



Gayatri BioOrganics Limited

(Formerly Gayatri Starchkem Limited)

CIN: L24110TG1991PLC013512

23rd Annual Report 2013 - 14

23rd Annual General Meeting

Day : Tuesday

Date : 30th September 2014

Time : 9.30 A.M.

Venue : “KLN PRASAD AUDITORIUM”,
FAPCCI Building, Federation House,
11-6-841, Red Hills, Hyderabad – 500 004

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COMPANY INFORMATION

CIN: L24110TG1991PLC013512

BOARD OF DIRECTORS

Sri T. Sandeep Kumar Reddy	<i>Chairman</i>
Sri C.V. Rayudu	<i>Whole Time Director</i>
Sri T.G. Pandya	<i>Director</i>
Sri J. N. Karamchetti	<i>Director</i>
Smt T. Sarita Reddy	<i>Director</i>
Sri. T. R. Rajagopalan	<i>Director</i>

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: K.K.RAO & ASSOCIATES,
Cost Accountants,
2-B, SAMRAT RESIDENTIAL COMPLEX,
#5-9-12, SAIFABAD, OPP: A.G'S OFFICE,
Hyderabad -500004.

**REGISTERED OFFICE&
INVESTOR RELATION DEPT.,** #6-3-1090, B-Block, 3rd floor, TSR Towers,
Rajbhavan Road, Somjiguda,
Hyderabad – 500 082.
Ph: 66100111, Fax: 66100333
E-mail: info@gayatribioorganics.com

FACTORY:

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

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NOTICE

NOTICE is hereby given that the **23rd Annual General Meeting** of the members of Gayatri BioOrganics Limited will be held at the “KLN PRASAD AUDITORIUM”, FAPCCI Building, Federation House, 11-6-841, Red Hills, Hyderabad-500 004 on Tuesday, 30th day of September, 2014 at 9.30 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive consider, approve and adopt the Audited Balance Sheet of the company as at 31st March, 2014 and the Profit and Loss account for the year ended on that date and the Report of Directors' and the Auditors thereon.
2. To appoint a Director in place of Sri. T. Sandeep Kumar Reddy (DIN: 00005573), who retires by rotation and being eligible, offers himself for re-appointment.
3. 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.
4. To re- appoint the Statutory Auditors of the Company and fix their remuneration by passing the following resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and in pursuance to the recommendations of the Audit Committee, M/s. M. Bhaskara Rao & Co., Chartered Accountants, with Firm Registration No.000459S be and are hereby re-appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years i.e. from the conclusion of this Annual General Meeting to the conclusion of the 28th Annual General Meeting (subject to ratification of their appointment at every AGM) on such a remuneration as may be decided by the Board of Directors.”

SPECIAL BUSINESS:

5. To consider and approve the re-appointment of Sri. C.V. Rayudu (DIN: 03536579) as Whole Time Director of the Company.

To consider and, if thought fit, to pass with or without modification(s), following resolution as a **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. 28th May, 2014 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.”

6. To consider and approve the appointment of Sri. T. G. Pandya (DIN: 00017214) as an Independent Director of the Company

To consider and, if thought fit, to pass with or without modification(s), following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 Sri T. G. Pandya (DIN: 00017214), who was appointed as a Director liable to retire by

rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years up to the conclusion of the 28th Annual General Meeting, not liable to retire by rotation at such a remuneration as decided by the Board.”

7. To consider and approve the appointment of Sri. T. R. Rajagopalan (DIN: 00020643) as an Independent Director of the Company

To consider and, if thought fit, to pass with or without modification(s), following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 Sri T. R. Rajagopalan (DIN: 00020643), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years up to the conclusion of the 28th Annual General Meeting, not liable to retire by rotation at such a remuneration as decided by the Board.”

8. To consider and approve the appointment of Sri. J. N. Karamchetti (DIN: 00940963) as an Independent Director of the Company.

To consider and, if thought fit, to pass with or without modification(s), following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 Sri J. N. Karamchetti (DIN: 00940963), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years up to the conclusion of the 28th Annual General Meeting, not liable to retire by rotation at such a remuneration as decided by the Board.”

9. To approve the remuneration payable to the cost auditors of the company for the Financial Year 2014-15.

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 be and is here by accorded to pay a remuneration of Rs. 60,000/- per annum plus out of pocket expenses to M/s. K.K. Rao & Associates, Cost Accountants, the Cost Auditor of the Company for conducting the audit of the cost records of the Company for the financial year 2014-15.”

By Order of the Board

Place: Hyderabad
Date: 14.08.2014

T. Sandeep Kumar Reddy
Chairman

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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, the 27th day of September, 2014 to Tuesday, the 30th of September, 2014 (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 2013-14 has been sent through email to those members who have opted to receive electronic communication or who have registered their email addresses with the Depository Participants. The annual report is also available on our website, i.e. 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 2013-14, free of cost, upon sending a request to the Company Secretary at #6-3-1090, B-Block, 3rd 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 got 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 amended Clause 35B of the Listing Agreement requires a listed Company to provide E-Voting facility to its shareholders, in respect of all shareholders' resolutions to be passed at General Meetings. The Company is pleased to offer 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 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.

13. Mr. Karra SVS Sastry, Practicing Company Secretary (Membership No. A18995) 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 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 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 e-voting will be allowed to vote at AGM through polling. The members who have once casted e-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, 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 Clause 49 of the Listing Agreement, brief profiles of Directors including those proposed to be appointed or re-appointed is annexed to this notice.

By Order of the Board

Place: Hyderabad
Date: 14.08.2014

T. Sandeep Kumar Reddy
Chairman

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

ITEM NO. 5:

The Board of Directors has re-appointed Sri. C. V. Rayudu as a Whole Time Director of the Company in the meeting held on 28th May, 2014 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 Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder for the re-appointment of Sri C.V. Rayudu as a Whole Time Director for a period of 3 (three) years commencing from 28th May, 2014.

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 relatives 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 BioOrganics, previously called Gayatri Starchkem Limited, is engaged in manufacturing units of Starch, Modified Starches, 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 31st March, 2014)

	Rs. in Lakhs
Profit/ (Loss) before tax	135.35
Less: Current Tax	-
Profit/ (Loss) after Tax	135.35

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."

(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 29 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 15 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. 1,55,000 and other perquisites, contribution to Provident Fund and Gratuity payable will be as per the service rules of the Company.

(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.

ITEM NO. 6, 7 & 8:

The proposed Directors are the Independent Directors of the Company liable to retire by rotation under the erstwhile Companies Act, 1956.

In terms of Section 149 of the Companies Act, 2013, an Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

Pursuant to the provisions of Sec. 160 and the rules made there under, the Company has received a notice in writing from the members of the Company depositing the requisite amount proposing their candidatures for the office of Directors.

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In pursuance of Sec. 152, the proposed appointment requires the approval of the Shareholders of the Company and your Directors recommend the resolutions for your approval.

The proposed Directors declared their independency as per the provisions of Sec. 149 in the first Board meeting held on 28th May, 2014.

They are not disqualified from being appointed as a Directors in terms of Section 164 of the Companies Act, 2013 and also have given their consent to act as a Director. They do not hold any Equity Shares of the Company. They are independent of the management of the Company.

Save and except the above and their 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 relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

ITEM NO. 9:

Pursuant to 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 re-appointment of M/s. K.K. Rao & Associates, Cost Accountants, as the Cost Auditor of the Company to conduct Cost Audit for the financial year 2014- 15, at a remuneration of Rs. 60,000/- per annum plus out-of-pocket expenses.

M/s. K.K. Rao & Associates, 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 (Cost Records and Audit) Rules, 2014, 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. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2014-15.

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 for your approval.

BRIEF PROFILE OF DIRECTORS

Sri T. Sandeep Kumar Reddy

Sri. 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.

Smt. T. Sarita Reddy

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

Sri C. V. Rayudu

Sri C. V. Rayudu is a Post Graduate in MPM and has done B.Com and B. L. He is having around 29 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 15 years and instrumental in bringing out the company from BIFR and also in improving the financial performance of the Company.