



Gayatri BioOrganics Limited

(Formerly Gayatri Starchkem Limited)

CIN: L24110TG1991PLC013512

27th Annual Report 2017 - 18

27th Annual General Meeting

Day : Wednesday

Date : 19th September 2018

Time : 12.00 P.M.

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

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COMPANY INFORMATION

CIN: L24110TG1991PLC013512

Sri. T.V. Sandeep Kumar Reddy	Chairman (DIN:00005573)
Sri. C.V. Rayudu	Executive Director (DIN : 03536579)
Smt. T. Sarita Reddy	Non Executive Director (DIN: 00017122)
Sri. T.G. Pandya	Non Executive Independent Director (DIN :00017214)
Sri. J. N. Karamchetti	Non Executive Independent Director (DIN : 00940963)
Sri. T. R. Rajagopalan	Non Executive Independent Director (DIN :00020643)
STATUTORY AUDITORS:	M/s. M. Bhaskara Rao & Co, Chartered Accountants 5-D, Fifth Floor, 6-3-652, Kautilya Apartment, Raj Bhavan Quarters Colony, Somajiguda, Hyderabad - 500082.
COST AUDITOR:	N.S.V. KRISHNA RAO & CO., Cost Accountants, Flat No.201, D,No.12-2-323/A/78, Geetha Apts, Santhosh Nagar Colony, Mehadipatnam, Hyderabad - 500028.
SECRETARIAL AUDITOR :	Y. KOTESWARA RAO H.No.48-345,GaneshNagar Colony, Chinthal, HMT Road, Hyderabad - 500 054.
REGISTRAR AND SHARE TRANSFER AGENT :	M/s Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad 500018.
REGISTERED OFFICE & INVESTOR RELATION DEPT :	B3, 3 rd Floor, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad - 500 082. Ph: 040-66100111, Fax: 040-66100333 E-mail: info@ gayatribioorganics.com
FACTORY :	1) NH-9, Nandikandi Village, Sadasivapet Mandal, Medak District, Telangana – 502 306. 2) Balabhadrapuram Village, Biccavole Mandal, East Godavari District, Andhra Pradesh – 533 343.

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NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the members of Gayatri BioOrganics Limited will be held at the "FTAPCCI Surana Auditorium", The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Federation House, 11-6-841, Hyderabad-500004 on Wednesday, 19th day of September, 2018 at 12.00 P.M to transact the following business:

ORDINARY BUSINESS:

1. To receive consider, approve and adopt the Audited Financial Statement as at 31st March, 2018 and the Report of Directors' and the Auditors thereon.
2. To appoint a Director in place of Sri. T.V.Sandeep Kumar Reddy (DIN: 00005573), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

"RESOLVED THAT pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), as recommended by the Board of Directors of the company, M/s. N G Rao & Associates, Chartered Accountants Firm Registration No.009399S be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. M. Bhaskara Rao & Co, Chartered Accountants, Firms Registration No.000459S.

RESOLVED FURTHER THAT M/s. N G Rao & Associates, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company from this Annual General Meeting and that they shall hold the office of the Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the 32nd Annual General Meeting of the Company and that they shall conduct the Statutory Audit for the period ended 31st March, 2019 on such remuneration as may be fixed by the Board of Directors in consultation with them."

SPECIAL BUSINESS:

4. To approve the remuneration payable to the cost auditors of the company for the Financial Year 2018-19. To consider and if, thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sec. 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the consent of the members of the Company, be and is here by accorded to pay a remuneration of Rs.40,000/- per annum plus out of pocket expenses to M/s N.S.V.Krishna Rao & Co, the Cost Auditor of the Company for conducting the Audit of the cost records of the Company for the financial year 2018-19."

"RESOLVED FURTHER THAT the Board of directors of the company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect t to this resolution."

By Order of the Board

Place: Hyderabad
Date: 22.08.2018

T.V. Sandeep Kumar Reddy
Chairman
DIN :00005573

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxy Forms in order to be effective must be received at the company's registered office not less than 48 hours before the commencement of the meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.
4. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. The Register of Members and the Share Transfer Books will remain closed from Wednesday, 12th September, 2018 to Wednesday, 19th September, 2018 (both days inclusive).
6. The Members are requested to intimate immediately any change in their address to the Company at the Registered Office or M/s Venture Capital and Corporate Investments Private Limited, #12-10-167, Bharat Nagar, Hyderabad 500018.
7. Members desiring any information as regards the Accounts are requested to write to the Company not less than seven days before the date of the meeting to enable the Management to keep the information ready at the meeting.
8. Members / Proxies are requested to bring their Annual Report to the meeting and the attendance slip duly filled in for attending the meeting. Copies of Annual Reports will not be provided at the meeting.
9. Members having physical shares are requested to notify immediately changes, if any, in their addresses to the Company, duly quoting their folio number. However, members holding shares in demat mode are requested to approach their respective Depository Participants for updating the change of address.
10. The annual report for the financial year 2017-18 has been sent through email to those members who have opted to receive electronic communication or who have registered their email addresses with the Company/depository participants. The annual report is also available on our website, i.e. www.gayatribioorganics.com. The physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company/depository participant. The members will be entitled to a physical copy of the annual report for the financial year 2017-18, free of cost, upon sending a request to the Company Secretary at #6-3-1090, B-Block, 3rd Floor, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500 082.
11. The Company is providing an opportunity to its member to register their e-mail address and changes therein and such request shall be made by only those members who have not get their e-mail ID's recorded as to update a fresh e-mail ID and not from the members whose e-mail IDs are already registered.
12. The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires a listed Company to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions to be passed at General Meetings. The Company is pleased to offer remote e-voting facility as an alternate, for all its Members to enable them to cast their vote electronically.
In case a Member desires to exercise his vote by using remote e-voting facility then he has to carefully follow the instructions as given for E-Voting. He can use the facility and log in any number of times till he has voted on the Resolution or till the end of the voting period whichever is earlier.
13. Mr. Y. Koteswara Rao, Practicing Company Secretary (Membership No.3785) has been appointed by the Board as Scrutinizer for the purpose of ascertaining the requisite majority for all the businesses in a fair and transparent manner.
14. Since remote e-voting facility (including Ballot Forms) is provided to the Members pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, voting by show of hands will not be allowed in the meeting.
15. After all the items of the notice have been discussed, the Chairman will order poll in respect of all the items. Poll will be conducted and supervised under the Scrutinizer appointed for remote e-voting as stated above. After conclusion of the poll, the Chairman may declare the meeting as closed.

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16. Members who have not casted their vote through remote e-voting will be allowed to vote at AGM through polling. The members who have once casted remote e-vote on a resolution will not be allowed to modify it subsequently or vote on such resolution on poll at the Annual General Meeting. However, they can attend the meeting and participate in the discussions, if any. If any member casts vote again, remote e-vote casted by him shall be considered.
17. The results declared along with the scrutinizer's report shall be placed on the website of the company.
18. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief profiles of Directors including those proposed to be appointed or re-appointed are annexed to this notice.
19. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special businesses is annexed hereto.

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

ITEM NO. 3:

M/s. M. Bhaskara Rao & Co, Chartered Accountants have tendered their resignation from the position of Statutory Auditors due to unavoidable circumstances, resulting into a casual vacancy in the office of Statutory Auditors of the company as envisaged by section 139(8) of the Companies Act, 2013 ("Act"). Casual vacancy caused by the resignation of auditors can only be filled up by the Company in general meeting. Board proposes that M/s. N G Rao & Associates, Chartered Accountants, be appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. M. Bhaskara Rao & Co, Chartered Accountants.

Further they are appointed as Statutory Auditors of the Company for 5 years i.e from conclusion of this Annual General Meeting until the conclusion of the 32nd Annual General Meeting of the Company and they shall conduct the Statutory Audit of the Company for the period ended 31st March, 2019.

M/s. N G Rao & Associates, Chartered Accountants, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

Accordingly, Ordinary Resolution is submitted to the meeting for the consideration and approval of members.

None of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.

ITEM NO. 4:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 the Company is required to get its cost accounts Audited by a cost accountant in practice. The Board has, on the recommendation of the Audit Committee, approved the appointment of M/S N.S.V.Krishna Rao & Co, Cost Accountants, as the Cost Auditor of the Company to conduct Cost Audit for the financial year 2018- 19, at a remuneration of Rs.40,000/- per annum plus out-of-pocket expenses.

M/S N.S.V.Krishna Rao & Co, Cost Accountants has vast experience in the field of cost audit and has been conducting the audit of the cost records for several companies under the provisions of the erstwhile Companies Act, 1956.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Amendment Rules, 2016, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2018-19.

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

The Board recommends the resolution as set forth at item no. 4 of the notice for approval of the members by way of Ordinary Resolution.

ELECTRONIC VOTING PARTICULARS

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to offer remote e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 27th Annual General Meeting to be held on Wednesday, 19th September 2018, at 12.00 P. M. The Company has engaged the services of Central Depository Services (India) Limited i.e CDSL to provide the E-Voting facility.

The E-Voting facility is available at the link <https://evotingindia.com>

The period of E-voting is set out below:

Commencement of e-Voting	End of e-Voting
16 th September, 2018 (9.00 a.m)	18 th September, 2018 (5.00 p.m)

VOTING THROUGH ELECTRONIC MEANS

PROCEDURE AND INSTRUCTIONS FOR E-VOTING

The e-Voting process to be followed by the shareholders to cast their votes:

- ◆ During the voting period, the shareholders can visit the e-Voting website www.evotingindia.com and select the relevant EVSN / Company for voting.
- ◆ The shareholders can login to the e-Voting system using their user-id (i.e. demat account number), PAN and Date of Birth (DOB) or Bank account number mentioned for the said demat account or folio.
- ◆ After logging in, demat security holders will have to mandatorily change their password. This password can be used by demat security holders for all future voting on resolutions of companies in which they are eligible to vote. Physical shareholders will have to login with the DOB and Bank details for every voting.
- ◆ Security holders have to then select the EVSN for which they desire to vote.
- ◆ Security holders can then cast their vote on the resolutions available for voting.
- ◆ Security holders can also view the resolution details on the e-Voting website.
- ◆ Once the security holder casts the vote, the system will not allow modification of the same.
- ◆ During the voting period, security holders can login any number of times till they have voted on all the resolutions. However, once the security holder has voted on a resolution he/she would not be able to vote for the same resolution but, only view the voting.
- ◆ Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- ◆ The members of the Company, holding shares either in physical form or in dematerialized form, as on 07.09.2018, being the cutoff date, may cast their vote electronically.

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.cdslevotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

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	For Members holding shares in Demat Form and Physical Form
PAN*	<ul style="list-style-type: none"> ◆ Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ◆ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ◆ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	DOB # DOB# Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant Gayatri BioOrganics Limited on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

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

(B) The voting period begins on Sunday, 16th September, 2018 at 9.00 A.M and ends on Tuesday, 18th September 2018 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 07th September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

BOARD'S REPORT

To
The Members of
Gayatri BioOrganics Limited

Your Directors present the Twenty Seventh Annual Report along with the Audited Financial Statements and the Auditor's Report thereon for the period ended 31st March, 2018.

FINANCIAL RESULTS

	(Rs. in lakhs)	
Particulars	31.03.2018	31.03.2017
Net Sale Income from Operations	1710568070	793810849
Other Operating Income	23378352	—
Income from operations	1733946422	—
Other Income	118720421	—
Total Income	1852666843	—
Total Expenditure	1972585299	—
Finance Charges	1871323	—
Depreciation	69645620	—
Provision for Taxation	—	—
Net Profit / (Loss)	(191435400)	-8,261.97

*Operations are carried in the Company pending transfer of assets and liabilities in pursuance of Business Transfer Agreement entered with Bluecraft Agro Private Limited and hence entire revenue from operations represent revenue from discontinued operations (As per Accounting Standard 24- Discontinued Operations issued by ICAI)of the Company and the required disclosures are hereunder.

	(Rs. in lakhs)	
Particulars	31.03.2018	31.03.2017
Revenue (Net of Excise)	18526.67	7,969.33
Operating Expenses discontinuing operations	20441.02	16,231.30
Profit before Tax from discontinuing operations	1914.35	-8,261.98
Income Tax Expense	—	—
Profit after Tax from discontinuing operations	1914.35	-8,261.98
Total Assets related to discontinuing operations	14383.79	10,380.76
Total Liabilities related to discontinuing operations	21232.40	14,768.51

AMOUNT TO BE TRANSFERRED TO RESERVES AND DIVIDEND PROPOSED:

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

PUBLIC DEPOSITS:

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

STATUTORY AUDITORS:

The existing auditors M/s. M. Bhaskara Rao & Co, Chartered Accountants have tendered their resignation from the position of Statutory Auditors due to unavoidable circumstances, resulting into a casual vacancy in the office of Statutory Auditors of the company as envisaged by section 139(8) of the Companies Act, 2013 ("Act"). Board has appointed M/s.

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N G Rao & Associates, Chartered Accountants, as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. M. Bhaskara Rao & Co, Chartered Accountants.

Further they are appointed as Statutory Auditors of the Company for 5 years i.e from conclusion of this Annual General Meeting until the conclusion of the 32nd Annual General Meeting of the Company and they shall conduct the Statutory Audit of the Company for the period ended 31st March, 2019.

In this regard, the Company has received a certificate from the M/s. N G Rao & Associates, Chartered Accountants to the effect that if they are appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Accordingly, the appointment of M/s. N G Rao & Associates, Chartered Accountants, as statutory auditors of the Company, is placed before the shareholders for their approval.

INTERNAL AUDITORS:

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

SECRETARIAL AUDITORS:

Mr. Y. Koteswar rao, Practicing Company Secretary, was appointed to conduct the Secretarial Audit of the Company for the financial year 2017-18, as required under Section 204 of the Companies Act, 2013 read with Rule 9 there-under. The secretarial audit report for F.Y 2017-18 annexed to this Board's Report as Annexure-I.

COST AUDITORS:

In accordance with Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, and In accordance with the Audit Committee recommendation the Board of Directors had appointed M/s. N.S.V.Krishna Rao & Co, Cost Accountants, Hyderabad to Conduct the Cost Audit for the Financial Year 2018-2019. M/s. N.S.V.Krishna Rao & Co, Cost Accountants, submitted the Cost Audit Report for the Financial Year ended 31st March, 2018.

DIRECTORS & KEY MANAGERIAL PERSONNEL:

Sri. T. V. Sandeep Kumar Reddy (DIN: 00005573), retires by rotation at the forth coming annual general meeting and being eligible, offers himself for re-appointment.

The independent directors of the company are highly qualified and stalwarts in their respective filed with wide and varied experience. They actively participate in the discussions at the Board meeting and their suggestions have helped the company to grow at a rapid pace. The independent directors are paid sitting fees for attending the Board and committee meetings. The nomination and remuneration committee has in place their criteria for determination of qualifications, positive attributes and independence of the directors, which they would consider as and when the company would be required to appoint the new independent directors. Pursuant to the provisions of Companies Act, 2013 and SEBI(Listing Obligations and Disclosure Requirements)Regulations,2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of working of its audit committee, nomination and remuneration committee, and stakeholders relationship committee . The manner in which the evaluation has been carried out has been explained in the corporate governance report. The manner in which the remuneration is paid to the directors, executive directors and senior level executives the company has also been explained in the corporate governance report. During the year, Eight Board meetings and Six audit committee meetings were convened and held the details of which are given in the corporate governance report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

The Management is in the process of short listing and finalizing the suitable candidates for the offices of CFO and CS of the Company.

INDEPENDENT DIRECTORS:

The Company has received disclosures from the Independent Directors confirming their independence in terms of the SEBI(Listing Obligations and Disclosure Requirements)Regulations,2015 and Section 149(6) of the Companies Act, 2013. The Letter of Appointment issued to the Independent Directors containing the terms and conditions are available under investors section on the website of the Company <http://www.gayatribioorganics.com>

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

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were at arm's length basis. There are no materially significant related party transactions made by the company with promoters, key managerial personnel or other designated persons which may have potential conflict with interest of the company at large. A detailed report on material contracts and arrangements made during the year 2017-18, being arm's length transactions have been reported and annexed hereto in form AOC-2 as Annexure - III and forms part of this report.

EXTRACT OF ANNUAL RETURN:

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a. Business Environment

In FY 2017-18 the operations are carried in the company pending transfer of assets and liabilities pursuant to BTA entered into with Bluecraft Agro Private Limited. The transfer has not consummated as on the date balance sheet. The Company is pursuing various options for future course of action.

b. Industry Structure and Developments

In FY 2017-18 the operations are carried in the company pending transfer of assets and liabilities pursuant to BTA entered into with Bluecraft Agro Private Limited. The transfer has not consummated as on the date balance sheet. The Company is pursuing various options for future course of action.

c. Opportunities and threats

In FY 2017-18 the operations are carried in the company pending transfer of assets and liabilities pursuant to BTA entered into with Bluecraft Agro Private Limited. The transfer has not consummated as on the date balance sheet. The Company is pursuing various options for future course of action.

d. Out look

In FY 2017-18 the operations are carried in the company pending transfer of assets and liabilities pursuant to BTA entered into with Bluecraft Agro Private Limited. The transfer has not consummated as on the date balance sheet. The Company is pursuing various options for future course of action.

e. Risks and Concerns

In FY 2017-18 the operations are carried in the company pending transfer of assets and liabilities pursuant to BTA entered into with Bluecraft Agro Private Limited. The transfer has not consummated as on the date balance sheet. The Company is pursuing various options for future course of action.

f. Internal Control Systems and their adequacy

In FY 2017-18 the operations are carried in the company pending transfer of assets and liabilities pursuant to BTA entered into with Bluecraft Agro Private Limited. The transfer has not consummated as on the date balance sheet. The Company is pursuing various options for future course of action.

g. Operational performance

In FY 2017-18 the operations are carried in the company pending transfer of assets and liabilities pursuant to BTA entered into with Bluecraft Agro Private Limited. The transfer has not consummated as on the date balance sheet. The Company is pursuing various options for future course of action.

h. Human Financial Resources / Industrial Relations

In FY 2017-18 the operations are carried in the company pending transfer of assets and liabilities pursuant to BTA entered into with Bluecraft Agro Private Limited. The transfer has not consummated as on the date balance sheet. The Company is pursuing various options for future course of action.

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PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1),5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as Annexure-V to this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE OUTGO:

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

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

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

SUBSIDIARIES:

The Company has no subsidiaries as on the date of 31st March, 2018.

NOMINATION AND REMUNERATION POLICY:

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

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI(Listing Obligations and Disclosure Requirements)Regulations,2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

FIXED DEPOSITS:

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

MATERIAL CHANGES:

The Members of the Company Passed the Special Resolutions on 21/09/2016 and 21/06/2016 through postal ballot notice dated 07.05.2016 and 13.08.2016 for the sale of Unit-I & II of the Company Situated at NH-9, Nandikandi Village, Sadasivapet Mandal, Medak District, Telangana and Balabadrapuram Village, Biccavole Mandal, East Godavari District, Andhra Pradesh . In respect of which the management of the Company has entered into a Business Transfer Agreement (BTA) with Bluecraft Agro Private Limited, (CIN:U01100GJ2016PTC094317), a company registered under the Companies Act, 2013, having its registered office at 9, Ambalal Park, Jawahar Chowk, Sabarmati, Ahmedabad, Gujarat- 380005.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

DIRECTORS RESPONSIBILITY STATEMENT:

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

- i) In the preparation of annual accounts for the financial year ended 31st March, 2018 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2018 and of the profit and loss of the Company for the year;
- iii) The Directors have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors had prepared the annual accounts on a 'going concern' basis;
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

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

RISK MANAGEMENT:

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

STATEMENT ON DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY AND CSR INITIATIVES:

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

CORPORATE GOVERNANCE REPORT:

Your Company has complied with the requirements SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on corporate governance forms part of the annual report. A certificate from the auditors regarding compliance of conditions of corporate governance also forms the part of the annual report.

HUMAN RESOURCES:

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

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.

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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 2018-19 to BSE Limited.

REPLY TO ADVERSE REMARKS OF AUDITORS' REPORT:

With regard to qualified opinion, The Company had to sell its both the units of the Company to come out of the financial crisis and to reduce the overall cost burden. The management continues its support to the Company with all necessary assistances including financial and operational.

The management is in the process of establishing internal financial control mechanism.

REPLY TO ADVERSE REMARKS OF SECRETARIAL AUDITORS' REPORT:

The company was under the process of short listing and finalising the suitable candidate for the offices of Company Secretary of the Company and Chief Financial Officer (CFO). The management is in the process of selection of appropriate candidates for the above mentioned offices.

ACKNOWLEDGEMENTS:

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

By Order of the Board

Place: Hyderabad
Date: 13.08.2018

T.V. Sandeep Kumar Reddy
Chairman
DIN :00005573

ANNEXURE – I
Secretarial Audit Report
For the Financial Year ended March 31, 2018
[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Gayatri BioOrganics Limited for the financial year ended on 31st March, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable during the audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not Applicable during the audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (Not Applicable during the audit period);

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- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable during the audit period);
- (i) The Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

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

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

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

I further report that during the audit period, no events, other than the following, have occurred which have a major bearing on the Company's affairs.

- (1) The positions of Company Secretary (CS) and Chief Financial Officer (CFO) of the Company have not filled within the time stipulated under the Provisions of Section 203 of Companies Act, 2013. The Management is in the process finalising the suitable candidates to appoint for the respective offices.

I further report that

- (1) The Company has made allotment on 13.10.2016 of 1,70,06,802 equity shares of Rs.10/-each through "Preferential Issue" by Conversion of part of Promoter's holding of 6% Cumulative Optionally Redeemable Preference Shares of the Company. In respect of which the Listing application is pending with the BSE due to technical reasons for dematerialization of the allotted shares as the promoters holdings are under pledge with the lenders to the company.

Place: Hyderabad
Date: 13.08.2018

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

Note : This report is to be read with my letter of even date which is annexed as **Annexure - A** and forms an integral part of this report.

ANNEXURE - 'A'

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

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

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

Place: Hyderabad
Date: 13.08.2018

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

ANNEXURE-II DIRECTORS PROFILE

1. Sri. T.V. Sandeep Kumar Reddy:

Name	T.V. Sandeep Kumar Reddy
DIN	00005573
Designation	Chairman & Promoter Director
Age	51 years
Date of appointment on the Board of the Company	02.12.1991
No. of Shares of Rs. 10/- each held as on date	1,74,89,815
Relationship between Directors inter se	Husband of Mrs. T. Sarita Reddy (Director)

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

2. Smt. T. Sarita Reddy:

Name	T. Sarita Reddy
DIN	00017122
Designation	Promoter Director
Age	47 Years
Date of appointment on the Board of the Company	24.01.2008
No. of Shares of Rs. 10/- each held as on date	48,80,279
Relationship between Directors inter se	Wife of T.V. Sandeep Kumar Reddy (Chairman)

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

3. Sri. C.V. Rayudu:

Name	C.V. Rayudu
DIN	03536579
Designation	Whole Time Director
Age	59 Years
Date of appointment on the Board of the Company	28.05.2011
No. of Shares of Rs. 10/- each held as on date	Nil
Relationship between Directors inter se	N.A

Sri C. V. Rayudu is a Post Graduate in MPM and has done B.Com and B. L. He is having around 32 years of rich experience in various Starch and Other Industries.

4. Sri. T.G.Pandya:

Name	T.G.Pandya
DIN	00017214
Designation	Independent Director
Age	83 Years
Date of appointment on the Board of the Company	31.07.2001
No. of Shares of Rs. 10/- each held as on date	Nil
Relationship between Directors inter se	N.A

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

5. Sri. T.R. Rajagopalan:

Name	T.R. Rajagopalan
DIN	00020643
Designation	Independent Director
Age	79 Years
Date of appointment on the Board of the Company	31.07.2008
No. of Shares of Rs. 10/- each held as on date	Nil
Relationship between Directors inter se	N. A.

Mr. T.R. Rajagopalan is a MA, MSc, CAIIB. He is a Retired GM State Bank of India and has experience of 40 years in credit and International banking. He held various assignments both at operational as well as policy framing levels. These assignments include Branch Manager, Regional Manager, Deputy General Manager (Commercial banker) and General Manager (Commercial Banking). He also handled the assignment with Bank of Ghana, under World Bank to train all banking officials of that country, in the areas of Credit Management.

6. Sri. J. N. Karamchetti

Name	J. N. Karamchetti
DIN	00940963
Designation	Independent Director
Age	72 Years
Date of appointment on the Board of the Company	31.10.2006
No. of Shares of Rs. 10/- each held as on date	Nil
Relationship between Directors inter se	N. A.

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

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ANNEXURE-III FORM NO. AOC -2

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

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

Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions'	Date of approval by the Board	Amount paid as advances, if any
Deep Corporation Private Limited - Common Director	Rent Paid	5 Years and 2 Months	Registered office Premises taken on Lease form Deep Corporation Private Limited	No Extra Amount Paid by the Company for taking the premises on Lease	18 th May, 2017	Nil

By Order of the Board

Place: Hyderabad
Date: 13.08.2018

T.V. Sandeep Kumar Reddy
Chairman
DIN : 00005573

**ANNEXURE-IV
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2018**

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Maize Starch Powder	1108.12.00	78%
2	Sorbitol	2905.44.00	22%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	4,77,90,648	-	4,77,90,648	60.66	4,77,90,648	-	4,77,90,648	60.66	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	60,97,290	-	60,97,290	7.74	60,97,290	-	60,97,290	7.74	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	53887938	-	53887938	68.40	53887938	-	53887938	68.40	-
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL(A)= A(1)+A(2)	53887938	-	53887938	68.40	53887938	-	53887938	68.40	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	4,52,200	6,21,000	5,14,300	0.65	4,52,200	6,21,000	5,14,300	0.65	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs -	-	5,000	5,000	0.01	-	5,000	5,000	0.01	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)-	4,52,200	67,100	5,19,300	0.66	4,52,200	67,100	5,19,300	0.66	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1,06,109	93,500	1,99,609	0.25	84,815	93,000	1,77,815	0.23	-0.03
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs	10,11,882	31,52,740	41,64,622	5.29	10,08,511	31,20,040	41,28,551	5.24	-0.05
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	4,60,840	1,29,300	5,90,140	0.75	5,22,039	1,29,300	6,51,339	0.83	0.08
c) Others (specify)									
Non Resident Indians	26,199	8,81,500	9,07,699	1.15	76,949	8,35,000	9,11,949	1.16	0.01
Overseas Corporate	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	18,844	-	18,844	0.02	11,260	11,260	0.01	-0.01	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	1,84,99,990	-	1,84,99,990	23.48	1,84,99,990	-	1,84,99,990	23.48	-
Sub-total (B)(2):	2,01,23,864	42,57,040	2,43,80,904	30.94	2,02,03,564	41,77,340	2,43,80,904	30.94	-
Total Public (B)	2,05,76,604	43,24,140	2,49,00,204	31.60	2,06,55,764	42,44,440	2,49,00,204	31.60	-
C. Shares held by									
Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	7,44,64,002	43,24,140	7,87,88,142	100.00	7,45,43,702	42,44,440	7,87,88,142	100	0.00

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year March 2018		
		No. of Shares	% of total Shares of the	% of Shares of pledged / total shares	No. of Shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares
1	Gayatri Fin-Holdings Pvt Ltd	15,70,950	1.99	100	15,70,950	1.99	100
2	T S R Holdings Pvt Ltd	20,26,000	2.57	100	20,26,000	2.57	100
3	Gayatri Capital Ltd	25,00,340	3.17	100	25,00,340	3.17	100
4	Subbarami Reddy Tikkavarapu	16,25,000	2.06	100	16,25,000	2.06	100
5	Tikkavarapu Sarita Reddy	48,80,279	6.19	100	48,80,279	6.19	100
6	Sandeep Kumar Reddy Tikkavarapu	3,44,96,617	43.78	47.4	3,44,96,617	43.78	21.31
7	Indira Tikkavarapu	67,88,752	8.62	37.5	67,88,752	8.62	15.40
	Total	5,38,87,938	68.40	58.45	5,38,87,938	68.40	38.97

(iii) Change in Promoters' Shareholding:

SN	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / Decrease	Reason	Share holding at the end of the year	
		No. of Shares	% of total Shares of the				No. of Shares	% of total Shares of the company
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

(iv) Shareholding Pattern of top ten Shareholders

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

SN	For each of the Top 10 shareholders	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares	No. of shares	% of total shares
1	FURSA MAURITIUS SPV 1					
	At the beginning of the year	01.04.2017	1,84,99,990	23.48		
	Changes during the year	N.A.	N.A.			
	At the end of the year	31.03.2018	1,84,99,990	23.48	1,84,99,990	23.48
2	SBI LARGE & MIDCAP FUND					
	At the beginning of the year	01.04.2017	4,52,200	0.57		
	Changes during the year	N.A.	N.A.			
	At the end of the year	31.03.2018	4,52,200	0.57	4,52,200	0.57

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3	PARSOTAMBHAI CHANABHAI GAJERA						
	At the beginning of the year	01.04.2017	100000	0.13			
	Changes during the year	NA	NA			0	
	At the end of the year	31.03.2018	100000	0.13	1,00,000	0.13	
4	SHAREKHAN LIMITED						
	At the beginning of the year	01.04.2017	70149	0.09		0.09	
	Changes during the year	07.04.2017	-50			70099	0.09
		14.04.2017	-100			69999	0.09
		28.04.2017	0			70999	0.09
		05.05.2017	0			71999	0.09
		12.05.2017	0			72028	0.09
		19.05.2017	-97			71931	0.09
		26.05.2017	-932			70999	0.09
		23.06.2017	-70999			0	0.00
		07.07.2017	0			500	0.00
		14.07.2017	-500			0	0.00
		19.01.2018	0			30	0.00
		02.02.2018	0			75	0.00
		09.02.2018	-30			45	0.00
		16.02.2018	-30			15	0.00
		23.03.2018	-15			0	0.00
At the end of the year	31.03.2018	0		0	0.00		
5	MRIDULA JAIN						
	At the beginning of the year	01.04.2017	42,600	0.05			
	Changes during the year	N.A.	N.A.				
	At the end of the year	31.03.2018	42,600	0.05	42,600	0.05	
6	PNB:PRINCIPAL TRUSTEE:PNB MUTUAL FUND						
	At the beginning of the year	01.04.2017	38,400	0.05			
	Changes during the year	N.A.	N.A.				
	At the end of the year	31.03.2018	38,400	0.05	38,400	0.05	
7	VINOD KUMAR SHARMA						
	At the beginning of the year	01.04.2017	36029	0.05	36029	0.05	
	Changes during the year	23.03.2018	-6212		29817	0.04	
	At the end of the year	31.03.2018	29817	0.04	29817	0.04	
8	SHAH NIRUBEN DILIPKUMAR						
	At the beginning of the year	01.04.2017	33207	0.04	33207	0.04	
	Changes during the year	21.04.2017	-10000	0.02	23207	0	
		05.05.2017	-572	0	22635	0	
	At the end of the year	31.03.2018	22625	0.03	22635	0.03	
9	BHARAT NAGRAJ KANUNGO						
	At the beginning of the year	01.04.2017	0	0			
	Changes during the year	23.06.2017	70999		70999	0.09	
	At the end of the year	31.03.2018	70999	0.09	70999	0.09	

10	STAR SECURITIES PRIVATE LIMITED					
	At the beginning of the year	01.04.2017	32900	0.04		
	Changes during the year					
	At the end of the year	31.03.2018	32900	0.04	32900	0.04

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares	No. of shares	% of total shares
1	SANDEEP KUMAR REDDY TIKKAVARAPU					
	At the beginning of the year	01.04.2017	3,44,96,617	43.78	3,44,96,617	43.78
	Changes during the year	-	-	-	-	-
	At the end of the year	31.03.2018	3,44,96,617	43.78	3,44,96,617	43.78
2	TIKKAVARAPU SARITA REDDY					
	At the beginning of the year	01.04.2017	48,80,279	6.19	48,80,279	6.19
	Changes during the year	-	-	-	-	-
	At the end of the year	31.03.2018	48,80,279	6.19	48,80,279	6.19

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VI. INDEBTEDNESS

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

(Amt. Rs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	1,70,15,659	NIL	1,70,15,659
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	1,70,15,659	NIL	1,70,15,659
Change in Indebtedness during the financial year				
* Addition	NIL	NIL	NIL	NIL
* Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	1,70,15,659	NIL	1,70,15,659
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due			NIL	NIL
Total (i+ii+iii)	NIL	1,70,15,659	NIL	1,70,15,659

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/ WTD/Manager	Total Amount (In Rs.)
	Name	Executive Director Mr.C.V.Rayudu	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19,96,800	19,96,800
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NA	-
2	Stock Option	NA	-
3	Sweat Equity	NA	-
4	Commission		-
	- as % of profit	NA	-
	- others, specify	NA	-
5	Others, please specify	NA	-
	Total (A)	19,96,800	19,96,800
	Ceiling as per the Act	60,00,000	60,00,000

B. Remuneration to other Directors

S. No	Particulars of Remuneration	Name of Directors					Total Amount (Rs)
1	Independent Directors	Mr.T.R. Rajagopalan	Mr T.G. Pandya	Mr J.N. Karamchetti	Mr.T.V. Sandeep Kumar Reddy	Mrs.T. Sarita Reddy	
	Fee for attending board and committee meetings	72000	72000	60000	60,000	72000	3,36,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	72000	72000	60000	60,000	72000	3,36,000
2	Other Non-Executive Directors						
	Fee for attending board and committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	72000	72000	60000	60,000	72000	3,36,000
	Total Managerial Remuneration						
	Overall Ceiling as per the Act	NA	NA	NA	NA	NA	NA

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

S.No	Particulars of Remuneration	CFO	CS	Total
1	Remuneration for the year 2017-2018	Nil	Nil	Nil
	Total (A)	Nil	Nil	Nil

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

By Order of the Board

Place: Hyderabad
Date: 13.08.2018

T.V. Sandeep Kumar Reddy
Chairman
DIN : 00005573

Annexure-V

PARTICULARS OF EMPLOYEES

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

i. The ratio of remuneration of each director to the mean median remuneration of the employees of the remuneration company for the financial year 2017-18	Director's name	Ratio to mean remuneration
	Mr.C.V.Rayudu Whole Time Director	7.90:1
ii. The percentage increase in remuneration of each Director Chief Financial Officer and Company Secretary in the financial year 2017-18 as compared to 2016-17.	Director's / CFO/ CS Name	% increase in remuneration
	Mr.C.V.Rayudu Whole Time Director	No Change
	CFO	Nil
	Company Secretary	Nil
iii. Percentage increase in the median remuneration of employees in the financial year 2017-18 as compared to 2016-17	—	—
iv. No. of permanent employees on the roll	As on 31.3.2018 291	As on 31.3.2017 312
viii. Average percentile increase in salaries of employees other than managerial personnel	No Change	—

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

The details of Top Ten Employees of the Company

S. No.	Name of the Employee	Remuneration (In Rs.)
1.	Mr.C.V.Rayudu	1996800
2.	B.Venkata Ramana	1344000
3.	J.Srinivasa Rao	1066428
4.	Vvv Satya Rama Rao	745884
5.	Asvsg Ravi Shankar	686760
6.	Gv Satyanarayana	641688
7.	Y Bhasker Reddy	568284
8.	R Padmakar	548500
9.	M.Suryanarayana	548472
10.	B.Umamaheswara Rao	522840

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Annexure-VI

Information under Rule 8 (3) of Companies (Accounts) Rules 2015 and forming part of the directors' report for the year ended 31st March, 2018.

A. Conservation of energy:

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

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

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

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

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

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

B. Technology absorption:

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

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

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

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

III. Imported Technology:

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

IV. Research and development (R & D):

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

C. Foreign Exchange earnings and outgo:

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

By Order of the Board

Place: Hyderabad
Date: 13.08.2018

T.V. Sandeep Kumar Reddy
Chairman
DIN : 00005573

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2017-18

1. Overview of Corporate Governance of Gayatri Bio Organics Limited

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

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

2. Board of Directors

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

(a) Composition:

The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act .The Board of Directors consists of Six Directors as follows:

The Board of Directors consists of Six Directors as follows:

Sri. T.V. Sandeep Kumar Reddy	Chairman & Promoter Director
Smt. T. Sarita Reddy	Non Executive & Promoter Director
Sri. C.V. Rayudu	Whole Time Director
Sri. T.G.Pandya	Non Executive & Independent Director
Sri. J. N. Karamchetti	Non Executive & Independent Director
Sri. 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 25th September 2017.

Name	Category	Board Meetings Attended	Attendance at the last AGM	No. of Directorships held in other Companies
Sri. T.V. Sandeep Kumar Reddy	Promoter-Chairman	5	Yes	16
Smt. T. Sarita Reddy	Non Executive & Promoter Director	5	No	17
Sri. C.V. Rayudu	Whole Time Director.	5	Yes	NIL
Sri. T.G. Pandya	Non Executive & Independent Director	5	No	NIL
Sri. J.N. Karamchetti	Non-Executive & Independent Director	5	No	4
Sri. T.R. Rajgopalan	Non-Executive & Independent Director	5	Yes	3

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(b) Board Meetings held during the year 2017-18:

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 2017-18 the Board Meeting was held Five times as follows:

S. No	Date of Board Meeting
1.	18th May, 2017
2.	29th August 2017
3.	14th September 2017
4.	13th December 2017
5.	14th February, 2018

(c) Details of Directors seeking re-appointment as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013

As per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the information about the Directors proposed to be re-appointed is given as under.

Name of Director	Sri.T.V. Sandeep Kumar Reddy
Director Identification No	00005573
Date of Appointment	02.12.1991
Occupation	Industrialist
Relationship between directors inter-se	Spouse of Mrs. T. Sarita Reddy and son of Smt. T. Indira Subbarami Reddy
Nature of Expertise in specific functional area	26 years of experience in the Construction Industry
Directorship in Listed entities	Gayatri Sugars Limited Gayatri BioOrganics Limited Gayatri Projects Limited
Membership of Committees of other Listed Companies(includes only Audit Committee and Stakeholders Relationship Committee)	NIL
Shareholding in the Company	3,44,96,617

The Whole time director prepares the Agenda and Explanatory notes, in consultation with the Chairman for each meeting and circulates the same in advance to the Directors. A tentative annual calendar for the meetings of the Board and Audit Committee to be held in each quarter has been circulated to facilitate and assist the Directors to plan their schedules for the meetings for meaningful, informed and focused decisions. Every Director is free to suggest the inclusion of items on the agenda. The Board meets at least once in every quarter to review the quarterly results and other items on the agenda. Additional meetings are held, when necessary. The draft minutes of the proceedings of the Board of Directors are circulated in advance and the comments, if any, received from the Directors are incorporated in the minutes in consultation with the Chairman.

The Company has an effective post meetings follow up, review and reporting process mechanism for the decisions taken by the Board/Committees. Action taken report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the members.

3. Audit Committee

The audit committee of the Company is constituted in line with the provisions of Regulation 18 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Section 177 of the Act. The company has formed the audit committee comprising of three directors. Two of the members are independent directors; Sri. T.R. Rajagopalan is the chairman of the audit committee.

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

Powers of Audit Committee

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

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

Role of Audit Committee

The role of the Audit Committee shall include the following

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department,

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staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Examination of the financial statement and the auditors' report thereon
21. Monitoring the end use of funds raised through public offers and related matters.
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee meetings were held 4 (Four) times during the financial year 2017-18 and all the then members of the Committee have attended all the meetings held in the following dates:

S. No Date of Audit Committee Meetings

1. 18th May, 2017
2. 14th September 2017
3. 13th December, 2017
4. 14th February, 2018

4. Nomination and Remuneration Committee

i. Brief Description of terms of Reference:

The Nomination and Remuneration committee is constituted in line with the provisions of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 178 of the Act.

ii. Composition of Committee and Attendance:

The Composition of Committee as mentioned in the following table and there is one Nomination and Remuneration Committee Meeting was held on 18/05/2017 during the Financial Year 2017-18.

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

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

Executive Director(s) and recommends to the Board the same and acts in terms of reference of the Board from time to time.

iii. **Terms of Reference**

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

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

Remuneration Policy:

The remuneration policy is aimed to motivate and reward the performance on the basis of periodical appraisal of achievements. It follows the practices prevailing in the companies of our size and the industry in general to retain and attract talent and improve the quality of performance with a view to run the Company's operations efficiently, effectively and profitably. The adopted a Policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company which is disclosed on the website of the Company i.e <http://www.gayatribioorganics.com/>

5. Stakeholders Relationship Committee

The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 178 of the Act.

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The composition of the Stakeholders Relationship Committee is as under:

S. No.	Name of the Director	Category	Designation	Number of meetings held	Number of meetings attended
1.	Sri.T.V. Sandeep Kumar Reddy	Executive-Promoter Director	Chairman	5	5
2.	Sri. C. V. Rayudu	Non-Promoter Executive Director	Member	5	5
3.	Sri. T.G. Pandya	Non-Promoter Non Executive - Independent Director	Member	5	5

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

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

There were no complaints pending for redressal during the year under review. There were no pending transfers as on 31st March, 2018.

6. General Body Meetings :

(i) General Body Meetings

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

Year	Venue	Day and Date	Time
2016-17	J.S.KRISHNA MURTHY HALL, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Federation House, 11-6-841, Hyderabad-500004	Monday, 25 th day of September, 2017	10.00 A.M.
2015-16	KLN PRASAD AUDITORIUM FAPCCI Building, Federation House, Red Hills, Hyderabad – 500 004	Wednesday, 28 th September, 2016	4.30 P.M
2014-15	SURANA UDYOG AUDITORIUM FAPCCI Building, Federation House, Red Hills, Hyderabad – 500 004	Saturday, 26 th September, 2015	10.00 A.M

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

AGM Date	Description of Item
Wednesday 28 th September, 2016	1. Alteration of Memorandum of Association of the Company. 2. Conversion of Existing 20,00,000 Cumulative Redeemable Optionally Convertible Preference Shares Into Equity Shares. 3. Issue Of Equity Shares By Way of Conversion of Part of Unsecured Loan.
2015	Nil
Tuesday 28 th September, 2014	Appointment of Sri C.V. Rayudu as the Whole Time Director for a period 3 (three) years w.e.f. 28th May, 2014.

(b) Details of Extra-ordinary General Meeting was conducted in last three years.

EGM Date	Description of Item
Friday 24 th July, 2015	1. Alteration Of Memorandum of Association of The Company 2. Conversion of Part of Existing 6% Cumulative Redeemable Optionally Convertible Preference Shares Into Equity Shares

(ii) Postal Ballot : Nil

7. Disclosures :

(i) Disclosures on materially significant related party transactions:

The particulars of transactions between the Company and its related parties are set out at Notes to financial statements. However these transactions are not likely to have any conflict with the Company's interest.

(ii) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The company has complied with all the requirements of the listing agreement and SEBI(LODR) Regulations, 2015 with the stock exchanges as well as regulations and guidelines of SEBI. No penalties or strictures imposed by SEBI, Stock Exchanges or any Statutory Authorities on matters relating to the capital markets during the last three years.

The Company Secretary has resigned from the position of Compliance officer of the Company and the Company had not appointed in the vacant position within the time stipulated under the Provisions of Sec 203 Companies Act, 2013.

(iii) Disclosure relating to Whistle Blower policy and affirmation that no personnel have been denied access to the audit committee.

Company has established a Vigil Mechanism System/Whistle blower policy for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. Further, as per the provisions of the Companies Act, 2013 the Audit Committee of the company shall oversee the Vigil Mechanism System/ Whistle blower policy in the company and no personnel has been denied access to the audit committee.

(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

The Company has complied with all the mandatory requirements of corporate governance and are being reviewed from time to time.

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8. Means of Communication

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

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

9. General Shareholder's information:

The 27th Annual General Meeting of the members of Company will be held on Wednesday, 19th September, 2018 at 12.00 P.M at the "FTAPCCI Surana Auditorium", The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad - 500 004

Financial Calendar: 1st of April, 2018 to 31st of March, 2019

Results for the quarter ending:

30th June, 2018	Second week of September, 2018
30th September, 2018	Second week of November, 2018
31st December, 2018	Second week of February, 2019
31st March, 2018	Third week/Fourth week of May, 2019

Date of Book closure: The Share Transfer Books of the Company shall remain closed from Wednesday, **12th September, 2018 to Wednesday, 19th September, 2018** (both days inclusive) for the purpose of ensuing Annual General Meeting.

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

Dividend: No dividend was recommended during the year.

ISIN No : INE 052E01015
Scrip Code : 524564
Depository Connectivity : CDSL & NSDL

The Listing fee for the year 2018-2019 has been paid to BSE Ltd.

Market Price Data:

High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2017-18 at The Bombay Stock Exchange Limited (BSE) is as under:

DATE	BSE		
	High	Low	Qty Traded
April 2017	23.4	15	207315
May 2017	20.7	14.2	54626
June 2017	17.15	14.16	40858
July 2017	16.2	12.35	27651
August 2017	12	7.32	20517
September 2017	7.05	6.07	7490
October 2017	7.63	5.7	18749
November 2017	8.61	8	2770
December 2017	9	8.33	8345
January 2018	11.05	7.99	90821
February 2018	11.42	8.1	22599
March 2018	9.12	6.01	44752

Registrar and Transfer Agent:

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

Contact Person :

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

Share Transfer System :

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

Distribution of Shareholding as on 31st March, 2018 :

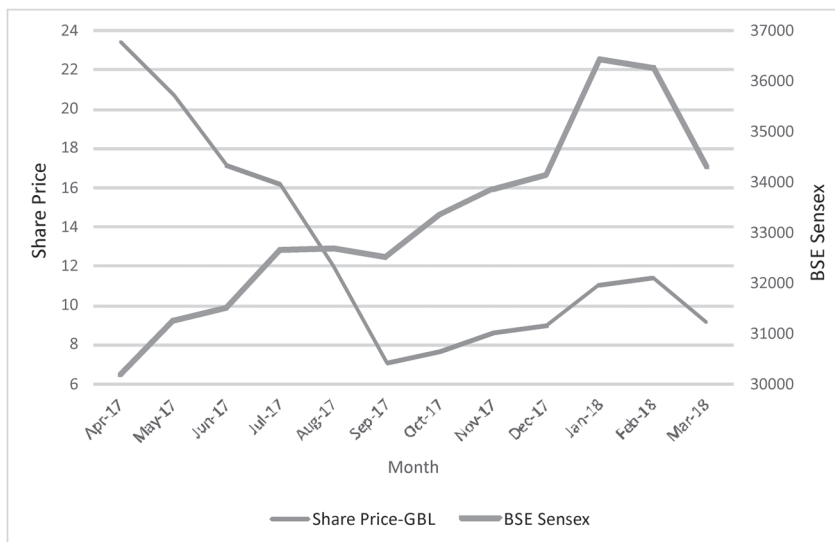
S.No	Category	Shareholders		Shares	
		Nos.	%	Nos.	%
1.	Up to - 500	19710	92.68	29899030	3.79
2.	501 - 1000	1001	4.72	8073920	1.02
3.	1001 - 2000	319	1.51	4779630	0.61
4.	2001 - 3000	83	0.39	2145050	0.27
5.	3001 - 4000	33	0.16	1164860	0.15
6.	4001 - 5000	30	0.14	1442450	0.18
7.	5001 - 10000	43	0.20	3319270	0.42
8.	10001 and above	43	0.20	737057210	93.55
	Total	21193	100.00	787881420	100.00

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Dematerialization of shares and liquidity:

As on 31st March, 2018, 94.61% (7,45,43,702 Equity shares) of paid up capital were in dematerialized form. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity: Nil

Performance of the share price of the Company in comparison to the BSE Sensex:



Plant Locations:

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

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

Address for Correspondence:

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

Compliance Certificate:

Certificate from Practicing Chartered Accountants Mr. G.S.S. Srinivas confirming compliance with the conditions of Corporate Governance as stipulated in Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

By Order of the Board

Place: Hyderabad
Date: 13.08.2018

T.V. Sandeep Kumar Reddy
Chairman
DIN : 00005573

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
GAYATRI BIOORGANICS LIMITED
Hyderabad, Telangana State

I have examined the compliance of conditions of Corporate Governance by M/s. Gayatri Bioorganics Limited (CIN : L24110TG1991PLC013512) ('the Company'), for the year ended March 31, 2018, as stipulated in Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except that the positions of Company Secretary (CS) and Chief Financial Officer (CFO) of the company have not filled within the time stipulated under the provisions of section 203 of Companies Act, 2013 .

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.

For VAS & CO.
Chartered Accountants
Firm's Registration Number: 004537S

G. S.S. Srinivas
Proprietor
Member ship No.020901

Place : Hyderabad
Date : 13.08.2018

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

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company that the Company has adopted a Code of Conduct for all Board Members and Senior Management and the same has been placed on the Company's website. All Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended 31st March, 2018.

For **Gayatri BioOrganics Limited**

T.V. Sandeep Kumar Reddy

Chairman

DIN : 00005573

Place : Hyderabad
Date : 13.08.2018

CEO CERTIFICATION

I, C.V. Rayudu, Whole Time Director to the best of our knowledge and belief, certify that;

- a) We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2018 and to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We further certify that:
 - i) There have been no significant changes in internal control during this year.
 - ii) There have been no significant changes in accounting policies during this year.
 - iii) There have been no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system.

For Gayatri BioOrganics Limited

Place: Hyderabad
Date: 13.08.2018

C.V. Rayudu
WHOLE-TIME DIRECTOR
DIN : 03536579

INDEPENDENT AUDITOR'S REPORT

To

The Members of

GAYATRI BIOORGANICS LIMITED

Report on the Financial Statements

We have audited the accompanying Ind AS Financial Statements of **Gayatri BioOrganics Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. (herein referred to as "the Standalone Ind AS Financial Statements").

Management's responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS Financial Statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Ind AS Financial Statements.

Basis for Qualified Opinion

Re: Note 2.20 Regarding Ind AS Financial Statements being prepared on a going concern basis notwithstanding the accumulated losses amounting to Rs. 1,84,28,99,953/-, which has eroded the net-worth of the company, for the reasons stated in the said note, indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the basis for qualified opinion paragraph, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its Loss and its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
 - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of all pending litigations on its financial position in its Ind AS Financial Statements; – refer Note 2.21 to the Ind AS Financial Statements.
 - ii. The Company did not as at March 31, 2018, have any material foreseeable losses relating to long-term contracts including derivative contracts.
 - iii. There are no amounts as at March 31, 2018, which are required to be transferred to Investor Education and Protection Fund.
2. As required by the Companies (Auditors Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in the “Annexure B”, a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **M. Bhaskara Rao & Co.**,
Chartered Accountants
Firm Registration No. 000459S

D Babu Raghavendra
Partner
Membership No. 213274

Place : Hyderabad
Date : May 30, 2018

Annexure A to the Independent Auditor's report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Gayatri BioOrganics Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide basis for an audit opinion on internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Disclaimer of Opinion

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control

stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2018.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

For **M. Bhaskara Rao & Co.**,
Chartered Accountants
Firm Registration No. 000459S

D Bapu Raghavendra
Partner
Membership No. 213274

Place : Hyderabad

Date : May 30, 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) According to the information and explanation given to us, fixed assets have not been physically verified by its management during the year. Hence reporting on discrepancies during physical verification and its effect in the accounts is not made.
 - (c) According to the information and explanations furnished to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) In respect of its inventory
 - (a) According to the information and explanations given to us, the Management has not physically verified the inventory during the year. Hence reporting on discrepancies during physical verification and its effect in the accounts is not made.
- (iii) According to the information and explanations furnished to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered by clause (76) of section 2 of the Companies Act, 2013. Accordingly, reporting under clauses (a) (b) and (c) of paragraph 3(iii) of the Order does not arise.
- (iv) According to the information and explanations furnished to us, the Company has not granted any loans, nor made any investments or given any guarantees or securities during the year to any of the parties specified in the Sections 185 and 186 of the Companies Act, 2013.
- (v) According to the information and explanations furnished to us, the Company has not accepted any deposits from the public. Hence, reporting under the provisions of paragraph 3(v) of the Order does not arise.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub – section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations furnished to us, in respect of statutory dues during the year under report:
 - (a) on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, GST, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have not been regularly deposited during the year by the Company with the appropriate authorities and there have been delays in few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable
 - (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, GST and Value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Customs duty and duty of excise have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
The Customs Act, 1962	Customs Duty	37,21,553	Financial Year 1994-95	CESTAT-Bangalore
Central Excise Act, 1944	Excise duty including penalty	8,52,42,349	02/2010 to 08/2014	CESTAT-Hyderabad
Value Added Tax Act and associated VAT Rules	VAT penalty	66,64,610	For period 2011 to 2014	AP VAT-Hyderabad
Central Excise and Service Tax	Service Tax including interest and penalty	21,50,793	For period July'2012 to March'2016	Kakinada Office Circle

- (viii) In our opinion and according to the information and explanations furnished to us, the company has not defaulted in repayment of dues to working capital lenders.
- (ix) According to the information furnished to us, during the year under report, the company did not have any moneys raised from Initial Public Offering or Further Public Offering and from term loans, that remained to be applied for the purposes for which they were raised. Accordingly, reporting pursuant to Clause 3(ix) of the Order is not applicable.
- (x) According to the information and explanations furnished to us, no fraud by the Company, nor any fraud on the Company by any of its officers or its employees has been noticed or reported during the year under report.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the Company has, during the year under report, paid / provided for managerial remuneration in accordance with Section 197 read with Schedule V of the Companies Act 2013.
- (xii) In our opinion, reporting requirement under Paragraph 3(xii) of the order does not arise since, according to the information and explanations furnished to us, the Company is not a Nidhi Company.
- (xiii) According to the information and explanations furnished to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) According to the information and explanations furnished to us, during the year, the Company has not entered into any agreements for acquisition of assets from or for transferring its assets to its directors, or the directors of its subsidiary companies or persons connected with such directors, for a consideration other than cash, during the year under report.
- (xvi) In our opinion based on the information and explanations furnished to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For **M. Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration No. 000459S

D Bapu Raghavendra
Partner
Membership No. 213274

Place : Hyderabad
Date : May 30, 2018

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BALANCE SHEET AS AT 31 MARCH 2018

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

PARTICULARS	Note	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
EQUITY AND LIABILITIES				
ASSETS				
Non-current assets				
(a) Property Plant and Equipment*	2.1	—	—	456,947,122
(b) Capital work-in-progress*	-	—	—	60,115,831
(c) Financial Assets				
(i) Investments	2.2	15,000	15,000	15,000
(ii) Loans	—	—	—	—
(iii) Other Financial Assets*	2.3	—	—	19,554,704
(d) Other Non-current Assets*	2.4	—	—	3,910,265
		15,000	15,000	540,542,922
Current assets				
(a) Inventories*	2.5	—	—	366,945,743
(b) Financial Assets				
(i) Trade receivables*	2.6(a)	15,094,770	15,094,770	436,286,739
(ii) Cash and cash Equivalents*	2.6(b)	—	—	7,401,843
(iii) Bank balances other than (ii) above*	2.6(c)	—	—	12,239,133
(iv) Loan and advances	—	—	—	—
(v) Other Financial Assets*	2.6(d)	1,196,632	1,778,549	2,884,495
(c) Current Tax Assets (Net)	-	—	—	—
(d) Other Current Assets*	2.7	—	—	50,722,257
		16,291,402	16,873,319	876,480,209
* Refer Note 2.8				
Assets held for sale				
Assets held for sale	2.8	1,438,379,409	1,030,864,455	—
Total Assets		1,454,685,811	1,047,752,774	1,417,023,131
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	2.9	787,881,420	787,881,420	817,813,400
(b) Other Equity	2.10	(1,811,967,973)	(1,599,279,452)	(795,843,558)
		(1,024,086,553)	(811,398,032)	21,969,842
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings\$	2.11	17,015,659	17,015,659	136,311,072
(ii) Other Financial Liabilities	-	—	—	—
(b) Provisions\$	2.12	—	—	14,127,212
(c) Deferred Tax Liabilities (Net)	-	—	—	—
		17,015,659	17,015,659	150,438,284
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings\$	2.13 (a)	334,035,285	334,035,285	716,604,878
(ii) Trade payables	-	—	—	3,654,713
MSME Payables	-	—	—	—
Others\$	2.13 (b)	4,481,294	31,291,147	291,879,974
(iii) Other Financial liabilities\$	2.13 (c)	—	—	158,833,454
(b) Other Current Liabilities\$	2.14	—	—	72,132,111
(c) Provisions\$	2.15	—	—	1,509,875
		338,516,579	365,326,432	1,244,615,005
\$Refer Note 2.16				
Liabilities Held for Sale				
(a) Liabilities held for sale	2.16	2,123,240,126	1,476,808,715	-
		1,454,685,811	1,047,752,774	1,417,023,131

Significant Accounting Policies

1

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

As per our report of even date attached

for **M. Bhaskara Rao & Co**

Chartered Accountants

D. Babu Raghavendra

Partner

for **Gayatri BioOrganics Limited**

T.V. Sandeep Kumar Reddy

Chairman

DIN : 00005573

C.V. Rayudu

Director

DIN : 03536579

Place : Hyderabad

Date: 30th May, 2018

Gayatri BioOrganics Limited

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2018

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

PARTICULARS	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Revenue from operations		
Sale of products (net)	—	—
Other operating revenues	—	—
Other income	—	—
Total revenue	—	—
Expenses		
Cost of materials consumed	—	—
Cost of traded goods	—	—
Change in inventory of finished goods and work-in-progress	—	—
Employee benefits expense	—	—
Finance costs	—	—
Depreciation	—	—
Other expenses	—	—
Total expenses	—	—
Profit/ (loss) before exceptional items and tax from Continuing Operations	—	—
Exceptional items	—	—
Profit/ (loss) before tax from Continuing Operations	—	—
Current tax	—	—
Profit/ (loss) from Continuing Operations (A)	—	—
Profit/(Loss) before tax from discontinuing operations (Note 2.17)	(191,435,400)	(826,516,661)
Current tax	—	—
Profit/ (loss) for the Period from discontinuing Operations (B)	(191,435,400)	(826,516,661)
Profit/ (loss) for the Period (A+B)	(191,435,400)	(826,516,661)
Other Comprehensive Income		
A. Items that will not be reclassified to Profit or Loss		
Re-measurement gains(losses) on defined benefit plans	(21,253,122)	319,011
Depreciation adjustment	—	(7,211,764)
Income tax relating to these items	—	—
B. Items that will be reclassified to Profit or Loss		
Income tax relating to these items	—	—
Total Other Comprehensive Income	(21,253,122)	(6,892,753)
Total Comprehensive Income	(212,688,522)	(833,409,414)
Earning per equity share [Nominal value of share INR 10 (Previous year: INR 10)]		
Continued operations		
Basic	—	—
Diluted	—	—
Discontinued Operations		
Basic	(2.70)	(10.58)
Diluted	(2.70)	(10.58)

Significant Accounting Policies

1

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

As per our report of even date attached

for **M. Bhaskara Rao & Co**

Chartered Accountants

D. Babu Raghavendra

Partner

for **Gayatri BioOrganics Limited**

T.V. Sandeep Kumar Reddy

Chairman

DIN : 00005573

C.V. Rayudu

Director

DIN : 03536579

Place : Hyderabad

Date: 30th May, 2018

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

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

PARTICULARS	As at 31st March 2018	As at 31st March 2017
A. Cash Flow from Operating Activities :		
(Loss) before tax	(191,435,400)	(519,409,943)
Adjustments for:		
- Depreciation and Amortization	69,645,620	53,404,260
- Exceptional Item (Provisions, Impairment Losses of Intangible Assets and Loss on Discarded Assets)	—	(307,106,718)
- Finance Costs	1,871,323	115,667,639
- Profit and Loss on Write of Trade Receivables	—	199,350,328
- Unrealized Foreign Exchange Rate Different (Gain) / Loss (Net)	—	—
- Interest Income	127,308.00	(3,305,884)
Operating Profit Before Working Capital Changes	(119,791,149)	(461,400,318)
Changes in operating assets and liabilities:		
(Increase) / Decrease in Operating Assets:		
- Non-current Financial Assets & Other Assets	8,359,077	(21,941,904)
- Inventories	(303,189,407)	94,579,114
- Trade Receivables	(83,416,069)	62,356,754
- Current Financial Assets	581,917	1,105,946
- Other current assets	7,220,801	1,454,607
Increase / (Decrease) in Operating Liabilities:		
- Long-term Provisions	6,100,768	(3,298,116)
- Trade Payables	655,152,185	346,993,661
- Other Current Financial Liabilities	(9,427,853)	(148,055,353)
- Other Current Liabilities	(2,743,247)	(7,865,434)
- Short-term Provisions	—	(1,509,875)
- Other Non Current Liabilities	—	—
Cash (used in) / generated from Operations	158,847,024	(137,580,918)
- Direct Taxes paid	—	—
Net cash (used in) Operating Activities (A)	158,847,024	(137,580,918)
B. Cash Flow from Investing Activities		
- Capital expenditure on Property, Plant and Equipment, including capital advances	(112,736,160)	(23,221,214)
- Proceed from sale of Fixed Assets	2,092,028	150,000
- Interest Received	(127,308.00)	3,305,884
- Fixed Deposits Placed	(1,800,000)	12,239,133
Net cash flow (used in) investing activities (B)	(112,571,440)	(7,526,197)
C. Cash Flow from Financing Activities		
- Proceeds from Equity	—	—
- Proceeds/Repaid from Long Term Borrowings (Net)	(17,345,926)	125,490,435
- Proceeds from Short-term Borrowings (Net)	(33,367,490)	145,490,984
- Interest and Finance Charges paid	(1,871,323)	(115,667,639)
Net cash flow from financing activities (C)	(52,584,739)	155,313,780
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(6,309,155)	10,206,665
Cash and Cash Equivalents at the beginning of year	17,608,508	7,401,843
*Cash and Cash Equivalents at the end of year (Refer Note - 2.8)	11,299,353	17,608,508

* Represents cash flows from discontinuing operations and balance is reflected in Assets held for sale (Note 2.8)
The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **M. Bhaskara Rao & Co**

Chartered Accountants

D. Babu Raghavendra

Partner

for **Gayatri BioOrganics Limited**

T.V. Sandeep Kumar Reddy

Chairman

DIN : 00005573

C.V. Rayudu

Director

DIN : 03536579

Place : Hyderabad

Date: 30th May, 2018

Statement of Changes in Equity for the year ended on March 31, 2018

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

For the year ended March 31, 2017

Particulars	Share Capital	Other Equity			Total
	Equity Shares	Central/ State subsidy	Securities Premium	Retained Earnings	
Balance as at April 1, 2016	617,813,400	1,000,000	-	(796,843,556)	(178,030,156)
Profit for the year	-	-	-	(826,516,661)	(826,516,661)
Other comprehensive income	-	-	-	(6,892,753.04)	(6,892,753)
Total Comprehensive Income	-	-	-	(833,409,414)	(833,409,414)
Re-mesurement Liability on defined benefit plans	-	-	-	41,538.00	41,538
Preference shares converted to Equity at premium of Rs.1.76 per share, during the period (1,70,06,802*1.76)	170,068,020	-	29,931,980	-	200,000,000
Balance as at March 31, 2017	787,881,420	1,000,000	29,931,980	(1,630,211,432)	(1011,398,032)

For the year ended March 31, 2018

Particulars	Share Capital	Other Equity			Total
	Equity Shares	Central/ State subsidy	Securities Premium	Retained Earnings	
Balance as at April 1, 2017	787,881,420	1,000,000	29,931,980	(1,630,211,432)	(811,398,032)
Profit / (Loss) for the year	-	-	-	(191,435,400)	(191,435,400)
Other comprehensive income	-	-	-	(21,253,122)	(21,253,122)
Total Comprehensive Income	-	-	-	(212,688,522)	-
Re-mesurement Liability on defined benefit plans	-	-	-	-	-
Preference shares converted to Equity at premium of Rs.1.76 per share, during the period (1,70,06,802*1.76)	-	-	-	-	-
Balance as at March 31, 2018	787,881,420	1,000,000	29,931,980	(1,842,899,953)	(1,024,086,553)

As per our report of even date attached

for **M. Bhaskara Rao & Co**

Chartered Accountants

D. Babu Raghavendra

Partner

for **Gayatri BioOrganics Limited**

T.V. Sandeep Kumar Reddy

Chairman

DIN : 00005573

C.V. Rayudu

Director

DIN : 03536579

Place : Hyderabad

Date: 30th May, 2018

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NOTES TO ACCOUNTS

Corporate Information

Gayatri Bio-organics, previously called Gayatri Starchkem Limited, was set-up in 1991 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

A. Corporate information:

Gayatri BioOrganics Limited (“the Company”) was incorporated on December 02, 1991 and has its registered office at Hyderabad, Telangana, India. It is mainly in the business of manufacturing of Starch, its derivatives and related by-products, and development of customised application for value added starch derivatives. The Company has manufacturing plants located in states of Karnataka and Telangana.

B. Statement of compliance:

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended read with Section 133 of the Companies Act, 2013.

Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with rules thereunder ('Indian GAAP' or 'previous GAAP'). The current financial statements comprising of Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2018 have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Previous period numbers in the financial statements have been restated to Ind AS. Refer Note 2.18

C. Basis of preparation:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability
Refer Note 2.19

The principal accounting policies are set out below:

i) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of Goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Insurance claims are accounted at the time when such income has been realised by the Company.

ii) Tangible Fixed Assets:

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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An item of property, plant and equipment is de recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

iii) **Depreciation on tangible fixed assets:**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible property, plant and equipment is provided using the Straight Line Method (SLM) over the useful lives of the assets estimated by the management.

iv) **Non-current assets held for sale:**

Non-current assets and disposal Group of assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal group) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

v) **Borrowing Costs:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

vi) **Inventories:**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a First in First out (FIFO) basis except for Raw materials, where monthly weighted average cost basis method is followed. Obsolete, slow moving and defective inventories are identified and provided for. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work in progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

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

vii) **Leases:**

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Operating Lease

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in

which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding inflationary increases where rentals are structured solely to increase in line with the expected general inflation to compensate for the lessor's inflationary cost increases, such increases are recognised in the year in which the benefits accrue) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis.

Finance Lease

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

viii) Government Grants and Subsidies:

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

ix) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value in equity investments not held for trading.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable of financial assets and liabilities at fair value through profit or loss are immediately recognised profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instruments is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

Derecognition

A Financial Asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. Removed from the company's balance sheet) where,

- The rights to receive cash flow and the asset have expired, or
 - The Company has transferred the rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to the third party under a 'pass - through' arrangement and either
- (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to pay.

Derivative financial instruments

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

x) Foreign currency:

The functional currency of Roquette Riddhi Siddhi Private Limited is Indian rupee (₹).

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss.

xi) Retirement and other employee benefits:

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance sheet date. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

Defined contribution plans

Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date.

xii) Income Taxes:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

xiii) Provisions and contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 18 - Revenue.

xiv) Earnings per equity share:

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

xv) Dividend:

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

xvi) Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

xvii) Use of estimates:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the financial statements. Actual results could differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, valuation of deferred tax assets and provisions and contingent liabilities.

Useful lives of property, plant and equipment

As described in Note 2(g), the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 3(i) (xx).

Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements. (Refer Note No 25)

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

It is not applicable as the company does not have any share based payments.

Notes to the financial statements for the year ended 31 March 2018 (Continued)

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

NOTE - 2.1 : Property, Plant & Equipment

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles - Owned	Office Equipments	Computers	Total
Year ended April 01, 2016								
Gross carrying amount								
Deemed cost as at April 01, 2016	88,393,641	135,140,593	231,944,507	9,827	950,951	343,617	163,986	456,947,122
Additions during the year	2,750,200	421,756	2,380,505	620,292	(150,000)	21,799	372,198	6,566,750
Disposals	-	-	-	-	-	-	-	(150,000)
Assets included in a disposal group classified as held for sale (Note 2.8)	(91,143,841)	(135,562,349)	(234,325,012)	(630,119)	(800,951)	(365,416)	(536,184)	(463,363,872)
Closing gross carrying amount	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment								
Depreciation charge during the year	-	11,793,717	40,521,599	46,661	703,552	208,415	130,315	53,404,259
Depreciation charge through Other Comprehensive Income	-	1,741,430	6,105,353	30,875	(503,314)	(119,786)	(42,794)	7,211,764
Disposals	-	-	-	-	-	-	-	-
Assets included in a disposal group classified as held for sale (Note 2.8)	-	(13,535,147)	(46,626,952)	(77,536)	(200,238)	(88,629)	(87,521)	(60,616,023)
Closing accumulated depreciation	-	-	-	-	-	-	-	-
Net carrying amount	-	-	-	-	-	-	-	-
Year ended March 31, 2017								
Gross carrying amount								
Opening gross carrying amount	-	-	-	-	-	-	-	-
Opening accumulated depreciation classified as held for sale	91,143,841	135,562,349	234,325,012	630,119	800,951	365,416	536,184	463,363,872
Additions during the year	29,280	2,637,452	131,423,776	158,625	-	11,500	442,511	134,703,144
Disposals	(1,514,393)	-	(577,635)	-	-	-	-	(2,092,028)
Assets included in a disposal group classified as held for sale (Note 2.8)	(89,658,728)	(138,199,801)	(365,171,153)	(788,744)	(800,951)	(376,916)	(978,695)	(595,974,988)
Closing gross carrying amount	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment								
Opening accumulated depreciation	-	-	-	-	-	-	-	-
Opening accumulated depreciation classified as held for sale	-	13,535,147	46,626,952	77,536	200,238	88,629	87,521	60,616,023
Depreciation charge during the year	-	13,652,209	55,313,878	178,955	200,238	91,834	208,506	69,645,620
Disposals	-	-	-	-	-	-	-	-
Assets included in a disposal group classified as held for sale (Note 2.8)	-	(27,187,356)	(101,940,830)	(256,491)	(400,475)	(180,464)	(296,027)	(130,261,643)
Closing accumulated depreciation	-	-	-	-	-	-	-	-
Net Carrying Amount	-	-	-	-	-	-	-	-

Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
2.2 Investments			
(Valued at cost unless otherwise stated)			
Trade investments: quoted			
Investment in equity instruments			
S.S.Organics Limited			
[3,000 (previous year March 2017 : 3,000 and March 2016 : 3000) equity shares of INR 10 each, fully paid-up]	30,000	30,000	30,000
East, West Travel and Trade Links			
[7,100 (previous year March 2017 : 7,100 and March 2016 : 7100) equity shares of INR 10 each, fully paid-up]	284,000	284,000	284,000
Trade investments: unquoted			
Investment in equity instruments			
Sri Lakshmi Engineering Limited			
[1,000 (previous year March 2017 : 1,000 and March 2016 : 1,000) equity shares of INR 10 each, fully paid-up]	26,900	26,900	26,900
Less: Provision for permanent diminution	(325,900)	(325,900)	(325,900)
Total investments, net	15,000	15,000	15,000
Quoted non-current investments			
Aggregate book value	314,000	314,000	314,000
Aggregate market value	45875	44,675	44,675
Aggregate book value of un-quoted non-current investments	26,900	26,900	26,900

2.3 Other Financial Assets (Non-current)*

	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
Security deposits (Unsecured)			
Considered good	-	-	19,554,704
Considered doubtful	-	-	510,000
Less: Provision for doubtful deposits	-	-	(510,000)
	-	-	19,554,704

*Refer Note 2.8- Assets Held for Sale

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Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
2.4 Other Non-Current Assets *			
Capital advances (Unsecured and considered good)	—	—	3,760,265
	—	—	3,760,265
Advance for land (Unsecured)			
Considered good	—	—	150,000
Considered doubtful	—	—	1,861,256
Less: Provision for doubtful advances	—	—	(1,861,256)
	—	—	150,000
	—	—	3,910,265

*Refer Note 2.8- Assets Held for Sale

	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
2.5 Inventories *			
Capital advances (Valued at lower of cost and net realisable value)	—	—	—
Raw materials	—	—	318,400,658
Work-in-progress	—	—	7,134,655
Finished goods	—	—	32,807,712
Stores and spares	—	—	8,602,717
	—	—	366,945,743

*Refer Note 2.8- Assets Held for Sale

2.6 Financial Assets (Current)

	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
2.6(a) Trade receivables *			
Receivables outstanding for a period exceeding six months from the date they became due for payment			
Unsecured, considered good	—	—	219,129,225
Unsecured, considered doubtful	—	—	8,915,621
Less: Provision for doubtful receivables	—	—	(8,915,621)
(A)	—	—	219,129,225
Other receivables			
Unsecured, considered good	15,094,770	15,094,770	217,157,514
(B)	15,094,770	15,094,770	217,157,514
(A) + (B)	15,094,770	15,094,770	436,286,739

*Refer Note 2.8- Assets Held for Sale

Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
2.6(b) Cash and cash Equivalents *			
Cash on hand	—	—	1,528,554
Balance with banks			
On current accounts	—	—	5,873,289
	—	—	7,401,843

*Refer Note 2.8- Assets Held for Sale

	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
2.6(c) Bank Balances other than Cash and Cash Equivalents *			
Margin money towards letter of credit (due to mature within 12 months of the reporting date)	—	—	12,239,133
	—	—	12,239,133

*Refer Note 2.8- Assets Held for Sale

	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
2.6(d) Other Financial Assets			
(Unsecured, considered good)			
Interest accrued	1,196,632	1,778,549	2,884,495
	1,196,632	1,778,549	2,884,495

	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
2.7 Other Current Assets *			
(Unsecured, considered good)			
Advance to suppliers	—	—	33,650,107
Tax deducted at source	—	—	2,295,523
Cenvat receivable	—	—	6,485,743
Mat Credit Receivable	—	—	1,241,470
Prepaid expenses	—	—	5,206,907
Staff advance	—	—	1,842,507
(Unsecured, considered doubtful)			
Advance to suppliers	—	—	1,922,053
Less: Provision for advance to suppliers	—	—	(1,922,053)
	—	—	50,722,257

*Refer Note 2.8- Assets Held for Sale

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Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
2.8 Assets held for Sale			
Fixed Assets net of Depreciation (Refer Note 2.1)	465,713,345	402,747,849	—
Capital Work in Progress	62,015,076	83,982,061	—
Capital advances (Refer Note 2.4)	15,355,986	25,615,319	—
Advance for land (Refer Note 2.4)	2,261,256	400,000	—
Security deposits (Refer Note 2.3)	19,430,554	19,391,554	—
(A)	564,776,216	532,136,783	—
Inventories (Refer Note 2.5)			
Raw materials	354,861,402	199,504,703	—
Work-in-progress	27,009,727	13,789,026	—
Finished goods	131,317,268	45,421,105	—
Stores and spares and others	62,367,638	13,651,795	—
(B)	575,556,035	272,366,628	—
Trade receivables (Refer Note 2.6(a))			
Unsecured, considered good	242,900,956	159,484,887	—
(C)	242,900,956	159,484,887	—
Cash and bank balances (Refer Note 2.6(b))			
Cash and cash equivalents			
Cash on hand	1,069,256	3,218,709	—
Balance with banks			
On current accounts	10,230,097	14,389,799	—
Bank guarantee	1,800,000	—	—
Margin money towards letter of credit (due to mature within 12 months of the reporting date)	—	—	—
(D)	13,099,353	17,608,508	—
Other Current Assets (Refer Note 2.7)			
Advance to suppliers	26,480,895	33,568,060	—
Receivables from government authorities	12,252,090	10,232,397	—
Mat Credit Receivable	1,241,470	1,241,470	—
Prepaid expenses	—	3,511,243	—
Staff advance	2,072,393	714,479	—
(E)	42,046,848	49,267,649	—
(A) + (B) + (C) + (D) + (E)	1,438,379,408	1,030,864,455	—

* Refer Note 2.16- Liabilities Held for Sale -Para (1)

On fulfilment of conditions as per the Business Transfer Agreement (BTA) all the aforementioned assets shall stand transferred to Blue Craft Agro Private Limited (BAPL) and hence grouped under assets held for sale.

Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016			
2.9 Equity Share capital						
(a) Authorised						
9,00,00,000 (previous year March 2017 : 9,00,00,000 and March 2016 : 51,000,000) equity shares of INR 10 each	900,000,000	900,000,000	510,000,000			
6% cumulative redeemable optionally convertible preference shares of INR 100 each (39,00,000)	—	—	390,000,000			
	900,000,000	900,000,000	900,000,000			
Issued, subscribed and paid-up						
78,788,142 (previous year March 2017: 78,788,142 and March 2016 : 61,781,340) equity shares of INR 10 each	787,881,420	787,881,420	617,813,400			
Nil (previous year March 2017 : Nil and March 2016 : 2,000,000) 6% cumulative redeemable optionally convertible preference shares of INR 100 each	—	—	200,000,000			
	787,881,420	787,881,420	817,813,400			
(b) Reconciliation of the shares outstanding at the beginning and at the end of the period						
Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity shares						
At the commencement of the year	78,788,142	787,881,420	61,781,340	617,813,400	50,924,990	509,249,900
Conversion of preference shares to equity	—	—	17,006,802	170,068,020	10,856,350	108,563,500
At the end of the year	78,788,142	787,881,420	78,788,142	787,881,420	61,781,340	617,813,400
6% cumulative redeemable optionally convertible preference shares						
At the commencement of the year	—	—	2,000,000	200,000,000	3,085,635	308,563,500
Shares issued during the year	—	—	—	—	—	—
Conversion of preference shares to equity	—	—	2,000,000	200,000,000	1,085,635	108,563,500
At the end of the year	—	—	—	—	2,000,000	200,000,000

(c) Rights preferences and restrictions attached to equity shares

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

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Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

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

The Company had issued 38,38,135 , 6% cumulative redeemable convertible preference shares of INR 100 each to the promoters on 12 September 2007. Out of these shares, 752,500 shares were converted into equity shares of the company after the expiry of 36 months at par on 10th November,2010. For the remaining 3,085,635 shares , During the year 2015-16,the promoters exercised the option of conversion and accordingly converted preference shares of 10,85,635 with face value of Rs. 100/- each as 1,08,56,350 equity shares of Rs. 10/- each on September 10, 2015.

Further during the financial year 2016-17 balance preference shares of 20,00,000 with face value of Rs.100 each were converted at a premium of Rs.1.76 into 1,70,06,802 equity shares of Rs. 10/- each based on the approval of shareholders at the AGM held on 28th September 2016 and the promoters have exercised their option for conversion accordingly. Post conversion of entire preference share to equity shares, the erstwhile preference share holders have foregone their right on the cumulative dividend.

(e) Particulars of shareholders holding more than 5% shares of a class of shares

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity shares of INR 10 each fully paid-up held by:						
T.V. Sandeep Kumar Reddy	34,496,617	43.78	34,496,617	43.78	17,489,815	28.31
Fursa Mauritius	18,499,990	23.48	18,499,990	23.48	18,499,990	29.94
T Indira	6,788,752	8.62	6,788,752	8.62	6,788,752	10.99
T Sarita Reddy	4,880,279	6.19	4,880,279	6.19	4,880,279	7.90
At the end of the year	78,788,142	787,881,420	78,788,142	787,881,420	61,781,340	617,813,400
6% cumulative redeemable optionally convertible preference shares of INR 100 each held by:						
T.V. Sandeep Kumar Reddy	—	—	—	—	2,000,000	100
At the end of the year	—	—	—	—	2,000,000	100

Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
2.10 Other Equity			
Central/ State subsidy At the commencement and at the end of the period	1,000,000	1,000,000	1,000,000
	1,000,000	1,000,000	1,000,000
Retained Earnings At the commencement of the period	(1,630,211,432)	(796,843,556)	(409,571,433)
Profit/ (loss) for the period	(191,435,400)	(826,516,661)	(387,272,125)
Re-mesurement Liability on defined benefit plans	—	41,538	—
Items of other comprehensive income recognised directly in retained earnings			
Re-mesurement gains(losses) on defined benefit plans	(21,253,122)	319,011	—
Depreciation adjustment	—	(7,211,764)	—
At the end of the period	(1,842,899,953)	(1,630,211,432)	(796,843,558)
Securities Premium At the commencement of the period	29,931,980	—	—
Preference shares converted to Equity at premium of Rs.1.76 per share, during the period (1,70,06,802*1.76)	—	29,931,980	—
	29,931,980	29,931,980	—
	(1,811,967,973)	(1,599,279,452)	(795,843,558)
	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016

2.11 Financial Liabilities (Non-Current)

	Non Current	Non Current	Non Current
2.11(a) Borrowings			
Term loans Secured (Refer Note 2.16 -Liabilities held for Sale)			
From Financial Institution	—	—	120,000,000
From Bank- Vehicle loan	—	—	394,322
Unsecured (Refer Note 2.11(a)(1)) From Mr. T Sandeep Reddy, Director	17,015,659	17,015,659	15,916,750
	17,015,659	17,015,659	136,311,072
	17,015,659	17,015,659	136,311,072

2.11(a)(1)

Pursuant to the Company, entering into Business Transfer Agreement (BTA) on 28th November 2016 with M/s. Blue Craft Agro Private Limited (BAPL), for transfer of both the units, no interest has been charged on the basis of mutual agreement from October 01, 2016 on the outstanding Loan given by Mr T Sandeep Reddy, Director of the Company (Promoter & Related Party) during earlier years amounting to Rs. 1,70,15,659/- . These loans were carrying interest rate of 15% per annum during the earlier years.

The loan does not have a fixed repayment term and shall be repaid subject to company having adequate cash profits.

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Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
2.12 Provisions (Non Current) (Refer Note 2.16 -Liabilities Held for Sale)			
Provision for employee benefits			
Gratuity	—	—	11,750,427
Compensated absences	—	—	2,376,785
	—	—	14,127,212

	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
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2.13 Financial Liabilities (Current)

2.13(a) Borrowings

Loans repayable on demand			
Cash credit from bank (secured)			
(Refer Note 2.16 -Liabilities Held for Sale)	—	—	354,300,911
From Others(Unsecured) -			
Refer Note 2.13 (a)(i)	334,035,285	334,035,285	362,303,967
	334,035,285	334,035,285	716,604,878

2.13 (a)(i) Loans from Others are repayable on demand and carry interest rate of 14.5% per annum. Pursuant to the Company, entering into Business Transfer Agreement (BTA) on 28th November 2016 with M/s. Blue Craft Agro Private Limited (BAPL), for transfer of both the units, The Company has requested the parties for waiver of interest from October 01, 2016 and the parties have given their consent for the same and hence the company has not provided for interest on these loans from October 01, 2016.

	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
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2.13 (b) Trade payables

Trade payables			
Due to micro and small suppliers	—	—	3,654,713
Other creditors (Refer Note 2.16 -			
Liabilities held for Sale)	4,481,294	31,291,147	291,879,974
	4,481,294	31,291,147	295,534,687

Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

Trade payable other than acceptances include certain dues to Micro and Small Enterprises, under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the company and the required disclosures are given below:

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 1st April 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil	3,654,713
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	Nil	Nil	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	Nil
The amount of interest accrued and remaining unpaid at the -end of the year	Nil	Nil	617,169
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil	Nil
	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016

2.13(c) Other Financial Liabilities

(Refer Note 2.16 -Liabilities Held for Sale)

Current maturities of long-term debts from

- Financial institutions	—	—	40,000,000
- Vehicle loan from bank	—	—	121,728
- Overdue instalments of long term loans	—	—	62,000,000
Interest accrued and due on borrowings	—	—	52,319,052
Payables for purchase of fixed assets	—	—	4,392,674
	—	—	158,833,454

	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
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2.14 Other Current Liabilities (Refer Note 2.16

-Liabilities Held for Sale)

Advances from customers	—	—	27,924,726
Employee benefit liabilities	—	—	12,043,209
Statutory liabilities	—	—	12,952,294
Provision for expenses	—	—	19,211,882
	—	—	72,132,111

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Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
2.15 Provisions (Current) (Refer Note 2.16 -Liabilities Held for Sale)			
Provision for employee benefits			
Gratuity	—	—	1,007,398
Compensated absences	—	—	502,477
	—	—	1,509,875

	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
2.16 Liabilities held for Sale			
Term Loan from Financial institutions			
- Refer Note 2.16.2 & 2.16.3	—	244,402,396	—
From Bank- Vehicle loan -Refer Note 2.16.5	284,876	383,452	—
Cash credit from bank (secured)			
- Refer Note 2.16.4	494,693,087	528,060,577	—
Loans repayable on demand from			
Others(Unsecured)	227,155,046	—	—
Trade Payables	1,293,199,239	611,237,201	—
Gratuity -Note 2.23	35,966,753	14,143,890	—
Compensated absences	9,067,448	3,536,421	—
Other payables			
Payables for purchase of fixed assets	1,350,248	10,778,101	—
Bank Overdraft	142,373	—	—
Advances from customers	16,455,252	10,268,182	—
Advances from employee	350,640	—	—
Salary Payable and Employee benefit liabilities	13,580,922	25,916,233	—
Statutory liabilities	17,662,970	8,910,051	—
Provision for expenses	13,331,272	19,172,211	—
	2,123,240,126	1,476,808,715	—

2.16.1 Pursuant the approval from the members through postal ballot for disposal of its undertakings, the Company has entered into a Business Transfer Agreement (BTA) on 28th November 2016 with M/s. Blue Craft Agro Private Limited (BAPL), for transfer of its operations of manufacturing and selling of starch and its derivatives along with its units " Unit 1 situated at NH-9, Nandi Kandi Village, Sadasivpet mandal, Medak Dist, Telengana and Unit 2 situated at Balabadrapuram Village, Biccavole Mandal, East Godavari Dist, Andhra Pradesh along with other current and non current assets and liabilities of the Company as stated in BTA on a "slump sale" basis subject fulfillment of certain conditions. The Company has carried out operations pending adherence to conditions by both the parties. The Company has not accounted for profit or loss on such transfer since the transfer has not consummated as at the year end.

Operations are carried in the company pending transfer of assets and liabilities in pursuance of BTA entered into with BAPL. On fulfillment of conditions as per the Business Transfer Agreement (BTA) all the aforementioned liabilities shall stand transferred to Blue Craft Agro Private Limited (BAPL) and hence grouped under liabilities held for sale.

Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

2.16.2 Term Loan from Financial institutions -SICOM

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, Mr.Sandeep Reddy.

2.16.3 The details of rate of interest and repayment of above Working Capital Term Loans are as follows:

Term Loan	Institution	Amount (Rs./-)
Term Loan I -Interest rate of 18% and is repayable in 1 quarterly installment of Rs.40,00,000 and 16 quarterly instalments of Rs. 60,00,000 commencing from December 2011	SICOM	100,000,000
Term Loan II -Interest rate of 18% and is repayable in 1 quarterly installment of Rs.40,00,000 and 16 quarterly instalments of Rs. 60,00,000 commencing from December 2011	SICOM	100,000,000
Term Loan III -Interest rate of 18% and is repayable in 16 quarterly installments of Rs.1,00,00,000 and 1 quarterly instalment of Rs. 4,00,00,000 commencing from June 2015	SICOM	200,000,000

2.16.3.1 BAPL pursuant to BTA entered into by the Company with BAPL, has entered into One time settlement (OTS) with SICOM for the loans outstanding in the books of the Company. According to OTS, BAPL will repay the amount of Rs 22.73 crores to SICOM in undermentioned instalments

OTS -Settlement	Amount (Rs in Crores)	Date
10% of the settlement amount after adjusting deposit amount	2.27	10th March 2017
15% of the settlement amount	3.41	31st March 2017
75% of the settlement amount	17.04	09th September 2017

The BAPL has accordingly completed payment of 10% and 15% of the OTS amounts and Pending compliance with the repayment schedule the net amount after adjusting for the deposit is reflected as liability. Pending completion of formalities with BAPL, in terms of BTA, the amounts paid by BAPL towards OTS were grouped under Sundry Creditors.

2.16.3.2 Payments have been made pursuant to the OTS entered into with SICOM, and Rs 7.39 Crores waived off has been recognised as other income under discontinuing operations.

2.16.4 Cash credit from bank (secured)

The loan is secured against hypothecation on entire stocks, book debts, loans and advance etc., at the Balabadrapuram and Nandikandi units along with personal guarantee of Mr. T Sandeep Kumar Reddy.

The cash credit and over draft facilities utilized Rs.4964.93 Lakhs is repayable on demand. However interest accrued on these facilities amounting to Rs. 333.68 Lakhs was written back since the same has been waived off pursuant to negotiation.

Pursuant to BTA entered into by the Company with BAPL, has approached the lender for settlement of cash credit facility which was under negotiations on the date of balance sheet.

2.16.5 Vehicle loan is obtained from HDFC Bank in the financial year 2014-15 and carries an interest rate of 11.50% per annum and is repayable in 60 equal monthly installment including interest of INR 10,144 with the last installment due in March 31, 2020. The loan is secured against the hypothecation of vehicle.

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Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

2.17 Profit and Loss from Discontinuing Operations

Operations are carried in the company pending transfer of assets and liabilities in pursuance of BTA entered into with BAPL as stated in Note 2.16.1 and hence entire revenue from operations represent revenue from Discontinued Operations (As per Ind Accounting Standard 105 –Non-current Assets held for sale and Discontinued Operations issued by ICAI) of the Company and the required disclosures are hereunder.

		For the period ended March 31, 2018	For the period ended March 31, 2017
Revenue from Operations			
Sales of Products		1,710,568,070	793,810,849
Other Operating Income	2.19.1	23,378,352	3,121,961
Other Income	2.19.2	118,720,421	3,305,884
		1,852,666,843	800,238,694
Expenses			
Cost of materials consumed	2.19.3	1,513,776,103	455,332,427
Cost of traded goods		—	—
Change in inventory of finished goods and work-in-progress	2.19.4	(99,116,864)	(19,267,764)
Employee benefits expense	2.19.5	127,611,456	111,104,468
Finance costs	2.19.6	1,871,323	115,667,639
Depreciation	2.1	69,645,620	53,404,260
Other expenses	2.19.7	430,314,605	603,407,607
Exceptional Items		—	168,595,290
Damaged stock writtenoff		—	138,511,428
		2,044,102,242	1,626,755,355
Net Loss from Discontinuing Operations		(191,435,400)	(826,516,661)

2.17.1 Other operating revenues

	For the period ended March 31, 2018	For the period ended March 31, 2017
Sale of scrap and husk ash	—	2,846,888
Miscellaneous income	23,378,352	275,073
	23,378,352	3,121,961

2.17.2 Other income

Interest income - others	127,308	3,305,884
Profit on sale of Assets	—	—
Miscellaneous income	11,280,038	—
Liability in excess of OTS for SICOM and PNB term Loan- written back	107,313,075	—
	118,720,421	3,305,884

2.17.3 Cost of materials consumed

Raw materials and packing materials consumed	—	—
Inventory of material at the beginning of the period	199,504,703	318,400,658
Purchases	1,675,517,830	643,543,190
Damaged inventory written off	—	(138,511,428)
Partial damaged stock sold	—	(168,595,290)
Inventory of material at the end of the period	(361,246,430)	(199,504,703)
	1,513,776,103	455,332,427

Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

2.17.4 Change in inventory of finished goods and work in progress

	For the period ended March 31, 2018	For the period ended March 31, 2017
Opening stock		
Finished goods	45,421,105	32,807,712
Work-in-progress	13,789,026	7,134,655
Less: Closing stock		
Finished goods	131,317,268	45,421,105
Work-in-progress	27,009,727	13,789,026
Increase/ (decrease) in stock	(99,116,864)	(19,267,764)
Increase/ (decrease) in excise duty due to closing inventory	—	—
Increase/ (decrease) in stock	(99,116,864)	(19,267,764)

2.17.5 Employee benefits expense

Salaries, wages and bonus	111,603,454	97,574,136
Contribution to provident fund and other funds	9,017,176	7,139,007
Staff welfare expenses	4,994,026	4,394,525
Directors' remuneration	1,996,800	1,996,800
	127,611,456	111,104,468

2.17.6 Finance costs

Interest expense		
- on term loan from SICOM	—	48,682,717
- on cash credits	—	46,453,585
- on others	59,968	16,916,865
Bank charges	1,811,355	3,614,472
	1,871,323	115,667,639

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Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

2.17.7 Other expenses

	For the period ended March 31, 2018	For the period ended March 31, 2017
Consumption of stores and spares	18,366,457	42,452,382
Power and fuel	225,980,537	95,725,041
Rent (Note 2.24)	2,796,072	1,924,034
Packing expense	37,952,021	13,472,321
Foreiture of EMD	—	4,536,358
Repairs- Buildings	266,897	593,215
Repairs- Plant and machinery	9,501,758	2,667,667
Repairs-Others	3,213,713	2,561,521
Rates and taxes	3,560,317	4,203,702
Insurance	2,727,166	4,181,632
Vehicle hire and maintenance	4,556,288	2,926,092
Travelling expenses	5,095,376	2,853,740
Contract labour charges	45,290,425	11,836,088
Legal and professional fees	2,909,169	4,593,031
Auditors Remuneration (Note 2.22)	835,701	852,178
Cash discount	691,262	3,690,836
Freight outward	32,549,856	4,318,889
Freight Inward	17,546,474	-
Commission	654,020	
Directors sitting fee	295,800	510,000
Printing and stationery	534,348	681,255
Telephone and other communication expenses	511,531	348,105
Water expenses	1,200,000	1,178,027
Security expenses	8,569,997	2,372,043
Bad Debts written off	760,610	22,997,579
Provision for doubtful debts	—	199,350,328
Miscellaneous expenses	3,948,808	172,581,543
	430,314,605	603,407,607

Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

Note : 2.18 First time adoption of Ind AS

2.18.1 Reconciliation between Previous GAAP and Ind AS

Ind AS 101, First time adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Balance sheet

As on 31st March, 2017 along with comparative of 1st April, 2016

Particulars	Opening Balance Sheet as on 01.04.2016		As on 31.03.2017	
	As per IND AS	As per IGAAP	As per IND AS	As per IGAAP
			Adjustments	Adjustments
ASSETS				
Non-current assets				
(a) Property, plant and equipment	456,947,122	456,947,122	—	—
(b) Capital work-in-progress	60,115,831	60,115,831	—	—
(c) Intangible assets	—	—	—	—
(d) Financial Assets	15,000	15,000	15,000	15,000
(i) Investments	—	—	—	—
(ii) Loans and Advances	—	—	—	—
(iii) Other Financial assets	19,554,704	19,554,704	—	—
(e) Other Non-Financial assets	3,910,265	3,910,265	—	—
(f) Deferred Tax Asset (Net)	—	—	—	—
Total Non - Current Assets	540,542,922	540,542,922	15,000	15,000
Current assets				
(a) Inventories	366,945,743	366,945,743	—	—
(b) Financial Assets	—	—	—	—
(i) Investments	—	—	—	—
(ii) Trade receivables	436,286,739	436,286,739	—	—
(iii) Cash and cash equivalents	7,401,843	7,401,843	15,094,770	15,094,770
(iv) Bank balances other than (iii) above	12,239,133	12,239,133	—	—
(v) Loans	—	—	—	—
(vi) Other financial assets	2,884,495	2,884,495	1,778,549	1,778,549
(c) Current Tax Assets (Net)	—	—	—	—
(d) Other Current Assets	50,722,257	50,722,257	—	—
Total Current Assets	876,480,209	876,480,209	16,873,319	16,873,319
Asset held for sale	—	—	1,030,864,455	1,038,076,219
Total Assets	1,417,023,131	1,417,023,131	1,047,752,774	1,054,964,538
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	817,813,400	817,813,400	787,881,420	787,881,420
(b) Other equity	-795,843,558	-795,843,558	-1,599,279,452	-1,592,109,226
Total equity	21,969,842	21,969,842	-811,398,032	-804,227,806
				-7,211,764
				-7,211,764

Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

2.18.1 Reconciliation between Previous GAAP and Ind AS (Contd...)

Particulars	Opening Balance Sheet as on 01.04.2016				As on 31.03.2017	
	As per IND AS	As per IGAAP	IND AS Adjustments	As per IND AS	As per IGAAP	IND AS Adjustments
LIABILITIES						
Non-current liabilities						
(a) Financial Liabilities						
(i) Borrowings	136,311,072	136,311,072	—	17,015,659	17,015,659	—
(ii) Other financial liabilities	—	—	—	—	—	—
(b) Provisions	14,127,212	14,127,212	—	—	—	—
(c) Deferred tax liabilities (net)	—	—	—	—	—	—
Total Non - Current Liabilities	150,438,284	150,438,284	—	17,015,659	17,015,659	—
Current liabilities						
(a) Financial Liabilities						
(i) Borrowings	716,604,878	716,604,878	—	334,035,285	334,035,285	—
(ii) Trade payables	—	—	—	—	—	—
MSME Payables	3,654,713	3,654,713	—	—	—	—
Others	291,879,974	291,879,974	—	31,291,147	31,291,147	—
(iii) Other financial liabilities	158,833,454	158,833,454	—	—	—	—
(c) Other Current liabilities	72,132,111	72,132,111	—	—	—	—
(d) Provisions	1,509,875	1,509,875	—	—	—	—
(e) Income tax liabilities (net)	—	—	—	—	—	—
Total Current Liabilities	1,244,615,005	1,244,615,005	—	365,326,432	365,326,432	—
Liabilities held for sale	—	—	—	1,476,808,715	1,476,850,253	-41,538
Total Equity and Liabilities	1,417,023,131	1,417,023,131	—	1,047,752,774	1,054,964,538	-7,211,764

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

2.18.1 Reconciliation between Previous GAAP and Ind AS (Contd...)

Statement of Profit and Loss For the year ended 31st March,2017

Reconciliation Statement of Profit and Loss and Other Comprehensive Income

Particulars	Year ended 31-03-2017		
	IGAAP	Difference	Ind-AS
Revenue from operations	—	—	—
Other income	—	—	—
Total income	—	—	—
Expenses			
Cost of material consumed	—	—	—
Cost of traded goods	—	—	—
Change in inventory of finished goods and work-in-progress	—	—	—
Employee benefits expense	—	—	—
Finance costs	—	—	—
Depreciation	—	—	—
Other expenses	—	—	—
Total expense	—	—	—
Profit/(loss) before exceptional items and tax from continuing operations	—	—	—
Exceptional items	—	—	—
Profit/(loss) before tax from continuing operations	—	—	—
Current tax—	—	—	—
Profit for the year from continuing operations(A)	—	—	—
Current tax—	—	—	—
Profit/ (loss) for the year from discontinued operations(B)	-826,197,650	-319,011	-826,516,661
Profit/(loss) for the year(A+B)	-826,197,650	-319,011	-826,516,660.57
Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss			
a) Investment Fair Value Changes	—	—	—
Add: Deferred Tax (Fair Value Changes)	—	—	—
b) Actuarial (Gain) / Loss	—	319,011	319,011
Add: Current Tax (Actuarial Gain / Loss)	—	—	—
c) Depreciation Adjustment	—	-7,211,764	-7,211,764
(ii) Items that will be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/assets			
Total other comprehensive income, net of taxes	—	-6,892,753	-6,892,753.00
Total Income for the period	-826,197,650	-7,211,764	-833,409,413.57

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Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

2.18.1 Reconciliation between Previous GAAP and Ind AS (Contd...)

Explanations for reconciliation of balance sheet previously reported under IGAAP to IND AS

A. Property, plant and equipment

Depreciation expense was increased due to change in useful life. Remaining useful life assessed by the management for applying IND AS.

B. Revenue From operations

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented in notes to the statement of profit and loss.

C. Employee Benefit Expense

Under the Previous GAAP, these remeasurements were forming part of the profit or loss for the year.

Under Ind AS, remeasurements i.e. actuarial gains and losses, are recognised in other comprehensive income instead of the statement of profit and loss.

2.18.2 Cash Flow Statements

There were no significant reconciliation items between cash flows prepared under IGAAP and those prepared under IND AS

Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

2.19 Financial instruments

Particulars	Fair value hierarchy			
	Total	Quoted prices	Significant	Significant
		in active markets	observable	unobservable
		Level 1	Level 2	Level 3
31-Mar-18				
Financial Asset				
Investments	15,000		15,000.00	
Trade receivables	15,094,770			15,094,770
Cash and cash Equivalents	—			
Bank balances other than Cash and cash Equivalents	—			
Other Financial Assets	1,196,632			1,196,632
Total	16,306,402	—	15,000.00	16,291,402
Financial Liability				
Trade payables	4,481,294			4,481,294.21
Borrowings	351,050,944			351,050,944
Other Financial liabilities	—	—		
Total	355,532,238	—	—	355,532,238
31-Mar-17				
Financial Asset				
Investments	15,000		15,000.00	
Trade receivables	15,094,770			15,094,770
Cash and cash Equivalents	—	—		
Bank balances other than Cash and cash Equivalents	—	—		
Other Financial Assets	1,778,549			1,778,549
Total	16,888,319	—	15,000.00	16,873,319
Financial Liability				
Trade payables	31,291,147			31,291,147
Borrowings	351,050,944			351,050,944
Other Financial liabilities	—	—		
Total	382,342,091	—	—	382,342,091
31-Mar-16				
Financial Asset				
Investments	15,000		15,000	
Trade receivables	436,286,739			436,286,739
Cash and cash Equivalents	7,401,843			7,401,843
Bank balances other than Cash and cash Equivalents	12,239,133			12,239,133
Other Financial Assets	22,439,199			22,439,199
Total	478,381,914	—	15,000.00	478,366,914
Financial Liability				
Trade payables	295,534,687			295,534,687
Borrowings	852,915,950			852,915,950
Other Financial liabilities	158,833,454			158,833,454
Total	1,307,284,091	—	—	1,307,284,091

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Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

2.20 As at March 31, 2018 the accumulated losses amounted to Rs.1,84,28,99,953/- which has completely eroded the networth of the Company.

Notwithstanding the losses, the financial statements have been prepared on a going concern basis based on a Comfort letter received from promoters of the Company for continued support to the company with all necessary assistances including financial and operational, pending finalisation and crystallisation of business plans consequent to Business Transfer Agreement entered into with Blue Craft Agro Private Limited (BAPL) as stated in Note 2.16.1.

2.21 Capital commitments and contingent liabilities

Particulars	As at	
	31 March 2018	31 March 2017
i. Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for	14,000,000	14,000,000
ii. Contingent liabilities		
a. Customs and sales tax	10,386,163	10,386,163
b. Claim against the Company not acknowledged as debts	19,714,440	19,714,440
c. Excise Duty	85,242,349	85,242,349
d. Service Tax	2,150,793	-

2.22 Legal and professional charges includes the statutory auditors' remuneration (excluding service tax/ GST) as given below:

Particulars	As at	
	31 March 2018	31 March 2017
Audit fees	450,000	450,000
Other services	300,000	300,000
Total	750,000	750,000

2.23 Employee benefits

Defined contribution Plan:

The company makes contributions, determined as a specified percentage of employee's salaries, in respect of qualifying employees towards provident fund and employee state insurance, which are defined contribution plans. The company has no obligations other than the above to make specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident fund and employee state insurance aggregated to Rs. 70,05,674/- previous year (Rs. 71,39,007/-).

Defined benefit plan:

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

Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

Notwithstanding the losses, the financial statements

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 2018	As at 31 March 2017
Obligation at beginning of the year	14,143,890	12,757,825
Current service cost	2,320,244	915,435
Interest cost	1,131,511	1,020,626
Past service cost	307,718	-
Actuarial (gain)/ loss	18,063,390	(549,996)
Benefits paid	-	-
Obligation as at the end of the year	35,966,753	14,143,890
Current Portion	1,910,000	1,114,569
Non- Current Portion	34,056,754	13,029,321

Expense recognised in the Statement of Profit and Loss

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	2,320,244	915,435
Interest cost	1,131,511	1,020,626
Expected return on plan assets	-	-
Past service cost	307,718	-
Net actuarial loss/(gain) recognised in the year	18,063,390	(549,996)
Amount in "Employee benefits expense"	21,822,863	1,386,065

Amount recognised in balance sheet

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-14
Present value of funded obligations	3,59,66,753	14,143,890	12,757,825	10,090,815	14,165,792
Fair value of plan assets	—	—	—	—	—
Net liability	3,59,66,753	14,143,890	12,757,825	10,090,815	14,165,792

Summary of actuarial assumptions

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount Rate (p.a.)	8.00%	8.00%
Salary escalation rate (p.a.)	8.00%	5.00%

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

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

The Company does not have any plan assets.

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Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

2.24. Leases

The Company has taken office facilities on lease under cancellable and non-cancellable operating lease arrangements. The total rental expenses under cancellable operating lease was INR 6,00,000 /- (previous year INR 17,29,266) has been included under "Rent" in the Statement of Profit and Loss. An amount of Rs. Nil (previous year INR Nil) was remitted as non cancellable lease amount.

2.25. Income tax expense

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

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

2.26. Earnings per share (EPS)

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

Particulars	For the year ended	
	31 March 2018	31 March 2017
Net profit/(Loss) for the year from continued operations	-	-
Net profit/(Loss) for the year from discontinued operations	(212,688,522)	(833,409,414)
+Less : Preference dividends including tax on dividends	-	-
Net profit for calculation of basic earnings per share from discontinued operations	(212,688,522)	(833,409,414)
Number of equity shares outstanding at the beginning of the year	78,788,142	78,788,142
Add: Equity shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	78,788,142	78,788,142
Weighted average number of equity shares outstanding during the year - (Basic and Diluted)	78,788,142	78,788,142
Earnings per share of par value Rs.10 - Basic/Diluted	(2.70)	(10.58)

2.27. Related party transactions

A) Related parties

Key management personnel (KMP) represented on the Board of Directors
T Sandeep Kumar Reddy, Chairman and Promoter Director
C V Rayudu, Whole Time Director
T Sarita Reddy, Director, Wife of Chairman and Promoter Director

Enterprises where key management personnel have control or significant influence

Deep Corporation Private Limited

Notes to the financial statements for the period ended March 31, 2018 (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 2018	For the year ended 31 March 2017
Finance Cost		
T Sandeep Kumar Reddy	—	1,098,910
	—	1,098,910
Rent paid		
Deep Corporation Private Limited	1,777,332	17,29,266
	1,777,332	1,729,266
Sitting Fees Paid		
T Sandeepkumar Reddy	48,000	84,000
T Sarita Reddy	60,000	96,000
	108,000	180,000
Managerial remuneration		
C V Rayudu	1,996,800	1,996,800
	1,996,800	1,996,800

C) Balances payable to related parties are as follows:

Nature of Balance	As at 31 March 2018	As at 31 March 2017
Unsecured loans		
T.V. Sandeep Kumar Reddy	17,015,659	17,015,659
	17,015,659	17,015,659

2.28. Segment reporting

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

2.29. Particulars of sales and closing stock

(A) For the year ended 31 March 2018

Particulars	Sales for the year ended 31 March 2018	Closing stock as on 31 March 2018	Closing stock as on 31 March 2017
Starch	1,014,087,586	85,754,380	14,001,960
Sorbitol	289,488,777	14,613,181	21,742,500
By-Products	431,496,059	30,949,707	9,676,645
Trading	-	-	-
Total	1,735,072,422	131,317,268	45,421,105

(B) For the year ended 31 March 2017

Particulars	Sales for the year ended 31 March 2017	Closing stock as on 31 March 2017	Closing stock as on 31 March 2016
Starch	499,112,148	14,001,960	29,255,559
Sorbitol	117,523,087	21,742,500	2,229,971
By-Products	177,175,614	9,676,645	1,322,182
Trading	-	-	-
Total	793,810,849	45,421,105	32,807,712

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Notes to the financial statements for the period ended March 31, 2018 (Continued)

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

2.30. Consumption of Raw materials

Particulars	For the year ended 31-Mar-18	%	For the year ended 31-Mar-17	%
Indigenous				
Maize	1,387,498,360	89.95	432,609,206	95.01
Chemicals	56,440,735	3.66	11,839,575	2.60
Others	98,661,142	6.40	10,883,646	2.39
Total	1,542,600,238	100	455,332,427	100

2.31. Consumption of stores and spares

Particulars	For the year ended 31-Mar-18	%	For the year ended 31-Mar-17	%
Imported	-	-	-	-
Indigenous	18,366,457	100	42,452,382	100
Total	18,366,457	100	42,452,382	100

2.32. CIF value of imports

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

2.33. Expenditure in foreign currency

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

2.34. Earnings in foreign currency

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Exports on FOB basis	-	-
Total	-	-

2.35. Balances in the accounts of various parties appearing in these statements are subject to confirmations and reconciliations.

2.36. The figures of earlier periods have been re-grouped, to be in conformity with current period's classification.

For Gayatri BioOrganics Limited

T.V. Sandeep Kumar Reddy

Chairman

DIN : 00005573

C V Rayudu

Director

DIN : 03536579

Place: Hyderabad

Date: 30-05-2018

GAYATRI BIOORGANICS LIMITED

6-3-1090, B - Block, 3rd Floor, TSR Towers, Rajbhavan Road, Somjiguda, Hyderabad – 500 082.
Ph: 66100111/66100222, Fax: 66100333, E-mail: info@gayatribioorganics.com
CIN: L24110TG1991PLC013512

PROXY FORM

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual general meeting of the company, to be held on Wednesday, 19th day of September, 2018 at 12:00 P.M at the "FTAPCCI Surana Auditorium", The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad - 500 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions
1.	Adoption of Audited Financial Statement for the Financial Year 2017-18
2.	Re-appointment of Sri. T.V. Sandeep Kumar Reddy (DIN: 00005573) as the Director who retires by rotation
3.	To appoint Auditors and fix their remuneration.
4.	Ratification of remuneration of the Cost Auditors of the Company for the year 2018-19

Signed this..... day of..... 2018.

Signature of shareholder:

Signature of Proxy holder(s):

Affix
Re. 1/-
revenue
stamp

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

27th Annual Report 2017-2018

GAYATRI BIOORGANICS LIMITED

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

CIN: L24110TG1991PLC013512

ATTENDANCE SLIP

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

Regd Folio No:

No. of Shares held

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

IN CASE OF PROXY

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

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

I hereby record my presence at the 27th Annual general meeting of the company, to be held on **Wednesday, 19th day of September, 2018 at 12:00 P.M at the "FTAPCCI Surana Auditorium", The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad - 500 004**

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
-


Google Maps

TSR Towers to FAPCII, Hyderabad, Telangana

Drive 3.1 km, 12 min



Map data ©2015 Google 500 m

 via Raj Bhavan Rd and NH 9 **12 min**
9 min without traffic · 3.1 km

Details

 via Raj Bhavan Rd 14 min

 Hyderabad Decan Local  16 min

If undelivered, please return to:

Gayatri BioOrganics Limited
(Formerly Gayatri Starchkem Limited)

6-3-1090, B - Block,
3rd Floor, TSR Towers,
Rajbhavan Road, Somajiguda,
Hyderabad – 500 082.

Ph : 66100111, Fax : 66100333

E-mail: info@gayatribioorganics.com