



# **GAYATRI SUGARS LIMITED**

**TWENTY SECOND ANNUAL REPORT  
2016-17**



## **22<sup>nd</sup> Annual General Meeting**

Day : Thursday

Date : 29<sup>th</sup> June, 2017

TIME : 10.30 A.M.

Venue : FTAPCCI Auditorium  
The Federation of Telangana and  
Andhra Pradesh Chambers of  
Commerce and Industry,  
Federation House,  
11-6-841, Red Hills, P.B. 14,  
Hyderabad – 500 004.

## **TWENTY SECOND ANNUAL REPORT 2016-17**

### **CORPORATE INFORMATION**

#### **BOARD OF DIRECTORS**

Mrs. T. Indira Subbarami Reddy	Chairperson/Director (DIN: 00009906)
Mr. T.V. Sandeep Kumar Reddy	Vice Chairman/Director (DIN: 00005573)
Ms. T. Sarita Reddy	Managing Director (DIN: 00017122)
Mr. T.R. Rajagopalan	Director (DIN: 00020643)
Mr. J.N. Karamchetti	Director (DIN: 00940963)
Mr. Raghuraj Suresh Bhalerao	Director (DIN: 07652493)

#### **CHIEF FINANCIAL OFFICER**

Mr. V.R. Prasad

#### **COMPANY SECRETARY AND COMPLIANCE OFFICER**

Ms. Munmun Baid

#### **REGISTERED OFFICE**

B2, 2<sup>nd</sup> Floor, 6-3-1090, TSR Towers,  
Rajbhavan Road, Somajiguda,  
Hyderabad - 500 082.  
Phone Nos: 040-23414823/24/25/26  
Fax No: 040-23414827  
Email: gayatrisugars@gmail.com

#### **CORPORATE IDENTITY NUMBER**

L15421TG1995PLC020720

#### **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

#### **REGISTRAR & SHARE TRANSFER AGENTS**

M/s. Venture Capital and Corporate  
Investments Private Limited  
H.No. 12-10-167, Bharat Nagar,  
Hyderabad – 500018.  
Ph: 040-23818475, 23818476

#### **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 22<sup>nd</sup> ANNUAL GENERAL MEETING of the Shareholders of M/s. Gayatri Sugars Limited will be held on Thursday, the 29<sup>th</sup> day of June, 2017 at 10:30 A.M. at FTAPCCI Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B. 14, Hyderabad-500 004, to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2017, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. T.V. Sandeep Kumar Reddy [DIN: 00005573] who retires by rotation and being eligible, offers himself 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. MOS & Associates LLP, Chartered Accountants, Hyderabad be and are hereby appointed as Auditors of the Company, in the place of retiring auditors M/s. Deloitte Haskins & Sells, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of 27<sup>th</sup> Annual General Meeting of the Company at such remuneration as may be determined by the Board of Directors from time to time."

### **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 Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force). Mr. Raghuraj Suresh Bhalerao (holding DIN 07652493), who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on 11<sup>th</sup> of November, 2016 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a Notice in writing from a Member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 11<sup>th</sup> of November, 2016."

**5. ORDINARY RESOLUTION FOR RATIFICATION OF REMUNERATION PAYABLE TO M/S. NARASIMHA MURTHY & CO., APPOINTED AS COST AUDITORS OF THE COMPANY FOR THE F.Y 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 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 2017-18, for a remuneration of ₹ 1,50,000 (Rupees One Lakh Fifty Thousand) per annum plus applicable service tax and out of pocket expenses that may be incurred, be and is hereby ratified."

**"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 : May 29, 2017

**(Munmun Baid)**  
Company Secretary & Compliance Officer

**NOTES:**

- 1. MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company by not less than 48 hours before the commencement of 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.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23<sup>rd</sup> June, 2017 to 29<sup>th</sup> June, 2017 (Both days inclusive).
4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.

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6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
8. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Venture Capital and Corporate Investments Private Limited).
9. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
10. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to **M/s. Venture Capital And Corporate Investments Private Limited**, Share Transfer Agents of the Company for their doing the needful.
11. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
12. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the Company and correspond with them directly regarding share transfer/transmission/transposition, Demat/Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
13. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the Company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
14. Electronic copy of the Annual Report for 2016-2017 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-2017 is being sent in the permitted mode.
15. Members may also note that the Notice of the 22<sup>nd</sup> Annual General Meeting and the Annual Report for 2016-2017 will also be available on the Company's website [www.gayatrisugars.com](http://www.gayatrisugars.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [csmunmun@gayatri.co.in](mailto:csmunmun@gayatri.co.in) / [compliance.gayatrisugars@gayatri.co.in](mailto:compliance.gayatrisugars@gayatri.co.in).
16. Voting through electronic means  
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 members facility to exercise their right to vote at the 22<sup>nd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by M/s. Central Depository Services Limited (CDSL).  
The instructions for e-voting are as under:  
**(A) In case of members receiving e-mail**  
**(I) Instructions for e-voting**
  - (i) Log on to the e-voting website [www.evotingindia.com](http://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](http://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 Foilo 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 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)

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which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**(B) In case of members receiving the Physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:**

(i) Please follow all steps from sl. no. (i) to sl. no. (xvii) above, to cast vote.

**(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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).**

The e-voting period commences on 26<sup>th</sup> June, 2017 (09:00 A.M.) and ends on 28<sup>th</sup> June, 2017 (05:00 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 (record date) of 23<sup>rd</sup> June, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 23<sup>rd</sup> June, 2017.

Mr. Y. Koteswara Rao, Practicing Company Secretary (Membership No. 3785) and has been appointed as the Scrutinizer to scrutinize the e-voting and ballot process in a fair and transparent manner.

The Scrutinizer, after scrutinising the votes cast at the meeting through poll and through e-voting will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairperson. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.gayatrisugars.com](http://www.gayatrisugars.com) and on the website of [www.cdslindia.com](http://www.cdslindia.com). The results shall simultaneously be communicated to the Stock Exchanges.

18. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours 9:00 a.m. to 5:00 p.m. on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.



## **ANNEXURE TO NOTICE**

### **EXPLANATORY STATEMENT**

**[Pursuant to Section 102 of the Companies Act, 2013]**

**Item No. 4:**

Mr. Raghuraj Suresh Bhalerao is an Practicing Chartered Accountant and Secretary of Telangana Sugar Mills Association.

Mr. Raghuraj Suresh Bhalerao (holding DIN: 07652493) was appointed as an Additional (Independent) Director of the Company with effect from 11<sup>th</sup> November, 2016 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Mr. Raghuraj Suresh Bhalerao holds office upto the date of this Annual General Meeting but is eligible for the appointment as a Director. The Company has received a Notice from a Member in writing along with requisite deposit under Section 160 of the Act, proposing his candidature for the office of Director.

In the opinion of the Board, Mr. Raghuraj Suresh Bhalerao fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Raghuraj Suresh Bhalerao as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Raghuraj Suresh Bhalerao as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Raghuraj Suresh Bhalerao as an Independent Director, for the approval by the shareholders of the Company by way of special resolution.

Except Mr. Raghuraj Suresh Bhalerao, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

**Item No. 5:**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of Sugar, Power and Distillery divisions of the Company.

Based on the recommendation of the Audit Committee, the Board has, considered and approved the appointment of M/s. Narasimha Murthy & Co., Cost Accountants as the cost auditors for the financial year 2017-18 at a remuneration of ₹ 1,50,000 (Rupees One Lakh Fifty Thousand) per annum plus applicable service tax and reimbursement of out of pocket expenses.

The Board recommends this resolution for approval of the Members by way of ratification.

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

By order of the Board  
**For Gayatri Sugars Limited**

Place : Hyderabad  
Date : May 29, 2017

(Munmun Baid)  
Company Secretary & Compliance Officer

**DIRECTORS' REPORT**

**To the Member(s),**

Your Directors have pleasure in presenting before you the 22<sup>nd</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2017.

**1. FINANCIAL RESULTS :**

Your Directors are happy to report the operational results of the Company for the year ended 31<sup>st</sup> March 2017, the details of which are as under:

**(Rupees in Lakhs)**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Gross Income	<b>24,777.79</b>	25,457.12
Profit/(Loss) Before Interest, Depreciation and Exceptional Item	<b>3,983.33</b>	1,748.60
Finance Charges	<b>2,059.75</b>	2,344.52
Gross Profit/(Loss) before Depreciation and Exceptional Item	<b>1,923.91</b>	(595.92)
Provision for Depreciation	<b>993.66</b>	983.57
Net Profit/(Loss) Before Tax and Exceptional Item	<b>929.92</b>	(1,579.49)
Exceptional Item	<b>150.47</b>	227.40
Provision for Tax	—	—
Net Profit/(Loss) After Tax	<b>1,080.39</b>	(1,352.09)
Balance of Profit/(Loss) brought forward	<b>(13,884.97)</b>	(12,532.88)
Add: Depreciation on transition to schedule II of the Companies Act, 2013 on tangible fixed assets	—	—
Balance available for appropriation	<b>(12,804.58)</b>	(13,884.97)
Proposed Dividend on Equity Shares	—	—
Tax on proposed Dividend	—	—
Transfer to General Reserve	—	—
Deficit carried to Balance Sheet	<b>(12,804.58)</b>	(13,884.97)

**REVIEW OF OPERATIONS:**

**Performance during the financial year 2016-17:**

Your Directors are pleased to report that during the year under review, the Company crushed 2.09 Lakh Tonnes of Sugar cane and 2.29 Lakh Quintals of Sugar was bagged with an average recovery of 11.12%.

The Company registered a gross turnover of ₹ 24,777.79 Lakhs for the year ended 31<sup>st</sup> March, 2017 against ₹ 25,457.12 Lakhs for the year ended 31<sup>st</sup> March, 2016. For the year 2016-17, the Company earned profit of ₹ 3,983.33 Lakhs before Interest, Depreciation and Exceptional item compared to the profit of ₹ 1,748.60 Lakhs for the previous year 2015-16 and earned net profit of ₹ 1,080.39 Lakhs compared to the net loss of ₹ 1,352.09 Lakhs of previous year.