



Gayatri BioOrganics Limited

Regd. Office : 6-3-1090, B-3, 'B' Block, Third Floor, TSR Towers,
Rajbhavan Road, Somajiguda, Hyderabad-500 082.
☎ : 040-66100111, 66100222, Fax : 040-66100333

NOTICE OF POSTAL BALLOT

(PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956)

To the Members of the Company,

Pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, NOTICE is hereby given that the Company is seeking Consent of its Members by passing necessary resolutions through Postal Ballot in respect of the following Special Business:

- 1) Approval for borrowing powers of the Board u/s 180 (1) (c) of the Companies Act, 2013
- 2) Approval to create charge/ mortgage on the Assets of the Company u/s 180 (1) (a) of the Companies Act, 2013

The increasing business operations and future growth plans of the Company would necessitate restructuring of the borrowing Limits by authorizing the Board of Directors to Borrow money which may exceed at any time aggregate of Paid up Capital of the Company and its Free Reserves but not exceed Rs.100 Crores, including the moneys already Borrowed. The Board of Directors of your Company seek to pass the said resolutions through postal ballot process specified in Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2011.

The proposed Resolutions under Special Business, along with Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and a Postal Ballot Form is enclosed for your consideration. The Board of Directors at its meeting held on 14th February, 2014 appointed Mr. Karra S.V.S.Sastry, Practicing Company Secretary, as Scrutinizer for conducting the entire postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions given under Notes of this Notice and printed overleaf of the Postal Ballot Form and return the Form duly completed in the attached self addressed, prepaid postage envelope, so as to reach the Scrutinizer on or before the close of working hours on 31st March, 2014. The Ballot Forms received after this date will be considered invalid.

After completion of scrutiny, the Scrutinizer will submit his Report, addressed to the Chairman of the Company. The results of the voting conducted through Postal Ballot will be announced by the Chairman at the Registered Office of the Company on Wednesday, 2nd April, 2014. It will also be displayed on the Company's notice board and website and published in the newspapers. The date of declaration of results of the postal ballot shall be taken to be date of passing of the above said resolutions.

SPECIAL BUSINESS:

Item No.1: Borrowing Powers in excess of paid-up capital and free reserves:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 180 (1) (c) and any other applicable provisions of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorized to borrow any sum or sums of monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed shall not at any time exceed Rs.100 Crores (Rupees One Hundred Crores Only).”

“FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to take decisions for the requirement of the funds and to make borrowings of the required amount within the above ceiling from any bank and financial institution and to negotiate, settle and finalize all terms and conditions for the borrowings and to offer and provide security and to create/extend charges on the assets of the company as the Board of Directors may consider appropriate in the interest of the Company.”

“FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to take such steps as may be necessary and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the company and to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

Item No.2: Creating mortgage/charge on the assets of the Company:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT in pursuance of the provisions of Section 180 (1) (a) and all other applicable provisions, if any, of the Companies Act, 2013, Consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted /to be constituted to exercise its powers) to create mortgagees) and/or charge(s) and/or hypothecation(s) in addition to the mortgage(s)/charge(s)/hypothecation(s) created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on ,all or any of the movable and/or immovable properties and assets of all kinds of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company in favour of the Financial Institution(s)/ Banks/ Lender(s)/Agent(s) and Trust(s)/Trustee(s) for securing the borrowings availed/to be availed by the Company, by way of loan(s) (in foreign currency and/or rupee currency) and securities (comprising fully/ partly Convertible Bonds/Debentures/Warrants and/or Non Convertible Debentures or other debt instruments) issued/ to be issued by the Company from time to time, subject to the limits approved under Section 180 (1) (c) of the Companies Act, 2013, together with interest, premium (if any) on redemption, all other costs, charges and expenses and all other monies payable by the Company in terms of the Loan Agreement(s)/Heads of Agreement(s), Debenture Trust Deed(s)or any other document, entered into/to be entered into between the Company and the Lender(s)/Agent(s) and Trust(s)/Trustee(s), in respect of the said loans/borrowings/bonds/ debentures/warrants and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or committee thereof and the Lender(s)/Agent(s) and Trust(s)/Trustee(s).”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things and to execute such deeds, documents or writings as are necessary or expedient, on behalf of the Company for creating the aforesaid mortgage(s)/charge(s)/hypothecation(s) as it may in its absolute discretion deem necessary or expedient for such purpose and for giving effect to the above Resolution.”

By Order of the Board
For Gayatri BioOrganics Limited

T. Sandeep Kumar Reddy
Chairman

Date : 14.02.2014
Place : Hyderabad

NOTES:

1. An Explanatory Statement pursuant to section 102 of the Companies Act 2013, read with section 192A of the Companies Act, 1956 in respect of business under Items Nos.1 and 2 is annexed hereto.
2. The Company has appointed Mr. Karra.S.V.S.Sastry, Practicing Company Secretary as Scrutinizer for the purpose of the Postal Ballot exercise.
3. The notice will be sent to all the Members, whose names appear in the Register of Members as on 14-02-2014.
4. A Member desiring to exercise vote by Postal Ballot may complete the enclosed Postal Ballot Form and send it to the Scrutinizer in the enclosed self addressed postage pre-paid envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent by courier or by Registered Post at the expense of the Members will also be accepted. The envelope containing the Postal Ballot should reach the Scrutinizer not later than the close of working hours on 31st March,2014
5. The result of the Postal Ballot should be announced by the Chairman, or in his absence by any other person authorized by the Chairman, on Wednesday, 2nd April, 2014, at the Registered Office of the Company at B3, 3rd Floor, 6-3-1090, TSR Towers, Raj Bhavan Road, Somajiguda, Hyderabad-500082, AP and the resolutions will be taken as passed effectively on the date of the announcement of the result by the Chairman or such other authorized person in his behalf, if the result of the Postal Ballot indicates that the requisite majority of the shareholders had assented to the Resolution.
6. Subsequently Result of the Postal Ballot will be published in at least one English and one Vernacular language newspaper circulating in Hyderabad and also be displayed on the Company's notice board and website.
7. Shareholders are requested to carefully read the instructions printed overleaf of the Postal Ballot Form before exercising their vote.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 1 & 2

In view of the Company's diversification plans and to avail more opportunities in areas in which your Company is proposed to engage, it is necessary to increase the limits of borrowing powers in excess of paid-up capital and free reserves of the Company.

According to the provisions of Section 180 (1) (c) of the Companies Act, 2013 it is necessary to obtain prior approval of the shareholders by passing a special resolution authorizing the Board to borrow in excess of the paid-up capital and free reserves. The Board of Directors, accordingly, recommends the Special Resolution as set out in the Notice for approval of the shareholders.

In order to meet the requirements of funds for the diversification plans, and general corporate purposes, the Company may borrow monies by way of terms loan/working capital limits including issue of securities comprising of Bonds/ Debentures/ Warrants from Financial Institutions/ Lenders/ Bankers/ Trustees/ Agents and Others. The aforesaid borrowings are required to be secured by way of first and second charge/ mortgage/ hypothecation of the movable and immovable properties of the Company, both present and future in favour of Lenders, Agents, and Trustees etc.

The borrowings of the Company are, in general required to be secured by suitable mortgage/Charge on all or any of the movable and / or Immovable Properties of the Company in such form, manner, and as may be determined by the Board of Directors of the Company from time to time, in consultation with lender(s)

Since creating the aforesaid security, in certain cases is regarded as disposal of whole or substantially the whole of the undertaking(s) of the Company, with in the meaning of Section 180 (1) (a) of the Companies Act, 2013, it is necessary to obtain prior approval of the shareholders by passing a Special Resolution pursuant to the said Section through postal ballot process as specified in Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011. Accordingly, the resolution under Section 180 (1) (a), is being proposed to seek the shareholders approval by way of postal ballot. The Board of Directors, accordingly, recommends the Special Resolution as set out in the Notice for approval of the shareholders.

Neither the Directors or key managerial personnel of the Company nor their relatives is/are, in any way, concerned or interested financially or otherwise in the proposed Special Resolutions set out in Item No.1 & 2.

By Order of the Board
For Gayatri BioOrganics Limited

T. Sandeep Kumar Reddy
Chairman

Date : 14.02.2014
Place : Hyderabad