



GAYATRI

Gayatri BioOrganics Limited

(Formerly Gayatri Starchkem Limited)

CIN: L24110TG1991PLC013512

24th Annual Report 2014 - 15



24th Annual General Meeting

Day : Saturday

Date : 26th September 2015

Time : 10.00 A.M.

Venue : “SURANA UDYOG AUDITORIUM”,
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

CONTENTS

Board of Directors	1
Notice	2
Board’s Report	7
Annexures to Directors’ Report	13
Report on Corporate Governance	28
Auditors’ Report	39
Balance Sheet	43
Profit & Loss Account	44
Cash flow Statement	45
Notes to Accounts	46

COMPANY INFORMATION

CIN: L24110TG1991PLC013512

Sri T. Sandeep Kumar Reddy	Chairman
Sri. C.V. Rayudu	Executive Director
Smt T. Sarita Reddy	Non 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

24th Annual Report 2014-2015

NOTICE

NOTICE is hereby given that the **24th Annual General Meeting** of the members of Gayatri BioOrganics Limited will be held at the SURANA UDYOG Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Federation House, 11-6-841, Hyderabad-500004 on Saturday, the 26th day of September, 2015 at 10.00 A.M to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Financial Statements of the Company for the year 2014-15 together with the Report of Board 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. 25th 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 2015-16.

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. 60,000 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 2015-16."

"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

Place: Hyderabad
Date: 14.08.2015

T. Sandeep Kumar Reddy
Chairman

Gayatri BioOrganics Limited

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, 19th September, 2015 to Saturday, 26th September, 2015 (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 2014-15 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 2014-15, free of cost, upon sending a request to the Company 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 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 24th Annual General Meeting. 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.

24th Annual Report 2014-2015

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 as amended from time to time, 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.

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

ITEM NO. 4:

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 appointment of N.S.V.Krishna Rao & Co, Cost Accountants, as the Cost Auditor of the Company to conduct Cost Audit for the financial year 2015- 16, at a remuneration of Rs.60,000/- per annum plus out-of-pocket expenses.

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) 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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2015-16.

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 Order of the Board

Place: Hyderabad
Date: 14.08.2015

T. Sandeep Kumar Reddy
Chairman

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 e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 24th Annual General Meeting to be held on **Saturday, 26th September 2015, 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
23rd September, 2015 (10.00 a.m)	25th September, 2015 (5.00 p.m)

These details and instructions form an integral part of the notice for the Annual General meeting to be held on Saturday, 26th September 2015.

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 Friday, 18th September, 2015 being the cutoff date, may cast their vote electronically.

In case of members receiving e-mail:

- (i) Log on to the e-voting website <https://www.evotingindia.com/>
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.

24th Annual Report 2014-2015

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ◆ 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 # 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 Wednesday, 23rd September, 2015, 10.00 a.m. and ends on Friday, 25th September, 2015, 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 Friday 18th September, 2015, 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.

BOARD'S REPORT

To
The Members of
Gayatri BioOrganics Limited

Your Directors present the Twenty Fourth Annual Report along with the Audited Financial Statements and the Auditor's Report thereon for the period ended 31st March, 2015.

FINANCIAL RESULTS

	(Rs. in lakhs)	
	31.03.2015	31.03.2014
Net Sale Income from Operations	25,570.12	21,374.81
Other Operating Income	85.64	101.19
Income from operations	25,655.76	21,476.00
Other Income	25.98	30.41
Total Income	25,681.74	21,506.41
Total Expenditure	24,124.73	20,188.53
Finance Charges	939.41	757.50
Depreciation	237.38	425.03
Provision for Taxation	—	—
Net Profit / (Loss)	393.21	135.35

PERFORMANCE DURING THE YEAR UNDER REVIEW

STARCH DEPARTMENT

The Company has a Crushing Capacity of 1,35,000 MTPA considering Medak plant Crushing Capacity of 90,000 MTPA and the Second Unit located at Biccavole, East Godavari District Crushing Capacity of 45,000 MTPA. The Company crushed 88,836 MTs maize as against 71,935 MTs maize during the previous year. The management is also trying to achieve crushing of installed Capacity of both Units of the Company.

SORBITOL DIVISION

The Company has present crushing capacity of Sorbitol at 17000 TPA and produced 8,754 MTs of Sorbitol during the Financial Year ended 31st March, 2015. The Company also trying to achieve installed capacity of the Sorbitol Plant.

The Company recorded net profit of Rs.393.21 Lakhs as against a net profit of Rs.135.35 Lakhs and the management is hoping that performance of the Company will improve further in the years to come.

AMOUNT TO BE TRANSFERRED TO RESERVES AND DIVIDEND PROPOSED

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

PUBLIC DEPOSITS:

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

STATUTORY AUDITORS:

At the 23rd Annual General Meeting(AGM) held on 30th,September 2014, M/s M Bhaskara Rao & Co., Chartered Accountants, were appointed as Statutory Auditor of the Company to hold office from the conclusion of AGM held on September 30, 2014 to the conclusion of the 28th AGM (subject to ratification of the appointment by the members at every AGM held after that AGM) at such remuneration as may be decided by the Board of Directors. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditor shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s M Bhaskara Rao & Co., Chartered Accountants, as

24th Annual Report 2014-2015

statutory auditors of the Company, is hereby placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

INTERNAL AUDITORS:

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

SECRETARIAL AUDITOR:

Mr. Y. Koteswar rao, Practicing Company Secretary, was appointed to conduct the Secretarial Audit of the Company for the financial year 2014-15, as required under Section 204 of the Companies Act, 2013 read with Rule 9 there-under. The secretarial audit report for FY 2014-15 annexed to this Board's Report as Annexure-I.

COST AUDITORS:

In accordance with Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, and In accordance with the Audit Committee recommendation the Board of Directors had appointed M/s. K.K. Rao & Associates, Cost Accountants, Hyderabad to Conduct the Cost Audit for the Financial Year 2014-2015. M/s. K.K. Rao & Associates, Cost Accountants, submitted the Cost Audit Report for the Financial Year ended 31st March, 2015.

The company has received a letter from M/s N.S.V.Krishna Rao & Co, Cost Accountants, for the appointment as the Cost Auditor of the Company to the effect that their appointment, if made, would be within the prescribed limits under section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for appointment. The Board of directors of the company In accordance with Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, and also in accordance with the Audit Committee recommendation at its meeting held on 14th August, 2015 appointed M/s N.S.V.Krishna Rao & Co, Cost Accountants, as the cost auditors of the company to conduct the audit of cost records maintained by the company as required by the Companies (Cost Records and Audit) Rules 2014 as amended from time to time.

DIRECTORS:

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

The independent directors of the company are highly qualified and stalwarts in their respective filed with wide and varied experience. They actively participate in the discussions at the board meeting and their suggestions have helped the company to grow at a rapid pace. The independent directors are paid sitting fees for attending the board and committee meetings. The nomination and remuneration committee has in place their criteria for determination of qualifications, positive attributes and independence of the directors, which they would consider as and when the company would be required to appoint the new independent directors. Pursuant to the provisions of Companies Act, 2013 and clause 49 of the listing agreement, the board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of working of its audit committee, nomination and remuneration committee, and stakeholders relationship committee. The manner in which the evaluation has been carried out has been explained in the corporate governance report. The manner in which the remuneration is paid to the directors, executive directors and senior level executives the company has also been explained in the corporate governance report. During the year, five board meetings and four audit committee meetings were convened and held the details of which are given in the corporate governance report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

INDEPENDENT DIRECTORS:

The Company has received disclosures from the Independent Directors confirming their independence in terms of the Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013. The Letter of Appointment issued to the Independent Directors are available under investors section on the website of the Company <http://www.gayatribioorganics.com>

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

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were at arm's length basis. There are no materially significant related party transactions made by the company with promoters, key managerial personnel or other designated persons which may have potential conflict with interest of the company at large. A detailed report on material contracts and arrangements made during the year 2014-15, being arm's length transactions have been reported and annexed hereto in form AOC-2 as Annexure - III and forms part of this report.

EXTRACT OF ANNUAL RETURN:

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a. Business Environment

In FY 2014-15 the global economy showed signs of recovery with growth in demand from the developed countries in the second half of the year. Emerging markets, including India, had to face multiple challenges of rising current account deficit, depreciation of the local currency and additional pressure due to capital outflows.

Your Company's performance for the year 2014-15 has to be viewed in the context of aforesaid economic and market environment.

b. Industry Structure and Developments

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

The consumer industry i.e. Tooth Paste, Pharma, Cosmetic, Paint etc have shown growth which may lead to further improved business to the company. However, the growth in demand for Sorbitol is fluctuating and presently the prices are encouraging. When it comes to Starch, since 60% of starch goes for food based industry, the demand is not even throughout the year. Further the industry is also suffering from excess capacity and can be compensated only when the demand picks up continuously.

c. Opportunities and threats

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

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

d. Out look

The outlook for the company's products is reasonably good but the management feels that the Company should be provided with sufficient working capital to achieve higher operations levels. The Company is improving its operating efficiencies in terms of better utilization of plant capacities. The Company is optimistic about its growth prospects in the future. During the year the Company explored exports markets for the products and achieved significant business. It has ambitious plans to capture more new markets to expand the business.

e. Risks and Concerns

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

24th Annual Report 2014-2015

f. Internal Control Systems and their adequacy

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

g. Operational performance

This has already been discussed in this report.

h. Human Financial Resources / Industrial Relations

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

PARTICULARS OF EMPLOYEES

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

No employee of the Company draws remuneration in excess of the limits set out in the Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE OUTGO:

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

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

The Company has in place an Internal Control System, commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

SUBSIDIARIES:

The Company has no subsidiaries as on the date of 31st March, 2015.

NOMINATION AND REMUENRATION POLICY:

A committee of the Board named as "Nomination and Remuneration Committee" has been constituted to comply with the provisions of section 178, Schedule IV of the Companies Act and Clause 49 of the Listing Agreement and to recommend a policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters and to frame proper systems for identification, appointment of Directors & KMPs, Payment of Remuneration to them and Evaluation of their performance and to recommend the same to the Board from time to time.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

FIXED DEPOSITS:

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

MATERIAL CHANGES:

There are no material changes and commitments, affecting the financial position of the company which has occurred between the end of the financial year under review of the company to which the financial statements relate and the date of this board report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

DIRECTORS RESPONSIBILITY STATEMENT:

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

- i) In the preparation of annual accounts for the financial year ended 31st March, 2015 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2015 and of the profit and loss of the Company for the year;
- iii) The Directors have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors had prepared the annual accounts on a 'going concern' basis;
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

RISK MANAGEMENT

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

INTERNAL COMPLAINTS COMMITTEE

In Pursuance of Section 4 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to protect women from sexual harassment at the work palce, your Company consitituted a committee known as "Internal Complaints Committee" to ensure proper compliance of the Act.

STATEMENT ON DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:

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

CORPORATE SOCIAL RESPONSIBILTY (CSR) POLICY AND CSR INITIATIVES:

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

24th Annual Report 2014-2015

CORPORATE GOVERNANCE REPORT:

Your Company has complied with the requirements of Clause 49 of the Listing Agreement entered with the Stock Exchange. A separate report on corporate governance forms the part of the annual report. A certificate from the Practicing Company Secretary regarding compliance of conditions of corporate governance also forms the part of the annual report.

HUMAN RESOURCES:

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

OUTLOOK FOR THE FINANCIAL YEAR 2015-16

It is gratifying to say that the products of this Company are well accepted in the market and are being patronized by the major clients. The Company is hopeful of achieving 100% of the installed capacity of both the units. However, the availability of maize crop and working Capital will be the key factors for achieving the targeted results of the Company.

CAUTIONARY STATEMENT

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

LISTING OF SECURITIES

- (a) The Company's Shares are listed with BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023.
- (b) The Company paid Listing fees for the year 2015-16 to BSE Limited.

REPLY TO ADVERSE REMARKS OF AUDITORS' REPORT

With regard to qualified opinion on trade receivables which includes certain trade receivables amounting to Rs.2,25,75,901/- which are overdue and outstanding for a period of more than three years, the management believes that the same are fully recoverable as it is and the company is in the process of collecting the amounts and no provisions are required as on date.

Point No. VII (a) of Annexure to Auditors' Report, with regard to irregularity and serious delays in remitting the Provident fund, Employees State Insurance, Service Tax, Income Tax, Customs Duty Excise duty, Sales tax and other material statutory dues were due to working capital constraints.

Point No. IX of Annexure to Auditors' Report, delays in payment of dues to bankers and financial institution are also owing to working capital constraints.

ACKNOWLEDGEMENTS:

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

By Order of the Board

Place: Hyderabad
Date: 14.08.2015

T. Sandeep Kumar Reddy
Chairman

ANNEXURE – I
Secretarial Audit Report
For the Financial Year ended March 31, 2015
[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Gayatri BioOrganics Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 . (Not Applicable during the audit period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 (Not Applicable during the audit period);

24th Annual Report 2014-2015

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not Applicable during the audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (Not Applicable during the audit period)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable during the audit period)

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

I further report that during the audit period, there were no instance of:

- (i) Public/Rights/Preferential issue of shares/debentures/sweat equity
- (ii) Public/Rights/Preferential issue of shares/debentures/sweat equity
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger/amalgamation/reconstruction etc.
- (v) Foreign technical collaborations

Place: Hyderabad
Date: 14.08.2015

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

Note : This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

Gayatri BioOrganics Limited

ANNEXURE - 'A'

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

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

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

Place: Hyderabad
Date: 14.08.2015

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

24th Annual Report 2014-2015

ANNEXURE-II DIRECTORS PROFILE

1. Sri T. Sandeep Kumar Reddy:

Name	T. Sandeep Kumar Reddy
DIN	00005573
Designation	Chairman & Promoter Director
Age	48 years
Date of appointment on the Board of the Company	02.12.1991
No. of Shares of Rs. 10/- each held as on date	1,47,96,055
Relationship between Directors inter se	Husband of Mrs. T. Sarita Reddy (Director)

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

2. Smt. T. Sarita Reddy:

Name	T. Sarita Reddy
DIN	00017122
Designation	Promoter Director
Age	44 Years
Date of appointment on the Board of the Company	24.01.2008
No. of Shares of Rs. 10/- each held as on date	9,60,839
Relationship between Directors inter se	Wife of T. Sandeep Kumar Reddy (Chairman)

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

3. Sri C.V. Rayudu:

Name	C.V. Rayudu
DIN	03536579
Designation	Whole Time Director
Age	56 Years
Date of appointment on the Board of the Company	28.05.2011
No. of Shares of Rs. 10/- each held as on date	Nil
Relationship between Directors inter se	N.A

Mr. C. V. Rayudu is a Post Graduate in MPM and has done B.Com and B. L. He is having around 30 years of rich experience in various Starch and Other Industries.

4. Sri T.G.Pandya:

Name	T.G.Pandya
DIN	00017214
Designation	Independent Director
Age	80 Years
Date of appointment on the Board of the Company	31.07.2001
No. of Shares of Rs. 10/- each held as on date	Nil
Relationship between Directors inter se	N.A

Gayatri BioOrganics Limited

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

5. Sri T.R. Rajagopalan:

Name	T.R. Rajagopalan
DIN	00020643
Designation	Independent Director
Age	76 Years
Date of appointment on the Board of the Company	31.07.2008
No. of Shares of Rs. 10/- each held as on date	Nil
Relationship between Directors inter se	N. A.

Mr. T.R. Rajagopalan is a MA, MSc, CAIIB. He is a Retired GM State Bank of India and has experience of 39 years in credit and International banking. He held various assignments both at operational as well as policy framing levels. These assignments include Branch Manager, Regional Manager, Deputy General Manager (Commercial banker) and General Manager (Commercial Banking). He also handled the assignment with Bank of Ghana, under World Bank to train all banking officials of that country, in the areas of Credit Management.

6. Sri J. N. Karamchetti

Name	J. N. Karamchetti
DIN	00940963
Designation	Independent Director
Age	69 Years
Date of appointment on the Board of the Company	31.10.2006
No. of Shares of Rs. 10/- each held as on date	Nil
Relationship between Directors inter se	N. A.

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

24th Annual Report 2014-2015

ANNEXURE-III FORM NO. AOC -2

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

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

Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions'	Date of approval by the Board	Amount paid as advances, if any
Deep Corporation Private Limited - Common Director	Rent Paid	6 Years	Registered office Premises taken on Lease form Deep Corporation Private Limited	No Extra Amount Paid by the Company for taking the premises on Lease	30th May, 2012	Nil

By Order of the Board

Place: Hyderabad
Date: 14.08.2015

T. Sandeep Kumar Reddy
Chairman

**ANNEXURE-IV
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2015

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Maize Starch Powder	1108.12.00	88%
2	Sorbitol	2905.44.00	12%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

24th Annual Report 2014-2015

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1,99,27,496	-	1,99,27,496	39.13	1,99,27,496	-	1,99,27,496	39.13	0.00
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	60,97,290	-	60,97,290	11.97	60,97,290	-	60,97,290	11.97	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	2,60,24,786	-	2,60,24,786	51.10	2,60,24,786	-	2,60,24,786	51.10	0.00
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL(A)= A(1)+A(2)	2,60,24,786	-	2,60,24,786	51.10	2,60,24,786	-	2,60,24,786	51.10	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	4,52,200	62,100	5,14,300	1.01	4,52,200	62,100	5,14,300	1.01	0.00
b) Banks / FI	40,923	-	40,923	0.08	-	-	-	-	-0.080
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs -	5,000	5,000	0.01	-	5,000	5,000	0.01	0.00	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	4,93,123	67,100	5,60,223	1.10%	4,52,200	67,100	5,19,300	1.02	-0.080
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	56,491	96,500	1,52,991	0.30	97,631	96,500	1,94,131	0.38	0.080
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	7,70,173	32,84,540	40,54,713	7.96	9,02,686	32,44,640	41,47,326	8.14	0.18
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5,27,111	1,29,300	6,56,411	1.29	4,56,884	1,29,300	5,86,184	1.15	-0.13
c) Others (specify)					1,85,48,663	9,04,600	1,94,53,263	38.20	
Non Resident Indians	47,927	9,12,000	9,59,927	1.88	44,057	9,04,600	9,48,657	1.86	-0.02
Overseas Corporate									
Bodies	1,84,99,990	-	1,84,99,990	36.33	1,84,99,990	-	1,84,99,990	36.33	0.00
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	15,949	-	15,949	0.03	4,616	-	4,616	0.01	-0.02
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	1,99,17,641	44,22,340	2,43,39,981	47.80	2,00,05,864	43,75,040	2,43,80,904	47.88	0.08
Total Public (B)	20,410,764	44,89,440	2,49,00,204	48.90	2,04,58,064	44,42,140	2,49,00,204	48.90	-
C. Shares held by									
Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4,64,35,550	44,89,440	5,09,24,990	100.00	4,64,82,850	44,42,140	5,09,24,990	100.00	0.00

Gayatri BioOrganics Limited

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year March 2015			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares shareholding encumbered to total shares	% change in shareholding during the year
1	Gayatri Fin-Holdings Pvt Ltd	15,70,950	3.08	0	15,70,950	3.08	0	0
2	T S R Holdings Pvt Ltd	20,26,000	3.98	0	20,26,000	3.98	0	0
3	Gayatri Capital Ltd	25,00,340	4.91	0	25,00,340	4.91	0	0
4	Subbarami Reddy Tikkavarapu	16,25,000	3.19	0	16,25,000	3.19	0	0
5	Tikkavarapu Sarita Reddy	9,60,839	1.89	0	9,60,839	1.89	0	0
6	Sandeep Kumar Reddy Tikkavarapu	1,47,96,055	29.05	94.62	1,47,96,055	29.05	94.62	0
7	Indira Subbarami Reddy Tikkavarapu	25,45,602	5.00	98.21	25,45,602	5.00	98.21	0
	Total	2,60,24,786	51.10	63.40	2,60,24,786	51.10	63.40	0

(iii) Change in Promoters' Shareholding:

There is no change in Promoter's Shareholding during the year under review.

(iv) Shareholding Pattern of top ten Shareholders

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

SN	For each of the Top 10 shareholders	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares	No. of shares	% of total shares
1	FURSA MAURITIUS SPV 1					
	At the beginning of the year	01.04.2014	1,84,99,990	36.33		
	Changes during the year	N.A.	N.A.			
	At the end of the year	31.03.2015	1,84,99,990	36.33	1,84,99,990	36.33
2	SBI MAGNUM MULTIPLIER FUND					
	At the beginning of the year	01.04.2014	4,52,200	0.89		
	Changes during the year	N.A.	N.A.			
	At the end of the year	31.03.2015	4,52,200	0.89	4,52,200	0.89
3	KAMLESHKUMAR BHOGILAL PATEL					
	At the beginning of the year	01.04.2014	1,37,000	0.27		
	Changes during the year	N.A.	N.A.			
	At the end of the year	31.03.2015	1,37,000	0.27	1,37,000	0.27
4	MRIDULA JAIN					
	At the beginning of the year	01.04.2014	43,837	0.09		
	Changes during the year	30.05.2014	-1,240	0.0024	42,597	0.0836
		22.08.2014	3	0.0000	42,600	0.0836
	At the end of the year	31.03.2015	42,600	0.0836		

24th Annual Report 2014-2015

5	ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA-UNIT SCHEME 1964					
	At the beginning of the year	01.04.2014	40,923	0.08		
	Changes during the year	13.06.2014	-10,000	0.0196	30,923	0.0607
		30.06.2015	-20,000	0.0393	10,923	0.0214
	At the end of the year	31.03.2015	10,923	0.0214	10,923	0.0214
6	RAM KUMAR KAKANI					
	At the beginning of the year	01.04.2014	39,200	0.08		
	Changes during the year	04.04.2014	1,340	0.026	40,540	0.0796
		11.04.2014	1,199	0.0023	41,739	0.0819
		18.04.2014	17,900	0.351	59,639	0.1171
		02.05.2014	-39	0.0000	59,600	0.1170
		09.05.2014	-100	0.0001	59,500	0.1168
		06.06.2014	-8,500	0.0166	51,000	0.1001
		13.06.2014	-33,631	0.0660	17,369	0.0341
		20.06.2014	-12,369	0.0242	5,000	0.0098
		19.09.2015	-497	0.0009	4,503	0.760
		26.09.2014	-2,140	0.0042	2,363	0.0046
		30.09.2014	-320	0.0006	2,043	0.0040
		10.10.2014	-192	0.0003	1,851	0.0036
	At the end of the year	17.10.2014	-1,851	0.0036	0	0
	31.03.2015	0	0	0	0	
7	PNB:PRINCIPAL TRUSTEE: PNB MUTUAL FUND					
	At the beginning of the year	01.04.2014	38,400	0.08		
	At the end of the year	31.03.2015	38,400	0.08	38,400	0.08
8	RAJ KUMAR AGARWAL					
	At the beginning of the year	01.04.2014	37,000	0.07		
	Changes during the year	13.06.2014	250	0.0004	37,250	0.0073
		20.06.2014	12,750	0.0250	50,000	0.0981
At the end of the year	31.03.2015	50,000	0.0981	5,0000	0.0981	
9	KESHAV N PRABHU					
	At the beginning of the year	01.04.2014	36,722	0.07		
	Changes during the year	15.08.2014	-5,450	0.0107	31,272	0.0614
		22.08.2014	-23,002	0.0451	8,270	0.0162
	At the end of the year	05.10.2014	-8,270	0.0162	0	0
	31.03.2015	0	0	0	0	
10	KOTA CHANDRA REDDY					
	At the beginning of the year	01.04.2014	33,410	0.07		
	Changes during the year	06.06.2014	-1,220	0.0023	32,190	0.0632
		13.06.2014	-1,600	0.0031	30,590	0.0600
		20.06.2014	-602	0.0011	29,988	0.0588
		30.06.2014	-2,680	0.0052	27,308	0.0536
		04.07.2014	-2,000	0.0039	25,308	0.049
		11.07.2014	-3,000	0.0058	22,308	0.0438
		18.07.2014	-2,563	0.0050	19,745	0.0387
		25.07.2014	-4,301	0.0084	15,444	0.0303
		01.08.2014	-1,375	0.0027	14,069	0.0276
		08.08.2014	-3,893	0.0076	10,176	0.0199
		15.08.2014	-5,000	0.0098	5,176	0.0101
		22.08.2014	-4,765	0.0093	411	0.0008
	At the end of the year	05.09.2014	-411	0.000	0	0
	31.03.2015	0	0	0	0	

Gayatri BioOrganics Limited

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares	No. of shares	% of total shares
1	SANDEEP KUMAR REDDY TIKKAVARAPU					
	At the beginning of the year	01.04.2014	1,47,96,055	29.05		
	Changes during the year	-	-	-	-	-
	At the end of the year	31.03.2015	1,47,96,055	29.05	1,47,96,055	29.05
2	TIKKAVARAPU SARITA REDDY					
	At the beginning of the year	01.04.2014	9,60,839	1.8868		
	Changes during the year	-	-	-	-	-
	At the end of the year	31.03.2015	9,60,839	1.8867	9,60,839	1.8867

VI. INDEBTEDNESS

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

(Amt. RS.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,52,03,925	1,52,72,699	NIL	4,04,76,624
ii) Interest due but not paid	17,05,363	3,57,809	NIL	20,63,172
iii) Interest accrued but not due	NIL			
Total (i+ii+iii)	2,69,09,288	1,56,30,508	NIL	4,25,39,796
Change in Indebtedness during the financial year				
* Addition	13,64,85,508	3,22,025	NIL	13,68,07,533
* Reduction	(32,03,925)	NIL	(32,03,925)	
Net Change	13,32,81,583	3,22,025	NIL	13,36,03,608
Indebtedness at the end of the financial year				
i) Principal Amount	15,84,85,508	1,55,94,724	NIL	17,40,80,232
ii) Interest due but not paid	1,39,45,776	3,57,809	NIL	1,43,03,585
iii) Interest accrued but not due	-	NIL	-	
Total (i+ii+iii)	17,24,31,284	1,59,52,533	-	18,83,83,817

24th Annual Report 2014-2015

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/ WTD/Manager	Total Amount (In Rs.)
	Name	Executive Director Mr.C.V.Rayudu	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19,96,800	19,96,800
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NA	-
2	Stock Option	NA	-
3	Sweat Equity	NA	-
4	Commission		-
	- as % of profit	NA	-
	- others, specify	NA	-
5	Others, please specify	NA	-
	Total (A)	19,96,800	19,96,800
	Ceiling as per the Act	20,65,903	20,65,903

B. Remuneration to other Directors

S. No	Particulars of Remuneration	Name of Directors					Total Amount (Rs)
1	Independent Directors	Mr.T.R. Rajagopalan	Mr T.G. Pandya	Mr J.N. Karamchetti	Mr. T. Sandeep Kumar Reddy	Mrs.T. Sarita Reddy	
	Fee for attending board and committee meetings	72,000	72,000	48,000			1,92,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	72,000	72,000	48,000			1,92,000
2	Other Non-Executive Directors						
	Fee for attending board and committee meetings	-	-	-	48,000	72,000	1,20,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)				48,000	72,000	1,20,000
	Total (B)=(1+2)	72,000	72,000	48,000	48,000	72,000	3,12,000
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	-

Gayatri BioOrganics Limited

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

S.No	Particulars of Remuneration	CFO Mr. P V Narayana Rao	Company Secretary S. Narasappa	Total
1	Remuneration for the year 2014-2015	13,59,000	1,80,720	15,39,720
	Total (A)	13,59,000	1,80,720	15,39,720

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

24th Annual Report 2014-2015

Annexure-V

PARTICULARS OF EMPLOYEES

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

i. The ratio of remuneration of each director to the mean median remuneration of the employees of the remuneration company for the financial year 2014-15	Director's name	Ratio to mean remuneration			
	Mr.C.V.Rayudu Whole Time Director	11.01:1			
ii. The percentage increase in remuneration of each Director Chief Financial Officer and Company Secretary in the financial year 2014-15 as compared to 2013-14.	Director's / CFO/ CS Name	% increase in remuneration			
	Mr.C.V.Rayudu Whole Time Director	3.098%			
	Mr.P.V.Narayana Rao CFO	No Change			
	Mr.S.Narasappa Company Secretary	No Change			
iii. Percentage increase in the median remuneration of employees in the financial year 2014-15 as compared to 2013-14	9.8%	—			
iv. No. of permanent employees on the roll	As on 31.3.2015 327	As on 31.3.2014 332			
v. Explanation on the remuneration between the average increase in the remuneration and the company performance.	Increase in the remuneration is to compensate the inflationary effect and is in line with improvement in the profitability of the Company.	—			
vi. Comparison of the remuneration of the KMP against the performance of the company	N.A	—			
vii. Variations	N.A	—			
viii. Average percentile increase in salaries of employees other than managerial personnel	8.31%	—			
ix. Comparison of each remuneration of the KMP against the performance of the company	Name of KMP	Remuneration for the year ended			Reason against performance of the Company
		31.3.15	31.3.14	% of Change	—
	Mr.C.V.Rayudu	19,96,800	19,36,800	3.098	
	Mr.P.V.Narayana Rao	13,59,000	13,59,000	0%	
	Mr.S.Narasappa	1,80,720	1,80,720	0%	
x.Key Parameters for any variable components of remuneration availed by the directors.	NIL				NIL
xi. Ratio of the remuneration of the highest paid director to that of the employees who are not director but receive remuneration in excess of the highest paid director during the year	NIL				NIL

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

Annexure-VI

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

A. Conservation of energy:

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

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

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

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

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

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

B. Technology absorption:

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

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

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

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

III. Imported Technology:

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

IV. Research and development (R & D):

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

C. Foreign Exchange earnings and outgo:

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

By Order of the Board

Place: Hyderabad
Date: 14.08.2015

T. Sandeep Kumar Reddy
Chairman

24th Annual Report 2014-2015

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2014-15

(As per Clause 49 of the listing Agreement entered into with the Stock Exchanges)

1. Overview of Corporate Governance of Gayatri Bio Organics Limited

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

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

2. Board of Directors

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

(a) Composition:

The Board of Directors consists of Six Directors as follows:

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

The following table shows the composition of directors and their attendance at the board meetings held on the dates below mentioned and the last Annual General Meeting which was held on 30th September 2014.

Name	Category	Board Meetings Attended	Attendance at the last AGM	No. of Directorships held in other Companies	
				Public	Private
Sri T. Sandeep Kumar Reddy	Promoter-Chairman	4	Yes	9	6
Smt. T. Sarita Reddy	Non Executive & Promoter Director	5	No	4	15
Sri. C.V. Rayudu	Whole Time Director.	5	Yes	NIL	NIL
Sri. T.G. Pandya	Non Executive & Independent Director	5	Yes	NIL	NIL
Sri J.N. Karamchetti	Non-Executive & Independent Director	4	Yes	1	0
Sri. T.R. Rajgopalan	Non-Executive & Independent Director	5	Yes	1	2

(b) Board Meetings held during the year 2014-15:

The Board meets at least once in a quarter to consider among other business, the quarterly performance of the Company and financial results. During the financial year 2014-15 the Board Meeting was held Five times as follows:

S. No	Date of Board Meeting
1.	19th April, 2014
2.	28th May, 2014
3.	14th August 2014
4.	10th November,2014
5.	13th February,2015

(c) Details of Directors seeking re-appointment as required under clause 49 of the listing agreement and the Companies Act, 2013

As per the requirements of clause 49 of the Listing Agreement with Stock Exchange on Corporate Governance, the information about the Directors proposed to be re-appointed is given as under.

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

3. Audit Committee

The company has formed the Audit Committee comprising of three directors Sri T.R. Rajagopalan, Sri T.G. Pandya and Smt. T. Sarita Reddy, Two of members Sri T.R. Rajagopalan and Sri T.G. Pandya are Independent Directors, Smt. T. Sarita Reddy is Promoter Director. Sri T.R. Rajagopalan is Chairman of Audit Committee.

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

Terms of Reference:

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement entered into with Stock Exchange read with Section 177 of the Companies Act, 2013 and includes such other functions as may be assigned to it by the Board from time to time.

Powers of Audit Committee

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

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

Role of Audit Committee

The role of the Audit Committee shall include the following

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

24th Annual Report 2014-2015

- b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. To review the functioning of the Whistle Blower mechanism;
 19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 20. Examination of the financial statement and the auditors' report thereon
 21. Monitoring the end use of funds raised through public offers and related matters.
 22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee meetings were held 4 (four) times during the financial year 2014-15 and all the then members of the Committee have attended all the meetings held in the following dates:

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

- | | |
|----|---------------------|
| 1. | 28th May, 2014 |
| 2. | 14th August, 2014 |
| 3. | 10th November, 2014 |
| 4. | 13th February, 2015 |
-

4. Nomination and Remuneration Committee

i. Brief Description of terms of Reference:

The Nomination and Remuneration Committee has been formed in compliance of Clause 49 of the Listing Agreement and pursuant to Section 178 of the Companies Act, 2013 comprising of 3 Independent Directors.

ii. Composition of Committee and Attendance:

The Composition of Committee as mentioned in the following table and one Nomination and Remuneration Committee Meeting was held during the Financial Year 2014-15.

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

The main object of this Committee is to identify persons who are qualified to become directors and who may be appointed in senior management of the Company, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance, recommend the remuneration package of both the Executive and the Non-Executive Directors on the Board and also the remuneration of Senior Management, one level below the Board. The Committee reviews the remuneration package payable to Executive Director(s) and recommends to the Board the same and acts in terms of reference of the Board from time to time.

iii. Terms of Reference

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

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

24th Annual Report 2014-2015

Remuneration Policy:

The remuneration policy is aimed to motivate and reward the performance on the basis of periodical appraisal of achievements. It follows the practices prevailing in the companies of our size and the industry in general to retain and attract talent and improve the quality of performance with a view to run the Company's operations efficiently, effectively and profitably.

5. Stakeholders Relationship Committee

The Stakeholders Relationship Committee has been formed in compliance of Clause 49 of the Listing agreement and pursuant to Section 178 of the Companies Act, 2013.

The composition of the Stakeholders Relationship Committee is as under:

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

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

In accordance with Clause 49 of the Listing Agreement with Stock Exchanges, the Board has authorised the Company Secretary, who is also the Compliance Officer, to approve share transfers / transmissions and comply with other formalities in relation thereto.

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

There were no complaints pending for redressal during the year under review. There were no pending transfers as on 31st March, 2015.

6. General Body Meetings :

(i) General Body Meetings

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

Year	Venue	Day and Date	Time
2013-14	KLN PRASAD AUDITORIOUM FAPCCI Building, Federation House, Red HillsHyderabad - 500 004	Tuesday,30 th September, 2014	9.30 A.M
2012-13	KLN PRASAD AUDITORIOUM FAPCCI Building, Federation House, Red HillsHyderabad - 500 004	Friday,27 th September, 2013	10.00 A.M
2011-12	SURANA UDYOG AUDITORIUM FAPCCI Building, Federation House, Red HillsHyderabad - 500 004	Thursday,20 th September, 2012	04.30 P.M

Gayatri BioOrganics Limited

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

AGM Date	Description of Item
30th September, 2014	Appointment of Sri C.V. Rayudu as the Whole Time Director for a period of 3 (three) years w. e. f. 28th May, 2014.

During the last three years, no Extra-ordinary General Meeting was conducted.

(ii) Postal Ballot

During the year, no postal ballot process carried out for seeking the consent of the members of the Company.

7. Disclosures :

- The particulars of transactions between the Company and its related parties are set out at Notes to financial statements. However these transactions are not likely to have any conflict with the Company's interest.
- There were no non-compliances during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by any Stock Exchange, SEBI or any other Statutory Authority.
- The Company has posted the Code of Conduct for Directors and Senior Management on its website.
- The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement as entered with the Stock Exchanges.

8. Means of Communication

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

Financial results and other information are displayed in the Investor Relations section on the Company's Website: <http://www.gayatribioorganics.com>

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

9. General Shareholder's information:

The 24th Annual General Meeting of the members of Company will be held on Saturday, 26th day of September, 2015 at 10.00 A.M at the SURANA UDYOG Auditorium, 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

Financial Calendar: 1st of April, 2015 to 31st of March, 2016

Results for the quarter ending:

30th June, 2015	Second week of August, 2015
30th September, 2015	Second week of November, 2015
31st December, 2015	Second week of February, 2016
31st March, 2016	Second /Third week of May, 2016

Date of Book closure: The Share Transfer Books of the Company shall remain closed from **Saturday, 19th September, 2015 to Saturday 26th September, 2015** (both days inclusive) for the purpose of ensuing Annual General Meeting.

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

Dividend: No dividend was recommended during the year.

ISIN No : INE 052E01015.

Scrip Code : 524564

Depository Connectivity : CDSL & NSDL

The Listing fee for the year 2015-2016 has been paid to BSE Ltd.

24th Annual Report 2014-2015

Market Price Data:

High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2014-15 at The Bombay Stock Exchange Limited (BSE) is as under:

DATE	BSE		
	High	Low	Qty Traded
April 2014	5.09	3.40	29,740
May 2014	5.78	4.57	17,566
June 2014	6.66	5.09	1,53,585
July 2014	8.49	5.62	1,92,933
August 2014	15.41	6.50	2,05,671
September 2014	17.31	11.92	2,04,884
October 2014	12.40	8.65	61,188
November 2014	14.65	9.00	1,07,796
December 2014	13.04	9.96	87,344
January 2015	12.50	9.05	82,556
February 2015	12.30	8.25	33,203
March 2015	10.69	7.22	32,525

Registrar and Transfer Agent:

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

Contact Person :

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

Share Transfer System :

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

Distribution of Shareholding as on 31st March, 2015 :

S.No	Category	Shareholders		Shares	
		Nos.	%	Nos.	%
1.	Up to - 500	19782	92.58	3034656	5.96
2.	501 - 1,000	1032	4.83	829681	1.63
3.	1,001 - 2,000	331	1.55	497161	0.98
4.	2,001 - 3,000	77	0.36	197669	0.39
5.	3,001 - 4,000	29	0.14	100523	0.20
6.	4,001 - 5,000	30	0.14	146578	0.29
7.	5,001 -10,000	43	0.20	329394	0.65
8.	10,001 & Above	43	0.20	45789328	89.92
	Total	21367	100.00	50924990	100.00

Gayatri BioOrganics Limited

Dematerialization of shares and liquidity:

As on 31st March, 2015, 91.28% (4, 64, 82,850 equity shares) of paid up capital were in dematerialized form.
Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:
Nil

Plant Locations:

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

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

Address for Correspondence:

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

Compliance Certificate:

Certificate from Practicing Company Secretary Mr. Y. Koteswara Rao confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to the Boards' Report and forms part of this 24th Annual Report.

By Order of the Board

Place: Hyderabad
Date: 14.08.2015

T. Sandeep Kumar Reddy
Chairman

24th Annual Report 2014-2015

CERTIFICATE

Practicing Company Secretary Certificate on compliance of conditions of Corporate Governance as per clause 49 of the Listing Agreement with the Stock Exchange.

To

The Members

GAYATRI BIOORGANICS LIMITED

I have examined the compliance of conditions of Corporate Governance by Gayatri BioOrganics Limited ('the Company') for the year ended 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In my opinion and to the best of my information and according to the explanations given to me, and based on the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreements.

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

Place : Hyderabad
Date : 14.08.2015

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

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

As per the Revised Clause 49 of the Listing Agreement of the Stock Exchanges the Board shall lay down a code of conduct for all board members and senior management of the Company. The code of conduct shall be posted on the website of the Company and all the Board members and senior management personnel shall affirm compliance with the code on annual basis. The Annual report of the Company shall contain a declaration to this effect signed by Chairman of the Company.

I hereby declare that:

1. Code of Conduct adopted by the Company was circulated to the members of the Board and senior management of the Company.
2. All the members of the Board and senior management of the Company have confirmed the compliance with the Code of Conduct.

For **Gayatri BioOrganics Limited**

T. Sandeep Kumar Reddy
Chairman

Place : Hyderabad
Date : 14.08.2015

24th Annual Report 2014-2015

CEO/CFO CERTIFICATION

We, C.V. Rayudu, Whole Time Director and P.V. Narayana Rao, Chief Financial Officer, to the best of our knowledge and belief, certify that;

- a) We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2015 and to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We further certify that:
 - i) There have been no significant changes in internal control during this year.
 - ii) There have been no significant changes in accounting policies during this year.
 - iii) There have been no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system.

For Gayatri BioOrganics Limited

Place: Hyderabad
Date: 30.05.2015

C.V. Rayudu
WHOLE-TIME DIRECTOR

P.V. Narayana Rao
CHIEF FINANCIAL OFFICER

INDEPENDENT AUDITOR'S REPORT

To
The Members of
GAYATRI BIOORGANICS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. GAYATRI BIOORGANICS LIMITED (the company) which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis of qualified opinion

The Company's trade receivables include certain trade receivables amounting to Rs.2,25,75,901/- which are overdue and outstanding for a period more than three years. The management believes that the same are fully recoverable as it is in the process of collecting the amounts and no provisions are required. In the absence of adequate documentation, we are unable to comment on the timing and the ultimate amount of collection and its consequential impact on the profit for the year.

24th Annual Report 2014-2015

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the basis for qualified opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we invite reference to the following:

- In respect of Sundry Debtors and Sundry creditor balances, according to the explanations given to us, The Management is in the process of reconciliation and Confirmation of balances as at the end of the year. Pending confirmation of balances and reconciliation of the Sundry debtors and Sundry Creditors the consequent impact on the profit is not ascertainable.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of all pending litigations on its financial position in its financial statements - refer Note 2.25 & Note 2.34 to the financial statements;
 - ii. The Company did not have any material foreseeable losses relating to long-term contracts including derivative contracts.
 - iii. There were no amounts due for transfer to the Investor Education and Protection Fund by the Company.

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

Place: Hyderabad
Date: 30th May, 2015

ANIL KUMAR MEHTA
PARTNER
Membership No: 14284

STATEMENT REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) A major portion of the fixed assets have been physically verified during the year by the Management in accordance with a programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (ii) In respect of its inventories:
 - (a) According to the information and explanations given to us, the Management has physically verified the inventories during the year. In our opinion, having regard to the nature of business and location of stocks, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause (b) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any major weaknesses in such internal control system. However, in respect of sale of by-products and sale of maize (traded) during the year, internal controls need to be further strengthened. According to the information and explanations given to us, The Management has initiated steps to introduce the required additional controls relating to the same.
- (v) The Company has not accepted any deposits from the Public.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) on the basis of examination of records of the Company, *amounts deducted /accrued in the books of accounts in respect of undisputed statutory dues including for Provident Fund, , Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases.*
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales Tax, Income-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2015 for a period of more than six months from the date they became payable.

24th Annual Report 2014-2015

- (c) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax and Excise Duty, which have not been deposited with the appropriate tax authorities on account of any dispute. According to the information and explanations given to us, the following dues of Customs Duty have not been deposited by the Company on account of disputes.

Name of the Statute	Nature of Dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending
The Custom Act, 1962	Customs Duty	4,15,87,220*	Financial Year 1994-95	CESTAT - Bangalore

*Net of deposit. An amount of Rs 37,00,000 has been paid under protest.

- (d) As explained to us, the company did not have any dues on account of Investor Education and Protection Fund.
- (viii) The Company's accumulated losses at the end of the financial year is less than fifty percent of its network. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, *the company during the year has delayed repayment of dues to the bankers and financial institution. Installments amounting to Rs.1,70,00,000/- and interest amounting to Rs.1,27,00,000/- were due for payment as at 31st March 2015. (Refer Note 2.3 of the Financial Statements).* The company did not have any outstanding debentures during the year.
- (x) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions
- (xi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (xii) During the course of our examination of the books and other records of the Company carried out in accordance with the Generally Accepted auditing practices in India and according to the information and explanations given to us, no instance of fraud on or by the company was reported during the year, nor have we been informed of such case by the Management.

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

Place: Hyderabad
Date: 30th May, 2015

ANIL KUMAR MEHTA
PARTNER
Membership No: 14284

Gayatri BioOrganics Limited

BALANCE SHEET AS AT 31 MARCH 2015

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

PARTICULARS	Note	As At 31st March 2015	As At 31st March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2.1	817,813,400	817,813,400
(b) Reserves and surplus	2.2	(408,571,433)	(447,892,692)
		409,241,967	369,920,708
Non-current liabilities			
(a) Long-term borrowings	2.3	174,080,232	40,476,624
(b) Long-term provisions	2.4	20,331,023	15,909,806
		194,411,255	56,386,430
Current liabilities			
(a) Short-term borrowings	2.5	325,415,686	328,078,710
(b) Trade payables	2.6	336,692,998	842,846,200
(c) Other current liabilities	2.7	154,203,816	164,492,076
(d) Short-term provisions	2.8	1,193,679	1,477,599
		817,506,179	1,336,894,585
		1,421,159,402	1,763,201,724
ASSETS			
Non-current assets			
(a) Fixed assets			
Tangible assets	2.9	471,892,047	488,774,732
Capital work-in-progress		57,969,847	3,678,010
(b) Non-current investments	2.10	15,000	15,000
(c) Long-term loans and advances	2.11	16,276,033	16,255,798
		546,152,927	508,723,540
Current assets			
(a) Inventories	2.12	360,001,089	242,464,072
(b) Trade receivables	2.13	442,524,897	953,688,656
(c) Cash and bank balances	2.14	20,178,289	23,756,250
(d) Short-term loan and advances	2.15	50,614,337	33,469,205
(e) Other current assets	2.16	1,687,863	1,100,000
		875,006,475	1,254,478,184
		1,421,159,402	1,763,201,724

Significant accounting policies

1

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

As per our report of even date attached

for **M. Bhaskara Rao & Co**

for **Gayatri BioOrganics Limited**

Chartered Accountants

Anil Kumar Mehta

Partner

Membership No. : 14284

T. Sandeep Kumar Reddy

Chairman

C.V. Rayudu

Whole Time Director

Place : Hyderabad

Date: 30th May, 2015

P.V. Narayana Rao

CFO

24th Annual Report 2014-2015

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2015

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

PARTICULARS	Note	For the Year Ended 31st March 2015	For the Year Ended 31st March 2014
Revenue from operations			
Sale of products (gross)		2,657,269,873	2,223,960,490
Less: Excise duty		(100,257,926)	(86,479,419)
Sale of products (net)		2,557,011,947	2,137,481,071
Other operating revenues	2.17	8,564,127	10,118,825
		2,565,576,074	2,147,599,896
Other income	2.18	2,598,426	3,040,872
Total Revenue		2,568,174,500	2,150,640,768
Expenses			
Cost of materials consumed	2.19	1,233,639,042	903,233,613
Cost of traded goods		861,094,928	792,653,875
Change in inventory of finished goods and work-in-progress	2.20	(4,583,120)	36,869,522
Employee benefits expense	2.21	100,207,200	90,797,587
Finance costs	2.22	93,941,444	75,749,890
Depreciation	2.9	23,738,357	42,502,626
Other expenses	2.23	222,115,442	195,298,799
Total expenses		2,530,153,293	2,137,105,912
Profit before exceptional Items		38,021,207	13,534,856
Add : Exceptional Items		10,143,000	—
Profit/(Loss) for the year		48,164,207	13,534,856
Current tax		9,842,948	—
Profit / (los) for the year		39,321,258	13,534,856
Earning per equity share (Nominal value of Share INR 10 (Previous Year : INR : 10))			
Basic	2.28	0.34	(0.16)
Diluted		0.34	(0.16)

Significant accounting policies

1

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

As per our report of even date attached
for **M. Bhaskara Rao & Co**

Chartered Accountants

Anil Kumar Mehta
Partner
Membership No. : 14284

Place : Hyderabad
Date: 30th May, 2015

for **Gayatri BioOrganics Limited**

T. Sandeep Kumar Reddy
Chairman

C.V. Rayudu
Whole Time Director

P.V. Narayana Rao
CFO

Gayatri BioOrganics Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

(All amounts in Indian rupees, except share data)

PARTICULARS	As at 31st March 2015	As at 31st March 2014
A. Cash flow from operating activities		
Profit before tax	38,021,207	13,534,856
Adjustments for:		
Depreciation and amortisation	23,738,357	42,502,626
Exceptional Items	10,143,000	—
(Profit) / loss on sale / write off of assets	(48,315)	—
Finance costs	93,941,444	75,749,890
Interest income	(2,598,426)	(3,040,872)
	125,176,060	115,211,644
	163,197,267	128,746,500
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(117,537,016)	(121,216,089)
Trade receivables	511,163,759	(473,992,558)
Short term loans and advances	(17,145,132)	(15,944,152)
Long term loans and advances	(20,235)	(993,552)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(506,153,202)	592,413,258
Other current liabilities	(18,068,007)	31,013,600
Short term provisions	(9,126,868)	161,380
Long term provisions	4,421,217	1,636,531
	(152,465,484)	13,078,418
Cash generated from operations	10,731,783	141,824,918
Income Tax paid (Net)	—	—
Net cash generated in Operating Activities	10,731,783	141,824,918
B. Cash flow from investing activities		
Capital expenditure on fixed assets (including capital advances)	(61,147,507)	(6,342,962)
Proceeds from sale of fixed assets	48,315	—
Bank balances (Having original Maturity more than 3 months)	(11,953,860)	8,302,211
Interest received	2,010,563	2,440,872
	(71,042,489)	4,400,121
Net cash (Used)/ Generated in Investing Activities (B)		
C. Cash flow from financing activities		
Long term Borrowings - borrowed/ (repaid)/ (net)	129,142,942	(56,410,904)
Short term Borrowings - borrowed / (repaid) / (net)	(2,663,026)	—
Finance Cost	(81,701,031)	(78,711,144)
	44,778,885	(135,122,048)
Net cash generated/ (used) in Financing Activities (C)		
Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)	(15,531,821)	11,102,991
Cash and cash equivalents at the beginning of the year	21,776,251	10,673,260
Cash and cash equivalents at the end of the year	6,244,430	21,776,251

As per our report of even date attached

for **M. Bhaskara Rao & Co**

Chartered Accountants

Anil Kumar Mehta

Partner

Membership No. : 14284

Place : Hyderabad

Date: 30th May, 2015

for **Gayatri BioOrganics Limited**

T. Sandeep Kumar Reddy

Chairman

C.V. Rayudu

Whole Time Director

P.V. Narayana Rao

CFO

24th Annual Report 2014-2015

NOTES TO ACCOUNTS

Company overview

Gayatri BioOrganics Limited ("GBOL" or "the Company"), was incorporated under the name Starchem Industries Limited on 2nd December 1991 and later on the name was changed to Gayatri Starchem Limited on 24th October 1997. On 13th February 2008 the name was changed to Gayatri BioOrganics Limited and is listed on the Bombay Stock Exchange (BSE). The Company is into the manufacturing of Starch, Modified Starches, Liquid Glucose, Sorbitol, and its allied products, and trading in Maize in South India.

1. Significant accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Use of estimates

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

1.3 Current and non-current classification

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

Assets

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

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

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

Liabilities

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

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

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

Operating cycle

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

1.4 Inventories

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

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories

to their present location and condition.

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

Raw materials	First-in-first-out (FIFO)
Stores and spares	Weighted average method
Work-in-process and finished goods	FIFO and including an appropriate share of production overheads

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

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

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

1.5 Revenue recognition

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

Sale of goods

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

Interest

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

1.6 Fixed assets and depreciation

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

Depreciation on fixed assets is provided using the straight-line method as per the rates specified in Schedule II of the Companies Act, 2013. In the opinion of management, the rates specified in Schedule II reflect the useful lives of these assets. Depreciation is calculated on a pro-rata basis from/up to the date the assets are purchased/sold. Assets costing individually Rs. 5,000 or less are depreciated fully in the year of acquisition.

1.7 Foreign currency transactions

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

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

1.8 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current/non-current classification scheme of revised Schedule VI.

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments i.e., equity shares, preference shares, convertible debentures etc.

24th Annual Report 2014-2015

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

1.9 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plan

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

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

Compensated absences

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

1.10 Leases

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

1.11 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). In computing dilutive earnings per share, only potential equity shares that are dilutive and that either reduce earnings per share or increase loss per share are included.

1.12 Income tax

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

Current tax

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

Deferred tax

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

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

1.13 Impairment of assets

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

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

1.14 Cash flow statement

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

1.15 Borrowing costs

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

1.16 Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resource is remote, no provision or disclosure is made.

Onerous contracts

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

24th Annual Report 2014-2015

Notes to the financial statements for the year ended 31 March 2015 (Continued)

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

	As At 31st March 2015	As At 31st March 2014
2.1 SHARE CAPITAL		
Authorised		
51,000,000 (previous year: 51,000,000) equity shares of INR 10 each	510,000,000	510,000,000
3,900,000 (previous year : 3,900,000) 6% cumulative redeemable optionally convertible preference shares of INR 100 each	390,000,000	390,000,000
	900,000,000	900,000,000
Issued, subscribed and paid-up capital		
50,924,990 (previous year: 50,924,990) equity shares of INR 10 each.	509,249,900	509,249,900
3,085,635 (previous year: 3,085,635) 6% cumulative redeemable optionally convertible preference shares of Rs. 100 each.	308,563,500	308,563,500
	817,813,400	817,813,400

a. The reconciliation of the number of equity shares outstanding is set out below:

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number	Amount	Number	Amount
Equity Shares				
At the commencement of the year	50,924,990	509,249,900	50,924,990	509,249,900
Shares issued during the year	—	—	—	—
At the end of the year	50,924,990	509,249,900	50,924,990	509,249,900
6% cumulative redeemable optionally convertible preference shares				
At the commencement of the year	3,085,635	308,563,500	3,085,635	308,563,500
Shares issued during the year	—	—	—	—
At the end of the year	3,085,635	308,563,500	3,085,635	308,563,500

Rights preferences and restrictions attached to equity shares

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

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

The Company had issued 3,838,135, 6% cumulative redeemable convertible preference shares of INR 100 each to the promoters on 12 September 2007. Out of these shares, 752,500 shares were converted into equity shares of the company after the expiry of 36 months at par on 10th November, 2010. The remaining 3,085,635 shares shall carry the option of being converted at the option of the holder into ordinary equity shares of the Company after the expiry of a period of sixty months at a price to be determined in accordance with the then prevailing SEBI (DIP) guidelines or can be redeemed by the Company at par after the end of year 5, 6, 7 and 8 from the date of allotment. None of the preference shareholders exercised the option for conversion as at 31st March, 2015.

Gayatri Bio Organics Limited

Notes to the financial statements for the year ended 31 March 2015 (Continued)

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

Name of shareholder	As at 31 March 2015		As at 31 March 2014	
	No. of shares held	% of holding	No. of shares held	% of holding
Equity shares of INR 10 each fully paid-up held by :				
T. Sandeep Kumar Reddy	14,796,055	29.05	14,796,055	29.05
Fursa Mauritius	18,499,990	36.33	18,499,990	36.33
T. Indira Subbaramireddy Tikkavarapu	2,545,602	5.00	2,545,602	5.00

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

Name of shareholder	As at 31 March 2015		As at 31 March 2014	
	No. of shares held	% of holding	No. of shares held	% of holding
T. Sandeep Kumar Reddy	22,69,376	73.55	2,269,376	73.55
T. Sarita Reddy	391,944	12.70	391,944	12.70
T. Indira Subbaramireddy Tikkavarapu	424,315	13.75	424,315	13.75

	As at	As at
	31 March 2015	31 March 2014

2.2 Reserves and surplus

Central subsidy

At the commencement and at the end of the year

	1,000,000	1,000,000
	1,000,000	1,000,000

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

At the commencement of the year

(462,427,547)

Profit/(Loss) for the year

39,321,258

At the end of the year

(409,571,433)

(408,571,433)

(447,892,692)

2.3 Long term borrowings

	As at 31 March 2015		As at 31 March 2014	
	Non Current	Current	Non Current	Current
Term loans				
From bank (secured) *	—	—	3,203,925	25,002,000
From financial institution (secured) **	157,996,180	73,000,000	22,000,000	52,500,000
From Mr. T Sandeep Kumar Reddy, Director (unsecured) ***	15,594,724	—	15,272,699	—
Vehicle loan from bank (secured) #	489,328	120,528	—	79,194
	174,080,232	73,120,528	40,476,624	77,581,194

* The term loan from bank is taken from Punjab National Bank in the financial year 2010-11 which carries an interest rate of 13.50% per annum. It is repayable in 36 equal monthly installments of INR 2,778,000 commencing from January 2012. The loan is secured against the first charge on fixed assets of the Company situated at Balabadrapuram including land of 30.16 acres.

24th Annual Report 2014-2015

Notes to the financial statements for the year ended 31 March 2015 (Continued)

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

*** Details of term loans obtained from the financial institutions "Term loan - I is obtained from State Industrial and Investment Corporation of Maharashtra Limited and carry an interest rate of 14.00% per annum and are repayable in 1 quarterly installment of INR 7,500,000 and 15 quarterly installments of INR 9,500,000 commencing from January 2011. "The term loan - II from financial institutions is obtained from State Industrial and Investment Corporation of Maharashtra Limited and carry an interest rate of 18.00% per annum and is repayable in 1 quarterly installment of INR 4,000,000 and 16 quarterly installments of INR 6,000,000 commencing from December 2011. "The term loan - III from financial institutions is obtained from State Industrial and Investment Corporation of Maharashtra Limited and carries an interest rate of 18.00% per annum and is repayable in 16 quarterly installment of INR 10,000,000 and 1 quarterly installment of INR 40,000,000 commencing from June 2015. "As on the balance sheet date the company has delayed repayment of principal and interest in respect of SICOM Loans amounting to Rs. 170 lacs and Rs. 120 lacs respectively. "The loans are secured against first charge and hypothecation of entire fixed assets of the Company, both present and future, including land and building together with plant and machinery at Nandikandi unit and irrevocable personal guarantee of the promoter director."

*** Loans from Mr T Sandeep Kumar Reddy, Director of the Company (related party) includes an amount of Rs.10,762,154 (previous year INR 10,762,154) carrying no interest and INR 23,85,393(previous year INR 23,85,393) carries an interest rate of 15% per annum. The loans does not have a fixed repayment term and will be repaid subject to the Company having adequate cash profits.

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

	As at 31 March 2015	As at 31 March 2014
2.4 Long term provisions		
Provision for employee benefits		
- Gratuity (Refer note no. 2.33)	9,323,730	13,114,787
- Provision for MAT	8,842,948	—
- Compensated absences	2,164,345	2,795,019
	20,331,023	15,909,806
2.5 Short term borrowings		
Loans repayable on demand		
Cash credit from bank (secured) *	155,564,060	148,749,042
Key cash credit from bank (secured)**	18,301,119	—
From related parties (unsecured) ***	—	179,329,668
From Others (Unsecured)***	151,550,507	—
	325,415,686	328,078,710

* The cash credit and over draft facilities from bank carry an interest rate of 13.50% per annum computed on a monthly basis on the actual amount utilised and are repayable on demand. The loan is secured against hypothecation on entire stocks, book debts, loans and advance etc., at the Balabadrapuram and Nandikandi units along with personal guarantee of Mr. T Sandeep Kumar Reddy.

** The Key cash credit facilities from bank carry an interest rate of 14.50% per annum computed on a monthly basis on the actual amount utilised and are repayable at the convenience of the company before June 30, 2015. The loan is secured against the stocks in specific goddown marked under the control of National Bulk holding Corporation along with personal guarantee of Mr. T Sandeep Kumar Reddy.

Gayatri BioOrganics Limited

Notes to the financial statements for the year ended 31 March 2015 (Continued)

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

*** Loans from related parties carry an interest rate of 14.50% per annum and are repayable on demand. As the same cease to be related parties from May 2013 Classified as loan from others in current year.

2.6 Trade payables

	As at 31 March 2015	As at 31 March 2014
Due to micro and small suppliers (Refer note no.2.34)	3,654,713	3,654,713
Due to Trade creditors	—	576,988,875
Other creditors	333,038,285	262,202,612
	336,692,998	842,846,200

2.7 Other current liabilities

Current maturities of long-term debts (Refer note no. 2.3)		
Term loan from bank	—	25,002,000
Financial institutions	73,000,000	52,500,000
Vehicle loan from bank	120,528	79,194
Interest accrued and due on borrowings	14,303,585	2,063,172
Interest accrued but not due on borrowings		
Other payables		
Payables for purchase of fixed assets	4,195,994	4,596,739
Advances from customers	16,163,387	23,620,072
Employee benefit liabilities	7,939,234	6,961,122
Statutory liabilities	25,439,397	17,862,312
Provision for expenses	13,041,691	13,025,318
Others	-	18,782,147
	154,203,816	164,492,076

2.8 Short term provisions

Provision for employee benefits		
Gratuity (Refer note no. 2.33)	767,085	1,051,005
Provision for MAT	—	—
Compensated absences	426,594	426,594
	1,193,679	1,477,599

Notes to the financial statements for the year ended 31 March 2015 (Continued)
(All amounts in Indian rupees, except share data and where otherwise stated)

2.9 FIXED ASSETS

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 1 April 2014	Additions during the year	Deletions adjustments	As at 31 March 2015	As at 31 March 2014	Charge for the year	Deletions/ adjustments	As at 31 March 2015	At at 31 March 2014
Tangible asset									
Land	88,768,945	-	-	88,768,945	-	-	-	88,768,945	88,768,945
Buildings	240,221,683	-	-	240,221,683	89,044,644	8,677,714	-	142,499,326	151,177,039
Plant and machinery	639,657,654	5,965,316	-	645,622,970	395,980,706	12,034,771	-	237,607,493	243,676,948
Furniture and fixtures	2,752,591	-	-	2,752,591	2,689,969	52,795	-	9,827	62,621
Vehicles	8,152,904	677,274	-	8,830,178	4,965,612	1,506,512	-	2,358,053	3,187,292
Office equipments	3,341,219	32,000	48,315	3,324,904	2,174,569	808,052	48,315	390,598	1,214,964
Computers	3,860,565	181,080	-	4,041,645	3,125,327	658,513	-	257,805	735,238
Total	986,755,561	6,855,670	48,315	993,562,916	497,980,827	23,738,357	48,315	471,892,047	488,823,047
Previous year	980,840,012	5,915,549	-	986,755,561	455,478,203	42,502,626	-	488,774,732	525,361,809

Note: Depreciation for the year has been provided on the fixed assets of the Company, based on the useful lives specified in Schedule II of the Companies Act, 2013. This has resulted in a lower depreciation of Rs. 91,64,376/-

Gayatri BioOrganics Limited

Notes to the financial statements for the year ended 31 March 2015 (Continued)

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

	As at 31 March 2015	As at 31 March 2014
2.10 Non Current investments		
<i>(Valued at cost unless otherwise stated)</i>		
Trade investments: quoted		
Investment in equity instruments		
S.S.Organics Limited		
[3,000 (previous year: 3,000) equity shares of INR 10 each, fully paid-up]	30,000	30,000
East, West Travel and Trade Links		
[7,100 (previous year: 7,100) equity shares of INR 10 each, fully paid-up]	284,000	284,000
Trade investments: unquoted		
Investment in equity instruments		
Sri Lakshmi Engineering Limited		
[1,000 (previous year: 1,000) equity shares of INR 10 each, fully paid-up]	26,900	26,900
Less: Provision for permanent diminution	(325,900)	(325,900)
Total Investments, net	15,000	15,000
Quoted non-current investments		
Aggregate book value	314,000	314,000
Aggregate market value	44,675	24,000
Aggregate book value of un-quoted non-current investments	26,900	26,900
2.11 Long term loans and advances		
Capital advances		
(Un Secured and considered good)	1,779,781	820,179
	1,779,781	820,179
Advance for land		
(Unsecured)		
Considered good	150,000	152,423
Considered doubtful	1,861,256	1,861,256
Less: Provision for doubtful advances	(1,861,256)	(1,861,256)
	150,000	152,423
Security deposits		
(Unsecured)		
Considered good	14,323,594	14,323,594
Considered doubtful	510,000	510,000
Less: Provision for doubtful deposits	(510,000)	(510,000)
	14,323,594	14,323,594
	16,276,033	16,255,798

24th Annual Report 2014-2015

Notes to the financial statements for the year ended 31 March 2015 (Continued)

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

	As at 31 March 2015	As at 31 March 2014
2.12 Inventories		
<i>(Valued at lower of cost and net realisable value)</i>		
Raw materials	301,482,543	191,795,867
Stock of Traded Goods	26,754,000	26,754,000
Work-in-progress	4,957,997	7,316,416
Finished goods	16,815,729	9,149,947
Stores and spares	9,990,820	7,447,841
	360,001,089	242,464,071
2.13 Trade receivables		
Receivables outstanding for a period exceeding six months from the date they became due for payment		
Unsecured, considered good	89,201,371	119,804,951
Unsecured, considered doubtful	8,915,621	8,915,621
Less: Provision for doubtful receivables	(8,915,621)	(8,915,621)
(A)	89,201,371	119,804,951
Other receivables		
Unsecured, considered good	353,323,526	833,883,705
(B)	353,323,526	833,883,705
(A) + (B)	442,524,897	953,688,656
2.14 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	92,168,506	938,779
Balance with banks		
On current accounts	4,075,924	20,837,472
Other bank balances		
- Margin money towards letter of credit (due to mature within 12 months of the reporting date)	13,933,859	1,979,999
	20,178,289	23,756,250
2.15 Short-term loans and advances		
<i>(Unsecured, considered good)</i>		
Advance to suppliers	37,687,858	19,657,014
Tax deducted at source	1,247,100	1,052,097
Cenvat receivable	6,310,841	6,996,469
Mat Credit Receivables	1,241,470	—
Prepaid expenses	2,959,440	4,350,642
Staff advance	1,167,628	1,412,983
<i>(Unsecured, considered doubtful)</i>		
Advance to suppliers	1,922,053	1,922,053
Less: Provision for advance to suppliers	(1,922,053)	(1,922,053)
	50,614,337	33,469,205

Gayatri BioOrganics Limited

Notes to the financial statements for the year ended 31 March 2015 (Continued)

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

	As at 31 March 2015	As at 31 March 2014
2.16 Other current assets		
(Unsecured, considered good)		
Interest accrued	1,687,863	1,100,000
	<u>1,687,863</u>	<u>1,100,000</u>
	For the year ended 31 March 2015	For the year ended 31 March 2014
2.17 Other operating revenues		
Sale of scrap and husk ash	7,915,012	5,346,990
Liabilities no longer required written back	—	—
Foreign exchange gain, net	—	3,884,380
Miscellaneous income	649,115	887,455
	<u>8,564,127</u>	<u>10,118,825</u>
2.18 Other income		
Interest income - others	2,598,426	3,040,872
	<u>2,598,426</u>	<u>3,040,872</u>
2.19 Cost of materials consumed		
Raw materials and packing materials consumed:		
Inventory of material at the beginning of the year	218,549,868	57,837,528
Purchases	1,343,325,717	1,063,945,952
Inventory of material at the end of the year	(328,236,543)	(218,549,867)
	<u>1,233,639,042</u>	<u>903,233,613</u>
2.20 Change in inventory of finished goods and work in process		
Opening stock		
Finished goods	9,149,947	49,941,867
Work-in-progress	7,316,416	5,068,435
Less: Closing stock		
Finished goods	16,815,729	9,149,947
Work-in-process	4,957,997	7,316,416
Increase/ (decrease) in stock	<u>(5,307,363)</u>	<u>38,543,939</u>
Increase/ (decrease) in excise duty due to closing inventory	724,243	(1,674,417)
	<u>(4,583,120)</u>	<u>36,869,522</u>
2.21 Employee benefits expense		
Salaries, wages and bonus	86,573,616	78,805,276
Contribution to provident fund and other funds	6,312,849	6,049,878
Staff welfare expenses	5,323,935	4,005,633
Directors' remuneration	1,996,800	1,936,800
	<u>100,207,200</u>	<u>90,797,587</u>

24th Annual Report 2014-2015

Notes to the financial statements for the year ended 31 March 2015 (Continued)

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

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.22 Finance costs		
Interest expense		
- on term loan from SICOM	36,464,767	24,924,299
- on term loan from banks	2,253,438	6,882,017
- on cash credits	20,749,512	21,092,140
- on others	27,266,406	12,218,325
Bank charges	7,207,321	10,633,109
	93,941,444	75,749,890
2.23 Other expenses		
Consumption of stores and spares	25,991,181	18,902,738
Power and fuel	118,067,832	113,146,808
Job work charges	—	1,176,000
Rent (refer note 2.32)	3,237,641	2,915,309
Repairs		
Buildings	809,938	1,287,592
Plant and machinery	6,422,572	4,640,694
Others	3,188,193	2,210,152
Rates and taxes	1,451,267	325,446
Insurance	2,622,575	2,316,433
Vehicle hire and maintenance	2,367,439	1,892,463
Travelling expenses	1,074,536	612,229
Contract labour charges	17,577,536	10,905,816
Legal and professional fees	5,366,087	3,009,676
Cash discount	6,573,710	7,903,525
Freight outward	7,570,990	10,529,145
Listing fee	—	205,057
Donations	131,616	601,316
Directors sitting fee	306,777	377,531
Printing and stationery	629,707	590,269
Telephone and other communication expenses	772,261	765,865
Water expenses	7,612,630	2,751,948
Security expenses	3,744,297	1,945,372
Miscellaneous expenses	6,596,657	6,287,415
	222,115,442	195,298,799

Gayatri BioOrganics Limited

Notes to the financial statements for the year ended 31 March 2015 (Continued)

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

2.24. In November 2000, the Company was declared to be a sick industrial company under the Sick Industrial Companies (Special Provisions) Act, (SICA) 1985. Industrial Development Bank of India, which was appointed as the operating agency has sanctioned the Rehabilitation Scheme on 29 May 2008. The scheme among other things envisages the reliefs and the concessions to be provided to the Company by various authorities, sources of finance and the application funds. On 28 June 2010 the Board of Industrial and Financial Reconstruction (BIFR) passed orders relieving the Company from the purview of SICA considering the net worth of the Company. Accordingly the Company ceased to be a Sick Industrial Company.

2.25. Capital commitments and contingent liabilities

	As at 31 March 2015	As at 31 March 2014
i. Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for	1,40,00,000	—
ii. Contingent liabilities		
a. Customs and sales tax *	41,587,220	83,174,440
b. Claim against the Company not acknowledged as debts	23,708,122	23,708,122

* Amount paid under protest INR 3,700,000

2.26. Arrears of dividend on cumulative preference shares including tax on dividends not provided for Rs. 176,739,491/- (previous Year Rs. 155,079,259/-).

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

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Audit fees	4,50,000	5,50,000
Other services	3,00,000	3,00,000
Out of pocket expenses		
Net	7,50,000	8,50,000

2.28. Income tax expense

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

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

Particulars	As at 31 March 2015	As at 31 March 2014
Deferred tax liability		
Excess of depreciation provided in accounts over depreciation allowable under income tax law	(4,98,94,193)	(47,001,915)
Deferred tax asset		
Business loss under income tax law	4,98,94,193	47,001,915
Net	—	—

24th Annual Report 2014-2015

Notes to the financial statements for the year ended 31 March 2015 (Continued)

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

2.29. Earnings per share (EPS)

Basic and diluted number of shares and Earnings per share is set out below:

	For the year ended 31 March 2015	For the year ended 31 March 2014
Net profit for the year	3,93,21,258	13,534,856
Less : Preference dividends including tax on dividends	2,17,54,624	21,660,232
Net profit for calculation of basic earnings per share	1,75,66,634	(8,125,376)
Number of equity shares outstanding at the beginning of the year	50,924,990	50,924,990
Add: Equity shares issued during the year	—	—
Total number of equity shares outstanding at the end of the year	50,924,990	50,924,990
Weighted average number of equity shares outstanding during the year - (Basic and Diluted)	50,924,990	50,924,990
Earnings per share of par value Rs.10 – Basic	0.34	(0.16)
Earnings per share of par value Rs.10 – Diluted	0.34	(0.16)

The conversion of outstanding Cumulative Redeemable Optionally Convertible Preference Shares into equity, if made would have the effect of increasing/ (reducing) the earning/ (loss) per share and would therefore be anti-dilutive. Hence the preference shares are anti-dilutive and are ignored in the calculation of diluted earnings per share.

2.30. Related party transactions

A) Related parties

Key Management Personnel (KMP) represented on the Board of Directors

- T Sandeep Kumar Reddy, promoter director
- C V Rayudu, Whole time director
- T Sarita Reddy, Director

Enterprises where key management personnel have control or significant influence

- Deep Corporation Private Limited

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

Nature of transaction	For the year ended 31 March 2015	For the year ended 31 March 2014
Finance cost		
T Sandeep Kumar Reddy	357,809	3,57,809
	357,809	3,57,809
Rent paid		
Deep Corporation Private Limited	30,98,105	27,05,197
	30,98,105	27,05,197
Sitting Fees		
T Sandeep Kumar Reddy	48,000	48,000
T Sarita Reddy	72,000	60,000
	1,20,000	1,08,000
Managerial remuneration		
C V Rayudu	19,96,800	1,936,800
	19,96,800	1,936,800

C) Balances payable to related parties are as follows:

Nature of balance	As at 31 March 2015	As at 31 March 2014
Unsecured loans		
T Sandeep Kumar Reddy	1,55,94,723	15,272,697
	1,55,94,723	15,272,697

2.31. Segment reporting

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

Gayatri BioOrganics Limited

Notes to the financial statements for the year ended 31 March 2015 (Continued)

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

2.32. Leases

The Company has taken office facilities on lease under cancellable and non-cancellable operating lease arrangements. The total rental expenses under cancellable operating lease was INR 30,98,105/- (previous year INR 29,15,309) has been included under "Rent" in the Statement of Profit and Loss. An amount of Rs. Nil (previous year INR 1,341,600) was remitted as non cancellable lease deposit.

The total future minimum lease payments (MLP) under non-cancellable operating leases are as follows:

Particulars	As at 31 March 2015	As at 31 March 2014
Due within one year	2,683,200	2,683,200
Due later than one year and not later than five years	8,720,400	8,720,400
Later than 5 years	—	—
Total	11,403,600	11,403,600

2.33. Employee benefits

Defined contribution plan

The company makes contributions, determined as a specified percentage of employee's salaries, in respect of qualifying employees towards provident fund and employee state insurance, which are defined contribution plans. The company has no obligations other than the above to make specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident fund and employee state insurance aggregated to Rs 63,12,849/- (Previous Year Rs. 60,49,878/-).

Defined benefit plans

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

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

Changes in the present value of defined benefit obligation

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Obligation at beginning of the year	1,41,65,792	12,914,254
Current service cost	7,41,351	694,841
Interest cost	11,33,263	1,033,140
Past service cost	—	—
Actuarial (gain)/ loss	(4,550,938)	(476,443)
Benefits paid	(13,98,653)	—
Obligation as at the end of the year	1,00,90,815	14,165,792
Current Portion	7,67,085	13,114,787
Non- Current Portion	93,23,730	1,051,005
Expense recognised in the Statement of Profit and Loss		
Current service cost	7,41,351	694,841
Interest cost	11,33,263	1,033,140
Expected return on plan assets	—	—
Past service cost	—	—
Net actuarial loss/(gain) recognised in the year	(45,50,938)	(476,443)
Amount in "Employee benefits expense"	(26,76,324)	1,251,538

24th Annual Report 2014-2015

Notes to the financial statements for the year ended 31 March 2015 (Continued)

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

Amount recognised in balance sheet

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Present value of funded obligations	1,00,90,815	14,165,792	12,914,254	10,531,787	8,649,287
Fair value of plan assets	—	—	—	—	—
Net liability	1,00,90,815	14,165,792	12,914,254	10,531,787	8,649,287

Summary of actuarial assumptions

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Discount Rate (p.a.)	8.00%	8.00%
Salary escalation rate (p.a.)	10.00%	10.00%

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

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

The Company does not have any plan assets.

2.34. Amounts payable to Micro, Small and Medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the financial statements based on information received and available with the Company. Further, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the aforesaid act is not expected to be material. The Company had received a claim for Rs. 7,987,616 from a small and micro enterprise towards overdue interest. During the earlier years the Company has received a stay order from the High Court of Andhra Pradesh. Hence, no provision towards the interest is made during the current year.

	For the year ended 31 March 2015	For the year ended 31 March 2014
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	3,654,713	3,654,713
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the year	617,169	617,169
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil

Gayatri BioOrganics Limited

Notes to the financial statements for the year ended 31 March 2015 (Continued)

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

2.35 Particulars of sales and Closing Stock

(A) For the year ended 31 March 2015

Particulars	Sales for the year ended 31 March 2015	Closing stock as on 31 March 2015	Closing stock as on 31 March 2014
Starch	1,08,54,15,835	1,08,74,740	5,852,834
Sorbitol	32,40,78,282	19,73,604	1,314,983
By-products	32,59,09,367	39,67,385	1,982,130
Trading	92,18,66,389	2,67,54,000	26,754,000
Total	2,65,72,69,873	4,35,69,729	35,903,947

(B) For the year ended 31 March 2014

Particulars	Sales for the year ended 31 March 2014	Closing stock as on 31 March 2014	Closing stock as on 31 March 2013
Starch	882,615,344	5,852,834	46,145,640
Sorbitol	320,892,412	1,314,983	1,988,972
By-products	227,839,903	1,982,130	1,807,255
Trading	792,612,830	26,754,000	
Total	2,223,960,490	35,903,947	49,941,867

2.36. Work in progress

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Starch	3,44,478	1,748,334
Sorbitol	41,60,334	5,293,662
By-products	4,53,184	274,420
Total	49,57,996	7,316,416

2.37. Consumption of Raw materials

Particulars	For the year ended 31 March 2015	%	For the year ended 31 March 2014	%
<i>Indigenous</i>				
- Maize	1,93,51,69,828	92.38	1,496,124,440	88.22
- Chemicals	3,54,64,834	1.70	35,967,934	2.12
- Others	12,40,99,308	5.92	163,795,114	9.66
Total	2,09,47,33,970	100.00	1,695,887,488	100.00

2.38. Consumption of stores and spares

Particulars	For the year ended 31 March 2014	%	For the year ended 31 March 2013	%
Imported	—	—	—	—
Indigenous	2,59,91,181	100.00	18,902,738	100.00
Total	2,59,91,181	100.00	18,902,738	100.00

24th Annual Report 2014-2015

Notes to the financial statements for the year ended 31 March 2015 (Continued)

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

2.39. CIF value of imports

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

2.40. Expenditure in foreign currency

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

2.41. Earnings in foreign currency

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Exports on FOB basis	—	44,267,160
Total	—	44,267,160

2.42. Unhedged foreign currency exposure

NIL

2.43. Previous year figures have been regrouped/ reclassified wherever necessary, to conform to the current classification.

As per our report of even date attached
for **M. Bhaskara Rao & Co**

Chartered Accountants

Anil Kumar Mehta

Partner

Membership No. : 14284

Place : Hyderabad

Date: 30th May, 2015

for **Gayatri BioOrganics Limited**

T. Sandeep Kumar Reddy

Chairman

C.V. Rayudu

Whole Time Director

P.V. Narayana Rao

CFO

Gayatri BioOrganics Limited

GAYATRI BIOORGANICS LIMITED

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

CIN: L24110TG1991PLC013512

PROXY FORM

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

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

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

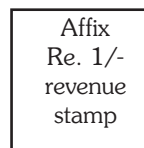
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual general meeting of the company, to be held on Saturday the 26th day of September, 2015 at 10.00 A.M. at "SURANA UDYOG Auditorium", The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad – 500 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions
1.	Consider and adopt audited financial statements for the FY 2014-15, reports of Board of Directors and Auditors.
2.	Re-appointment of Smt. T. Sarita Reddy as the Director who retires by rotation
3.	Ratification of the Appointment of Statutory Auditors of the Company and fix their remuneration.
4.	Ratification of remuneration of the Cost Auditors of the Company for the year FY : 2015-16

Signed this..... day of..... 2015.

Signature of shareholder:

Signature of Proxy holder(s):



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

24th Annual Report 2014-2015

GAYATRI BIOORGANICS LIMITED

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

CIN: L24110TG1991PLC013512

ATTENDANCE SLIP

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

Regd Folio No:

No. of Shares held

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

IN CASE OF PROXY

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

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

I hereby record my presence at the 24th Annual General Meeting of the Company to be held **on Saturday, the 26th September, 2015 at 10.00 A.M. at the "SURANA UDYOG Auditorium", The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Federation House, 11-6-841, Hyderabad – 500 004.**

Member's / Proxy's Signature

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

If undelivered, please return to:
Gayatri BioOrganics Limited
(Formerly Gayatri Starchkem Limited)
6-3-1090, B - Block,
3rd Floor, TSR Towers,
Rajbhavan Road, Somajiguda,
Hyderabad – 500 082.
Ph : 66100111, Fax : 66100333
E-mail: info@gayatribioorganics.com