



GAYATRI SUGARS LIMITED

**NINETEENTH ANNUAL REPORT
2013-14**



19th Annual General Meeting

Day : Tuesday

Date : 30th September, 2014

TIME : 11.30 A.M.

Venue : KLN Prasad Auditorium,
FAPCCI,
Federation House,
D.No. 11-6-841, Red Hills,
Hyderabad – 500 004.

NINETEENTH ANNUAL REPORT 2013-14

BOARD OF DIRECTORS

Smt T Indira Subbarami Reddy
Sri. T V Sandeep Kumar Reddy
Sri. T R Rajagopalan
Sri. P Maruthi Babu
Sri. S Venkata Swamy
Smt. T Sarita Reddy

Chairperson
Vice Chairman
Director
Director
Director
Executive Director

CHIEF FINANCIAL OFFICER

Mr. V. R. Prasad

COMPLIANCE OFFICER

Mr. B. Sankara Rao

AUDITORS

M/s Deloitte Haskins & Sells
Chartered Accountants
Secunderabad

COST AUDITORS

M/s Narasimha Murthy & Co
Cost Accountants
Hyderabad

BANKERS

Andhra Bank
Union Bank of India
Bank of Baroda
State Bank of India
Punjab National Bank

REGISTERED OFFICE

B2, 2nd Floor, 6-3-1090, TSR Towers,
Rajbhavan Road, Somajiguda,
Hyderabad - 500 082.
Phone Nos: 23414823/24/25/26
Fax No:23414827
Email: gayatrisugars@gmail.com
CIN: L15421TG1995PLC020720

FACTORIES

Kamareddy Unit

Adloor Yellareddy Village,
Sadasivanagar Mandal,
Nizamabad District,
Telangana.
Phone No: (08468) 203331

Nizamsagar Unit

Maagi Village,
Nizamsagar Mandal,
Nizamabad District,
Telangana.
Phone No: (08465) 275577
Fax No: (08465) 275800

NOTICE

NOTICE is hereby given that the Nineteenth ANNUAL GENERAL MEETING of M/s. Gayatri Sugars Limited will be held at KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad – 500 004, on Tuesday, the 30th day of September, 2014 at 11.30 a.m to transact the following businesses.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash flow statement for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Smt. T. Indira Subbarami Reddy, who retires by rotation, and being eligible, offers herself for re-appointment.

3. TO APPOINT AUDITORS AND FIX THEIR REMUNERATION

To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

“RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of next AGM of the Company at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

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

“RESOLVED THAT, pursuant to provision of Section 149(10) of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, Mr. T R Rajagopalan (holding DIN 00020643), who holds office up to the date of this Annual General Meeting, and in respect of whom the company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013 along with deposit of Rs.1 lakh signifying his intention to propose the appointment of Mr. T R Rajagopalan as an Independent Director, be and is hereby appointed as Independent Director for a period of consecutive term of 5 years from the date of this general meeting.”

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 provision of Section 149(10) of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, Mr. S. Venkata Swamy (holding DIN 00020620), and in respect of whom the company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013 along with deposit of Rs.1 lakh signifying his intention to propose the appointment of Mr. S. Venkata Swamy as an Independent Director, be and is hereby appointed as Independent Director for a period of consecutive term of 5 years from the date of this general meeting.”

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

“RESOLVED THAT, pursuant to provision of Section 149 of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, Mr. J N Karamchetti (holding DIN 00940963), and in

respect of whom the company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013 along with deposit of Rs.1 lakh signifying his intention to propose the appointment of Mr. J N Karamchetti as an Independent Director, be and is hereby appointed as Independent Director for a period of consecutive term of 5 years from the date of this general meeting.”

7. Increase in Authorised Share Capital of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 61 and other applicable provisions, if any, of the Companies Act, 2013, and the Article 4. a of the Article of Association of the Company, the Authorized Share Capital of the Company be and is hereby increased from Rs. 90,00,00,000/- (Rupees Ninety Crores Only) divided into 6,50,00,000 (Six Crore Fifty Lakhs Only) equity shares of Rs. 10 /- (Rupees Ten) each and 2,50,00,000 (Two Crores Fifty Lakhs) preference shares of Rs.10/- (Rupees Ten) each to Rs. 110,00,00,000/- (Rupees One Hundred and Ten Crores Only) divided into 6,50,00,000 (Sixty Crore Fifty Lakhs Only) equity shares of Rs. 10 /- (Rupees Ten) each and 4,50,00,000 (Rupees Four Crores Fifty Lakhs) preference shares of Rs.10/- (Rupees Ten) each by creation of additional 2,00,00,000 (Two Crore) preference shares of Rs. 10/- (Rupees Ten) each.”

“RESOLVED FURTHER THAT the Clause V in the Memorandum of Association of the Company be and is hereby altered by additions / deletions / modifications / substitutions as set out hereunder:

- i. Clause V in the Memorandum of Association of the Company be and is hereby substituted as follows: The Authorised share capital of the Company is Rs.110,00,00,000 (Rupees One Hundred and Ten Crores Only divided into 6,50,00,000 (Six Crore Fifty Lakhs Only) equity shares of Rs. 10 /- (Rupees Ten) each and 4,50,00,000 (Rupees Four Crores Fifty Lakhs) preference shares of Rs. 10/- (Rupees Ten) each with power to increase or decrease its capital from time to time and to divide the shares in the capital for the time being into several classes and to attach thereto respectively, such preferential, deferred, qualified or special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Article of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being be provided by the Article of Association of the Company and also to acquire, purchase, hold, resell any of its own fully/partly paid shares and/or preference shares whether redeemable or not and to make any payment out of capital or out of the funds at its disposal for in respect of such purchase subject to the provisions or the Act in force from time to time.
- ii. In Clause II the words “Andhra Pradesh” be deleted and the same be substituted by “Telangana”; and

“RESOLVED FURTHER THAT Article 4.a of the Articles of Association of the Company be and is hereby altered by additions / deletions / modifications / substitutions as set out hereunder:

- 4.a** The Authorised share capital of the Company is Rs.110,00,00,000 (Rupees One Hundred and Ten Crores Only divided into 6,50,00,000 (Six Crore Fifty Lakhs Only) equity shares of Rs. 10 /- (Rupees Ten) each and 4,50,00,000 (Rupees Four Crores Fifty Lakhs) preference shares of Rs. 10/- (Rupees Ten) each with power to increase or decrease its capital from time to time and to divide the shares in the capital for the time being into several classes and to attach thereto respectively, such preferential, deferred, qualified or special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Article of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being be provided by the Article of Association of the Company and also to acquire, purchase, hold, resell any of its own fully/partly paid shares and/or preference shares whether redeemable or not and to make any payment out of capital or out of the funds at its

disposal for in respect of such purchase subject to the provisions or the Act in force from time to time.

8. Issue and Offer of Cumulative Redeemable Preference Shares on a Private Placement basis

To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

“RESOLVED that in accordance with the provisions of Sections 23, 42, 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the Rules framed there under, as may be amended from time to time and the Articles of Association of the Company and the regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, the consent of the Company be and is hereby accorded to the Board to offer or invite to subscribe, issue and allot, 2,50,00,00 (Rupees Two Crores Fifty Lakhs) 6% Cumulative Redeemable Preference Shares of the Company of the face value of Rs. 10/- (Rupees Ten) each, for an aggregate value of Rs. 25.00 crore (Rupees Twenty Five Crore Only), as Cumulative Redeemable Preference Shares (“CRPS”), to M/s. Mohan Project Contractors Private Limited on private placement basis, by way of conversion of some portion of Unsecured Loan availed by the company from M/s. Mohan Project Contractors Private Limited and on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting.”

“RESOLVED FURTHER that in accordance with provisions of Section 43 of the Act, the CRPS shall be non participating, carry a preferential right, vis-à-vis Equity Shares of the Company, with respect to payment of dividend and repayment in case of a winding up or repayment of capital and shall carry voting rights as per the provisions of Section 47(2) of the Act.”

“RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds and things and execute all such deeds, documents and writings, as it may in its absolute discretion deem necessary or incidental, and pay such fees and incur such expenses in relation thereto as it may deem appropriate.

9. Increasing the Borrowing Powers of the Company and Creation of Security on the Properties of the Company.

To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180 and other applicable provisions, if any, of the Companies Act 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called “the Board” and which term shall be deemed to include any Committee, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) for borrowing from time to time, as it may think fit, any sum or sums of money not exceeding Rs. 300.00 Crores (Rupees Three Hundred Crores Only) on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business), exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized for borrowing from time to time as it may think fit, any sum or sums of money but not exceeding Rs. Rs. 300.00 Crores (Rupees Three Hundred Crores Only), in aggregate or equivalent thereto in any foreign currency (including the monies already borrowed by the Company), on such security and on such terms and conditions as the Board may deem fit, by way of loans from, or issue of Bonds, Debentures or other Securities whether Convertible into Equity/Preference Shares and/or Securities with or without detachable warrants with a right exercisable by the warrant holder(s) to convert or subscribe to Equity/Preference Shares (hereinafter referred to as “Securities”), to Bank(s), Financial or other Institution(s), Mutual Fund(s), Non-Resident Indians (NRIs), Foreign Institutional Investors (FIIs) or any other person(s), body(ies) corporate, etc., whether shareholder of the Company or not.”

“RESOLVED THAT pursuant to Section 180 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company or its Committee as may be authorised by the Board of Directors, for mortgaging and/or charging in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, the movable and / or immovable properties of the Company, wherever situate, present and future, whether presently belonging to the Company or not, in favour of any person including, but not limited to, financial/ investment institution(s), bank(s), insurance Company(ies), mutual fund(s), corporate body(ies), trustee(s) to secure the debentures, loans, hire purchase and/or lease portfolio management transaction(s) for finance and other credit facilities up to a sum not exceeding Rs.300.00 Crores (Rupees Three Hundred Crores Only).”

“RESOLVED FURTHER THAT the Board of Directors or such Committee/ or person(s) as authorised by the Board of Directors be and are hereby authorised to finalise the form, extent and manner of, and the documents and deeds, as may be applicable, for creating the appropriate mortgages and/or charges on such of the immovable and/or movable properties of the Company on such terms and conditions as may be decided by the Board of Directors or such Committee in consultation with the lenders and the documentation in connection with securitising of receivables and for reserving the aforesaid right and for performing all such acts, things and deeds as may be necessary for giving full effect to this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this resolution.”

10. Ordinary Resolution for ratification of remuneration payable to M/s. Narasimha Murthy & Co., appointed as Cost Auditors of the Company for the F.Y 2014-15.

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Narasimha Murthy & Co., Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company to audit the cost records of Sugar, Power and Distillery divisions of the Company for the financial year 2014-15, for a remuneration of Rs. 1,50,000 (Rupees One Lakh Fifty Thousand) per annum plus applicable service tax and out of pocket expenses that may be incurred.”

“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 to this resolution.”

By order of the Board
For **GAYATRI SUGARS LIMITED**

Place: Hyderabad
Date: 11th August, 2014

(T. Sarita Reddy)
Executive Director

NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business set out under the notice is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxies, in order to be effective must be received at the company's registered office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority as applicable, issued on behalf of the nominating organization.
3. The Register of Members and the Share Transfer Books of the Company will be closed from 27th September, 2014 to Tuesday, 30th September, 2014 (both days inclusive).
4. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically instead of casting their vote at a Meeting.
5. Shareholders are requested to bring their copies of Annual Report to the Annual General Meeting.
6. Members who hold shares in dematerialized form are requested to write their client ID and DP ID Nos and those who hold shares in physical form are requested to mention their folio no. in the attendance slip for attending the meeting.
7. Members are requested to intimate the Registrars and Share Transfer Agents of the company, M/s. Venture Capital and Corporate Investments Private Limited, H.No. 12-10-167, Bharat Nagar, Hyderabad – 500018 cont: 040- 23818475, 23818476 immediately for any change in their address.
8. A member desirous of seeking any information on the accounts or operations of the Company is requested to forward his / her query to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
9. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.

10. Re-Appointment of Directors :

At the ensuing Annual General Meeting, Mrs. T. Indira Subbarami Reddy and Shri T R Rajagopalan, Directors retire by rotation and being eligible offers themselves for re-appointment. The relevant information as required under Clause 49 of Listing Agreement concerning Corporate Governance Code in respect of appointment / re-appointment of Directors is given below for information of the Members;

Smt. T. Indira Subbarami Reddy, Joined Gayatri Sugars in 2005 and has experience in sugar, power generation and building infrastructure projects. With more than twenty-five years of experience, she has made a name for the Gayatri Group in both Industrial and Residential

projects, her star achievements including the prestigious twin theatres – Maheshwari-Parameshwari, which were constructed in record time, the impressive TSR Towers, and the Park Hyatt Hyderabad, a 5-Star Super Deluxe Luxury Hotel. She has also initiated strategic joint ventures with big players of the construction industry like DLF Limited.

E-Voting Facility:

Process and Manner for members opting for e-voting is as under:-

11. Voting through electronic means;

- a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Securities Depository Limited (CSDL).

- b. The instructions for e-voting are as under:

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com during the voting period.
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the **“Gayatri Sugars Limited”** from the drop down menu and click on “SUBMIT”
- (iv) Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code 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. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Physical Form	For Members holding shares in Demat Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
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.	

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the Folio Number in the PAN field. Eg. If your name is Ramesh Kumar with Folio Number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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 to be also 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on Gayatri Sugars Limited on which you choose to vote.
- (xi) 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.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) 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. After receiving the login details they have to link the account(s) which they wish to vote on and then 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) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

The e-voting period commences on 23rd September, 2014 (9:00 am) and ends on 25th