



Gayatri BioOrganics Limited
(Formerly Gayatri Starchkem Limited)

22nd Annual Report 2012 - 13

22nd Annual General Meeting

Day : **Friday**

Date : **27th September 2013**

Time : **10.00 A.M.**

Venue : “KLN PRASAD AUDITORIUM”,
FAPCCI Building, Federation House,
11-6-841, Red Hills, Hyderabad – 500 004

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BOARD OF DIRECTORS

Sri T. Sandeep Kumar Reddy	<i>Chairman</i>
Sri C.V. Rayudu	<i>Whole Time Director</i>
Sri P. Maruthi Babu	<i>Director</i>
Sri T.G. Pandya	<i>Director</i>
Sri J. N. Karamchetti	<i>Director</i>
Smt T. Sarita Reddy	<i>Director</i>
Sri. T. R. Rajagopalan	<i>Director</i>

AUDITORS: M/s. BSR and Co.
Chartered Accountants
Reliance Humsafar
IV floor, Road No. 11,
Banjara Hills, Hyderabad - 500034

COST AUDITOR: K.K.RAO & ASSOCIATES,
Cost Accountants,
2-B, SAMRAT RESIDENTIAL COMPLEX,
#5-9-12, SAIFABAD, OPP: A.G'S OFFICE,
Hyderabad -500004.

**REGISTERED OFFICE&
INVESTOR RELATION DEPT.,** #6-3-1090, B-Block, 3rd floor
TSR Towers, Rajbhavan Road,
Somjiguda, Hyderabad – 500 082.
Ph: 66100111, Fax: 66100333
E-mail: info@gayatribioorganics.com

FACTORY:

- 1) NH-9, Nandikandi Village
Sadasivapet Mandal
Medak District
Andhra Pradesh – 502 306
- 2) Balabhadrapuram Village
Biccavole Mandal
East Godavari District
Andhra Pradesh – 533 343

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NOTICE

NOTICE is hereby given that the **22nd Annual General Meeting** of the members of Gayatri BioOrganics Limited will be held at the "KLN PRASAD AUDITORIUM", FAPCCI Building, Federation House, 11-6-841, Red Hills, Hyderabad-500 004 on Friday, 27th day of September, 2013 at 10.00 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet of the company as at 31.03.2013 and the Profit and Loss account for the year ended on that date and the Report of Directors' and the Auditors thereon.
2. To appoint a Director in place of Sri. T.G. Pandya, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sri. P.Maruthi Babu, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri. T. Sandeep Kumar Reddy, who retires by rotation and being eligible, offers himself for re-appointment.
5. To Appoint Auditors to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

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

"RESOLVED THAT pursuant to the provisions of Section 225 and other applicable provisions of the Companies Act, 1956, if any M/s. M. Bhaskara Rao & Co, Chartered Accountants, with Firm Registration No.000459S be and are hereby appointed as Statutory Auditors of the Company in place of the retiring Statutory Auditors M/s. BSR and Co, Chartered Accountants, Hyderabad to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company and that the Board of Directors be and are hereby authorized to fix their remuneration."

By Order of the Board

Place: Hyderabad
Date: 14.08.2013

T. Sandeep Kumar Reddy
Chairman

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. PROXIES 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. The Register of Members and the Share Transfer Books will remain closed from 25th September, 2013 to 27th September, 2013 (both days inclusive).
4. 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.
5. 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.
6. Members / Proxies are requested to bring their Annual Report to the meeting and the attendance slip duly filed in for attending the meeting. Copies of Annual Reports will not be provided at the meetings.
7. As per Government notification dated 21.04.2011, company initiated to send future Annual Reports and other communication through e-mail also (electrical mode). Hence, Please avail the facility by registering your email id at info@vccilindia.com

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DIRECTORS' REPORT

To
The Members of
Gayatri BioOrganics Limited

Your Directors present the Twenty Second Annual Report along with the Audited Financial Statements and the Auditor's Report thereon for the period ended 31st March, 2013.

FINANCIAL RESULTS

	(Rs. in lakhs)	
	31.03.2013	31.03.2012
Net Sale Income from Operations	15,120.60	12,880.04
Other Operating Income	72.41	213.47
Income from operations	15,193.01	13,091.31
Other Income	11.88	6.73
Total Income	15,204.89	13,100.26
Total Expenditure	13,973.13	12,238.09
Finance Charges	747.60	763.96
Depreciation	394.57	378.76
Provision for Taxation	—	—
Net Profit / (Loss)	89.59	(280.54)

PERFORMANCE DURING THE YEAR UNDER REVIEW

STARCH DIVISION

The Company has expanded its Capacity of Maize Crushing from 54000 MTPA to 1,35,000 MTPA. The present capacity after expansion at Medak plant is Maize Crushing Capacity 90,000 MTPA and 45,000 MTPA for the Second Unit located at Biccavole, East Godavari District. The Company crushed 71,935 MTs maize as against 81,536 MTs maize during the previous year. The management is also trying to achieve 100% installed Capacity of both Units of the Company. Apart from the above the company is manufacturing modified starches like Yellow and White Dextrines, Thin Boiled Starch, Drilling Starch etc. to suit requirements of various customers by providing value addition to native starch.

SORBITOL DIVISION:

The Company has expanded its capacity Sorbitol from 8550 TPA to 17000 TPA and produced 7,353 MTs of Sorbitol during the Financial Year ended 31st March, 2013. The Company also targeting to achieve 100% installed capacity of the Sorbitol Plant.

The Company recorded net profit of Rs.89.59 Lakhs as against a net loss of Rs.280.54 Lakhs However, there has been a general slump in the Starch market, severe shortage of power, high cost of raw materials and low cost of finished products resulted in the low performance of the Company.

EXPORTS

The Company made exports of Starch amounting to Rs. 6,65,91,000/- during the year and the company is foreseeing good opportunities in export market for the years to come.

OUTLOOK FOR THE FINANCIAL YEAR 2012-13

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 maize crop during the year in the state is low and there is shortage of Maize and we are hopeful that the market will be settled in the second half of the year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a. Business Environment

The global economy in FY 2012-13 improved slowly and did not recover to the extent anticipated in the beginning of the year. Major economies witnessed slower growth and the Euro zone was full of uncertainty. Among the Asian economies, China, going through a political transition, experienced considerably slower growth. Decline in industrial output and exports weakened India's economic growth significantly. The weak macro environment and slower growth caused the margin environment to remain volatile with downward bias and operating in such a testing environment proved challenging.

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 through out 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 the 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.

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. Financial / Operational performance:

This has already been discussed in this report.

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h. Human 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 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.

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 2013-14 to BSE Limited.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 Sri. T.G. Pandya, Sri. P.Maruthi Babu and T. Sandeep Kumar Reddy, Directors of the company will retire by rotation and being eligible, offers themselves for re-appointment. The Board recommends their reappointment.

APPOINTMENT OF AUDITORS

The Members are requested to consider the Appointment of M/s. M. Bhaskara Rao & Co, Chartered Accountants, 5-D, Fifth Floor, 6-3-652, Kautilya Apartment, Raj Bhavan Quarters Colony, Somajiguda, Hyderabad, AP 500082 as Statutory Auditors from this Annual General Meeting to the conclusion of the next Annual General Meeting in place of retiring Statutory Auditors M/s. BSR and Co, Chartered Accountants, who expressed their inability for the reappointment. And also M/s. M. Bhaskara Rao & Co., Chartered Accountants, have confirmed their eligibility under Section 224 (1B) of the Companies Act, 1956. The Board recommends their Appointment.

COST AUDITORS

The Cost Auditors M/s. Narasimha Murthy & Co, Cost Accountants, Hyderabad has submitted the Cost Audit Report for the Financial Year ended 31st March, 2013 to the Board and the said report should be filed with the Central Government on or before 30th September, 2013. And also the Board of Directors during the year appointed M/s K.K. Rao & Associates, Cost Accountants, 2-B, Samrat Residential Complex, #5-9-12, Saifabad, Opp: A.G's Office, Hyderabad -500004 as Cost Auditors to carry out the Cost Audit for the Financial Year 2013-14.

PARTICULARS OF EMPLOYEES

There are no employees drawing remuneration exceeding the limits as specified under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended time to time.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information required under Section 217 (1) (e) of the Companies Act 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/ Outgo is appended hereto and forms part of this report as **Annexure - A.**

AUDITORS' REPORT

With regard to qualified opinion on trade receivables which includes certain trade receivables amounting to INR 5,81,30,503 which are overdue and outstanding for a period of more than one year, 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. ix (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. xi of Annexure to Auditors' Report, on default/delays in payment of dues to bankers and financial institution are also owing to working capital constraints.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement, a report on Corporate Governance along with Company Secretary Certificate on its compliance, certificate of the Chairman regarding adoption of Code of Conduct and Certificate by the Chairman and Vice President (Operations) in respect of financial reporting is given in the Annexure – B, Annexure- C, Annexure-D and Annexure – E respectively which forms part of this report.

The Ministry of Corporate Affairs has announced the Corporate Governance Voluntary Guidelines 2009. The preamble mentioned about good practices for adoption by the Companies, which are in addition to the existing ones and recommendatory in nature.

Your Company has reviewed the above guidelines to ensure the adherence of the same voluntarily to the extent possible, in line with the requirements. Accordingly, the recommendatory voluntary guideline pertaining to the tenure of Independent Director for a period not exceeding 6 years, the attention of the members drawn to the fact that in your Company the tenure of Sri P. Maruthi Babu, Sri. T.G. Pandya and Sri J.N. Karamchetti as Independent Directors was crossed the recommendatory limit of 6 years. However, the Board felt the valuable guidance and contributions made by the above directors during their tenure as Independent directors in the growth of the Company are invaluable and decided to avail their guidance and wisdom for some more time for the better performance of the Company in the years to come. Hence, the Company could not able to adhere to the above referred recommendatory Corporate Governance Voluntary Guideline for the time being.

DIRECTORS' RESPONSIBILITY STATEMENT:

According to Section 217 (2AA) of the Companies Act, 1956 your directors state:

- (i) that in the preparation of Annual Accounts for the year ended 31st March, 2013, the applicable accounting standards have been followed along with the proper explanation relating to material departures:
- (ii) that 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 a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2013 and of the profit and loss of the company for that period:
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities:
- (iv) that the directors have prepared the annual accounts on a going concern basis.

PUBLIC DEPOSITS:

The Company has not accepted any deposits as per Section 58A of the Companies Act, 1956 during the year under review.

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 and all the Employees of the Company for their Co-operation and support during the year.

By Order of the Board

Place: Hyderabad
Date: 14.08.2013

T. Sandeep Kumar Reddy
Chairman

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ANNEXURE – ‘A’ TO DIRECTORS REPORT

Disclosure of Particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo as required under the **Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988** and forming part of the report of Board of Directors for the year ended 31st March 2013.

FORM - “A”
PARTICULARS UNDER THE COMPANIES (DISCLOSURES OF PARTICULARS
IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1998.

A. CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION	Current Year 2012-13	Previous Year 2011-12
1. Electricity		
a) Purchased Unit(Kwh)	1,42,90,033	1,52,95,225
Total Cost (Rs. In lakhs)	865.15	637.48
Rate/Unit Rs.	5.99	4.17
b) Own Generation		
i. Through Diesel Generator:		
Generated Unit(Kwh)	540,716	152,250
Units per Ltr. of Diesel Oil (KWH)	3.18	3.10
Cost/Unit (Rs/KWH)	14.97	14.29
2. HUSK		
Quantity (MTs)	23,548.85	24,762.14
Total cost (in Rs.in Lakhs)	525.86	520.98
Average cost per Kg (Rs)	2.23	2.10
3. DIESEL OIL		
Quantity (K.ltrs)	178.69	57.42
Total amount (Rs. In Lakhs)	84.99	25.46
Average cost per Ltr (Rs)	47.56	44.34

FORM - “B”

PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

A. RESEARCH AND DEVELOPMENT (R&D)	: NIL
B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION	: NIL
C. FOREIGN EXCHANGE EARNINGS AND OUTGO:	
1. FOREIGN EXCHANGE EARNINGS (FOB)	: Rs. 6,65,91,000
2. FOREIGN EXCHANGE OUTGO (CIF)	: Nil

By Order of the Board

Place: Hyderabad
Date: 14.08.2013

T. Sandeep Kumar Reddy
Chairman

**ANNEXURE – ‘B’ TO DIRECTORS REPORT
CORPORATE GOVERNANCE REPORT FOR THE YEAR 2012-13**

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

1. Corporate Governance Philosophy

The Company is a firm believer in core values of 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 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

(a) Composition:

The Board of Directors consists of Seven Directors as follows:

Board of Directors

Sri T. Sandeep Kumar Reddy	Chairman & Promoter Director
Sri C.V. Rayudu	Whole Time Director
Sri P. Maruthi Babu	Non Executive & Independent Director
Sri T.G.Pandya	Non Executive & Independent Director
Sri J. N. Karamchetti	Non Executive & Independent Director
Smt T. Sarita Reddy	Non Executive & Promoter Director
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 20th September 2012.

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	13	24
Sri T.G.Pandya	Non -Executive & Independent Director	4	Yes	NIL	NIL
Sri. P. Maruthi Babu	Non-Executive & Independent Director	4	Yes	3	4
Sri. J.N. Karamchetti	Non-Executive & Independent Director	3	No	NIL	NIL
Smt. T. Sarita Reddy	Non Executive & Promoter Director	4	No	3	17
Sri. T. R. Rajagopalan	Non Executive & Independent Director	4	Yes	1	2
Sri C.V. Rayudu	Whole Time Director	4	Yes	NIL	NIL

(b) Board Meetings held during the year 2012-13:

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 2012-13 the Board Meeting was held Four times as follows:

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S.No	Date of Board Meeting
-------------	------------------------------

1.	30 th May, 2012
2.	13 th August, 2012
3.	25 th October, 2012
4.	07 th February, 2013

(c) Details of Directors seeking appointment / re-appointment as required under clause 49 of the listing agreement

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

Sri. T.G. Pandya, Sri. P. Maruthi Babu and Smt. T. Sandeep Kumar Reddy, retires by rotation in this Annual General Meeting and being eligible offers themselves for reappointment.

A brief resume about the Director:

Sri. T.G. Pandya

Sri 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.

Sri. P. Maruthi Babu

Sri P. Maruthi Babu is a graduate in electrical engineering having vast experience and had an active service of 42 years of which 19 years service in Andhra Pradesh State Electricity Board and 17 in years in Central Autonomous Organization Le Central Board of Irrigation & Power. He has vast experience in Electrical Engineering, Administration and Accounts. His experience in electrical engineering will be of immense benefit to the company. As a senior officer in charge of Accounts in Central Board of Irrigation & Power, his experience is being used in the Company for the benefit of reviewing the performance of Finance and Accounts of the Company.

Sri T. Sandeep Kumar Reddy

Sri. 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.

3 Audit Committee

The Audit Committee constituted by the Board of Directors consists of Three Non-Executive independent directors and one Promoter Director, namely:

Sri P. Maruthi Babu	Chairman of the committee
Sri T.G.Pandya	Member
Sri. T. R. Rajagopalan	Member
Smt. T. Sarita Reddy	Member

The Constitution of Audit Committee also meets with the requirements of Section 292A of the Companies Act, 1956

The responsibilities of the Audit Committee are as defined under the code of Corporate Governance and include reviewing of internal Audit Reports, discussing with Statutory Auditors on their observations with regard to the books of Account, review of internal control measures etc,

The Audit Committee meetings were held Four times during the financial year 2012-13 on 30th May, 2012, 13th August, 2012, 25th October, 2012 and 07th February, 2013

4. Remuneration Committee

i. Brief Description of terms of Reference :

The Company does not remunerate the Non-Executive Directors of the Company except for the payment of sitting fees for attending such meetings of the Board or Committees thereof. Remuneration of the Executive Directors is recommended by the Remuneration Committee to the Board and approved by the shareholders. The Company is paying sitting fees to all the non executive directors of the Company towards the board meetings attended by them.

ii. Composition of Committee and Attendance :

The Remuneration committee consists of the following Non-Executive Independent Directors :

S.No.	Name of the Director	Category	Designation	Attendance
1.	P. Maruthibabu	Non-Promoter Non Executive Independent Director	Chairman	—
2.	J.N. Karamchetti	Non-Promoter Non Executive Independent Director	Member	—
3.	T.R. Rajagopalan	Non-Promoter Non Executive Independent Director	Member	—

iii. Details of Remuneration to all the Directors :

- a) The aggregate of salary & perquisites paid for the year 2012-13 to the executive director(s) is as under :

Sri C.V. Rayudu, Whole Time Director : Rs. 19,36,800/-

- b) The Aggregate of the sitting fees paid to the Non-Executive Directors is as under :

T. Sandeep Kumar Reddy : Rs. 48,000/-

T.G. Pandya : Rs. 60,000/-

P. Maruthibabu : Rs. 60,000/-

J.N. Karamchetti : Rs. 36,000/-

T. Saritha Reddy : Rs. 57,000/-

T.R. Rajagopalan : Rs. 60,000/-

5. Share Transfer Committee

The Company has a Share Transfer Committee comprises of Sri T.Sandeep Kumar Reddy, Sri P. Maruthi Babu and Sri. T.G. Pandya.

The Committee is looking after the matters of transfer and transmission of shares and issue of duplicate share certificates. The Committee has been meeting at regular intervals.

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6. Annual General 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
2011-2012	SURANA UDYOG AUDITORIUM FAPCCI Building, Federation House, Red Hills, Hyderabad – 500 004	Thursday 20 th September, 2012	4.30 P.M
2010- 2011	SURANA UDYOG AUDITORIUM FAPCCI Building, Federation House, Red Hills, Hyderabad – 500 004	Tuesday 27 th September, 2011	3.00 P.M
2009-2010	SURANA UDYOG AUDITORIUM FAPCCI Building, Federation House, Red Hills, Hyderabad – 500 004	Tuesday 24 th September, 2010	3.00 P.M

7. Disclosures

a) 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 were publishing in One English and One Telugu News Paper which is circulated at the Registered Office of the Company. The Management Discussion and Analysis forms part of the Annual Report.

b) Management's Discussion and Analysis Report

The Management's Discussion and Analysis Report forms part of Annual Report and Covered in the Directors' Report.

c) Disclosures on materially significant related party transactions:

The necessary disclosures regarding the transaction with related parties are given in the Notes to the Accounts.

d) Risk Management

Business risk evaluation and management is an ongoing process within the organization.

e) Compliance certificate

Certificate of the Company Secretary has been obtained on the compliance of the conditions of Corporate Governance in terms of Clause 49 of the Listing Agreement of the Stock Exchanges and the same is annexed as **Annexure – C**. Declaration by Chairman of the Company on Code of Conduct is annexed as **Annexure – D**.

f) General Shareholder's information

i) Annual General Meeting

Day : Friday
Date : 27th September, 2013
Time : 10.00 A.M.
Venue : KLN PRASAD AUDITORIUM
"FAPCCI" Building, Federation House,
H.No: 11-6-841, Red Hills, Hyderabad – 500 004.

ii) Financial Calendar

Annual General Meeting 27th September, 2013
 Unaudited results for the

- Quarter ending 30th June, 2013 August, 2013
- Quarter ending 30th September, 2013 November, 2013
- Quarter ending 31st December, 2013 February, 2014

iii) Date of Book closure 25th September, 2013 to 27th September 2013

iv) Dividend No dividend was recommended

v) Listing on Stock Exchanges:

BSE Limited,
 P J Towers, Dalal Street, Mumbai – 400 001.

vi) Registrar and Transfer Agent

The Company has appointed M/s Venture Capital Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad 500018 as Registrar and Transfer Agent for both physical and Demat shares of the company. Shareholders are requested to send their shares for transfer or for Demat either to the company or RTA.

vii) Dematerialization of Shares and liquidity

ISIN No : **INE 052 E 01015.**

Depository Connectivity : **CDSL & NSDL**

Viii) Market Price Data : High, Low during each month in last Financial Year :

(Source : BSE Website)

Month	BSE, Mumbai	
	High Price	Low Price
Apr-12	5.49	4.02
May-12	5.95	5.12
Jun-12	5.97	4.65
Jul-12	5.06	4.00
Aug-12	4.41	3.14
Sep-12	3.73	2.85
Oct-12	3.41	2.71
Nov-12	3.36	2.74
Dec-12	3.68	2.90
Jan-13	3.65	2.97
Feb-13	3.06	2.51
Mar-13	2.90	2.40

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ix) Distribution of Shareholding as on 31st March, 2013

S.No	Category	Shareholders		Total No. of Shares	Shares % of Holding
		Nos.	%		
1.	upto – 500	19774	92.78	3041594	5.97
2.	501 – 1,000	997	4.68	796964	1.56
3.	1,001 – 2,000	324	1.52	486176	0.95
4.	2,001 - 3,000	79	0.37	202906	0.40
5.	3,001 – 4,000	26	0.12	90036	0.18
6.	4,001 – 5,000	32	0.15	152409	0.30
7.	5,001 -10,000	37	0.17	286407	0.56
8.	10,001 & Above	44	0.21	45868498	90.00
Total		21313	100.00	50924990	100

x) Shareholding Pattern Equity Shares of Rs.10/- each

Shareholders	As on 31 st March, 2013		As on 31 st March, 2012	
	No. of shares	%	No. of shares	%
Promoters	26024786	51.10	26024816	51.10
Financial institutions and Banks	560223	1.10	612823	1.20
Private Corporate Bodies	159837	0.31	303325	0.60
Foreign Body Corporate	18499990	36.33	18499990	36.33
Indian Public	4718728	9.27	4526775	8.89
NRI/OCB	961426	1.89	957261	1.88
Total	50924990	100.00	50924990	100.00

xi) Outstanding GDRs/ADRs/Warrants or any Convertible instruments

The Company does not have above instruments. However, the Company is having 3,085,635 Preference Shares 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 from the date of allotment 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.

xii) Plant Location

- 1) NH-9, Nandikandi Village, Sadasivapet Mandal
Medak District, Andhra Pradesh – 502 306.
- 2) Balbhadrapuram Village, Biccavole Mandal,
East Godavari District, Andhra Pradesh – 533 343.

xiii) Address for Correspondence

Secretarial Department,
Gayatri BioOrganics Limited,
#6-3-1090, B-Block, Third Floor, TSR Towers,
Rajbhavan Road, Somajiguda, Hyderabad – 500 082.

Members are requested to quote their registered folio number / DP ID number, Customer ID number in all the correspondence with the Company. Members are advised to deliver the share certificates along with necessary documents for physical transfer as well as demat purpose at the above address or at the RTA office.

ANNEXURE - 'C' TO DIRECTORS' REPORT

CERTIFICATE

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

To
The Members of
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, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examinations 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 Agreement.

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 : 14-08-2013

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

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ANNEXURE - 'D' OF DIRECTORS' REPORT

DECLARATION BY CHAIRMAN OF THE COMPANY ON CODE OF CONDUCT

As per the Revised Clause 49 of the Listing Agreement of the Stock Exchange 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

Place : Hyderabad
Date : 14-08-2013

T. Sandeep Kumar Reddy
Chairman

ANNEXURE – ‘E’ TO DIRECTORS’ REPORT

**To
The Board of Directors,
Gayatri BioOrganics Limited,**

We have certify that :

- a) We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2013 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

C.V. Rayudu
Whole Time Director

P.V. Narayana Rao
GM (Finance)

Place : Hyderabad
Date : 28.05.2013

INDEPENDENT AUDITORS' REPORT

To
The Members
GAYATRI BIOORGANICS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Gayatri BioOrganics Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, 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.

Basis of qualified opinion

The Company's trade receivables includes certain trade receivables amounting to INR 58,130,503 which are overdue and outstanding for a period of more than one year. 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for qualified opinion paragraph, the 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:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;

- (b) *in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and*
- (c) *in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.*

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act, to the extent applicable;
 - e) on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

for **B S R and Co.**
Chartered Accountants
Firm's Registration No: 128510W

Zubin Shekary
Partner
Membership No: 48814

Place : Hyderabad
Date : 28 May, 2013

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ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in the Auditors' Report to the Members of Gayatri BioOrganics Limited ("the Company") for the year ended 31 March 2013. We report that:

- i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c) The Company has not disposed off any of its fixed assets during the year. Thus, paragraph 4(i)(c) of the order is not applicable.
 - ii)
 - a) The inventory, except stocks lying with the third party has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with the third party at the year-end, written confirmations have been obtained.
 - b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material.
 - iii)
 - a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 ("the Act"). Hence clause 4 (iii) (a), (b), (c) and (d) of the Order is not applicable.
 - e) The Company has taken loan from two companies and a person covered in the Register maintained under Section 301 of the Act. The maximum amount outstanding during the year including interest was INR 126,281,832 and the year-end balance of such loan including interest was INR 125,415,775. The Company has not taken any loan, secured or unsecured, from any other companies, firms or other parties covered under Section 301 of the Act.
 - f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies and a person listed in the Register maintained under Section 301 of the Act are not, prima facie, prejudicial to the interest of the Company.
 - g) In the case of loans taken from two companies and a person listed in the Register maintained under Section 301, there are no fixed terms for repayment of the principal amount and due date for payment of interest and accordingly clause 4(iii)(g) of the Order is not applicable.
 - iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain goods sold are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to sale of goods. In respect of sale of certain by-products 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 sale of by-products.
 - v)
 - a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the Register required to be maintained under that Section.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements entered in the Register maintained under Section 301 of the Act and exceeding the value of rupees five lakhs with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
-

- vi) The Company has not accepted any deposits from the public.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- ix) a) According to the information and explanations given to us and on the basis of examination of the 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, Service Tax, Sales Tax, Customs Duty, Excise Duty and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases.* As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund and Wealth Tax.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs duty, Excise duty and other material statutory dues that were in arrears as at 31 March 2013 for a period of more than six months from the date they became payable.
- c) According to the information and explanations 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:

<i>Name of the statute</i>	<i>Nature of the dues</i>	<i>Amount in Rs.</i>	<i>Period to which the amount relates</i>	<i>Forum where the dispute is pending</i>
The Custom Act, 1962	Customs duty	83,174,440*	Financial year 1994-95	CESTAT-Bangalore

* Net deposits. An amount of INR 3,700,000 has been paid under protest.

- x) *The Company has accumulated losses at the end of the financial year which exceeds fifty per cent of its net worth.* The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xi) *In our opinion and according to the information and explanations given to us, the Company has defaulted/delayed in repayment of dues to the bankers and financial institution. Refer appendix I for the period and amount of defaults.* The Company did not have any outstanding debentures during the year.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, and according to the information and explanations given to us, the Company is not a chit fund/ nidhi/ mutual benefit fund/ society.
- xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities or debentures and other investments.
- xv) 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.
- xvi) 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.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.

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- xviii) The Company has not made any preferential allotment of shares to parties covered in the Register maintained under Section 301 of the Act.
- xix) The Company did not have any outstanding debentures during the year.
- xx) The Company has not raised any money by public issues during the year.
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

for **B S R and Co.**
Chartered Accountants
Firm's Registration No: 128510W

Zubin Shekary
Partner
Membership No: 48814

Place : Hyderabad
Date : 28 May, 2013

Appendix I to clause xi

- A. Details of defaults in repayment of principal and interest for term loans obtained from financial institution, which were outstanding as at 31 March 2013:

Name of the Institution	Principal	Delay (in days)	Interest	Delays (in days)
SICOM Limited	42,990,852	16-259	3,068,288	1-31

- B. Details of delays in repayment of principal and interest against the borrowing facilities availed from banks and financial institutions fallen due during the year ended 31 March 2013, but repaid before 31 March 2013 are as follows:

Name of the bank	Principal	Delay (in days)	Interest	Delay (in days)
SICOM Limited	—	—	12,998,401	2-43
SICOM Limited	—	—	11,407,584	4-43
Punjab National Bank	33,336,000	2-31	11,361,618	2-25
Karur Vysya Bank	138,609	8-26	35,576	8-26

BALANCE SHEET

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

PARTICULARS	Note	As At 31st March 2013	As At 31st March 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2.1	81,78,13,400	81,78,13,400
(b) Reserves and surplus	2.2	(46,14,27,547)	(47,03,86,495)
		35,63,85,853	34,74,26,905
Non-Current Liabilities			
(a) Long term borrowings	2.3	10,95,36,292	20,50,03,498
(b) Long term provisions	2.4	1,42,73,275	1,10,36,745
		12,38,09,567	21,60,40,243
Current liabilities			
(a) Short term borrowings	2.5	25,47,02,541	19,82,59,083
(b) Trade payables	2.6	25,04,32,942	12,73,62,738
(c) Other current liabilities	2.7	19,84,14,725	14,25,29,685
(d) Short term provisions	2.8	13,16,219	14,07,392
		70,48,66,427	46,95,58,898
		1,18,50,61,847	1,03,30,26,046
ASSETS			
Non-current assets			
(a) Fixed assets			
- Tangible assets	2.9	52,53,61,809	48,44,12,960
- Capital work in progress		36,78,010	3,78,81,573
(b) Non current investments	2.10	15,000	15,000
(c) Long term loans and advances	2.11	1,52,65,246	2,42,70,502
		54,43,20,065	54,65,80,035
Current assets			
(a) Inventories	2.12	12,12,47,982	18,28,72,985
(b) Trade receivables	2.13	47,96,96,098	26,82,25,894
(c) Cash and bank balances	2.14	2,09,55,470	1,51,47,690
(d) Short term loans and advances	2.15	1,83,42,232	1,98,02,208
(e) Other current assets	2.16	5,00,000	3,97,234
		64,07,41,782	48,64,46,011
		1,18,50,61,847	1,03,30,26,046

Significant accounting policies and

Notes to accounts

1 & 2

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

As per our report of even date attached
for **B S R and Co.**

Chartered Accountants

Firm's Registration No. 128510W

for **Gayatri BioOrganics Limited**

Zubin Shekary

Partner

T. Sandeep Kumar Reddy

Chairman

P. Maruthi Babu

Director

C.V. Rayudu

Whole Time Director

S. Narasappa

Company Secretary

Membership No. 48814

Place : Hyderabad

Date : 28 May, 2013

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STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2013

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

PARTICULARS	Note	For the Year Ended 31st March 2013	For the Year Ended 31st March 2012
Revenue from operations			
Sale of products (gross)		1,59,64,75,622	1,35,10,55,947
Less: Excise duty		(8,44,15,713)	(6,30,51,148)
Sale of products (net)		1,51,20,59,909	1,28,80,04,799
Other operating revenues	2.17	72,41,243	2,13,47,954
		1,51,93,01,152	1,30,93,52,753
Other income	2.18	11,88,200	6,73,695
Total Revenue		1,52,04,89,352	1,31,00,26,448
Expenses			
Cost of materials consumed	2.19	1,09,54,79,326	1,10,85,59,820
Change in inventory of finished goods, and work-in-progress	2.20	5,97,45,767	(9,78,86,722)
Employee benefits expense	2.21	8,26,07,256	7,40,93,142
Finance costs	2.22	7,47,59,687	7,63,95,562
Depreciation	2.9	3,94,57,181	3,78,75,648
Other expenses	2.23	16,26,58,841	13,90,42,531
Total expenses		1,51,47,08,058	1,33,80,79,981
Profit/(Loss) before tax		57,81,294	(2,80,53,533)
- Current tax		(31,77,654)	—
Profit/(Loss) for the year		89,58,948	(2,80,53,533)
Earning per equity share (Nominal value of Share INR 10 (Previous Year : INR : 10))			
Basic and diluted	2.28	(0.25)	(0.97)
Significant accounting policies and Notes to accounts			
	1 & 2		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached
for **B S R and Co.**

Chartered Accountants

Firm's Registration No. 128510W

for **Gayatri BioOrganics Limited**

Zubin Shekary

Partner

Membership No. 48814

T. Sandeep Kumar Reddy

Chairman

P. Maruthi Babu

Director

C.V. Rayudu

Whole Time Director

S. Narasappa

Company Secretary

Place : Hyderabad

Date : 28 May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

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

PARTICULARS	For the Year Ended 31st March 2013	For the Year Ended 31st March 2012
Cash flows from operating activities		
Profit/(loss) before tax	57,81,294	(2,80,53,533)
Adjustments:		
Depreciation	3,94,57,181	3,78,75,648
Interest income	(11,88,200)	(6,73,695)
Interest expense	7,47,59,687	7,63,95,562
Operating cash flows before working capital changes	<u>11,88,09,962</u>	<u>8,55,43,982</u>
Decrease / (increase) in inventories	6,16,25,003	(6,63,84,451)
Increase in trade receivables	(21,14,70,204)	(11,14,19,521)
Increase in loans and advances	(8,28,924)	(21,25,962)
Increase in liabilities and provisions	13,13,60,711	10,70,43,525
Cash generated from operations	<u>9,94,96,548</u>	<u>1,26,57,573</u>
Income tax received/(paid), net	31,77,654	(32,50,000)
Net cash provided by operating activities	<u>10,26,74,202</u>	<u>94,07,573</u>
Cash flows from investing activities		
Purchase or construction of fixed assets (tangible fixed assets, capital work-in progress) and capital advances	(2,84,26,890)	(10,43,89,985)
Bank deposits (having original maturity of more than three months)	(36,20,717)	(66,61,493)
Interest received	10,85,434	6,18,650
Net cash used in investing activities	<u>(3,09,62,173)</u>	<u>(11,04,32,328)</u>
Cash flows from financing activities		
Repayment of borrowings	(24,42,09,130)	(9,14,72,354)
Proceeds from borrowings	24,81,76,234	9,19,38,830
Interest paid	(7,34,92,070)	(7,63,95,562)
Net cash used financing activities	<u>(6,95,24,966)</u>	<u>(7,59,29,086)</u>
Net increase/(decrease) in cash and cash equivalents	<u>21,87,063</u>	<u>(17,69,54,341)</u>
Cash and bank balances at the beginning of the year (refer note 2.14)	84,86,197	18,54,40,538
Cash and cash equivalents at the end of the year (refer note 2.14)	<u>1,06,73,260</u>	<u>84,86,197</u>
Notes to cashflow statement		
1. Components of cash and cash equivalents	22,62,014	9,71,518
Cash on hand		
Balancee with banks	84,11,246	75,14,679
On Current accounts	<u>1,06,73,260</u>	<u>84,86,197</u>

As per our report of even date attached
for **B S R and Co.**

Chartered Accountants

Firm's Registration No. 128510W

for **Gayatri BioOrganics Limited**

Zubin Shekary

Partner

Membership No. 48814

T. Sandeep Kumar Reddy

Chairman

P. Maruthi Babu

Director

C.V. Rayudu

Whole Time Director

S. Narasappa

Company Secretary

Place : Hyderabad

Date : 28 May, 2013

NOTES TO ACCOUNTS

COMPANY OVERVIEW

Gayatri Bio-organics, previously called Gayatri Starchkem Limited, was set-up in 1993 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 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 Investments

Inventories which comprise raw materials, work-in-progress, 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-progress 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 XIV of the Companies Act, 1956. In the opinion of management, the rates specified in Schedule XIV 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.

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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.

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.

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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 Borrowings 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.

2. NOTES TO ACCOUNTS

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

	As At 31st March 2013	As At 31st March 2012
2. SHARE CAPITAL		
2.1 Share capital		
Authorised		
51,000,000 (previous year: 51,000,000) equity shares of INR 10 each	51,00,00,000	51,00,00,000
3,900,000 (previous year : 3,900,000) 6% cumulative redeemable optionally convertible preference shares of INR 100 each	39,00,00,000	39,00,00,000
	90,00,00,000	90,00,00,000
Issued, subscribed and paid-up capital		
50,924,990 (previous year: 50,924,990) equity shares of INR 10 each.	50,92,49,900	50,92,49,900
3,085,635 (previous year: 3,085,635) 6% cumulative redeemable optionally convertible preference shares of Rs. 100 each.	30,85,63,500	30,85,63,500
	81,78,13,400	81,78,13,400

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

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number	Amount	Number	Amount
Equity Shares				
At the commencement of the year	50,924,990	50,92,49,900	50,924,990	50,92,49,900
Shares issued during the year	—	—	—	—
At the end of the year	50,924,990	50,92,49,900	50,924,990	50,92,49,900
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 shares 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 outstanding 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 due to be converted after the expiry of 36 months at par. 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. On 10 November 2010 the Company converted 752,500 convertible preference shares into equity shares of the Company. None of the preference share holders exercised the option to conversion as at 31 March 2013.

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2. Notes to Accounts (continued)

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

Particulars of shareholder holding more than 5% equity shares are:

Name of shareholder	As at 31 March 2013		As at 31 March 2012	
	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	1,47,96,055	29.05	1,47,96,055	29.05
Fursa Mauritius	1,84,99,990	36.33	1,84,99,990	36.33
T. Indira	25,45,602	5.00	25,45,602	5.00

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

Name of shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of shares held	% of holding	No. of shares held	% of holding
T. Sandeep Kumar Reddy	22,69,376	73.55	22,69,376	73.55
T. Sarita Reddy	3,91,944	12.70	3,91,944	12.70
T. Indira	4,24,315	13.75	4,24,315	13.75

As at
31 March 2013 As at
31 March 2012

2.2 Reserves and surplus

Central subsidy

At the commencement and at the end of the year

10,00,000 10,00,000

10,00,000 10,00,000

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

At the commencement of the year

(47,13,86,495) (44,33,32,962)

Profit/(Loss) for the year

(89,58,948) (2,80,53,533)

At the end of the year

(46,24,27,547) (47,13,86,495)

(46,24,27,547) (47,03,86,495)

2.3 Long term borrowings

Term loans

From bank (secured) *

2,77,91,300 **6,11,08,000**

From financial institution (secured) **

6,85,00,000 **13,05,00,000**

From Mr. T Sandeep Reddy, Director (unsecured) ***

1,31,47,544 **1,31,47,547**

Vehicle loan from bank (secured) #

97,448 **2,47,951**

10,95,36,292 **20,50,03,498**

* 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% (floating) 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.

** The term loan - I from financial institution is obtained from SICOM Ltd. and carry an interest rate of 17.50% (floating) 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 loans are secured against first charge and hypothecation of

2. Notes to Accounts (continued)

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

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.

The term loan - II from financial institutions is obtained from SICOM Ltd. and carry an interest rate of 16.25% (floating) per annum and are repayable in 1 quarterly installment of INR 4,000,000 and 16 quarterly installments of INR 6,000,000 commencing from December 2011. 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.

Defaults as on the balance sheet date in repayment of principal and interest of INR 42,990,852 and INR 3,068,288 respectively ranging from 1 day to 259 days.

*** 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 2,385,393 (previous year INR 2,385,393) carries an interest rate of 15% per annum. The loans do not have a fixed repayment term and will be repaid subject to the Company having adequate cash profits.

Vehicle loan is obtained from Karur Vysya Bank in the financial year 2009-10 and carries an interest rate of 11.50% per annum and is repayable in 60 equal monthly installment including interest of INR 15,835 with the last installment due in September 2014. The loan is secured against the hypothecation of vehicle.

	As at 31 March 2013	As at 31 March 2012
2.4 Long term provisions		
Provision for employee benefits		
- Gratuity (refer note 2.32)	1,19,69,679	93,98,810
- Compensated absences	23,03,596	16,37,935
	<u>1,42,73,275</u>	<u>1,10,36,745</u>
2.5 Short term borrowings		
Secured		
Loans repayable on demand		
Cash credit from bank (secured) *	15,00,77,834	14,16,68,091
From related parties (unsecured) **	10,46,24,707	5,65,90,992
	<u>25,47,02,541</u>	<u>19,82,59,083</u>

* The cash credit 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 the first charge by way of hypothecation on entire block of assets, present and future, including entire stocks, book debts, loans and advance etc., at the Balabadrapuram units and second charge on the current assets at Nandikandi unit.

** Loans from related parties carry an interest rate of 14.50% per annum and are repayable on demand.

2.6 Trade payables

Trade payables		
Due to micro and small suppliers (Refer note no. 2.33)	36,54,713	36,54,713
Other creditors	24,67,78,229	12,37,08,025
	<u>25,04,32,942</u>	<u>12,73,62,738</u>

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2. Notes to Accounts (continued)

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

	As at 31 March 2013	As at 31 March 2012
2.7 Other current liabilities		
Current maturities of long-term debts		
Financial institutions	10,49,90,852	6,20,00,000
Term loan from bank	3,33,36,000	3,33,36,000
Vehicle loan from bank	1,50,503	1,50,503
Interest accrued and due on borrowings	50,24,426	11,99,711
Interest accrued but not due on borrowings	76,43,524	26,71,695
Other payables		
Payables for purchase of fixed assets	50,24,152	60,71,658
Advances from customers	68,45,408	99,42,114
Employee benefit liabilities	1,20,80,627	55,32,536
Statutory liabilities	1,48,72,366	91,14,543
Provision for expenses	84,46,867	1,25,10,925
	19,84,14,725	14,25,29,685
2.8 Short term provisions		
Provision for employee benefits		
- Gratuity (refer note 2.32)	9,44,575	1,13,29,77
- Compensated absences	3,71,644	2,74,415
	13,16,219	14,07,392
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]	2,84,000	2,84,000
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	(3,25,900)	(3,25,900)
Total Investments, net	15,000	15,000
Quoted non-current investments		
Aggregate book value	3,14,000	3,14,000
Aggregate market value	44,675	24,000
Aggregate book value of un-quoted non-current investments	26,900	26,900

2. Notes to Accounts (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 2012	Additions	Deletions/ Adjustments	As at 31 March 2013	As at 1 April 2012	Charge for the year	Deletions	As at 31 March 2013	As at 31 March 2013	At at 31 March 2012
<u>Tangible assets</u>										
Land	8,87,68,945	—	—	8,87,68,945	—	—	—	—	8,87,68,945	8,87,68,945
Buildings	1,66,32,144	2,20,60,477	—	23,86,92,621	7,37,24,787	73,47,384	—	8,10,72,171	15,76,20,450	14,29,07,357
Plant and machinery	5,77,304,011	5,82,72,753	—	63,55,76,764	33,10,54,415	3,13,67,248	—	36,24,21,663	27,31,55,101	24,62,49,596
Furniture and fixtures	2,750,791	1,800	—	27,52,591	2,665,202	12,327	—	26,77,529	75,062	85,589
Vehicles	81,52,904	—	—	81,52,904	39,24,437	4,98,888	—	44,23,325	37,29,579	42,28,467
Office equipments	29,93,872	41,750	—	30,35,622	18,78,688	1,43,258	—	20,21,946	10,13,676	11,15,184
Computers	38,31,315	29,250	—	38,60,565	27,73,493	88,076	—	28,61,569	9,98,996	10,57,822
Total	9,00,433,982	8,04,06,030	—	98,08,40,012	41,60,21,022	3,94,57,181	—	45,54,78,203	52,53,61,809	48,44,12,960
Previous	65,19,22,905	24,85,11,077	—	90,04,33,982	37,81,45,374	3,78,75,648	—	41,60,21,022	48,44,12,960	

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2. Notes to Accounts (continued)

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

	As at 31 March 2013	As at 31 March 2012
2.11 Long term loans and advances		
Capital advances		
(Un Secured and considered good)	8,20,179	1,21,14,335
Advance for land		
(Unsecured)		
Considered good	1,52,423	1,52,423
Considered doubtful	18,61,256	18,61,256
Less: Provision for doubtful advances	(18,61,256)	(18,61,256)
	1,52,423	1,52,423
Security deposits		
(Unsecured)		
Considered good	14,292,644	1,20,03,744
Considered doubtful	5,10,000	5,10,000
Less: Provision for doubtful deposits	(5,10,000)	(5,10,000)
	1,42,92,644	1,20,03,744
	1,52,65,246	2,42,70,502
2.12 Inventories		
(at lower of cost or net realisable value)		
Raw materials	57,837,528	5,62,33,044
Work-in-progress	50,68,435	70,83,231
Finished goods	4,99,41,867	11,17,41,069
Stores and spares	84,00,152	78,15,641
	12,12,47,982	18,28,72,985
2.13 Trade receivables		
Debts outstanding for period exceeding six months		
Receivables outstanding for a period exceeding six months from the date they became due for payment		
Unsecured, considered good	8,57,35,326	16,49,010
Unsecured, considered doubtful	89,15,621	83,48,326
Less: Provision for doubtful receivables	(89,15,621)	(83,48,326)
(A)	8,57,35,326	16,49,010
Other receivables		
Unsecured, considered good	39,39,60,772	26,65,76,884
(B)	39,39,60,772	26,65,76,884
(A) + (B)	47,96,96,098	26,82,25,894

2. Notes to Accounts (continued)

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

	As at 31 March 2013	As at 31 March 2012
2.14 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	22,62,014	9,71,518
Balance with banks - current accounts	84,11,246	75,14,679
Other bank balances		
- Margin money towards letter of credit (due to mature within 12 months of the reporting date)	1,02,82,210	66,61,493
	<u>2,09,55,470</u>	<u>1,51,47,690</u>
2.15 Short term loans and advances		
(Secured, considered good)		
Advance to suppliers	41,94,233	27,95,751
Tax deducted at source	9,34,566	28,045
Cenvat receivable	54,04,779	52,20,264
Prepaid expenses	66,82,250	91,74,175
Staff advance	11,26,404	16,83,974
(Unsecured, considered doubtful)		
Advance to suppliers	19,22,053	19,22,053
Less: Provision for advance to suppliers	(19,22,053)	(19,22,053)
	<u>18,342,232</u>	<u>1,98,02,208</u>
2.16 Other current assets		
(Unsecured, considered good)		
Interest accrued	5,00,000	3,97,234
	<u>5,00,000</u>	<u>3,97,234</u>
2.17 Other operating revenues		
Sale of scrap and husk ash	54,81,272	76,67,909
Liabilities no longer required written back	—	1,22,31,649
Foreign exchange gain, net	13,71,971	2,22,140
Miscellaneous income	3,88,000	12,26,256
	<u>72,41,243</u>	<u>2,13,47,954</u>
2.18 Other income		
Interest income - others	11,88,200	6,73,695
	<u>11,88,200</u>	<u>6,73,695</u>
2.19 Cost of materials consumed		
Inventory of raw material at the beginning of the year	5,62,33,044	9,38,64,658
Purchases	1,09,70,83,810	1,07,09,28,206
Inventory of raw material at the end of the year	(5,78,37,528)	(5,62,33,044)
	<u>1,09,54,79,326</u>	<u>1,10,85,59,820</u>

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2. Notes to Accounts (continued)

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

	As at 31 March 2013	As at 31 March 2012
2.20 Change in inventory of finished goods, work in progress and stock in trade		
Opening stock		
Finished goods	11,17,41,069	79,35,588
Work-in-progress	70,83,231	69,55,852
Less: Closing stock		
Finished goods	(4,99,41,867)	(11,17,41,069)
Work-in-progress	(50,68,435)	(70,83,231)
Increase/ (decrease) in stock	6,38,13,998	(10,39,32,860)
Increase/ (decrease) in excise duty due to closing inventory	(40,68,231)	60,46,138
	5,97,45,767	(9,78,86,722)
2.21 Employee benefits expense		
Salaries, wages and bonus	7,12,89,820	6,33,00,965
Contribution to provident fund and other funds	59,78,909	51,42,637
Staff welfare expenses	34,01,727	37,12,740
Director's remuneration	19,36,800	19,36,800
	8,26,07,256	7,40,93,142
2.22 Finance costs		
Interest expense		
- on term loan from SICOM	3,00,79,206	3,13,69,255
- on term loan from banks	1,13,61,618	1,44,06,224
- on cash credits	1,98,65,572	1,85,08,330
- on others	49,71,829	43,26,401
Bank charges	84,81,462	77,85,352
	7,47,59,687	7,63,95,562

2. Notes to Accounts (continued)

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

	As at 31 March 2013	As at 31 March 2012
2.23 Other expenses		
Consumption of stores and spares	2,02,96,473	2,11,51,828
Power and fuel	8,56,30,420	6,37,47,701
Job work charges	27,72,000	—
Rent (refer note. 2.31)	22,12,429	8,64,115
Repairs		
Buildings	4,42,439	4,44,178
Plant and machinery	39,59,128	41,15,360
Others	13,43,902	19,12,148
Rates and taxes	4,96,605	4,90,962
Insurance	23,62,131	20,32,792
Vehicle hire and maintenance	17,76,589	18,42,694
Travelling expenses	8,87,233	8,72,582
Contract labour charges	61,94,651	1,24,61,352
Legal and professional fees	31,85,397	28,59,564
Cash discount	87,11,625	72,86,232
Freight outward	40,65,797	67,51,092
Listing fee	1,82,500	1,77,500
Provision for doubtful debts	15,86,284	7,00,000
Books and periodicals	—	8,870
Donations	78,416	81,316
Directors sitting fee	3,21,000	3,36,000
Printing and stationery	5,04,744	4,50,088
Telephone and other communication expenses	4,96,910	5,19,838
Membership and subscriptions	7,023	6,894
Water expenses	55,21,258	47,05,662
Security expenses	16,74,885	16,41,793
Miscellaneous expenses	79,49,002	35,81,970
	16,26,58,841	13,90,42,531

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2. Notes to Accounts (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 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 of 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 2013	As at 31 March 2012
i. Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for	—	40,00,000
ii. Contingent liabilities		
a. Customs duty *	83,174,440	83,174,440
b. Claim against the Company not acknowledged as debts	23,708,122	23,708,122
c. Arrears of dividend on cumulative preference shares including tax on dividends	133,419,027	111,901,814

* Net of amount paid under protest INR Rs.3,700,000 (previous year : INR 3,700,000)

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

	For the year ended 31 March 2013	For the year ended 31 March 2012
Statutory Audit Fees	550,000	550,000
Other services	450,000	450,000
Out of pocket expenses	20,650	23,163
Total	1,020,650	1,023,163

2.27. Income tax expense

Current tax

A current tax credit of INR 3,177,654 has been recognised in the current year. There was no current tax charge / credit in the previous year.

	As at 31 March 2013	As at 31 March 2012
Deferred tax liability		
Excess of depreciation provided in accounts over depreciation allowable under income tax law	(4,86,17,537)	(5,18,52,087)
Deferred tax asset		
Unabsorbed depreciation and carry forward losses restricted to the extent of deferred tax liability*	4,86,17,537	5,18,52,087
Net	—	—

2. Notes to Accounts (continued)

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

2.27. Income tax expense (continued)

*In view of unabsorbed depreciation and carry forward of losses under tax laws in the current year, the Company is unable to demonstrate virtual certainty as required by the Explanation in Accounting Standard 22 'Accounting for taxes on income'. Accordingly, no deferred tax asset has been recognized as at the year-end as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized.

2.28. Earnings per share (EPS)

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

	For the year ended 31 March 2013	For the year ended 31 March 2012
Net profit for the year	89,58,948	(28,053,533)
Less : Preference dividends including tax on dividends	2,15,17,213	21,517,305
Net profit for calculation of basic earnings per share	(1,25,58,265)	(49,570,546)
Number of equity shares outstanding at the beginning of the year	5,09,24,990	50,924,990
Add: Equity shares issued during the year	—	—
Total number of equity shares outstanding at the end of the year	5,09,24,990	50,924,990
Weighted average number of equity shares outstanding during the year - (Basic and diluted)	5,09,24,990	50,924,990
Earnings per share of par value Rs.10 – Basic	(0.25)	(0.97)
Earnings per share of par value Rs.10 – Diluted	(0.25)	(0.97)

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.

2.29. Related party transactions

A) Related parties

Key management personnel (KMP)

- T Sandeep Kumar Reddy, Promoter Director
- C V Rayudu, Whole Time Director
- Maruthi Babu Ponnuru, Director

Enterprises where key management personnel have control or significant influence

- Cosmo Chem Agro Agencies Private Limited
- Mohan Projects Contractors Private Limited
- Deep Corporation Private Limited

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2. Notes to Accounts (continued)

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

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

Nature of transaction	For the year ended 31 March 2013	For the year ended 31 March 2012
Finance cost		
Mohan Projects Contractors Private Limited	36,40,652	11,90,596
T Sandeep Kumar Reddy	13,31,177	14,81,099
Rent paid		
Deep Corporation Private Limited	17,76,320	—
Loans taken		
Cosmo Chem Agro Agencies Private Limited	23,97,66,494	6,04,25,325
Loans repaid		
Cosmo Chem Agro Agencies Private Limited	19,17,32,779	31,33,43,33
Managerial remuneration		
C V Rayudu	19,36,800	19,36,800
Sitting fees		
Mauthi Babu	80,000	80,000
Personal guarantee		
T Sandeep Kumar Reddy	25,00,00,000	25,00,00,000

C) Balances payable to related parties are as follows:

Nature of balance	As at 31 March 2013	As at 31 March 2012
Unsecured loans		
Cosmo Chem Agro Agencies Private Limited	7,71,24,707	2,90,90,992
Mohan Projects Contractors Private Limited	2,75,00,000	2,75,00,000
T Sandeep Kumar Reddy	1,31,47,544	1,31,47,547
	11,77,72,251	6,97,38,539
Nature of balance	As at 31 March 2013	As at 31 March 2012
Interest payable		
Mohan Projects Contractors Private Limited	48,31,248	11,90,596
T Sandeep Kumar Reddy	28,12,276	14,81,099
	76,43,524	26,71,695

2.30. Segment reporting

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

2.31. Leases

The Company leases office facilities under cancellable and non-cancellable operating lease arrangements. The total rental expenses under cancellable operating lease was INR 436,109 (previous year INR 864,115) and under non-cancellable operating lease was INR 1,776,320 (previous year INR Nil) and has been included under "Rent" in the Statement of Profit and Loss.

2. Notes to Accounts (continued)

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

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

Particulars	As at 31 March 2013	As at 31 March 2012
Due within one year	22,55,926	—
Due later than one year and not later than five years	1,07,17,318	—
Later than 5 years	4,98,276	—
Total	1,34,71,520	—

2.32. 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 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 for the year aggregated to INR 5,978,909 (previous year: INR 5,142,637)

Defined benefit plans

The Company operate two defined benefit plans that provide gratuity benefit and compensated absences benefit. The gratuity plan entitles an employee, who has rendered at least five 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	As at 31 March 2013	As at 31 March 2012
Obligation at beginning of the year	1,05,31,787	86,49,287
Current service cost	6,27,395	5,04,656
Interest cost	8,42,543	6,91,943
Past service cost	—	—
Actuarial loss	9,48,442	6,85,901
Benefits paid	(35,913)	—
Obligation as at the end of the year	1,29,14,254	1,05,31,787
Current portion	11,969,679	9,398,810
Non-current portion	944,575	1,132,977

Expense recognised in the statement of profit and loss

Particulars	As at 31 March 2013	As at 31 March 2012
Current service cost	6,27,395	5,04,656
Interest cost	8,42,543	6,91,943
Expected return on plan assets	—	—
Past service cost	—	—
Net actuarial loss recognised in the year	9,48,442	6,85,901
Amount included in "Employee benefits expense"	24,18,380	18,82,500

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2. Notes to Accounts (continued)

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

Five year information: Amounts for the current and previous four periods are as follows:

Particulars	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	As at 31 March 2009
Present value of funded obligations	1,29,14,254	1,05,31,787	86,49,287	59,24,512	47,28,756
Fair value of plan assets	—	—	—	—	—
Experience adjustments arising on plan liabilities	9,48,442	6,85,901	20,09,821	8,45,515	16,71,231

Summary of actuarial assumptions :

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
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: 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.

2.33. Amounts payable to Micro, Small and Medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26th 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 INR 7,987,616 from a small and micro enterprise towards overdue interest. However, during the current year 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 2013	For the year ended 31 March 2012
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	36,54,713	36,54,713
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	6,17,169	Nil
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 payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil
	Nil	Nil

2. Notes to Accounts (continued)

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

2.34 Particulars of sales and Closing Stock

(A) For the year ended 31 March 2013

Particulars	Gross sales for the year ended 31 March 2013	Closing stock as on 31 March 2013	Closing stock as on 31 March 2012
Starch	89,60,91,292	4,61,45,640	10,36,72,802
Sorbitol	29,10,70,350	1,988,972	—
By-products	40,93,13,980	18,07,255	80,68,267
Total	1,59,64,75,622	4,99,41,867	11,17,41,069

(B) For the year ended 31 March 2012

Particulars	Gross sales for the year ended 31 March 2012	Closing stock as on 31 March 2012	Closing stock as on 31 March 2011
Starch	84,85,52,192	10,36,72,802	47,35,509
Sorbitol	24,25,81,304	—	29,04,171
By-products	25,99,22,451	80,68,267	2,95,908
Total	1,35,10,55,947	11,17,41,069	79,35,588

2.35. Work in progress

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Starch	9,00,105	5,85,177
Sorbitol	26,66,394	64,00,266
By-products	15,01,936	97,788
Total	50,68,435	70,83,231

2.36. Consumption of Raw materials

Particulars	For the year ended 31 March 2013	%	For the year ended 31 March 2012	%
Indigenous				
- Maize	94,33,14,865	86.11	99,37,46,583	89.64
- Chemicals	33,585,521	3.07	28,961,995	2.61
- Others	11,85,78,940	10.82	8,58,51,242	7.75
Total	1,09,54,79,326	100.00	1,108,559,820	100.00

2.37. Consumption of stores and spares

Particulars	For the year ended 31 March 2013	%	For the year ended 31 March 2012	%
Imported	—	—	27,24,499	12.88
Indigenous	2,02,96,473	100.00	1,84,27,329	87.12
Total	2,02,96,473	100.00	2,11,51,828	100.00

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2. Notes to Accounts (continued)

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

2.38. CIF value of imports

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Raw materials	—	—
Stores and spares	—	27,24,499
Others	—	—
Total	—	27,24,499

2.39. Expenditure in foreign currency

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

2.40. Earnings in foreign currency

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Exports on FOB basis	6,65,91,000	2,74,63,666
Total	6,65,91,000	2,74,63,666

2.41. Capitalisation of expenses

During the current year, the Company has capitalised following expenses as part of fixed assets as the same are incurred towards the construction of fixed assets:

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Interest cost	75,28,927	—
Salaries	76,18,846	—
Others	68,30,227	—
Total	2,19,78,000	—

2.42. Unhedged foreign currency exposure

Foreign currency exposures on account of trade receivables not hedged by derivative instruments are as follows :

Particulars	31 March 2013		31 March 2012	
	Amount in USD	Amount in INR	Amount in USD	Amount in INR
Trade receivables	4,74,860	2,60,91,240	6,60,470	3,42,46,757

for **B S R and Co.**

Chartered Accountants

Firm's Registration No. 128510W

for **Gayatri BioOrganics Limited**

Zubin Shekary

Partner

Membership No. 48814

T. Sandeep Kumar Reddy

Chairman

P. Maruthi Babu

Director

C.V. Rayudu

Whole Time Director

S. Narasappa

Company Secretary

Place : Hyderabad

Date : 28 May, 2013

**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF
SCHEDULE VI OF THE COMPANIES ACT,1956. FOR THE YEAR ENDED
31st MARCH, 2013**

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No	: 13512	State Code	: 01
Balance Sheet Date	: 31-March-2013		

II Capital raised during the year (Amt in Rs.Thousands)

Public Issue	: NIL	Rights Issue	: NIL
Bonus issue	: NIL	private placement	: NIL

III Position of Mobilisation and Deployment of Funds

(Amt in Rs.Thousands)

Total Liabilities	: 1,18,50,62	Total Assets	: 1,18,50,62
Source of funds			
Paid-up Capital	: 81,78,13	Reserves & Surplus	: 1,000
Secured Loans	: 19,11,14	Unsecured Loans	: 17,31,24
Application of Funds			
Net Fixed Assets	: 54,43,20	Investments	: 15
Net Current Assets	: (6,41,25)	Misc.Expenditure	: —
Accumulated Loss	: 46,24,27		

IV Performance of company (Amt in Rs.Thousands)

Turnover	: 1,52,04,89	Total Expenditure	: 1,51,47,08
Profit (Loss) Before Tax	: 57,81	Profit (Loss) After Tax	: 89,59
Earning Per Share	: ₹ (0.25)	Dividend @ %	: NIL

**V Generic names of Three principal products /services of companies (as per monetary terms)
Item Code No. (ITC CODE)**

Product Description

D-GLUCITOL (SORBITOL)	2905.44
DEXTROSE	1702.29
STARCH	1103.00

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

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 22nd Annual General Meeting of the Company to be held **on Friday, the 27th September, 2013 at 10.00 A.M. at "KLN PRASAD AUDITORIUM, 'FAPCCI' Building Federation House, H.No. 11-6-841, Red Hills, 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

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

PROXY

Regd Folio No:

No. of Shares held

I /We.....of.....

being a member / member(s) of the GAYATRI BIOORGANICS LIMITED do hereby appoint

Sri / Smt.....of

.....or failing him / her Sri / Smt.....

of as my / our proxy to attend and vote for me / us on my / our behalf at the 22nd Annual General Meeting of the Company to be held on **on Friday, the 27th September, 2013 at 10.00 A.M.** at any adjournment thereof.

Signed this.....day of.....2013.

Affix
Revenue
Stamp

Signature of the Shareholder/s _____

Note : The Proxy form duly completed must be deposited at the Regd.Office of the Company not less than 48 hours before the time for holding the Meeting.

**PRINTED MATTER
BOOK - POST**

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 / 66100222, Fax : 66100333

E-mail: info@gayatribioorganics.com