

Ref/GBLSEC/BM/3-2016-2017

Date: 13<sup>th</sup> August, 2016

The Secretary,  
Department of Corporate Affairs,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
25<sup>th</sup> Floor, Dalai Street,  
Mumbai —400 001.

Dear Sir,

*Sub: - Outcome of the Board Meeting held on 13<sup>th</sup> August, 2016*

*Ref: - Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*

With reference to the above cited subject, we hereby inform that the Board of Directors of the Company in their just concluded meeting, have, inter-alia considered the following matters:

- a) Approved the Un-audited Financial Results for the First quarter ended 30<sup>th</sup> June, 2016.
- b) Approved the sale/lease/transfer/assign or otherwise dispose of Unit-I of the Company situated at NH-9, Nandikandi Village, Sadasivapet Mandal, Medak District, Telangana – 502306.
- c) Approved the notice of the Postal Ballot for obtaining the approval of the members for the item of Special Business stated therein.
- d) Appointed Mr. Harinath Punna, Practicing Company Secretary as the Scrutinizer for conducting the remote e-Voting and Postal Ballot.
- e) Fixed 19<sup>th</sup> August, 2016 as the Cut-off date to record the entitlement of the Members to cast their vote physically or electronically for the business to be transacted through Postal Ballot under the Companies Act, 2013 and rules made thereunder.
- f) The 25<sup>th</sup> Annual General Meeting of the Company is scheduled to be held on Wednesday, 28<sup>th</sup> September, 2016.
- g) Approved draft Notice of the 25<sup>th</sup> Annual General Meeting of the Company.

In this connection, please find the enclosed following documents:

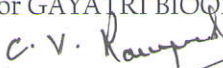
- a) Statement of Un-audited Financial Results for the First quarter ended 30<sup>th</sup> June, 2016.
- b) Limited Review Report.

This is for your information and records.

Thanking You,

Yours faithfully

For GAYATRI BIOORGANICS LIMITED

  
C.V. Rayudu  
Whole Time Director



Regd. & Corp. Office :

**Gayatri Bio Organics Limited**, B3, 3rd Floor, 6-3-1090, TSR Towers,  
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**GAYATRI BIOORGANICS LIMITED**

Registered office: B3, Third floor, 6-3-1090, TSR Towers, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082

**GAYATRI****Part I : Statement of Unaudited Financial Results for the Quarter Ended June 30, 2016**

All amounts in Indian Rupees lakhs except share data

	Particulars	3 Months ended			Year Ended
		30-Jun-16	31-Mar-16	30-Jun-15	31-Mar-16
		(Un Audited)	(Audited)	(Un Audited)	(Audited)
[1]	<b>Income from operations</b>				
a	Sales / income from operations (net of excise duty)	1,435.51	2,377.75	7,013.48	14,283.79
	Less: Excise Duty	(93.11)	(130.44)	(171.39)	(519.48)
	Net sales / income from operations (net of excise duty)	1,342.40	2,247.31	6,842.10	13,764.31
b	Other operating income	4.26	8.26	16.85	51.08
	<b>Total income from operations (net)</b>	<b>1,346.66</b>	<b>2,255.57</b>	<b>6,858.95</b>	<b>13,815.39</b>
[2]	<b>Expenses</b>				
a	Cost of materials consumed	818.38	3,191.08	2,583.88	9,234.07
b	Cost of Traded goods	-	-	3,275.99	4,560.44
c	Changes in inventories of finished goods and work-in-progress	40.33	(4.33)	95.23	(171.59)
d	Employee benefits expense	234.27	333.51	244.72	989.02
e	Depreciation expenses	53.35	53.54	52.59	213.39
f	Other expenses	661.90	514.55	370.98	1,684.90
	<b>Total expenses</b>	<b>1,808.23</b>	<b>4,088.36</b>	<b>6,623.39</b>	<b>16,510.23</b>
[3]	Profit/ (Loss) from operations before other income, finance costs and exceptional items (1-2)	(461.57)	(1,832.79)	235.56	(2,694.84)
[4]	Other income	6.99	3.56	80.41	96.14
[5]	Profit/ (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(454.58)	(1,829.23)	315.97	(2,598.70)
[6]	Finance costs	375.00	492.84	238.09	1,274.03
[7]	Profit/ (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(829.58)	(2,322.07)	77.88	(3,872.73)
[8]	Exceptional items (Refer Note 5)	1,385.11	-	-	-
[9]	Profit/ (Loss) for the period before tax (7+8)	(2,214.69)	(2,322.07)	77.88	(3,872.73)
[10]	Tax expense				
	- Current	-	-	14.30	-
[11]	Net Profit/ (Loss) from ordinary activities after tax (9+10)	(2,214.69)	(2,322.07)	63.58	(3,872.73)
[12]	Extraordinary items (net of tax expense)	-	-	-	-
[13]	Net Profit/(Loss) for the period (11+12)	(2,214.69)	(2,322.07)	63.58	(3,872.73)
[14]	Paid-up equity share capital (face value of INR 10/- per share)	6,178.13	6,178.13	5,092.50	6,178.13
[15]	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	(7,968.44)	(4,095.71)	(4,095.71)	(7,958.44)
[16]	Earnings per share before extraordinary items (of INR 10/- each) (not annualised)				
	Basic and diluted EPS	(1.40)	(4.12)	0.02	(7.01)
	Earnings per share after extraordinary items (of INR 10/- each) (not annualised)				
	Basic and diluted EPS	(3.64)	(4.12)	0.02	(7.01)

**NOTES**

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on August 13, 2016.
- The entire operations of the company relate to only one segment namely "Maize Processing and its sales".

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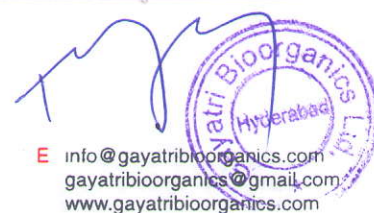
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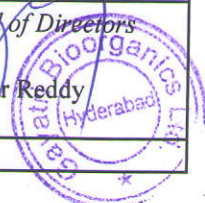
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	<p>The Company had issued 3,838,135 6% Cumulative Redeemable Optionally Convertible Preference Shares of Rs. 100 each to the Promoters on 12 September 2007. Out of these, 752,500 Preference shares of Rs.100 each were converted into 7,525,000 Equity Shares of Rs.10 each in 2010. Further 10,85,635 preference shares of Rs. 100/- each have been converted into 10856350 equity shares of Rs. 10 each based on the option for conversion exercised by Preference Shareholders in accordance with the prevailing SEBI (ICDR) Regulations,2009 and hence the Company held Extra Ordinary General Meeting (EGM) of Members on July 24, 2015 to consider the conversion of said Preference shares to Equity shares. The members in the said EGM approved the conversion of 10,85,635 preference share of Rs. 100 each into 10856350 equity shares of Rs. 10 each. The Balance 20,00,000 Preference Shares of Rs.100 each 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 (ICDR) Regulations,2009 or can be redeemed by the Company at par at the end of year 5, 6, 7 and 8 from the date of allotment and the Preference shareholder has not exercised the option for conversion as at June 30, 2016.</p>
4	<p>As at June 30, 2016 the accumulated losses amounted to Rs. 1,01,74,61,641 which has completely eroded the networth of the Company. The Company based on the losses as at March 31, 2016, wherein erosion of more than fifty percent of peak networth of the company during the four financial years immediately preceding the financial year 2015-16 was reported, made an intimation to BIFR of the said matter on July 25, 2016.</p> <p>The financial statements have been prepared on a going concern basis based on a Comfort letter received from promoters of the Company for a continued support to the company with all necessary assistances including financial and operations to continue with the operations of the company. Promoters are hopeful that company would be able to generate sufficient profits in the foreseeable future to make it economically viable, keeping in view the plans for introducing new products and disposal of one of the manufacturing unit located at Biccavolu in Andhra Pradesh.</p>
5	<p><b>Exceptional Items</b></p> <p>The company based on the internal assessment of the stocks held in Unit-2 have written off 10037.06 MTs of Maize stock valued at Rs.13,85,11,428, which suffered heavy damages.</p>
6	<p><b>Matter of Qualification in the Auditor's Report</b></p> <p>Statutory Auditors of the Company have included a qualification with respect to non-provisioning of Debtors overdue and outstanding for more than one year aggregating to Rs.7,79,78,564/- in the Auditors report for the year ended 31 March 2016.</p> <p><b>Management Response to Qualification in the Auditor's Report</b></p> <p>The Management considering that some the balances are pending for more than 3 years, have written off Rs. 22997579/- during the quarter and the management will still continue to pursue for the recovery and in respect of other overdue receivables but it believes that the same are fully recoverable as it is in the process of collecting the amounts and also taking steps to recover the balance.</p>
7	<p>The figures of earlier periods have been re-grouped, to be in conformity with current period's classification.</p>
Place Date	<p>Hyderabad August 13, 2016</p> <p style="text-align: right;"><i>By order of the Board of Directors</i> T.Sandeep Kumar Reddy Chairman</p> 

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**CIN NO : L24110TG1991PLC013512**



**Limited Review Report**

**To**  
**The Board of Directors**  
**Gayathri BioOrganics Limited**

1. We have reviewed the accompanying "Statement of Unaudited Financial Results for the Quarter ended June 30, 2016" ("the Statement") of Gayathri BioOrganics Limited ("the Company"). This Statement is the responsibility of the Company's Management and has been approved by its Board of Directors. Our responsibility is to issue a report on the said Statement based on our review.
2. We conducted our review of the said Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free from material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.
3. Basis for Qualified Conclusion

*The Company's trade receivables include certain trade receivables amounting to Rs. 6,91,70,529/-- which are overdue and outstanding for a period more than one year and further, no confirmation of balances is on record for the said receivables. 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 sufficient and appropriate audit evidence, we are unable to comment on the timing and the ultimate amount of collection and its consequential impact on the Loss for the year.*

4. Qualified Conclusion

In our opinion and to the best of our information and according to the explanations given to us, except for the matter described in the Paragraph 3 above (Basis for Qualified Conclusion), nothing has come to our attention that causes us to believe that the said Statement of unaudited financial results prepared in accordance with applicable Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. Emphasis of Matter

We draw attention to Note 4 of the Statement:

As at June 30, 2016 the accumulated losses amounted to Rs. 1,01,74,61,641/-, which has completely eroded the networth of the Company. These conditions, along with other matters as set forth in the said Note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The financial results have been prepared on a going concern basis for the reasons stated in the said note.

Our conclusion is not modified in respect of the matter stated above.



for M. Bhaskara Rao & Co.  
Chartered Accountants  
Firm Registration No.000459S

  
D. Bapu Raghavendra

Partner

Membership No: 213274

Hyderabad, August 13, 2016