director |
| Age                                             | 78 Years             |
| Date of appointment on the Board of the Company | 31.07.2008           |
| No. of Shares of Rs. 10/- each held as on date  | Nil                  |
| Relationship between Directors inter se         | N. A.                |

Mr. T.R. Rajagopalan is a MA, MSc, CAIIB. He is a Retired GM State Bank of India and has experience of 40 years in credit and International banking. He held various assignments both at operational as well as policy framing levels. These assignments include Branch Manager, Regional Manager, Deputy General Manager (Commercial banker) and General Manager (Commercial Banking). He also handled the assignment with Bank of Ghana, under World Bank to train all banking officials of that country, in the areas of Credit Management.

**6. Sri J. N. Karamchetti**

|                                                 |                      |
|-------------------------------------------------|----------------------|
| Name                                            | J. N. Karamchetti    |
| DIN                                             | 00940963             |
| Designation                                     | Independent Director |
| Age                                             | 71 Years             |
| Date of appointment on the Board of the Company | 31.10.2006           |
| No. of Shares of Rs. 10/- each held as on date  | Nil                  |
| Relationship between Directors inter se         | N. A.                |

Mr. J.N.Karamchetti did his Bachelor engineering in the year 1970 from college of Engineering, Kakinada, Andhra Pradesh. Later on he did his Masters in IIT Kharagpur in the year 1973. He is also a member of Indian Institute of Plant Engineers and Institution of Engineers (India ). He has very rich experience in all fields of Engineering and in Steel, Energy, Rubber and starch sectors. He is also very familiar for giving guest lectures and presenting technical papers in various seminars and workshops especially in the field of Energy.

**ANNEXURE-III  
FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

| Name (s) of the related party & nature of relationship | Nature of contracts/ arrangements/ transaction | Duration of the contracts/ arrangements/ transaction | Salient terms of the contracts or arrangements or transaction including the value, if any | Justification for entering into such contracts or arrangements or transactions' | Date of approval by the Board | Amount paid as advances, if any |
|--------------------------------------------------------|------------------------------------------------|------------------------------------------------------|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|-------------------------------|---------------------------------|
| Deep Corporation Private Limited - Common Director     | Rent Paid                                      | 5 Years and 2 Months                                 | Registered office Premises taken on Lease form Deep Corporation Private Limited           | No Extra Amount Paid by the Company for taking the premises on Lease            | 18 <sup>th</sup> May, 2017    | Nil                             |

**By Order of the Board**

Place: Hyderabad  
Date: 29.08.2017

**T. Sandeep Kumar Reddy**  
Chairman



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### ANNEXURE-IV EXTRACT OF ANNUAL RETURN as on the financial year ended on 31<sup>st</sup> March, 2017

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION & OTHER DETAILS:

|   |                                                                            |                                                                                                                                                                                            |
|---|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | CIN                                                                        | L24110TG1991PLC013512                                                                                                                                                                      |
| 2 | Registration Date                                                          | 02/12/1991                                                                                                                                                                                 |
| 3 | Name of the Company                                                        | GAYATRI BIOORGANICS LIMITED                                                                                                                                                                |
| 4 | Category/Sub-category of the Company                                       | Company Limited by Shares<br>Indian Non-Government Company                                                                                                                                 |
|   |                                                                            | Indian Non - Government Company                                                                                                                                                            |
| 5 | Address of the Registered Office & contact details                         | #6-3-1090, B-Block, 3rd Floor, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500 082.                                                                                                |
| 6 | Whether listed company                                                     | Yes                                                                                                                                                                                        |
| 7 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | <b>Venture Capital And Corporate Investments Private Limited.</b><br>12-10-167, Bharat Nagar, Hyderabad 500018<br>Phones: +91 040-23818475/23818476/23868023<br>Email: info@vccilindia.com |

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--------------------------------------------------|---------------------------------|------------------------------------|
| 1      | Maize Starch Powder                              | 1108.12.00                      | 82%                                |
| 2      | Sorbitol                                         | 2905.44.00                      | 18%                                |

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| SN | Name and address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|----|---------------------------------|---------|--------------------------------|------------------|--------------------|
| 1  | N.A.                            | N.A.    | N.A.                           | N.A.             | N.A.               |

#### IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

# Gayatri BioOrganics Limited

| Category of Shareholders                                                          | No. of Shares held at the beginning of the year |           |             |                   | No. of Shares held at the end of the year |           |             |                   | % Change during the year |
|-----------------------------------------------------------------------------------|-------------------------------------------------|-----------|-------------|-------------------|-------------------------------------------|-----------|-------------|-------------------|--------------------------|
|                                                                                   | Demat                                           | Physical  | Total       | % of Total Shares | Demat                                     | Physical  | Total       | % of Total Shares |                          |
| <b>A. Promoters</b>                                                               |                                                 |           |             |                   |                                           |           |             |                   |                          |
| (1) Indian                                                                        |                                                 |           |             |                   |                                           |           |             |                   |                          |
| a) Individual/HUF                                                                 | 3,07,83,846                                     | -         | 3,07,83,846 | 49.83             | 4,77,90,648                               | -         | 4,77,90,648 | 60.66             | +10.7                    |
| b) Central Govt                                                                   | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| c) State Govt(s)                                                                  | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| d) Bodies Corp.                                                                   | 60,97,290                                       | -         | 60,97,290   | 9.87              | 60,97,290                                 | -         | 60,97,290   | 7.74              | -2.1                     |
| e) Banks / FI                                                                     | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| f) Any other                                                                      | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| Sub Total (A) (1)                                                                 | 3,68,81,136                                     | -         | 3,68,81,136 | 59.70             | 5,38,87,938                               | -         | 5,38,87,938 | 68.4              | +8.6                     |
| (2) Foreign                                                                       |                                                 |           |             |                   |                                           |           |             |                   |                          |
| a) NRI Individuals                                                                | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| b) Other Individuals                                                              | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| c) Bodies Corp.                                                                   | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| d) Any other                                                                      | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| Sub Total (A) (2)                                                                 | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| TOTAL(A)= A(1)+A(2)                                                               | 3,68,81,136                                     | -         | 3,68,81,136 | 59.70             | 5,38,87,938                               | -         | 5,38,87,938 | 68.4              | +8.6                     |
| <b>B. Public Shareholding</b>                                                     |                                                 |           |             |                   |                                           |           |             |                   |                          |
| 1. Institutions                                                                   |                                                 |           |             |                   |                                           |           |             |                   |                          |
| a) Mutual Funds                                                                   | 4,52,200                                        | 62,100    | 5,14,300    | 0.83              | 4,52,200                                  | 6,21,00   | 5,14,300    | -                 | -0.18                    |
| b) Banks / FI                                                                     | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| c) Central Govt                                                                   | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| d) State Govt(s)                                                                  | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| e) Venture Capital Funds                                                          | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| f) Insurance Companies                                                            | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| g) FIs -                                                                          | -                                               | 5,000     | 5,000       | 0.008             | -                                         | 5,000     | 5,000       | -0.002            | -                        |
| h) Foreign Venture Capital Funds                                                  | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| i) Others (specify)                                                               | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| Sub-total (B)(1):-                                                                | 4,52,200                                        | 67,100    | 5,19,300    | 0.838             | 4,52,200                                  | 67,100    | 5,19,300    | -                 | -0.182                   |
| <b>2. Non-Institutions</b>                                                        |                                                 |           |             |                   |                                           |           |             |                   |                          |
| a) Bodies Corp.                                                                   |                                                 |           |             |                   |                                           |           |             |                   |                          |
| i) Indian                                                                         | 39,048                                          | 93,500    | 1,32,548    | 0.21              | 1,06,109                                  | 93,500    | 1,99,609    | -                 | -0.17                    |
| ii) Overseas                                                                      | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| b) Individuals                                                                    |                                                 |           |             |                   |                                           |           |             |                   |                          |
| i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs         | 12,11,399                                       | 32,50,840 | 44,62,239   | 7.22              | 11,57,572                                 | 31,98,340 | 43,55,912   | -                 | -0.92                    |
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs | 2,57,816                                        | 56,700    | 3,41,516    | 0.55              | 3,15,150                                  | 83,700    | 3,98,850    | -                 | -0.6                     |
| c) Others (specify)                                                               |                                                 |           |             |                   |                                           |           |             |                   |                          |
| Non Resident Indians                                                              | 27,116                                          | 8,97,200  | 9,24,316    | 1.50              | 26,199                                    | 8,81,500  | 9,07,699    | -                 | -0.36                    |
| Overseas Corporate                                                                | 1,84,99,990                                     | -         | 1,84,99,990 | 29.94             | 1,84,99,990                               | -         | 1,84,99,990 | -                 | -6.39                    |
| Bodies                                                                            | 1,84,99,990                                     | -         | 1,84,99,990 | 36.33             | 1,84,99,990                               | -         | 1,84,99,990 | 29.94             | -6.39                    |
| Foreign Nationals                                                                 | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| Clearing Members                                                                  | 20,295                                          | -         | 20,295      | 0.03              | 18,844                                    | -         | 18,844      | -                 | +0.02                    |
| Trusts                                                                            | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| Foreign Bodies - D R                                                              | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| Sub-total (B)(2):-                                                                | 2,00,55,664                                     | 42,98,240 | 2,43,80,904 | 39.45             | 2,01,23,864                               | 42,57,040 | 2,43,80,904 | -                 | -8.42                    |
| Total Public (B)                                                                  | 2,05,07,864                                     | 43,65,340 | 2,49,00,204 | 40.29             | 20,576,604                                | 43,24,140 | 2,49,00,204 | -                 | -8.6                     |
| <b>C. Shares held by</b>                                                          |                                                 |           |             |                   |                                           |           |             |                   |                          |
| Custodian for GDRs & ADRs                                                         | -                                               | -         | -           | -                 | -                                         | -         | -           | -                 | -                        |
| Grand Total (A+B+C)                                                               | 5,73,89,000                                     | 43,65,340 | 6,17,81,340 | 100.00            | 7,44,64,002                               | 43,24,140 | 7,87,88,142 | -                 | 0.00                     |

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### (ii) Shareholding of Promoter

| SN | Shareholder's Name              | Shareholding at the beginning of the year |                          |                                       | Shareholding at the end of the year March 2017 |                                  |                                                  |
|----|---------------------------------|-------------------------------------------|--------------------------|---------------------------------------|------------------------------------------------|----------------------------------|--------------------------------------------------|
|    |                                 | No. of Shares                             | % of total Shares of the | % of Shares of pledged / total shares | No. of Shares                                  | % of total shares of the company | % of Shares Pledged / encumbered to total shares |
| 1  | Gayatri Fin-Holdings Pvt Ltd    | 15,70,950                                 | 2.54                     | 100                                   | 15,70,950                                      | 1.99                             | 100                                              |
| 2  | T S R Holdings Pvt Ltd          | 20,26,000                                 | 3.27                     | 100                                   | 20,26,000                                      | 2.57                             | 100                                              |
| 3  | Gayatri Capital Ltd             | 25,00,340                                 | 4.04                     | 100                                   | 25,00,340                                      | 3.17                             | 100                                              |
| 4  | Subbarami Reddy Tikkavarapu     | 16,25,000                                 | 2.63                     | 100                                   | 16,25,000                                      | 2.06                             | 100                                              |
| 5  | Tikkavarapu Sarita Reddy        | 48,80,279                                 | 7.90                     | 100                                   | 48,80,279                                      | 6.19                             | 100                                              |
| 6  | Sandeep Kumar Reddy Tikkavarapu | 1,74,89,815                               | 28.31                    | 93.49                                 | 3,44,96,617                                    | 43.78                            | 47.4                                             |
| 7  | Indira Tikkavarapu              | 67,88,752                                 | 10.99                    | 37.50                                 | 67,88,752                                      | 8.62                             | 37.5                                             |
|    | Total                           | 3,68,81,136                               | 59.70                    |                                       | 5,38,87,938                                    | 68.38                            |                                                  |

### (iii) Change in Promoters' Shareholding:

| SN | Shareholder's Name              | Shareholding at the beginning of the year |                          | Date       | Increase / Decrease | Reason    | Share holding at the end of the year |                                  |
|----|---------------------------------|-------------------------------------------|--------------------------|------------|---------------------|-----------|--------------------------------------|----------------------------------|
|    |                                 | No. of Shares                             | % of total Shares of the |            |                     |           | No. of Shares                        | % of total Shares of the company |
| 1  | Sandeep Kumar Reddy Tikkavarapu | 1,74,89,815                               | 28.31                    | 13.10.2016 | Increase            | Allotment | 3,44,96,617                          | 43.78                            |

### (iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs)

| SN | For each of the Top 10 shareholders | Date       | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|----|-------------------------------------|------------|-------------------------------------------|-------------------|-----------------------------------------|-------------------|
|    |                                     |            | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 1  | <b>FURSA MAURITIUS SPV 1</b>        |            |                                           |                   |                                         |                   |
|    | At the beginning of the year        | 01.04.2016 | 1,84,99,990                               | 29.94             |                                         |                   |
|    | Changes during the year             | N.A.       | N.A.                                      |                   |                                         |                   |
|    | At the end of the year              | 31.03.2017 | 1,84,99,990                               | 23.48             | 1,84,99,990                             | 23.48             |
| 2  | <b>SBI MAGNUM MULTIPLIER FUND</b>   |            |                                           |                   |                                         |                   |
|    | At the beginning of the year        | 01.04.2016 | 4,52,200                                  | 0.73              |                                         |                   |
|    | Changes during the year             | N.A.       | N.A.                                      |                   |                                         |                   |
|    | At the end of the year              | 31.03.2017 | 4,52,200                                  |                   | 4,52,200                                |                   |

## Gayatri BioOrganics Limited

|          |                                      |            |          |       |          |      |
|----------|--------------------------------------|------------|----------|-------|----------|------|
| <b>3</b> | <b>PARSOTAMBHAI CHANABHAI GAJERA</b> |            |          |       |          |      |
|          | At the beginning of the year         | 01.04.2016 | 0        | 0     |          |      |
|          | Changes during the year              | 09.12.2016 | 18,773   | 0.02  | 18,773   | 0.02 |
|          |                                      | 16.12.2016 | 275      | 0.00  | 19,048   | 0.02 |
|          |                                      | 30.12.2016 | 16,711   | 0.02  | 35,759   | 0.04 |
|          |                                      | 06.01.2017 | 18,250   | 0.02  | 54,009   | 0.06 |
|          |                                      | 13.01.2017 | 15,064   | 0.01  | 69,073   | 0.08 |
|          |                                      | 20.01.2017 | 1,275    | 0.00  | 70,348   | 0.08 |
|          |                                      | 27.01.2017 | 12,746   | 0.01  | 83,094   | 0.10 |
|          |                                      | 03.02.2017 | 16,906   | 0.02  | 1,00,000 | 0.12 |
|          | At the end of the year               | 31.03.2017 | 1,00,000 | 0.12  | 1,00,000 | 0.12 |
| <b>4</b> | <b>SHAREKHAN LIMITED</b>             |            |          |       |          |      |
|          | At the beginning of the year         | 01.04.2016 | 0        | 0     |          |      |
|          | Changes during the year              | 15.04.2016 | 2000     | 0     | 2000     | 0    |
|          |                                      | 03.06.2016 | 500      | 0     | 2500     | 0    |
|          |                                      | 24.06.2016 | 255      | 0     | 2755     | 0    |
|          |                                      | 01.07.2016 | 1100     | 0     | 3855     | 0    |
|          |                                      | 08.07.2016 | 6453     | 0.01  | 10308    | 0.01 |
|          |                                      | 15.07.2016 | 4319     | 0     | 14627    | 0.02 |
|          |                                      | 22.07.2016 | -14527   | -0.02 | 100      | 0    |
|          |                                      | 29.07.2016 | 100      | 0     | 200      | 0    |
|          |                                      | 12.08.2016 | 358      | 0     | 558      | 0    |
|          |                                      | 26.08.2016 | 8676     | 0.01  | 9234     | 0.01 |
|          |                                      | 02.09.2016 | 14       | 0     | 9248     | 0.01 |
|          |                                      | 09.09.2016 | 475      | 0     | 9723     | 0.01 |
|          |                                      | 16.08.2016 | -6823    | -0.01 | 2900     | 0    |
|          |                                      | 07.10.2016 | -2650    | 0     | 250      | 0    |
|          |                                      | 21.10.2016 | 7954     | 0.01  | 8204     | 0.01 |
|          |                                      | 28.10.2016 | 8550     | 0.01  | 16754    | 0.02 |
|          |                                      | 04.11.2016 | -100     | 0     | 16654    | 0.02 |
|          |                                      | 11.11.2016 | -2000    | 0     | 14654    | 0.01 |
|          |                                      | 25.11.2016 | 2182     | 0     | 16836    | 0.02 |
|          |                                      | 02.12.2016 | 5770     | 0     | 22606    | 0.02 |
|          |                                      | 16.12.2016 | 1365     | 0     | 23971    | 0.03 |
|          |                                      | 23.12.2016 | 10       | 0     | 23981    | 0.03 |
|          |                                      | 30.12.2016 | 50       | 0     | 24031    | 0.03 |
|          |                                      | 06.01.2017 | -190     | 0     | 23481    | 0.03 |
|          |                                      | 27.01.2017 | 3        | 0     | 23844    | 0.03 |
|          |                                      | 03.02.2017 | -153     | 0     | 23691    | 0.03 |
|          |                                      | 10.02.2017 | -13641   | 0.01  | 10050    | 0.01 |
|          |                                      | 17.02.2017 | 33152    | 0.04  | 43202    | 0.05 |
|          |                                      | 24.02.2017 | 11650    | 0.01  | 54852    | 0.06 |
|          |                                      | 03.03.2017 | 8350     | 0.01  | 63202    | 0.08 |
|          |                                      | 10.03.2017 | 5542     | 0     | 68744    | 0.08 |
|          |                                      | 17.02.2017 | 1000     | 0     | 69744    | 0.08 |
|          |                                      | 24.03.2017 | 405      | 0     | 70149    | 0.08 |
|          | At the end of the year               | 31.03.2017 | 70149    | 0.08  | 70149    | 0.08 |

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|    |                                              |            |        |       |        |      |
|----|----------------------------------------------|------------|--------|-------|--------|------|
| 5  | <b>MRIDULA JAIN</b>                          |            |        |       |        |      |
|    | At the beginning of the year                 | 01.04.2015 | 42,600 | 0.06  |        |      |
|    | Changes during the year                      | N.A.       | N.A.   |       |        |      |
|    | At the end of the year                       | 31.03.2017 | 42,600 | 0.05  | 42,600 | 0.05 |
| 6  | <b>PNB:PRINCIPAL TRUSTEE:PNB MUTUAL FUND</b> |            |        |       |        |      |
|    | At the beginning of the year                 | 01.04.2015 | 38,400 | 0.06  |        |      |
|    | Changes during the year                      | N.A.       | N.A.   |       |        |      |
|    | At the end of the year                       | 31.03.2017 | 38,400 | 0.04  | 38,400 | 0.04 |
| 7  | <b>VINOD KUMAR SHARMA</b>                    |            |        |       |        |      |
|    | At the beginning of the year                 | 01.04.2016 | 0      |       |        |      |
|    | Changes during the year                      | 17.02.2017 | 36029  | 0.04  | 36029  | 0.04 |
|    | At the end of the year                       | 31.03.2017 | 36029  | 0.04  | 36029  | 0.04 |
| 8  | <b>SHAH NIRUBEN DILIPKUMAR</b>               |            |        |       |        |      |
|    | At the beginning of the year                 | 01.04.2016 | 0      |       |        |      |
|    | Changes during the year                      | 15.04.2016 | 2500   | 0     | 2500   | 0    |
|    |                                              | 24.06.2016 | 1043   | 0     | 3543   | 0    |
|    |                                              | 30.06.2016 | 300    | 0     | 3843   | 0    |
|    |                                              | 22.07.2016 | 500    | 0     | 4343   | 0    |
|    |                                              | 23.09.2016 | 50     | 0     | 4393   | 0    |
|    |                                              | 28.10.2016 | 5000   | 0     | 9393   | 0.01 |
|    |                                              | 23.12.2016 | 2300   | 0     | 11693  | 0.01 |
|    |                                              | 27.01.2017 | 6250   | 0     | 17943  | 0.02 |
|    |                                              | 10.02.2017 | 7057   | 0     | 25000  | 0.03 |
|    |                                              | 10.03.2017 | 6257   | 0     | 31257  | 0.03 |
|    | 17.03.2017                                   | 1950       | 0      | 33207 | 0.04   |      |
|    | At the end of the year                       | 31.03.2017 | 33207  | 0.04  | 33207  | 0.04 |
| 9  | <b>STAR SECURITIES PRIVATE LIMITED</b>       |            |        |       |        |      |
|    | At the beginning of the year                 | 01.04.2016 | 39,200 | 0.05  |        |      |
|    | Changes during the year                      | N.A.       | N.A.   |       |        |      |
|    | At the end of the year                       | 31.03.2017 | 32,900 | 0.04  | 32,900 | 0.04 |
| 10 | <b>VENKATA KRISHNA REDDY YERBAKA</b>         |            |        |       |        |      |
|    | At the beginning of the year                 | 01.04.2016 | 32,400 | 0.05  |        |      |
|    | Changes during the year                      | N.A.       | N.A.   |       |        |      |
|    | At the end of the year                       | 31.03.2017 | 32,400 | 0.04  | 32,400 | 0.04 |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| SN       | Shareholding of each Directors and each Key Managerial Personnel | Date       | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|----------|------------------------------------------------------------------|------------|-------------------------------------------|-------------------|-----------------------------------------|-------------------|
|          |                                                                  |            | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| <b>1</b> | <b>SANDEEP KUMAR REDDY</b><br><b>TIKKAVARAPU</b>                 |            |                                           |                   |                                         |                   |
|          | At the beginning of the year                                     | 01.04.2016 | 1,74,89,815                               | 28.31             |                                         |                   |
|          | Changes during the year                                          | 13.11.2016 | 1,70,06,802                               | 15.47             | 3,44,96,617                             | 43.78             |
|          | At the end of the year                                           | 31.03.2017 | 3,44,96,617                               | 43.78             | 3,44,96,617                             | 43.78             |
| <b>2</b> | <b>TIKKAVARAPU SARITA REDDY</b>                                  |            |                                           |                   |                                         |                   |
|          | At the beginning of the year                                     | 01.04.2016 | 48,80,279                                 | 7.90              |                                         |                   |
|          | Changes during the year                                          | -          | -                                         | -                 | -                                       | -                 |
|          | At the end of the year                                           | 31.03.2017 | 48,80,279                                 | 6.19              | 48,80,279                               | 6.19              |

**VI. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs)

| Particulars                                             | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---------------------------------------------------------|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year     |                                  |                 |          |                    |
| i) Principal Amount                                     | 13,63,11,072                     | 1,59,16,750     | NIL      | 15,22,27,822       |
| ii) Interest due but not paid                           | NIL                              | NIL             | NIL      | NIL                |
| iii) Interest accrued but not due                       | NIL                              | NIL             | NIL      | NIL                |
| Total (i+ii+iii)                                        | 13,63,11,072                     | 1,59,16,750     | NIL      | 15,22,27,822       |
| <b>Change in Indebtedness during the financial year</b> |                                  |                 |          |                    |
| * Addition                                              | NIL                              | 10,98,909       | NIL      | 10,98,909          |
| * Reduction                                             | 13,63,11,072                     | NIL             | NIL      | NIL                |
| Net Change                                              | 13,63,11,072                     | 10,98,909       | NIL      | 10,98,909          |
| <b>Indebtedness at the end of the financial year</b>    |                                  |                 |          |                    |
| i) Principal Amount                                     | NIL                              | 1,70,15,659     | NIL      | 1,70,15,659        |
| ii) Interest due but not paid                           | NIL                              | NIL             | NIL      | NIL                |
| iii) Interest accrued but not due                       |                                  |                 | NIL      | NIL                |
| <b>Total (i+ii+iii)</b>                                 | NIL                              | 1,70,15,659     | -        | 1,70,15,659        |

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### VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| SN. | Particulars of Remuneration                                                                         | Name of MD/<br>WTD/Manager                  | Total Amount<br>(In Rs.) |
|-----|-----------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------|
|     | <b>Name</b>                                                                                         | <b>Executive Director<br/>Mr.C.V.Rayudu</b> |                          |
| 1   | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 19,96,800                                   | 19,96,800                |
|     | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                                             | NA                                          | -                        |
|     | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961                             | NA                                          | -                        |
| 2   | Stock Option                                                                                        | NA                                          | -                        |
| 3   | Sweat Equity                                                                                        | NA                                          | -                        |
| 4   | Commission                                                                                          |                                             | -                        |
|     | - as % of profit                                                                                    | NA                                          | -                        |
|     | - others, specify                                                                                   | NA                                          | -                        |
| 5   | Others, please specify                                                                              | NA                                          | -                        |
|     | Total (A)                                                                                           | 19,96,800                                   | 19,96,800                |
|     | Ceiling as per the Act                                                                              | 60,00,000                                   | 60,00,000                |

#### B. Remuneration to other Directors

| S. No | Particulars of Remuneration                    | Name of Directors   |                |                     |                            |                     | Total Amount (Rs) |
|-------|------------------------------------------------|---------------------|----------------|---------------------|----------------------------|---------------------|-------------------|
| 1     | Independent Directors                          | Mr.T.R. Rajagopalan | Mr T.G. Pandya | Mr J.N. Karamchetti | Mr. T. Sandeep Kumar Reddy | Mrs.T. Sarita Reddy |                   |
|       | Fee for attending board and committee meetings | 1,14,000            | 1,14,000       | 84,000              | 84,000                     | 1,14,000            | 5,10,000          |
|       | Commission                                     | -                   | -              | -                   | -                          | -                   | -                 |
|       | Others, please specify                         | -                   | -              | -                   | -                          | -                   | -                 |
|       | Total (1)                                      | 1,14,000            | 1,14,000       | 84,000              | 84,000                     | 1,14,000            | 5,10,000          |
| 2     | Other Non-Executive Directors                  |                     |                |                     |                            |                     |                   |
|       | Fee for attending board and committee meetings | -                   | -              | -                   | -                          | -                   | -                 |
|       | Commission                                     | -                   | -              | -                   | -                          | -                   | -                 |
|       | Others, please specify                         | -                   | -              | -                   | -                          | -                   | -                 |
|       | Total (2)                                      | -                   | -              | -                   | -                          | -                   | -                 |
|       | Total (B)=(1+2)                                | 1,14,000            | 1,14,000       | 84,000              | 84,000                     | 1,14,000            | 5,10,000          |
|       | Total Managerial Remuneration                  |                     |                |                     |                            |                     |                   |
|       | Overall Ceiling as per the Act                 | NA                  | NA             | NA                  | NA                         | NA                  | NA                |

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

| S.No | Particulars of Remuneration         | CFO | CS  | Total |
|------|-------------------------------------|-----|-----|-------|
| 1    | Remuneration for the year 2016-2017 | Nil | Nil | Nil   |
|      | Total ( A)                          | Nil | Nil | Nil   |

**VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|-----------------------------------------------------------|------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |                                                           |                              |                                    |
| Penalty                             |                              |                   |                                                           |                              |                                    |
| Punishment                          |                              |                   |                                                           |                              |                                    |
| Compounding                         |                              |                   |                                                           |                              |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   |                                                           |                              |                                    |
| Penalty                             |                              |                   | <b>NIL</b>                                                |                              |                                    |
| Punishment                          |                              |                   |                                                           |                              |                                    |
| Compounding                         |                              |                   |                                                           |                              |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |                                                           |                              |                                    |
| Penalty                             |                              |                   |                                                           |                              |                                    |
| Punishment                          |                              |                   |                                                           |                              |                                    |
| Compounding                         |                              |                   |                                                           |                              |                                    |



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### Annexure-V

#### PARTICULARS OF EMPLOYEES

DISCLOSURE IN THE BOARD'S REPORT UNDER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

|                                                                                                                                                                     |                                      |                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------|
| i. The ratio of remuneration of each director to the mean median remuneration of the employees of the remuneration company for the financial year 2016-17           | Director's name                      | Ratio to mean remuneration |
|                                                                                                                                                                     | Mr.C.V.Rayudu<br>Whole Time Director | 7.90:1                     |
| ii. The percentage increase in remuneration of each Director<br>Chief Financial Officer and Company Secretary in the financial year 2016-17 as compared to 2015-16. | Director's / CFO/<br>CS Name         | % increase in remuneration |
|                                                                                                                                                                     | Mr.C.V.Rayudu<br>Whole Time Director | No Change                  |
|                                                                                                                                                                     | CFO                                  | Nil                        |
|                                                                                                                                                                     | Company Secretary                    | Nil                        |
| iii. Percentage increase in the median remuneration of employees in the financial year 2016-17 as compared to 2015-16                                               | —                                    | —                          |
| iv. No. of permanent employees on the roll                                                                                                                          | As on 31.3.2017<br>312               | As on 31.3.2016<br>318     |
| viii. Average percentile increase in salaries of employees other than managerial personnel                                                                          | No Change                            | —                          |

The board of directors of the company affirms that the remuneration is as per the remuneration policy of the company.

#### The details of Top Ten Employees of the Company

| S. No. | Name of the Employee | Remuneration (In Rs.) |
|--------|----------------------|-----------------------|
| 1.     | Mr.C.V.Rayudu        | 1996800               |
| 2.     | B.Venkata Ramana     | 1344000               |
| 3.     | J.Srinivasa Rao      | 1066428               |
| 4.     | Vvv Satya Rama Rao   | 745884                |
| 5.     | Asvsg Ravi Shankar   | 686760                |
| 6.     | Gv Satyanarayana     | 641688                |
| 7.     | Y Bhasker Reddy      | 568284                |
| 8.     | R Padmakar           | 548500                |
| 9.     | M.Suryanarayana      | 548472                |
| 10.    | B.Umamaheswara Rao   | 522840                |

## Annexure-VI

Information under Rule 8 (3) of Companies (Accounts) Rules 2015 and forming part of the directors' report for the year ended 31st March, 2017.

### A. Conservation of energy:

#### (I) Steps taken or impact on conservation of energy:

The Company taken energy conservation measures in the manufacturing activity and every endeavor has been made to ensure the optimal use of energy and conserve energy as far as possible.

#### (II) Steps taken by the company for utilizing alternate sources of energy:

The Company is in the process to install Biogas engine which utilizes biogas captured while treating the effluents which are generated from the manufacturing processes of the company. This will result in substantial savings in power costs.

### III. Capital Investments on energy conservation equipments and proposals, if any, being implemented for reduction of consumption of energy:

The company is in the process of installing co-generation power plant, wherby with the small additional consumption of husk,the power gets generated.

### B. Technology absorption:

#### I. Efforts, in brief, made towards technology absorption:

The company has continued its efforts in the process of educating/ training shop floor employees resulting into improvement in the quality of dextrose syrup and other products. This in turn has helped in maintaining consistent operation of plants and has increased production of products.

#### II. Benefits derived as a result of the above efforts:

The fine tuning and process modification has resulted in improvement of efficiency at all levels.

#### III. Imported Technology:

- (a) Technology Imported: Nil
- (b) Year of Import: N.A
- (c) Has technology been fully absorbed : N.A
- (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action: N.A

### IV. Research and development (R & D):

Efforts continue at all levels to improve operational efficiency and product up gradation to meet the requirements of the market.

### C. Foreign Exchange earnings and outgo:

- 1. Foreign Exchange Earnings (FOB) : Nil
- 2. Foreign Exchange Outgo (CIF) : Nil

**By Order of the Board**

Place: Hyderabad  
Date: 29.08.2017

**T. Sandeep Kumar Reddy**  
Chairman

### CORPORATE GOVERNANCE REPORT FOR THE YEAR 2016-17

#### 1. Overview of Corporate Governance of Gayatri Bio Organics Limited

The Company is a firm believer in core values of the Corporate Governance Code. The Company fully understands the rights of its shareholders to have intimation on the performance of the Company and considers itself a trusty of its shareholders. The Company is committed to good corporate governance, adherence to Statutory and regulatory prescriptions, care for environment and social responsibility. The company has been prompt in discharging its statutory and social obligations. The Board of directors supports the broad principles of corporate governance and is committed to align and direct the actions of the company to achieve the objectives of transparency, accountability and integrity.

The Company has adopted a Code of Conduct for members of the Board and Senior Management, who have affirmed in writing their adherence to the Code.

#### 2. Board of Directors

The Board of directors presently comprises of Six directors out of which one is executive director and five are non-executive directors. Except Mr T. Sandeep Kumar Reddy and Mrs. T. Sarita Reddy all other non-executive directors are independent directors and are from varied fields whose input bring in independent judgment to the discussions and deliberations in the Board meetings.

##### (a) Composition:

The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

##### The Board of Directors consists of Six Directors as follows:

|                            |                                      |
|----------------------------|--------------------------------------|
| Sri T. Sandeep Kumar Reddy | Chairman & Promoter Director         |
| Smt. T. Sarita Reddy       | Non Executive & Promoter Director    |
| Sri. C.V. Rayudu           | Whole Time Director                  |
| Sri T.G.Pandya             | Non Executive & Independent Director |
| Sri J. N. Karamchetti      | Non Executive & Independent Director |
| Sri Sri. T. R. Rajagopalan | Non Executive & Independent Director |

The following table shows the composition of directors and their attendance at the Board meetings held on the dates below mentioned and the last Annual General Meeting which was held on 28th September 2016.

| Name                       | Category                             | Board Meetings Attended | Attendance at the last AGM | No. of Directorships held in other Companies |
|----------------------------|--------------------------------------|-------------------------|----------------------------|----------------------------------------------|
| Sri T. Sandeep Kumar Reddy | Promoter-Chairman                    | 7                       | Yes                        | 17                                           |
| Smt. T. Sarita Reddy       | Non Executive & Promoter Director    | 8                       | No                         | 19                                           |
| Sri. C.V. Rayudu           | Whole Time Director.                 | 8                       | Yes                        | NIL                                          |
| Sri. T.G. Pandya           | Non Executive & Independent Director | 8                       | No                         | NIL                                          |
| Sri J.N. Karamchetti       | Non-Executive & Independent Director | 7                       | No                         | 4                                            |
| Sri. T.R. Rajgopalan       | Non-Executive & Independent Director | 8                       | Yes                        | 3                                            |

**(b) Board Meetings held during the year 2016-17:**

The Board meets at least once in a quarter to consider among other business, the quarterly performance of the Company and financial results. During the financial year 2016-17 the Board Meeting was held Five times as follows:

| S. No | Date of Board Meeting           |
|-------|---------------------------------|
| 1.    | 7 <sup>th</sup> May, 2016       |
| 2.    | 30 <sup>th</sup> May, 2016      |
| 3.    | 13 <sup>th</sup> August 2016    |
| 4.    | 11 <sup>th</sup> November, 2016 |
| 5.    | 28 <sup>th</sup> November, 2016 |
| 6.    | 14 <sup>th</sup> February, 2017 |
| 7.    | 9 <sup>th</sup> March, 2017     |
| 8.    | 16 <sup>th</sup> March, 2017    |

**(c) Details of Directors seeking re-appointment as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013**

As per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the information about the Directors proposed to be re-appointed is given as under.

|                                                                                                                            |                                              |
|----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| Name of Director                                                                                                           | Smt. T. Sarita Reddy                         |
| Director Identification No                                                                                                 | 00017122                                     |
| Date of Appointment                                                                                                        | 24.01.2008                                   |
| Occupation                                                                                                                 | Industrialist                                |
| Relationship between directors inter-se                                                                                    | Wife of Mr T. Sandeep Kumar Reddy            |
| Nature of Expertise in specific functional area                                                                            | 12 years of experience in the Sugar industry |
| Directorship in Listed entities                                                                                            | Gayatri Sugars Limited                       |
|                                                                                                                            | Gayatri BioOrganics Limited                  |
| Membership of Committees of other Listed Companies (includes only Audit Committee and Stakeholders Relationship Committee) | 2                                            |
| Shareholding in the Company                                                                                                | 48,80,279                                    |

The Whole time director prepares the Agenda and Explanatory notes, in consultation with the Chairman for each meeting and circulates the same in advance to the Directors. A tentative annual calendar for the meetings of the Board and Audit Committee to be held in each quarter has been circulated to facilitate and assist the Directors to plan their schedules for the meetings for meaningful, informed and focused decisions. Every Director is free to suggest the inclusion of items on the agenda. The Board meets at least once in every quarter to review the quarterly results and other items on the agenda. Additional meetings are held, when necessary. The draft minutes of the proceedings of the Board of Directors are circulated in advance and the comments, if any, received from the Directors are incorporated in the minutes in consultation with the Chairman.

The Company has an effective post meetings follow up, review and reporting process mechanism for the decisions taken by the Board/Committees. Action taken report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the members.

**3. Audit Committee**

The audit committee of the Company is constituted in line with the provisions of Regulation 18 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Section 177 of the Act. The company has formed the audit committee comprising of three directors. Two of the members are independent directors;

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Sri. T.R. Rajagopalan is the chairman of the audit committee.

The audit committee at the Board level acts as a link between the independent auditors, internal auditors, the management and the Board of directors and oversees the financial reporting process. The audit committee interacts with the internal auditors, independent auditors, secretarial auditors and cost auditors and reviews and recommends their appointment and remuneration. The audit committee is provided with all necessary assistance and information to enable it to carry out its functions effectively.

### **Powers of Audit Committee**

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### **Role of Audit Committee**

The role of the Audit Committee shall include the following

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
  3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
    - b. Changes, if any, in accounting policies and practices and reasons for the same
    - c. Major accounting entries involving estimates based on the exercise of judgment by management
    - d. Significant adjustments made in the financial statements arising out of audit findings
    - e. Compliance with listing and other legal requirements relating to financial statements
    - f. Disclosure of any related party transactions
    - g. Qualifications in the draft audit report
  5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
-

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Examination of the financial statement and the auditors' report thereon
21. Monitoring the end use of funds raised through public offers and related matters.
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee meetings were held 6 (Six) times during the financial year 2016-17 and all the then members of the Committee have attended all the meetings held in the following dates:

**S. No      Date of Audit Committee Meetings**

1.            30<sup>th</sup> May, 2016
2.            13<sup>th</sup> August 2016
3.            11<sup>th</sup> November,2016
4.            28<sup>th</sup> November,2016
5.            14<sup>th</sup> February, 2017
6.            16<sup>th</sup> March, 2017

**4. Nomination and Remuneration Committee**

**i. Brief Description of terms of Reference:**

The Nomination and Remuneration committee is constituted in line with the provisions of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 178 of the Act.

**ii. Composition of Committee and Attendance:**

The Composition of Committee as mentioned in the following table and there is no Nomination and Remuneration Committee Meeting was held during the Financial Year 2016-17.

| S.No. | Name of the Director   | Category                                        | Designation |
|-------|------------------------|-------------------------------------------------|-------------|
| 1.    | Sri T.G. Pandya        | Non-Promoter Non Executive Independent Director | Chairman    |
| 2.    | Sri .J.N. Karamchetti  | Non-Promoter Non Executive Independent Director | Member      |
| 3.    | Sri T. R. Rajagopalaln | Non-Promoter Non Executive Independent Director | Member      |

The main object of this Committee is to identify persons who are qualified to become directors and who may be appointed in senior management of the Company, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance, recommend the remuneration package of

both the Executive and the Non-Executive Directors on the Board and also the remuneration of Senior Management, one level below the Board. The Committee reviews the remuneration package payable to Executive Director(s) and recommends to the Board the same and acts in terms of reference of the Board from time to time.

### iii. **Terms of Reference**

Terms of reference of the Nomination and Remuneration Committee are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. To recommend/review remuneration of Key Managerial Personnel based on their performance and defined assessment criteria.
6. To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. salary, benefits, bonus, stock options, pensions, etc.
7. Recommendation of fee / compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
8. Payment / revision of remuneration payable to Managerial Personnel.
9. While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.
10. The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
11. Any other functions / powers / duties as may be entrusted by the Board from time to time.

### **Remuneration Policy:**

The remuneration policy is aimed to motivate and reward the performance on the basis of periodical appraisal of achievements. It follows the practices prevailing in the companies of our size and the industry in general to retain and attract talent and improve the quality of performance with a view to run the Company's operations efficiently, effectively and profitably. The adopted a Policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company which is disclosed on the website of the Company i.e <http://www.gayatribioorganics.com/>

### **5. Stakeholders Relationship Committee**

The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 178 of the Act.

The composition of the Stakeholders Relationship Committee is as under:

| S. No. | Name of the Director       | Category                                          | Designation | Number of meetings held | Number of meetings attended |
|--------|----------------------------|---------------------------------------------------|-------------|-------------------------|-----------------------------|
| 1.     | Sri T. Sandeep Kumar Reddy | Executive-Promoter Director                       | Chairman    | 6                       | 6                           |
| 2.     | Sri C. V. Rayudu           | Non-Promoter Executive Director                   | Member      | 6                       | 6                           |
| 3.     | Sri T.G. Pandya            | Non-Promoter Non Executive - Independent Director | Member      | 6                       | 6                           |

The Committee reviews the security transfers/transmissions, process of dematerialization and the investors' grievances and the systems dealing with these issues.

All investor complaints, which cannot be settled at the level of the Compliance Officer, will be placed before the Committee for final settlement.

There were no complaints pending for redressal during the year under review. There were no pending transfers as on 31st March, 2017.

### 6. General Body Meetings :

#### (i) General Body Meetings

The Annual General Meetings of the Company (AGM) has been held at the following places during the last three years.

| Year    | Venue                                                                                         | Day and Date                                   | Time      |
|---------|-----------------------------------------------------------------------------------------------|------------------------------------------------|-----------|
| 2015-16 | KLN PRASAD AUDITORIUM<br>FAPCCI Building, Federation House,<br>Red HillsHyderabad – 500 004   | Wednesday, 28 <sup>th</sup><br>September, 2016 | 4.30 P.M  |
| 2014-15 | SURANA UDYOG AUDITORIUM<br>FAPCCI Building, Federation House,<br>Red HillsHyderabad – 500 004 | Saturday, 26 <sup>th</sup><br>September, 2015  | 10.00 A.M |
| 2013-14 | KLN PRASAD AUDITORIOUM<br>FAPCCI Building, Federation House,<br>Red HillsHyderabad – 500 004  | Tuesday, 30 <sup>th</sup><br>September, 2014   | 9.30 A.M  |



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### (ii) (a) Special Resolutions passed in the last three Annual General Meetings:

| AGM Date                                      | Description of Item                                                                                                                                                                                                                                               |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Wednesday<br>28 <sup>th</sup> September, 2016 | 1. Alteration of Memorandum of Association of the Company.<br>2. Conversion of Existing 20,00,000 Cumulative Redeemable Optionally Convertible Preference Shares Into Equity Shares.<br>3. Issue Of Equity Shares By Way of Conversion of Part of Unsecured Loan. |
| Tuesday<br>30 <sup>th</sup> September, 2014   | 1. Appointment of Sri C.V. Rayudu as the Whole Time Director for a period 3 (three) years w.e.f. 28 <sup>th</sup> May, 2014.                                                                                                                                      |

### (b) Details of Extra-ordinary General Meeting was conducted in last three years.

| EGM Date                           | Description of Item                                                                                                                                                                 |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Friday 24 <sup>th</sup> July, 2015 | 1. Alteration Of Memorandum of Association of The Company<br>2. Conversion of Part of Existing 6% Cumulative Redeemable Optionally Convertible Preference Shares Into Equity Shares |

### (ii) Postal Ballot

During the financial year 2016-2017, Pursuant to section 110 of the Companies Act, 2013 the shareholders of the Company approved the following resolutions by means of Postal Ballot. The Postal Ballots were conducted by Mr. Harinath Punna, Practicing Company Secretary who was appointed by the Board of Directors of the Company at their meetings held on 7<sup>th</sup> May, 2016 and 13<sup>th</sup> August, 2016 as the Scrutinizer.

#### (a) Result of the aforesaid Postal Ballot Notice dated 7<sup>th</sup> May, 2016.

**Item:** to sell, lease, transfer, assign or otherwise dispose of the of "Unit-II" of the Company situated at Balabadrapuram Village, Biccavole Mandal, East Godavari District, Andhra Pradesh.

|                                                                                                                             |            |
|-----------------------------------------------------------------------------------------------------------------------------|------------|
| Date of the AGM                                                                                                             |            |
| Special Resolution passed through postal Ballot Notice dated                                                                | 07.05.2016 |
| Date of announcement of the postal ballot result                                                                            | 21.06.2016 |
| Total number of shareholders on Record date (i.e., 13.05.2016)                                                              | 21,402     |
| Number of shareholders present in the meeting either in person or through proxy<br>Promoters and Promoter group:<br>Public: | N.A.       |
| No. of shareholders attended the meeting through video conferencing<br>Promoters and Promoter group:<br>Public:             | N.A.       |
| Resolution Required                                                                                                         | Special    |
| Whether promoter/ promoter group are interested in the agenda/resolution?                                                   | No         |

## Gayatri BioOrganics Limited

| Category                    | Mode of Voting                 | No. of Shares held | No. of votes polled | % of votes polled on outstanding shares | No. of votes - in favour | No. of votes -against | % of votes in favour on votes polled | % of votes in against on votes polled |
|-----------------------------|--------------------------------|--------------------|---------------------|-----------------------------------------|--------------------------|-----------------------|--------------------------------------|---------------------------------------|
|                             |                                | (1)                | (2)<br>] * 100      | (3)= [(2)/(1)                           | (4)                      | (5)                   | (6)=[(4)/(2)]*100<br>(2)]*100        | (7)=[(5)/                             |
| Promoter and Promoter Group | E-Voting Poll<br>Postal Ballot | 36881136<br>0      | 36881136<br>0<br>0  | 100<br>0<br>0                           | 36881136<br>0<br>0       | 0<br>0<br>0           | 100<br>0<br>0                        | 0<br>0<br>0                           |
| Public Institutions         | E-Voting Poll<br>Postal Ballot | 519300<br>0        | 0<br>0<br>0         | 0<br>0<br>0                             | 0<br>0<br>0              | 0<br>0<br>0           | 0<br>0<br>0                          | 0<br>0<br>0                           |
| Public-Non Institutions     | E-Voting Poll<br>Postal Ballot | 24380904           | 1001<br>0<br>19930  | 0.004<br>0<br>0.081                     | 1001<br>0<br>18830       | 0<br>0<br>800         | 100<br>0<br>94.48                    | 0<br>0<br>4.01                        |
| Total                       |                                | 61781340           | 36902067            | 59.73                                   | 36900967                 | 800                   | 99.99                                | 0.01                                  |

Percentage of votes cast in favor: 99.99 and percentage of votes cast against: 0.01

(b) Result of the aforesaid Postal Ballot Notice dated 13<sup>th</sup> August, 2016.

Item: to sell, lease, transfer, assign or otherwise dispose of the of "Unit-I" of the Company situated at NH-9, Nandikandi Village, Sadasivapet Mandal, Medak District, Telangana - 502 306.

|                                                                                                                             |            |
|-----------------------------------------------------------------------------------------------------------------------------|------------|
| Date of the AGM<br>Special Resolution passed through postal Ballot Notice dated                                             | 13.08.2016 |
| Date of announcement of the postal ballot result                                                                            | 21.09.2016 |
| Total number of shareholders on Record date (i.e., 13.05.2016)                                                              | 21,366     |
| Number of shareholders present in the meeting either in person or through proxy<br>Promoters and Promoter group:<br>Public: | N.A.       |
| No. of shareholders attended the meeting through video conferencing<br>Promoters and Promoter group:<br>Public:             | N.A.       |
| Resolution Required                                                                                                         | Special    |
| Whether promoter/ promoter group are interested in the agenda/resolution?                                                   | No         |

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| Category                    | Mode of Voting                 | No. of Shares held | No. of votes polled | % of votes polled on outstanding shares | No. of votes - in favour | No. of votes -against | % of votes in favour on votes polled | % of votes in against on votes polled |
|-----------------------------|--------------------------------|--------------------|---------------------|-----------------------------------------|--------------------------|-----------------------|--------------------------------------|---------------------------------------|
|                             |                                | (1)                | (2)<br>] * 100      | (3)= [(2)/(1)                           | (4)                      | (5)                   | (6)=[(4)/(2)]*100<br>(2)]*100        | (7)=[(5)/                             |
| Promoter and Promoter Group | E-Voting Poll<br>Postal Ballot | 36881136<br>0      | 36881136<br>0<br>0  | 100<br>0<br>0                           | 36881136<br>0<br>0       | 0<br>0<br>0           | 100<br>0<br>0                        | 0<br>0<br>0                           |
| Public Institutions         | E-Voting Poll<br>Postal Ballot | 519300<br>0        | 0<br>0<br>0         | 0<br>0<br>0                             | 0<br>0<br>0              | 0<br>0<br>0           | 0<br>0<br>0                          | 0<br>0<br>0                           |
| Public-Non Institutions     | E-Voting Poll<br>Postal Ballot | 24380904           | 1243<br>0<br>17009  | 0.005<br>0<br>0.069                     | 554<br>0<br>16529        | 689<br>0<br>480       | 44.57<br>0<br>97.18                  | 55.43<br>0<br>2.82                    |
| Total                       |                                | 61781340           | 36899388            | 59.73                                   | 36898219                 | 1169                  | 99.99                                | 0.01                                  |

Percentage of votes cast in favor: 99.99 and percentage of votes cast against: 0.01

The Resolutions were approved by the overwhelming majority of the Equity shareholders. The results were also published in The Financial Express and Mana Telangana and intimated to the Stock Exchange.

The Postal Ballot was conducted by Mr. Harinath Punna, Practicing Company Secretary, Hyderabad as Scrutinizer to scrutinize the Postal Ballots in a fair and transparent manner. The Scrutinizer submitted his report on the following dates as provided in the table, with the Company and based on the said report, results of Postal Ballot were declared by Chairman on following dates as tabled below:

| Date of the notice of the postal ballot | Last date for receipt of the postal ballot | Date of the Scrutinizers report | Declaration of Results by the company |
|-----------------------------------------|--------------------------------------------|---------------------------------|---------------------------------------|
| 07.05.2016                              | 19.06.2016                                 | 21.06.2016                      | 21.06.2016                            |
| 13.08.2016                              | 20.09.2016                                 | 21.09.2016                      | 21.09.2016                            |

After receiving the approval of the Board of Directors, Notice of the Postal Ballot, text of the Resolution and Explanatory Statement, relevant documents, Postal Ballot Form and self addressed postage pre-paid envelopes will be sent to the preference shareholders to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch. After the last date for receipt of ballots, the Scrutinizer, after due verification, submits the results to the Chairman. Thereafter, the Chairman declares the result of the Postal Ballot. The same will be published in the Newspapers and displayed on Website and Notice Board.

### 7. Disclosures :

- (i) Disclosures on materially significant related party transactions:

The particulars of transactions between the Company and its related parties are set out at Notes to financial statements. However these transactions are not likely to have any conflict with the Company's interest.

- (ii) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The company has complied with all the requirements of the listing agreement and SEBI(LODR) Regulations, 2015 with the stock exchanges as well as regulations and guidelines of SEBI. No penalties or strictures imposed by SEBI, Stock Exchanges or any Statutory Authorities on matters relating to the capital markets during the last three years.

The Company Secretary has resigned from the position of Compliance officer of the Company and the Company had not appointed in the vacant position within the time stipulated under the Provisions of Sec 203 Companies Act, 2013.

- (iii) Disclosure relating to Whistle Blower policy and affirmation that no personnel have been denied access to the audit committee.

Company has established a Vigil Mechanism System/Whistle blower policy for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. Further, as per the provisions of the Companies Act, 2013 the Audit Committee of the company shall oversee the Vigil Mechanism System/ Whistle blower policy in the company and no personnel has been denied access to the audit committee.

- (iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

The Company has complied with all the mandatory requirements of corporate governance and are being reviewed from time to time.

## 8. Means of Communication

The quarterly/ annual unaudited/ audited financial results of the Company are sent immediately to the BSE after they are approved by the Board of Directors. And also the said results within 48hrs from the conclusion of the Board meeting were published in One English which is Circulated whole of India and One Telugu News Paper which is circulated at the Registered Office of the Company.

No presentations were made to the Institutional Investors or to Analysts.

## 9. General Shareholder's information:

The 26<sup>th</sup> Annual General Meeting of the members of Company will be held on Monday, 25<sup>th</sup> September, at 10.00 A.M at the "J.S.Krishna Murthy Hall", The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad - 500 004

Results for the quarter ending:

|                                  |                                     |
|----------------------------------|-------------------------------------|
| 30 <sup>th</sup> June, 2017      | Second week of September, 2017      |
| 30 <sup>th</sup> September, 2017 | Second week of November, 2017       |
| 31 <sup>st</sup> December, 2017  | Second week of February, 2018       |
| 31 <sup>st</sup> March, 2017     | Third week/Fourth week of May, 2018 |

Date of Book closure: The Share Transfer Books of the Company shall remain closed from **Saturday, 23<sup>rd</sup> September, 2017 to Monday, 25<sup>th</sup> September, 2017 (both days inclusive)** for the purpose of ensuing Annual General Meeting.

Date of Book closure: The Share Transfer Books of the Company shall remain closed from Saturday, 23<sup>rd</sup> September, 2017 to Monday, 25<sup>th</sup> September, 2017 (both days inclusive) for the purpose of ensuing Annual General Meeting.

Listing on Stock Exchanges: The Company's shares are listed at BSE Limited, 1<sup>st</sup> Floor, New Trading Ring, Phiroze Jeebhay Towers, Dalal Street, Mumbai.

Dividend: No dividend was recommended during the year.

ISIN No : INE 052E01015  
Scrip Code : 524564  
Depository Connectivity : CDSL & NSDL

The Listing fee for the year 2017-2018 has been paid to BSE Ltd.

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### Market Price Data:

High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2016-17 at The Bombay Stock Exchange Limited (BSE) is as under:

| DATE           | BSE   |       |            |
|----------------|-------|-------|------------|
|                | High  | Low   | Qty Traded |
| April 2016     | 10.77 | 8.45  | 20869      |
| May 2016       | 12.38 | 7.57  | 100516     |
| June 2016      | 13.99 | 9.8   | 75727      |
| July 2016      | 14.99 | 12.01 | 193946     |
| August 2016    | 14.09 | 10.55 | 98886      |
| September 2016 | 16.60 | 11.36 | 236687     |
| October 2016   | 18.13 | 13.10 | 223341     |
| November 2016  | 17.10 | 10.95 | 215259     |
| December 2016  | 16.35 | 13.00 | 85803      |
| January 2017   | 16.59 | 13.02 | 161008     |
| February 2017  | 18.30 | 14.00 | 407149     |
| March 2017     | 17.00 | 14.50 | 115161     |

### Registrar and Transfer Agent:

Venture Capital and Corporate  
Investments Pvt Ltd  
12-10-167, Bharat Nagar, Hyderabad - 500 018, T.S., India  
E.mail : info@vccipl.com

Contact Person :

Mr. E. S. K. Prasad, Chief Executive  
Ph: +91 40 23818475 / 76, Telefax: +91 40 23868024

### Share Transfer System :

The Share transfers are effected within one month from the date of lodgement for transfer, transmission, sub-division consolidation, renewal etc. Such modified share certificates are delivered to the shareholders immediately.

### Distribution of Shareholding as on 31<sup>st</sup> March, 2017 :

| S.No | Category       | Shareholders |               | Shares           |               |
|------|----------------|--------------|---------------|------------------|---------------|
|      |                | Nos.         | %             | Nos.             | %             |
| 1.   | Up to - 500    | 19710        | 92.67         | 30095930         | 3.81          |
| 2.   | 501 - 1,000    | 1011         | 4.75          | 8145870          | 1.03          |
| 3.   | 1,001 - 2,000  | 311          | 1.46          | 4635370          | 0.58          |
| 4.   | 2,001 - 3,000  | 90           | 0.42          | 2318400          | 0.29          |
| 5.   | 3,001 - 4,000  | 29           | 0.14          | 1008570          | 0.12          |
| 6.   | 4,001 - 5,000  | 32           | 0.15          | 1556800          | 0.19          |
| 7.   | 5,001 -10,000  | 42           | 0.20          | 3352870          | 0.42          |
| 8.   | 10,001 & Above | 43           | 0.20          | 736767610        | 93.51         |
|      | <b>Total</b>   | <b>21407</b> | <b>100.00</b> | <b>787881420</b> | <b>100.00</b> |

## Dematerialization of shares and liquidity:

As on 31<sup>st</sup> March, 2017, 94.51% (7, 44, 64,602 Equity shares) of paid up capital were in dematerialized form. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity: Nil

Performance of the share price of the Company in comparison to the BSE Sensex:



## Plant Locations:

Plant 1: NH-9, Nandikandi Village,  
Sadasivapet Mandal  
Medak District,  
Telangana - 502306.

Plant 2: Balbhadrapuram Village  
Biccavole Mandal,  
East Godavari District  
Andhra Pradesh - 533343.

## Address for Correspondence:

Secretarial Department,  
Gayatri BioOrganics Limited,  
#6-3-1090, B-Block, 3rd Floor, TSR Towers,  
Rajbhavan Road, Somajiguda, Hyderabad - 500082.

## Compliance Certificate:

Certificate from Practicing Company Secretary Mr. Y. Koteswara Rao confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement of the Company with stock exchange(s) and as per the relevant regulation 15(2) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

**By Order of the Board**

Place: Hyderabad  
Date: 29.08.2017

**T. Sandeep Kumar Reddy**  
Chairman

**CERTIFICATE**

**PRACTICING COMPANY SECRETARY CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members

**GAYATRI BIOORGANICS LIMITED**

I have examined the compliance of conditions of Corporate Governance by M/s. Gayatri Bioorganics Limited ('the Company'), for the year ended March 31, 2017, as stipulated in Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examinations has been limited to a review of the procedure and implementations thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except that the positions of Company Secretary (CS) and Chief Financial Officer (CFO) of the company have not filled within the time stipulated under the provisions of section 203 of Companies Act, 2013 .

I state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Hyderabad  
Date : 29.08.2017

**Y. Koteswara Rao**  
Practicing Company Secretary  
C.P.No. 7427

**DECLARATION BY CHAIRMAN OF THE  
COMPANY ON CODE OF CONDUCT**

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company that the Company has adopted a Code of Conduct for all Board Members and Senior Management and the same has been placed on the Company's website. All Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended 31<sup>st</sup> March, 2017.

For **Gayatri BioOrganics Limited**

**T. Sandeep Kumar Reddy**  
Chairman

Place : Hyderabad  
Date : 29.08.2017



### CEO CERTIFICATION

We, C.V. Rayudu, Whole Time Director to the best of our knowledge and belief, certify that;

- a) We have reviewed financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March, 2017 and to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We further certify that:
  - i) There have been no significant changes in internal control during this year.
  - ii) There have been no significant changes in accounting policies during this year.
  - iii) There have been no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system.

**For Gayatri BioOrganics Limited**

Place: Hyderabad  
Date: 29.08.2017

**C.V. Rayudu**  
WHOLE-TIME DIRECTOR

**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
GAYATRI BIOORGANICS LIMITED

**Report on the Financial Statements**

We have audited the accompanying Financial Statements of Gayatri BioOrganics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

**Management's responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Financial Statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

**Basis for Qualified Opinion**

Re: Note 2.20 Regarding financial statements being prepared on a going concern basis notwithstanding the accumulated losses amounting to Rs. 1,62,30,41,206/-, which has eroded the networth of the company, for the reasons stated in the said note, indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

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## Qualified Opinion

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 paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of all pending litigations on its financial position - refer Note 2.21 to the financial statements.
    - ii. The Company did not have any material foreseeable losses relating to long-term contracts including derivative contracts.
    - iii. There are no amounts to be transferred to Investor Education and Protection Fund.
    - iv. The requisite disclosures in the financial statements for dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have been provided. Based on audit procedures and reliance on management representation, we report that the disclosures are in accordance with the books of account and other records maintained by the company. Refer Note 2.15.1 in the financial statements.
2. As required by the Companies (Auditors Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order.

for M.BHASKARA RAO & Co.,  
CHARTERED ACCOUNTANTS  
Firm Regn No:000459S

D BAPU RAGHVENDRA  
PARTNER  
Membership No: 213274

Place: Hyderabad  
Date: 18<sup>th</sup> May, 2017

## **Annexure A to the Independent Auditor's report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Gayatri Bio Organics Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide basis for an audit opinion on internal financial controls system over financial reporting of the Company.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Disclaimer of Opinion**

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control

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stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2017.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

for M.BHASKARA RAO & Co.,  
CHARTERED ACCOUNTANTS  
Firm Regn No:000459S

D. BAPU RAGHVENDRA  
PARTNER  
Membership No: 213274

Place: Hyderabad  
Date: 18<sup>th</sup> May, 2017

Re: Gayatri Bio Organics Limited

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**(i) In respect of its fixed assets:**

- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanation given to us, a major portion of fixed assets have been physically verified by its management during the year in accordance with a programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. According to the information and explanations given to us, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) According to the information and explanations furnished to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

**(ii) In respect of its inventory**

- (a) According to the information and explanations given to us, the Management has physically verified the inventory during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between physical stock and book records were material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered by clause (76) of section 2 of the Companies Act, 2013. Accordingly, reporting under clauses (a) (b) and (c) of paragraph 3(iii) of the Order does not arise.
- (iv) According to the information and explanations furnished to us, the Company has not granted any loans, nor made any investments or given any guarantees or securities during the year to any of the parties specified in the Sections 185 and 186 of the Companies Act, 2013.
- (v) According to the information and explanations furnished to us, the Company has not accepted any deposits from the public. Hence, reporting under the provisions of paragraph 3(v) of the Order does not arise.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub - section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues during the year under report:
  - (a) on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have not been regularly deposited during the year by the Company with the appropriate authorities and there have been serious delays in large number of cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable
  - (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax and Value added tax which have not been deposited with the appropriate authorities

## 26<sup>th</sup> Annual Report 2016-2017

on account of any dispute. However, according to information and explanations given to us, the following dues of Customs duty and duty of excise have not been deposited by the Company on account of disputes:

| Name of the statute                          | Nature of dues                | Amount (Rs) | Period to which the amount relates | Forum where dispute is pending |
|----------------------------------------------|-------------------------------|-------------|------------------------------------|--------------------------------|
| The Customs Act, 1962                        | Customs Duty                  | 37,21,553   | Financial Year 1994-95             | CESTAT-Bangalore               |
| Central Excise Act, 1944                     | Excise duty including penalty | 8,52,42,349 | 02/2010 to 08/2014                 | CESTAT-Hyderabad               |
| Value Added Tax Act and associated VAT Rules | Excise duty including penalty | 66,64,610   | 09/2011 to 05/2014                 | AP VAT-Hyderabad               |

- (viii) In our opinion and according to the information and explanations furnished to us, Rs.2,272.75 Lakhs is outstanding principal payable. As at 31.03.2017 is Rs.872.75 Lakhs is overdue towards Principal repayment and Rs.739.46 Lakhs is overdue towards interest in respect of SICOM Term Loans I&II and III. (Refer Note 2.9.3.1 and 2.9.3.2).
- (ix) According to the information and explanations furnished to us, the Company has, during the year under report, applied the monies raised by it through term loans for the purposes for which they were raised. The Company did not make any initial public offer or further public offer of any of its securities during the year under report.
- (x) According to the information and explanations furnished to us, no fraud by the Company, nor any fraud on the Company by any of its officers or its employees has been noticed or reported during the year under report.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the Company has, during the year under report, paid / provided for managerial remuneration in accordance with Section 197 read with Schedule V of the Companies Act 2013.
- (xii) In our opinion, reporting requirement under Paragraph 3(xii) of the order does not arise since, according to the information and explanations furnished to us, the Company is not a Nidhi Company.
- (xiii) According to the information and explanations furnished to us, the transactions entered into by the Company with its related parties are in compliance with the requirements of the provisions of Sections 177 and 188 of the provisions of the Companies Act 2013.
- (xiv) According to the information and explanations furnished to us, the Company has made preferential allotment of shares by converting the 20,00,000 6 % cumulative preference shares of INR 100 each into 1,70,06,802 equity shares of Rs. 10/- each at a premium of Rs.1.76 per share.
- (xv) According to the information and explanations furnished to us, the Company has not entered into any agreements for acquisition of assets from or for transferring its assets to its directors, or the directors of its subsidiary companies or persons connected with such directors, for a consideration other than cash, during the year under report.
- (xvi) In our opinion based on the information and explanations furnished to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

for M.BHASKARA RAO & Co.,  
CHARTERED ACCOUNTANTS  
Firm Regn No:000459S

Place: Hyderabad  
Date: 18<sup>th</sup> May, 2017

D. BAPU RAGHVENDRA  
PARTNER  
Membership No: 213274

**BALANCE SHEET AS AT 31 MARCH 2017**

(All amounts in Indian rupees, except share data and where otherwise stated)

| PARTICULARS                            | Note | As At<br>31st March 2017 | As At<br>31st March 2016 |
|----------------------------------------|------|--------------------------|--------------------------|
| <b>EQUITY AND LIABILITIES</b>          |      |                          |                          |
| <b>Shareholders' funds</b>             |      |                          |                          |
| (a) Share capital                      | 2.1  | <b>787,881,420</b>       | 817,813,400              |
| (b) Reserves and surplus               | 2.2  | <b>(1,592,109,226)</b>   | (795,843,558)            |
|                                        |      | <b>(804,227,806)</b>     | 21,969,842               |
| <b>Non-current liabilities</b>         |      |                          |                          |
| (a) Long-term borrowings               | 2.3  | <b>17,015,659</b>        | 136,311,072              |
| (b) Long-term provisions               | 2.4  | <b>—</b>                 | 14,127,212               |
|                                        |      | <b>17,015,659</b>        | 150,438,284              |
| <b>Current liabilities</b>             |      |                          |                          |
| (a) Short-term borrowings              | 2.5  | <b>334,035,285</b>       | 716,604,878              |
| (b) Trade payables                     | 2.6  | <b>—</b>                 | 3,654,713                |
| MSME Payables                          |      | <b>31,291,147</b>        | 291,879,974              |
| Others                                 |      | <b>—</b>                 | 230,965,565              |
| (c) Other current liabilities          | 2.7  | <b>—</b>                 | 1,509,875                |
| (d) Short-term provisions              | 2.8  | <b>—</b>                 | —                        |
|                                        |      | <b>365,326,432</b>       | 1,244,615,005            |
| <b>Liabilities Held for Sale</b>       |      |                          |                          |
| (a) Liabilities held for sale          | 2.9  | <b>1,476,850,253</b>     | —                        |
|                                        |      | <b>1,054,964,538</b>     | 1,417,023,131            |
| <b>ASSETS</b>                          |      |                          |                          |
| <b>Non-current assets</b>              |      |                          |                          |
| (a) Fixed assets                       |      | <b>—</b>                 | 456,947,122              |
| Tangible assets                        | 2.10 | <b>—</b>                 | 60,115,831               |
| Capital work-in-progress               |      | <b>15,000</b>            | 15,000                   |
| (b) Non-current investments            | 2.11 | <b>—</b>                 | 23,464,969               |
| (c) Long-term loans and advances       | 2.12 | <b>—</b>                 | —                        |
|                                        |      | <b>15,000</b>            | 540,542,922              |
| <b>Current assets</b>                  |      |                          |                          |
| (a) Inventories                        | 2.13 | <b>—</b>                 | 366,945,743              |
| (b) Trade receivables                  | 2.14 | <b>15,094,770</b>        | 436,286,739              |
| (c) Cash and bank balances             | 2.15 | <b>—</b>                 | 19,640,976               |
| (d) Short-term loan and advances       | 2.16 | <b>—</b>                 | 50,722,257               |
| (e) Other current assets               | 2.17 | <b>1,778,549</b>         | 2,884,495                |
|                                        |      | <b>16,873,319</b>        | 876,480,210              |
| <b>Assets held for sale</b>            |      |                          |                          |
| Assets held for sale                   | 2.18 | <b>1,038,076,219</b>     | —                        |
|                                        |      | <b>1,054,964,538</b>     | 1,417,023,131            |
| <b>Significant accounting policies</b> |      |                          |                          |
|                                        | 1    |                          |                          |

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **M. Bhaskara Rao & Co**

Chartered Accountants

Firm Regn No. 000459S

**D. Bapu Raghavendra**

Partner

Place : Hyderabad

Date: 18<sup>th</sup> May, 2017

for **Gayatri BioOrganics Limited**

**T. Sandeep Kumar Reddy**

Chairman

**C.V. Rayudu**

Director



## 26<sup>th</sup> Annual Report 2016-2017

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2017

(All amounts in Indian rupees, except share data and where otherwise stated)

| PARTICULARS                                                                             | Note        | For the Year Ended<br>31st March 2017 | For the Year Ended<br>31st March 2016 |
|-----------------------------------------------------------------------------------------|-------------|---------------------------------------|---------------------------------------|
| <b>Revenue from operations (Refer Note 2.19)</b>                                        |             |                                       |                                       |
| Sale of products (gross)                                                                |             | —                                     | —                                     |
| Less: Excise duty                                                                       |             | —                                     | —                                     |
| Sale of products (net)                                                                  |             | —                                     | —                                     |
| Other operating revenues                                                                |             | —                                     | —                                     |
|                                                                                         |             | —                                     | —                                     |
| Other income                                                                            |             | —                                     | —                                     |
| <b>Total revenue</b>                                                                    |             | —                                     | —                                     |
| <b>Expenses</b>                                                                         |             |                                       |                                       |
| Cost of materials consumed                                                              |             | —                                     | —                                     |
| Cost of traded goods                                                                    |             | —                                     | —                                     |
| Change in inventory of finished goods and work-in-progress                              |             | —                                     | —                                     |
| Employee benefits expense                                                               |             | —                                     | —                                     |
| Finance costs                                                                           |             | —                                     | —                                     |
| Depreciation -                                                                          |             | —                                     | —                                     |
| Other expenses                                                                          |             | —                                     | —                                     |
| <b>Total expenses</b>                                                                   |             | —                                     | —                                     |
| <b>Profit/ (loss) before tax from Continuing Operations</b>                             |             | —                                     | —                                     |
| Current tax                                                                             |             | —                                     | —                                     |
| <b>Profit/ (loss) for the year from Continuing Operations (A)</b>                       |             | —                                     | —                                     |
| <b>Profit/(Loss) before tax from discontinuing operations</b>                           | <b>2.19</b> | <b>(826,197,650)</b>                  | <b>(387,272,125)</b>                  |
| Current tax                                                                             |             | —                                     | —                                     |
| <b>Profit/ (loss) for the year from discontinuing Operations (B)</b>                    |             | <b>(826,197,650)</b>                  | <b>(387,272,125)</b>                  |
| <b>Profit/(Loss) for the year</b>                                                       |             | <b>(826,197,650)</b>                  | <b>(387,272,125)</b>                  |
| <b>Earning per equity share [Nominal value of share INR 10 (Previous year: INR 10)]</b> |             |                                       |                                       |
| Basic & Diluted                                                                         |             |                                       |                                       |
| Continued operations                                                                    |             | —                                     | —                                     |
| Discontinued Operations                                                                 |             | <b>(10.49)</b>                        | <b>(6.27)</b>                         |

#### Significant accounting policies

1

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **M. Bhaskara Rao & Co**

Chartered Accountants

Firm Regn No. 000459S

**D. Babu Raghavendra**

Partner

Place : Hyderabad

Date: 18<sup>th</sup> May, 2017

for **Gayatri BioOrganics Limited**

**T. Sandeep Kumar Reddy**

Chairman

**C.V. Rayudu**

Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**

(All amounts in Indian rupees, except share data)

| PARTICULARS                                                                | As at<br>31st March 2017 | As at<br>31st March 2016 |
|----------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>A. Cash Flow from Operating Activities :</b>                            |                          |                          |
| Net Profit before Tax and Extraordinary items from discontinued operations | (519,090,932)            | (387,272,125)            |
| Adjustment for                                                             |                          |                          |
| - Depreciation                                                             | 53,404,260               | 21,338,844               |
| - Interest & Dividend Income                                               | (3,121,961)              | (2,184,940)              |
| - Profit and Loss on Write of assets                                       | —                        | 7,428,742                |
| - Profit and Loss on Write of Trade Receivables                            | 222,347,907              | —                        |
| - Exceptional items                                                        | (307,106,718)            | —                        |
| - Finance Cost                                                             | 115,667,639              | 127,402,867              |
| - Profit on Sale of Fixed Assets                                           | —                        | —                        |
| Operating Profit before working capital changes:                           | <u>81,191,133</u>        | <u>153,985,513</u>       |
|                                                                            | <u>(437,899,799)</u>     | <u>(233,286,612)</u>     |
| Adjustment for Increase/Decrease in:                                       |                          |                          |
| - Trade Receivables                                                        | 39,359,172               | 6,238,158                |
| - Inventories                                                              | 94,579,114               | (6,944,654)              |
| - Long Term Advances & Other Non Current Assets                            | (86,849)                 | (7,188,936)              |
| - Short Term Advances & Other Current Assets                               | 1,454,608                | 8,463,865                |
| - Trade Payables                                                           | 346,993,661              | (44,813,024)             |
| - Other Current Liabilities & Short Term Provisions                        | (1,303,488)              | 18,904,226               |
| - Other Current Assets                                                     | —                        | —                        |
| - Long Term Provisions                                                     | 1,908,243                | (6,203,811)              |
|                                                                            | <u>482,904,461</u>       | <u>(31,544,176)</u>      |
| Cash Generated from Operations - Discontinued operations                   | 45,004,662               | (264,830,788)            |
| - Taxes paid/ provision & Deferred tax                                     | —                        | —                        |
| Net Cash Flow from Discontinued Operations (A)                             | <u>45,004,662</u>        | <u>(264,830,788)</u>     |
| <b>B. Cash Flow from Investment Activities :</b>                           |                          |                          |
| - Capital expenditure on fixed assets including Capital Advances           | (52,288,030)             | (9,481,304)              |
| - Sale of Fixed Assets                                                     | 150,000                  | (7,428,742)              |
| - Bank balances (Having original maturity more than 3 months)              | 12,239,133               | 1,694,726                |
| - Interest and Dividend Income                                             | 4,227,907                | 988,308                  |
| - Investment                                                               | —                        | —                        |
| Net cash flow from Investing Activities - Discontinued operations (B)      | <u>(35,670,990)</u>      | <u>(14,227,012)</u>      |
| <b>C. Cash Flow from Financing Activities :</b>                            |                          |                          |
| - Share Application Money                                                  | —                        | —                        |
| - Proceeds from Equity Share Capital                                       | —                        | —                        |
| - Long term borrowings - borrowed/(repaid)/(net)                           | 23,368,707               | (8,767,960)              |
| - Short term borrowings - borrowed/(repaid)/(net)                          | 145,490,984              | 391,189,192              |
| - Finance Cost                                                             | (167,986,691)            | (102,206,019)            |
| Net Cash Flow from Financing Activities -Discontinued operations (C)       | <u>873,000</u>           | <u>280,215,213</u>       |
| Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)               | <u>10,206,673</u>        | <u>1,157,413</u>         |
| Cash and Cash Equivalents as at (Opening)                                  | 7,401,843                | 6,244,430                |
| Cash and Cash Equivalents as at (Closing)                                  | 17,608,508               | 7,401,843                |
| Cash and Cash Equivalents of discontinued operations                       | 17,608,508               | 7,401,843                |
| Cash and Cash Equivalents as at (Closing)                                  | —                        | —                        |

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **M. Bhaskara Rao & Co**

Chartered Accountants

Firm Regn No. 000459S

for **Gayatri BioOrganics Limited**

**D. Babu Raghavendra**

Partner

Place : Hyderabad

Date: 18<sup>th</sup> May, 2017

**T. Sandeep Kumar Reddy**

Chairman

**C.V. Rayudu**

Director

## NOTES TO ACCOUNTS

### Corporate Information

Gayatri Bio-organics, previously called Gayatri Starchkem Limited, was set-up in 1991 and is listed on the Bombay Stock Exchange (BSE). The Company is into the manufacturing of Starch, Modified Starches, Liquid Glucose, Sorbitol, and its allied products in south India.

### 1. Significant accounting policies

#### 1.1 Basis of preparation of financial statements

These financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standard) Rules, 2006 issued by the Central Government, the relevant provisions of the Companies Act, 1956 and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian Rupees.

#### 1.2 Use of estimates

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenue and expenses for the year. Actual results could differ from those estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 1.3 Current and non-current classification

All assets and liabilities are classified into current and non-current

##### *Assets*

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

##### *Liabilities*

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within 12 months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

##### *Operating cycle*

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

## 1.4 Inventories

Inventories which comprise raw materials, work-in-progress, finished goods and stores and spares are carried at the lower of cost and net realisable value.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The methods of determining cost of various categories of inventories are as follows:

|                   |                           |
|-------------------|---------------------------|
| Raw materials     | First-in-first-out (FIFO) |
| Stores and spares | Weighted average method   |

Work-in-process and finished goods- FIFO and including an appropriate share of production overheads

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of the related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where the material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

## 1.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably.

### *Sale of goods*

Revenue is recognised when the significant risks and rewards of ownership have passed to the buyer, which generally coincides with the dispatch of goods and is stated net of returns, rebates, sales tax and applicable trade discounts and allowances.

### *Interest*

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

## 1.6 Fixed assets and depreciation

Fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of fixed assets includes the purchase price, taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Where the cost of a part of an asset is significant to the total cost of that asset and its useful life is determined to be different from the useful life of the remaining asset, depreciation on such part is computed in accordance with its respective useful life.

## 1.7 Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date, not covered by forward exchange contracts, are translated at year end rates. The resultant exchange differences are recognised in the Statement of Profit and Loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

### 1.8 Investments

Investments are classified as Non-Current and Current. Long term Investments are carried at cost less provision for other than temporary diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

### 1.9 Employee benefits

#### *Short-term employee benefits*

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

#### *Post-employment benefits*

##### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

##### *Defined benefit plan*

The Company's gratuity benefit scheme is a defined benefit plan, The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs is deducted. The calculation of the Company's obligation under this scheme is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from this defined benefit plan immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

##### *Compensated absences*

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, portion of the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

### 1.10 Leases

Assets taken on lease where the Company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lesser of the present value of minimum lease rental and other incidental expenses during the lease term or the fair value of the assets taken on lease. The rental obligations, net of interest charges, are reflected as secured loans. Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and recorded as expense as and when the payments are made over the lease term.

### 1.11 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed

converted as of the beginning of the year, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). In computing dilutive earnings per share, only potential equity shares that are dilutive and that either reduce earnings per share or increase loss per share are included.

## **1.12 Income tax**

Income tax expense comprises current tax and deferred tax charge or credit. Income-tax expense is recognised in the statement of profit or loss.

### *Current tax*

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

### *Deferred tax*

Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income for the year. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonably/virtually certain to be realised.

The break-up of the deferred tax assets and liabilities as at the balance sheet date has been arrived at after setting-off deferred tax assets and liabilities where the Company has a legally enforceable right and an intention to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

## **1.13 Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that any asset forming part of its cash generating units may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of profit and loss.

If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the reassessed recoverable amount subject to a maximum of depreciated historical cost.

## **1.14 Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit / (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated. Interest capitalised as part of fixed assets are disclosed under financing activities.

## **1.15 Borrowing costs**

Borrowing costs that are attributable to construction of a qualifying asset are capitalized as a part of the cost of that asset. The amount of borrowing costs eligible for capitalisation are determined as the actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings. Other borrowing costs are recognized as expenditure in the year in which they are incurred.

## **1.16 Provisions and contingent liabilities**

The Company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present

obligation that the likelihood of outflow of resource is remote, no provision or disclosure is made.

### *Onerous contracts*

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

## Notes to the financial statements for the year ended 31 March 2017 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

|                                                                                                                         | As At<br>31st March 2017  | As At<br>31st March 2016 |
|-------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------------|
| <b>2.1 SHARE CAPITAL</b>                                                                                                |                           |                          |
| <b>Authorised</b>                                                                                                       |                           |                          |
| 70,000,000 (previous year: 51,000,000) equity shares of INR 10 each                                                     | <b>700,000,000</b>        | 510,000,000              |
| 2,000,000 (previous year : 3,900,000) 6% cumulative redeemable optionally convertible preference shares of INR 100 each | <b>200,000,000</b>        | 390,000,000              |
|                                                                                                                         | <b><u>900,000,000</u></b> | <u>900,000,000</u>       |
| <b>Issued, subscribed and paid-up capital</b>                                                                           |                           |                          |
| 78,788,142 (previous year: 61,781,340) equity shares of INR 10 each.                                                    | <b>787,881,420</b>        | 617,813,400              |
| Nil (previous year: 2,000,000) 6% cumulative redeemable optionally convertible preference shares of Rs. 100 each.       | —                         | 200,000,000              |
|                                                                                                                         | <b><u>787,881,420</u></b> | <u>817,813,400</u>       |

### 2.1.1 Reconciliation of the shares outstanding at the beginning and at the end of the period

| Particulars                                                              | As at 31 March 2017 |                    | As at 31 March 2016 |             |
|--------------------------------------------------------------------------|---------------------|--------------------|---------------------|-------------|
|                                                                          | Number              | Amount             | Number              | Amount      |
| <b>Equity Shares</b>                                                     |                     |                    |                     |             |
| At the commencement of the year                                          | <b>61,781,340</b>   | <b>617,813,400</b> | 50,924,990          | 509,249,900 |
| Conversion of preference shares to equity                                | <b>17,006,802</b>   | <b>170,068,020</b> | 10,856,350          | 108,563,500 |
| At the end of the year                                                   | <b>78,788,142</b>   | <b>787,881,420</b> | 61,781,340          | 617,813,400 |
| <b>6% cumulative redeemable optionally convertible preference shares</b> |                     |                    |                     |             |
| At the commencement of the year                                          | <b>2,000,000</b>    | <b>200,000,000</b> | 3,085,635           | 3,085,635   |
| Shares issued during the year                                            | —                   | —                  | —                   | —           |
| Conversion of preference shares to equity                                | <b>2,000,000</b>    | <b>200,000,000</b> | 1,085,635           | 108,563,500 |
| At the end of the year                                                   | —                   | —                  | 2,000,000           | 200,000,000 |

### 2.1.2 Rights preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

### 2.1.3 Rights preferences and restrictions attached to 6% cumulative redeemable optionally convertible preference shares

The Company had issued 38,38,135, 6% cumulative redeemable convertible preference shares of INR 100 each to the promoters on 12 September 2007. Out of these shares, 752,500 shares were converted into equity shares of the company after the expiry of 36 months at par on 10th November, 2010. The remaining 3,085,635 shares shall carry the option of being converted at the option of the holder into ordinary equity shares of the Company after the expiry of a period of sixty months at a price to be determined in accordance with the then prevailing SEBI (DIP) guidelines or can be redeemed by the Company at par after the end of year 5, 6, 7 and 8 from the date of allotment.



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### Notes to the financial statements for the year ended 31 March 2017 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

During the year 2015-16, the promoters exercised the option of conversion and accordingly converted preference shares of 10,85,635 with face value of Rs. 100/- each as 1,08,56,350 equity shares of Rs. 10/- each on September 10, 2015.

Further during the current financial year balance preference shares of 20,00,000 with face value of Rs. 100 each were converted at a premium of Rs. 1.76 into 1,70,06,802 equity shares of Rs. 10/- each based on the approval of shareholders at the AGM held on 28th September 2016 and the promoters have exercised their option for conversion accordingly. Post conversion of entire preference share to equity shares, the erstwhile preference share holders have foregone their right on the cumulative dividend.

#### 2.1.4 Particulars of shareholders holding more than 5% shares of a class of shares

| Name of shareholder                                         | As at 31 March 2017 |              | As at 31 March 2016 |              |
|-------------------------------------------------------------|---------------------|--------------|---------------------|--------------|
|                                                             | No. of shares held  | % of holding | No. of shares held  | % of holding |
| <b>Equity shares of INR 10 each fully paid-up held by :</b> |                     |              |                     |              |
| T. Sandeep Kumar Reddy                                      | <b>34,496,617</b>   | <b>43.78</b> | 17,489,815          | 28.31        |
| Fursa Mauritius                                             | <b>18,499,990</b>   | <b>23.48</b> | 18,499,990          | 29.94        |
| T. Indira                                                   | <b>6,788,752</b>    | <b>8.62</b>  | 6,788,752           | 10.99        |
| T. Sarita Reedy                                             | <b>4,880,279</b>    | <b>6.19</b>  | 4,880,279           | 7.90         |

#### 6% cumulative redeemable optionally convertible preference shares of INR 100 each held by :

| Name of shareholder    | As at 31 March 2016 |              | As at 31 March 2015 |              |
|------------------------|---------------------|--------------|---------------------|--------------|
|                        | No. of shares held  | % of holding | No. of shares held  | % of holding |
| T. Sandeep Kumar Reddy | —                   | <b>0.00</b>  | 2,000,000           | 100          |

As at  
**31 March 2017**                      As at  
31 March 2016

#### 2.2 Reserves and surplus

##### Central subsidy

At the commencement and at the end of the year

**1,000,000**                      1,000,000

**1,000,000**                      1,000,000

##### Surplus/(deficit) in the statement of profit and loss

At the commencement of the year

**(796,843,556)**                      (409,571,433)

Profit/(Loss) for the year

**(826,197,650)**                      (387,272,125)

At the end of the year

**(1,623,041,206)**                      (796,843,558)

##### Securities Premium (Refer Note 2.1.3)

At the commencement of the period

—                      —

Preference shares converted to Equity at premium of Rs.1.76 per share, during the period (1,70,06,802\*1.76)

29,931,980                      —

**(1,592,109,226)**                      **(795,843,558)**

## Notes to the financial statements for the year ended 31 March 2017 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

### 2.3 Long term borrowings

|                                                      | As at 31 March 2017 |         | As at 31 March 2016 |               |
|------------------------------------------------------|---------------------|---------|---------------------|---------------|
|                                                      | Non Current         | Current | Non Current         | Current       |
| Term loans                                           |                     |         |                     |               |
| Secured ( Refer Note 2.9 -Liabilities held for Sale) |                     |         |                     |               |
| From Financial Institution                           | —                   | —       | 120,000,000         | 102,000,000   |
| From Bank- Vehicle loan                              | —                   | —       | 394,322             | 121,728       |
| Unsecured (Refer Note 2.3.1 and Note 2.26)           |                     |         |                     |               |
| From Mr. T Sandeep Reddy, Director                   | <b>17,015,659</b>   | —       | 15,916,750          | —             |
|                                                      | <b>17,015,659</b>   | —       | 136,311,072         | 102,121,728   |
| Transferred to other current liabilities             |                     | —       | —                   | (102,121,728) |
|                                                      | <b>17,015,659</b>   | —       | 136,311,072         | —             |

**2.3.1** Loans from Mr T Sandeep Reddy, Director of the Company (Promoter & Related Party) includes an amount of Rs.1,07,62,154/-(Previous year Rs.1,07,62,154/-) carrying no interest and Rs. 23,85,393/- (Previous year Rs.23,85,393/-) carrying interest rate of 15% per annum . Pursuant to the Company, entering into Business Transfer Agreement (BTA) on 28th November 2016 with M/s. Blue Craft Agro Private Limited (BAPL), for transfer of both the units, the Director has agreed not to charge any interest on loan amount outstanding as on October 01, 2016.

The loan does not have a fixed repayment term and shall be repaid subject to company having adequate cash profits.

|                                                     | As at<br>31 March 2017 | As at<br>31 March 2016 |
|-----------------------------------------------------|------------------------|------------------------|
| <b>2.4 Long term provisions</b>                     |                        |                        |
| <b>(Refer Note 2.9 - Liabilities Held for Sale)</b> |                        |                        |
| - Gratuity                                          | —                      | 11,750,427             |
| - Compensated absences                              | —                      | 2,376,785              |
|                                                     | —                      | 14,127,212             |

### 2.5 Short term borrowings

Loans repayable on demand

Cash credit from bank (secured)(Refer Note 2.9 -Liabilities Held for Sale)

From Others(Unsecured) -Refer Note 2.5.1

|                    |                    |
|--------------------|--------------------|
| —                  | 354,300,911        |
| <b>334,035,285</b> | 362,303,967        |
| <b>334,035,285</b> | <b>716,604,878</b> |

**2.5.1** Loans from Others are repayable on demand and carry interest rate of 14.5% per annum. Pursuant to the Company, entering into Business Transfer Agreement (BTA) on 28th November 2016 with M/s. Blue Craft Agro Private Limited (BAPL), for transfer of both the units, The Company has requested the parties for waiver of interest from October 01, 2016 and the parties have given their consent for the same and hence the company has not provided for interest on these loans from October 01, 2016.

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### Notes to the financial statements for the year ended 31 March 2017 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

#### 2.6 Trade payables

|                                                             | As at<br>31 March 2017 | As at<br>31 March 2016 |
|-------------------------------------------------------------|------------------------|------------------------|
| Trade Payables                                              |                        |                        |
| Due to micro and small suppliers                            | —                      | 3,654,713              |
| Other creditors (Refer Note 2.9 -Liabilities held for Sale) | <b>31,291,147</b>      | 291,879,974            |
|                                                             | <b>31,291,147</b>      | 295,534,687            |

Trade payable other than acceptances include certain dues to Micro and Small Enterprises, under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the company and the required disclosures are given below:

| Particulars                                                                                                                                                                                                   | For the year ended<br>31-Mar-17 | For the year ended<br>31-Mar-16 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.                                                                                     | Nil                             | 3,654,713                       |
| The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year                                                                | Nil                             | Nil                             |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | Nil                             | Nil                             |
| The amount of interest accrued and remaining unpaid at the -end of the year                                                                                                                                   | Nil                             | 617,169                         |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise                              | Nil                             | Nil                             |

#### 2.7 Other current liabilities (Refer Note 2.9 - Liabilities Held for Sale)

|                                            | As at<br>31 March 2017 | As at<br>31 March 2016 |
|--------------------------------------------|------------------------|------------------------|
| Current maturities of long-term debts from |                        |                        |
| Financial institutions                     | —                      | 40,000,000             |
| Vehicle loan from bank                     | —                      | 121,728                |
| Overdue instalments of long term loans     | —                      | 62,000,000             |
| Interest accrued and due on borrowings     | —                      | 52,319,052             |
| Other payables                             |                        |                        |
| Payables for purchase of fixed assets      | —                      | 4,392,674              |
| Advances from customers                    | —                      | 27,924,726             |
| Employee benefit liabilities               | —                      | 12,043,209             |
| Statutory liabilities                      | —                      | 12,952,294             |
| Provision for expenses                     | —                      | 19,211,882             |
|                                            | <b>—</b>               | <b>230,965,565</b>     |

**Notes to the financial statements for the year ended 31 March 2017 (Continued)**  
(All amounts in Indian rupees, except share data and where otherwise stated)

**2.10 FIXED ASSETS**

| PARTICULARS            | GROSS BLOCK        |                      |                        |                             | ACCUMULATED DEPRECIATION |                    |                       |                        | NET BLOCK                   |                      |                      |
|------------------------|--------------------|----------------------|------------------------|-----------------------------|--------------------------|--------------------|-----------------------|------------------------|-----------------------------|----------------------|----------------------|
|                        | As at 1st April    | Additions during the | Deletions/ adjustments | Regrouped as held for sale* | As at 31 March 2017      | As at 1 April 2016 | Charge for the period | Deletions/ adjustments | Regrouped as held for sale* | As at March 31, 2017 | As at March 31, 2016 |
| <b>Tangible asset</b>  |                    |                      |                        |                             |                          |                    |                       |                        |                             |                      |                      |
| Land                   | 88,393,641         | 2,750,200            | —                      | 91,143,841                  | —                        | —                  | —                     | —                      | 88,393,641                  | —                    | —                    |
| Buildings              | 239,502,683        | 421,756              | —                      | 239,924,439                 | —                        | 104,362,090        | 11,793,717            | —                      | 116,155,808                 | —                    | 135,140,593          |
| Plant and machinery    | 652,055,990        | 2,380,505            | —                      | 654,436,495                 | —                        | 420,111,483        | 40,521,599            | —                      | 460,633,082                 | —                    | 231,944,507          |
| Furniture and fixtures | 2,752,591          | 620,292              | —                      | 3,372,883                   | —                        | 2,742,764          | 46,661                | —                      | 2,789,425                   | —                    | 9,827                |
| Vehicles               | 8,890,178          | —                    | 150,000                | 8,680,178                   | —                        | 7,879,227          | 703,552               | —                      | 8,582,779                   | —                    | 950,951              |
| Office equipments      | 3,374,204          | 21,799               | —                      | 3,396,003                   | —                        | 3,030,587          | 208,415               | —                      | 3,239,002                   | —                    | 343,617              |
| Computers              | 4,041,645          | 3,72,198             | —                      | 4,413,843                   | —                        | 3,877,659          | 130,315               | —                      | 4,007,974                   | —                    | 1,63,986             |
| <b>Total</b>           | <b>998,950,932</b> | <b>6,566,750</b>     | <b>150,000</b>         | <b>1,005,367,682</b>        | <b>—</b>                 | <b>542,003,810</b> | <b>53,404,260</b>     | <b>—</b>               | <b>595,408,070</b>          | <b>—</b>             | <b>456,947,122</b>   |
| Previous year          | 993,562,916        | 7,335,320            | 1,947,304              | 986,755,561                 | 521,670,869              | 21,338,844         | 1,005,903             | —                      | 542,003,810                 | 456,947,122          | 471,892,047          |

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### Notes to the financial statements for the year ended 31 March 2017 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

#### 2.8 Short term provisions (Refer Note. 2.9 - Liabilities Held for Sale)

|                                 | As at<br>31 March 2017 | As at<br>31 March 2016 |
|---------------------------------|------------------------|------------------------|
| Provision for employee benefits |                        |                        |
| Gratuity                        | —                      | 1,007,398              |
| Compensated absences            | —                      | 502,477                |
|                                 | <u>—</u>               | <u>1,509,875</u>       |

#### 2.9 Liabilities held for Sale

|                                                                     |                      |              |
|---------------------------------------------------------------------|----------------------|--------------|
| Term Loan from Financial institutions -<br>Refer Note 2.9.2 & 2.9.3 | 244,402,396          | —            |
| From Bank- Vehicle loan -Refer Note 2.9.5                           | 383,452              | —            |
| Cash credit from bank (secured) - Refer Note 2.9.4                  | 528,060,577          | —            |
| Trade Payables                                                      | 611,237,201          | —            |
| Gratuity - Refer Note 2.23                                          | 14,185,428           | —            |
| Compensated absences -Refer Note 2.23                               | 3,536,421            | —            |
| <b>Other payables</b>                                               |                      |              |
| Payables for purchase of fixed assets                               | 10,778,101           | —            |
| Advances from customers                                             | 10,268,182           | —            |
| Employee benefit liabilities                                        | 25,916,233           | —            |
| Statutory liabilities                                               | 8,910,051            | —            |
| Provision for expenses                                              | 19,172,211           | —            |
|                                                                     | <u>1,476,850,253</u> | —            |
|                                                                     | <u>1,476,850,537</u> | <u>(284)</u> |

**2.9.1** Pursuant the approval from the members through postal ballot for disposal of its undertakings, the Company has entered into a Business Transfer Agreement (BTA) on 28th November 2016 with M/s. Blue Craft Agro Private Limited (BAPL), for transfer of its operations of manufacturing and selling of starch and its derivatives along with its units " Unit 1 situated at NH-9, Nandi Kandi Village, Sadasivpet mandal, Medak Dist, Telengana and Unit 2 situated at Balabdrapuram Village, Biccavole Mandal, East Godavari Dist, Andhra Pradesh along with other current and non current assets and liabilities of the Company as stated in BTA on a "slump sale" basis subject fulfillment of certain conditions. The Company has carried out operations pending adherence to conditions by both the parties. The Company has not accounted for profit or loss on such transfer since the transfer has not consummated as at the year end.

Operations are carried in the company pending transfer of assets and liabilities in pursuance of BTA entered into with BAPL. On fulfillment of conditions as per the Business Transfer Agreement (BTA) all the aforementioned liabilities shall stand transferred to Blue Craft Agro Private Limited (BAPL) and hence grouped under liabilities held for sale.

#### 2.9.2 Term Loan from Financial institutions -SICOM

The loans are secured against first charge and hypothecation of entire fixed assets of the Company, both present and future, including land and building together with plant and machinery at Nandikandi unit and irrevocable personal guarantee of the promoter director, Mr.Sandeep Reddy.

## Notes to the financial statements for the year ended 31 March 2017 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

**2.9.3** The details of rate of interest and repayment of above Working Capital Term Loans are as follows:

| Term Loan                                                                                                                                                                   | Institution | Amount (Rs./-) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------|
| Term Loan I -Interest rate of 18% and is repayable in 1 quarterly installment of Rs.40,00,000 and 16 quarterly instalments of Rs. 60,00,000 commencing from December 2011   | SICOM       | 100,000,000    |
| Term Loan II -Interest rate of 18% and is repayable in 1 quarterly installment of Rs.40,00,000 and 16 quarterly instalments of Rs. 60,00,000 commencing from December 2011  | SICOM       | 100,000,000    |
| Term Loan III -Interest rate of 18% and is repayable in 16 quarterly installments of Rs.1,00,00,000 and 1 quarterly instalment of Rs. 4,00,00,000 commencing from June 2015 | SICOM       | 200,000,000    |

**2.9.3.1** As on the balance sheet date Rs.2,272.75 Lakhs is outstanding principal payable. As at 31.03.2017 is Rs.872.75 Lakhs is overdue towards Principal repayment and Rs.739.46 Lakhs is overdue towards interest in respect of SICOM Term Loans I&II and III.

**2.9.3.2** BAPL pursuant to BTA entered into by the Company with BAPL, has entered into One time settlement (OTS) with SICOM for the loans outstanding in the books of the Company. According to OTS, BAPL will repay the amount of Rs 22.73 crores to SICOM in undermentioned instalments

| OTS -Settlement                                             | Amount (Rs) | Date in Crores)    |
|-------------------------------------------------------------|-------------|--------------------|
| 10% of the settlement amount after adjusting deposit amount | 2.27        | 10th March 2017    |
| 15% of the settlement amount                                | 3.41        | 31st March 2017    |
| 75% of the settlement amount                                | 17.04       | 9th September 2017 |

The BAPL has accordingly completed payment of 10% and 15% of the OTS amounts and Pending compliance with the repayment schedule the net amount after adjusting for the deposit reflected as liability. Pending completion of formalities with BAPL, in terms of BTA, the amounts paid by BAPL towards OTS were grouped under Sundry Creditors.

**2.9.4** Cash credit from bank (secured)

The loan is secured against hypothecation on entire stocks, book debts, loans and advance etc., at the Balabadrapuram and Nandikandi units along with personal guarantee of Mr. T Sandeep Kumar Reddy.

The cash credit and over draft facilities utilized Rs.4964.93 Lakhs along with interest accrued Rs.333.67 Lakhs is repayable on demand.

**2.9.5** Vehicle loan is obtained from HDFC Bank in the financial year 2014-15 and carries an interest rate of 11.50% per annum and is repayable in 60 equal monthly installment including interest of INR 10,144 with the last installment due in March 31, 2019 The loan is secured against the hypothecation of vehicle.

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### Notes to the financial statements for the year ended 31 March 2017 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

|                                                                            | As at<br>31 March 2017 | As at<br>31 March 2016 |
|----------------------------------------------------------------------------|------------------------|------------------------|
| <b>2.11 Non Current investments</b>                                        |                        |                        |
| <i>(Valued at cost unless otherwise stated)</i>                            |                        |                        |
| <b>Trade investments: quoted</b>                                           |                        |                        |
| <b>Investment in equity instruments</b>                                    |                        |                        |
| S.S.Organics Limited                                                       |                        |                        |
| [3,000 (previous year: 3,000) equity shares of INR 10 each, fully paid-up] | 30,000                 | 30,000                 |
| East, West Travel and Trade Links                                          |                        |                        |
| [7,100 (previous year: 7,100) equity shares of INR 10 each, fully paid-up] | 284,000                | 284,000                |
| <b>Trade investments: unquoted</b>                                         |                        |                        |
| <b>Investment in equity instruments</b>                                    |                        |                        |
| Sri Lakshmi Engineering Limited                                            |                        |                        |
| [1,000 (previous year: 1,000) equity shares of INR 10 each, fully paid-up] | 26,900                 | 26,900                 |
| Less: Provision for permanent diminution                                   | (325,900)              | (325,900)              |
| <b>Total Investments, net</b>                                              | <b>15,000</b>          | <b>15,000</b>          |
| Quoted non-current investments                                             |                        |                        |
| Aggregate book value                                                       | 314,000                | 314,000                |
| Aggregate market value                                                     | 44,675                 | 44,675                 |
| Aggregate book value of un-quoted non-current investments                  | 26,900                 | 26,900                 |
| <b>2.12 Long term loans and advances</b>                                   |                        |                        |
| Capital advances                                                           |                        |                        |
| (Un Secured and considered good)                                           | —                      | 3,760,264              |
|                                                                            | —                      | 3,760,264              |
| Advance for land                                                           |                        |                        |
| (Unsecured)                                                                |                        |                        |
| Considered good                                                            | —                      | 150.00                 |
| Considered doubtful                                                        | —                      | 1,861,256              |
| Less: Provision for doubtful advances                                      | —                      | (1,861,256)            |
|                                                                            | —                      | 150,000                |
| Security deposits                                                          |                        |                        |
| (Unsecured)                                                                |                        |                        |
| Considered good                                                            | —                      | 19,554,704             |
| Considered doubtful                                                        | —                      | 510,000                |
| Less: Provision for doubtful deposits                                      | —                      | (510,000)              |
|                                                                            | —                      | 19,554,704             |
|                                                                            | — *                    | 23,464,968             |

## Notes to the financial statements for the year ended 31 March 2017 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

|                                                                                                     | As at<br>31 March 2017 | As at<br>31 March 2016 |
|-----------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>2.13 Inventories</b>                                                                             |                        |                        |
| <i>(Valued at lower of cost and net realisable value)</i>                                           |                        |                        |
| Raw materials                                                                                       | —                      | 318,400,658            |
| Work-in-progress                                                                                    | —                      | 7,134,655              |
| Finished goods                                                                                      | —                      | 32,807,712             |
| Stores and spares                                                                                   | —                      | 8,602,717              |
| *Refer Note 2.18 - Assets Held for Sale                                                             | —                      | —                      |
|                                                                                                     | —                      | 366,945,743            |
| <b>2.14 Trade receivables</b>                                                                       |                        |                        |
| Receivables outstanding for a period exceeding six months from the date they became due for payment |                        |                        |
| Unsecured, considered good                                                                          | —                      | 219,129,225            |
| Unsecured, considered doubtful                                                                      | —                      | 8,915,621              |
| Less: Provision for doubtful receivables                                                            | —                      | (8,915,621)            |
| (A)                                                                                                 | —                      | 219,129,225            |
| Other receivables                                                                                   |                        |                        |
| Unsecured, considered good                                                                          | <b>15,094,770</b>      | 217,157,514            |
| (B)                                                                                                 | <b>15,094,770</b>      | 217,157,514            |
| (A) + (B)                                                                                           | <b>15,094,770 *</b>    | 436,286,739            |
| *Refer Note 2.18 - Assets Held for Sale                                                             |                        |                        |
| <b>2.15 Cash and bank balances</b>                                                                  |                        |                        |
| Cash and cash equivalents                                                                           |                        |                        |
| Cash on hand                                                                                        | —                      | 1,528,554              |
| Balance with banks                                                                                  |                        |                        |
| On current accounts                                                                                 | —                      | 5,873,289              |
| <b>Other bank balances</b>                                                                          |                        |                        |
| - Margin money towards letter of credit (due to mature within 12 months of the reporting date)      | —                      | 12,239,133             |
| *Refer Note 2.18 - Assets Held for Sale                                                             | — *                    | —                      |
|                                                                                                     | — *                    | 19,640,976             |

### 2.15.1 Specified Bank Notes Disclosure (SBN'S)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

| Particulars                                  | SBNs           | ODNs      |
|----------------------------------------------|----------------|-----------|
| Closing cash as on November 8, 2016          | <b>915,000</b> | 1,992,223 |
| (+) Permitted receipts                       | —              | 1,162,028 |
| (-) Permitted payments                       | <b>915,000</b> | 1,124,507 |
| (-) Amount deposited in Banks                | —              | 393,854   |
|                                              | —              | 393,854   |
| Closing cash on hand as on December 30, 2016 | —              | 1,635,890 |



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### Notes to the financial statements for the year ended 31 March 2017 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

|                                                    | As at<br>31 March 2017    | As at<br>31 March 2016 |
|----------------------------------------------------|---------------------------|------------------------|
| <b>2.16 Short-term loans and advances</b>          |                           |                        |
| <i>(Unsecured, considered good)</i>                |                           |                        |
| Advance to suppliers                               | —                         | 33,650,107             |
| Tax deducted at source                             | —                         | 2,295,523              |
| Cenvat receivable                                  | —                         | 6,485,743              |
| Mat Credit Receivable                              | —                         | 1,241,470              |
| Prepaid expenses                                   | —                         | 5,206,907              |
| Staff advance                                      | —                         | 1,842,507              |
| <i>(Unsecured, considered doubtful)</i>            |                           |                        |
| Advance to suppliers                               | —                         | 1,922,053              |
| Less: Provision for advance to suppliers           | —                         | (1,922,053)            |
|                                                    | <u>— *</u>                | <u>50,722,257</u>      |
|                                                    |                           |                        |
| *Refer Note 2.18- Assets Held for Sale             |                           |                        |
| <b>2.17 Other current assets</b>                   |                           |                        |
| <i>(Unsecured, considered good)</i>                |                           |                        |
| Interest accrued                                   | 1,778,549                 | 2,884,495              |
|                                                    | <u>1,778,549</u>          | <u>2,884,495</u>       |
|                                                    |                           |                        |
|                                                    | <b>For the year ended</b> | For the year ended     |
|                                                    | <b>31 March 2017</b>      | 31 March 2016          |
| <b>2.18 Assets held for Sale</b>                   |                           |                        |
| Fixed Assets net of Depreciation (Refer Note 2.10) | 409,959,612               | —                      |
| Capital Work in Progress (Refer Note 2.10)         | 83,982,062                | —                      |
| Capital advances (Refer Note 2.12)                 | 25,615,319                | —                      |
| Advance for land (Refer Note 2.12)                 | 400,000                   | —                      |
| Security deposits (Refer Note 2.12)                | 19,391,554                | —                      |
| <b>(A)</b>                                         | <b>539,348,547</b>        | —                      |
| <b>Inventories (Refer Note 2.13)</b>               |                           |                        |
| Raw materials                                      | 199,504,703               | —                      |
| Work-in-progress                                   | 13,789,026                | —                      |
| Finished goods                                     | 45,421,105                | —                      |
| Stores and spares                                  | 13,651,795                | —                      |
| <b>(B)</b>                                         | <b>272,366,628</b>        | —                      |
| <b>Trade receivables (Refer Note 2.14)</b>         |                           |                        |
| Unsecured, considered good                         | 159,484,887               | —                      |
| <b>(C)</b>                                         | <b>159,484,887</b>        | —                      |
| <b>Cash and bank balances (Refer Note 2.15)</b>    |                           |                        |
| Cash and cash equivalents                          |                           |                        |
| Cash on hand                                       | 3,218,709                 | —                      |
| Balance with banks                                 |                           |                        |
| On current accounts                                | 14,389,799                | —                      |

## Notes to the financial statements for the year ended 31 March 2017 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

|                                                        | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|--------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>(D)</b>                                             | <b>17,608,508</b>                   | —                                   |
| <b>Short-term loans and advances (Refer Note 2.16)</b> |                                     |                                     |
| Advance to suppliers                                   | <b>33,568,060</b>                   | —                                   |
| Receivables from government authorities                | <b>10,232,397</b>                   | —                                   |
| Mat Credit Receivable                                  | <b>1,241,470</b>                    | —                                   |
| Prepaid expenses                                       | <b>3,511,243</b>                    | —                                   |
| Staff advance                                          | <b>714,479</b>                      | —                                   |
| <b>(E)</b>                                             | <b>49,267,649</b>                   | —                                   |
| <b>(A) + (B) + (C) + (D) + (E)</b>                     | <b>1,038,076,219</b>                | —                                   |

\* Refer Note 2.9- Liabilities Held for Sale -Para (1)

On fulfillment of conditions as per the Business Transfer Agreement (BTA) all the aforementioned assets shall stand transferred to Blue Craft Agro Private Limited (BAPL) and hence grouped under assets held for sale.

### 2.19 Profit and Loss from Discontinuing Operations

Operations are carried in the company pending transfer of assets and liabilities in pursuance of BTA entered into with BAPL as stated in Note 2.9.1 and hence entire revenue from operations represent revenue from Discontinued Operations (As per Accounting Standard 24 –Discontinued Operations issued by ICAI) of the Company and the required disclosures are hereunder

|                                                            | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Revenue from Operations</b>                             |                                     |                                     |
| Sales of Products                                          | <b>2.29</b> <b>793,810,849</b>      | 1,376,432,879                       |
| Other Operating Income                                     | <b>2.19.1</b> <b>3,121,961</b>      | 5,107,581                           |
| Other Income                                               | <b>2.19.2</b> <b>3,305,884</b>      | 9,613,682                           |
|                                                            | <b>800,238,694</b>                  | <b>1,391,154,142</b>                |
| <b>Expenses</b>                                            |                                     |                                     |
| Cost of materials consumed                                 | <b>2.19.3</b> <b>455,332,427</b>    | 923,406,951                         |
| Cost of traded goods                                       | - <b>456,044,446</b>                |                                     |
| Change in inventory of finished goods and work-in-progress | <b>2.19.4</b> <b>(19,267,764)</b>   | (17,159,167)                        |
| Employee benefits expense                                  | <b>2.19.5</b> <b>110,785,457</b>    | 98,901,896                          |
| Finance costs                                              | <b>2.19.6</b> <b>115,667,639</b>    | 127,402,867                         |
| Depreciation                                               | <b>2.10</b> <b>53,404,260</b>       | 21,338,844                          |
| Other expenses                                             | <b>2.19.7</b> <b>603,407,607</b>    | 168,490,430                         |
| Exceptional Items                                          | <b>2.19.8</b> <b>168,595,290</b>    | -                                   |
| Damaged stock writtenoff                                   | <b>2.19.8</b> <b>138,511,428</b>    | -                                   |
|                                                            | <b>1,626,436,344</b>                | <b>1,778,426,267</b>                |
| Net Loss from Discontinuing Operations                     | <b>(826,197,650)</b>                | <b>(387,272,125)</b>                |

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### Notes to the financial statements for the year ended 31 March 2017 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

|                                                                          | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|--------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>2.19.1 Other operating revenues</b>                                   |                                     |                                     |
| Sale of scrap and husk ash                                               | 2,846,888                           | 2,624,001                           |
| Miscellaneous income                                                     | 275,073                             | 2,483,580                           |
|                                                                          | <b>3,121,961</b>                    | <b>5,107,581</b>                    |
| <b>2.19.2 Other income</b>                                               |                                     |                                     |
| Interest income - others                                                 | 3,305,884                           | 2,184,940                           |
| Profit on sale of Assets                                                 | —                                   | 7,428,742                           |
|                                                                          | <b>3,305,884</b>                    | <b>9,613,682</b>                    |
| <b>2.19.3 Cost of materials consumed</b>                                 |                                     |                                     |
| Raw materials and packing materials consumed                             |                                     |                                     |
| Inventory of material at the beginning of the period                     | 318,400,658                         | 328,236,543                         |
| Purchases                                                                | 643,543,190                         | 913,571,066                         |
| Damaged inventory written off                                            | (138,511,428)                       |                                     |
| Partial damaged stock sold                                               | (168,595,290)                       |                                     |
| Inventory of material at the end of the period                           | (199,504,703)                       | (318,400,658)                       |
|                                                                          | <b>455,332,427</b>                  | <b>923,406,951</b>                  |
| <b>2.19.4 Change in inventory of finished goods and work in progress</b> |                                     |                                     |
| Opening stock                                                            |                                     |                                     |
| Finished goods                                                           | 32,807,712                          | 16,815,729                          |
| Work-in-progress                                                         | 7,134,655                           | 4,957,997                           |
| Less: Closing stock                                                      |                                     |                                     |
| Finished goods                                                           | 45,421,105                          | 32,807,712                          |
| Work-in-progress                                                         | 13,789,026                          | 7,134,655                           |
|                                                                          | <b>(19,267,764)</b>                 | <b>(18,168,640)</b>                 |
| Increase/ (decrease) in stock                                            | (19,267,764)                        | (18,168,640)                        |
| Increase/ (decrease) in excise duty due to closing inventory             | -                                   | 1,009,474                           |
|                                                                          | <b>(19,267,764)</b>                 | <b>(17,159,166)</b>                 |
| <b>2.19.5 Employee benefits expense</b>                                  |                                     |                                     |
| Salaries, wages and bonus                                                | 99,251,925                          | 87,023,804                          |
| Contribution to provident fund and other funds                           | 7,139,007                           | 5,813,217                           |
| Staff welfare expenses                                                   | 4,394,525                           | 4,068,075                           |
| Directors' remuneration                                                  | —                                   | 1,996,800                           |
|                                                                          | <b>110,785,457</b>                  | <b>98,901,896</b>                   |
| <b>2.19.6 Finance costs</b>                                              |                                     |                                     |
| Interest expense                                                         |                                     |                                     |
| - on term loan from SICOM                                                | 48,682,717                          | 48,019,287                          |
| - on cash credits                                                        | 46,453,585                          | 40,251,743                          |
| - on others                                                              | 16,916,865                          | 33,603,388                          |
| Bank charges                                                             | 3,614,472                           | 5,528,449                           |
|                                                                          | <b>115,667,639</b>                  | <b>127,402,867</b>                  |

## Notes to the financial statements for the year ended 31 March 2017 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

|                                            | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|--------------------------------------------|-------------------------------------|-------------------------------------|
| <b>2.19.7 Other expenses</b>               |                                     |                                     |
| Consumption of stores and spares           | 42,452,382                          | 14,418,360                          |
| Power and fuel                             | 95,725,041                          | 73,090,098                          |
| Rent - Refer Note 2.23                     | 1,924,034                           | 3,584,001                           |
| Packing expense                            | 13,472,321                          | —                                   |
| Foreiture of EMD                           | 4,536,358                           | —                                   |
| Repairs- Buildings                         | 593,215                             | 575,948                             |
| Repairs- Plant and machinery               | 2,667,667                           | 1,769,097                           |
| Repairs-Others                             | 2,561,521                           | 2,493,464                           |
| Rates and taxes                            | 4,203,702                           | 4,229,253                           |
| Insurance                                  | 4,181,632                           | 1,515,470                           |
| Vehicle hire and maintenance               | 2,926,092                           | 2,188,585                           |
| Travelling expenses                        | 2,853,740                           | 1,155,935                           |
| Contract labour charges                    | 13,014,115                          | 11,017,984                          |
| Legal and professional fees                | 4,748,731                           | 4,319,190                           |
| Auditors Remuneration                      | 852,178                             | 750,000                             |
| Cash discount                              | 3,690,836                           | 9,340,085                           |
| Freight outward                            | 4,318,889                           | 8,090,191                           |
| Directors sitting fee                      | 354,300                             | 279,600                             |
| Printing and stationery                    | 681,255                             | 429,161                             |
| Telephone and other communication expenses | 348,105                             | 547,348                             |
| Water expenses                             | —                                   | 4,853,555                           |
| Security expenses                          | 2,372,043                           | 3,954,941                           |
| Provision for doubtful debts               | 222,347,907                         | —                                   |
| Miscellaneous expenses                     | 172,581,543                         | 19,663,444                          |
| Listing fee                                | 0                                   | 224,720                             |
|                                            | <b>603,407,607</b>                  | <b>168,490,430</b>                  |

**2.19.8** The company based on the internal assessment of the stocks held in Unit-2 have written off 10037.06 MTs of Maize stock during the quarter ended June 30, 2016 valued at Rs.13,85,11,428/- which suffered heavy damages. Sales includes sale of maize stock due to partial damage of the stock 12.217 MTs held in Unit -2 valued at Rs.16,85,95,290/- and no production activity at the units. The above are shown separately to reflect the cost of maize consumed for production.

**2.20** As at March 31, 2017 the accumulated losses amounted to Rs.1,62,30,41,206/- which has completely eroded the networth of the Company.

Notwithstanding the losses, the financial statements have been prepared on a going concern basis based on a Comfort letter received from promoters of the Company for continued support to the company with all necessary assistances including financial and operational, pending finalisation and crystallisation of business plans consequent to Business Transfer Agreement entered into with Blue Craft Agro Private Limited (BAPL) as stated in Note 2.9.1.

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### Notes to the financial statements for the year ended 31 March 2017 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

#### 2.21. Capital commitments and contingent liabilities

|                                                                                                                     | As at<br>31 March 2017 | As at<br>31 March 2016 |
|---------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| i. Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for | 14,000,000             | 14,000,000             |
| ii. Contingent liabilities                                                                                          |                        |                        |
| a. Customs and sales tax                                                                                            | 10,386,163             | 41,587,220             |
| b. Claim against the Company not acknowledged as debts                                                              | 19,714,440             | 23,708,122             |
| c. Excise Duty                                                                                                      | 85,242,349             | 64,091,974             |

#### 2.22. Legal and professional charges includes the statutory auditors' remuneration (excluding service tax) as given below:

| Particulars    | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|----------------|-------------------------------------|-------------------------------------|
| Audit fees     | 450,000                             | 450,000                             |
| Other Services | 300,000                             | 300,000                             |
| <b>Net</b>     | <b>750,000</b>                      | <b>750,000</b>                      |

#### 2.23. Employee benefits

##### Defined contribution plan

The company makes contributions, determined as a specified percentage of employee's salaries, in respect of qualifying employees towards provident fund and employee state insurance, which are defined contribution plans. The company has no obligations other than the above to make specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident fund and employee state insurance aggregated to Rs. 71,39,007/- previous year (Rs. 58,13,217/-).

##### Defined benefit plans

The company operates two defined benefit plans that provide gratuity benefit and compensated absences benefit. The gratuity plan entitles an employee, who has rendered at least 5 years of continuous service to receive one-half month's basic salary for each year of completed service at the time of retirement/resignation/ termination of employment.

#### Reconciliation of opening and closing balances of the present value of the defined benefit obligation

##### Changes in the present value of defined benefit obligation

| Particulars                                 | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|---------------------------------------------|-------------------------------------|-------------------------------------|
| Obligation at beginning of the year         | 12,757,825                          | 10,090,815                          |
| Current service cost                        | 915,435                             | 861,395                             |
| Interest cost                               | 1,020,626                           | 807,265                             |
| Past service cost                           | —                                   | —                                   |
| Actuarial (gain)/ loss                      | 549,996                             | 998,350                             |
| Benefits paid                               | —                                   | —                                   |
| <b>Obligation as at the end of the year</b> | <b>14,143,890</b>                   | <b>12,757,825</b>                   |
| Current Portion                             | 1,114,569                           | 1,007,398                           |
| Non- Current Portion                        | 13,029,321                          | 11,750,427                          |

## Notes to the financial statements for the year ended 31 March 2017 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

### Expense recognised in the Statement of Profit and Loss

| Particulars                                      | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|--------------------------------------------------|-------------------------------------|-------------------------------------|
| Current service cost                             | 915,435                             | 861,395                             |
| Interest cost                                    | 1,020,626                           | 807,265                             |
| Expected return on plan assets                   | —                                   | —                                   |
| Past service cost                                | —                                   | —                                   |
| Net actuarial loss/(gain) recognised in the year | 549,996                             | 998,350                             |
| <b>Amount in "Employee benefits expense"</b>     | <b>2,486,057</b>                    | <b>2,667,010</b>                    |

### Amount recognised in balance sheet

| Particulars                         | As at<br>31 March 2017 | As at<br>31 March 2016 | As at<br>31 March 2015 | As at<br>31 March 2014 |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|
| Present value of funded obligations | 14,143,890             | 12,757,825             | 10,090,815             | 14,165,792             |
| Fair value of plan assets           | —                      | —                      | —                      | —                      |
| <b>Net liability</b>                | <b>14,143,890</b>      | <b>12,757,825</b>      | <b>10,090,815</b>      | <b>14,165,792</b>      |

### Summary of actuarial assumptions

| Particulars                   | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|-------------------------------|-------------------------------------|-------------------------------------|
| Discount Rate (p.a.)          | 8.00%                               | 8.00%                               |
| Salary escalation rate (p.a.) | 5.00%                               | 5.00%                               |

**Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

**Salary escalation rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

The Company does not have any plan assets.

### 2.24. Leases

The Company has taken office facilities on lease under cancellable and non-cancellable operating lease arrangements. The total rental expenses under cancellable operating lease was INR 17,29,266 /- (previous year INR 32,44,401) has been included under "Rent" in the Statement of Profit and Loss. An amount of Rs. Nil (previous year INR Nil) was remitted as non cancellable lease amount.

### 2.25. Income tax expense

*Current tax:* Current tax provision for the year is Rs. Nil (previous year: Rs. Nil)

*Deferred tax:* Deferred tax assets have been recognised only to the extent of deferred tax liability on excess depreciation provided in the books of account over depreciation allowable under the income tax laws since this is virtually certain of realisation. In absence of virtual certainty of realisation, deferred asset on carry forward losses and other timing differences have not been recognised. Accordingly there was no impact on profit and loss account for the year.

|                                                                                              | As at<br>31-Mar-17 | As at<br>31-Mar-16 |
|----------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Deferred tax liability</b>                                                                |                    |                    |
| Excess of depreciation provided in accounts over depreciation allowable under income tax law | (46,397,610)       | (5,338,047)        |
| <b>Deferred tax asset</b>                                                                    |                    |                    |
| Business loss under income tax law                                                           | 46,397,610         | 5,338,047          |
| <b>Net</b>                                                                                   | <b>—</b>           | <b>—</b>           |

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### Notes to the financial statements for the year ended 31 March 2017 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

| Particulars                                                                                | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|--------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>2.26. Earnings per share (EPS)</b>                                                      |                                     |                                     |
| Basic and diluted number of shares and Earnings per share is set out below:                |                                     |                                     |
| Net profit/(Loss) for the year from continued operations                                   | -                                   | -                                   |
| Net profit/(Loss) for the year from discontinued operations                                | (826,197,647)                       | (387,272,125)                       |
| +Less : Preference dividends including tax on dividends                                    | -                                   | 14,076,480                          |
| Net profit for calculation of basic earnings per share from discontinued operations        | (826,197,647)                       | (373,195,645)                       |
| Number of equity shares outstanding at the beginning of the year                           | 61,781,340                          | 50,924,990                          |
| Add: Equity shares issued during the year                                                  | 17,006,802                          | 10,856,350                          |
| Total number of equity shares outstanding at the end of the year                           | 78,788,142                          | 61,781,340                          |
| Weighted average number of equity shares outstanding during the year - (Basic and Diluted) | 68,792,291                          | 57,257,861                          |
| Earnings per share of par value Rs.10 – Basic/Diluted                                      | <b>(10.49)</b>                      | <b>(7.01)</b>                       |

### 2.27. Related party transactions

#### A) Related parties

##### Key management personnel (KMP) represented on the Board of Directors

- T Sandeep Kumar Reddy, Chairman and Promoter Director
- C V Rayudu, Whole Time Director
- T Sarita Reddy, Director, Wife of Chairman and Promoter Director

##### Enterprises where key management personnel have control or significant influence

- Deep Corporation Private Limited

#### B) Related parties with whom transactions have taken place during the year:

| Nature of transaction            | For the year ended<br>31-03-2017 | For the year ended<br>31-03-2016 |
|----------------------------------|----------------------------------|----------------------------------|
| <b>Finance Cost</b>              |                                  |                                  |
| T Sandeep Kumar Reddy            | 1,098,910                        | 357,806                          |
|                                  | <b>1,098,910</b>                 | <b>357,806</b>                   |
| <b>Rent paid</b>                 |                                  |                                  |
| Deep Corporation Private Limited | 17,29,266                        | 3,244,401                        |
|                                  | <b>1,729,266</b>                 | <b>3,244,401</b>                 |
| <b>Sitting Fees Paid</b>         |                                  |                                  |
| T Sandeepkumar Reddy             | 84,000                           | 48,000                           |
| T Sarita Reddy                   | 96,000                           | 60,000                           |
|                                  | <b>180,000</b>                   | <b>108,000</b>                   |
| <b>Managerial remuneration</b>   |                                  |                                  |
| C V Rayudu                       | 1,996,800                        | 1,996,800                        |
|                                  | <b>1,996,800</b>                 | <b>1,996,800</b>                 |

**Notes to the financial statements for the year ended 31 March 2017 (Continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

| Nature of balance                                             | For the year ended<br>31-03-2017 | For the year ended<br>31-03-2016 |
|---------------------------------------------------------------|----------------------------------|----------------------------------|
| <b>C) Balances payable to related parties are as follows:</b> |                                  |                                  |
| <b>Unsecured loans</b>                                        |                                  |                                  |
| T Sandeep Kumar Reddy                                         | <b>17,015,659</b>                | 15,916,750                       |
|                                                               | <b>17,015,659</b>                | 15,916,750                       |

**2.28. Segment reporting**

The entire operations of the Company relate to only one segment namely, "Maize Processing and its sales in India" and accordingly there is only one business and geographical segment.

**2.29. Particulars of sales and closing stock**

**(A) For the year ended 31 March 2017**

| Particulars  | Sales for the year<br>ended 31 March 2017 | Closing stock as<br>on 31 March 2017 | Closing stock as<br>on 31 March 2016 |
|--------------|-------------------------------------------|--------------------------------------|--------------------------------------|
| Starch       | <b>499,112,148</b>                        | <b>14,001,960</b>                    | 29,255,559                           |
| Sorbitol     | <b>117,523,087</b>                        | <b>21,742,500</b>                    | 2,229,971                            |
| By-Products  | <b>177,175,614</b>                        | <b>9,676,645</b>                     | 1,322,182                            |
| Trading      | —                                         | —                                    |                                      |
| <b>Total</b> | <b>793,810,849</b>                        | <b>45,421,105</b>                    | <b>32,807,712</b>                    |

**(B) For the year ended 31 March 2016**

| Particulars        | Sales for the year<br>ended 31 March 2017 | Closing stock as<br>on 31 March 2017 | Closing stock as<br>on 31 March 2016 |
|--------------------|-------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Starch</b>      | <b>510,310,839</b>                        | <b>29,255,559</b>                    | 10,874,740                           |
| <b>Sorbitol</b>    | <b>198,355,889</b>                        | <b>2,229,971</b>                     | 1,973,604                            |
| <b>By-Products</b> | <b>252,630,210</b>                        | <b>1,322,182</b>                     | 3,967,385                            |
| <b>Trading</b>     | <b>467,082,515</b>                        | —                                    | 26,754,000                           |
| <b>Total</b>       | <b>1,428,379,453</b>                      | <b>32,807,712</b>                    | <b>43,569,729</b>                    |

**2.30. Consumption of Raw materials**

| Particulars       | For the year ended<br>31-Mar-17 | %            | For the year ended<br>31-Mar-16 | %          |
|-------------------|---------------------------------|--------------|---------------------------------|------------|
| <i>Indigenous</i> |                                 |              |                                 |            |
| Maize             | <b>432,609,206</b>              | <b>95.01</b> | 1,287,590,758                   | 93.35      |
| Chemicals         | <b>11,839,575</b>               | <b>2.60</b>  | 17,825,327                      | 1.29       |
| Others            | <b>10,883,646</b>               | <b>2.39</b>  | 73,965,035                      | 5.36       |
| <b>Total</b>      | <b>455,332,427</b>              | <b>100</b>   | <b>1,379,381,120</b>            | <b>100</b> |



## 26<sup>th</sup> Annual Report 2016-2017

### Notes to the financial statements for the year ended 31 March 2017 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

#### 2.31. Consumption of stores and spares

| Particulars       | For the year ended<br>31-Mar-17 | %          | For the year ended<br>31-Mar-16 | %          |
|-------------------|---------------------------------|------------|---------------------------------|------------|
| <i>Indigenous</i> | —                               | —          | —                               | —          |
| Imported          | —                               | —          | —                               | —          |
| Indigenous        | <b>42,452,382</b>               | <b>100</b> | 14,418,360                      | 100        |
| <b>Total</b>      | <b>42,452,382</b>               | <b>100</b> | <b>14,418,360</b>               | <b>100</b> |

#### 2.32. CIF value of imports

There are no imports made during the current year and previous year.

#### 2.33. Expenditure in foreign currency

There is no expenditure in foreign currency in current year and previous year.

#### 2.34. Earnings in foreign currency

| Particulars          | For the year ended<br>31-03-2017 | For the year ended<br>31-03-2016 |
|----------------------|----------------------------------|----------------------------------|
| Exports on FOB basis | —                                | —                                |
| <b>Total</b>         | <b>—</b>                         | <b>—</b>                         |

2.35. Balances in the accounts of various parties appearing in these statements are subject to confirmations and reconciliations.

2.36. The figures of earlier periods have been re-grouped, to be in conformity with current period's classification.

**GAYATRI BIOORGANICS LIMITED**

# 6-3-1090, B - Block, 3rd Floor, TSR Towers, Rajbhavan Road, Somjiguda, Hyderabad – 500 082.  
Ph: 66100111/66100222, Fax: 66100333, E-mail: info@gayatribioorganics.com  
**CIN: L24110TG1991PLC013512**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

|                                                                    |                                                                    |                                                      |  |
|--------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------|--|
| Name of the member (s):<br>Registered address:                     |                                                                    | Email Id:<br>Folio No./ Client Id No.:<br>DP Id No.: |  |
| 1. Name:<br>Address:<br>E-Mail Id:<br>Signature:<br>or failing him | 2. Name:<br>Address:<br>E-Mail Id:<br>Signature:<br>or failing him | 3. Name:<br>Address:<br>E-Mail Id:<br>Signature:     |  |

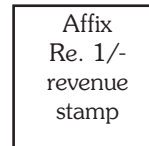
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the company, to be held on Monday the 25<sup>th</sup> day of September, 2017 at 10.00 A.M. at the “J.S. Krishna Murthy Hall”, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad – 500 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

| S. No. | Resolutions                                                                                          |
|--------|------------------------------------------------------------------------------------------------------|
| 1.     | Adoption of Audited Financial Statement for the Financial Year 2016-17                               |
| 2.     | Re-appointment of Smt. T. Sarita Reddy (DIN: 00017122) as the Director who retires by rotation       |
| 3.     | Ratification of the appointment of the Statutory Auditors of the Company and fix their remuneration. |
| 4.     | Ratification of remuneration of the Cost Auditors of the Company for the year 2017-18                |

Signed this..... day of..... 2017.

Signature of shareholder:

Signature of Proxy holder(s):



**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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## 26<sup>th</sup> Annual Report 2016-2017

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### **GAYATRI BIOORGANICS LIMITED**

# 6-3-1090, B - Block, 3<sup>rd</sup> Floor, TSR Towers, Rajbhavan Road, Somjiguda, Hyderabad – 500 082.  
Ph: 66100111/66100222, Fax: 66100333, E-mail: info@gayatribioorganics.com

**CIN: L24110TG1991PLC013512**

### **ATTENDANCE SLIP**

SLIP DULY FILLED IN TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Regd Folio No:

No. of Shares held

SHAREHOLDER'S NAME: Mr /Mrs/Miss.....  
(In Block Capitals)

IN CASE OF PROXY

NAME OF THE PROXY : Mr/ Mrs/Miss.....

I Certify that I am a Registered Shareholder / Proxy for the Registered Shareholder of the Company.

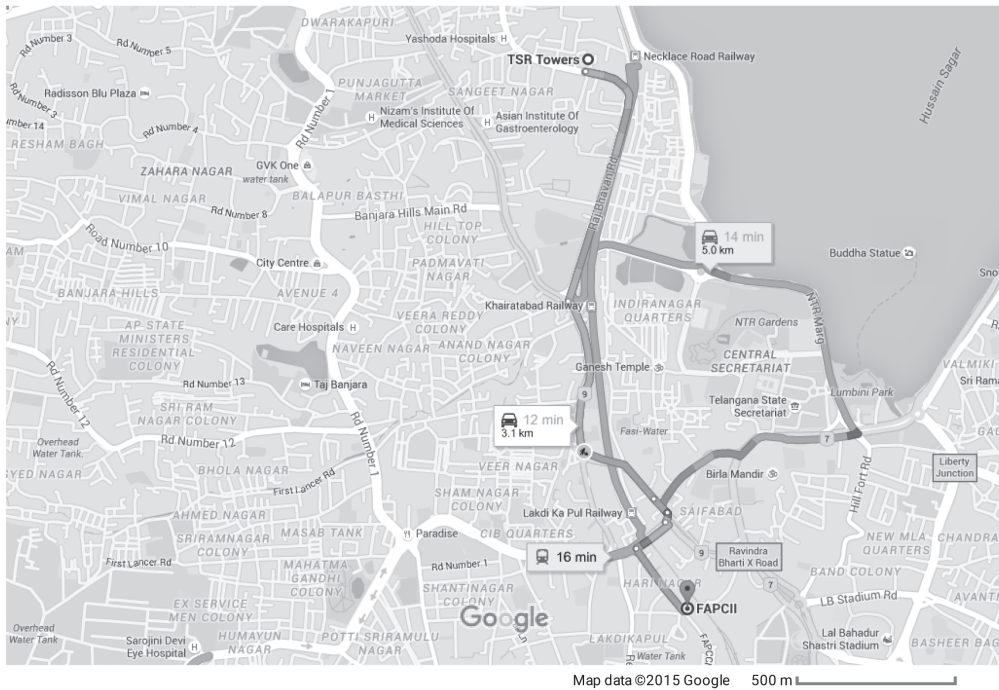
I hereby record my presence at the 26<sup>th</sup> Annual General Meeting of the Company to be held **on Monday, the 25<sup>th</sup> September, 2017 at 10.00 A.M. at the "J.S. Krishna Murthy Hall", The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Federation House, 11-6-841, Hyderabad – 500 004.**

Member's / Proxy's Signature

- Notes: 1. Please bring this Attendance Slip when you are attending the Meeting.  
2. Please do not bring with you any person who is not a member of the Company
-

TSR Towers to FTAPCII, Hyderabad, Telangana

Drive 3.1 km, 12 min



via Raj Bhavan Rd and NH 9 12 min  
9 min without traffic · 3.1 km

Details

via Raj Bhavan Rd 14 min

Hyderabad Decan Local > 16 min

*If undelivered, please return to:*

Gayatri BioOrganics Limited  
**(Formerly Gayatri Starchkem Limited)**

6-3-1090, B - Block,  
3rd Floor, TSR Towers,  
Rajbhavan Road, Somajiguda,  
Hyderabad – 500 082.

Ph : 66100111, Fax : 66100333

E-mail: [info@gayatribioorganics.com](mailto:info@gayatribioorganics.com)