



Gayatri BioOrganics Limited

(Formerly Gayatri Starchkem Limited)

CIN: L24110TG1991PLC013512

26th Annual Report 2016 - 17

26th Annual General Meeting

Day : Monday

Date : 25th 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, 3rd 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,
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 26th 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, 25th 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 31st 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. 27th 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. 18th 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, 23rd September, 2017 to Monday, 25th 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. 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, 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 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 18th 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 28th 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 31st 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 26th Annual General Meeting to be held on Monday, 25th 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
22nd September, 2017 (9.00 a.m)	24th September, 2017 (5.00 p.m)

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 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
- (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 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"> ◆ Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ◆ 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. ◆ 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.
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.
 - 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 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, 22nd September, 2017 9.00 A.M and ends on Sunday, 24th 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 15th 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 under help section or write an email to helpdesk.evoting@cdslindia.com.